



Whitehaven Coal Limited First Half Results FY2015

Achieving a major milestone

Sydney, Australia
30 January 2015



WHITEHAVEN COAL

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All dollars in the presentation are Australian dollars unless otherwise noted.

Agenda



Achievements

Safety

Coal Outlook - IEA

Summary Financials

Sales & Production

Operations

Community Contribution

Conclusion

Appendices

Key first half achievements



Improved safety performance across all assets

Record saleable coal production and sales

Railed first coal from Maules three months ahead of schedule

Maules Creek construction 87% complete

Successfully completed the third longwall changeout at Narrabri and recommenced mining

Cost focus continued with further reductions in the half

Cash margin funding current operational requirements

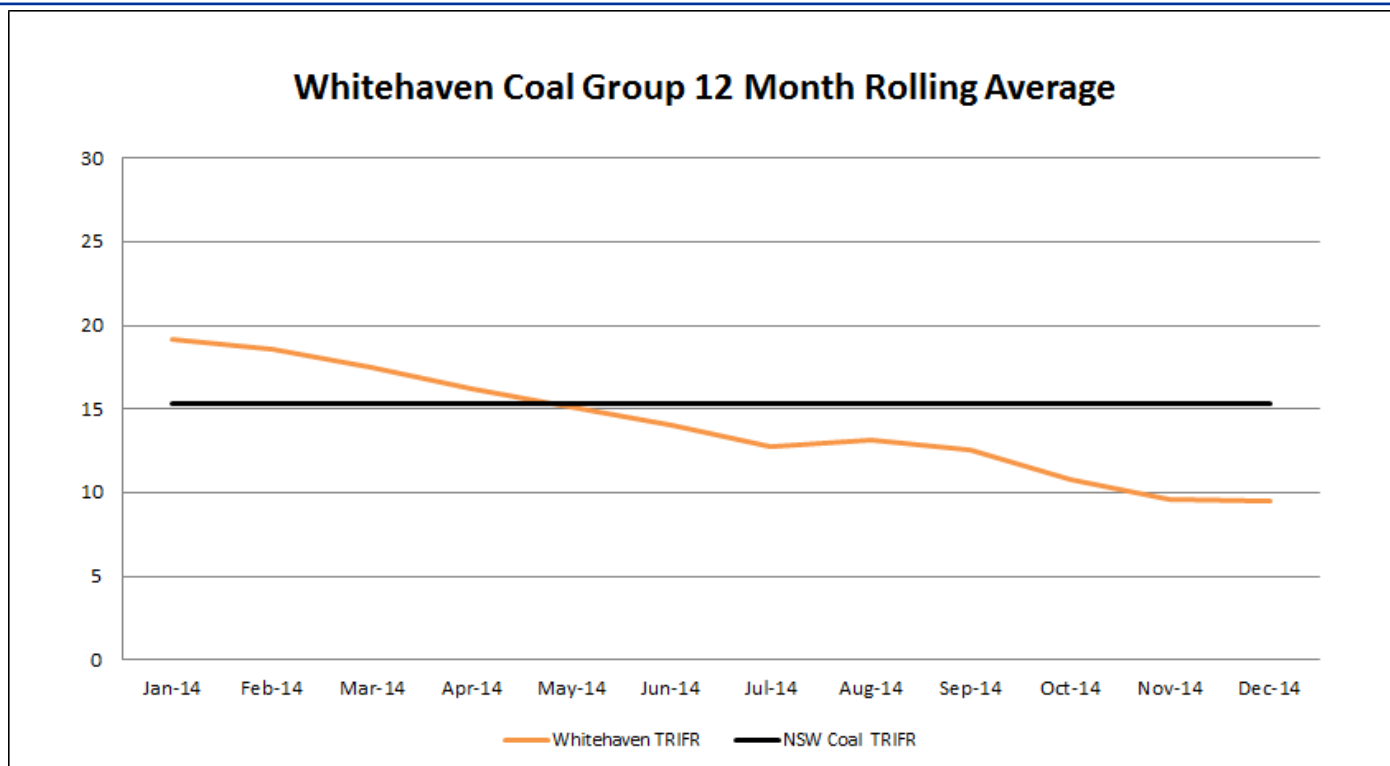
First coal railed from Maules ahead of schedule

Safety performance



Introduction of Whitehaven's "Safehaven Rules" in early 2014 is delivering improved safety performance confirmed by the significant decline in the TRIFR across the Group

Achieved TRIFR rate of 9.49 below the NSW average of 15.35



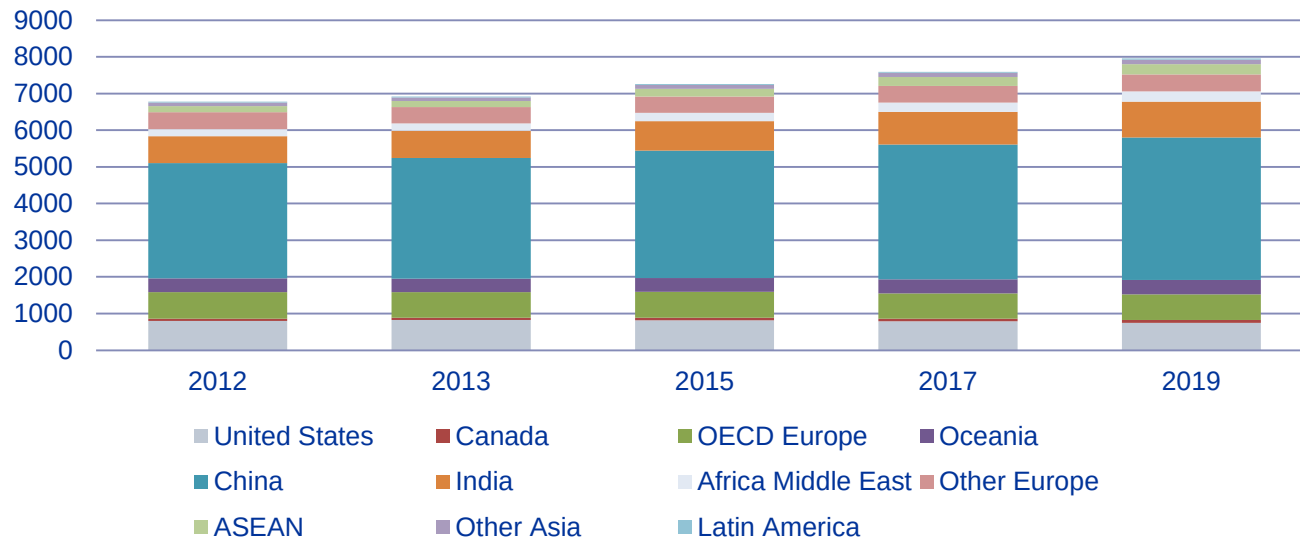
Note: Data includes WHC employees and contractors at all mine sites, Gunnedah CHPP and Corporate office. TRIFR refers to total recordable injury frequency rate.

Safety performance continues to improve

IEA forecasts – Thermal coal



Global Thermal Coal Demand (Mt)

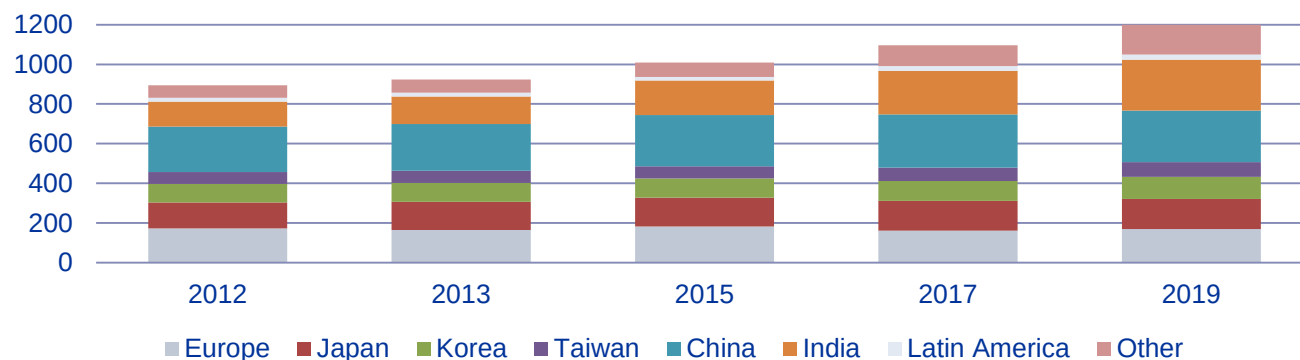


Global thermal coal demand is expected to grow from 6.8Bt in 2012 to 8.0Bt in 2019 a growth rate of 2.4%

Seaborne thermal coal demand is expected to grow from 895Mt in 2012 to 1201Mt in 2019 a growth rate of 4.5%

The growth rate in demand from the Asian region (Whitehaven's market) is forecast to be significantly higher than the average

Global Seaborne Thermal Coal Imports (Mt)



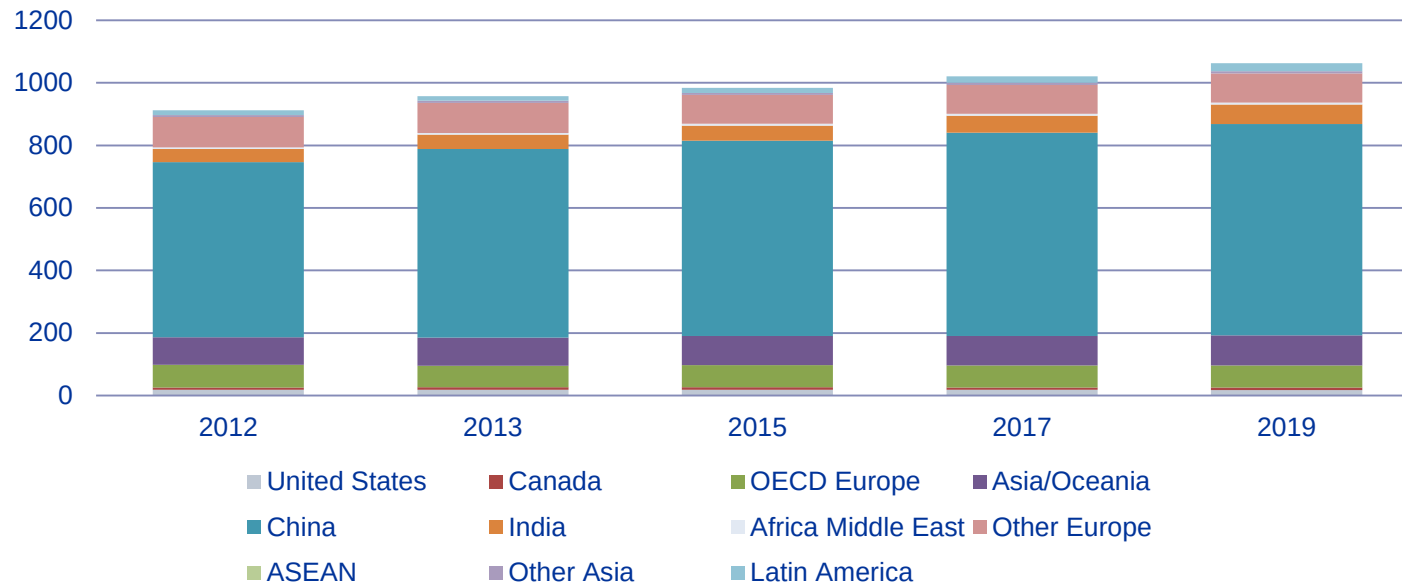
Source: International Energy Agency's Medium-Term Market Report 2014

Stronger growth in seaborne demand

IEA forecasts – Met coal



Global Metallurgical Coal Demand (Mt)

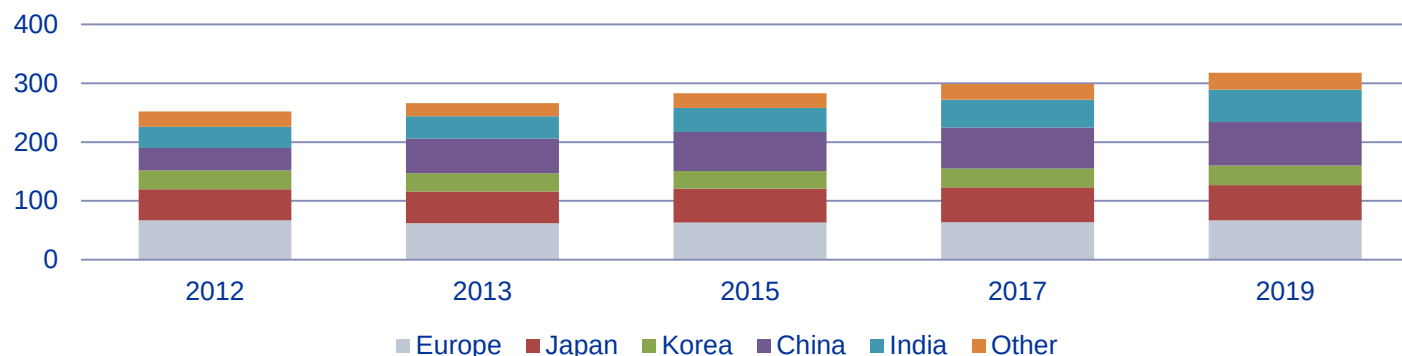


Global metallurgical coal demand is forecast to grow by 116Mt over the period, a growth rate of 1.5%

Demand in the seaborne market is expected to grow by 64Mt over the period representing a growth rate of 3.1%

China, India and other regions are the biggest growth markets and appropriately Whitehaven's target market for metallurgical coal sales

Global Seaborne Met Coal Imports (Mt)



Source: International Energy Agency's Medium-Term Market Report 2014

Met coal demand continues to grow

Financial highlights



Headlines	H1 FY2015	H1 FY2014	Comment
EBITDA before significant items (\$'m)	52.1	55.0	Lower average coal price offset by higher sales volume and reduced costs
EBITDA including significant items (\$'m)	(39.4)	51.1	Impacted by impairment of MRRT goodwill following repeal of the MRRT by Australian Government
Operating cash flow (\$'m)	54.1	78.3	Operating cash flow in line with first half FY2015 EBITDA
Average unit cost per tonne excl. significant items (\$ / tonne)	63	71	Significant improvement due to increased production and cost savings at each mine and across entire supply chain
Balance Sheet	Dec 2014	June 2014	
Net debt (\$'m)	887.4	685.2	The increase reflects senior facility drawings of \$225m to fund Maules Creek cash construction costs
Gearing (%)	22%	18%	Gearing remains modest

Sound underlying fundamentals positions Whitehaven for growth

First Half profitability



Financial Performance - A\$ millions	H1 FY2015	H1 FY2014
Revenue	371.8	405.5
Other income	7.4	6.6
Operating expenses	(186.9)	(192.6)
Coal purchases	-	(20.2)
Selling and distribution expenses (including NSW Govt. royalties)	(129.2)	(131.0)
Admin and other expenses (including net FX gain/loss)	(11.0)	(13.3)
Operating EBITDA before significant items	52.1	55.0
Loss on fixed asset disposals	-	(0.1)
Depreciation & amortisation	(46.4)	(39.3)
Net interest and financing costs	(15.3)	(22.3)
Other net financial expense	(8.1)	(5.4)
Income tax benefit	5.3	3.2
Net loss after tax, before significant items	(12.4)	(8.9)
Significant items after tax	(65.5)	(2.7)
Net loss	(77.9)	(11.6)
Earnings per share (cents per share - diluted)	(7.9)	(1.2)

Note: See Appendix for full reconciliations and details of the significant items

Operating EBITDA maintained in difficult coal price environment

Costs continue to be driven down



		H1 FY2015	H2 FY2014	H1 FY2014 ⁽¹⁾
Coal Sales (equity basis, excl. purchased coal)	'000t	4,713	3,913	4,302
Average revenue (excl. purchased coal & net of NSW royalties)	\$A/t	73	77	81
Average cost of sales (excludes significant items)	\$A/t	63	67	71
EBITDA Margin on Coal Sales	\$A/t	10	10	10
EBITDA Margin on Coal Sales	%	14%	13%	13%
Unutilised Take or Pay charges for port and rail included above	\$A/t	1	2	2
Average cost of sales (excludes significant items and Take or Pay)	\$A/t	62	65	69

Note 1: H1 FY 2014 adjusted to reflect presentation of Narrabri mains amortisation costs in the amortisation line (i.e. excluded from mining costs)

Average revenue per tonne was lower with the reduction in coal prices only partly offset by a weakening of the AUD

Fully absorbed unit costs fell by 11% from the previous corresponding half, driven by increased production and cost efficiencies throughout the supply chain

Management's continued focus on cost efficiencies has been fundamental to the improvement in EBITDA margins during the year

Further cost reductions are expected

Whitehaven's costs are positioned in the lowest quartile of the cost curve

Established record of delivering sustainable cost reduction

Capital allocation



Capital Investment (equity share) - \$ Million	H1 FY2015	H1 FY2014
Mine Capital		
Open Cuts Sustaining	3.2	5.1
Narrabri Mains Development	18.4	7.1
Narrabri Sustaining	2.3	2.5
Total Capital	23.9	14.7
Sustaining Capex per saleable tonne		
Open Cuts	\$1	\$3
Narrabri	\$1	\$1
Expansion and Other Capital Investment		
Maules Creek	170.9	50.8
Werris Creek Expansion	-	33.6
Operating Mine Projects	-	0.4
Exploration Projects	0.3	1.7
Land & Other	6.8	10.5
Total Expansion and Other Capex	178.0	97.0
Total Capital Investment	201.9	111.8

Change to H1 2014

Mine capex

Main roads development used over the LOM, increased in the first half for operational reasons, consistent with plan

Sustaining capex at the mines has been maintained at minimum levels without compromising production

Sustaining capex continues to be funded by operating cash flows

Expansion capex

Expansion capex related almost exclusively to the Maules Creek project during the first half

Expansion capex during the period was funded by corporate facility drawings

Balance of Whitehaven's share of Maules Creek capex to be funded by corporate facility

Sustaining capex funded by operating cash flow

Balance sheet and capital management



	31 Dec 2014 \$'m	30 Jun 2014 \$'m
Cash on hand	111.6	103.2
Senior secured bank facilities	850.0	625.0
ECA and finance leases	149.0	163.4
Total interest bearing liabilities	999.0	788.4
Net debt	887.4	685.2
Net assets	3,118.1	3,206.5
Gearing ratio	22%	18%
Undrawn facilities	200.0	375.0

Increase in interest bearing liabilities comprised drawings from the corporate debt facility to fund Maules Creek development

\$200 million undrawn capacity within the corporate debt facilities remained at 31 December 2014

Facilities & cash flow available to fund Maules Creek construction

Financing – current and future



Current Facility

Current \$1.25b facilities are a combination of term loan, revolver and guarantee facilities

Existing major facility matures in December 2016

Aim to arrange flexible debt structure – longer tenor and appropriate covenants

Operations performing strongly

Supporting criteria

- First coal from Maules Creek three months ahead of schedule and operating at 6.0Mtpa from March
- Expansion to 8.5Mtpa approved with equipment sourced
- Strong cash flow from two Tier One assets
- Whitehaven's operations are performing well
- Banking and finance markets have strong liquidity

Appetite

Range of banks 'pitching' for the opportunity with opportunities in both the US and Australia

Current banking syndicate very supportive of the company

Timing

Expect resolution in the current half year

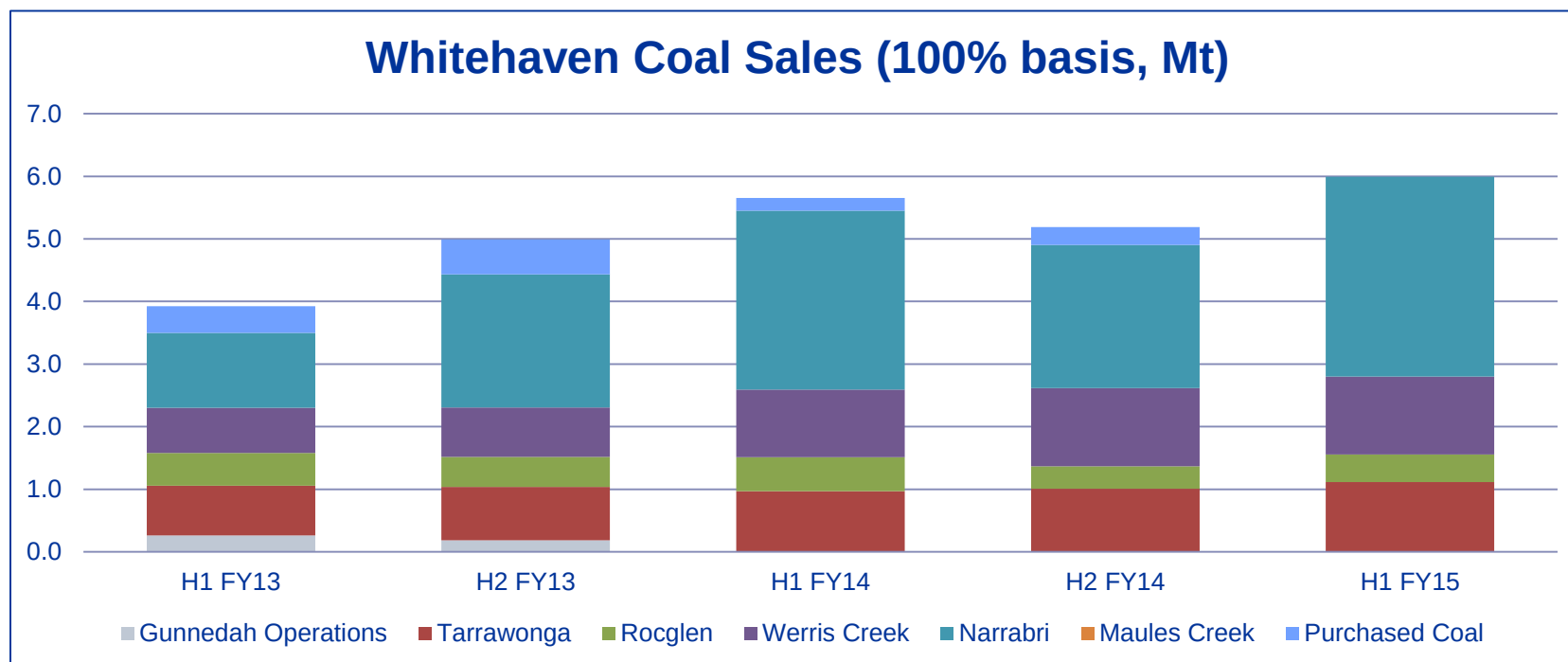
Options and time available to fund business

Coal sales



Equity sales increased to 4.7Mt and managed sales of 6.0Mt despite six week Narrabri longwall changeout

Equity Basis – 000t	H1 FY2015	H1 FY2014	Change
Open Cuts (including purchased coal)	2,476	2,505	(1%)
Narrabri	2,237	2,001	12%
Whitehaven Total	4,713	4,506	5%



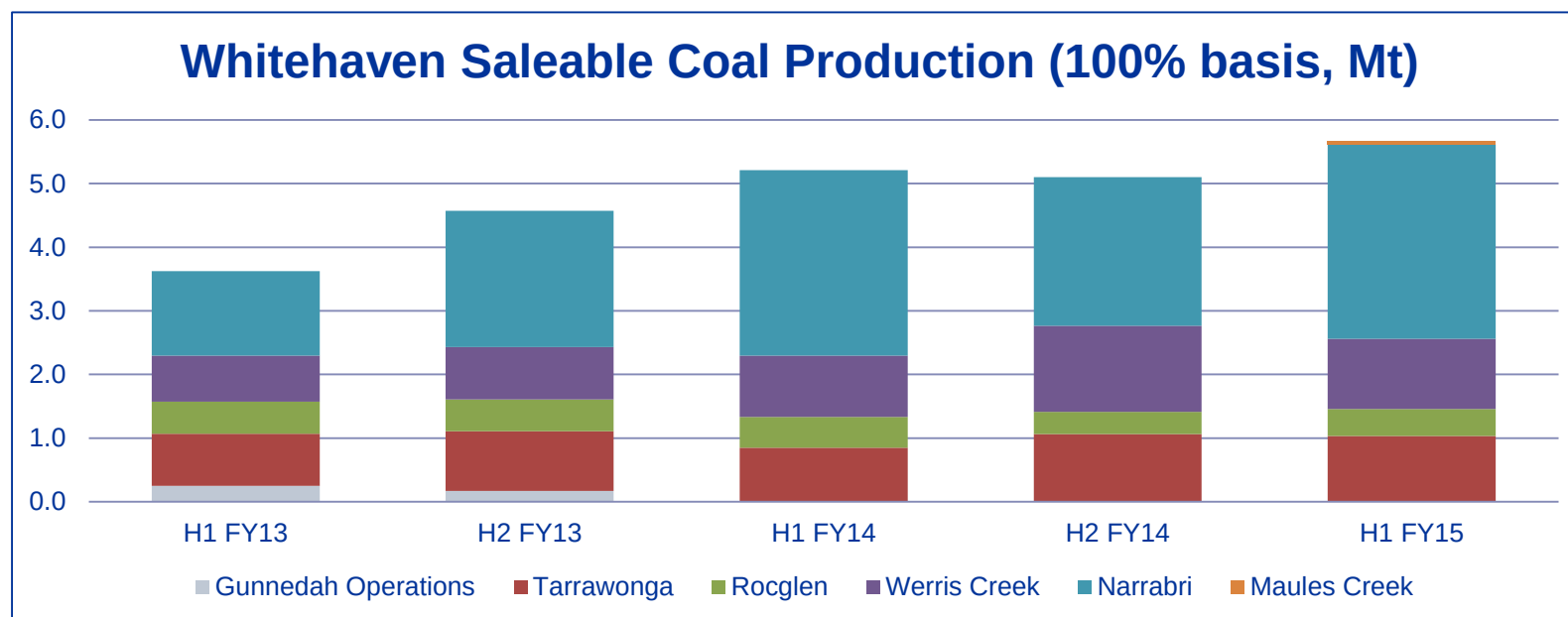
Record sales for the half year

Saleable coal production – new record



First production from Maules Creek (pre-commercial), Narrabri production impacted by a six week longwall changeout in the half

Managed Basis – 000t	H1 FY2015	H1 FY2014	Change
Open Cuts	2,563	2,296	12%
Maules Creek	54	-	n/a
Narrabri	3,052	2,913	5%
Whitehaven Total	5,669	5,209	9%



First production from Maules Creek

Maules Creek construction 87% complete

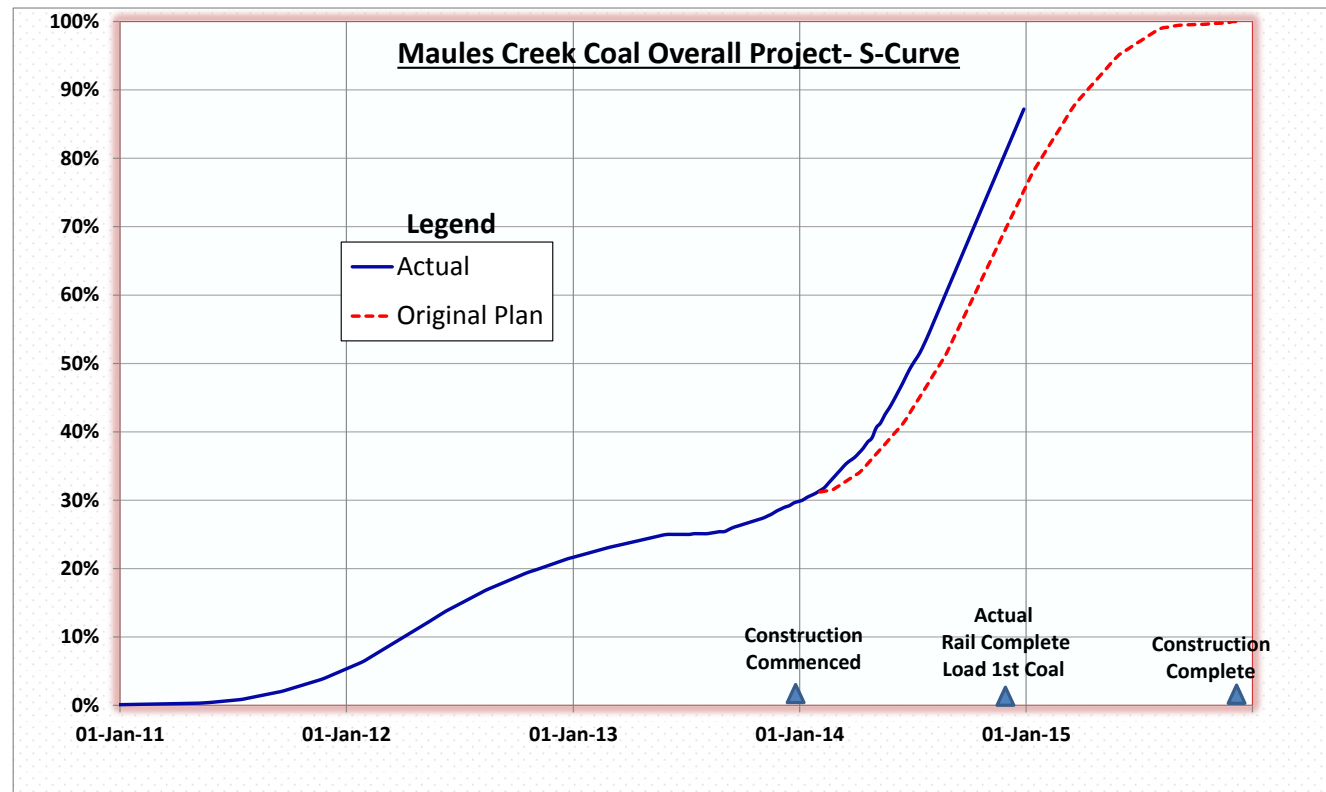


First coal railed in mid-December following the completion of the rail line and by-pass circuit

With the project is running several months ahead of schedule total capex is expected to be about \$25 million lower than the original estimate of \$767 million

Revenue from coal sales net of costs will be credited to the total capex until the project is declared commercial

Area	Contractor	Overall % Complete at End December 2014
Rail and Access Road	Leighton	96%
Bulk Earthworks	Ditchfield	85%
CHPP Design, Supply	Sedgman	100%
CHPP Erect	Downer	65%
Water Supply	Stripes	100%
Power Supply 132kV	Transgrid	80%
Mine Infrastructure (Temp)	Various	100%



First coal railed three months ahead of schedule

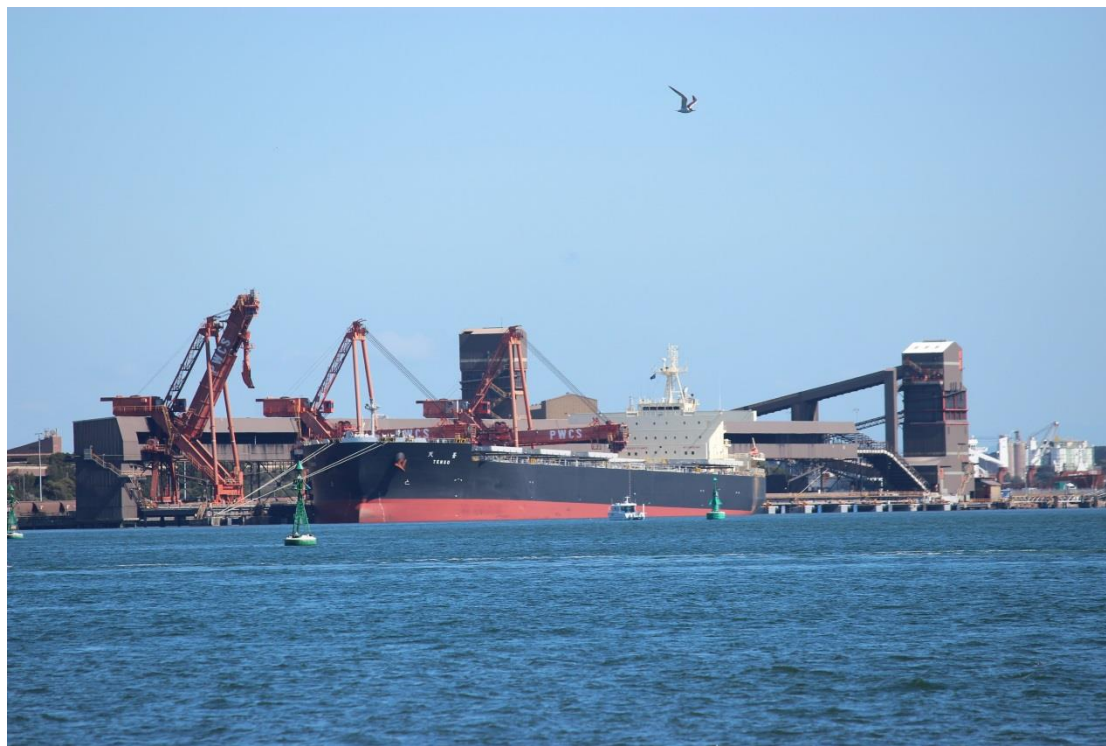
Maules Creek railing commences



Pre-commercial coal mining and railing began in mid-December, three months ahead of schedule

9 trains dispatched to Newcastle in December and first shipment in early January

Coal railings to progressively increase and will average about one per day in January



Major milestone achieved early

Maules Creek mining progress



Coal mining began in the Braymont and Onavale seams which contain high quality, low ash coal

An additional excavator and trucks are being assembled and will increase the installed mining capacity to 6.0Mtpa from mid-March

Completion of the construction components of the project – CHPP and reclaim equipment, likely by May followed by the testing and acceptance period



Mining rate ramping up to 6.0Mtpa

Maules Creek progress



Initial coal sales from Maules Creek will be thermal coal priced with reference to SCOTA index pricing plus an energy adjustment. A significant portion of the first year's production is already committed to sales

Metallurgical coal production can commence when the CHPP is completed and commissioned, expected in May/June this year

The reclaimers for the product stockpiles are being fabricated in China and are due on site in April



Initial sales thermal coal at SCOTA pricing

Narrabri – mining progress



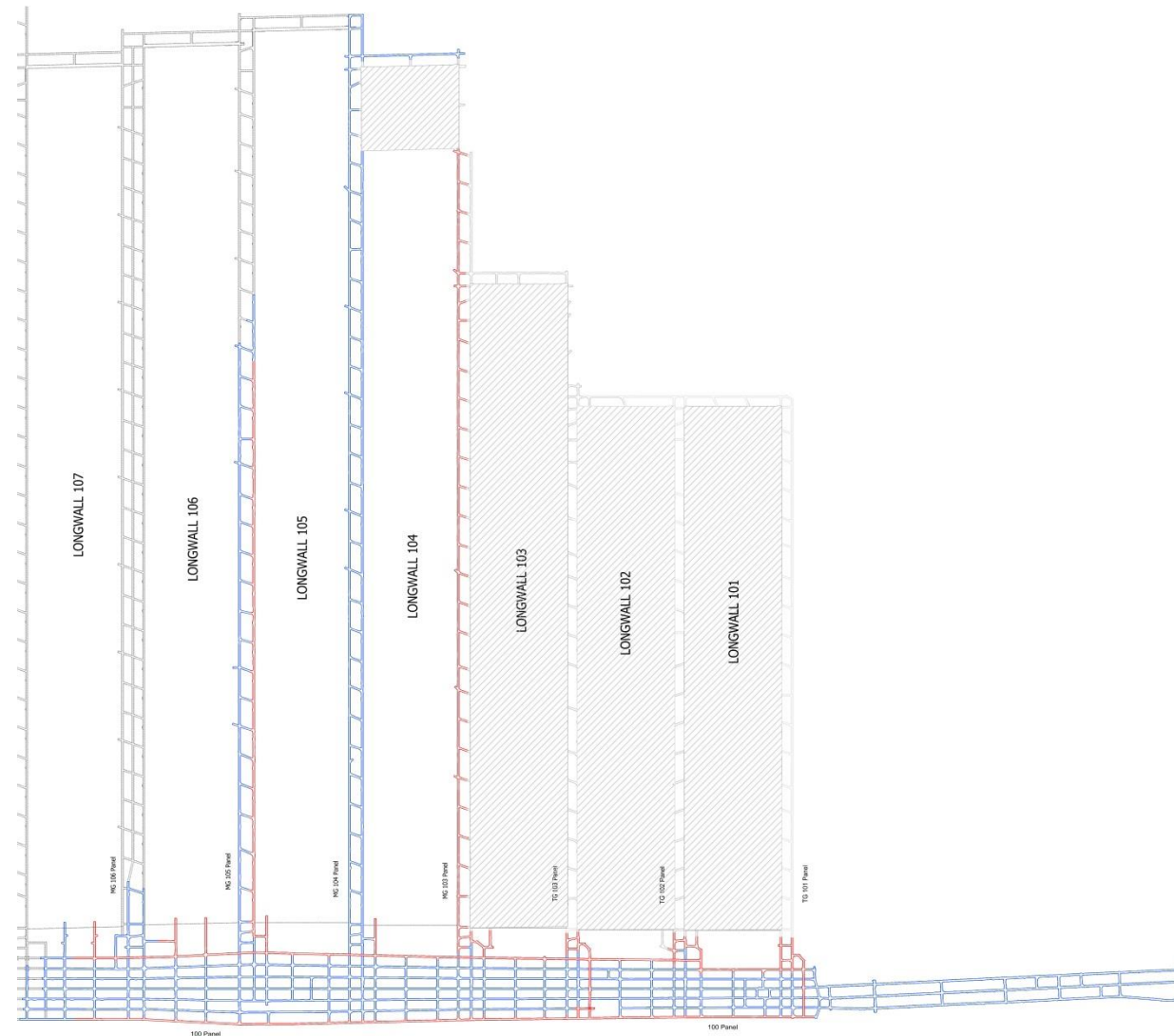
The longwall changeout was completed three days ahead of schedule with mining of LW04 commencing on 30 November

To reduce the changeout time from 6 weeks to 5 weeks and reduce costs, orders have been placed for an additional shearer, beam stage loader and crusher

Decision on wider panel and other operating changes likely in the current half

Wider panel face

- Increases annual productivity of mine (lower costs)
- Low risk option
- Less road development required



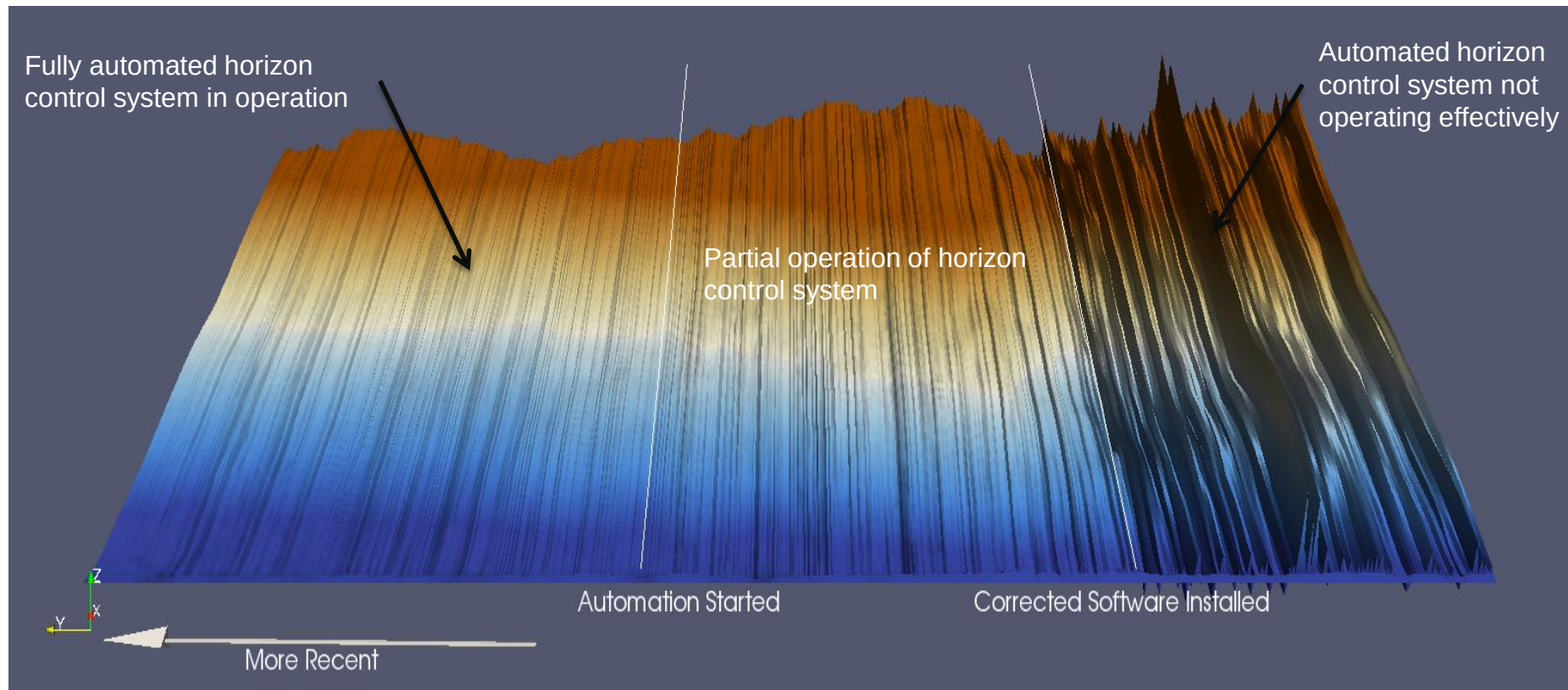
More growth to come from Narrabri

Narrabri automation

The image shows the profile of the panel floor in LW03 from the startup of the panel

Significant improvement in the cutting horizon followed the introduction of the automated system

The automation system is operating for LW04 panel



Longwall cutting horizon fully automated

Vickery update



Approval granted by NSW Government in September

Vickery Project Key Elements

Details

Location

About 25kms north of Gunnedah

Resources and Reserves

Reserves of 204Mt contained within a Resource of 508Mt

Ownership

Whitehaven 100%. Seeking to form a Joint Venture by selling up to 30% of the project to potential customers

Coal Quality

Similar to Maules Creek – SSCC, PCI and high quality thermal coal

Project Concept

Low startup capital open cut mine producing 4.5Mtpa ROM coal initially trucked to the Gunnedah CHPP for washing and loading onto trains

Startup

Earliest production likely after Maules Creek is fully ramped

Another significant growth option

Community contribution



Whitehaven employed 761 people as at 31 December 2014 with 74% living in the region surrounding its operating mines

Wages paid to employees in the region were over \$65 million in FY2015 to 31 December 2014

Recruitment at Maules Creek progressively increasing (150 new employees at 31 December 2014 increasing to 450 people when at full capacity)

Whitehaven is focused on widening the diversity of the workforce and is hiring more women and aboriginal employees as part of the Maules Creek project. Exceeding 10% employment target for local Aboriginal community

Donations and sponsorships of \$50k to 31 December 2014 - including support for Prostate Cancer Foundation of Australia through painting of truck 104 blue

Increased engagement with local Aboriginal community includes working with Reconciliation Australia on development of Reconciliation Action Plan

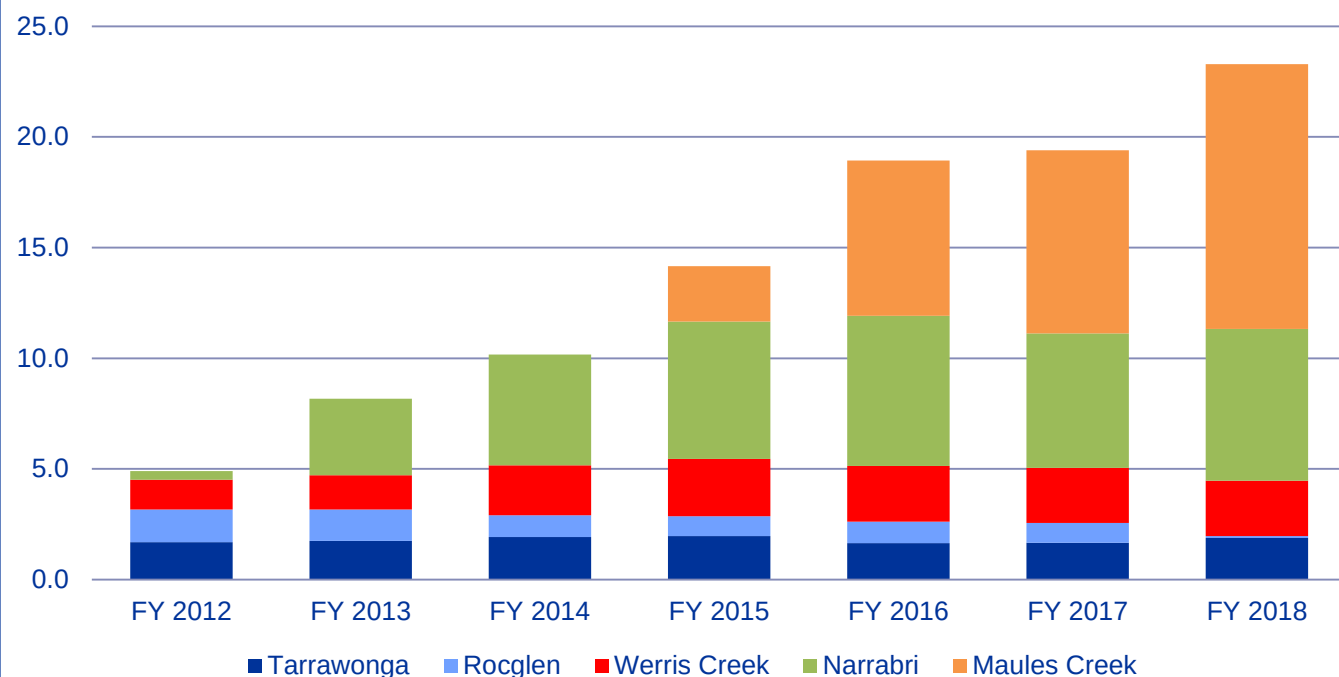


Significant contribution to the local community

Investment proposition – low cost growth



Saleable Coal Production by Mine (Mt)



Production is expected to more than double by FY2018 as Maules Creek ramps up to its permitted capacity of 13Mtpa ROM coal

Saleable production in FY2015 is expected to be about 14Mt on a 100% basis (includes 2.5Mt pre-commercial sales from Maules Creek)

The Vickery project provides another growth option beyond FY2018

Note: Graph depicts saleable coal on a 100% basis including coal destined for domestic and export sales and excludes coal purchases

Data shown for the year ending 30 June. These estimates relate to planned future events and expectations and as such, involve known and unknown risks and uncertainties. The actual production is likely to vary on an annual basis as a function of supply, demand and other market conditions.

Production to double in three years

Focus for FY2015 and beyond



Maintaining focus on improving safety performance at all operations

Increasing production at Maules Creek as additional equipment is added to the mining fleet

Completing construction of Maules Creek ahead of schedule and under budget

Ongoing recruitment and training of the workforce to operate Maules Creek

Engaging with local aboriginal groups to achieve our employment target

Continuing improvement of the production performance of all mines in the portfolio

Driving further efficiencies and seeking additional cost reductions across the business

Implementing a long term financing plan that aligns funding requirements and mine life

Determining expansion options for Narrabri

Creating Australia's premier ASX listed coal company

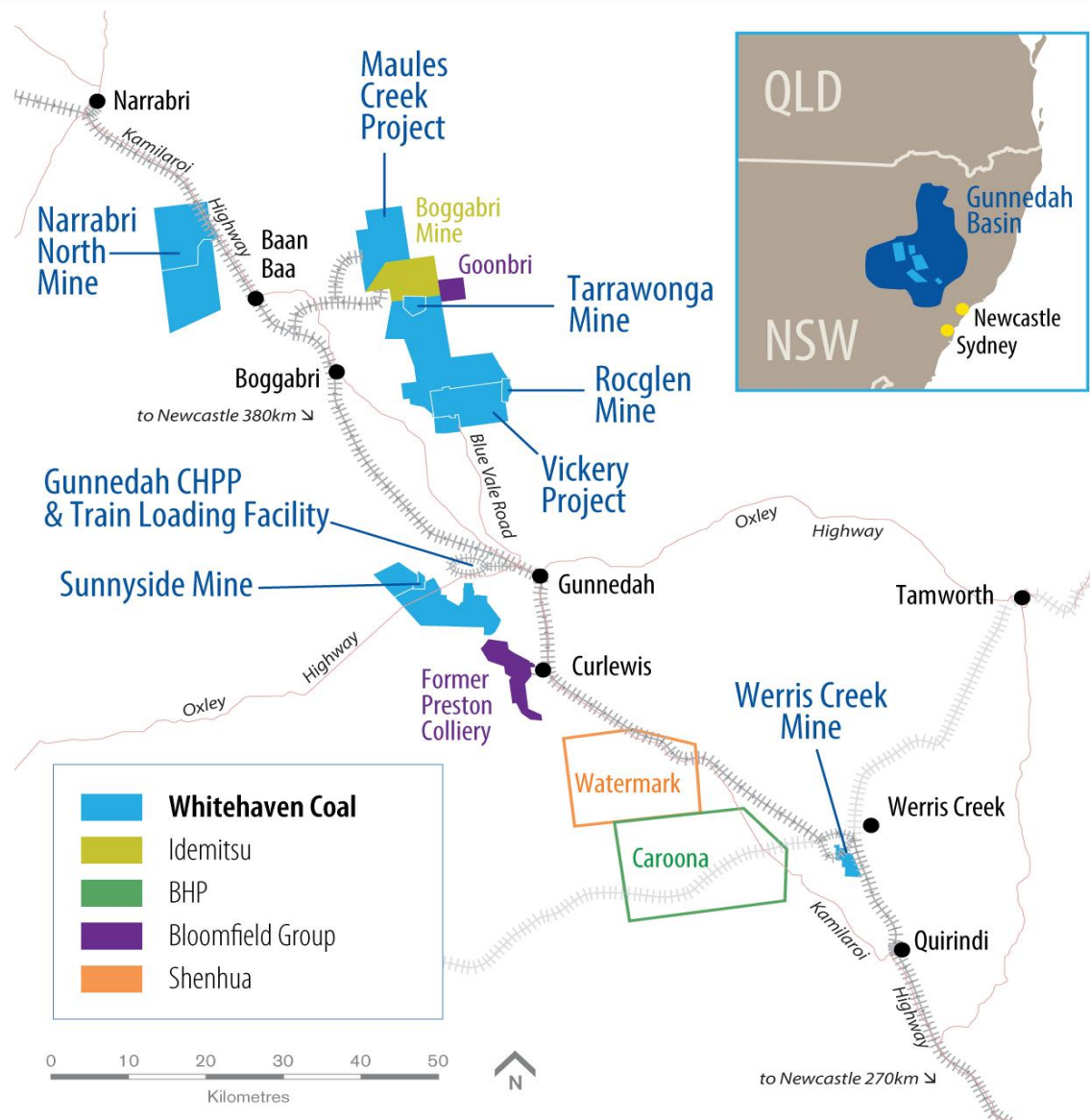
Thank you

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Appendices

Where we operate



Maules Creek (75%)

- Reserves to support ~ 30 years
- Permitted & Planned : 13 Mtpa ROM
- SSCC, PCI and high energy thermal

Narrabri North (70%)

- Reserves to support ~ 25 years
- Permitted : 8 Mtpa ROM
- Planned : 6 Mtpa ROM
- PCI & low ash thermal coals

Tarrawonga (70%)

- Reserves to support > 20 years
- Permitted : 3 Mtpa ROM
- Planned : 2 Mtpa ROM
- SSCC, PCI and high energy thermal

Rocglen (100%)

- Reserves to support ~ 3 years
- Permitted & Planned to 1.5 Mtpa ROM
- Mainly thermal coals

Vickery (100%)

- Reserves to support ~ 30 years
- SSCC, PCI and high energy thermal
- Approved for 4.5 Mtpa ROM

Gunnedah CHPP (100%)

- Permitted to 4 Mtpa

Werris Creek Mine (100%)

- Reserves to support ~ 8 years
- Permitted & Planned to 2.5 Mtpa
- PCI and thermal coals

First mover advantage in the Gunnedah Basin

Reconciliation - NPAT to Operating EBITDA



A\$ millions	H1 FY2015	H1 FY2014
Net loss for the period attributable to members	(77.9)	(11.6)
Add back: Significant items after tax	65.5	2.7
Net loss before significant items	(12.4)	(8.9)
(Loss) / profit before net financial expense	(85.8)	11.7
Add back: Depreciation and amortisation	46.4	39.3
Add back: Loss on disposal of fixed assets	-	0.1
Operating EBITDA including significant items	(39.4)	51.1
Add back: Significant items before tax and financing	91.5	3.9
Operating EBITDA before significant items	52.1	55.0

Significant Items



A\$ millions	H1 FY2015	H1 FY2014
Included within the balances presented on the face of the Consolidated Statement of Comprehensive Income:		
Operating expenses: Suspension of mining activities and office closures	-	(2.0)
Other expenses: Cost of terminating infrastructure sharing agreement	-	(1.9)
Impairment of MRRT: Impairment of MRRT goodwill	(90.7)	-
Admin expenses: Bad debt provisions	(0.8)	-
Significant items before tax	(91.5)	(3.9)
Applicable income tax benefit	0.2	1.2
De-recognition of MRRT net deferred tax liability	25.8	-
Significant items after tax	(65.5)	(2.7)

Refer to note 4 of the Interim Financial Statements for further details of significant items

Balance sheet at 31 December



A\$ millions	31 Dec - 2014	30 June - 2014
Cash	111.6	103.2
Current receivables	131.1	70.3
Other current assets	44.1	61.1
Current assets	286.8	234.6
Non-current receivables	23.8	29.7
Other non-current assets	4,106.1	4,018.2
Total assets	4,416.7	4,282.5
Current payables	144.8	155.7
Current interest bearing loans and borrowings	28.2	33.1
Current tax payable	42.3	6.2
Other current liabilities	46.2	36.4
Current liabilities	261.5	231.4
Non-current interest bearing loans and borrowings	970.8	755.3
Other non-current liabilities	66.3	89.3
Total liabilities	1,298.6	1,076.0
Net assets	3,118.1	3,206.5
Share capital	3,146.3	3,146.3
Retained earnings	(65.7)	12.2
Reserves	24.3	34.8
Non-controlling interests	13.2	13.2
Total equity	3,118.1	3,206.5

Half year cash flow



A\$ millions	H1 FY2015	H1 FY2014
Cash from operations	54.1	78.3
Net interest and tax receipts / (payments)	19.1	(22.0)
Net cash from operating activities	73.2	56.3
Capital investment	(275.1)	(140.9)
Net cash used in investing activities	(275.1)	(140.9)
Net proceeds from borrowings	210.3	71.8
Net cash from financing activities	210.3	71.8
Net increase / (decrease) in cash and cash equivalents	8.4	(12.8)
Cash and cash equivalents at 1 July	103.2	110.5
Cash and cash equivalents at 31 December	111.6	97.7