



QUARTERLY ACTIVITIES REPORT

31 OCTOBER 2020

17 November 2020

	Quarter Ended		
	Oct-20 ('000t)	Oct-19 ('000t)	Change (%)
<u>Saleable Coal Production</u>			
QLD 100% owned and operated	468	1,180	(60.4%)
NSW 80% owned operations	1,647	2,148	(23.3%)
Total Saleable Coal Production	2,115	3,328	(36.5)
<u>Coal Sold¹</u>			
QLD 100% owned and operated	453	1,114	(59.3%)
NSW 80% owned operations	1,855	2,229	(16.8%)
Total Coal Sold	2,308	3,343	(31.0%)
QBH Export Throughput	1,076	1,466	(26.6%)

¹ Includes Trade Coal Sales.

KEY POINTS

- Total coal production down due to planned Bengalla dragline shutdown and ramp down of operations at New Acland;
- Newcastle coal price has increased by 17% (monthly average) since July 2020;
- Strength in the market is returning as Asia gets back to business;
- Total coal sales for Bengalla better than planned at 2.3 million tonnes;
- Mining activities at New Acland focused on West Pit with run of mine above targets;
- Rob Bishop appointed as Chief Financial Officer; and
- Restructure of Corporate Office to result in approximately 90 redundancies, effective from November 27.

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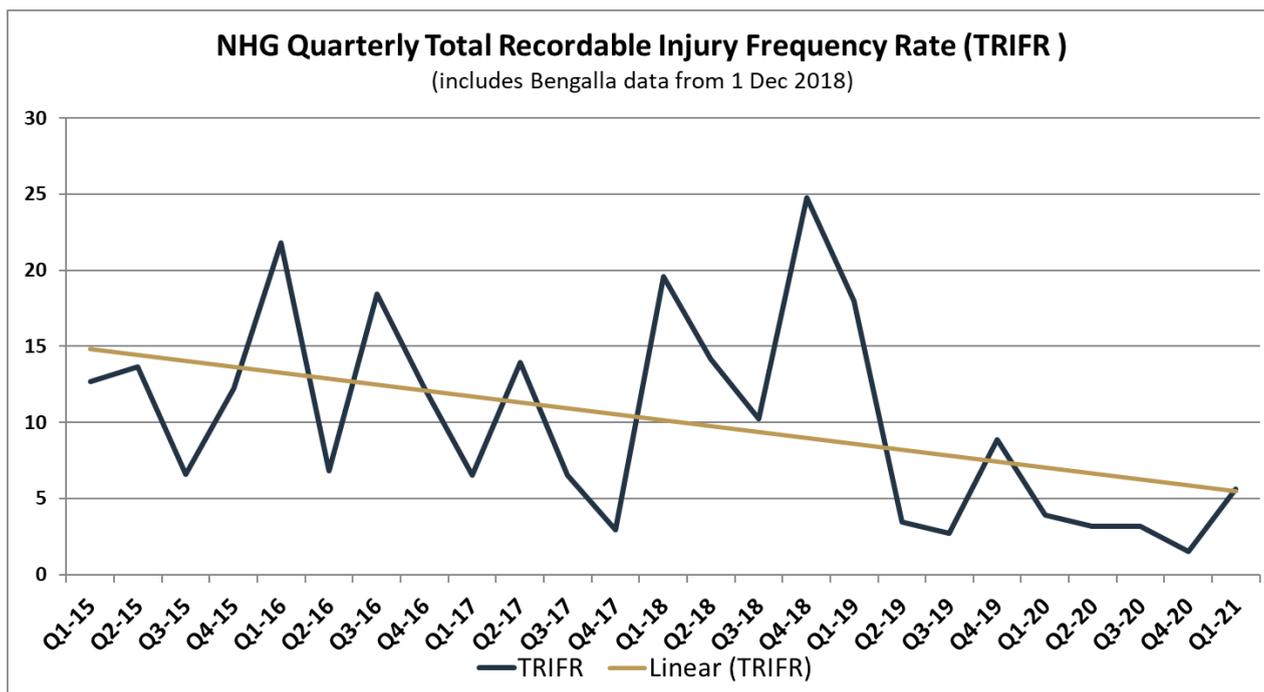
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SAFETY PERFORMANCE

The Company has recorded four reportable injuries during the last quarter resulting in the quarterly total recordable injury frequency rate (TRIFR) trending upward to 5.64 per million exposure hours.

Sites are investigating the root causes of the incidents and will share findings across the group at the monthly Lesson's Learned Forum to stop any repeat events.

Despite the increase, the Company's TRIFR remains below the industry average.



¹New South Wales Surface Coal Mines average

THERMAL COAL MARKET

The Newcastle coal price has increased by 17% (monthly average) since July 2020 on the back of supply demand rebalancing driven by the global response to the COVID-19 virus demand/price shock.

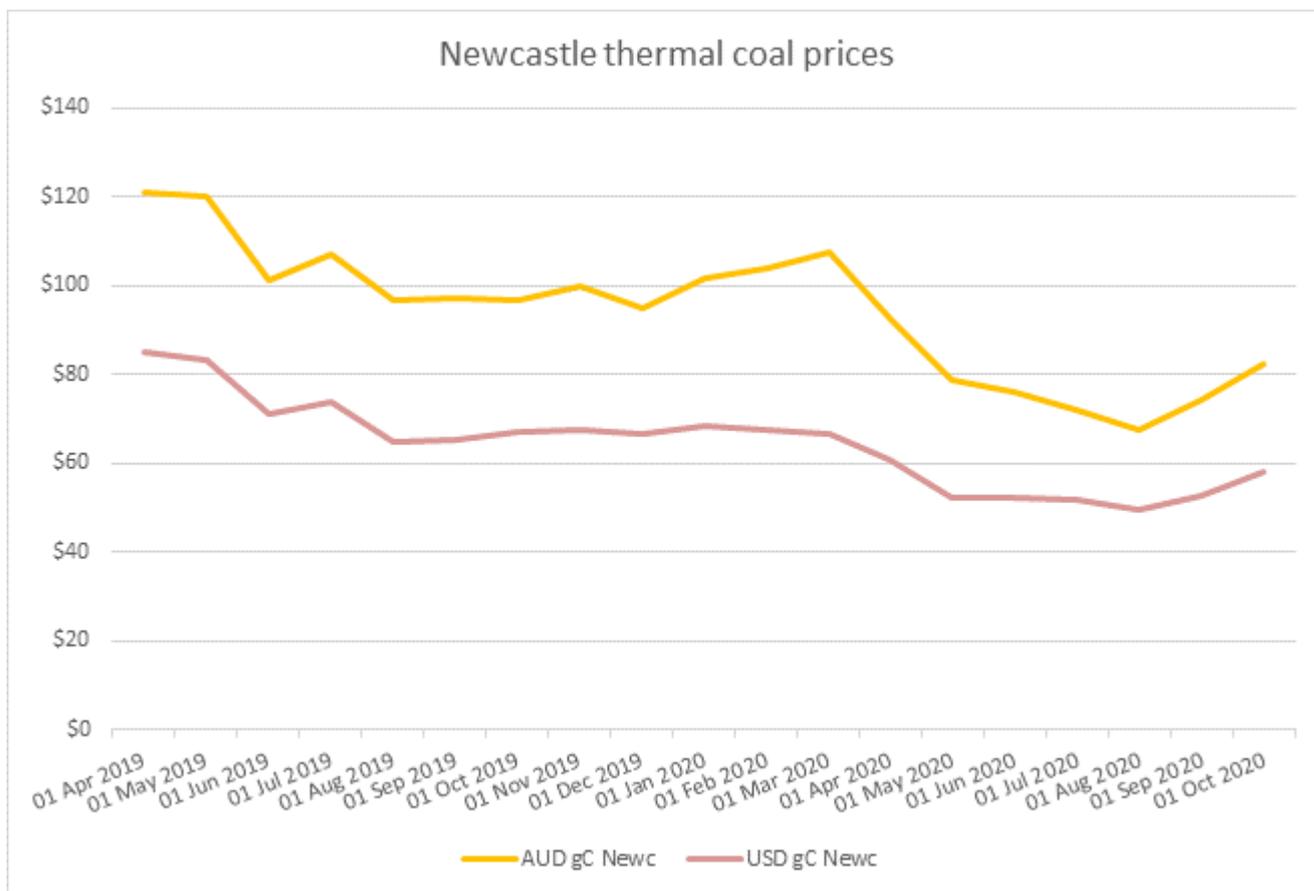
Strength in the market is returning as Asia gets back to business.

The risk of gas displacing coal in the short-term looks less likely as a general steadiness in the energy complex has developed.

The high ash thermal coal market remains bearish on the back of political uncertainties in relation to the importation of Australian coal into China.

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Source: globalCOAL – a division of Global Commodities Holdings Ltd

COVID-19 RESPONSE

The Company is continuing to monitor the ongoing COVID-19 pandemic to ensure the health and wellbeing of team members and continuity of operations. To date New Hope Group has had no cases of COVID-19 at any of its sites.

The continuing uncertainty with regard to border closures continues to impact the business with interstate travel all but impossible. Plans have been implemented to mitigate the impact of the border closures.

All employees continue to receive regular updates from the CEO advising of travel restrictions where necessary. Standard COVID-19 measures continue to be practiced across all sites.

The Company will continue to adhere to Government advice, including strict quarantine measures for staff who have returned from overseas or have been in contact with someone who has a confirmed case of COVID-19.

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NSW OPERATIONS – 80% OWNED

Production for the quarter was down on the previous quarter, as planned, with 2.1 million tonnes of coal produced (New Hope share 1.6 million tonnes).

This was due to the dragline's planned major midlife rebuild and the Coal Handling and Preparation Plant down for major planned outages during the quarter. Regardless, Bengalla is expected to deliver on full year planned production.

Bengalla completed the previous financial year with high stocks which has supported above plan total sales for the quarter at 2.3 million tonnes (1.8 million tonnes New Hope share). Recent storms and wet weather in Newcastle resulted in port closures and rail network outages.

The mid-life shutdown of the dragline was completed at the end of October, 18 days later than expected due to heavy rain and Covid-19 impacts. There were no reportable injuries and the shutdown was successfully completed \$2M under budget.

Prime overburden production remains on plan for the year to date due to strong operating performance from the excavator/truck fleet and bulldozers being used in a dozer push application to replace some of the lost dragline capacity.

With respect to the investigation into the 2018 fatality of Quinton Moore the NSW Regulator advised in September that they consider the matter closed.

QLD COAL OPERATIONS

New Acland Mine

Mining activities at New Acland have been concentrated in West Pit over the past quarter with run of mine coal above targets.

Clean coal production was down for the quarter due to lower yield washing the last of processed underground feed, however gold coal production remains on target to meet gold shipments.

The second round of redundancies on site have been completed with the further 25 personnel leaving the business. All 25 were voluntary redundancies.

As a result, the coal handling and processing plant (CHPP) has reduced operations to just four days per week and the night shift production team has been reduced to match the CHPP feed requirements.

The ongoing delay in securing approvals for Stage 3 is causing continued uncertainty both at site and in the broader community.

Advocacy for NACo3 ramped up during the Queensland State election campaign with several candidates from across the political spectrum speaking out in support of the mine, both locally and across Central Queensland.

Crews from site attended rallies at both Clermont and Oakey in support of the approvals and Opposition Leader, Deb Frecklington visited the site twice to pledge her support for the project.

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It is unclear what the subsequent re-election of the Labor Government means for the project and we await a meeting with the new Minister.

Our focus on rehabilitation continues with large areas of West Pit being seeded with oats as early cover crop with good success.

Quarter 2 seeding has begun with good spring rain with Acland Pastoral Company taking over rehabilitation seeding activities from the contractor to reduce costs.

West Moreton Operations

West Moreton Operations' continue to focus on rehabilitation activities at the Jeebropilly and New Oakleigh sites.

Capping of the most southern area of the tailings storage facility has continued over the quarter along with Oakleigh East rehabilitation work, which has seen 266,975 bank cubic metres (BCM) of material removed from remnant spoil and relocated into the Normanton Pit void.

The southern area of this project has now been completed with the area seeded to pasture and awaiting anticipated rain.



Normanton pit rehabilitation works is continuing at the New Oakleigh site.

Phase 1 of the cattle grazing trials on the Oakleigh West rehabilitated land is nearing completion with the initial 113 heifers to be removed from site and weighed in the coming weeks (as part of the grazing rotation program). Trials have targeted weight gain and pasture performance over a four-month period, with visual assessment of trial cattle demonstrating positive gains.

Jeebropilly has been recognised by their peers in the form of two industry awards, the AMMA Workforce & Workplace Relations Innovation Award and the Queensland Mining Awards Staff and Community Engagement Award.

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Jeebropilly is also a finalist in the Australian Mining Prospect Awards for Excellence in Mine Safety, OHS and Coal Mine of the Year.

PASTORAL OPERATIONS

Cattle grazing activities at Bengalla Agricultural Company (BAC) continued with the fattening of 500 steers and 200 heifers from Acland Pastoral Company (APC). APC's 1200 head breeder herd have commenced calving with the first round of branding to occur later in the year.

Cattle grazing on the rehabilitated mined land at New Acland continued with a herd to be rotated through the area over the next 12 months.

APC and BAC both produced above average winter barley and oats crops respectively.

BRIDGEPORT ENERGY

During the quarter, Bridgeport's oil production totalled 82,069 barrels with 69,662 barrels of oil being sold, down on the prior quarter by 4% (85,449 barrels).

With improved oil prices during the quarter, workovers commenced at the Inland, Kenmore and Utopia fields to repair five wells which were offline awaiting maintenance work. This work is expected to reinstate offline production and bring production back in line with budget.

Detailed well planning and services contracting was in progress for the drilling of the first of up to five wells by Origin Energy in the Toolebuc Shale play in southwest Queensland as part of its farmin work programme commitments. The play covers an area totalling 655,000 acres across the five tenements held by this joint venture in the NE Cooper Basin area.

The non-operated Vali-1ST well in ATP 2021 completed an isochronal well testing programme achieving stabilised production rates of 5 mmcfd on an extended flow period; indicating a 2C resource in line with pre-drill expectations (40 PJ gross, 10 PJ net). Work has commenced on gas marketing and engineering concepts for tieback of this resource into the Moomba infrastructure for gas sales expected to commence next year. (Further information can be obtained here; <https://www.vintageenergy.com.au/asx.html>).

COMMUNITY SUPPORT

Providing assistance and support that has a prolonged impact on building stronger communities has continued during this quarter. Although many activities had to be postponed or cancelled due to COVID-19 controls, the Company has continued to support the local communities in which it operates.

Specific community support activities undertaken during the quarter included:

- Bengalla has supported Upper Hunter Homeless Support Services, Muswellbrook Public School Gymnastics Program and is a major sponsor for Muswellbrook Junior Touch Football Association.

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- New Hope Group partnered with Queensland Minerals and Energy Academy to deliver two STEM programs to students at Oakey State High School and Toowoomba State School in August and October.
- New Acland Mine supported Dalby TAFE students through a donation of an engine, wiring harness, pumps and valves. These items will help students further their learning through practical experience.
- A successful application to the New Acland Community Investment Fund enabled the Oakey Urban Landcare Group to purchase a new zero turn mower that will be used to maintain approximately 20 hectares of land along the Koala Corridor.

CORPORATE

Appointment – Chief Financial Officer

Mr Rob Bishop was confirmed as the Company's new Chief Financial Officer after a thorough executive search. Mr Bishop had been acting in the CFO role since July 2020.

With a career in the mining industry since 2004 with Vale and AMCI Group, Mr Bishop was the CFO at AMCI for two years prior to joining New Hope.

Redundancies

Over the past quarter further redundancies have occurred across the business with the majority in the Corporate Office. This will result in more than 90 employees leaving the business from the end of November 2020, including the majority of the former Executive Leadership team. All departments within the corporate office have been affected by the redundancies with the new structure taking effect from December 1.

Colton Project Update

The Company's Annual Report published on 16 October 2020 (particularly pages 13 and 88) included a comprehensive summary of the current status of matters concerning the Company's subsidiaries, Northern Energy Corporation Limited (in liquidation) (NEC) and Colton Coal Pty Ltd (in liquidation) (Colton Coal).

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Annual General Meeting

The Company's Annual General Meeting is to be held at 12 noon (Brisbane time) on Tuesday, 17 November 2020. 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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This ASX Announcement was approved and authorised for release by the Board

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