



ASX Announcement/Media Release

30 October 2007

Northern Energy advances mine development planning

Northern Energy Corporation (ASX code: NEC) will step up activity throughout the Company's portfolio of prospective coal projects in Queensland and New South Wales over the next six months to accelerate its transformation from explorer towards becoming a mine developer.

NEC Managing Director Keith Barker said the Company was entering a new phase as part of its strategy to build shareholder value by progressing the opportunities within project areas defined over the past two years and exploring new target areas.

The current objectives include:

- Infill drilling at Elimatta with the objective of upgrading both the Resource's size and quality to enable commencement of feasibility studies. This drilling programme commenced in the June quarter is ongoing and the current programme is planned to bring a significant proportion of the Resource to measured status leading to the commencement of a bankable feasibility study in 2008;
- Progressing the \$2-million, Stage 2 of the Yamala exploration programme towards completion over the next 12 months;
- A further short, drilling programme at Maryborough designed to support the development concepts already identified and seek to pursue early mine development if drilling is successful; and
- Progressing mining, processing, infrastructure and environmental studies for each project with the objective of moving toward development approvals.

"This programme is designed to build on the strong platform for growth established by our exploration success over the past 12 months," Mr Barker said.

The Company has also identified additional areas for exploration in northern New South Wales and southern Queensland where it is targeting further Ashford and Elimatta-style deposits.

Mr Barker said Northern Energy was also looking to advance negotiations on infrastructure access in the coming quarter, following further positive developments in relation to rail and port options during the past quarter.

"Northern Energy is in discussion with port and rail infrastructure providers with regard to throughput capacity on the Surat Rail and at the Wiggins Island Coal Terminal relating to both the Elimatta and Yamala Projects," he said.

“There have also been further discussions with various parties regarding transport infrastructure options for any mine development at Maryborough.”

Mr Barker said the Port of Brisbane Authority, which now manages the Port of Bundaberg, had indicated an interest in providing access to the port for coal exports and a number of alternative transport models have been identified for evaluation.

“Discussions are also being held with Central Queensland Ports Authority and QR Network Access about the potential for railing Maryborough coal to and shipping from Gladstone,” he said.

Mr Barker said the recent announcement by ATEC Limited of the intention to construct the Border Railway Project - a heavy haul rail link between Moree in NSW and Toowoomba in Queensland - was a further positive development for NEC’s Ashford project.

The rail link would bring a high-standard, modern, transport connection closer to the Ashford deposit and enhance the prospects of establishing a mine development.

For further information please contact

Keith Barker
Managing Director
07 3303 0695
0417 646 715
www.northernenergy.com.au