New Hope Corporation Limited

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New Hope
Corporation Limited

27 September 2012

Mr Cormac Murphy
ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000
via email: Cormac.Murphy@asx.com.au

Dear Cormac,

RESPONSE TO ASX 3Y QUERY

I refer to your letter dated 25 September 2012 regarding the Appendix 3Y (**the Notice**) lodged by the Company on 21 September 2012. In response the Company advises as follows:

1. *Please explain why the above notice was lodged late.*

   The Notice in question relates to the vesting of performance rights issued to Mr Neale as part of his long term incentive package. The conversion of the rights to shares was initiated by the Company in accordance with the vesting conditions of the rights, and as such there was no failure on the part of Mr Neale to notify the Company of the change. The failure to lodge the Notice within the prescribed timeframe was due to an administrative oversight.

2. *What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?*

   The Company has in place a reporting process and documentation to facilitate our Directors advising the Company of any share transactions that they may undertake. As noted above, in this instance there was no failure on the part of Mr Neale to notify the Company as the Company had initiated the transaction.

3. *If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?*

   Since becoming aware of the administrative oversight, the Company has reviewed and amended its internal procedures in regards to the vesting of performance rights in order to ensure compliance with the Listing Rules.

Yours faithfully,
NEW HOPE CORPORATION LIMITED

Matthew Busch
Financial Controller and Company Secretary

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25 September 2012

Mr Matthew Busch
New Hope Corporation Limited
3/22 Magnolia Drive
Brookwater QLD 4300

By Email

Dear Matthew,

New Hope Corporation Limited (the "Company")

We refer to the following:

1. The Appendix 3Y lodged by the Company on 21 September 2012 for Mr Robert Charles Neale (the "Notice").

2. Listing rule 3.19A.2 which requires an entity to tell ASX the following:

   A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3. Listing rule 3.19B which states as follows.

   An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Notice indicates that a change in Robert Charles Neale's notifiable interest occurred on 1 August 2012. It appears that an Appendix 3Y should have been lodged with ASX by 9 August 2012. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears the director concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements. ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the above Notice was lodged late.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at Cormac.Murphy@asx.com.au. It should not be sent to the ASX Market Announcements Office. This is requested as soon as possible and, in any event, not later than 9.30am E.S.T. on Friday, 28 September 2012.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

Cormac Murphy
Adviser, Listings