



# QUARTERLY ACTIVITIES REPORT

## 31 JULY 2019

26 August 2019

	Quarter Ended			Year Ended		
	Jul-19 ('000t)	Jul-18 ('000t)	Change	Jul-19 ('000t)	Jul-18 ('000t)	Change
<b><u>Saleable Coal Production</u></b>						
QLD 100% owned and operated	1,311	1,412	(7%)	4,819	5,162	(7%)
NSW 80% owned operations*	2,005	971	107%	6,039	3,775	60%
<b>Total Saleable Coal Production</b>	<b>3,316</b>	<b>2,383</b>	<b>39%</b>	<b>10,858</b>	<b>8,937</b>	<b>22%</b>
<b><u>Coal Sold</u></b>						
QLD 100% owned and operated^	1,348	1,601	(16%)	4,857	5,136	(6%)
NSW 80% owned operations*	1,989	933	113%	6,065	3,716	63%
<b>Total Coal Sold</b>	<b>3,337</b>	<b>2,534</b>	<b>32%</b>	<b>10,922</b>	<b>8,852</b>	<b>23%</b>
QBH Export Throughput	1,841	2,106	(13%)	6,715	7,183	(7%)

\* 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.

^ Includes trade coal sales.

### KEY POINTS

- During the Quarter total saleable coal production was 39% higher and total coal sales 32% higher than the prior corresponding period due mainly to the increased ownership in the Bengalla mine.
- Full year Australian production of 10.9 mt was the highest in the Company's history.
- The Company's share of coal produced at Bengalla during the Quarter was 2.0mt. This represents an annualised run rate performance of 10 mtpa (100% basis).
- Good progress was made towards New Acland Stage 3 approvals.
- Integration of the management of the Bengalla operation into the New Hope business was progressed during the Quarter.

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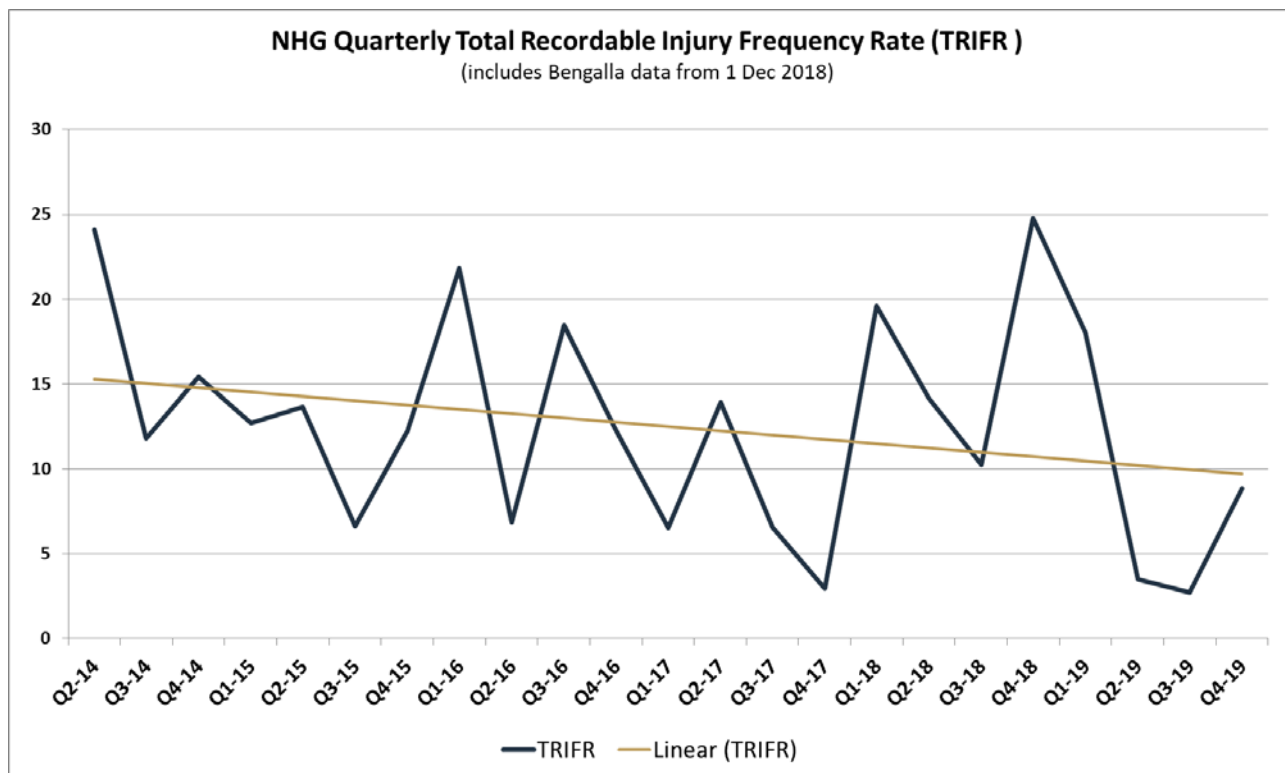
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## SAFETY PERFORMANCE

The Company experienced a disappointing result for this Quarter, with 7 people experiencing a recordable injury. A refocus on hazard identification and the implementation of effective controls has occurred across all sites including a focus also on personal risk management and safe behaviours.

The Critical Risk\* Management Program commenced in July 2019, with personnel from each site attending a 2 day Risk Workshop in Muswellbrook. Over the 2 days, a risk assessment was conducted to establish the health and safety critical risk profile for the business. This critical risk project will continue throughout the next two years. A comprehensive review will be undertaken of each critical risk and critical controls will be agreed and defined. Following this, a program will be established to consistently manage the critical control effectiveness across all sites.

(\*Note: Critical risks have been defined as a potential for a single or multiple fatality event).



Note: New Hope safety statistics include Bengalla from 1 December 2018 (however excludes oil activities)

## QLD COAL OPERATIONS

Mining progress has continued to be somewhat constrained by the close proximity of operations to the Acland township and the associated noise impacts. The mine's progress continues to expose and work through the old Acland underground workings. Coal recovery from this sequence is being screened prior to being fed to the CHPP.

In June 2019, the New Acland workforce was advised that a reduction in mining activity and employee numbers of approximately 150 people was likely to occur late in the 2019 calendar year if

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the required approvals for New Acland Stage 3 were not secured by the end of August 2019. The Queensland government was also advised of this timing.

Rehabilitation across site continues to progress well with reshaping and top soil spreading works underway on the in-pit tailings dams. Areas of topsoil have been spread in preparation of a spring seed campaign.

Negotiations on the New Acland Enterprise Agreement (EA) were completed during the Quarter with a successful vote in July 2019. The EA has been approved by the Fair Work Commission.

The Jeebropilly operations continue to focus on safe production and 'finishing well', with the completion of mining operations due to occur at the end of calendar year 2019. Closure planning and post-mining land use optimisation work has continued during the Quarter. Jeebropilly has shaped and seeded a further 40 hectares of rehabilitation during the Quarter.

Oakleigh East rehabilitation activities have continued with the capping of a remnant tailings dam completed and an initiation of works to restore the cut/fill balance in line with other areas of the site.



Oakleigh East showing ongoing rehabilitation and capping of a tailings dam area.  
Images taken from the north-east by Taylor Mining Services Pty Ltd

### Revised New Acland Coal Mine Stage 3 Project

A change request was submitted to the Office of the Coordinator-General on 24 May 2019 regarding Imposed Condition 4 from the Coordinator-General's evaluation report on the Environmental Impact Statement (December 2014). The application seeks the extended use of the Jondaryan load-out facility for a period of time to allow the new rail infrastructure to be built. Public notification of the change request occurred from 22 June to 21 July 2019. The public notification period for the Associated Water Licence application ended on 7 May 2019.

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The project needs to secure Mining Leases, an Associated Water Licence, the continued use of the Jondaryan load-out facility, and a number of secondary approvals before mining activity can commence. The Company remains committed to delivering the New Acland Stage 3 project and will continue to work with the relevant government departments to progress through these steps.

Obtaining final approval in a timely manner is critical to ensuring the continuity of operations and therefore employment for approximately 300 employees and 500 contractors currently engaged at the New Acland mine.

### **NSW OPERATIONS – 80% OWNED (FROM 25 MARCH 2019) (BENGALLA)**

The Company's share of coal produced at Bengalla during the Quarter was 2.0 mt, 113% above the prior corresponding period. This production level is consistent with the mine's current annualised production target of 10 mt.

Since increasing its ownership interest in Bengalla, the Company has focused on the integration of Bengalla into the broader New Hope Group business. Integration activities have included transferring a number of support services, including HR support, commercial functions (in particular across finance and procurement) and life of mine planning to New Hope's corporate office. The Company has also developed plans to provide exploration and land management services to the Bengalla joint venture.

The management of community impacts associated with airborne dust is a strong focus for the Bengalla team. Due to the dry weather conditions and increasing mining activities in the Muswellbrook area dust management will continue to be an important aspect of the Bengalla operation.

Bengalla has commenced activities to improve utilisation of its surrounding farm land areas during the Quarter and is establishing plans to commence livestock and cropping activities in the coming months.

### **PASTORAL OPERATIONS**

Acland Pastoral operations received below average rainfall for the Quarter, negatively impacting grazing pastures and planting of winter crops. An oats crop was planted and is being used for in crop grazing of weaners. Dry land barley growth is marginal; however irrigated oats and barley crops are progressing well under the recently installed 72HA pivot irrigator footprint.

After recent sales, cattle numbers are 1,271 PTIC (Pregnancy Tested in Calf) breeder cows, 55 bulls, 237 weaner heifers and 1019 weaner steers.

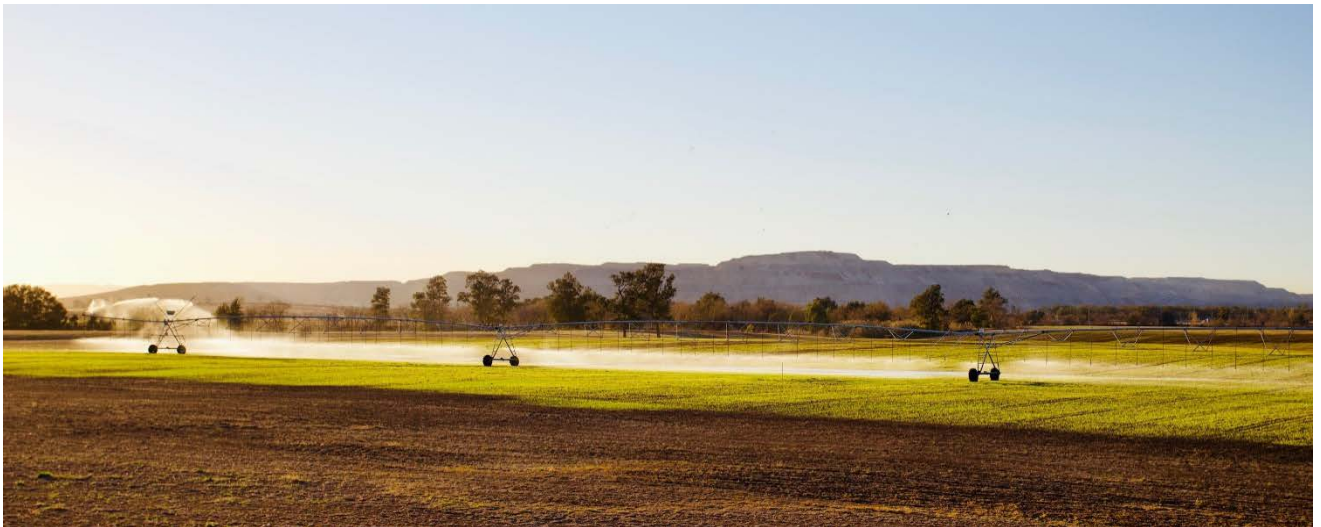
The pasture management strategy, which includes use of rehabilitation areas for grazing, is ongoing. Acland Pastoral has now completed removal of black wattle regrowth in selected areas of New Acland Mine rehabilitated land.

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Following the acquisition of a controlling interest in Bengalla, New Hope's land management experience is being applied to the active management of agricultural land surrounding the Bengalla operation.



Growing oats at Bengalla

## COAL EXPLORATION AND DEVELOPMENT

During the Quarter, drilling activity saw 29 holes drilled for a total of 3,184 metres across North Surat (Taroom project), New Lenton and Captains Mountain.

The pre-feasibility study for the North Surat project is nearing completion.

Drilling activities continued at Taroom, part of the larger North Surat project, focused on collecting coal quality samples for analysis. Additional water bores and an electromagnetic survey were completed at New Lenton as part of a groundwater study.

Work on the geological model update for Taroom continued throughout the Quarter.

Work continued on the viability of re-commencement of operations at the Burton coking coal project in Central Queensland.

## BRIDGEPORT ENERGY

There were no safety incidents during the Quarter and the Bridgeport Lost Time Injury-free period now stands at 1,789 days. The average realised oil price for the quarter was A\$98/bbl.

Oil production totaled 98,385 barrels for the Quarter, with 91,383 barrels of oil being sold in line with the prior corresponding period. During the Quarter, workovers at the Inland field were completed increasing production from that field and as at end of Quarter, Bridgeport's Drill Rig No. 1 had commenced two months of preventative maintenance, equipment recertification and some further modifications ahead of the upcoming drilling programme.

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Bridgeport's acquisition of the Senex interests in ATPs 736, 737 and 738 (part of the Jundah Project) has entered the Government approval phase, which is expected to be completed in September 2019.

In July 2019, a wholly owned subsidiary of Bridgeport, executed an agreement with a subsidiary of Origin (Origin Energy Upstream Holdings Pty Ltd) for Origin to farm into and operate 75% of five permits (ATPs 736, 737, 738, 2025 & 2026) located in the northeast area of the Cooper-Eromanga Basin in southwest Queensland.

The staged farmin work program includes the drilling of up to five exploration wells to be completed by the end of 2024 targeting both liquids and gas.

Origin will fund the staged farmin programme up to a carry cap of \$49 million. The farmin is subject to the transfer being approved by the Queensland Government with the work programme commencing after Origin is on title.

Bridgeport also executed a farmin agreement with New Era for non-operating interests in ATP 948/PL 256 Bargie field and ATPs 2023/2024.

Planning is progressing for the drilling of a well in each of ATP 948 and PL 256 Bargie field commencing in early November 2019.

## COMMUNITY SUPPORT

Providing assistance and support to community organisations and events that have a prolonged impact and helps build stronger communities has continued to be a focus for New Hope during this Quarter. Activities included:

- Attendance at and support for numerous community events including Rural Agricultural Shows; ANZAC Day services in Acland, Oakey, Goombungee and Jondaryan; and the official opening of Oakey State High School Indigenous Yarning Circle;
- Seven organisations, including four local schools, cultural and community groups receiving major financial support through the New Acland Community Investment Fund;
- Rosewood information sessions continued as part of the community consultation and awareness program;
- Bengalla continued its partnership with the Polly Farmer Foundation. The programme provides after school tuition, individualised mentoring, well-being support and post-school career planning for aspirational Aboriginal students attending Muswellbrook High School; and
- Bengalla's major fundraiser for the Cancer Council culminated with the mine's business intern competing in Dancing with the Stars and raising over \$10,000, which will assist local residents directly.

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## CORPORATE

The Company's 2019 Financial Results are scheduled to be released on Tuesday 17 September 2019. A presentation of results will be lodged with the ASX and also available on the Company's website.

For more information, please contact:

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