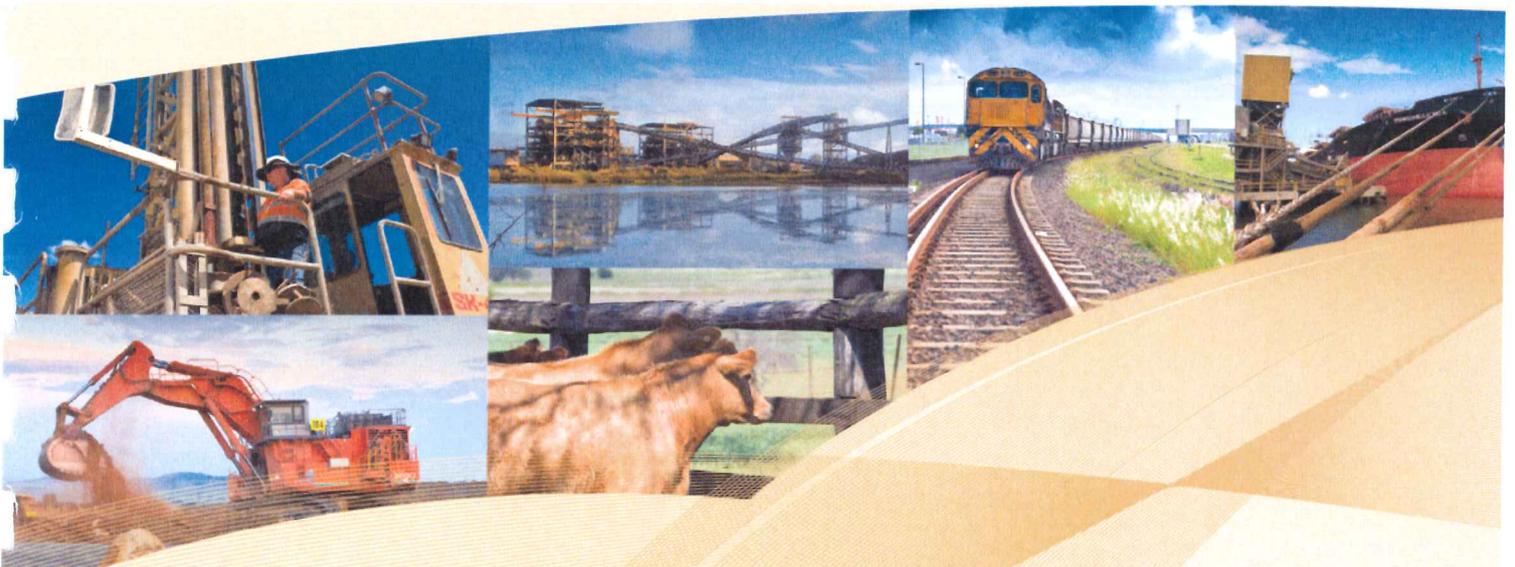




New Hope Group

MINERAL RESOURCES		
FILE REF:	DOC REF:	
EL44/2007(2)		
24 DEC 2012		
OFFICER:	FOR ACTION:	FOR INFO:
See folio 81A		

Tasmania Project EL44/2007 Rosevale Annual Report



14 May 2011 – 13 May 2012

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EL44/2007 Annual Report 2012
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Introduction

This report summarises the activities carried out by New Hope Coal Pty Ltd (NHC) on the currently held Exploration Licence (EL) 44/2007, Rosevale for the twelve month period 14th May 2011 to 13th May 2012.

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.

EL 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)

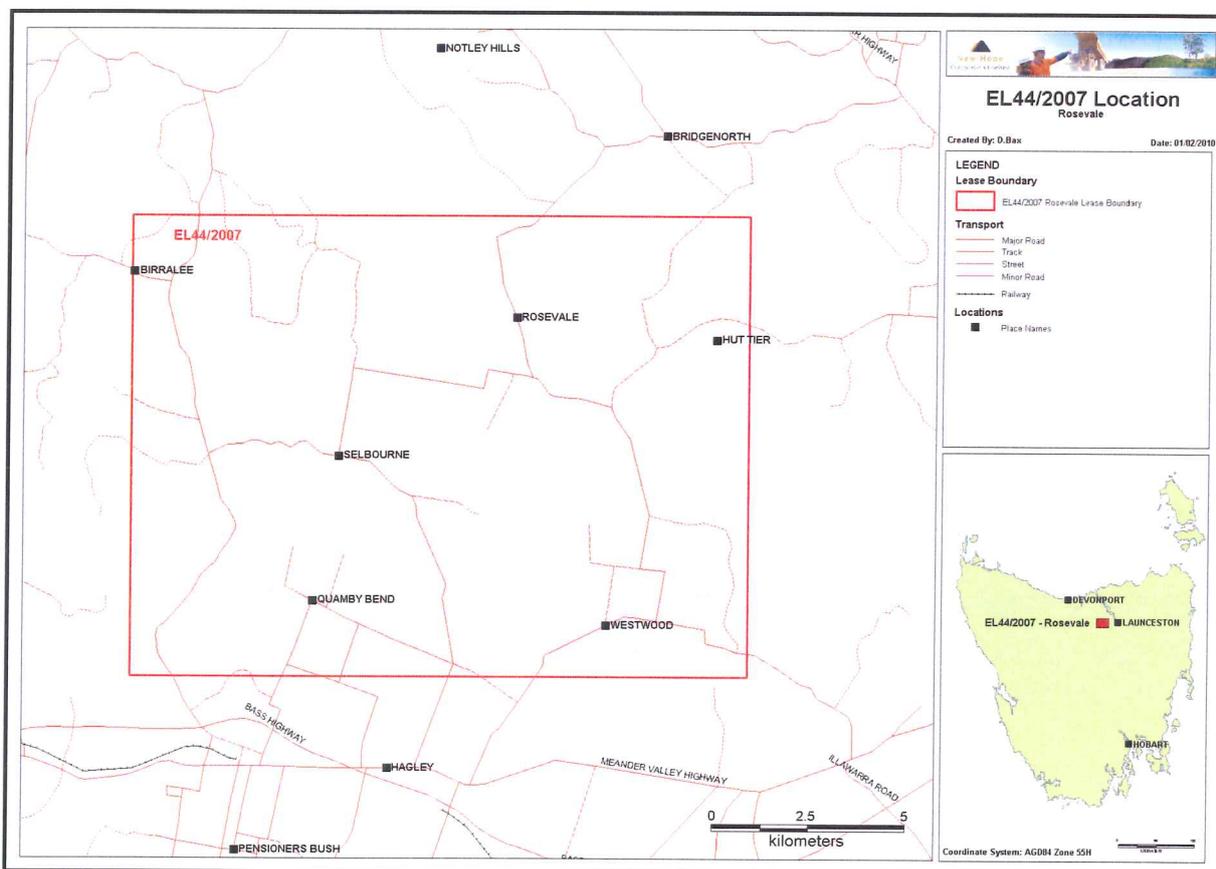


FIGURE 1: LOCATION OF EL 44/2007 ROSEVALE

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).

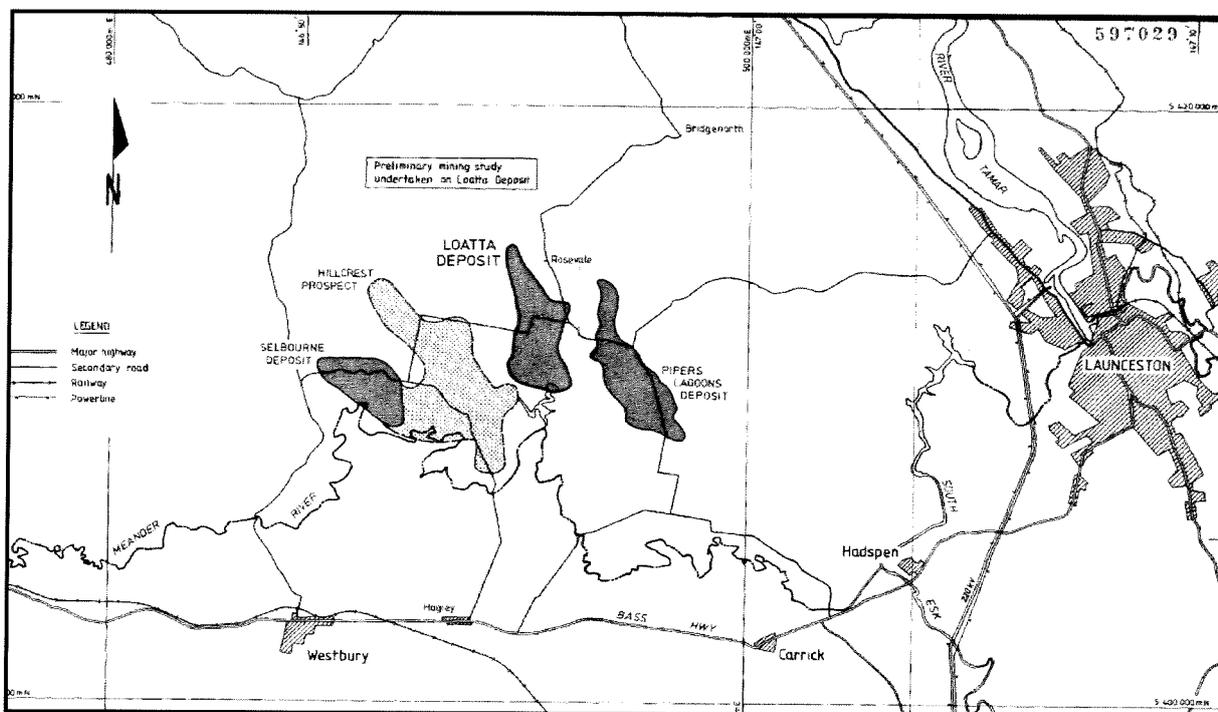


FIGURE 2: TARGET AREAS OF ROSEVALE

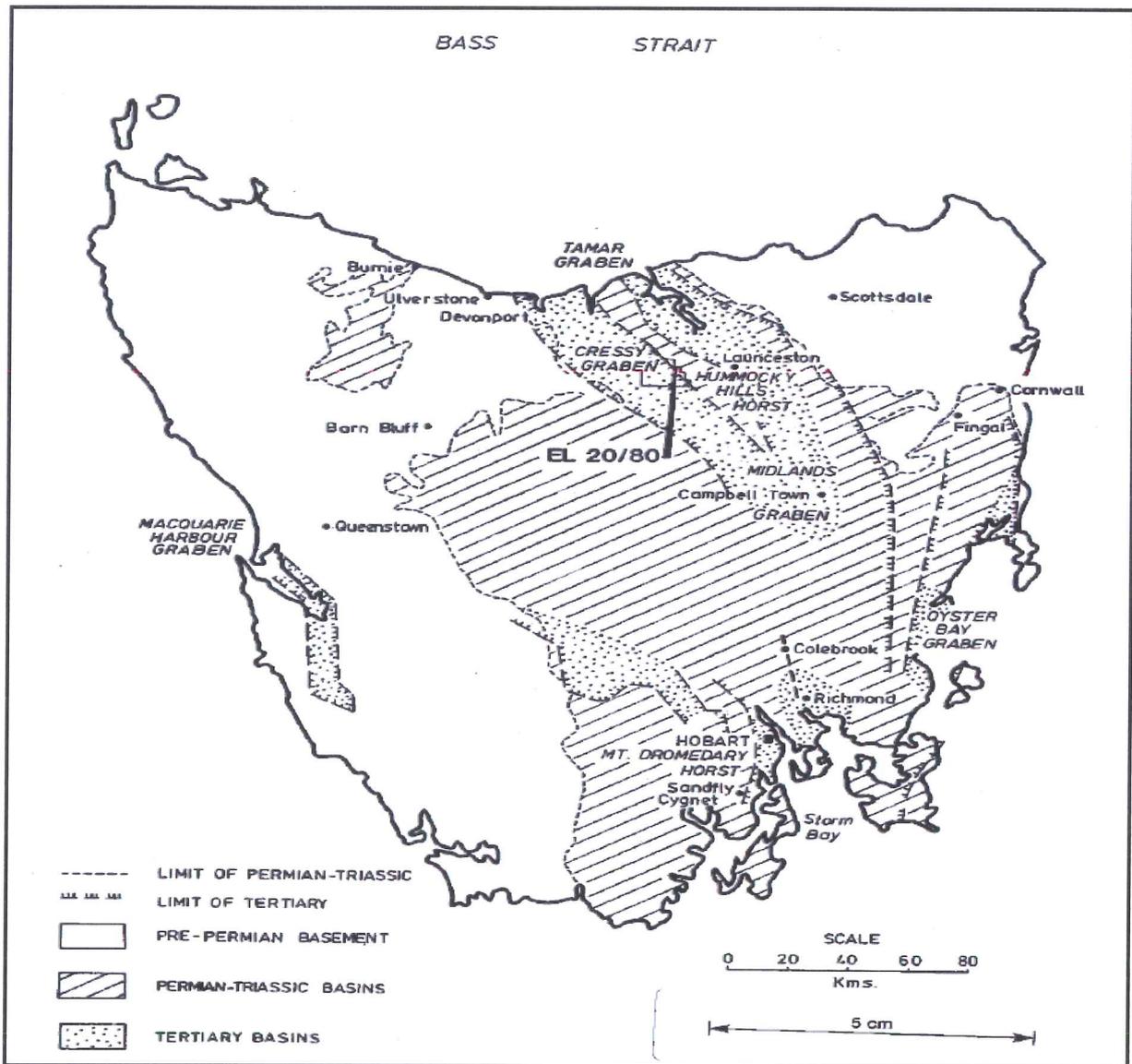


FIGURE 3: CRESSY GRABEN

Exploration Completed 2008-2009

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 constructed a geological database and model.

This process is underway and the expenditure to date encompasses this work. The documents reviewed as a part of this work are as follows:

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 2009-2010

During the reporting period the following was undertaken:

- Visited selected drill sites
- Ground-based field inspections and weather monitoring
- Interviews with potential service providers
- Negotiations with landowners

Exploration Completed 2011-2012

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

Exploration Completed 2010-2011

During the reporting period, no field based activities were undertaken, and, a review of the drilling information from the 2011 exploration program showed that not enough data was obtained to infer coal seam extensions, or to build a geological model. This was because the previous program was designed to confirm the location and stratigraphy in the historical drill holes, rather than to provide further information to allow further modelling work to be carried out. However, the planned program for 2012 is designed to use geophysical techniques to define where the extension of the coal resources may be located, as well as comparing geological and geophysical anomalies to target further drilling.

Results for the coal quality drilling of the bulk sample carried out in 2011 are attached in Appendix 1.

Geological Evaluation of the Rosevale Deposit

A geological database has been created in the Minescape GDB module incorporating 57 drill holes with lithological data, and includes the drilling data from the 2011 exploration program.

Due to the nature of the deposit, correlations between all of the boreholes were not able to be produced, and therefore, a cross section across the region was not possible.

Further work is still required to complete the stratigraphic correlations at Rosevale, however it is inferred that given the pod-like nature of the deposit, this will be a difficult task. Work will

continue in the next reporting period to ensure a stratigraphic model is produced to further define resource boundaries and additional targets.

Environment

No environmental disturbance has been created at Rosevale during 2011-2012. All drill hole rehabilitation was completed in the previous reporting period.

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.