



ASX RELEASE

Annual General Meeting Receives Company Update

17 November 2020

Today's 18th Annual General Meeting of New Hope Corporation Limited provided shareholders not only with detail of the past financial year but also a glimpse of what the future holds for the business.

The Company saw increased coal production of 11.3 million tonnes and sales of 11.5 million tonnes in 2020, defying the effects of the global COVID-19 pandemic.

Production and sales numbers were driven by the full year interest of 80% in Bengalla Joint Venture. Bengalla remains the stand-out asset for the Company with long dated approvals, quality product and a very low cost of production.

Full year dividends for the 2020 financial year were 6.0 cents per share, however the Directors have not declared a final dividend in light of difficult global economic conditions as a result of COVID-19.

Shareholders were told that, during the year, the Company generated a strong cash operating surplus of \$298 million (before interest and tax).

Aside from the effects of the global pandemic, a number of factors impacted the business over the past 12 months including lower US\$ revenues due to market index pricing conditions and increased cost of sales as the Acland Mine nears the end of the Stage 2 life.

Throughout the COVID-19 pandemic the Company made responsible and measured decisions to protect the ongoing health and wellbeing of team members and successfully minimised the threat of COVID-19 entering a New Hope site.

To date New Hope Group has had no cases of COVID-19 at any of its sites.

The New Acland Coal Mine Stage 3 Project continues to be held up as the Company waits for final approvals. The project still requires Mining Leases, and an Associated Water Licence.

The Annual General Meeting was updated on the project, in particular the High Court hearing on October 6, 2020. While the appeal from Oakey Coal Action Alliance was heard, the Court reserved its decision.

As a result of the delays in receiving these approvals, the Company has made 175 employees redundant at the New Acland Coal Mine. A further 23 redundancies were also made at the Corporate office and the Brisbane port facility.

A further round of redundancies will take effect on November 27, 2020 with almost 75% of the corporate workforce leaving the business.

REGISTERED OFFICE

The Company remains focused on securing all necessary approvals for Acland Stage 3 to target continuity of operations and employment for the workforce and contractors who rely upon the operation to support their families.

Coal markets remain volatile but, since July 2020, the price of Newcastle Thermal Coal has been trending upwards, increasing by 17%. Strength in the market is also returning as Asia gets back to business.

For most Asian countries, thermal coal will continue to be a significant component of their energy mix for many years to come, underpinned by continued investment in new coal fired power stations.

The Company remains well positioned to emerge from the current economic downturn as a stronger, more efficient business.

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This ASX announcement was approved and authorised for release by the Board

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