

# New Hope Corporation Limited

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## Quarterly Activities Report 31 July 2012

	Quarter ended			Year ended		
	Jul 12 ('000t)	Jul 11 ('000t)	Change (%)	Jul 12 ('000t)	Jul 11 ('000t)	Change (%)
Raw Coal Production	3,132	3,122	-	12,340	11,043	+ 12%
Saleable Coal Production	1,476	1,612	- 8%	6,287	5,643	+ 11%
Coal Sold	1,471	1,748	- 16%	6,250	5,647	+ 11%
QBH Export Throughput	2,161	2,314	- 7%	8,726	6,522	+ 34%

### COAL OPERATIONS

Mine performance continued at consistent high levels during the fourth quarter with raw coal production flat with 2011 fourth quarter production at 3.13 million tonnes. Saleable production was 8% down on that achieved during the same period in 2011. Full year 2012 performance was improved with raw coal production up 12% and saleable production up 11% compared to that achieved in 2011. 2012 saleable production was a record at 6.29 million tonnes.

While coal sales for the fourth quarter were 16% down from that achieved in the corresponding period in 2011, full year 2012 sales were up 11% at a record level of 6.25 million tonnes.

Queensland Bulk Handling exported 2.16 million tonnes during the period, down 7% from that achieved in the corresponding period in 2011. Full year export tonnage was however up 34% to a record level of 8.73 million tonnes.

### EXPLORATION

New Hope Exploration continued activities during the quarter with 75 holes drilled including 32 core holes. A total of 7,205 meters of drilling were completed. All drilling occurred at New Acland. Additional contract drilling (4,865m over 51 holes) occurred at Northern Energy's Colton deposit. An updated JORC Statement was released in early August 2012.

### **New Lenton (ML 70337)**

With the exception of a small meterage of hole cleanout, no drilling occurred at Lenton during the quarter. A rig was mobilized to site at the end of July for commencement of the next drilling program on the mining lease in August. Site preparation for this program has commenced. The geological model is currently being updated incorporating recently obtained coal quality data.

### **New Acland (ML 50216 and MDL 244)**

Drilling occurred on both ML 50216 (3,864 meters) and MDL 244 (2,712 meters). The 2012 program was completed as scheduled including rehabilitation of all new holes. All core is now in the laboratory for coal quality and washability testing. An updated geological model is planned for completion by October 2012.

### **West Moreton**

No drilling was undertaken during the quarter.

### **Colton (EPC 923)**

Exploration has focused on drilling out the initial mining area (2 rigs), exploring strike extension to the north (1 rig) and taking large diameter core for coke oven testing (1 rig). During the quarter a total of 4,865 meters was drilled including 221 meters of large diameter core.

### **Mineral Tenements**

Activity during the quarter included access negotiations with both landowners and native title groups. Gravity surveys and a drilling program at Yanko (EPM 18582) and Moonamarra (EPM 18589) will be undertaken during the next quarter.

## **BUSINESS DEVELOPMENT**

### **Energy Conversion Technology**

Progress on the ACT Proof of Concept plant continues with the pyrolysis gasifiers now on site at Jeebropilly mine. Required civil work at the plant location is now well advanced with earthworks, drainage, power supply and fencing now complete. Subject to supplier performance the liquefaction modules will be shipped from the United States to Jeebropilly by year end.

Commissioning of the 1 tonne per day direct coal liquefaction Proof of Concept plant (Quantex CTL) continues in West Virginia.

### **New Acland Project**

The introduction of Statutory Regional Planning by the new Queensland State Government is impacting the process and timing of the Supplementary EIS for the New Acland Continuation plan. During the period significant dialogue was undertaken with all key

stakeholders regarding a revised development plan. This work is ongoing. Sedgman has completed a coal processing and infrastructure study.

### **Lenton Project**

All coal quality data from the last exploration study program has been received and is now being modelled. Planning for the next program commencing in August is now complete. Drilling will include both line of oxidation definition as well as structure delineation.

Environment Protection and Biodiversity Conservation referral for MLA 70456 is nearing completion. This will allow the EIS for the expanded mining lease application to commence.

### **Colton Project**

The Department of Environment and Heritage Protection assessment period for the Environmental Management Plan was extended until 31 October 2012. This allows Colton to address issues raised under the Biodiversity Offset Policy. Design studies for site infrastructure, coal handling and preparation plant and the rail spur continue.

### **Elimatta Project**

Further work has continued on the Environmental Impact Statement in regard to the Infrastructure Corridor. An EIS submission is now planned for the end of December 2012. A major property underlying the proposed mining area was purchased during the quarter.

### **Bridgeport Energy**

A takeover bid was undertaken for all the outstanding shares in Bridgeport Energy that were not already owned by the company. This takeover was successful with in excess of 99% acceptances being received. The company has commenced the compulsory acquisition process to acquire the remaining shares and expects that Bridgeport Energy will become a wholly owned subsidiary. Membership of the board of directors of Bridgeport Energy has changed to reflect New Hope's control of the company.

For further information, please contact:

#### **Investors/Analysts**

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