



Northern Energy Corporation Limited

ABN 90081244395

Level 5 Santos House 60 Edward St. Brisbane 4000

18 February 2005

Australian Stock Exchange Limited
Company Announcements Office
Level 10
20 Bond Street
Sydney NSW 2000

Completion of Acquisition of Coal Interests

The Company is pleased to announce that it has completed settlement of the acquisition of all of the issued capital of Taroom Coal Pty Ltd and the Ashford Coal Projects in accordance with approvals given by shareholders at the Annual General Meeting on 20 January 2005 and as set out in the prospectus dated 10 January 2005.

Allotment and Issue of Shares

Full details of the various securities issued by the Company will be set out in an Appendix 3B to be released immediately following this announcement.

The Company confirms the following issues of ordinary shares fully paid on 17 February 2005:

- 4,500,000 shares to the vendor of the shares in Taroom Coal Pty Ltd;
- 10,658,947 shares to the vendor of the Ashford Coal Projects, Renison Consolidated Mines NL, and its permitted nominees;
- 8,170,000 shares issued at \$0.125 per share pursuant to the placement to raise \$1,021,025 approved at the Annual General Meeting; and
- 20,000,000 shares issued at \$0.20 per share pursuant to public offers under the prospectus.

The Company confirms that all holding statements were mailed for issuer sponsored holders and CHES messages were sent in relation to broker sponsored holders on 17 February 2005.

The Company is now in the final stages of satisfying the requirements of ASX to seek reinstatement of the Company's securities to the official list of ASX, which is expected to occur during the week commencing 21 February 2005.

Grant of Options

Pursuant to approvals granted at the Annual General Meeting, 4,000,000 options were granted over ordinary shares in the Company, exercisable on or before 1 February 2008. The exercise price for 2,500,000 of these options is \$0.25 per share and the exercise price for the remaining 1,500,000 options is \$0.30 per share.

The Company will not be making application to list these options.

Appointment and Resignation of Directors

Following completion of the acquisition of the coal assets and in accordance with approvals given at the Annual General Meeting, Richard Seville and Christopher Rawlings were appointed as directors of the Company on 17 February 2005.

The settlement of the transactions was previously announced as the time of resignation of Tim Kestell and Graeme Boden as directors and the Board resolved this to be effective also on 17 February 2005. The Board wishes to thank Messrs Kestell and Boden for their valued contribution to the Company and wishes them well for the future.

Appointment and Resignation of Company Secretary

The Board has resolved to accept the resignation of Graeme Boden as Company Secretary, with effect from 17 February 2005, and to appoint Paul Marshall as the new Company Secretary, also effective from that date.

Further announcements to the market will be made over the next few trading days as the Company progresses towards relisting.

Yours faithfully

Northern Energy Corporation Limited



Sam Willis

Non executive Director