



QUARTERLY ACTIVITIES REPORT

31 January 2017

16 February 2017

* Coal sold includes traded coal sales

	Quarter Ended			6 Months Ended		
	Jan-17 ('000t)	Jan-16 ('000t)	Change (%)	Jan-17 ('000t)	Jan-16 ('000t)	Change (%)
<u>Raw Coal Production</u>						
QLD 100% owned and operated	2,437	2,395	1.8%	5,215	5,099	2.3%
NSW 40% owned operations	1,136	n/a	n/a	2,157	n/a	n/a
Total Raw Coal Production	3,573	2,395	49.2	7,372	5,099	44.6%
<u>Saleable Coal Production</u>						
QLD 100% owned and operated	1,289	1,167	10.5%	2,708	2,529	7.1%
NSW 40% owned operations	906	n/a	n/a	1,728	n/a	n/a
Total Saleable Coal Production	2,195	1,167	88.1%	4,436	2,529	75.4%
<u>Coal Sold*</u>						
QLD 100% owned and operated	1,134	1,356	(16.4%)	2,195	2,694	(18.5%)
NSW 40% owned operations	971	n/a	n/a	1,760	n/a	n/a
Total Coal Sold	2,105	1,356	55.3%	3,955	2,694	46.8%
QBH Export Throughput	1,526	1,729	(11.7%)	3,060	3,525	(13.2%)

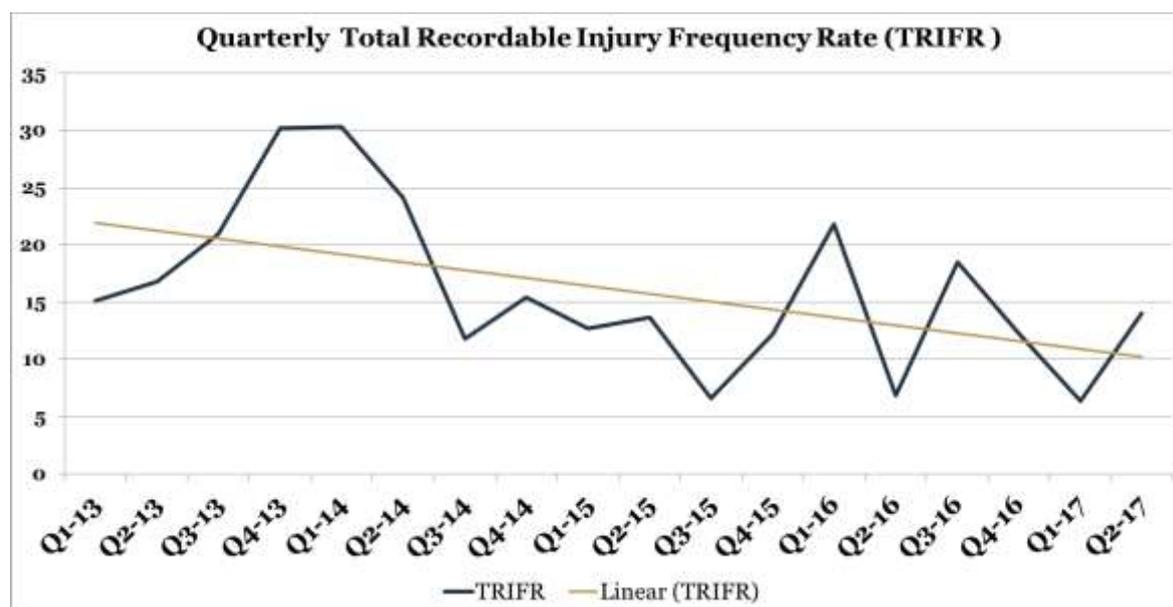
KEY POINTS

- New Acland Stage 3 continuation project received Environmental Protection and Biodiversity Conservation Act (EPBC) approval from the Federal Government on 20 January.
- State Land Court Hearings for New Acland Stage 3 are continuing.
- An Environmental Approval for the Colton project was granted on 15 December 2016 with grant of the Mining Lease pending.

- Strong saleable coal production for the quarter from QLD operations impacted somewhat by scheduled shutdowns over the Christmas period.
- Sales for Queensland operations were adversely impacted by storm damage at the Port of Brisbane during the quarter, with expectations that deferred sales can be recovered during the current financial year.

SAFETY PERFORMANCE

The Group achieved a Total Recordable Injury Frequency Rate (TRIFR) of 14 during the quarter. A small number of minor injuries in our pastoral operations were the main contributor to the quarterly performance. The longer term trend in both leading and lagging indicators remains positive.



QLD COAL OPERATIONS

Raw coal production for the quarter was slightly higher than the previous corresponding period. A higher coal processing yield due to improvements in geological conditions resulted in saleable coal production increasing by 10.5% on the previous corresponding period.

Export sales were affected by an extreme weather event that damaged the ship loader at the Queensland Bulk Handling terminal on the 13th of November. No ships could be loaded until repairs were completed in early December. This negatively impacted upon sales volumes for the quarter. Full year sales are not expected to be materially impacted by this event.

Due to increases in coal prices over the first half of the year, additional economic reserves have been identified and incorporated into mine plans going forward.

NSW OPERATIONS – 40% OWNED (BENGALLA)

New Hope's share of coal production for the quarter was 1,136 tonnes, 11.2 per cent above the previous quarter due largely to mine sequencing.

A seventh excavator was acquired and mobilised to site in early 2017 in order to ensure medium term overburden removal requirements are achieved.

QLD PASTORAL OPERATIONS

New management commenced at Acland Pastoral Company (APC) this quarter.

Herd numbers for the quarter were at 2,407 head with the breeding operation now well embedded.

The quarter saw the company re-introduce pivot operations to irrigate crops for forage and silage and the return of major areas of rehabilitated land from mining activity into its grazing asset.

EXPLORATION AND DEVELOPMENT

Drilling activity during the quarter continued to focus on New Acland tenements with 31 holes drilled for a total of 2,854 metres. This drilling focussed on finalising the water monitoring bore program and improved delineation of coal quality in future mining areas.

Geological work on the North Surat Project area focussed on reviewing the geological models and planning future exploration programs to complete the Pre-Feasibility Study.

The Lenton quality model was updated with the latest simulated coal quality data prior to updating Reserves.

A Company tenure portfolio review has commenced using updated geological and legislative information.

Land Court proceedings for Colton were commenced in August and concluded in November with a recommendation that the Mining Lease and Environmental Authority be granted. The Environmental Authority was issued on 15 December. Grant of the Mining Lease is pending.

Revised New Acland Coal Mine Stage 3 Project

On the 20th January the New Acland Stage 3 Project received its Environmental Protection and Biodiversity Conservation Act (EPBC) approval from the Federal Government. This is a significant step forward in the approvals process for Stage 3.

On the 12th January the application for the mining leases and environmental authority for the New Acland Coal Mine Stage 3 Project was mentioned before the State Land Court to discuss a procedural matter and the Company's application to submit further evidence. As a result the hearing will be re-opened in April.

BRIDGEPORT ENERGY

Oil production totalled 83,505 barrels for the quarter with 74,119 barrels of oil sold, an increase in sales of 44.3 per cent on the past quarter. There were no incidents during the quarter. The Bridgeport LTI free period is now over 1,272 days.

Operations at Moonie, Utopia, Cuisinier and Naccowlah/Jackson fields were steady for the quarter at 975 bopd (Bridgeport share). Intervention activities were carried out at the Kenmore Bodalla and associated fields acquired from Beach Energy Limited (BPT) in Q4 2016 and the Inland field where a number of planned repair workovers were carried out to increase production.

REGISTERED OFFICE

Bridgeport was awarded three new exploration tenements in Queensland during the quarter; ATP 2022 (Morney block), ATP 2023 (Naccowlah N block) and ATP2024 (Naccowlah E block). These blocks are proximal to existing production facilities.

Subject to regulatory approvals, Beach has agreed to farm-in to 50% of PEL 630 in the Cooper Basin of South Australia. Beach will drill two exploration wells in 2017, designed to test the oil and gas-liquids potential of the Eromanga Basin sequence. Bridgeport's working interest after Beach completes the drilling program is 50%.

COMMUNITY SUPPORT

Partnerships with and contributions to various community organisations continued in the last quarter. Activities for the last quarter include:

- A new two year partnership with LifeFlight Rescue, which builds upon the successful partnership over the past 6 years. The new partnership will focus on improving safety in rural areas through the provision of aeromedical services, and the Rural Safety Program for landholders.
- The latest round of the New Acland Community Investment Fund supported four projects in the New Acland region. Selection of projects is done in partnership with the Community Reference Group, a group of representatives from the local community.
- A Community Needs and Resources Assessment has been conducted in the New Acland area. The Assessment will be used to identify key development areas. These areas will become the focus for future community partnerships and work towards greater social impact in local areas.
- Through the Queensland Police Legacy scheme, Bridgeport provided resources to publish a child safety handbook, support to local school P&C's and sporting events in the communities in the Eromanga and Quilpie area.

CORPORATE

The Company's Half Year Financial results are scheduled to be released on Tuesday 21 March 2017.

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REGISTERED OFFICE