



NEW HOPE
GROUP

INTEGRITY • RESPECT • ACCOUNTABILITY
SAFETY • RESILIENCE • SUCCESS

Financial Results Release

Half Year Ended 31 January 2017



Presented by
Robert Millner & Shane Stephan

21 March 2017

newhopegroup.com.au



Overview



Robert Millner
Chairman

Executive Summary

- NPAT of \$68.4 million
- NPAT increase of 2,410% on previous first half
- EBITDA of \$130.2 million
- Cash generated from operating activities of \$119.7 million
- Interim dividend declared of 4.0 cents per share up 100% from first half last year



Safety Performance

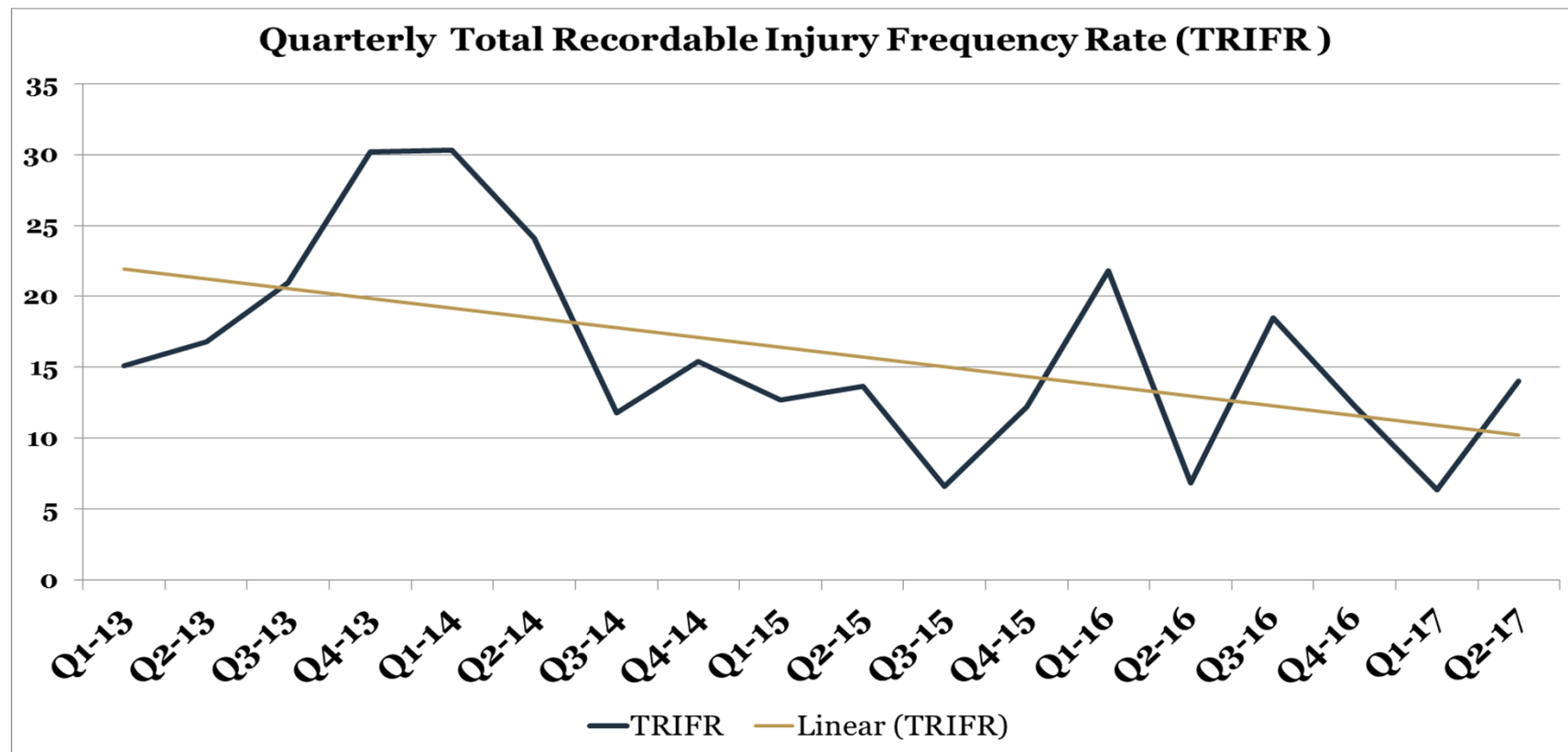
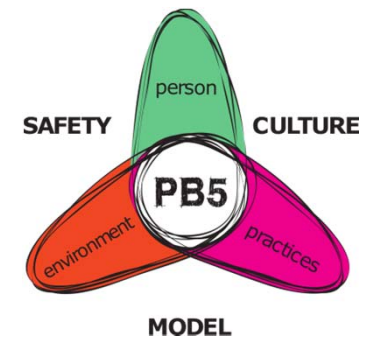


Shane Stephan
Managing Director

Safety Performance

Principle of Safe Production

- 3 year safety trend continues to improve
- Similar performance in Q2 for Total Recordable Injury's compared to same period in 2016
- To improve performance we have outlined a 5 year safety roadmap focussing on:
 - Safety Fundamentals for Leaders, Safety Interactions and Risk Management

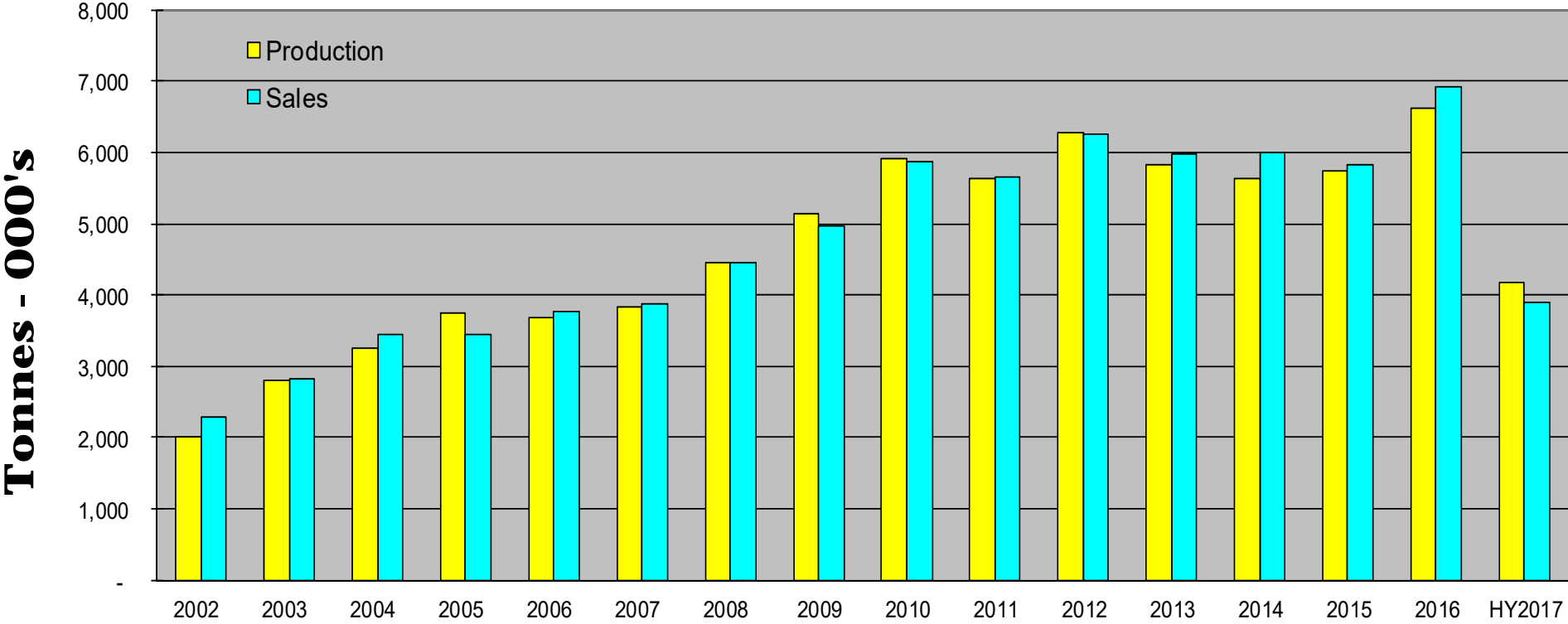


Production and Sales



Production and Sales Performance

Australian Operating Results



Years ended 31 July

Production and Sales Tonnages

HY 2017

	6 Months Ended 31 January (million tonnes)		
	2017	2016	Change %
ROM coal processed	7.3	5.1	45
Saleable coal production	4.4	2.5	75
Coal sold *	4.0	2.7	47

* Includes trade coal

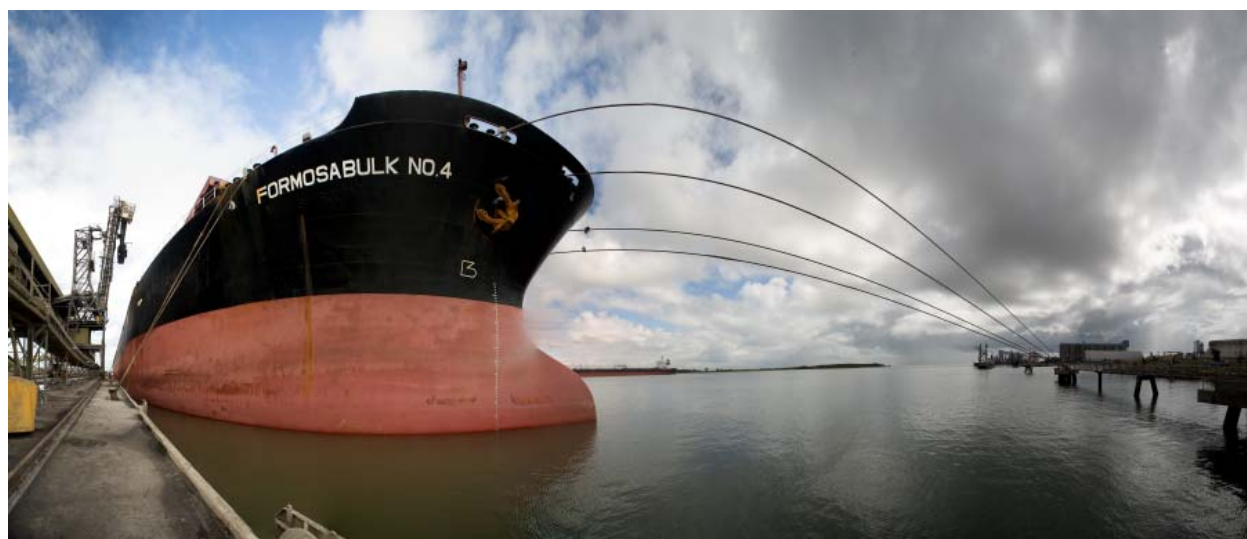
New Acland	2.3	2.2	4
Jeebropilly	0.4	0.3	33
Bengalla (40%)	1.7	-	n/a
TOTAL	4.4	2.5	76

Coal Sales Volumes

HY 2017

	6 Months Ended 31 January (million tonnes)		
	2017	2016	Change %
Export *	3.8	2.6	46
Domestic	0.2	0.1	100
TOTAL *	4.0	2.7	48

* Includes trade coal



Financial Overview



Financial Overview

1st HY 2017

	6 Months Ended 31 January (A\$m)		
	2017	2016	Change %
Revenue from ordinary activities	374.6	229.4	63
Earnings before interest, tax, depreciation, amortisation and non regular items [^]	130.2	49.2	163
Earnings before interest, tax and non regular items [^]	80.5	20.2	299
Profit / (loss) before income tax (before non regular items) [^]	79.9	20.2	296
Profit / (loss) before income tax	99.4	6.7	1,384
Net profit / (loss) after tax (before non regular items) [^]	54.9	15.0	266
Net profit / (loss) after tax	68.4	2.7	2,433

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

Financial Overview

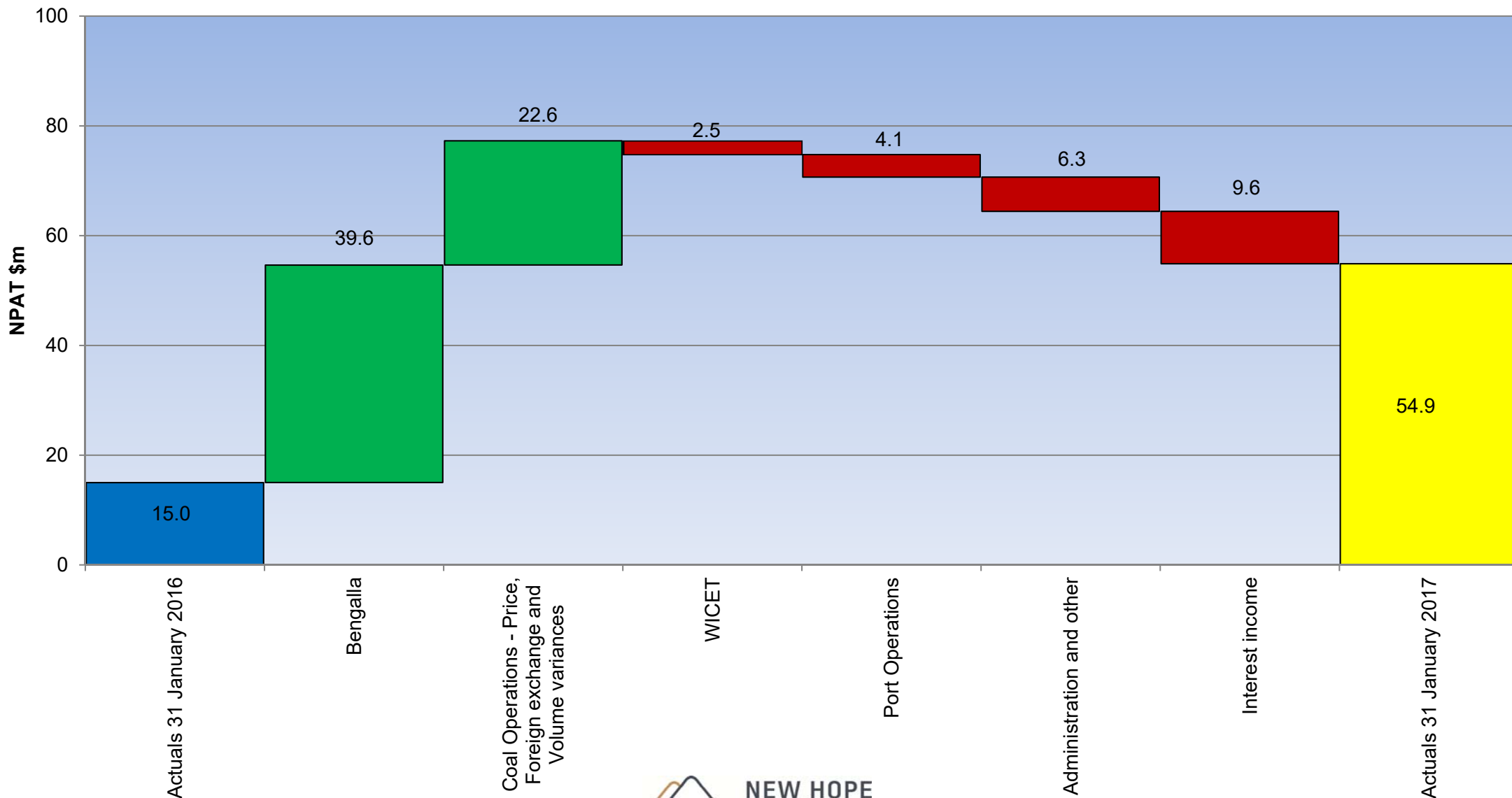
HY 2017

	6 Months Ended 31 January (cents per share)	
	2017	2016
Earnings per share before non regular items [^]	6.6	1.8
Earnings per share	8.2	0.3
Interim dividend	4.0	2.0

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

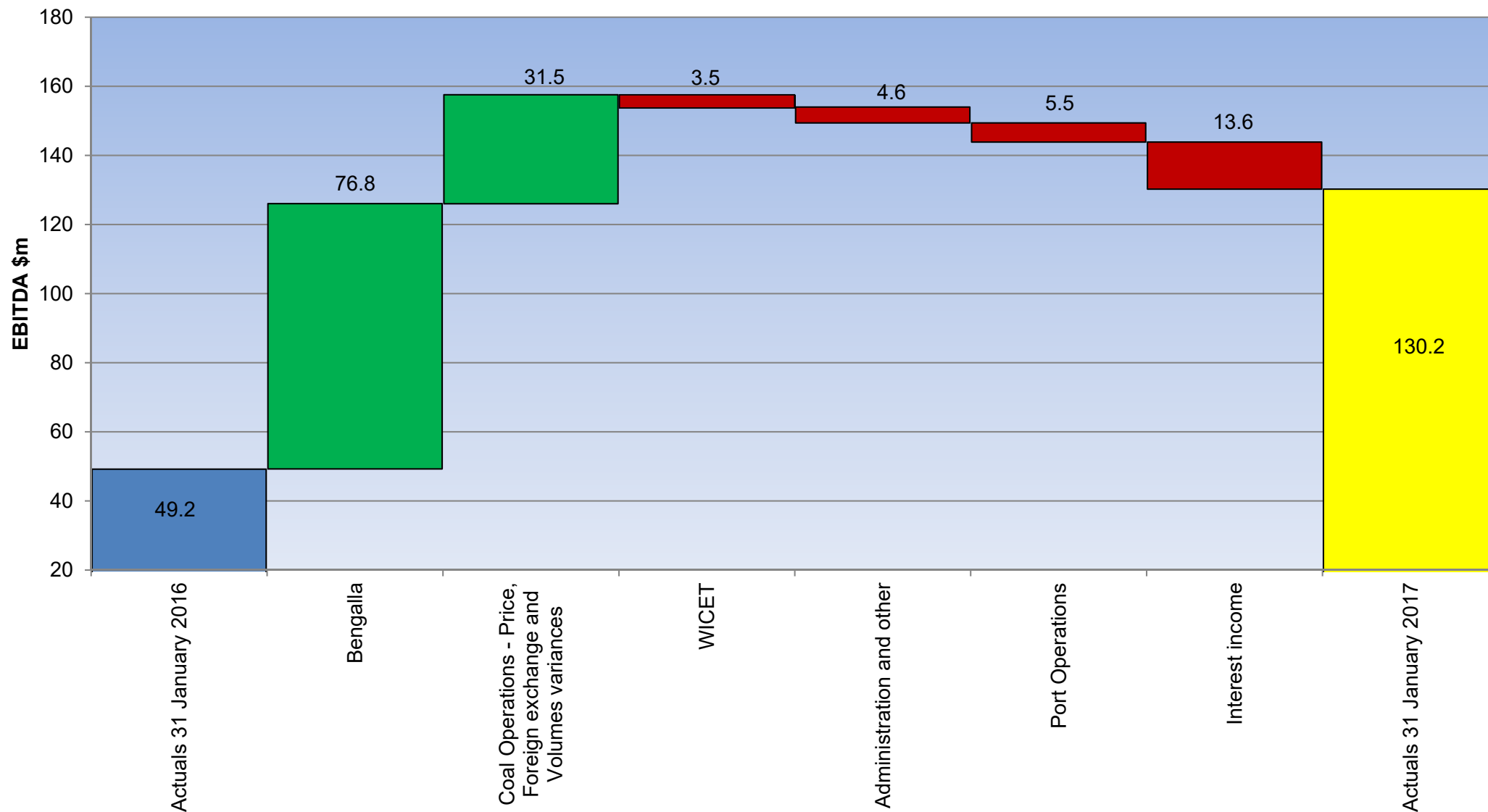
Group NPAT Comparison

Before non regular items half year comparison



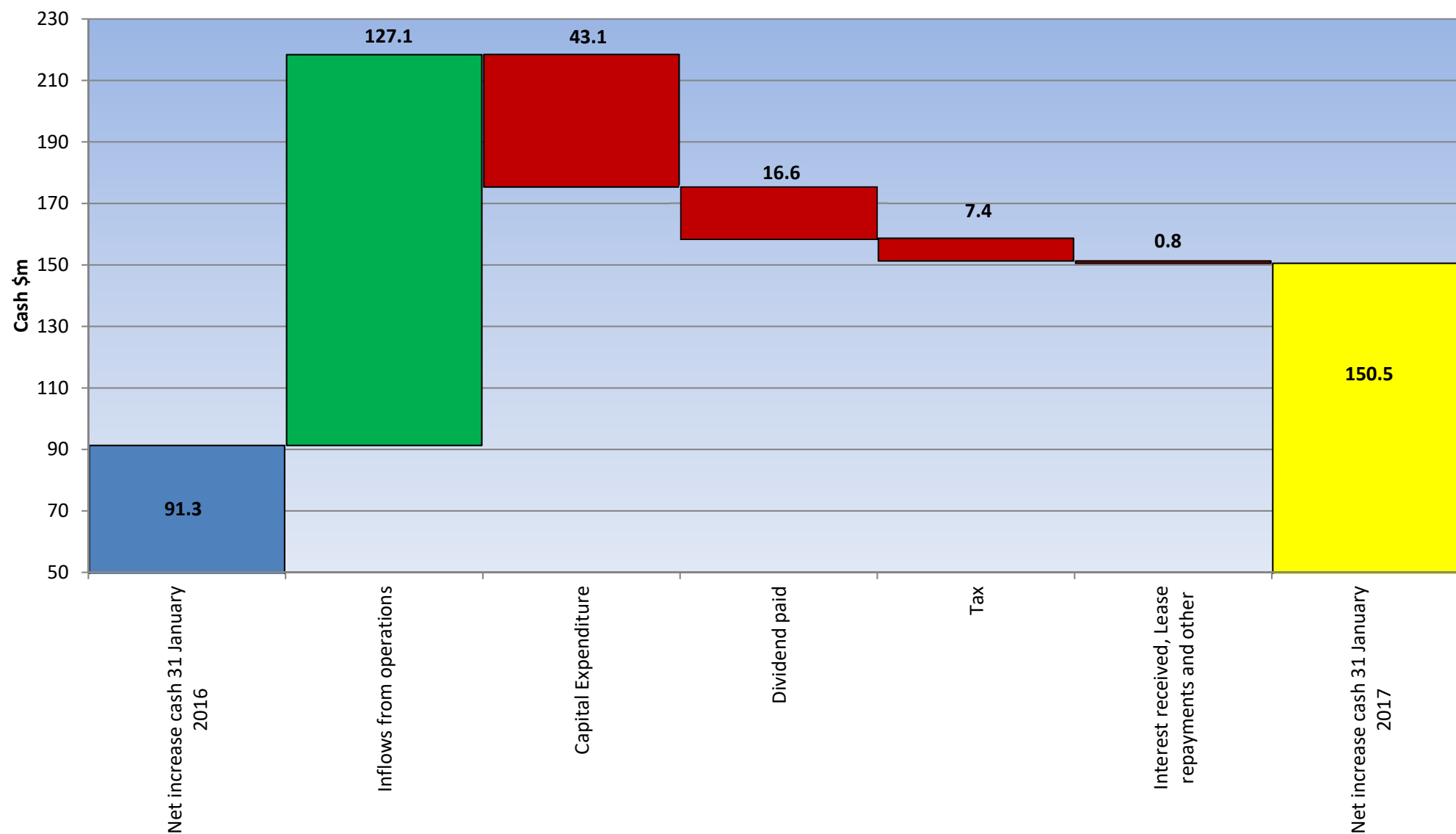
Group EBITDA Comparison

Before non regular items half year comparison



Group Cash Position

Cash position including term deposits



Significant Items

Impact of non-regular items on first half 2017 financial year results

The following events occurred during the period which are of a non regular nature and have resulted in a net increase to the groups after tax profit of \$13.5 million:

- Recovery of prior period below rail access charge - \$13.9 million post tax
- Impairment of held for sale shares in IGas and Planet Gas - \$0.4 million post tax (non-cash expense).



Cost Management



Cost Management

- Greater operating hours through roll out of noise attenuation equipment on mobile fleet.
- Implementation of the fleet management system for New Acland expected to achieve efficiencies in the operations.
- CHPP projects focused on the achievement of improved yield are ongoing during the half year.
- Trial of a diesel natural gas hybrid (dual fuel system) truck at New Acland operations.

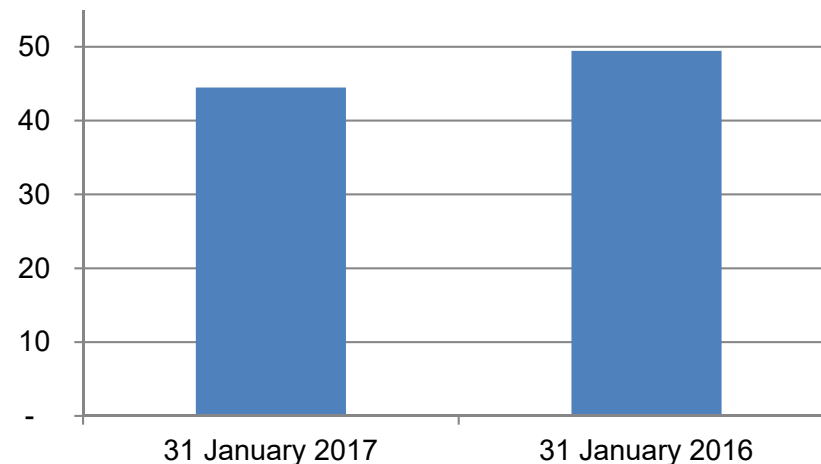


Cost Management

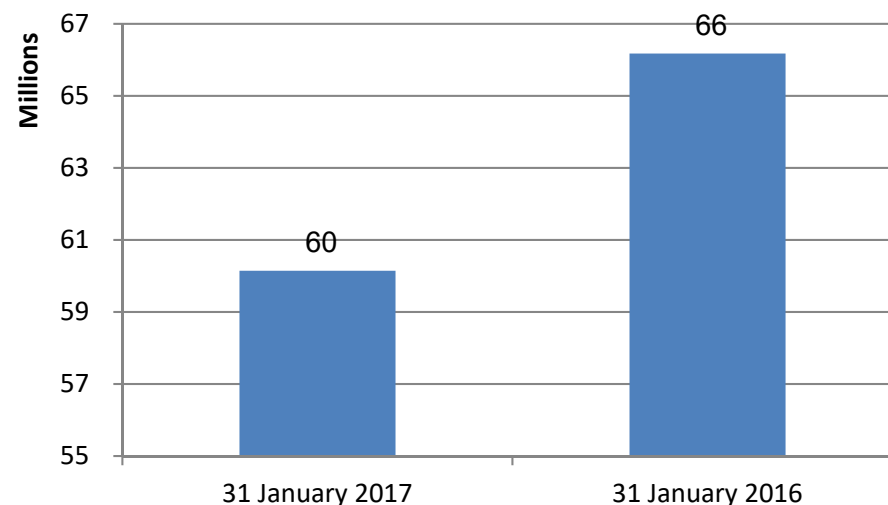
Operations maintaining cost competitiveness

- There has been significant cost reductions achieved over recent years with the current half year maintaining costs on a per BCM basis and a slight reduction of cost of sales per clean coal tonne under more difficult pit conditions approaching end of life for Acland Stage 2.
- Marketing and transportation costs for operated sites down by \$6.0 million or 9.1% influenced by volumes but significantly the 12% reduction in below rail access charges following the Queensland Competition Authority decision.

Cost of Sales/Product Tonne



Marketing and Transportation



Bengalla Operations



Bengalla Operations



Bengalla Operations

Locality Map



BENGALLA

**WELCOME TO THE
BENGALLA MINING COMPANY
PTY LTD**

A Joint Venture Partnership Between








Making sure we're here **tomorrow** **STAYING ALIVE**















Bengalla Operations

Overview

- Joint Venture partners from 1st March 2016
 - New Hope Group 40%
 - Wesfarmers Resources 40%
 - Mitsui Coal 10%
 - Taipower 10%
- Open cut mine, using a dragline truck and excavator method
- High quality thermal coal for export
- NHG share coal production 1.7 million tonne

Key Activities:

- Identification and implementation of cost saving initiatives
- Commissioning of the Dry Creek Diversion
- Purchase and mobilisation of a seventh large excavator to the operation

Bengalla operations contributed profit before tax for half year of \$56.6 million and EBITDA of \$76.8 million

Port Operations



Port Operations

Queensland Bulk Handling

- QBH exported 3.1 million tonnes for the half year period
- 13 November 2016 severe storm caused significant damage to loader and stockyard infrastructure
- In-house recovery project team recommenced loading 2 days ahead of schedule (under 4 weeks)
- QBH management and staff maintained the strong safety performance, this year delivering over 52 months Lost Time Injury Free
- Successful settlement of lengthy legal dispute.



Community and Sustainability



OUR VISION

New Hope is a successful diversified mining and energy business. We are proud of our achievements and care about people and the environment.

We will deliver sustainable growth and enduring shareholder value through our people and quality assets.

INTEGRITY

We are *ethical, honest* and can be *trusted* to do the right thing

RESPECT

We *listen* to our stakeholders and treat others as we expect to be treated ourselves

ACCOUNTABILITY

We *act* in accordance with our obligations, *deliver* on our commitments and *take responsibility* for our actions

SAFETY

We share a mutual responsibility to *prevent harm* and *promote wellbeing*

RESILIENCE

We strive to *achieve long term sustainability* by navigating through change and uncertainty

SUCCESS

We take pride in the *achievement* of our goals, being *innovative* and *making a positive difference*



Social Responsibility

Building Stronger Communities

New Hope is committed to partnering with local communities to strengthen the sustainability of the region during and post mining.

- Developing effective relationships: a dedicated community team focused on relationship building with local landholders, organisations and communities.
- Regular Engagement: community views are heard and responded to through Community Reference Group; Community Information Centre; dedicated Community & Landholder staff; and regular Community Information sessions.
- Investment in local Communities: investing in local programs and projects which deliver long term and sustainable outcomes.
 - Community Investment Fund and the New Hope Sponsorship program (over \$600,000 donated each year)
 - Key partnerships e.g. Rural Safety Program with LifeFlight Rescue and STEM in schools with Qld Minerals and Energy Academy



Social Responsibility

Part of the Community

New Hope is part of the local community and the wider region. We pride ourselves on being an integral part of the local communities where we operate:

- No camps or FIFO: operational staff live locally. Employees and their families shop locally, go to schools and volunteer for local organisations
- Employees are farmers too: 54 NAC mine employees are local farmers who rely on income from the mine to supplement their income.
- There is significant support for New Hope Group and the Stage 3 Project:
 - In November 2016 over 700 people rallied at Queensland Parliament House to show support for Stage 3 of the New Acland Mine
 - In March 2015 over 800 people participated in a “Walk for Support” down the main street of Oakey



New Acland Coal Mine Stage 3 Project

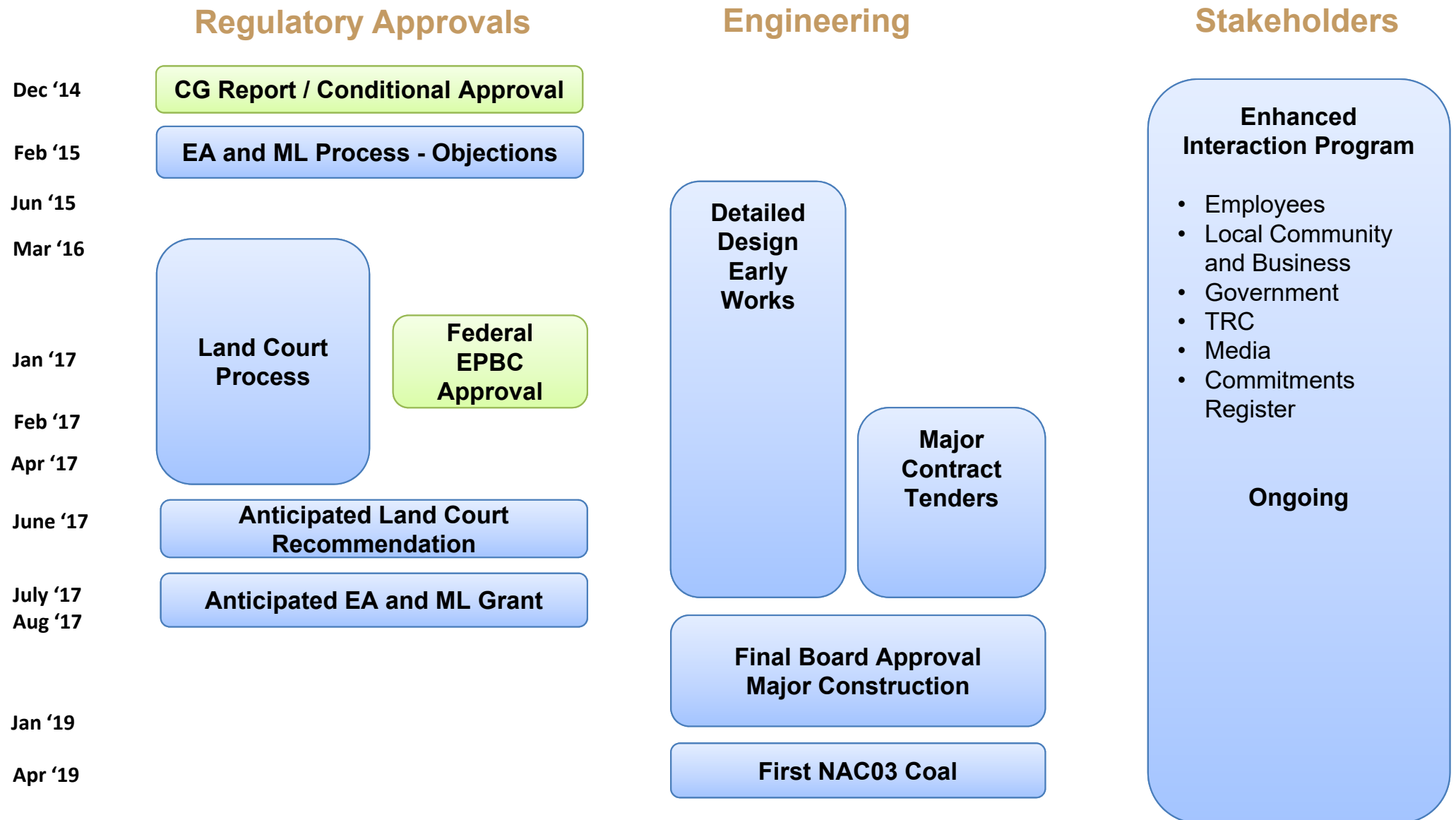
Highlights

- Federal Government approval 20 January 2017
- Final Land Court hearings in April 2017 (for State approval)
- Continued validation of borehole data to update geographical and hydrogeological models



New Acland Coal Mine Stage 3 Project

Project Timeline



Rehabilitation

Land Management

- New Hope is committed to the progressive rehabilitation of land across its operations
- Rehabilitation is progressive and occurs right behind the mining activities
- To date 450 hectares of land has been fully rehabilitated at Acland
- Clear demonstration of the compatibility of mining and agriculture
- Chuwar and Oakleigh rehabilitation almost completed

2012 New Oakleigh



2016 New Oakleigh



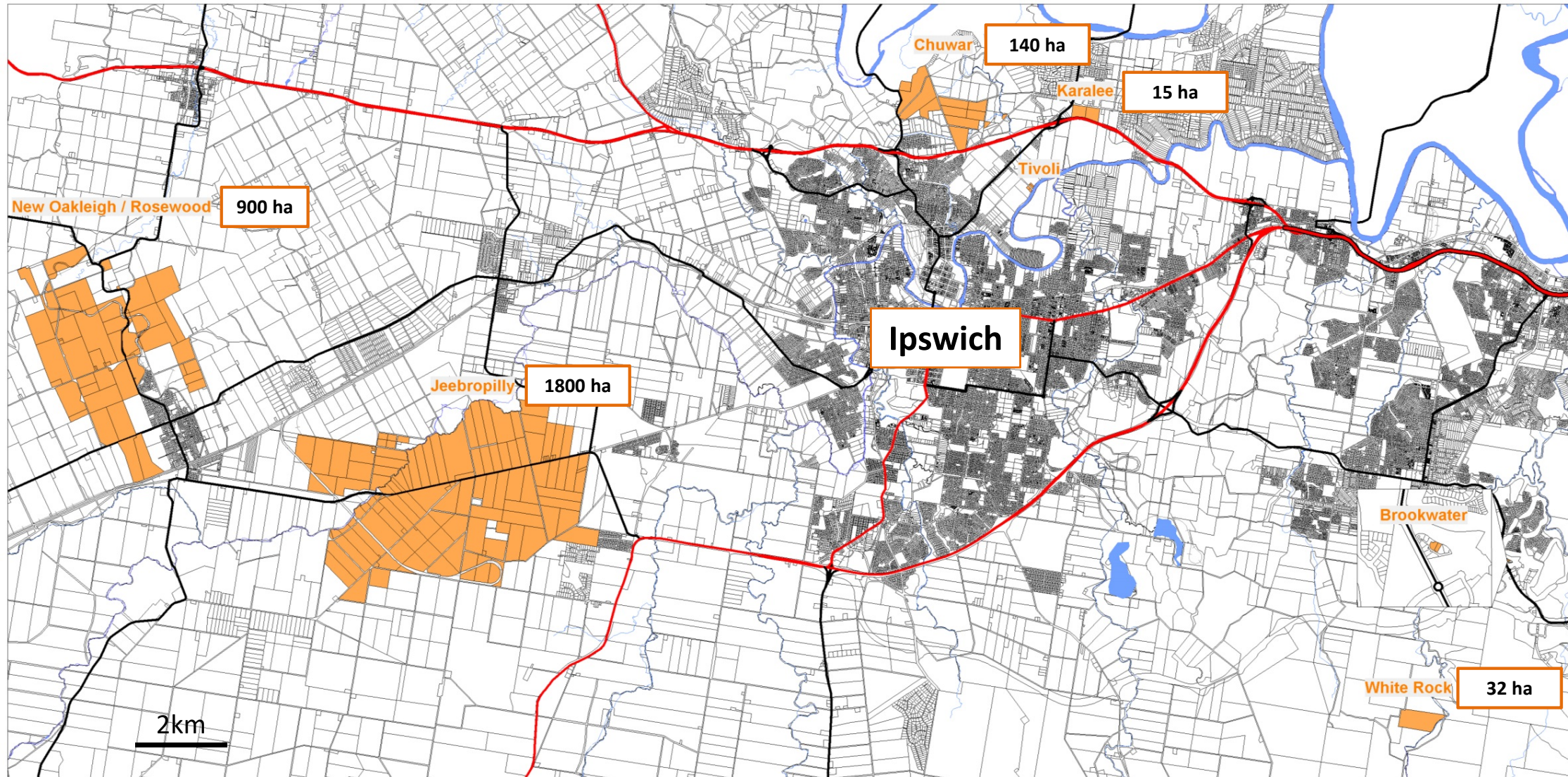


March 2017

- New Oakleigh Rehabilitation

West Moreton Landholdings

Approximately 2800 hectares



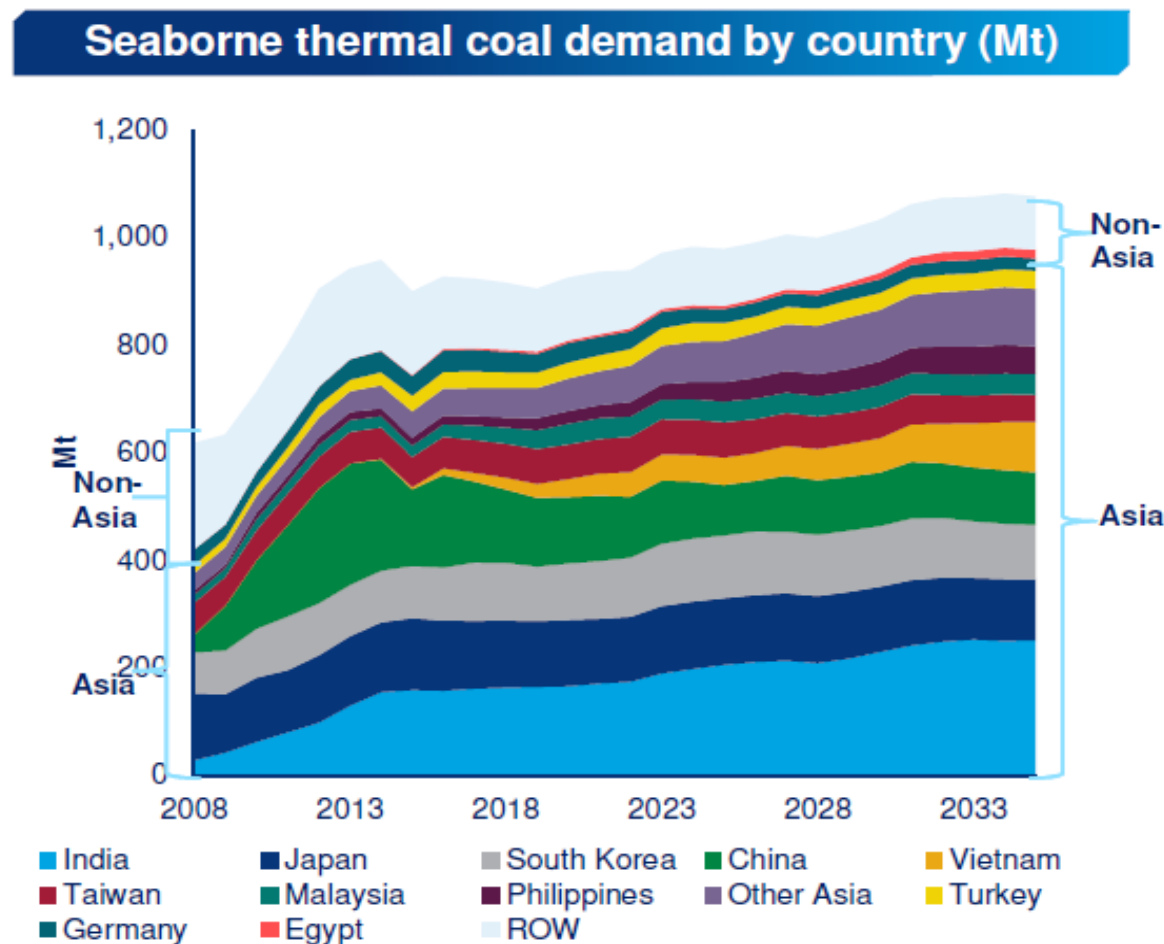
Thermal Coal Markets



Seaborne Thermal Coal Demand

Coal is the preferred fuel for electricity in Asia due to reliability, technology and economics. Growth in Asia is expected to offset declines elsewhere.

- **China**
 - Import tariffs now zero
 - Domestic and seaborne prices determined by Government policy
- **India**
 - Demand is expected to increase steadily over the period as coal remains the dominant fuel for generation, and domestic production falls short of targets
 - Over the same period nuclear and gas fired generation will expand 5 fold
- **Japan**
 - Large scale nuclear restarts unlikely due to public opposition
 - High quality coal's share of the energy mix will remain fairly stable
- **South Korea**
 - Coal's share of the energy mix expected to fall over the period, lost to gas and nuclear
- **Taiwan**
 - Nuclear generation is out of favour and proposed to be largely replaced by renewables
 - Parallels in the energy debate between Australia and Taiwan
- **Other**
 - Good growth in Vietnam, Philippines, Malaysia, Thailand but from a low base
 - Coal use continues to decline in the Atlantic basin

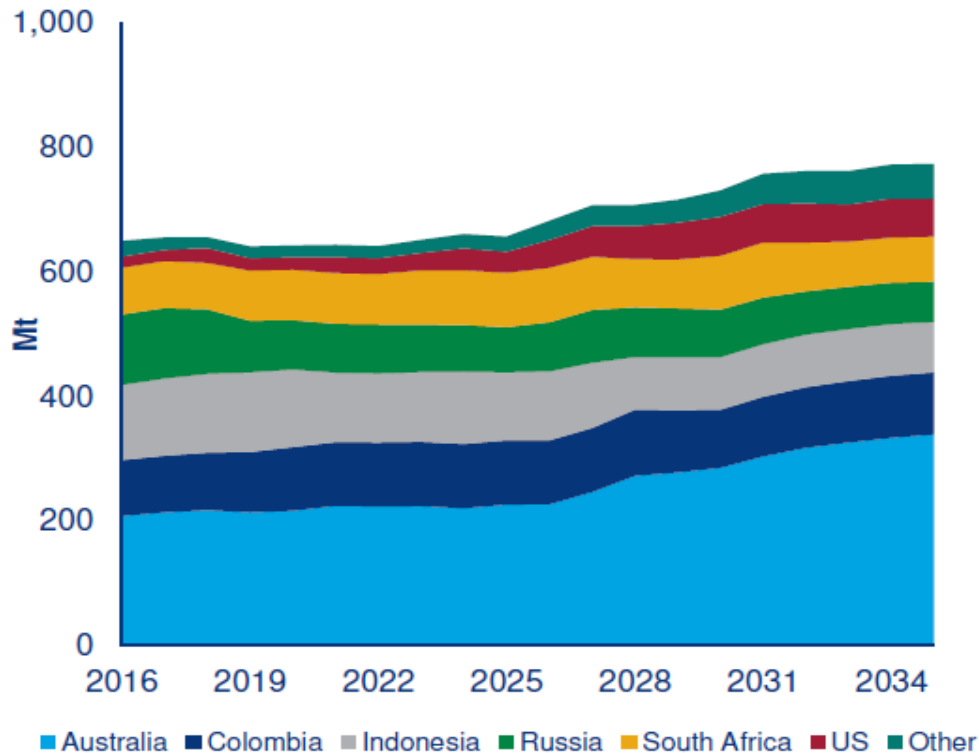


Seaborne Thermal Coal Supply

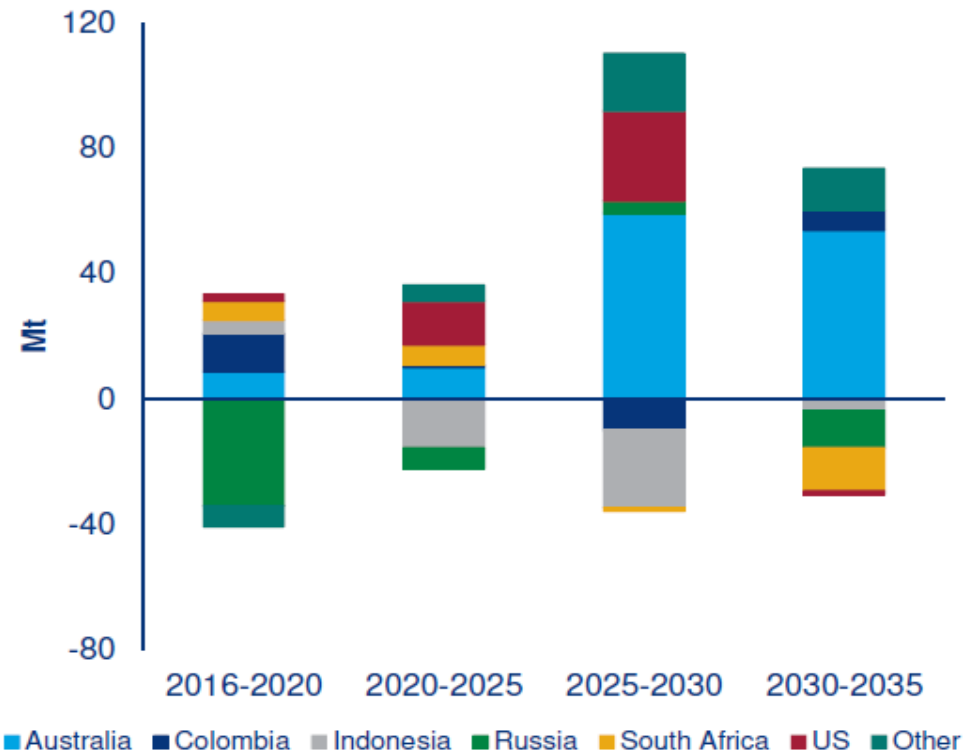
Quality Matters

- Over the medium term we expect demand for higher quality coals to increase as the drive for efficiencies in thermal generation continues.
- New Hope is well positioned to service this growth with its existing production base, as well as extensive resource in the North Surat Basin.

Seaborne high rank thermal coal supply by country (Mt)



Change in seaborne high rank thermal coal supply by period and country (Mt)



Asia will drive future growth in energy demand



21 March 2017

SOURCE: New Hope research, United Nations, World Bank, IEA

Oil and Gas



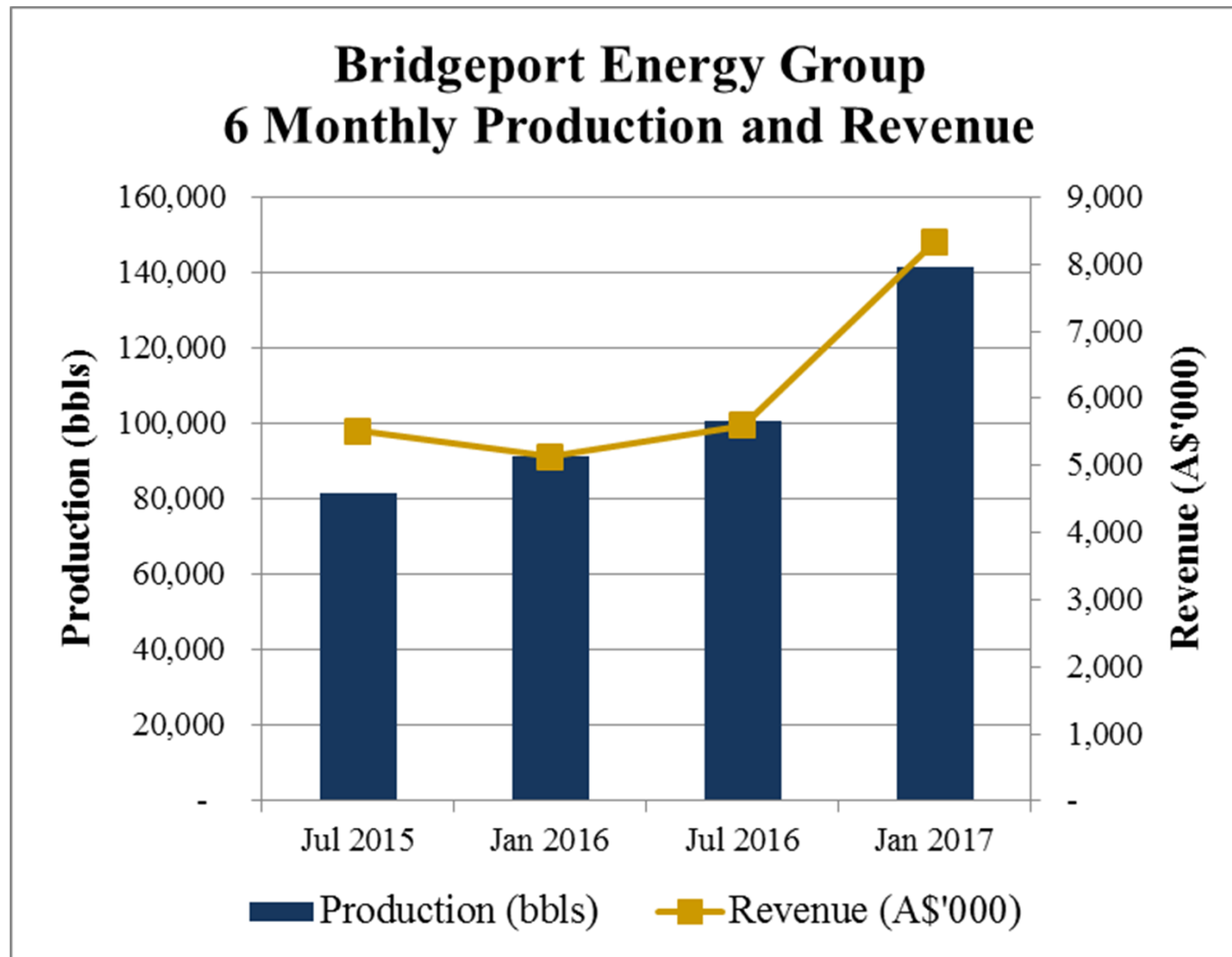
Oil and Gas

Bridgeport Energy

	6 Months Ended 31 January (A\$m)	
	2017	2016
Total revenue	8.8	4.7
Earnings before interest tax depreciation amortisation and non regular items	0.2	(1.2)
Loss before tax (after non regular items)	(2.9)	(18.3)
Less income tax benefit	0.8	7.1
Less petroleum resources rent tax expense	-	(4.8)
Loss after tax (after non regular items)	(2.1)	(16.0)

Oil and Gas

Production and Revenue



Oil and Gas

Key Activities

- Ten workovers across company assets improved production by 130bopd
- 5 new development wells drilled, cased and suspended in Cuisinier
- Closing of Kenmore, Bodalla and associated fields increased net production by 400 bopd
- Awarded 3 new exploration tenements in Cooper Basin (proximal to existing BEL production centres)
- Interpretation and mapping of 3D data sets- ATP 794 and PEL 630
- Progression of enhanced oil recovery scheme – Moonie field



Outlook



Outlook and Focus

New Hope has a long term strategy

- Market View
 - Demand growth underpinned by HELE technology throughout Asia
 - NHG coal optimally suited to this technology
 - Likely to continue to attract ongoing premiums over lower quality coals
- Focus
 - Bengalla – improving productivity from current assets
 - Securing approvals for New Acland Stage 3
 - Rehabilitation works at West Moreton operations
 - Optimising future land development options
 - Progression of approvals for development projects in Central Queensland and North Surat assets
 - Increase scale and diversity of Bridgeport asset portfolio



Appendix



Reconciliation of non IFRS Financial Information

	6 Months Ended 31 January (A\$m)	
	2017	2016
Profit after tax	68.4	2.7
Income tax (expense) / benefit	(31.0)	0.8
Petroleum resource rent tax expense	-	(4.8)
Profit before income tax	99.4	6.7
Non regular items before tax	19.5	(13.5)
Profit before income tax and non regular items	79.9	20.2
Interest expense	0.6	-
Earnings before interest tax and non regular items	80.5	20.2
Depreciation and amortisation	49.7	29.0
Earnings before interest tax depreciation amortisation and non regular items	130.2	49.2

Earnings before interest tax and non regular items (EBIT) and earnings before interest tax depreciation amortisation and non regular items (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.

Reconciliation of Net Profit after Tax before and after non Regular Items

6 Months Ended 31 January
(A\$m)

	Coal Mining QLD	Coal Mining NSW	Oil and Gas	TOTAL
2017				
Net profit / (loss) after tax	30.8	39.7	(2.1)	68.4
Non regular items after tax				
Recovery of below rail access charge	13.9			13.9
Impairment of available for sale investments	(0.4)	-	-	(0.4)
Net profit / (loss) after tax before non regular items	17.3	39.7	(2.1)	54.9

Reconciliation of Net Profit after Tax before and after non Regular Items

6 Months Ended 31 January (A\$m)				
	Coal Mining QLD	Coal Mining NSW	Oil and Gas	TOTAL
2016				
Net profit / (loss) after tax	18.7	-	(16.0)	2.7
Non regular items after tax				
Impairment of available for sale investments	(3.4)	-	-	(3.4)
Land access compensation	5.0	-	-	5.0
Petroleum resource rent tax (de-recognition due to impairment)	-	-	(3.4)	(3.4)
Impairment of oil producing assets	-	-	(10.5)	(10.5)
Net profit / (loss) after tax before non regular items	17.1	-	(2.1)	15.0

Reconciliation of non IFRS Financial Information

	6 Months Ended 31 January	
	2017	2016
Basic earnings per share (cents) (before non regular items)	6.6	1.8
Recovery of below rail access charge	1.7	-
Impairment of available for sale investments	(0.1)	(0.4)
Land access compensation	-	0.6
Petroleum resource rent tax (de-recognition due to impairment)	-	(0.4)
Impairment of oil producing assets	-	(1.3)
Basic earnings per share (cents) (after non regular items)	8.2	0.3

Basic earnings per share before non regular items 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.

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