

NEW HOPE CORPORATION LIMITED

QUARTERLY ACTIVITIES REPORT

31 January 2012

	3 Months to 31/01/12 Tonnes 000's	3 Months to 31/01/11 Tonnes 000's	Change	6 months ended 31/01/12 Tonnes 000's	6 months ended 31/01/11 Tonnes 000's	Change
Raw Coal Production	2,964	2,396	+ 24%	6,137	5,362	+ 14%
Saleable Coal Production	1,561	1,266	+ 23%	3,206	2,769	+ 16%
Coal Sold	1,564	1,213	+ 29%	3,164	3,046	+ 4%
QBH Export Throughput	2,031	1,419	+ 43%	4,265	3,463	+ 23%

COAL OPERATIONS

The solid operating performance in Q1 was sustained in Q2 with raw and saleable coal production for the 3 months ending 31 January 2012 at 24% and 23% respectively above that achieved for the corresponding period in 2011. All operations contributed to this excellent performance with New Acland producing 1.26 million tonnes (1.32 in Q1) and the West Moreton operations 0.30 million tonnes (0.33 in Q1) of saleable coal.

Rain impacts have been minimal, with production time lost due to rain in line with budget assumptions.

Sales for the quarter matched production at 1.56 million tonnes 29% higher than the corresponding period last year. It should be noted that the corresponding period last year was flood impacted.

Queensland Bulk Handling exported 2.03 million tonnes during the quarter. This was 43% above that achieved for the same (flood impacted) quarter in 2011. A new 4 year Enterprise Bargain Agreement was successfully negotiated with the workforce during the period.

EXPLORATION

While impacted by the wet season, drilling continued at New Acland, New Lenton, Churchyard Creek and Colton. A total of 22,675m of core, chip and cleanout was achieved during the quarter. Comments on exploration by project are given below:

New Lenton (ML 70337)

During the quarter 35 chip holes were drilled for a total of 8,781 meters. In addition 1,891meters of hole cleanout was undertaken. An updated geological model has been completed. Drilling was suspended in late January due to high rainfall.

New Acland (ML 50216 and MDL 244)

Drilling on Acland Stage 3 (MDL 244) included 18 chip holes for 2,424 meters. This drilling was aimed at confirmation of infrastructure location. In addition 12 core and 14 chip holes were drilled on Acland Mine (ML 50216) in order to increase confidence in coal quality and define the location of intrusives.

West Moreton

No exploration was undertaken at West Moreton during the quarter.

Churchyard Creek (EPC 1876):

Stage 1 exploration program was completed during the quarter. This consisted of 16 chip holes for 4,938 meters. While some coal was intersected overall results were not encouraging. A review of the results is now underway to determine if a Stage 2 program is warranted.

Colton (EPC 923)

While negatively impacted by wet weather 15 core holes were drilled for a total of 2,269 meters. Three drilling rigs were used on both sides of the syncline for resource definition purposes. All holes were geophysically logged with samples now at the laboratory for analysis and testing.

Other

Negotiations are underway for land access at Yamala, Culgowie, Bee Creek and Yanco.

BUSINESS DEVELOPMENT

Energy Conversion Technology

Manufacture of the ACT "Proof of Concept" indirect coal conversion plant is well advanced in the United States. Initial pre-commissioning of the gasifiers is anticipated to commence during March before shipment to Australia. Similarly, bulk earthworks at the Jeebropilly site where the plant will be located is nearing completion at the end of the quarter. Delivery of the plant from the United States is planned for the second to third calendar quarter of 2012.

The development of the Quantex direct liquefaction process continues in West Virginia. A new laboratory building has been completed and is now operational. The testing of various feedstocks has continued.

Colton Project

The Environmental Management Plan (EMP) Assessment report and Draft Environmental Authority conditions from the Department of Environment and Resource Management have been delayed, but are expected to be released by the end of February. Infrastructure design studies for the rail spur, coal handling and preparation plant, site infrastructure and water management are underway. Further exploration is underway.

Elimatta Project

The Environmental Impact Statement is nearing completion with submission due in March 2012. Discussions and negotiations continue with key infrastructure suppliers, land owners and adjacent tenement holders.

New Acland Stage 3

The Supplementary Environmental Impact Statement is in final preparation with submission due to the Office of the Co-ordinator General in April 2012. Alternative mine design and infrastructure studies are underway and further community consultation has been undertaken. Additional exploration focussing on both coal quality and seam structure has been undertaken.

New Lenton

EPBC referral (Federal Government) for the new MLA is currently underway. Once complete, work on the Environmental Impact Statement will commence. A consultant group has been selected to undertake this work. A new geological structure model has been completed for use in on going mine planning. Detailed coal quality and washability results are due in February with samples from the Girrah Seam now in the laboratory. A Line of Oxidation (LOX) exploration program is under development.

Update on Potential Change of Control Transactions

On 5th October 2011, New Hope announced that, in response to a number of preliminary and incomplete proposals from third parties in relation to potential change of control transactions, the Board of New Hope had decided to undertake a formal process to determine whether a proposal for New Hope is available at a price, and on terms, that are in the best interests of all shareholders.

A number of third parties have been undertaking detailed due diligence on New Hope during the past quarter. New Hope remains in discussion with those third parties, and those discussions remain confidential and incomplete. There is no certainty that a suitable proposal will be recommended by the Board of New Hope. The company will keep shareholders informed of any material developments.

For further information, please contact:

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