

New Hope Corporation Limited

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Company Announcement

17 January 2011

UPDATE ON FLOODING IMPACT

On 11 January 2011, New Hope Corporation (ASX:NHC) provided notice that its mining operations were suspended. New Hope confirms that its mines at West Moreton and Acland have not suffered flooding damage and are back in operation having suffered three to four days production outage due to the recent substantial rainfall. Water and flood management systems at the company's operations were exceptionally effective in minimising the impact of the rains.

New Hope Corporation subsidiary, Queensland Bulk Handling Pty Ltd (QBH) which operates the coal terminal at the Port of Brisbane has reported that its operations did not suffer flooding and that following reopening of the Port of Brisbane by the Harbour Master expected today (Monday, 17th January) operational capability is expected to quickly return to normal.

There has been significant damage to the Western Rail System infrastructure which links the New Acland mine to the Port of Brisbane. The rail system has been inspected by New Hope and Queensland Rail staff over the weekend. Preliminary estimates by Queensland Rail are that it will take a minimum of 6 - 8 weeks to resume railing from the New Acland mine. Alternative operations and transport plans are now being developed.

New Hope employees are continuing to liaise with both domestic and export customers in order to effectively manage the current and future infrastructure limitations. During the flood emergency, priority was given to supplying domestic customers that generate essential products and services for the south east Queensland community. The company's multiple mining operations and rail loading facilities will enable it to have some flexibility over the forthcoming weeks in order to minimise disruption to customers ensuring sales tonnages are maximised. For example railing to the port from West Moreton operations will resume on Thursday, 20th January.

New Hope Chairman, Mr Robert Millner expresses his sympathy on behalf of all employees to the communities and people affected by the flooding that has taken place in Queensland. New Hope continues to provide in-kind support to the Brisbane Lord Mayor's volunteer efforts and in the regions of our operations affected by flood waters.

For further information, please contact:

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