

MEDIA RELEASE

New Hope reaches agreement to acquire 40% interest in Bengalla Coal Mine

30 September 2015

New Hope Corporation Limited (ASX:NHC) has reached a binding agreement to purchase a 40 percent interest in the Bengalla thermal coal mine in the Hunter Valley in New South Wales for A\$865 million from a subsidiary of Rio Tinto Limited (ASX:RIO).

The Bengalla mine is a large-scale open cut mine near Muswellbrook producing about 8.6 million tonnes per annum of high quality thermal coal.

Bengalla's development consent allows the mine to increase production to approximately 12 million tonnes per annum.

New Hope's Managing Director, Shane Stephan, said the Bengalla mine is very competitively positioned on the global export thermal coal cost curve and has a 25 year permitted mine life at current production levels underpinned by approximately 218 million tonnes of marketable coal reserves ⁽¹⁾.

"This offer demonstrates New Hope's positive long term outlook for the global export thermal coal market driven by increasing demand across Asia," he said.

Mr Stephan said New Hope also maintains its commitment to the New Acland continuation project and retains the financial capability to undertake the project assuming successful completion of the approvals process.

Completion of the acquisition is subject to certain conditions precedent including:

- the three remaining participants in the Bengalla Mine - Wesfarmers Bengalla Limited, Taipower Bengalla Pty Limited and Mitsui Bengalla Investment Pty Limited –not exercising their pre-emptive rights under the Bengalla joint venture agreement; and
- a corporate restructure which will result in CNA Bengalla Investments Pty Ltd (the Rio Tinto Bengalla joint venture participant) becoming a wholly-owned subsidiary of Rio Tinto Limited.

If none of the remaining participants in the Bengalla joint venture exercise their pre-emptive rights, or they elect to waive them and all other conditions precedent are satisfied or waived, the parties expect completion of the purchase will take place in the first quarter of 2016.

New Hope has, via another wholly-owned subsidiary, separately offered to acquire all of the shares on issue in CNA Bengalla Pty Ltd, the manager of the Bengalla joint venture.

(1) Resources and Reserves relate to 100% of the project. Rio Tinto's media release containing the estimates in respect of Bengalla was released to ASX on 28

*November 2014 and is available on the ASX announcements platform (**Rio Tinto's release**). The competent person responsible for the original report in respect of the Bengalla relied upon in Rio Tinto's release was Mr Andrew Prentice. New Hope confirms that it is not aware of any new information or data that materially affects the information in Rio Tinto's release and confirms that, so far as it is aware, the form and context of Mr Prentice's findings have not been materially altered and all material assumptions and technical parameters underpinning the estimates in Rio Tinto's release continue to apply and have not materially changed.*

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