

New Hope Corporation Limited

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Quarterly Activities Report 31 October 2013

	Quarter Ended		
	Oct 13 ('000t)	Oct 12 ('000t)	Change (%)
Raw Coal Production	2,940	3,157	- 7%
Saleable Coal Production	1,513	1,648	- 8%
Coal Sold	1,460	1,359	+ 7%
QBH Export Throughput	2,269	2,183	+ 4%

COAL OPERATIONS

The production of raw coal for the first quarter of 2014 at 2.94 million tonnes was down 7% compared to same period in the prior year. Saleable coal production at 1.51 million tonnes was similarly reduced being down 8% on the prior year. Contributing factors included the cessation of coal mining activities at Oakleigh and changes to mining schedules at New Acland.

Sales for the quarter at 1.46 million tonnes were consistent with production and 7% above that achieved during the same period in the prior year.

The coal throughput at QBH continues to grow with 2.27 million tonnes exported, up 4% on that achieved in the first quarter of the previous year.

The company continues to focus on productivity improvements and cost control at all operations and offices in response to the current difficult operating environment.

With the introduction of a behavioural health and safety program earlier in 2013, safety performance across the company continues to improve. Embedding activities are now underway.

EXPLORATION

During the quarter 56 holes were drilled (18 core, 38 chip) for a total of 5,273 meters. Drilling activities focussed on New Acland, Yamala and Lenton.

New Acland (ML 50216, ML 50170 and MDL 244)

5 core and 10 chip holes were drilled in order to delineate a known fault and confirm interval thicknesses in current mining pits.

New Lenton (ML 70337 and MLA 70456)

16 chip holes were drilled at Lenton during the period. These holes are a part of an ongoing water monitoring program now underway.

Jeebropilly (ML 50132)

2 core and 3 chip holes were drilled as a part of geotechnical investigations for both an existing and a proposed new mining pit.

Yamala (EPC 927)

10 core and 9 chip holes totalling 2,722 meters were drilled at Yamala during the period. The drilling confirmed the presence of the Aries, Castor and Pollux seams within the Rangal Coal Measures. All holes have been surveyed and rehabilitated.

Sherwood (EPM 18592) and Yanko (EPM 18582)

1 cored hole was drilled in each mineral tenement during the quarter. Neither hole intersected economic mineralisation. Further modelling is now underway.

BRIDGEPORT ENERGY

Operations continue to deliver good safety performance with 645 days incident free being achieved during the quarter. There is a continuing focus on the development of standard operating procedures and practices.

Oil production for the quarter totalled 45,149 barrels inclusive of Bridgeport's 15% beneficial interest in the Cuisinier oil field production.

Two high impact appraisal wells were drilled during September and October:

- Donga 5 in the Surat Basin delineated a mid-2000's discovery undeveloped by the previous tenement owner, this well confirmed a total pay of 14 meters net gas/liquids pay. Further testing is required on this well during the first half of next calendar year.
- Moothandella in the East Cooper Basin oil fairway has confirmed a total of 15 meters net pay across the Westbourne, Namur and Murta formations and will undergo further testing.

Further development drilling at the Utopia and Inland oil fields was underway at the end of the quarter, the results of which will be reported in the next quarter.

BUSINESS DEVELOPMENT

Coal-to-Liquids

Construction of the gasification module of the Jeebropilly Proof of Concept Plant is now complete with commissioning underway. The construction of the liquefaction module is well advanced.

DEVELOPMENT PROJECTS

New Acland

The Environmental Impact Statement (EIS) was submitted to the Co-Ordinator General on schedule at the end of September 2013. It is expected that the EIS will go out for public review in January 2014. Further engineering work continues with tenders being awarded for final design of all major project components. Extensive community and stakeholder consultation continues.

Lenton

Base line studies for the EIS are now close to completion. The Draft Terms of Reference (TOR) for the EIS has been under active development and is due for submission in early December. An updated geological model incorporating the latest drilling and seismic data is now under development.

Colton and Elimatta

Work continues on both these projects primarily focussed on gaining the relevant Mining Leases and Environmental Authorities. Steady progress is being achieved.

For further information, please contact:

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