



ASX Announcement

October 22, 2010

NORTHERN ENERGY CORPORATION CONFIRMS REJECTION OF NEW HOPE CORPORATION'S UNSOLICITED TAKEOVER OFFER FOLLOWING RECEIPT OF BIDDER'S STATEMENT

Northern Energy Corporation Limited (ASX:NEC) has today received from New Hope Corporation (ASX:NHC) the Bidder's Statement in relation to New Hope's unsolicited takeover offer.

The Board continues to advise Northern Energy shareholders to TAKE NO ACTION in relation to New Hope's offer.

Further details which support the Board's rejection of the offer will be provided in Northern Energy's Target's Statement, which will be sent to shareholders in due course.

The Board notes that there has been no revision to the inadequate offer price of \$1.50 per share, nor to the conditions of the offer, which materially undervalues Northern Energy. Therefore the Board has no cause to reconsider its unanimous rejection of the offer, announced to the ASX on October 14, 2010. In that announcement, the Board noted that:

- Maryborough and Elimatta are high quality growth assets with significant further value to be unlocked
- The offer does not reflect the inherent value in Northern Energy's total portfolio of assets (which include further coal projects at Yamala and Ashford) nor does it reflect the strategic value of Northern Energy's project pipeline
- The offer is highly opportunistic and has been timed to take advantage of short term share price weakness associated with the MRRT and delays in mine approvals

"There is nothing material in the Bidder's Statement that would cause the Board to alter its view that the offer is inadequate," said Dr Chris Rawlings, Chairman of Northern Energy.

"This offer has come as the company is on track to begin coking coal production at Maryborough in 2012 with our mine and transport infrastructure plans advancing to the final design / executable documentation stage."

"We are also currently testing several expansion options at the Colton hard coking coal mine at Maryborough and our plans for future thermal coal production at Elimatta are well advanced."

"We are confident that during 2011 the market will support Northern Energy's capital requirement of \$84 million to bring the Colton mine into production by 2012. The cash flow generated by the Colton mine's production will enhance the Company's capital position and support the development of the Elimatta thermal coal mine over the next five years", Dr Rawlings said.

"It is important that shareholders **take no action** until they have considered all of the information that will be provided in our Target's Statement" he said.

The Target's Statement is expected to be sent to shareholders during November.

Contact details:

Keith Barker
Managing Director
+61 7 3303 0695
0417 646 715

Paul Marshall
Company Secretary
+61 7 3212 9212

David Wood
Merrill Lynch
+61 2 9225 6518
0413 922 738

Media:
Ian Brown
First Advisers
+61 2 8011 0352

NORTHERN ENERGY CORPORATION LIMITED

A.C.N. 081 244 395

Mail Address
GPO Box 5283
BRISBANE QLD 4001

Street Address:
Level 5, 60 Edward Street
BRISBANE QLD 4000

Phone: (07) 3303 0695
Fax: (07) 3303 0601
Email: admin@northernenergy.com.au