



New Hope
Corporation Limited

Welcome to the 8th Annual General Meeting



as a Listed Public Company
18 November 2010



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- NPAT of **\$183.8** 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 has been finalised in the 2011 year.

18 November 2010

3

New Hope's operating profit after tax for the year ended 31st July 2010 was \$112.6 million. The profit for the year was a lower due to export coal prices, exchange rates and higher transportation and production costs partially offset by increased volumes. Investment income of \$71.2 million after tax brought the total group net profit after tax to \$183.8 million.

The gain from the sale of Arrow Energy has been recognised in 2011 and generated a net profit after tax of some \$326 million.

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%

18 November 2010

4

- Sale finalised in August 2010 generating cash proceeds of \$576 million.
- Profit after tax \$326 million to be recognised in 2011.
- Special dividend declared and paid of 14 cents per share – equating to \$116 million.
- Post dividend cash balance of \$1.9 billion.

18 November 2010

5

The sale of Arrow Energy was finalised in August 2010 and generated cash proceeds before tax of some \$576 million.

An after tax profit of \$326 million will be recognised in the 2011 financial year.

This non recurring profit has enabled the Directors to declare a special dividend of 14 cents per share, which was paid on 9 November 2010. Following payment of the dividend the company will have a cash balance of approximately \$1.9 billion.

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%

18 November 2010

6

Recently, shareholders would have received the final 2010 dividend of 4.5 cents per share, and the special dividend of 14 cents per share. When added to the interim dividend of 5 cents per share we paid in May this year, a total of 23.5 cents per share has been paid for the 2010 financial year. This is somewhat lower than 2009 which included the special dividend in relation to the sale of the New Saraji assets.



Northern Energy Corporation Offer

- Offer to acquire all outstanding equity in NEC at \$1.50/share;
- Bidders statement has been sent to NEC shareholders;
- Offer closes 21 December 2010;
- Provides diversity across product, customer and geography.

18 November 2010

7

On the 8th October New Hope offered to acquire all of the outstanding equity in Northern Energy Corporation for \$1.50 per share. Northern Energy is an ASX listed company with coal exploration projects in Queensland and New South Wales.

For New Hope, the offer provides the group with the opportunity to utilise its development and operational expertise to develop NEC's pipeline of coal exploration assets into coal producing assets. The acquisition also allows New Hope to diversify its operations geographically, by product and by customer.

➤ Northern Energy tenements include:

- Colton hard coking coal project, near Maryborough, Queensland.
- Elimatta thermal coal project, west of Wandoan, Queensland.
- Yamala thermal/pulverised coal injection project, between Emerald and Blackwater, Queensland.
- Ashford hard coking coal project north of Inverell, New South Wales.

18 November 2010

8

NEC's current portfolio of coal assets includes:

The Colton hard coking coal project, near Maryborough, Queensland;

The Elimatta thermal coal project, west of Wandoan, Queensland;

The Yamala thermal/pulverised coal injection project, between Emerald and Blackwater, Queensland; and

The Ashford hard coking coal project north of Inverell, New South Wales.

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%

18 November 2010

9

Group production from our Australian operations of 5.9 million tonnes is an increase of 15% over last year. Acland continues to be our major producing mine and is currently operating at the rate of 4.8 million tonnes per year following further efficiency improvements completed during the year, associated with the current mine expansion.

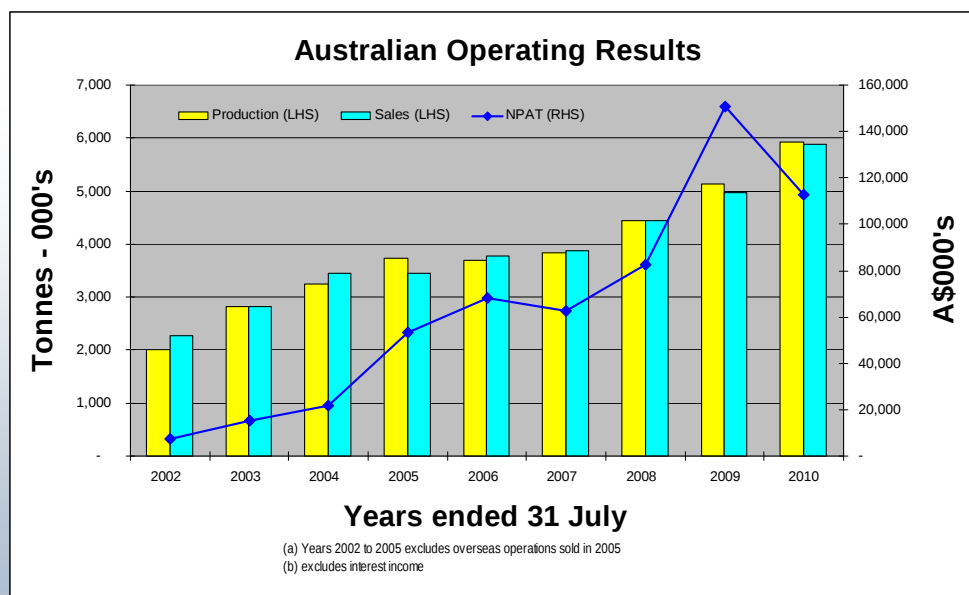
Sales Volumes

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%

18 November 2010

10

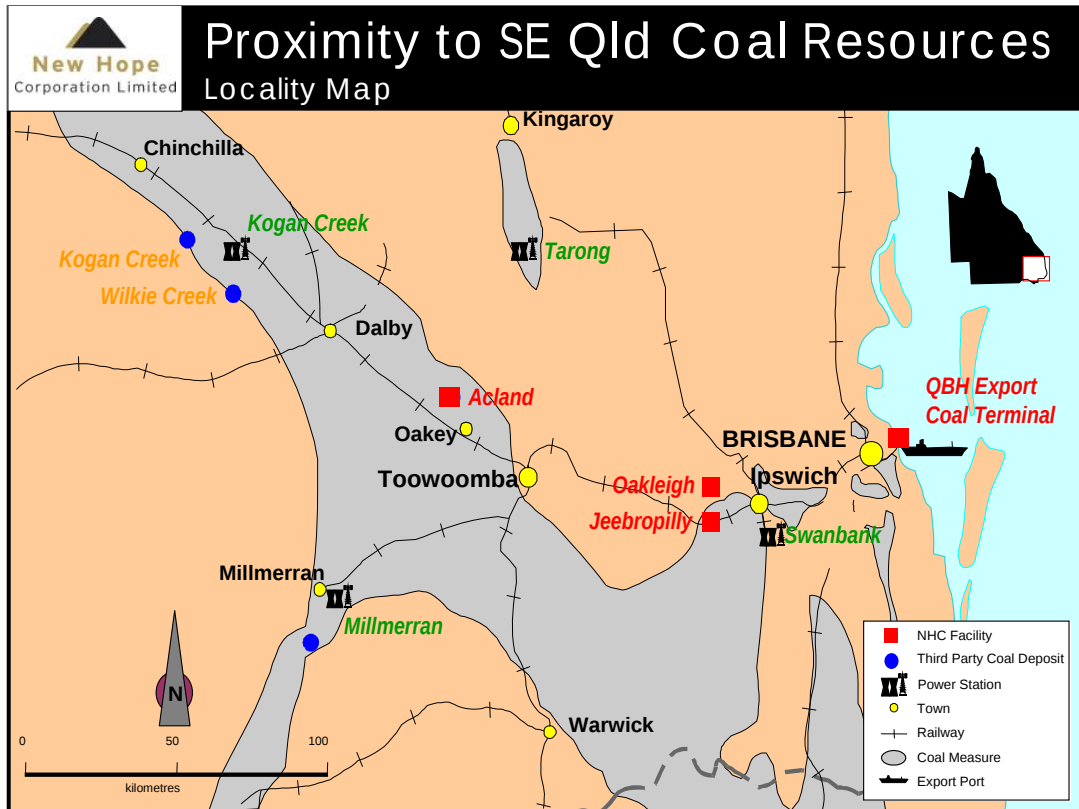
Coal sales during the year of 5.9 million tonnes was an increase of 18% over the 2009 year. The majority of this growth was export coal with domestic sales being somewhat lower than 2009.



18 November 2010

11

This chart displays the trend of increasing both sales and production volumes over time. The fall in operational profit for 2010 was largely due to export prices, foreign exchange rates and higher costs of transportation and production.





- Expansion completed under budget and slightly ahead of schedule.
 - Wetalla Pipeline;
 - Wash plant #2 upgrade;
 - New equipment for mine expansion and development of south pit.

18 November 2010

13

Acland Expansion to 4.8 MTPY ²

South Pit

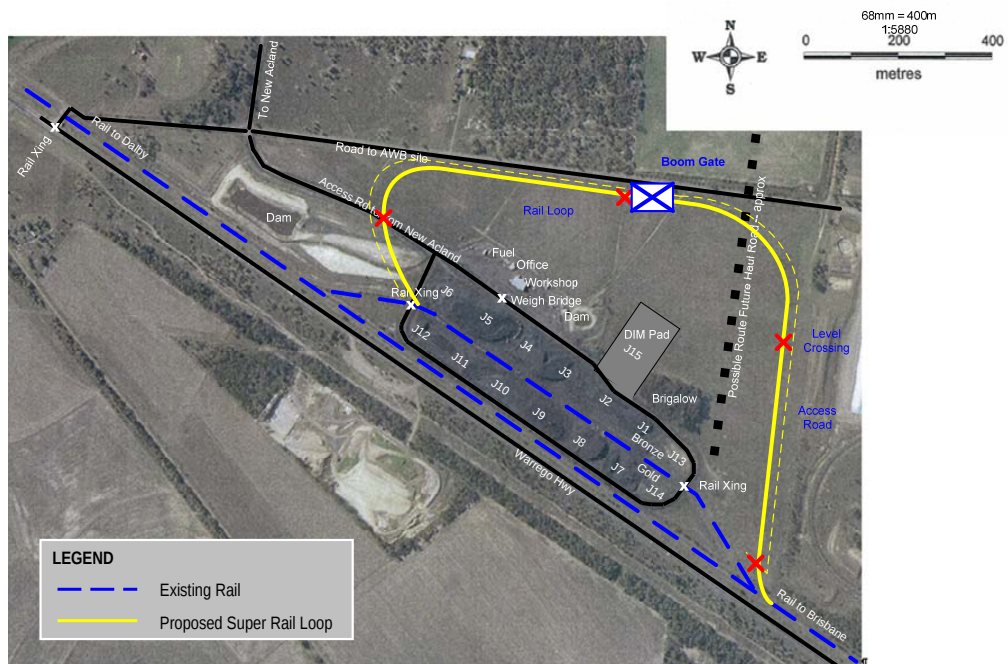


- Wash plant #1 crusher upgrade.
- Jondaryan Super Rail loop being planned to expedite additional export capacity.
- EIS required for grant of mining lease to allow New Acland to expand to 10 MTPY grinding through State Government bureaucracy.
- Planning and design of central pit at Acland is underway.

18 November 2010

14

Jondaryan Super Rail Loop



Operations Improvements₁

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 Improvements₃

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



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

18 November 2010

20

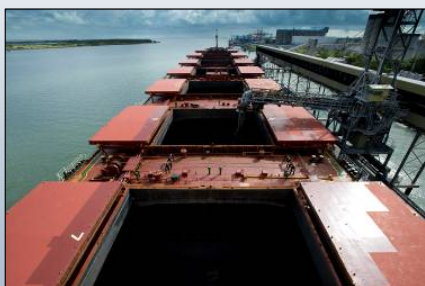


- Coal exports have grown by 57% over the past five years.
- Higher rail volumes and ship movements.
- Remains essentially demurrage free coal terminal.
- Site management improving effectiveness.
 - New user group formed for efficiency improvements.
- Expansion to a nominal capacity of 10 MTPY nearing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

18 November 2010

21

	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%



18 November 2010



22





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

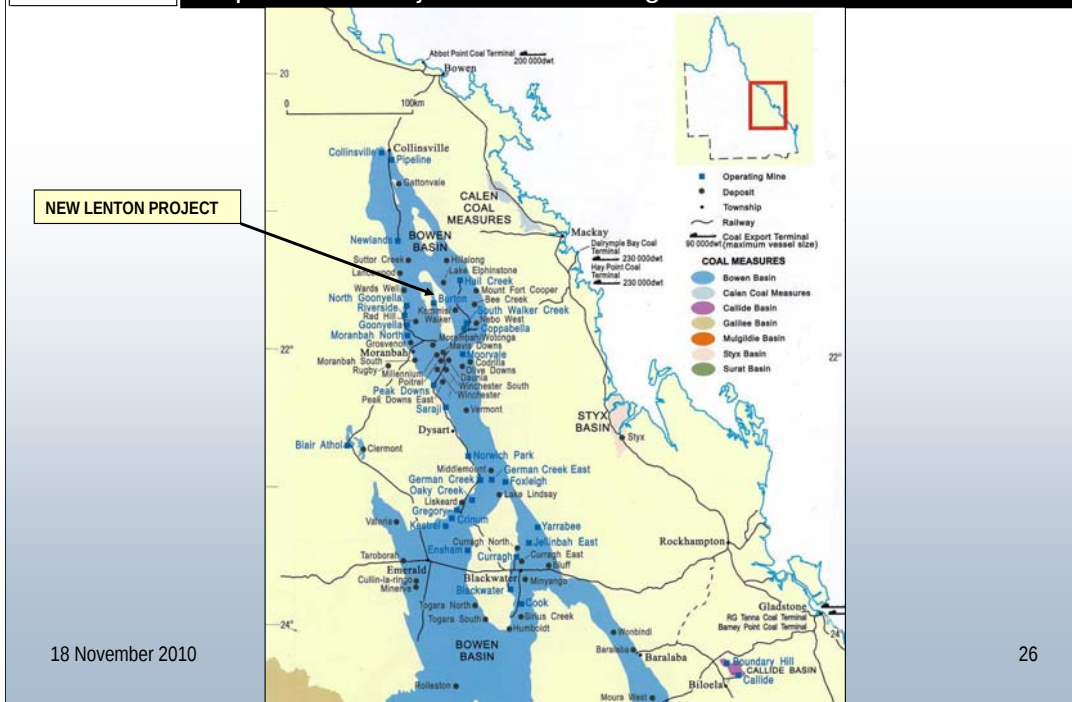
18 November 2010

24

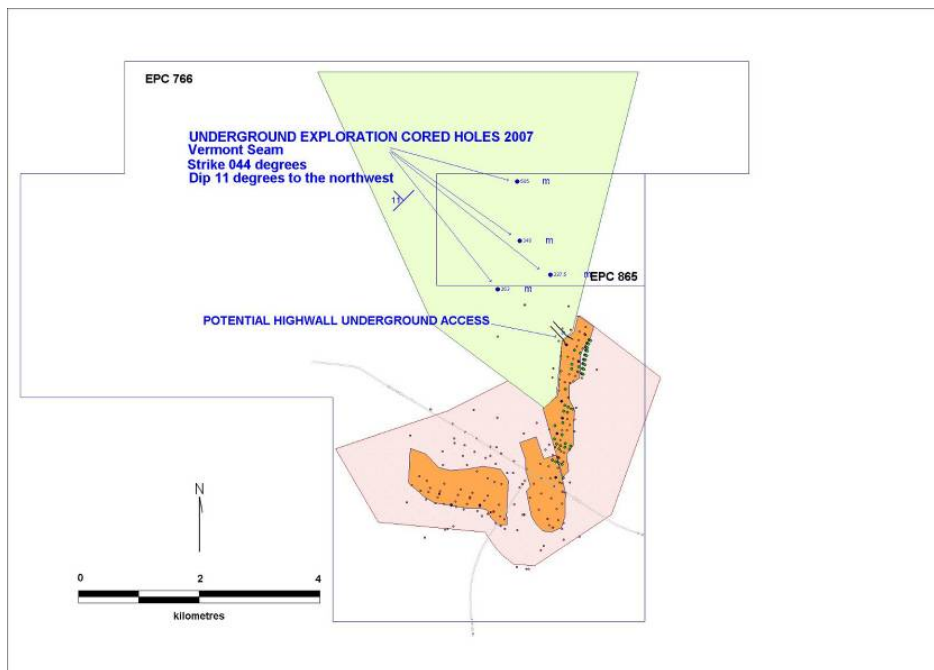


Central Queensland Overview

Exploration Projects and Existing Mines

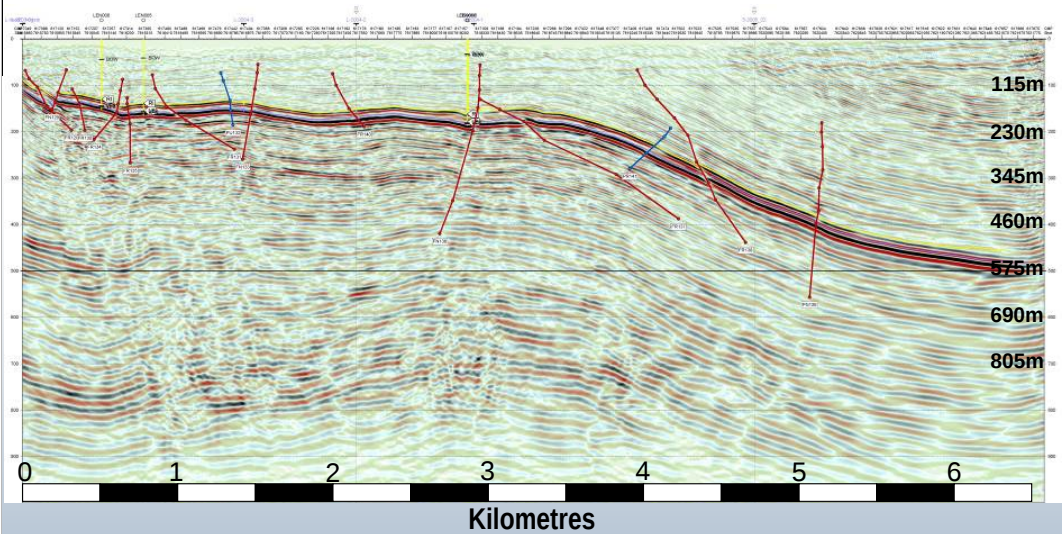






New Lenton Project

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).

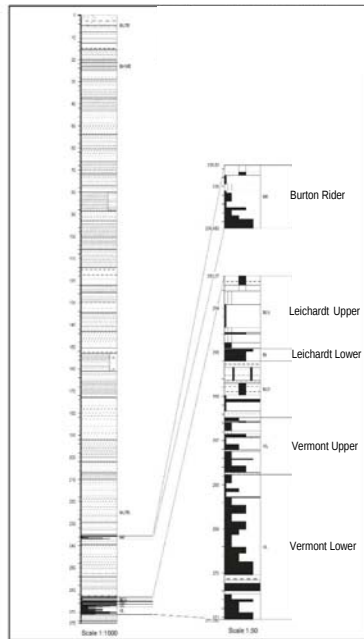
- Drilling, seismic evaluation and coal quality analysis continuing
 - Total drill holes 298 (Oct 2002 – August 2010)
 - 38,604 metres total drilled
 - Coal quality analysis confirms a range of metallurgical and thermal coal products
- Resource potential confirmed by NHC drilling:
 - 84 million tonne 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

Seam Stratigraphy and Indicative Coking Coal Quality



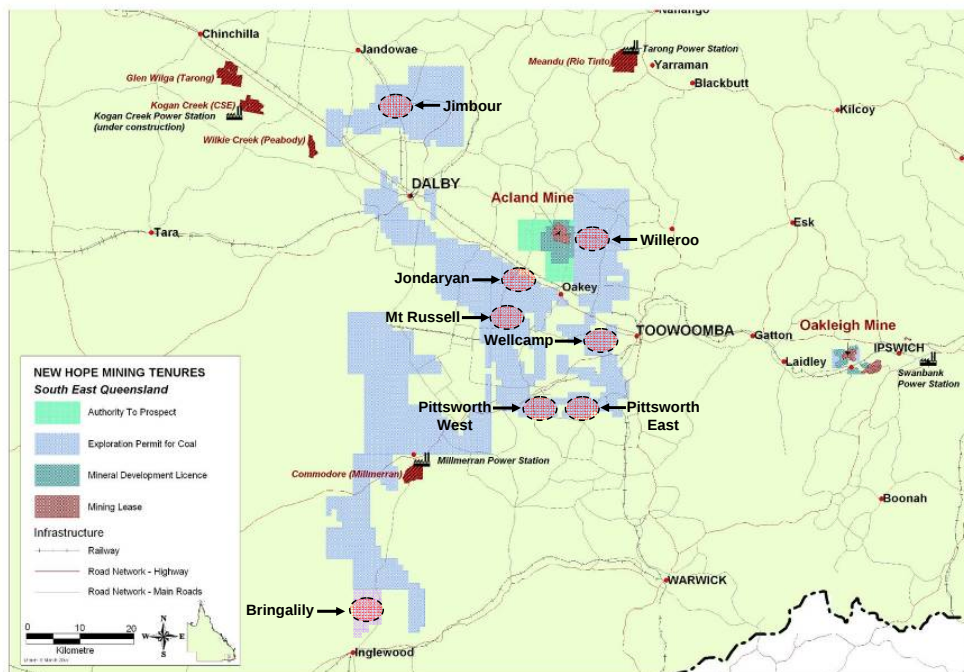
	Ash (adb) %	VM %	CSN	TS %	Phosphorus %	Vitrinite %	Fluidity ddpm	Dilatation %	CSR
Burton Rider	7.2 - 10	28 - 30	7 - 8.5	0.31 - 0.47	0.004 - 0.073	51 - 69	250 - 1000	55	35 - 45
Leichardt Upper	6.8	29	8 - 9.0	0.41 - 0.45	0.029	54	600 - 4000	102	NA
Leichardt Lower	6.2 - 9.9	27 - 30	8 - 9.0	0.40 - 0.45	0.004 - 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 trialled on New Acland high ash coal.

➤ 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

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.

- 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 POC design – Nov 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%

18 November 2010

* Acland Thermal Coal 40

Summary of Sale Transaction	
Adjusted cost of shares *	\$110.0 M
Sales proceeds received **	\$576.2 M
Profit before tax	\$466.2 M
Estimated tax	\$140.0 M
Unaudited profit after tax	\$326.2 M

* Adjusted cost base after the allocation of a value to the Dart Energy shares on implementation of the demerger.

** Sale proceeds of \$4.70 per share.

As at 17 November 2010	
Shareholding	17.0%
Cost of shares *	\$16.2 M
Market value	\$ 91.3 M
Unrealised profit before tax	\$ 75.1 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 broader Australian energy sector.

- Acquired 19.9% stake for a cost of \$23.3 million.
- ASX listed entity with gas 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.

1Q Production & Sales Tonnages

	3 Months to 31/10/10 Tonnes (000s)	3 Months to 31/10/09 Tonnes (000s)	Change
Raw Coal Production	2,966	2,679	+ 11%
Saleable Coal Production	1,503	1,396	+ 8%
Coal Sold	1,833	1,483	+ 24%



“An Independent Energy Alternative”



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

