



# QUARTERLY ACTIVITIES REPORT

## 31 OCTOBER 2016

15 November 2016

\* Coal sold includes traded coal sales

Quarter Ended			
	Oct-16 ('000t)	Oct-15 ('000t)	Change (%)
<b>Raw Coal Production</b>			
QLD 100% owned and operated	2,778	2,704	3%
NSW 40% owned operations	1021	0	100%
<b>Total Raw Coal Production</b>	<b>3,799</b>	<b>2,704</b>	<b>40%</b>
<b>Saleable Coal Production</b>			
QLD 100% owned and operated	1,419	1,361	4%
NSW 40% owned operations	822	0	100%
<b>Total Saleable Coal Production</b>	<b>2,139</b>	<b>1,361</b>	<b>57%</b>
<b>Coal Sold*</b>			
QLD 100% owned and operated	1,061	1,338	-21%
NSW 40% owned operations	789	0	100%
<b>Total Coal Sold</b>	<b>1,850</b>	<b>1,338</b>	<b>38%</b>
QBH Export Throughput	1,534	1,795	-15%

### KEY POINTS

- The Group achieved its lowest quarterly Total Recordable Injury Frequency Rate (TRIFR) results since commencement of 'group wide' data collection in February 2011.
- Bengalla operations lift group production and sales volumes for the first quarter.
- New Acland Stage 3 Land Court hearing completed and awaiting recommendations.
- Strong and vocal community support shown for the New Acland Stage 3 expansion.
- Significant and sustained rally in thermal coal prices during the quarter which will have a positive impact on earnings for the 2017 financial year.

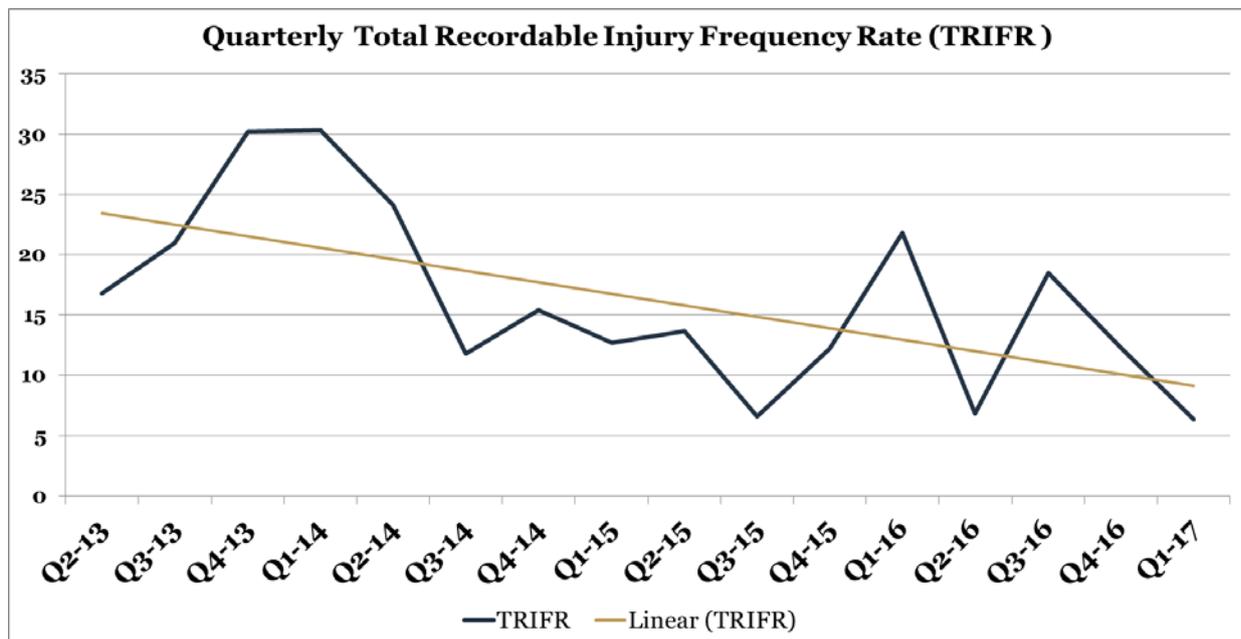
- Acquisition of the Greater Kenmore Bodalla oil producing assets completed in October.
- Settlement proceeds of \$12.95m (plus GST) received from Peabody Wilkie Creek Australia in respect of a Coal Port Services Agreement dispute.
- QCA approval of the QR access undertaking, resulting in a lower access charge of approximately 12% going forward and recovery of almost \$20m in overcharges by QR in prior periods.
- Land Court proceedings for Colton were concluded in August with recommendations regarding the grant of the Mining Lease pending.

## SAFETY PERFORMANCE

The New Hope Group Safety Performance has continued to improve.

The Group achieved its lowest quarterly Total Recordable Injury Frequency Rate (TRIFR) results since commencement of 'group wide' data collection with a TRIFR of 6.33, an outstanding result when compared to the coal surface industry TRIFR rate of 12.49.

A review of the Life Rules and establishment of a 5 year Safety Strategy was a key focus during the quarter.



## QLD COAL OPERATIONS

Raw coal production was consistent with the previous quarter and slightly higher than the prior corresponding period.

Saleable coal production was marginally below the previous quarter however higher than the prior corresponding period.

The quantity of coal sold during the quarter was well below the prior quarter due to the timing of sales and the delay in shipping activity caused by an active typhoon season in Asia.

### **NSW OPERATIONS – 40% OWNED (BENGALLA)**

Overburden removal activities during the quarter were negatively impacted by a longer than scheduled dragline maintenance outage.

Coal production and sales were both marginally below full year run rate expectations. Disruptions to rail services contributed to the sales shortfall.

The small Q1 sales shortfall is expected to be recovered over the remainder of the financial year.

### **QLD PASTORAL OPERATIONS**

Under a new management regime the implementation of the breeding operation continued. Rain received throughout this period has resulted in good growth of both pasture and crops. The current cattle inventory is 2,200 head. With sales for the period of 584 steers and cull heifers with cattle purchases of 118 breeding heifers. There were no calves tagged and branded during the quarter with 250 still to be processed.

Sales of silage barley crops during this period produced good results with a wheat crop remaining to be harvested in November.

### **EXPLORATION AND DEVELOPMENT**

During the quarter drilling activity continued to be focussed on New Acland tenements with 73 holes drilled for a total of 5,573 metres.

Land Court proceedings for Colton were concluded in August with recommendations regarding the grant of the Mining Lease pending.

Elimatta Mining Lease application is nearing completion with the final statutory requirements in progress.

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

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

Land Court hearings for the New Acland Stage 3 project concluded on 7 October 2016 with recommendations regarding the grant of the Mining Lease (ML) expected to be with the responsible Minister by the end of December 2016.

As announced by the Company on 10 November 2016, the Queensland Government has passed new groundwater legislation that has the potential to cause at least another 12 months delay in obtaining the necessary approvals for Stage 3.

## BRIDGEPORT ENERGY

Oil production totalled 57,850 barrels for the quarter with 54,510 barrels of oil sold.

### Health and Safety

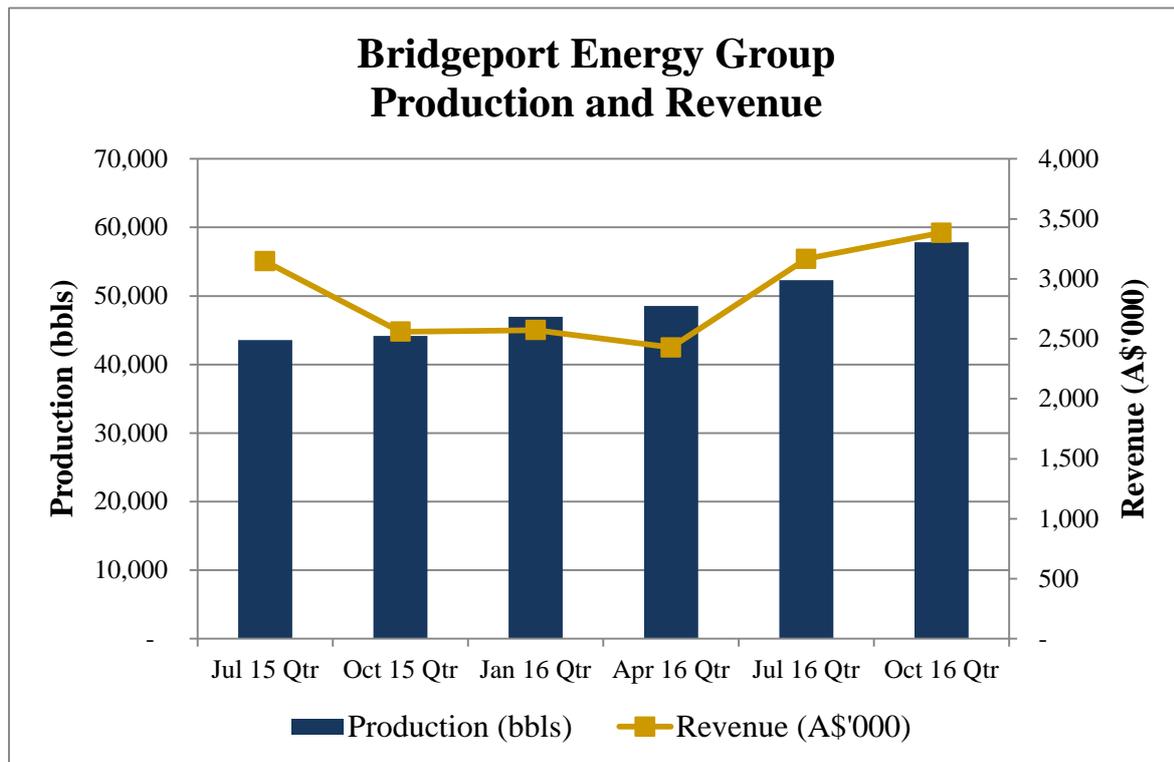
There were no incidents or near misses during the quarter and the Bridgeport LTI free period is now more than 1,180 days.

### Operations

Producing operations were steady at Moonie and Utopia for the quarter with no well interventions or major facility operations during the period.

Moonie production this quarter was up as the new wells completed in the previous quarter were brought on line.

At Inland, field operations commenced with the Bridgeport service rig on a five well workover programme to acidize wells and undertake routine downhole repair activities.



### Acquisitions

During the quarter, final documentation was progressed for the acquisition of the Kenmore Bodalla area fields from Beach Energy, which completed on 19 October 2016.

## COMMUNITY SUPPORT

### Community Partnerships Continuing

Partnerships with and contributions to various community organisations have continued in the last quarter. Activities in the community space focus on delivering long term benefits and positive relationships in local communities. Of particular note are:

- A partnership with the Cancer Council Queensland to deliver the school based QUEST program aimed at educating children on making healthy life choices.
- A commitment to youth training and education through: student site tours, apprenticeships, and engagement with local schools. Skills development in both mining and agriculture related areas.
- A partnership with the Future Leaders Group and Toowoomba Chamber of Commerce, aimed at building the capacity and skills of young business representatives across the Darling Downs region.

## CORPORATE

The Company's Annual General Meeting is to be held on Thursday, 17 November 2016. A further update on the Company's first quarter activities will provided at that meeting. The presentation will lodged with ASX and also available on the Company's website.

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