

FINANCIAL RESULTS RELEASE

Full Year Ended 31 July 2014

Presented by Shane Stephan, CEO

23 September 2014



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OVERVIEW

Mr Robert Millner, Chairman



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EXECUTIVE SUMMARY

- Significant improvement in safety performance
- Challenging coal market environment continues
 - Low US\$ prices
 - AUD:USD remains high
- Profit after tax totals \$58.4 million:
 - \$10.8 million from coal mining, marketing and logistics
 - \$3.4 million from oil and gas
 - \$44.2 million from treasury and investments
- Sales volumes are consistent with previous years – 6mtpa
- New Hope is well positioned to take advantage of growth opportunities
- Management is sustainably reducing operating costs
- Solid progress on revised New Acland Coal Mine Stage 3 Project

SAFETY PERFORMANCE



EMERGENCY RESPONSE TEAM TRAINING

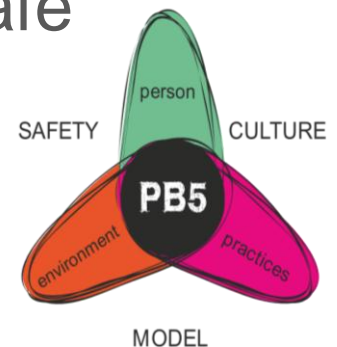


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SAFETY PERFORMANCE

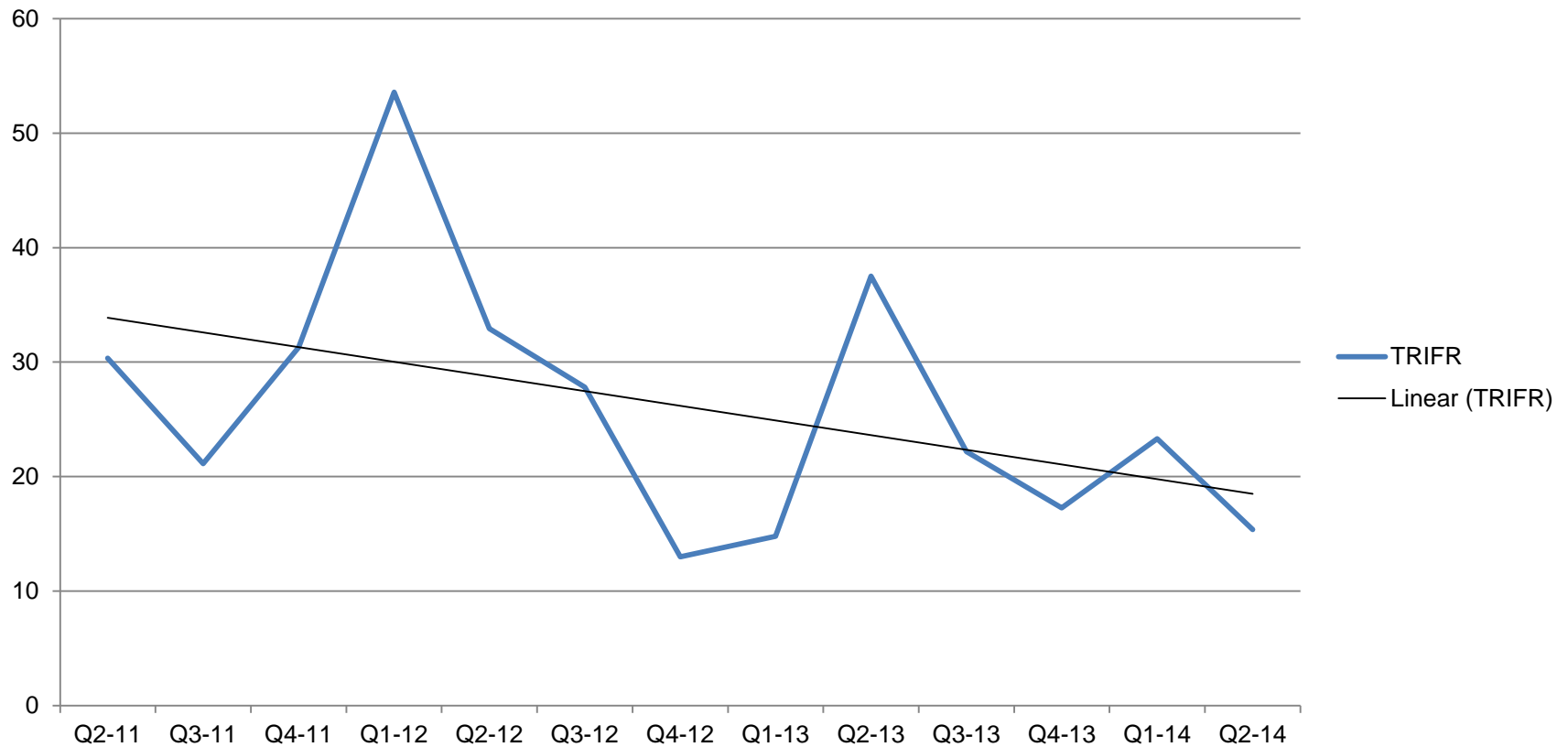
FY 2014

- Significantly improved performance with fewer people being injured
- All lagging indicators improved over FY 2013
 - TRI's down 7%
 - LTI's down 15%
 - HPI's down 50%
- Concentration through i-Safe/We-Safe behavioural program on individual responsibility and Safe Production
- Workcover payments have reduced from \$1.2m in 2012 to less than \$0.2m in 2014



SAFETY PERFORMANCE

Quarterly TRIFR Performance



FINANCIAL OVERVIEW



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FINANCIAL OVERVIEW

FY 2014

| | 12 Months Ended 31 July (A\$m) | | |
|---|-----------------------------------|----------|----------|
| | 2014 | 2013 | Change % |
| Revenue from ordinary activities | \$549.0m | \$652.1m | - 16% |
| Earnings before interest tax depreciation and amortisation [^] | \$131.1m | \$170.5m | - 23% |
| Earnings before interest and tax [^] | \$71.2m | \$122.0m | - 42% |
| Profit before income tax | \$71.0m | \$122.0m | - 42% |
| Net profit after tax | \$58.4m | \$74.1m | - 21% |

[^] Refer to Appendix for reconciliation of non-IFRS financial information

FINANCIAL OVERVIEW

FY 2014

| | 12 Months Ended 31 July (cents per share) | |
|--|--|------|
| | 2014 | 2013 |
| Earnings per share | 7.0 | 8.9 |
| Interim Dividend | 6.0 | 6.0 |
| Final Dividend to be paid in November 2014 | 2.0 | 5.0 |
| Special Dividend to be paid in November 2014 | 3.5 | 5.0 |

GROUP NPAT COMPARISON



COST MANAGEMENT



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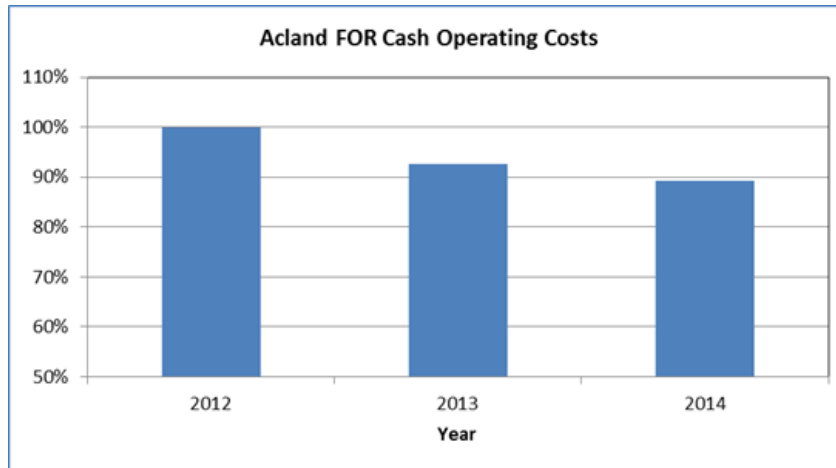
COST CONTROL

- Focus on cost management and productivity initiatives across the total business
- Efficiency reviews resulted in redundancies of 45 employees and a reorganisation of mining operations and head office structure. Production levels have been maintained
- Innovate to reduce operating costs e.g. trial of Wirtgen Surface miner at Acland. Initial indications are that this machine will reduce mining costs at improved productivity levels
- Marketing and transportation costs reduced by \$4.5m through tighter control of road transport and train loading



COST CONTROL

- FOR operating costs at Acland reduced



- Digger productivity improved (bcm/ophr)

| | 2011 | 2012 | 2013 | 2014 |
|------------------|-------|-------|-------|-------|
| Hitachi 3600 (2) | 1,280 | 1,320 | 1,325 | 1,315 |
| Hitachi 5500 | 1,680 | 1,700 | 1,725 | 1,780 |

- In addition, administration costs have been reduced during 2014 by 25% to \$12.2m

PRODUCTION AND SALES

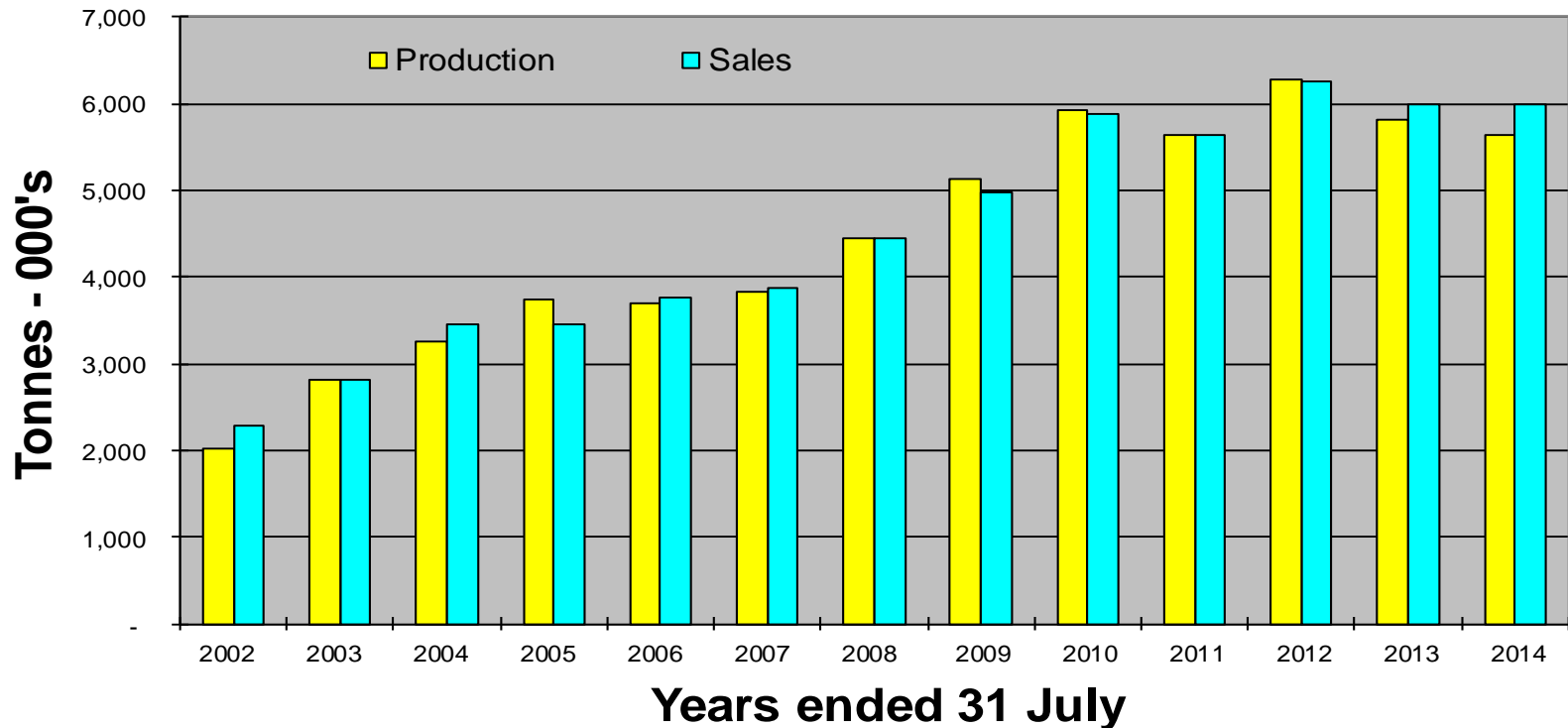


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PRODUCTION & SALES PERFORMANCE

FY 2014

Australian Operating Results



PRODUCTION & SALES TONNAGES

FY 2014

| | 12 Months Ended 31 July (million tonnes) | | |
|--------------------------|---|--------|--------|
| | 2014 | 2013 | Change |
| ROM Coal Production | 11,046 | 11,405 | -3% |
| Saleable Coal Production | 5,637 | 5,826 | -3% |
| Coal Sold | 6,003 | 5,985 | 0% |

- Scheduled closure of New Oakleigh mine impacting production
 - Lower cost per tonne towards the end of mine life
- Revision of mine plans at Jeebropilly and Acland
 - Reducing operating costs and deferral of capital spend where possible
- Change in rosters
 - Jeebropilly from 6 days to 5 days per week
 - Acland mining operations reduced to 2 x 10 hours shifts/day
- Trade coal increased from 0.12 million tonnes in 2013 to 0.32 million tonnes

COAL PRODUCTION VOLUMES

FY 2014

| | 12 Months Ended 31 July (million tonnes) | | |
|--------------|---|-------------|------------|
| | 2014 | 2013 | Change |
| New Acland | 4.92 | 4.69 | 5% |
| New Oakleigh | 0.00 | 0.27 | -100% |
| Jeebropilly | 0.72 | 0.87 | -17% |
| TOTAL | 5.64 | 5.83 | -3% |

COAL SALES VOLUMES

FY 2014

| | 12 Months Ended 31 July (million tonnes) | | |
|--------------|---|-------------|-----------|
| | 2014 | 2013 | Change |
| Export | 5.85 | 5.80 | 1% |
| Domestic | 0.16 | 0.19 | -16% |
| TOTAL | 6.00 | 5.99 | 0% |

- One third of export sales are premium low ash coal with pricing based on the JFY annual price
- The balance of export sales is higher ash coal sold on a variety of index based mechanisms

COMMUNITY AND SUSTAINABILITY



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OUR PEOPLE

The New Hope Advantage



- We recruit and retain the best people for the job
- Very experienced senior management team
- Ensure a safe and healthy workplace, incorporating well-being initiatives
- Provide development and training opportunities
- Plan and structure for future growth opportunities
- More than 80% of workforce are locals to operational areas
- Workforce turnover low at 6.5%pa

COMMUNITY & SOCIAL RESPONSIBILITY

Working together to maintain our Social Licence to Operate

- New Hope actively partners with, and supports, its local communities
- Our Community Reference Group at Acland provides insight on local topics which informs company decision making
- We contribute around \$700,000 pa to local community projects and not-for-profit groups through our Sponsorship and Donation Program and Community Investment Fund
- New Hope remains a major partner of the CareFlight rescue helicopter service's Darling Downs operations



REHABILITATION

Land Management

- New Hope is committed to the progressive rehabilitation of disturbed land across its operations
- Rehabilitation is progressive and occurs right behind the mining activities
- Acland Pastoral Company (APC) manages around 2,400 head of cattle on 4,000 hectares of land at Acland – member of Agforce
- Clear demonstration of the compatibility of mining and agriculture



REHABILITATION

Acland

- The aim of rehabilitation is to return land to beef cattle production as soon as possible
- 307 Ha of land fully rehabilitated to date
- Cattle are routinely grazing on rehabilitated land
- Stage 2 - Cattle Trials commenced in Jan 2013
- Monitors soil characteristics, pasture type, growth and quality, cattle weight gains and stocking rates
- Project team includes Outcross Pty Ltd, University of Southern Queensland, Ecorich Grazing, veterinarian and statistician
- Early results indicate that beef production from cattle grazed on rehabilitated land is, at a minimum, comparable to that achieved on unmined land



REHABILITATION

New Oakleigh

- 3.5 mbcm of overburden returned to West pit since January 2013
- A further 6 months work required to complete
- End use: Cattle grazing and large lot residential



THERMAL COAL MARKETS



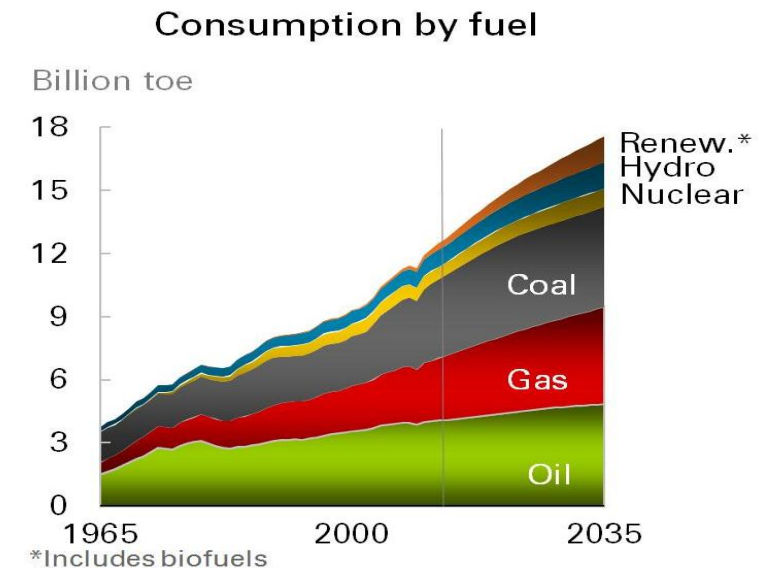
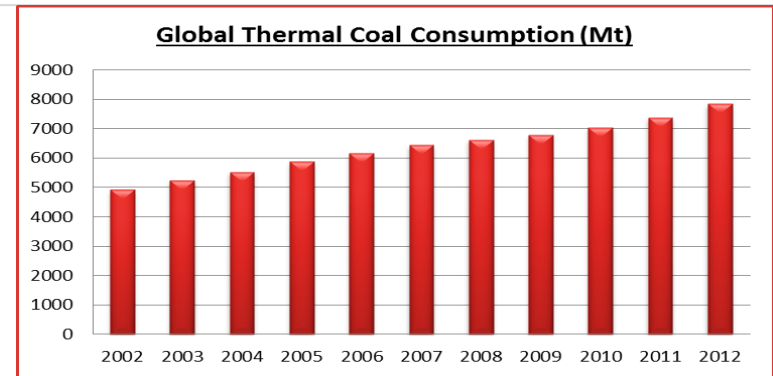
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COAL DEMAND

Market Context

Demand

- ❖ Global thermal coal consumption has grown from 4.9Bt to 7.8Bt in the 10 year period from 2002 – 2012 (CAGR 4.6%)
- ❖ Over this time Asia more than doubled its consumption accounting for all of the global growth
- ❖ Chinese coal consumption has increased by 2.6x over this time and is now over 4Btpa
- ❖ India has doubled its coal consumption over this time and now consumes over 700Mtpa
- ❖ Coal is the preferred fuel for electricity generation in Asia due to both availability and economics – China and India both currently generate over 75% of their electricity from coal



SOURCE: HDR Salva & BP Energy Outlook 2035

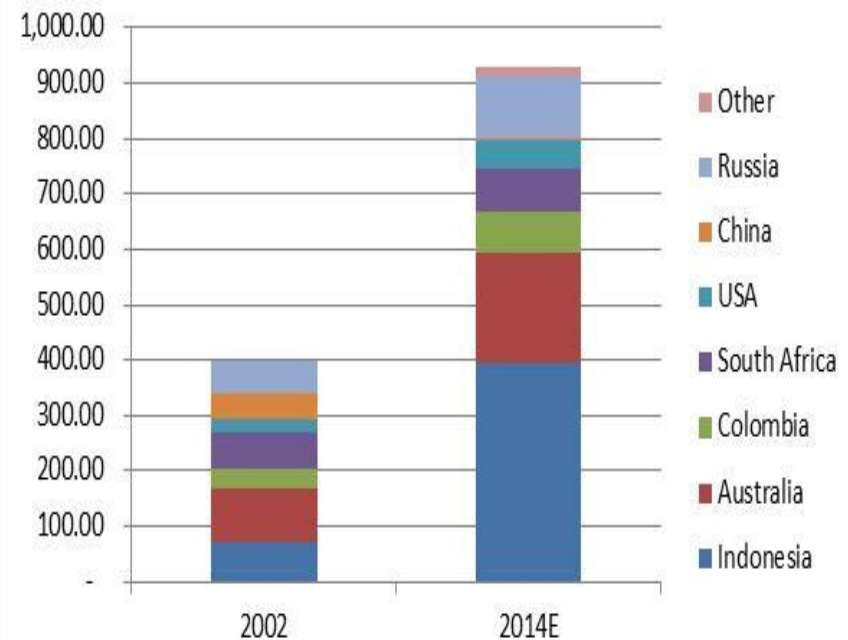
COAL SUPPLY

Market Context

Supply

- ❖ The vast majority of global thermal coal is supplied from domestic sources
- ❖ Seaborne traded coal however has a strong position in the global coal supply mix due largely to quality and supply certainty
- ❖ Seaborne thermal coal trade has more than doubled in the last 10 years to around 930Mtpa
- ❖ Indonesia accounts for around 42% of global seaborne thermal coal supply (~400Mt) with Australia supplying around 21% (~200Mt)
- ❖ Indonesia has increased supply by ~50Mt in the last 12 months, predominantly lower energy coals destined for China and India
- ❖ Australia increased its thermal coal supply by 18Mt or about 12% last year

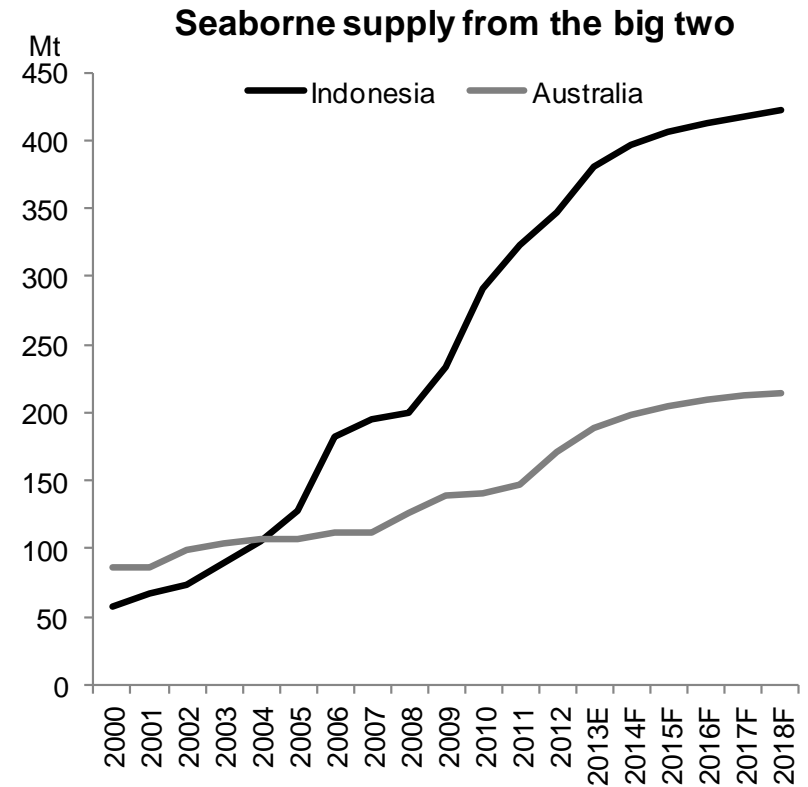
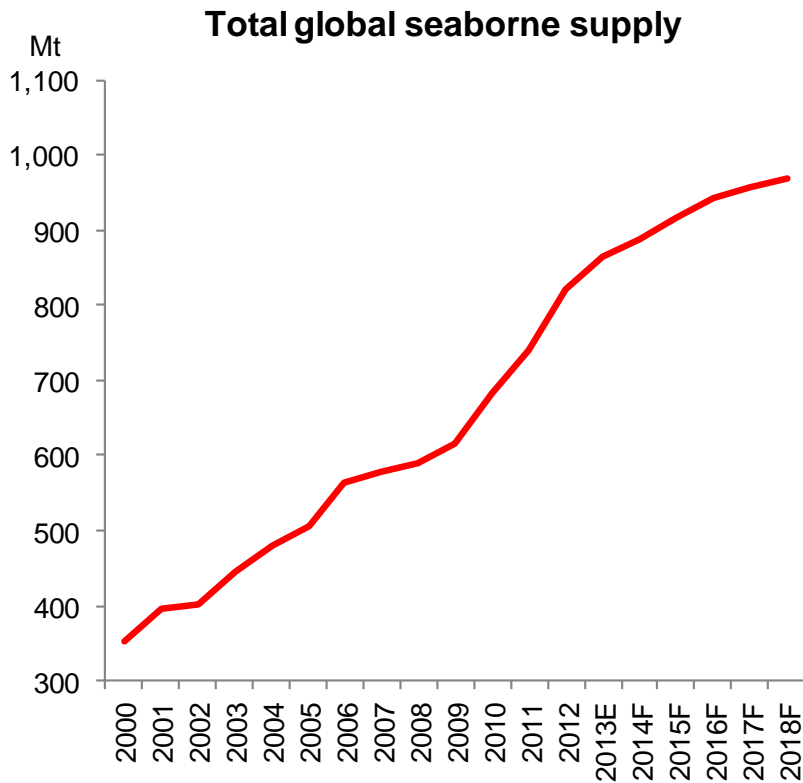
Seaborne Thermal Coal Exports (Mt)



SOURCE: HDR Salva

COAL SUPPLY

Oversupply Challenge



SOURCE: Macquarie Bank

COAL PRICE

Market Context

Price

- ❖ Thermal coal prices have been in decline since the start of 2011 due to a combination of new supply and weakening growth in China
- ❖ It is estimated that approximately 20% of Australian thermal coal mines are currently operating at negative cash margins
- ❖ Global average cash margins for seaborne thermal coal exports are currently estimated to be around US\$8/t – compared with average cash margins of around US\$25/t in the preceding 5 years
- ❖ Very few Australian thermal coal mines are currently making an accounting profit
- ❖ Supply availability is being perpetuated by market distorting infrastructure contracts i.e. take or pay



SOURCE: GlobalCoal, Matsu Advisory

MARKET OUTLOOK

- Seaborne thermal coal markets will remain oversupplied for some time
- However current pricing levels are unsustainable in the longer term and are stimulating change
- China is taking action to reduce domestic supply and concurrently reduce imports of other than premium coals
- Indonesian exports have plateaued in tonnage and reduced in energy equivalent terms
- The future direction of the Australian dollar will have an immediate material affect on revenues
- The long term future for the Australian export thermal coal market remains solid



NEW ACLAND CONTINUATION PLAN



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REVISED NEW ACLAND COAL MINE STAGE 3 PROJECT

Highlights

New Hope has presented a revised Project to the Office of the Queensland Coordinator-General, which would:

- Continue the mine until approximately 2029, supporting approximately 435 operational jobs at peak, construction jobs of up to 260, plus thousands of indirect jobs
- Potential expansion of the mine to 7.5 Mtpa product
- Contribute almost \$19 billion to the local, regional, state and federal economies over the life of Project
- Relocate Jondaryan Rail Loading Facility to a remote site on lease
- Maintain Acland town area through the Acland Management Plan

REVISED NEW ACLAND COAL MINE STAGE 3 PROJECT

Progress

Forecast Timetable:

- EIS submitted January 2014
- EIS public comment period ended 3 March 2014
- Additional Information on EIS submitted Q3 2014
- Coordinator-General Report anticipated Q4 2014
- Complete Feasibility Study Q4 2014
- Environmental Authority Conditions finalised 2015
- Granting of Mining Lease early 2016
- Construction planned to commence in 2016

OIL AND GAS



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OIL AND GAS

Bridgeport Energy

- Strong safety performance with 32 months LTI free
- Oil production increased at about 12,000 barrels/month
- Two new wells in Utopia field and four new wells in Cuisinier
- Substantial seismic survey work undertaken in Victoria and Cooper basin tenements
- Planning for an additional 6 development wells underway and 3D seismic surveys in the Cooper basin



OIL AND GAS

Bridgeport Energy

| | 12 Months Ended 31 July (\$000) | |
|---|------------------------------------|---------|
| | 2014 | 2013 |
| Total Revenue | 14,153 | 6,369 |
| EBITDA | 200 | (581) |
| Profit Before Tax (after non regular items) | (2,240) | (1,874) |
| Less Income Tax Benefit (expense) | (1,662) | 108 |
| Less Petroleum Resources Rent Tax Benefit | 7,317 | 1,509 |
| Profit After Tax (after non regular items) | 3,415 | (257) |

COAL TO LIQUIDS

- Indirect Liquefaction
 - Construction of Stage 1 Jeebropilly plant (1 TPH) completed
 - Testing program now underway
 - Technical and commercial review to be completed Q4 2014 to determine ongoing plans



PORT OPERATIONS



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QBH - PORT OPERATIONS

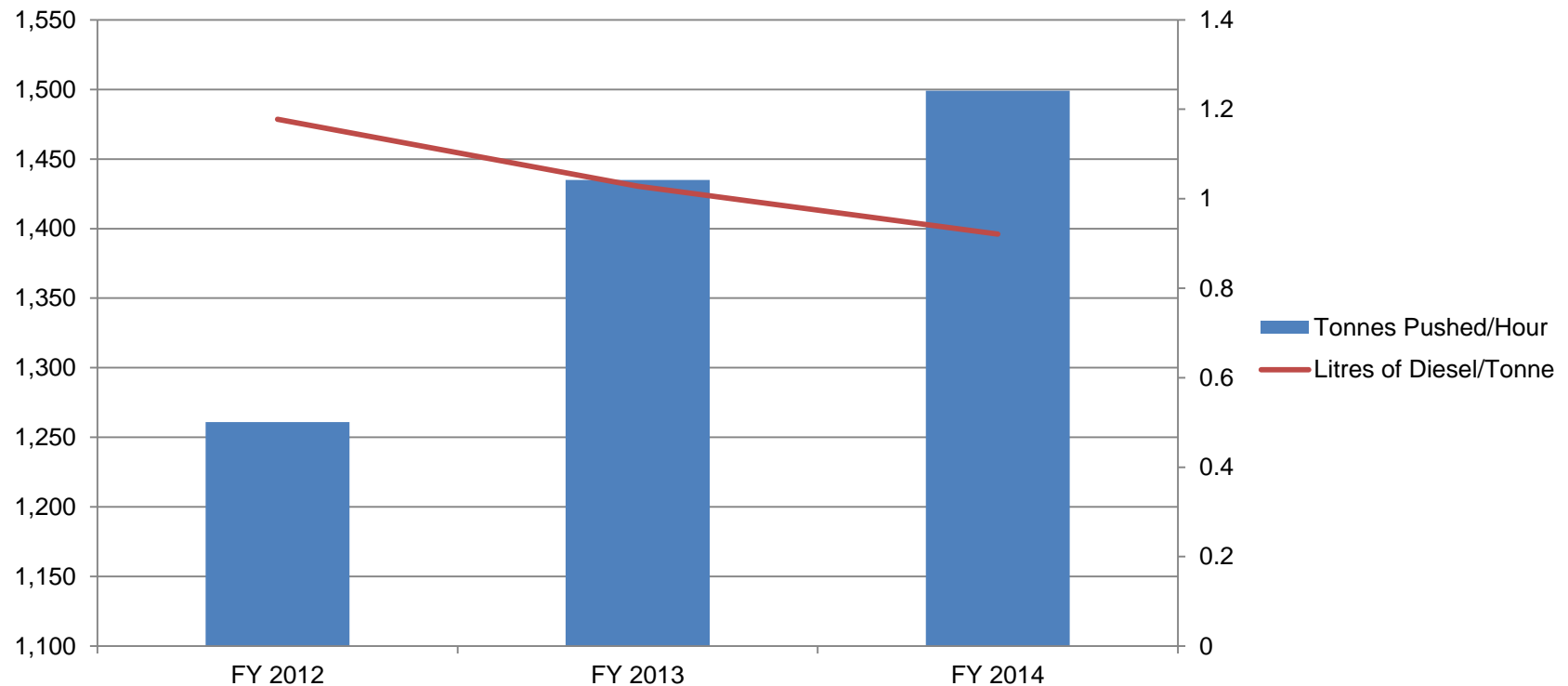
- QBH exported 7.9Mt for the year on 100 vessels
- QBH remains essentially a demurrage free port
- QBH management and staff maintained the strong safety performance, this year delivering 2 years Lost Time Injury (LTI) free
- QBH monitors the air quality for dust particles in surrounding environs to ensure dust management practices are effective



QBH - PORT OPERATIONS

Cost Savings

- Various cost saving initiatives were undertaken throughout the period with a Dozer Hours Reduction Project delivering significant savings
- The chart below summarizes the results of the project



OUTLOOK



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STRATEGIC VISION

Our points of focus

- ❖ A commitment to meet or exceed our legal, financial, safety and environmental obligations; and the expectations of our shareholders
- ❖ Retain a high calibre team with the right culture
- ❖ Deliver safe, efficient and cost effective production outcomes
- ❖ Achieve an excellent reputation in our local communities and be respected by all stakeholders
- ❖ Secure the future of New Acland and realise full value from our existing assets
- ❖ Apply our balance sheet to facilitate growth

APPENDIX



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RECONCILIATION OF NON-IFRS FINANCIAL INFORMATION

| | 12 Months Ended 31 July (A\$m) | |
|---|-----------------------------------|--------------|
| | 2014 | 2013 |
| Net profit after tax | 58.4 | 74.1 |
| Income Tax | 19.9 | 49.4 |
| Petroleum Resource Rent Tax | (7.3) | (1.5) |
| Profit before income tax | 71.0 | 122.0 |
| Interest Expense | 0.2 | 0.0 |
| Earnings before interest and tax | 71.2 | 122.0 |
| Depreciation | 52.7 | 41.1 |
| Amortisation | 7.1 | 7.4 |
| Earnings before interest tax depreciation and amortisation | 131.0 | 170.5 |

Earnings before interest and tax (EBIT) and earnings before interest tax depreciation and amortisation (EBITDA) figures referenced in this presentation are unaudited and unreviewed. The figures have been extracted from the reviewed financial statements and reconcile to the results presented in the Appendix 4D and Interim Report in the Consolidated Statement of Comprehensive Income.

The presentation of the EBIT and EBITDA is to provide a measure of New Hope's performance prior to the impact of financing and non-cash depreciation and amortisation.



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