Northern Energy Corporation Limited

Takeover Offer Update

February 18, 2011

Northern Energy Corporation Limited (ASX: NEC) provides the following update to shareholders regarding the revised takeover Offer from New Hope Corporation Limited (ASX: NHC) dated 10 February 2011:

- As announced to the market on 11 February 2011, Northern Energy remains actively engaged in identifying possible alternatives to the NHC bid, and remains in discussions with interested parties;

- As at the date of this announcement, no proposal has been received, however discussions are ongoing;

- Your directors consider it would be premature and potentially prejudicial to shareholders to make any recommendation to shareholders regarding the NHC bid at this stage, whilst it remains unclear as to whether a favourable proposal will be received from third parties.

- In light of this position, your directors continue to recommend that Northern Energy shareholders **TAKE NO ACTION** in relation to NHC's revised offer at this time.

- Your directors are conscious of the impending closing date of the NHC bid on 25 February 2011 and will make a further announcement, which it is proposed will include a recommendation in relation to the NHC bid, as soon as possible following the conclusion of discussions with third parties.

A Northern Energy Information Line relating to the revised Offer is in operation.

1300 560 339 or **+61 2 8011 0354 9 a.m. to 5 p.m. AEDST weekdays**.

For and on behalf of the Board

Paul Marshall
Company Secretary

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