



# QUARTERLY ACTIVITIES REPORT

## 31 OCTOBER 2015

18 November 2015

	Quarter Ended		
	Oct 15 ('000t)	Oct 14 ('000t)	Change (%)
Raw Coal Production	2,704	2,814	-3.9%
Saleable Coal Production	1,361	1,484	-8.3%
Coal Sold*	1,338	1,566	-14.6%
QBH Export Throughput	1,795	1,903	-5.7%

\* Coal sold includes traded coal sales

### KEY POINTS

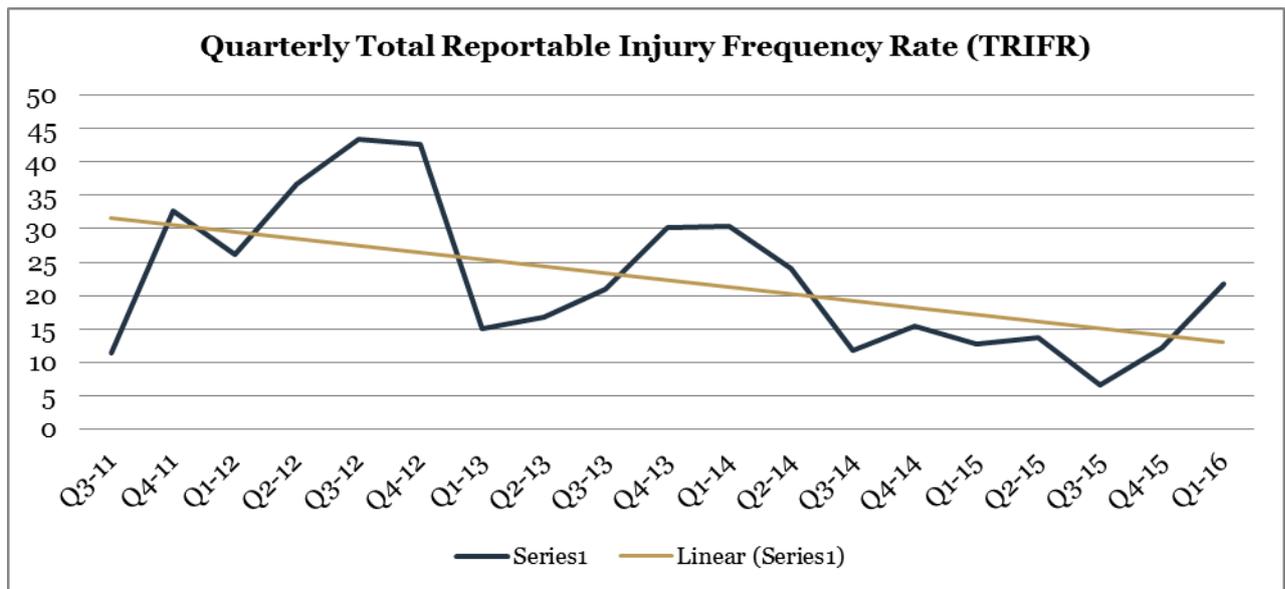
- Coal production volumes for the current quarter were below those achieved in the previous corresponding period as a result of adverse weather and mine operating issues.
- Coal sales volumes down on the previous corresponding year as a result of typhoons in the Asian region delaying vessels.
- New Hope reached a binding agreement to acquire 40% interest in the Bengalla Coal Mine, subject to Joint Venture pre-emptive rights.
- Oil production for the current quarter of 44,190 barrels.
- The Land Court phase of the Mining Lease and Environmental Authority process for New Acland Stage 3 project has commenced, with hearings and recommendations due Q2 2016.
- Bruce Denney has announced his retirement from the position of Chief Operating Officer of New Hope Group, to take affect from 18 December 2015. Andrew Boyd announced as his successor.

## COAL OPERATIONS

Both raw coal production and saleable coal production were below the production recorded in the prior corresponding period.

Sales volumes for the quarter were down on the corresponding period last year as a result of softening demand and the effects of typhoons in the Asian region having significantly delayed vessels.

## SAFETY PERFORMANCE



The recent negative safety trend in recent months has resulted in further “i-Safe/we-Safe” refreshers and a companywide Safety Stop in October.

At the recent Queensland Safe Work Awards, New Hope Group took out the title of Best Workplace Health and Wellbeing Initiative. The featured New Acland “Live Well, Work Well” program aims to stimulate and support a positive shift in health culture by encouraging and supporting employees to take ownership of their own health and wellness.

## EXPLORATION AND DEVELOPMENT

During the quarter drilling activity continued to be focussed on New Acland tenements with 59 holes drilled for a total of 3,943 metres.

### **New Acland (ML 50216, ML 50170 and MDL 244)**

Drilling during the quarter continued to focus on coal quality, seam delineation and confirming geology of future mining areas. The Ground Water Monitoring Campaign recommenced with six new monitoring bores underway.

### **Colton (EPC923)**

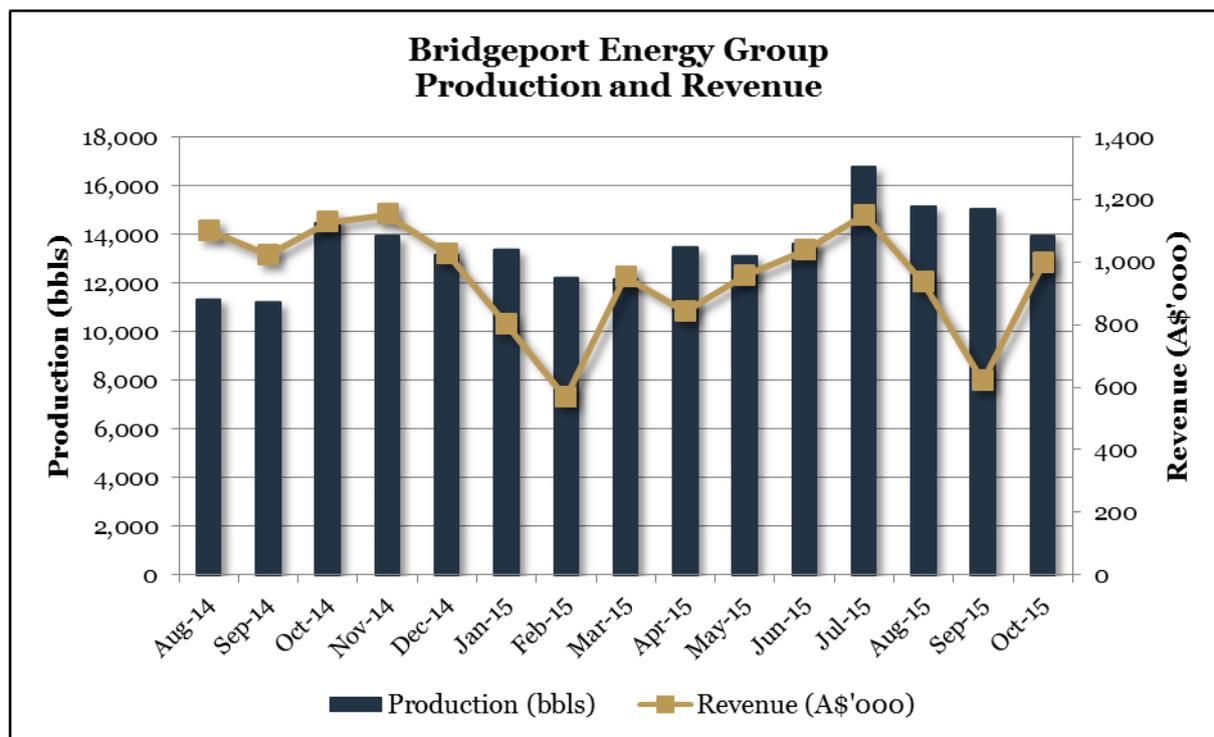
Monthly groundwater monitoring continued as part of ongoing baseline studies.

## Bee Creek (EPC777)

A review of historical seismic data has been undertaken in preparation for completing a 2D seismic program in early 2016.

## BRIDGEPORT ENERGY

Oil production totalled 44,190 barrels for the quarter.



Brent oil price was trading at an average of A\$66/bbl during the October 2015 quarter.

### Operated fields – Inland and Utopia

Production enhancement work was in progress at Inland during the quarter with the net increase in production from these activities being approximately 60 bopd. Planning for 3-4 development wells at Utopia and Inland is underway and drilling is scheduled to commence in Q1 2016.

### PL303 – Cuisinier (Bridgeport 15 % interest)

Planning for the hydraulic fracture stimulation of low productivity wells in the field was completed and a rig has been selected for the work scheduled to commence next quarter.

### Exploration permits

3D seismic acquisition commenced across three key exploration permits in the Bridgeport portfolio. Acquisition was completed in ATP 805 (32 km<sup>2</sup>) and ATP 794 (80 km<sup>2</sup>) and the 416 km<sup>2</sup> 3D seismic program in PEL 630 commenced during the quarter.

Bridgeport completed an exploration study of the south west Cooper Eromanga Basin in South Australia, which in combination with the work completed in the south west Queensland area of the Basin, is helping to focus future exploration activities.

## **Health and Safety**

There were no incidents or near misses during the quarter and the LTI free period is now over 910 days. Bridgeport's LTIFR is below industry average of 2.0 per million man hours.

## **Moonie/Cabawin and Alton Fields Acquisition**

During the quarter, Bridgeport signed a Sale & Purchase Agreement with Santos for acquisition of the PL 1 Moonie/Cabawin and PL 2 Alton oil fields in the southern Surat Basin along with associated exploration tenements. Completion of the transaction is expected to occur before the end of the calendar year, with operational transitional planning underway. The acquisition is subject to Ministerial approval and once completed, production from these legacy fields will increase net quarterly production by approximately 25%.

## **ACLAND PASTORAL**

New Hope Group's rehabilitation program and scientific cattle grazing trials at its New Acland Coal Mine, run by New Hope's Acland Pastoral Company, were selected as a finalist for Excellence in Environmental Management at this year's Australian Mining Prospect Awards.

The grazing trials are a part of a five-year study conducted by independent industry experts including pasture agronomists, soil scientists, a veterinarian and an independent statistician to compare the production performance of cattle grazing on rehabilitated mined land with cattle grazing on non-mined land.



## **DEVELOPMENT PROJECTS**

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

The hearing of objections to the draft Environmental Approval (EA) and Mining Lease Applications for New Acland Stage 3 by the Land Court commenced on 4 November in the Dalby Magistrates Court. Court hearings will commence in March 2016 with recommendations delivered during Q2 2016.

### **Bengalla Joint Venture**

New Hope Corporation Limited (ASX:NHC) has reached a binding agreement to purchase a 40% 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 and has a 25 year permitted mine life at current production levels underpinned by approximately 218 million tonnes of marketable coal reserves<sup>(1)</sup>.

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.*

## **Colton Project**

The Land Court hearing on 30 October directed the parties to complete submissions, decide on a hearing program and report back to the Court on 14 December. Hearing of the applications and the remaining objections will occur in 2016.

## **COMMUNITY SUPPORT**

### **Local Industry Procurement Information Sessions**

New Hope Group has reaffirmed its long-term commitment to the local workforce by involving local business at two Local Industry Procurement Information Sessions in Oakey and Toowoomba. The sessions drew in substantial crowds of local business owners keen to learn about the New Acland Coal Mine Stage 3 Project and how best to maximise the success of their potential involvement.

New Hope is teaming up with the Department of State Development in November to continue this engagement with two Tender Readiness Workshops that will take businesses further into how to prepare for working on the mine, what work packages are most appropriate for them and how to submit their completed tenders.

## Ipswich Rosewood Coalminers Memorial

The unveiling of the Ipswich Rosewood Coalminers Memorial in October recognises the 186 coalminers who lost their lives working in the Ipswich and Rosewood coalmines and pays tribute to the influential role the mining industry has played in the local area since 1843. New Hope Group is a cornerstone contributor to this Memorial.

## Emergency Services Communications

Emergency services will have access to improved communication in the Oakey area due to a new Telstra Global Wireless Network Tower located on the New Acland Mine lease area. New Hope Group has donated land from inside the mining lease, near the Oakey-Cooyar Road, to provide easy access for Telstra to construct and maintain the tower. The tower will enhance communication services between Oakey and communities to the north for emergency service providers such as the police, fire brigade and ambulance.

## CORPORATE

### Chief Operating Officer Retirement and Appointment

New Hope's Chief Operating Officer, Bruce Denney, will retire from the position of Chief Operation Officer from the 18 December 2015. Bruce will continue to work part-time with New Hope on selected projects.

Andrew Boyd will take on the position of Chief Operating Officer from 21 December 2015. Andrew has been with the New Hope Group since March 2014 in the role of General Manager Corporate Development. Andrew has over 20 years professional experience in mining engineering, line management and corporate roles with a number of mining and mining industry contracting companies.

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