

NEW HOPE CORPORATION LIMITED

QUARTERLY ACTIVITIES REPORT

31 January 2010

	3 Months to 31/01/10 Tonnes 000's	3 Months to 31/01/09 Tonnes 000's	Change	6 months ended 31/01/10 Tonnes 000's	6 months ended 31/01/09 Tonnes 000's	Change
Raw Coal Production	2,853	2,266	+ 26%	5,532	4,580	+ 21%
Saleable Coal Production	1,419	1,180	+ 20%	2,815	2,443	+ 15%
Coal Sold	1,330	1,028	+ 29%	2,813	2,264	+ 24%
QBH Export Throughput	1,533	1,287	+ 19%	3,281	2,822	+ 16%

COAL OPERATIONS

Group saleable coal production for the 3 months to 31 January 2010 was 1.419 million tonnes, 20% higher than the previous corresponding period in 2009. The increase was due to higher production from the Company's New Acland and Jeebropilly mines (which produced 1.150 million tonnes and 0.203 million tonnes respectively) during the quarter, coupled with lower production from the New Oakleigh Mine near Ipswich, which produced 0.066 million tonnes during the quarter.

New Hope's group sales for the quarter of 1.330 million tonnes, although slightly lower than the October 2009 quarter, were 29% higher than the previous corresponding period due to continuing strong demand from export customers coupled with higher production. Rail maintenance issues had a negative impact on available rail capacity during the quarter, which resulted in export shipping re-scheduling and product stock build at the mines rail sidings. Railing performance is expected to improve during the next quarter as scheduled rail maintenance activities are completed and new rolling stock deliveries are scheduled to take effect.

The expansion of the New Acland Mine to an annual production capacity of 4.8 million tonnes was completed on schedule during the quarter. A new large front end loader, delivered in January 2010, completed the expansion program.

A new, higher capacity spirals processing circuit was installed at the Jeebropilly coal handling & preparation plant, which is expected to improve yield and quality control.

Minor wet weather delays hampered the continuity of coal production at all mines during the quarter, however no flooding occurred and water management practises resulted in minimal disruption to mining operations.

The QBH port expansion project is proceeding on schedule, with electrical installation works on the new stacker completed, conveyors installed and pre-commissioning works undertaken on new hardware. Instrumentation and electrical control system works commenced. Foundation piling for the remainder of the civil works was completed, along with installation of two of the six reclaimers. QBH achieved a record throughput month in January 2010, with 769,000 tonnes loaded onto export vessels.

EXPLORATION

New Hope has continued exploration activities on the Lenton Project in Central Queensland and at the New Acland and Jeebropilly mines and the Ownaview West Project in South East Queensland. A total of 5,030 metres of drilling was completed in the quarter, bringing the total to 13,500 metres year-to-date.

Towards the end of the quarter, seasonal rainfall significantly affected the exploration activities, with these delays expected to continue in the next quarter.

New Lenton

Exploration has centred on confirmation core drilling along the 2D seismic survey lines conducted during 2009. Approximately 1,000 metres of core drilling was completed in the quarter.

Further seismic survey work has commenced with 6.5 square kilometres of land prepared for a 3D seismic survey to be carried out early in the next quarter (subject to weather).

New Acland and Jeebropilly (West Moreton)

A further 2,268 metres of chip drilling was carried out within the company's mining tenements to extend the existing geological models.

Ownaview West

Activity at the Ownaview West Project included a further 1,400 metres of chip drilling along with the finalisation of the rehabilitation of the initial program conducted in early 2009. This program of exploration is expected to conclude in the next quarter and the results will be used to determine ongoing activity.

New Hope has continued the process of reviewing prospective tenements and is in the final stages of obtaining two further Exploration Permits for Coal (EPC).

BUSINESS DEVELOPMENT

Coal-to-Liquids

Large bench scale testing of a range of New Hope coals progressed during the quarter to further refine the performance through a slurry reactor system at throughput rates of approximately 22kg per hour with promising conversion yields. Process emissions testing has been successfully completed and diesel fuel compliance testing is well advanced.

The “Proof of Concept” plant engineering is about 80% complete with respect to the process flow and piping and instrument drawing components. An application for a Petroleum Facility License is expected to be submitted to regulatory authorities during the current quarter.

The initial trials of New Acland coal through a syncrude reactor have been completed and the results are under review to establish the next phase of testing.

Evaluation of a direct liquefaction process has commenced using New Acland coal. Trials will be undertaken during the next 3-6 months to establish the yield and product performance as well as technology compatibility with the slurry reactor.

When the data from the above trials are complete, comparative economic assessments will be undertaken to evaluate the commercial viability of the alternative technologies.

Planet Gas Investment

During the quarter the company acquired an additional 6.9% interest in Planet Gas for \$3.7 million, taking the total holding to 19.9% at a total cost of \$8.8 million. The investment by New Hope continues its involvement in the broader Australian energy sector.

HALF YEAR PROFIT GUIDANCE

New Hope Corporation Limited (ASX:NHC) advises that its Net Profit After Tax for the half year ended 31st January 2010 is anticipated to be within the range of \$100 million to \$110 million.

The result is lower than the previous first half year ended 31st January 2009 due to reduced earnings from treasury operations following payment of \$638 million in dividends and \$769 million in tax during the first half period. Operating net profit after tax was impacted by the substantially lower export thermal coal prices in comparison with the prior corresponding period.

It is anticipated that New Hope will release its first half financial results for the period to 31st January 2010 on or about Tuesday the 23rd of March 2010.