



ASX and MEDIA RELEASE

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## **New Hope half-year operating profit up 143.3 per cent**

- **Total net profit after tax including treasury up 261.5 per cent to \$132.4 million.**
- **Interim fully franked ordinary dividend of 4.75 cents per share.**
- **Saleable coal production up 12.8 per cent to 2.443 million tonnes.**
- **Cash on deposit of \$2.45 billion from New Saraji sale.**

Diversified carbon-based energy company New Hope Corporation Limited today announced a 143.3 per cent increase in operational net profit after tax to \$78.8 million for the six months ended January 31, 2009.

New Hope reported a total net profit after tax from coal mining, investments, treasury and port operations (excluding non-recurring items) of \$132.461 million. This was a 261.5 per cent increase over the previous corresponding period.

Treasury operations contributed \$53.7 million to the result, mainly through interest earnings on the \$2.45 billion sale of the New Saraji Project in September 2008 to the BHP Billiton Mitsubishi Alliance. A non-recurring net profit after tax of \$1.688 billion was reported from the sale.

Basic earnings per share (excluding non-recurring items) for the half year were 16.4 cents, 261 per cent 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 6 May 2009 to shareholders registered at 20 April 2009.

The board also reiterated its intention to use the proceeds of the New Saraji sale to pay a fully franked special dividend of approximately \$600 million to shareholders in conjunction with the final 2009 year dividend in November 2009.

New Hope Chairman Rob Millner said: "Our strong result benefited from higher coal sales prices for domestic and export coal, along with higher export coal tonnages. Coal prices also benefited from a substantially lower exchange rate with the US dollar.

"Saleable coal production grew due to increased production at our New Acland mine west of Toowoomba and the reactivation of the Jeebropilly mine near Ipswich.

"Profits were offset by a lower contribution from Queensland Bulk Handling (QBH) operations at the Port of Brisbane due to a slightly lower throughput and higher operating costs, higher mine operating costs and an impairment charge of \$2.4 million on the value of NHC's shareholding in available-for-sale financial assets.

“New Hope remains a low cost producer, continues to increase production and sales and has current expansion projects on schedule and within budget.

“We have an exceptionally strong balance sheet and are very well positioned for future opportunities.”

New Hope is maintaining a full year sales forecast of approximately 4.8 million tonnes.

Total saleable coal production in the half year from New Hope's operations was 2.443 million tonnes, 12.8 per cent higher than the previous corresponding period.

Total coal sold in the half year ended 31st January 2009 was 1.6 per cent lower at 2.3 million tonnes.

Coal export volumes rose by 22,000 tonnes (1.3 per cent) to 1.696 million tonnes while domestic sales were some 58,000 tonnes lower (or 9.3 per cent) at 569,000 tonnes. Rail issues due to flooding and locomotive availability hampered export deliveries, leading to increases in product stocks at the mines.

NHC Managing Director Rob Neale said the New Acland mine would expand from 4.2 million tonnes per annum to 4.8 million tonnes by December 2009.

“Planning is also 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,” he said.

“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.

“We will also continue to focus our exploration activities on 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.

“The sale of the New Saraji project demonstrated the expertise of our exploration activities and the value they add to our company.”

The expansion to New Hope's 100 per cent owned Queensland Bulk Handling port facility, 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 October 2010.

## **Outlook**

Mr Millner said: “The volatility of world economies continues to present 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.

“Interest earnings from the sale of the New Saraji project will continue to boost short term profit.”

**Contact:**

**Investors**

Robert Millner, Chairman, New Hope – 02 9232 7166

**Media**

Matthew Horan 0403 934 958