



**New Hope**  
Corporation Limited

# Responding to Commodity Markets Uncertainty



**Wilson HTM Focus on Coal Conference**

5 March 2009



Presented by:

Rob Neale, Managing Director & Chief Executive Officer



“Back to the Future V” OR  
“All that was Old is New Again”

- Unprecedented global economic turbulence.
- New Hope’s operating performance in these uncertain times.
- New Hope is well positioned for the future and our strategy remains in place.

- ✦ The Global Business World has changed.
  - National world economies in recession or worse.
  - Credit systems have massive constraints.
  - China's growth at 20 year lows.
  - Japan's growth significantly below expectations.
  - Infrastructure projects delayed or at risk.
  - National sentiments are challenging global trade.

- Australia's Resources Industries "BOOM" is over for now.
  - Significant collateral damage in financial and human terms.
  - No soft landing.
  - Government revenue shortfalls.
  - Prices previously over shot – now likely to undershoot.
  - Coal markets main volatile.
  - Coal is a global commodity.

- Coal production remains on track.
- Coal sales marginally behind expectations.
  - Rail haulage impact.
  - Sales volumes expected to recover by year end.
  - Subject to Japan's power generation needs in next JFY.
  - New Hope has approximately 30% domestic sales by volume.

# New Hope's Current Operating Performance <sub>2</sub>

	3 Months to 31/01/09 Tonnes 000's	3 Months to 31/01/08 Tonnes 000's	Change	6 Months Ended 31/01/09 Tonnes 000's	6 Months Ended 31/01/08 Tonnes 000's	Change
Raw Coal Production	2,266	1,983	+ 14%	4,580	4,033	+ 14%
Saleable Coal Production	1,180	1,048	+ 13%	2,443	2,166	+ 13%
Coal Sold	1,028	1,222	- 16%	2,264	2,301	- 2%
QBH Export Throughput	1,287	1,432	- 10%	2,822	2,835	- 0.5%

- Acland's production on track.
  - Remains a low cost producer.
  - New equipment on schedule.
- West Moreton operations performing well.
  - Re-activated Jeebropilly mine costs lower than forecast.
  - Oakleigh operations will be extended beyond previous February close in 6 – 9 month increments.

- NHC expansion projects on schedule and on budget.
  - Acland expansion from 4.2 to 4.8 MTPA saleable production.
  - Wetalla water supply pipeline.
  - QBH Expansion 7 to 10 MTPA throughput.

# Acland Expansion Project



- \$36 million project.
- New Hitachi 5500 digger commissioned in February.
- Acland #2 Washplant to be expanded from 350 tph to 550 tph.
- Completion 1Q 2010.
- Additional rail capacity being delivered.

# Wetalla Pipeline Project



- 39 kms of 47 kms of pipe in the ground.
- “Drought proofs” Acland.
- Completion end 2Q 2009.
- Pipeline matching waste water plant schedule of Toowoomba Regional Council.
- \$33 million NHC budget.

# QBH Expansion Project <sub>1</sub>



- ◆ Project on schedule for October 2010 completion.
  - \$65 million budget.
- ◆ New land agreements completed with Port of Brisbane Corporation.
  - Awaiting ministerial consent.

# QBH Expansion Project <sub>2</sub>



# QBH Expansion Project <sup>3</sup>



# New Hope's Operations Performance Summary

- Production and sales volumes on track.
  - Has retained market share at this time.
- Remains a low cost producer and is competitively positioned.
- Expansion Projects on budget and schedule.
- New Hope retains is previous production guidance at this time.

## Exploration

- Successfully exited New Saraji exploration landowner arrangements.
  - Important for future exploration activities.
- Wet weather has curtailed exploration access in the Darling Downs and Central Queensland.
  - Refurbish drilling rigs.
- Mine definition drilling at Jeebropilly and New Oakleigh.
  - Framework for mine operational decisions.

## Coal to Liquids

- Gasification trials of Acland coal scheduled for April – May.

- Exceptionally strong balance sheet and uniquely positioned to take advantage of any appropriate opportunity(s) in the coal and broader energy sectors.
- Expansions will place New Hope in a strong position when the market improves.
- Have a low operational cost basis with significant in built flexibility to respond to volatile markets.
  - Government costs remain a challenge.
  - We remain nimble.

- ◆ Well experienced team that has the “scar tissue” of previous market downturns in “muscle memory”.
- ◆ New Hope is re-invigorating it’s core culture of focussing on operational basics supported by improvement programme.
- ◆ Maintaining close contact with customers.
- ◆ The near term is a time to be vigilant and decisive so as to be in the best position when the global economies improve.
- ◆ We retain our previous financial guidance.



**New Hope**  
Corporation Limited

“The Independent Energy Alternative”



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

