Whitehaven Coal Mining Limited
and its controlled entities

31 December 2006
interim financial report

Contents

Whitehaven Coal Mining Limited and its controlled entities
Consolidated interim income statement
for the six months ended 31 December 2006

In thousands of AUD	31 Dec 2006
Revenue from sale of coal	41,499
Cost of sales	(23,028)
Gross profit	18,471
Other income	2,134
Selling and distribution expenses	(10,795)
Administrative expenses	(1,264)
Other expenses	(73)
Results from operating activities	8,473
Finance income	7,627
Finance expenses	(1,924)
Net finance income	5,703
Profit before income tax	14,176
Income tax expense	(4,254)
Profit for the period	9,922

The interim income statement is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 5 to 14.

Whitehaven Coal Mining Limited and its controlled entities
Consolidated interim statement of changes in equity
for the six months ended 31 December 2006

In thousands of AUD	Issued capital	Retained earnings	Total
Opening balance at 1 July 2006	31,000	22,254	53,254
Net profit for the period	-	9,922	9,922
Total recognised income and expense for the period	-	9,922	9,922
Dividends paid	-	-	-
Closing balance at 31 December 2006	31,000	32,176	63,176

The interim statement of changes in equity is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 5 to 14.

Whitehaven Coal Mining Limited and its controlled entities
Consolidated interim balance sheet
as at 31 December 2006

In thousands of AUD	*Note*	31 Dec 2006
Current assets		
Cash and cash equivalents		22,485
Trade and other receivables		13,838
Inventories		7,506
Deferred stripping		7,777
Other		3,395
Total current assets		55,001
Non-current assets		
Receivables		9,573
Biological assets		80
Investments		37
Property, plant and equipment		114,628
Exploration and evaluation		2,739
Other		3,488
Total non-current assets		130,545
Total assets		185,546
Current liabilities		
Trade and other payables		22,781
Interest bearing loans and borrowings	5	9,893
Employee benefits		1,265
Income tax payable		1,021
Total current liabilities		34,960
Non-current liabilities		
Payables		23,733
Interest bearing loans and borrowings	5	43,845
Deferred tax liabilities		15,676
Provisions		4,156
Total non-current liabilities		87,410
Total liabilities		122,370
Net assets		63,176
Equity		
Issued capital		31,000
Retained earnings		32,176
Total equity		63,176

The interim balance sheet is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 5 to 14.

Whitehaven Coal Mining Limited and its controlled entities
Consolidated interim statement of cash flows
for the six months ended 31 December 2006

In thousands of AUD	31 Dec 2006
Cash flows from operating activities	
Cash receipts from customers	41,201
Cash paid to suppliers and employees	(40,419)
Cash generated from operations	782
Interest paid	(768)
Income taxes paid	(1,000)
Net cash used in operating activities	(986)
Cash flows from investing activities	
Proceeds from sale of property, plant and equipment	-
Acquisition of property, plant and equipment	(36,856)
Exploration and evaluation expenditure	(859)
Loans to related entities	(4,571)
Net cash used in investing activities	(42,286)
Cash flows from financing activities	
Proceeds from the issuance of borrowings	67,855
Repayment of borrowings	(3,854)
Net cash from financing activities	64,001
Net increase in cash and cash equivalents	20,729
Cash and cash equivalents at 1 July	1,756
Cash and cash equivalents at 31 December	22,485

The interim statement of cash flows is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 5 to 14.

Whitehaven Coal Mining Limited
Condensed notes to the consolidated interim financial report for the six months ended 31 December 2006

1 Reporting entity

Whitehaven Coal Mining Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2006 comprises the Company and its subsidiaries (together referred to as the "consolidated entity") and the consolidated entity's interests in jointly controlled entities.

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2006 is available upon request from the Company's registered office at 895 Ann Street, Brisbane Qld 4000.

2 Statement of compliance

The condensed consolidated interim financial report is a special purpose financial report that has been prepared for distribution to members. The special purpose financial report has been prepared in accordance with the requirements of the recognition and measurement aspects of all applicable Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB") and other authoritative pronouncements of the AASB that have a material effect.

The financial report does not include the disclosure requirements of the following pronouncements having a material effect: AASB 134 *Interim Financial Reporting* (requirements for comparative reporting). The consolidated interim financial report does not comply with International Financial Reporting Standards ("IFRS") as it does not comply with certain disclosure requirements required under IAS 34 *Interim Financial Reporting.*

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2006.

This consolidated interim financial report was approved by the Board of Directors on 28 March 2007.

Amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated. As this is a special purpose financial report and the first interim report prepared by the consolidated entity, no comparative information is presented.

3 Significant accounting policies

(a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exits when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

Joint ventures

Joint ventures are those entities over whose activities the consolidated entity has joint control, established by contractual agreement.

Jointly controlled operations

The interest of the Company and of the consolidated entity in unincorporated joint ventures are brought to account by recognising in its financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

3 Significant accounting policies (cont'd)

(b) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(c) Derivative financial instruments

The consolidated entity is exposed to changes in foreign exchange rates from its activities. The consolidated entity uses the following derivative financial instruments to hedge these risks: foreign currency options. Derivative financial instruments are not held or used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are initially recognised at fair value. Subsequent to initial recognition, derivative financial instruments are stated at their fair value, with the gain or loss on re-measurement to fair value recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of foreign currency options is the estimated amount the consolidated entity would pay or receive to terminate the derivative at the balance sheet date, taking into account quoted market rates and the current creditworthiness of the counterparties.

(d) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased assets

Leases in terms of which the consolidated entity assumes substantially all the risks and rewards of ownership are classified as finance leases.

Subsequent costs

The consolidated entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Depreciation

With the exception of freehold land, depreciation is charged to the income statement on a straight-line basis or units of production over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Mining property and development assets are depreciated on a units of production basis over the life of the economically recoverable reserves.

3 Significant accounting policies (cont'd)

(d) Property, plant and equipment (cont'd)

Depreciation (cont'd)

The depreciation rates used in the current and comparative periods are as follows:

- plant and equipment 2 – 20%
- leased plant and equipment 11 – 14%
- mining property and development assets units of production

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

(e) Biological assets

Biological assets are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the income statement. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market.

As the fair value of the asset is based on its present location and condition, the costs necessary to get the assets to market is deducted from the market price in order to determine its fair value.

The fair value of livestock held for sale is based on the market price of livestock of similar age, breed and genetic merit.

(f) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Biological assets related to agricultural activity are measured at fair value less cost to sell.

The cost of mining inventories is determined using a weighted average basis. Cost includes direct material, overburden removal, mining, processing, labour, related transportation costs to the point of sale, mine rehabilitation costs incurred in the extraction process and other fixed and variable overhead costs directly related to mining activities.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(i) Impairment

The carrying amounts of the consolidated entity's assets, other than biological assets, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

3 Significant accounting policies (cont'd)

(i) Impairment (cont'd)

Calculation of recoverable amount

The recoverable amount of the consolidated entity's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance sheet date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Share capital

Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

(k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(l) Employee benefits

Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

3 Significant accounting policies (cont'd)

(l) Employee benefits (cont'd)

Long-term service benefits

The consolidated entity's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the consolidated entity's obligations.

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(m) Provisions

A provision is recognised in the balance sheet when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions are made for the estimated cost of rehabilitation relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. Provision has been made in full for all disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cashflows. The estimated cost of rehabilitation includes the current cost of recontouring, topsoiling and revegetation employing legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

Significant uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of changes in environmental legislation. The amount of the provision relating to rehabilitation of mine infrastructure and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time. The provision is recognised as a non-current liability with a corresponding asset included in mining property and development assets.

At each reporting date the rehabilitation liability is re-measured in line with changes in discount rates, and timing or amount of the costs to be incurred. Changes in the liability relating to rehabilitation of mine infrastructure and dismantling obligations are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as a finance cost in the income statement as it occurs.

If the change in the liability results in a decrease in the liability that exceeds the carrying amount of the asset, the asset is written-down to nil and the excess is recognised immediately in the income statement. If the change in the liability results in an addition to the cost of the asset, the recoverability of the new carrying amount is considered. Where there is an indication that the new carrying amount is not fully recoverable, an impairment test is performed with the write-down recognised in the income statement in the period in which it occurs.

The amount of the provision relating to rehabilitation of environmental disturbance caused by on-going production and extraction activities is recognised in the income statement as incurred. Changes in the liability are charged to the income statement as rehabilitation expense, other than the unwinding of the discount which is recognised as a finance cost.

3 Significant accounting policies (cont'd)

(n) Trade and other payables

Trade and other payables are stated at their amortised cost.

Trade payables are non-interest bearing and are normally settled on 60-day terms.

(o) Revenue

Revenue from the sale of coal is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

(p) Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on derivatives not qualifying for hedge accounting. Borrowing costs are expensed as incurred and included in net financing costs.

Interest income is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established which in the case of quoted securities is ex-dividend date. The interest expense component of finance lease payments is recognised in the income statement using the effective interest method.

(q) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Whitehaven Coal Mining Limited.

3 Significant accounting policies (cont'd)

(q) Income tax (cont'd)

Tax consolidation (cont'd)

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable (payable) equal in amount to the tax liability (asset) assumed. The inter-entity receivable (payable) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(r) Segment reporting

A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(s) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

3 Significant accounting policies (cont'd)

(t) Deferred stripping costs

Expenditure incurred to remove overburden or waste material during the production phase of a mining operation is deferred to the extent it gives rise to future economic benefits and charged to operating costs on a units of production basis using the estimated average stripping ratio for the area being mined. Changes in estimates of average stripping ratios are accounted for prospectively.

For the purposes of assessing impairment, deferred stripping costs are grouped with other assets of the relevant cash generating unit.

(u) Exploration and evaluation assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity related. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and development.

4 Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2006.

5 Interest bearing liabilities

The following interest bearing liabilities were issued and repaid during the six months ended 31 December 2006:

In thousands of AUD	Carrying amount
Balance at 1 July 2006	25,594
New issues	
Finance lease liabilities, net increase	30,424
Repayments	
Secured bank loan	(2,280)
Balance at 31 December 2006	53,738

6 Contingencies

There were no significant contingences at 31 December 2006.

7 Subsequent events

Subsequent to 31 December 2006, the Company lodged an application to change its status from a proprietary company to an unlisted public company. This application was approved in February 2007 and accordingly, the Company changed its name from Whitehaven Coal Mining Pty Limited to Whitehaven Coal Mining Limited. There is no impact ton the financial statements for the six months ended 31 December 2006.

Other than the matter described above, there has not arisen since the end of the financial period any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial years.

Directors' declaration

In the opinion of the Directors of Whitehaven Coal Mining Limited:

a) the financial statements and notes, set out on pages 1 to 13, are drawn up in accordance with the basis of accounting described in Notes 1 to 4, applicable Australian Accounting Standards and other mandatory reporting requirements, so as to present fairly the financial position of the consolidated entity as at 31 December 2006 and its performance, as represented by the results of its operations and its cash flows, for the six months ended on that date; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Brisbane this 29 day of March 2007.

Signed in accordance with a resolution of the Directors.

Leigh Whitton
Director

KPMG

Independent auditor's review report to the members of Whitehaven Coal Mining Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Whitehaven Coal Mining Limited being a special purpose financial report which comprises the consolidated interim balance sheet as at 31 December 2006, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of significant accounting policies, and other selected explanatory notes 1 to 7 of the consolidated entity comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the interim financial report and have determined that the accounting polices used and described in Notes 1 to 4 to the financial statements are appropriate to meet the needs of the members. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report does not present fairly the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date. As auditor of Whitehaven Coal Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Whitehaven Coal Mining Limited is not properly drawn up so as to present fairly the consolidated entity's financial position as at 31 December 2006 and its performance for the six month period ended on that date, in accordance with the basis of accounting described in Notes 1 to 4 to the financial statements.

KPMG

KPMG

Simon Crane
Partner

Brisbane
29 March 2007