



New Hope

Corporation Limited

A.B.N. 38 010 653 844

APPENDIX 4D

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INTERIM REPORT

31st JANUARY 2009

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Directors' annual report and financial statements for the year ended 31 July 2008 and any public announcements made by New Hope Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

ASX Appendix 4D
for the half-year ended 31st January 2009

Results for announcement to the market

	31 January 2009 \$000	31 January 2008 \$000	% Change
Revenue from ordinary activities	308,137	148,827	+ 107.0%
Profit before income tax (before non recurring items)	183,396	50,974	+ 259.8%
Profit before income tax (after non recurring items)	2,594,748	50,974	+ 4990.4%
Profit from ordinary activities after income tax attributable to New Hope Shareholders (before non recurring items)	132,461	36,641	+ 261.5%
Net Profit attributable to New Hope shareholders (after non recurring items)	1,820,545	36,641	+ 4868.7%

	31 January 2009 cents per share	31 January 2008 cents per share	% Change
Earnings per share (before non recurring items)	16.4	4.5	+ 261.0%
Earnings per share (after non recurring items)	224.8	4.5	+ 4861.2%
Interim dividend declared	4.75	2.25	+ 111.1%

	31 January 2009 cents per share	31 January 2008 cents per share	% Change
Net tangible asset backing per ordinary share	294.3	101.1	+ 191.0%

- Production up 12.8% to 2.443 million tonnes.
- Revenues up 107% to \$308 million due to higher selling prices for both export and domestic coal, and increased interest revenues.
- Completed the sale of the Saraji coal project to BMA for \$2.45 billion before tax.
- Net assets up 190% to \$2,398 million following the sale of the Saraji coal project.
- Earnings per share before non-recurring items up 261% to 16.4 cents per share.

Dividends

The Directors' have declared a dividend of 4.75 cents per share franked to 100% payable on 6th May 2009. The record date for the payment of the dividend is 20th April 2009. There is no dividend reinvestment plan in operation.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31st January 2009

Your directors present their report on the consolidated entity consisting of New Hope Corporation Limited and the entities it controlled at the end of, or during, the half-year ended 31st January 2009.

Directors

The following persons were Directors of New Hope Corporation Limited during the whole of the half-year and up to the date of this report.

Mr R.D. Millner
Mr D.J. Fairfull
Mr P.R. Robinson
Mr D.C. Williamson
Mr W.H. Grant

Mr R.C. Neale was appointed Managing Director on 14 November 2008

Consolidated Results	Jan 2009 \$000	Jan 2008 \$000	% Change
Revenue from operations	308,137	148,827	+ 107.0%
Profit before income tax (before non recurring items)	183,396	50,974	+ 259.8%
Profit before income tax (after non recurring items)	2,594,748	50,974	+ 4990.4%
Profit from ordinary activities after income tax (before non recurring items)	132,461	36,641	+ 261.5%
Profit attributable to New Hope shareholders (after non recurring items)	1,820,545	36,641	+ 4868.7%
Earnings per share (cents)	224.8	4.5	+ 4861.2%

Review of Operations

New Hope Corporation Limited (New Hope) has reported a net profit after tax from its coal mining, investments and port operations (excluding non-recurring items) of \$132.461 million (\$78.8 million from operations and \$53.7 million from treasury) for the half year ended 31st January 2009 (2008: \$36.641 million), a 261.5% increase over the previous corresponding period. Additionally, a non-recurring net profit after tax of \$1.688 billion was reported from the sale of the New Saraji coal project.

Basic earnings per share (excluding non-recurring items) for the half year were 16.4 cents, 261% higher than the 4.5 cents per share earned in the previous corresponding period.

Directors have declared an interim ordinary dividend of 4.75 cents per share fully franked and payable on the 6th May 2009 to shareholders registered at 20th April 2009.

As previously announced, New Hope will pay a special dividend of \$600 million to shareholders in November 2009 from the proceeds of the New Saraji sale.

Compared to the previous corresponding period, the result for the half year ended 31st January 2009 benefited from:

- Higher coal sales prices, in AUD terms, for both export and domestic coal coupled with higher export coal sales tonnages;
- A substantially lower average \$A:\$US exchange rate;
- Continued saleable coal production growth, which was up 12.8% to 2.443 million tonnes; and
- Higher interest income from cash on deposit resulting from the sale of the New Saraji project.

offset by:

- A lower contribution from the Queensland Bulk Handling (QBH) operations at the Port of Brisbane resulting from a slightly lower throughput and higher operating costs;
- Higher mine operating costs due to higher input commodity prices (primarily fuel and explosives), freight (rail and road) and overburden to coal ratios; and
- An impairment charge of \$2.4 million on the value of NHC's shareholding in available for sale financial assets.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31st January 2009

Mining Operations

Total saleable coal production from New Hope's operations in the half year ended 31st January 2009 was 2.443 million tonnes, 12.8% higher than the previous corresponding period. Increased production from the New Acland Mine and the reactivation of the Jeebropilly Mine were the main contributors to the higher production.

Total coal sold in the half year ended 31st January 2009 was 1.6% lower at 2.264 million tonnes, compared with 2.300 million tonnes sold in the previous corresponding period. Coal export volumes rose by 22,000 tonnes (or 1.3%) to 1.696 million tonnes while domestic sales were some 58,000 tonnes lower (or 9.3%) at 569,000 tonnes. Rail issues due to flooding and locomotive availability hampered export deliveries, leading to increases in product stocks at the mines. However New Hope is maintaining its current full year sales forecast of approximately 4.8 million tonnes.

New Acland Mine

The New Acland Mine remains as the Company's major production source with some 2.064 million tonnes produced during the half year; an 8.3% increase over the previous corresponding period.

The New Acland mine is being positioned to increase production capacity to 4.8 million tonnes per annum during 2009/10. The following capital items have been delivered / purchased during the half year ended 31st January 2009:

- Two new Caterpillar D11 dozers were delivered and commissioned in September 2008;
- One new Caterpillar 798C rear dump truck was delivered and commissioned in October 2008, with three more due for delivery during the second half of 2009;
- A \$13.6 million contract was signed with Sedgman Pty Ltd in January 2009 for the expansion of New Acland's second coal handling and preparation plant, thereby increasing its capacity by 60% to 550 feed tonnes per hour. The expansion is due for completion in December 2009;
- A new Hitachi EX5500 hydraulic excavator (30 cubic metre capacity) was delivered in January 2009, and commissioned in February 2009;
- A new Cat 785 rear dump truck is on order for delivery during the first half of 2010.

West Moreton Mines

The balance of New Hope's coal production of 379,000 tonnes in the half year ended 31st January 2009 came from the West Moreton region; an increase of 45.8% over the previous corresponding period. The New Oakleigh mine near Rosewood produced 290,000 tonnes and the Jeebropilly Mine near Amberley produced 89,000 tonnes. Production from New Oakleigh was 11.6% higher than the prior corresponding period. Production from the Jeebropilly Mine reflects the re-commencement of mining operations in mid 2008.

The Company previously advised that the New Oakleigh Mine was scheduled to cease operations in early 2009; however the Company has re-evaluated the potential for remaining remnant coal that could add some additional production capacity. The re-evaluation has resulted in a decision to continue mining operations at New Oakleigh up to a production capacity of 230,000 tonnes per year, dependent on export coal sales prices and volume commitments. A rolling six monthly review of operations will be conducted to determine the ongoing contributions of the West Moreton mining activities.

The Jeebropilly Mine is now operating six days per week, ramping up to an annualised production rate of 500,000 tonnes per annum, with plans in place to increase production to 850,000 tonnes per annum during the second half of calendar 2009 (subject to export sales prices and volume commitments). With the commissioning of a new Hitachi EX5500 hydraulic excavator at New Acland Mine in February 2009, an Hitachi EX3600 hydraulic excavator will be relocated from New Acland to Jeebropilly in March 2009 to enable Jeebropilly to increase its overburden removal capacity.

Logistics and Projects

New Hope entered into a new contract with QR National Coal to provide rail freight services for the transport of coal from the New Acland Mine (Jondaryan Rail Siding) and the West Moreton Operations (Ebenezer Rail Siding) to QBH and the Swanbank Power Station. The new contract, although higher priced, provides for improved flexibilities to enable New Hope to dispatch coal from either of its production source locations to either of its delivery destinations. In addition, QR National Coal has agreed to work with New Hope to investigate the possibility of increasing rail system capacity.

New Hope has been supplying coal to the Swanbank Power Station since 1966; becoming the sole supplier in 2003. During the half year ended 31 January 2009, a contract extension was signed with CS Energy for the continued supply of thermal coal to Swanbank. The contract provides for annual coal deliveries of up to 1.0 million tonnes per annum from 1 January 2009 to 31 December 2011 inclusive. CS Energy and New Hope have agreed to jointly evaluate the possibility of extending the coal supply contract, in both term and volume, to enable the Swanbank Power Station to undergo refurbishment to extend its economic life for a further 10 years.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31st January 2009

The Wetalla water project, which will deliver recycled waste water from the Wetalla Water Reclamation Plant at Toowoomba to the New Acland Mine, is well advanced, with the Queensland State Government Environmental Protection Authority (EPA) giving final environmental approval for the project by its endorsement of the Environmental Impact Statement in December 2008. As a result, the local Government regulatory authority, the Toowoomba Regional Council, provided complimentary approvals in December 2008 and January 2009. At the end of January 2009, approximately 39km of the required 46.5km underground pipeline had been laid, with head end and tail end civil works progressing. The pipeline is due for completion in mid 2009.

Port Operations

New Hope's 100% owned port facility Queensland Bulk Handling (QBH) continued to operate effectively, with 2.822 million tonnes loaded through the facility during the half year ended 31 January 2009, which was similar to the previous corresponding period. The QBH facility continues to operate essentially demurrage free.

Coal stockpile and handling capacity expansion work is continuing on schedule, with foundation piling completed for the stacker and reclaim facilities and procurement activity commenced for civil, mechanical and electrical works. The initial expansion works will increase stockpile capacity by 331,000 to 708,000 tonnes, which will be followed by additional stockyard capacity of 200,000 tonnes. At full capacity in late 2010, the port will be capable of handling up to 10 million tonnes per annum subject to shipping schedules.

New Hope Exploration

New Hope's exploration strategy continues to be directed toward evaluating open cut and underground coking coal resources in Central Queensland; open cut thermal coal in South East Queensland and evaluating coals as potential sources of gasification and liquefaction.

Our Central Queensland focus has now transferred to the Lenton Project with preparation of target areas and the deployment of drilling and geological assets to the project area. Establishment of a site base and communication links are in progress to facilitate drilling activities. Cultural heritage surveys and 2D seismic surveys are planned to commence during the next quarter. Wet weather and local area flooding affected site based activities at Lenton during the period.

The remaining efforts have been directed at our mine operational areas in South East Queensland. Additional drilling at New Acland has improved the geological model interpretations ahead of mine planning for proposed future mine expansions.

Further resource definition drilling at Jeebropilly has supported the renewed mining operations at West Moreton. Similarly we have continued drill evaluations of the potential remaining resources at New Oakleigh held under existing mining tenures.

Since the sale of the New Saraji deposit to BMA in September 2008, New Hope has taken the opportunity to refurbish its drilling rigs, improve its safety and health management systems, provide additional training to its exploration team and review its exploration priorities in response to the current economic environment.

Accommodation and equipment storage facilities were established at Nebo and Moranbah during the half year ended 31 January 2009.

New Acland - MDL 244

Exploration work continued in support of the mining operation at Acland. Mining studies have been focussed on the optimization of open cut extraction and coal processing to produce both export and domestic thermal coal products from the New Acland Mine.

Supplementary to the two existing Mining Leases (ML), an application for an additional ML overlying the target coal measures identified during 2006 and 2007 has been submitted to the relevant Queensland State Government authorities. The additional ML will provide for regulatory approval to expand the mine up to 10 million tonnes per annum.

The preparation of an Environmental Impact Statement (EIS) is well advanced, with expectations that it will be released for public comment during the second half of 2009.

Drilling statistics for half year ended 31 January 2009:

- Open hole drilling – 3,662.8m;
- Cored drilling – 372.5m.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31st January 2009

Jeebropilly - ML 50093, 4677 & 4689

Exploration activity at the Jeebropilly Mine has focussed on defining the remaining coal resource within existing mining leases and to expand the geological database to include coal washability testing. Drilling conducted during the half year ended 31 January 2009 sought to define the pit limits of open cut mining. Although not in accordance with JORC criteria, and subject to mining economics, New Hope has estimated the potential for over 5 million tonnes of coal within the boundaries of existing Mining Leases.

Drilling statistics for half year ended 31 January 2009:

- Open hole drilling – 872.3m;
- Cored drilling – 323.8m.

New Oakleigh – ML 4698

Drilling conducted during the half year ended 31 January 2009 sought to define the extent of underground workings within existing mining leases at New Oakleigh and subsequent constraints to safe extraction of coal by open cut mining methods. Although not in accordance with JORC criteria, and subject to mining economics, New Hope has estimated the potential for approximately 1.0 million tonnes of coal within the boundaries of existing Mining Leases that is amenable to open cut mining.

Drilling statistics for half year ended 31 January 2009:

- Open hole drilling – 128.0m;
- Cored drilling – nil.

New Projects – Tasmania

Exploration Licences (EL) have been granted to New Hope for the Rosevale (EL 44/2007) tenement and York Plains (EL 49/2007) tenement. A land ownership search has been conducted to identify the landholders overlying both tenements to enable New Hope to prepare its stakeholder management plan prior to exploration activity commencing. Research has also been conducted on the regulatory framework for mining tenements in Tasmania to enable New Hope to comply with its legislative obligations.

Tenement Screening

A watching brief has been maintained throughout the year on any potential farm-in or acquisition opportunities for metallurgical coal, thermal coal and coal suitable for other energy conversion processes. This activity has been limited to Australia.

Coal to Synfuels

New Hope is continuing its Research and Development coal-to-liquids project activity. A sixty tonne sample of New Acland coal has been shipped to South Africa for testing in a new facility scheduled for the period April-May 2009. This test work will be complemented by some bench scale test work in Australia in April 2009 to better define the preferred coal-to-synfuels technologies for NHC coals. The data from these trials will be evaluated by August 2009 and provide a basis for ongoing decisions.

Land & Pastoral Activities

With the impending completion of mining at New Hope's West Moreton operations (Jeebropilly and New Oakleigh Mine's) within the next five years, New Hope has completed preliminary studies to identify the most appropriate future land use post mining. For those landholdings around Rosewood and Amberley (total approximately 2,700 hectares), various conceptual plans have been prepared for a combination of urban, commercial, recreational, industrial and ecological use and presented to both Ipswich City Council and the Queensland Department of Infrastructure and Planning to contribute to the review of the South East Queensland Regional Plan.

New Hope's agricultural company – Acland Pastoral – manages its extensive landholdings around the New Acland Mine, north west of Oakey. During the half year ended 31 January 2009 an agreement was entered into with Allied Beef to increase the cattle grazing population on New Hope land. Acland Pastoral provides backgrounding support to cattle purchased by Allied Beef, with both companies sharing in profits from the ultimate sale of live beef. Acland Pastoral also runs its own herd. Acland Pastoral sold 1,288 tonnes of grain (sorghum, wheat and barley) and 113 head of cattle during the half year ended 31 January 2009. The company also entered into an agreement to lease its 2,800 head piggery.

Arrow Energy Limited

As at 31 January 2009 New Hope held 120.6 million shares at a total cost of \$111.7 million equivalent to 17.1% of the company. Arrow Energy's share price on 31 January 2009 was \$2.13 valuing the New Hope investment at \$256.9 million, representing an unrealised gain before tax of \$145.2 million.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31st January 2009

Outlook

At New Acland, regulatory approval was granted in 2008 to allow for production to be increased up to 5 million tonnes per annum within existing mining leases and subject to the existing environmental authority. Subsequent to a feasibility study conducted during the half year ended 31 January 2009 into the expansion, the Board of New Hope approved expansion to 4.8 million tonnes per annum to be completed by December 2009.

Planning is underway to take advantage of a new mining lease at the New Acland Mine, expected to be granted in 2010, to enable consideration of increasing production capacity incrementally up to 10 million tonnes per annum, subject to market conditions, rail and port capacity.

The Jeebropilly Mine will ramp up capacity to 800,000 tonnes per annum during the second half of 2009, with continued New Oakleigh production decreasing to 230,000 million tonnes per annum during the same period.

The QBH port expansion, which will provide a total site capacity of up to 10 million tonnes per annum, is on schedule and within budget, with completion due in late calendar year 2010.

Interest income from the proceeds of the sale of New Saraji will continue to boost short term profit.

The volatility of world economies presents some exposure to future export sales contracts – both in volume and price – however New Hope retains its previously advised production and profit guidance for 2009, subject to finalisation of coal sales contract negotiations with major Asian customers over coming months.

In summary, New Hope Corporation:

- Remains a low cost producer;
- Continues to increase production and sales;
- Has all current expansion projects on schedule and within budget;
- Has extensive exploration tenures with in-house exploration capability;
- Has an exceptionally strong balance sheet with no borrowings;
- Is very well positioned for future opportunities.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

Rounding of amounts

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in Sydney this 23rd day of March 2009
in accordance with a resolution of directors.

R.D. Millner
Director

D.C. Williamson
Director

PricewaterhouseCoopers
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Auditor's Independence Declaration

As lead auditor for the review of New Hope Corporation Limited for the half year ended 31 January 2009, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review ; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of New Hope Corporation Limited and the entities it controlled during the period.

Martin Linz
Partner
PricewaterhouseCoopers

Sydney
23 March 2009

New Hope Corporation Limited and Controlled Entities

Consolidated Income Statement
for the half-year ended 31st January 2009

	Note	31 January 2009 \$000	31 January 2008 \$000
Revenue from operations	3	308,137	148,827
Other income	4	2,411,365	331
		<u>2,719,502</u>	<u>149,158</u>
Expenses			
Cost of sales		(74,480)	(60,364)
Marketing and transportation		(35,186)	(28,712)
Exploration costs		(3,489)	(1,813)
Administration		(8,214)	(6,484)
Finance costs		-	(1)
Other expenses		(992)	(810)
Impairment charge through profit and loss against available for sale financial assets		(2,393)	-
Profit before income tax		<u>2,594,748</u>	<u>50,974</u>
Income tax expense		<u>(774,203)</u>	<u>(14,333)</u>
Profit attributable to New Hope shareholders		<u>1,820,545</u>	<u>36,641</u>

Earnings per share for profit attributable to the ordinary equity holders of the Company

	cents per share	cents per share
Basic earnings per share	224.8	4.5
Diluted earnings per share	221.1	4.5

The above consolidated income statement should be read in conjunction with the accompanying notes.

New Hope Corporation Limited and Controlled Entities

Consolidated Balance Sheet
as at 31st January 2009

		31 January 2009 \$000	31 July 2008 \$000
Current assets			
Cash and cash equivalents		16,206	9,691
Held to maturity investments - term deposits	5	2,613,868	172,293
Receivables		33,218	32,704
Inventories		37,536	26,614
Derivative financial instruments		4,035	8,363
Other		4,479	1,506
Non current assets classified as held for sale		-	7,139
Total current assets		2,709,342	258,310
Non current assets			
Receivables		5,070	5,037
Available for sale financial assets		261,557	398,335
Derivative financial instruments		-	7,106
Property, plant and equipment		346,419	309,748
Exploration and evaluation assets		2,180	1,976
Investment properties		35	35
Intangible assets		9,185	10,014
Total non current assets		624,446	732,251
Total assets		3,333,788	990,561
Current liabilities			
Payables		27,278	26,650
Current tax liabilities		746,542	15,172
Derivative financial instruments		46,313	71
Provisions		7,437	5,800
Total current liabilities		827,570	47,693
Non current liabilities			
Deferred tax liabilities		55,521	102,916
Provisions		14,201	12,345
Derivative financial instruments		38,153	-
Total non current liabilities		107,875	115,261
Total liabilities		935,445	162,954
Net assets		2,398,343	827,607
Equity			
Contributed equity		52,887	48,922
Reserves		89,016	249,655
Retained profits		2,256,440	529,030
Total equity		2,398,343	827,607

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

New Hope Corporation Limited and Controlled Entities

Consolidated Statement of Changes in Equity
as at 31st January 2009

	31 January 2009 \$000	31 January 2008 \$000
Total equity at the beginning of the half-year	827,607	731,198
Recognised income and expense for the half-year		
Cash flow hedges, net of tax	(67,080)	6,506
Gain on revaluation of assets	-	27,716
Changes in the fair value of available for sale financial assets, net of tax	(94,071)	(93,827)
Net income / (expense) recognised directly in equity	<u>(161,151)</u>	<u>(59,605)</u>
Profit for the half-year	1,820,545	36,641
Total recognised income and expense for the half-year	<u>1,659,394</u>	<u>(22,964)</u>
Transactions with equity holders in their capacity as equity holders		
Contributions of equity, net of transaction costs	3,965	75
Dividends provided for or paid	(28,345)	(20,212)
Special dividend paid	(64,790)	(24,255)
Employee share option reserve	512	1,223
	<u>(88,658)</u>	<u>(43,169)</u>
Total equity at the end of the half-year	<u>2,398,343</u>	<u>665,065</u>
Total recognised income and expense for the half-year is attributable to Members of New Hope Corporation Limited	<u>1,659,394</u>	<u>(22,964)</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

New Hope Corporation Limited and Controlled Entities

**Consolidated Cash Flow Statement
for the half-year ended 31st January 2009**

	31 January 2009 \$000	31 January 2008 \$000
Cash flows from operating activities		
Receipts from customers inclusive of GST	234,282	131,235
Receipt of GST on the sale of the Saraji coal project	245,000	-
Payments to suppliers and employees inclusive of GST	(124,482)	(91,779)
Payment of GST on the sale of the Saraji coal project	(245,000)	-
	109,800	39,456
Income taxes paid	(21,163)	(14,712)
Net cash inflow / (outflow) from operating activities	88,637	24,744
Cash flows from investing activities		
Payments for purchase of subsidiary, net of cash acquired	-	(40,515)
Payments for property, plant & equipment	(50,984)	(24,657)
Payments for intangible assets	(164)	(411)
Payments for investments in available for sale financial assets	-	(24,005)
Net returns / (payments) for term deposits	(2,376,206)	63,881
Proceeds from sale of property, plant & equipment	2,450,078	654
Costs incurred on the sale of the Saraji coal project	(29,163)	-
Interest and other costs of finance paid	-	(1)
Interest received	11,702	6,163
Net cash inflow / (outflow) from investing activities	5,263	(18,891)
Cash flows from financing activities		
Net proceeds from issue of equity	3,277	74
Dividends paid	(93,135)	(44,467)
Net cash inflow / (outflow) from financing activities	(89,858)	(44,393)
Net increase / (decrease) in cash and cash equivalents	4,042	(38,540)
Cash and cash equivalents at the beginning of the half year	9,691	56,892
Effects of exchange rate changes on cash and cash equivalents	2,473	-
Cash and cash equivalents at the end of the half year	16,206	18,352

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

New Hope Corporation Limited and Controlled Entities

Notes to the Financial Statements for the half-year ended 31st January 2009

1. BASIS OF PREPARATION OF HALF-YEAR REPORT

This general purpose financial report for the interim half-year reporting period ended 31 January 2009 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 July 2008 and any public announcements made by New Hope Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

	31 January 2009 \$000	31 January 2008 \$000
2. DIVIDENDS		
Dividends provided for or paid during the half-year		
Ordinary dividend paid 100% franked at a tax rate of 30% (2008 - 100% franked)	28,345	20,212
Special dividend paid 100% franked at a tax rate of 30% (2008 - 100% franked)	<u>64,790</u>	<u>24,255</u>
	<u>93,135</u>	<u>44,467</u>
Dividends listed above were actually paid to shareholders during the reporting period.		
Dividends not recognised at the end of the half year		
Since the end of the half-year the Directors have declared an interim dividend of 4.75 cents per fully paid ordinary share (2008 - 2.25 cents), fully franked on tax paid at 30%. The aggregate of the dividend expected to be paid on 6 May 2009 out of retained profits at 31 January 2009, but not recognised as a liability at the end of the half-year, is \$38,564,000.		
	<u>38,564</u>	<u>18,193</u>
3. REVENUE		
From operations		
Sales revenue		
Sale of goods	224,848	135,519
Sale of services	4,686	4,829
Other revenue		
Property rent received	302	231
Interest received	76,896	6,163
Sundry revenue	<u>1,405</u>	<u>2,085</u>
	<u>308,137</u>	<u>148,827</u>
4. OTHER INCOME		
From operations		
Profit on sale of non-current assets (i)	<u>2,411,365</u>	<u>331</u>
Details of non regular items included in Other Income		
(i) Gain on sale of the Saraji coal assets (refer note 9)	2,411,352	-

New Hope Corporation Limited and Controlled Entities

Notes to the Financial Statements for the half-year ended 31st January 2009

	31 January 2009 \$000	31 July 2008 \$000
5. HELD TO MATURITY INVESTMENTS - TERM DEPOSITS		
Term deposits	2,548,500	169,754
Interest receivable on term deposits	65,368	2,539
	2,613,868	172,293

	Parent Entity		Parent Entity	
	31 January 2009 No. of shares	31 January 2009 \$000	31 January 2008 No. of shares	31 January 2008 \$000
6. CONTRIBUTED EQUITY				
(a) Share Capital				
Issued and paid up capital	811,868,049	52,887	808,594,846	48,909

(b) Movements in share capital

Date	Details	Number of Shares	Issue Price	\$000
1 August 2007	Opening balance	808,378,603		48,834
31 August 2007	Exercise of ordinary options	6,794	\$0.35	2
30 September 2007	Exercise of ordinary options	1,000	\$0.35	0
31 October 2007	Exercise of ordinary options	101,525	\$0.35	36
30 November 2007	Exercise of ordinary options	101,063	\$0.35	35
31 December 2007	Exercise of ordinary options	1,163	\$0.35	0
31 January 2008	Exercise of ordinary options	4,698	\$0.35	1
31 January 2008	Balance	808,594,846		48,909
1 August 2008	Opening balance	808,634,679		48,922
18 September 2008	Exercise of ordinary options	471,548	\$0.3500	165
18 September 2008	Exercise of ordinary options	259,479	\$0.3500	91
18 September 2008	Exercise of ordinary options	64,843	\$0.3500	23
26 September 2008	Exercise of management options	200,000	\$1.1980	239
14 October 2008	Exercise of management options	237,500	\$1.1980	285
13 January 2009	Exercise of management options	250,000	\$1.5810	395
14 January 2009	Exercise of management options	1,500,000	\$1.5810	2,372
30 January 2009	Exercise of management options	250,000	\$1.5810	395
31 January 2009	Balance	811,868,049		52,887

7. FINANCIAL REPORTING BY SEGMENTS

Business Segments (primary reporting format)

The group operates primarily in one business segment being the mining and exploration of coal and associated activities, and in one geographical segment being Queensland.

New Hope Corporation Limited and Controlled Entities

Notes to the Financial Statements for the half-year ended 31st January 2009

8. CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities for which no provisions are included in the accounts, are as follows:

	31 January 2009 \$000	31 July 2008 \$000
The bankers of the consolidated entity have issued undertakings and guarantees to the Department of Natural Resources and Mines, Statutory Power Authorities and various other entities.	14,577	14,887

No losses are anticipated in respect of any of the above contingent liabilities.

9. BUSINESS COMBINATION - PRIOR PERIOD

(a) Summary of acquisition

On 1st August 2007 Andrew Wright Holdings Pty Ltd (AWH), a fully owned subsidiary of New Hope Corporation Limited, acquired the remaining 50% equity in Queensland Bulk Handling Pty Ltd (QBH) and the Bulk Terminal Services (BTS) partnership as disclosed in the financial statements for the year ended 31 July 2007.

The acquired business contributed a net profit of \$4,175,000 to the group for the reporting period 1 August 2007 to 31 January 2008. Revenues contributed by the acquired business in respect of parties external to the group totalled \$5,074,000. As the acquisition occurred on the first day of the financial year, the net profit and revenue disclosed above, also relate to the acquired entities contribution for the whole reporting period.

(b) Purchase consideration

Cash paid		\$000
	42,500	
Direct costs relating to the transaction	1,006	
Total purchase consideration	43,506	
Fair value of net identifiable assets acquired (refer below)	37,910	
Excess of the Group's interest in the net fair valued of the identifiable assets, liabilities and contingent liabilities of the QBH business over cost	5,596	

(c) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount \$000	Fair Value \$000
Cash and cash equivalents	3,159	3,159
Receivables	655	655
Other	280	280
Property, plant and equipment	4,857	74,002
Deferred tax assets	112	112
Payables	(2,069)	(2,069)
Current tax liabilities	(320)	(320)
Net identifiable assets	6,674	75,819
Previously acquired interest		37,909
Net identifiable assets acquired		37,910

The goodwill is attributed to the operational efficiencies of the business and the synergies that it creates with the other companies in the group. The fair value of assets and liabilities acquired has been determined with reference to an independent valuation conducted as part of the purchase price allocations. There were no business acquisitions in the half year ending 31 January 2009.

New Hope Corporation Limited and Controlled Entities

Notes to the Financial Statements for the half-year ended 31st January 2009

10. SALE OF THE NEW SARAJI PROJECT

Settlement of the sale of the New Saraji Project to BHP Billiton Mitsubishi Alliance was completed on 10 September 2008. Details of the sale are as follows:

	31 January 2009 \$000	31 January 2008 \$000
Consideration received	2,450,000	-
Carrying value of assets disposed	(8,978)	-
Costs of disposal	(29,670)	-
Tax on disposal	(723,268)	-
Gain on sale after tax	<u>1,688,084</u>	<u>-</u>

New Hope Corporation Limited and Controlled Entities

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 15 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 January 2009 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

R.D.Millner
Director

D.C. Williamson
Director

Sydney
23rd March 2009

Independent Auditors Review Report to the members of New Hope Corporation Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of New Hope Corporation Limited, which comprises the balance sheet as at 31 January 2009, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the Directors' declaration for the New Hope Corporation Limited Group (the consolidated entity). The consolidated entity comprises both New Hope Corporation Limited (the company) and the entities it controlled during that half-year.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 January 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of New Hope Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by Directors or management.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of New Hope Corporation Limited for the half-year ended 31 January 2009 included on New Hope Corporation Limited's web site. The company's Directors are responsible for the integrity of the New Hope Corporation Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's review report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

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Independent Auditors Review Report to the members of New Hope Corporation Limited -
(continued)

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of New Hope Corporation Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 January 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

PricewaterhouseCoopers

Martin Linz
Partner

Sydney
23 March 2009