



NEW HOPE
GROUP

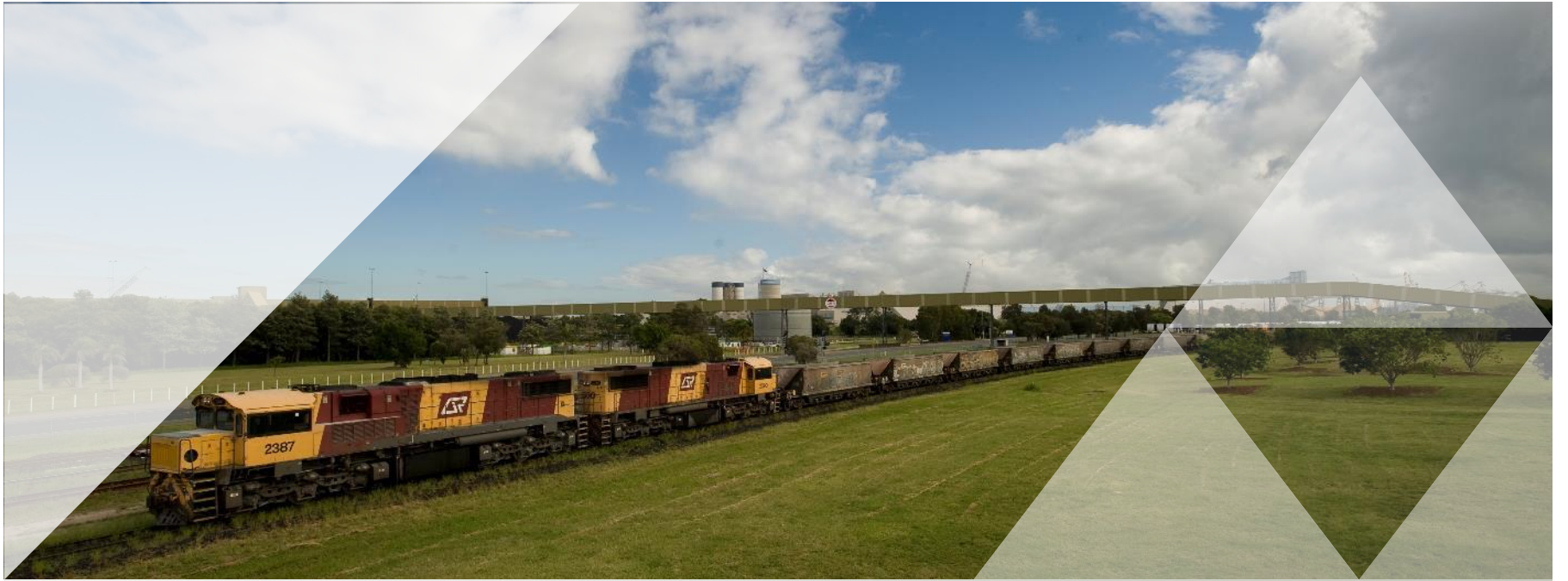


FINANCIAL RESULTS RELEASE

HALF YEAR ENDED 31 JANUARY 2019

Presented by Rob Millner, Shane Stephan, Matthew Busch and Andrew Boyd

New Hope Corporation Limited
(ASX code: NHC)
newhopegroup.com.au



RESULTS OVERVIEW

Robert Millner - Chairman

Executive summary

Best half yearly result in Company's history

Net Profit After Tax
(before non regular items)

\$160M

▲ 33% from 2018

Cash generated
from operations

\$283M

Before acquisition
costs, interest and tax

Total tonnes sold

4.5M*

▲ 2% from 2018

EBITDA
(before non regular items)

\$285M

▲ 31% from 2018

Interim dividend

8 cents

▲ 33% from 2018

Land rehabilitated

349ha

State Govt Certified
at New Acland



Please refer to Appendix for reconciliation of Non-IFRS Financial Information

*Coal sold for the half year ended January 2019 totaled 4.496 million tonnes (QLD: 2.142 million NSW: 2.354 million).

This differs slightly to the Quarterly Activities Report issued on 18 February 2019 due to the erroneous omission of domestic sales tonnes.



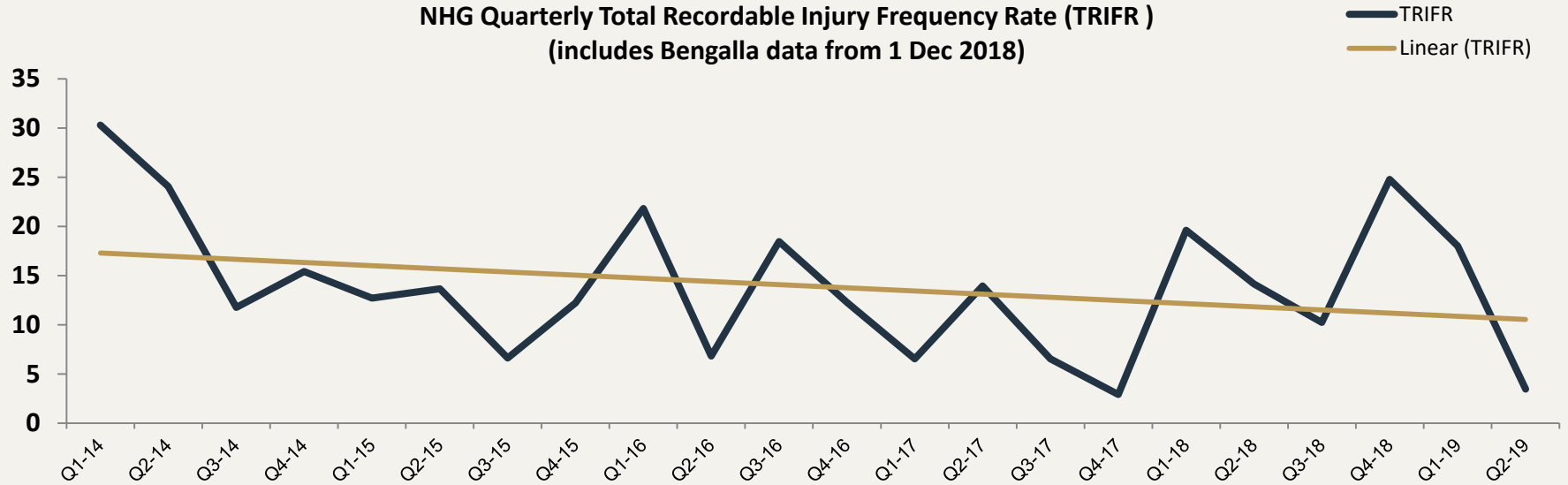
SAFETY AND SALES PERFORMANCE

Shane Stephan - Managing Director and Chief Executive Officer

Safety performance

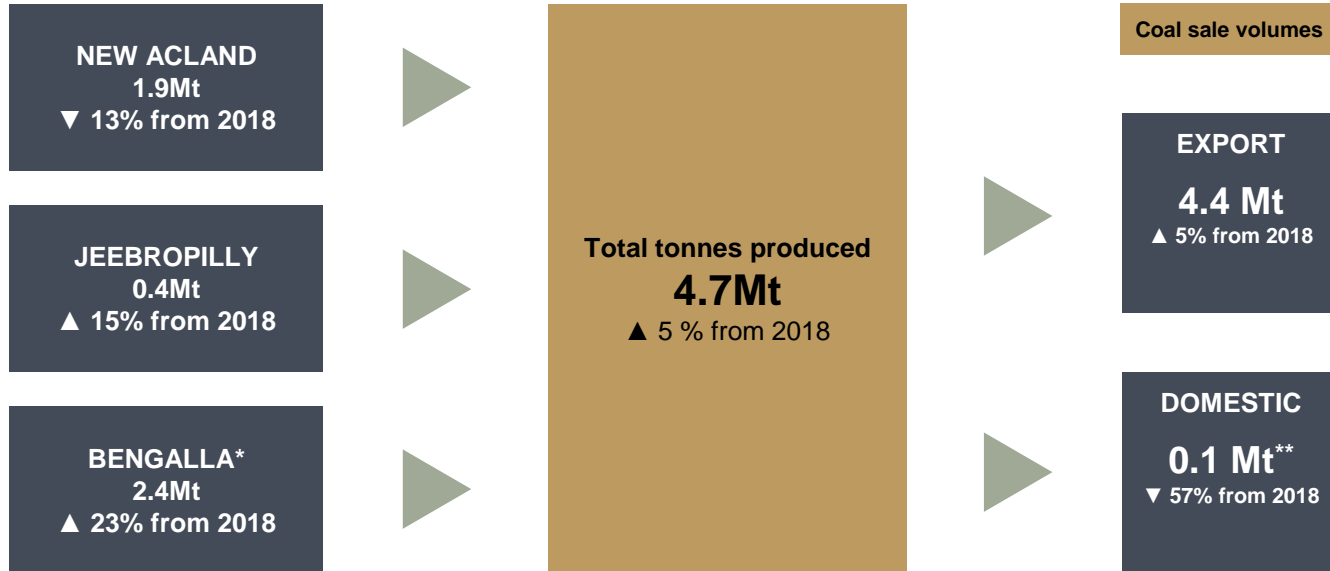
- The company remains focussed on improving the reliability of critical controls
- Improving both TRIFR and lead safety indicators remain a management focus

**NHG Quarterly Total Recordable Injury Frequency Rate (TRIFR)
(includes Bengalla data from 1 Dec 2018)**



Production and sales tonnage

6 months ended 31 January 2019



* New Hope's interest in Bengalla increased to 70% from 1 December 2018.

** Coal sold for the half year ended January 2019 totaled 4.496 million tonnes (QLD: 2.142million NSW: 2.354 million). This differs slightly to the Quarterly Activities Report issued on 18 February 2019 due to the erroneous omission of domestic sales tonnes.



FINANCIAL OVERVIEW

Matthew Busch – Chief Financial Officer

Financial highlights

Increased revenue drives strong profit

Revenue from operations

\$617M

▲21% from 2018

Profit before income tax
(before non-regular items)

\$229M

▲33% from 2018

Profit after income tax
(before non-regular items)

\$160M

▲33% from 2018

EBITDA
(before non-regular items)

\$285M

▲31% from 2018

Interim dividend

8 cents

▲33% from 2018

Earnings per share
(before non-regular items)

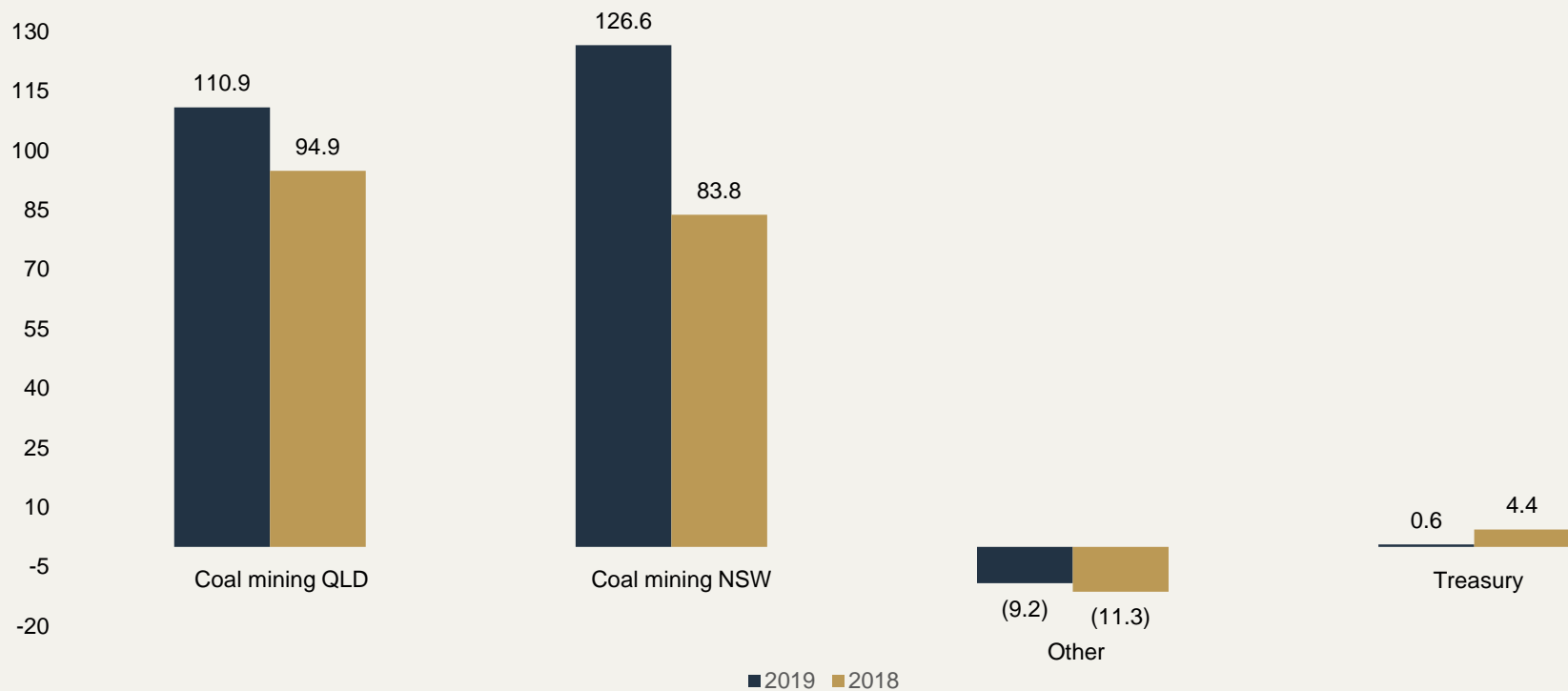
19.2 cents

▲32% from 2018



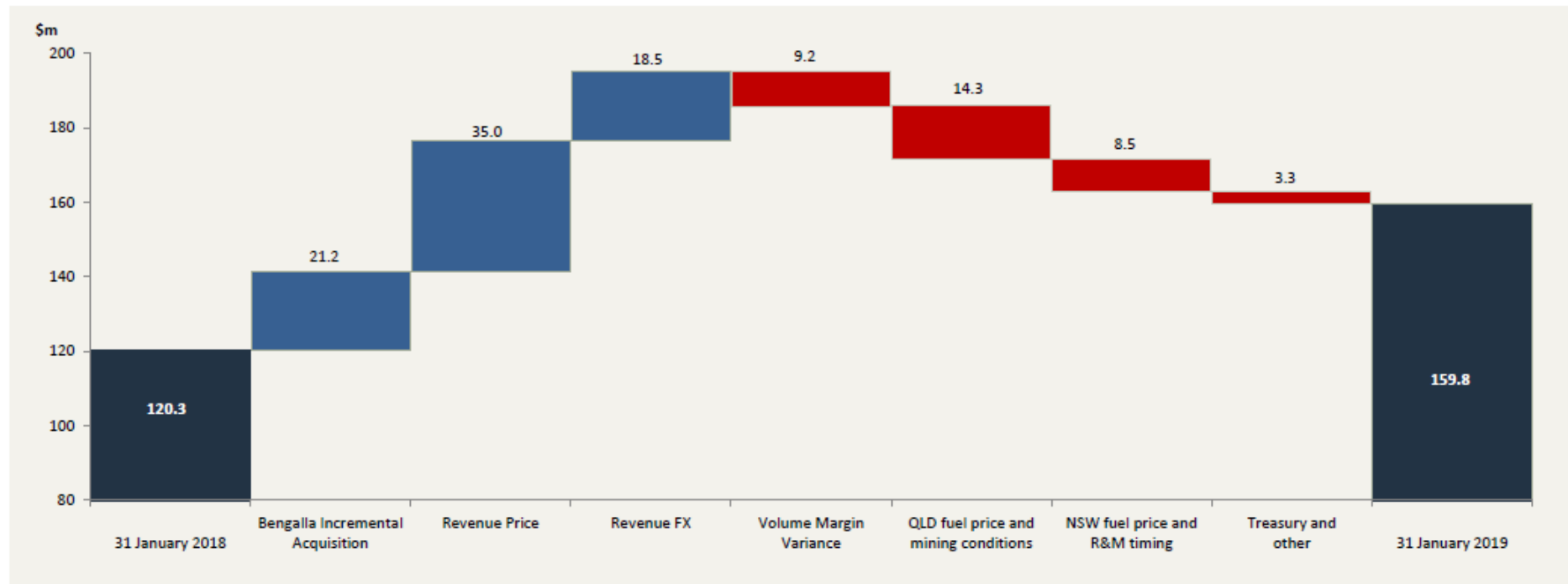
Please refer to Appendix for reconciliation of Non-IFRS Financial Information

Segment profit before tax and non-regular items



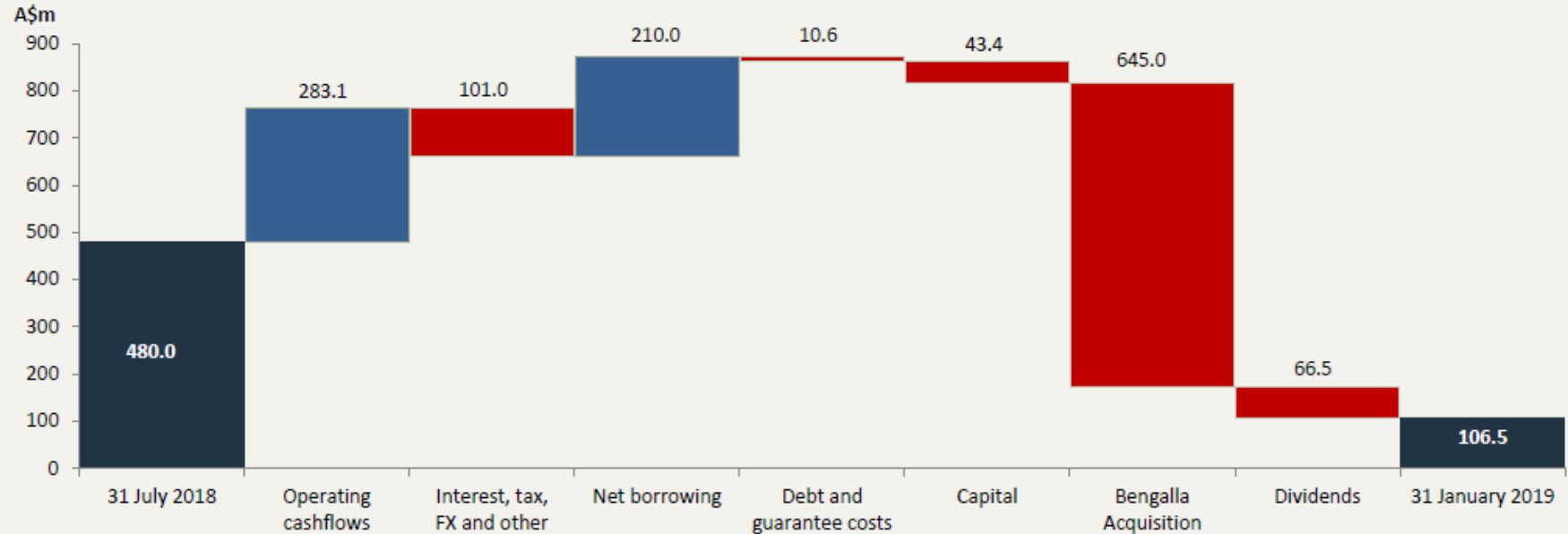
Please refer to Appendix for reconciliation of Non-IFRS Financial Information

Group NPAT comparison (before non-regular items)



Please refer to Appendix for reconciliation of Non-IFRS Financial Information

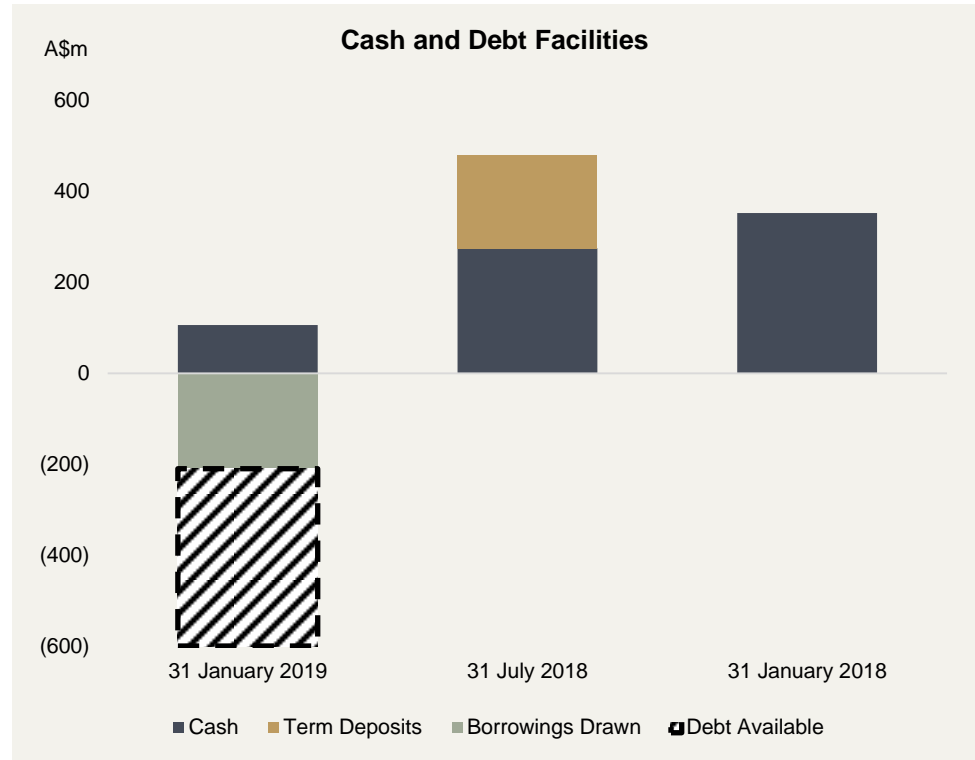
Group cash comparison



The Group cash balance above includes total cash and cash equivalents and term deposits at 31 July 2018. There are no term deposits held at 31 January 2019.

Debt facility in place to enable future growth opportunities

- During the half year, the Group entered into a secured loan facility for \$600 million with a syndicate of Australian and international banks. The Group had been debt free since 2006 prior to the draw down for the Bengalla acquisition.
- Net debt at 31 January 2019 \$103.5 million. The debt facility available for draw down is \$390 million.
- A further draw down will be required to settle the acquisition of a further 10% in Bengalla from Mitsui in March 2019.



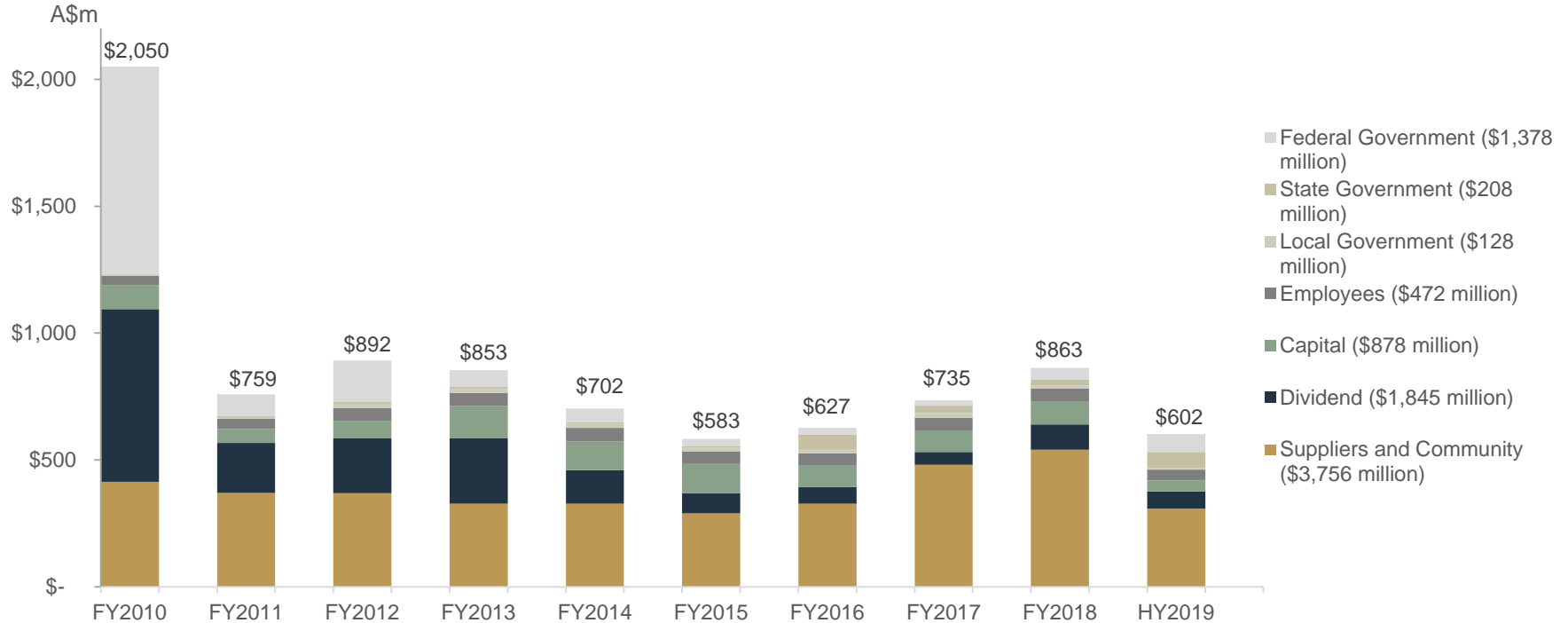
Total shareholder return

**Strong compound annual returns for shareholders.
\$10,000 invested in 2003 is worth \$277,000 today.**

Time Period	Compound Annual Return
1 Year	99%
3 Years	47%
5 Years	9%
Since listing in 2003	23%

Closing share price 7 March 2019 \$4.25

Economic contribution



* State Government payments include royalty payments to the State Government as well as royalties paid to third party landholders in line with State legislation requirements.



OPERATIONS & PROJECTS

Andrew Boyd – Chief Operating Officer

Bengalla

Introducing Bengalla Mining Company

[Please click here to watch video.](#)



Bengalla Mine

High quality, low cost asset

- Thermal coal mine located in the Sydney Basin of the Upper Hunter Valley region, NSW
- Current Joint Venture participants:
 - New Hope 70%
 - Taipower 20%
 - Mitsui 10%
- ~9.0mtpa thermal coal (100% basis) with plans to increase outputs in the short term
- Long life, fully consented, thermal coal asset to 2039; and
- Exports 99% of saleable coal production currently increasing its domestic customer base.



Bengalla Mine

Continuing to deliver

- New Hope completed its acquisition of an additional 30% interest in Bengalla and reached a binding commitment to purchase an additional 10% from Mitsui
- From 1 April 2019, JV participation expected to be:
 - New Hope 80%
 - Taipower 20%
- Equity share of saleable production for the half year 2.4 million tonnes
- \$126.6 million profit before tax and non-regular items for the half year
- Utilising latent excavator capacity to maximise resource value, with an additional truck fleet to arrive on site in early 2019; and
- Securing additional supply chain capacity to match increased production levels and de-risk site stockpile management.



Please refer to Appendix for reconciliation of Non-IFRS Financial Information

New Acland Mine Stage 2

Optimising operations

- Produced 1.9 million tonnes of coal, a decrease of 0.3 million tonnes on the prior corresponding period
- Optimising Stage 2 coal resource areas with a view to maximising Stage 2 operational timeframe and coal recovery; and
- Improvements to train weighing and loading systems to increase productivity.



Stage 3 project update

Approvals progressing

- The New Acland Stage 3 application to amend the Environmental Authority was granted on Tuesday March 12, 2019
- The second Land Court hearing in November 2018 recommended the Project be approved subject to obtaining a change report from the Coordinator-General for amended noise conditions
- The Coordinator General's change report on 12 February 2019 approved amendments to noise limit conditions as recommended by the Land Court
- The Department of Environment and Science advised on 15 February that the Land Court preconditions on approving the application have been satisfied; and
- The Queensland Court of Appeal hearing has been completed and currently awaiting a decision.



Stage 2 production

Possible 2020 profile – no Stage 3

- If NAC Stage 3 is not approved by end of calendar year 2019 it's likely that the following will occur:
 - Current NAC Stage 2 production activity levels will start to reduce by the end of calendar year 2019
 - The remainder of the Stage 2 resource will be mined over the course of 2020
 - In early 2020 production equipment will start to come offline
 - Accordingly our workforce will reduce as equipment is parked up; and
 - We are focussed on minimising any delay between Stage 2 and 3 coal production.



West Moreton operations

Finishing well

- Produced 0.4mt, an increase of 15% on the prior corresponding period
- Jeebropilly Mine last coal prior to end of calendar 2019
- Preparing for the end of mine life, the following key activities have been completed to ensure a successful end to mining operations:
 - Reserve optimisation review
 - Assets and infrastructure optimisation review
 - Employee support including transition planning and education, a financial education program and associated activities; and
 - Final landform design and implementation planning.
- 459ha disturbed land rehabilitated over life of mine, with cattle grazing on western areas of the mining lease for more than 15 years; and
- Rehabilitation work complete at Chuwar and New Oakleigh West, and has commenced at New Oakleigh East.



Queensland Bulk Handling

Safety performance with strong throughput

- 3.2 million tonnes of coal exported through the terminal
- Significant concrete and cladding refurbished works on critical infrastructure; and
- Continued focus on health and safety with the site now over six years lost time injury (LTI) free.



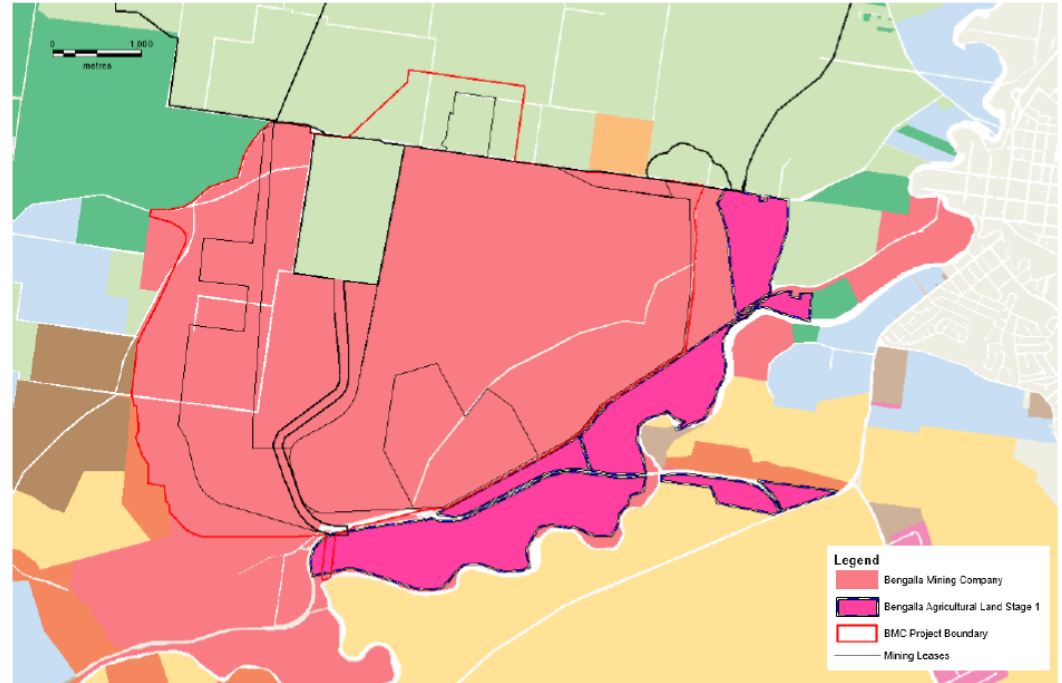
Acland Pastoral Company – New Acland Mine

- The Queensland Government certified 349 hectares of progressively rehabilitated mined land at New Acland, the largest single area of certified rehabilitation for an open cut coal mine in the State
- Breeder numbers at 2,281
- 1,682 calves branded in the half year; and
- The irrigation network has been installed and commissioned allowing for 98 hectares of irrigated corn to be planted.



Bengalla agricultural opportunity

- The majority of the Bengalla agricultural lands have recently become available known as Stage 1 land highlighted dark pink on the adjacent map
- The use of stage 1 land (490ha. approximately) is currently under review; and
- The intention is to establish a farming enterprise over this land.



This map is indicative only

In the community

New Acland Mine

- Over \$170,000 donated through New Hope's Sponsorships and Donations Program, the New Acland Mine Community Investment Fund, and partnerships with not-for-profit groups.
- New Hope's \$315,000 Community Development Project is in the final stages of planning. It will include 5 major projects in communities around the mine, benefiting infrastructure, health, environment, and local businesses.



Bengalla Mine

- Over \$300,000 donated through Bengalla's Community Support Team and Community Development Fund.
- Funding to the value of \$74,000 for the 2018 Bengalla Undergraduate Scholarships and the 2018 Bengalla Engineering Scholarship. Students from all four local High Schools benefit from these scholarships.
- Bengalla apprentices and volunteers refurbished the special needs play area at the Scone Public School as part of the 2018 Apprentice Community Day.



Revenue increased with improved realised prices

- Oil production totalled 189,952 barrels
- Revenue for the business was \$17.0 million for the half year, an improvement of 33% on the prior corresponding period resulting from improved realised oil prices; and
- Completed upgrade to the Bridgeport drilling rig and drilled five operated wells (two at the Moonie field and three at the Utopia field) with four development wells drilled in non-operated field areas.



Major projects

Development pipeline secures future growth

Lenton Joint Venture Burton Mine / Lenton Project Bowen Basin

- Coking/thermal coal
- 380 million tonne resource (Lenton only)*
- ~1.5 million tonne per annum for approx. 20 years
- Operational readiness activities reduced as investigations into accessing the downstream infrastructure continue
- New geological model to support mine planning, including finalised analysis from the 2018 drilling campaign
- Subject to final investment decision after securing appropriate supply chain capacity.



* The information is extracted from the New Hope Annual Report in respect of Lenton Resources as published to the ASX on 18 September 2018 and is available on the New Hope website at: [http://www.newhopegroup.com.au/files/files/8574_New_Hope_AR18_Interactive_PDF_v1a\(1\).pdf](http://www.newhopegroup.com.au/files/files/8574_New_Hope_AR18_Interactive_PDF_v1a(1).pdf). The Company can confirm that it is not aware of any new information or data that materially affects the information included in the original announcement and that all technical parameters underpinning the estimate continue to apply. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original publication.

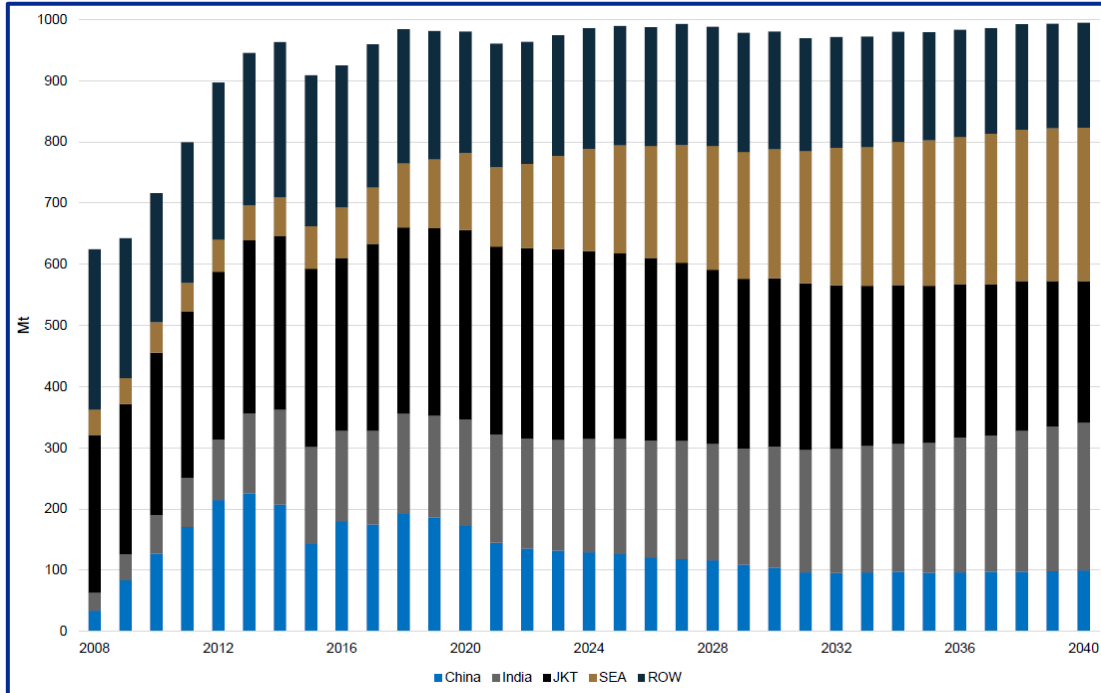


GROUP OUTLOOK

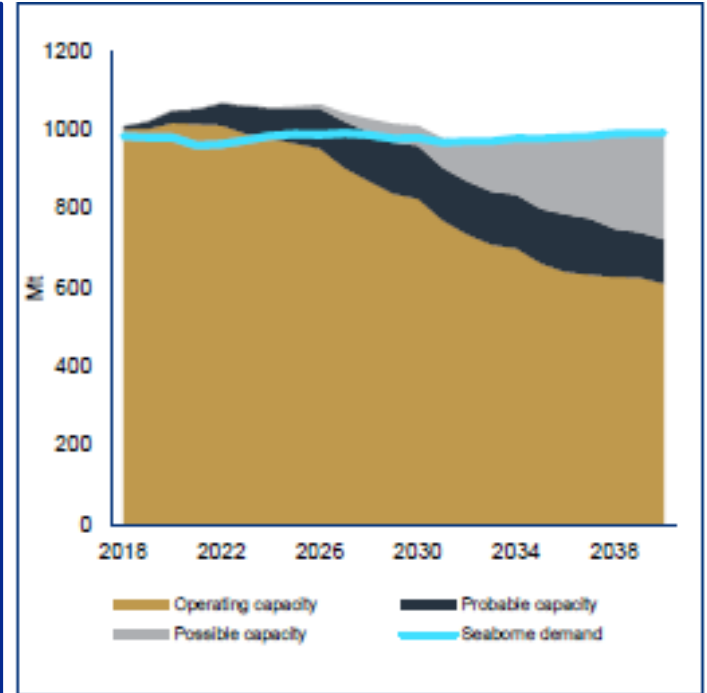
Shane Stephan – Managing Director and Chief Executive Officer

Thermal coal - global demand flat, but Asia increasing

Seaborne Thermal Coal Demand



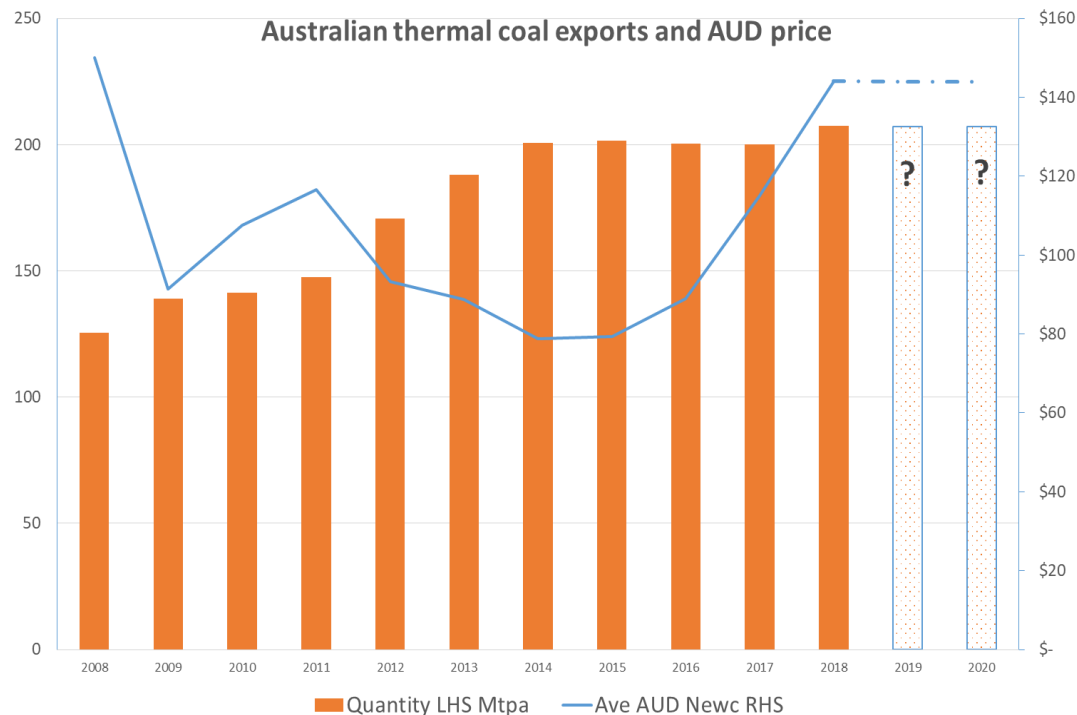
Seaborne Demand Versus Supply Status



Source: Wood Mackenzie Coal Supply & Market Services

Thermal coal market price signaling for supply growth

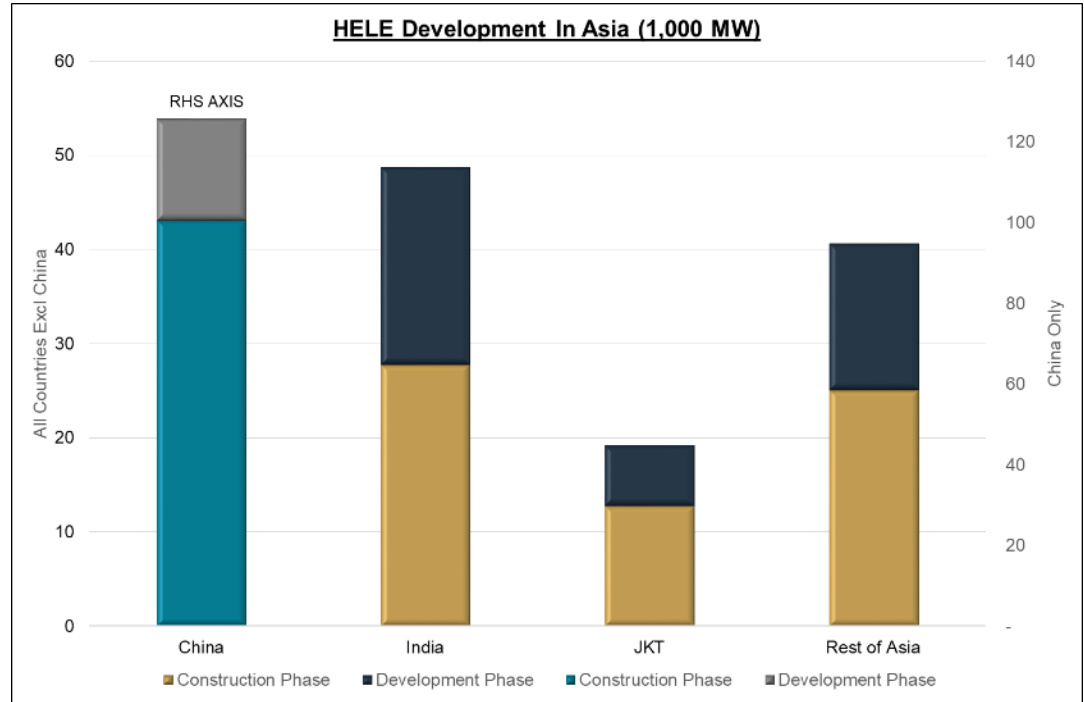
- Growing demand from Asian markets is keeping prices elevated
- Only a marginal increase in supply over the past 4 years from Australia
- Expect only a small increase year on year in 2019 as existing mines ramp-up
- Normal time lag for new supply to respond to pricing is ~ 4 years; and
- Increasing regulation and long dated approvals processes are increasing the time taken for producers to react.



Source: Commodity Insights, New Hope

High efficiency, low emissions power station build continues in Asia

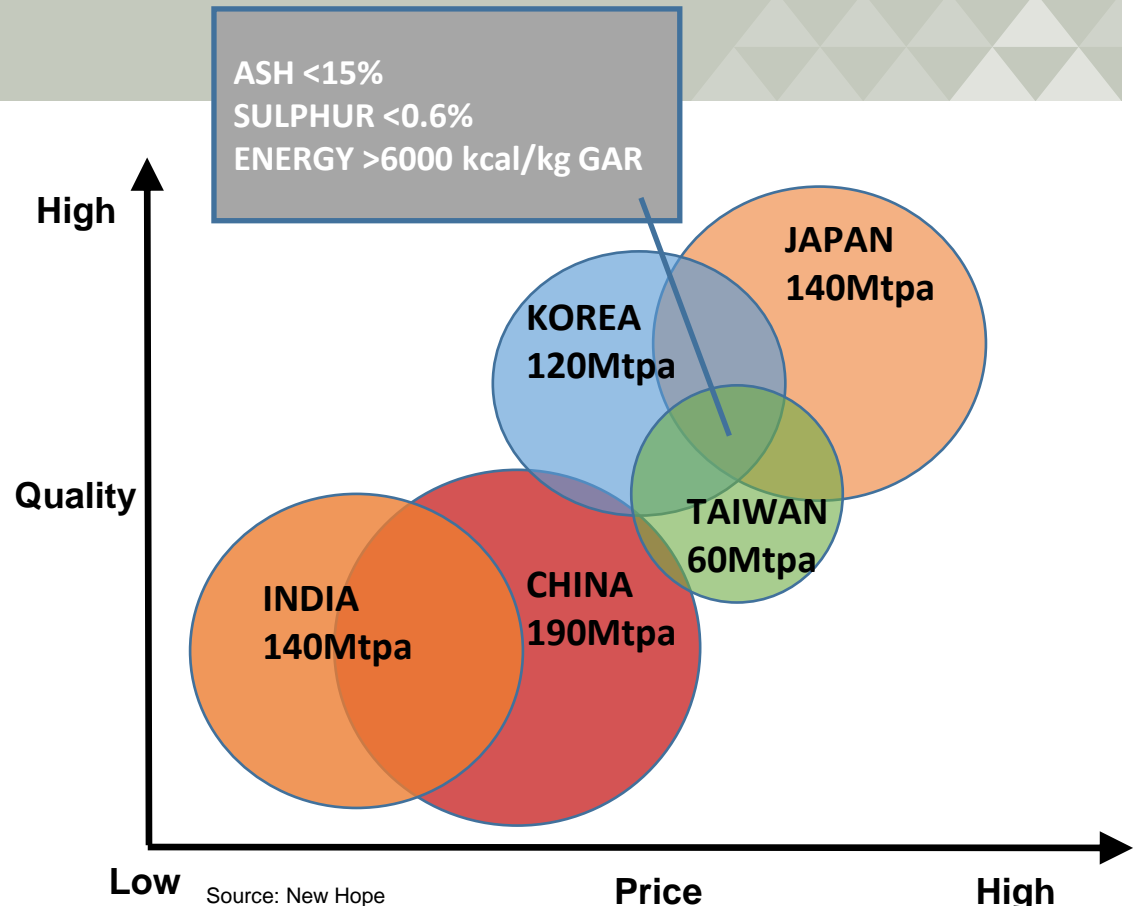
- Developing Asia is reliant on new technology coal plants for the most cost competitive electrification of their countries
- Developed Asia building gas and renewables, but continue to take a balanced and risk averse approach to electricity supply – coal is still required: and
- In total, new plants will generate demand for ~600Mtpa of coal. Excluding countries that have their own coal resource, build out of all these plants will require an additional ~130mtpa of seaborne thermal coal.



Source: Commodity Insights

Asian markets move to quality

- Traditionally Japan has demanded the highest quality coal in the world due to ash disposal costs, and a drive to clean-up industry in the 1970's
- Taiwan is now seeking lower ash, higher energy coals for environmental reasons
- Korea is seeking lower sulphur and considering tighter controls on ash
- The commonality on coal quality between JKT is increasing
- Positive for Australian coals in general; and
- Positive outlook for coals of Surat Basin quality which have low ash and sulphur, comparatively high energy and low emissions.



Beyond 2019

New Hope is well positioned to meet the growing energy demands of its Asian customers

Coal operations

Transitioning to active management of the Bengalla Joint Venture

**Growing
production levels**

Improving safety performance

Projects and development

Securing approval for New Acland Stage 3 Project

**Developing Lenton Joint
Venture Burton Mine**

**Obtaining approvals to meet
future demand**



APPENDICES

Reconciliation of Non-IFRS Financial Information

Half Year Ended 31 January (A\$ million)			
	2019	2018	Variance (%)
Profit after tax	120.2	115.6	4%
Income tax expense	57.2	49.6	15%
Profit before income tax	177.4	165.2	7%
Non-regular items before tax	51.5	6.7	669%
Profit before income tax and non-regular items	228.9	171.9	33%
Interest expense	3.5	(0.2)	1,850%
Earnings before interest, tax and non-regular items	232.4	171.7	35%
Depreciation and amortisation	52.8	46.8	13%
Earnings before interest, tax, depreciation, amortisation and non-regular items	285.2	218.5	31%

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 Before Tax – before and after non-regular items

Half year ended 31 January 2019 (A\$ million)	Coal Mining QLD	Coal Mining NSW	Other	Treasury	Total
Profit / (loss) before tax from continuing operations after non-regular items	113.3	88.7	(21.1)	(3.8)	177.2
Non-regular items before tax:					
• Insurance proceeds ship-loader	2.4	-	-	-	2.4
• Onerous contract expenses	-	-	(11.9)	-	(11.9)
• Acquisition costs expensed	-	(37.8)	-	-	(37.8)
• Transaction cost on guarantee facility	-	-	-	(4.4)	(4.4)
• Profit / (loss) before tax and non-regular items	110.9	126.6	(9.2)	0.6	228.9

Note: There are variances in totals included in the table above due to rounding.

Reconciliation of Non-IFRS Financial Information

	Half Year Ended 31 January (cents per share)		
	2019	2018	Variance (%)
Basic earnings per share (cents) (after non-regular items)	14.4	13.9	4%
Insurance proceeds	0.2	-	(100%)
Gain / (loss) on discontinued operation	-	(0.6)	(100%)
Onerous contract expenses	(1.4)	-	
Acquisition costs expensed	(3.2)	-	(100%)
Transaction costs on guarantee facility	(0.4)	-	(100%)
Basic earnings per share (cents) (before non-regular items)	19.2	14.5	32%

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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