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18 January 2011

Our reference
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02-2025-4605

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Arkdale Pty Ltd (a wholly owned subsidiary of New Hope Corporation Limited, ASX: NHC) (New Hope Bidco) – takeover bid for Northern Energy Corporation Limited (Northern Energy, ASX: NEC)

We attach, by way of service, in accordance with subsection 647(3)(b) of the *Corporations Act 2001* (Cth), a copy of a third supplementary bidder's statement dated 18 January 2011 in relation to New Hope Bidco's off-market takeover bid for ordinary shares in Northern Energy.

A copy of the third supplementary bidder's statement has been lodged with ASIC and sent to Northern Energy today.

Yours faithfully

Blake Dawson

THIRD SUPPLEMENTARY BIDDER'S STATEMENT

by

Arkdale Pty Ltd

ABN 99 118 299 522

a wholly owned subsidiary of

New Hope Corporation Limited

ABN 38 010 653 844

in respect of the offer to acquire all of your shares in

Northern Energy Corporation Limited

ABN 90 081 244 395

THIRD SUPPLEMENTARY BIDDER'S STATEMENT BY ARKDALE PTY LTD
ABN 99 118 299 522

This statement is the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**) to the bidder's statement (**Original Bidder's Statement**) of Arkdale Pty Ltd ABN 99 118 299 522 (**New Hope Bidco**) dated 22 October 2010 given in connection with the takeover bid by New Hope Bidco for ordinary shares in Northern Energy Corporation Limited ABN 90 081 244 395 (**Northern Energy**).

This Third Supplementary Bidder's Statement must be read together with the Original Bidder's Statement, the first supplementary bidder's statement dated 25 October 2010, the replacement bidder's statement dated 25 October 2010 (**Replacement Bidder's Statement**) and the second supplementary bidder's statement dated 9 December 2010.

A copy of this Third Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 18 January 2011. Neither ASIC nor its officers takes any responsibility for the contents of this Third Supplementary Bidder's Statement.

Defined terms

Unless the context requires otherwise, terms not defined in this Third Supplementary Bidder's Statement have the same meaning given to them in the Replacement Bidder's Statement.

Offer Information Line

For information regarding your Northern Energy Shares, the Offer or how to accept the Offer please read the Replacement Bidder's Statement and this Third Supplementary Bidder's Statement. If you still need assistance please contact the Offer Information Line on:

For Australian callers:	1800 351 644
For international callers:	+61 2 8256 3381

NEW HOPE WELCOMES TAKEOVERS PANEL DECISION

New Hope welcomes the decision of the Takeovers Panel to accept an undertaking from Northern Energy to correct a number of information deficiencies in Northern Energy's Target's Statement issued on 23 November 2010 in response to New Hope's Offer.

The Panel's decision followed an application by New Hope Bidco which identified a number of information deficiencies in Northern Energy's Target's Statement, including material deficiencies in the Independent Expert's Report and the Technical Report which accompanied the Target's Statement.

Although New Hope welcomes such additional disclosure, it considers that the Independent Expert's valuation continues to be flawed for the reasons outlined in New Hope's announcement set out in Annexure A.

DATED 18 January 2011

Signed on behalf of Arkdale Pty Ltd by Peter Robinson who is authorised to sign by a resolution passed at a meeting of the directors of Arkdale Pty Ltd.

Director

ANNEXURE A

New Hope Announcement

New Hope Corporation Limited
ABN 38 010 653 844

Contact
Phone: +61 7 3418 0500
Fax: +61 7 3418 0355

18 January 2011

New Hope welcomes Takeovers Panel Decision

New Hope Corporation Limited ("New Hope") welcomes the decision of the Takeovers Panel to accept an undertaking from Northern Energy Corporation Limited ("Northern Energy") to correct a number of information deficiencies in Northern Energy's Target's Statement in response to New Hope's $1.50 per share takeover offer for Northern Energy.

In December 2010, New Hope lodged an application with the Takeovers Panel identifying a number of information deficiencies in Northern Energy's Target's Statement, including material deficiencies in Lonergan Edwards' Independent Expert's Report and the Technical Report by John T Boyd.

Northern Energy has given an enforceable undertaking to make significant additional disclosures to correct information deficiencies in its original Target's Statement. Although New Hope welcomes such additional disclosure, it considers that the Independent Expert's valuation continues to be flawed for the following reasons:

- **Lonergan Edwards has conceded that its lower valuation range is more appropriate to Northern Energy shareholders**. However, New Hope considers that even the lower valuation range has not been appropriately risk weighted for all of the issues currently facing Northern Energy and its projects[1], rather it has merely been adjusted for a dilutionary capital raising by Northern Energy to only partially fund its Maryborough Project.

- **New Hope also notes that Lonergan Edwards' high valuation range is above the average unrisked value per share of $3.24 assessed by brokers which cover Northern Energy[2].** This suggests that Lonergan Edwards' high valuation range is equivalent to an unrisked valuation of Northern Energy.

- **The brokers that cover Northern Energy have conducted risk weighted valuations of the company's projects. New Hope considers that risk weighted valuations reflect a more commercially realistic value of Northern Energy.** New Hope notes that the median risk weightings for the Maryborough, Elimatta and Yamala projects assessed by brokers which published risk weightings[3] are 56%, 50% and 33% respectively.

- **In calculating the lower valuation range for Northern Energy shares, the Independent Expert's Report assumes that Northern Energy is able to raise $60 million in capital at prices ranging from $1.00 to $1.50 per share. However, that amount is approximately 50% of Northern Energy's market capitalisation prior to New Hope's approach.** At that time, Northern Energy shares were trading at $0.95. The assumed

[1] Please refer to New Hope's Replacement Bidder's Statement and investor presentation released to the ASX on 1 December 2010 for a summary of the key risks facing Northern Energy and its projects.
[2] The average brokers' estimates are based on an aggregate of six brokers from 11 October 2010 to 7 December 2010. The unrisked valuation range is $1.94 to $4.14 per share and the risked valuation range is $1.26 to $2.55 per share. The calculations are based on all the publicly available broker valuations known to New Hope that were published subsequent to the announcement of its takeover offer for Northern Energy on 8 October 2010. With one exception, all broker reports were published after the release of Northern Energy's Target's Statement. The directors of New Hope Bidco do not adopt the average values cited.
[3] Five of the six brokers published risk weightings. The average broker risk weightings for the Maryborough, Elimatta and Yamala projects are 64%, 52% and 48% respectively.

capital raising also ignores the $580 million required to fund Northern Energy's Elimatta Project.

- **New Hope also highlights that the assumed coal produced at Maryborough exceeds stated JORC reserves by 93.1 million tonnes** (16.8 times the current reserve number). The Independent and Technical Experts have included 100% of Maryborough's Inferred Resources in the valuation of the Project, however it should be noted that Inferred Resources do not convert to reserves due to the lower level of confidence in the resource estimates. Under the JORC code[4], only resources at a Measured or Indicated level of confidence can be considered for determination of the calculation of a reserve.

New Hope notes Northern Energy had inappropriately presented exploration targets as JORC compliant resources, which New Hope considers created a false and misleading impression that Northern Energy's stated total JORC-compliant resources were up to approximately 70% above their actual amount[5].

New Hope Chairman Robert Millner said: "We welcome Northern Energy providing additional supplementary disclosure, however New Hope believes that Northern Energy's directors continue to rely on fundamentally flawed valuation ranges when recommending rejection of New Hope's offer.

"New Hope's $1.50 a share cash offer remains the only offer on the table for Northern Energy shareholders and without the New Hope offer the value of Northern Energy shares is likely to decline significantly.

"We encourage Northern Energy shareholders to give serious consideration to New Hope's cash offer, which we believe is compelling and provides certainty for Northern Energy shareholders."

ENDS

MEDIA/FURTHER INFORMATION

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[4] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, 2004 Edition

[5] As presented on a 100% basis.

ABOUT NEW HOPE CORPORATION

New Hope is an independent, energy company which has open cut mines at Acland on the Darling Downs, and at Rosewood near Ipswich. The company focuses on niche marketing of its thermal coal and exports around 80% of coal production to Asia Pacific markets including Japan, Taiwan, Korea and Chile with the remainder being consumed by customers in south-east Queensland.

The company also holds various exploration tenements in central Queensland and on the Darling Downs in southern Queensland. New Hope's investments include a 100 per cent shareholding in Queensland Bulk Handling, a common user coal export terminal at the Port of Brisbane, and significant land holdings around Ipswich and near its mining operations at Acland.