



## **ASX Announcement**

October 8, 2010

### **NOTIFICATION OF TAKEOVER APPROACH**

The Board of Northern Energy Corporation Limited (**ASX:NEC**) ("Northern Energy") announces that it has received a non-binding indicative approach from New Hope Corporation (**ASX:NHC**) ("New Hope") to acquire 100% of Northern Energy. The proposal is subject to a number of pre-conditions including due diligence and proposes a cash price that represents a premium to the last sale price prior to the trading halt. The proposal states that it is non-binding, indicative only in nature and not capable of acceptance.

After careful consideration of the proposal and its conditions, and, after taking financial and legal advice, the Board considers the proposal to be inadequate and has informed New Hope of this view. The Board has also informed New Hope that it is open to continuing discussions and will consider any proposal that is in the best interests of shareholders. The Board has elected to keep confidential the terms of the proposal, in order to not impede further discussions, if required.

The Board recommends that shareholders take no action for the moment until otherwise advised.

The Board believes that Northern Energy is one of the few junior Australian coal stocks with a substantial coal inventory and coal production which is planned for 2012, and as such represents good value for shareholders. The existing portfolio also offers long term growth from existing delineated resources and further exploration to create additional value.

"It comes as no surprise that we have received this approach" said Chairman Chris Rawlings. "We have a substantial inventory of hard coking and thermal coal and are well positioned to develop our first mining operation, at Maryborough, upon receipt of environmental approvals."

Although the proposal is highly conditional, the Board of Northern Energy considers that disclosure to ASX is warranted in the interests of good corporate governance and to keep the market and its shareholders informed. The company will continue to provide the market with relevant updates, should matters progress.

Further information on Northern Energy is available on the company website at [www.northernenergy.com.au](http://www.northernenergy.com.au).

The Board has appointed Merrill Lynch as its corporate advisers.

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