



NORTHERN IRON LIMITED (ASX:"NFE")

ASX ANNOUNCEMENT 05 JULY 2010 – by e-lodgement

MARKETING AND FINANCING AGREEMENTS WITH OMH

Northern Iron Limited (NFE), 100% owner of the Sydvaranger Iron Ore mine in northern Norway, announces the execution of marketing and financing agreements with the ASX-Listed OM Holdings Ltd (OMH) group.

NFE advised in January 2010 that it had reached agreement with OMH for a strategic investment which saw OMH subscribe initially for 28.25 million new shares (equating to an initial 10% investment). A term of the subscription agreement was that OMH and NFE would enter into good faith negotiations for a marketing agreement over NFE's uncommitted future Asian concentrate sales.

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NFE is now pleased to advise that its 100% owned Norwegian subsidiary, Sydvaranger Gruve AS (SVG), has entered into a short term marketing agreement with OMH's Singapore based marketing and trading subsidiary, OM Materials (S) Pte Ltd (OMS), for the sale of uncommitted SVG product into the Asian market. This agreement is structured as an agency agreement, and is expected to be in place until March 2011. Both parties have agreed to enter into negotiations which are expected to result in a long term marketing agency agreement being concluded by 30 September 2010, with marketing commencing after the expiry of the short term marketing agreement.

In conjunction with the short term marketing agreement OMS has provided a USD 10m financing facility that has been made available to SVG for working capital requirements. The agreement is guaranteed by NFE and repayment will occur in 6 monthly instalments commencing in January 2011.

Commenting on the arrangements, NFE Managing Director John Sanderson said: *"we are very pleased to have access to OMH's considerable bulk commodity marketing expertise in the Asian markets and look forward to building an effective and mutually beneficial working relationship."*

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