



QUARTERLY ACTIVITIES REPORT

31 OCTOBER 2018

20 November 2018

Quarter Ended			
	Oct - 18 ('000t)	Oct -17 ('000t)	Change (%)
<u>Saleable Coal Production</u>			
QLD 100% owned and operated	1,124	1,348	(17%)
NSW 40% owned operations	878	1,031	(15%)
Total Saleable Coal Production	2,002	2,379	(16%)
<u>Coal Sold*</u>			
QLD 100% owned and operated	1,165	1,202	(3%)
NSW 40% owned operations	901	944	(5%)
Total Coal Sold	2,066	2,146	(4%)
QBH Export Throughput	1,672	1,659	1%

KEY POINTS

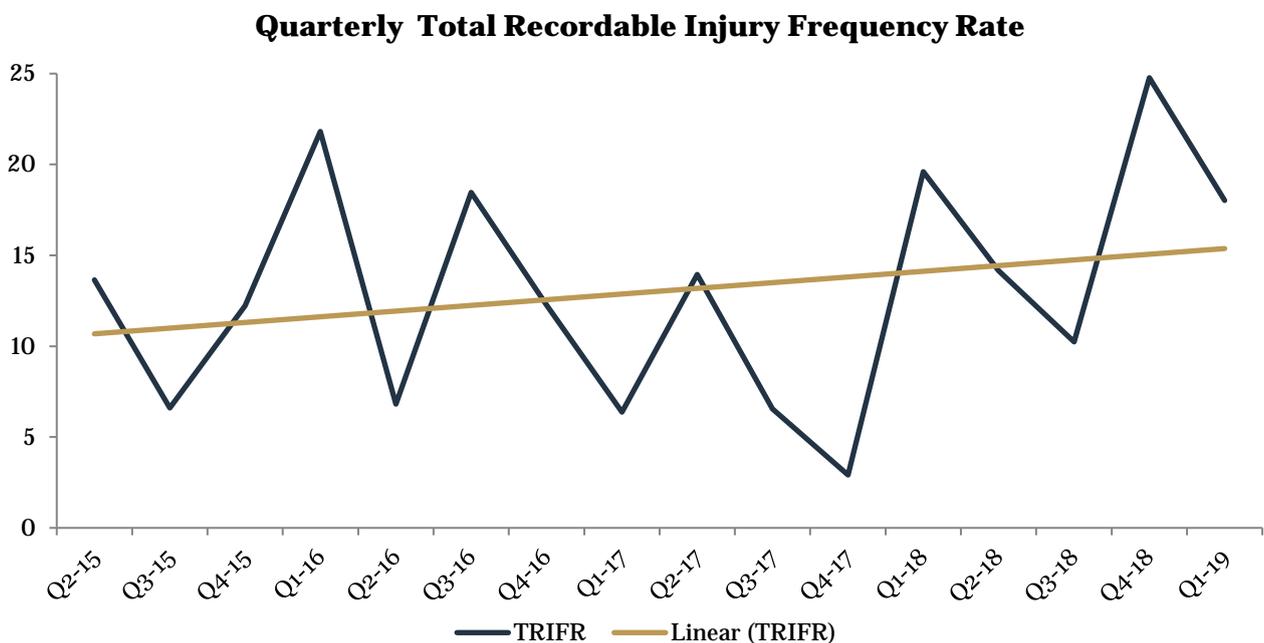
- Index prices for export thermal coal remained strong during the quarter with the GlobalCOAL Newcastle Index average price of US\$109.52 for October.¹
- Reasonable sales volume coupled with favorable prices have resulted in a strong financial result for the first quarter.
- The group produced 2.0 million tonnes of saleable coal for the quarter, a decrease of 16% on the previous corresponding period due to planned mine sequencing and some welcome wet weather in October.
- New Hope's binding commitment with Wesfarmers Limited to purchase a further 40% interest in the Bengalla Joint Venture for AUD\$860 million is progressing through the pre-emptive rights process. The transaction is anticipated to complete very late 2018 or early 2019.

¹ GlobalCOAL coal market report 09 November 2018

- On 7 November the Queensland Land Court handed down a positive recommendation in respect of the New Acland Mine Stage 3 mining lease and environmental authority applications. The Land Court recommendation is conditional on the Coordinator General first amending his noise limit condition.

SAFETY PERFORMANCE

New Hope's workforce received *i-Safe we-Safe* refresher training during the quarter. *i-Safe we-Safe* is a behavioral based safety improvement program which resulted in significantly improved safety performance when initially introduced. Personal risk management is a key theme of this training. Senior management recently presented to all staff in relation to the concerning increase in reportable injuries and management is focused on reducing the Total Reportable Injury Frequency Rate (TRIFR) occurring at our sites.



QLD COAL OPERATIONS

Run of mine and saleable coal production was down 17% on the previous corresponding period due to planned mine scheduling issues along with some welcome rain experienced in the region in early October. In order to prolong the life of the current stage 2 mining operation at New Acland more challenging areas are being mined including partially extracted old underground workings.

On 1 November the Queensland Government formally advised it had certified 349 hectares of progressively rehabilitated mined land at the Company's New Acland mine. This is the largest single area of certified rehabilitation for an open cut coal mine in Queensland.

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Jeebropilly operations focused on safe production and finishing well, including planning of post-mining land use for all West Moreton operations.

35 hectares of partially rehabilitated mining areas were shaped during the quarter at Jeebropilly in preparation for top soiling and seeding in November. The Oakleigh East rehabilitation planning has been completed with some initial activities commenced during the quarter.

Revised New Acland Coal Mine Stage 3 Project

On 7 November the Queensland Land Court handed down a positive recommendation in respect of 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 the noise limit conditions.

The recommendation is a positive step for the approval of the project. There are still a number of further steps required in order to obtain final project approval.

New Hope 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.

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The Oakey Coal Action Alliance (OCAA) has appealed the Judicial Review findings of the Queensland Supreme Court. A hearing date in the Court of Appeal for this matter has been set for 27 – 28 February 2019.

NSW OPERATIONS – 40% OWNED (BENGALLA)

Coal produced at Bengalla was 0.9 million tonnes, 15% below the prior corresponding period. A number of additional trucks will be introduced to the operation during the next quarter allowing the operation to take advantage of latent excavation capacity and incrementally increase production over the medium term.

Initiatives being pursued at Bengalla are focused on improving coal throughput by maximising the use of the existing infrastructure.

New Hope's binding commitment to purchase a further 40% interest in the Bengalla Joint Venture for AUD\$860 million remained subject to the pre-emptive rights of the other joint venture participants. The completion of the transaction is anticipated to occur in late 2018 or early 2019 at which stage New Hope will own up to an 80% interest in the Bengalla Joint Venture.

Tragically on the evening of 3 November a workplace incident occurred at Bengalla resulting in fatal injuries to a contract tyre maintainer. Bengalla management are cooperating with the NSW Department of Planning's Resource Regulator who is conducting an investigation into the incident.

QLD PASTORAL OPERATIONS

Acland Pastoral operations received well below average rainfall for the quarter negatively impacting pastures. Breeder cattle numbers are at 2,489 head and are currently calving. A pasture management and supplement feeding strategy has ensured calving was not seriously impacted by the drought. Approximately 1,600 calves were delivered during the quarter.

Good falls of rain late in the quarter and the installation of an irrigation system will allow planting of a summer crop.

EXPLORATION AND DEVELOPMENT

Drilling activity during the quarter saw 124 holes drilled for a total of 7,941 meters across New Acland and the North Surat tenements.

The North Surat Project Pre-Feasibility Study progressed with continuation of environmental baseline surveys, completion of mine planning studies and the continuation of infrastructure options analysis. Drilling activities across the area offered good production rates despite disruptions from wet weather.

BRIDGEPORT ENERGY

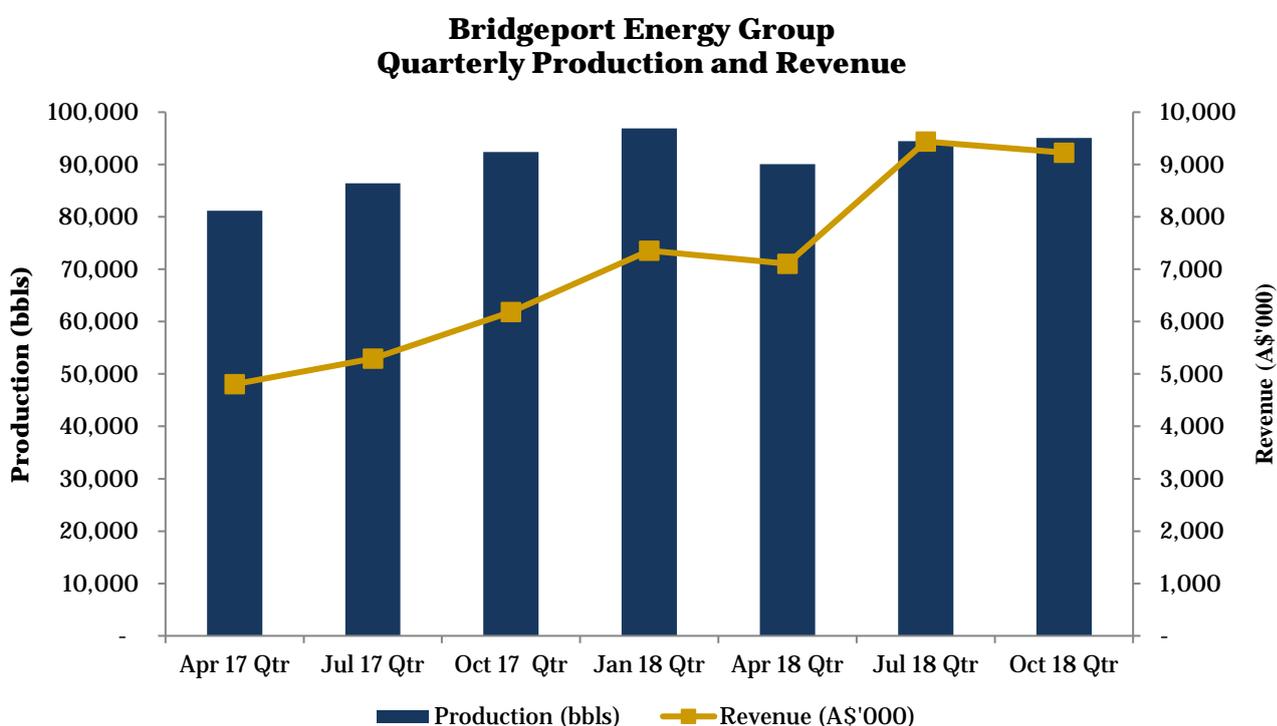
Production

Oil production totaled 95,095 barrels for the quarter with 82,888 barrels of oil being sold.

An average oil price of US\$79/bbl combined with a favorable exchange rate has resulted in a realised price of A\$111/bbl for the quarter.

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An infill drilling program at the Moonie field commenced during the quarter with two wells completed to depths of 1,825m and 1,835m respectively. One well was connected for production and the other being connected for production. The Bridgeport rig was then mobilised to the Utopia field (BEL 100%) for further infill drilling work.



Health and Safety

There were no incidents during the quarter and the Bridgeport LTI free period now stands at 1,546 days.

Exploration

Bridgeport has received endorsement for 10 PCA's over ATP 2026 (formerly ATP 794) and will commence appraisal activities.

Bridgeport has accepted preferred bidder status for ATP 2036 (east Cabawin) in the Surat Basin, 25 km north of the Moonie field in southeast Queensland.

COMMUNITY SUPPORT

Strengthening Local Community

Providing assistance and support to organisations and events that have a sustained effect on building strong communities has continued to be a focus for New Hope. This quarter support was directed toward;

- Sponsoring the RUOK? day and supporting it with a guest speaker;
- Continuing the LifeFlight partnership rollout of a number of Rural Safety Workshops in local schools; and,

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- Major contribution towards the Legends of League program in Oakey including participation in local school visits.
- \$50,000 donation to Aussie Helpers to assist drought affected farmers on the Darling Downs.

Workshops to identify priority community projects were conducted in the communities of Goombungee, Maclagan, Kulpi and Oakey.

CORPORATE

On the 18 October the Company advised that two of its subsidiaries (Northern Energy Corporation Limited and Colton Coal Pty Ltd) had resolved to appoint, and have now appointed, Said Jahani and Shaun McKinnon of Grant Thornton as voluntary administrators. These subsidiaries own the Colton Project which was fully impaired by the Company, as foreshadowed in the 18 September 2018 announcement to the market. All other projects and operations of the Company are not affected by this decision.

The Company's Annual General Meeting is to be held on Tuesday, 20 November 2018. A further update on the Company's first quarter activities will be provided at that meeting. The presentation will be lodged with the ASX and also made available on the Company's website.

For more information, please contact:

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