New Hope Corporation Limited
ABN 38 010 653 844

ASX and MEDIA RELEASE **Tuesday, September 22, 2009**

Record Operating Profit of $150.5 Million

- **Net profit after tax from operations up 82% to $150.5 million.**
- **Increased final dividend of 4.5 cents per share and special dividend of 72.75 cents per share from sale of the New Saraji Project.**
- **Strong operating result driven by 15.5% increase in saleable coal production to 5.1 million tonnes and 19.9% increase in coal exports to 3.9 million tonnes.**

Diversified energy company New Hope Corporation Limited today announced an 82% increase in net profit after tax from its coal mining, port, and other operations[1] to $150.5 million for the year to July 31, 2009.

Net profit after tax before non regular items was $262.3 million which is an increase of 189% above the previous year's result of $90.7 million.

New Hope also reported a non regular net profit after tax of $1,688.1 million as a result of the sale of its New Saraji Project to BHP Billiton Mitsubishi Alliance (BMA), which was completed on September 10, 2008. Total net profit after tax and non regular items for the year was $1,950.4 million.

Earnings per share for the year ended 31 July 2009 from operations and interest were 32.3 cents, which is an increase of 188% on the 11.2 cents per share earned in 2008. In addition, earnings per share as a result of the sale of the New Saraji Project were 208.0 cents. Total earnings per share were 240.3 cents.

Directors have declared a final ordinary dividend of 4.5 cents per share and a special dividend of 72.75 cents per share. Both of these dividends are fully franked, and will be paid on 10 November 2009. The record date for both dividends is October 26, 2009.

New Hope Chairman Robert Millner said," The operating result was driven by an 11.7% increase in total coal sales to 4.972 million tonnes with export coal sales up 19.9% to 3.868 million tonnes in combination with the higher domestic and export coal prices effective during the past year.

"Our wholly owned Queensland Bulk Handling operation at the Port of Brisbane has also contributed to the improved operating result through an increase of 11.8% in throughput to 6.118 million tonnes.

"In deciding the amount of the special dividend, the directors have taken into consideration the company's ongoing capital requirements, likely lower operating result in 2010 due to lower export coal prices, and the need to continue to actively pursue new investment opportunities in the energy sector to achieve profitable growth."

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[1] Excluding interest income

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Appendix: Detailed Segment Commentary

Mining operations

Total saleable coal production from New Hope's operations in the 2009 year was 5.140 million tonnes, 15.5% higher than in 2008.

Total coal sold during the year was 11.7% higher at 4.972 million tonnes, compared with 4.451 million tonnes sold in the 2008 year.

Coal export volumes rose by 643,000 tonnes, or 19.9% to 3.868 million tonnes while domestic sales were 1.104 million tonnes, being 122,000 tonnes or 10% lower than the previous year.

The New Acland mine on the Darling Downs in South East Queensland produced 4.263 million tonnes during the year, reflecting the expansion to the rate of 4.2 million tonnes per year completed in April 2008.

New Hope has completed the initial development of a second open-cut pit south of the current New Acland operations to maximise coal quality and operating flexibility. First coal from this southern pit was processed in mid-September 2008.

Planning is well advanced on the next incremental expansion at New Acland (New Acland Stage 3 expansion) to 4.8 million tonnes per year.

The expansion is scheduled for completion in the second quarter of 2009/10, subject to construction contractor performance. The scale of this incremental expansion will maximise production within existing mining approvals and fully utilise available rail capacity.

Significant progress has been made on a potential New Acland Expansion Stage 4 which would allow future production of up to 10 million tonnes per year.

The balance of coal production in the 2009 year of 877,000 tonnes, up from 531,000 tonnes in the previous year, came from the New Oakleigh and Jeebropilly mines in the West Moreton district, near Ipswich.

Production from New Oakleigh was 452,000 tonnes, a decrease of 14.9% from the prior year. The remainder of 425,000 tonnes of West Moreton production came from the recommissioned Jeebropilly mine.

Operating experience since re-commissioning the mine in 2008 has resulted in higher yields and lower strip ratios than originally planned, leading to lower than expected unit costs. As a result, a decision was taken in early 2009 to increase the production capacity of the Jeebropilly mine to 900,000 tonnes per year.

Queensland Bulk Handling

Queensland Bulk Handling Pty Ltd (QBH), which is 100% owned by New Hope Corporation, achieved a record throughput with 6.118 million tonnes loaded onto 87 ships in 2009, up from 5.472 million tonnes loaded onto 82 ships in 2008.

The QBH facility continues to operate essentially demurrage free.

As reported in 2008, QBH has committed to an expansion of the coal handling facilities with the addition of new stockpiles and associated infrastructure to meet increased forecast coal exports through the Port of Brisbane as extra rail capacity is forecast to become available. Expansion work is progressing well.

The project is on track to be completed by October 2010 with minimal interruption to scheduled coal exports during the expansion project, which will take annual capacity to a nominal 10 million tonnes.

Wetalla Pipeline Project

The Wetalla Pipeline Project will essentially drought-proof the New Acland mine with a 43-year water-supply agreement with the Toowoomba Regional Council (TRC) for New Acland Coal to receive recycled waste water from TRC's Wetalla Water Reclamation plant on the outskirts of Toowoomba.

The agreement requires New Acland Coal to construct a 46km pipeline from Wetalla to the New Acland Mine.

Construction commenced in April 2008 and the construction of the pipeline and associated pump station and other support infrastructure has been completed. Pipeline commissioning is anticipated to be completed in October 2009 with total project costs below budget estimates.

Arrow Energy Limited

New Hope acquired its initial shareholding in Arrow Energy in July 2006, and has subsequently increased its shareholding via exercising options and purchasing additional shares.

As at 31 July 2009 New Hope held 122.6 million shares at a total cost of $119.3 million; equivalent to 16.9% of the company.

Arrow Energy's share price on 31 July 2009 was $4.29, valuing the New Hope investment at $525.9 million and representing an unrealised gain before tax of $406.6 million.

New Hope Exploration

Subsequent to the sale of the New Saraji Project to BMA in September 2008, New Hope's exploration activity has refocussed on its other Central Queensland and Darling Downs tenements and existing mining operations.

New Hope's exploration strategy remains unchanged and is 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 both surface and possible underground gasification and liquefaction projects.

Recently New Hope has initiated the next phase of exploration at Jimbour and Ownaview. Additionally, considerable effort has been directed at all of the mining entities to assist operations and expansion programmes.

In Central Queensland, New Hope's exploration activities have been directed to expanding its resource definition program within the broader EPC at Lenton and evaluating future target drill sites at the Bee Creek EPC. Recent drilling and seismic programmes indicate additional coal volumes at Lenton.

Coal to Synfuels

New Hope continued its research activities regarding the evaluation of conversion of Acland coal into gas followed by possible power generation and / or liquefaction.

New Hope continued ongoing gasification trials in both South Africa and the United States, focussing on two different technologies.

Initial results from a test-scale slurry reactor have been encouraging and have confirmed earlier results which indicate the suitability of New Acland coal for conversion to liquid fuels.

Further trials during the next three to six months will enable finalisation of design parameters for a one tonne per hour concept test unit, subject to government approvals.

Land

During the development cycle of its exploration and coal mining activities, New Hope has acquired over 12,000 hectares of land around Ipswich, Rosewood, Amberley and Acland.

New Hope has acquired further landholdings in the Acland region during the year, taking the total landholdings there to approximately 9,200 hectares. This land is being managed by New Hope's agricultural company, Acland Pastoral Company Pty Ltd.

Outlook

New Hope has reliable and efficient, low-cost mining operations and employs experienced supporting personnel, including its own exploration crews, to underwrite the continued growth in production over the coming years.

While production and sales growth are subject to favourable economic conditions and access to rail capacity, New Hope is well positioned to continue building on the growth delivered in the past five years.

The sale of the New Saraji Project further underpins a strong balance sheet after the expected return of dividends to shareholders.

New Hope is investing in the necessary infrastructure to support the expanded New Acland operations via the Wetalla pipeline and the expanded QBH operations.

The Lenton Project (likely metallurgical and thermal coals) will be evaluated to determine the best development path over the next few years. A number of alternative strategies are being evaluated, with port capacity being a possible development constraint before 2012.

New Hope's operations continue to perform strongly; however with the sharp decrease in export coal prices resulting from the world economic downturn in late 2008 and early 2009, it is likely that an earnings decline will eventuate in 2010 from normal operations, despite higher production and sales.

Exchange rate volatility is likely to continue given the uncertainty in world economic activity, which could further impact on New Hope earnings.

Capital Management

The $2.45 billion proceeds from the sale of the New Saraji Project have been retained on deposit with major banks, with interest rates declining for those deposits rolled over during the year.

Subsequent to the payment of tax in January 2010, payment of the ordinary and special dividends to shareholders, and subject to any acquisitions that may eventuate, the interest revenue earned on term deposits will continue to contribute to New Hope's 2010 profit however will be less than what was recorded in 2009.

Directors have declared that a special dividend in the order of $600 million will be paid to shareholders in conjunction with the final 2009 year dividend in November 2009.
The timing of this special dividend coincides with income tax on the sale of the New Saraji Project of approximately $725 million being payable at the time and lodgement of the Company's 2009 financial year tax return in January 2010.

This will allow the special dividend to be fully franked in the hands of shareholders.

In arriving at the special dividend, the directors have taken into consideration the company's ongoing capital requirements and the need to continue to actively pursue new investment opportunities in the energy sector