

NEW HOPE CORPORATION LIMITED

2013 Financial Results Presentation

17 September 2013



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AGENDA

- Key Financials and Operations Summary
- Port Operations
- Mining Operations & Projects
- Energy Activities
- Community & Social Responsibility
- Outlook

KEY FINANCIALS & OPERATIONS SUMMARY



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HIGHLIGHTS OF PAST 12 MONTHS

- Profit Result
 - Net profit after tax before non-recurring items for the year \$125.0 million
 - Comprising:
 - \$80.2 million from coal mining, marketing and logistics operations
 - \$44.7 million from investments
 - Non-Recurring items for the year totalling \$50.8 million after tax
 - Net profit after tax and non-recurring items for the year was \$74.1 million
- Production 5.8 Mt down 7% on 2012
- Sales totalled 6.0 Mt down 4% on 2012
- Management focus on costs:
 - Cost of Sales down \$36 million from 2012, albeit on lower volumes
 - Administration costs down \$9.9 million from 2012
- Final dividend declared of 5.0 cps fully franked
- New Acland continuation compromise plan being progressed on schedule
- Acquisition of 100% of Bridgeport Energy Limited
- Introduction of behavioural safety program and improvement in total reportable injury rate of 47% over previous year

KEY FINANCIALS

	12 Months Ended 31 July (A\$m)		
	2013	2012	Change
Revenue from ordinary activities	\$652.1m	\$767.5m	-15.0%
Profit before income tax: before non-recurring items	\$172.6m	\$238.0m	-27.5%
Profit before income tax: after non-recurring items	\$122.0m	\$198.8m	-38.6%
Net profit after tax: before non-recurring items	\$125.0m	\$171.1m	-26.9%
Net profit after tax: after non-recurring items	\$74.1m	\$167.1m	-55.7%

	12 Months Ended 31 July (cents per share)		
	2013	2012	Change
Earnings per share after non-recurring items	8.9	20.1	-55.7%

DIVIDENDS

	12 Months Ended 31 July (cents per share)		
	2013	2012	Change
Interim dividend	6.0	6.0	0%
Final dividend	5.0	5.0	0%
Special dividend	5.0	20.0	-75%
TOTAL	16.0	31.0	-48%

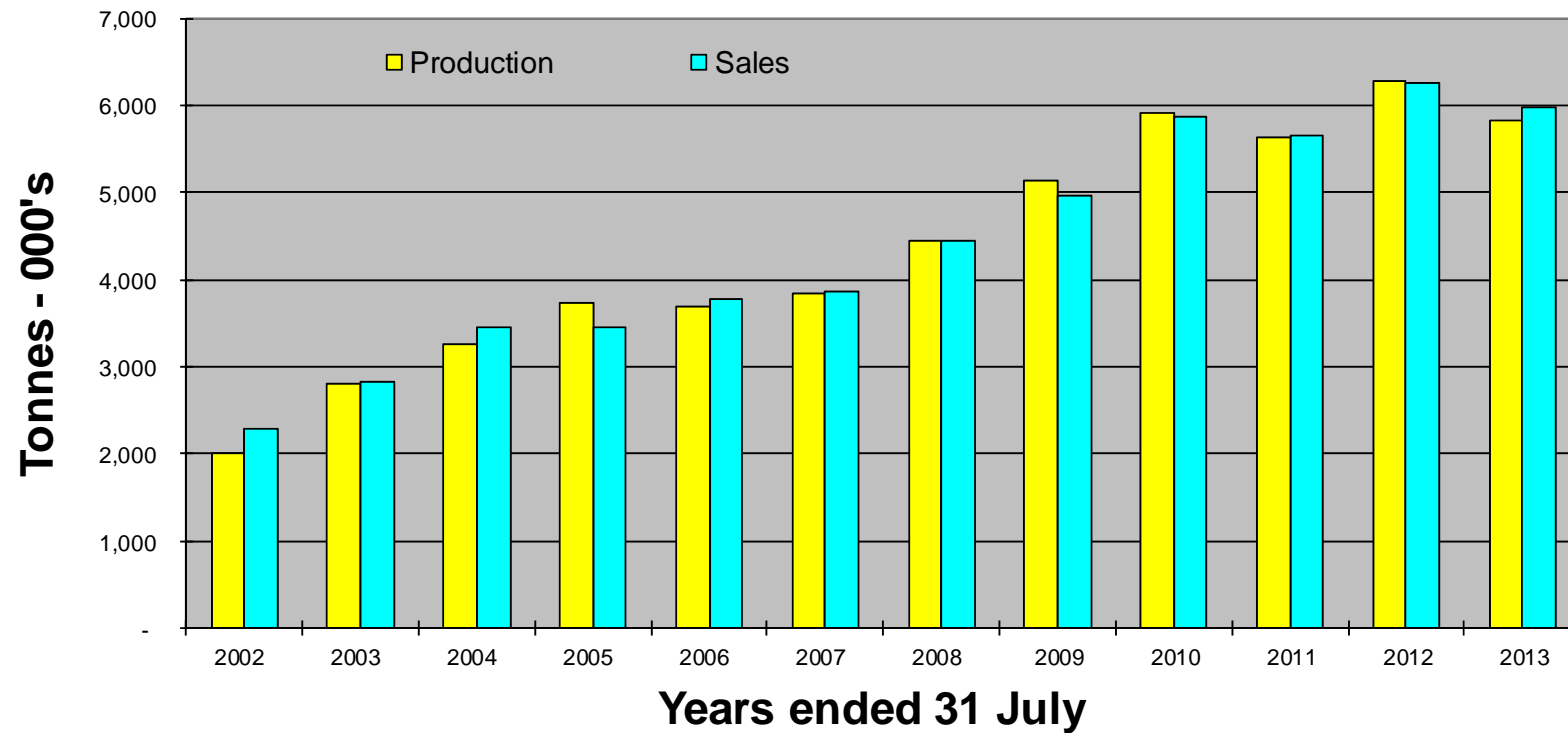
NON-RECURRING ITEMS

* Profit before non-recurring items contained in this report has not been audited in accordance with the Australian Auditing Standards

	12 Months Ended 31 July (A\$million)	
	2013	2012
Profit Before Tax and non-recurring items	172.6	238.0
Income Tax Expense on profit before non-recurring items	(47.6)	(66.9)
Profit After Tax before non-recurring items	125.0	171.1
Non-recurring items 2013:		
Impairment of Investment in Quantex	(13.3)	-
Available for Sale Asset Impairments (Dart)	(31.7)	-
Available for Sale Asset Impairments (Westside)	(6.4)	-
Gain on sale of WICET subscription	0.5	-
Non-recurring items 2012:		
Impairment of Goodwill (associated with NEC Acquisition)	-	(33.4)
Tax benefit from DTL (associated with NEC Acquisition)	-	35.2
Available for Sale Asset Impairments (Dart)	-	(5.8)
Profit After Tax and non-recurring items	74.1	167.1

PRODUCTION & SALES PERFORMANCE

Australian Operating Results



PRODUCTION & SALES TONNAGES

	12 Months Ended 31 July (tonnes 000s)		
	2013	2012	Change
Raw Coal Production	11,405	12,340	-7.6%
Saleable Coal Production	5,826	6,287	-7.3%
Coal Sold	5,985	6,250	-4.2%

COAL PRODUCTION VOLUMES

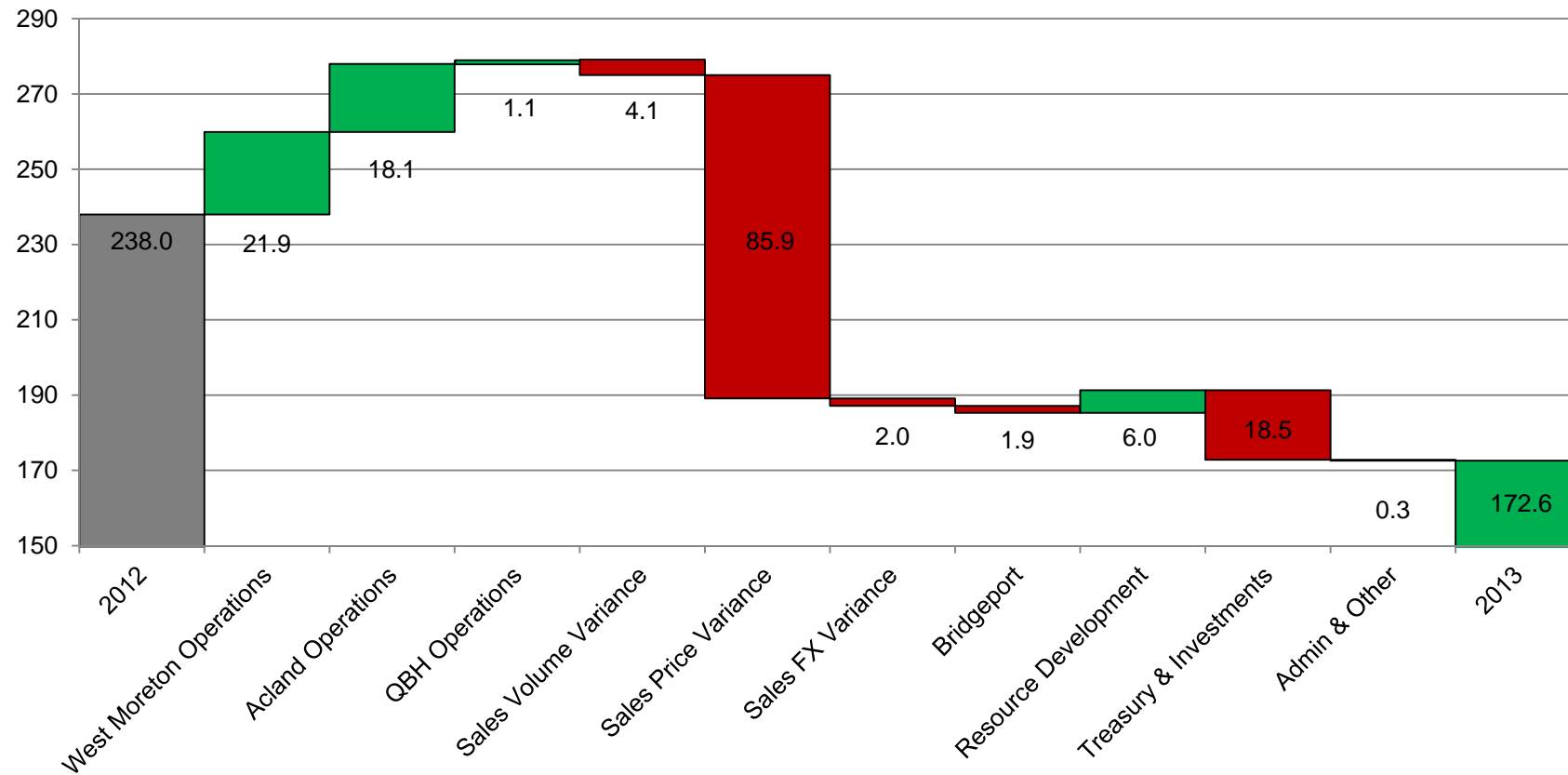
	12 Months Ended 31 July (million tonnes)		
	2013	2012	Change
New Acland	4.69	5.09	-7.8%
New Oakleigh	0.27	0.35	-22.8%
Jeebropilly	0.87	0.85	2.3%
TOTAL	5.83	6.29	-7.3%

COAL SALES VOLUMES

	12 Months Ended 31 July (million tonnes)		
	2013	2012	Change
Export	5.80	5.83	-0.5%
Domestic	0.19	0.42	-54.8%
TOTAL	5.99	6.25	-4.2%

GROUP NPAT COMPARISON

Profit before tax and non recurring items



PORT OPERATIONS



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QBH PORT FACILITY



	12 Months Ended 31 July (million tonnes)					
	2008	2009	2010	2011	2012	2013
Coal Throughput	5.47	6.12	6.67	6.52	8.73	8.73
TOTAL GROWTH	21%	12%	9%	(2%)	34%	0%
NHC Growth	24%	20%	26%	2%	17%	0%



QBH PORT FACILITY



Summary

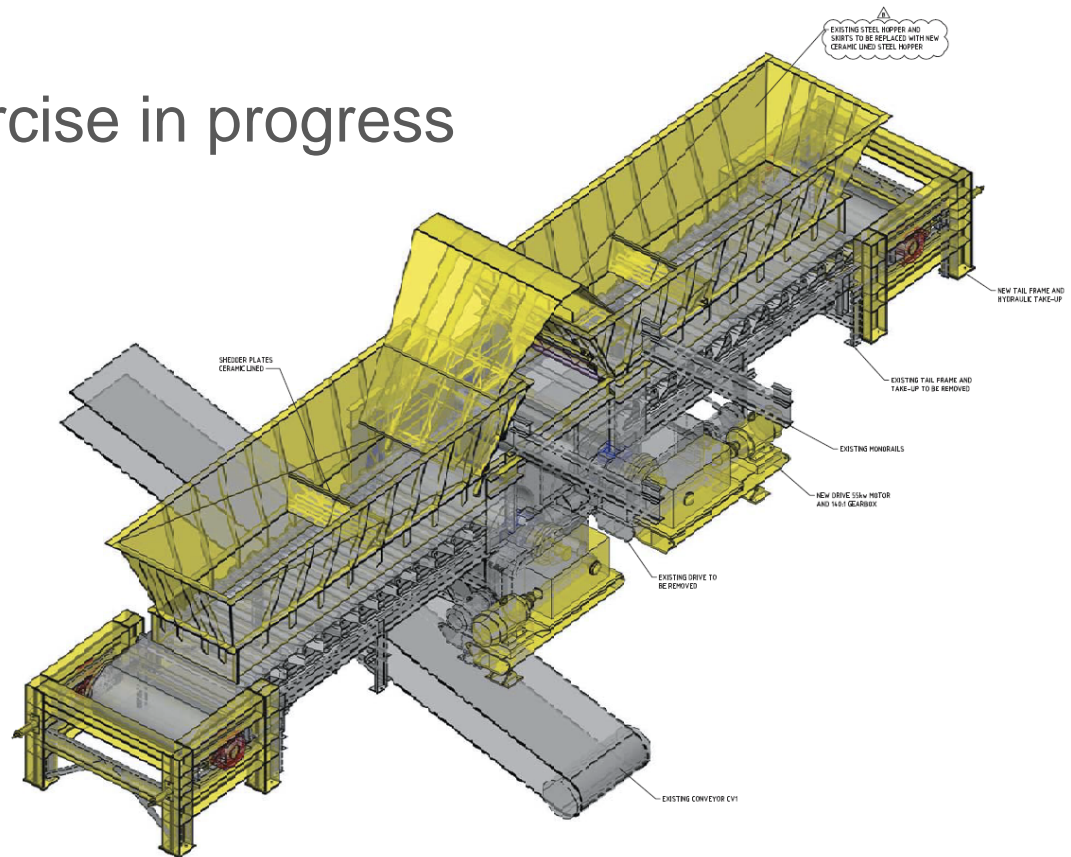
- Remained essentially a demurrage free port
- Shipped 8.73 million tonnes in 113 vessels during 2013
- 14 month free of Lost Time Injury milestone achieved
- Commencement of engineering studies required for potential expansion of the port
- Targeted business improvement programs being implemented progressively:
 - 2013 Dozer utilisation improvement program has resulted in 13.8% reduction in dozer hours.
 - 135,500 litres reduction in diesel usage for the year.
 - Result: better economics and better for the environment

QBH FACILITY

Capacity Upgrade



- Bottom Dump Upgrade Front End Engineering Study (FEED) completed
- Budget pricing exercise in progress based on FEED
- Detailed design for upgrade of all QBH fixed plant now in progress



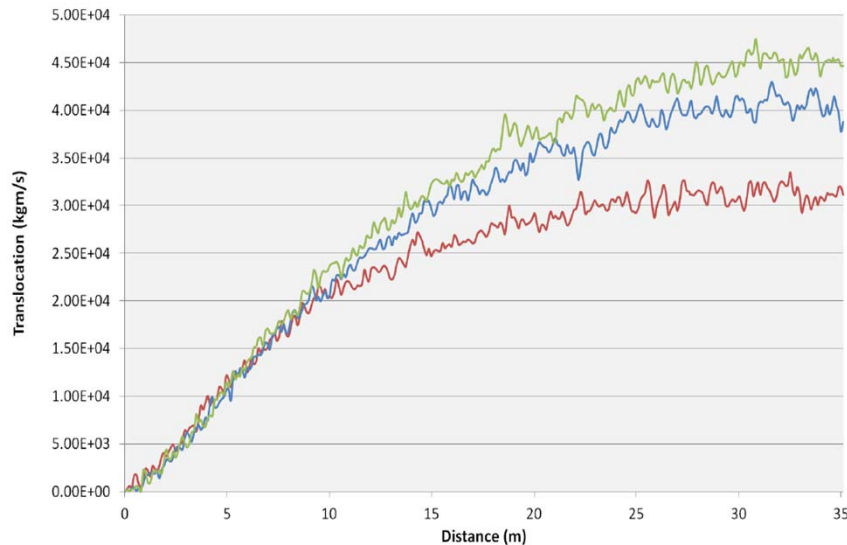
BUSINESS IMPROVEMENT



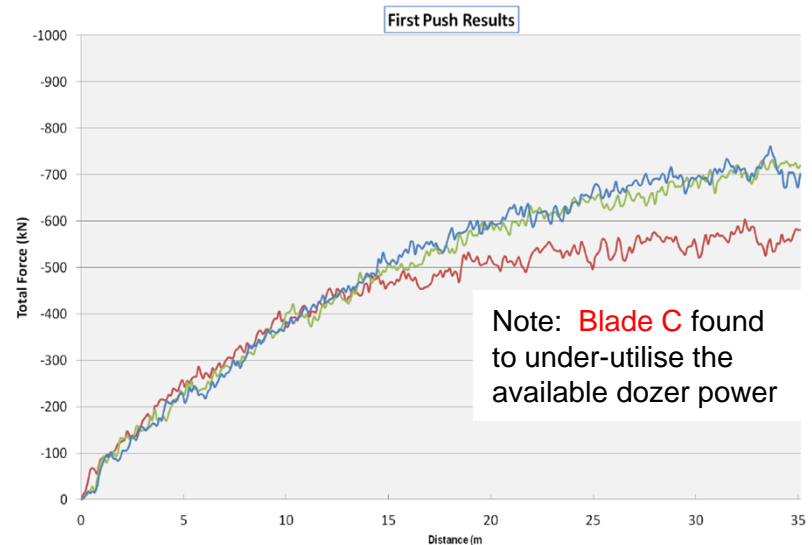
D10T Blade Comparison

- Detailed simulation compared the performance of three different dozer blades (results shown in **Blade A**, **Blade B**, **Blade C**)

Amount of coal pushed



Force required



Best performing blade: **Blade A**

- Similar force and energy required as **Blade B** (i.e. the previous standard blade)
- Moves up to 10% more coal per push (steady state)
- Averages 8% higher energy efficiency

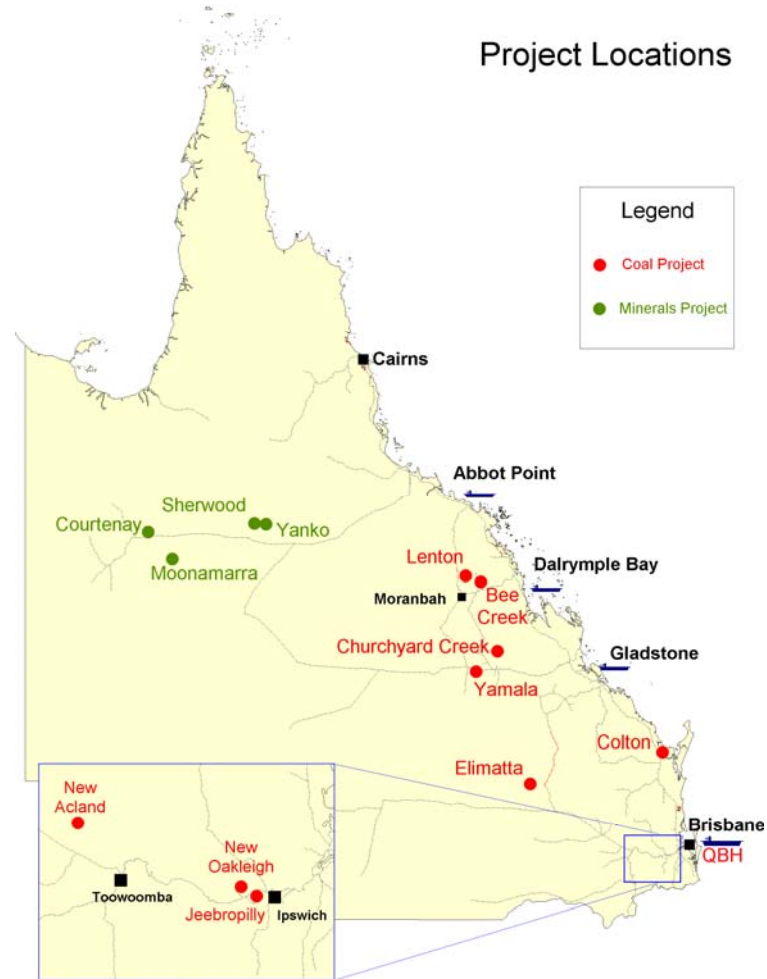
MINING OPERATIONS & PROJECTS



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PROJECT LOCATIONS

Location Map



MINING OPERATIONS

Summary

- **New Acland**
 - Increased focus on improving safety performance
 - Mining fleet renewal program underway with delivery of two new Cat D11T dozers and a fleet of new larger Cat 793 trucks during 2013/14
 - Seeking mine plan approval to 2030
 - Cost management programs including rationalisation of mine plans and labour allocation
 - Solid production despite of shutdowns caused by rail outage
- **New Acland Pastoral Operations**
 - Operating on 8,288 hectares of mostly grazing country around the current mine site and on rehabilitated mined land
 - Currently approximately 2,460 head of cattle on site
 - Second stage of third party supervised grazing trial planned this year comparing performance of rehabilitated land with undisturbed land for grazing. First stage trial successful with greater weight gains for cattle on rehab than un-mined land over a sustained period.
 - Proving sustainability of post mining land forms and demonstrating our social responsibility and land management credentials
- **West Moreton Operations**
 - Increased focus on improving safety performance
 - Mine planning studies for the medium term future of Jeebropilly completed
 - At current coal prices, exchange rates and despite cost reduction programs, Jeebropilly operates at a loss. However in order to reduce the impact of fixed costs and undertake site rehabilitation in the most cost effective manner it is judged prudent continuing to operate. This decision is closely monitored by management on an ongoing basis.
 - New Oakleigh mine closed in January and has moved immediately into an active rehabilitation phase

NEW ACLAND COAL MINE

New Acland Continuation Plan

- **Revised** New Acland Coal Mine Stage 3 Project:
 - Approx. jobs: 400 direct, 170 FTE contract, 2,850 indirect
 - Production capacity: up to 7.5 Mtpa Thermal Coal
 - Approx. \$530 million per annum direct economic injection*
 - Circa \$8 billion economic contribution for life of mine
 - Relocation of train load out facility away from Jondaryan
 - Overall reduction of mine disturbed land by approximately 50%
 - 10km away from the township of Oakey (previously 7km)
 - Lagoon Creek no longer diverted
 - Acland town area left in place
- Agreed revised Terms of Reference with Office of Coordinator-General (CoG) – 26 March 2013
- EIS submitted to CoG - September 2013
- Extensive stakeholder engagement as part of EIS process
- Further information sessions planned for public consultation period



* Goods & services, wages, taxes, royalties

PROJECT DEVELOPMENT

Coal Developments

- Colton
 - 0.5 Mtpa open cut coking coal development near Maryborough
 - In discussions with regulators regarding environmental management plan assessment report and draft environmental authority conditions
- Elimatta
 - 5 Mtpa open cut thermal coal development near Taroom
 - Responses are being prepared to public comments received on the environmental impact statement
- Lenton
 - 3.5 Mtpa open cut coking/thermal coal development near Nebo
 - Initial ML granted, expansion area EIS underway
 - 3D seismic undertaken of key opencut mining area
- Yamala
 - Drilling has commenced on an exploration program in the south of the tenement seeking to confirm the presence of coal seams along strike

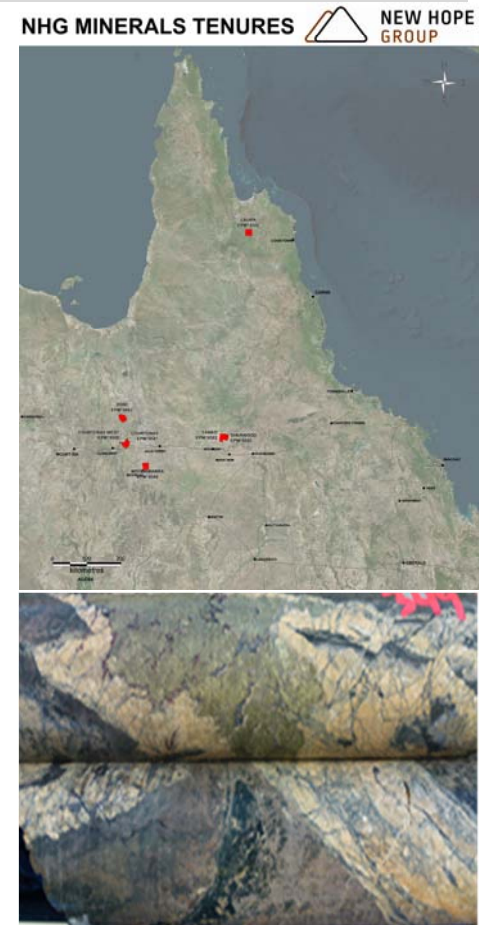


Lenton coke

PROJECT DEVELOPMENT

Mineral Developments

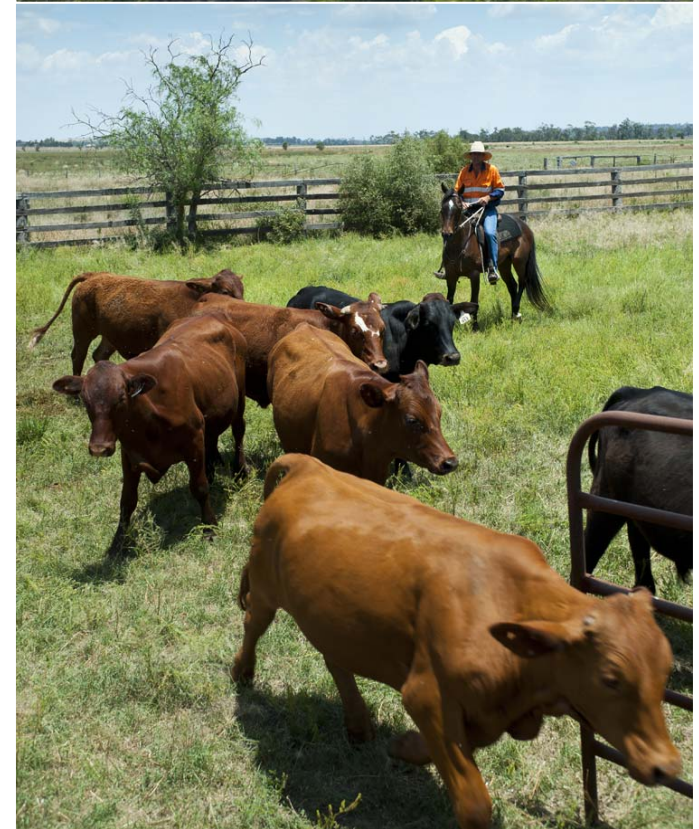
- Five tenements under exploration in NW Queensland exploring for copper and gold
- During the year three drill holes were completed at Moonamarra (near Cloncurry) which intersected uneconomic copper and zinc mineralisation. Further exploration is planned.



Chalcopyrite in Albite vein breccia MNM002
Moonamarra EPM

ACLAND PASTORAL COMPANY

- 8,288 Available hectares
- Current activities:
 - Cattle 2,460 head
 - Cropping for cattle fodder-500 hectares
 - Cropping for grain & mung beans-1200 hectares
- Rehabilitation:
 - 214 hectares completed
 - 93 hectares due for completion over the next six months subject to weather
- Growth activities:
 - Detailed land use plan under development
 - Irrigated cropping commencing this year
 - Horticulture options under review



COST MANAGEMENT OUTCOMES

- Cost of sales down \$36.0 million on the previous corresponding period (a reduction of 10.1%) albeit on lower volumes
- Administration costs down \$9.9 million on 2012 (a reduction of 37.9%) albeit on lower volumes
- Marketing and transportation costs reduced by \$1.6 million compared to the previous year (a reduction of 1.1%)
- Electricity cost per tonne produced increased 16.7% during the 2013 financial year
- The increase in rail transport charges over time are of concern across the industry and a focus of management effort



COAL BUSINESS STRATEGIC SUMMARY

- NHC strategic planning components remain unchanged, but management focus re-weighted toward low cost, efficient operations
 - Improve coal chain logistics
 - Focus on transportation costs
 - Continue to undertake cost reduction activities at all sites
 - Maintaining key capabilities to ensure sustainability and appropriate risk management
- Newcastle Thermal Coal Index prices dropped from US\$89.95/t to US\$77.55/t or 14% during the course of the 2013 financial year and the Australian dollar remained above parity for most of the past year
- Although demand is firm the global thermal coal markets remain oversupplied and this is likely to continue for a considerable period of time
- Market and regulatory uncertainties are likely to delay project development schedule
 - Maintain mining title approval activities
- Acland remains our top priority

ENERGY ACTIVITIES

Energy Overview & NHC Objectives
Bridgeport Energy Limited (BEL)
CTL Projects



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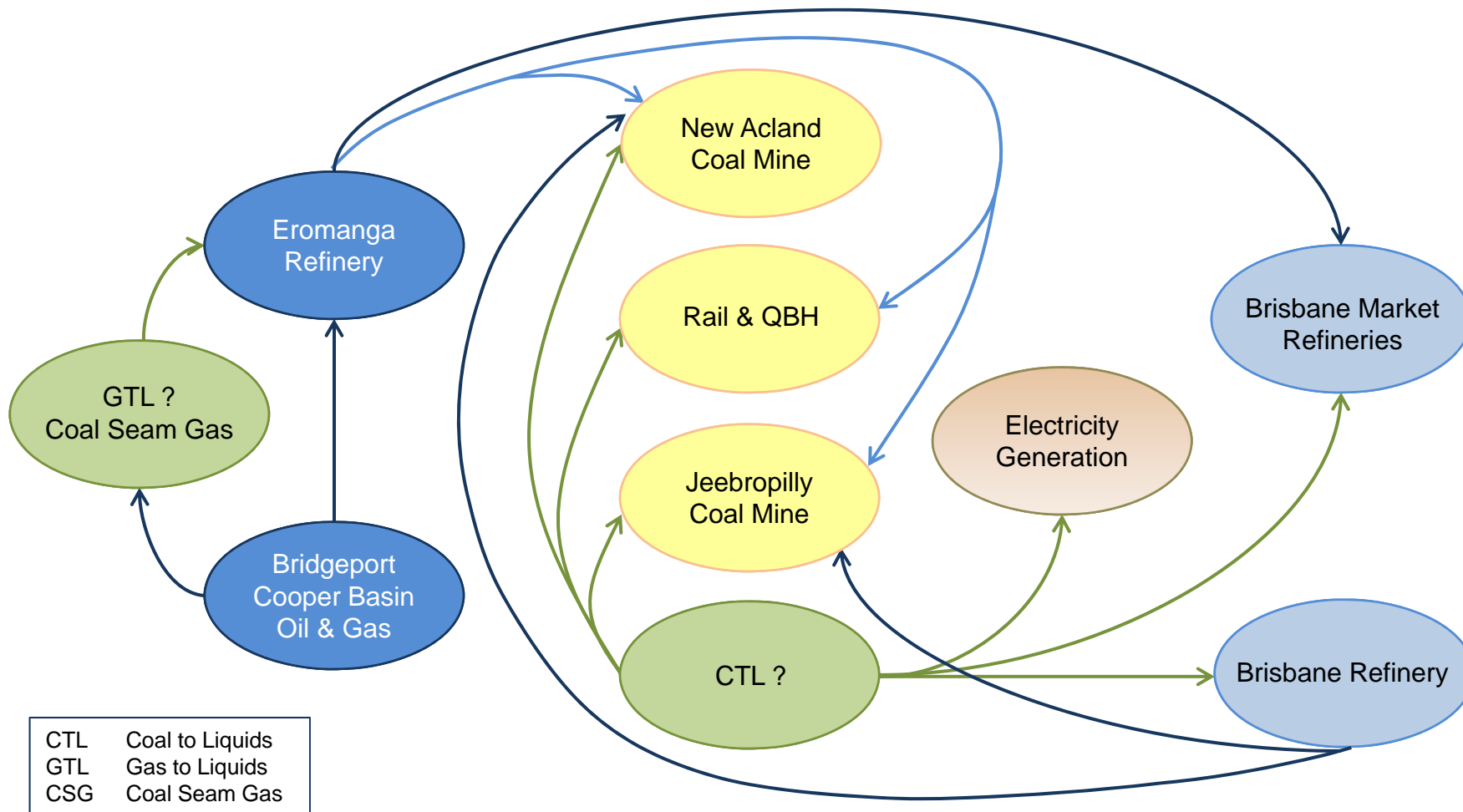
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Energy Diversity Strategy

- Diversity is a prudent and viable risk mitigation mechanism and provides flexibility and alternative solutions when unscheduled events impact business viability and shareholder value.
 - Floods, transport and services disruption (alternate mine supply)
 - Government policy changes (commodity and market mix)
 - GHG policy, carbon tax, mining tax, royalties etc.
 - Foreign exchange and commodity prices fluctuations (natural hedge)
 - Risk management framework
 - Fuel supply security re mining, rail and port operation, fuel supply costs re international disruption and declining domestic refining capacity
 - Technology advances (cost improvement)
- Australia and NHC are dependant on diesel
- Australia shuts down if no transport fuel (including jet fuel)
 - Middle East risk greater for Australia, as USA becomes fuel independent
 - NHC Fuel costs - 21% of mining costs and have doubled over past 4 years

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Energy Diversification Strategy



OIL ACTIVITIES

- **Bridgeport Energy Limited (BEL)** is 100% owned by New Hope Corporation
 - Small oil producer based in the Eromanga Basin, Queensland
 - Actively developing the Utopia and Inland Fields
 - Produces 8,000 barrels of crude oil per month
 - Upon completion of Cuisiner an additional 8,500 barrels per month



ENERGY ACTIVITIES



Annual Highlights

- New Hope Corporation completed the acquisition of Bridgeport Energy during August 2013
 - Three new development wells successfully drilled, completed and placed on production in the Inland field
 - Two new development wells successfully drilled, completed and placed on production and one development well drilled, cased and suspended in the Utopia field
 - Acquisition of a service rig completed for completion and workover operations
 - Worked over, repaired and brought back into production three wells at Utopia and four wells at Inland
 - Acquired 110 km Utopia East 2D seismic survey in 3Q12
 - Successfully bid for and executed a sale & purchase agreement for the acquisition of Arrow Energy (Shell) conventional upstream exploration and production assets in South West Queensland
-

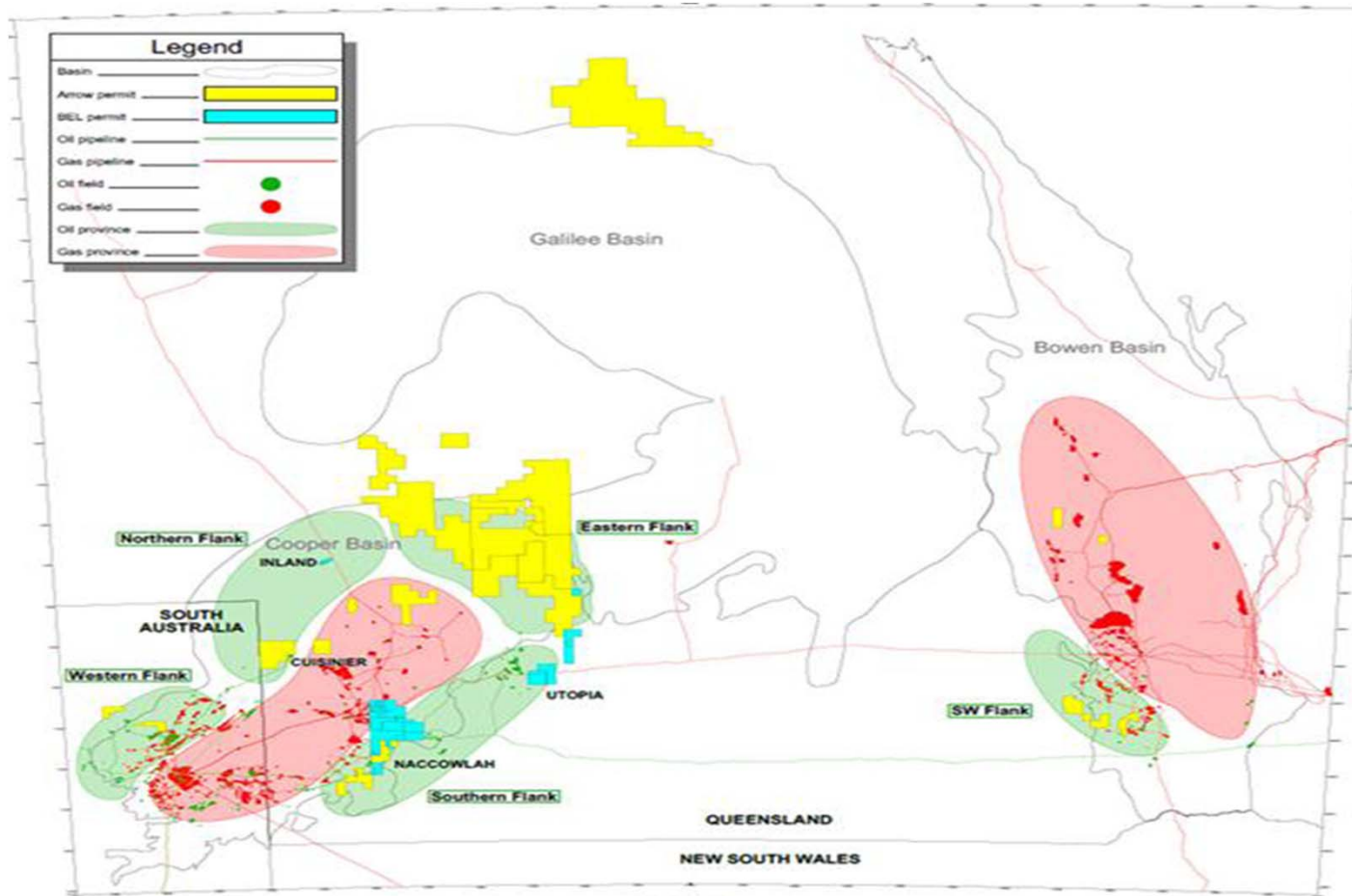
ENERGY ACTIVITIES

- Resource potential identified in exploration tenements acquired from Arrow; leading to seismic acquisition plus drilling of an appraisal well in each of ATP 794P (Moothandella) and ATP 805P (Donga)
- Completing acquisition from Arrow of the Santos-operated Cuisinier field (PL 303) and exploration permit ATP 752P (BEL net: 15%)
- Successfully bid for and awarded 100% of PELA 630 in the prolific western flank of the Cooper-Eromanga Basin
- No safety incidents in operations (production, drilling and seismic)
 - 645 days incident free
 - Focus on safety systems & standardisation of operating practices & procedures
- Planning in progress for 5 firm plus 3 optional wells from September 2013

ENERGY ACTIVITIES

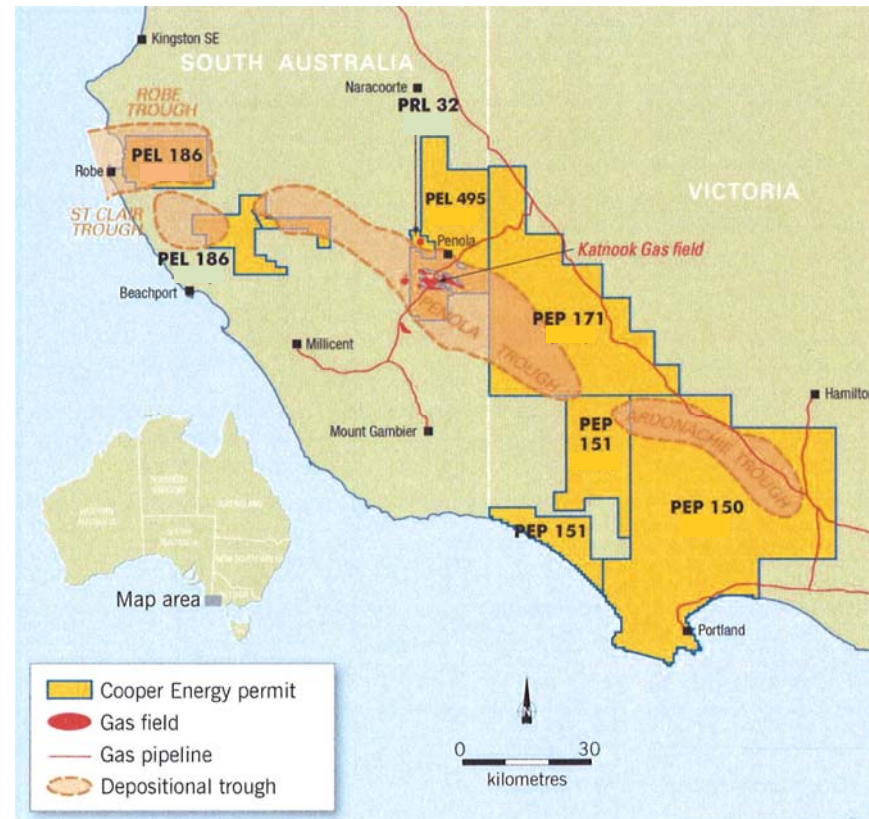
Cooper/Eromanga Basin and Surat

Bowen Basin Portfolio



ENERGY ACTIVITIES

- Exploring for hydrocarbons in the Otway Basin in joint venture with Cooper Energy
- Targeting the Ardonachie Trough for the equivalent Penola Trough gas fields



Source: Cooper Energy Limited

COAL TO LIQUIDS PROJECT

Technology Status

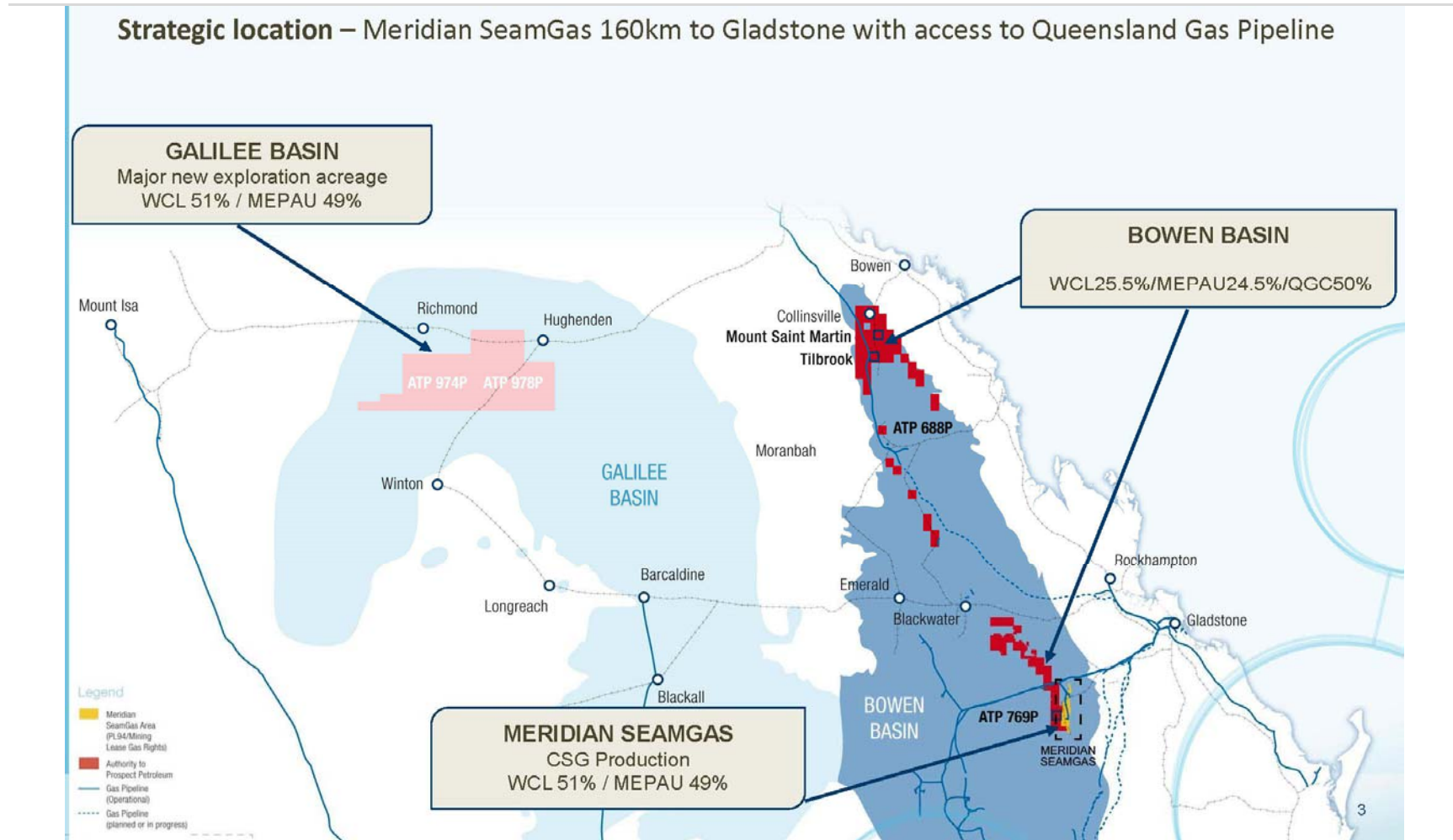
- Indirect Liquefaction - Proof of Concept Plant
 - Production of power and diesel
 - 95% of plant components on site
 - 60 - 65% of plant assembled
 - Gasifier commissioning trials commence in September



ENERGY INVESTMENT



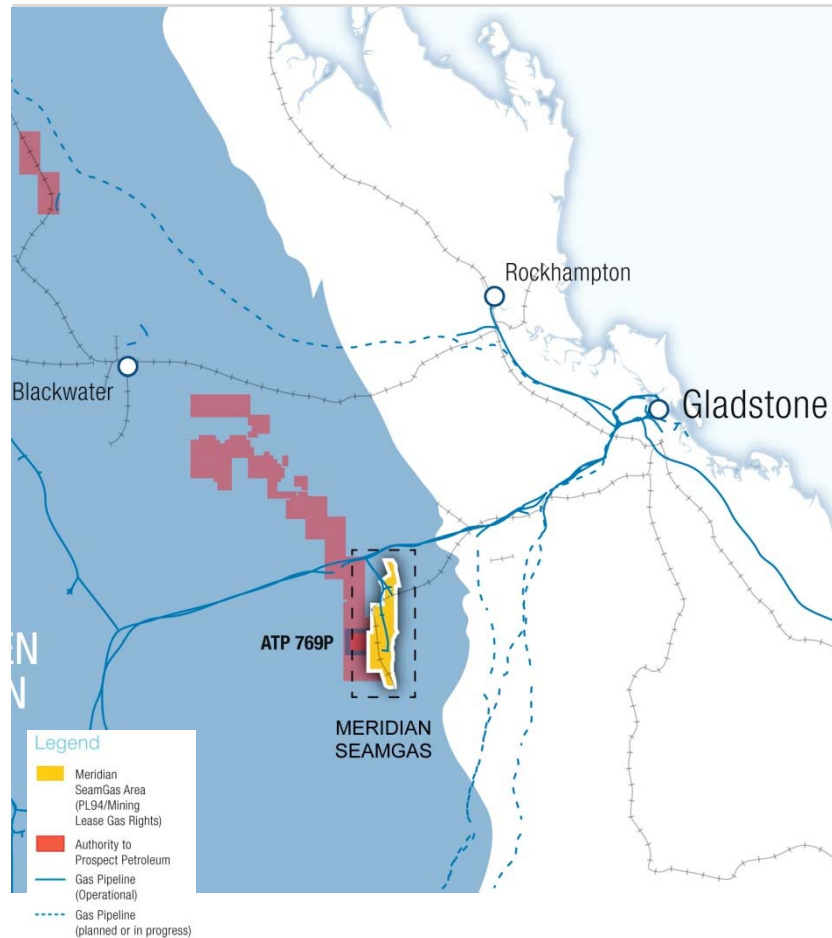
Asset Location



ENERGY INVESTMENTS



Meridian SeamGas – Market Outlook



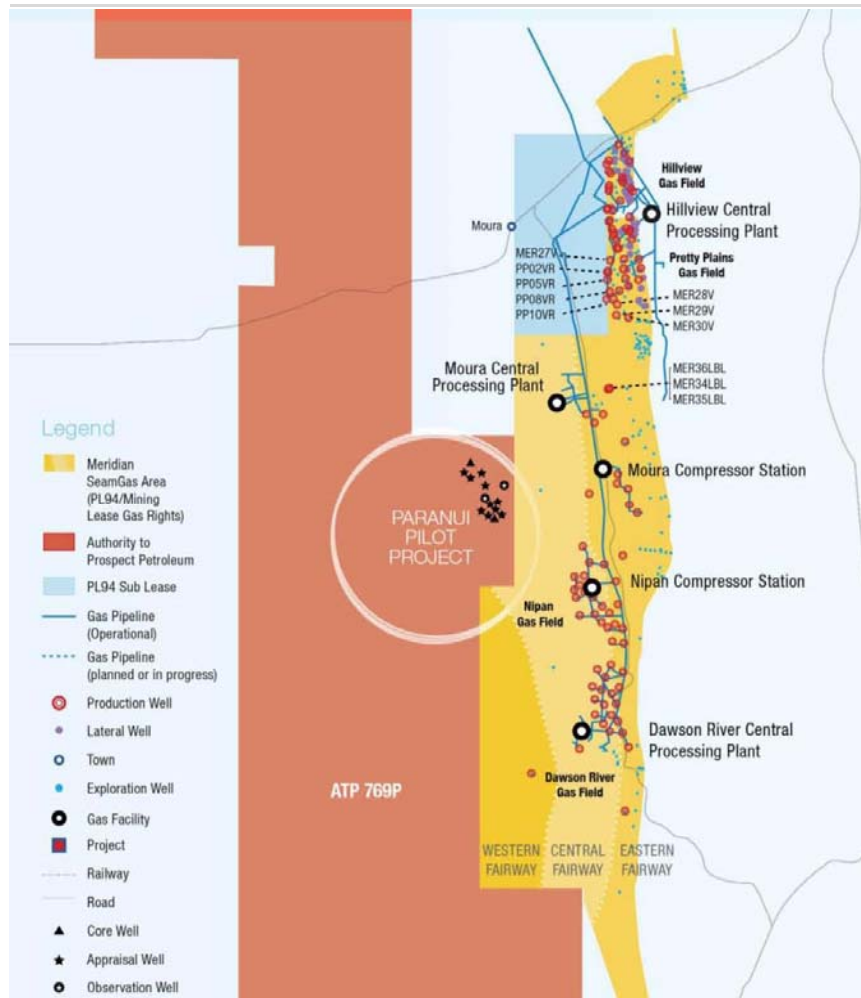
- **Competitive Position**
 - Closest gas producer to Gladstone
 - Connected to Qld Gas Pipeline and near pipelines in construction to Gladstone LNG projects
 - Low cost brownfields development of reserves (30Tj/d gas processing, 60 Tj/d pipeline)
- **Market Opportunities**
 - Qld LNG projects are forecast by EnergyQues to more than triple east coast gas demand to ~2,350 PJ/pa by 2017
 - Forecast shortfalls provide producers like WestSide with opportunities to supply 3rd party gas
 - EnergyQuest’s 2013 report – gas prices expected “to increase to \$8-\$10 /GJ

“Domestic & LNG project customers are projected to be short gas in the near term”

ENERGY INVESTMENTS



About Meridian SeamGas



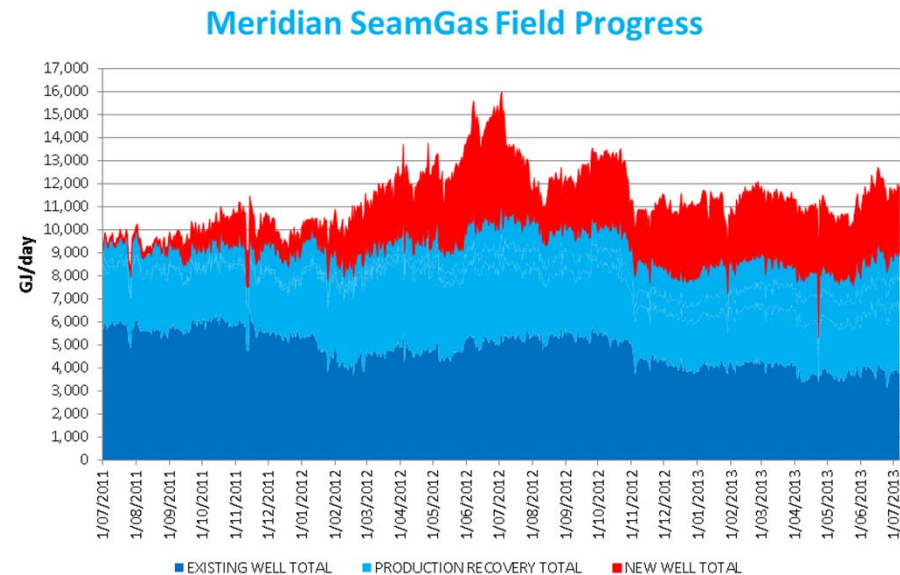
- PL 94 & ML gas rights – reliable supplier of gas
 - Approximate area 253 km²
 - Average 18 m net coal – 5 main seams in Baralaba Coal Measures and Kaloola Formation
 - Two pipelines with 60 TJ/day capacity
 - 14 compressors with dehydration at 30 TJ/day capacity
 - 160 km of low pressure and high pressure pipeline
 - Natural pathway for WCL's adjacent Paranui gas (ATP 769P 25.5%)

ENERGY INVESTMENTS



Meridian SeamGas Production

- Production ramp-up over past two years
 - Refurbishment and treatment of existing wells has stopped production decline
 - Two of 11 new wells have achieved peak flows >1,000,000 scf/d
 - Fines blockages in a number of the new lateral wells have been identified and remediation work planning is underway
 - New wells account for ~28% of production



“The value of the existing wells and infrastructure is being realised”

ENERGY INVESTMENTS



Summary

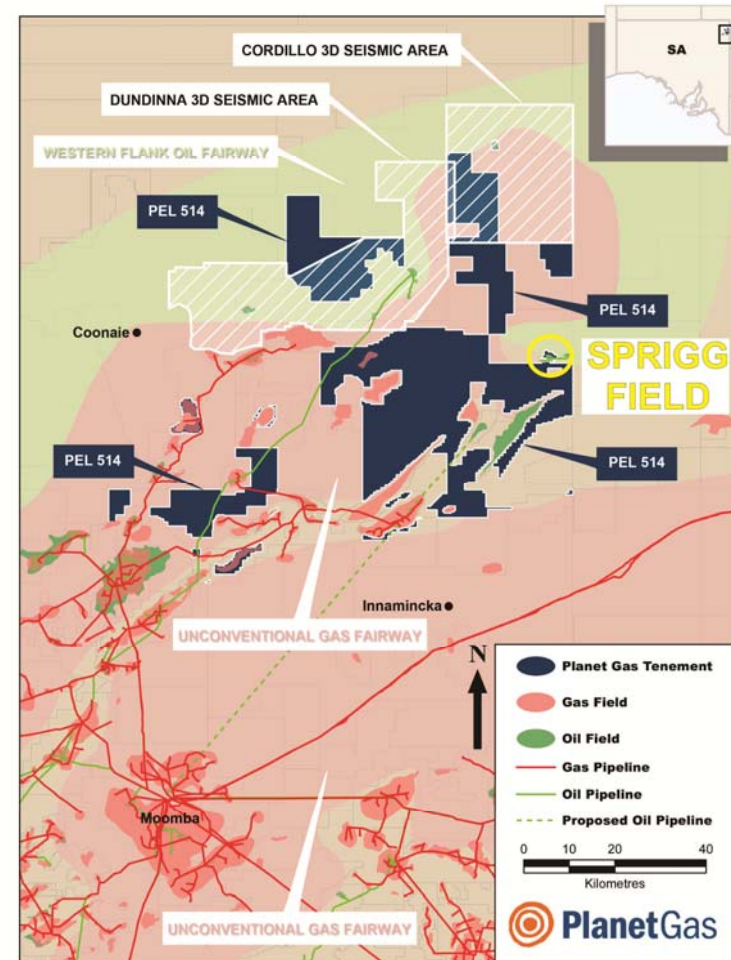
- Production and Location
 - Operating established Meridian SeamGas business on QGP – 160km from Gladstone
 - Averaged gross sales of 10.4 TJ/d in FY13 – new wells now accounting for 20% of total field output
 - Trialling innovative well designs, treatments and equipment to increase production efficiency
 - Significant opportunity to ramp up production to 60 TJ/day to match pipeline infrastructure
- Sales Contracts
 - Existing contracts in place to 2014-15 - \$7.3m gas sales revenue (net) FY2013
 - Progressing GSA negotiations – potential doubling of gas prices toward \$10/GJ within 18 months
 - Potential for new GSAs to provide a source of development capital and underpin funding options
- Exploration Upside
 - Low cost upgrades possible at Meridian SeamGas to support further growth
 - Bowen Basin – ATP 769P and ATP 688P (mid-term commercialisation potential)
- Corporate
 - Strategic review and organisation restructured to sharpen focus on production and costs

ENERGY INVESTMENTS



Location of Sprigg Field

- Planet Gas-Senex (20%-80%) joint venture transaction completed
- Planet received \$5 million cash payment and will have a free carry for a total of \$9 million for its share of oil exploration expenditure
- Planet has a 2% royalty of net well head value
- First well (Sprigg No. 1) to be spudded late September



COMMUNITY & SOCIAL RESPONSIBILITY



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COMMUNITY & SOCIAL RESPONSIBILITY

- Community Engagement
 - Information Campaign: including television, print and billboard advertising underway on Darling Downs
 - Oakey Community Information Office & Community Liaison Officer celebrated 12 months in community
 - New Acland Community Reference Group established with regular meetings
 - Refreshed New Hope Group and Acland Project websites
 - Newsletters, fact sheets, media releases & DVDs
 - Regular public tours of New Acland
 - Memberships: Toowoomba Chamber of Commerce, Oakey Chamber of Commerce, Agforce, CEDA, Toowoomba & Surat Basin Enterprise
- Community Benefit Program
 - Establishment of New Acland Community Investment Fund to support community development initiatives
 - Extensive Sponsorship & Donations Program
 - Major sponsor CareFlight Rescue Helicopter Service
 - Progressing partnership opportunities with local schools and environmental groups
 - Active local purchasing policy for local businesses
 - Installation of a load profiling, veneering and sill sweeping station at Jondaryan train loading facility



COMMUNITY ENGAGEMENT



OUTLOOK



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OUTLOOK

- New Hope's Australian coal assets remain well positioned to weather the current soft market conditions.
- Production and sales for 2014 are likely to be slightly lower.
- Port operations are expected to achieve marginally increased exports in 2014.
- Spot thermal coal prices are forecast to remain weak in US dollar terms over the coming twelve months, however the recent devaluation of the Australian Dollar has lifted the average price achieved in Australian dollar terms.
- New Hope is well positioned to meet the challenges presented by soft coal markets with likely lower profits.
- A strong balance sheet provides flexibility to take advantage of acquisition opportunities.
- In the medium to longer term the recovery in global industrial production will drive energy demand.
 - Coal remains a competitive source of energy especially into Asia despite growth in gas sales
- Growth of Australian export coal business dependant on Government policies.
- Continue sensible growth of oil production through Bridgeport.

JORC DECLARATION

The estimates of coal resources herein have been prepared in accordance with the guidelines of the “Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources – The JORC Code. These resources are inclusive of the reserves reported in the reserves statement. The work has been undertaken internally and reviewed by Mr Phillip Bryant who is a Member of AusIMM. Mr Bryant has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Mr Bryant consents to the inclusion in this report of the matter based on this information in the form and context in which it appears.

The information in this Coal Reserves Statement that relates to coal reserves is based on information compiled by Mr Brett Domrow, who is a Member of AusIMM. Mr Domrow is a full time employee of the company. Mr Domrow has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent person as defined in the 2004 Edition of the ‘Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves’. Mr Domrow consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



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