



WHITEHAVEN COAL

ASX ANNOUNCEMENT

17 DECEMBER 2014

COAL RAILINGS COMMENCE AT MAULES CREEK

Whitehaven Coal Limited (ASX: WHC) is pleased to announce that coal railings from Maules Creek have commenced less than a year since construction of the project first started. Following a test train earlier this week the first train with coal will leave the mine site for the port at Newcastle approximately three months ahead of the original schedule.

Marking the milestone, Paul Flynn, Whitehaven Coal Managing Director and CEO, today said: "The riling of the first coal from Maules Creek is a significant achievement for Whitehaven Coal. Riling first coal less than a year from when construction started is a fantastic outcome and I congratulate all those involved in this very successful project.

"Maules Creek is already having a substantial positive economic impact on local towns, the region more broadly and the state as a whole. During construction, the project has provided employment for up to 600 full time equivalents and contractors. Once fully operational, the mine will employ around 450 full time workers. Most of these workers will be hired from the local Gunnedah / Narrabri region ensuring the mine has a significant positive impact on local families and towns for many years to come. In addition, residents of New South Wales will benefit significantly from the royalties paid that will be used by the State Government to provide important essential services throughout NSW."

Maules Creek Update

Whitehaven expects Maules Creek to produce about 2.5Mt of ROM coal (100% basis) in the period up to 30 June 2015. It is likely that Maules Creek will be declared fully commercial from 1 July 2015. In the first full year of operations the mine is expected to produce approximately 6.0Mt of ROM coal.

Whitehaven remains highly confident that the project will come in below the original budget estimate of \$767 million (100% basis).

Major construction components which remain in progress include the erection of the coal handling preparation plant (CHPP), provision of permanent power, product coal stockyards and workshops. The CHPP is due to be completed before the end of May 2015 and at that time it is expected to be the last of the major infrastructure components to be completed.

Operational Update

Since mining commenced, the operations team has reviewed our earlier operating assumptions, mine plans and operating cost estimates. Optimisation of the mine plans together with early operating experience of the ultra-class equipment has led to improvements over the previous feasibility study assumptions. Key changes to date include:

- An expected strip ratio during the first five years of the mine of 5.8:1.
- Operating costs for FY2016 are estimated to be A\$62/t (excluding royalties) while costs for the first five years of mine life are expected to be in the range of A\$63/t to A\$64/t as the metallurgical coal proportion increases.

Orders for the ultra-class equipment needed to expand production to 8.5Mtpa ROM coal have been placed and their delivery is expected in late 2015. Financing for the expansion has been sourced on terms similar to the initial fleet.



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As owner operator at Maules Creek, Whitehaven began to recruit employees in early July for the mining activity. The response from those seeking jobs at the mine was overwhelming with a mix of both experienced operators and new people to the industry recruited to site. As more equipment comes to the mine and production ramps up beyond 6.0Mtpa then more employees will be needed. It is pleasing to report that the workforce at Maules Creek includes 10% aboriginal employees – Whitehaven met its self-imposed goal for aboriginal employment in its first round of recruitment. It is expected that aboriginal employee numbers will continue to grow as Whitehaven expands Maules Creek production.

Whitehaven remains focused on ensuring that it remains a low cost producer of metallurgical coal and a producer of high quality thermal coal. The sales mix profile for the mine remains unchanged from previous guidance with about 10% to 15% of sales expected to be metallurgical coal in FY2016. Sales of metallurgical coal are forecast to increase by about 10% per year until production reaches a 50:50 split between thermal coal and metallurgical coal. If demand for Maules Creek metallurgical coal products exceeds current expectations, the mine is capable of increasing production to meet the demand.



Train loading coal at TLO

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