Northern Energy Corporation Limited

ASX Announcement

January 18, 2011

Takeovers Panel Declines New Hope Request for Declaration of Unacceptable Circumstances

Northern Energy (ASX: NEC) welcomes the Takeover Panel's decision today that it has declined to make a declaration of unacceptable circumstances in response to New Hope Corporation's (ASX: NHC) application dated 10 December 2010 in relation to the affairs of Northern Energy Corporation Ltd.

Northern Energy will release a Supplementary Target's Statement, Independent Expert's Report and Technical Report, as agreed with the Panel, in due course which will be mailed to shareholders.

In relation to the valuation provided by the Independent Expert we note there have been no changes to the valuation ranges previously disclosed to shareholders. The Independent Expert's preferred lower valuation range of $2.70 - $3.99, which was included in the Target's Statement sent to shareholders on 23 November 2010, is substantially higher than New Hope's Offer of $1.50 per share and the Directors of Northern Energy continue to advise shareholders to take no action in relation to New Hope's Offer.

For and on behalf of the Board
Paul Marshall
Company Secretary

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