



New Hope

Corporation Limited

A.B.N. 38 010 653 844

APPENDIX 4D

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INTERIM REPORT

31 JANUARY 2013

Contents	Page
Results for announcement to the market	1
Directors' Report	2
Consolidated Statement of Comprehensive Income	8
Consolidated Balance Sheet	9
Consolidated Statement of Changes in Equity	10
Consolidated Cash Flow Statement	11
Notes to the Financial Statements	12
Directors' Declaration	16
Independent Auditor's Review Report to the members	17

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 2012 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.

New Hope Corporation Limited and Controlled Entities
ABN 38 010 653 844

ASX Appendix 4D
for the half-year ended 31 January 2013

Results for announcement to the market

	31 January 2013 \$000	31 January 2012 \$000	% Change
Revenue from ordinary activities	322,890	388,450	- 16.9%
Profit before income tax	93,200	101,817	- 8.5%
Profit from ordinary activities after income tax attributable to New Hope Shareholders	68,795	101,061	- 31.9%
Net Profit attributable to New Hope shareholders (after non recurring items)	68,795	101,065	- 31.9%

	31 January 2013 cents per share	31 January 2012 cents per share	% Change
Earnings per share	8.3	12.2	- 32.0%
Interim dividend declared	6.00	6.00	+ 0.0%

	31 January 2013 cents per share	31 January 2012 cents per share	% Change
Net tangible asset backing per ordinary share	250.6	266.6	- 6.0%

Dividends

The Directors' have declared a dividend of 6.0 cents per share franked to 100% payable on 1st May 2013. The record date for the payment of the dividend is 15th April 2013. There is no dividend reinvestment plan in operation.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31 January 2013

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 31 January 2013.

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 W.H. Grant
Mr R.C. Neale

Mr I.M. Williams and Ms S.J. Palmer were appointed as directors on 1 November 2012 and continue in office at the date of this report.

Consolidated Results	Jan 2013	Jan 2012	%
	\$000	\$000	Change
Revenue from operations	322,890	388,450	- 16.9%
Profit before income tax (before non-recurring items)	93,200	135,204	- 31.1%
Impairment of goodwill (Note 4)	-	33,387	
Profit before income tax (after non-recurring items)	93,200	101,817	- 8.5%
Profit from ordinary activities after income tax (before non-recurring items)	68,795	99,212	- 30.7%
Impairment of goodwill (Note 4)	-	33,387	
Tax benefit from deferred tax liability recognised on acquisition	-	(35,236)	
Profit from ordinary activities after income tax (after non-recurring items)	68,795	101,061	- 31.9%
Basic earnings per share (cents) (before non-recurring items)	8.3	12.0	- 31.0%
Impairment of goodwill (Note 4)	-	4.0	
Tax benefit from deferred tax liability recognised on acquisition	-	(4.2)	
Basic earnings per share (cents) (after non-recurring items)	8.3	12.2	- 32.1%

The above table illustrates the affect of accounting entries resulting from control of Northern Energy Corporation Limited being obtained in the 2010/11 year and 100% ownership occurring in the 2011/12 year. On an after tax basis, profit was lower due to having a one off tax benefit in the prior half year which largely offset income tax expense from recurring operations. The table above will allow a clearer understanding of the result reported in the financial statements and more appropriate comparisons to be made between the 2012 and 2013 financial results.

The profit before non-recurring items and the earnings per share before non-recurring items contained within this Directors' Report have not been reviewed in accordance with Australian Auditing Standards.

Review of Operations

New Hope Corporation Limited (New Hope) recorded a net profit after tax for the six months ending 31 January 2013 of \$68.8 million. This compares to a net profit after tax of \$101.1 million in the previous corresponding period.

Coal mining and logistics operations contributed \$45.2 million to the after tax result (2012 - \$68.7 million), while treasury and investments contributed \$23.6 million (2012 - \$32.3 million).

Basic earnings per share for the six months ended 31 January 2013 were 8.3 cents compared to 12.2 cents earned in the previous corresponding period.

Directors have declared a fully franked interim dividend of 6.0 cents per share (2012 - 6.0 cents per share) to be paid on 1st May 2013 to shareholders registered as at 15th April 2013.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31 January 2013

As foreshadowed at the Annual General Meeting in November 2012, the operating result for the first six months of the 2013 financial year was adversely impacted by:

- lower thermal export coal prices;
- a higher AUD:USD exchange rate; and
- increasing pressure on offsite transportation costs.

In response to these market forces, management have committed to an extensive cost reduction program in order to improve operating efficiencies and preserve margins. To date this program has delivered a significant reduction in operating costs at all sites, with further initiatives currently in the planning or implementation phase.

MINING OPERATIONS

3.04 million tonnes of clean coal were produced during the six months ended 31 January 2013. This was 5.2% lower than the previous corresponding period due to a planned shutdown over the Christmas / New Year period and higher than normal wet weather.

Export sales for the six months to January 2013 were negatively impacted by deferrals in customer shipping schedules, with sales totalling 2.74 million tonnes. This is down 13.4% on the previous corresponding period, which was a record first half sales figure following the resumption of raiiling after the 2011 floods.

Significant cost savings have been realised at all operating sites, with production costs on a per tonne basis some 11.7% lower than the previous corresponding period.

New Acland Mine

The Acland operation continues to deliver exceptional productivities, with 2.4 million tonnes of coal produced during the first six months. While total production was down 6.9% on the corresponding period, this is largely due to a planned shutdown over the Christmas / New Year period combined with higher levels of wet weather.

During the period the management of the Acland operations has focussed on:

- deploying the behavioural safety program to all employees;
- gaining productivity improvements across key processes;
- cost reduction initiatives in conjunction with key suppliers;
- community engagement in respect of the continuation plan, Jondaryan rail siding and current operations;
- ongoing rehabilitation of past mining areas; and,
- growth of the pastoral and grazing operations.

West Moreton Operations

The West Moreton operations produced 0.64 million tonnes of coal during the period (Jeebropilly 0.42 million tonnes and Oakleigh 0.22 million tonnes). This represents a 2% increase over the prior corresponding period with higher levels of wet weather offset by the recovery of low ratio coal in the lead up to cessation of mining activity at Oakleigh.

The cessation of mining at Oakleigh represents a significant milestone for the Ipswich region, with Jeebropilly now the last remaining local operator. Efforts will now focus on completing the rehabilitation program.

Key activities at the West Moreton operations over the last six months include:

- extraction of the last viable reserves from the Oakleigh operations, and commencement of rehabilitation works;
- a continued focus on safety through behavioural and cultural change;
- cost reduction initiatives in conjunction with key suppliers; and
- productivity improvements.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31 January 2013

QUEENSLAND BULK HANDLING (QBH)

During the first six months of the financial year, 4.2 million tonnes of coal was exported through the QBH coal terminal at the Port of Brisbane during the period (2012 – 4.3 million tonnes).

Key activities included:

- finalisation of the shiploader upgrade;
- completion of structural integrity audit;
- implementation of a new environmental management system;
- continued focus on safety; and,
- ongoing discussions in relation to expansion opportunities.

NEW HOPE EXPLORATION

14,855 meters were drilled during the six months to January 2013, compared to 35,911 meters in the previous corresponding period, which included 22,640 meters of drilling completed by contractors.

Details of the 2012 exploration program are as follows:

Lenton (EPC 766, EPC 865 and ML 70337)

The 2012 drilling program aimed at structural definition in the potential open cut area has been completed with 6,465 meters being drilled during the period.

Cultural heritage surveys have cleared all drill sites ahead of the 2013 program, and analysis of fugitive emissions data is ongoing.

New Acland (MDL 244, ML 50216)

Exploration activities focussed on monitoring and analysing fugitive gas emissions and geotechnical investigations on the current mining lease. The study of fugitive gas emissions is being undertaken to quantify calculations for the determination of carbon tax liabilities.

Cultural heritage surveys were undertaken ahead of the 2013 drilling program however wet weather impeded planned drilling during January.

Maryborough (EPC 923)

The drilling program to support the first three years of mining was completed during the period which has facilitated the commencement of pilot scale coke oven testing.

Cultural heritage surveys were completed during the period with the final archaeologists report outstanding. Rehabilitation of all holes is now underway.

Churchyard Creek (EPC 1876)

No drilling was performed in the six months to January with work focussing on geological modelling of the results from previous drill programs.

Bee Creek (EPC 777)

The 2012 drilling program has been completed with all holes rehabilitated. All boreholes intercepted the Fort Cooper coal measures, with one borehole possibly intercepting the Moranbah coal measures, although this will need to be verified with further drilling.

Ashford (EL6234)

7 chip holes were drilled during the period representing 716 meters. This program was aimed at further resource delineation, with results currently being modelled.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31 January 2013

Mineral Tenures

The company currently holds 4 exploration permits for minerals in North West Queensland. Landowner negotiations have been completed for 2 tenements with drilling mobilisation to commence in March 2013 subject to weather conditions.

Subject to successful negotiation of landholder compensation agreements on the remaining two tenements, it is possible that additional drilling may be completed in the current financial year as part of the planned field program in North West Queensland.

PASTORAL OPERATIONS

New Acland Pastoral Co. manages the group's land holdings on the Darling Downs. This integral part of the operations ensures that land is cared for both before and after mining operations in a sustainable manner. Operations focus on cattle grazing with some cropping undertaken on land where conditions allow.

The company is also actively participating in the rehabilitation of previously mined land. Cattle trials are being conducted under the supervision of independent agricultural experts which aim to verify that rehabilitated land can be as, or more productive than undisturbed land. Initial results from these trials are encouraging, however detailed analysis of both land condition, beef productivity and quality will continue for a number of years.

DEVELOPMENT PROJECTS

New Hope continued to progress various development projects during the period, although current market conditions have led to the rescheduling of some project timelines.

New Acland Continuation Plan

Extensive consultation with all key stakeholders resulted in the Queensland Government accepting a revised proposal for the continuation of the Acland operations. The public consultation period on the revised Terms of Reference has closed with the detailed work on the revised Environmental Impact Statement now underway.

The company remains committed to delivering our employees and shareholders certainty in respect of the long term future for the Acland operations in an environmentally and socially acceptable manner.

Lenton

Baseline studies for the Environmental Impact Statement continued during the period and it is anticipated that the Terms of Reference will be lodged with the Department of Environment and Heritage Protection before the end of the current financial year. Numerous options for the transport and export of product coal continue to be investigated.

Colton

Activities during the period focussed on infrastructure design and progressing the Environmental Management Plan with the Department of Environment and Heritage Protection.

Elimatta

An updated Environmental Impact Statement was lodged in November 2012 and has been released for public comment, with a submissions deadline of 21 March 2013.

CARBON CONVERSION PROJECTS

Coal to Liquids (CTL) projects have continued on both the direct and indirect liquefaction technologies.

Construction of the Jeebropilly indirect liquefaction plant is continuing with the bulk of the liquefaction module delivered to site in January 2013. Construction is nearing completion with commissioning expected to occur in the third quarter of calendar 2013.

Dry commissioning of the Quantex direct liquefaction plant has been completed with wet commissioning scheduled to occur over the next quarter.

New Hope Corporation Limited and Controlled Entities

Directors Report - 31 January 2013

BRIDGEPORT ENERGY

In August 2012 New Hope successfully completed the acquisition of Bridgeport Energy Limited, an oil and gas company with both production and exploration tenements. Conventional oil production is currently undertaken on tenements located in South West Queensland's Cooper / Eromanga Basin.

Attributable oil production during the period totalled 16,833 barrels (Inland 10,249, Utopia 2,304 and Naccowlah 4,280). In addition, a six hole drilling program conducted at Inland and Utopia successfully intersected oil in all six holes. These wells have been completed for production and will be brought online over the next quarter.

OUTLOOK

Weak thermal coal markets and a resilient exchange rate will have a negative impact on revenues and margins in the 2nd half of the 2013 financial year. The company has implemented a number of cost reduction initiatives and will continue to pursue responsible cost reductions across the business.

Coal production for the full year is expected to be in the range of 5.8 - 6.0 million tonnes. Operations at Acland will cease for 2 weeks over Easter in order to manage high stock levels which developed as a result of the 3 week rail outage on the Toowoomba range which was due to extreme weather in late January. Sales volumes are likely to match production subject to customer shipping schedules and rail performance.

QBH throughputs for the full year are expected to be similar to 2012.

Timing of development projects is being continually assessed with regard to prevailing market conditions and the progression of approvals. The current downturn may provide further acquisition opportunities which may be prioritised ahead of current development projects in the economic climate.

The acquisition of Bridgeport provides the company some diversification from thermal coal and will deliver more attractive margins than coal operations over the coming six months. Through Bridgeport the company is aiming to accumulate additional oil and gas tenements with existing or near term production possibilities.

Given the ongoing downturn in coal markets, the company will:

- remain focussed on efficient cost reduction initiatives in order to protect margins;
- continue to seek out attractive acquisition opportunities; and,
- grow the scale of the oil, gas and energy business through development and acquisition.

New Hope remains well positioned to weather the current downturn in coal markets and take advantage of future improvements in market conditions, supported by Asia's longer term energy demand.

Signed in Sydney this 18th day of March 2013
in accordance with a resolution of directors.

R.D. Millner
Director

S.J. Palmer
Director



Auditor's Independence Declaration

As lead auditor for the review of New Hope Corporation Limited for the half year ended 31 January 2013, 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.

Simon Neill
Partner
PricewaterhouseCoopers

Sydney
18 March 2013

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New Hope Corporation Limited and Controlled Entities

**Consolidated Statement of Comprehensive Income
for the half-year ended 31 January 2013**

	Note	31 January 2013 \$000	31 January 2012 \$000
Revenue from continuing operations		322,890	388,450
Other income	3	4,109	73
		326,999	388,523
Expenses			
Cost of sales		(151,666)	(169,446)
Marketing and transportation		(65,721)	(71,135)
Administration		(9,536)	(10,812)
Other expenses	4	(6,490)	(35,251)
Share of net profit / (loss) of associates		(386)	(62)
		93,200	101,817
Income tax expense	5	(24,405)	(756)
		68,795	101,061
Profit after income tax			
Profit attributable to:			
New Hope Shareholders		68,795	101,065
Non-controlling interests		-	(4)
		68,795	101,061
Other comprehensive income			
Changes in the fair value of cash flow hedges, net of tax		(7,085)	106
Changes in the fair value of available for sale financial assets, net of tax		(1,394)	(19,302)
Other comprehensive income for the half year, net of tax		(8,479)	(19,196)
		60,316	81,865
Total comprehensive income			
Total comprehensive income attributable to:			
New Hope Shareholders		60,316	81,869
Non-controlling interests		-	(4)
		60,316	81,865

Earnings per share for profit attributable to the ordinary equity holders of the Company

	cents per share	cents per share
Basic earnings per share	8.3	12.2
Diluted earnings per share	8.3	12.1

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 31 January 2013**

	Note	31 January 2013 \$000	31 July 2012 \$000
Current assets			
Cash and cash equivalents		13,311	70,990
Trade and other receivables		26,919	17,124
Inventories		79,258	59,560
Held to maturity investments		1,275,606	1,446,975
Derivative financial instruments		10,247	20,393
Other		553	299
Total current assets		1,405,894	1,615,341
Non current assets			
Trade and other receivables		7,866	9,208
Investments accounted for using the equity method		13,286	32,530
Available for sale financial assets		71,746	73,140
Derivative financial instruments		9,996	9,971
Property, plant and equipment		722,369	659,202
Exploration and evaluation assets		67,814	39,228
Intangible assets	7	24,980	20,799
Total non current assets		918,057	844,078
Total assets		2,323,951	2,459,419
Current liabilities			
Trade and other payables		47,929	40,460
Current tax liabilities		14,657	18,490
Provisions		32,507	28,845
Total current liabilities		95,093	87,795
Non current liabilities			
Deferred tax liabilities		87,584	82,917
Provisions		34,868	35,791
Total non current liabilities		122,452	118,708
Total liabilities		217,545	206,503
Net assets		2,106,406	2,252,916
Equity			
Contributed equity	6	93,342	92,509
Reserves		41,782	50,570
Retained profits		1,970,267	2,109,104
Capital and reserves attributable to New Hope Shareholders		2,105,391	2,252,183
Non-controlling Interests		1,015	733
Total equity		2,106,406	2,252,916

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 2013**

	Contributed Equity \$000	Reserves \$000	Retained Earnings \$000	Non-controlling Interests \$000	Total \$000
Balance as at 1 August 2011	91,500	73,851	2,157,849	44,183	2,367,383
Profit for the year	-	-	101,065	(4)	101,061
Other comprehensive income	-	(19,196)	-	-	(19,196)
Total comprehensive income for the half year	-	(19,196)	101,065	(4)	81,865
Transactions with owners in their capacity as owners					
Shares issued during the half year	936	-	-	-	936
Dividends provided for or paid	-	-	(41,512)	-	(41,512)
Special dividend provided for or paid	-	-	(124,534)	-	(124,534)
Net movement in share based payments reserve	-	409	-	-	409
Premium paid on share acquisition	-	(6,029)	-	-	(6,029)
Disposal of non-controlling interests	-	-	-	(44,177)	(44,177)
Share of non-controlling interests	-	-	-	474	474
Balance as at 31 January 2012	92,436	49,035	2,092,868	476	2,234,815
Balance as at 1 August 2012	92,509	50,570	2,109,104	733	2,252,916
Profit for the year	-	-	68,795	-	68,795
Other comprehensive income	-	(8,479)	-	-	(8,479)
Total comprehensive income for the half year	-	(8,479)	68,795	-	60,316
Transactions with owners in their capacity as owners					
Shares issued during the half year	833	-	-	-	833
Dividends provided for or paid	-	-	(41,526)	-	(41,526)
Special dividend provided for or paid	-	-	(166,106)	-	(166,106)
Net movement in share based payments reserve	-	(309)	-	-	(309)
Share of non-controlling interests	-	-	-	282	282
Balance as at 31 January 2013	93,342	41,782	1,970,267	1,015	2,106,406

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 31 January 2013**

	31 January 2013 \$000	31 January 2012 \$000
Cash flows from operating activities		
Receipts from customers inclusive of GST	270,588	347,938
Payments to suppliers and employees inclusive of GST	<u>(221,368)</u>	<u>(226,916)</u>
	49,220	121,022
Income taxes paid	<u>(21,917)</u>	<u>(180,933)</u>
Net cash inflow / (outflow) from operating activities	<u>27,303</u>	<u>(59,911)</u>
 Cash flows from investing activities		
Payments for property, plant & equipment	(38,512)	(15,979)
Payment for exploration and evaluation activities	(11,779)	(11,376)
Proceeds from other assets	7	-
Payment for investment in subsidiary, less net cash acquired	(44,260)	-
Payments for investments in available for sale financial assets	-	(235)
Payments for investments in associates	(731)	(708)
Net payments for term deposits	173,014	199,647
Proceeds from sale of New Lenton Joint Venture	-	58,040
Proceeds from sale of property, plant & equipment	204	270
Interest received	32,698	56,635
Net cash inflow / (outflow) from investing activities	<u>110,641</u>	<u>286,294</u>
 Cash flows from financing activities		
Transactions with non controlling interests	-	(50,206)
Payment for borrowings	(63)	-
Joint Venture partner contributions	280	474
Dividends paid	<u>(207,632)</u>	<u>(166,046)</u>
Net cash inflow / (outflow) from financing activities	<u>(207,415)</u>	<u>(215,778)</u>
 Net increase / (decrease) in cash and cash equivalents	(69,471)	10,605
Cash and cash equivalents at the beginning of the half year	70,990	75,149
Effects of exchange rate changes on cash and cash equivalents	11,792	(2,156)
Cash and cash equivalents at the end of the half year	<u><u>13,311</u></u>	<u><u>83,598</u></u>

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 31 January 2013

1. BASIS OF PREPARATION OF HALF-YEAR REPORT

This general purpose interim financial report for the half-year reporting period ended 31 January 2013 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 2012 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. Effective from 1 August 2012 major work carried out on mining plant and machinery has been capitalised. This has resulted in \$10,697,444 being capitalised in the balance sheet and amortised over its useful life. There has been no material impact on existing assets.

2. DIVIDENDS	Note	31 January 2013 \$000	31 January 2012 \$000
Dividends provided for or paid during the half-year			
Ordinary dividend paid			
100% franked at a tax rate of 30% (2012 - 100% franked)		41,526	41,512
Special dividend paid			
100% franked at a tax rate of 30% (2012 - 100% franked)		166,106	124,534
		207,632	166,046
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 6.0 cents per fully paid ordinary share (2012 - 6.00 cents), fully franked on tax paid at 30%. The aggregate of the dividend expected to be paid on 1 May 2013 out of retained profits at 31 January 2013, but not recognised as a liability at the end of the half-year, is \$49,834,000.			
		49,834	49,825

3. OTHER INCOME

Profit from the Half Year includes the following items that are unusual because of their nature, size and incidence:

Gain on Bridgeport previously held interest	7	4,109	
Profit on sale of non-current assets		-	73
		4,109	73

4. OTHER EXPENSES

Profit from the Half Year includes the following items that are unusual because of their nature, size and incidence:

Other expenses include the following items:

Impairment of goodwill (i)		-	33,387
		-	33,387

(i) The above impairment relates to goodwill previously recognised on the acquisition of Northern Energy Corporation Limited.

New Hope Corporation Limited and Controlled Entities

**Notes to the Financial Statements
for the half-year ended 31 January 2013**

	Note	31 January 2013 \$000	31 January 2012 \$000
5. INCOME TAX EXPENSE			
Numerical reconciliation of income tax expense to prima facie tax payable			
Profit from continuing operations before income tax		93,200	101,817
Income tax calculated at 30% (2012 - 30%)		27,960	30,545
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Goodwill impairment		-	10,016
Gain on previously held interest		(1,233)	-
Non-deductible expenses		960	-
Sundry items		(235)	1,612
		27,452	42,173
Over provided in prior year		(3,047)	(3,069)
Tax consolidation benefit		-	(38,348)
Income tax expense		24,405	756

	31 January 2013 No. of shares	31 January 2013 \$000	31 July 2012 No. of shares	31 July 2012 \$000
6. CONTRIBUTED EQUITY				
(a) Share Capital				
Issued and paid up capital	830,563,352	93,342	830,411,534	92,509
(b) Movements in share capital				
Vesting of performance rights	151,818	833	-	-

New Hope Corporation Limited and Controlled Entities

Notes to the Financial Statements for the half-year ended 31 January 2013

7. BUSINESS COMBINATION

a. Summary of acquisition

On 1 August 2012, New Hope Corporation Limited's wholly owned subsidiary, Mattvale Pty Ltd, acquired 69.62% of the issued share capital of Bridgeport Energy Limited. Bridgeport Energy Limited is a oil and gas exploration company with interests in a portfolio of projects in Queensland that are being progressed towards development.

Details of the purchase consideration and the net assets acquired are as follows:

Purchase consideration (refer to b. below):	\$000
Previously held interest	18,876
Cash paid - current year	45,488
Gain on previously held interest to 0.41 cents per share	4,109
Total purchase consideration	<u>68,473</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value
	\$000
Cash	1,228
Trade receivables	685
Held to maturity investments	838
Other receivables and prepayments	157
Inventory	87
Oil producing assets	47,512
Exploration assets	16,807
Property, plant and equipment	1,118
Accounts payables	(968)
Provisions	(1,768)
Deferred tax liabilities	(1,380)
Net identifiable assets acquired	<u>64,316</u>
Add: goodwill	4,157
Net assets acquired	<u>68,473</u>

Goodwill arising on consolidation of \$4,156,952 is calculated in accordance with the requirement in IFRS to recognise a deferred tax liability on the difference between the provisional fair value of newly consolidated assets and liabilities and their tax base. None of the goodwill is expected to be deductible for tax purposes.

(ii) Revenue and profit contribution

The acquired business contributed revenues of \$3,304,681 and net loss of \$802,293 to the Group for the period from 1 August 2012 to 31 January 2013.

b. Purchase consideration

	\$000
Outflow of cash to acquire subsidiary, net of cash acquired	
Total cash consideration	45,488
Less: Balances acquired	
Cash	(1,228)
Outflow of cash - investing activities	<u>44,260</u>

Acquisition related costs

Acquisition costs of \$3,198,664 are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

New Hope Corporation Limited and Controlled Entities

Notes to the Financial Statements for the half-year ended 31 January 2013

8. FINANCIAL REPORTING SEGMENTS

(a) Description of segments

The Group has three reportable segments, namely coal mining (including exploration, development, production and processing), marketing and logistics (associated transport infrastructure and ancillary activities) and treasury and investments (including cash, held to maturity investments and available for sale financial assets).

Operating segments have been determined based on the analysis provided in the reports reviewed by the Board, CEO, COO and CFO (being the Chief Operating Decision Maker, "CODM"). The reportable segments reflect how performance is measured, and decisions regarding allocations of resources are made by the CODM.

Other immaterial coal mining and related operations that do not meet the quantitative thresholds requiring separate disclosure in AASB 8 *Operating Segments* have been combined with the current coal mining operations.

Segment information is presented on the same basis as that used for internal reporting purposes. Sales between segments are carried out at arm's length and are eliminated on consolidation.

(b) Segment information

	Coal mining \$000	Marketing & Logistics \$000	Treasury & Investments \$000	Total \$000
Half year ended 31 January 2013				
Total segment revenue	186,310	273,328	33,695	493,333
Inter-segment revenue	(170,443)	-	-	(170,443)
Total segment revenue - external customers	15,867	273,328	33,695	322,890
Reportable segment profit before income tax	41,098	18,402	33,700	93,200
Reportable segment assets	707,612	242,391	1,373,948	2,323,951
Half year ended 31 January 2012				
Total segment revenue	197,897	339,324	46,243	583,464
Inter-segment revenue	(195,014)	-	-	(195,014)
Total segment revenue - external customers	2,883	339,324	46,243	388,450
Reportable segment profit before income tax	27,096	28,540	46,181	101,817
Reportable segment assets	599,621	253,555	1,570,733	2,423,909

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 2013 \$000	31 July 2012 \$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.	15,511	14,857
The bankers of the consolidated entity have issued undertakings and guarantees in relation to stages 1 and 2 of the Wiggins Island Coal Export Terminal expansion project and expansion of rail facilities	10,327	10,317

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

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 2013 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

S.J. Palmer
Director

Sydney
18 March 2013



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 report of New Hope Corporation Limited, which comprises the balance sheet as at 31 January 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for New Hope Corporation Limited (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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

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 2013 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. 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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**Independent Auditor's Review Report to the members of
New Hope Corporation Limited
(continued)**

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 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

Simon Neill
Partner

Sydney
18 March 2013