



**New Hope**  
Corporation Limited

# Welcome to the 5<sup>th</sup> Annual General Meeting



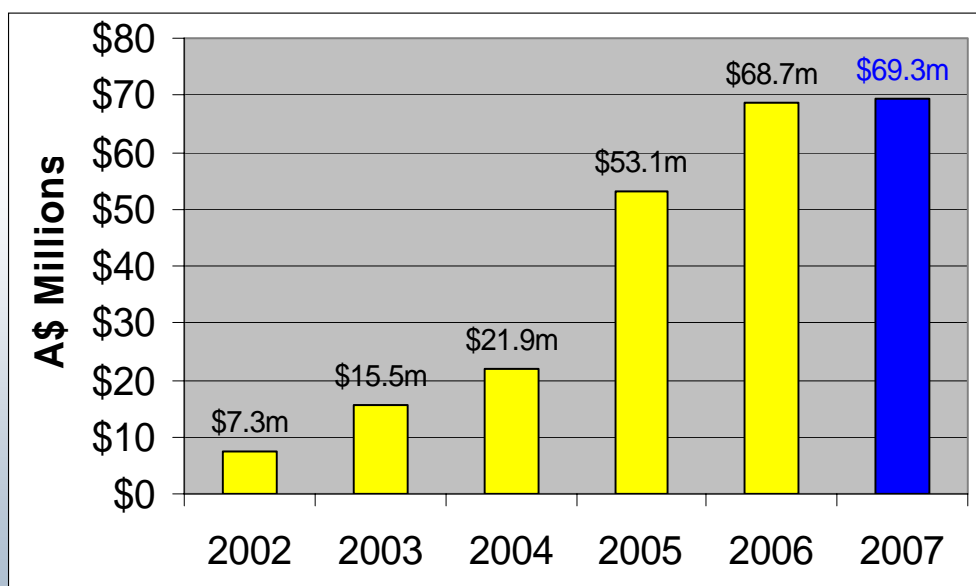
as a Listed Public Company



Welcome to the 2007 Annual General Meeting of New Hope Corporation Limited.

## Annual Net Profit After Tax

Year Ended 31 July



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New Hope's profit after tax for the year ended 31<sup>st</sup> July 2007 was \$69.3 million. The profit for the year was slightly higher than the 2006 result of \$68.7 million and continues a trend of New Hope increasing its profit for its Australian operations in each of the last five years.

Higher coal sales tonnages and higher coal prices in US dollar terms, and the sale of some surplus land during the year, were offset by lower interest revenue and a lower contribution from our port operations during the year.

## Result

Year Ended 31 July 2007

	Year Ended 31 July 2007	Year Ended 31 July 2006
Earnings per share from continuing operations	8.6c	8.6c

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Our earnings per share for 2007 was 8.6 cents which was equivalent to the 2006 years performance.

## Dividends

Year Ended 31 July 2007

	Year Ended 31 July 2007 (cents per share)	Year Ended 31 July 2006 (cents per share)
Normal (interim and final)	4.6	4.5
Special	3.0	4.5
<b>TOTAL</b>	<b>7.6</b>	<b>9.0</b>

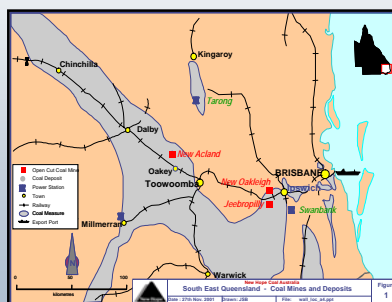
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This week you would have received the final 2007 dividend of 2.5 cents per share, and the special dividend of 3.0 cents per share. When added to the interim dividend of 2.1 cents per share we paid in May this year, a total of 7.6 cents per share has been paid for the 2007 financial year.

## Australian Operations Overview

	Year Ended 31 July 2007 (million tonnes)	Year Ended 31 July 2006 (million tonnes)	Year Ended 31 July 2005 (million tonnes)	Year Ended 31 July 2004 (million tonnes)
Production	3.8	3.7	3.7	3.3
Sales	3.9	3.8	3.4	3.4

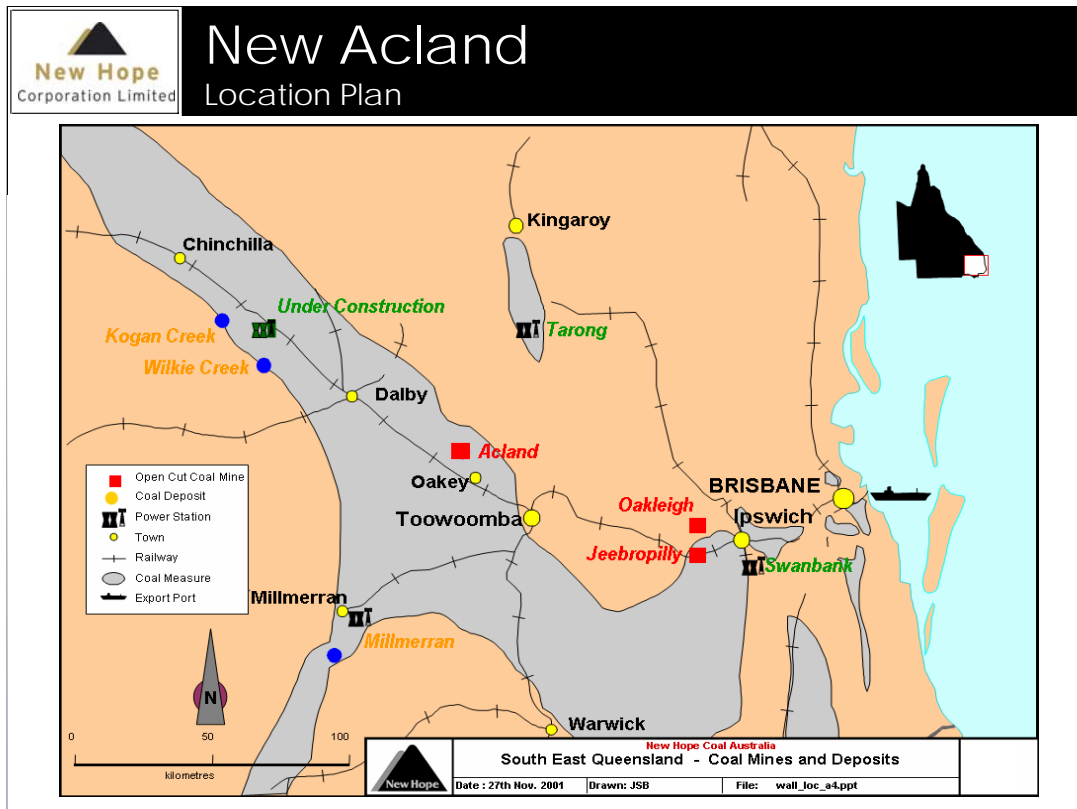


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Group production from our Australian operations of 3.8 million tonnes was slightly higher than last year. Acland continues to be our major producing mine and is currently operating at the rate of 3.65 million tonnes following the successful completion of the Stage 2 expansion ahead of time and below budget expectations.

Together with the production of 500,000 tonnes per annum at our Oakleigh mine, we anticipate production for the 2008 year to be approximately 4.1 million tonnes.



This chart shows the location of the New Acland Coal Mine north west of Toowoomba and some 160 kilometres west of Brisbane.

- ✦ Stage 2 expansion completed ahead of time and under budget.
- ✦ Tarong Energy Corporation did not exercise New Acland coal supply option, however:
  - Acland is a large well defined resource (793 MT resource).
  - Large land holdings (7000+ Ha).
  - Current mine product capacity is 3.65 MTPY.
  - Evaluating possible incremental expansions up to 4.4 MTPY.
- ✦ Strong export and domestic coal sales continue.
- ✦ Continuing activities for third Mining Lease application.
  - Production up to 10 MTPY.
  - Possible grant in 2010?

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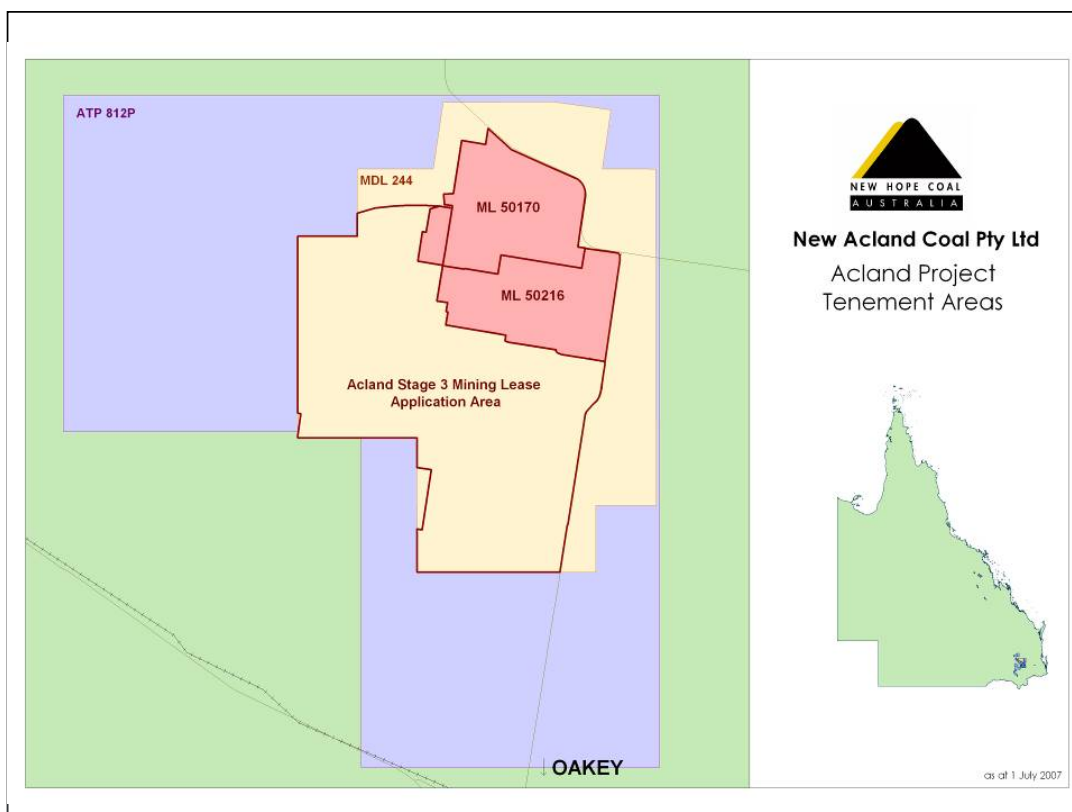
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The New Acland mine continues to increase its production capacity. The Stage 2 expansion was completed last February some four weeks ahead of schedule and 5% below budget forecasts. This expansion has increased the mine capacity to 3.65 million tonnes per annum of saleable coal.

Although Tarong Energy Corporation did not exercise the New Acland coal supply option they did assist New Hope by paying for 50% of the Acland resource evaluation drilling and analysis. Acland now has a first class coal resource of some 790 million tonnes and owns some 7,000 hectares of land.

We have commenced evaluation of possible incremental expansions of the operations over the next three years. A strong export market is expected to continue for the next few years and domestic sales will remain providing good future business opportunities.

We are continuing our activities supporting our third Mining Lease Application, seeking approval to mine up to 10 million tonnes per annum. The project retains its category as one of "State Significance".



This map shows New Hope's two current mining leases in pink and the third mining lease application to the south and west of the existing leases.



	Year Ended 31 July 2007 (million tonnes)	Year Ended 31 July 2006 (million tonnes)	Year Ended 31 July 2005 (million tonnes)
Coal Throughput	4.5	4.15	3.7



\* Essentially demurrage free coal terminal

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Queensland Bulk Handling continued to operate efficiently during the year. Unlike other ports on the eastern seaboard, QBH operated with little disruption during the year and continues to be essentially a despatch port.

In August this year, we purchased the remaining 50% of QBH and are currently preparing plans to increase the throughput capacity at QBH to between 6 million and 7 million tonnes per annum.



This photograph shows the existing coal stockpiles and the ship loading berth.

- QBH has been operating since 1983.
- Last five years exports all greater than 3.5 MTPA.
- Last two years exports greater than 4.0 MTPA.
- Existing Colliers' forecasts indicate strong growth in throughputs – 6.5+ MPTA within 3 to 4 years possible.
- Increase stockpile capacity by 300kt to 650kt on additional upstream leased area from Port of Brisbane.

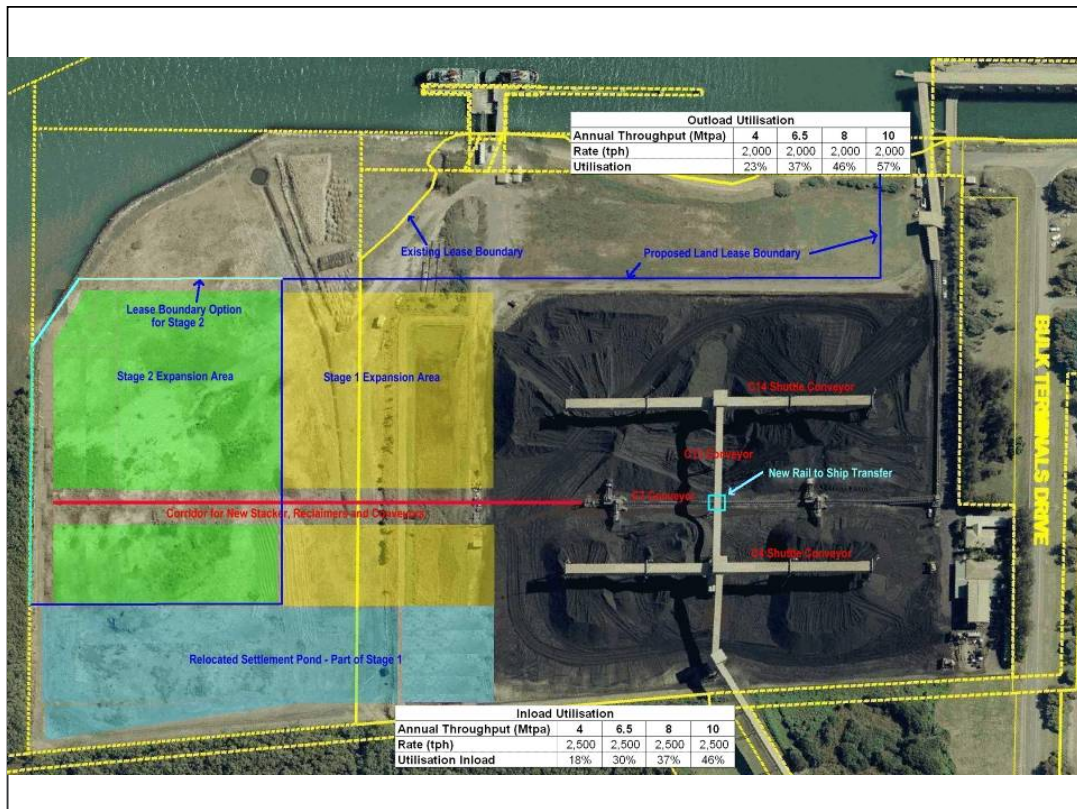
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The QBH coal ship loading facility commenced export operations in 1983. Coal throughput has continued to grow over the past five years with 4.5 million tonnes shipped in the 2007 financial year. Current coal mine export volumes are expected to increase to about 6.5 million tonnes per annum over the next 3 to 4 years.

QBH plans to increase the coal stockpile capacity by 300,000 tonnes to 650,000 tonnes as a stage one expansion, to meet this forecast.

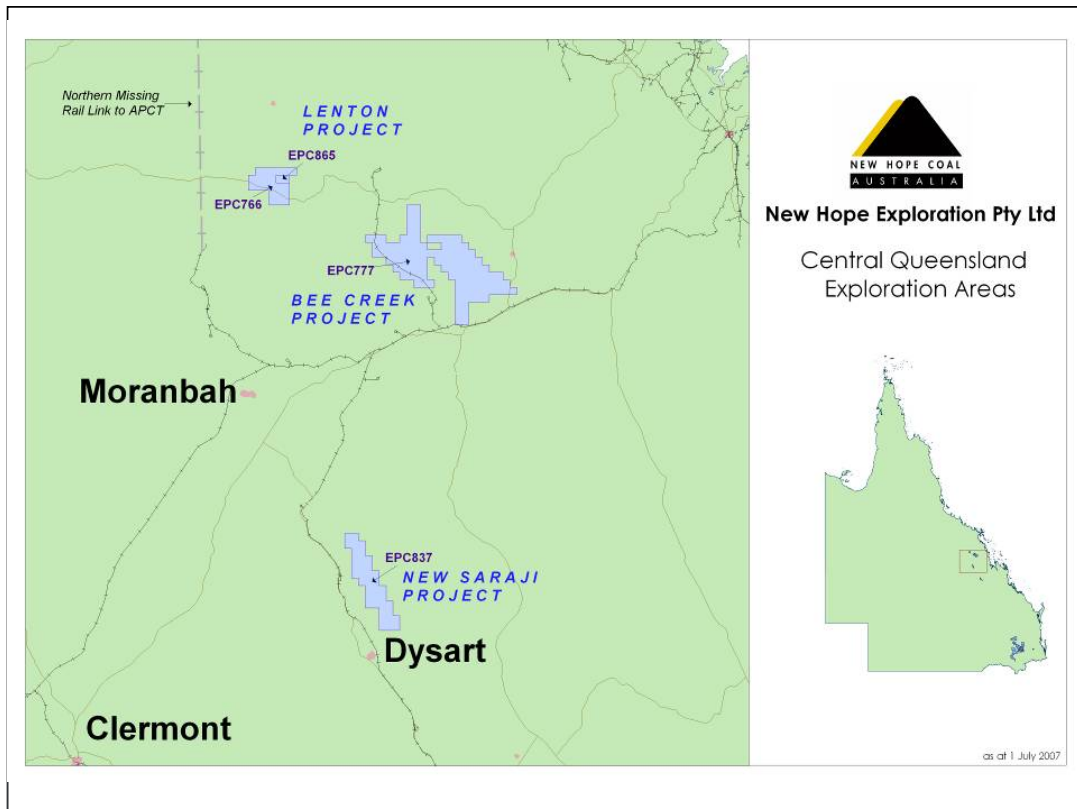
Additional coal stockyard capacity could be constructed as a later stage two expansion, taking total coal exports to approximately 10 million tonnes per annum. The stages one and two are shown on the next slide.



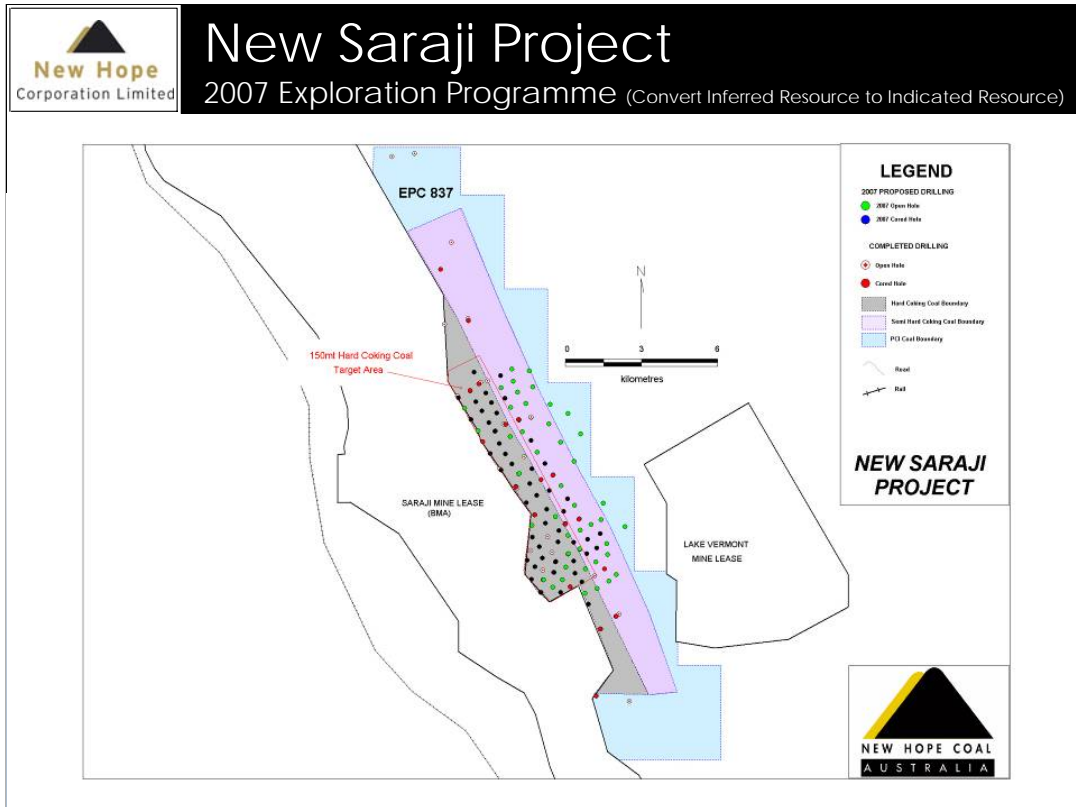
This slide shows the stage one expansion area in yellow and is upstream of the current facilities. We anticipate this expansion would be completed in 2010.

A future possible stage two expansion is shown further upstream again in the green coloured area.





This map shows the location of our three Central Queensland exploration areas south west of Mackay. I will firstly talk about our New Saraji Project area followed by the Lenton and Bee Creek programs.



This map shows the location of existing and proposed drill holes at the New Saraji coking coal project. Our project has a potential strike length of 20 kilometres and has inferred insitu resources of some 678 million tonnes. The project is located between the BMA Saraji Mine to the west and the recently announced development of the Vermont project to the east.

- Drilling activities continue.
  - Open hole and coring.
- Testing is ongoing.
  - Coal quality and coke testing.
  - Geotechnical and stability.
  - Gas testing.
  - Spontaneous combustion.
- Targeting increased insitu resources.
  - 250 MT in the Harrow Creek Seam for pre-feasibility studies.
- Initiated conceptual mine planning.
- Commenced rail and port discussions.
- Possible production in 2012?

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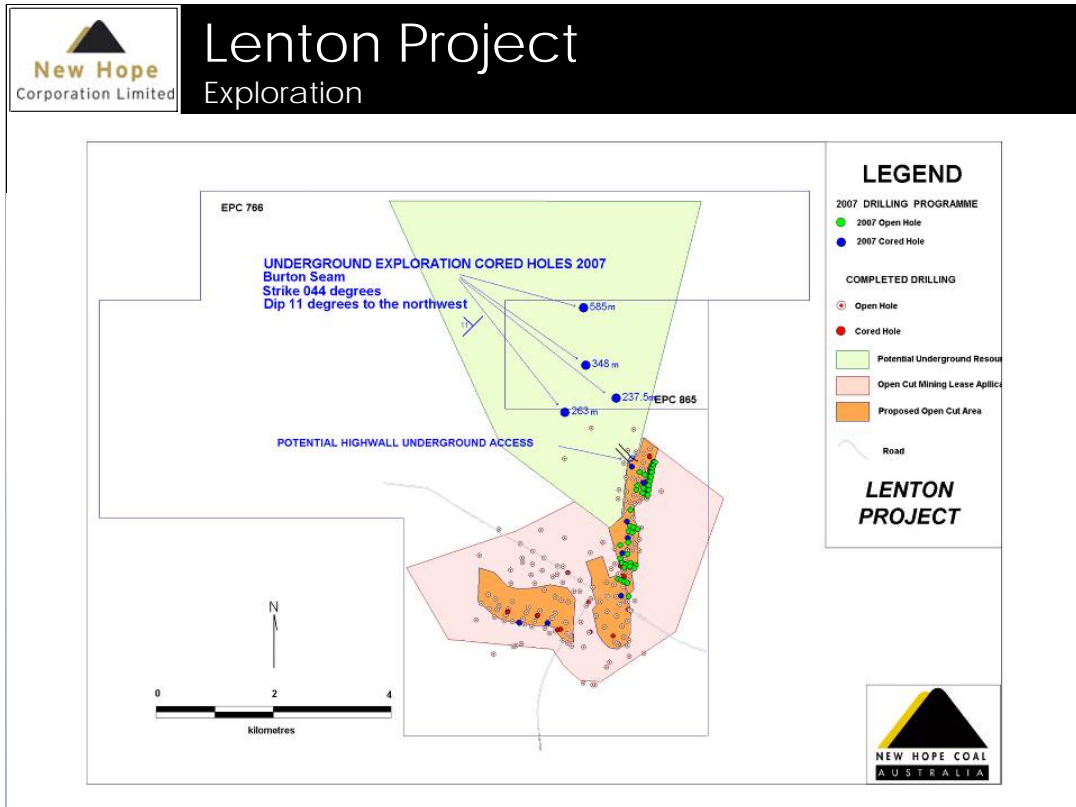
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Our drilling activities have been hampered this year by wet weather and mechanical delays. New Hope has contracted two drilling rigs in addition to its own two drilling rigs. One contractor drilling rig is operating on site and the other will arrive at the end of the month. We are also negotiating the purchase of a specialised deep coring drilling rig which should be available mid 2008.

Our drill core and gas testing program continues and will be ongoing for the next 6 to 18 months.

We have identified three possible underground mining horizons and our first priority is directed to identifying 250 million tonnes of coking coal resources in the Upper Harrow Creek Seam within the Moranbah Coal Measures.

We have also initiated a series of conceptual mining plans and have initiated discussions with rail and port access providers. Given the current infrastructure constraints, the earliest development date would be about 2012.

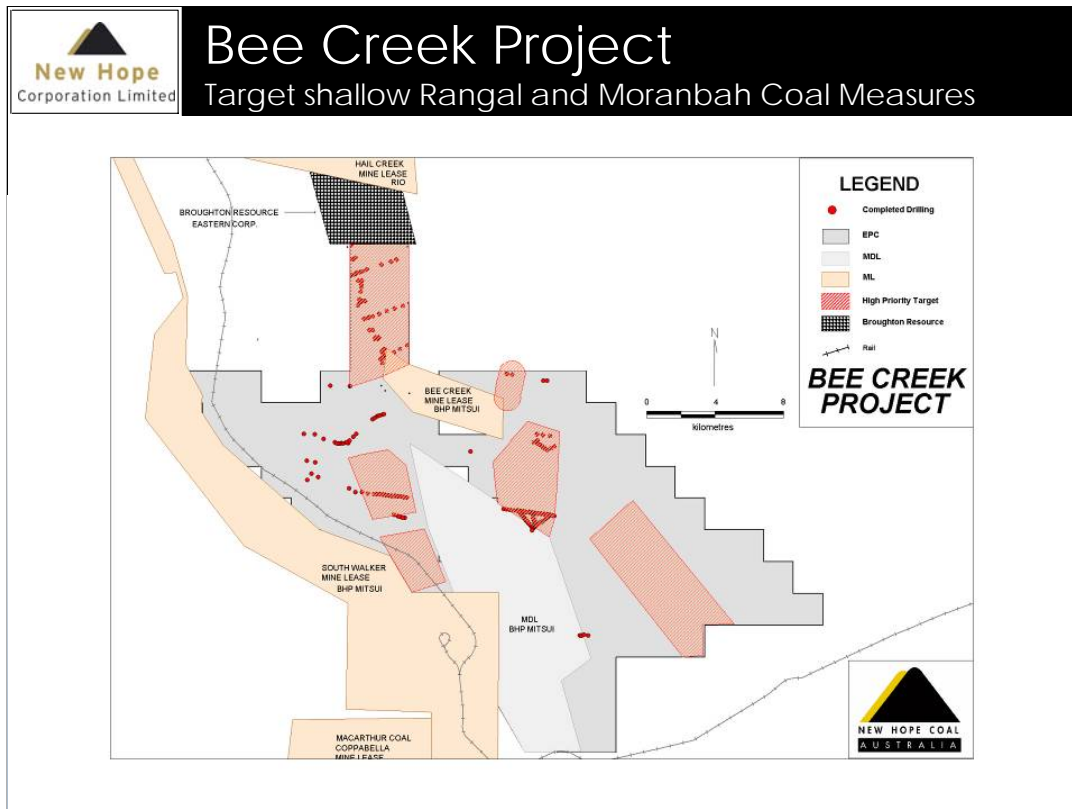


This map shows the drill hole locations for the potential Lenton Project. The more densely spaced drill holes in the south, define the open cut insitu resources with the deeper exploration holes identifying underground potential resources to the north.

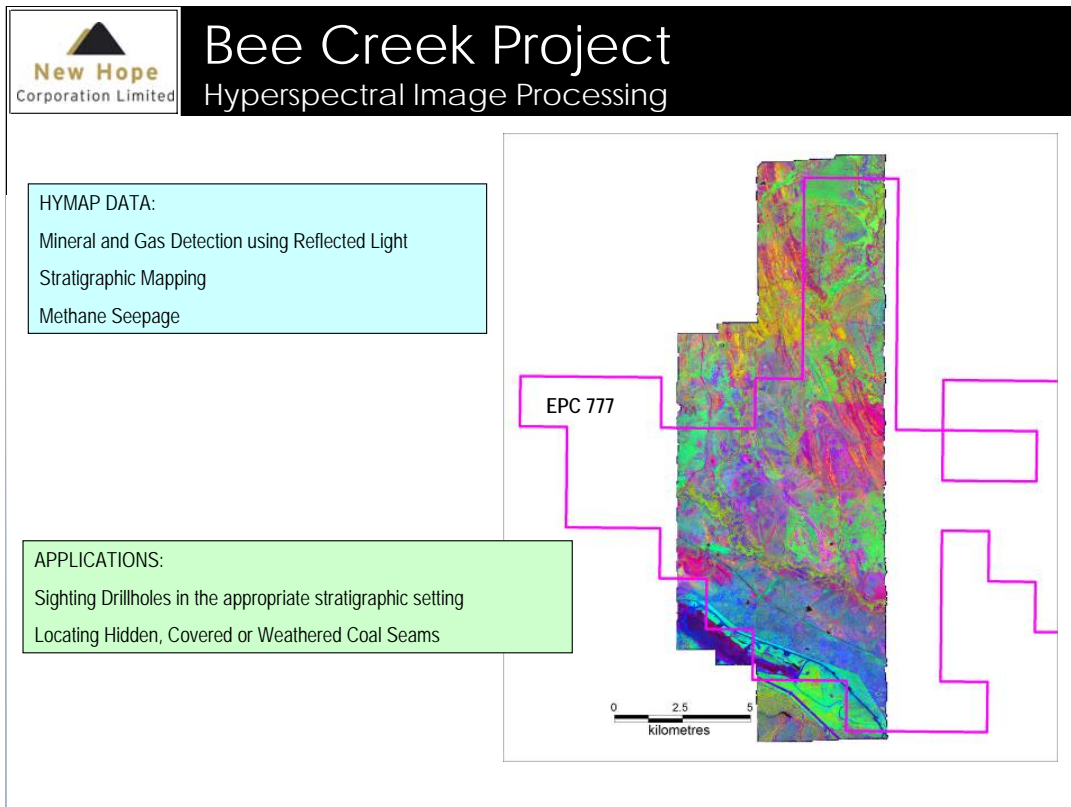
We have applied for a mining lease over the open cut resources shown in the pink area of the map. We anticipate having the mining lease granted over the next 3 to 6 months.



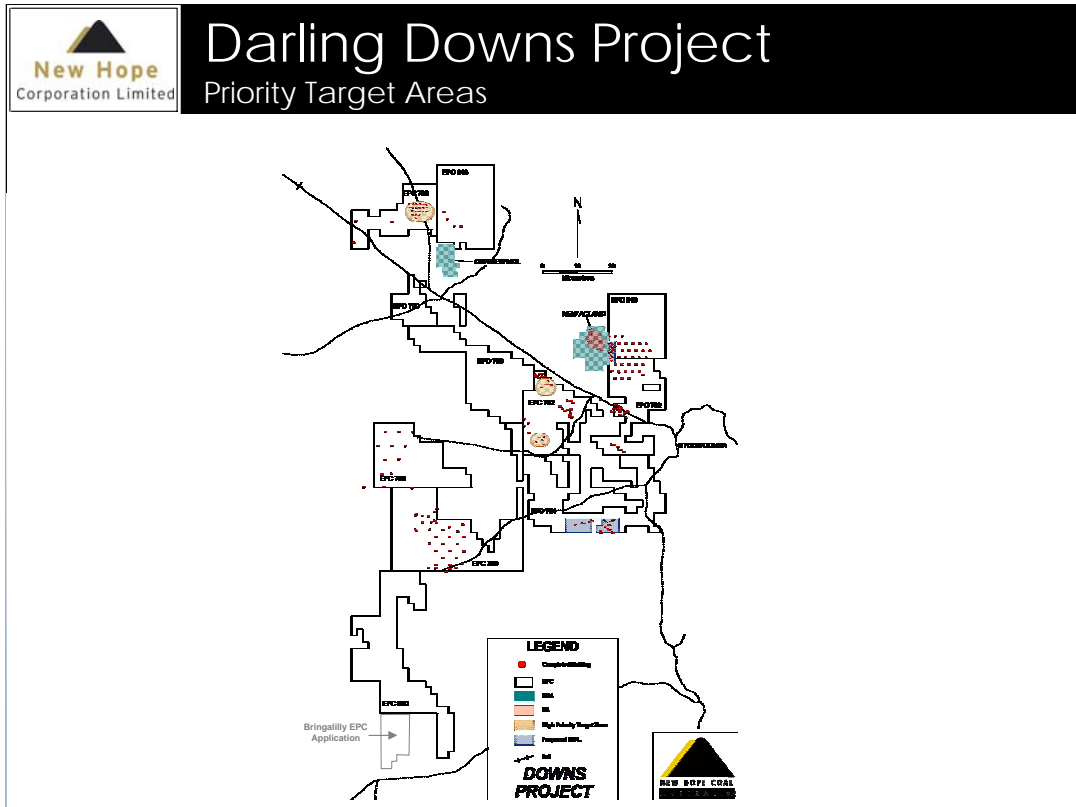




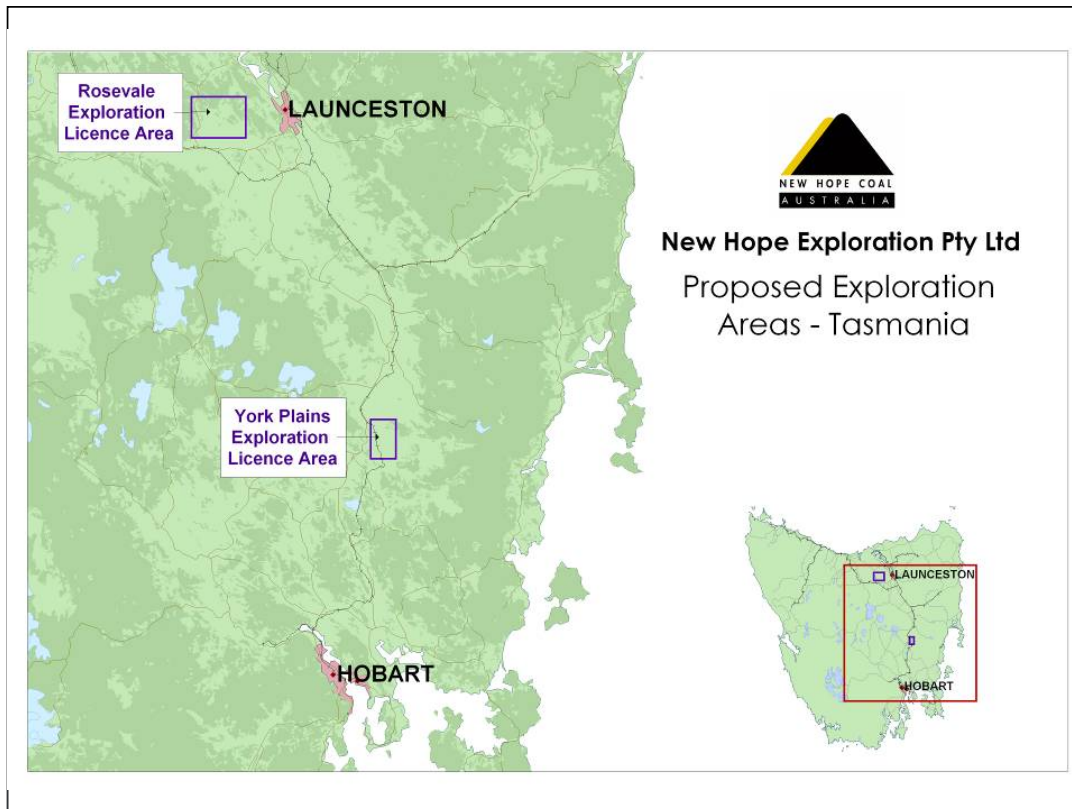
The Bee Creek project is located between Rio Tinto's Hail Creek Mine to the north and Macarthur Coal's Coppabella Mine to the south. The BHP-Mitsui South Walker Creek deposit forms the western boundary of the New Hope EPC. All of these deposits are shown in the buff coloured areas. The Broughton Resource held by Eastern Corporation is shown in the cross hatched block area and is immediately south of the Hail Creek mine. This resource is expected to continue into our Bee Creek area.



We have participated in a regional hyperspectral aerial imaging survey to assist in identifying coal stratigraphy which may be weathered or covered by alluvial material. This data will be used to locate future drill holes in our 2008 exploration programme.



As stated earlier, our 2007 exploration program on the Darling Downs has been principally focused on the New Acland area in better defining the coal resources. This data together with other regional data are being used to update our geological model of this large regional area. Our exploration target remains as shallow open cut thermal coal deposits and identifying any deeper coal seams that might be suitable for insitu gasification. We also have applied for a new exploration area at Bringalilly to the south near the town of Texas. The more prospective areas identified by our updated regional exploration model will be the targets of our 2008 drilling programme.



We also have applied for two coal exploration areas in Tasmania. The target here, is to identify potential coal resources that might be suitable for gasification and possible liquefaction technologies.

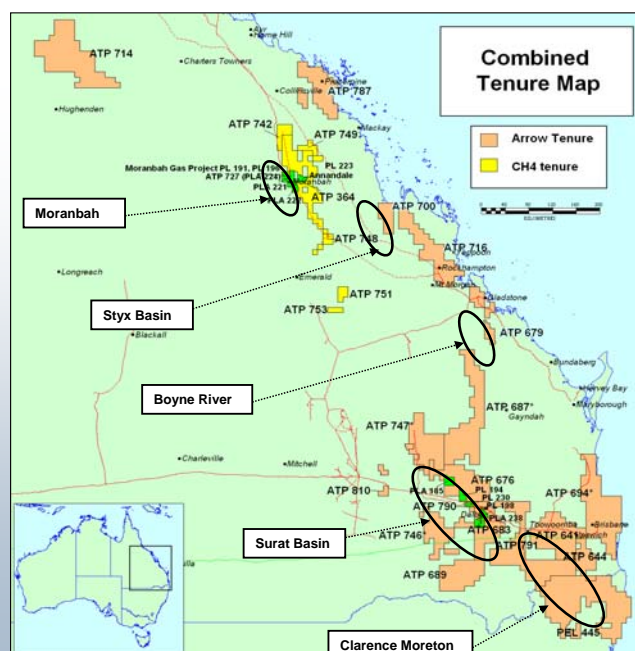
- Project target is for niche sized operations (say 1500 Bbls per day).
- Acland coal is a suitable supply source for this project.
- Concept testing plant successfully operational.
- Commenced detailed engineering design.
- Assess project economics and project risk profiles.
- Initiated project approval discussions.
- Develop project execution plan if all the "stars" align – 2010?
- This project is a first of a kind and is best considered the equivalent of an exploration and development project.

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The key objective of this research and development programme is to identify appropriate technology for small scale niche sized projects operating at a rate of about 1500 barrels per day. Initial results from a concept testing unit shows the coal from the New Acland Mine is likely to be suitable for both gasification and liquefaction. We also have commenced the first phase of detailed design to refine the engineering parameters, which will be ongoing into the next year.

Initial discussions with the Queensland Government have commenced regarding approval protocols as this type of plant would be first of its kind, should the test work be shown to be successful and the project receives the relevant Government Approvals. It is important to remember this is an R&D project and is best considered to be the equivalent of any high risk exploration programme.



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At last years Annual General Meeting I advised that we had invested \$48 million in Arrow Energy N.L. During the last 12 months we exercised 16 million options and purchased a further 12 million shares resulting in our shareholding in Arrow at 31 July 2007 of 112 million shares or 17.7% of the company. As at yesterday these shares were worth some \$A338 million representing an unrealised gain before tax of approximately \$250 million.



◆ Funds on deposit A\$170 million.

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We have expended some funds in the last 12 months mainly on expanding the Acland mine and increasing our shareholding in Arrow Energy and Queensland Bulk Handling. However, with some \$170 million in funds on hand, we continue to be prepared for opportunities to grow the company responsibly either by acquisition or by development of one of our many projects being considered.



## 1Q Production & Sales Tonnages

	3 Months to 31/10/07 Tonnes (000s)	3 Months to 31/10/06 Tonnes (000s)	Change
Raw Coal Production	2,050	1,619	+27%
Saleable Coal Production	1,118	902	+24%
Coal Sold	1,079	964	+12%

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Before moving onto the outlook for New Hope over the coming year, I would like to briefly comment on our first quarter's production up to end October 2007. As you can see both saleable production and coal sales are up for the period being 24% and 12% respectively relative to the same period last year.

- ✦ Factors likely to impact the July 2008 results:
  - Coal prices and exchange rates up;
  - Production modestly improved;
  - Possible rail constraints;
  - Increasing cost pressures;
  - Lower interest income.
- ✦ Promising exploration programmes.
- ✦ Strong export coal markets.
- ✦ New Acland well positioned for growth with additional water supply.

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Spot thermal coal prices are at record levels with recent spot sales in the high US\$70 to low US\$80. Offsetting this potential future benefit is a higher US\$:A\$ exchange rate, now in the 85 to 95 cent range reflecting the continuing appreciation of the Australian currency over the past two years.

The successful completion of the Acland Stage 2 mine expansion and the phased closure of the Jeebropilly mine provided a slightly increased group coal production over 2007.

Production forecasts indicate slightly higher volumes in 2008 subject to overall rail capacity which is currently under discussion with Queensland Rail.

Overall sales are also likely to be marginally higher than last year. Domestic sales volumes might be somewhat lower in 2008, as water restrictions on domestic power producers are expected to remain over the next six months subject to summer rainfalls. Export sales will increase marginally subject to additional rail capacity.

New Hope has a well focused cost containment philosophy which has underpinned our cost competitiveness over recent years. This key element of the New Hope approach will continue, especially as we face higher rail and transportation charges.

## OUTLOOK (continued)

High fuel, tyre, steel and people costs are likely to remain over the next few years, however we expect Acland to remain in the lowest cost quartile of Australian Coal Producers.

Lower earnings from funds on deposit will also impact our forecast 2008 results, after our dividend payments, Acland Stage 2 expenditures and our purchase of the remaining 50% equity in QBH. Additionally, as mentioned earlier we will be incurring the initial expenditures on the proposed QBH expansion.

While we were not successful in providing a long term coal supply contract to Tarong, we now have a first class, well defined large coal resource at Acland which is well positioned for future growth, albeit at a lower rate relative to the Tarong option. Additionally, the nature of the international export market has significantly improved over the past two years, providing new opportunities into Asia with attractive returns.

In the medium term we will be evaluating suitable incremental expansions of the Acland Mine within the current mining lease approvals and will be evaluating further possible expansions after the anticipated Queensland Government approval of the current mining lease application in 2010.

Today it also gives me great pleasure to announce that New Hope has successfully concluded negotiations with Toowoomba City Council regarding a waste water supply to the New Acland Mine. The agreement will provide water to the mine from 2009 for a period of 28 years, which can be extended by 3, five year options.

The contract anticipates that Toowoomba will eventually provide a water recycling facility, in which case Acland would take the high salt waste stream from such a plant.

This project essentially "drought proofs" the mine and underpins potential growth projects over the coming years.

New Hope will build, own and operate a 47 kilometre pipeline from the Toowoomba facility at Wetalla to the New Acland Mine.

We continue to be encouraged by our exploration efforts, especially at New Saraji which remains our highest priority target. Continued drilling at Lenton is better defining both open cut and underground coal potential. Overall the development of these projects will be constrained by both rail and port infrastructure availability.

## OUTLOOK (continued)

Our acquisitions assessments are ongoing and New Hope is well positioned to activate any opportunities that might arise.

I am also pleased to advise that New Hope has been attracting new senior key personnel into its ranks covering significant and successful experience in open cut and underground operations as well as personnel with major project experience in design and implementation.

Collectively, all of these factors provide a very good foundation for the future of New Hope over the next several years.

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- ✦ Initial offer was announced on 26<sup>th</sup> September.
- ✦ On the 7<sup>th</sup> November the initial offer was withdrawn and a revised offer announced.
- ✦ New Hope's Bidder Statement was lodged earlier this week with the ASX.
- ✦ The New Hope Corporation offer provides an opportunity for:
  - A large diversified energy company with a stronger balance sheet;
  - A greater geographic and customer diversity;
  - Access to a very capable and experienced management team;
  - Continued investment in the coal industry with lower risk and consistent performance.

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Finally I would like to say a few words about our script offer for Resource Pacific. New Hope provided a notice of intention to make a takeover bid on a script for script for Resource Pacific Holdings on 26<sup>th</sup> September 2007. The script offer was for 1.04 New Hope Shares for each fully paid RSP share.

On 7<sup>th</sup> November, New Hope withdrew its initial bid and announced a revised offer on 7<sup>th</sup> November due to a defeating condition of the initial offer. The new offer remains a script for script basis with 0.94 New Hope shares for every Resource Pacific share.

The New Hope Bidder's Statement was lodged with the ASX earlier this week and Resource Pacific Holdings shareholders should receive a copy within the next two weeks.

The New Hope offer, if successful, would provide good opportunities for all shareholders as the resultant entity would be a large diversified energy company including coal, coal seam gas and potential coal to liquids assets supported by a strong balance sheet, improved gearing and significant cash reserves of \$245 million.

The new entity would also have a greater geographic and customer base diversification which reduces overall investment risks and provides an excellent exploration base to underpin the combined benefits of the existing operations. All of this creates upward share re-rating potential.

## RESOURCE PACIFIC HOLDINGS SHARE OFFER (continued)

The New Hope management team has a wide diversity of experience in open cut and underground mining operations, has a unique in house exploration capacity and has an excellent track record in delivering new mine developments and operations as well as significant expansion projects on time and under budget.

Overall we believe this takeover provides added value to all shareholders and we recommend this offer to all Resource Pacific shareholders.

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## "The Independent Alternative"



The information in this statement that refers to coal resources is based on information compiled by Mr Chris Creagh, a fulltime employee of New Hope, as at 31st May 2007. Mr Creagh is a member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken, to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting Mineral Resources and Ore Reserves. Mr Creagh has consented to the inclusion in the Chairman's Address of the matters based on their information in the form and context in which it appears.

