



Announcement

Northern Iron share offer closes High demand sees successful completion

12 December 2007

Northern Iron announces the completion of its Initial Public Offering (IPO).

The offer, which closed on 7 December 2007, received very strong demand from institutional and retail investors, with the institutional offer being heavily oversubscribed.

Under the IPO, a total of 65 million shares were offered for subscription, and the Final Price to be paid by Successful Applicants under both the Institutional and Retail Offers has been set at \$2.15 per share following the Institutional Bookbuild.

Based on the Final Price of \$2.15, the total amount raised in the share offer will be approximately \$139.8 million, and the company will have a market capitalisation of approximately \$354.8 million at the Final Price.

Commenting on the completion of the offer Northern Iron Managing Director, Mick McMullen, stated: "We are delighted to have received such strong interest from investors. The Offer received strong support from local and international investors and was significantly oversubscribed, enabling it to be priced at the top of the bookbuild range".

The net proceeds raised from the issue of the shares under the offer will be used to fund Northern Iron's initial redevelopment plan for the Sydvaranger Iron Project, ongoing working capital requirements, studies into the expansion of the Sydvaranger Iron Project and exploration at the Sydvaranger Iron Project.

Northern Iron shares are expected to commence trading on ASX on Thursday, 13 December 2007 at 10 am Perth time, initially on a deferred settlement basis, under the ASX code of "NFE". Deferred settlement trading will continue until despatch of CHESS holding statements, which is expected to occur on 18 December 2007.

Valid applications by Broker Firm Applicants have been accepted in full, subject to the size of each Broker's overall firm allocation. Broker Firm Applicants should confirm their allocations with their advisor.

Valid applications under the Priority Offer have been accepted in full. Applicants under the Priority Offer should confirm their allocations by telephoning the Northern Iron Offer Information Line on 1300 557 010.

Valid applications, as determined by the Lead Manager and Northern Iron, under the Public Offer for \$5,000 have been accepted in full. Those valid applications in excess of \$5,000 have been allocated the first \$5,000 in full plus 75% of the application above \$5,000 up to a maximum allocation of \$30,000.

Applications received after the close of the Offer, or Applications accompanied by cheques that were subsequently dishonoured, have not been allocated any Northern Iron shares.

Successful Institutional Applicants have been advised of their allocations by the Lead Manager – Macquarie Equity Capital Markets Limited.

All Applicants are responsible for determining and confirming the number of shares allocated to them prior to selling any shares. Applicants who sell Northern Iron shares before receiving their allotment confirmation do so at their own risk.

About Northern Iron Limited

Northern Iron is an Australian company headquartered in Perth which was formed to acquire the Sydvaranger Iron Project in northern Norway. Northern Iron intends to redevelop the Sydvaranger Iron Project to commence production of magnetite iron concentrate for supply into the European market.

For more information contact:

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