

**ASX:NHO****Released: 8 January 2015****Directors & Management****Tony Brennan**
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admin@newhorizonminerals.com.au**KINNEY COAL PROJECT**

The Board of Directors of New Horizon Coal Ltd (ASX: **NHO**, “the **Company**”) provides an update on the status of the Kinney Coal Project (the **Project**), Utah, USA.

Pursuant to the terms of the revised Asset Purchase Agreement (**APA**) for the Kinney Coal Project as announced on 31 March 2014, the Company had to make a decision between making a payment of US\$1 million or returning the project to the original owners and retaining no interest and having no ongoing commitments.

The Company held discussions with Carbon Resources to vary or amend the terms of the APA however, these discussions were not been successful and the Company has decided to transfer the project back to the vendor in full satisfaction of any obligations under the APA.

The Board will continue to focus on new projects and has been evaluating new projects in all business sectors.