



QUARTERLY ACTIVITIES REPORT

30 APRIL 2020

28 May 2020

	Quarter Ended			Nine Months Ended		
	30 Apr 2020 ('000t)	30 Apr 2019 ('000t)	Change (%)	30 Apr 2020 ('000t)	30 Apr 2019 ('000t)	Change (%)
<u>Saleable Coal Production</u>						
QLD 100% owned and operated	576	1,227	(53.0%)	2,443	3,527	(30.7%)
NSW 80% owned operations ¹	1,706	1,686	1.2%	6,050	4,035	49.9%
Total Saleable Coal Production	2,282	2,913	(21.7%)	8,493	7,562	12.3%
<u>Coal Sold</u> ²						
QLD 100% owned and operated	867	1,343	(35.4%)	2,973	3,510	(15.3%)
NSW 80% owned operations ¹	1,937	1,722	12.5%	6,193	4,076	51.9%
Total Coal Sold	2,804	3,065	(8.5%)	9,166	7,586	20.8%
QBH Export Throughput	1,240	1,653	(25.0%)	4,108	4,874	(15.7%)

¹ 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.

² Includes trade coal sales.

KEY POINTS

- Successful company-wide response to COVID-19 pandemic;
- Continued strong safety performance;
- Bengalla quarterly production 21% lower than the average of the prior two quarters due to mine sequencing, wet weather and a localised geotechnical issue;
- Production from Queensland operations 16% below prior quarter due to completion of coal flow from Jeebropilly and ramp down at New Acland;
- Unit cost of production at both Bengalla and New Acland were higher for the quarter on the back of lower production at both sites;

REGISTERED OFFICE

P: GPO Box 2440, Brisbane QLD 4001

A: Level 16, 175 Eagle Street, Brisbane, QLD, 4000

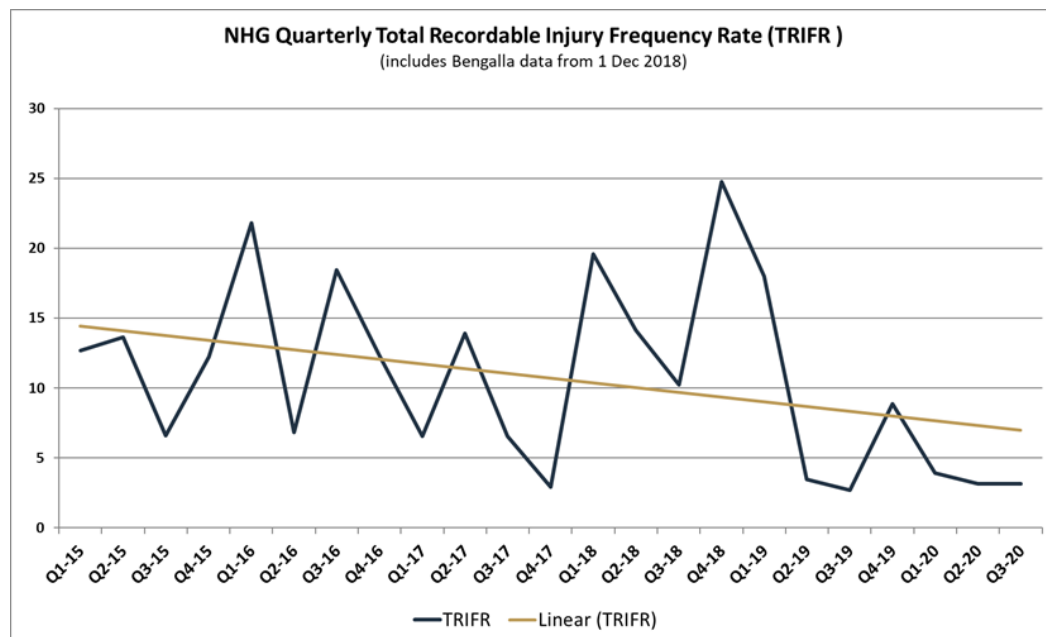
T: +61 7 3418 0500 F: +61 7 3418 0355 W: newhopegroup.com.au

- Continued inaction from the Queensland State Government on New Acland Stage 3 approvals;
- Rehabilitation continues at Jeebropilly and Oakleigh sites; and
- Jeebropilly Coal Handling and Preparation Plant (**CHPP**) demolished safely and under budget cost.

SAFETY PERFORMANCE

Safety across the Company has remained a strong focus, particularly with the added complications of the COVID-19 pandemic. The Company's total recordable injury frequency rate (**TRIFR**) of four per million exposure hours remains well below the open cut coal industry average of around six.

In an effort to better manage risk across the Company, work has commenced on a review of the health and safety risk management policy and supporting documents. The objective is to implement a standardised health and safety risk management regime for the Company as a whole, regardless of site location or activity.



COVID-19 RESPONSE

Throughout the COVID-19 pandemic the Company has made responsible and measured decisions to protect the ongoing health and wellbeing of team members and to help minimise the threat of COVID-19 entering a New Hope site.

This has included:

- COVID-19 infection control training;
- restricting the number of persons permitted in rooms at any one time;
- installing COVID-19 signage;
- installing hand washing instructions in all relevant areas;
- issuing personal hand sanitiser to all team members and installing hand sanitiser stations at multiple locations;
- making PPE/disposable gloves available to all team members;

REGISTERED OFFICE

P: GPO Box 2440, Brisbane QLD 4001
A: Level 16, 175 Eagle Street, Brisbane, QLD, 4000
T: +61 7 3418 0500 **F:** +61 7 3418 0355 **W:** newhopegroup.com.au

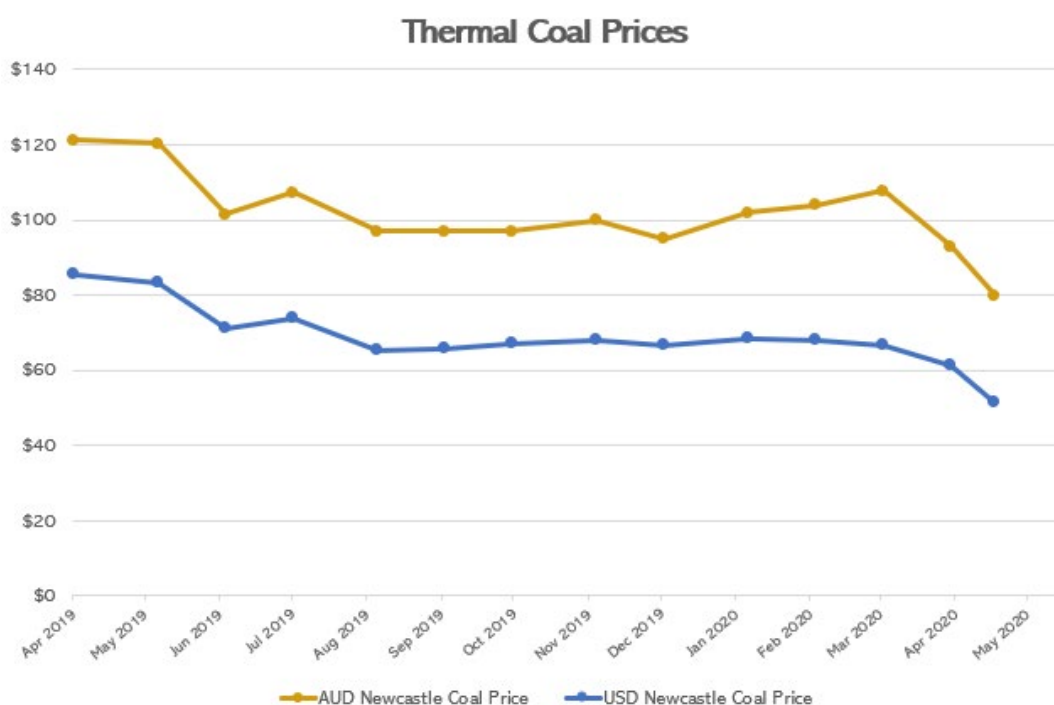
- increasing cleaning and disinfecting at all high traffic touch points including desks, tables, benches and ablutions;
- making disinfectant available in all equipment and light vehicles;
- implementing a policy requiring vehicles and equipment to be thoroughly cleaned with disinfectant before and after each team member operates;
- holding prestart/toolbox meetings in open-air locations to accommodate social distancing;
- encouraging video conference meetings;
- reducing travel between sites and external visitation to essential only; and
- enforcing social distancing measures at crib breaks.

Production across sites has not been adversely affected as a result of the pandemic control measures.

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

COAL MARKETS

Thermal coal prices on a USD basis were quite resilient up until the end of March 2020. As a result of reduced electricity demand across most global markets, thermal coal demand and price has declined sharply since the beginning of April 2020. The sudden reduction in price combined with the reduced coal production from the Company's Queensland coal operations will negatively impact the financial performance of the Company in the second half of this financial year.



Source: globalCOAL – a division of Global Commodities Holdings Ltd

REGISTERED OFFICE

P: GPO Box 2440, Brisbane QLD 4001

A: Level 16, 175 Eagle Street, Brisbane, QLD, 4000

T: +61 7 3418 0500 F: +61 7 3418 0355 W: newhopegroup.com.au

NSW OPERATIONS – 80% OWNED

Bengalla's focus on safety continues to achieve significant results, with no recordable injuries during the quarter, resulting in a year to date total recordable injury frequency rate of below one injury per million exposure hours.

Safety was enhanced this quarter with the installation of fatigue management and proximity detection systems across the heavy equipment fleet. These systems have proven to be very effective in reducing fatigue related risk and are expected to also significantly reduce the risks associated with vehicle interaction.

Coal production for the quarter was slightly higher than the prior corresponding period however 21% lower than the average of the previous two quarters. The reduction in coal produced was largely expected due to mine sequencing. There were additional impacts as a result of higher than average wet weather during the quarter and some localised geotechnical issues at the northern end of the pit. The geotechnical issues have since been resolved and fourth quarter production is expected to be closer to that achieved in the first and second quarter of the year.

Strong rains early in the year generated good feed growth, allowing feed to be slashed and baled. Further improvement in the utilisation of this high-quality buffer land is planned in future. The rain increased onsite dam levels to 40%.

Preparations are well advanced for the major dragline shutdown which is expected to commence in late July 2020. This shutdown has a planned duration of 80 days and will require the tub of the machine to be removed and the boom lowered.

QLD COAL OPERATIONS

New Acland Mine

Approvals for New Acland Stage 3 continue to be stalled due to the State Government's reluctance to act while matters are before the court.

The High Court has advised it will hear Oakey Coal Action Alliance Inc's application for leave to appeal the orders of the Queensland Court of Appeal on 5 June 2020. It is expected a decision will be handed down shortly after the hearing.

The Company has been running an information campaign highlighting the benefits of the Stage 3 project to Queensland. A register of interest in the project was launched on the Company's website and, within the first fortnight, more than 6,000 people had registered.

A revised assessment of job creation at New Acland Stage 3 has been undertaken. This assessment has shown that 60 new jobs will be created within three months of the commencement of the project. The number of new jobs increases to 187 within six months and 487 at the peak of construction, 18 months after commencement.

The Queensland Premier has called on her Ministers to identify shovel ready works programs to help lift the State out of the significant negative economic impacts of the pandemic. The Company stands ready to help the Queensland economy through the implementation of the New Acland Stage 3 Project.

REGISTERED OFFICE

P: GPO Box 2440, Brisbane QLD 4001

A: Level 16, 175 Eagle Street, Brisbane, QLD, 4000

T: +61 7 3418 0500 F: +61 7 3418 0355 W: newhopegroup.com.au

The ramp down of the New Acland workforce that occurred in October 2019 has resulted in a drop in coal production for the quarter. In the quarter, 0.58 million tonnes of coal was produced compared to 1.23 million tonnes in the prior corresponding period, a reduction of 53%.

Production was also slowed through February 2020 due to wet weather with 230mm of rain falling in the first week, following on from almost 200mm in the last week of January 2020. The rain had a positive effect on rehabilitation with 30 hectares being seeded post the rain.

West Moreton Operations

West Moreton Operations' major focus has been the rehabilitation activities at Jeebropilly, including the ongoing construction of drainage structures, topsoil spreading and the importation and application of bio-solids. Pasture seeding also continued with 35 hectares completed, bringing the combined seeded areas on site to 110 hectares.

During the quarter, 135,000 bank cubic metres (**BCM**) of material was moved at Oakleigh East. Perimeter fencing was completed at Oakleigh West in preparation for cattle grazing activities.

The Jeebropilly CHPP was demolished during the quarter ahead of time, under budget and without incident. Most of the steel and other recyclable material from the CHPP was selectively recovered and sold for recycling.



Oakleigh West rehabilitation ready for cattle grazing activities

PASTORAL OPERATIONS

Cattle grazing activities at Bengalla are continuing with over 600 steers and heifers sent from Queensland to Bengalla for fattening prior to sale.

Capital upgrades at Bengalla included a new set of cattle yards, lateral irrigator and refurbishment of a pivot irrigator during the quarter. Bengalla agricultural land also produced a good crop of forage sorghum, generating 1,560 bales of hay.

REGISTERED OFFICE

P: GPO Box 2440, Brisbane QLD 4001

A: Level 16, 175 Eagle Street, Brisbane, QLD, 4000

T: +61 7 3418 0500 **F:** +61 7 3418 0355 **W:** newhopegroup.com.au

In Queensland, Acland Pastoral Company's (APC) efforts to keep the cattle herd healthy through the recent drought has been successful with breeder numbers remaining at over 1,000. The 400 weaner heifers not sent to Bengalla remained at Acland as replacements for the current herd.

APC continues to undertake cattle grazing on the rehabilitated mined land at New Acland with a herd of more than 400 showing considerably better performance than those cattle grazing on non-mined land. APC have engaged the assistance of experts, utilising satellite imagery, to better manage herd movement and feed levels. The system was fully calibrated during the last quarter and is proving to be an invaluable tool in the management of the herd.

During the quarter, over 4,500 tonnes of sorghum harvested and sold to local farmers on the Darling Downs.

COAL EXPLORATION AND DEVELOPMENT

During the quarter, exploration activity saw 29 holes drilled for a total of 6,475 metres on the Bengalla Mining Leases and at the Bee Creek exploration tenement. An additional three water bores were either decommissioned and replaced, or rehabilitated, at the New Acland mine.

The Bengalla mine drilling activities focused on collecting pre-production and coal quality cores prior to mining, with the crews achieving improved production rates prior to being impacted by the COVID-19 travel restrictions. In addition, coal quality and seam structure holes were also drilled at Bee Creek.

New geological models were completed for the North Surat Project areas, Taroom and Woori. Updated resource and reserve estimates will be provided in the Company's 2020 Annual Report.

BRIDGEPORT ENERGY

Bridgeport's outstanding safety record continued with no lost time injuries during the period. The Bridgeport Lost Time Injury free period now stands at 2,063 days.

As a consequence of the COVID-19 pandemic, field personnel were reduced to the minimum numbers required for safe operations, field visits were closed down and head office staff went into remote working mode from staff homes. This was to reduce the risk of infection to staff and contractors and the nearby indigenous communities.

Oil production totalled 80,290 barrels for the quarter with 73,387 barrels of oil being sold, down 11% on the prior quarter, and down 14% on the equivalent quarter last year.

During the quarter, the drill rig went into workover mode and six workovers were undertaken across the Kenmore, Bodalla and Inland field areas in south west Queensland with two of the cased and suspended wells being brought online.

Due to the recent significant drop in global oil prices, Bridgeport has reduced its forward capital and operating expenditure and is assessing further significant changes in the next financial year.

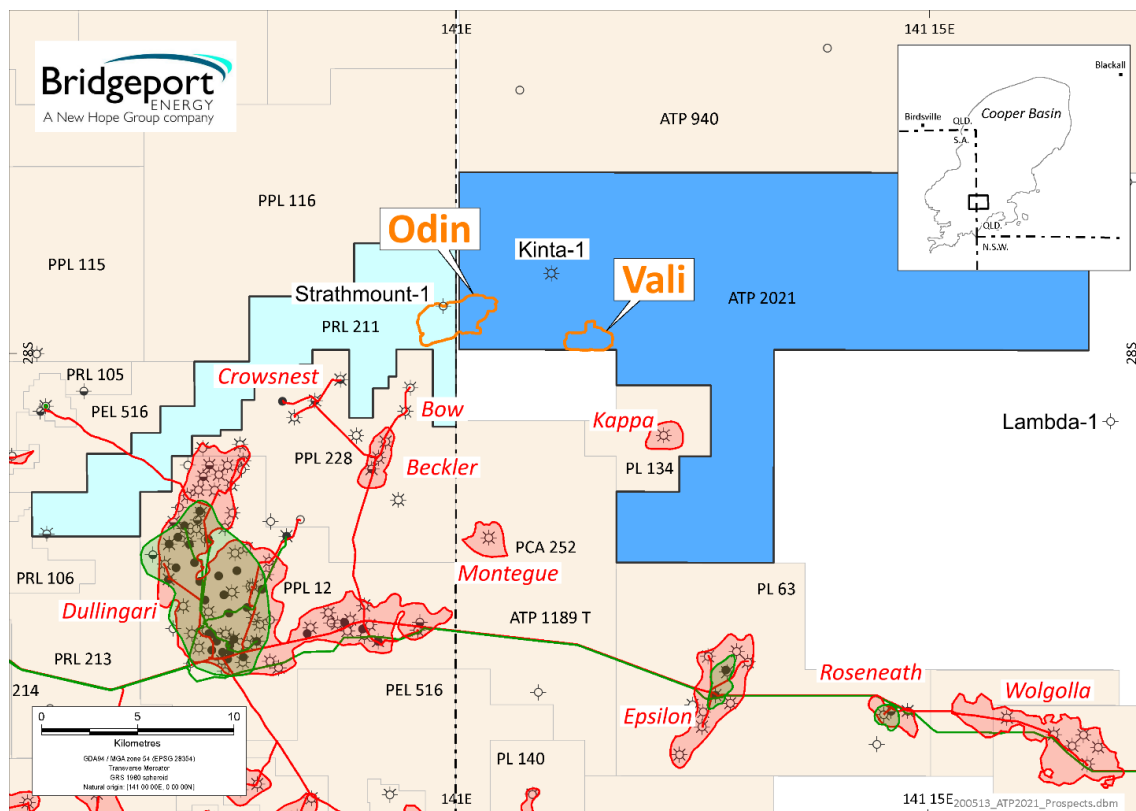
The non-operated Vali 1 well in ATP2021 was preparing for flow testing with design of fracture stimulation and well completion in progress at the end of the quarter. Testing operations are expected to commence in the coming months. As reported by the operator of the tenement, Vintage Energy, independently verified gross 2C resource estimate for this field is 37.7 billion cubic feet (BCF) of gas, of which Bridgeport holds 25%.

REGISTERED OFFICE

P: GPO Box 2440, Brisbane QLD 4001

A: Level 16, 175 Eagle Street, Brisbane, QLD, 4000

T: +61 7 3418 0500 F: +61 7 3418 0355 W: newhopegroup.com.au



Site map of Vali 1 well

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 the pandemic, the Company has continued to support the local communities in which it operates.

Specific community support activities undertaken during the quarter included:

- Bengalla's support of Upper Hunter Community Services to provide hampers and local shopping vouchers for families in need. This followed donations to the travelling trolley as well as donating excess computers to families who were struggling with home schooling during the COVID-19 pandemic.
- The Jondaryan State School received a \$10,000 grant from the New Acland Community Investment Fund to upgrade their playground equipment. The improved playground will also be available to the children who attend the playgroup held at the school.
- Ten acres of the Company's land, adjacent to the Rosewood State High School, near Jeebropilly, has been leased at no cost to the school for use in their agricultural program.

REGISTERED OFFICE

P: GPO Box 2440, Brisbane QLD 4001
 A: Level 16, 175 Eagle Street, Brisbane, QLD, 4000
 T: +61 7 3418 0500 F: +61 7 3418 0355 W: newhopegroup.com.au

CORPORATE

Colton Project Update

Since the summary on pages 6 and 25 of the Half Yearly report released on 24 March 2020 the following has occurred:

- The High Court of Australia has advised the Company it will hear the special leave applications of Wiggins Island Coal Export Terminal Pty Ltd (**WICET**) and the Liquidators on behalf of Northern Energy Corporation Limited (in liquidation) (**NEC**) and Colton Coal Pty Ltd (in liquidation) (**Colton Coal**) relating to the Company's Deed of Cross Guarantee (**DOCG**) on 12 June 2020. If special leave is granted and the appeal is successful, the Company will be exposed to a liability under the DOCG of approximately \$155 million. The Company has been successful in defending the claim at first instance and on appeal and continues to deny this claim.
- If WICET and the Liquidators are unsuccessful in their application for special leave to the High Court or unsuccessful in any appeal to the High Court, the Company considers it likely that Liquidators may seek to pursue any alleged potential claims against the Company or the former directors of NEC and Colton Coal which are the subject of their current investigations as outlined below.
- The Liquidators have continued their investigations into NEC and Colton Coal to determine whether there are potential claims that exist against the Company or the former directors of NEC and Colton Coal, including whether NEC and Colton Coal were trading whilst insolvent. The Liquidators allege that the value of the potential claims may be in the range of \$150.2 to \$168.3 million. No proceedings have been commenced with respect to these potential claims and limited information has been provided to the Company for it to assess the basis for the Liquidators to make these potential claims.

Retirement of Managing Director and CEO

On 12 May 2020 Chief Executive Officer and Managing Director, Shane Stephan, announced his retirement from the Company effective on 31 August 2020. Mr Stephan has worked in the industry for almost four decades. The Board is currently undertaking a search for Mr Stephan's successor.

For more information, please contact:

INVESTORS & ANALYSTS

Shane Stephan	Managing Director	P: +61 7 3418 0500
Libby Beath	External Affairs Manager	P: +61 7 3418 0522
		M: +61 499 016 674

MEDIA

Peter Turnbull, Senior Media Advisor	M: +61 409 387 336
	E: pturnbull@newhopegroup.com.au

This ASX Announcement was approved and authorised for release by the Board

REGISTERED OFFICE

P: GPO Box 2440, Brisbane QLD 4001
A: Level 16, 175 Eagle Street, Brisbane, QLD, 4000
T: +61 7 3418 0500 F: +61 7 3418 0355 W: newhopegroup.com.au