

Northern Energy Corporation Limited



ASX Small to Mid Cap Conference Singapore

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Investment Highlights

- NEC is in transition from explorer to developer status through a portfolio of multiple projects with diversity in coal type, location and mining method
- The Maryborough hard coking coal project provides low capital costs, 500,000tpa production commencing in 2011 and further production growth potential
- Signed LOM offtake agreement for 65% of Maryborough production. Offtake partner also strategic shareholder (12.7%) in NEC
- Development of Elimatta Thermal Coal Project (2013/14) will transform NEC into a +6Mtpa producer
- Portfolio offers longer term growth from existing delineated resources - Yamala and Ashford projects (2014→) and further exploration
- NEC retains 100% ownership of the Maryborough and Elimatta projects and in JV with an international trading house in Yamala
- Experienced Board with diverse experience and significant investment in the company (10.9%)

Northern Energy – A Snapshot

Capital Structure Summary

Ticker	NEC
Share price (as at 24 May 2010)	A\$1.10
Issued shares ⁽¹⁾	128.4m
Market capitalisation (undiluted) ⁽²⁾	A\$140.1m
12 month high / low	A\$1.74 / A\$0.33
Available Cash ⁽³⁾	A\$25m

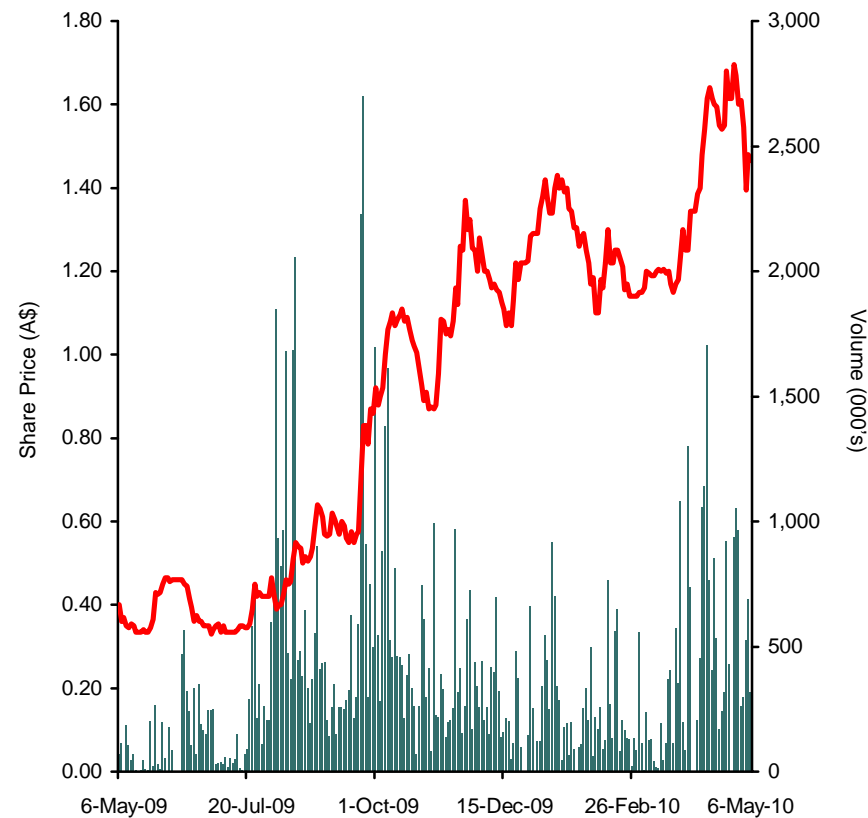
Significant Shareholders

Xinyang Iron & Steel	12.7%
Directors Interests	10.9%
Aviva Corp	4.8%

JV Partners

Sojitz Corporation	17% Yamala
Renison Cons. Mines	50% Ashford

LTM Share Price Performance

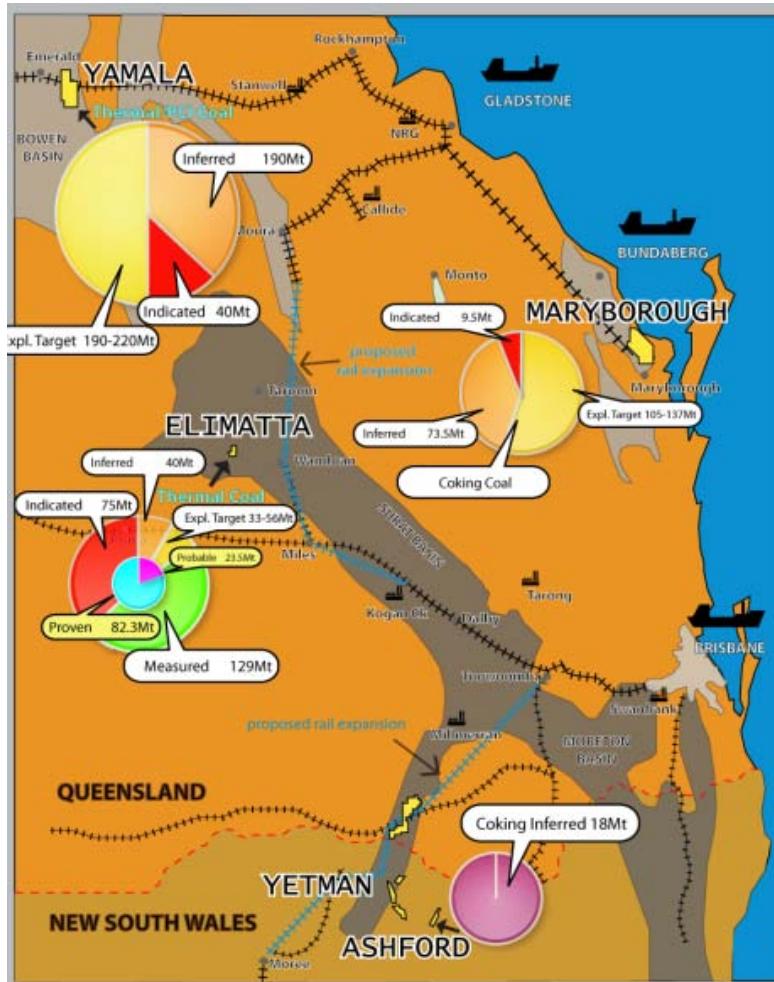


(1) Includes 16,315,000 shares issued to Xinyang under A\$23 million capital raising completed 14 May

(2) Based on pro forma shares on issue of 128,420,838

(3) Excludes additional cash backing infrastructure guarantees of A\$8.9m

Development portfolio at a glance



Maryborough	<ul style="list-style-type: none"> • NEC 100% • 83Mt Hard Coking coal • 0.5Mtpa Open cut from 2011
Elimatta	<ul style="list-style-type: none"> • NEC 100% • Thermal (106Mt reserve) • 5Mtpa open cut from 2013/14
Yamala	<ul style="list-style-type: none"> • NEC 83% (current) • Sojitz farm in • +200Mt PCI /Thermal • Underground /OC
Ashford	<ul style="list-style-type: none"> • NEC 50% • Hard Coking Coal • 0.5-1Mtpa Open Cut
Yetman	<ul style="list-style-type: none"> • New discovery • Shallow thermal coal • Further exploration
Other Qld Exploration	<ul style="list-style-type: none"> • NEC 100% • Offers upside

(1) Exploration Target - the potential quality and quantity shown within is conceptual in nature and there has been insufficient work done at present to define a Mineral Resource in this area under the JORC (2004) Code. The nature of an Exploration Target is such that is uncertain if further exploration will result in the determination of a Mineral Resource in this area.

Reserve / Resource summary

Reserves Millions Tonnes

Project	Proven	Probable	Total	NEC Equity
Elimatta	82	24	106	106

Resources Millions Tonnes

Project	Coal Type	JORC Meas	JORC Ind.	JORC Inf.	JORC Exp.T'gt ¹	Total Mt	NEC Equity And Mt
Elimatta	Thermal	129	75	40	30-50	274-294	100%
Yamala*	Thermal/PCI		40	180	190-220	410-440	83%
Maryborough*	Hard Coking		9.5	73.5	105-137	188-220	100%
Ashford	Hard Coking			18		18	50%
Total		129	124.5	311.5	325-407	890-972	811-888

* Additional resource potential in EPC

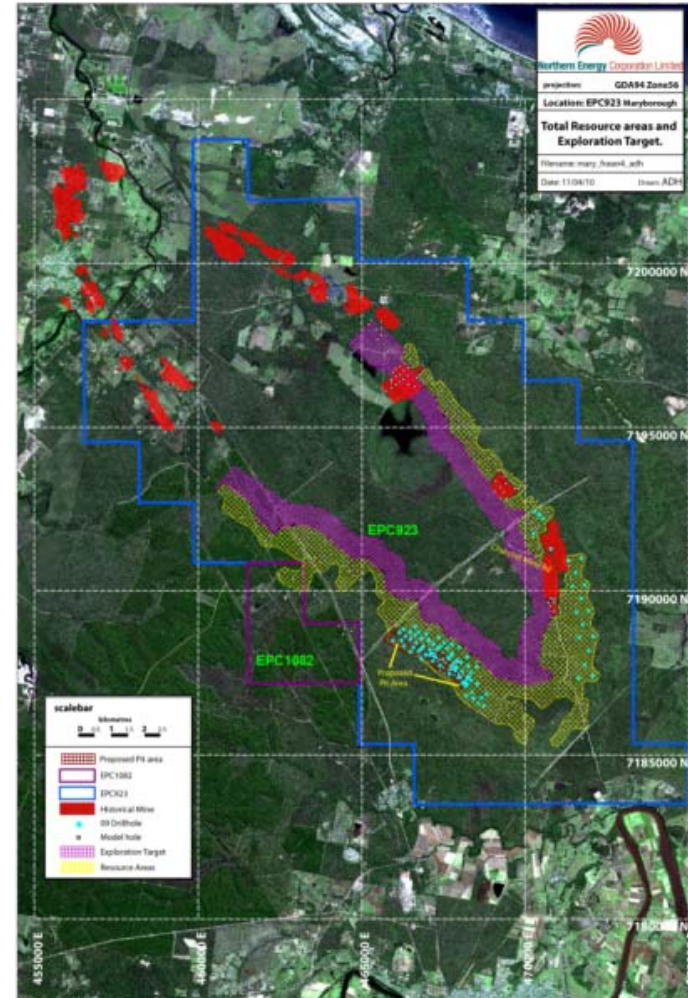
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Maryborough Project – Burrum Hard Coking Coal

- High Quality Open Cut Hard Coking Coal
- A multi thin seam open cut deposit
- Initial Goal – 0.5Mtpa Hard coking coal (Colton Mine)
- Potential for further expansion
- Offtake agreement for 65% of production

Recent Resource Upgrade – Continued Growth

- Deposit in the Maryborough Basin – the Burrum syncline
- 9.5Mt Indicated Resource
- 73.5Mt Inferred Resource at <150m still open
- Exploration target⁽¹⁾ 105-137Mt to depth 250m
- High Quality Hard coking coal
- Exploration upside – resource has not been closed off
- Approx. 250km from port of Gladstone



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Maryborough – Mine Proposal

- Stage 1 COLTON Mine 0.5Mtpa
- Reserve announcement to follow recent resource upgrade
- O/C Mine and process design ongoing
 - Washplant 300tph offers scope for low cost incremental expansion
- Mining Lease applied for
 - Infrastructure arrangements being finalised
 - Utilisation of existing rail and port
- \$50m – \$60m capital investment for Stage 1
- O/C mine 0.5Mtpa initial production 8:1 strip ratio (ROM)



Maryborough – Growth Potential



- Colton is expected to be the first of a series of mining leases around the syncline
- Scope for extending Colton Mine along strike and down dip
- Scope for additional pit development around syncline

- Additional rail and port capacity to be negotiated but expected to be available
- Resource drilling, mine and infrastructure evaluation continues
- Subsequent stages will require separate approvals
- First priority to fully utilise Colton infrastructure



Colton Indicative timetable

ML Application.

- Quality Info
- Resource Upgrade/Reserve
- Process Design
- Mine design
- Project Infrastructure Commitment

ML Approval

Development

- Clear
- Pre strip
- Construction

Product Coal

Shipments

Approval
Process

Develop-
ment

January 2010

June/July 2010

Oct 2010 (?)

June/July 2011

3rd Q 2011



Elimatta Project

- Measured Resource
- Proven Reserves
- Low ratio Open Cut Export Thermal Coal

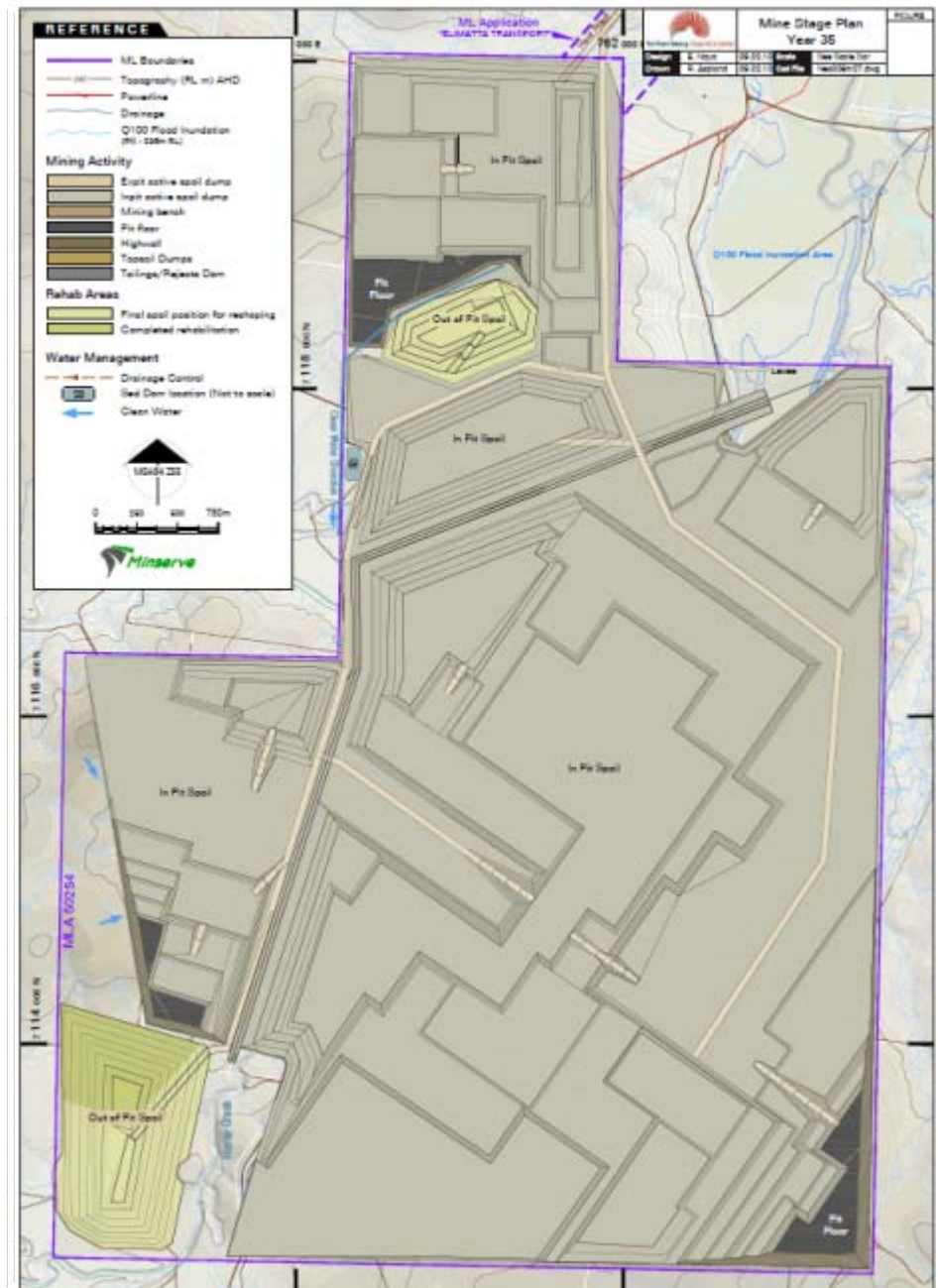
The Goal?

- An operating mine 5Mtpa, +\$1Bn value
- Timing is dictated by regional infrastructure – 2013/14 is objective

Elimatta Study Progress

- BFS confirms 5Mtpa (product)
- Truck and Shovel operation
- Years 1-10 average strip ratio 3.5
- Mine plan to +30 years
- Infrastructure relocated to north of resource area to minimise resource sterilisation
- A\$550 -600m Capital to Yr 5
- A low sulphur low nitrogen coal ideally suited for IGCC technology
- Indicative specification

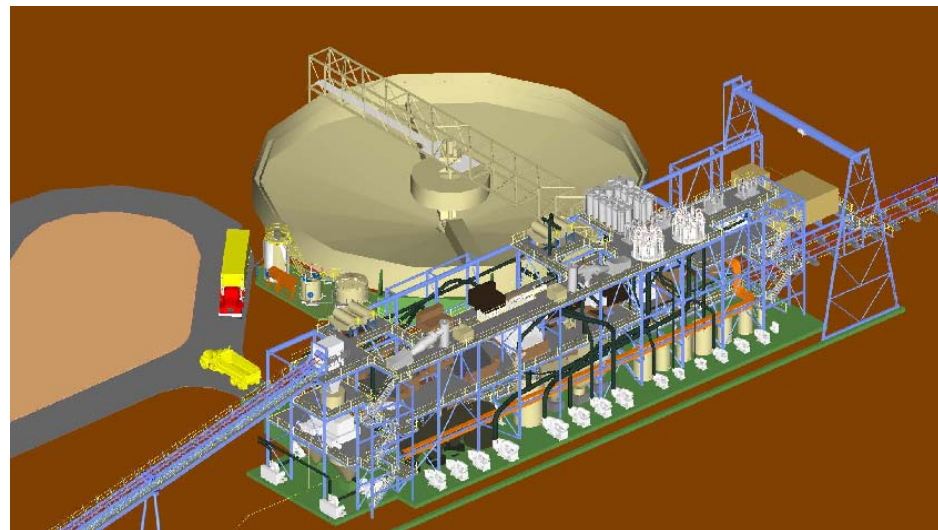
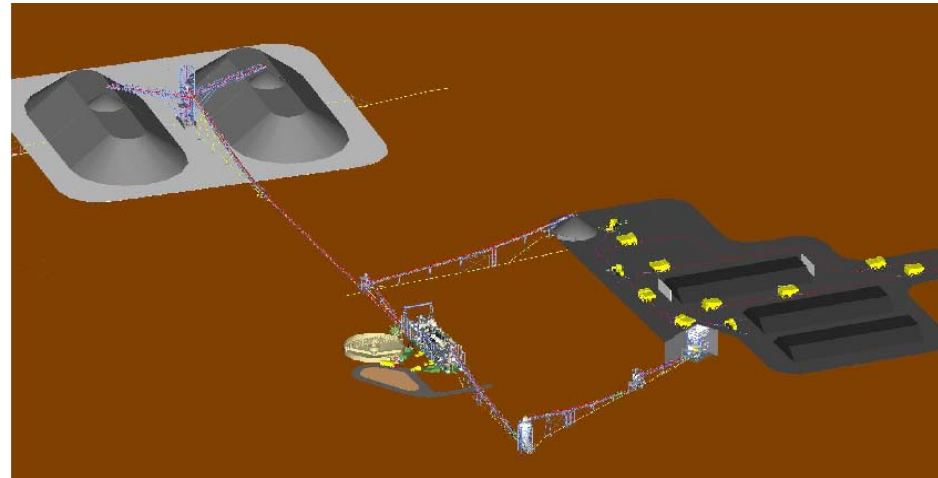
Ash %	Energy Mj/kg ad	Sulphur %	Nitrogen %	Moisture %
9-10%	26Mj/kg	0.3	0.9-1	8(ad) 15(total)



CHPP – Ausenco Taggart JV

- 1200tph DMC & Spirals
- No fine coal circuit required
- +/- 10% Design Study

- ~7Mtpa → 8Mtpa over mine life
- Surplus capacity in early years provides robust project
- 70% → 60% yield over mine life



Infrastructure

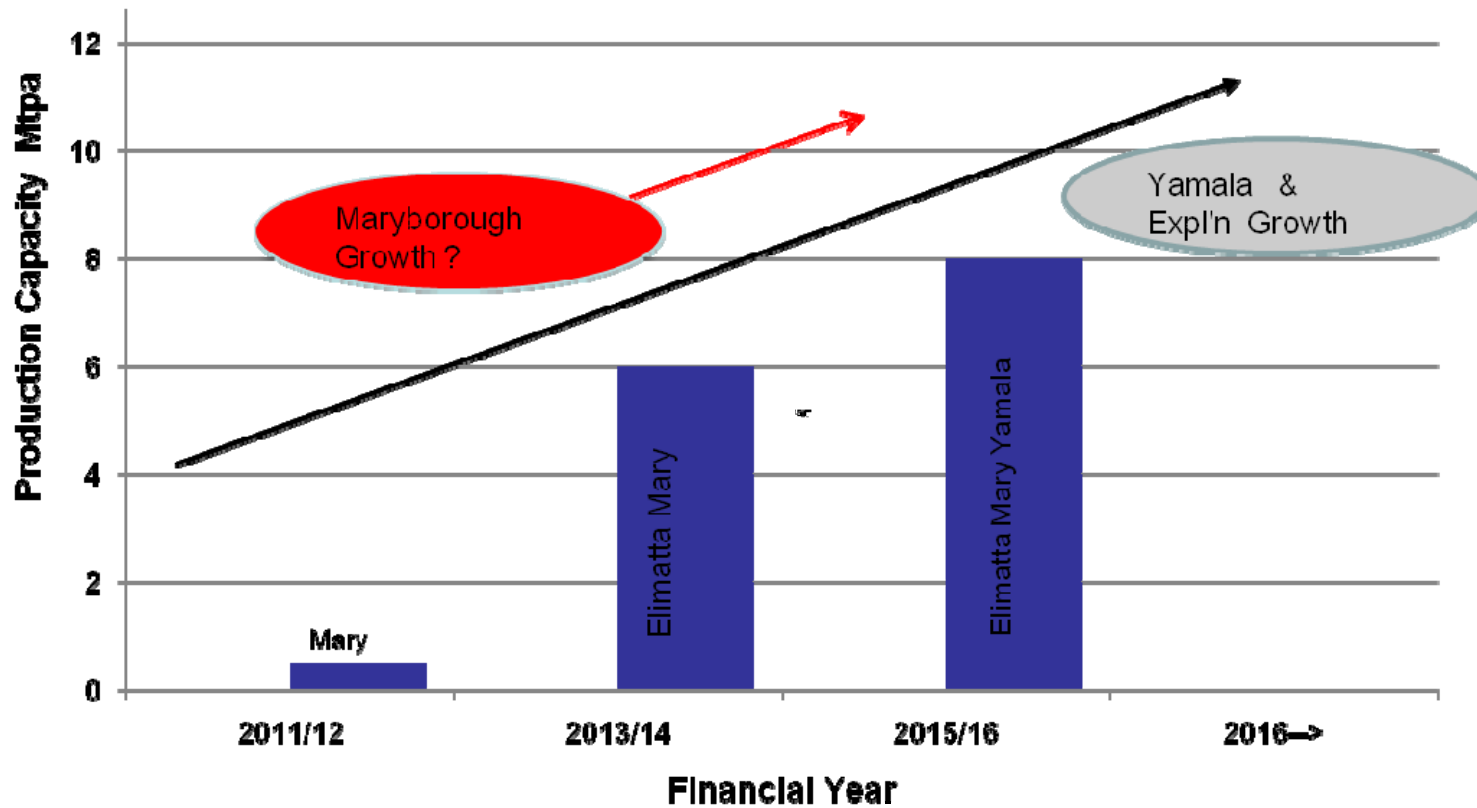
- Maryborough has access to rail and port capacity, subject to finalising commercial agreements
- NEC is:
 - An underwriter of Wiggins Island (WI) FFFA
 - A shareholder in WICET – owner of WI project
 - An underwriter of Banana – Wooderson (Moura line) upgrade
 - Included in Surat Basin Rail (SBR) planning and Business Case
 - Submitted EOI to both WI and SBR
- Wiggins Island EOI progress reaching conclusion for determination of Stage1 participants
- Surat Basin Rail timing now looking for financial close 4Q 2010. Wiggins Stage 1 commitment planned for Q3
- Wiggins planning for next stage to coincide with SBR. Giving Elimatta timing of end 2013 / early 2014

RSPT & RER

- As a new project developer the impact of RSPT is likely to be less than mature operator but it is still negative.
- Expected that Maryborough will be impacted very early in project.
- Elimatta, due to higher capital and lower margin not expected to be impacted in initial years.
- NPV impact will depend on definition of “super” and rate of depreciation allowed on capital. Full details are yet to be outlined making project impact difficult to define.
- The RER will assist the exploration sector but for NEC it is a few years late.

NEC – Growth potential from several sources

Indicative Production Profile from Project Development



Points of Difference

- NEC has a diverse portfolio of coal resources at early stage of development – **it is not a single project company**
- NEC has **reserves at Elimatta and expect reserves soon at Maryborough** – one of the only coal juniors in this position
- Maryborough offers the opportunity for robust cash flow from 2011, providing the platform for Elimatta and other project developments
- NEC has retained infrastructure options to support the mining developments
- NEC offers the investor the opportunity to start at the ground floor with a coal developer with substantial growth prospects
- Comparisons of value – NEC appears good value on several parameters
 - \$/t resource
 - \$/t reserve



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Statement of Compliance

The information in this report that relates to Mineral Resources at Maryborough is based on information compiled by Mr Lyon Barrett, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Barrett is a qualified geologist (B.Sc. (Hons) Adelaide University, 1996) and is an employee of Salva Resources. The information in this report that relates to Mineral Resources at Elimatta and Yamala is based on information compiled by Mr Andrew McLaughlin, who is a Member of the Australian Institute of Mining and Metallurgy. Mr McLaughlin is a qualified geologist (B.Sc. (Hons) University of Newcastle, 1994) and is a former employee of Northern Energy Corporation.

Both Mr Barrett & Mr. McLaughlin have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Barrett & Mr McLaughlin each consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Proven and Probable Reserves at Elimatta is based on a mine plan, a mine schedule and costs prepared by The Minserve Group Pty Ltd. Mr Jeff Jamieson was responsible for the report's preparation and the reserve statement therein. He is both a Fellow of the Australian Institute of Mining and Metallurgy, and a Chartered Professional (Mining) and is a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Jamieson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.