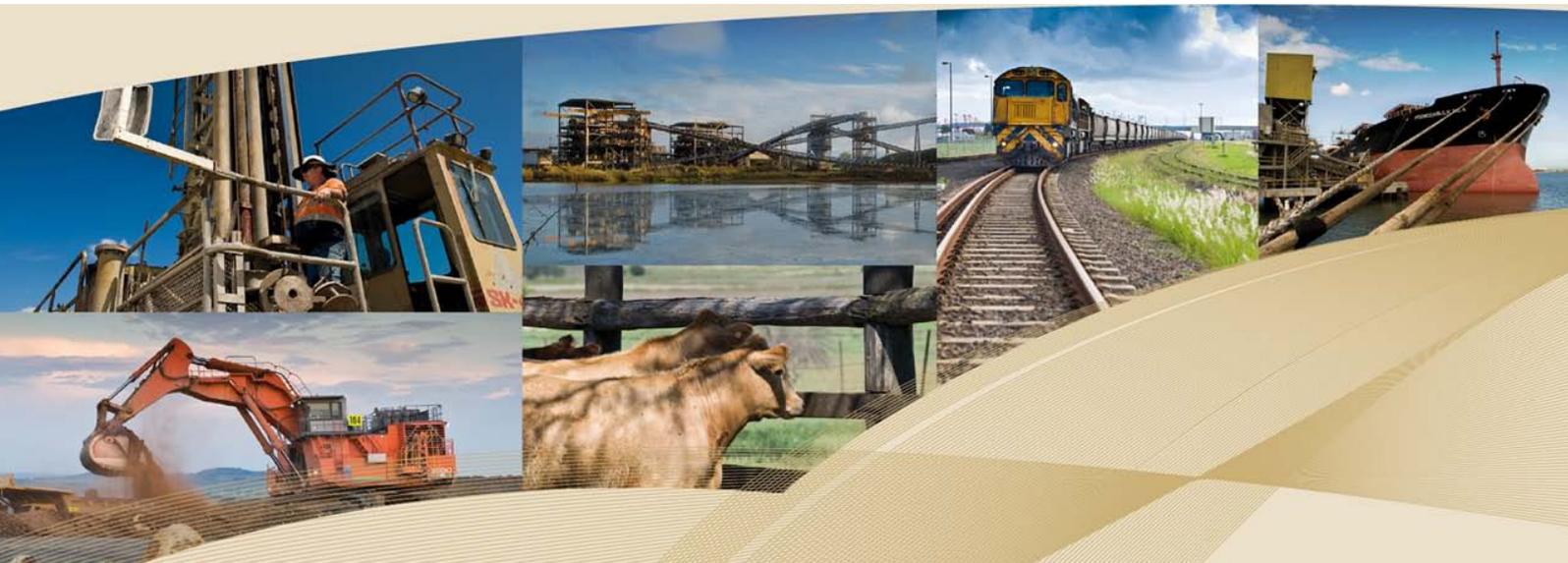


Tasmania Project EL44/2007 Rosevale Final Report



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EL49/2007 Rosevale Final Report
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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 life of the lease.

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)

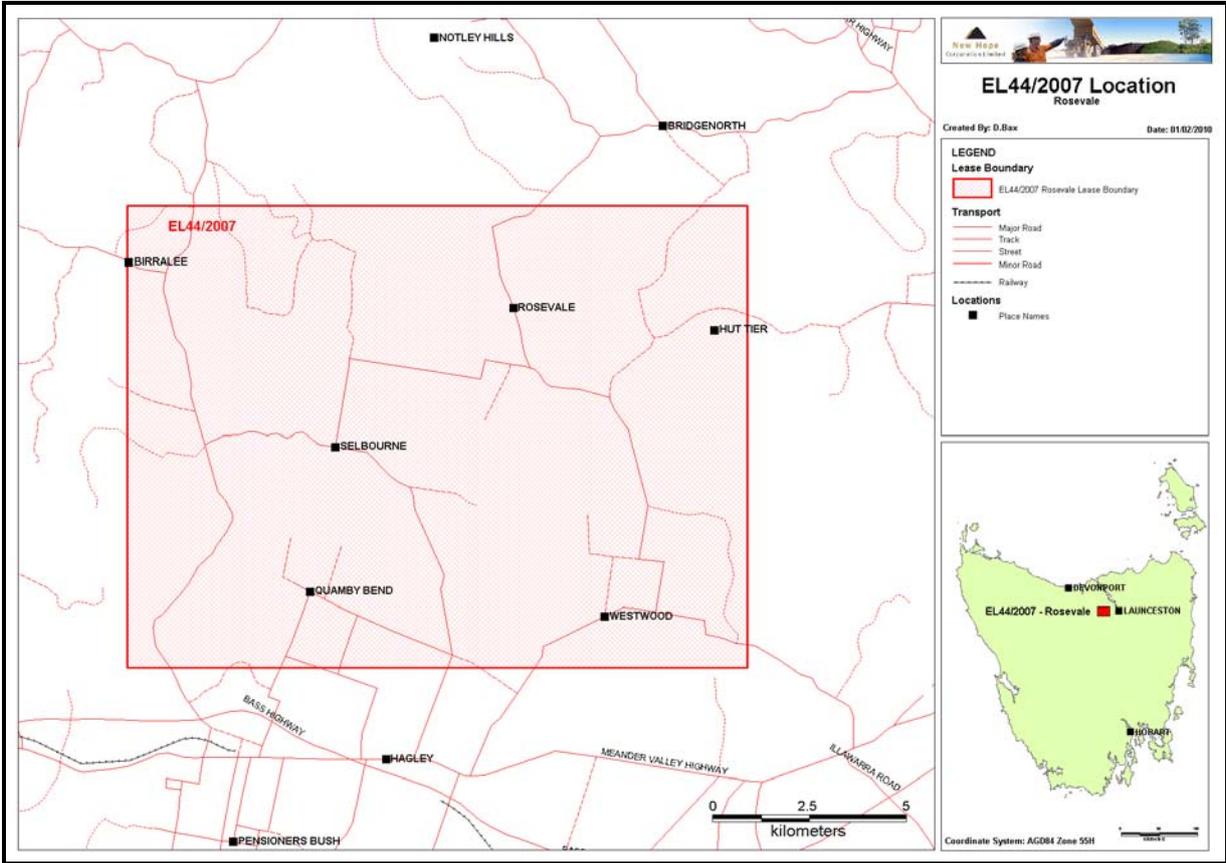


FIGURE 1: LOCATION OF EL 44/2007 ROSEVALE

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).

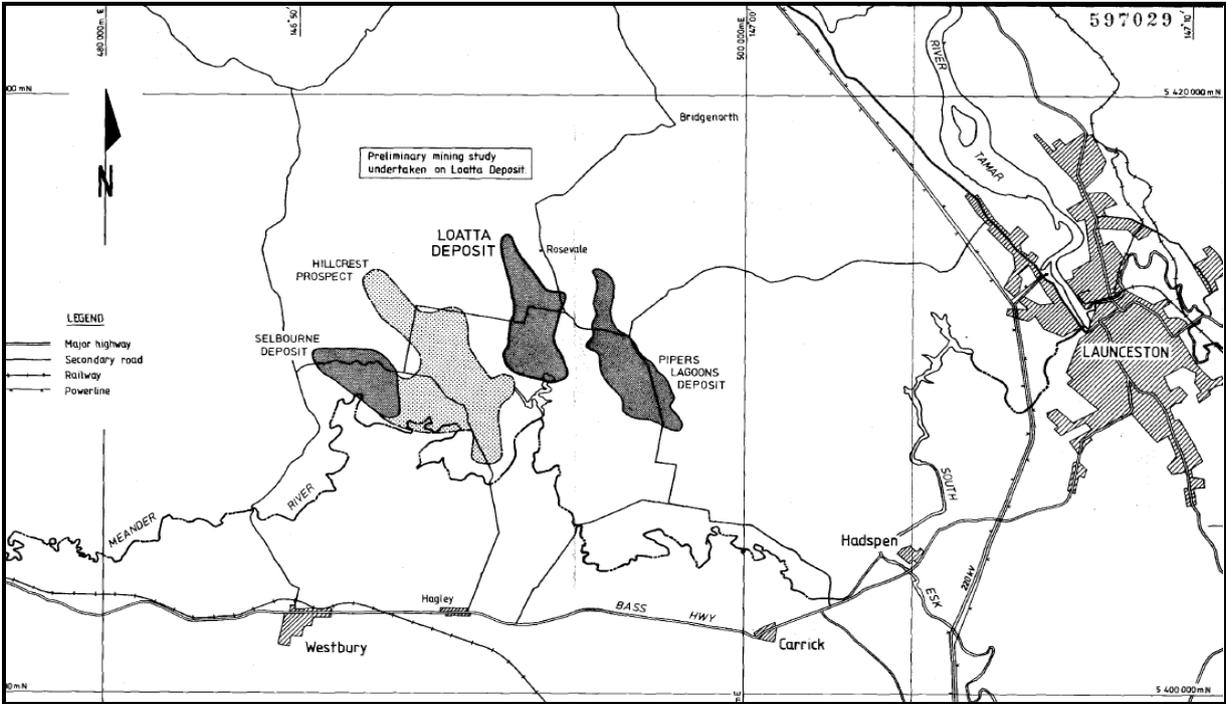


FIGURE 2: TARGET AREAS OF ROSEVALE

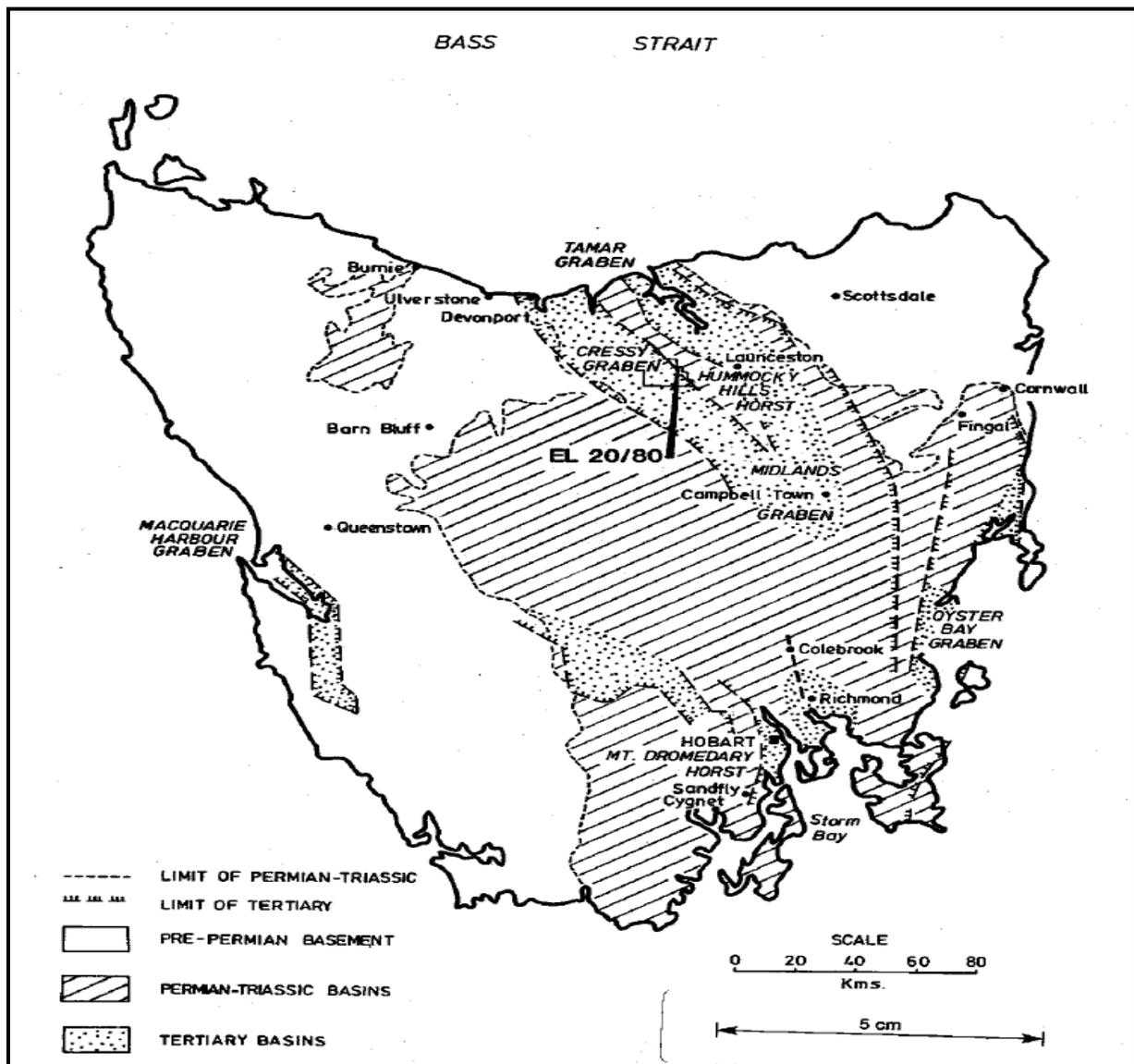


FIGURE 3: CRESSY GRABEN

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 2010-2011

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

Due to unseasonal rain in Tasmania during 2010, the drilling programs were postponed until such time where it was agreed between the landowner, Spaulding Drillers and New Hope Exploration, that access to the drill site would not hinder ground conditions, and cause unnecessary damage to the landowners' property. Several trips to visit landowners were made by representatives of New Hope Coal, or by an appointed Tasmania-based delegate.

Further discussion regarding the reconnaissance work carried out at Rosevale in 2010 can be found in the 2010 Annual Report

DRILLING

All drillholes drilled at Rosevale were completed by Spaulding Drillers, based in Devonport, Tasmania, at the locations seen in Table 1. Table 2 below shows a summary of the drilling and geophysical information for the Rosevale holes. All lithology logs and geophysical logs are attached as appendices in the 2010 Annual Report.

TABLE 1: SUMMARY OF DRILLHOLE LOCATIONS FOR ROSEVALE

Hole Name	Historical Hole Name	Easting GDA94 – Zone 55H	Northing	Elevation (m) AHD	Total Depth (m)
RV001	R114	496343.64	5412113.30	145.039	121.00
RV002	R115	493269.77	5413931.46	159.684	154.00
RV003	C082	493106.52	5412613.29	202.465	161.00
RV004	C019	488299.34	5411115.86	150.296	149.50
RV005LC	C019	488303.61	5411115.41	150.267	53.00

NOTE: Coordinates for drillholes were provided in AGD84, as this is New Hope's standard for exploration and resource modelling. To report the coordinates in GDA94, they were generated using the Coordinate Extractor tool in MapInfo. All holes have been surveyed by Survey Resources of Launceston, Tasmania.

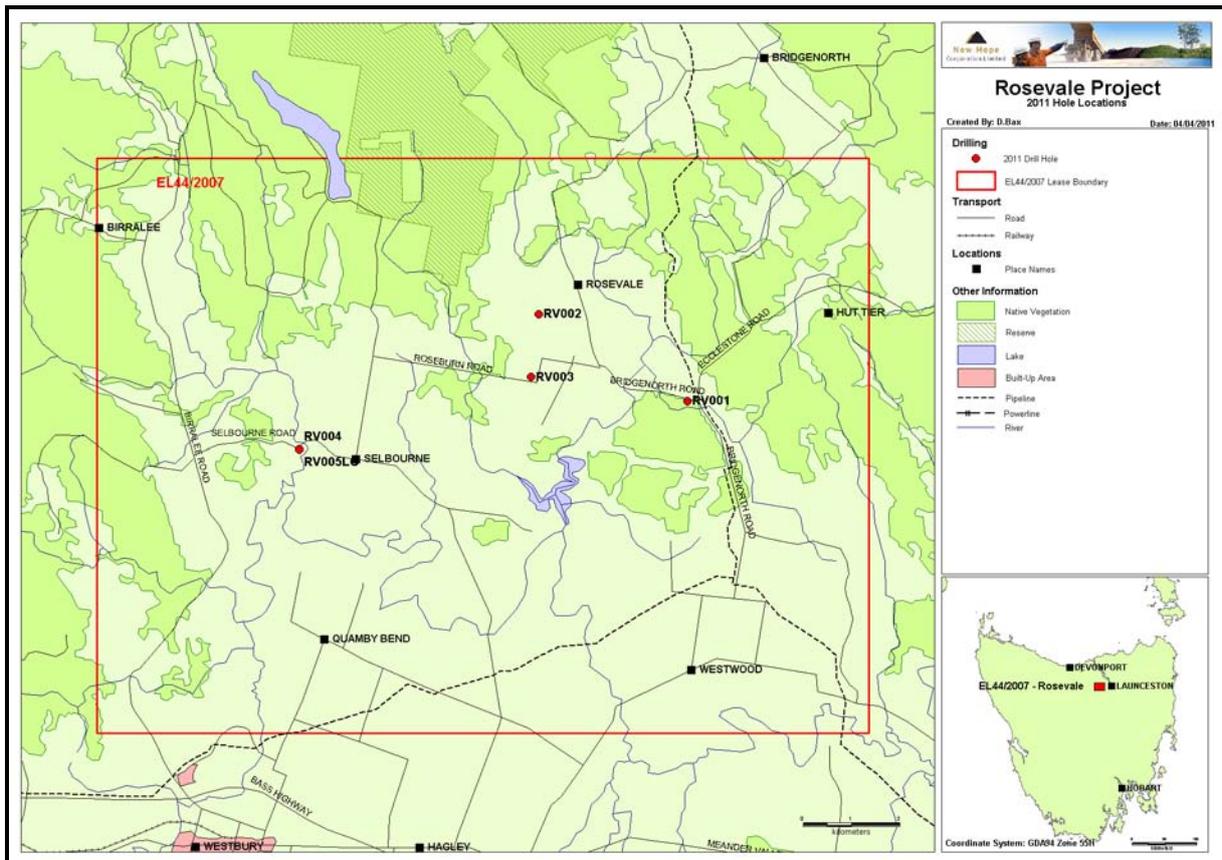


FIGURE 4: LOCATION OF 2011 DRILLHOLES AT ROSEVALE

TABLE 2: SUMMARY OF DRILLING AND GEOPHYSICAL DETAILS FOR ROSEVALE DRILLHOLES

Drilling Details							Geophysics	
Hole Name	Start Date	End Date	Hole Type	Company	Rig No.	Orientation	Logged	Company
RV001	22/02/2011	23/02/2011	7" Chip	Spaulding Drillers	Rig 6	Vertical	Yes	GDS
RV002	24/02/2011	4/03/2011	7" Chip	Spaulding Drillers	Rig 6	Vertical	Yes	GDS
RV003	8/03/2011	9/03/2011	7" Chip	Spaulding Drillers	Rig 6	Vertical	Yes	GDS
RV004	10/03/2011	11/03/2011	7" Chip	Spaulding Drillers	Rig 6	Vertical	Yes	GDS
RV005LC	15/03/2011	18/03/2011	8" Core	Spaulding Drillers	Rig 6	Vertical	Yes	GDS

Exploration Completed 2011-2012

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.

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

Environmental disturbance was reported in 2011 as per Table 3 below.

TABLE 3: ENVIRONMENTAL DISTURBANCE AREAS FOR ROSEVALE

Hole	Location	Approximate Size	Approximate Area	Comments
RV001	Drill pad	40m x 30m	1200m ²	Cleared trees and scrub vegetation
	Access Track	50m x 5m	250m ²	
RV002	Drill pad	40m x 30m	1200m ²	Slashed grass
	Access Track	-	-	
RV003	Drill pad	40m x 30m	1200m ²	Slashed grass
	Access Track	-	-	
RV004	Drill pad	40m x 30m	1200m ²	No clearing required, however, heavy vehicles were on site
	Access Track	-	-	
RV005LC	Hole drilled on same site as RV004			
TOTAL			5050m²	

Due to rain events, the rehabilitation of the Rosevale drill sites was postponed, however, were completed within 8 weeks of the completion of the drilling activities. The rehabilitation required at Rosevale 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, and it was carried out in consultation with landholders.

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. Further information has been provided in previous submissions to MRT.



RV001 Pre-Drilling



RV001 Post-Drilling



RV002 Pre-Drilling



RV002 Post-Drilling



RV003 Pre-Drilling



RV003 Post-Drilling



RV004 & RV005LC Pre-Drilling



RV004 & RV005LC Post-Drilling

References

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

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

Keywords

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