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29 August 2011

New Hope offer to acquire the minority interests in Northern Energy

- New Hope announces an unconditional, cash offer for Northern Energy of \$2.00 per Northern Energy share
- Offer represents a premium of 32.6% to Northern Energy's 1 month VWAP of \$1.52 up to and including 26 August 2011 (being the last trading before New Hope announced the Offer)
- Offer is 'best and final' meaning that New Hope will not increase the Offer price
- Offer is not subject to any conditions
- New Hope has a relevant interest in 80.83% of Northern Energy's shares. In light of this relevant interest, New Hope considers it highly unlikely that a competing proposal will emerge
- Northern Energy has provided its consent to early despatch of the bidder's statement, allowing the Offer to open today

New Hope Corporation Limited ("New Hope") [ASX: NHC] announces a **\$2.00** per share all-cash, off-market takeover offer to acquire all the outstanding Northern Energy Corporation Limited ("**Northern Energy**") [ASX: NEC] shares not already owned by New Hope¹ ("Offer").

The Offer values the shares not already owned by New Hope at approximately \$50 million.

ATTRACTIVE PREMIA

The Offer will deliver an attractive premium and certainty of cash consideration to Northern Energy shareholders. In particular the Offer of \$2.00 cash per Northern Energy share represents:

- a premium of 29.0% to the closing price of \$1.55 per Northern Energy share on 26 August 2011, being the trading day before New Hope announced the Offer;
- a premium of 32.6% to the 1 month VWAP of \$1.509 per Northern Energy share up to and including 26 August 2011; and
- a premium of 32.0% to the 3 month VWAP of \$1.515 per Northern Energy share up to and including 26 August 2011.

In addition, payment terms under the Offer have been accelerated² so that Northern Energy shareholders who validly accept the Offer will be paid within 10 business days of that valid acceptance.

¹ New Hope has a relevant interest in 80.83% of the shares of Northern Energy.

Reasons why Northern Energy shareholders should accept New Hope's Offer

1. The Offer represents an attractive premium to Northern Energy's recent trading prices
2. Northern Energy shares are highly illiquid and you may have limited alternative opportunities to exit your investment at or near to the Offer price
3. The Offer price will not be increased and it is unlikely that any competing proposal will emerge due to New Hope's controlling interest in Northern Energy
4. Northern Energy's share price may decline when New Hope's Offer closes
5. Northern Energy needs substantial development capital in the short and medium term:
 - Northern Energy has future funding requirements of \$664 million, including a requirement of approximately \$240 million over the next 12 months
 - If you remain a shareholder in Northern Energy, you may be asked to participate in a capital raising to satisfy this funding requirement. If you do not participate your shareholding will be diluted.
6. If New Hope acquires at least 90% of the Northern Energy shares, it will seek to compulsorily acquire your remaining Northern Energy shares. If this occurs, it will take longer for you to receive payment for your Northern Energy shares than if you accept the Offer.

New Hope Chairman Mr Robert Millner said: *"the Offer provides Northern Energy's minority shareholders with an opportunity to realise an attractive premium for their shares at a time when global equity markets are experiencing significant uncertainty. Northern Energy has future funding requirements of approximately \$640 million and this Offer allows shareholders who don't want to participate in future capital raisings to exit their investment without being diluted"*.

NO CONDITIONS

The Offer is unconditional.

FUNDING

New Hope intends to finance the acquisition from existing cash reserves.

ON-MARKET ACQUISITIONS

New Hope announces, in accordance with ASIC/ASX Market Integrity Rule 6.2.1, that it, or its wholly owned subsidiary Arkdale Pty Ltd³, may purchase Northern Energy shares on-market during the bid period for prices at or below \$2.00 per share.

TIMETABLE

Monday, 29 August 2011	Lodgement of Bidder's Statement with ASIC, ASX and Northern Energy
Monday, 29 August 2011	Despatch of Bidder's Statement commences and Offer opens
Thursday, 13 October 2011	Offer Close (unless extended)

Pitt Capital Partners is acting as financial advisor and Blake Dawson is acting as legal advisor to New Hope.

ENDS

² When compared to the payment terms required under the *Corporations Act 2001* (Cth).

³ Arkdale Pty Ltd is the beneficial owner of the Northern Energy shares in which New Hope has a relevant interest.

MEDIA / FURTHER INFORMATION

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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 65% of coal production to overseas markets including Japan, China 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