



14 December 2012

Capacity Allocation Letter of Intent Signed with Export Coal Terminal

Highlights:

- Signed LOI for an initial port allocation of 1.5 Mtpa throughput at Texas Deepwater Industrial Port (TDIP), expandable to 3 Mtpa
- Acquired access to excellent deep water coal terminal suitable for loading both Panamax and Post Panamax or baby Cape-Size vessels
- Secured export outlet to key European, Latin American, and Asian markets for high quality thermal coal from the Kinney Coal Project
- Will announce framework agreement by the end 1st quarter CY 2013

The Board of New Horizon Coal Ltd (**NHO** or **Company**) is pleased to announce that it has signed a Letter of Intent (**LOI**) with the Texas Deepwater Industrial Port (**TDIP**) in Houston, Texas.

NHO and TDIP are working on a framework throughput agreement, which will provide NHO with an initial export allocation of 1.5 million tonnes per annum throughput at TDIP. Port allocation will increase to 3.0 million tonnes per annum commensurate with capacity expansion at NHO and TDIP. The final agreement will:

- Demonstrate export market outlets, marking another significant milestone in the Company's brief history
- Provide access for the company's premium quality thermal coal to major seaborne markets in Europe, Latin America, and Asia
- Create partnership opportunities with other major shipper of US coal who are currently exporting high sulphur or lower heat coals.
- Allow NHO to grow into its allocation and have allocation secured for future proposed projects
- Remove significant risks to the development of the Kinney Coal Project and allow discussions with offtake partners to advance sooner than expected

About TDIP

TDIP is a 175 hectare (433 acre) Industrial development located on the Houston Ship Channel. The Port of Houston is the second largest port in the United States. TDIP, under private ownership, is permitted to handle the export of up to 15 million tonnes per annum throughput and will also include a crude by rail offloading and storage operation with potential crude storage capacity for up to 10 million barrels. In addition, TDIP will have onsite rail car storage

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capacity for up to 1100 rail cars. With its strategic location and dual service from both Union Pacific and Burlington Northern Santa Fe, TDIP is an attractive option for customers looking for solutions for bulk commodity exports and crude by rail movements and storage.

TDIP is a fully permitted bulk coal handling terminal. Initial throughput capacity in phase 1 development will be 7 million tonnes, with the potential in phase 2 to increase to 15 million tonnes per annum. Construction of the facility is due to commence in Q1 of 2013 with coal exports commencing at the terminal by Q4 2014. TDIP terminal can handle up to +/-42 feet (12.8 metres) of vessel draught, which allows the use of Panamax and Post Panamax “baby Cape”-size vessels. The TDIP terminal facility will be operated by Metropolitan Stevedore Company (“Metro Ports”), one of the oldest and largest bulk terminal operators in the US.

With its strategic position on the US Gulf Coast, TDIP provides seaborne access to critical coal markets in Europe, Latin America and Asia.

TDIP is being developed by Pinto Realty Partners, LP. Ernie Cockrell, Managing Director for Pinto Realty Partners, LP said: “This agreement represents the start of a long term relationship between TDIP and New Horizon Coal Limited. We believe that their high quality thermal coal will be in high demand on the export market and also see it as an excellent blending product for other US coal exporters who will be exporting through our terminal on the Houston ship channel”.

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About New Horizon Coal Ltd

NHO is focused on becoming a producer of high quality thermal coal, with a target of becoming a mid-tier North American coal mining company. Through its US subsidiary, Wasatch Natural Resources (WNR), the Kinney Coal Project was acquired in late 2011. The Kinney Coal Project plan involves underground mining of two major coal seams using multiple, continuous miner sections in a room and pillar mining operation. Entry will be via an exposed coal seam outcrop within the already permitted area.

The Kinney Coal Project lies in a mature mining region which has historically produced over 30 million tonnes of coal annually from underground mines. The Kinney Coal Project benefits from world-class infrastructure including three class 1 rail carriers within 30km of the proposed portal, paved roads and state highway maintenance facility directly adjacent to the mine and an experienced local workforce. The Kinney Coal Project is well positioned to meet demand for coal in the domestic and export markets with a high heat, low sulphur product.