



NEW HOPE
GROUP

INTEGRITY • RESPECT • ACCOUNTABILITY
SAFETY • RESILIENCE • SUCCESS

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newhopegroup.com.au



New Hope Corporation Limited

History of Success

- 1952 Started mining underground in West Moreton
- 2003 ASX Listing with market capitalisation of \$286m
- 2005 Sold interest in Adaro mine in Indonesia for US\$406m
- 2006 Purchased interest in Arrow for \$48m
- 2008 Sold New Saraji project to BMA for US\$2.45B
- 2010 Sold interest in Arrow for \$650m
- 2016 Purchased 40% interest in Bengalla for \$865m
- Current market capitalisation of \$1.3B and currently no debt
- Current Coal Market
 - Challenging coal industry environment
 - AUD:USD remains high even though Australian terms of trade have declined
 - Many coal mines in Australia and Globally not making a profit
- Since listing the company has returned \$1.3B in special dividends to shareholders
- Management is focused on sustainably reducing operating costs



Bengalla Joint Venture

Overview

- Location
 - 130km from Newcastle, 4km from Muswellbrook
- Marketable reserves of 218Mt*, with a remaining life of 26 years
- Joint Venture Participants
 - 40% New Hope
 - 40% Wesfarmers
 - 10% Mitsui
 - 10% Taipower
- Long term, low cost, profitable operating asset
- Diversification of location, infrastructure and customers



* As reported in the Media Release – Bengalla Acquisition, released to the ASX on 30 September 2015

Thermal Coal Price

Newcastle Thermal Coal Price FOB



Rehabilitation

New Oakleigh





March 2016

New Oakleigh Rehabilitation

Chuwar

Status





7 November 2013

New Acland Mine Rehabilitation



29 June 2014

New Acland Mine Rehabilitation



26 April 2015

New Acland Mine Rehabilitation



23 January 2016

New Acland Mine Rehabilitation



Cattle grazing trial on rehabilitation paddock

New Acland Mine Rehabilitation

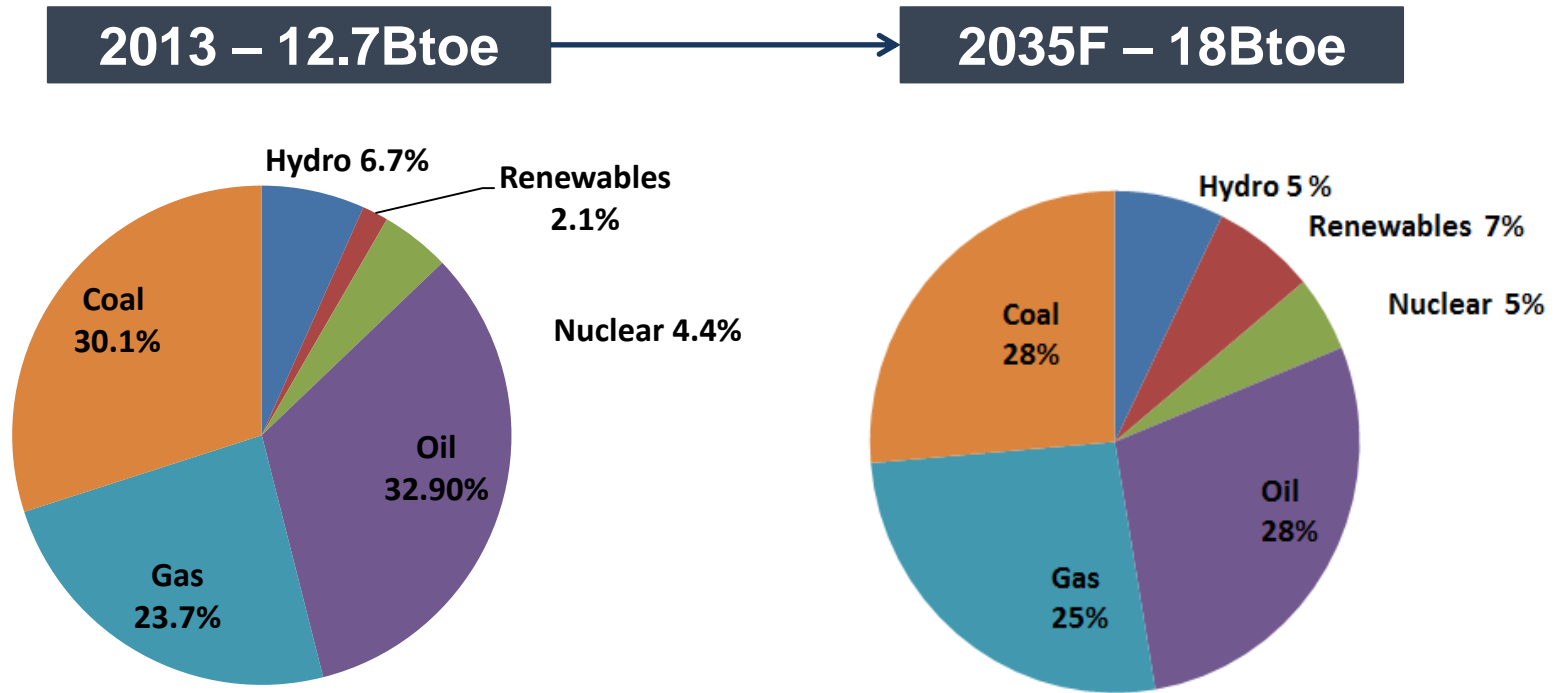
Mining and Rehabilitation

Objective: High standard progressive rehabilitation of disturbed land

- Simply increasing rehabilitation bonds not the answer
- Reactive legislation implemented without adequate consultation inhibits investment
- Industry should not build up large areas of unrehabilitated land for long periods of time
- Government and Industry need to improve quality of dialogue in order to meet our shared rehabilitation objective

Global Energy Market

Forecast in Energy Demand and Generation

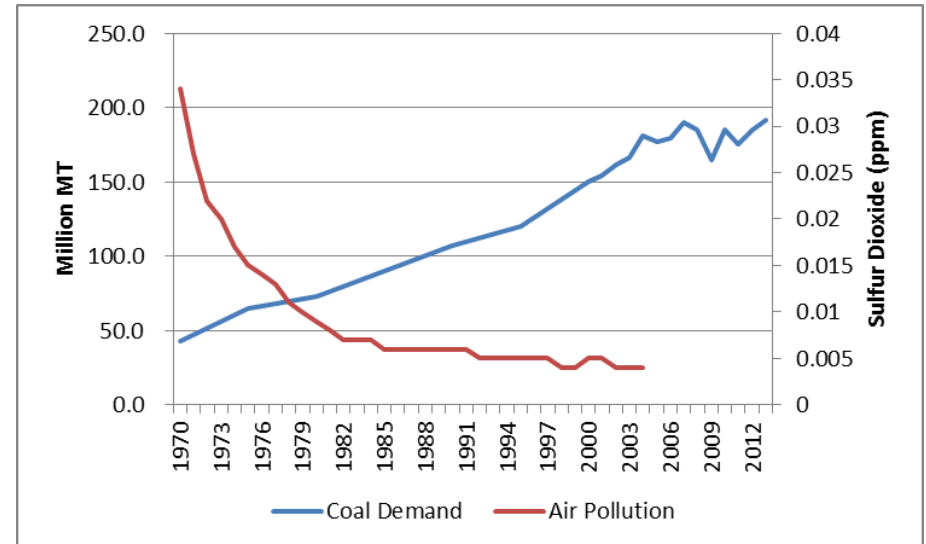
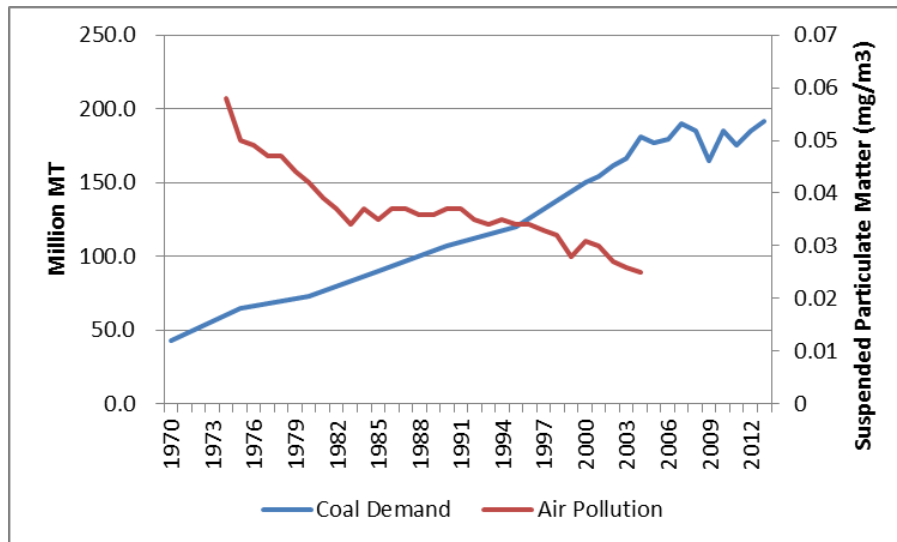


Over the next 20 years fossil fuels will still dominate. Coal expected to lose market share to gas, renewables and nuclear however total coal consumption to increase by 20% over this time

SOURCE: Professor Chris Greig - UQ

History of Industrial Development and Pollution Management

- Coal's opponents state that China will need to significantly reduce coal consumption to lower its air pollution
- Japan improved air quality while at the same time increasing its coal consumption
- Not simply the tonnage of coal but the quality of coal and power plant technology that matters



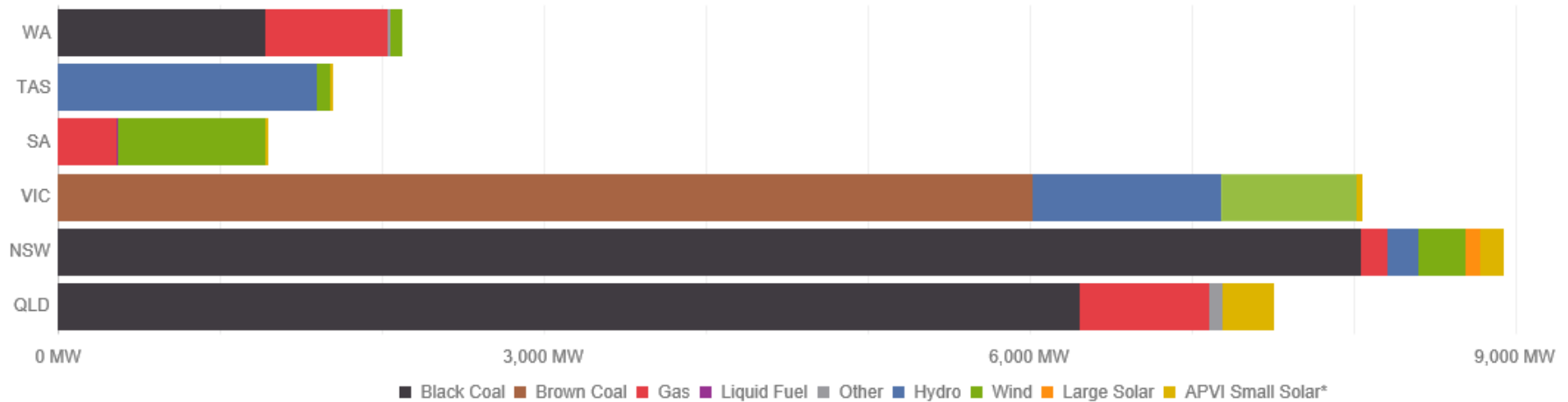
SOURCES:

Air Pollution "FY 2004 Status of Air Pollution" by Ministry of the Environment; Government of Japan

Coal Demand 1970 to 2000: "Annual Report for Energy Production and Supply-demand Figures" (edition for each year) by Ministry of Economy, Trade and Industry; Government of Japan
2000 onwards: "Foreign Trade Statistics" by Ministry of Finance; Government of Japan

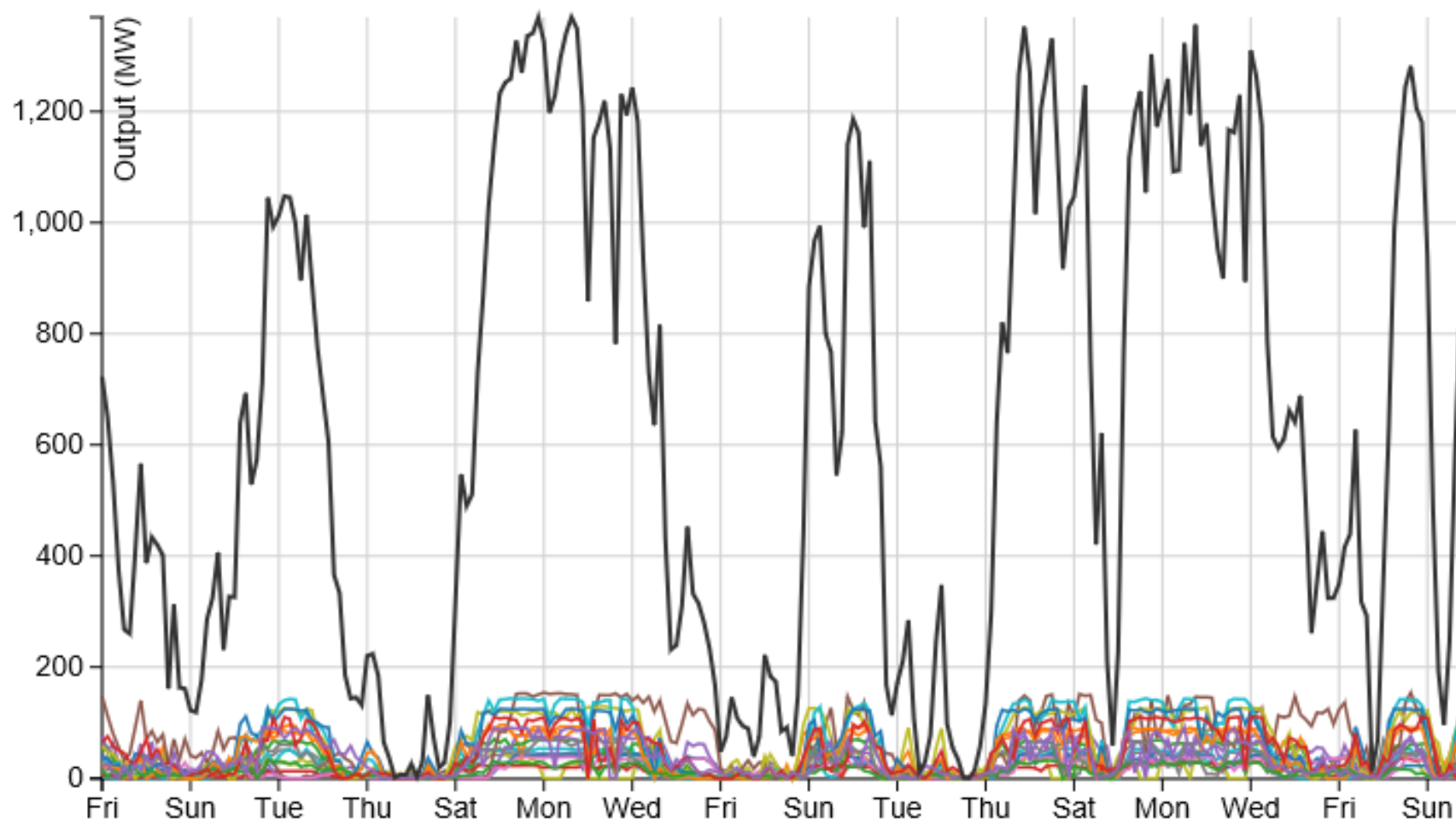
Australia's Energy Supply

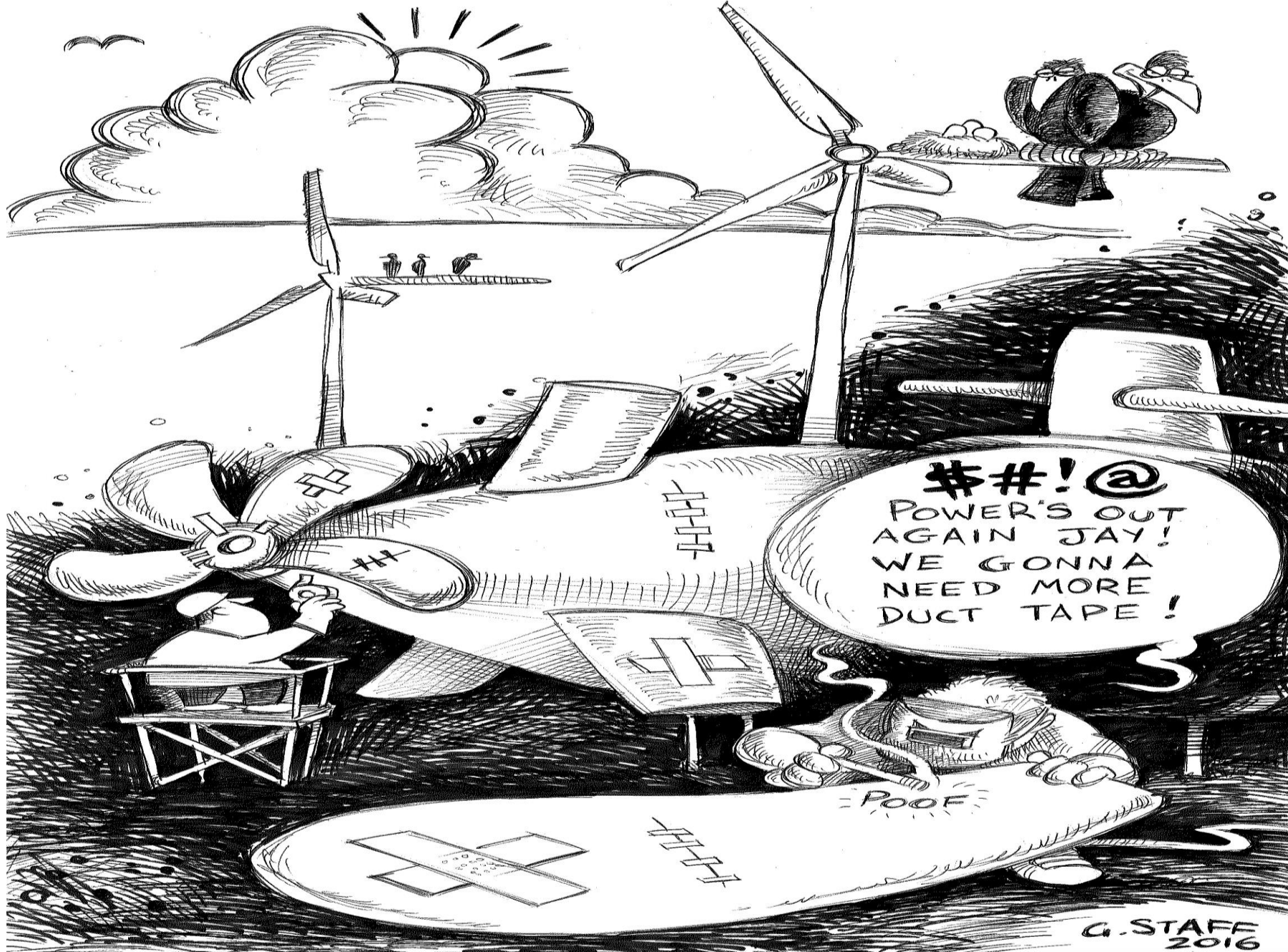
Australian Electrical Power Generation: 8:30am Tuesday 9th August 2016

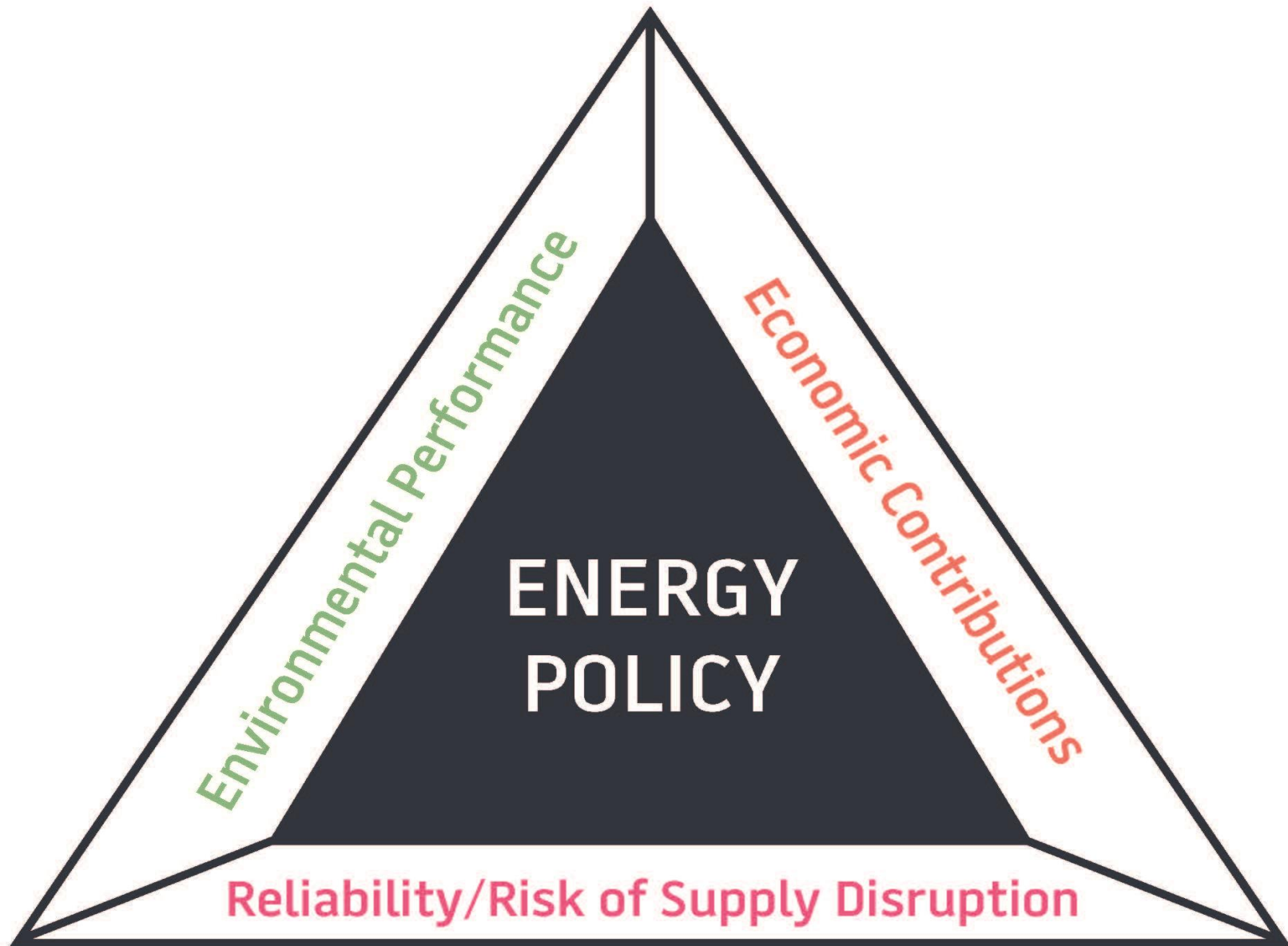


| Region | Black Coal (MW) | Brown Coal (MW) | Gas (MW) | Liquid Fuel (MW) | Other (MW) | Hydro (MW) | Wind (MW) | Large Solar (MW) | APVI Small Solar* (MW) | Region Total (MW) |
|--------|-----------------|-----------------|----------|------------------|------------|------------|-----------|------------------|------------------------|-------------------|
| Total | 15,636 | 6,018 | 2,088 | 14 | 97 | 2,958 | 2,193 | 95 | 474 | 29,573 |
| WA | 1,278 | 0 | 762 | 0 | 16 | 0 | 66 | 0 | 0 | 2,122 |
| TAS | 0 | 0 | 0 | 0 | 0 | 1,602 | 82 | 0 | 5 | 1,689 |
| SA | 0 | 0 | 363 | 14 | 0 | 0 | 909 | 0 | 1 | 1,287 |
| VIC | 0 | 6,018 | 0 | 0 | 0 | 1,163 | 844 | 0 | 27 | 8,052 |
| NSW | 8,049 | 0 | 161 | 0 | 0 | 193 | 292 | 95 | 130 | 8,920 |
| QLD | 6,309 | 0 | 802 | 0 | 81 | 0 | 0 | 0 | 311 | 7,503 |

South Australian Wind Power Generation – July 2016







Industry Social Narrative

- A well resourced and funded campaign by green activists is underway with the objective of Stopping the Australian Coal industry.
- Our industry does great things for our country, our regions and our people, we have a great deal of which to be proud.
- We are just learning to tell our story and there is much more to do and all of us here in this room have a role to play.
- It is no longer enough for organisations such as the QRC, the MCA, or the NSW minerals council to carry the sole responsibility for telling our story.
- We have to learn how to empower our workforce and suppliers to play a more active role in communicating our industry's positive message.





Anna Meares in action on the track. Inset: with father Tony after her silver medal ride at the Beijing Olympics, and the poignant message to inspire her before winning gold at Athens

PIC HAMISH BLAIR



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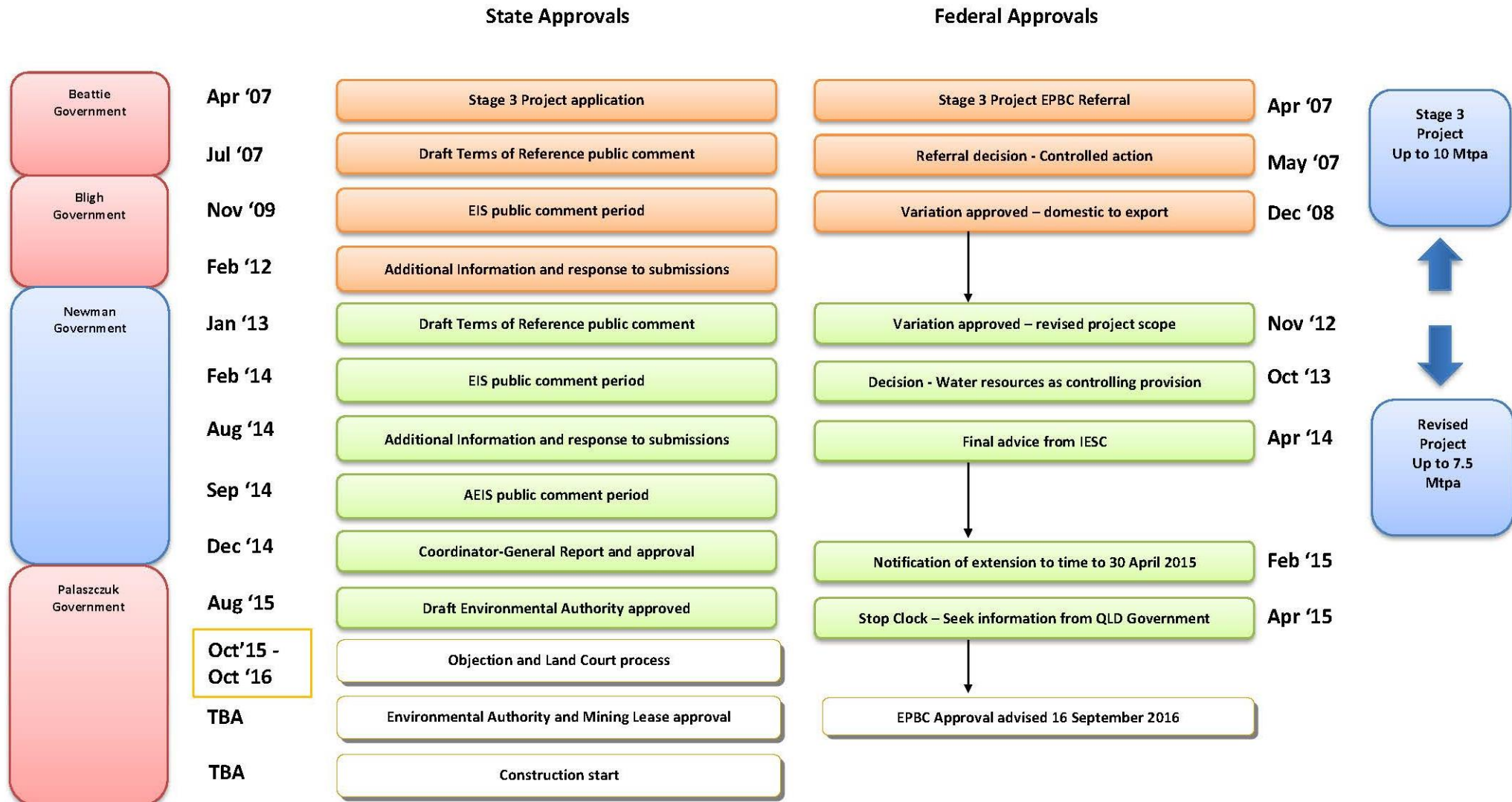
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Appendices



New Acland Mine

Stage 3 Approvals Process



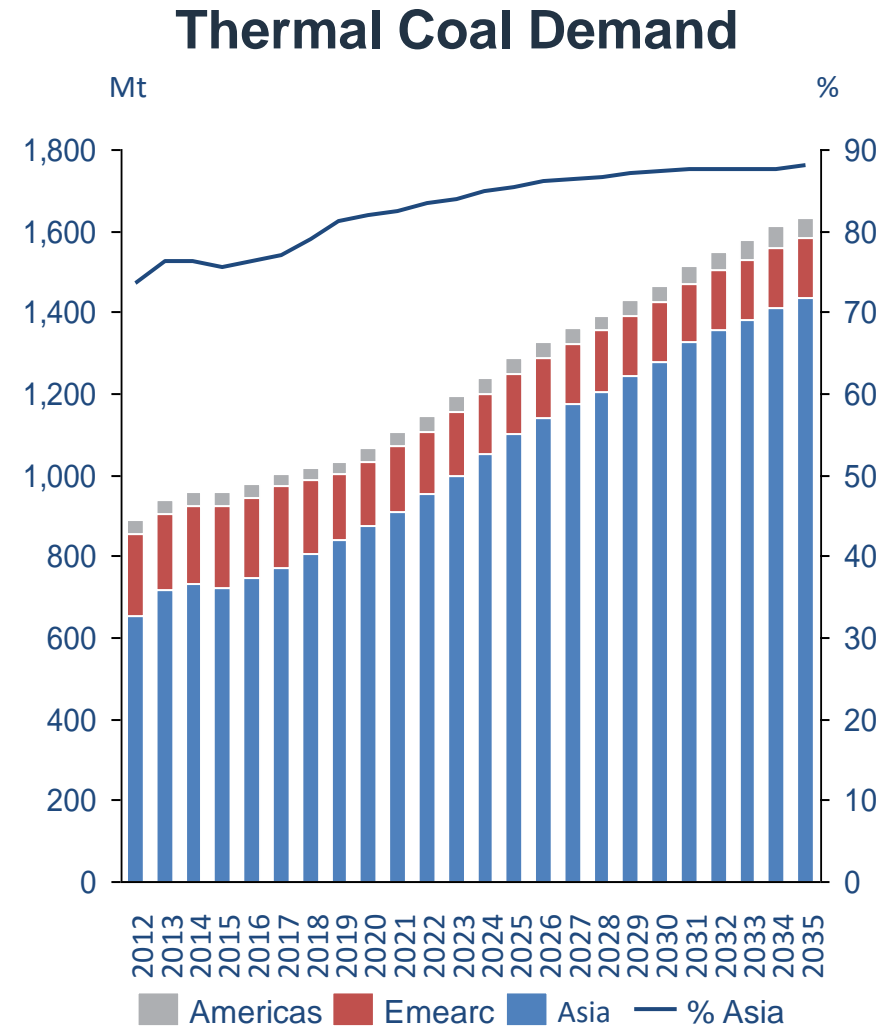
Newcastle Spot Thermal Coal Price



Coal Demand

Market Context

- China import demand declining, however high quality Australian thermal coal is still in demand
 - 1st Half 2015 China imports down 31% to 139Mt
 - 1st Half 2015 China imports from Australia down 20% to 22.8Mt
- India is expected to increase coal fired power generation by > 80% over the next 6 years
- India is adding > 5GW of annual coal fired power capacity each year for the foreseeable future
- Vietnam, Philippines and Korea are growing markets
 - Philippines to triple coal fired power demand over the next 5 years from 5.8GW to 18GW
- Coal is the preferred fuel for electricity in Asia due to both availability and economics – gas fuelled electricity generation is still more than twice the cost of coal fuelled electricity generation in Asia



SOURCE: Wood Mackenzie

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