Northern Energy Corporation Limited

ASX Announcement

October 8, 2010

NORTHERN ENERGY CORPORATION RECEIVES UNSOLICITED TAKEOVER OFFER FROM NEW HOPE CORPORATION

The Board of Northern Energy Corporation Limited (**ASX: NEC)** ("Northern Energy") notes the announcement today by New Hope Corporation Limited (**ASX:NHC)** ("New Hope") in relation to a $1.50 per share all cash off-market takeover offer to acquire all the outstanding Northern Energy shares that it does not already own.

The offer from New Hope is unsolicited and is subject to numerous conditions including a 50.1% minimum acceptance of the offer.

The offer is different to the proposal considered by the Board and rejected as communicated to the market earlier today. The offer is yet to be considered by the Board. At this time the Board recommends that Northern Energy shareholders TAKE NO ACTION pending further advice from the Board.

The Directors of Northern Energy will keep shareholders and the market informed of further developments as and when they occur.

Further information on Northern Energy is available on the company website at www.northernenergy.com.au.

The Board has appointed Merrill Lynch as its corporate advisers.

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