



QUARTERLY ACTIVITIES REPORT

31 JULY 2016

26 August 2016

	Quarter Ended			12 Months Ended		
	Jul 16 ('000t)	Jul 15 ('000t)	Change (%)	Jul 16 ('000t)	Jul 15 ('000t)	Change (%)
<u>Raw Coal Production</u>						
QLD 100% owned and operated	2,806	2,812	-0.2%	10,690	11,140	-4.0%
NSW 40% owned operations#	983	0	+100.0%	1,739	0	+100.0%
Total Raw Coal Production	3,789	2,812	+34.7%	12,429	11,140	+11.6%
<u>Saleable Coal Production</u>						
QLD 100% owned and operated	1,454	1,454	0%	5,226	5,747	-9.1%
NSW 40% owned operations#	812	0	+100.0%	1,388	0	+100.0%
Total Saleable Coal Production	2,266	1,454	+55.9%	6,614	5,747	+15.1%
<u>Coal Sold*</u>						
QLD 100% owned and operated	1,565	1,361	15.0%	5,460	5,827	-6.3%
NSW 40% owned operations#	840	0	+100.0%	1,470	0	+100.0%
Total Coal Sold	2,405	1,361	+76.7%	6,930	5,827	+18.9%
QBH Export Throughput	1,870	1,839	1.7%	6,990	7,094	-1.5%

* Coal sold includes traded coal sales

#Five month period of 40% ownership of the Bengalla Joint Venture

KEY POINTS

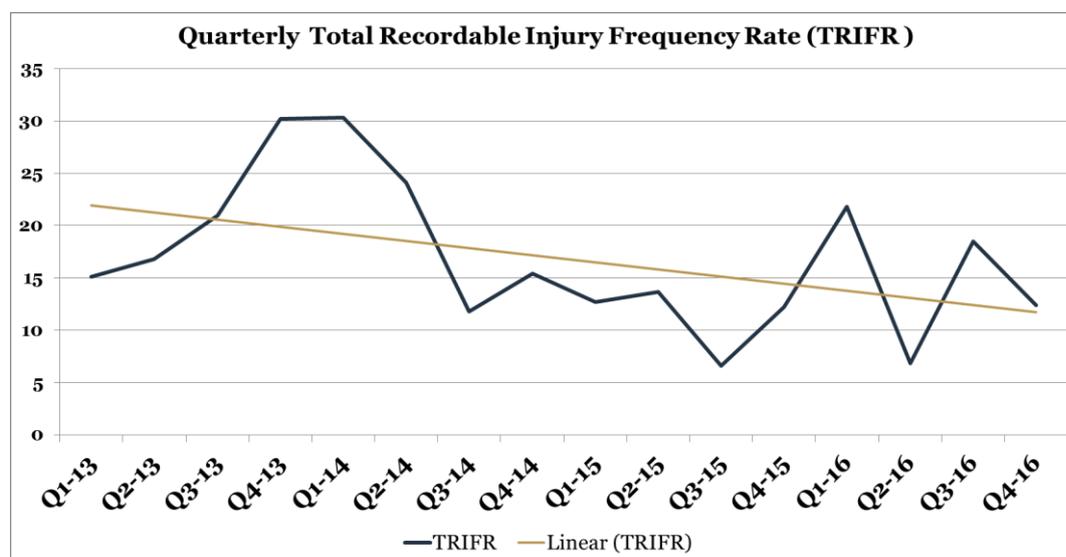
- Raw coal production for the quarter was up 37.43 percent on the previous year's corresponding period due to production from Bengalla (NSW) operations.
- Sales volumes for the quarter were very strong and well above the prior corresponding period.
- The first full quarter of Bengalla (NSW) ownership saw production and sales consistent with pre-purchase expectations.
- The Land Court phase of the Mining Lease and Environmental Authority process for the New Acland Stage 3 project continues, with the hearings completed in August and closing submissions expected in the first week of October 2016.
- Oil production for the current quarter of 52,292 barrels with 51,255 barrels of oil sold.
- Bridgeport entered into a binding Sale and Purchase Agreement with Beach Energy for the acquisition of various operated oil exploration and production tenements in the Cooper Basin, SW Queensland. This transaction is subject to the waiver of pre-emptive rights, with completion currently expected to take place in the third quarter of 2016.

SAFETY PERFORMANCE

Continued focus on safety performance saw a reduction in incidents during the last quarter. A concerted effort to drive safety improvement through safety leadership initiatives saw seventeen (17) staff members attend an i-Safe/We-Safe for Leaders training session.

The company's Peer Support Program has gained good support and is well utilised across the business.

The company received the 2016 Australian Mines and Metals Association (AMMA) Award in the Health and Wellbeing category. The Award recognises a resource industry organisation that has implemented a leading health, safety and wellbeing initiative that has made a significant positive impact in its workplace.



QLD COAL OPERATIONS

Raw coal production for the quarter was equivalent to the previous year's corresponding period.

Saleable coal production was also consistent with the prior corresponding period. This reflects an improvement in product coal yields from the processing of seams lower in the mining sequence.

Sales volumes for the quarter were very strong and well above the prior corresponding period.

NSW OPERATIONS – 40% OWNED (BENGALLA)

The transition of joint venture management from a Rio Tinto subsidiary to the Bengalla Mining Company Pty Ltd has been successfully completed.

During New Hope's first full quarter of Bengalla ownership the mine's production and sales have been consistent with pre-purchase expectations. Saleable coal production was slightly below plan for the quarter due to some unplanned mechanical downtime in the coal handling and preparation plant.

QLD PASTORAL OPERATIONS

Acland Pastoral Company's five year plan of transitioning to a cow/calf breeding enterprise was completed in June 2016. The last of the back-grounding steers were sold and 489 calves were produced and branded during the quarter.

A water network and fencing renewal (wire and water) capital program was completed.

The cropping program yielded excellent outcomes for the year as a result of good seasonal rainfall.

EXPLORATION AND DEVELOPMENT

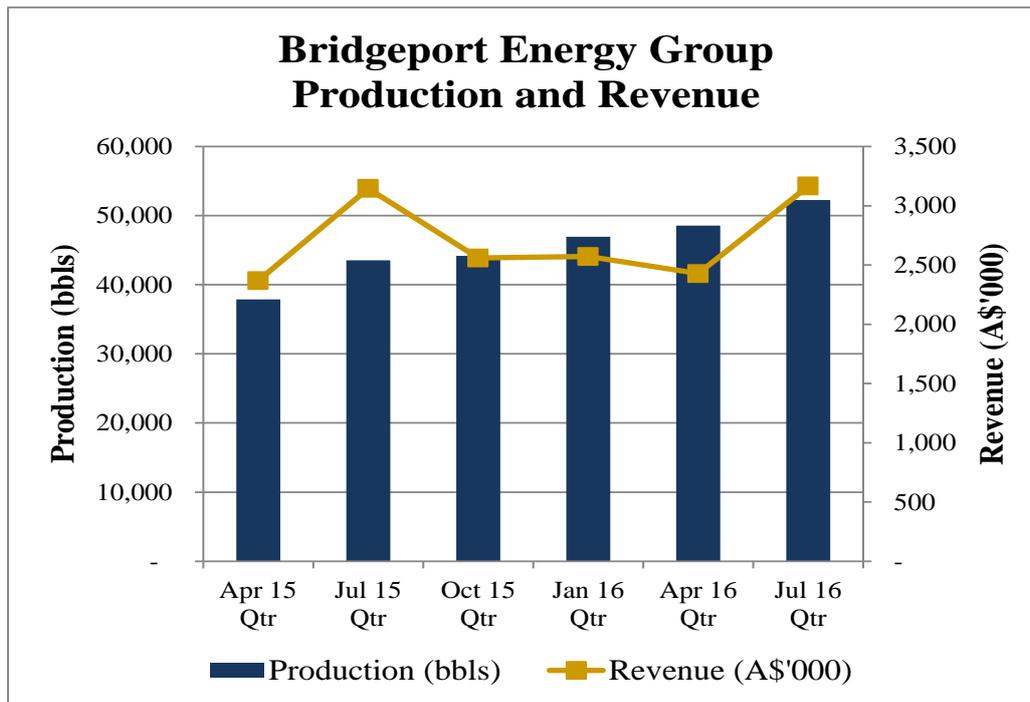
During the quarter drilling activity continued on New Acland tenements with 64 holes drilled for a total of 3,984 metres. Work continued throughout the quarter on the North Surat Project tenements reviewing the geological data and the concept mining study. At the Colton Project, work continued in preparation for the Land Court proceedings scheduled for August 2016.

BRIDGEPORT ENERGY

Oil production totalled 52,292 barrels for the quarter with 51,255 barrels of oil sold.

Health and Safety

There were no incidents during the quarter and the Bridgeport LTI free period is now over 1,090 days.



Operated production – Inland (PL 98), Utopia (PL 214) and Moonie (PL 1) [Bridgeport 100% interest]

Producing operations were steady at Inland for the quarter with no well interventions or major facility operations during the period. The Utopia field was converted to a Not Normally Manned (NNM) mode of operation. All maintenance and upgrades for Moonie field wells were progressed to schedule and hook up and commissioning of all wells will be completed during the next quarter.

Non Operated production - Cuisinier (PL 303) [Bridgeport 15 % interest]

A work program of five new wells (three development, one appraisal and one exploration) in Cuisinier commenced at the end of the quarter. Upon completion of drill, case and suspend activities, all successful wells will be completed and connected for production.

Exploration permits

Interpretation and mapping of 3D seismic data within permits ATP 794 (net: 88%) and PEL 630 (net: 100%) has resulted in the identification of three material prospects which are being prepared for drilling in the next financial year.

Mapping was completed for targets in PEL 630 West block and ATP 794 Barcoo Junction tenements.

Post Quarter Acquisition

Bridgeport entered into a binding Sale and Purchase Agreement with Beach Energy for the acquisition of various operated oil exploration and production tenements in the Cooper Basin, SW Queensland. The production assets primarily comprise the Kenmore Bodalla area fields which produce circa 30,000 bbls per quarter.

The transaction is subject to the waiver of pre-emptive rights and is currently expected to complete in the third quarter of 2016.

COMMUNITY SUPPORT

New Hope Group has continued to develop a range of partnerships with various community and government stakeholders aimed at delivering positive and long term social outcomes and relationships in the local community. Of particular note this quarter was:

- A partnership with Cancer Council Queensland and local schools aimed at educating children on making healthy life choices;
- A commitment to youth training and education through student site tours, apprenticeships and engagement with local schools; and
- Ongoing engagement and consultation with the landholders and communities in New Hope Group's operational areas.

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