



New Hope

Corporation Limited

A.B.N. 38 010 653 844

APPENDIX 4D

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INTERIM REPORT

31st JANUARY 2010

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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 2009 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 2010

Results for announcement to the market

	31 January 2010 \$000	31 January 2009 \$000	% Change
Revenue from ordinary activities	367,922	308,137	+ 19.4%
Profit before income tax (before non recurring items)	144,957	183,396	- 21.0%
Profit before income tax (after non recurring items)	144,957	2,594,748	- 94.4%
Profit from ordinary activities after income tax attributable to New Hope Shareholders (before non recurring items)	111,582	132,461	- 15.8%
Net Profit attributable to New Hope shareholders (after non recurring items)	111,582	1,820,545	- 93.9%

	31 January 2010 cents per share	31 January 2009 cents per share	% Change
Earnings per share (before non recurring items)	13.5	16.4	- 17.5%
Earnings per share (after non recurring items)	13.5	224.8	- 94.0%
Interim dividend declared	5.00	4.75	+ 5.3%

	31 January 2010 cents per share	31 January 2009 cents per share	% Change
Net tangible asset backing per ordinary share	267.1	294.3	- 9.2%

- Production up 15.2% to 2.8 million tonnes.
- Sales up 24.3% to 2.8 million tonnes.
- Revenues up 19.4% to \$367.9 million due to trade coal sales and higher export sales volumes (up 31.5% to 2.2 million tonnes), offset by lower export prices in Australian dollars and lower interest revenues.
- Expansion of the Acland operations to the annual rate of 4.8 million tonnes completed on time and within budget.
- Interim dividend up 5.3% to 5.0 cents per share.

Dividends

The Directors' have declared a dividend of 5.0 cents per share franked to 100% payable on 5th May 2010. The record date for the payment of the dividend is 19th April 2010. There is no dividend reinvestment plan in operation.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31st January 2010

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 2010.

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

Consolidated Results	Jan 2010 \$000	Jan 2009 \$000	% Change
Revenue from operations	367,922	308,137	+ 19.4%
Profit before income tax (before non recurring items)	144,957	183,396	- 21.0%
Profit before income tax (after non recurring items)	144,957	2,594,748	- 94.4%
Profit from ordinary activities after income tax (before non recurring items)	111,582	132,461	- 15.8%
Profit attributable to New Hope shareholders (after non recurring items)	111,582	1,820,545	- 93.9%
Basic earnings per share (cents)	13.5	224.8	- 94.0%

Review of Operations

New Hope Corporation Limited (New Hope) has reported a net profit after tax of \$111.6 million for the half year ended 31 January 2010, a 15.8% decrease from the \$132.5 million (before non-recurring items) earned in the corresponding period. The previous corresponding period included non-recurring profit after tax on the sale of the New Saraji coal assets of \$1.688 billion.

Directors have declared an interim dividend of 5 cents per share, up 5.3%, fully franked and payable on 5 May 2010 to shareholders registered at 19 April 2010.

Compared to the previous corresponding period, the half year ended 31 January 2010 benefitted from:

- Continued saleable production growth, which was up 15.2% to 2.8 million tonnes;
- Higher export sales volumes of 2.2 million tonnes, up 31.5% (excluding third party sales); and
- Increased prices for domestic coal sales.

offset by:

- Lower export coal prices in US\$ terms, compounded by higher A\$:US foreign exchange rates;
- Increased costs of production due to a higher proportion of production being sourced from the higher cost West Moreton operations;
- Increasing rail and road transportation costs; and
- Reduced interest income from cash on deposit following the payment of the special dividend and tax on the New Saraji asset sale.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31st January 2010

Mining Operations

The company's integrated mining activities encompass exploration, development, mining, processing, associated transport infrastructure and ancillary activities. Total saleable coal production from New Hope's operations in the half year ended 31st January 2010 was 2.815 million tonnes, 15.2% higher than the previous corresponding period. Increased production from the New Acland mine and the ramp up in production from the reactivation of the Jeebropilly mine were the main contributors to the higher production.

Total coal sold in the half year ended 31st January 2010 was 24.3% higher at 2.815 million tonnes, compared with 2.263 million tonnes sold in the previous corresponding period. Coal export volumes rose by 534,000 tonnes (or 31.5%) to 2.230 million tonnes while domestic sales were some 16,000 tonnes lower (or 2.8%) at 585,000 tonnes.

Sales revenues were increased by the sale of some 657,000 tonnes of third party coal in order to meet customer demand in excess of contracted volumes. Costs of sales were also proportionately higher to account for the purchases.

Whilst rail issues due to track maintenance and train availability hampered export deliveries during the last quarter of calendar year 2009, sufficient stocks were available to meet contracted customer requirements for the half year.

New Hope is maintaining a full year sales forecast of approximately 5.5 – 6.0 million tonnes (excluding third party coal sales), which is highly dependent on rail capacity.

New Acland Mine

The New Acland mine remains as the Company's major production source with some 2.215 million tonnes produced during the half year; a 7.3% increase over the previous corresponding period.

Expansion of the New Acland mine to the production rate of 4.8 million tonnes per annum was completed during the half year, ahead of time and on budget. The following capital items have been delivered or purchased during the half year ended 31st January 2010:

- An 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 was completed in October 2009;
- A new LeTourneau L1150 front end loader (30 cubic metre capacity) was delivered and commissioned in February 2010.
- Three new Caterpillar 789 rear dump trucks; and
- One new Caterpillar D10 dozer.

South Pit development continued, with completion of the box cut excavation, commencement of back filling and out-of-pit waste dump rehabilitation. A major earthworks program was initiated to construct two water storage dams and a flood protection levee as required by our environmental management plans.

The previously announced Wetalla pipeline project has been completed and treated waste water is successfully flowing through the 46 kilometres of pipeline from Toowoomba to the New Acland mine.

West Moreton Mines

The balance of New Hope's coal production of 600,000 tonnes in the half year ended 31st January 2010 came from the West Moreton region; an increase of 58.3% over the previous corresponding period. The New Oakleigh mine near Rosewood produced 142,000 tonnes and the Jeebropilly mine near Amberley produced 458,000 tonnes. Production from New Oakleigh was 51% lower than the prior corresponding period due to higher strip ratios. Production from the Jeebropilly mine reflects the planned ramp up as a result of re-commencement of mining operations in mid 2008.

The New Oakleigh mine has reached a steady state production capacity of 230,000 tonnes per year, with ongoing operations dependent on export coal sales prices and volume commitments. A rolling six monthly review of operations was conducted to determine the ongoing contributions from the West Moreton mining activities, with affirmation that operations will continue in accordance with initial plans.

The Jeebropilly mine is now operating six days per week, having achieved the ramp up to an annualised production rate of 900,000 tonnes per annum; some 80% higher than the originally planned 500,000 tonnes per annum.

During the half year, the Jeebropilly mine completed the commissioning of a new fleet of Caterpillar 785 rear dump trucks, a new D10 Caterpillar dozer and a used but serviceable Hitachi EX1800 hydraulic excavator. 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.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31st January 2010

Queensland Bulk Handling

New Hope's 100% owned port facility Queensland Bulk Handling (QBH) continued to operate effectively, with 3.280 million tonnes loaded through the facility during the half year ended 31 January 2010, 16.2% higher than the previous corresponding period. The QBH facility continues to operate essentially demurrage free.

Coal stockpile expansion work is continuing on schedule, with the following activities completed:

- All foundation piling;
- Bulk earthworks for the stockpile bases;
- Manufacturing, construction and installation of a new stacker;
- Manufacturing, construction and installation of four reclaim facilities;
- Conveyor installation works; and
- Electrical installation works.

Control system design is progressing and pre-commissioning works will commence during the next quarter.

The initial expansion works will increase stockpile capacity by 331,000 to 708,000 tonnes. At full capacity in late 2010, the port will be capable of handling up to 10 million tonnes per annum subject to rail performance 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 been on the Lenton Project with preparation of target areas and the deployment of drilling and geological assessment assets to the project area.

The remaining efforts have been directed at our mine operational areas in South East Queensland and exploration license areas on the Darling Downs; primarily Ownaview West. Additional drilling at New Acland has improved the accuracy of 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.

A total of 11,203 metres of drilling was conducted on existing mining leases and exploration areas around New Hope's three mines during the half year.

New Lenton

Establishment of a site base and communication links were completed to facilitate drilling activities. Cultural heritage surveys, drilling and 2D seismic surveys were completed during the half year, with further drilling undertaken and 3D seismic survey ground preparation over a 6.5 square kilometres area of land completed. The planned 3D seismic program was hampered due to wet weather and will not commence until the next quarter (subject to weather).

Overall, 32.8 kilometres of high quality 2-D seismic survey was completed at New Lenton (EPC766 and EPC865).

Core drilling to obtain samples for Coal-to-Liquids laboratory analysis and pilot plant reactivity testing was completed.

A total of 2,934 metres of drilling was completed during the half year.

New Acland - MDL 244

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) was completed, with the Queensland State Government Department of Industry and Planning approving its release for public comment in November 2009.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31st January 2010

Jeebropilly - ML 50093, 4677 & 4689

Exploration activity at the Jeebropilly mine has focussed on defining the remaining coal resource within existing mining leases and expanding the geological database to include coal washability data. Drilling conducted during the half year ended 31 January 2010 sought to expand the pit limits of open cut mining.

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 drill sites 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 Projects – Tasmania

Exploration Licences (EL) have been granted to New Hope for the Rosevale (EL 44/2007) and York Plains (EL 49/2007) tenements. 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.

Meetings were held with Tasmania's regulatory bodies during the half year to gain knowledge of the State's regulatory regime, inspect the tenements and develop a logistics plan to commence drilling in 2010.

Land

New Hope has completed preliminary studies to identify the most appropriate future land use post mining at its West Moreton operations. For those landholdings around Rosewood and Amberley (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 conceptual planning was recognised by the Planning Institute of Australia (Qld Division), with the granting of two awards during the half year.

Coal to Synfuels

New Hope is continuing its research and development coal-to-liquids project activity.

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. A further sixty tonne sample of New Acland coal was shipped to South Africa during the half year for further testing in a new facility.

Large bench scale testing of a range of New Hope coals progressed during the half year 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 the piping-instrument drawing components. An application for a Petroleum Facility License is in preparation.

Evaluation of a direct liquefaction process has commenced using New Acland coal. Trials will be undertaken during the next 3 to 6 months to establish the yield and product performance.

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

Arrow Energy Limited

As at 31 January 2010 New Hope held 122.6 million shares at a total cost of \$119.3 million equivalent to 16.7% of the company. Arrow Energy's share price on 31 January 2010 was \$3.93 valuing the New Hope investment at \$481.8 million, representing an unrealised gain before tax of \$362.5 million.

Since the end of the period, a company jointly owned by Royal Dutch Shell and PetroChina has issued a proposal to acquire shares in Arrow Energy for \$4.70 cash per share, plus a share in a new entity comprised of Arrow Energy's international business and early stage Australian assets.

In the absence of a superior proposal, New Hope supports the proposed transactions and intends to vote in favour of the Demerger Scheme and Acquisition Scheme for all the shares it owns or controls.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31st January 2010

Planet Gas investment

As part of its diversified energy investment strategy, during the 1st quarter New Hope acquired a 13% interest in the ASX listed company, Planet Gas Limited. During the 2nd 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, and making New Hope the company's single largest shareholder.

The investment by New Hope continues its involvement in the broader Australian energy sector.

Outlook

Planning is underway to take advantage of a new mining lease at the New Acland mine, which if granted in late 2010 or early 2011, will enable production capacity to be incrementally increased up to 10 million tonnes per annum, subject to market conditions, rail and port capacity.

Jeebropilly will continue at a nominal production capacity 900,000 tonnes per annum during the second half of 2010, with continued New Oakleigh nominal production of 230,000 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 cash on deposit will continue to provide short term profit, although at reduced levels following the payment of the special dividend and tax on the New Saraji sale, partially offset by interest rates increasing from the low levels of 2009.

New Hope retains its previously advised production guidance for 2010 of 5.5 to 6.0 million tonnes, subject to finalisation of coal sale contract negotiations with major Asian customers over coming months and achievement of sufficient rail capacity.

In summary, New Hope Corporation:

- Remains a low cost producer;
- Continues to increase production and sales;
- Has current expansion projects on schedule and within budget;
- Has extensive exploration tenures with in-house exploration capability;
- Has an exceptionally strong balance sheet;
- 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 Investments 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 22nd day of March 2010
in accordance with a resolution of directors.

R.D. Millner
Director

D.C. Williamson
Director

PricewaterhouseCoopers
ABN 52 780 433 757

Riverside Centre
123 Eagle Street
BRISBANE QLD 4000
GPO Box 150
BRISBANE QLD 4001
DX 77 Brisbane
Australia
Telephone +61 7 3257 5000
Facsimile +61 7 3257 5999

Auditor's Independence Declaration

As lead auditor for the review of New Hope Corporation Limited for the half year ended 31 January 2010, 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
22 March 2010

New Hope Corporation Limited and Controlled Entities

Consolidated Statement of Comprehensive Income
for the half-year ended 31st January 2010

	Note	31 January 2010 \$000	31 January 2009 \$000
Revenue from operations	3	367,922	308,137
Other income	4	66	2,411,365
		<u>367,988</u>	<u>2,719,502</u>
Expenses			
Cost of sales		(157,517)	(74,480)
Marketing and transportation		(50,826)	(35,186)
Exploration costs		(5,477)	(3,489)
Administration		(7,903)	(8,214)
Finance costs		-	-
Other expenses		(1,308)	(992)
Impairment charge through profit and loss against available for sale financial assets		-	(2,393)
		<u>144,957</u>	<u>2,594,748</u>
Profit before income tax			
Income tax expense		(33,375)	(774,203)
Profit for the half year attributable to New Hope Shareholders		<u>111,582</u>	<u>1,820,545</u>

Other comprehensive income

Cash flow hedges, net of tax	5,285	(67,080)
Changes in the fair value of available for sale financial assets, net of tax	(25,189)	(94,071)
Other comprehensive income for the half year, net of tax	(19,904)	(161,151)
Total comprehensive income attributable to New Hope Shareholders	<u>91,678</u>	<u>1,659,394</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	13.5	224.8
Diluted earnings per share	13.5	221.1

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

New Hope Corporation Limited and Controlled Entities

Consolidated Balance Sheet
as at 31st January 2010

	Note	31 January 2010 \$000	31 July 2009 \$000
Current assets			
Cash and cash equivalents		86,480	220,348
Receivables		45,097	36,555
Inventories		40,309	39,057
Held to maturity investments	5	1,310,136	2,486,666
Derivative financial instruments		17,572	14,525
Other		3,137	124
Total current assets		1,502,731	2,797,275
Non current assets			
Receivables		4,835	4,507
Available for sale financial assets		499,861	527,985
Derivative financial instruments		12,660	8,157
Property, plant and equipment		431,852	394,358
Exploration and evaluation assets		3,240	2,572
Investment properties		35	35
Intangible assets		7,394	8,453
Total non current assets		959,877	946,067
Total assets		2,462,608	3,743,342
Current liabilities			
Payables		42,134	45,332
Current tax liabilities		26,751	743,970
Provisions		8,247	7,611
Total current liabilities		77,132	796,913
Non current liabilities			
Deferred tax liabilities		153,698	181,118
Provisions		17,451	16,813
Total non current liabilities		171,149	197,931
Total liabilities		248,281	994,844
Net assets		2,214,327	2,748,498
Equity			
Contributed equity		78,837	63,427
Reserves		314,558	337,458
Retained profits		1,820,932	2,347,613
Total equity		2,214,327	2,748,498

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
for the half year ended 31 January 2010

	Contributed Equity \$000	Reserves \$000	Retained Earnings \$000	Total \$000
Balance as at 1 August 2008	48,922	249,655	529,030	827,607
Total comprehensive income for the half year		(161,151)	1,820,545	1,659,394
Transactions with owners in their capacity as owners				
Shares issued during the half year	3,965			3,965
Dividends provided for or paid			(28,345)	(28,345)
Special dividend provided for or paid			(64,790)	(64,790)
Net movement in share based payments reserve		512		512
Balance as at 31 January 2009	52,887	89,016	2,256,440	2,398,343
Balance as at 1 August 2009	63,427	337,458	2,347,613	2,748,498
Total comprehensive income for the half year		(19,904)	111,582	91,678
Transactions with owners in their capacity as owners				
Shares issued during the half year	15,410			15,410
Dividends provided for or paid			(37,180)	(37,180)
Special dividend provided for or paid			(601,083)	(601,083)
Net movement in share based payments reserve		(2,996)		(2,996)
Balance as at 31 January 2010	78,837	314,558	1,820,932	2,214,327

The above consolidated statements 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 2010**

	31 January 2010 \$000	31 January 2009 \$000
Cash flows from operating activities		
Receipts from customers inclusive of GST	308,236	234,282
Receipt of GST on the sale of the Saraji coal project	-	245,000
Payments to suppliers and employees inclusive of GST	(220,340)	(120,993)
Payment of GST on the sale of the Saraji coal project	-	(245,000)
	87,896	113,289
Income taxes paid	(768,542)	(21,163)
Net cash inflow / (outflow) from operating activities	(680,646)	92,126
Cash flows from investing activities		
Payments for property, plant & equipment	(55,448)	(50,984)
Payments for intangible assets	(11)	(164)
Payment for exploration and evaluation activities	(5,762)	(3,489)
Payments for investments in available for sale financial assets	(8,802)	-
Net returns / (payments) for term deposits	1,066,000	(2,376,206)
Proceeds from sale of property, plant & equipment	141	2,450,078
Costs incurred on the sale of the Saraji coal project	-	(29,163)
Interest and other costs of finance paid	-	-
Interest received	177,327	11,702
Net cash inflow / (outflow) from investing activities	1,173,445	1,774
Cash flows from financing activities		
Net proceeds from issue of equity	12,028	3,277
Dividends paid	(638,263)	(93,135)
Net cash inflow / (outflow) from financing activities	(626,235)	(89,858)
Net increase / (decrease) in cash and cash equivalents	(133,436)	4,042
Cash and cash equivalents at the beginning of the half year	220,348	9,691
Effects of exchange rate changes on cash and cash equivalents	(432)	2,473
Cash and cash equivalents at the end of the half year	86,480	16,206

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 2010

1. BASIS OF PREPARATION OF HALF-YEAR REPORT

This general purpose financial report for the interim half-year reporting period ended 31 January 2010 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 2009 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 2010 \$000	31 January 2009 \$000
2. DIVIDENDS		
Dividends provided for or paid during the half-year		
Ordinary dividend paid		
100% franked at a tax rate of 30% (2009 - 100% franked)	37,180	28,345
Special dividend paid		
100% franked at a tax rate of 30% (2009 - 100% franked)	601,083	64,790
	638,263	93,135

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 5.00 cents per fully paid ordinary share (2009 - 4.75 cents), fully franked on tax paid at 30%. The aggregate of the dividend expected to be paid on 5 May 2010 out of retained profits at 31 January 2010, but not recognised as a liability at the end of the half-year, is \$41,361,527.

	41,362	38,564
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3. REVENUE

From operations

Sales revenue		
Sale of goods	290,845	224,848
Sale of services	7,393	4,686
Other revenue		
Property rent received	343	302
Interest received	66,797	76,896
Sundry revenue	2,544	1,405
	367,922	308,137

4. OTHER INCOME

From operations

Profit on sale of non-current assets (i)	66	2,411,365
Details of non regular items included in Other Income		
(i) Gain on sale of the Saraji coal assets	-	2,411,352

New Hope Corporation Limited and Controlled Entities

Notes to the Financial Statements
for the half-year ended 31st January 2010

	31 January 2010 \$000	31 July 2009 \$000
5. HELD TO MATURITY INVESTMENTS		
Term deposits	1,291,500	2,357,500
Interest receivable on term deposits	18,636	129,166
	1,310,136	2,486,666

	Parent Entity		Parent Entity	
	31 January 2010 No. of shares	31 January 2010 \$000	31 January 2009 No. of shares	31 January 2009 \$000
6. CONTRIBUTED EQUITY				
(a) Share Capital				
Issued and paid up capital	826,230,549	78,837	811,868,049	52,887

(b) Movements in share capital

Date	Details	Number of Shares	Issue Price	\$000
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	240
14 October 2008	Exercise of management options	237,500	\$1.1980	285
13 January 2009	Exercise of management options	250,000	\$1.2350	309
14 January 2009	Exercise of management options	1,500,000	\$1.2350	1,853
30 January 2009	Exercise of management options	250,000	\$1.2350	309
31 January 2009	Transfer of ESOP reserve to Equity			690
31 January 2009	Balance	811,868,049		52,887
1 August 2009	Opening balance	816,512,549		63,427
13 August 2009	Exercise of management options	150,000	\$1.2350	185
17 August 2009	Exercise of management options	250,000	\$1.2350	309
28 August 2009	Exercise of management options	200,000	\$1.2350	247
28 August 2009	Exercise of management options	200,000	\$1.2350	247
28 August 2009	Exercise of management options	350,000	\$1.2350	432
14 September 2009	Exercise of management options	750,000	\$1.2350	926
23 September 2009	Exercise of management options	850,000	\$1.2350	1,050
29 September 2009	Exercise of management options	75,000	\$1.2350	93
30 September 2009	Exercise of management options	1,250,000	\$1.2350	1,544
2 October 2009	Exercise of management options	1,000,000	\$1.2350	1,235
2 October 2009	Exercise of management options	150,000	\$1.2350	185
2 October 2009	Exercise of management options	188,000	\$1.2350	232
5 October 2009	Exercise of management options	500,000	\$1.2880	644
8 October 2009	Exercise of management options	100,000	\$1.2350	124
9 October 2009	Exercise of management options	2,000,000	\$1.2350	2,470
9 October 2009	Exercise of management options	230,000	\$1.2350	284
9 October 2009	Exercise of management options	375,000	\$1.2350	463
14 October 2009	Exercise of management options	600,000	\$1.2350	741
20 October 2009	Exercise of management options	500,000	\$1.2350	618
31 January 2010	Transfer of ESOP reserve to Equity			3,381
31 January 2010	Balance	826,230,549		78,837

New Hope Corporation Limited and Controlled Entities

Notes to the Financial Statements for the half-year ended 31st January 2010

	31 January 2010 \$000	31 January 2009 \$000
7. INCOME TAX EXPENSE		

Numerical reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before income tax	144,957	2,594,748
Income tax calculated at 30% (2009 - 30%)	43,487	778,424
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payment expense	(5,509)	(922)
Sundry items	728	1,256
	(4,781)	334
Under / (over) provided prior year	(5,331)	(4,556)
Income tax expense	(33,375)	(774,203)

8. FINANCIAL REPORTING BY SEGMENTS

Business Segments (primary reporting format)

The application of AASB 8 Operating Segments required the addition of new operating segments as described below. The comparative segment information has been restated and has been presented in conformity with the requirement of AASB 8 Operating Segments.

The Group has two reportable segments, namely coal mining - exploration, development, production, processing, associated transport infrastructure and ancillary activities; and investments (including cash, held to maturity investments and available for sale financial assets). Coal mining operations are managed as a single integrated coal chain including transportation and infrastructure.

The Chief Operating Decision Maker (CODM) is comprised of the Board, CEO, COO and CFO.

The reportable segments reflect how performance is measured, and decisions regarding allocations of resources are made by the CODM.

	Note	Coal mining \$000	Investments \$000	Total \$000																											
Half year ended 31 January 2010																															
Total segment revenue	3	301,191	66,797	367,988																											
Reportable segment profit before income tax		78,160	66,797	144,957																											
Reportable segment assets		566,131	1,896,477	2,462,608																											
Half year ended 31 January 2009																															
Total segment revenue	3	231,254	76,896	308,150																											
Reportable segment profit before income tax		108,893	74,503	183,396																											
Reportable segment assets - as at 31 July 2009		508,343	3,234,999	3,743,342																											
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;">31 January 2010 \$000</th> <th style="text-align: right; width: 20%;">31 January 2009 \$000</th> </tr> </thead> <tbody> <tr> <td colspan="3">Reconciliation of reportable segment revenue</td> </tr> <tr> <td>Total revenue for reportable segments</td> <td style="text-align: right;">367,988</td> <td style="text-align: right;">308,150</td> </tr> <tr> <td>Non regular items</td> <td style="text-align: right;">-</td> <td style="text-align: right;">2,411,352</td> </tr> <tr> <td>Consolidated revenue</td> <td style="text-align: right; border-top: 1px solid black;">367,988</td> <td style="text-align: right; border-top: 1px solid black;">2,719,502</td> </tr> <tr> <td colspan="3">Reconciliation of reportable segment profit and loss.</td> </tr> <tr> <td>Total profit for reportable segments</td> <td style="text-align: right;">144,957</td> <td style="text-align: right;">183,396</td> </tr> <tr> <td>Non regular items</td> <td style="text-align: right;">-</td> <td style="text-align: right;">2,411,352</td> </tr> <tr> <td>Consolidated profit before income tax</td> <td style="text-align: right; border-top: 1px solid black;">144,957</td> <td style="text-align: right; border-top: 1px solid black;">2,594,748</td> </tr> </tbody> </table>						31 January 2010 \$000	31 January 2009 \$000	Reconciliation of reportable segment revenue			Total revenue for reportable segments	367,988	308,150	Non regular items	-	2,411,352	Consolidated revenue	367,988	2,719,502	Reconciliation of reportable segment profit and loss.			Total profit for reportable segments	144,957	183,396	Non regular items	-	2,411,352	Consolidated profit before income tax	144,957	2,594,748
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New Hope Corporation Limited and Controlled Entities

Notes to the Financial Statements for the half-year ended 31st January 2010

9. 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 2010 \$000	31 July 2009 \$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.	14,459	14,528

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

10. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 8 March 2010 Arrow Energy announced that it had received a non-binding indicative and conditional proposal to acquire shares in Arrow Energy from a company jointly owned by Royal Dutch Shell and Petrochina.

New Hope Corporation, through its wholly owned subsidiary Arkdale Pty Limited, owns 122.6 million shares in Arrow Energy equal to 16.7% of the company.

In the absence of a superior proposal, New Hope supports the proposed transactions and intends to vote in favour of the Demerger Scheme and Acquisition Scheme for all the shares it owns or controls.

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 2010 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
22nd March 2010

Independent Auditor's 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 statements of New Hope Corporation Limited, which comprise the balance sheet as at 31 January 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 2010 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.

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 the Company for the half-year ended 31 January 2010 included on New Hope Corporation Limited 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 review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. 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.

Independent Auditor's 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 2010 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
22 March 2010