



Tasmania



EL 44/2007 Rosevale Annual Report

15 May 2008 – 14 May 2009

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EL 44/2007 Annual Report 08/2009
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Introduction

This report summaries the activities carried out by New Hope Coal Pty Ltd on the currently held Exploration Licence EL 44/2007, Rosevale for the twelve month period 14th May 2009 to 14th April 2010.

Tenement : EL44/2007
Date Granted: 14th May 2008.
Location : **Rosevale** (13km NE of Westbury)
Holder : New Hope Coal Pty Ltd
3/22 Magnolia Drive
Brookwater QLD 4300.

Exploration Licence 44/2007 was granted to New Hope Coal Pty Ltd on 14 May 2008 to explore for coal over 180 square kilometres of land in the Land Districts of Devon and Westmoreland vicinity of Rosevale. (Figure 1)

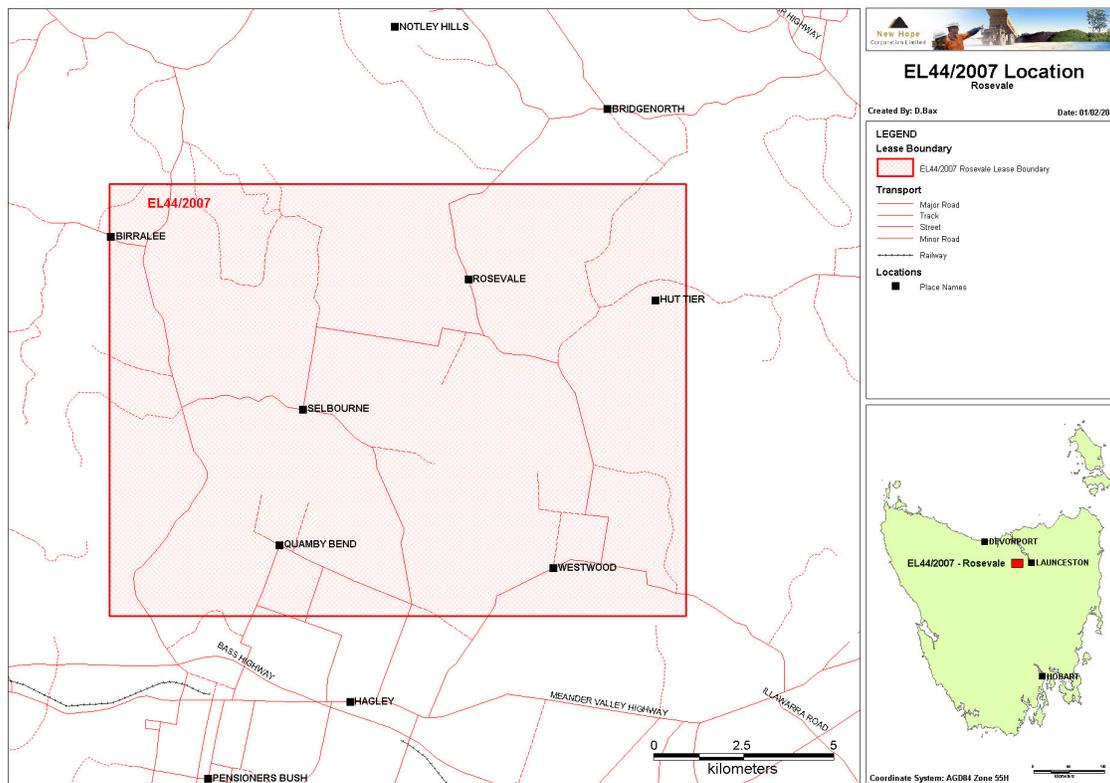


FIGURE 1 – LOCATION OF EL 44/2007 ROSEVALE

Exploration Rationale

New Hope Coal Pty Ltd is focusing on over looked Australian coal prospects. By reviewing existing open file historical data and securing prospective tenure we can re-model deposits, and explore areas that have the potential to contain sufficient resources of appropriate qualities to warrant further work. NHE then applies modern end use technologies to establish feasibility.

The aim of the program is to:

- To test coal (brown coal and lignite) seam qualities and their applicability to Coal to Liquids (CTL) technology
- To confirm the extent of the known resource in the lease area.
- And assess if an economic resource exists

Geological Setting

The target resource is the three deposits of Loatta, Piper Lagoon and Selbourne of the Rosevale Coalfield (Figure 2) that lie in the Launceston Basin. The Launceston Basin is subdivided by the Hummocky Hills Horst into a western (Cressy) graben and an eastern (Tamar) graben. The Rosevale Coalfield is located on the eastern edge of the Cressy Graben, (Figure 3)

The stratigraphy of the Coalfield is Tertiary in age and the predominant lithologies are silt, sand, Brown Coal and Ligneous clay.

During the early Tertiary a series of north to north-west trending grabens formed, into which predominantly non-marine sediments ranging up to 1000m in thickness accumulated. Four main grabens are recognized, and each contains traces of brown coal or carbonaceous material. The northern part of the Midlands graben (Figure 3), known as the Launceston Basin, contains the largest volume of Tertiary sediments in Tasmania, and consequently has the best potential for development of brown coal deposits in the state. (Coxhead 1987)

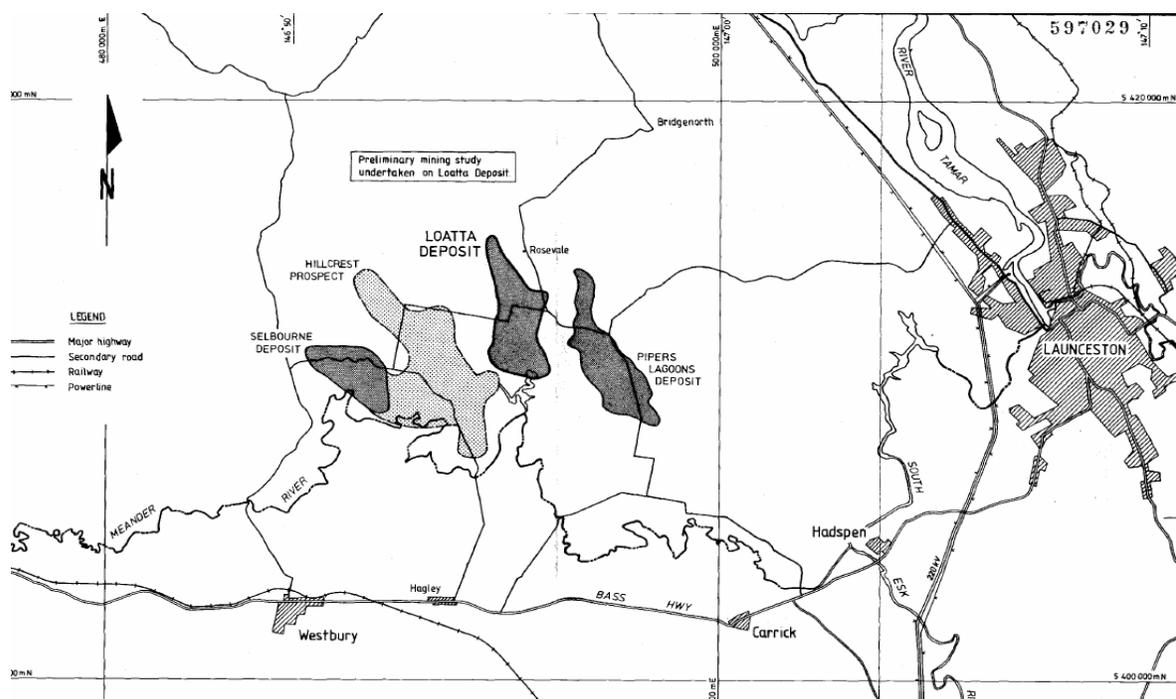


Figure 2 – Target Areas

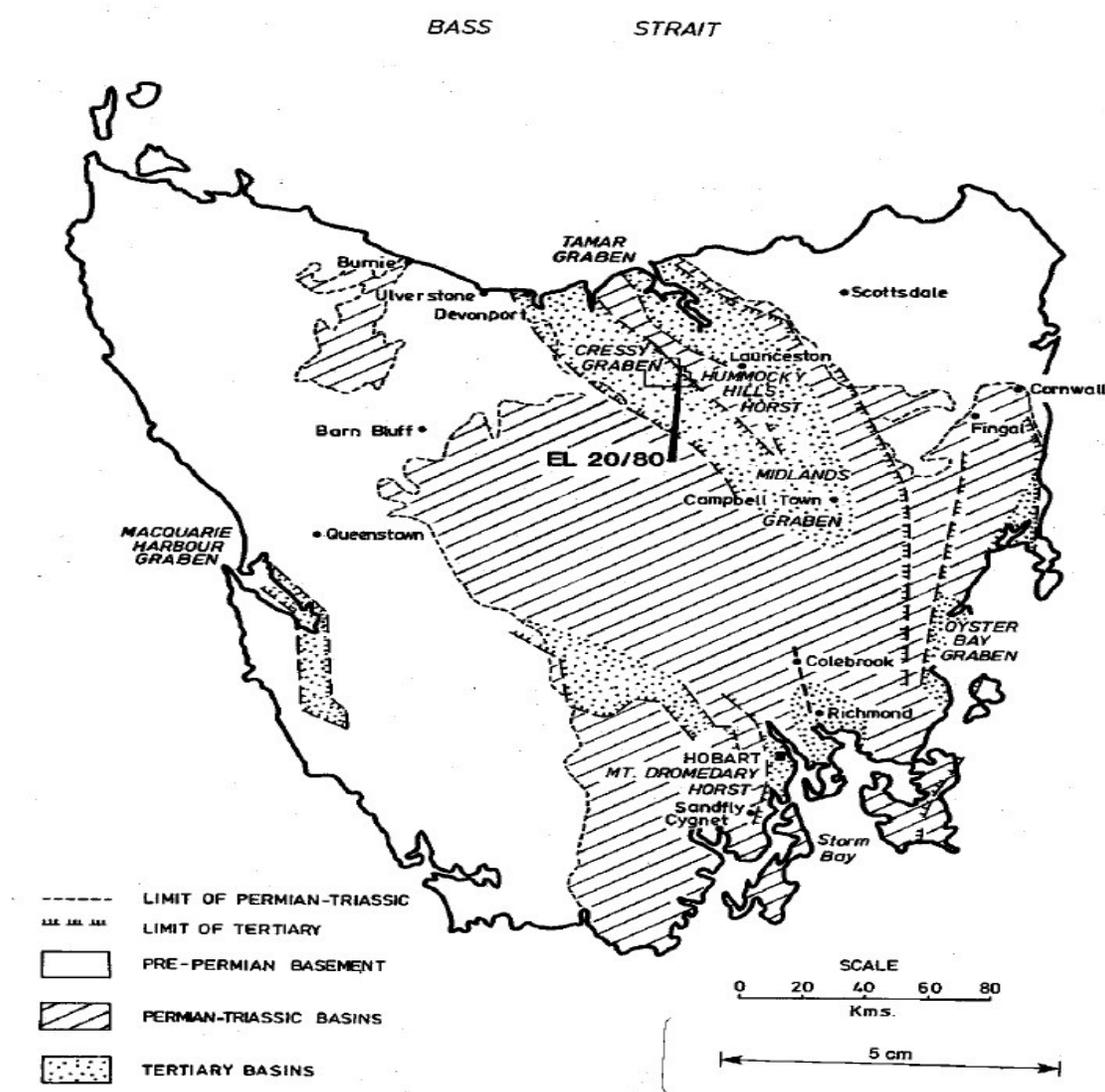


Figure 3 – Cressy graben

Review of Previous work:

As per the supporting statements for the EL application, New Hope Coal has undertaken a review of the EL areas, historical data and construct a geological database and model. This process is underway and the expenditure to date encompasses this work.

Documents reviewed:

EL 20/80 – Launceston 82-1713 Exploration Progress Report Six months ended 19/01/1982
CSR Energy Division

EL 20/80 – Launceston 82-1766 Exploration Progress Report Three months ended 22/05/1982
CSR Energy Division

EL 20/80 – Launceston 82-1809 Exploration Progress Report Six months ended 22/08/1982
CSR Energy Division

EL 20/80 – Launceston 82-1918 Exploration Progress Report Three months ended 22/11/1982 CSR Energy Division

EL 20/80 – Launceston 83-1993 Exploration Progress Report Three months ended 22/05/1983 CSR Energy Division

EL 20/80 – Launceston - Final Report 1987 CSR Energy Division

Additionally, The Coal Resources of Tasmania Bulletin 64, by C.A. Bacon 1991, was also a valuable reference for wider searches and understanding of the Tasmanian Coal fields.

Exploration Completed during the period:

During the reporting period the following was undertaken:

- initial data searches and reviews,
- compilation of existing drill-hole information, (including survey, lithology, downhole geophysics, seam quality results),
- reformatting and entry of data in to LogCheck,
- validation and loading into Minescape™, GDB data base.
- Remodel the deposits using the Minescape™ Stratmodel™ modeling package.
- Planning of exploration programs

Discussion of results

Further exploration drilling is required to confirm the resources in the Rosevale coal field, and to conduct testing specifically in regard to Coal to liquids suitability.

Previous studies have indicated that a brown coal resource exists in three distinct deposits. These are:

Loatta Deposit
Pipers Lagoon Deposit
Selbourne Deposit

Total Moisture	45 – 50 %
Ash	19 – 26 %
Fixed Carbon	11 – 15 %
Volatile Matter	16 – 20 %
Specific Energy	6.3 – 8.1 MJ/kg
Total Sulphur	0.13 – 0.19 %

Table 1 - Indicative Range of in-situ quality for the 3 deposits:

Current Modelling work is being undertaken to confirming the local stratigraphy (Figure 4).

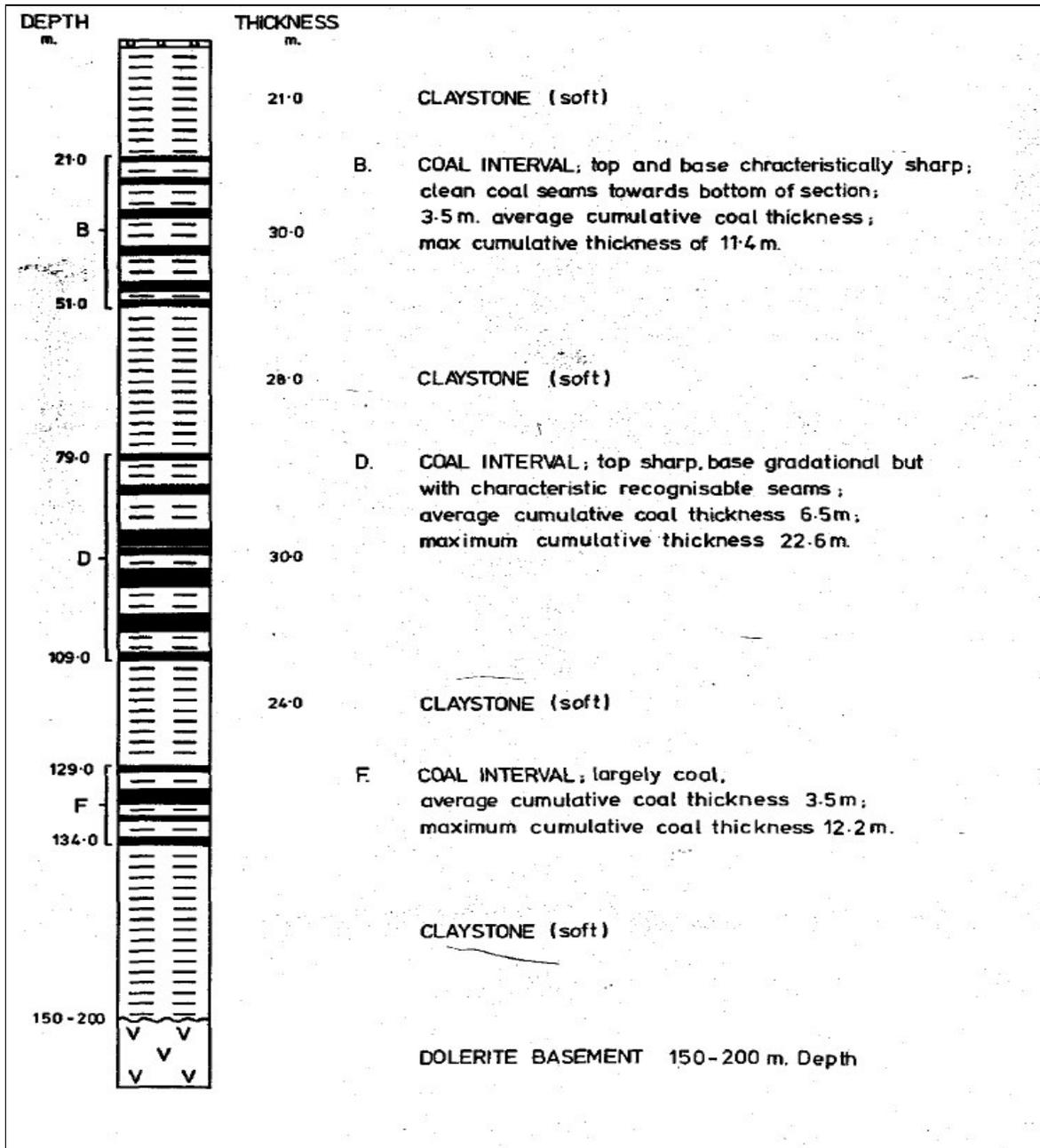


Figure 4: Representative Stratigraphy in the Rosevale Coalfield.

Exploration Progress

A geological database has been created in the Minescape GDB module incorporating 52 drill holes with lithological data.

Work is currently continuing on the Stratigraphic model to further define resource boundaries and additional targets.

Initial landholder access and agreements are in place for the upcoming exploration program intended to commence October 2010.

The purpose of this program is to obtain a bulk sample to under take specific coal to liquids testing.

Local suppliers have been contracted to provide drilling services and geological data acquisition.

Environment

No field based activities occurred during the reporting period.

Expenditure

References

COXHEAD, B.A. 1987. EL 20/80 – Launceston Final Report CSR Energy Division

BACON, C.A. 1991. The coal resources of Tasmania. *Bull. geol. Surv. Tasm.*64.

Keywords

Coal, Brown Coal, Lignite, Rosevale Coalfield, Launceston Basin, Coal to Liquids.