New Hope and Malabar to combine through recommended scheme of arrangement

New Hope Corporation Limited (ASX: NHC) (**New Hope**) and Malabar Resources Limited (**Malabar**) have entered into a binding Scheme Implementation Deed (**SID**) under which New Hope has agreed to acquire all of the Malabar shares it does not already own by way of a scheme of arrangement (**Scheme**), bringing the two businesses together as a combined group (**Combined Group**).

Transaction Highlights

- The combination strengthens one of Australia's leading ASX-listed coal producers, with a pro forma market capitalisation of ~$6.3 billion, a substantial resource base and a clear pathway to approximately 19Mtpa of saleable production.
- Malabar shareholders will receive 0.500 New Hope ordinary shares for each Malabar share held, implying $2.92 per Malabar share based on New Hope's closing share price on 16 October 2026, and an equity value for 100% of Malabar of approximately $1.8 billion on a fully diluted basis.
- Existing New Hope shareholders to own approximately 79% of the Combined Group and Malabar shareholders (other than New Hope) will own approximately 21%. On a 100% basis, Malabar will represent approximately 29% of the Combined Group.
- The transaction is unanimously supported by the Boards of both New Hope and Malabar, with the Malabar Board unanimously recommending that Malabar shareholders vote in favour of the Scheme, subject to customary qualifications. Malabar is an unlisted public company.
- Malabar nominees Wayne Seabrook and Tony Haggarty will join the New Hope Board on implementation of the Scheme, providing continuity of expertise for the Maxwell Mine and supporting the Combined Group's growth plans.
- The transaction provides Malabar shareholders with liquid ASX-listed New Hope shares, while retaining meaningful exposure to the Maxwell Mine, the broader growth portfolio and multiple synergy opportunities.
- The transaction will provide New Hope shareholders with full ownership of the Maxwell Mine, which commenced longwall production in April 2026 and is targeting up to 5.5Mtpa of saleable production once the longwall is expanded, supported by long-dated approvals, existing infrastructure and adjoining resources that provide further growth options.
- The Scheme is expected to be implemented by March 2027, subject to Malabar shareholder, Court and regulatory approvals, and other customary conditions.
- New Hope and Malabar will host an investor and analyst webcast at 11:00am AEDT today. Webcast link as follows: https://ccmediaframe.com/?id=JPIR8u8k.

New Hope and Malabar to combine through recommended scheme of arrangement

Transaction Overview

New Hope Corporation Limited (ABN 38 010 653 844) (**ASX: NHC**) (**New Hope**) and Malabar Resources Limited (ABN 29 151 691 468) (**Malabar**) are pleased to announce that they have entered into a binding Scheme Implementation Deed (**SID**) under which it is proposed that New Hope will acquire all of the ordinary shares in Malabar not already held by New Hope by way of a court-approved scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (**Scheme**) (the **Transaction**). Following implementation, Malabar will become a wholly owned subsidiary of New Hope, with New Hope and its subsidiaries, including Malabar, forming a combined group (the **Combined Group**).

New Hope currently holds a relevant interest of approximately 26% in Malabar. Malabar, an unlisted public company, owns the Maxwell Underground Mine (the **Maxwell Mine**), a developing underground coal operation with long-dated approvals that commenced longwall production in April 2026. The Maxwell Mine is located near Muswellbrook in the Upper Hunter precinct, New South Wales, in close proximity to New Hope's Bengalla Mine.

Under the terms of the Scheme, Malabar shareholders, other than New Hope, will receive 0.500 New Hope ordinary shares[1] for each Malabar share (**Scheme Consideration**), equivalent to approximately 227.8 million New Hope shares. Following implementation, Malabar shareholders other than New Hope will hold approximately 21% of the Combined Group's shares on issue.[2]

Based on New Hope's last closing price on the ASX of $5.84 per share on 16 October 2026, the Scheme Consideration implies a value of $2.92 per Malabar share, an equity value for 100% of Malabar of approximately $1.8 billion on a fully diluted basis and an implied enterprise value of approximately $2.4 billion.[3,4]

The all-scrip structure preserves New Hope's strong balance sheet and its capacity to continue delivering shareholder returns.

Following implementation of the Scheme, the Combined Group will seek to optimise its capital structure, including leveraging its enhanced scale, credit profile and broader access to domestic and international capital markets to refinance Malabar's existing debt facilities, with the objective of reducing funding costs and creating value for all shareholders of the Combined Group.

Following implementation of the Scheme, Malabar nominees Wayne Seabrook and Tony Haggarty will join the Board of New Hope, bringing additional mining and management experience to the Board, and supporting continuity throughout integration and operations.

[1] Subject to adjustments for New Hope dividends, with specifics outlined in the SID and to be explained in the Scheme Booklet.
[2] Pro forma ownership calculated based on: New Hope ordinary shares outstanding of 844,185,577, Malabar fully diluted shares outstanding of 612,056,913 (comprising 602,251,614 ordinary shares and 9,805,299 performance rights), and New Hope's existing holding of 156,420,478 ordinary shares in Malabar.
[3] All dollar amounts in this announcement are Australian dollars unless otherwise stated.
[4] The implied value of the Scheme Consideration will vary depending on the market price of New Hope shares. Based on Malabar net debt of approximately $627 million as at 30 June 2026.

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New Hope Chief Executive Officer, Rob Bishop, said:

"This transaction provides a clear pathway to unlock the full value of the Maxwell Mine for both shareholder groups. For New Hope shareholders, this on-strategy transaction brings 100% of the Maxwell Mine into the New Hope portfolio, at compelling and accretive terms."

"The combination strengthens our production platform, enhances future growth opportunities and creates an opportunity to realise synergies in operations, logistics, financing, marketing and corporate functions. New Hope's operating capability and balance sheet, together with Malabar's project expertise, provide a strong foundation to develop the Maxwell Mine in a disciplined manner and pursue further regional growth."

"Furthermore, this transaction solidifies New Hope's position as a leading low-cost Australian producer of high-quality coal, and allows us to meet the broader needs of our customers, and deepen those existing relationships."

Malabar Executive Chairman, Wayne Seabrook, added:

"The Malabar Board believes the Scheme provides an attractive opportunity for Malabar shareholders. It recognises the value we have created in bringing Maxwell into longwall production, provides liquidity and allows shareholders to retain meaningful exposure to Maxwell's growth and the synergy potential of a larger, more diversified group."

"The Combined Group will have the scale, financial capacity and complementary capabilities to advance Maxwell, pursue broader opportunities in the Upper Hunter and create value for both shareholder groups, while preserving Malabar's underground mining capability and asset knowledge, with meaningful representation on the New Hope Board."

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Compelling Transaction Rationale:

- **Enhances the Combined Group's position as a premier coal producer,** underpinned by three high-quality assets well positioned in the first quartile of the cost curve at steady state production;[5]
- **Multiple opportunities to increase value**, relating to infrastructure, logistics, blending and marketing, procurement, and financing, with added future precinct opportunities across the Maxwell Mine, Bengalla and the combined land and tenement package;
- **Complementary capabilities,** combining Malabar's specialist underground mining expertise with New Hope's established open-cut operations, balance sheet and marketing platform to support the continued ramp-up and optimisation of the Maxwell Mine;
- **Improved capital markets platform,** with a larger market capitalisation and free float supporting liquidity and broader investor interest; and
- **Preserves balance sheet strength and financial flexibility,** with the Combined Group's expected free cash flow supporting an existing market-leading shareholder return profile.

Benefits of the Scheme for Malabar shareholders:

- **Recognises the value created at Malabar**, with the Scheme Consideration implying an equity value for 100% of Malabar of approximately $1.8 billion on a fully diluted basis, reflecting the progress made in bringing Maxwell Mine into longwall production, and the value of Malabar's operating platform, infrastructure interests and growth portfolio;
- **Retained exposure to Maxwell Mine and further upside**, through their individual shareholding in the Combined Group, and ability to share in realisation of multiple synergy opportunities;
- **Listed liquidity,** converting unlisted Malabar shares into liquid ASX-listed New Hope shares, providing the flexibility to retain an investment in the Combined Group or realise value over time;
- **Stronger platform to support Maxwell Mine's continued ramp-up and staged development**, via the Combined Group's operating cash flows and strengthened funding capacity;
- **Diversification**, through exposure to Bengalla and New Acland, both established Australian coal operations producing high-quality thermal coal with competitive operating costs;
- **Established dividend track record**, with New Hope having paid more than $2 billion in fully franked dividends since FY22; and
- **Potentially tax effective structure**, with eligible Malabar shareholders expected to be able to choose scrip for scrip capital gains tax rollover relief.[6]

Benefits of the Scheme for New Hope shareholders:

- **Full ownership** of an additional large-scale coal asset producing high-quality coal, with future growth potential;
- **Aligns with New Hope's stated strategy** of investing in low-cost, high-quality coal assets, with long life approvals;
- **Meaningful production and resource growth**, with Maxwell Mine expected to contribute up to 5.5Mtpa of saleable coal production following ramp-up; and
- **Expected to be accretive** to New Hope shareholders on valuation, and post Maxwell Mine ramp-up earnings and cash flow metrics.

[5] Total Cash Cost basis at steady state production – quality adjusted against gCNEWC6000 benchmark.
[6] Subject to individual circumstances. Shareholders should obtain independent tax advice.

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Overview of Malabar

Malabar is an unlisted public company that owns and operates the Maxwell Mine in the Upper Hunter Valley, New South Wales. It is located within close proximity of New Hope's existing Bengalla operations.

The Maxwell Mine is approved to extract up to 8 million tonnes of run-of-mine coal per year over 20 years. Mining operations comprise an underground bord and pillar operation mining the Whynot seam and an underground longwall operation targeting the Woodlands Hill, Arrowfield and Bowfield seams. First longwall coal at the Woodlands Hill seam was cut in April 2026 with targeted development and production ramp-up ongoing.

Malabar has reported estimated Coal Resources of 2,320Mt as at 28 February 2026, of which approximately 69% is classified within the Measured and Indicated categories.[7]

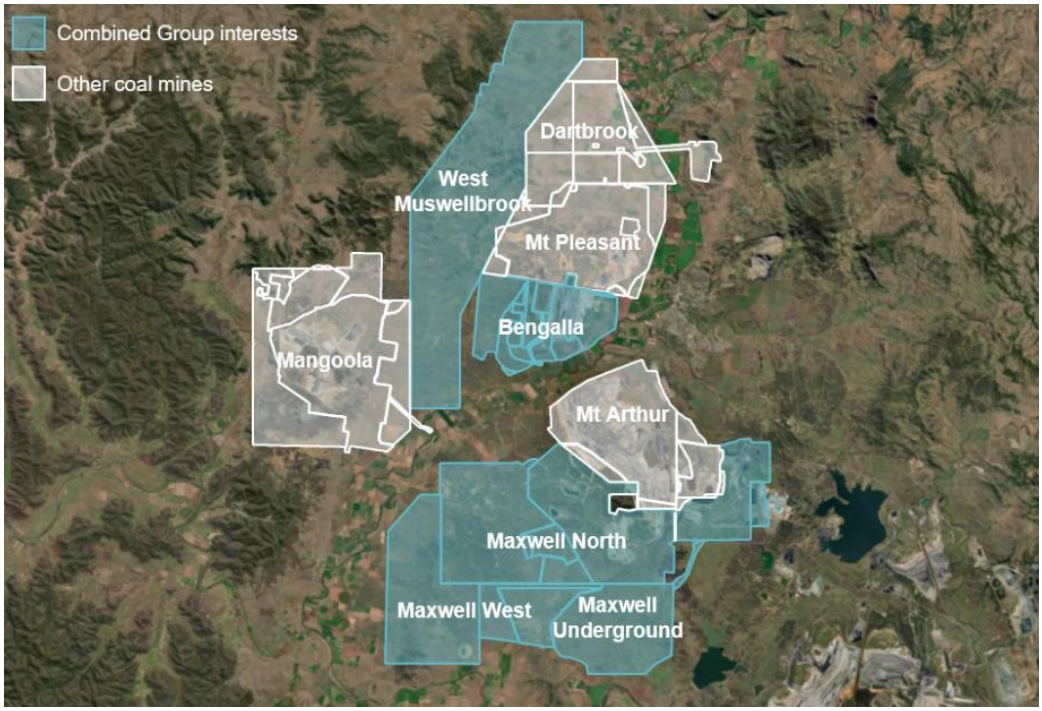
The Maxwell Mine infrastructure includes a coal handling and preparation plant (**CHPP**), a dedicated product stockpile facility, train load-out facility and rail loop connecting to the Hunter rail network and Port of Newcastle. Malabar also owns the Antiene Rail Spur and holds interests and board representation in Newcastle Coal Infrastructure Group (**NCIG**) and Port Waratah Coal Services (**PWCS**).

The Maxwell Mine longwall is being developed in three stages, with current nameplate saleable production of up to approximately 3.0Mtpa from a 145m face and up to 5.0Mtpa once expanded to a 300m face. In addition to longwall production, the Maxwell Mine includes production from the Whynot bord-and-pillar operation, supporting total targeted saleable production of up to 5.5Mtpa. The Maxwell Mine produces high-quality coal that can be either washed to a high specification thermal product or semi-soft coking coal, providing the Combined Group with material flexibility depending on market conditions and customer preferences.

Malabar's portfolio also includes the adjoining Maxwell North Extension and Maxwell West Extension resources, providing growth options beyond the current mine plan.

Further information on Malabar and the Maxwell Mine will be included in the Scheme Booklet.

Location of the Maxwell and Bengalla Mines within the Upper Hunter Valley region



[7] Malabar Annual Financial Report for the year ended 30 June 2026, released on 24 September 2026 and available at www.malabarresources.com.au.

New Hope and Malabar to combine through recommended scheme of arrangement

Malabar Board Recommendation

In reaching its recommendation, the Malabar Board considered the value recognised by the Scheme Consideration, the opportunity for Malabar shareholders to retain meaningful participation in the Maxwell Mine's growth and the Combined Group, the liquidity provided by ASX-listed New Hope shares and the governance arrangements agreed with New Hope.

The Malabar Board (other than Rob Bishop[8]) unanimously supports the Scheme and unanimously recommends that Malabar shareholders vote in favour of the Scheme, in the absence of a Superior Proposal (as defined in the SID) emerging and subject to an Independent Expert concluding (and continuing to conclude) in the Independent Expert's Report that the Scheme is in the best interests of Malabar shareholders (other than New Hope).

Subject to those same qualifications, each member of the Malabar Board intends to vote all Malabar shares held or controlled by them in favour of the Scheme. As at the date of this announcement, the Malabar directors (other than Rob Bishop) collectively have a relevant interest in 79,353,427 Malabar shares (including performance rights), comprising approximately 13% of the Malabar shares on issue (on a fully diluted basis).

Overview of the Scheme

If the Scheme is successful, New Hope will acquire all the ordinary shares in Malabar (not already held by New Hope) at an exchange ratio of 0.500 new New Hope shares for each Malabar share held on the record date for the Scheme.[1]

The Scheme is subject to certain limited conditions, including:

- an Independent Expert concluding (and continuing to conclude) in the Independent Expert's Report that the Scheme is in the best interests of Malabar shareholders (other than New Hope);
- satisfaction of customary conditions, including no material adverse change or prescribed events (as defined in the SID) occurring in respect of either New Hope or Malabar;
- approval by Malabar shareholders at a scheme meeting to vote on the Scheme (**Scheme Meeting**). For the Scheme to proceed, the resolution at the Scheme Meeting must be approved by at least 75% of all votes cast by Malabar shareholders and a majority by number of all Malabar shareholders present and voting (in person or by proxy) at the Scheme Meeting; and
- receipt of requisite court approvals, other customary regulatory approvals and Japan Fair Trade Commission approval.

The SID contains customary exclusivity obligations on Malabar, including "no shop", "no talk" and "no due diligence" restrictions (subject to customary exceptions to enable the Malabar Board to comply with their fiduciary and statutory duties), notification obligations and a matching right regime in the event any Superior Proposal is received by Malabar. The SID also details circumstances under which Malabar may be required to pay a break fee to New Hope and circumstances where New Hope may be required to pay Malabar a reverse break fee. The amount of the break fee and reverse break fee, should either become payable, is approximately $17 million.

New Hope's existing Malabar shares are excluded from the Scheme, will not receive Scheme Consideration and will not be voted at the Scheme Meeting.

A copy of the SID is appended to this announcement.

[8] Rob Bishop is a New Hope nominee and has not participated in Malabar Board deliberations on the Scheme.

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Indicative Timetable

Malabar shareholders do not need to take any action.

Malabar intends to dispatch a Scheme Booklet containing further information in relation to the Scheme to Malabar shareholders in accordance with the indicative timetable set out below.

Event	Indicative Timing
First Court Hearing	December 2026 / January 2027
Scheme Booklet dispatched to Malabar shareholders	December 2026 / January 2027
Scheme Meeting	January / February 2027
Second Court Hearing	February / March 2027
Effective Date	February / March 2027
Record Date	February / March 2027
Implementation Date	February / March 2027

Note: All dates are indicative only and subject to change, necessary approvals and court availability. New Hope and Malabar will keep the market informed of any material developments relating to the Scheme in accordance with their respective continuous disclosure obligations.

Advisers

Jarden and Pitt Capital Partners have been appointed as financial advisers and Johnson Winter Slattery as legal adviser to New Hope.

BofA Securities has been appointed as financial adviser and Allens as legal adviser to Malabar.

ENDS

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Investor and analyst teleconference

New Hope Chief Executive Officer, Rob Bishop, and Malabar Executive Chairman, Wayne Seabrook, will host a teleconference in relation to the Transaction, followed by a sell-side analyst Q&A session.

Date: 19 October 2026

Time: 11:00am AEDT

Webcast details: https://ccmediaframe.com/?id=JPIR8u8k

For more information, please contact:

New Hope Corporation

Robert Bishop	**Rebecca Rinaldi**	**Dominic O'Brien**
Chief Executive Officer	Chief Financial Officer	Executive General Manager & Company Secretary

P +61 7 3418 0500

E cosec@newhopegroup.com.au

Media: David McHugh, Clout PR & Content, +61 455 225 688

This ASX announcement was approved and authorised by the Board of New Hope Corporation.

Malabar Resources

Wayne Seabrook	**Paul Verner**
Executive Chairman	Chief Financial Officer

P +61 2 8248 1272

E company.secretary@malabarresources.com.au

Media: Kate Hallman, SEC Newgate, +61 413 946 704

The Malabar information in this announcement has been approved and authorised for release by the Board of Malabar Resources Limited.