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New Hope Offer to merge with Macarthur Coal revised to include \$950 million cash facility

- **Scheme of arrangement offer structure revised to include \$950 million cash facility**
- **Flexible offer structure allows Macarthur shareholders to choose either cash (up to the \$950 million cap) or shares as consideration**
- **Macarthur shareholders will receive a highly attractive premium for their shares**
- **New Hope Offer remains superior to the proposed Gloucester Transactions**
- **New Hope Offer is subject only to customary conditions and is capable of being put to Macarthur shareholders**

New Hope Corporation Limited ("New Hope") (ASX: NHC) today announced a revised offer to acquire 100% of Macarthur shares by way of a scheme of arrangement under which Macarthur shareholders can elect to receive either:

- 2.7 New Hope shares for every 1 fully paid Macarthur share; or
- \$14.50 cash for every 1 fully paid Macarthur share, subject to the total amount of cash that is available to Macarthur shareholders under this alternative being capped at \$950 million.

Should the cash consideration cap of \$950 million be reached, shareholders will be subject to scale back of their cash consideration and will receive the remainder of their consideration as the scrip alternative. Subject to any regulatory requirements, any scale back of cash consideration will be on a pro-rata basis.

The cash alternative provides increased flexibility for all Macarthur shareholders.

The cash alternative has been included following consultation with a number of Macarthur shareholders. New Hope believes that offering a cash alternative is attractive to Macarthur shareholders and the merged entity will retain a strong cash balance to fund the company's development pipeline.

New Hope reiterates that the New Hope Offer is superior to the proposed Gloucester Transactions and other announced proposals put to the Macarthur Board.

Key highlights of the New Hope Offer:

- 1. Macarthur shareholders will receive a highly attractive premium for their shares;**
- 2. Flexible Offer structure allows Macarthur shareholders to choose either cash or shares as consideration;**

3. It remains superior to the proposed Gloucester Transactions which delivers significant value to Gloucester Coal Limited shareholders at the expense of Macarthur shareholders;
4. Macarthur shareholders have the option to continue to participate in what will be the largest independent, Australian listed coal company and increased size and liquidity;
5. Assuming the full take-up under the cash facility, the merged entity will still have a very strong balance sheet with a net cash position in excess of \$1 billion¹ enabling it to fully exploit its development pipeline; and
6. New Hope Offer is subject only to customary conditions and is capable of being put to Macarthur shareholders

New Hope Chairman, Robert Millner, said: "New Hope's Offer is not subject to financing or due diligence. The Offer is subject to customary conditions, none of which are within the control of New Hope.

"New Hope's Offer is highly attractive for all Macarthur shareholders and is superior to all other announced proposals for Macarthur. The New Hope Offer is capable of being put to shareholders in its current form. We are ready to work collaboratively with the Macarthur Board, should they wish to engage with New Hope," Mr Millner concluded.

About New Hope

New Hope is an independent, energy company which has open cut mines at Acland on the Darling Downs, and at Rosewood near Ipswich. The company focuses on niche marketing of its thermal coal and exports around 65 per cent of coal production to Asia Pacific markets including Japan, Korea and Chile with the remainder being consumed by customers in south-east Queensland

The company also holds various exploration tenements in central Queensland and on the Darling Downs in southern Queensland. New Hope's investments include a 100 per cent shareholding in Queensland Bulk Handling, a common user coal export terminal at the Port of Brisbane, and significant land holdings around Ipswich and near its mining operations at Acland.

ENDS

MEDIA/FURTHER INFORMATION

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¹ Assumes approval of announced Arrow Energy Limited scheme of arrangement