



QUARTERLY ACTIVITIES REPORT

to 31 January 2018

19 February 2018

	Quarter Ended			6 Months Ended		
	Jan-18 ('000t)	Jan-17 ('000t)	Change (%)	Jan-18 ('000t)	Jan-17 ('000t)	Change (%)
Saleable Coal Production						
QLD 100% owned and operated	1,186	1,289	(8.0%)	2,534	2,708	(6.4%)
NSW 40% owned operations	887	906	(2.1%)	1,918	1,728	11.0%
Total Saleable Coal Production	2,073	2,195	(5.6%)	4,452	4,436	0.4%
Coal Sold						
QLD 100% owned and operated	1,326	1,134	16.9%	2,528	2,195	15.2%
NSW 40% owned operations	946	971	(2.6%)	1,890	1,760	7.4%
Total Coal Sold	2,272	2,105	7.9%	4,418	3,955	11.7%
QBH Export Throughput	1,922	1,526	26.0%	3,581	3,060	17.0%

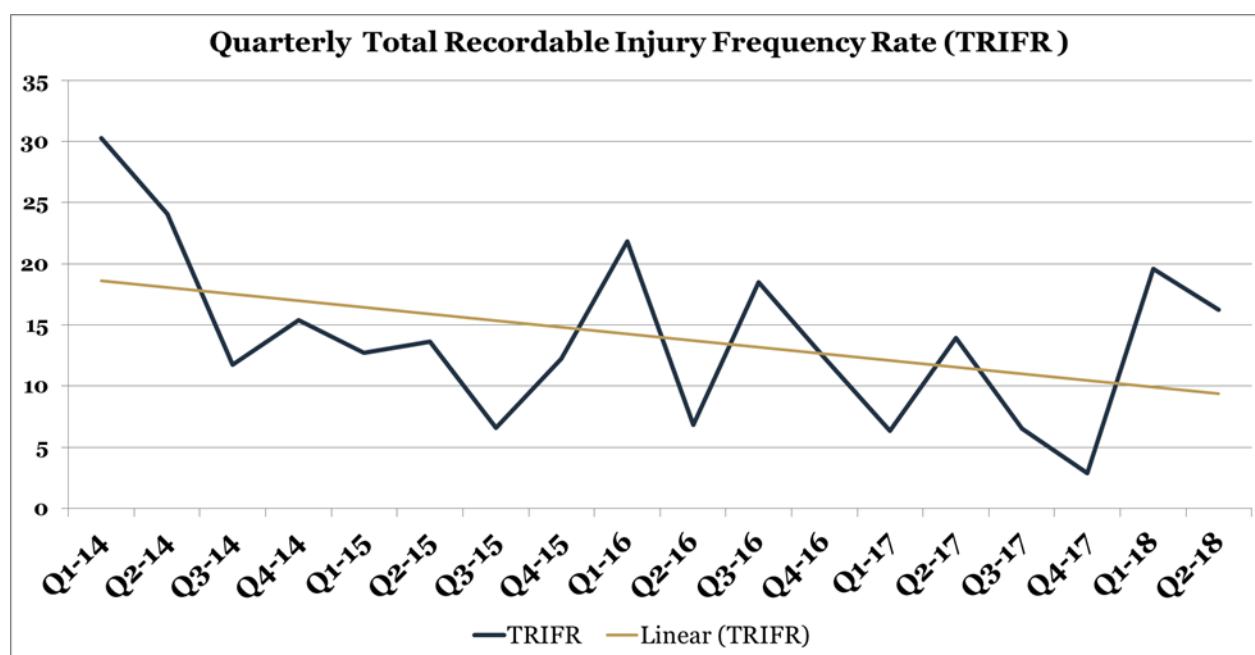
* Coal sold includes traded coal sales

KEY POINTS

- Continued increase in coal prices with the Global Coal Newcastle Index price closing the quarter at US\$108.23 per tonne.
- Strong coal sales for the quarter, up 7.9% on the prior corresponding period, combined with firming prices to deliver a good financial result for the first half of the financial year.
- Production from Queensland operations was slightly lower than the prior corresponding period due to wet weather, while production from New South Wales operations was slightly below the annualised rate.
- The Lenton Joint Venture (New Hope 90%) finalised the acquisition of the Burton Coal Mine during the quarter and has commenced a review of operating options for the Burton and Lenton areas.
- Coal exports from the QBH terminal in Brisbane were significantly higher than the prior corresponding period for both the current quarter and half year to January 2018.
- The Queensland Department of Environment and Science refused the Environmental Authority for the New Acland Stage 3 Project.

REGISTERED OFFICE

SAFETY PERFORMANCE



The Group achieved a TRIFR of 16.24 during the quarter, a slight decrease on the previous quarter.

The recent increase in TRIFR is of some concern to management and steps are being taken to address the trend including a greater emphasis on personal risk management, safety interactions contractor safety management and targeted safety audits.

QLD COAL OPERATIONS

Saleable coal production for the quarter was lower than both the prior quarter and the prior corresponding period due to scheduled shutdown of the New Acland coal preparation plant over the Christmas period. Full year saleable coal production from Queensland coal operations is expected to be consistent with last year.

QBH export coal throughput continues to track higher than the FY2017 levels.

Coal sales were higher than the previous quarter and in line with expectations. Demand for higher ash material from China has been robust during the quarter, which has supported the market overall.

NSW OPERATIONS – 40% OWNED (BENGALLA)

A continued focus on operational improvement has resulted in the Bengalla operation achieving solid second quarter coal production. For the first half New Hope's 40% interest in Bengalla contributed 7% higher coal production than the prior year. This trend is expected to continue for the full year.

The Bengalla site, which reports on a calendar year basis, achieved record coal production for 2017 of 9 million tonnes (100% basis).

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QLD PASTORAL OPERATIONS

Acland Pastoral operations received average rainfall during the quarter. Coupled with good rainfall in the previous quarter, excellent sorghum and corn crops have resulted. These will be used as forage for company cattle and a significant quantity sold as silage. Breeder cattle numbers are at 2,153 head and are currently calving. Some 1,670 calves are already “on the ground” with another 150 expected by end of March 2018.

EXPLORATION AND DEVELOPMENT

During the quarter drilling activity saw 38 holes drilled for a total of 4,761 metres across the New Acland, Lenton and the recently acquired Burton tenements.

An intensive program of exploration and project development activities has commenced at Burton. Our goal is to make a decision on the commencement of mining at Burton by the end of the current financial year. Subject to a positive development decision, mining is likely to commence in some lower strip ratio areas identified on the mining lease. Production from Lenton will be phased in over time.

The Colton Project’s development timing and methodology continue to be investigated following the granting of Mining Leases in May 2017.

The Elimatta Mining Lease application continued with landholder compensation to be heard in the Land Court for determination in May 2018.

The North Surat Project Pre-Feasibility Study progressed with continuation of baseline environmental and mine planning studies.

Revised New Acland Coal Mine Stage 3 Project

On 14 February 2018 the Company was advised by the Queensland Department of Environment and Science that it had been refused its application to amend the Environmental Authority (EA) for the New Acland Coal Mine Stage Three Project.

As previously announced the Company has initiated a Judicial Review of the Land Court recommendation. This matter has now been listed for a five day hearing commencing 19 March 2018 in the Supreme Court.

BRIDGEPORT ENERGY

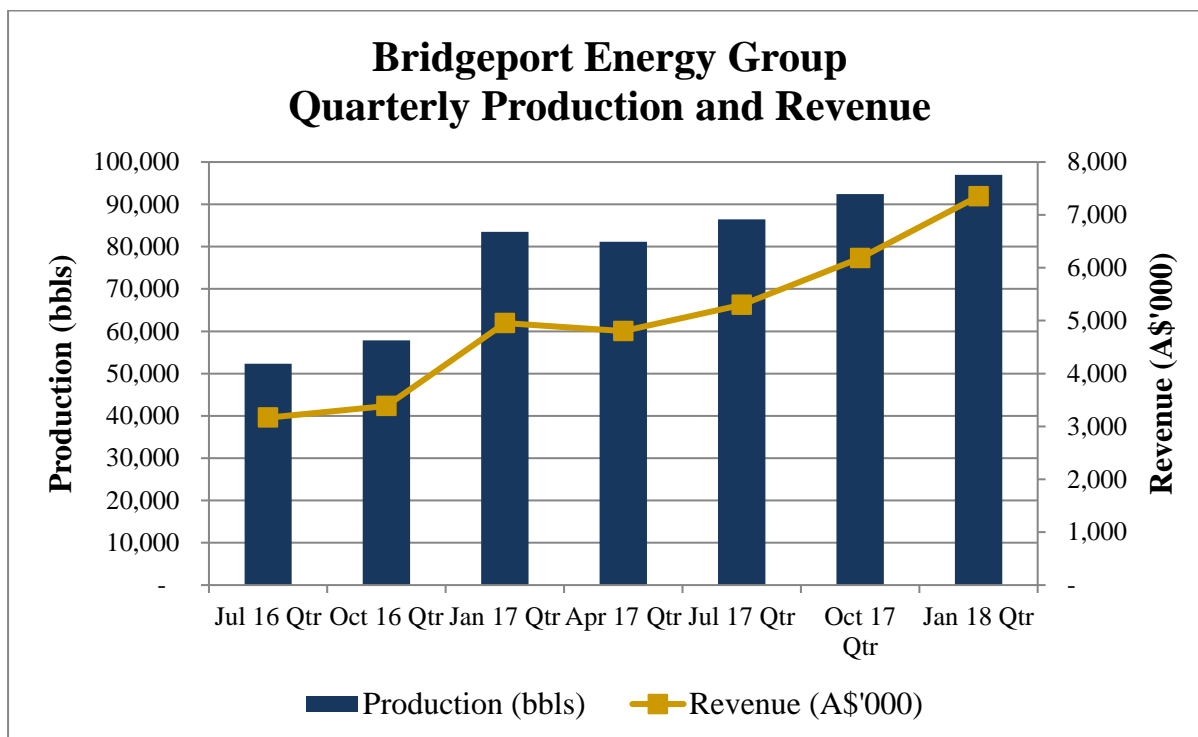
Oil production totalled 96,930 barrels for the quarter, an increase of 5% on the previous. Revenue was up 19% to \$7.35 million for the quarter as a result of improved oil prices.

Health and Safety

There were no incidents during the quarter. The Bridgeport (“BEL”) LTI free period is now over 1,638 days.

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Production Operations

Remapping and reservoir modelling of the principal producing area fields across all BEL production tenements continues and has assisted with identifying bypassed oil zones. The Kenmore field saw two wells put on production during the quarter contributing to the increase in overall production.

Exploration Operations

BEL acquired an additional 15% in tenements ATP736, ATP737 and ATP738 as a result of exercising its pre-emptive rights over an offer by Vintage Energy for equity in those tenements.

COMMUNITY SUPPORT

A Focus on Mutual Benefits

Partnering with local organisations to deliver a positive social impact in New Hope's operational areas continued to be a priority for the company. Some key projects include partnerships with:

- Goondir Aboriginal Health Service and Artius addressing indigenous mental health in the Oakey region
- LifeFlight building medical resources in rural areas through donations of community first aid kits in local towns Goombungee, Bowenville, Quinalow and Kulpi
- Oakey Tourism Centre supporting and promoting the establishment of a tourism information centre in Oakey

New Hope employees continued to volunteer their time to help out with a numerous range of community events and organisations and include: Girl Guide leaders; sports coaches for various sports; building floats for community parades; participation in working bees; and spending time at local schools passing on information about their skills and experiences in the industry.

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CORPORATE

The Company's Half Year Financial Results are scheduled to be released on Tuesday 20 March 2018.

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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