



New Hope
Corporation Limited

Analysts Briefing

Year Ended 31 July 2010



21 September 2010



Presented by:

Rob Neale, Managing Director & Chief Executive Officer



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2010 Result Summary

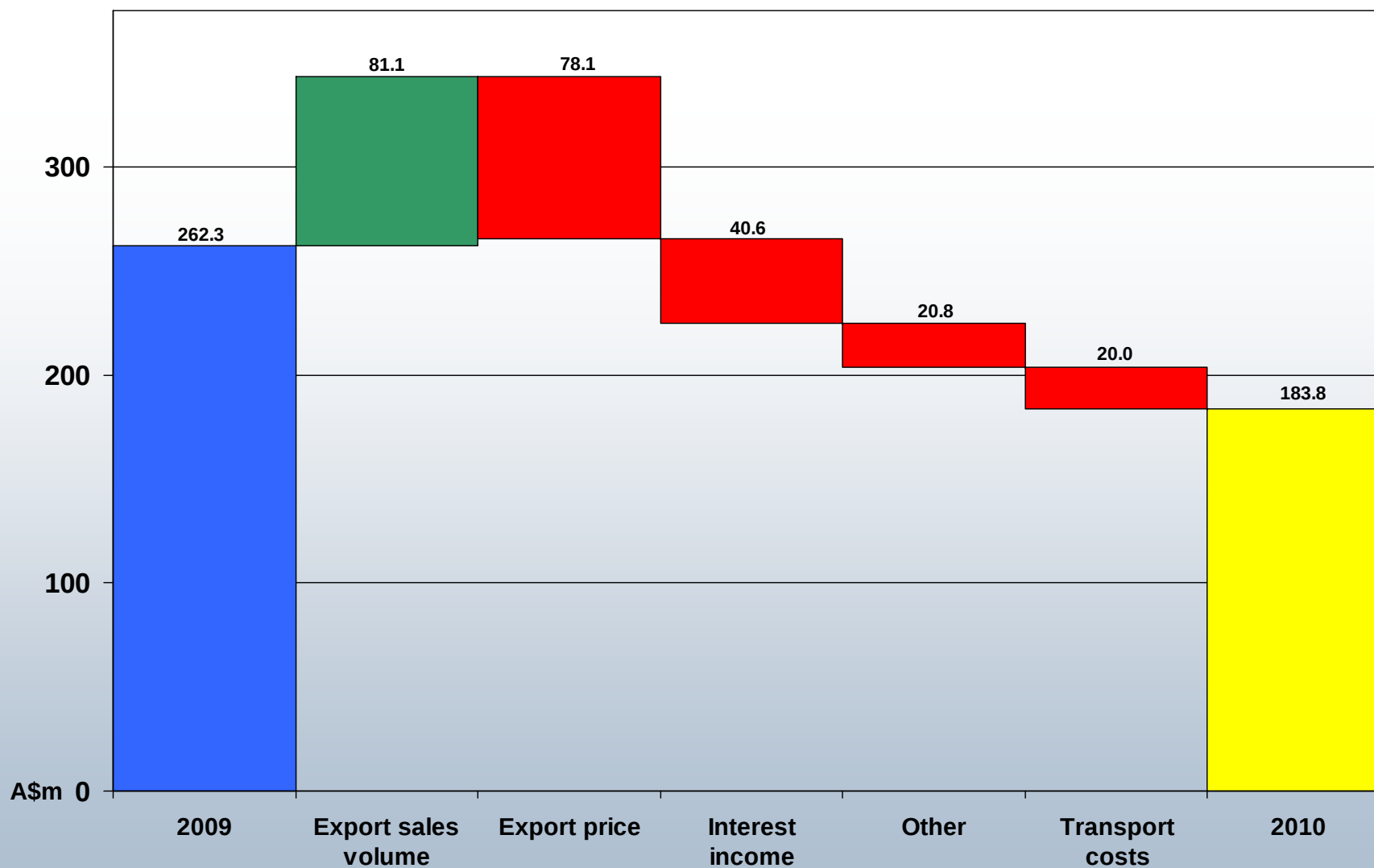
- New Hope's Operations NPAT of **\$183.8** million is within guidance range of \$175 million to \$185 million.
- Operations NPAT of 112.6 million was down from \$150.5 million last year due to:
 - Lower export coal prices;
 - Higher A\$:US\$ exchange rate;
 - Higher transport and production costs;
 - Partially offset by:
 - Increased production and sales volumes.
- Investment NPAT of \$71.2 million was down from \$150.5 million last year due to:
 - Reduced interest income following payment of special dividend and tax on New Saraji asset sale.
 - Gain from the sale of Arrow shares of \$326 million after tax will occur in the 2011 financial year.
- Final dividend totalling **18.50** cents per share, comprising:
 - Ordinary dividend **4.50** cents per share, fully franked.
 - Special dividend **14.00** cents per share, fully franked.

Key Financials

	12 months ended 31 July		
	2010	2009	Change
Total revenue	\$745.0m	\$700.8m	+ 6.3%
Profit from operations (including interest revenue)	\$183.8m	\$262.3m	- 29.9%
Net profit after non-recurring items	\$183.8m	\$1,950.4m	- 90.6%
Earnings per share excluding non-recurring items (cents)	22.3	32.3	- 30.9%

Group NPAT Comparison

(excluding non-recurring items)



Dividends

	2010 cents per share	2009 cents per share	Change
Interim dividend	5.00	4.75	+ 5.3%
Final dividend *	4.50	4.50	-
Special dividend *	14.00	72.75	- 80.8%
Total Dividends for the year	23.5	82.00	- 71.3%

* The final and special dividend for 2010 is due for payment on 9 November 2010.

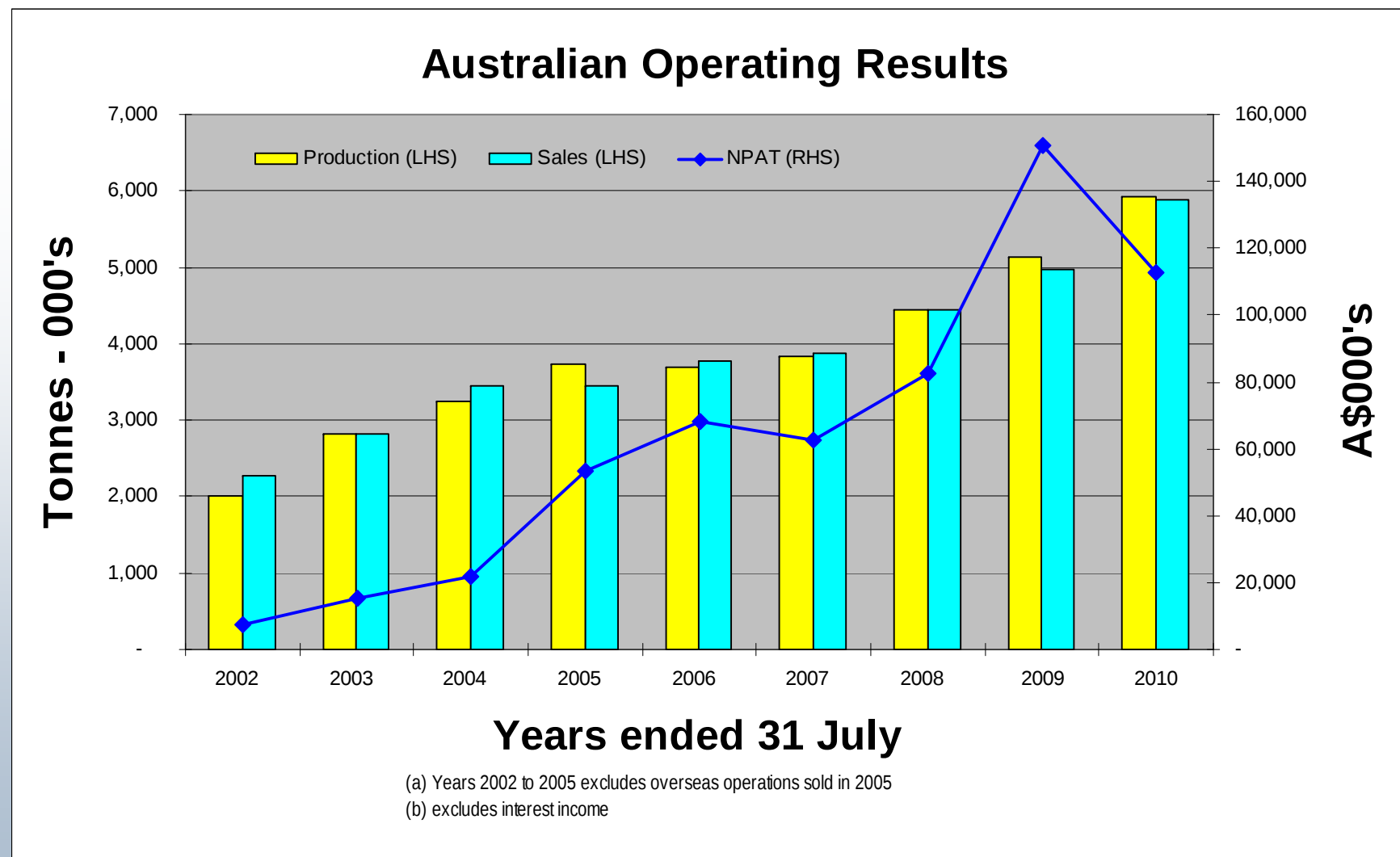
Production Volumes

12 months ended 31 July (Million tonnes)			
	2010	2009	Change
New Acland	4.70	4.26	+ 10.3%
New Oakleigh	0.29	0.45	- 36.6%
Jeebropilly (mine re-opened August 2008)	0.93	0.43	+119.6%
TOTAL	5.91	5.14	+15.2%

Sales Volumes

12 months ended 31 July (Million tonnes)			
	2010	2009	Change
Export	4.88	3.87	+ 26.2%
Domestic	1.0	1.10	- 9.7%
TOTAL	5.88	4.97	+ 18.3%

Production, Sales & Financial Performance



Acland Expansion to 4.8 MTPY ¹

North Pit



- ◆ Expansion completed under budget and slightly ahead of schedule.
 - Wetalla Pipeline;
 - Wash plant upgrade;
 - New equipment for mine expansion and development of south pit.

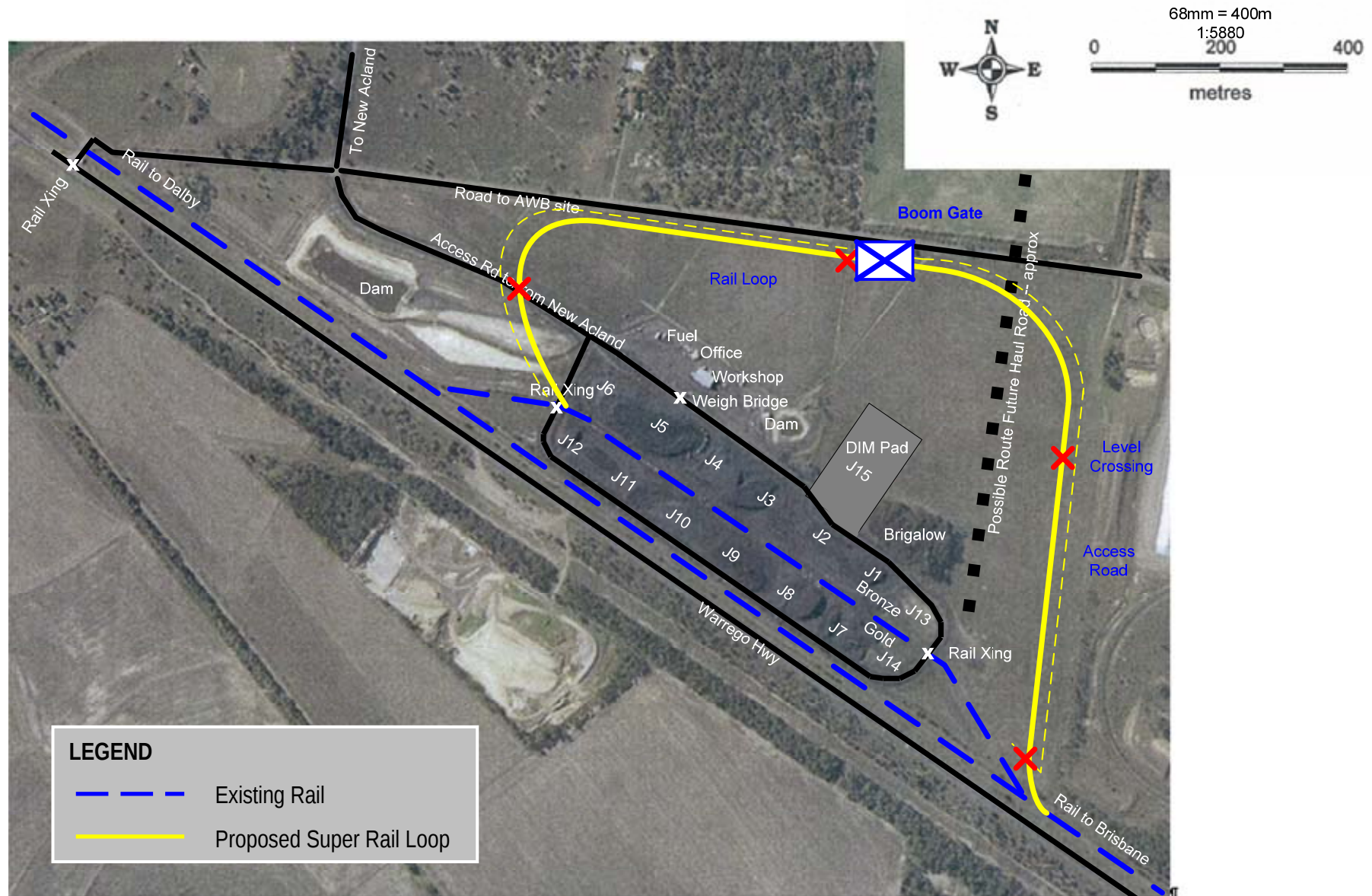
Acland Expansion to 4.8 MTPY²

South Pit



- ◆ Wash plant #2 crusher upgrade success is being planned for the original wash plant.
- ◆ Jondaryan Super Rail loop being planned to expedite additional export capacity.
- ◆ EIS supporting the additional mining lease to allow New Acland to expand to 10 MTPY grinding through State Government bureaucracy.
- ◆ Planning and design of central pit at Acland is underway.

Jondaryan Super Rail Loop ¹



Jondaryan Super Rail Loop ²

- Decrease train cycle times to move more coal to the port with the same number of trains.
- Two additional train sets can be held on the super loop while one train is being loaded on the Jondaryan Siding.
 - Improved annual capacity by 500,000 to 900,000 tonnes;
 - Facilitates CSE energy coal being diverted to export.
- Project Planning and Design have commenced.
 - But still awaiting final QR approvals.
- Project completion by end 2011 if QR approve by mid October.
 - Minimal disruption to current operations.
- Capital Cost recovery period about 18 months.

Mine Rehabilitation and the Environment



- Rehabilitation closely follows mining operations.
- NHC manages multiple land uses:
 - Mining
 - Cattle
 - Farming

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Operations Improvements ₁

Payloads increased by up to 20 tonnes → **\$8.5m** pa cost saving



New Hope specific bodies – 21 new light weight, high strength, large bodies, but remain within manufacturer's limits

Operations Improvements ₂

Implemented world class maintenance strategy, increasing availability to 93%
Value add - **\$5m** pa



Operations Improvements ₃

World Class Coal Preparation plant
performance: **7848** Run hours at
107% of design feed rate, via
continuous improvements



Operations Improvements ⁴

Installed mobile in-pit 'crib' rooms,
Refuel excavators at shift change,
Progressing work-through-crib activities.
Value add - **\$4.4m** pa



West Moreton Mines Update



Jeebropilly

- Successfully expanded recommissioned mine to 900 KTPY.
 - Higher yields and lower strip ratios
- Sufficient wash plant capacity.
- Possible mine life of 5 – 7 years at current prices and costs.



New Oakleigh

- Previously scheduled for 1Q 2009 closure.
- Additional remnant coal identified.
- Operations will continue at lower production rates until 2012?
 - 230 KTPY

Transition from mining to valued land use

Active Mining



Traditional Mine Rehabilitation



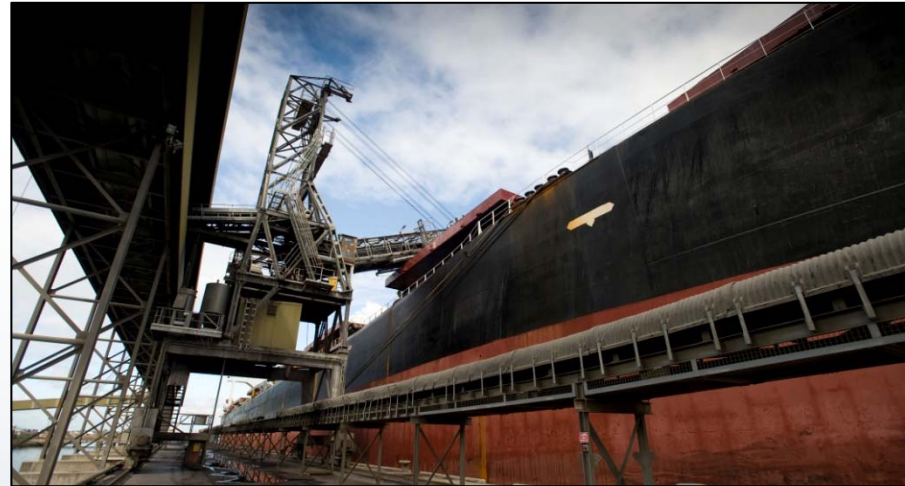
Conceptual Future



- West Moreton Land Holding – 2900ha.
- Conceptual development plans completed and recognised with 3 awards for Urban Design & Industrial Planning.
- Structure Plan for the Ebenezer Regional Industrial area of 5,000 hectares is underway.
 - Includes some 1,800 hectares of NHC land.

QBH Port Facility

Overview



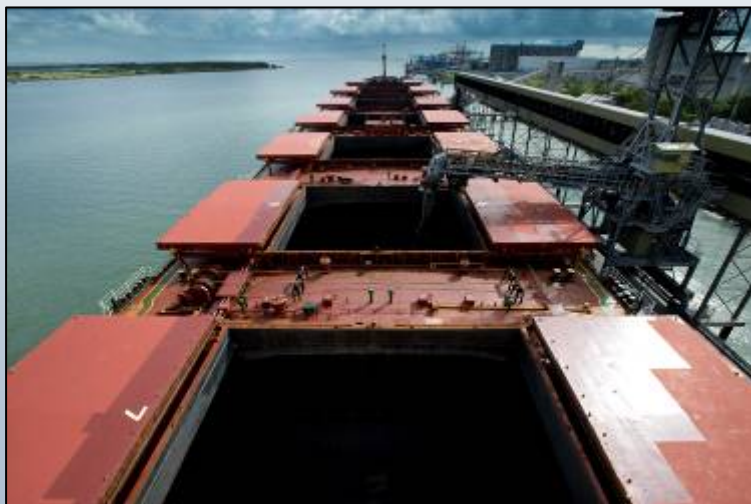
- ◆ Coal exports have grown by 57% over the past five years.
- ◆ Higher rail volumes and ship movements.
- ◆ Remains essentially demurrage free coal terminal.
- ◆ Site management improving effectiveness.
 - New user group formed for efficiency improvements.
- ◆ Expansion to a nominal capacity of 10 MTPY nearing completion.

QBH Port Facility

Exports Throughput (Million Tonnes)



	12 months ended 31 July				
	2006	2007	2008	2009	2010
Exports (MT)	4.16	4.53	5.47	6.12	6.67
TOTAL GROWTH	12%	9%	21%	12%	9%
NHC Growth	17%	6%	24%	20%	26%



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QBH Port Facility

Expansion Project₁





Site Preparation



First Stage with construction of light weight stacker and 4 reclaim systems underway

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QBH Port Facility

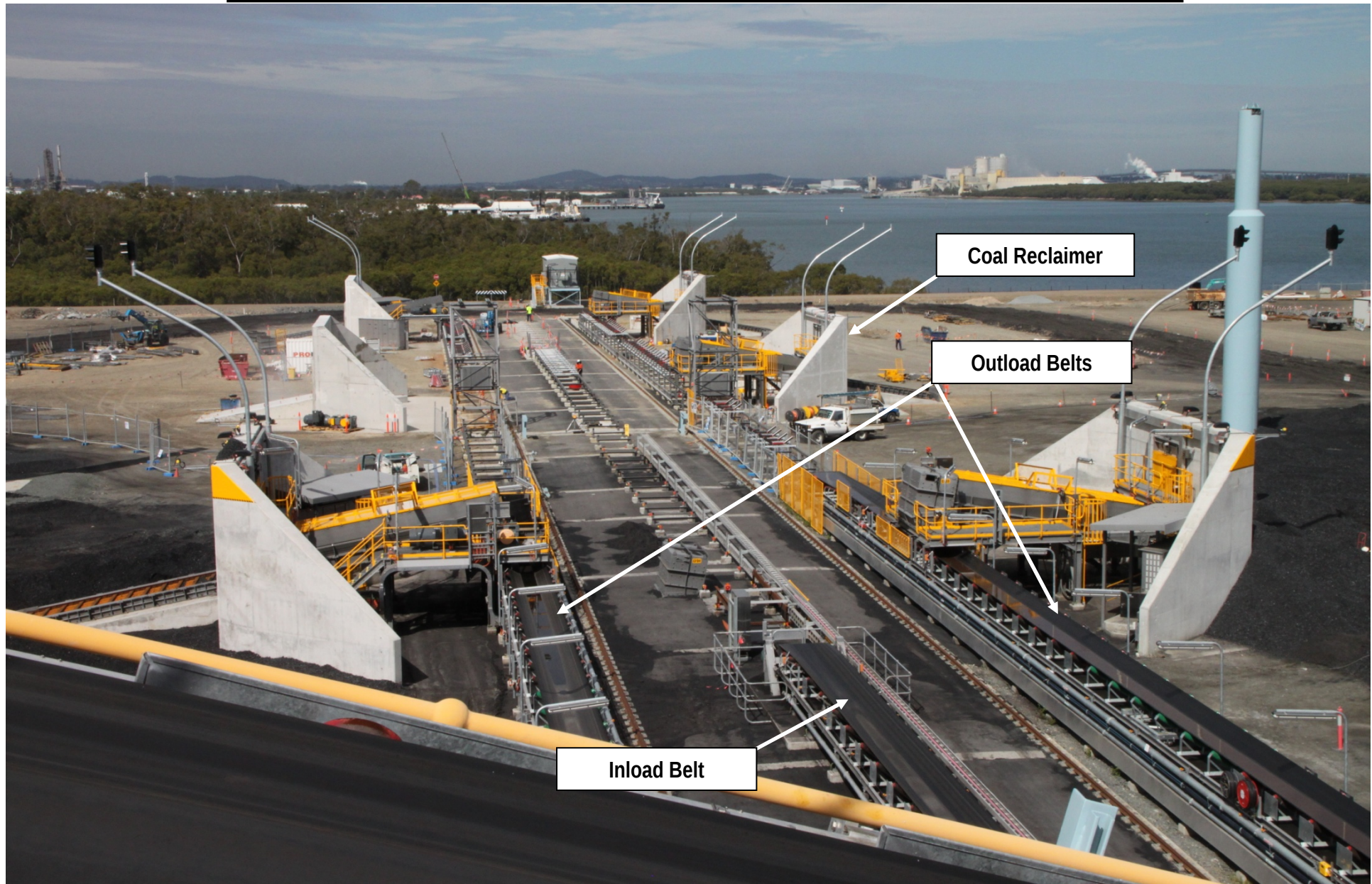
Expansion Project – Down Stream View ₃



- ✦ New stockpile areas in use.
- ✦ Stacker complete.
- ✦ Second phase of reclaim systems under construction.
- ✦ Reclaim armour faced conveyor

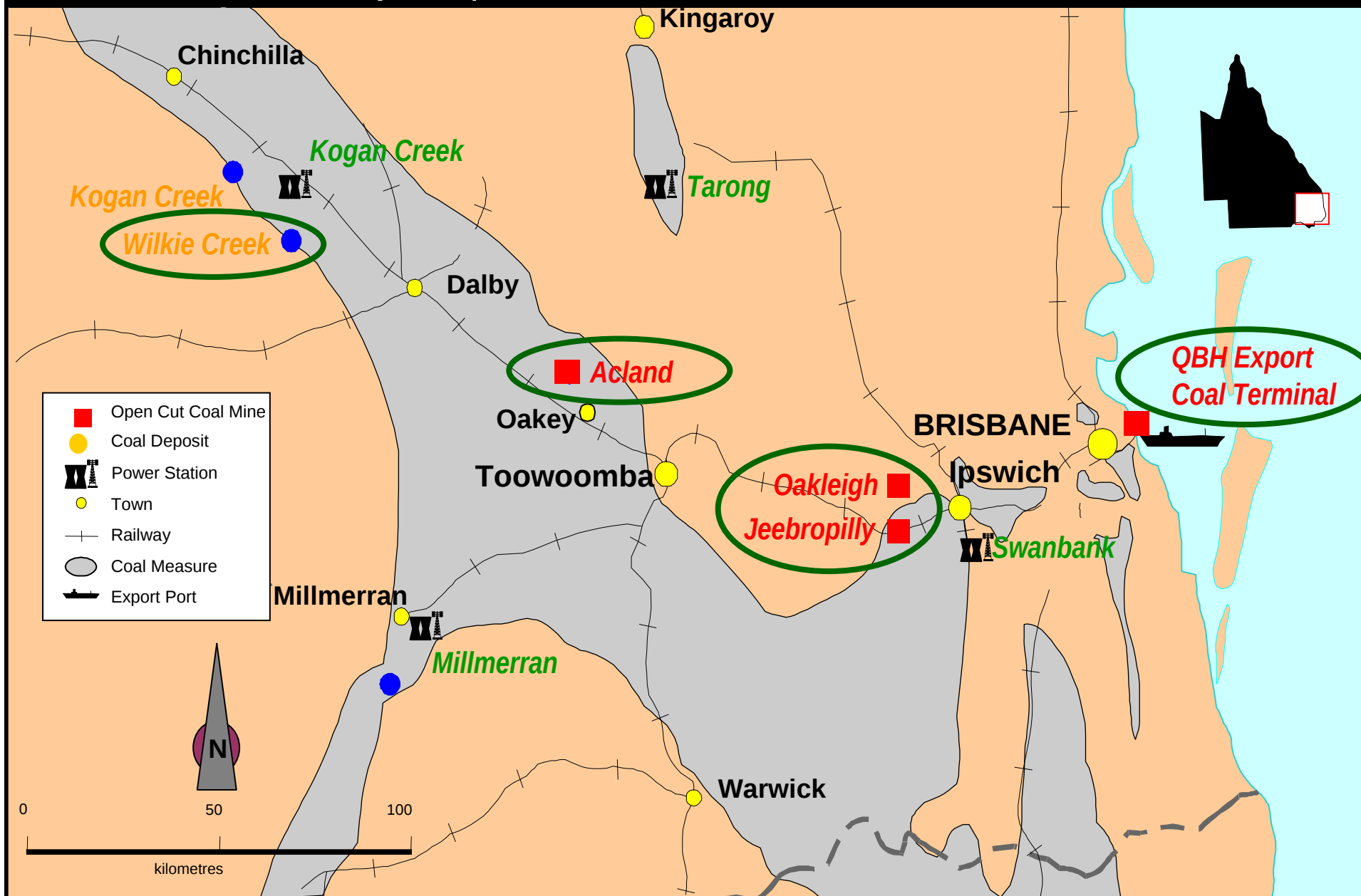
QBH Port Facility

Expansion Project – Up Stream View ⁴



Proximity to SE Qld Coal Resources

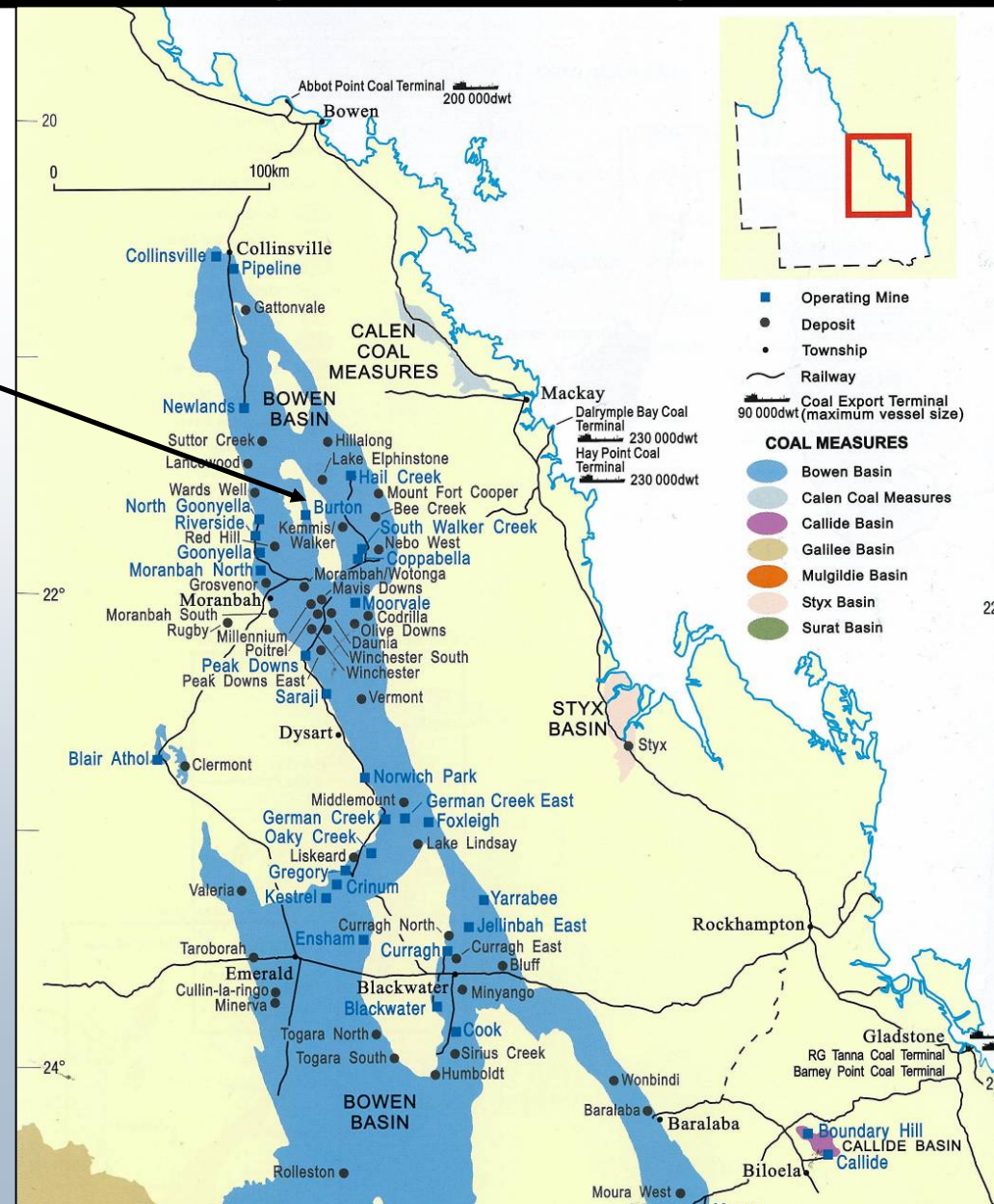
Locality Map



Central Queensland Overview

Exploration Projects and Existing Mines

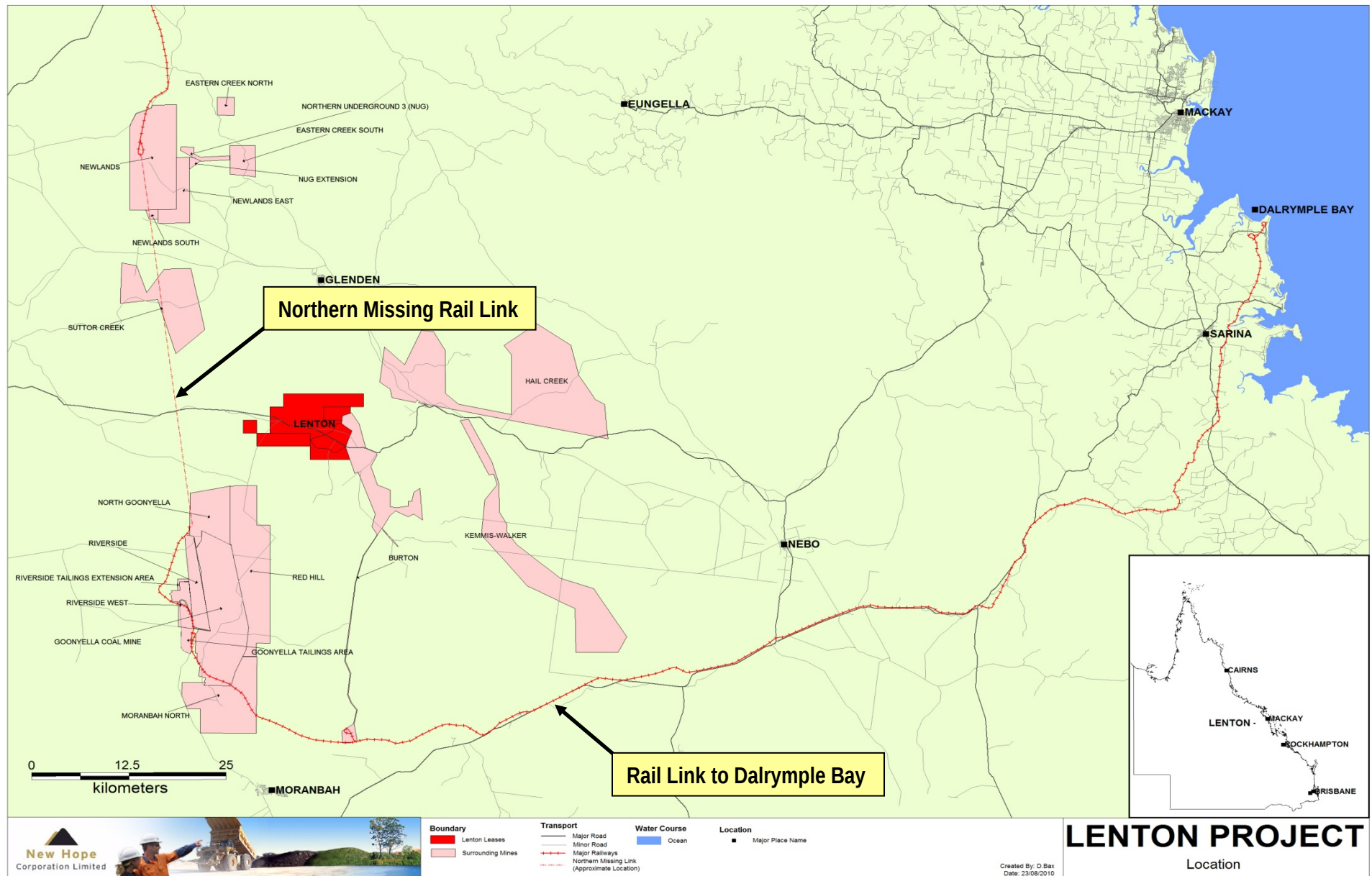
NEW LENTON PROJECT



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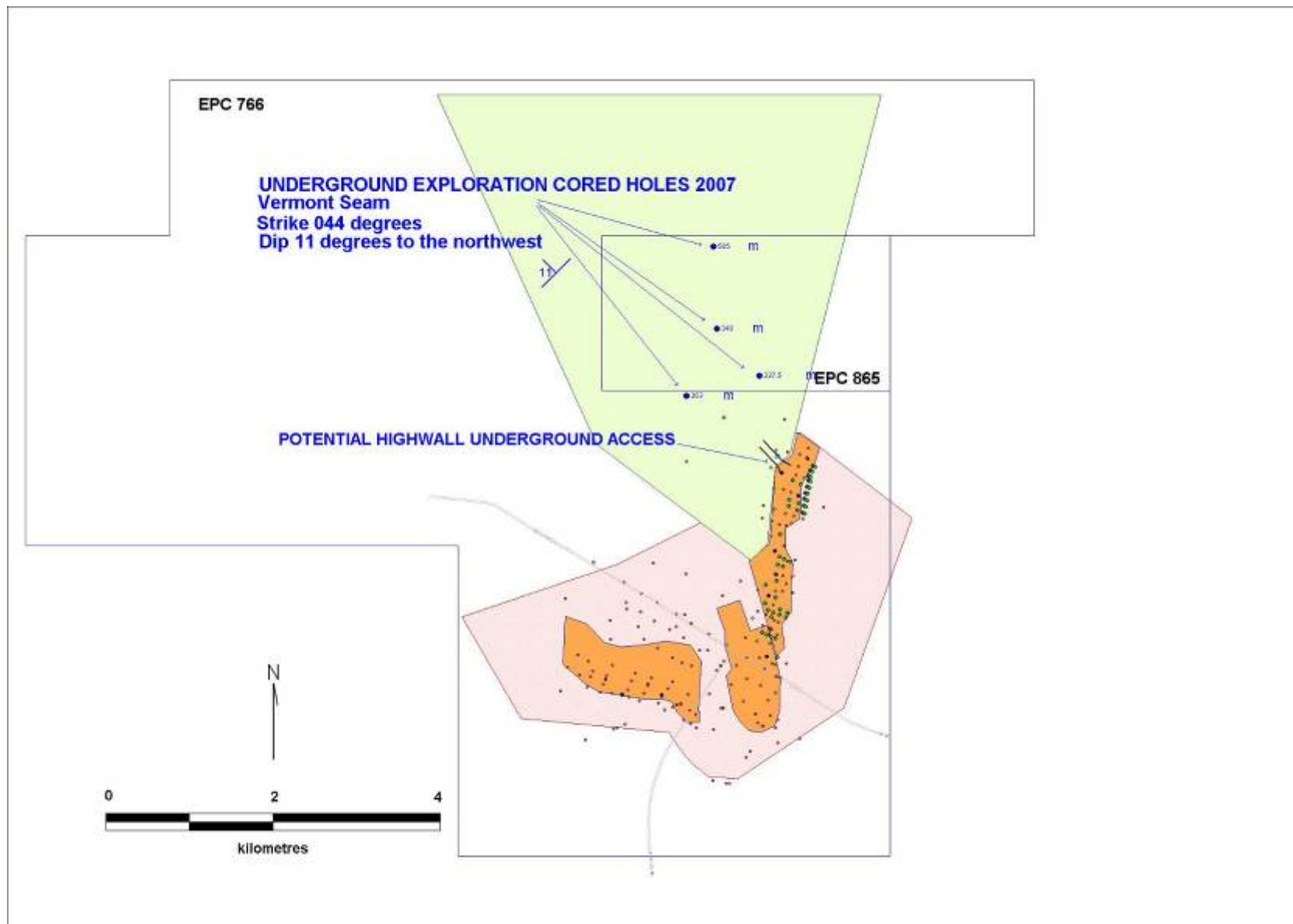
New Lenton Project

Location & Infrastructure



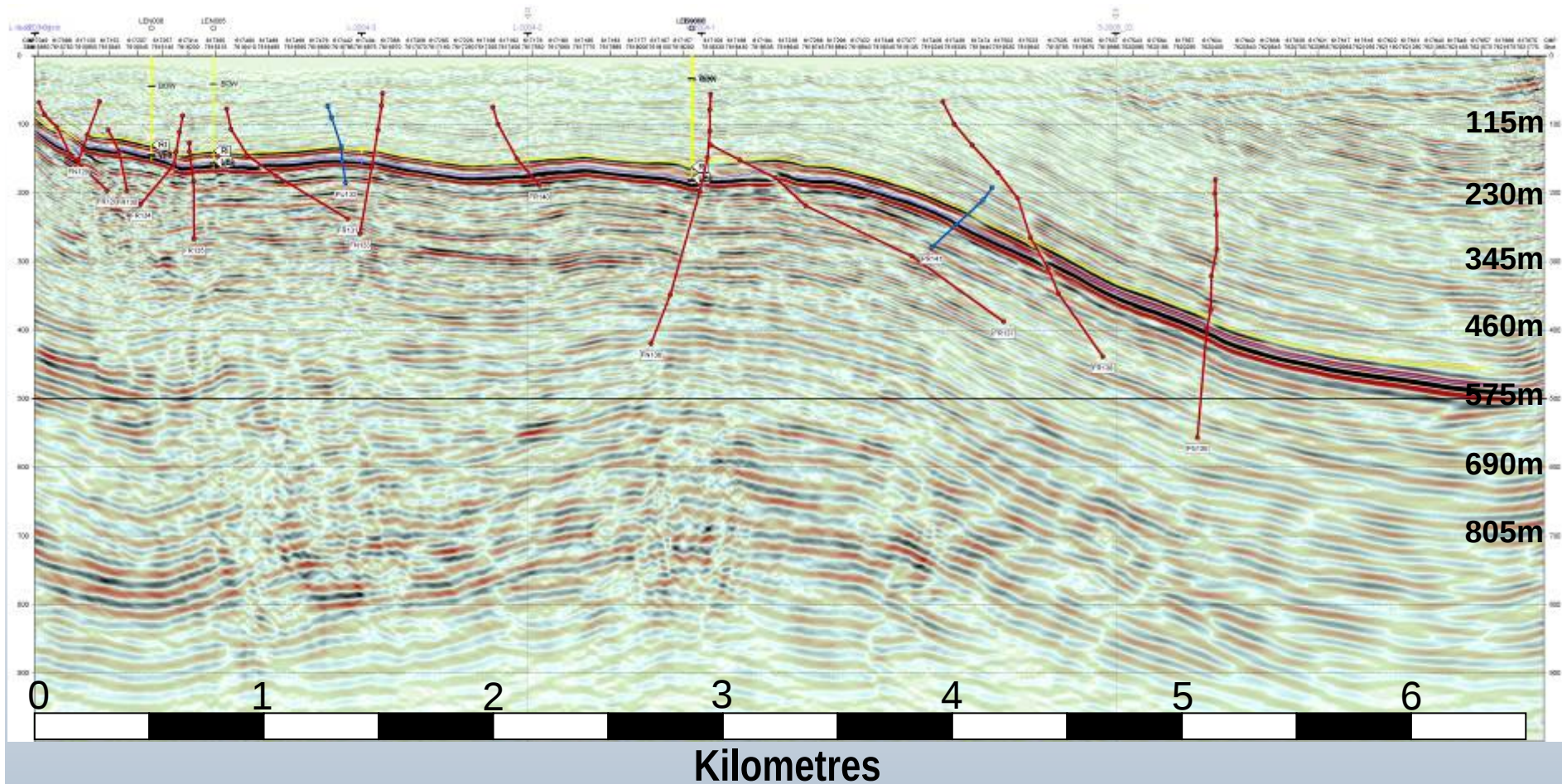
New Lenton Project

Initial Exploration



New Lenton Project

Seismic Line 2009-03

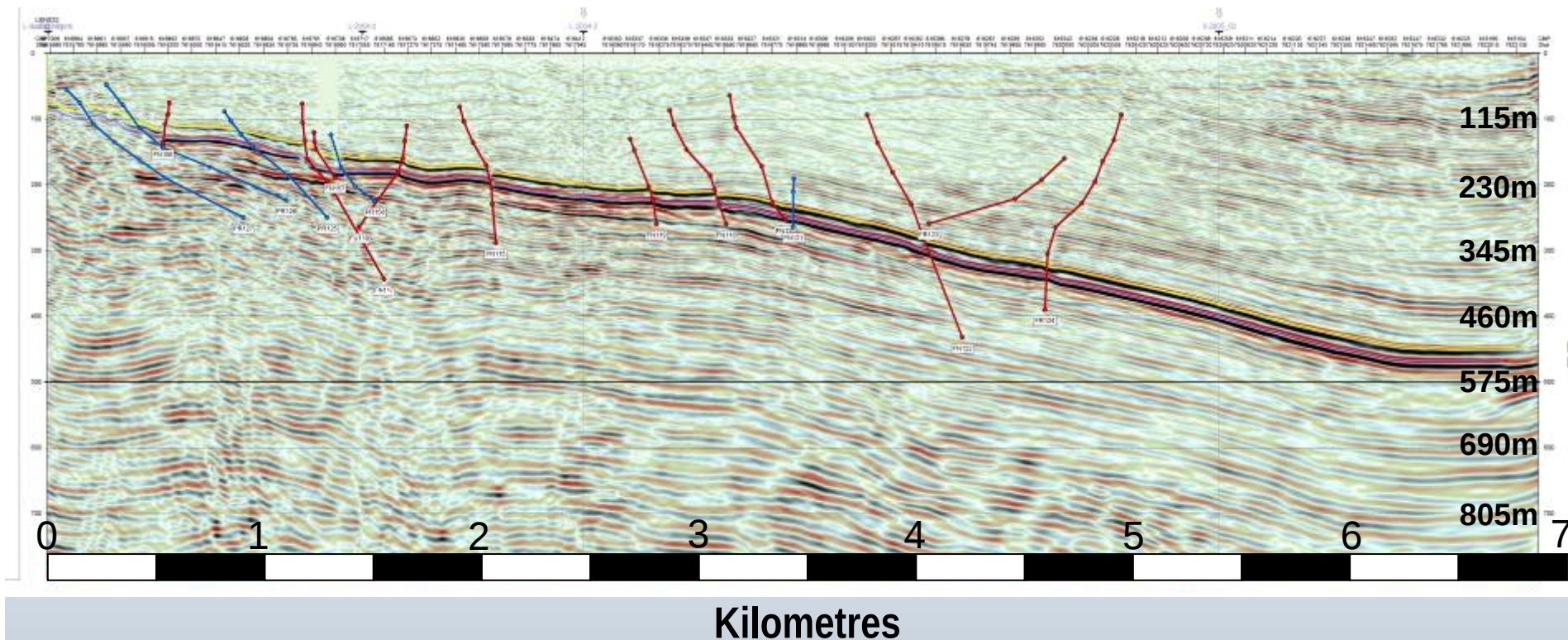


Line 2009-03 interpreted section showing the mapped roof of the Burton Rider and Leichhardt Seams.

Rider Seam = yellow horizon; Leichhardt Seam = blue horizon. Also displayed are the interpreted probable faults (in red) and possible faults in (blue). Total line length = 6.60km (500m scale bar at base).

New Lenton Project

Seismic Line 2009-02



Line 2009-02 interpreted section showing the mapped roof of the Burton Rider and Leichhardt Seams.

Rider Seam = yellow horizon; Leichhardt Seam = blue horizon. Also displayed are the interpreted probable faults (in red) and possible faults in (blue). Total line length = 6.81km (500m scale bar at base).

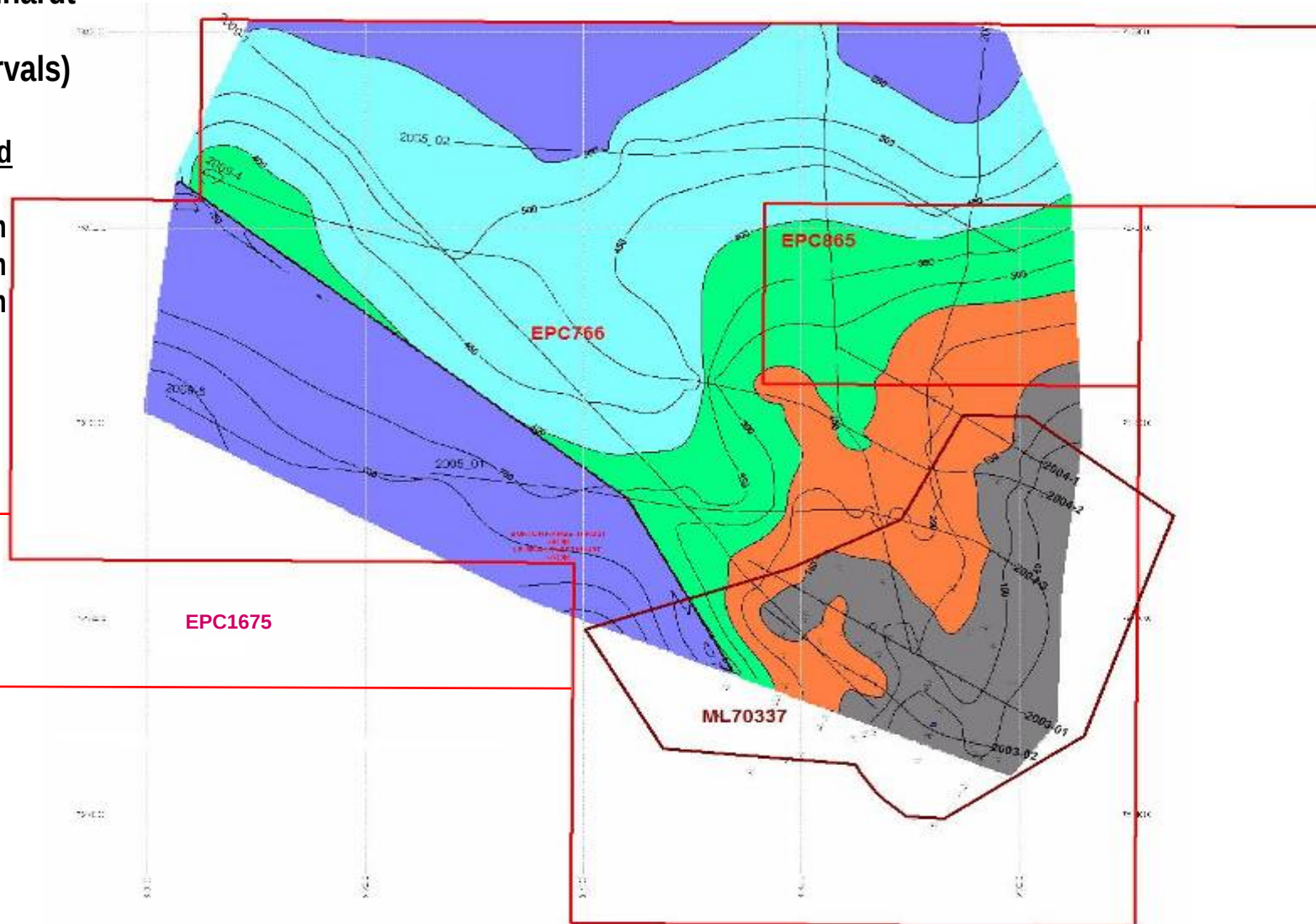
New Lenton Project

Depth-To-Seam Contours

**Depth to the Leichhardt
Seam
(50m contour intervals)**

Colour Shade Legend

Grey = 0-150m
Orange = 150-250m
Green = 250-400m
Aqua = 400-550m
Purple = >550m



New Lenton Project

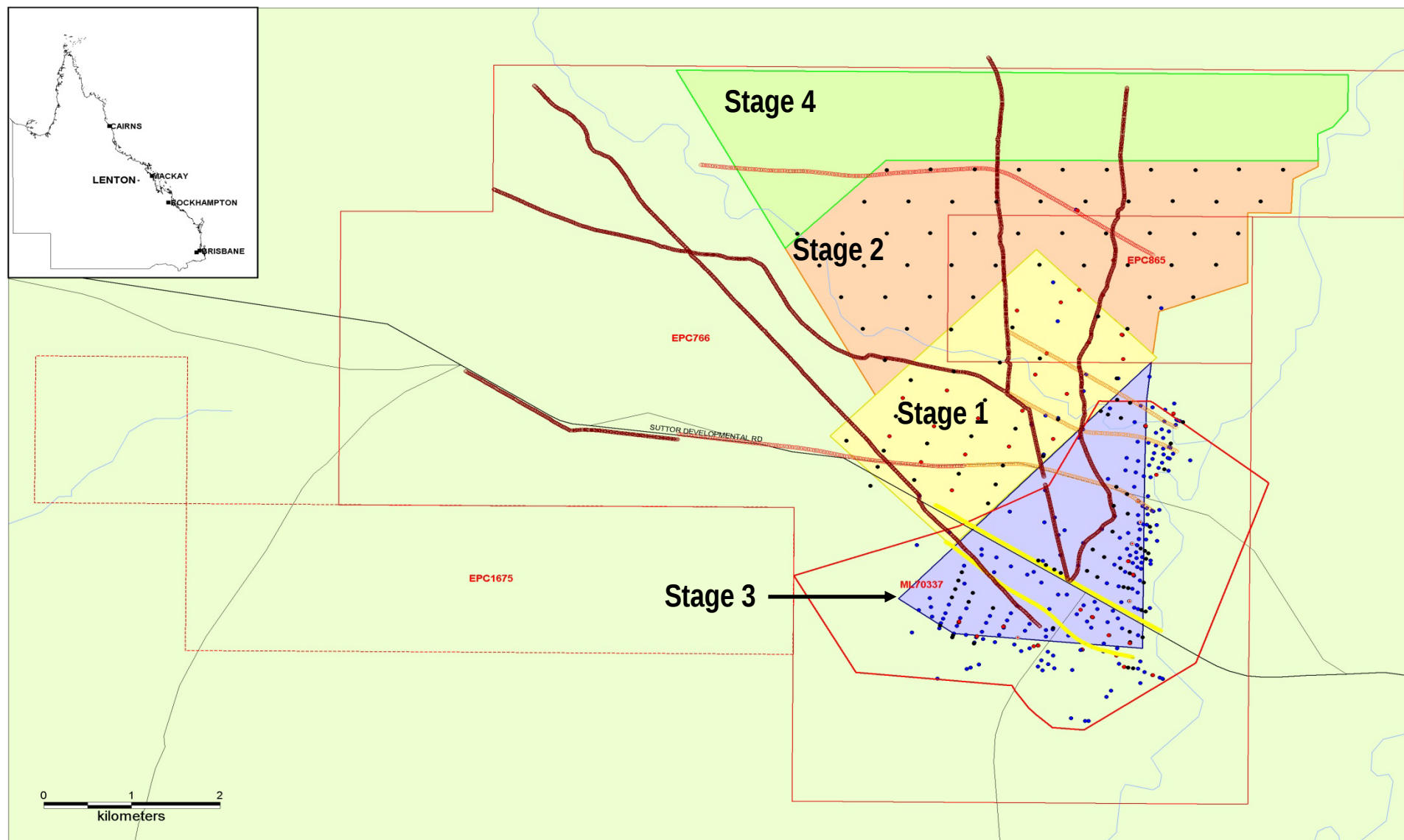
Resource Definition Summary

- Drilling, seismic evaluation and coal quality analysis continuing
 - Total drill holes 298 (Oct 2002 – August 2010)
 - 38,604 metres total drilled
 - Coal quality analysis confirms a range of metallurgical and thermal coal products
- Resource potential confirmed by NHC drilling:
 - 84 million tonne open-cut coal resources to JORC status¹
 - Open cut & underground metallurgical coal potential to North West
 - identified by seismic surveys and verified by initial drilling (non-JORC)

¹ The information in this presentation that refers to coal reserves and resources is based on information compiled by Mr Wes Nichols (a fulltime employee of New Hope). Mr Nichols 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 in 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 Nichols has consented to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

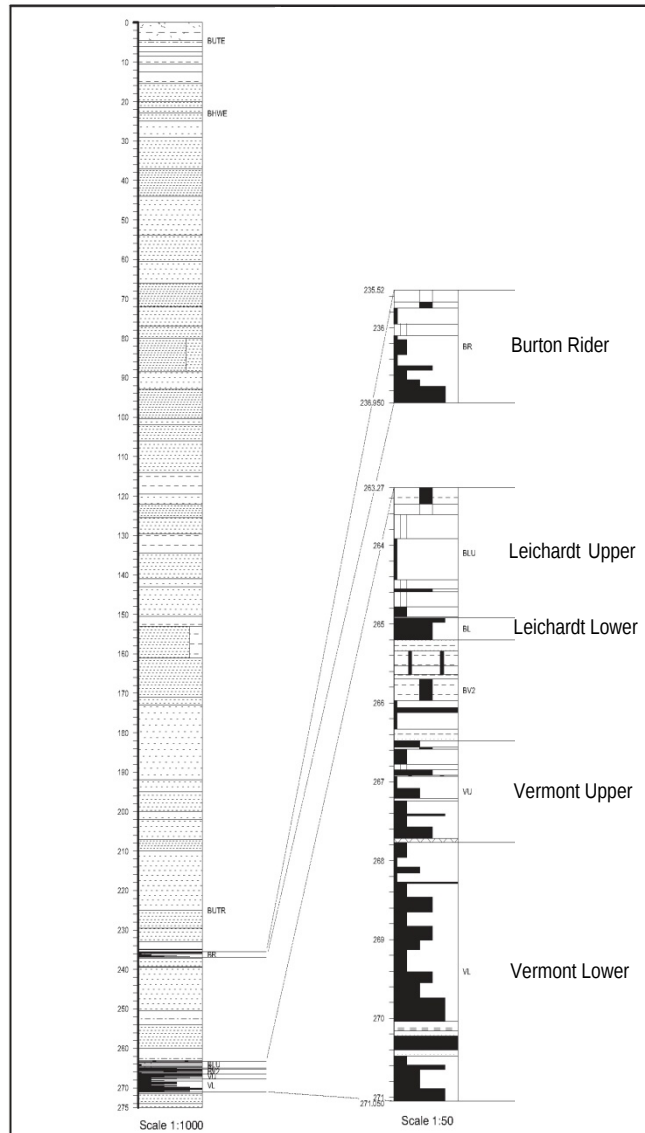
New Lenton Project

3D Seismic Stages 1 - 4



New Lenton Project

Seam Stratigraphy and Indicative Coking Coal Quality



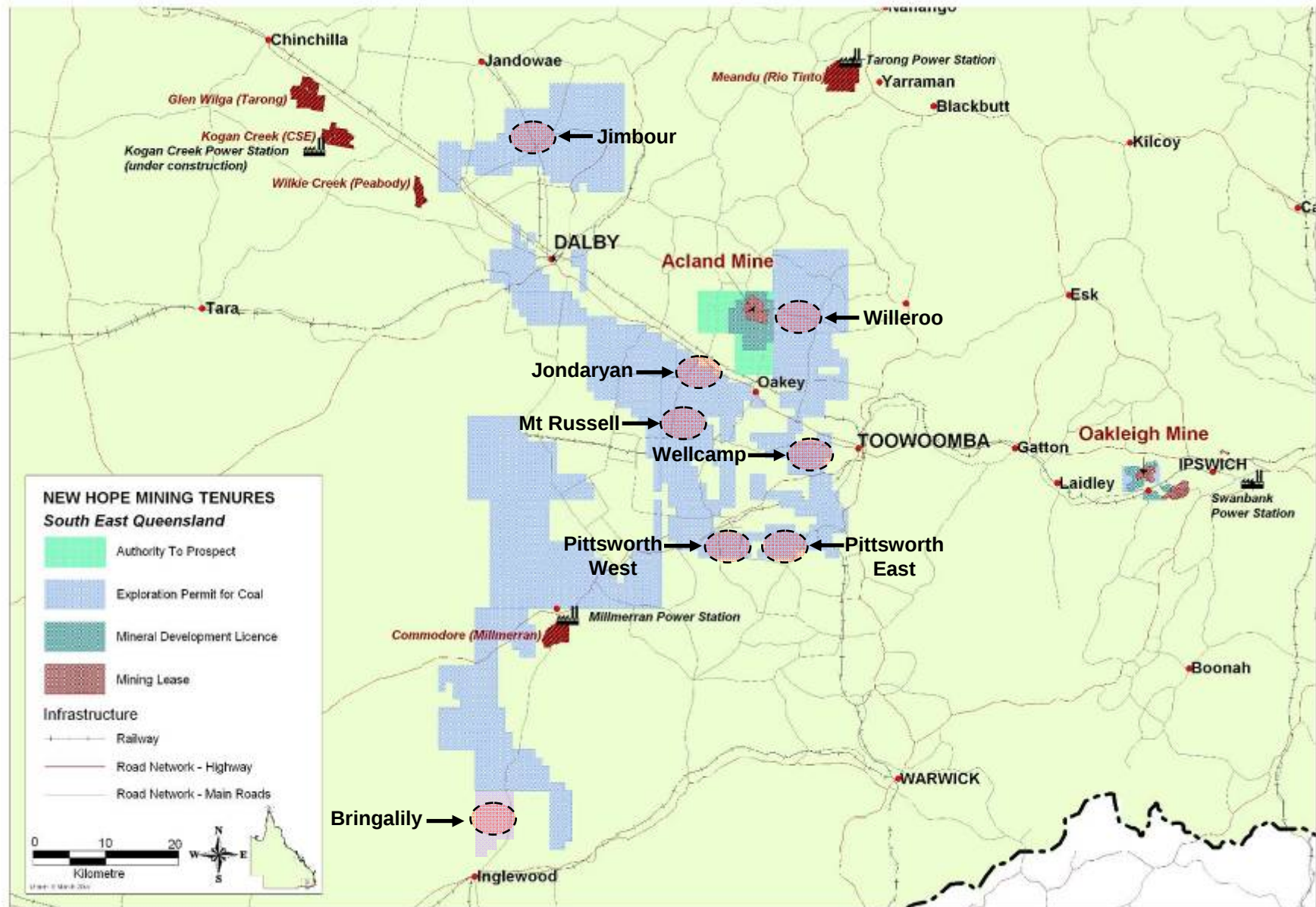
	Ash (adb) %	WM %	CSN	TS %	Phosphorus %	Vitrinite %	Fluidity	Dilatation	CSR
Burton Rider	7.2 - 10	28 - 30	7 - 8.5	0.31 - 0.47	0.004 - 0.073	51 - 69	250 - 1000	55	35 - 45
Leichardt Upper	6.8	29	8 - 9.0	0.41 - 0.45	0.029	54	600 - 4000	102	NA
Leichardt Lower	6.2 - 9.9	27 - 30	8 - 9.0	0.40 - 0.45	0.004 - 0.090	54	600 - 4000	147	NA
Vermont Upper	7.2 - 12.2	24 - 30	1.5 - 9.5	0.22 - 0.46	0.006 - 0.144	20 - 25	5 - 700	61	42 - 50.1
Vermont Lower	6.0 - 8.2	24 - 27	6.5 - 8.5	0.32 - 0.46	0.004 - 0.066	20 - 35	10 - 600	80	45 - 60.5

Note:

HGI: 66 – 86

RoMax: 1.1 – 1.15

Downs Project



- Coal Conversion Technologies which produce transport hydrocarbon fuels, fall into 2 general categories:
 1. Direct Liquefaction (coal-liquids-solids)
 2. Indirect Liquefaction (coal-gas-liquids-solids)
- NHC has identified a new generation technology in each of these categories which appear, at very large bench scale, to have environmentally superior performance relative to known existing technologies.
 - Each new technology has been successfully trialed on New Acland high ash coal.

Coal-to-Liquids Project

NHC CTL Background Information

- NHC initiated research in 2005 on CTL technologies as an alternative growth avenue in the face of a constrained rail system limiting Acland Mine export growth.
- NHC conducted gasification evaluations of Acland coal.
- NHC CTL strategy then focused on two **indirect liquefaction** technology routes for liquids production.
 - a) **Slurry Reactor**
 - Final product, mostly diesel and jet fuel;
 - Technology remains attractive;
 - Seeking Government approvals for 1 TPH Proof of Concept Plant.
 - b) **Syncrude Reactor**
 - Synthetic crude oil followed by third party upgrade;
 - Technical success but unlikely to be commercial in Australia;
 - No further test work scheduled for now.
- NHC recently successfully trialled Acland coal in a **direct liquefaction** process.
 - Quantex process.

Coal-to-Liquids Project

Why Consider a Niche Focused CTL Business?

Benefits

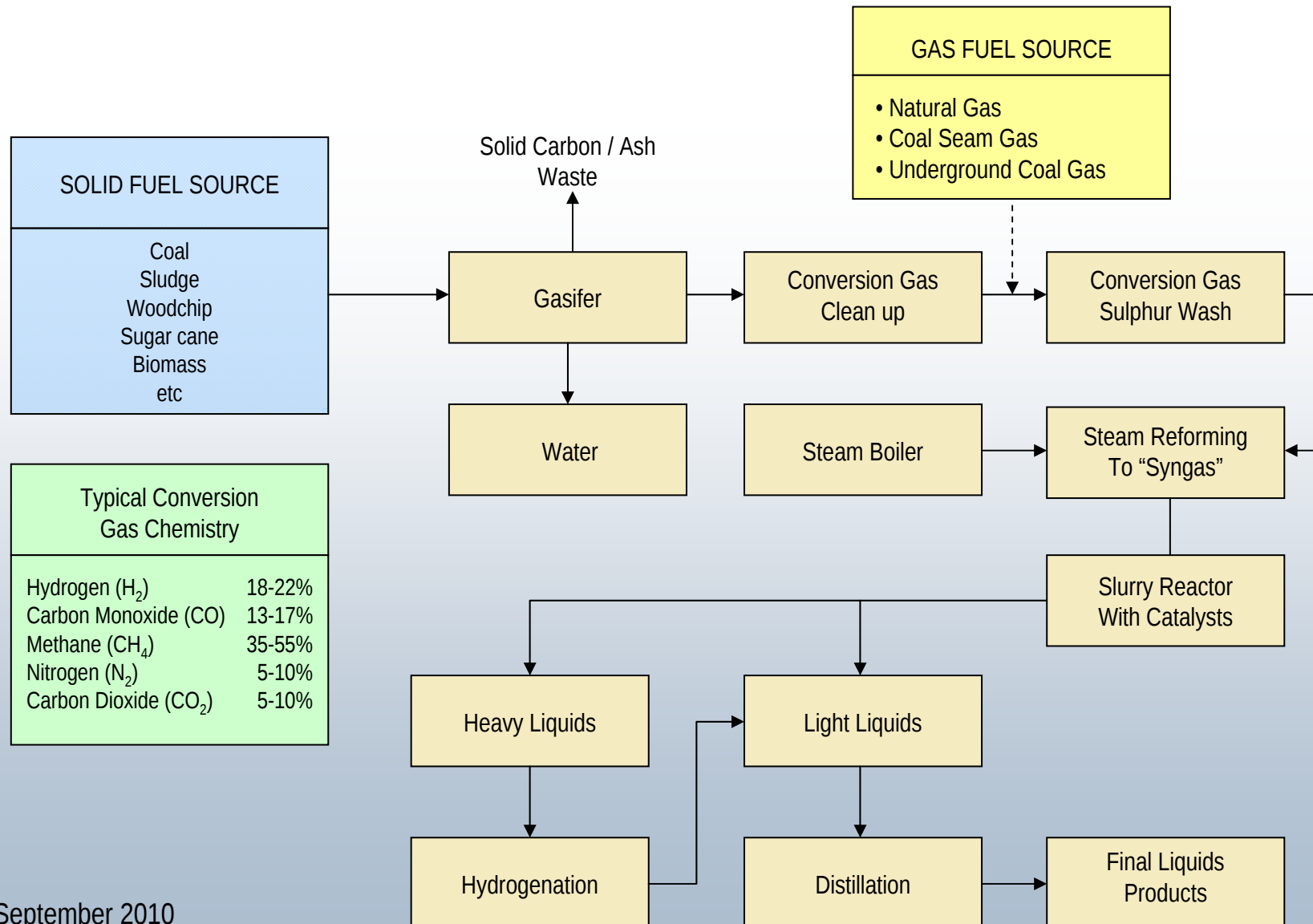
- Upgrade low value resources and/or waste products to premium petroleum products and mitigate crude oil imports.
- Overcome QR rail constraints to Acland and Surat Basin export coal growth.
- Fuel cost reduction to NHC operations.
- Potential expansion into the chemical and power business segments (ethanol, ammonia, urea, hydrogen etc).

Implementation Strategy

- Staged development to demonstrate viability, environmental performance and minimise financial risks.
- Likely attractive project economics.
- Current balance sheet can accommodate the proposed expenditure profile. Acceptable risk-reward profile.

Coal-to-Liquids Project

Schematic Process Flow Chart – Carbonisation Plant



Coal-to-Liquids Project

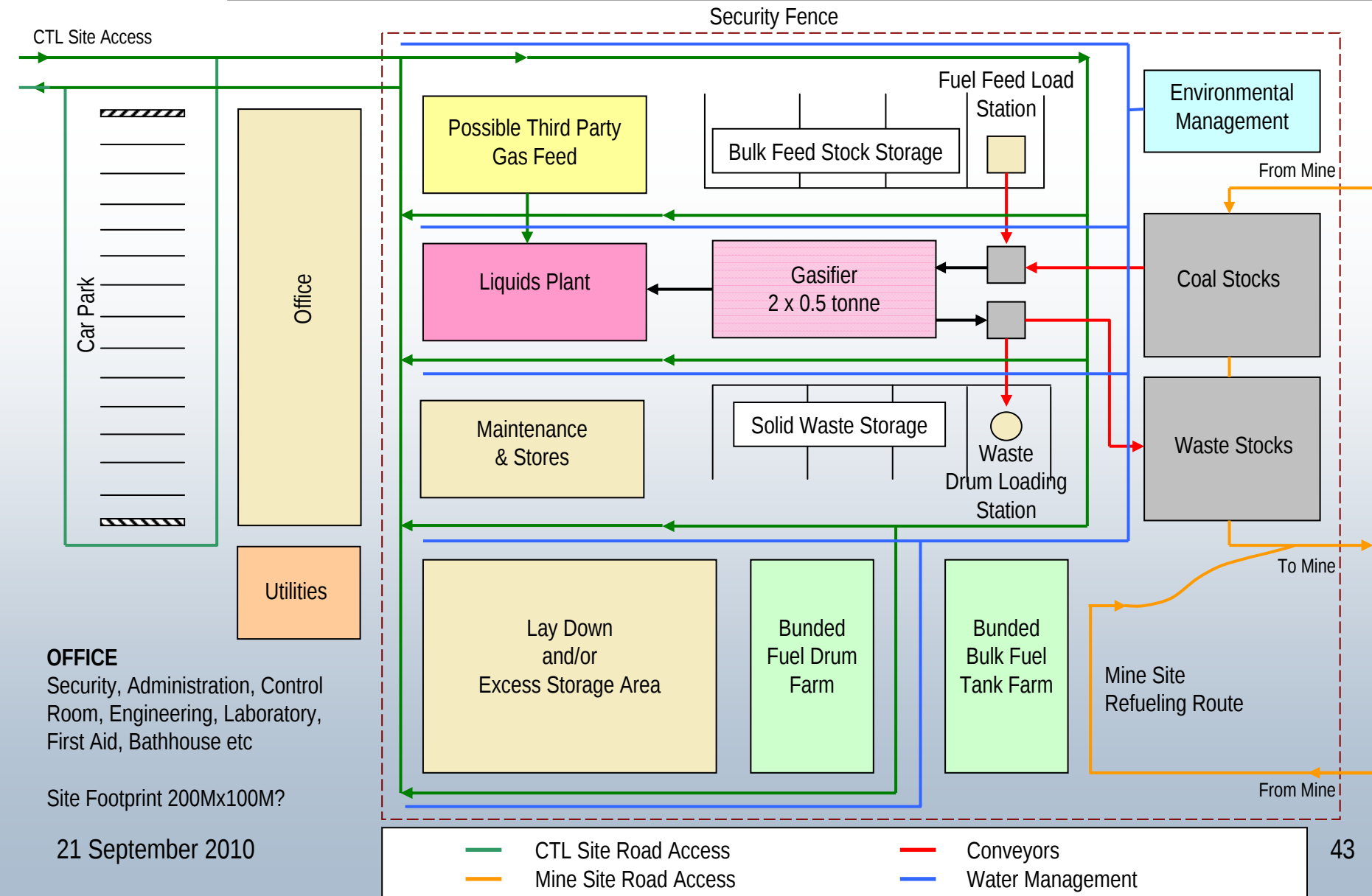
Objectives of 1 TPH Carbonisation and Slurry Reactor Plant

1 TPH Slurry Reactor Plant

- Establish stable coal conversion processes and operating protocols.
- Demonstrate system stability performance e.g. heat balance, energy balance, mass balance, gas balance, water balance etc.
- Demonstrate emissions performance and waste products management.
- Assess scale-ability issues for Pilot Plant (i.e. 100LB/H → 1 TPH → 25 TPH)
- Establish production yield performance for different operating conditions.
- Establish appropriate commercial evaluation factors for possible 25 TPH R&D pilot plant, including chemical and market evaluations as well as project and product economics.
- Test and compare yields for alternative fuel sources and operating protocols.
- Set bases for 25 TPH pilot plant design and approvals e.g. corporate, government, operations, environmental etc.
- “Finger print” preferred fuel feedstock characteristics for this process.
- Test CTL diesel performance with NHC mining fleet units.

Coal-to-Liquids Carbonisation Project

Possible 1TPH Concept Plant Test Site (Not to Scale and Subject to Change)



Coal-to-Liquids Project

0.5 TPH Carbonisation Unit



Coal-to-Liquids Project

0.5 THP Carbonisation Unit with First Stage Gas Clean Up Units



Coal-to-Liquids Project

Gasifier - 25 Kg Per Hour



Coal-to-Liquids Project

Liquefaction Module



Coal-to-Liquids Project

NHC Indirect Technology Advantages

✦ No Significant Environmental Risks:

- Unlikely toxic or odorous gaseous discharges, some small volume of carbon dioxide produced from heating source to begin the process;
- Minimal machinery noise, no toxic waste, water use negative (produces water);
- Approved and currently operating under Californian Environmental Legislation (toughest in the world) in a Los Angeles urban area. LA County approval to commence a design for 25 TPH plant (US \$40–50 million project).

✦ Economical:

- Produce diesel fuel for approximately 60 - 75% of current benchmark price;
- Can be set up for small scale operation.
- Coal conversion yield in excess of 300 litres/tonne for commercial plant.
 - Not all coals are suitable for this process.

Coal-to-Liquids Project

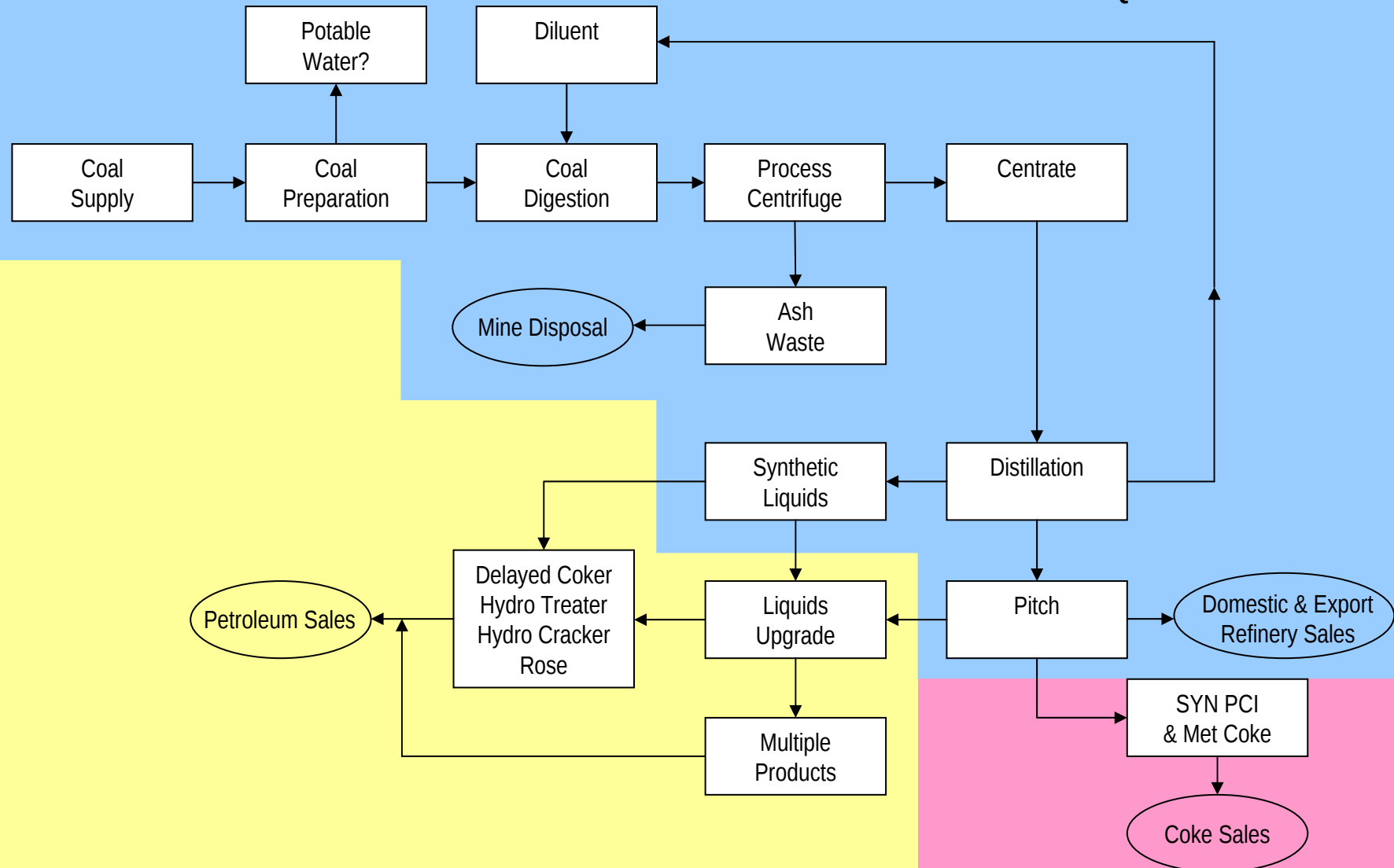
Quantex Agreement Overview

- This is a direct liquefaction process.
- Agreement to acquire 25% equity interest in exclusive world wide licensed technology.
- Right to acquire up to 51% at agreed prices.
- Targeting conversion of thermal coal to synthetic crude oil and other high value carbon products such as synthetic metallurgical coke.
- Promising results at large bench scale tests, but technology subject to scale up risk.
- Proof of concept plant in detailed design phase, with construction likely in 2011 and process results expected during 2012.

Coal-to-Liquids Project

NHC – Quantex Direct Coal Liquefaction

NHC-QUANTEX TECHNOLOGY



AVAILABLE THIRD PARTY TECHNOLOGIES

EXISTING THIRD PARTIES OR NEW TECHNOLOGY?

➤ Technology Scale Up

- Small lab scale <500 ml
- Large bench test scale 40 litres/hour
- Proof of Concept test unit 1200 litres/hour (2012)
- Pilot Plant unit 700-1000 bbls/day (2014)
 - Possible fast track option
 - Time saving is about 1 year

Coal-to-Liquids Project

Pitch from Acland Coal



Coal-to-Liquids Project

Synthetic Crude Oil from Acland Coal



Coal-to-Liquids Project

Synthetic Metallurgical Grade Coke from Acland Coal



Synthetic Coke

- Upgrading of pitch via a delayed coker process produces a synthetic crude oil with a high grade synthetic metallurgical coke as a by-product.



Carbon Anode from USA coal

- Specific grades of pitch can also be upgraded to form anode grade needle coke for electric arc furnaces.

Coal-to-Liquids Project

Technology Status

- Production of Anode and Needle Coke – proven.
- Large bench scale of:
 - Pitch (completed)
 - Synthetic Crude Oil (completed)
 - Synthetic Metallurgical Coke (completed)
- Scale up issues remain greatest unknown and highest risk.
 - Test via Proof of Concept Plant (POC)
- Detailed design – Oct 2010
- Tender and construction award – first quarter 2011
- Commissioning and operations at end 2011 early 2012

Coal-to-Liquids Project

Synthetic Metallurgical Coke Properties

	Australian Mine PCI Coal	Synthetic PCI Coke (via CTL) *	Synthetic Met Coke * (via CTL)
Moisture	9.0%	0.5%	
Proximate Analyses			
Volatile Matter	13.0%	9.0%	0.4%
Ash	9.0%	7.87%	8.0%
Fixed Carbon	77%	83%	92%
Sulphur	0.5%	0.5%	0.45%
Calorific Value (ar) (Kcal/Kg)	6910	7900	
Ultimate Analyses (dry)			
Carbon	89.2%	86.0%	90.3%
Hydrogen	4.41%	2.68%	0.06%
Nitrogen	1.62%	1.17%	0.32%
Sulphur	0.33%	0.47%	0.45%
Oxygen + error	4.4%	1.81%	0.9%

Coal-to-Liquids Project

NHC – Quantex R&D Programme

- Large bench scale unit will continue to test a range of coal types.
- Operating conditions will be optimised for specific product requirements for proposed coal types (maximise conversion)
- Fuel and coke marketing support activities.
- Test different engineering options to make the process more efficient.
- Personnel requirements 4 – 6 people.

As at 31 July 2010	
Shareholding	16.7%
Adjusted cost of shares *	\$110.0 M
Market value **	\$576.2 M
Unrealised profit before tax	\$466.2 M

- * Adjusted cost base after the allocation of a value to the Dart Energy shares on implementation of the demerger.
- ** Values at \$4.70 per share in line with the consideration to be received under the acquisition scheme.

As at 16 September 2010	
Shareholding	17.0%
Cost of shares *	\$16.2 M
Market value	\$71.3 M
Unrealised profit before tax	\$55.1 M

* Cost base comprised of:

- Allocation of cost base on demerger from Arrow Energy
- Participation in Capital Raising @ \$0.69 per share

- Total NHC cost for 19.9% of PGL approx \$8.8 million.
- PGL will use funds to accelerate Australian east coast projects as well as projects in Southern USA.
- The NHC equity in PGL continues a measured path of greater involvement in the broad Australian energy sector.

- Acquired 19.9% stake for a cost of \$23.3 million.
- ASX listed entity with interests in:
 - Bowen basin;
 - Galilee basin;
 - Dawson CSG fields (ex Anglo).
- Westside is in transition from an explorer to a producer.

New Hope Outlook for 2011

- Production and sales are likely to be in the vicinity of 6 million tonnes.
- Annual contract thermal coal prices in US\$ terms are likely to remain steady.
 - Some volatility in indexed and spot prices.
- Key NPAT drivers for 2011 will be:
 - US\$ coal prices and AUD:USD exchange rates.
 - QR performance risks.
 - Achievement of coal production and sales targets.
- Expansion projects provide a good platform for near term growth.
- Continued efficiency improvements to retain focus on low cost production.
- Exploration activity is ongoing with a higher focus on Lenton.
- CTL projects are gaining momentum.
- Acquisition assessments are ongoing.



New Hope
Corporation Limited

“An Independent Energy Alternative”



People are Important | Margin Management makes us Competitive |
Continuous Improvement makes us Effective | Growth is an Imperative

