

# New Hope Corporation Limited

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## Company Announcement

The Directors of New Hope Corporation Limited (New Hope) advise that Tarong Energy Corporation Limited (Tarong) has notified the Company that it will not exercise its option to purchase coal from the New Acland mine commencing in 2011 despite New Hope meeting all the conditions precedent for the Coal Supply Agreement option.

Coal supply to Tarong was one of a number of alternative growth opportunities New Hope has been actively evaluating for the New Acland mine.

New Acland coal is well accepted in the export market as one of the cleanest burning coals in the world in terms of greenhouse gas emissions. Since New Hope commenced negotiations with Tarong, the price of coal on the world market has doubled in US Dollar terms. Tonnages previously reserved for Tarong can now be redirected to the more profitable export market. Negotiations are underway with Queensland Rail to obtain additional rail capacity from New Acland to the Port of Brisbane, and preliminary design work on the future expansion of the port coal loading facilities has commenced at the 100% owned Queensland Bulk Handling (QBH) coal export terminal. QBH is essentially a demurrage free coal export terminal at the Port of Brisbane.

New Hope has also been investigating opportunities for alternative uses for its New Acland coal, including coal to liquids technologies. Initial work indicates that New Acland coal is particularly suitable for this application.

New Hope operates the New Acland coal mine 16km north of Oakey on the Darling Downs. The mine currently produces 3.65 million tonnes per annum as a result of the completion of the Acland Stage 2 upgrade earlier this year. The extensive resource delineation and planning work required for the Tarong coal supply proposal has also enabled New Acland to significantly increase its coal reserves and resources during the last two years. Total coal resources at New Acland are now estimated to be 793 million tonnes. Within this are 435 million tonnes proven and probable reserves.

New Hope is also continuing its strategy of identifying potential coking and thermal coal deposits in Central Queensland. Exploration work at the New Saraji project has identified an inferred resource of 678 million tonnes, and an intense drilling program is underway to determine coal quality and geological conditions, as part of a prefeasibility study. The Company is continuing its vigorous exploration programs in its other exploration areas in Central Queensland and on the Darling Downs and has recently applied for exploration tenements in Tasmania.

For further information, please contact:

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