



NEW HOPE
GROUP



FINANCIAL RESULTS RELEASE

HALF YEAR ENDED 31 JANUARY 2020

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

Increased production leads to solid half year result

Total tonnes sold

6.4M

▲ 42% from 2019

Revenue from operations

\$618M

In line with 2019

EBITDA
(before non regular items)

\$213M

▼ 25% from 2019

Cash generated from ops
(before interest, tax and acquisition costs)

\$167M

▼ 41% from 2019

Interim dividend

6cps

▼ 25% from 2019

TRIFR¹

3.6

▼ 64% from 2019



Please refer to the Appendix for reconciliation of Non IFRS Financial Information.

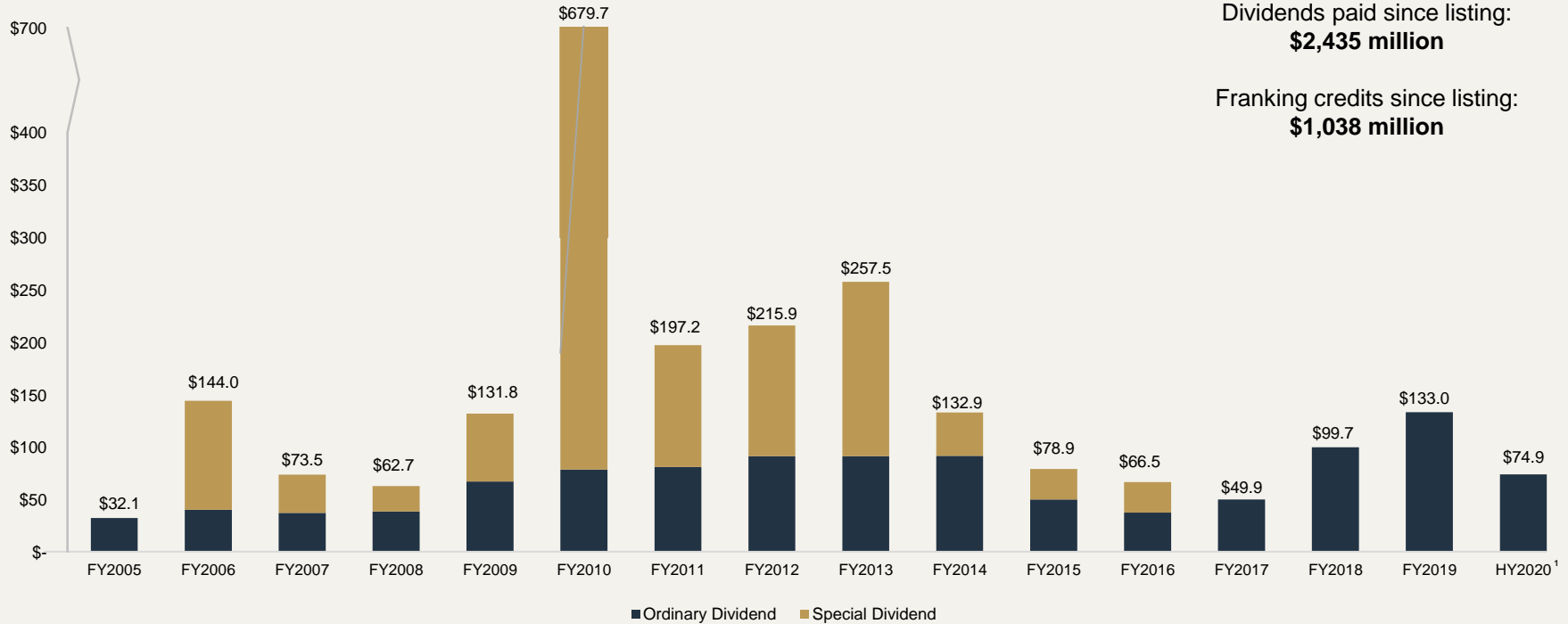
¹ Total Recordable Injury Frequency Rate (TRIFR).

Chairman's visit to Taiwan - Taipower

- Deepening relationships with customers;
- Taipower is 20% joint venturer in Bengalla;
- Visit to Taichung Power Station – largest coal fired power station in the world;
- Visited Mingtau Pumped Hydro Power Station; and
- Coal will remain a significant source of electricity generation for many years.



Dividend history



¹ Dividends paid in HY2020 reflect the final dividend for the 2019 financial year.



FINANCIAL OVERVIEW

Matthew Busch - Chief Financial Officer

Financial highlights

Low cost operations provide solid result

Revenue from operations

\$618M

In line with 2019

EBITDA
(before non regular items)

\$213M

▼25% from 2019

Profit before income tax
(before non regular items)

\$123M

▼46% from 2019

Profit after income tax
(before non regular items)

\$86M

▼46% from 2019

Earnings per share
(before non regular items)

10.4cents

▼46% from 2019

Interim dividend

6cps

▼25% from 2019

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



Financial performance

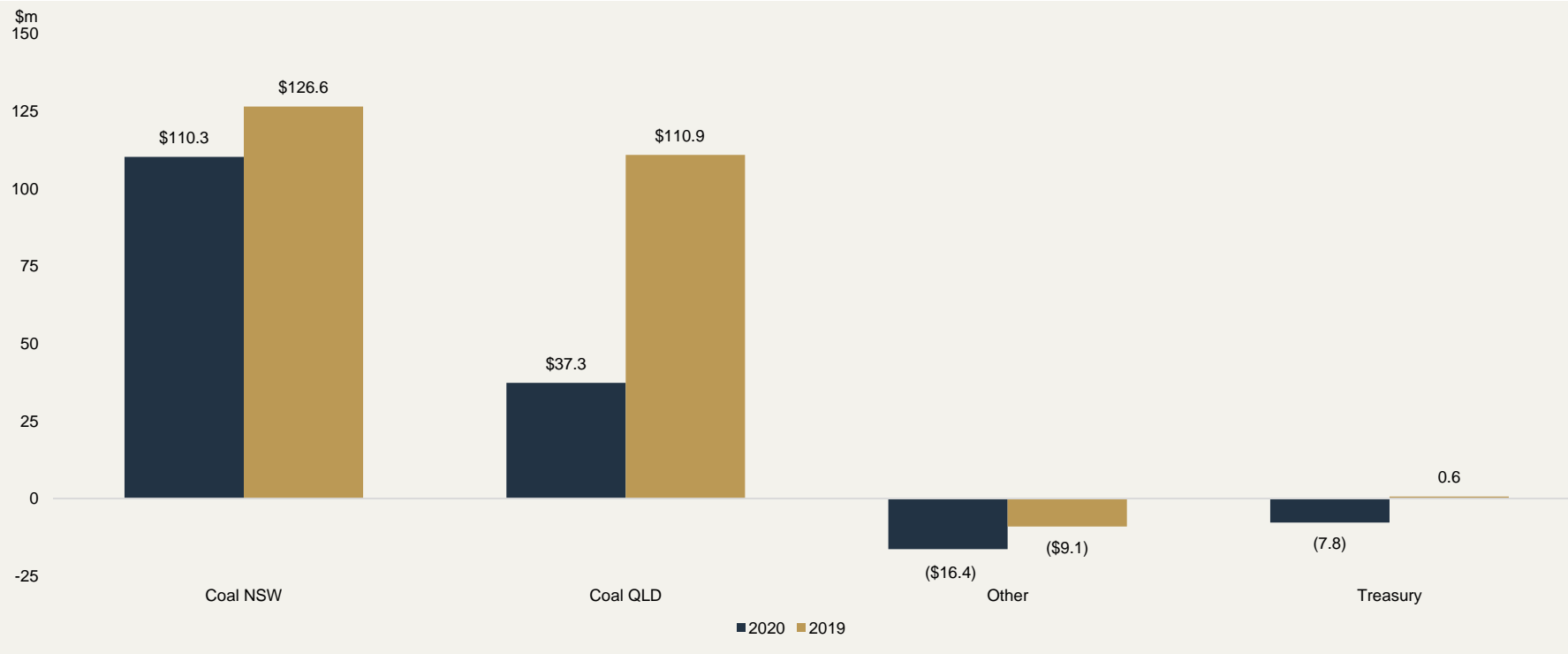
Half Year Ended 31 January

	(A\$ millions)		
	2020	2019	Variance
Revenue from continuing operations	618.2	616.7	0.2%
EBITDA before non regular items	212.6	285.2	(25%)
Profit before tax and non regulars	123.5	228.9	(46%)
Non regular items before tax	(30.1)	(51.5)	42%
Profit before tax and after non regular items	93.4	177.4	(47%)
Profit after tax before non regulars	86.4	159.8	(46%)
Non regular items after tax	(16.6)	(39.6)	58%
Profit after tax and non regular items	69.8	120.2	(42%)

Lower coal prices per tonne (29% down on prior corresponding period) have offset the benefits of higher sales volumes (42% up on prior corresponding period) resulting in revenues remaining in line with 2019.

Non regular items for the half year include Jeebropilly rehabilitation, New Acland redundancies, recovery of port costs, onerous contract and related expenses and oil exploration asset impairments. Please refer to Appendices for reconciliation of non regular items.

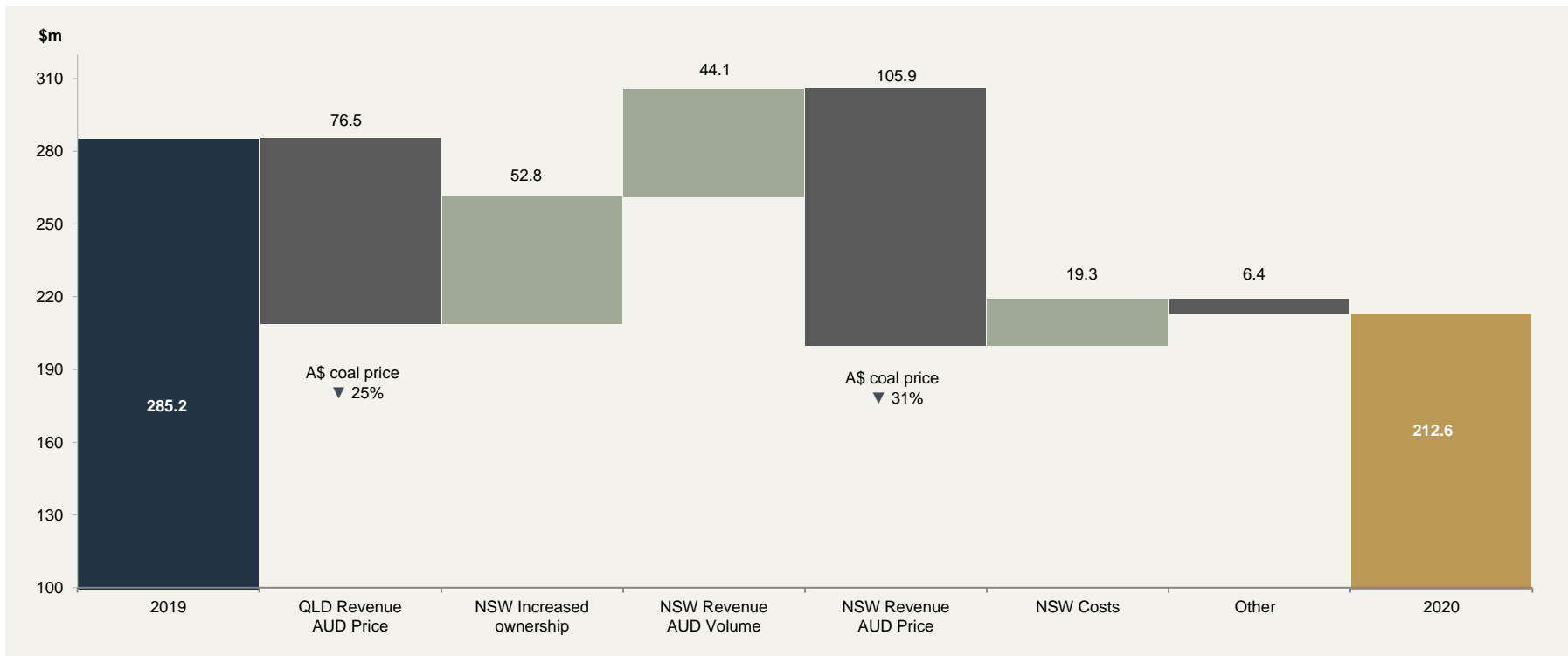
Segment profit before tax and non regular items¹



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

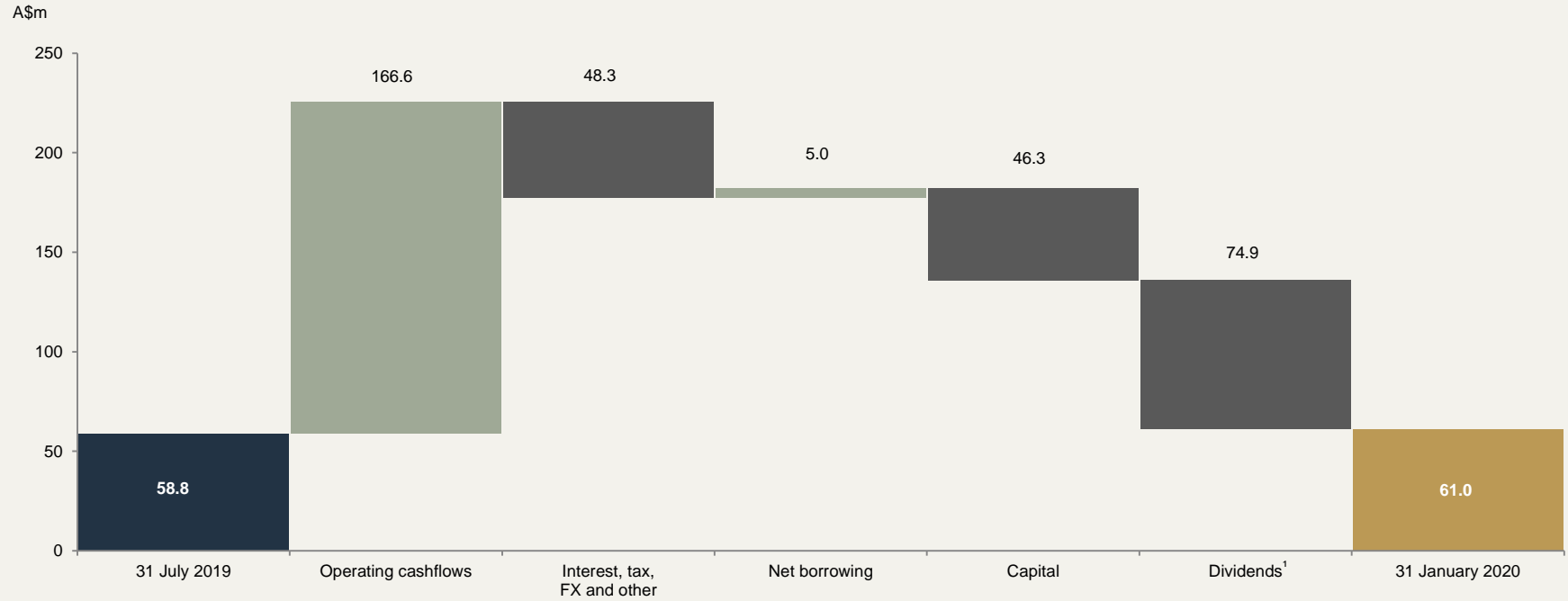
¹ Treasury profit before tax also included as reconciling item.

Group EBITDA comparison (before non regular items)



Please refer to Appendix for reconciliation of Non IFRS Financial Information

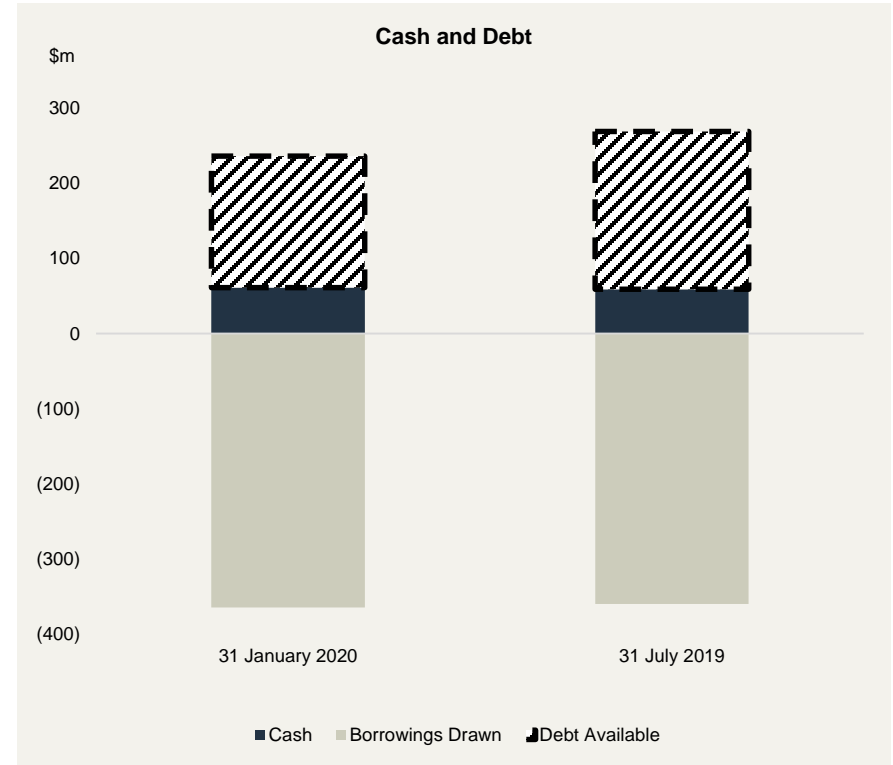
Group cash comparison



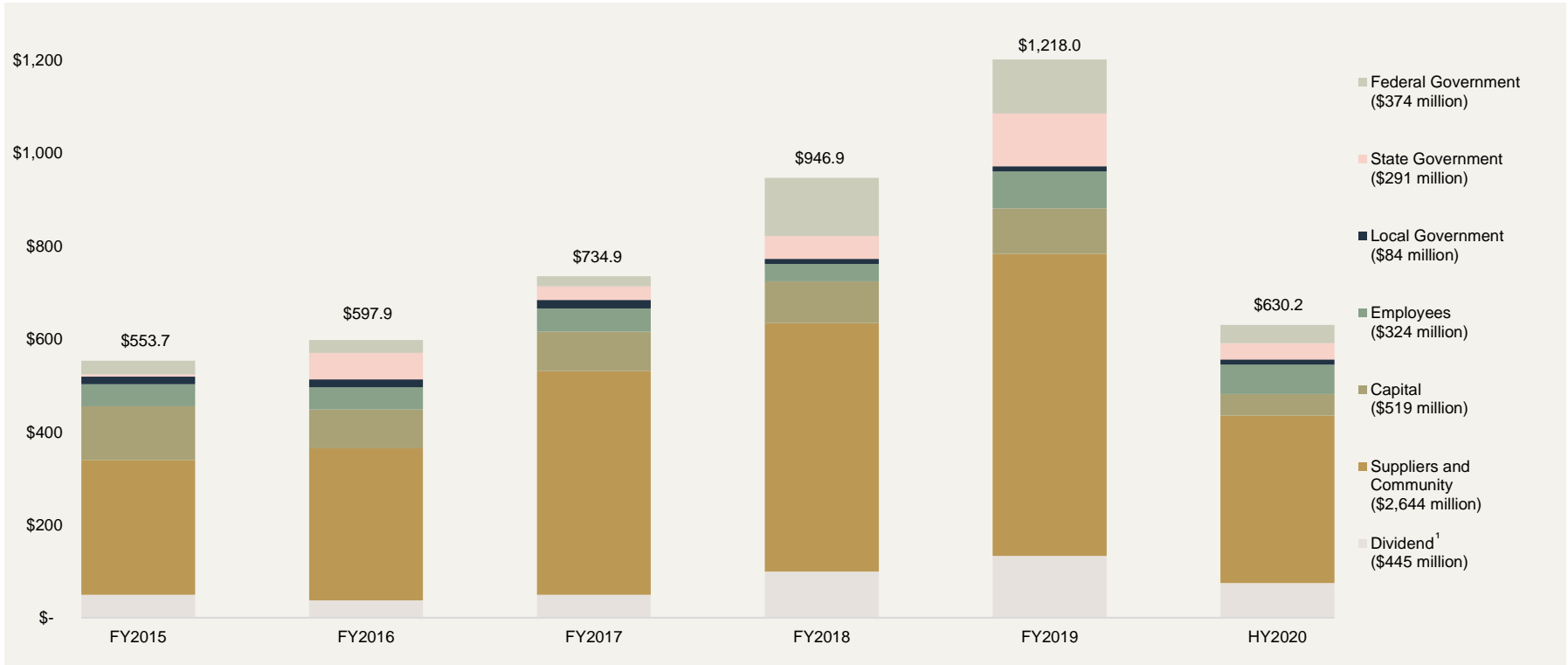
¹ Dividends paid in HY2020 reflect the final dividend for the 2019 financial year.

Debt facility in place to enable future growth opportunities

- During the half year, the Company has maintained similar debt levels under its amortising secured loan facility;
- Net debt at 31 July 2019 \$304 million. The debt facility available for draw down is \$175 million; and
- The mining industry continues to attract funding both domestically and internationally. The Company has sufficient funds available for current and future investment.



Economic contribution



¹ Dividends paid in HY2020 reflect the final dividend for the 2019 financial year.

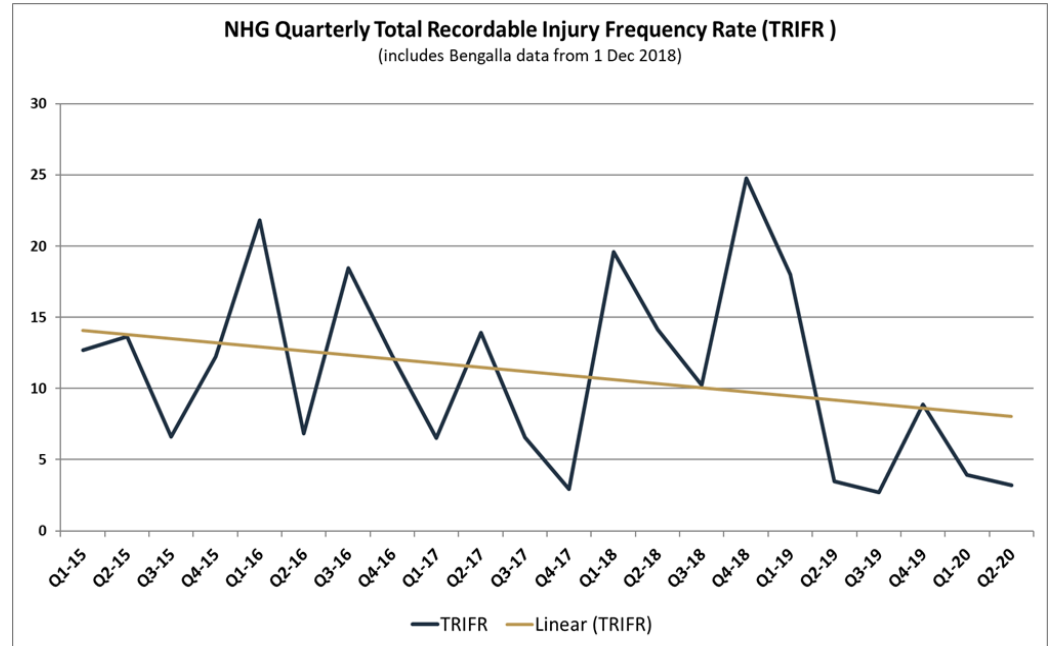


OPERATING PERFORMANCE

Andrew Boyd – Chief Operating Officer

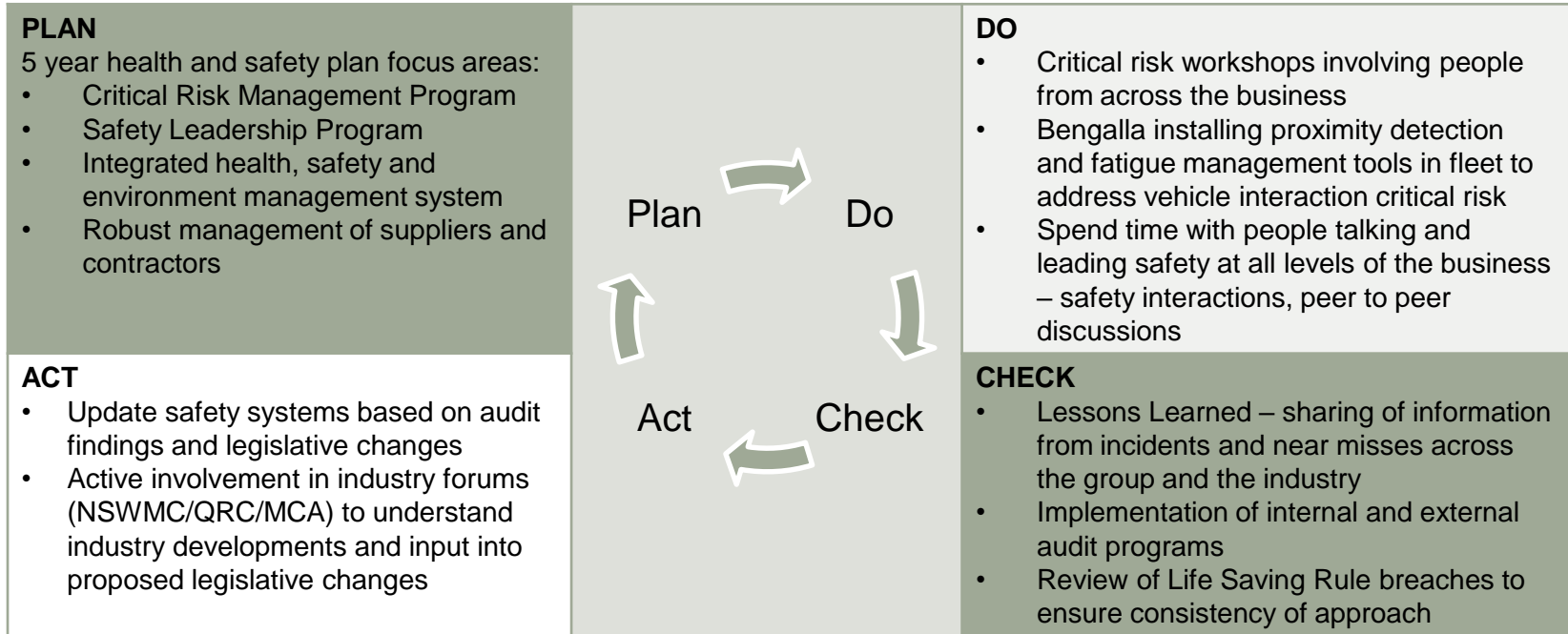
Continued improvement in injury rates

- TRIFR has continued to decrease to 3.6 per million exposure hours currently, well below the Opencut Mining Industry of 6.3;
- Queensland Bulk Handling (QBH) continued to build on its record of safe operations and is now over six years lost time injury free (LTI) while Bridgeport is over five years LTI free; and
- There has been a strong focus on assisting employees as they transition away from employment with New Hope with both the downsizing at New Acland and the completion of operations at Jeebropilly.



Building a culture focussed on employee wellbeing

A structured approach to health and safety demonstrates how we value and care for our people



Respecting our employees

A strong focus on personal impacts and helping prepare employees for life after New Hope employment.

New Acland Downsizing – October 2019

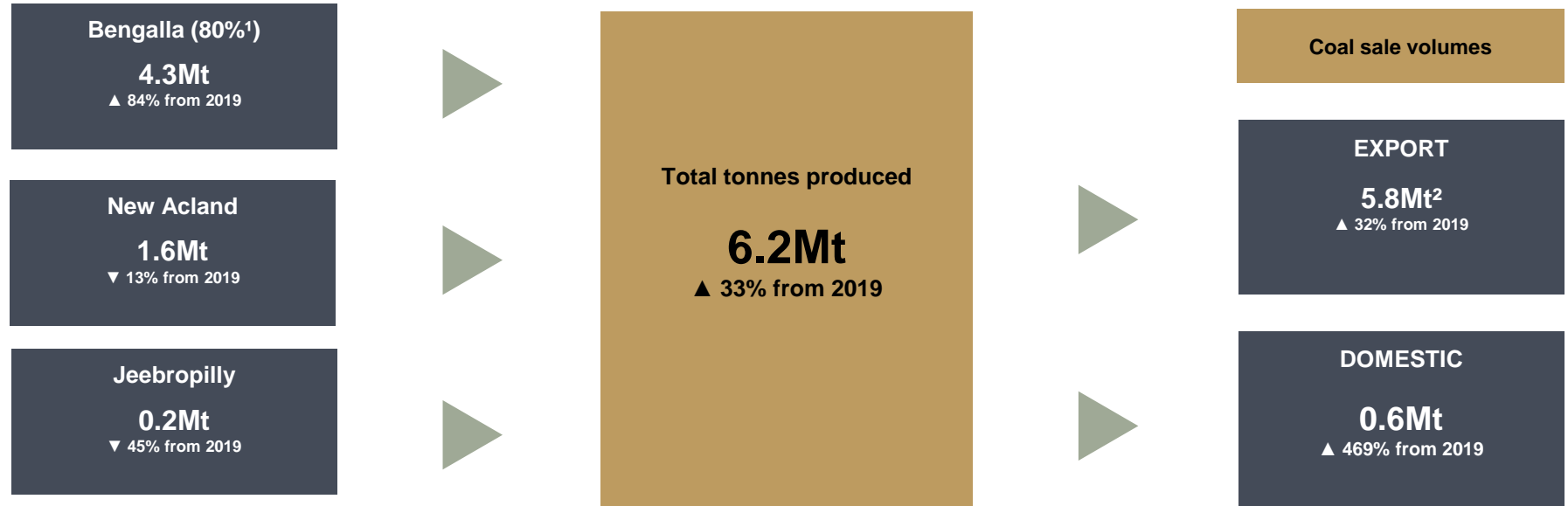


Jeebropilly Finishing Well – December 2019



Production and sales

6 months ended 31 January 2020



¹ New Hope's interest in Bengalla increased to 70% from 1 December 2018 and 80% from 25 March 2019.

² Export sales include trade coal sales.

Note: Totals may not reconcile due to rounding.

Bengalla – continued success

- Bengalla produced 5.4 million tonnes (100%), the highest ever for a half year;
- New Hope's share (80%) of production was 4.3 million tonnes, an increase of 84% on the half year to January 2019;
- Strong cost management is being implemented with total costs increasing by only 54% relative to the 84% production increase; and
- Preparations are well advanced for a major maintenance shutdown of the dragline that is scheduled to commence in July 2020 and run for approximately three months.



New Acland production drops on Qld Government inaction

- New Acland produced 1.6 million tonnes, a decrease of 13% on the half year to January 2019;
- Due to diminishing coal reserves the Company took the decision to make 150 roles redundant on 30 October 2019;
- The negative impact of these job losses is being felt in Oakey and surrounding local communities;
- Due to the low proportion of variable costs, total costs reduced by only 1% despite the 13% production decrease;
- The remaining workforce of 150 permanent employees continue to anxiously await the decision of the Queensland Government;
- New Acland was successful in the Queensland Court of Appeal proceedings relating to the Stage 3 project, opponents of the project have sought special leave to appeal to the High Court; and
- The Queensland Government has stated that it will wait for the High Court before making a decision on the project.





<https://www.youtube.com/watch?v=URRbmfJRd5Y>

Queensland Bulk Handling continues safe operations

- 2.9 million tonnes of coal was exported through QBH, 10% lower than the half year to January 2019;
- As New Acland is the largest customer of QBH the ramp down in production at New Acland has direct consequences for activity levels at QBH;
- Protective coating maintenance has been performed to protect and extend the life of critical infrastructure;
- Partnership with the Bulimba Creek Catchment Coordinating Committee to rehabilitate and beautify grounds surrounding the facility; and
- Community led dust monitoring program continues to demonstrate that coal dust is not a major contributor to airborne particulates in the local area.



Bridgeport Energy – De-risking Exploration Through Farmouts

- Approximately 186,000 barrels of oil produced in first half of the year;
- Revenue for the first half year of \$15.8 million;
- Three development wells were drilled in the first half;
- Oil prices averaged A\$95 per barrel, 4% below the previous half year;
- The business completed the acquisition of the Senex interests in ATPs 736, 737 and 738;
- Vali 1 well (ATP 2021) discovered approximately 35 metres of net gas pay. Bridgeport holds 25% interest in this well; and
- Bridgeport executed an agreement with Origin for Origin to farm into and operate 75% of 5 permits located in the north east Cooper Eromanga basin.



Focus on rehabilitation and land management

New Acland

- As of 31 December 2019 650 hectares of land had been rehabilitated at New Acland, with rehabilitation commencing on a further 217 hectares; and
- 50 hectares of rehabilitated land was seeded in the six months to 31 January 2020.

Bengalla

- Shaped and seeded 8.7 hectares of rehabilitated land in the six months to 31 January 2020.

Jeebropilly

- Extensive rehabilitation of Underpass Pit; and
- 140 hectares of land shaped and contoured in preparation for seeding.

Oakleigh East

- Backfilling of old Normanton Pit continued;
- Remnant Tailings Dam was capped, shaped and seeded; and
- Site rehabilitated to a post mining land use of grazing by end of calendar 2020.



Pastoral operations expand - Acland and Bengalla

- Expertise established at Acland Pastoral has been applied to the land surrounding our Bengalla site;
- Bengalla operations have focused on infrastructure maintenance – fencing, pumping network and irrigators;
- 350 weaners moved from Acland to Bengalla;
- 100 hectares of irrigated sorghum grown with half donated locally for drought relief;
- Poor rainfall in the first half of 2019 negatively impacted on grazing pastures at Acland; and
- Good recent rainfall in both QLD and NSW will allow further restocking and cropping operations.



Supporting local communities

- 350 bales of hay donated to farmers in the Upper Hunter by Acland Pastoral;
- Bengalla supported six local rural fire brigades with equipment worth more than \$20,000;
- Bengalla covers the cost of wages (up to 10 days) for employees that are members of local Rural Fire Brigades and are involved in fighting fires;
- Bengalla procured a Fire Fighting Truck for use on site but the truck is also available to assist the local RFS to fight fires in the local area; and
- Community Development Projects (Oakey, Kulpi, Jondaryan, Goombungee, Maclagan & regional).



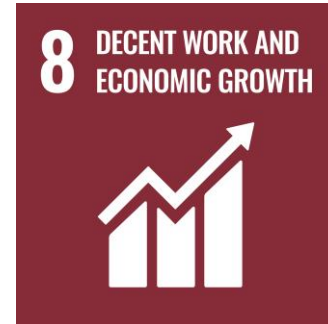


GROUP OUTLOOK

Shane Stephan - Managing Director and Chief Executive Officer

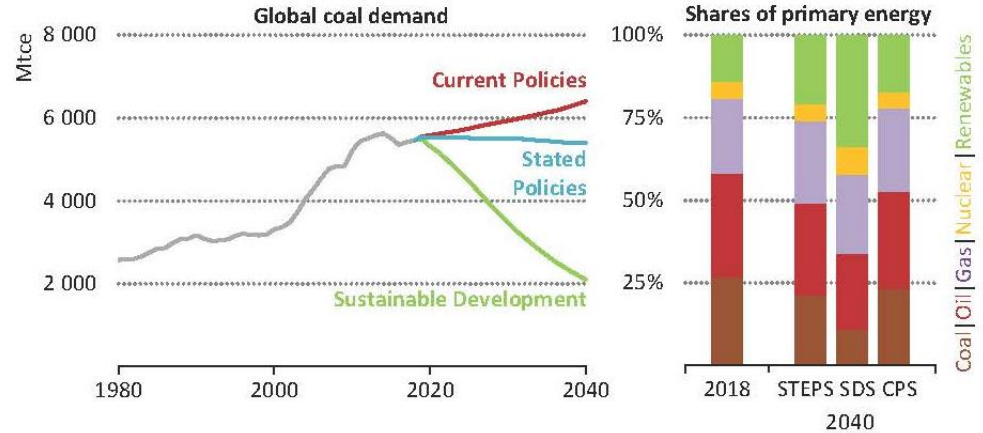
United Nations Goals on Sustainability – New Hope’s Approach

- 17 Sustainable Development Goals adopted in 2015 by all UN member states;
- New Hope Group (NHG) operates in a sustainable manner and our operations positively align to many of the UN goals;
- #1 No poverty – by providing high energy, low emissions coal for power generation in developing nations we are helping to ensure everyone has access to reliable power;
- #6 Clean Water – NHG manages its use of water in an environmentally sensitive way – using only recycled waste water from Toowoomba Regional Council for its operations at New Acland;
- #8 – NHG provides employment to over 900 people. Our employees live and contribute significant economic benefit to the regions in which they live. NHG also uses local contractors and suppliers at all its sites, further boosting job opportunities and economic benefit; and
- #15 – NHG practices progressive rehabilitation at its sites, returning the land to a productive use as soon as possible after mining. Our rehabilitation work at New Acland has been recognised as industry leading with 349 ha being certified by the Queensland State Government.



Thermal coal – Global coal demand dependent upon future climate change policy

- Current policies scenario results in 21% increased thermal coal demand from 2018 to 2040;
- Stated policies scenario results in essentially flat thermal coal demand from 2018 to 2040;
- Should the sustainable development scenario become a reality global thermal coal demand would drop 65%;
- However the majority of any change impacts Europe and North America; and
- Australian thermal coal is high quality, low in ash and sulphur and high in energy.



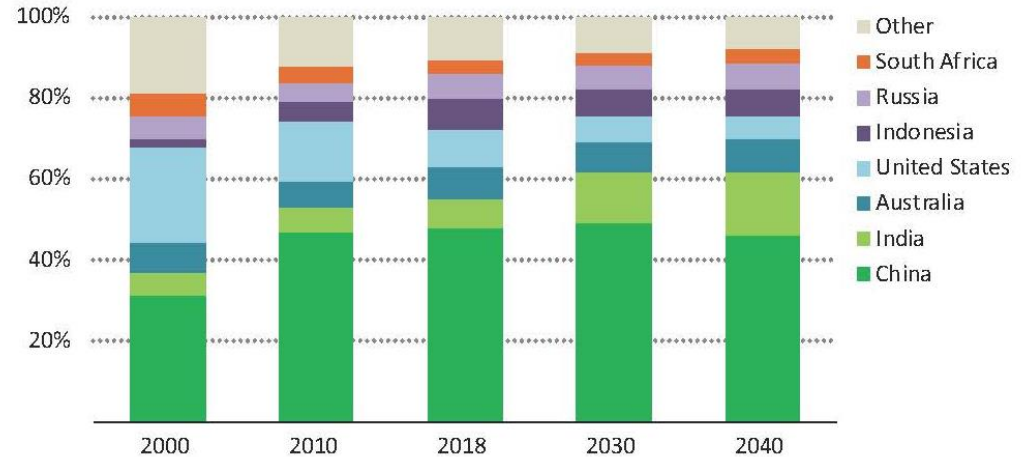
Coal's future is heavily dependent on the breadth and stringency of environmental policies across the world

Note: Mtce = million tonnes of coal equivalent; STEPS = Stated Policies Scenario; SDS = Sustainable Development Scenario; CPS = Current Policies Scenario

Source: IEA World Energy Outlook 2019

Thermal coal – Stated Policy Scenario share of coal production by country

- The majority of Australian thermal coal mines are in the lower part of the cost curve;
- Australian thermal coals are well suited to the latest generation of Super-critical and Ultra super-critical power stations in Asia;
- Many coal fired power stations in Asia are less than 15 years old and have long lives; and
- Competitive cost of generations remains a key reason for Asian power generators to maintain coal as part of the energy mix.

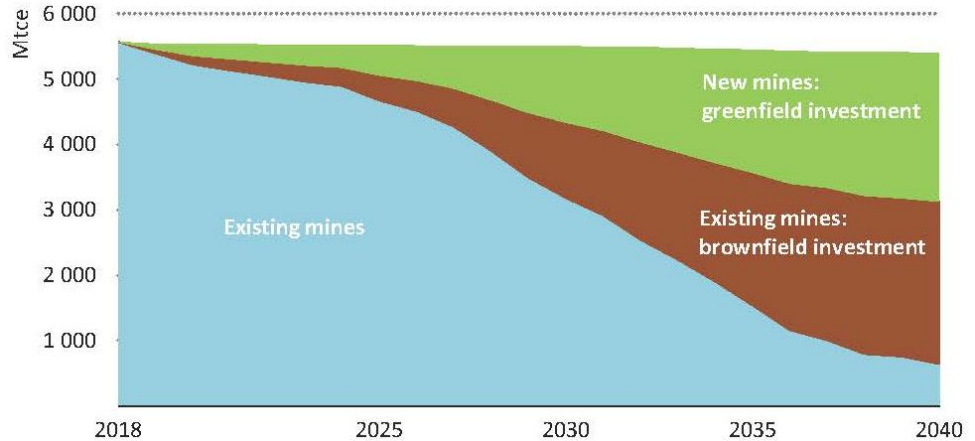


Under the Stated Policy Scenario Australia expands its coal production over the next 20 years

Source: IEA World Energy Outlook 2019

Thermal coal – Stated Policy Scenario - global coal production mine type

- To meet the International Energy Association stated policy scenario extensions to existing mines and new greenfield developments are needed particularly post 2025 in Asia;
- If marginal cost of new capacity in Australia is less than the landed cost of Columbian coal into Asia new thermal coal mines in Australia will be required; and
- Much depends on the ability of Indonesia to continue to grow exports given increase in domestic electricity demand.

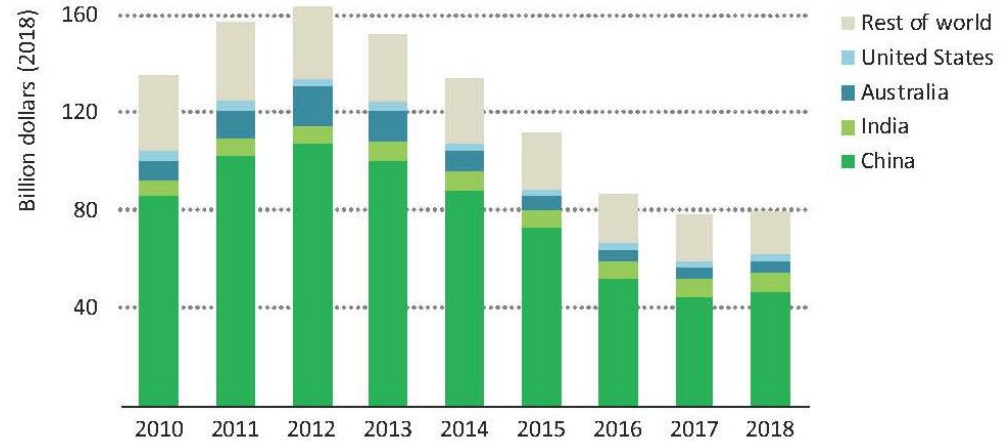


As production from existing mines declines, so demand in the Stated Policies Scenario requires investment either to expand mines or to open new ones

Source: IEA World Energy Outlook 2019

Thermal coal – global coal investment not meeting Stated Policy Scenario requirements

- A lack of investment in thermal coal capacity may lead to future supply pressures under the stated policy scenario; and
- It is increasingly difficult to gain approvals for thermal coal mines in Australia and this has caused Australian exports to remain flat over recent years.

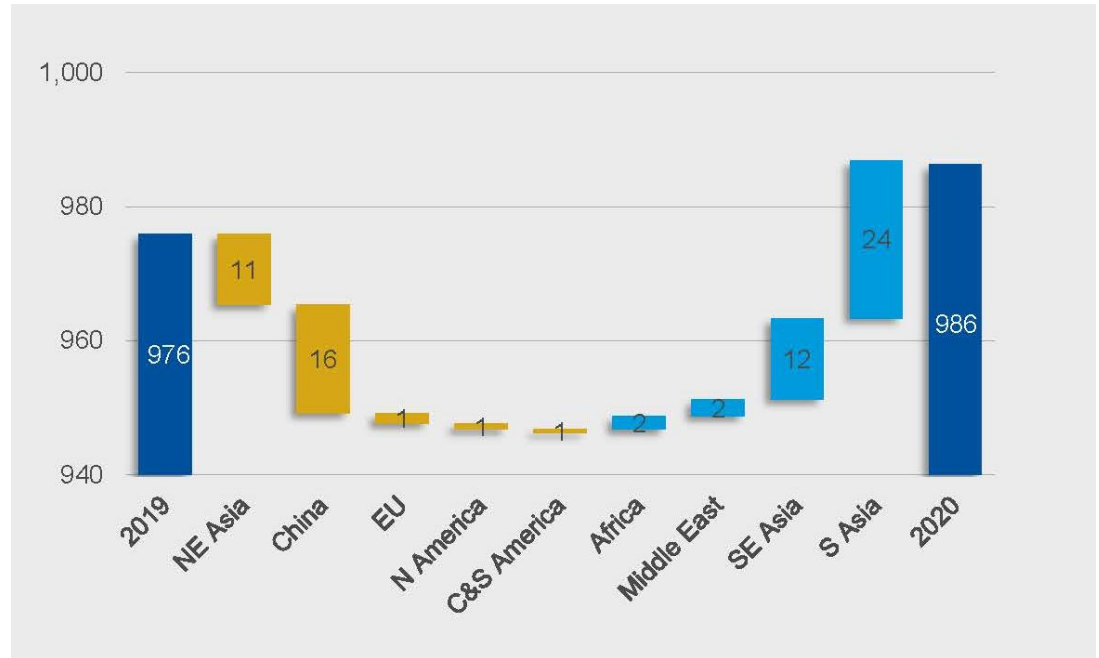


Investment in coal supply rose slightly in 2018, although the global total remains at around half the level seen at the start of the decade

Source: IEA World Energy Outlook 2019

Seaborne thermal coal imports are firm

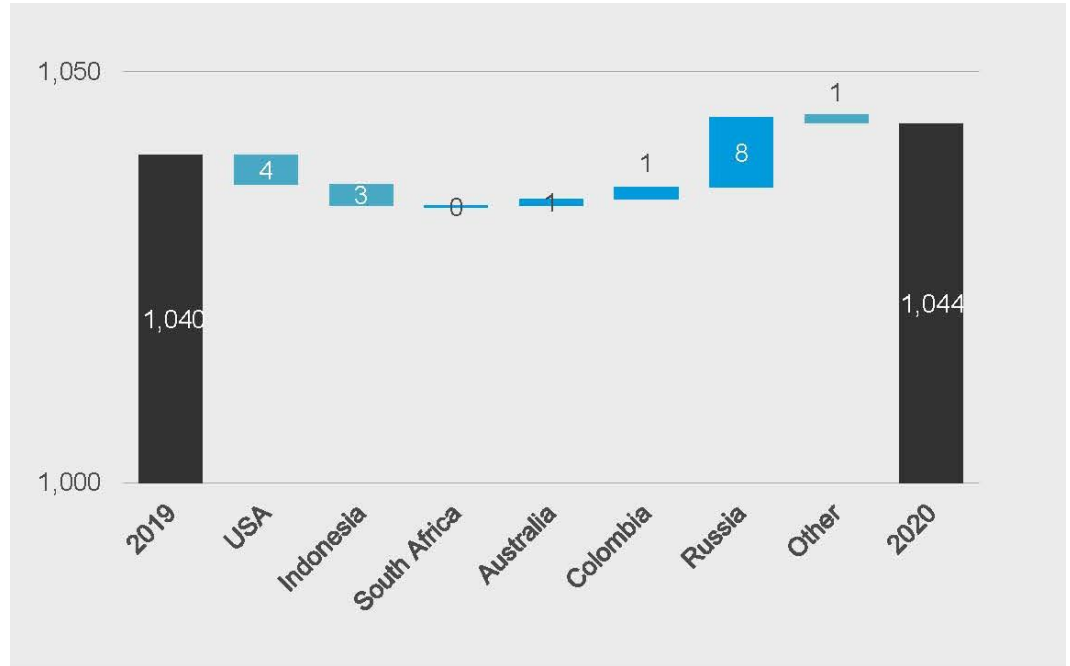
- It is expected that imports of coal into Korea and China will moderate whilst there will be substantial growth in demand from South East and Southern Asia;
- The corona virus pandemic (CVP) has not yet caused significant disruption to the seaborne Asian thermal coal trade and pricing has been relatively stable; and
- The medium term impacts of the CVP on seaborne coal trade remains difficult to predict.



Seaborne imports expected to be 10Mt higher in 2020

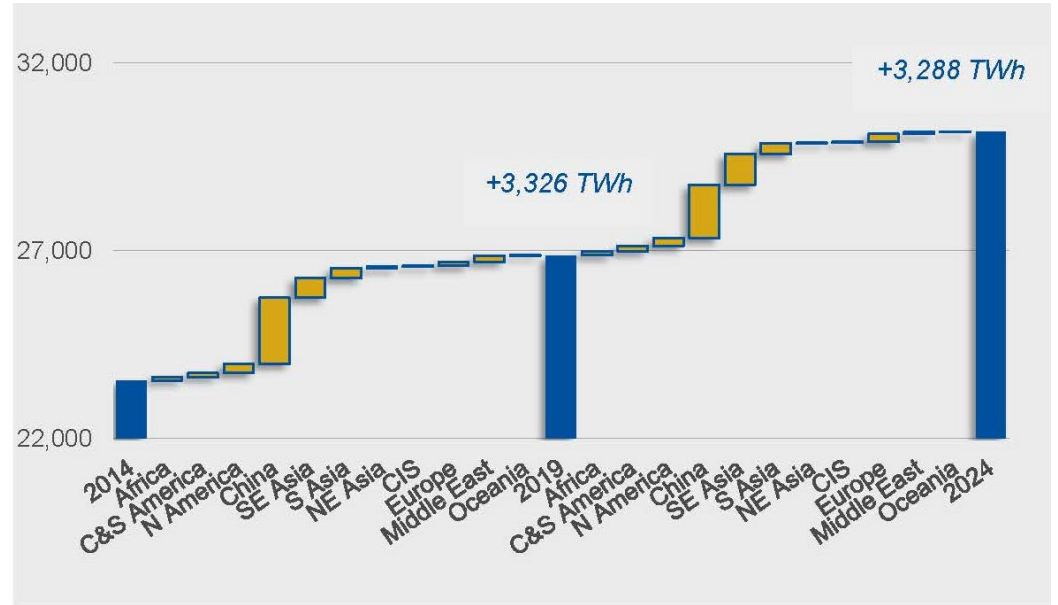
Seaborne thermal coal export sources

- Growth in the supply of seaborne thermal coal is expected to be dominated by Russia into north Asian markets of Korea and Japan;
- Russia is also becoming a competitor for Australian coal into Taiwan; and
- The USA and Indonesia are expected to lose market share.



Global electricity generation growth

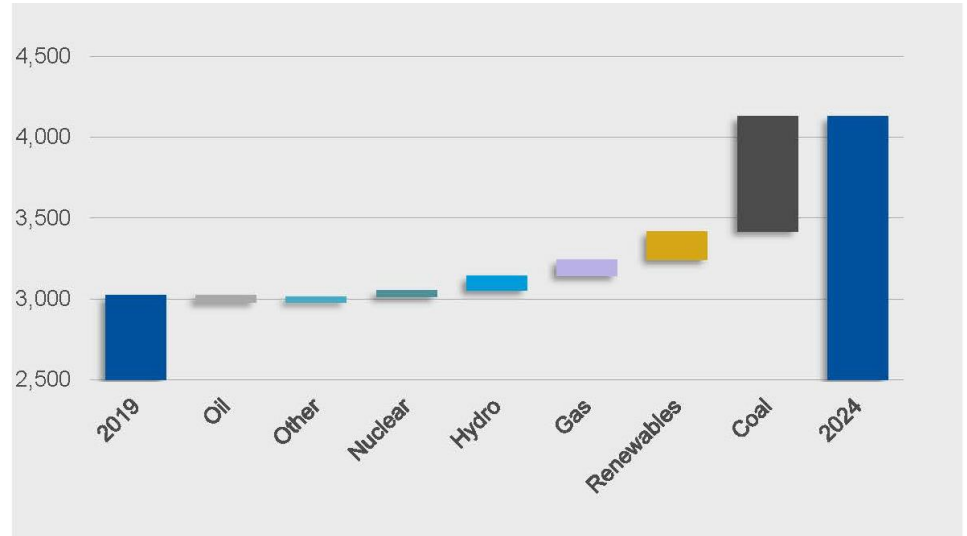
- Global electricity demand growth is dominated by China, South East Asia and Southern Asia;
- Medium term electricity demand growth rates in Asia are high; and
- In the immediate term it is important to remember electricity is an essential need it is not discretionary.



The majority of the 12% growth in electricity generation between 2019 and 2024 is from SE Asia, S Asia and China

Electricity generation growth by fuel source in South & South East Asia, TWh

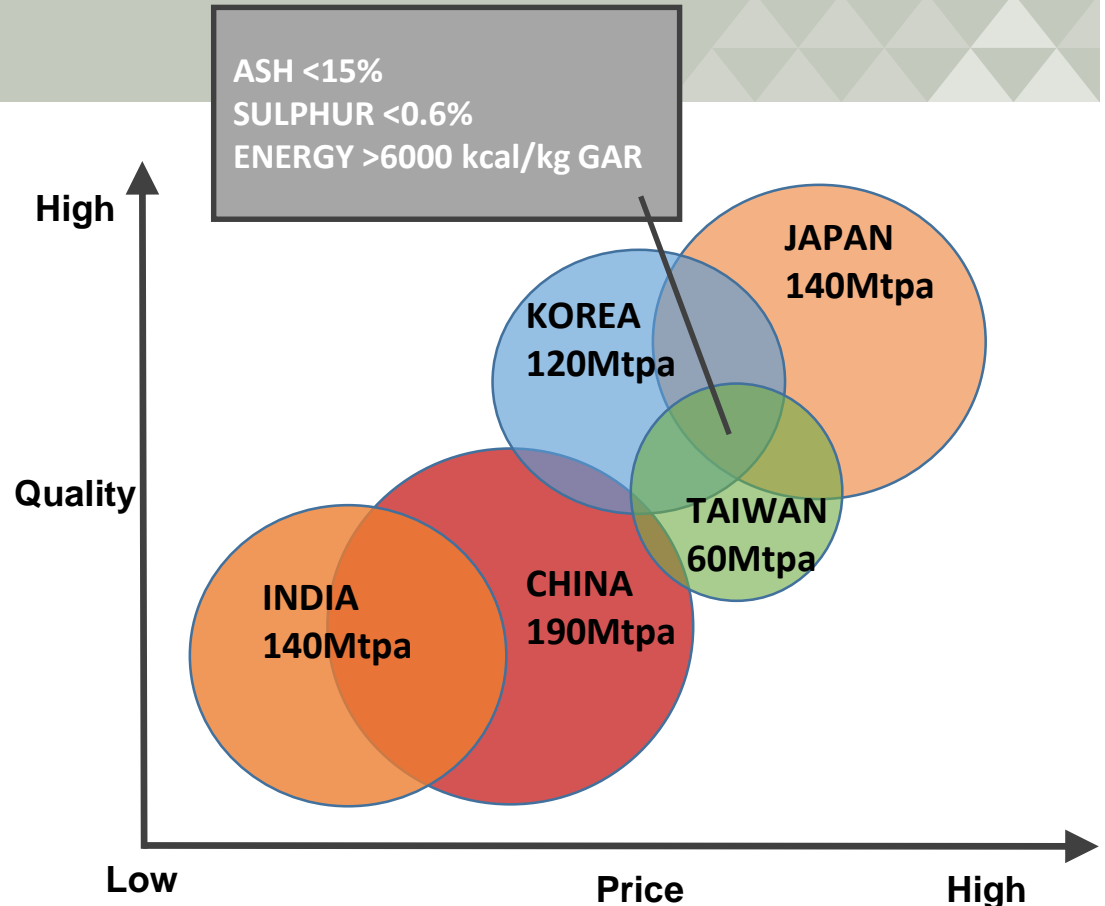
- A large proportion of the expected increase in South East Asian and Southern Asian demand for electricity is expected to be fueled by coal;
- LNG and renewables will remain the dominant competitor to coal in Asia; and
- The ability of countries to switch fuels from coal to LNG is somewhat limited by LNG receiving infrastructure which has a long lead time to install and has a significant cost.



Coal based generation will account for 64% of growth out to 2024 from South and South East Asia

Asian markets move to quality

- Traditionally Japan has demanded the highest quality coal in the world due to ash disposal costs;
- Taiwan is now seeking lower ash, higher energy coals for environmental reasons;
- Korea is seeking lower sulphur and considering tighter controls on ash;
- Coal quality characteristics sought by Japan, Korea and Taiwan are becoming increasingly consistent; and
- Positive for Australian coals in general.



Electricity generation mix in Japan

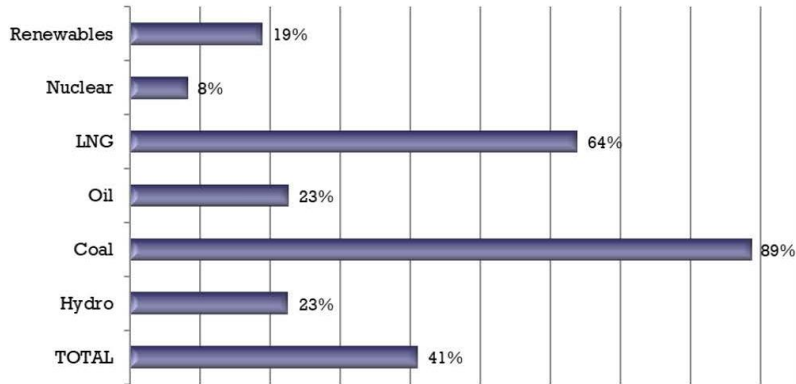
- Japan's government energy policy is targeting a significant recovery in nuclear energy's share of the market;
- The recovery of capacity from the nuclear sector in Japan has been slow being frustrated in the courts and received significant public resistance; and
- Our information is that there are currently a total of 15 coal fired power station generation units under construction in Japan totaling 8,670 MW.

Generation Mix – Japan (%)	2018 Actual	2030 Target
LNG	43%	27%
Coal	31%	26%
Nuclear	2%	20-22%
Renewables	9%	14%
Hydro	9%	9%
Oil	6%	3%
Total	100%	100%

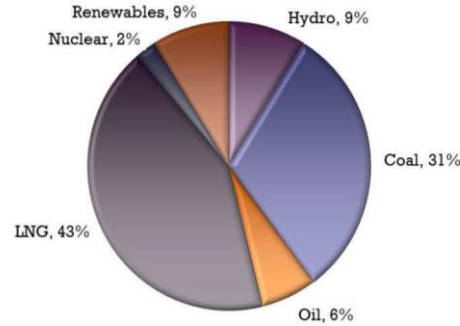
Electricity generation fuel source in Japan

- Similar to Australia's experience renewables have a low capacity utilisation rate in Japan whilst coal generation has the highest capacity utilisation factor.

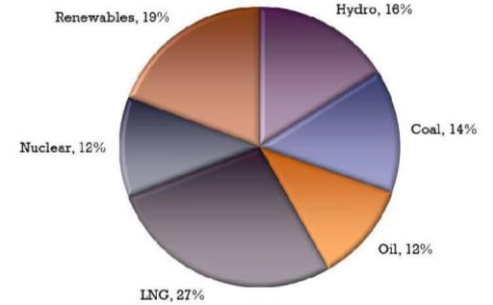
2018 Capacity Utilisation Rate



2018 Electricity Generation by Fuel Type (GWh)



2018 Installed Generation Capacity (MW)



Installed Capacity - Japan	MW (2018)
LNG	83,970
Renewables	59,010
Hydro	49,150
Coal	43,760
Nuclear	35,550
Oil	35,310
Total	306,750

Source: METI, Commodity Insights

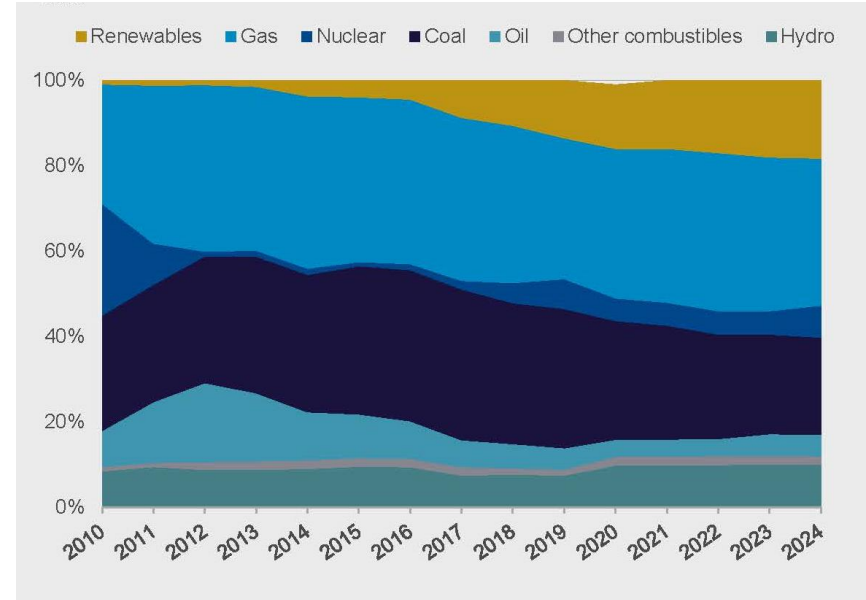
Expected future electricity generation mix for Japan

- Coal will remain a key component of the electricity generation mix in Japan;
- Any delays in bringing back nuclear generating capacity is likely to benefit coals market share; and
- There have been substantial delays in bringing back online Japan's nuclear capacity.

Deadlines for Japanese reactors to comply with new security measures



Source: CRU, NRA, Bloomberg. Note: shade shows reactors that have been confirmed to shut down due to missing the deadline.

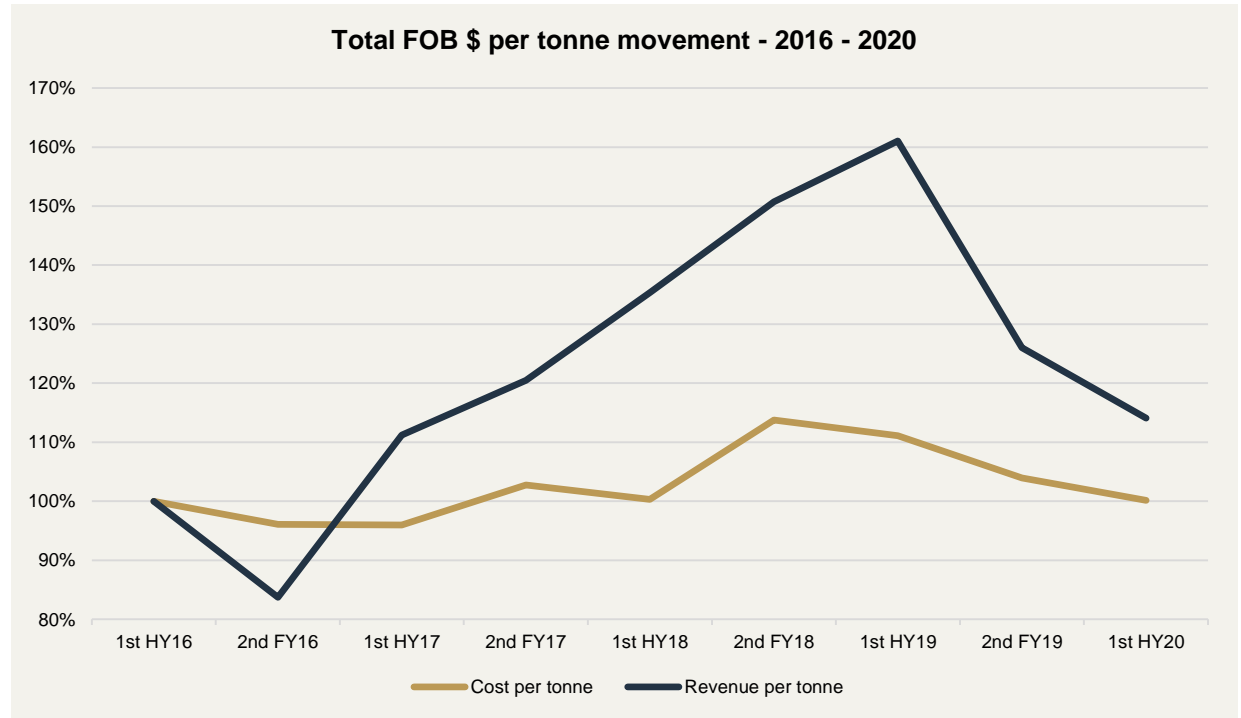


Share of power generation in Japan by source

Source: CRU

Organisational resilience – cost control through cycle

- Attached is a chart of the Company's unit cost and revenue on a total cost basis each half year since the 1st half of 2016;
- It should be noted that unit costs in this latest half year are the same as those from the 1st half of 2016;
- A proportion of the cost increases experienced during 2018/19 were due to revenue related costs such as royalties; and
- A focus on the importance of unit cost management is part of the New Hope DNA.



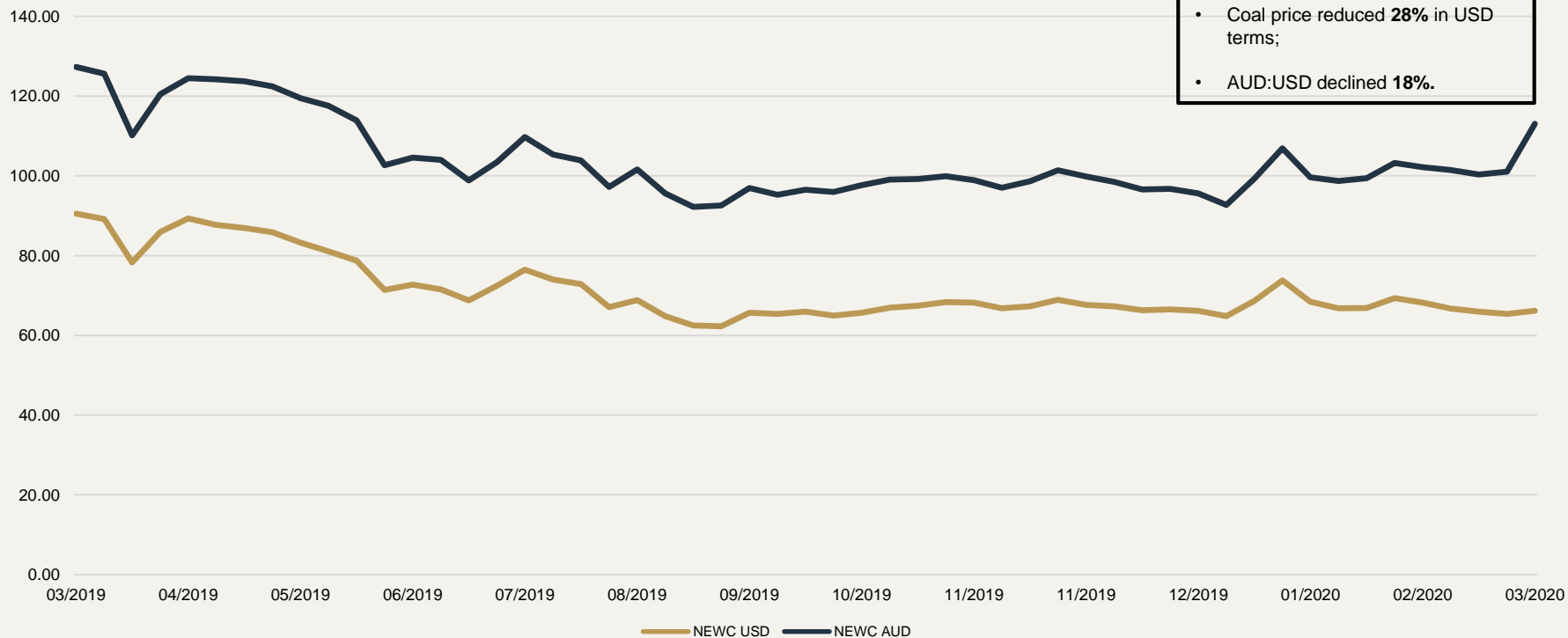
Organisational resilience – management processes

- Mature risk management driven processes embedded throughout the business;
- Flat organisational structure with a highly experienced management team with many decades of coal mining experience;
- High levels of data bandwidth enabling remote IT access and remote working flexibility;
- Video conferencing hardware and software installed and in use throughout the business;
- Mature management development and education programs and succession planning processes in place; and
- Solid balance sheet and cashflows and longstanding banking and coal marketing relationships in place.



Coal prices have been resilient in Asian markets – electricity is essential

Global Coal Newcastle (NEWC) – USD and AUD per tonne



Future Focus

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

Coal operations – goal is safe production

Projects and development – long term focus

Bengalla optimisation continues

Obtaining Acland Stage 3 approvals

Bridgeport

Burton/Lenton

Leverage operating capability into opportunities at the right time

North Surat

Carefully budgeting resources to future projects with a risk managed approach

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Reconciliation of non IFRS financial information

Half Year Ended 31 January (A\$ million)

	2020	2019	Variance
Profit after tax	69.8	120.2	(42%)
Income tax expense	23.6	57.2	(59%)
Profit before income tax	93.4	177.4	(47%)
Non regular items before tax	30.1	51.5	(42%)
Profit before income tax and non regular items	123.5	228.9	(46%)
Interest expense	10.3	3.5	194%
Earnings before interest, tax and non regular items	133.8	232.4	(42%)
Depreciation and amortisation	78.8	52.8	49%
Earnings before interest, tax, depreciation, amortisation and non regular items	212.6	285.2	(25%)

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.



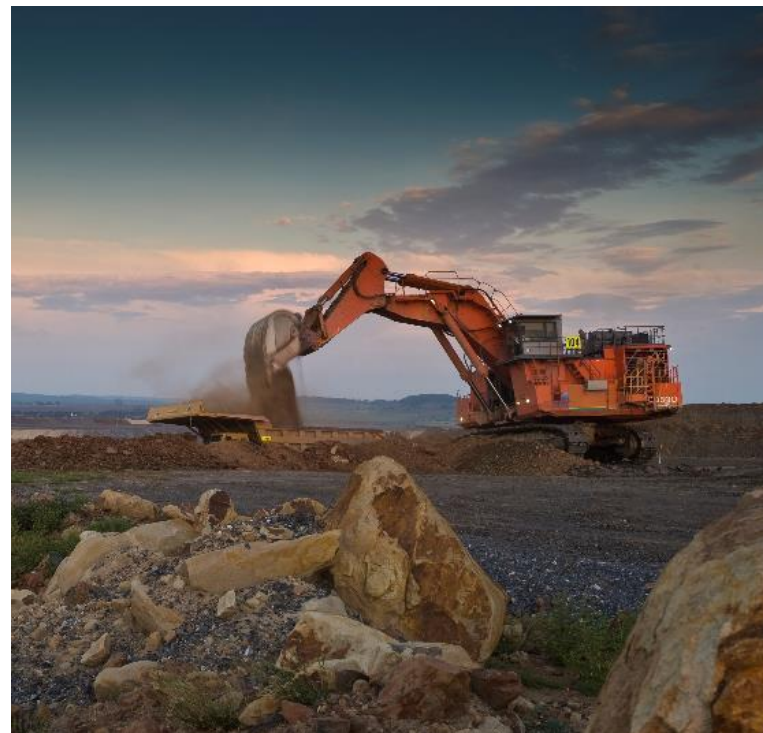
Reconciliation of non IFRS financial information

Half Year Ended 31 January (cents per share)

	2020	2019	Variance
Basic earnings per share (cents) (after non regular items)	10.4	14.4	(46%)
Jeebropilly rehabilitation\	(1.8)	-	(100%)
New Acland redundancies	(0.5)	-	(100%)
Recovery of Port costs	0.2	-	100%
Oil exploration asset impairments	(0.3)	-	(100%)
Onerous contract and related expenses	0.4	(1.4)	129%
Insurance proceeds	-	0.2	(100%)
Gain / (loss) on discontinued operation	-	-	-
Acquisition costs expensed	-	(3.2)	100%
Transaction costs on guarantee facility	-	(0.4)	100%
Basic earnings per share (cents) (before non regular items) ¹	8.4	19.2	(42%)

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.

¹ Totals may not reconcile due to rounding.



Reconciliation of Net Profit before tax before and after non regular items

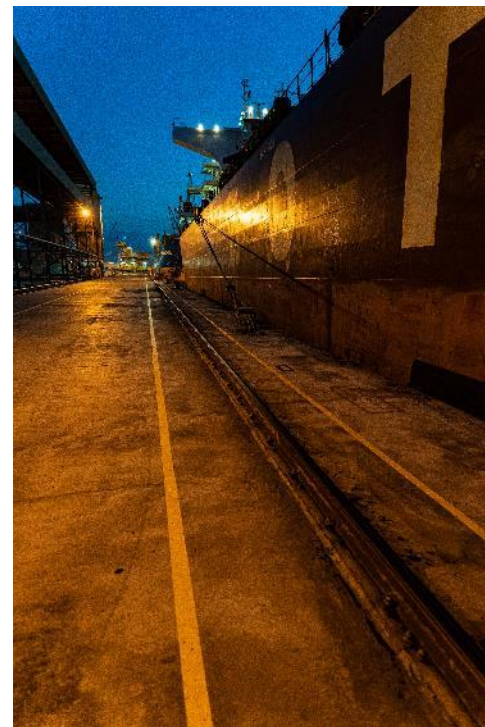
Half year ended 31 January 2020 (A\$ million)	Coal NSW	Coal QLD	Other	Treasury	Total ¹
Profit / (loss) before tax from continuing operations after non regular items	112.2	10.2	(21.4)	(7.8)	93.4
Non regular items before tax:					
Jeebropilly rehabilitation	-	(21.0)	-	-	(21.0)
New Acland redundancies	-	(6.1)	-	-	(6.1)
Recovery of port costs	1.9	-	-	-	1.9
Onerous contract and related expenses	-	-	(2.0)	-	(2.0)
Oil exploration asset impairments	-	-	(3.0)	-	(3.0)
Profit / (loss) before tax and non regular items	110.3	37.3	(16.4)	(7.8)	123.5



¹ Totals may not reconcile due to rounding.

Reconciliation of Net Profit before tax before and after non regular items

Half year ended 31 January 2019 (A\$ million)	Coal NSW	Coal QLD	Other	Treasury	Total ¹
Profit / (loss) before tax from continuing operations after non-regular items	88.7	113.3	(21.1)	(3.8)	177.4
Non-regular items before tax:					
Insurance proceeds ship-loader	-	2.4	-	-	2.4
Onerous contract and related 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	126.6	110.9	(9.2)	0.6	228.9



¹ Totals may not reconcile due to rounding.