



New Hope
Corporation Limited

Financial Results Presentation

Half Year Ended 31 January 2013



Robert Neale
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New Hope Corporation Limited

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Agenda

- Key Financials and Operations Summary
- Port Operations
- Mining Operations & Projects
- Energy Activities
- Community & Social Responsibility
- Outlook



Key Financials & Operations Summary

Highlights of Past Six Months

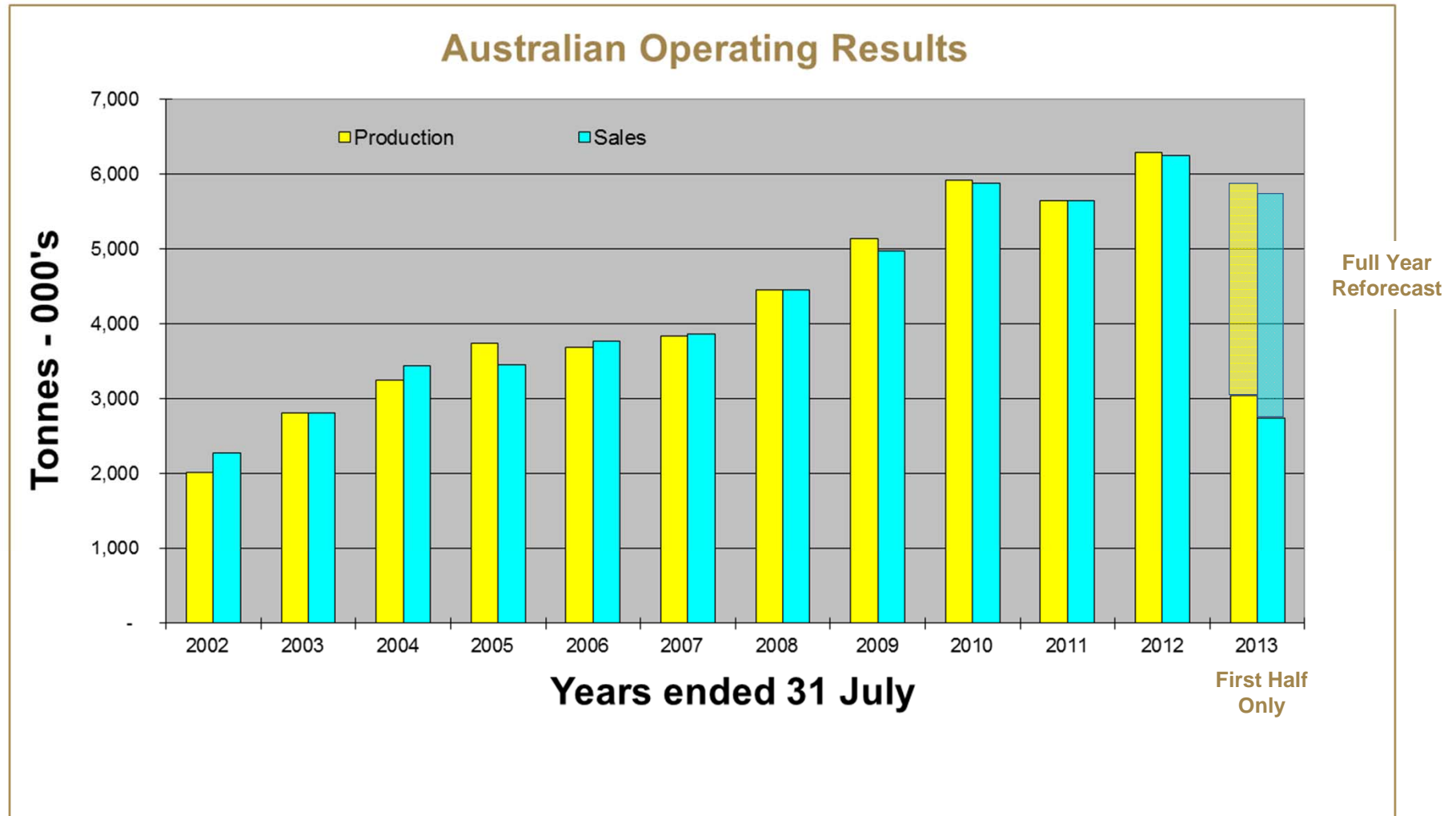
- Net Profit Before Tax for the half year \$93.2m, down 8.5% on the prior corresponding period (PCP).
- Net Profit After Tax for the half year \$68.8m, a solid performance given low A\$ export coal pricing for the period.
- Production 3.04 Mt down 5% on PCP.
- Management focus on Costs (down \$24.5m):
 - Cost of Sales 10.5% down on PCP
 - Marketing and Transportation down 7.6% on PCP
 - Administration down 11.8% on PCP
- Interim dividend declared of **6.0** cps fully franked.
- New Acland continuation compromise plan implemented.
- Acquisition of 100% of Bridgeport Energy Limited which is a conventional oil producer in the Eromanga Basin in SW Qld.

Key Financials

	Six Months Ended 31 January		
	2013 (A\$m)	2012 (A\$m)	Change
Revenue from ordinary activities	322.9	388.5	-16.9%
Profit before income tax	93.2	101.8	-8.4%
Net profit after tax	68.8	101.1	-31.9%

	Six Months Ended 31 January	
	2013 (cents per share)	2012 (cents per share)
Earnings Per Share		
After non-recurring items	8.3	12.2
Dividends		
Interim dividend to be paid in May 2013	6.0	6.0

Production & Sales Performance



First Half Production & Sales Tonnages

	Six Months Ended 31 January		
	(million tonnes)		
	2013	2012	Change
Raw Coal Production	5.848	6.137	-4.7%
Saleable Coal Production	3.040	3.206	-5.2%
Coal Sold	2.740	3.164	-13.4%

- First half 2012 was a record production half.
- Planned two week shutdown over Christmas/New Year.
- Higher than normal wet weather during the first half year.
- Coal sold is lower than PCP due to customer site issues.

Production Volumes

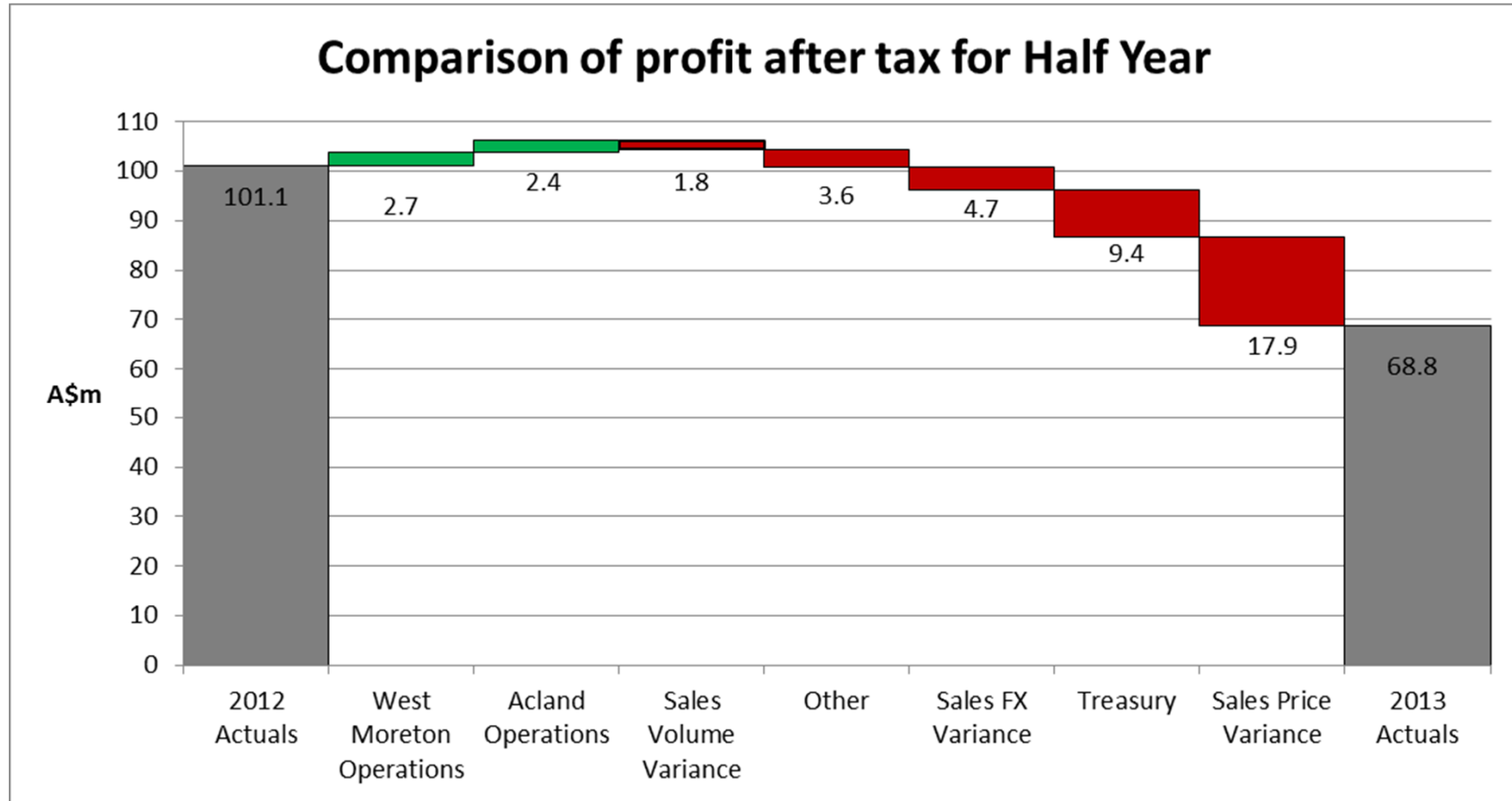
	Six Months Ended 31 January		
	(million tonnes)		
	2013	2012	Change
New Acland	2.404	2.581	-6.9%
New Oakleigh	0.220	0.196	12.2%
Jeebropilly	0.416	0.429	-3.0%
TOTAL	3.040	3.206	-5.2%

Sales Volumes

	Six Months Ended 31 January		
	(million tonnes)		
	2013	2012	Change
Export	2.654	2.909	-8.8%
Domestic *	0.086	0.255	-66.3%
TOTAL	2.740	3.164	-13.4%

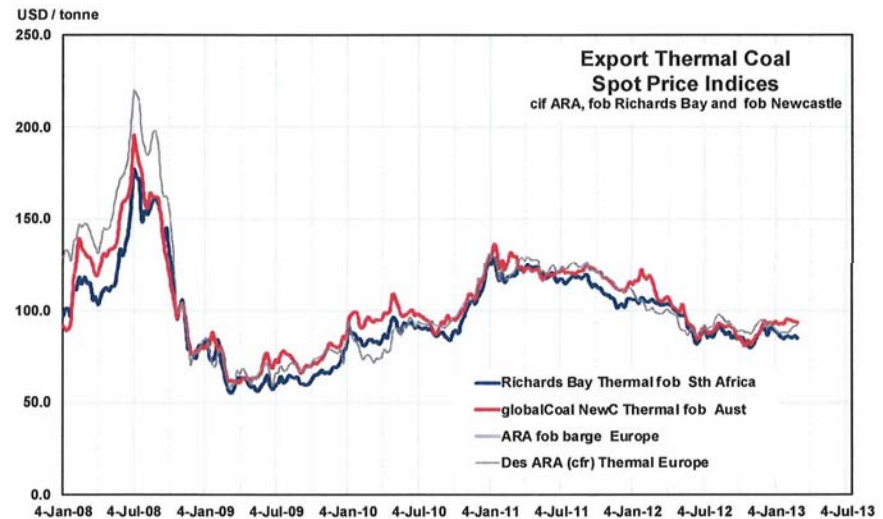
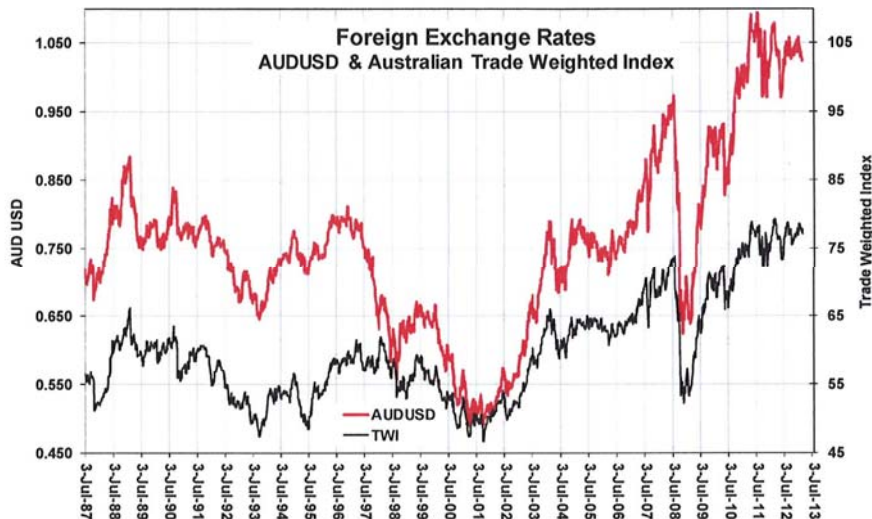
* Phase out of CSE (Swanbank) contract in 2012

NPAT Half Year Comparison



Australian Dollar Strength & Coal Prices

- Average revenue per tonne sold was down 8.1% over the first half 2013 in comparison with the first half of 2012.
- Spot pricing has improved marginally from second quarter lows to be currently around US\$92/tonne Newcastle benchmark.





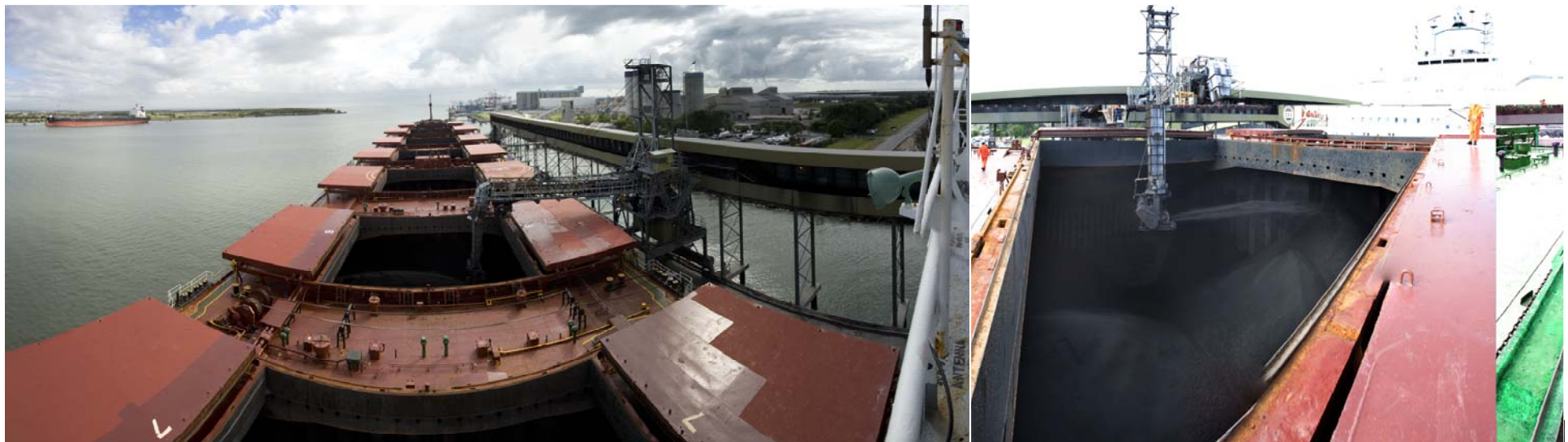
Port Operations

	Half Year Ended 31 Jan 2013 (million tonnes)	Half Year Ended 31 Jan 2012 (million tonnes)	Year Ended 31 July 2012 (million tonnes)
Coal Throughput	4.23	4.27	8.67

QBH has exported over 100 million tonnes in the past 30 years



- Agreement reached on 4 year EBA with employees during January without industrial action.
- Optimisation studies continuing.
- System inloading and outloading availabilities in excess of 97% being achieved.
- Installation of a new coal outload sampler completed.
- Further expansion to 14 Mtpa is under consideration.

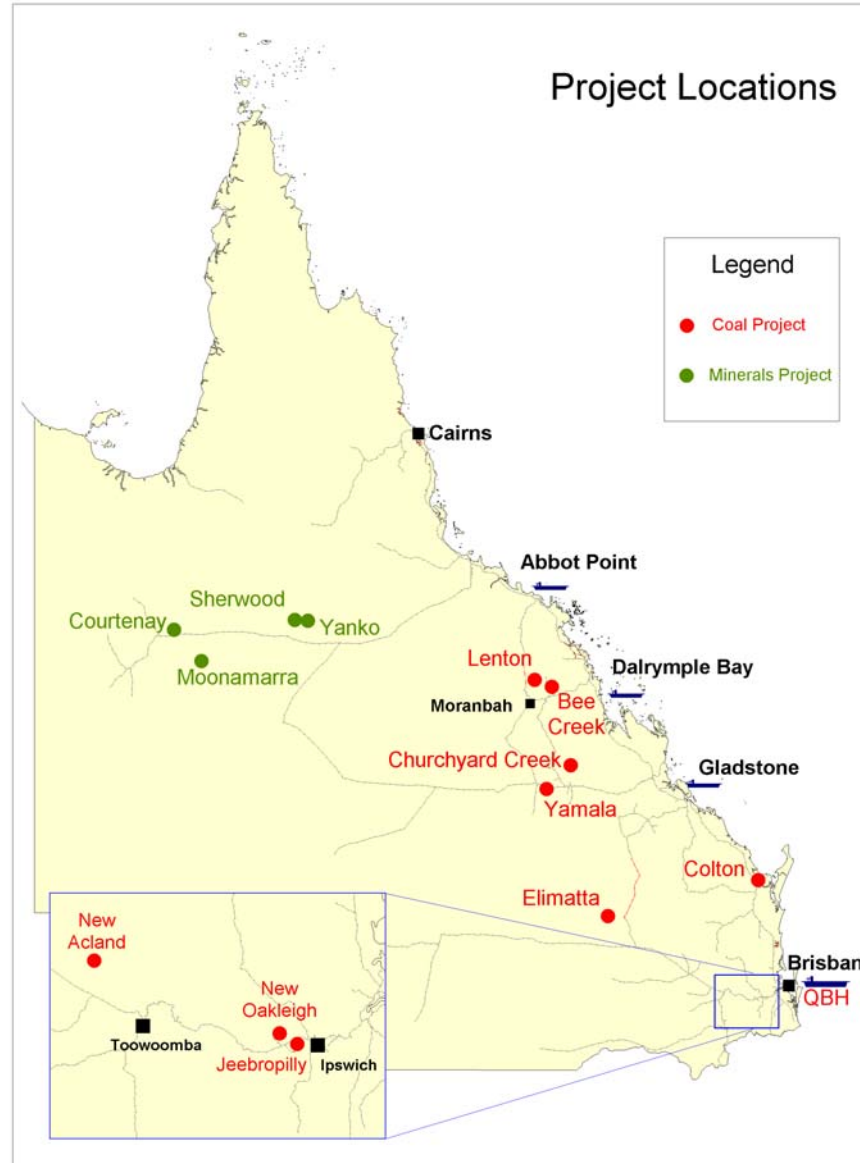




Mining Operations & Projects

Project Locations

Location Map



Mining Operations

Summary

New Acland

- Increased focus on improving safety performance.
- Announcement in November 2012 of a compromise continuation plan giving New Acland an approval pathway.
 - Extension of the mine life to about the year 2030
- Mining fleet renewal program underway with delivery of two new Cat D11T dozers and new larger Cat 793 trucks during 2013/14.

New Acland Pastoral Operations

- Operating on 9,200 hectares of mostly grazing country around the current mine site and on rehabilitated mined land.
- Currently approximately 2250 head of cattle on site.
- Second stage of third party supervised grazing trial planned this year comparing performance of rehabilitated land with undisturbed land for grazing. First stage trial successful with greater weight gains for cattle on rehab than un-mined land over a sustained period.
- Proving sustainability of post mining land forms and demonstrating our social responsibility and land management credentials.

West Moreton Operations

- Increased focus on improving safety performance.
- Mine planning studies for the medium term future of Jeebropilly completed.
- New Oakleigh mine closed in January and has moved immediately into an active rehabilitation phase.

Project Progress

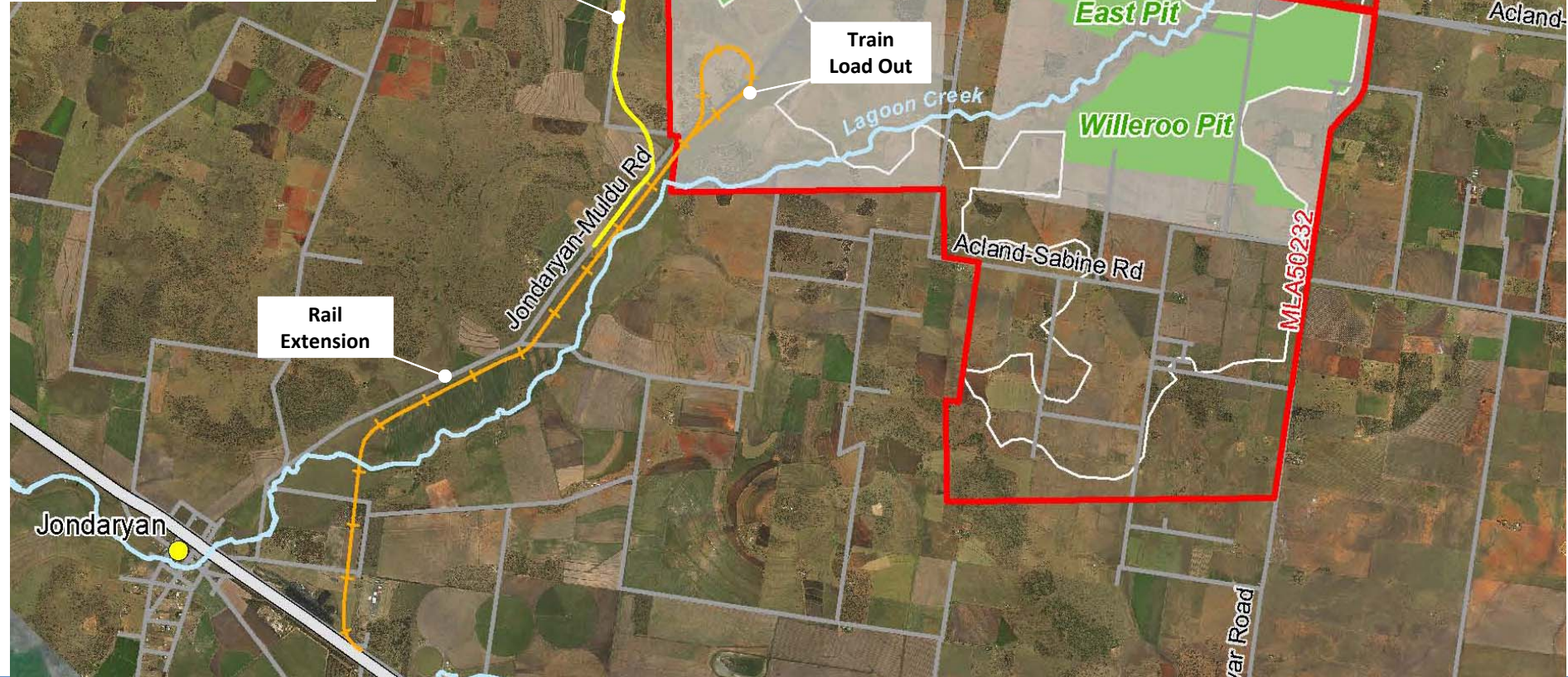
- Original plan to expand New Acland from 4.8 to 10.0 MTPA (NAC03).
- State significant project, EIS completed.
- Supplementary EIS was due for submission to CoG in April 2012.
- New LNP Government indicated an unwillingness to let the previous design proceed.
- Issues addressed in compromise plan:
 - Relocate Jondaryan Train Loading Facility
 - SCL impact reduced by 51% to 427 ha
 - Proximity to Oakey increased to 10 km
 - No creek diversions
 - Acland township area untouched
 - Reduction in mining footprint by more than half
- Proposed compromise plan accepted by Government late 2012.
- Co-ordinator General took project back to Terms of Reference (ToR).
- Two public information sessions held December 2012 & January 2013.
- Revised EIS well underway.

About the New Acland Project

- **Key Facts: Compromise Plan**
 - Approx. Local jobs: 400 direct, 170 FTE contract and 2,850 indirect
 - Approx. \$530 million per annum direct economic injection*
 - Circa \$8 billion economic contribution for life of mine
 - Self sufficient for water



* Goods & services, wages, taxes, royalties



1. Coal Developments

- **Colton**

- 0.5 Mtpa open cut coking coal mine near Maryborough
- Environmental approvals and mining lease being sought
- Exploration and design well advanced

- **Elimatta**

- 5 Mtpa open cut thermal coal mine near Taroom
- EIS in the public domain for consultation

- **Lenton**

- 3.5 Mtpa open cut coking/thermal coal mine near Nebo
- Initial ML granted, expansion area EIS underway

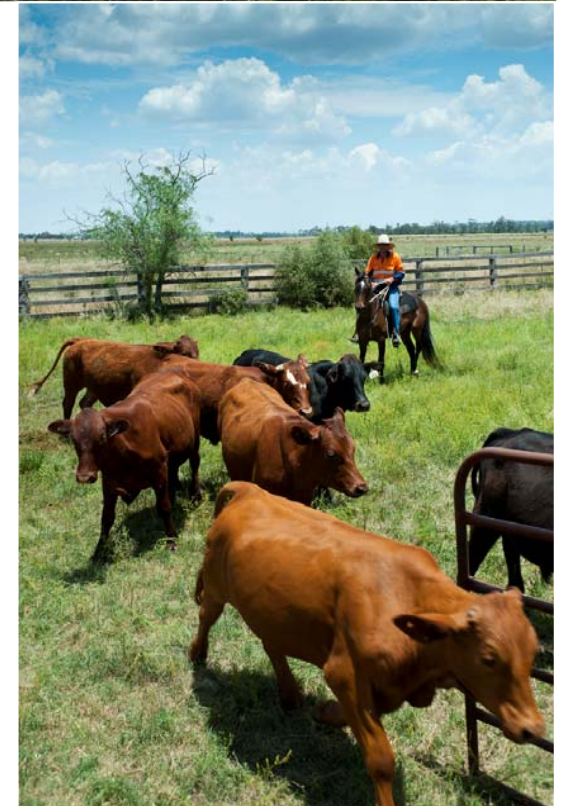
- Exploration tenements at Yamala and Bee Creek (both Bowen Basin).

2. Mineral Developments

- Five tenements under exploration in NW Queensland exploring for copper and gold – drilling plan to commence second half of 2013.



- **Acland Pastoral Company**
 - 9200 hectares
- **Current activities:**
 - Cattle 2250 head
 - Cropping for cattle fodder-500 hectares
 - Cropping for grain & mung beans-1200 hectares
 - Rehabilitation: 215 hectares completed
113 hectares due for completion, 2013
- **Growth activities:**
 - Detailed land use plan under development
 - Irrigated cropping commencing this year
 - Horticulture options under review



Cost Containment Achieved

- Cost per BCM of overburden moved across all operations during the first half 2013 was down 6.3% in comparison with the first half of 2012.
- Production cost per tonne sold was down 11.7% over the first half 2013 in comparison with the first half of 2012.
- Transport costs per tonne sold were up 12.5% over the first half 2013 in comparison with the first half of 2012.
- FOB cost per tonne sold for the first half 2013 was down 1.5% in comparison with the first half of 2012.
- The increase in rail transport charges over time are of concern across the industry and a focus of management effort.



Reducing Costs via Improvements

- Redesign of dozing methods at QBH reduced dozer usage by 10-15% and downsizing from D11 to D10 sized dozers.
- Haul Truck strut sensor trialled to improve operator safety, machine and tyre longevity and reduce costs.
- Resource optimiser (Non-linear programming computer model) introduced to maximise EBITDA from the available coal seams by blending and washing from multiple pits.

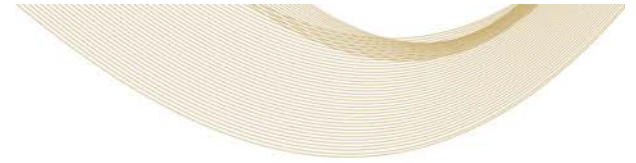


New EX106 Bucket

- Commenced operation 29th January
- Cycle times decrease 3% Pay-load increase 10%
- Truck loading cycle decrease by 8%

Old Bucket	Average Total Loading Cycle: 138.8 Sec Average Bucket Cycle Time: 31.7 Sec Average Truck Payload: 191.6 Tonnes
New Bucket	Average Total Loading Cycle: 127.7 Sec Average Bucket Cycle Time: 30.9 Sec Average Truck Payload: 211.4 Tonnes





Energy Activities

- Energy Overview & NHC Objectives
- Bridgeport Energy Limited (BEL)
- CTL Projects

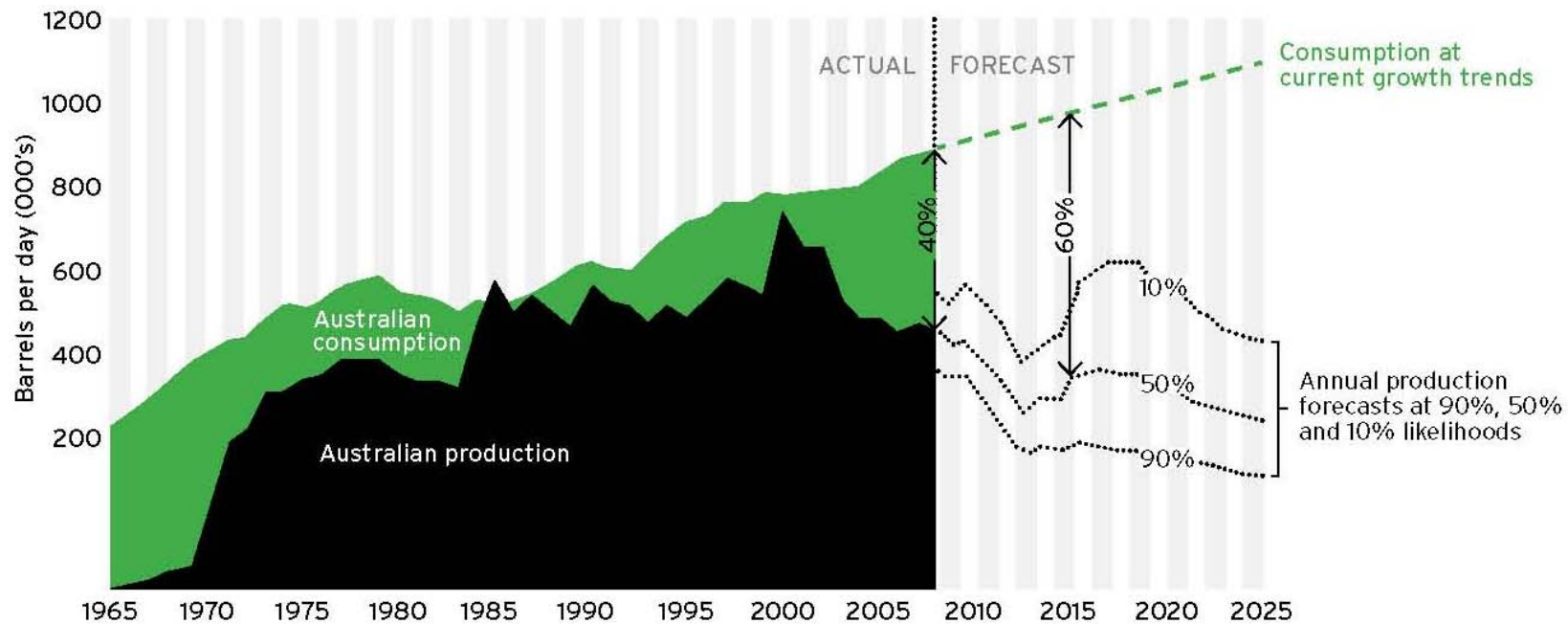
Energy Overview

- Two most common forms of energy in Australia are electricity and transportation fuels.
 - Both becoming increasingly expensive
- Generally, energy is the next highest cost centre for industrial and manufacturing businesses after wages.
- Competitive mining operations are dependent on access to low cost and reliable energy.
- Australia has significant transport fuel vulnerabilities:
 - Growing dependence on foreign supply (crude and refined products)
 - High impact of non Australian logistical vulnerability on Australia
 - Australia has very poor stock coverage
 - Past supply lessons appear to have been forgotten
 - Significant supply interruption risks impact on Australian “**modus operandi**”

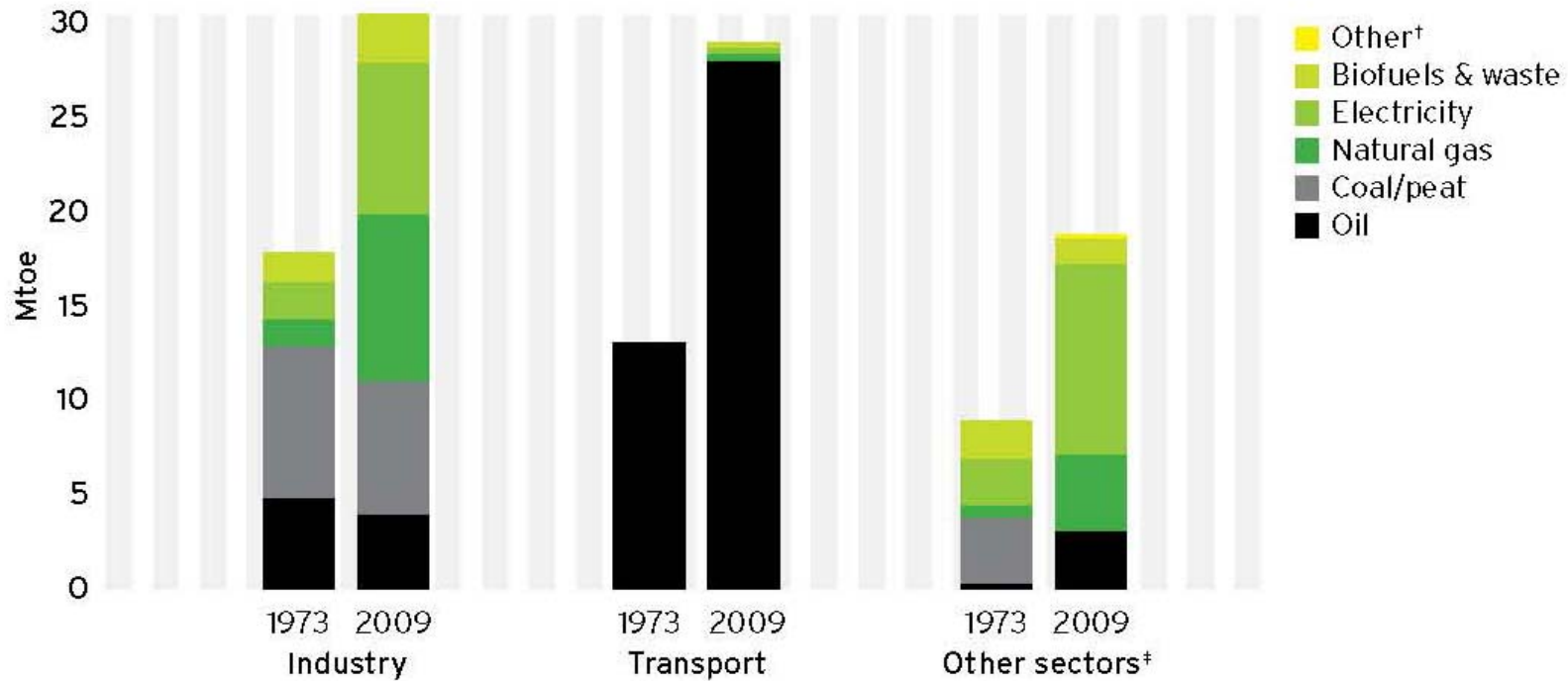
Australian Imported Oil Dependence

Singapore 40% from Middle East &
Australia 57% from Singapore

Supply shortfall - an increasing financial burden



Breakdown of Australian Fuel Consumption By Source & Sector



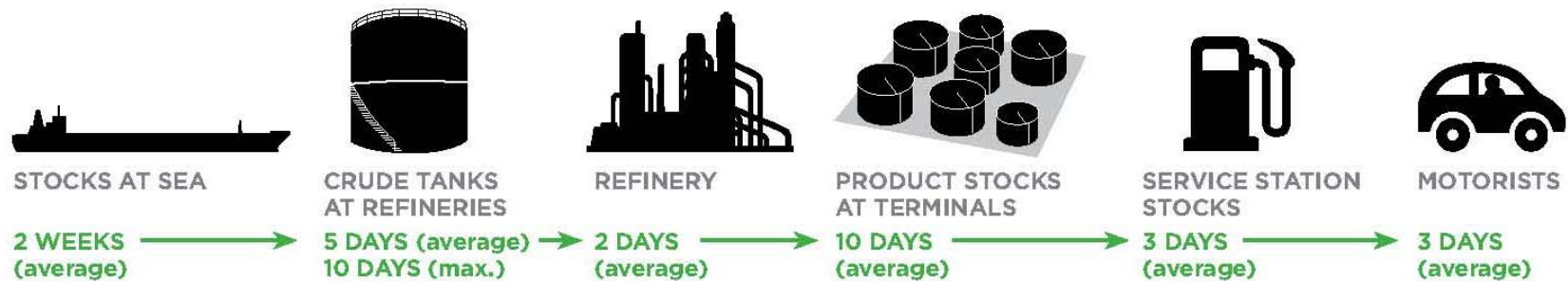
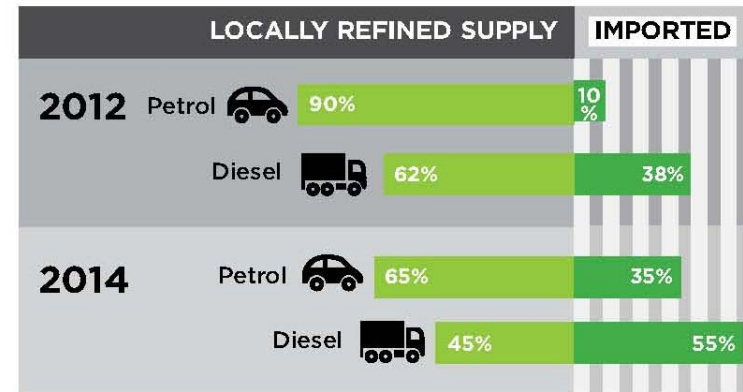
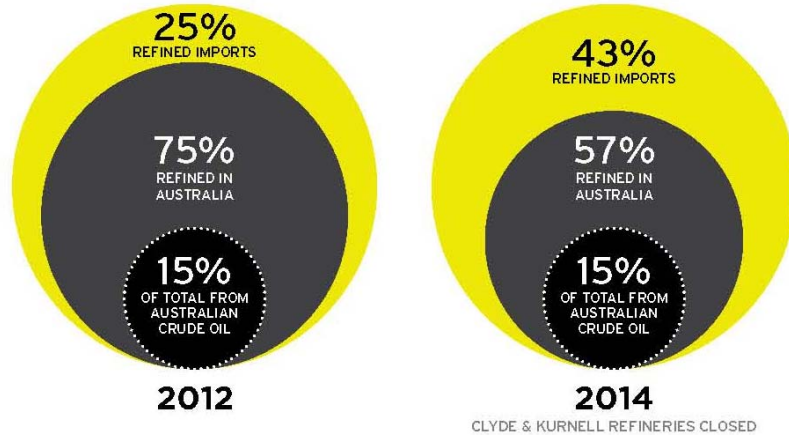
* Includes non-energy use.

† Includes direct use of geothermal/solar thermal and heat produced in CHP/heat plants.

‡ Includes residential, commercial and public services, agriculture/forestry, fishing and non-specified.

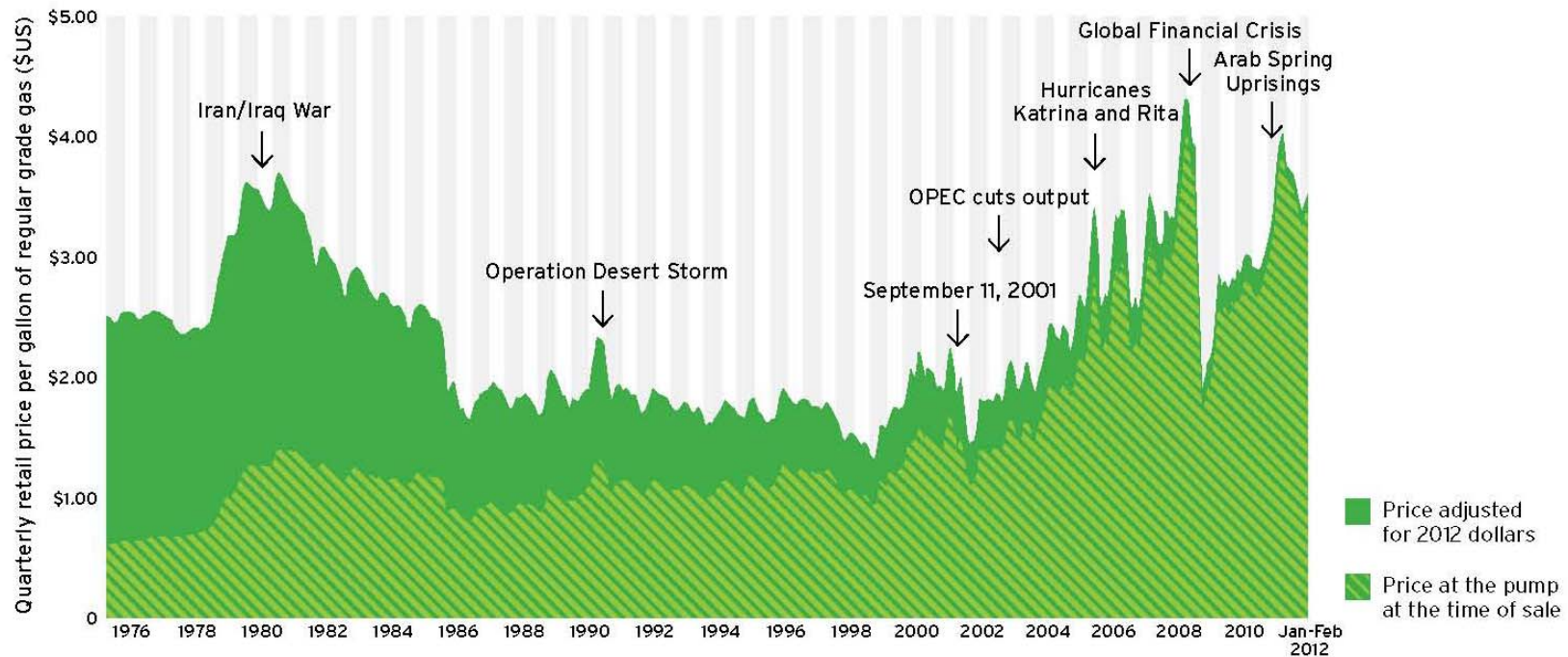
Australian Petrol and Diesel Fuel

Supplies & Stocks

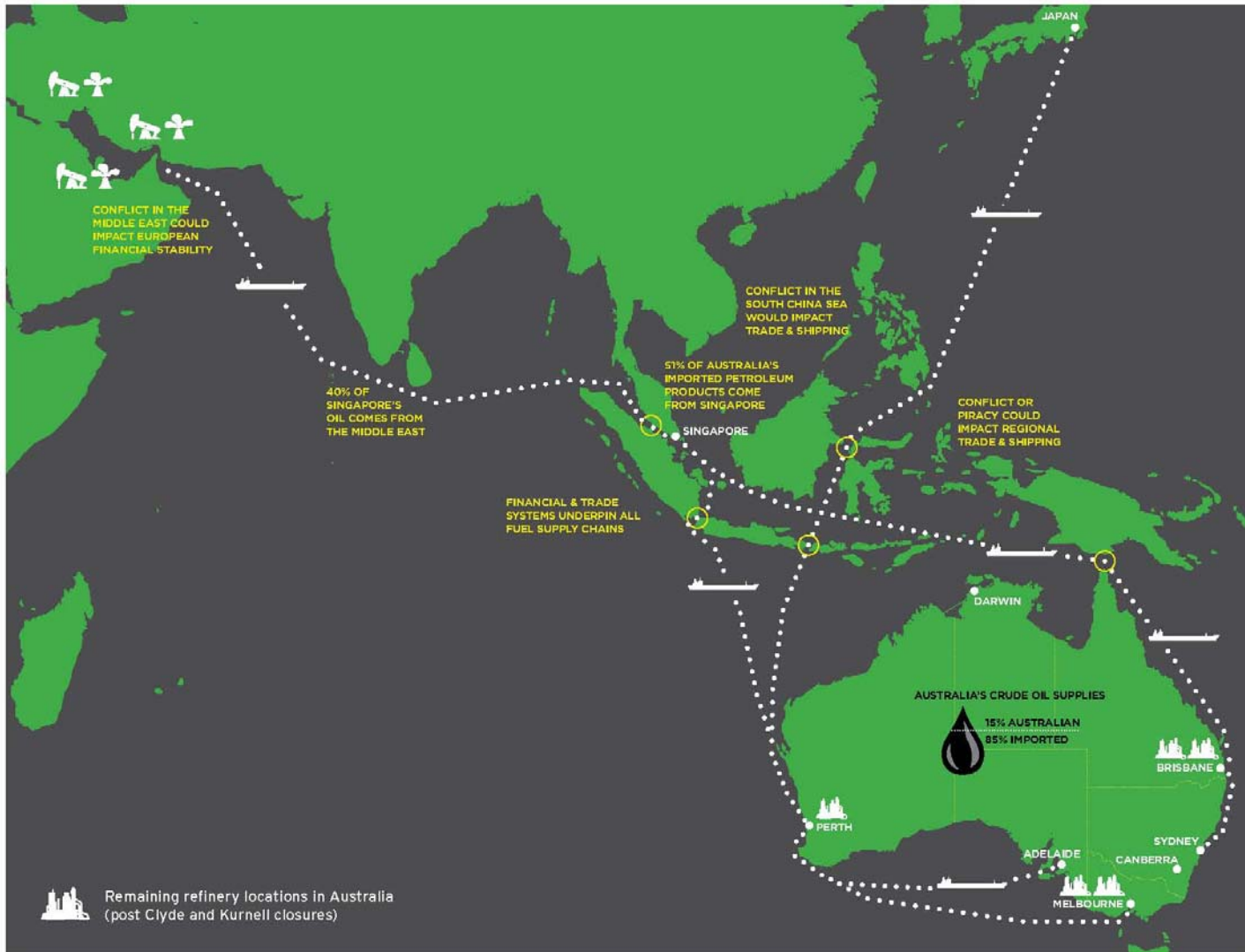


Historical USA Gasoline Prices

(Global Events Impact on Prices)

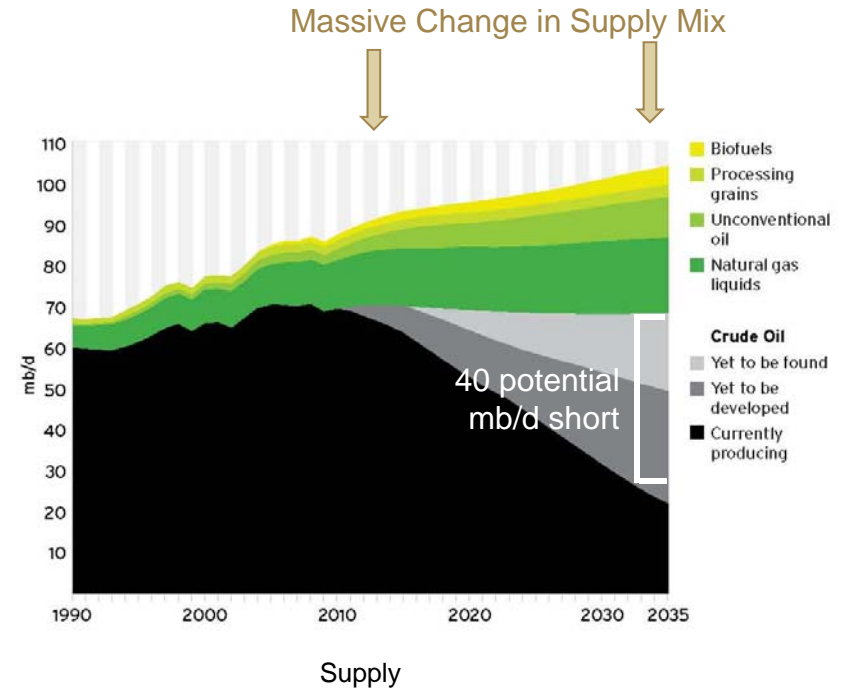
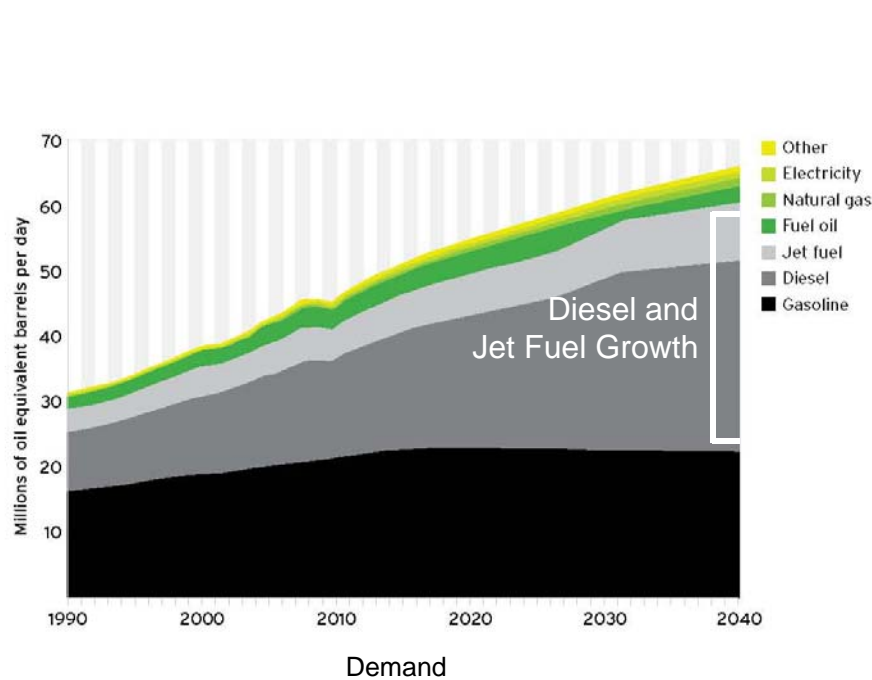
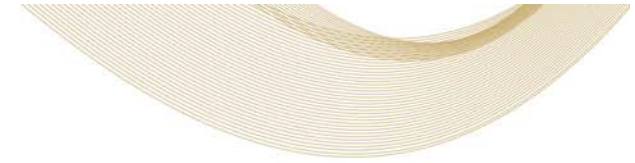


Import Supply Chain Vulnerabilities



World Transport Fuel

Supply - Demand



Unconventional gas supply will change global supply side dynamics

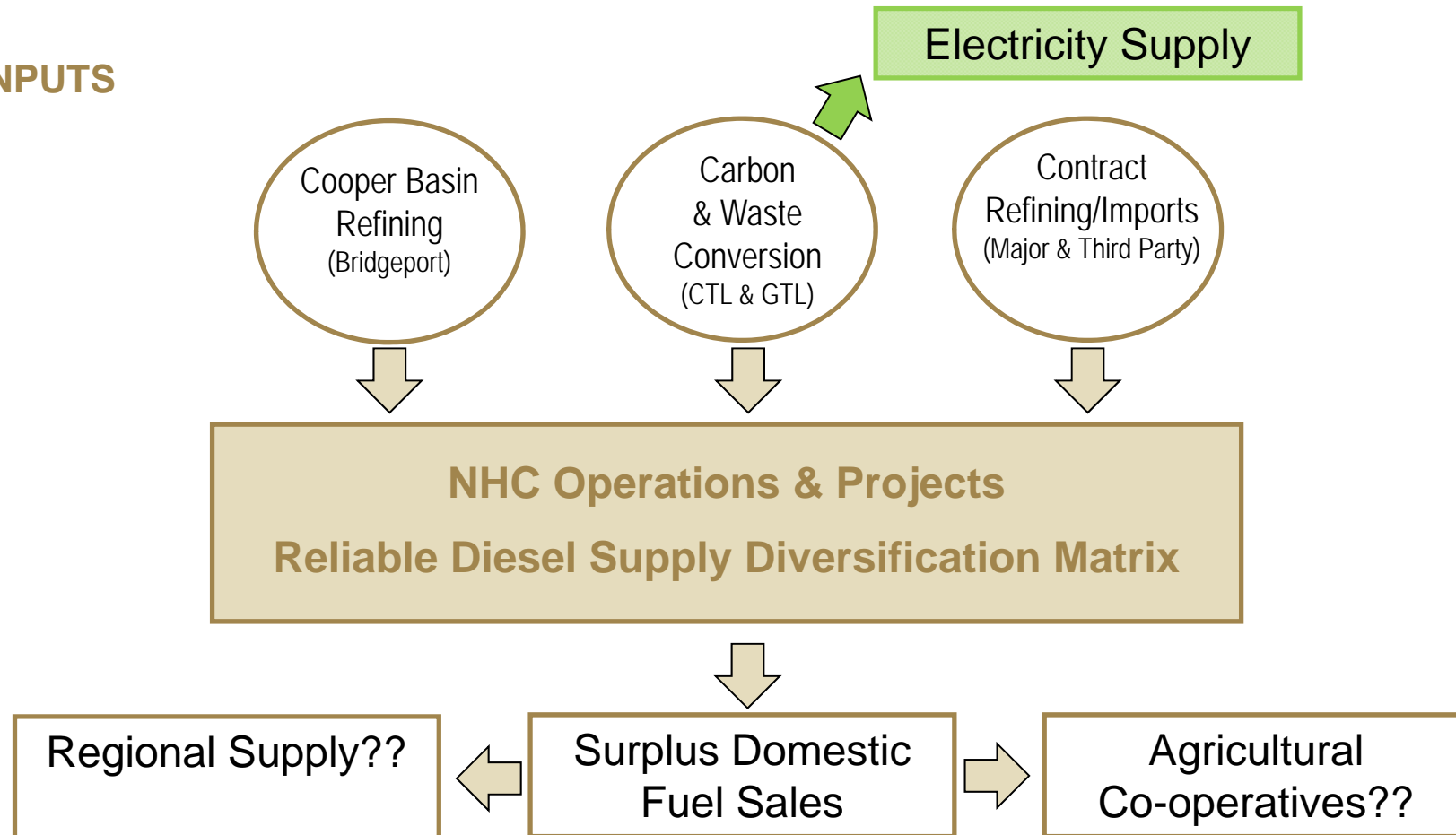
NHC Future Energy Objective

Prefer NHC site operations to be power and fuel independent with competitive lower cost reliable supply.

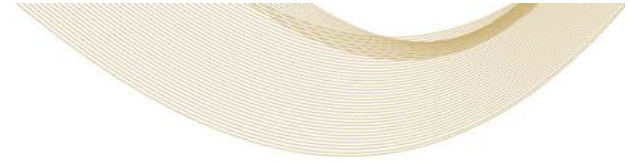
- Power
 - Grid supply
 - Waste heat? (ex CTL)
 - Gas auxiliary supply (ex CTL)
- Diesel
 - Contract fuel supply
 - CTL and GTL
 - BEL conventional petroleum
- Readily available Australian market for excess fuel supply
 - Australian terms of trade benefits
- Operations excellence and improved productivity pathways well advanced.
 - Competitive energy supply costs are our next targets to sustain profitability

Future NHC Fuel Supply Options

INPUTS

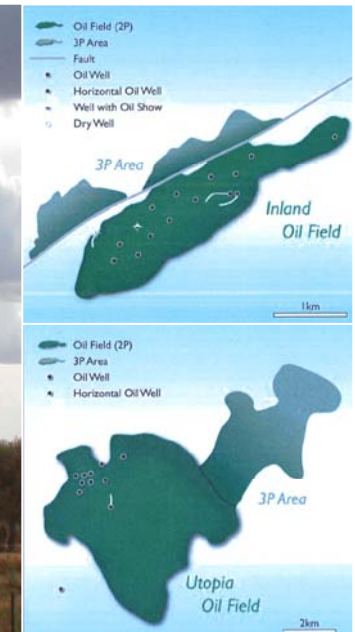


OUTPUT



Oil

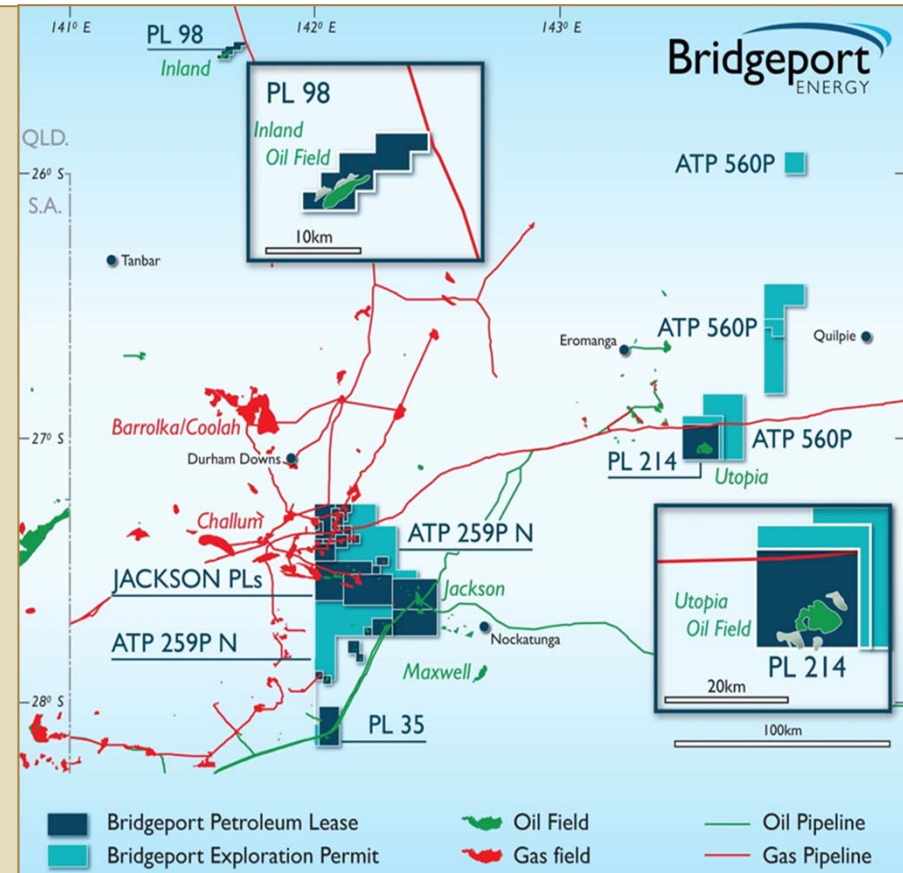
- **Bridgeport Energy Limited (BEL)** is 100% owned by New Hope Corporation
 - Small oil producer in Eromanga Basin, Queensland
 - Actively exploring in Utopia and Inland Fields
 - Produces 6000 barrels of crude oil per month
 - Expansion underway

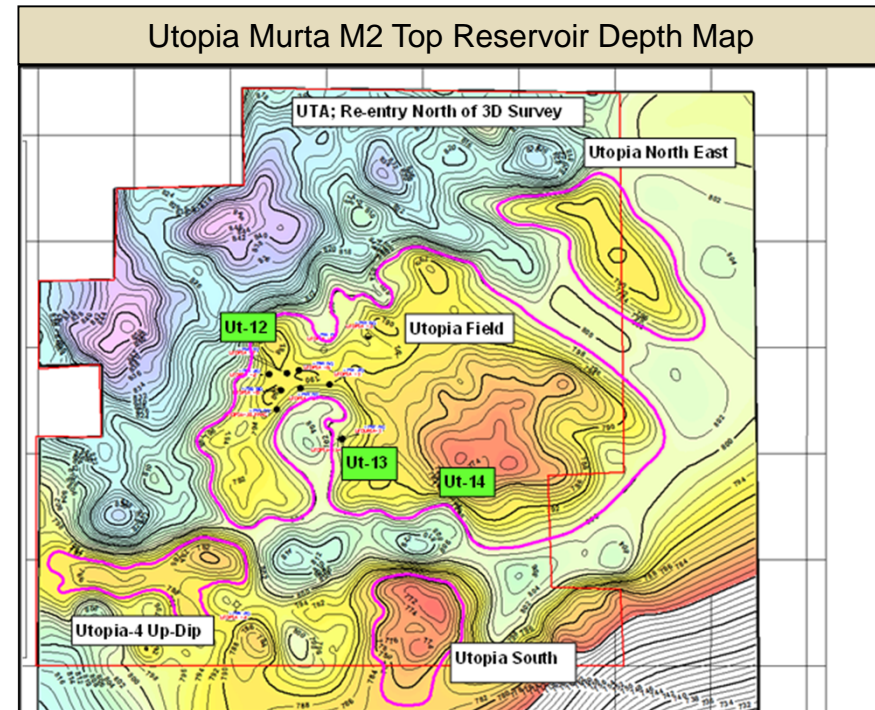
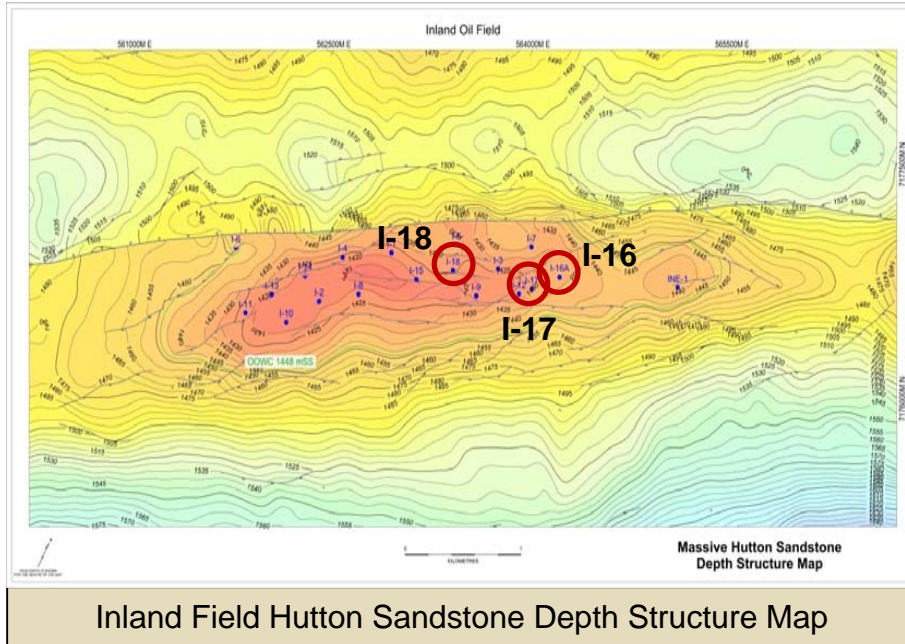


Bridgeport Energy

Summary

- New Hope Corporation completed the acquisition of Bridgeport Energy Limited on 23 August 2012.
- During the half, completed a six -well drilling campaign on the Inland and Utopia fields. All wells indicated good oil columns. The wells were suspended for future completion and will be tied into production facilities over Feb/Mar 2013.
- The Utopia 14 well, located in the eastern lobe of the field has intersected a gross oil column of 9.4 metres. This well has confirmed the 3D seismic mapping of the eastern lobe. Evaluation of this result will be incorporated into future reserve reports.
- Production is being maintained at a rate of approximately 200 bopd whilst workovers of existing wells are undertaken which will result in significantly increased production rates going forward.





Direct Liquefaction

- Dry commissioning complete
- Wet commissioning complete
- Batch coal commissioning complete
- Full continuous coal commissioning underway
- Original technology applications likely to have marginal commercial outcomes
 - Some synergistic benefits possible as adjuncts to other conversion technologies



Direct Liquefaction Plant - USA

Indirect Liquefaction (Proof of Concept Plant)

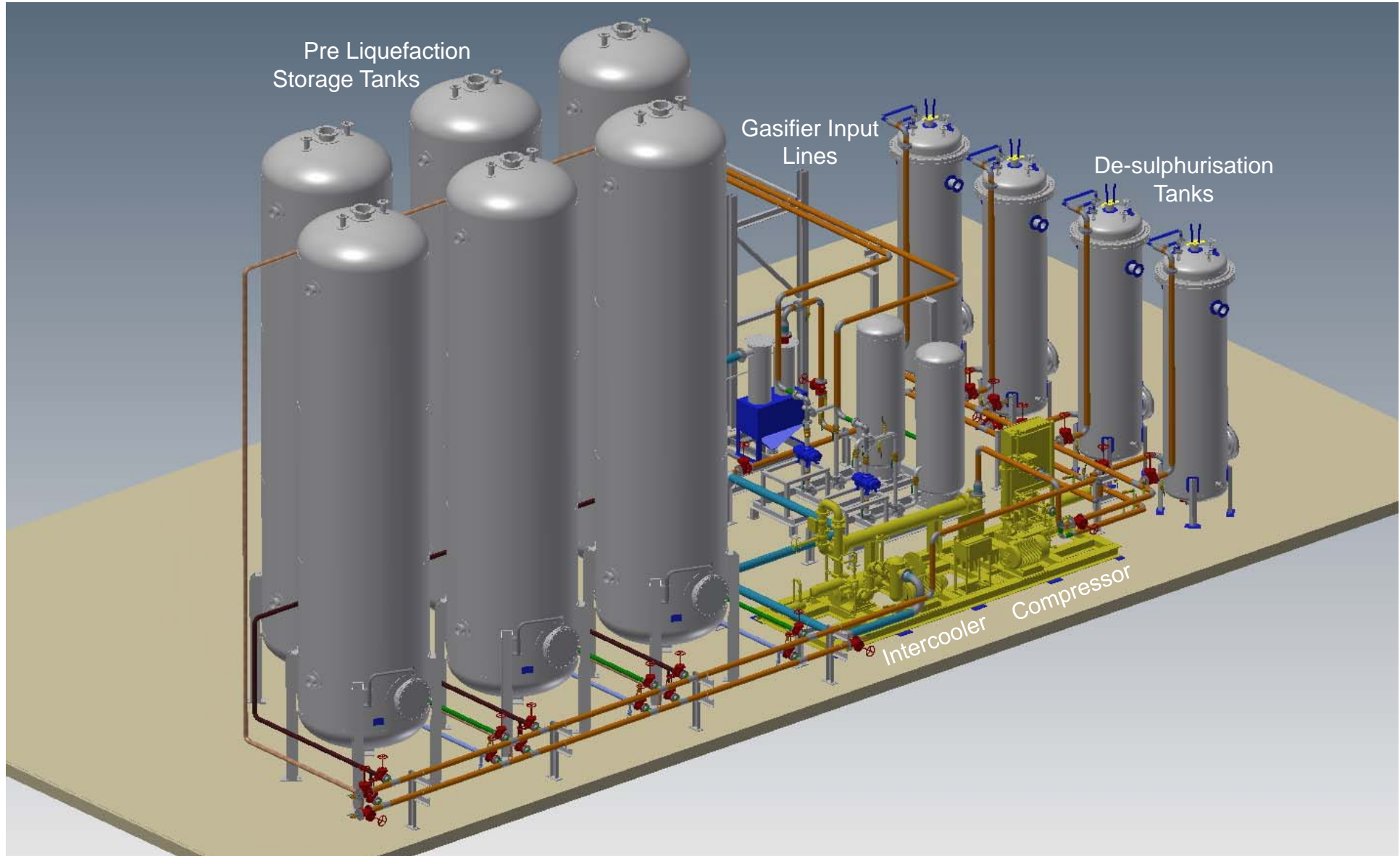
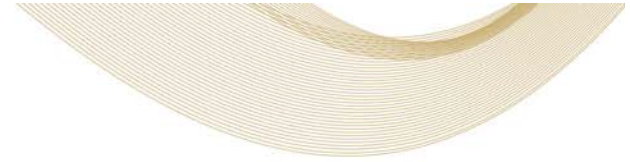
- Production of power and diesel
- 80% of plant components on site
- Remaining 20% expected in June/July
- 40% of plant assembled
- Commissioning trials in August



Indirect Liquefaction Plant - Australia

Coal to Liquids Project

Indirect Liquefaction – Intermediate Stage



Direct Liquefaction

- Complete trials and assess data
- Determine future plans

Indirect Liquefaction

- Complete plant construction
- Undertake commissioning trials
- Initiate next phase of engineering design subject to plant performance



Direct Cost Technology Incentive

Annual Operating Costs (\$'s million)	FY 2013	FY 2006 - 2013
Diesel Fuel Costs (net of rebate)	\$ 46	\$227
Site Electricity Costs	\$ 7	\$ 29
Explosive Costs	\$ 16	\$ 80
TOTAL	\$ 69	\$336
		\$8.20 per tonne

Technology Funding Costs (\$'s million)	FY 2013	FY 2006 - 2013
Cost 2006 – now	\$ 7	\$ 35

- NHC fuel and energy use expected to double over next 5 years with expansions and project developments.
- Every 10 cent / litre fuel cost saving = \$4.5 million per year or 75 cents per tonne (at current production).



Community & Social Responsibility

Significant ramp up of activities:

Community Engagement

- Oakey Community Information Office & Community Liaison Officer
- New Acland Community Reference Group
- Regular community information meetings
- Project website, newsletters, fact sheets
- Memberships: Toowoomba Chamber of Commerce, Oakey Chamber of Commerce, Agforce, CEDA, Toowoomba & Surat Basin Enterprise

Community Benefit Program

- Extensive Sponsorship & Donations Program
- Major sponsor CareFlight Rescue Helicopter Service



Local Business Support

- Active Local Purchasing Policy
- In FY2012, 25% of total spend on goods and services(>\$100m) was made to local suppliers

Government Program Promotion

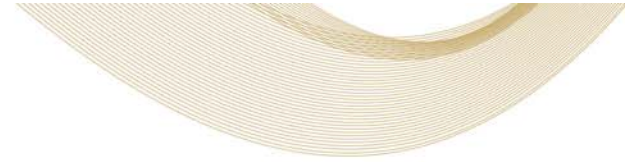
- Women in Hard Hats
- “Tuckshop shift” for local Oakey residents

Infrastructure Support

- Rebuilt and maintain Jondaryan/Muldu Road
- Accept Oakey Reverse Osmosis Plant Brine
- Major reduction in coal hauled by road from over 1Mtpa to 0.2 Mtpa
- Installation of a load profiling, veneering and sill sweeping station at Jondaryan train loading facility



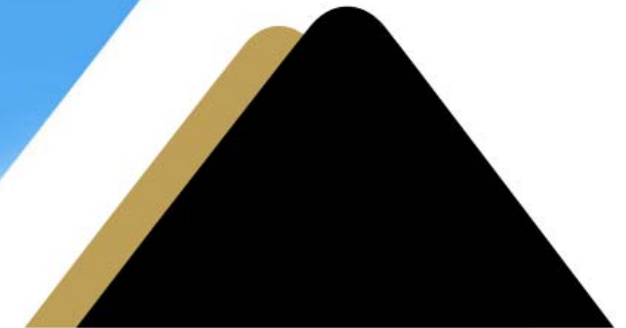




Outlook

- The current operating environment is challenging for all Australian thermal coal producers.
 - Carbon Tax
 - MRRT Compliance costs
 - Historically High A\$:US\$ exchange rate
 - Constrained thermal coal pricing (A\$ terms)
- New Hope has been able to significantly restrain operating costs without cutting core competencies which enable efficient future production expansion.
- Long term focus to maximise company performance through commodity cycles through tight cost control.
- Sales volumes are fully contracted for the second half financial year 2013.
- Near term focus:
 - Continue tight cost control and productivity improvements
 - Build critical mass to conventional oil and gas business
 - Demonstrate (Proof of Concept) CTL technologies
 - Assess opportunistic acquisitions with near term earnings

- Japanese benchmark price negotiations and the AUD:USD exchange rate will significantly impact second half financial performance.
 - Security of thermal coal supply is critical to Japan
- In the medium to longer term the recovery in global industrial production will drive energy demand.
 - Coal remains a competitive source of energy especially into Asia despite growth in gas sales
- Thermal coal demand within Asia remains firm.
- Chinese demand trend continues to remain positive albeit at a reduced rate.
- The USA is not a natural supplier of thermal coal into Asian markets.
- However if we continue to hinder new coal developments with unrealistic approval conditions, exorbitant taxes and political risk, Australia will succeed in exporting jobs and wealth.



New Hope Group