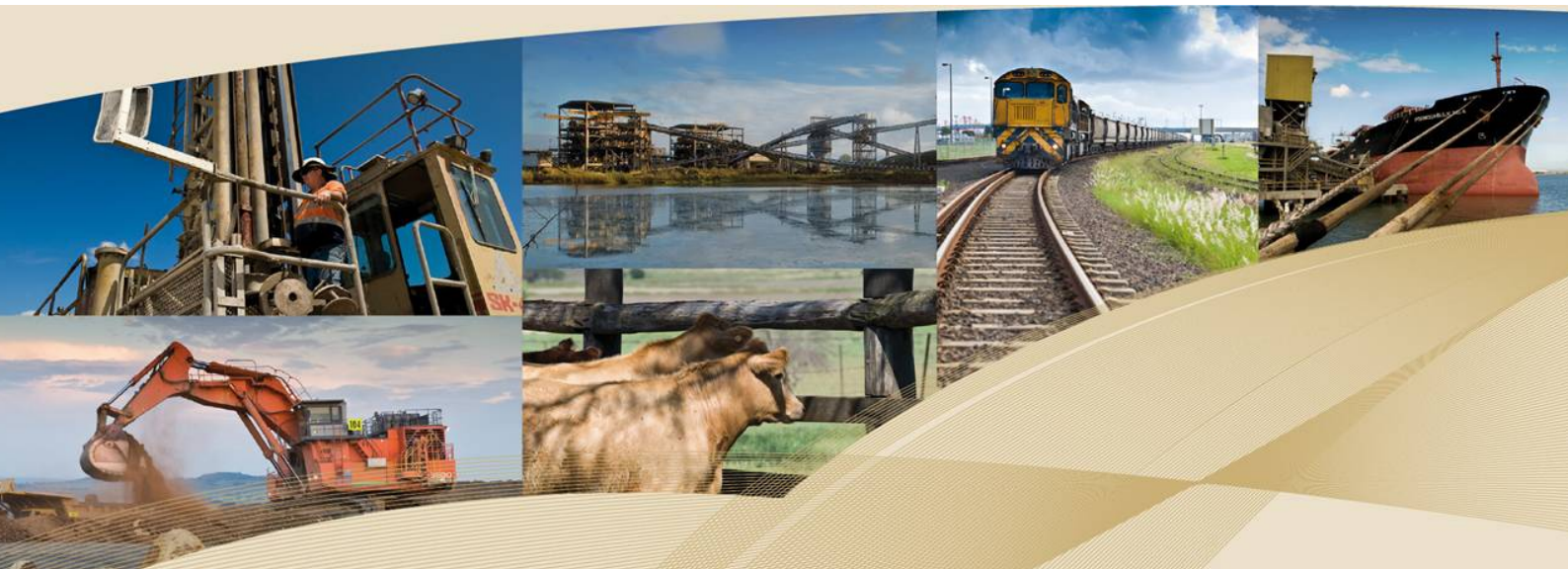




Tasmania Project EL49/2007 York Plains Rehabilitation



4 September 2010 – 3 September 2012

New Hope Exploration Pty Ltd
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Introduction

This report summarises the rehabilitation activities carried out by New Hope Coal Pty Ltd (NHC) on the currently held Exploration Licence (EL) 49/2007, York Plains since the exploration drilling work carried out in early 2011.

Tenement: EL49/2007
Date Granted: 4th May 2008
Location: **York Plains** (7 km NE of Oatlands)
Holder: New Hope Exploration Pty Ltd
3/22 Magnolia Drive
Brookwater QLD 4300.

Exploration Licence 49/2007 was granted to New Hope Exploration Pty Ltd on 4th September 2008 to explore for coal over 96 square kilometres of land in the vicinity of York Plains (Figure 1)

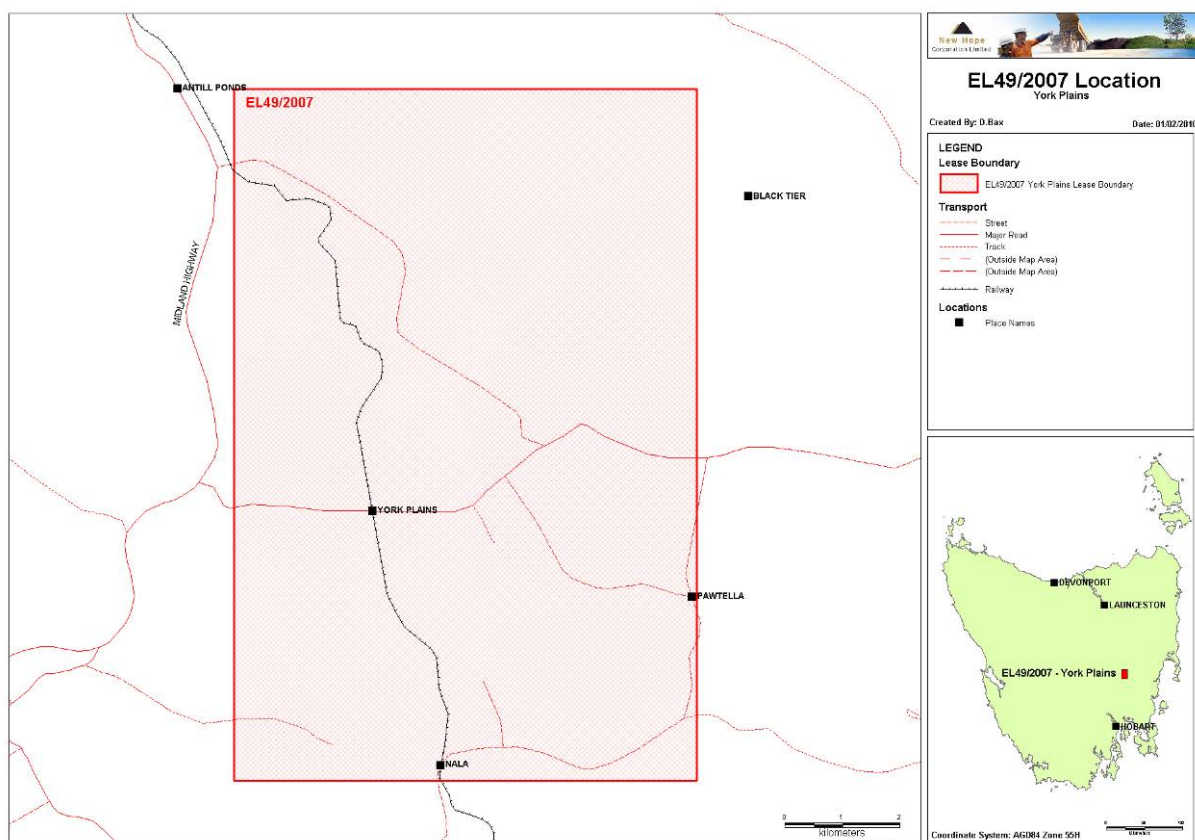


FIGURE 1 LOCATION OF EL 49/2007 YORK PLAINS

Exploration Completed 2010-2012

During the reporting period the following was undertaken:

- Ground-based field inspections and weather monitoring
- Ongoing discussions with selected service providers
- Continued negotiations with landowners
- Exploration drilling – stratigraphic confirmation of historical drillholes
- 8-inch coring for a bulk sample for Coal to Liquids analysis

Rehabilitation Completed 2010-2012

The environmental disturbance for York Plains was report in the 2011 Annual Report. Due to rain events, the rehabilitation of the York Plains drill sites was postponed, however, were completed within 8 weeks of the completion of drilling activities.

The required rehabilitation at York Plains was minimal, due to exploration operations being carried out in ways which minimised the environmental disturbance footprint. The drill sites were also selected which utilised existing landholder tracks and gates, which meant that little clearing of the land was required. During the site selection process, the landholders were consulted to ensure sites with the least amount of disturbance – both environmentally and socially – were selected.

During drilling operations, drill cuttings were diverted into a large skip bin and disposed of at the completion of the hole. Any water that was intersected or injected was also collected in the skip bin, and was vacuum-pumped out regularly. All drillhole waste was transported to registered waste disposal sites nearby the licence area.

Borehole rehabilitation involved cementing the entire borehole from total depth to within 1.5m below the surface of the ground, and then back-filled with top soil. In regards to site rehabilitation, a small amount of grass seed was then spread where required to stimulate the regenerations of the grass in the area around the drilled hole.

Spaulding Drillers completed all of this work. A letter confirming the information above is attached.

YP001



Pre-Drilling



Post-Drilling

YP002, YP004LC, YP005LC

YP002 was the pilot hole for the YP004LC & YP005LC core holes, i.e. all holes were drilled on the same site.



Pre-Drilling



Post-Drilling

YP003



Pre-Drilling



Post-Drilling