

CREDITOR UPDATE

Norwood Abbey Ltd [ASX:NAL] advises that it has entered into a Settlement Deed with major creditor TER in accordance with parameters previously provided for in the accounts, in a mix of cash and shares. The proceedings initiated by TER have been discontinued. All liabilities will be extinguished subject to the company issuing the share component at the earlier of the completion of the China coal transaction or February 26 2010.

To find out more about the Norwood group, visit www.norwoodabbey.com

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