



QUARTERLY ACTIVITIES REPORT

31 JANUARY 2019

18 February 2019

	Quarter Ended			6 Months Ended		
	Jan-19 ('000t)	Jan-18 ('000t)	Change (%)	Jan-19 ('000t)	Jan-18 ('000t)	Change (%)
Saleable Coal Production						
QLD 100% owned and operated	1,176	1,186	(0.8%)	2,300	2,534	(9.2%)
NSW 70% owned operations*	1,481	887	67.0%	2,359	1,918	23.0%
Total Saleable Coal Production	2,657	2,073	28.2%	4,659	4,452	4.6%
Coal Sold						
QLD 100% owned and operated	947	1,326	(28.6%)	2,073	2,528	(18.0%)
NSW 70% owned operations*	1,453	946	53.6%	2,323	1,890	22.9%
Total Coal Sold	2,401	2,272	5.7%	4,396	4,418	(0.5%)
QBH Export Throughput	1,549	1,922	(19.4%)	3,221	3,581	(10.1%)

*New Hope increased its interest in the NSW operations from 40% to 70% share effective 1 December 2018.

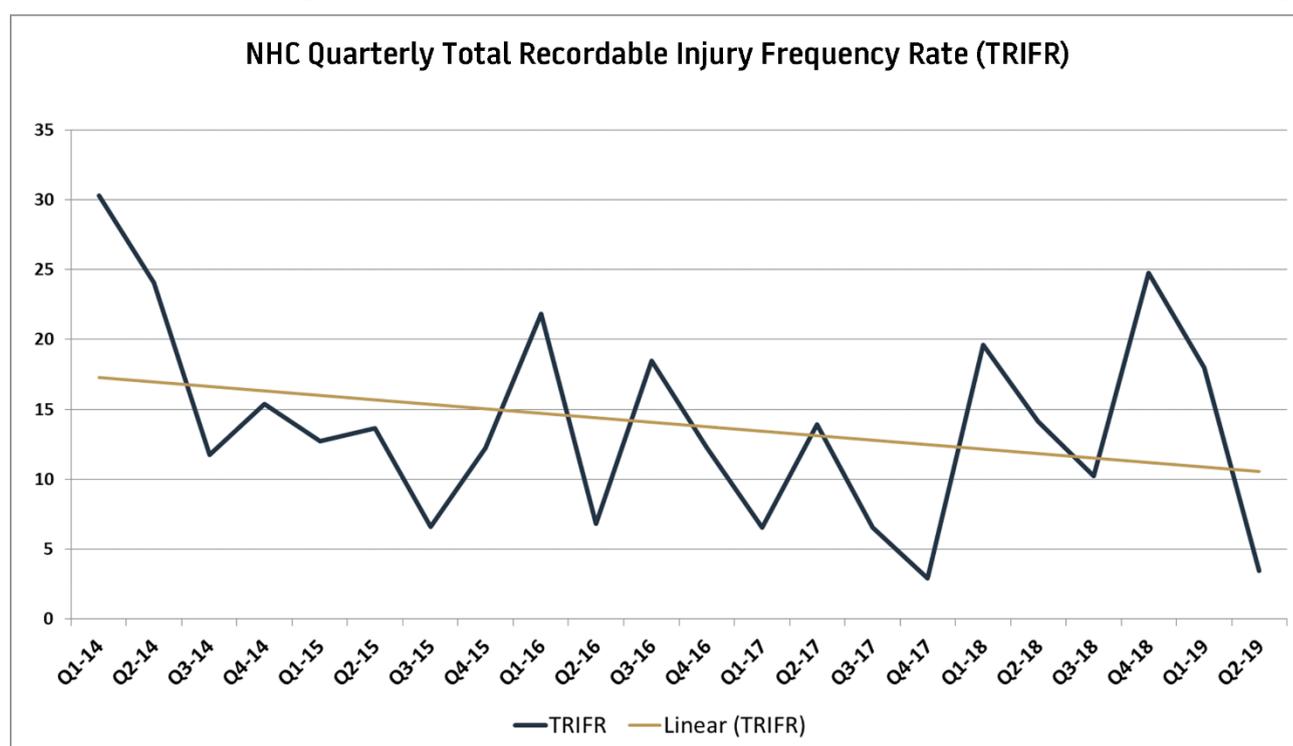
KEY POINTS

- Total coal production benefitted from the completion of the acquisition of a further 30% of the Bengalla Joint Venture to a 70% interest at the beginning of December 2018.
- A binding commitment to purchase Mitsui's 10% interest in the Bengalla Joint Venture was announced on 26 November 2018 (subject to the pre-emptive rights process under the Joint Venture Deed). Consistent with the Wesfarmers transaction, the Mitsui transaction also has a 1 December economic effective date.
- With majority ownership of Bengalla now secured, work is progressing on the integration of the Bengalla site into the New Hope operating business.
- The Queensland Government certified 349 hectares of progressively rehabilitated mined land at New Acland, the largest single area of certified rehabilitation for an open cut coal mine in the State.

- Index prices for export thermal coal remained strong during the quarter with the globalCOAL Newcastle Index price average US\$100.91.
- The group delivered strong production of 2.7 million tonnes for the quarter, an increase of 28.2% on the prior corresponding period.
- On 7 November 2018, the Queensland Land Court handed down a conditional recommendation to approve the New Acland Mine Stage 3 mining lease and environmental authority amendment applications. The Company remains confident of securing all necessary approvals for mining Stage 3.

SAFETY PERFORMANCE

There is a continued effort to reduce incidents and injuries across the business. Leadership teams at all sites have maintained the focus on driving proactive safety leadership initiatives including critical controls, management, safety interactions, personal risk management and hazard reporting.



Note: The Company's safety statistics include Bengalla from 1 December 2018.

There was a significant incident at Bengalla on Saturday, 3 November 2018, when a tyre contractor was fatally injured working in the heavy vehicle wash bay at the Bengalla mine. The NSW Department of Planning's Resource Regulator is still undertaking their investigations and Bengalla is cooperating with the authorities. Bengalla continues to offer support to all personnel who may have been affected by the tragedy and to the contractor's family.

QLD COAL OPERATIONS

Total coal production reduced 0.8% compared to the previous corresponding quarter. Recovery of remnant coal associated with old underground workings at New Acland has resulted in lower wash

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plant yield than is typical. The New Acland mining operations are currently concentrated around the Acland township and, as a result, operational delays associated with the active management of noise impacts have increased.

The Jeebropilly operations continue to focus on safe production and on finishing well with the completion of mining operations due by the end of CY2019. Closure planning and post-mining land use optimization work continued during the quarter. Jeebropilly has shaped and seeded 28 hectares of rehabilitation during the quarter.

Oakleigh East rehabilitation activities commenced during the quarter with the capping of some old tailing dams.

Revised New Acland Coal Mine Stage 3 Project

On 7 November 2018 the Queensland Land Court handed down a conditional recommendation to approve the New Acland Mine Stage 3 mining lease and environmental authority amendment applications. The Land Court has conditionally recommended that the mining leases and environmental authority amendment be granted subject to certain conditions, including the Coordinator-General first amending noise limit conditions.

The Company remains committed to delivering the New Acland Stage 3 project and will actively work with the relevant government departments to progress through these steps. Obtaining final approval in a timely manner is critical to ensuring the continuity of operations and therefore employment for approximately 300 employees and 500 contractors currently engaged at the New Acland mine.

NSW COAL OPERATIONS – 70% OWNED (from 1 December 2018) (BENGALLA)

The Company completed the acquisition of an additional 30% interest in the Bengalla Joint Venture from Wesfarmers Limited on 3 December 2018, with Taipower acquiring the remaining 10% of Wesfarmers interest. In addition, on 26 November 2018, the Company reached a binding commitment with Mitsui to purchase its 10% interest in the Bengalla Joint Venture for A\$215 million (dependent on the actions of Taipower during the pre-emptive rights process under the Bengalla Joint Venture Deed). The Mitsui transaction is expected to settle in March 2019.

Owning a majority interest in this high quality asset will deliver significant long term benefits to the group. The Company has commenced the planning and implementation of activities required to integrate Bengalla into the New Hope operating business. This integration will include an analysis of what functions should be performed from head office as well as implementing a number of cost management initiatives.

The Company's share of coal produced at Bengalla for the quarter was 1.5 million tonnes, 67% above the prior corresponding period. The Bengalla Joint Venture achieved record saleable coal production in December 2018 of 0.98 million tonnes (100% basis). Production for CY2018 was a record at 9.04 million tonnes (100% basis). The site continues to focus on maximising the value from the resource through utilisation of installed excavator capacity. An additional truck fleet is being mobilized to site over the coming months which is expected to provide a further incremental production increase in CY2019.

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QLD PASTORAL OPERATIONS

Acland Pastoral operations received well below average rainfall for the quarter, negatively impacting grazing pastures and dry land crops. Breeder cattle numbers are at 2,284 head. Branding has commenced with 1,519 calves marked to date. The pasture management and supplement feeding strategy, which includes use of rehabilitation areas for grazing, is ongoing.

The irrigation network has been installed and commissioned allowing for 98 hectares of irrigated corn to be planted. Noxious weed removal, primarily boxthorn, continues with 2,200 acres having been cleared.

The Queensland Government certified 349 hectares of progressively rehabilitated mined land at New Acland, the largest single area of certified rehabilitation for an open cut coal mine in the State. The majority of this land is being used by Acland Pastoral for additional cattle grazing.

COAL EXPLORATION AND DEVELOPMENT

During the quarter, drilling activity saw 52 holes drilled for a total of 3,950 metres across New Acland and the North Surat.

Geological modelling and project planning for the Burton/Lenton project continued in the quarter. Work is progressing on securing off-site rail and port capacity for the project.

The pre-feasibility for the North Surat project progressed, with work focusing on environmental baseline surveys and the continuation of infrastructure option analysis. Drilling activities continued up to the planned end of year maintenance shut down period (mid-December 2018 to January 2019).

BRIDGEPORT ENERGY

There were no incidents during the quarter and the Bridgeport (“BEL”) LTI free period now stands at 1,608 days.

The average realised oil price was US\$61/bbl for the second quarter (A\$87/bbl).

Oil production totalled 94,857 barrels for the quarter with 89,317 barrels of oil being sold. During the quarter, the BDR1 rig was utilised for a five well drilling program at the Moonie and Utopia fields. The drilling was completed and the wells brought onto production. A workover program at the Kenmore Bodalla field commenced and four workovers were completed. Further workovers are planned for the operated assets for the next quarter to continue to improve production.

In non-operated activities, the Jarrah four and five wells were drilled in the Naccowlah block area (BEL net: 2%) and were being connected for production.

Acquisition of the 100km 2D seismic program in ATP 948 immediately east of the Bargie field in southwest Qld was completed and the data is being processed.

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Bridgeport was granted 10 PCA's (186-195) over ATP 2025 and 2026 (formerly ATP 794) last quarter and the area encompassing the main Toolebuc shale play in the Jundah area is progressing with appraisal activities.

COMMUNITY SUPPORT

Providing assistance and support to organisations and events that have an enduring impact on building a strong community has continued to be a focus for New Hope. Most recently this has involved:

- Supporting more than a dozen local community groups around New Acland through the sponsorship and donation program;
- Providing \$57,000 in funding to five local organisations through the Community Investment Fund;
- Sponsoring the Oakey Santa Fair, including arranging for Santa to be flown in by Lifeflight; and
- Working with LifeLine Darling Downs on providing new mental health initiatives to both New Acland employees and the broader community.

New Acland employees continued to work within the community, volunteering at a number of local events.

CORPORATE

The Company's Annual General Meeting was held on Tuesday, 20 November 2018. The Half Year Financial Report is scheduled for release on Tuesday, 19 March 2019.

As announced on February 1, 2019 the Company and relevant subsidiaries have commenced proceedings against WICET and others in the Supreme Court of NSW seeking, amongst other things, a declaration that the Company is not bound by the Deed of Cross Guarantee to guarantee the debts of NEC and Colton Coal. For further details please see the ASX announcement dated 1 February 2019 at this link <http://www.newhopegroup.com.au/content/investors/asx-announcements>.

For more information, please contact:

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