



# QUARTERLY ACTIVITIES REPORT

## 31 October 2017

16 November 2017

\* Coal sold includes traded coal sales

Quarter Ended			
	Oct - 17 (‘000t)	Oct -16 (‘000t)	Change (%)
<u>Saleable Coal Production</u>			
QLD 100% owned and operated	1,348	1,419	(5.0%)
NSW 40% owned operations	1,031	822	25.4%
<b>Total Saleable Coal Production</b>	<b>2,379</b>	<b>2,241</b>	<b>6.2%</b>
<u>Coal Sold*</u>			
QLD 100% owned and operated	1,202	1,061	13.3%
NSW 40% owned operations	944	789	19.7%
<b>Total Coal Sold</b>	<b>2,146</b>	<b>1,850</b>	<b>16.0%</b>
QBH Export Throughput	1,659	1,534	8.1%

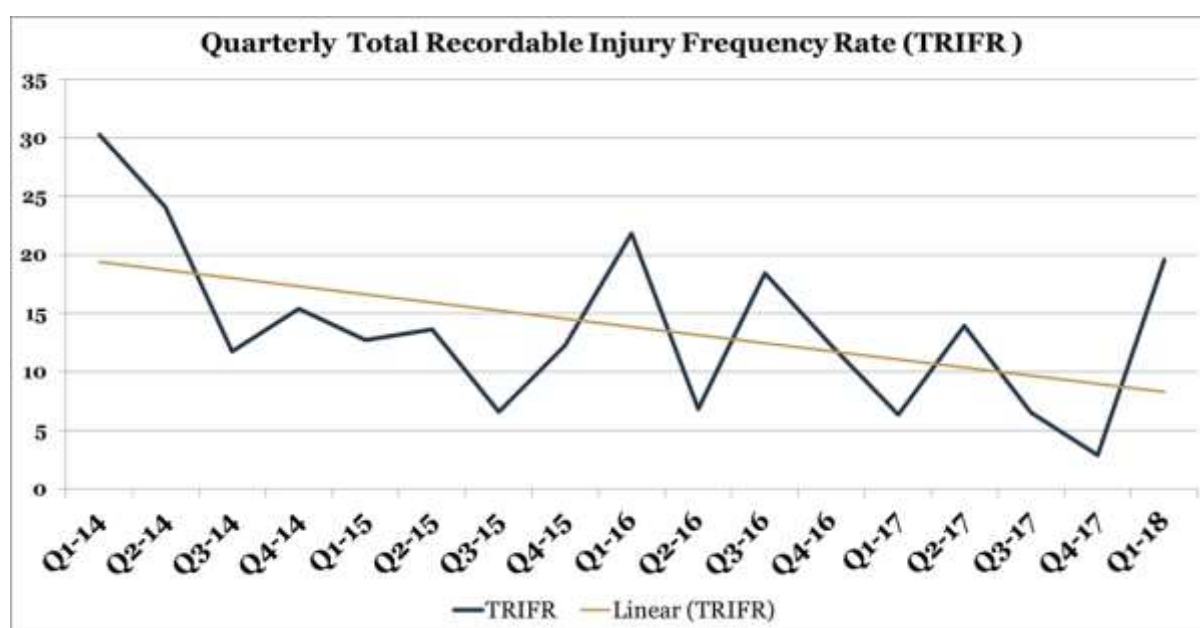
### KEY POINTS

- Index prices for export thermal coal continued to strengthen during the quarter with the Globalcoal Newcastle Index price average \$97.11 for October.
- Good sales volumes coupled with the favourable prices noted above have resulted in a strong financial result for the first quarter.
- The group delivered strong production of 2.379 million tonnes for the quarter, an increase of 6.2% on the prior corresponding period.

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- The Lenton Joint Venture (90% New Hope) has entered into an agreement to acquire 4 mining tenements and associated infrastructure of the Burton Coal Mine from Peabody.
- The New Acland Stage 3 project has submitted its Associated Water License Application to the Department of Natural Resources and Mines.
- A combination of recent acquisitions and workovers have enabled oil production to reach the rate of 1,000 barrels of oil per day.

## SAFETY PERFORMANCE



The deterioration in the safety trend during the quarter has prompted increased training in Safety Interactions and a continued focus on Positive Performance Measures, particularly the use of the Personal Risk Management Tool.

## QLD COAL OPERATIONS

Despite wet weather having a negative impact on mining operations during the quarter, saleable coal production was only slightly lower than the prior corresponding period with the operations able to utilise raw coal inventory that had been accumulated during the winter months.

Coal sales were in line with expectations for the current quarter but higher than the prior corresponding period which was negatively impacted by typhoons in Asia and resultant delays to shipping.

## NSW OPERATIONS – 40% OWNED (BENGALLA)

New Hope's share of coal production from Bengalla for the quarter was 1.03 million tonnes, 25% above the prior corresponding period and 17% above the previous quarter.

The higher production resulted from lower than average wet weather coupled with an increase in the amount of bypass coal as a consequence of increased domestic sales for the quarter.

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## QLD PASTORAL OPERATIONS

Acland Pastoral operations received good rain during the quarter promoting good pasture growth and favourable conditions for summer cropping. Breeder cattle numbers are at 2,200 head and are currently calving. A further 1800 calves are expected by end of January 2018.

## CORPORATE DEVELOPMENT

During the quarter the company announced that the Lenton Joint Venture (90% New Hope) has agreed to acquire four mining tenements and associated infrastructure of the Burton Coal Mine from Peabody.

The Burton mine and infrastructure adjoins the New Lenton Project.

Subject to the satisfaction of remaining conditions, settlement is now expected to occur in 2017.

## EXPLORATION AND DEVELOPMENT

During the quarter drilling activity continued to be focused on New Acland tenements with 25 holes drilled for a total of 2,534 metres.

In anticipation of settlement proceeding, an exploration program has been developed for an area adjacent to the current pits at the Burton mine. The program is expected to be commenced as soon as possible after settlement, with a view to having an updated geological model by the end of the current financial year.

Options around Colton's development timing and methodology continue to be investigated following the granting of Mining Leases in May 2017.

The North Surat Project Pre-Feasibility Study progressed to advance opportunities identified in the Concept Study.

Statutory requirements for the Elimatta Mining Lease application have progressed with landholder compensation being referred to the Land Court for determination.

### **Revised New Acland Coal Mine Stage 3 Project**

On the 3rd October 2017 the company submitted its Associated Water License application for the revised project to the Department of Natural Resources and Mines. This is an important step in progressing our approvals for the project.

As previously announced the Company has initiated a Judicial Review of the Land Court recommendation. This matter has now been listed for a five day hearing commencing 19 March 2018 in the Supreme Court.

## BRIDGEPORT ENERGY

Oil production totalled 92,409 barrels for the quarter with 85,257 barrels of oil being sold.

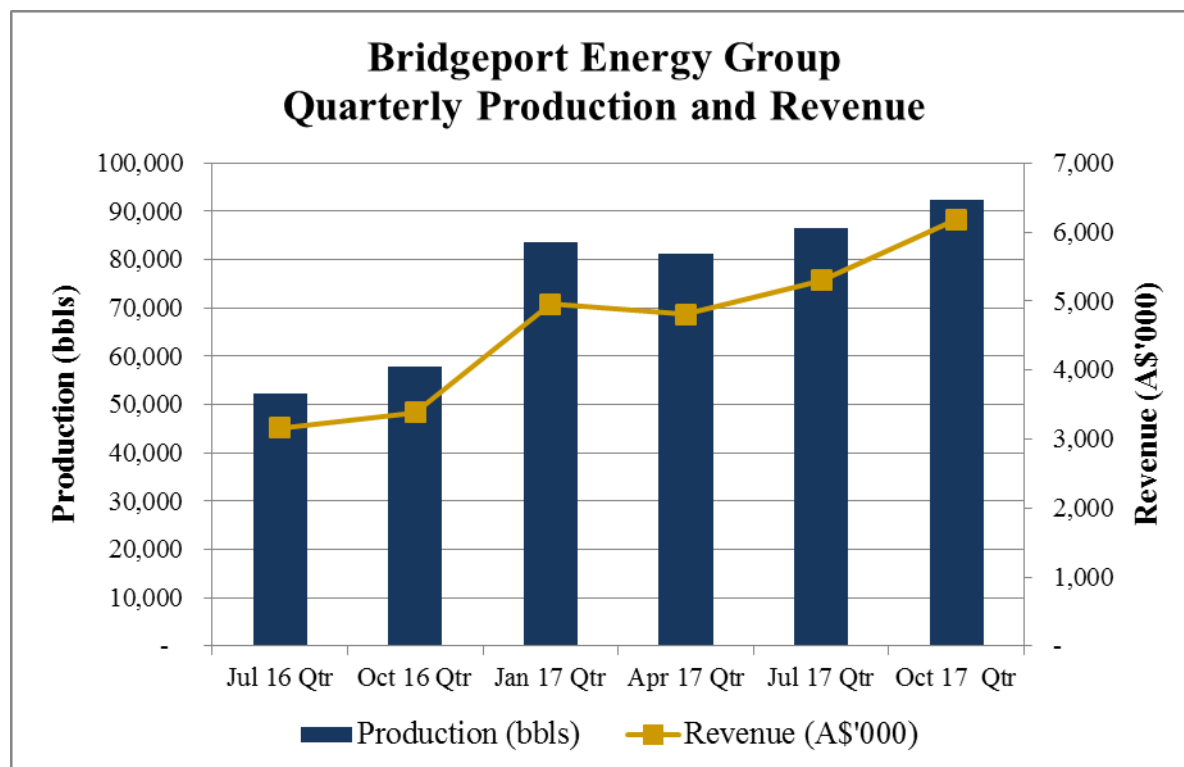
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Remapping and reservoir modelling of Bridgeport’s principal producing fields continued as part of a program to identify bypassed oil zones and lower cost production improvement opportunities.

## Health and Safety

There were no incidents during the quarter and the Bridgeport (“BEL”) LTI free period now stands at 1,546 days.



## Exploration

Following an encouraging drilling result in ATP 794 (now ATP 2025 and 2026) Bridgeport has submitted ten potential commercial area (“PCA”) applications over the area.

In the Cooper Basin, seismic acquisition of 253 km<sup>2</sup> of 3D data west of the Cuisinier oil field in ATP 752 (Santos-operated) has been completed and data processing is currently underway.

Bridgeport is in the process of increasing its equity in PEP 150 (onshore Otway Basin) to 50% (up from 15%), along with being appointed joint venture operator.

## COMMUNITY SUPPORT

### A Focus on Mutual Benefits

New Hope has continued to support a number of community projects aimed at strengthening local towns and organisations. Some of the key social investment activities in the quarter include:

- Continued support of science, technology, engineering and mathematics (STEM) education through the Queensland Minerals and Energy Academy (QMEA) activities at Oakey State High School

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- Disadvantaged student sponsorship through the Smith Family
- Support for a sensory garden at the Bowenville State School
- Contribution towards the purchase of new laptops at the Tivoli State School
- Support for air-conditioning at the Rosewood State School

Recognition of the support New Hope has in local communities has been demonstrated through the proactive role local community have had in supporting the New Acland Mine. Various individuals and organisations have spoken publically in support of New Hope Group and the important place it has in the community and wider economy.

## CORPORATE

The Company's Annual General Meeting is to be held on Thursday, 16 November 2017. A further update on the Company's first quarter activities will be provided at that meeting. The presentation will be lodged with the ASX and also available on the Company's website.

For more information, please contact:

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