NEW HOPE CORPORATION LIMITED

QUARTERLY ACTIVITIES REPORT

30 April 2011

	3 Months to 30/04/11 Tonnes 000's	3 Months to 30/04/10 Tonnes 000's	Change	9 Months ended 30/04/11 Tonnes 000's	9 Months ended 30/04/10 Tonnes 000's	Change
Raw Coal Production	2,559	2,853	- 10%	7,921	8,385	- 6%
Saleable Coal Production	1,262	1,400	- 10%	4,031	4,215	- 4%
Coal Sold	853	1,461	- 42%	3,899	4,274	- 9%
QBH Export Throughput	745	1,560	- 52%	4,208	4,841	- 13%

COAL OPERATIONS

The heavy rainfall and localised flooding which occurred at all mine sites in January 2011 continued to negatively impact coal operations into this quarter. As a result Raw Coal production was constrained to 2.559 million tonnes, down 10% on the corresponding quarter in 2010. Mine production levels returned to normal from March 2011.

Railing of product coal from New Acland mine was not possible due to flood damage to the Western Rail System from mid January until late March. Rail capacity has however been back at pre-flood levels since mid April.

The tonnage of coal sold was therefore significantly reduced during the quarter. Tonnage sold was 42% down compared to the corresponding quarter in 2010.

QBH export throughput was similarly reduced prior to the reopening of the rail line. The only coal available to be shipped was existing inventory and the tonnage railed from West Moreton Operations which included a small quantity of coal that was trucked from Acland.

EXPLORATION

In the early part of the quarter, the effect of unseasonal rainfall continued to impact on exploration activities due to wet ground conditions across all project areas.

A total of 6,893 metres of drilling was completed in the quarter, bringing the total to 48,387 metres year-to-date.

New Lenton

No drilling was completed at New Lenton within this reporting period.

Final results for the 3D seismic surveys were received during the quarter. Several structural features are evident but the results indicate that conditions are conducive to open cut and/or underground mining. An assessment is under way to determine the ongoing exploration strategy for New Lenton. This includes potential further stages of 3D seismic survey.

New Acland

4,902 metres were drilled both within the Mining Lease and within MDL244 (Project Expansion Area) at New Acland during the last quarter. Previous drilling results have been reviewed and form the basis of further exploration within the current ML application area.

All drilling at New Acland is designed to confirm the existing geological models within the Acland project area.

West Moreton

No exploration was undertaken at West Moreton during the quarter.

New Projects

Bringalily

A total of 917 metres were drilled within EPC1154 at Bringalily (Darling Downs) last quarter. Both these and previous drilling results are under review and the outcomes will form the basis of further work at Bringalily.

Tasmania – Rosevale and York Plains

A total of 639 metres and 435 metres were drilled within EL44/2007 at Rosevale and EL49/2007 at York Plains respectively last quarter. This included taking a bulk sample for assessment of this coal for its Coal-To-Liquids (CTL) potential. Both these and previous drilling results are under review and the outcomes will form the basis of future work at Rosevale and York Plains.

Other

EPM1851 and EPC1675 were granted within the reporting period and exploration programs for both of these are expected to commence within the next half year. New Hope still has two areas under EPM (Exploration Permits for Minerals) application in northwest Queensland Assessment of the EPM applications is ongoing and notification of grant is not expected until the first half of next calendar year.

Interpretation of the gravity survey data has been completed for EPM18582 and an exploration target has been identified. An exploration program to investigate this target is expected to commence within the next quarter.

BUSINESS DEVELOPMENT

Coal-to-Liquids

Work continued in developing both the CTL technologies of interest to New Hope; the direct liquefaction process of Quantex Energy Inc (QEI); and the indirect liquefaction process of American Renewable Energy Inc (ARE).

At QEI, detailed engineering of a larger scale unit continued as did the research testing of several coal types to determine the conditions to maximise the yield for production of synthetic crude oil and metallurgical grade coke.

After receiving all necessary government approvals New Hope has placed an order with ARE to build a 1 tonne per hour CTL plant at the Jeebropilly site near Ipswich. The expected output will maximise diesel fuel production. Manufacturing in the USA is scheduled for completion early next year with shipment, construction, testing and commissioning scheduled for mid 2012.

MERGERS AND ACQUISITIONS

Northern Energy Corporation

Following a recommendation from the board of Northern Energy that shareholders accept New Hope's offer in the absence of a superior proposal the bid concluded with New Hope holding 80.8% of the shares of Northern Energy Corporation Limited.

During the course of the past quarter the following appointments have been made to the board of Northern Energy Corporation Limited:

Mr Robert Millner (Chairman)
Mr Robert Neale
Mr Peter Robinson
Mr David Fairfull
Mr David Williamson
Mr William Grant

And the following resignations have occurred:

Dr Christopher Rawlings
Mr Keith Barker
Mr Samuel Willis
Mr Kevin Maloney

In accordance with the requirements of the Corporations Law the financial year of Northern Energy has been amended to end 31 July in order to synchronise with the financial year end of New Hope Corporation. Northern Energy will as a result have a 13 month reporting period (from 1 July 2010 to 31 July 2011) for the current financial year. Similarly Northern Energy advised that its quarterly activities and cashflow report timing will be amended so that the next reports will cover the period from 1 April 2011 to 31 July 2011 and will be due to be lodged with the ASX by 31 August 2011.

During the past quarter both exploration and project approval processes for the Maryborough and Elimatta projects continued. The new board of Northern Energy has requested a review of the project status and forward plans for all Northern Energy projects which is yet to be completed.

Lenton Joint Venture

On 19 May New Hope announced the sale of a 10% interest in the Lenton project to Mai-Liao Power Corporation (MPC) a member of the Formosa Plastics Group of Taiwan. New Hope will receive A$58.04 million for the interest which is conditional upon the delineation of at least an agreed 200 million tonnes JORC resource being determined within the Lenton Project area. The transaction is subject to government approval processes customary for this type of transaction.

New Hope and MPC will form the Lenton Joint Venture with the objective of furthering the exploration and development of the Lenton Project.

Other Matters

On the 22 march New Hope announced its 1st Half financial results including the following key points:

- A 1st half net profit after tax of $407.4 million including a non-recurring gain on the divestment of Arrow Energy of $326.3 million.
- A net operating profit of $81.1 million including a mining operations result of $44.3 million and $36.8 million from investments.
- Directors declared a fully franked interim dividend of 5.25 cents per share payable on 4 May 2011 to shareholders registered at 15 April 2011.

As announced to the ASX on 7 April, New Hope began railing Acland coal to the port of Brisbane following a period of three months recovery after extensive damage to the Western Rail corridor from severe flooding during January. Force Majeure has been lifted and railings have returned to normal levels.