



NEW HOPE FY2015 FINANCIAL RESULTS

22 September 2015

New Hope maintains focus on cost management and efficient production to deliver NPAT before non-regular items of \$51.7 million

KEY HIGHLIGHTS

- FY2015 net profit after tax (NPAT) before non-regular items of \$51.7 million, a 25% increase on FY2014.
- Losses from impairments and other non-regular items of \$73.6 million after tax; statutory net loss after tax of \$21.8 million.
- Fully franked final dividend of 2.5 cents per share and a special dividend of 3.5 cents per share declared, bringing total fully franked dividends for FY2015 to 10.0 cents per share.
- Continued focus on efficient operations delivered a 17.1% reduction in cost of sales while simultaneously delivering improved safety performance.
- Strong operating cash flows of \$88.5 million after tax an increase of \$24.1 million on FY2014.
- Total cash and term deposits of \$1065.3 million as at 31 July 2015.

FINANCIAL OVERVIEW

	FY2015	FY2014
Revenue from continued operations	\$505.8 million	\$549.0 million
NPAT before non-regular items	\$51.7 million	\$41.5 million
NPAT after non-regular items	(\$21.8 million)	\$58.4 million
NPAT from coal mining and logistics (before non-regular items)	\$26.0 million	\$10.8 million
NPAT from oil operations (before non-regular items)	(\$2.3 million)	\$3.4 million
NPAT from treasury and investments (before non-regular items)	\$28.0 million	\$27.3 million
Earnings per share (before non-regular items)	6.2 cents per share	5.0 cents per share
Earnings per share (after non-regular items)	(2.6) cents per share	7.0 cents per share
Total fully franked dividend for FY2015	\$78.9 million	\$132.8 million
ROM coal production	11.1 million tonnes	11.0 million tonnes
Saleable coal production	5.7 million tonnes	5.6 million tonnes
Coal sold	5.8 million tonnes	6.0 million tonnes

New Hope Corporation Limited (ASX: NHC) ('New Hope', 'the Company' or 'the Group') announces NPAT before non-regular items of \$51.7 million for the 2015 financial year (FY2015), compared to \$41.5 million in the previous financial year (FY2014).

After non-regular items, New Hope reported a net loss after tax of \$21.8 million for FY2015. Non regular items for FY2015 include:

- \$36.0 million impairment of oil producing assets
- \$4.2 million impairment of goodwill associated with oil producing assets
- \$17.0 million impairment of New Hope's coal-to-liquids facility due to a lack of immediate commercial applications
- \$17.6 million impairment of held-for-sale shares in IGas and Planet Gas due to prolonged depreciation in share value
- \$1.2 million profit on the disposal of Dart Energy

New Hope's Managing Director, Shane Stephan, said: "We continue to successfully meet the challenges of the current downturn in global coal prices through sustainable cost reductions and prudent financial management.

"We have reduced costs significantly during FY2015, while continuing to improve safety performance across all operations. This is testament to the operational strength of New Hope's team.

"The benefits of our ongoing focus on efficient production can also be seen in the Company's strong operating cash flow generation, which grew by \$24.1 million to \$88.5 million in FY2015, an increase of over 37%.

"We have maintained the financial capacity to take advantage of prevailing market conditions and are actively reviewing asset acquisition opportunities. We are interested in projects where we can draw on our existing operational expertise and add additional coal production capacity.

"Market conditions have remained challenging throughout FY2015. A recovery in global coal prices is likely to be gradual and is still some time away. However, the longer term outlook for coal – particularly high-quality Australian coal – remains positive. In this environment, New Hope's operational strength and capacity to fund acquisitions position the Company well for the future."

MINING OPERATIONS

New Hope's mining operations produced a total of 5.7 million tonnes of clean coal during FY2015, an increase of 2% on FY2014's total production of 5.6 million. Total sales for FY2015 were 5.8 million tonnes, 3% below the 6.0 million tonnes sold in FY2014.

The Company's ongoing focus on operational efficiencies delivered significant cost improvements at both New Acland and West Moreton production sites. This strong cost performance has been achieved alongside significant and sustained improvements in safety performance through New Hope's I-Safe / We-Safe program.

New Acland produced a total of 5.1 million tonnes of coal in FY2015, an increase of 0.2 million tonnes from FY2014. Free on rail costs at New Acland were reduced by more than 9% during the financial year.

At the Company's West Moreton operations (the Jeebropilly mine along with the New Oakleigh and Chuwar rehabilitation sites), coal production was 0.7 million tonnes, consistent with the FY2014 total. Free on rail costs were reduced by more than 15% from FY2014.

New Hope's FY2016 coal production is expected to be at similar levels to FY2015.

BRIDGEPORT ENERGY

Oil production totalled 158,883 barrels in FY2015, an increase of 36% on FY2014. However, due to significantly lower oil prices, sales revenue decreased 19% from \$14.6 million in FY2014 to \$11.8 million in FY2015.

In response to lower oil prices, Bridgeport's key focus during the year was to reduce operating expenditure, with a 10% decrease achieved in the second half of the financial year.

Bridgeport also deferred drilling programs at operated production wells and reduced staffing levels, primarily through attrition.

Bridgeport completed a review of its exploration portfolio and has packaged a suite of assets in the Cooper Eromanga Basin for potential farm-out, with the aim of securing a partner for a 20% interest in the tenements. This process is ongoing.

QUEENSLAND BULK HANDLING (QBH)

QBH, New Hope's 100% owned coal terminal at the Port of Brisbane, exported 7.1 million tonnes of coal on 89 vessels in FY2015. This was a reduction of approximately 770,000 tonnes from FY2014, predominately due to the closure of Peabody's Wilkie Creek mine and the resulting reduction in throughput.

Operational costs at QBH were reduced during FY2015, with a number of business improvement programs successfully completed and further stages planned in FY2016. Engineering and other studies related to the upgrade of existing infrastructure also continued during the year.

EXPLORATION

New Hope continued exploration activities in FY2015 utilising the Company's two drill rigs. Resource definition in the Bowen Basin and Surat Basin (including the revised New Acland Coal Mine Stage 3 Project), as well as Colton in the Maryborough Basin, were the focus of exploration work during the financial year. Exploration on New Hope's mineral tenures focused on the eastern edge of the Mount Isa block and the Laura Basin.

PASTORAL OPERATIONS

Acland Pastoral's five-year development plan progressed with approximately 42 kilometres of new fencing, ten new water troughs and two water storage tanks constructed during FY2015. Cattle trials on rehabilitated land continue to deliver positive results and the trials will continue in FY2016.

DEVELOPMENT PROJECTS

New Hope advanced approvals of a number of development projects during the financial year, with the New Acland continuation plan a key priority for the Company.

New Acland's Environmental Impact Statement (EIS) process was completed during FY2015, receiving conditional approval from the Coordinator-General on 19 December 2014.

In early 2015, the combined public notice of application for Mining Lease and amendment of Environmental Authority was published. Since the end of the financial year the Department of Environment and Heritage Protection has issued a draft Environmental Authority for the project. Matters are expected to be referred to the Land Court for determination in late this calendar year. State and Federal approvals are anticipated to progress positively during 2016.

OUTLOOK

The current cyclical downturn in global coal markets has been caused by oversupply and this has impacted revenues of coal producers globally. The duration of the current period of low pricing is beginning to reduce supply in some international markets. In this environment, sustainable cost reductions will remain a key focus for the Company.

The combination of New Hope's demonstrated operational expertise and strong balance sheet will enable the Company to weather the current downturn and position it to take advantage of potential acquisition opportunities.

Concurrently, the Company will continue to develop its portfolio of assets with a key focus on advancing approvals for the New Acland continuation plan.

In FY2016, New Hope will continue its selective exploration and activities seeking mining approvals to enable new projects to be brought into production when market conditions improve.

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For further information, please contact:

Investors/Analysts

Robert Millner Chairman, New Hope Corporation Limited (02) 9232 7166

Shane Stephan Managing Director, New Hope Corporation Limited (07) 3418 0500

Media

Libby Beath Manager, Corporate Affairs 0499016674



REGISTERED OFFICE

P: PO Box 47, Ipswich, QLD Australia 4305

A: 3/22 Magnolia Drive, Brookwater, QLD Australia 4300

T: +61 7 3418 0500 **F:** +61 7 3418 0355 **W:** newhopegroup.com.au