

New Hope Corporation Limited

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Quarterly Activities Report 31 January 2014

	Quarter Ended			6 months Ended		
	Jan 14 ('000t)	Jan 13 ('000t)	Change (%)	Jan 14 ('000t)	Jan 13 ('000t)	Change (%)
Raw Coal Production	2,410	2,691	- 10%	5,350	5,848	- 9%
Saleable Coal Production	1,183	1,392	- 15%	2,696	3,040	- 11%
Coal Sold*	1,533	1,381	11%	3,010	2,740	10%
QBH Export Throughput	1,934	2,047	- 6%	4,203	4,230	- 1%

*Coal Sold includes traded coal sales

COAL OPERATIONS

The production of raw coal for the second quarter of 2014 of 2.41 million tonnes was down 10% compared to the same period in the prior year. Saleable coal production at 1.18 million tonnes was reduced being down 15% on the prior year. Contributing factors included the cessation of coal mining activities at Oakleigh and changes to mining schedules at both New Acland and Jeebropilly mines. Coal production has been reduced, with operational shutdowns over the Christmas period, in order to manage total costs during the current difficult market conditions.

Sales for the quarter of 1.53 million tonnes were higher than production and included 155,000 tonnes of traded coal sales.

The coal throughput at QBH for the quarter was 1.93 million tonnes, down 6% on that achieved in the same quarter of the previous year.

The behavioural health and safety program introduced in 2013 continues to improve the company's safety culture and will be supplemented by additional sessions being organised for newly employed staff and contractors.

EXPLORATION

During the quarter all drilling activity was conducted on the Acland tenements with 43 holes drilled (11 core, 32 chip) for a total of 3,829 meters.

New Acland (ML 50216, ML 50170 and MDL 244)

Drilling activity this quarter focussed on seam delineation and confirming geology in future mining areas.

BRIDGEPORT ENERGY

Oil production totalled 44,471 barrels, including Bridgeport's 15% interest in the Cuisinier oil field.

Operations continue to deliver good safety performance with no safety incidents during the quarter. There is a continuing focus on the development of standard operating procedures and practices.

Operational activities included:

- Utopia 15 and 16 were drilled, cased, and suspended for future production.
- Utopia 17 has been perforated and will be put on test in the coming weeks as a future producer.
- Inland 20 was drilled, cased and completed for future production.
- Inland 11 electric submersible pump was reinstalled and the well brought back on production.
- Engineering work and preparation is in progress for Utopia 15, 16 and 17 and Inland 20 completions and connections.
- Engineering work commenced for Moothandella 4 and Donga 5 appraisal well completion and testing, scheduled for February/March 2014.

Completion of the acquisition from Arrow of its interest in ATP752 and PL303 (15% interest in the Cuisinier oil field) occurred on 18 December 2013.

DEVELOPMENT PROJECTS

New Acland Continuation Plan

The Environmental Impact Statement (EIS) for MLA 50232 was completed and submitted to the Office of the Co-ordinator General. The public comments period on the EIS has commenced with final submissions due by 3 March 2014.

The company remains committed to delivering our employees and shareholders certainty in respect of the long term future for the Acland operations in an environmentally and socially acceptable manner. The revised Continuation Plan is based on achieving a sensible balance between the competing land uses of agriculture and mining.

Lenton

Baseline studies for the Environmental Impact Statement continued during the period and the Draft Terms of Reference and Initial Advice Statement were lodged with the Department of Environment and Heritage Protection in December 2013. Options for the transport and export of product coal continue to be investigated.

Colton

Routine field monitoring of air quality, surface and river water continued. Work progressed on the Environmental Management Plan update. Discussions continued with the Department of Environment and Heritage Protection about the Environmental Authority that will govern environmental conditions for the project when approved by the Government.

Elimatta

Comments on the Project's Environmental Impact Statement received from the public review process were collated and work commenced on responses to the submissions and the Supplementary Environmental Impact Statement.

CORPORATE

Half Year Profit Guidance

New Hope Corporation Limited (ASX:NHC) advises that its Net Profit After Tax for the half year ended 31st January 2014 is anticipated to be within the range of \$21 million to \$23 million.

The result for the current period has been impacted by continuing weakness in thermal coal prices and a relatively high Australian dollar. Despite the difficult coal market conditions, management remain focussed on maximising long term shareholder value by continuing to deliver prudent cost reductions and operational efficiencies.

It is anticipated that New Hope will release its first half financial results for the period to 31st January 2014 on Tuesday the 25th of March 2014.

For further information, please contact:

Investors/Analysts

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Media

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