



QUARTERLY ACTIVITIES REPORT

31 JANUARY 2015

25 February 2015

	Quarter Ended			6 Months Ended		
	Jan 15 ('000t)	Jan 14 ('000t)	Change (%)	Jan 15 ('000t)	Jan 14 ('000t)	Change (%)
Raw Coal Production	2,723	2,410	+13.0%	5,537	5,350	+3.5%
Saleable Coal Production	1,387	1,183	+17.3%	2,871	2,696	+6.5%
Coal Sold*	1,507	1,533	-1.7%	3,073	3,010	+2.1%
QBH Export Throughput	1,699	1,934	-12.2%	3,602	4,203	-14.3%

*Coal sold includes traded coal sales

KEY POINTS

- Operations set to deliver an improved financial contribution for the 6 months to 31 January 2015 compared to the 2014 half year result – an increase of between 40% and 50% (based on an unaudited result of \$32-34 million).
- Strong coal production and sales volumes for the current quarter and year to date, exceeding those achieved in the previous corresponding period.
- Six monthly export sales of 3.073 million tonnes is a record.
- Sustainable cost reductions continue with Free on Rail (FOR) costs reduced by 15% compared to the first 6 months of 2014.
- Continued weakness in export thermal coal prices were somewhat offset by an easing Australian Dollar exchange rate which delivered improved pricing in AUD terms.
- Safety performance continues to improve across the group with the twelve month moving average total reportable injury frequency rate (TRIFR) declining from 24 as at January 2014 to 13 at the end of this quarter; a 46% improvement.
- Increased oil production for the current quarter of 40,462 barrels.
- Finalised the acquisition of a 51% interest in the Taroom, Collingwood, and Woori deposits in the North Surat Basin, with agreement reached to acquire the remaining 49%.
- Received conditional approval from the State Co-ordinator General for the New Acland Stage 3 project during December 2014.

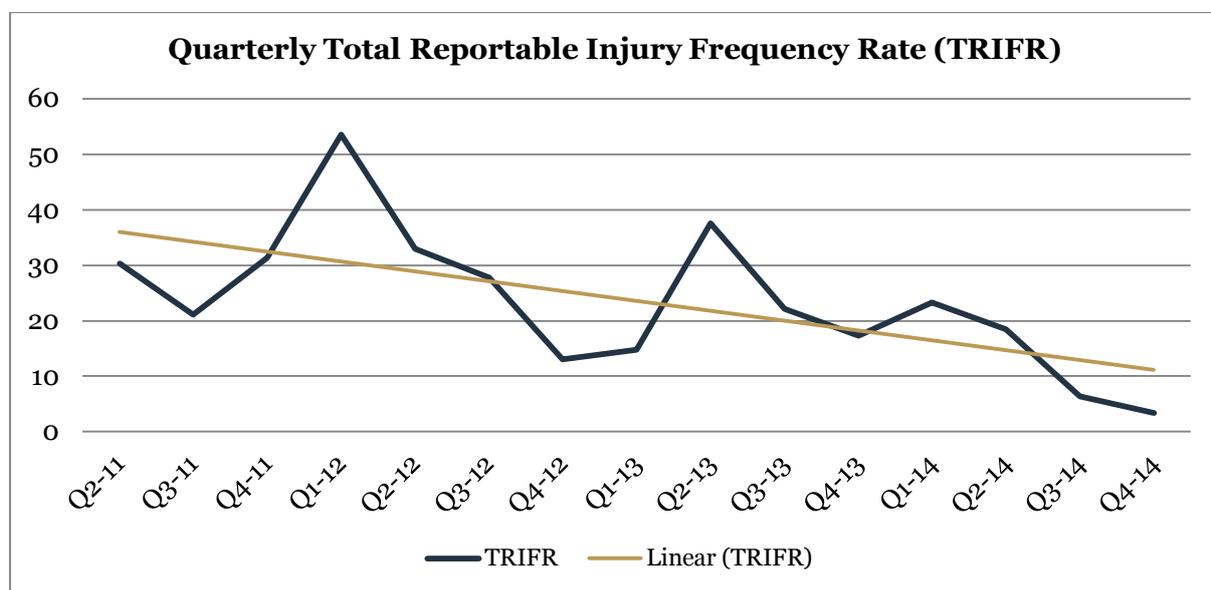
COAL OPERATIONS

Raw coal production for both the quarter and year to date exceeded the production recorded in the prior corresponding period. Saleable coal production for the quarter was up 17% on last year's production at 1.39 million tonnes for the quarter.

The company achieved strong sales volumes for the quarter of 1.5 million tonnes, albeit slightly below the prior corresponding period. Sales for the first half of the year are 2% up on 2014 at 3.1 million tonnes, a record half year performance for New Hope.

FOR cost reductions of 15% have been achieved at mining operations compared to the first 6 months of 2014. This has been achieved through a combination of changes to mining practices, prudent maintenance activities and reduced costs for consumable inputs.

SAFETY PERFORMANCE



The company remains focussed on delivering safe production across all operations. A group wide commitment to the "i-Safe/we-Safe" behavioural safety program continues to deliver improving safety metrics as highlighted by the above TRIFR statistics.

EXPLORATION AND DEVELOPMENT

During the quarter drilling activity was conducted over New Acland tenements with 18 holes drilled for a total of 2,436 meters.

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

Drilling during the quarter focused on coal quality, seam delineation and confirming the geology of future mining areas.

Colton (EPC923)

Site rehabilitation was completed in November 2014.

Bee Creek (EPC777)

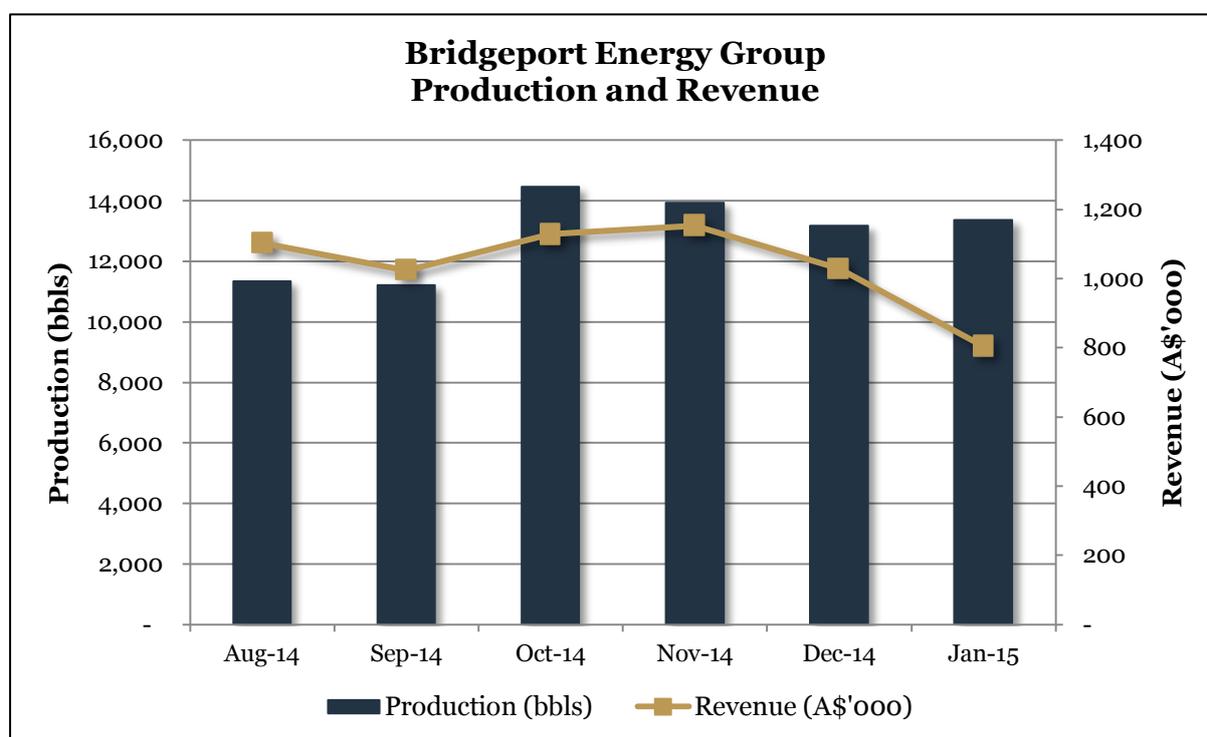
Coal quality samples are currently undergoing washability analysis. The findings from the coal quality testing will be incorporated into a holistic project evaluation.

Minerals tenements (EPM's 18589, 19863, 18581)

Results of recently undertaken gravity, AMT and bore core analysis have been returned from the laboratory and are in the process of being reviewed with a view to further define future exploration targets.

BRIDGEPORT ENERGY

Oil production totalled 40,462 barrels for the quarter.



During the half year, oil prices received dropped by approximately 54% reflecting the change in global oil demand and supply which has impacted all oil producers worldwide.

Oil production for the half year was 77,500bbls with revenues of \$6.2 million over the period.

Operated fields – Inland and Utopia

Mechanical repair workovers were completed. The workover activity reinstated production amounting to 35-40 barrels of oil per day (bopd), taking Bridgeport's share of current production from these fields to approximately 136 bopd.

Planning for rig, equipment and third party services continued for the drilling of two development wells in the Inland field. Drilling is currently deferred given current market conditions and as a result of management's capital allocation review.

ATP752 (Bridgeport 15%/17.5% interest)

Phase 2 of the drilling programme was successfully completed in permit ATP752 with one exploration well (Nubba 1) cased and suspended for extended production testing and one unsuccessful well (Wicho East) which was plugged and abandoned.

PL303 – Cuisinier (Bridgeport 15 % interest)

The rig moved to the Cuisinier field and drilled Cuisinier 17-21 development/appraisal wells, completing the last well in the programme in February 2015. Two of the development wells (Cuisinier 20 and 21) have been cased and suspended for future production and are anticipated to be brought on-line in May 2015. Two of the three appraisal wells (Cuisinier 17 and 19) have been cased and suspended pending further testing and evaluation and Cuisinier 18 has been plugged and abandoned.

Exploration permits

Airborne geophysical surveys were undertaken across our larger permits in the Cooper Basin including the recently awarded PEL630 permit in South Australia. This work will feed into a basin wide exploration study in progress allowing seismic acquisition planned later in the year. Bridgeport holds approximately 15,000km² of exploration acreage in predominantly the Cooper Basin.

Health and Safety

There were no incidents or near misses during the half year and the company LTI free period is now over 730 days. The company LTIFR is tracking at close the industry average of 2.0 per million man hours.

ACLAND PASTORAL

Recent rains have improved the feed situation at Acland. The herd size has been sold down over the quarter and now sits at 1,472 head. A second crop (mung beans) has been planted under the new pivot irrigator and is progressing well.

The five year development plan for Acland Pastoral is now being implemented with further investment in fencing and water points being undertaken.

DEVELOPMENT PROJECTS

Revised New Acland Coal Mine Stage 3 Project

Upon review of the Additional Environmental Impact Statement Report (AEIS), the Queensland Coordinator-General (COG) conditionally approved the project in December 2014. The Federal Minister for the Environment was due to issue a decision on the project in February but has required a three month extension following the change in Queensland Government.

The company remains committed to delivering the Acland project and is actively working with all key stakeholders to deliver a satisfactory and timely resolution. The project will extend the mine's life to 2029 with the inclusion and progressive development of two new resource areas.

The revised project will boost current employment to 435 local jobs for mining operations, plus another 260 jobs will be created during construction. Flow-on jobs and benefits will be substantial for local communities with indirect jobs expected to grow to more than 2,850.

The project will provide a \$530 million injection into the south-east Queensland economy each year and a boost of \$12 billion to the local, state and national economies over the life of the mine.

New Hope has listened to community and government concerns relating to the previous proposal and has developed a revised version of this plan that addresses these issues. Significant compromises delivered in the revised plan include:

- The Acland town area has been excluded from the Mining Lease Application area. This includes the Tom Doherty Park, the War Memorial and the Acland No 2 Colliery, which will be maintained and left in place. Permanent access and utility services to Acland will be maintained
- The closest point of potential mining operations will be located at least 10km away from the township of Oakey, compared with 7km as previously proposed
- From the original Stage 3 proposal, there will be an overall reduction in the total amount of land disturbed for mining activities by more than half
- The train loading facility will be relocated from near Jondaryan to a remote site on the mining lease area
- The new plans will ensure that Lagoon Creek is not diverted
- Production levels from the New Acland Mine under the revised project will be reduced by at least 25% to up to 7.5 Mtpa, from the originally proposed 10Mtpa
- As a key part of this compromise, New Hope has substantially reduced the mining lease application area of the mining lease sought for Stage 3

Colton Project

During January the Mining Lease Applications progressed to the first Directions Hearing in the Land Court. The Court subsequently issued orders to the parties detailing the program for dealing with the Objections to the applications. The next hearing is set down for September 2015.

Elimatta Project

Work continued on updating the Environmental Management Plan (EMP). It is intended to lodge the EMP with the Department of Environment and Heritage Protection in February.

Negotiations for a CoDevelopment Agreement continued with the holders of the overlapping coal seam gas tenements.

Yamala Project

An Application for a Mineral Development Licence covering the eastern half of the tenements was prepared.

COMMUNITY SUPPORT

Through our Community Sponsorship and Donation program, New Hope contributes more than \$600,000 each year to community-based organisations and groups to support the communities in which we live and work. New Hope has also established the New Acland Community Investment Fund, which assists not-for-profit community groups and organisations to develop long-term outcomes for communities around the New Acland Coal Mine.

New Hope has been a major supporter of the CareFlight Rescue Helicopter Service since 2011, assisting the vital community service to continue operating throughout southern Queensland. New Hope recently renewed its partnership with CareFlight.

Recent sponsorship and donation recipients include:

- The Maclagan Memorial Hall Association
- Oakey CWA House
- Toowoomba Basketball Association
- Ipswich City Rotary Club
- Oakey Golf Club
- St Monica's P&C Association, Oakey

CORPORATE

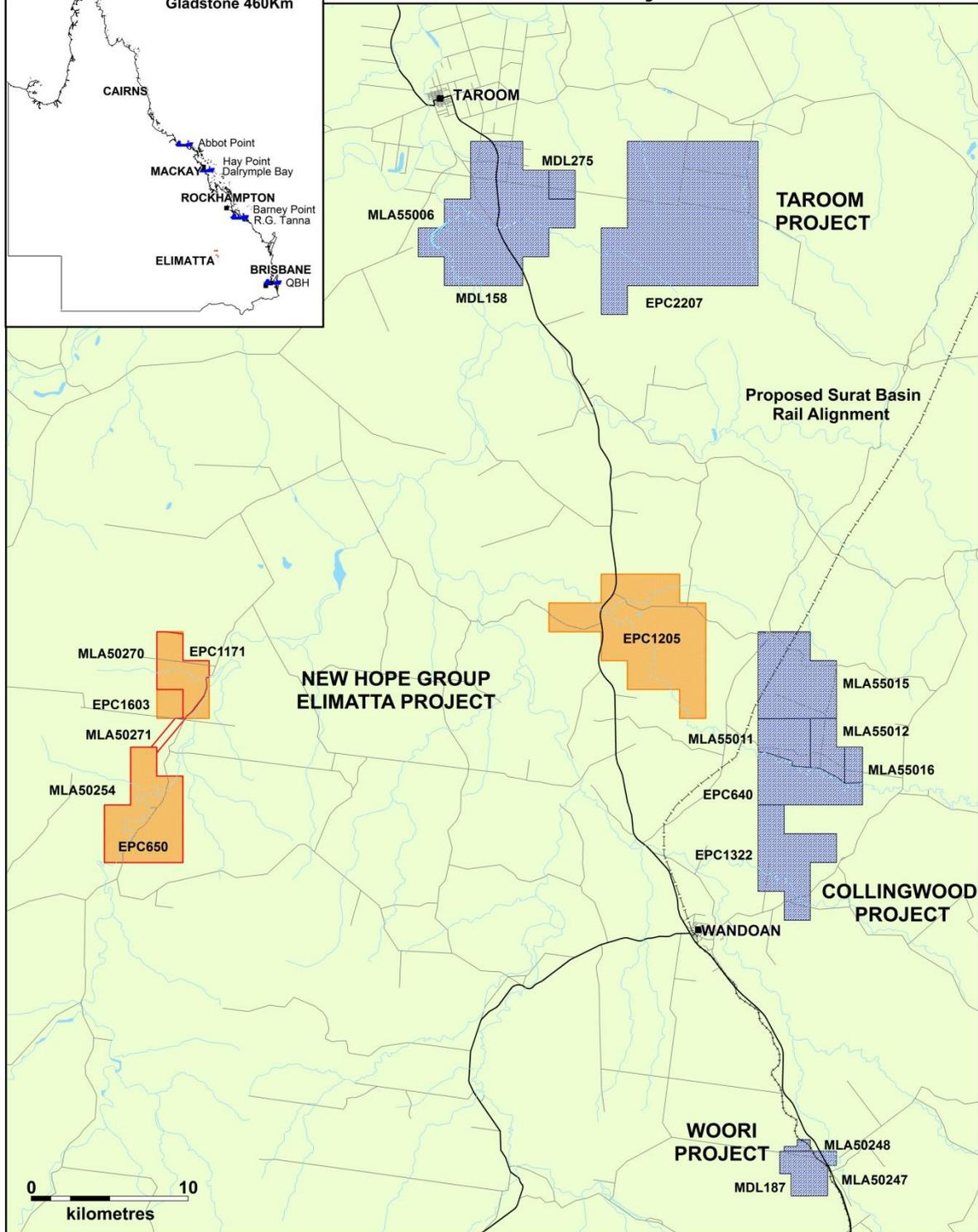
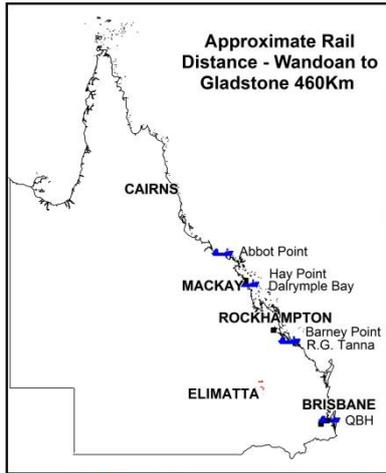
Acquisition of Surat Basin Assets

Background

In December 2014 New Hope, through its subsidiary North Surat Coal Pty Ltd, acquired Cockatoo Coal Limited's ("Cockatoo") 51% stake in three coal projects in the Northern Surat Basin region of Central Queensland. Total consideration paid was A\$25 million funded from New Hope cash reserves. The assets acquired included coal tenements over the Taroom, Collingwood and Woori projects as well as some rural property associated with the projects.

As a part of the acquisition New Hope subsidiary North Surat Coal Management Pty Ltd was also appointed as the manager of the North Surat Joint Venture with joint venture partner MCH Surat Basin Investment Pty Ltd a wholly owned subsidiary of Mitsui Coal Holdings Pty Ltd ("Mitsui"). Mitsui owns the remaining 49% interest in the three projects.

NORTH SURAT BASIN Project Location Overview



Tenement Status
 Current Tenure Held
 Tenure Under Acquisition

Infrastructure
 — Road
 - - - - Rail
 - - - - Proposed Surat Basin Rail Alignment

Location
 ■ Place Name

Datum: GDA94
 Projection: Lat/Long
 Created By: New Hope Group
 Date: February 2015

North Surat Projects

The three coal projects are located near the townships of Taroom and Wandoan and are in close proximity to the proposed Surat Basin Rail alignment that is intended to link the Surat Basin to the export coal ports in Gladstone.

New Hope's Elimatta project is also in the general vicinity of the three acquired projects. Based on Cockatoo's analysis as set out in Cookatoo's report on activities for the quarter ended 30 September 2013 (dated 31 October 2013 and released on the ASX announcements platform on 31 October 2013), the three projects contain total resources of 746Mt and total reserves of 302Mt. New Hope intends to review these resource and reserve estimates in line with its usual review processes. New Hope is not, however, currently aware of any new information or data that materially affects these estimates. Further, so far as New Hope is aware, all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Based on Cockatoo's previously disclosed resource and reserve estimates the combination of the three acquired projects and Elimatta provides New Hope with control of over 1 billion tonnes of thermal coal resources in the Northern Surat Basin.

Project	Resources (Mt)				Reserves (Mt)			
	Inferred	Indicated	Measured	Total	Marketable	Probable	Proved	Total
Taroom ⁽¹⁾	126	149.3	158.1	433	161.7			161.7
Collingwood ⁽¹⁾	69	80.3	79.7	229	98.6			98.6
Woori ⁽¹⁾	-	-	84.3	84.4	40.6			40.6
Elimatta ⁽²⁾	50	101	108	259		40	100	139
Total				1,005				441

- (1) Resources and Reserves relate to 100% of the project. Cockatoo's quarterly activities report containing the estimates in respect of the Taroom, Collingwood and Woori projects was released to ASX on 31 October 2013 and is available on the ASX announcements platform. The competent person responsible for the original report in respect of the Taroom, Collingwood and Woori projects was Dr Oliver Holm.
- (2) The resource and reserve estimates for the Elimatta project were previously set out in the company's annual report for the year ended 31 July 2014 released to ASX on 23 September 2014 and is available on the ASX announcements platform. The competent person responsible for the report in respect of the resources in the Elimatta project was Mr Patrick Tyrrell, who is a member of AusIMM. The competent person responsible for the report in respect of the coal reserves at the Elimatta project was Mr Brett Domrow, who is a member of AusIMM. Mr Domrow is a full-time employee of New Hope Corporation Limited. New Hope is not currently aware of any new information or data that materially affects the estimates in respect of the Elimatta project. All material assumptions and technical parameters underpinning those estimates continue to apply and have not materially changed.

Surat Basin Strategy

New Hope views its investment in the Surat Basin as a long term strategic play that provides a meaningful exposure to a new thermal coal basin that is expected to be developed in the future. The key to unlocking the potential of the Surat Basin is finding an economic coal transport solution. New Hope's initial focus with these projects will be to understand the optimal development profile for the four Surat Basin assets and to work on a range of coal transport alternatives.

Subsequent Events

In February 2015 New Hope also agreed to acquire Mitsui's 49% interest in the Surat Basin projects associated with the North Surat Joint Venture on terms similar to those agreed with Cockatoo. The acquisition of Mitsui's interest in these projects is subject to customary conditions relating to title transfer which are expected to be satisfied by the end of March 2015.

HALF YEAR PROFIT GUIDANCE

New Hope Corporation Limited (ASX:NHC) advises that its Net Profit After Tax (NPAT) for the half year ended 31st January 2015 is anticipated to be within the range of \$32 million to \$34 million before non-regular items.

In light of significant movements in the oil price over the last 6 months the Company is currently assessing the need for potential impairments against the carrying value of the groups oil and gas investments. The potential quantum of these impairments is yet to be finalised however initial indicators suggest that an impairment of up to \$54 million may be required.

In the event that such an impairment is required, the Company will likely record a Net Loss After Tax in the range of \$20 million to \$22 million for the six months ended 31 January 2015.

It is anticipated that New Hope will release its first half financial results for the period on Tuesday 24th of March 2015.

For further information, please contact:

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