



QUARTERLY ACTIVITIES REPORT

31 OCTOBER 2019

19 November 2019

	Quarter Ended		
	Oct-19 (000t)	Oct-18 (000t)	Change
Saleable Coal Production			
QLD 100% owned and operated	1,180	1,124	5%
NSW 80% owned operations*	2,148	878	145%
Total Saleable Coal Production	3,328	2,002	66%
Coal Sold			
QLD 100% owned and operated^	1,114	1,165	(4%)
NSW 80% owned operations*	2,229	901	147%
Total Coal Sold	3,343	2,066	62%
QBH Export Throughput	1,466	1,672	(12%)

* NSW production is based on New Hope's equity share which increased from 40% to 70% on 1 December 2018 and to 80% on 25 March 2019.

^Includes trade coal sales.

KEY POINTS

- During the quarter total saleable coal production was 66% higher and total coal sales 62% higher than the prior corresponding period, due mainly to the increased ownership in the Bengalla mine.
- The Company's share of coal produced at Bengalla during the quarter was 2.1mt representing an annualised rate above 10 mtpa (100% basis).
- On 1 November 2019 the Company welcomed the decision from the Queensland Court of Appeal, dismissing Oakey Coal Action Alliance's appeal and granting orders requested by New Acland Coal Pty Ltd. The Court stated the Land Court orders from President Kingham were valid and binding and the Environmental Authority stands. There is no further barrier to the Queensland Government now giving final approvals for the New Acland Coal Mine Stage 3 Project.

REGISTERED OFFICE

SAFETY PERFORMANCE

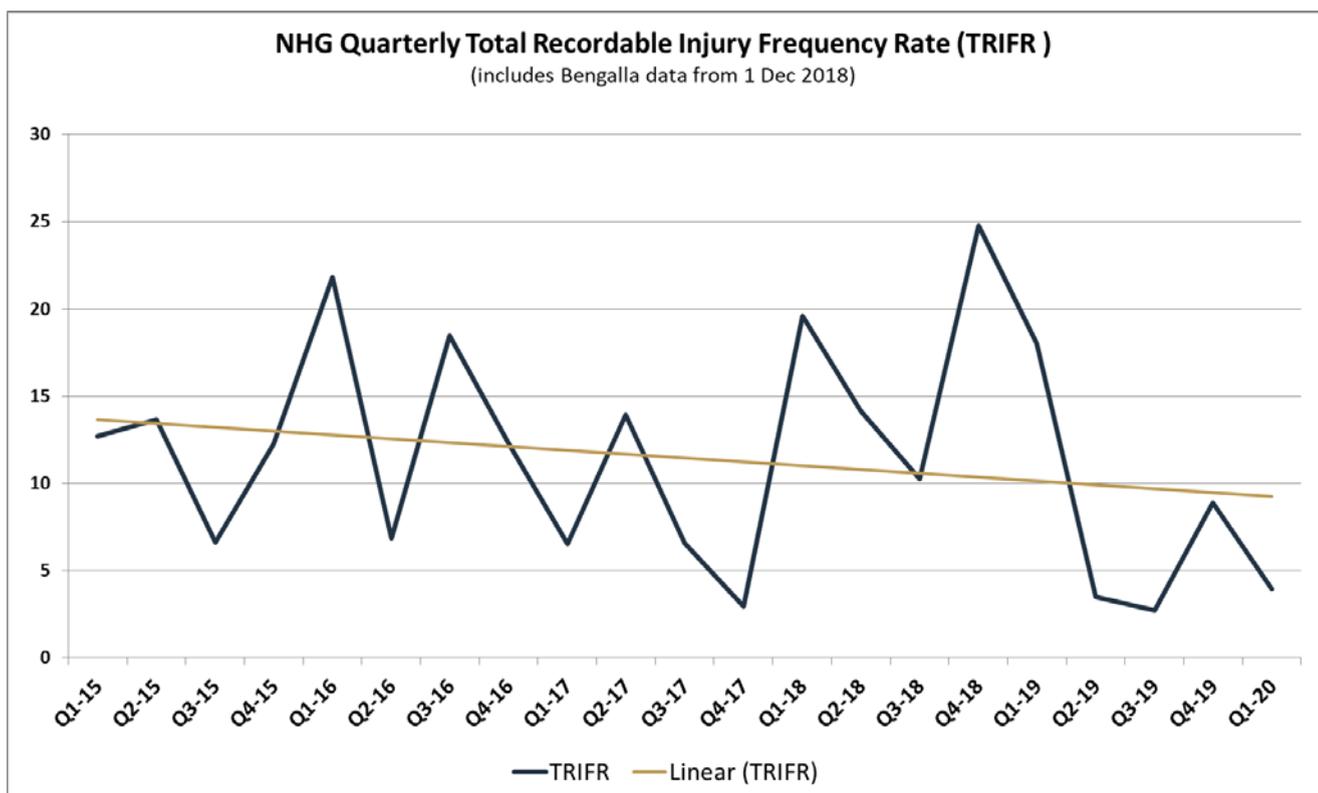
The Company experienced an improvement this quarter, with 3 people experiencing a recordable injury. There has been a continued effort in conducting Safety Interactions with the work force. The mate safe programs, currently running at Bengalla and Queensland Bulk Handling, encourage employees in the field to have constructive discussions with their mates around health and safety.

The Critical Risk* Management Program has been continuing throughout the quarter with the following workshops completed involving personnel from each site:

- Vehicle Interaction completed on 1 October at Bengalla
- Geotechnical completed on 2 October at Bengalla
- Commute to Work completed on 22 October Brookwater as part of the Group HS Committee
- Tyre and Rims completed on 29 October at Brookwater
- Uncontrolled Energy completed on 30 October at Brookwater

As a result of these workshops the critical risks have been identified and current critical control verification forms are being designed and finalized for trial in the coming months.

(*Note: Critical risks have been defined as a potential for a single or multiple fatality event).



Note: New Hope safety statistics include Bengalla from 1 December 2018 (however excludes oil activities).

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QLD COAL OPERATIONS

With the failure of the Queensland Government to grant the required mining lease and associated water license prior to the end of August, the work force was informed on 2 September 2019 that redundancies would take effect at the end of October. This news was a huge blow for the workforce, however a detailed management process was put in place to manage the required redundancies. The final shift before the operation transitioned to dayshift only was run on 31 October 2019. The reduction in the workforce involved 150 personnel across all departments including contractors and permanent employees.

Safety on site has been a prime focus during the ramp down with a targeted support system put in place for those leaving the business as well as employees transitioning to the dayshift only roster. An outplacement service was provided with excellent take up and the attendance at the employer expo was also above expectations.

Mining at New Acland was limited to the West and Centre Pits with West Pit incurring noise delays before operations moved away from sensitive receptors. Rehabilitation remained a key focus for the operation with work continuing on the in-pit tailing dams as well as both active pits. Seeding of available areas was conducted at the start of spring and some early spring rain has fallen. Follow up falls will be needed to ensure a good strike of the grass cover.

The Jeebropilly operations continue to focus on safe production and 'finishing well', with the completion of mining operations due to occur at the end of calendar year 2019. Closure planning and post-mining land use optimisation work has continued during the quarter. Jeebropilly continues to shape and prepare significant areas of the mine for rehabilitation while supporting and engaging with its workforce in preparation for the end of mining operations.

Oakleigh East rehabilitation activities have continued with the restoration of 'Normanton Pit' progressing as planned.

NSW OPERATIONS – 80% OWNED

Bengalla's safety performance has improved during the last quarter with no recordable injuries. The mine also successfully hosted the NSW Mines Rescue competition during the quarter.

The Company's share of coal produced at Bengalla during the quarter was 2.1 million tonnes, 7% above last quarter and 145% above last year. This production level is consistent with the mine's current annualised production target of over 10.2 million tonnes. Prime waste material movement is slightly below plan, impacted mostly by severe dry and windy conditions. The mine stops operations in very windy conditions in order to minimize dust generation.

Integration activities are largely complete, however transition of some additional support activities to New Hope's corporate office will continue into early 2020. Exploration and land management service provision to the Bengalla Joint Venture has been implemented over the past quarter.

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PASTORAL OPERATIONS

Acland Pastoral operations again received below average rainfall for the quarter, negatively impacting grazing pastures. The pasture management strategy is ongoing and includes use of rehabilitation areas for grazing. As part of the strategy, Acland Pastoral have initiated a program that enables them to accurately monitor pasture quality via a satellite imagery program.

A late summer storm provided the opportunity to plant dryland barley very early in the season. The dryland barley performed above expectations and 400 tons of hay was harvested and placed in inventory. An additional 208 tons of irrigated barley and oats hay was also harvested and placed in inventory.

Cattle numbers are currently; 1,271 Pregnancy Tested in Calf breeder cows, 49 bulls and 237 weaner heifers, 160 of which have been moved to Bengalla. In addition, Acland Pastoral continues to background last year's weaner steers on the harvested barley stubble and supplementary feed and, after the sale of 129 steers during the quarter, 890 steers remain on the property.

Following the acquisition of a controlling interest in Bengalla, New Hope's land management experience is being applied to the active management of agricultural land surrounding the Bengalla operation. Twenty six hectares of barley was planted under the newly installed lateral irrigator, with harvesting planned for late October.



Barley Crop at Bengalla

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COAL EXPLORATION AND DEVELOPMENT

During the quarter, exploration activity saw 15 holes drilled for a total of 2,997 metres on the Bengalla mining lease and at the Bee Creek exploration tenement.

The Bengalla mine drilling activities commenced in August, with the focus on collecting pre-production information prior to mining. The Bee Creek field program targeted stratigraphy and seam thickness, with the priority area identified as a possible southern extension to the sequence mined at the nearby Hail Creek operation. On ground work was also undertaken to survey historical exploration holes drilled within the Yamala tenement.

Work on the geological model update for Taroom continued throughout the quarter and seam correlation commenced for the Collingwood project. Laboratory analysis continued for coal quality samples at Taroom, Woori and New Acland.

The pre-feasibility study for the North Surat Project (consisting of four assets Elimatta, Taroom, Collingwood and Woori) has been completed. The Elimatta Project has completed all statutory requirements towards the grant of a Mining Lease.

Work continued on studies of the potential for commencement of operations at the Burton coking coal project in Central Queensland. An Environmental Authority amendment for the New Lenton Mine has been lodged with the State Government to enhance integration with the Burton Mine infrastructure.

BRIDGEPORT ENERGY

There were no safety incidents during the quarter and the Bridgeport Lost Time Injury-free period now stands at 1,881 days. The average realised oil price for the quarter was AS\$92/bbl.

Oil sales were 88,604 barrels for the quarter, a 7% increase on the prior corresponding period. During the quarter, six workovers were performed, four in the Greater Kenmore Area fields and two at the Moonie field. In addition the drilling rig modules for the Bridgeport workover rig completed its annual inspection and began minor rig improvements ahead of the upcoming drilling programme.

Bridgeport's acquisition of the Senex interests in ATPs 736, 737 and 738 (part of the Toolebuc Shale project) received Government approval on 8 October 2019 and completion of the farm-in agreement with Origin occurred on 23 October 2019.

Bridgeport is finalising a further farm-out of ATPs 2023/2024, and continues to pursue additional farminees to mitigate risk in its 100% owned exploration permits.

Planning is progressing for the drilling of a well in each of PL 256 Bargie oil field, PL 47 Black Stump oil field and PL 31 Bodalla South oil field, commencing in early December 2019.

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COMMUNITY SUPPORT

During the quarter, New Hope continued to provide assistance and support to community organisations and events that have a prolonged impact and helps build stronger communities. Activities included:

- Bengalla allocating 8 tertiary undergraduate scholarships, helping local students secure tertiary education. Four for the Muswellbrook High School, one for St Joseph's in Aberdeen, two for Scone high schools and one for a Bengalla employee's child;
- Bengalla Mining Company continuing as the leading Industry Partner in the support, setup and activation of the Muswellbrook Academy of STEM Excellence (MASE), an initiative of the NSW Department of Education, STEM Industry School Partnership Program (SISP). The first program of MASE took place at the Bengalla homestead in August. Working with the SISP and the Central Queensland University AgriTECH team, employees from Bengalla were hands-on in creating real-world, survey focused STEM experiences for more than 90 students from Muswellbrook schools.
- The Bengalla Community Open Day was a fantastic success, with almost 3000 people attending. The day was also very well supported by Bengalla employees, suppliers and a range of service providers.
- New Hope supported six infrastructure projects to the value of \$274,000 as part of our Community Development Program. Some of these projects involve the creation of a native parkland along Lagoon Creek and the preservation of town history at Jondaryan, improving the multi-purpose environmental park in Oakey, and renovating Kulpi Public Hall to make it more accessible for people with disabilities;
- Assisting McDonald Nursing Home to prepare its gardens for the Toowoomba Carnival of Flowers;
- Six bales of barley hay were donated by New Hope's Acland Pastoral Company to graziers in the local district to assist in their management of the current drought conditions;
- The Muswellbrook PCYC Gymnastic Centre being opened for the community to enjoy in September. The centre was subsidised through the Bengalla Mining Company's Community development fund, which supported the construction of the building and the purchase of all gymnastic equipment;
- Bridgeport contributing, both financially and with volunteers, to the following community activities: Quilpie Rodeo and Gymboree, Jundah Race Day (horse racing event) and PESA NSW 55th Annual Golf Day.

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- September was breast cancer awareness month at Jeebropilly, which was launched by painting one of the Jeebropilly Mine's bull dozers McGrath Foundation pink. The particular bull dozer was chosen due to it making its way to our Bengalla mine in the New Year.

CORPORATE

On 21 August 2019, the Company announced that Wiggins Island Coal Export Terminal Pty Ltd had filed an appeal with the Court of Appeal in New South Wales in relation to the Supreme Court's declaration that the Company was not bound by a Deed of Cross Guarantee, in respect of certain subsidiaries, including Northern Energy Corporation Ltd (in liquidation) and Colton Coal Pty Ltd (in liquidation). The appeal was heard on 21 and 22 October 2019. A decision has not yet been received. The Company will provide a further update in due course.

The Company's Annual General Meeting is to be held on Tuesday, 19 November 2019. 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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