



# QUARTERLY ACTIVITIES REPORT

## 31 JANUARY 2016

29 February 2016

	Quarter Ended			6 Months Ended		
	Jan 16 ('000t)	Jan 15 ('000t)	Change (%)	Jan 16 ('000t)	Jan 15 ('000t)	Change (%)
Raw Coal Production	2,395	2,723	-12.0%	5,099	5,537	-7.9%
Saleable Coal Production	1,167	1,387	-15.9%	2,529	2,871	-11.9%
Coal Sold*	1,356	1,507	-10.0%	2,694	3,073	-12.3%
QBH Export Throughput	1,729	1,699	+1.8%	3,525	3,602	-2.1%

\* Coal sold includes traded coal sales

### KEY POINTS

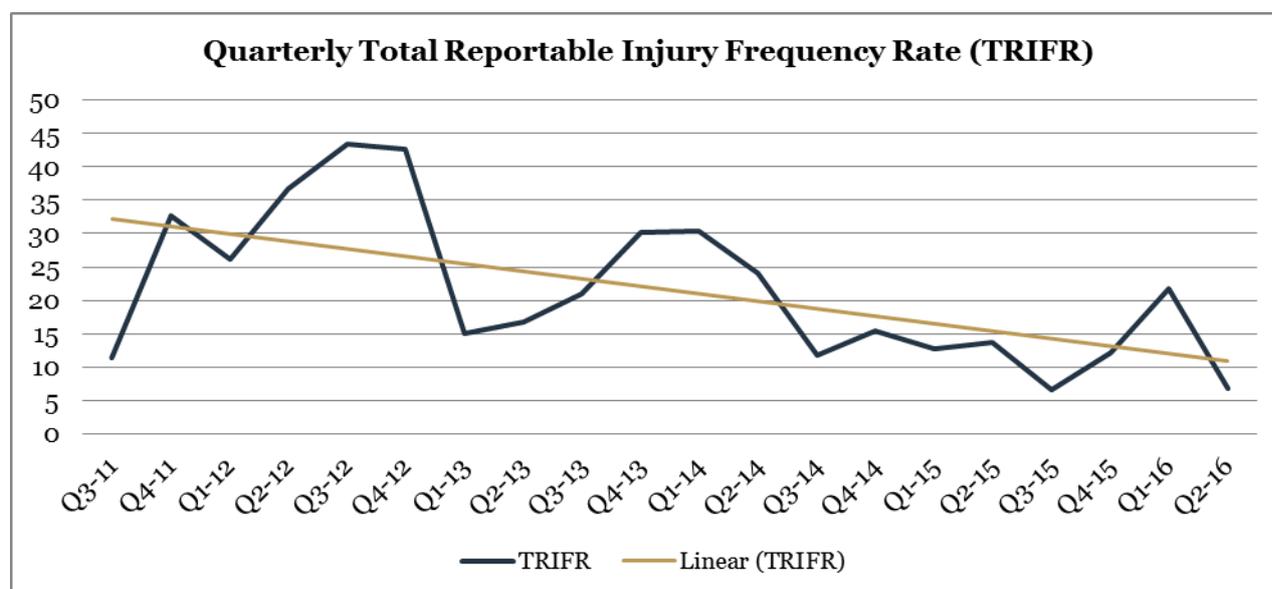
- Coal production volumes for the current quarter and year to date were below those achieved in the previous corresponding period as a result of adverse weather and mine sequencing issues. Cost management initiatives consistent with the principle of Safe Production remain a focus.
- Coal sales volumes were lower than the previous corresponding period as a result of typhoons in the Asian region delaying vessels.
- New Hope Corporation Limited's agreement to purchase a 40 percent interest in the Bengalla thermal coal mine is planned to occur in early March 2016.
- Oil production for the current quarter of 46,947 barrels.
- The Land Court phase of the Mining Lease and Environmental Authority process for the New Acland Stage 3 project continues, with the Land Court hearing due to commence on 7 March 2016.

## COAL OPERATIONS

Both raw coal and saleable coal production were below the levels recorded in the prior corresponding period. The lower production levels were a result of weather induced mine sequencing issues. Cost management is a focus for management consistent with the principles of Safe Production.

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

## SAFETY PERFORMANCE



New Hope Group's Emergency Response Teams (ERTs) participated in a development day at Meandu Mine near Tarong, Queensland in January. Although Total Reportable Injury Frequency Rates have been declining, management believe that our safety performance can improve further and will continue efforts to eliminate injuries and high potential incidents.

## EXPLORATION AND DEVELOPMENT

During the quarter drilling activity continued to be focussed on New Acland tenements with 36 holes drilled for a total of 2,559 metres.

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

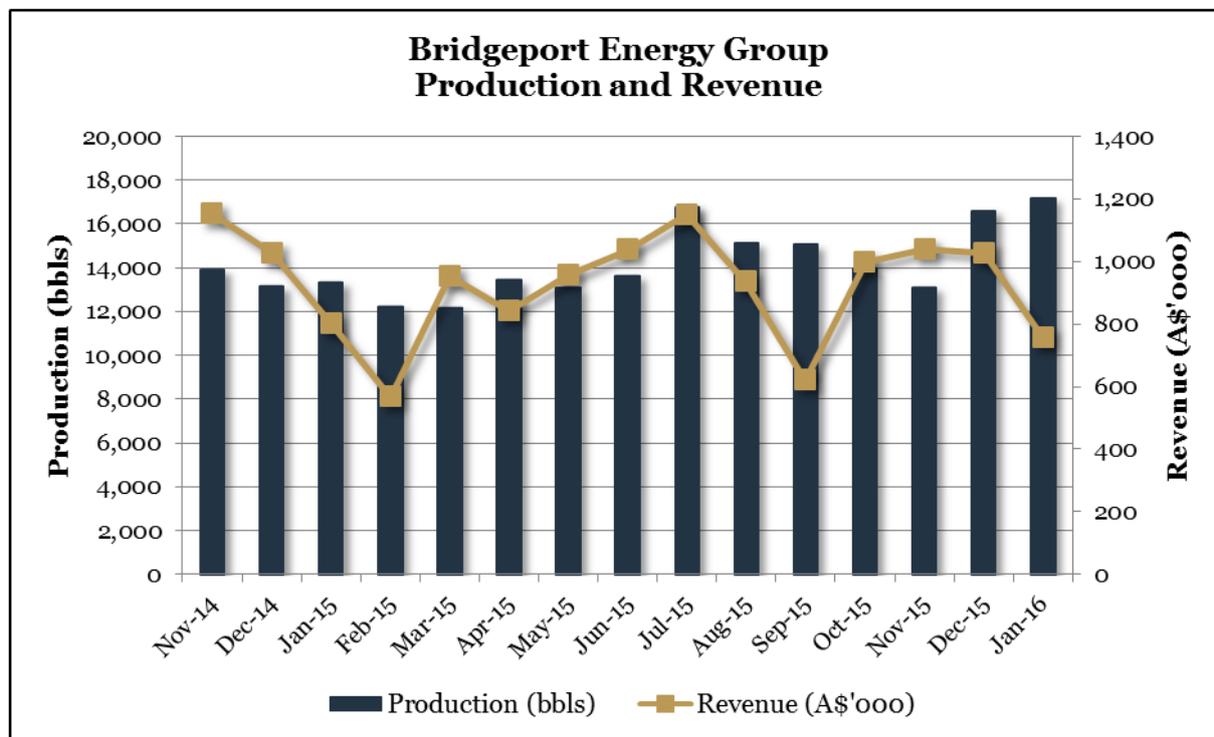
Work to update the Acland geological model has been completed during the quarter. 125 drill sites have been rehabilitated on the Acland mine site this quarter.

### **Colton (EPC923)**

Monthly groundwater monitoring continued as part of ongoing baseline studies.

## BRIDGEPORT ENERGY

Oil production totalled 46,947 barrels for the quarter.



During the period, oil production increased from approximately 13,500 bbls per month to 17,000 bbls per month with addition of production from well enhancement work at Inland during November and the benefit of Moonie field production from mid-December 2015.

Brent oil price declined from A\$63/bbl to A\$51/bbl at the end of the January 2016 quarter.

### **Operated fields – Inland (PL98) and Utopia (PL214) [Bridgeport 100% and 60 % interest]**

Production enhancement work was completed at Inland. The net increase in production from these activities during the quarter was 60 bopd. No further major capital expenditure is planned at the Inland field for the balance of this financial year.

At Utopia, planning work was in progress to service up to four wells and increase production at that field during the next quarter as well as to move to unmanned operations at the facility to improve field netbacks.

### **Cuisinier (PL303) [Bridgeport 15 % interest]**

Stimulation of five low productivity wells in the field was completed with a commensurate increase in production of 390 bopd gross (60 bopd net) achieved with the last of the wells cleaning up at the end of the quarter. There are no major forward capital expenditures planned for the field through the balance of this financial year.

## **Moonie (PL1) [Bridgeport 100 % interest]**

The Moonie area permits comprising principally the PL 1 producing asset were acquired during December for \$3.3 million. Integration of the asset into Bridgeport operations occurred during the quarter with staffing levels rationalised at the field and amended operating practices implemented.

### **Exploration permits**

A 530 km<sup>2</sup> 3D seismic acquisition program was completed across three key exploration permits in the Bridgeport portfolio. This work was carried out in conjunction with the play-based exploration study of the SW Cooper Eromanga Basin in South Australia and work completed in the SW Queensland area of the Basin. These studies allow focus of future exploration activities towards two key permits; ATP 794 and PEL 630. In addition, work is progressing towards the application for a production licence at ATP 805 now that 3D data has been acquired over that permit and the Donga field area.

### **Health and Safety**

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

## **DEVELOPMENT PROJECTS**

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

The hearing in the Land Court is due to commence on 7 March 2016 with recommendations anticipated to be delivered during Q2 2016.

### **Bengalla Joint Venture**

New Hope Corporation Limited's agreement to purchase a 40 percent interest in the Bengalla thermal coal mine in New South Wales from a subsidiary of Rio Tinto is expected to complete in early March 2016.

Upon acquisition completion it has been agreed that Bengalla Mining Company Pty Limited (BMC) will perform the role of Manager of Bengalla. BMC is owned proportionately by the Bengalla joint venture participants and these revised management arrangements will provide the Bengalla mine with access to the collective and extensive experience of all of the joint venture participants.

New Hope's acquisition of Bengalla is expected to deliver an immediate positive contribution to the group's operating and financial performance.

### **Colton Project**

At the Land Court directions hearing held on 16 February 2016, the court set the hearing date for the 15 August 2016.

## Elimatta Project

The first Land Court directions hearing was held on 11 February 2016. At the request of both parties, this was deferred to allow additional time to continue discussions on objections, with the next directions hearing set for the 25 May 2016.

## COMMUNITY SUPPORT

### Jondaryan Emergency Command Point

New Hope Group has partnered with the Jondaryan Rural Fire Brigade to establish a local emergency command point at the Fire Brigade's Communication and Command Room.

The command point will be essential to responding to local emergencies. New Hope has assisted in ensuring the command point will be connected to a reliable power source at all times through funding the purchase and installation of a new diesel generator.

New Hope has been a long-time supporter of the local CareFlight base and saw the command point initiative as another opportunity to strengthen and support community safety.

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