

QUARTERLY REPORT

12 January 2016



WHITEHAVEN COAL

December 2015 – Continuing to deliver results

HIGHLIGHTS

- Whitehaven reaffirms guidance provided in its release to the ASX on 16 December 2015
- Half year results to be released on 5 February, 2016



EBITDA of \$100m to \$105m in
H1 FY2016



Cash margin to exceed \$13/t
in H1 FY2016



Profitable in H1 and net debt
to be reduced in FY2016



Production guidance
increased to a range of
19.5Mt to 20.1Mt for FY2016

- Narrabri set an annual production record of 8.3Mt ROM coal for CY2015 - one of the most productive and lowest cost underground coal mines in Australia
- Maules Creek operating at annualised rate of 8.5Mt in December 2015
- ROM coal production 3.3Mt for half year at Maules Creek led to increased guidance for full year
- Total ROM coal production for quarter 5.4Mt, up 146% on previous corresponding period (pcp)
- Total saleable coal production for quarter 4.9Mt, 108% higher than pcp
- Coal sales of 4.9Mt for quarter, up 67% on pcp
- First half FY2016 ROM coal production of 9.3Mt, 64% higher than pcp
- First half FY2016 saleable coal production of 9.3Mt, 63% higher than pcp
- First half FY2016 coal sales of 9.4Mt, 57% higher than pcp

MANAGED PRODUCTION AND SALES HIGHLIGHTS

Thousands of tonnes	Quarter Ended			YTD		
	Dec 2015	Dec 2014	Change	Dec 2015	Dec 2014	Change
Managed ROM Coal Production	5,403	2,196	146%	9,270	5,656	64%
Managed Saleable Coal Production	4,947	2,380	108%	9,253	5,669	63%
Managed Total Coal Sales	4,916	2,949	67%	9,397	5,995	57%
Equity Saleable Coal Production	3,732	1,850	102%	7,041	4,429	59%
Equity Coal Sales	3,782	2,326	63%	7,316	4,713	55%

WHITEHAVEN EQUITY PRODUCTION AND SALES HIGHLIGHTS

Thousands of tonnes	Quarter Ended			YTD		
	Dec 2015	Dec 2014	Change	Dec 2015	Dec 2014	Change
Whitehaven Equity Totals						
Equity ROM Coal Production	4,066	1,780	128%	7,085	4,457	59%
Equity Saleable Coal Production	3,732	1,850	102%	7,041	4,429	59%
Equity Sales of Produced Coal	3,782	2,326	63%	7,298	4,713	55%
Sales of Purchased Coal	-	-	-	18	-	-
Total Equity Coal Sales	3,782	2,326	63%	7,316	4,713	55%
Equity Coal Stocks at period end	1,358	730	86%	1,358	730	86%

SAFETY

Whitehaven's TRIFR was 10.7 at 31 December compared to 8.6 at the end of the September quarter. Whitehaven places significant importance on the safety of its employees and contractors. Whilst the company's performance compares favourably to the NSW industry average, several tailored programmes have been implemented to continue the path of improvement exhibited in recent years.

COAL SALES AND PRICING

Total coal sales for the December quarter were 4.9Mt. Export sales comprised 10% metallurgical coal and 90% thermal coal due to the addition of Maules Creek thermal sales. As expected, the first sales of metallurgical coal from Maules Creek occurred during the quarter. Whitehaven achieved an average price of US\$65/t from sales of metallurgical products in the December quarter. Whitehaven expects the price for metallurgical coal products in the March quarter 2016 to be in the range of US\$62/t to US\$65/t.

During the December quarter, the benchmark Newcastle thermal coal index (GlobalCOAL NEWC Index) averaged US\$52.56/t. Whitehaven achieved an average price of US\$54.61/t, a 4% premium for all our export thermal coal sales for the quarter. The premium is the result of increased proportion of sales of high quality coal from Maules Creek and Narrabri into the premium Asian markets lifting the average quality of the group's coal sales. The premium received for Maules Creek coal was 11% above the benchmark price for the quarter.

NARRABRI MINE

Whitehaven 70%

Another strong quarter from Narrabri saw ROM production for the calendar year 2015 reach 8.3Mt, a record full year performance for the mine and well in excess of the original design capacity of 6Mtpa. This performance confirms Narrabri mine as one of the top three underground coal mines in Australia. Approval by the NSW Department of Planning and Environment to increase Narrabri's annual production limit from 8.0Mtpa to 11.0Mtpa points to the future potential of the mine.

ROM production for the quarter was 2.464Mt and for the half year was 3.462Mt, higher by 220% and 21% respectively, compared to the previous corresponding periods. Note that a longwall changeout was undertaken in the December 2014 quarter.

Mining in the fifth longwall panel is expected to be completed during the June quarter 2016 with the exact timing dependent upon the production rate over the next few months.

A total of 5,450 metres of main road and gate road development was completed during the quarter. The total for the half year was 11,560 metres.

Saleable coal production for the quarter and half year was 2.168Mt and 3.741Mt respectively. Both were significantly higher than for the previous corresponding periods.

Sales for the quarter and half year were 2.183Mt and 3.733Mt, higher by 56% and 17% respectively.

MAULES CREEK MINE

Whitehaven 75%

Maules Creek continued to ramp up production during the quarter with ROM and saleable coal production of 1.748Mt and 1.687Mt respectively with no previous corresponding period of commercial production.

ROM coal and saleable coal production for the first half of FY2016 was 3.297Mt and 3.166Mt respectively, effectively exceeding 6.0Mtpa annualised run rate for the half year. The mine was operating at an annualised rate of 8.5Mt in December.

Sales for the quarter and half year were 1.582Mt and 3.217Mt respectively.

Full year production guidance for Maules Creek has been increased to 7.6Mt ROM coal and 7.4Mt saleable coal.

The first trial shipments of metallurgical coal from the mine were despatched to customers during the quarter. Early feedback from those customers on the quality of the coal has been positive. Metallurgical coal sales are expected to increase progressively during CY2016 as market acceptance for the new coal grows.

The total workforce at Maules Creek has risen to 333 employees as more people were recruited to operate mining equipment for the increased production rate. Of the 333 employees over 50 are Indigenous enabling the company to comfortably exceed its target of having 10% of employees coming from the local Indigenous community. The vast majority (77%) of the overall workforce is based locally.

OPEN CUT PRODUCTION

Tarrawonga Mine

Whitehaven 70%

ROM coal production of 0.536Mt for the quarter was similar to the previous corresponding period. Saleable coal production was 0.477Mt for the quarter.

ROM coal production and saleable coal production for the first half was 1.072Mt and 0.995Mt respectively, marginally lower than the previous corresponding half year.

Coal sales for the quarter and half year were 0.464Mt and 0.989Mt respectively.

Rocglen Mine

ROM coal production for the quarter and first half were 0.350Mt and 0.587Mt respectively. Saleable coal production for the quarter and half were 0.190Mt and 0.379Mt respectively.

Sales for the quarter and half year were 0.198Mt and 0.370Mt, lower by 18% and 16% respectively.

Werris Creek Mine

ROM coal production for the quarter was 0.304Mt, down 39% from the previous corresponding quarter. Production reflected the expected mining sequence of overburden removal and the timing of coal production (relative to the pcg) and some minor weather production delays in December 2015. ROM and saleable coal production for the half year was 0.852Mt and 0.972Mt respectively.

Sales for the quarter and half year were 0.489Mt and 1.071Mt, lower by 20% and 14% respectively.

All mines remain on target to meet ROM production guidance.

VICKERY PROJECT

Work has progressed on the various studies to produce the Environmental Impact Statement (EIS) needed to seek government approval for an expanded Vickery mine. The studies include assessment of impacts on groundwater, flora and fauna, cultural heritage, agricultural land and surface water. These studies will continue with a view to finalising an EIS for submission in June 2016.

Timing for start-up of the Vickery project remains market dependent, but will not occur prior to Maules Creek having been fully ramped up to 13Mtpa.

CORPORATE

In March 2015, Whitehaven refinanced its debt facility. A syndicate of 14 leading financial institutions assessed Whitehaven's credit and provided it with a facility structured to match Whitehaven's anticipated sales growth and capital structure. The facility is comprised of three tranches - a term loan, a revolving facility and a guarantee tranche. The facility does not have an amortisation requirement and matures in its entirety in July 2019.

The facility contains a number of covenants including interest cover, gearing and total net worth. Financial modelling in support of the facility covenants took into account the impact of increasing production levels as well as changes in the sales mix. At 30 June 2015 the facility was drawn to \$900 million providing Whitehaven with \$300 million of headroom and over \$400m of liquidity. No further drawdowns have occurred during the first half of FY2016. The first interest covenant test is due to occur in about 14 months' time following completion of the half year audited financial statements for 31 December 2016. Whitehaven anticipates that it will meet its covenants when this test is conducted.

There are US\$43.0 million in forward A\$/US\$ exchange contracts currently in place at an average exchange rate of A\$1.00 = US\$0.7126. These contracts are deliverable between January 2016 and June 2016.

EXPLORATION

Whitehaven spent a total of \$1.637 million on exploration during the December quarter.

PRODUCTION AND SALES BY MINE

Thousands of tonnes	Quarter Ended			YTD		
	Dec 2015	Dec 2014	Change	Dec 2015	Dec 2014	Change

Narrabri

ROM Coal Production	2,464	770	220%	3,462	2,852	21%
Saleable Coal Production	2,168	1,233	76%	3,741	3,052	23%
Sales of Produced Coal	2,183	1,399	56%	3,733	3,196	17%
Coal Stocks at period end	731	148	393%	731	148	393%

Tarrawonga

ROM Coal Production	536	537	(0%)	1,072	1,069	0%
Saleable Coal Production	477	491	(3%)	995	1,034	(4%)
Sales of Produced Coal	464	698	(33%)	989	1,116	(11%)
Coal Stocks at period end	261	200	31%	261	200	31%

Maules Creek

ROM Coal Production	1,748	94	1,770%	3,297	94	3,426%
Saleable Coal Production	1,687	54	3,032%	3,166	54	5,777%
Sales of Produced Coal	1,582	-	-	3,217	-	-
Coal Stocks at period end	403	94	331%	403	94	331%

Rocglen

ROM Coal Production	350	300	17%	587	585	0%
Saleable Coal Production	190	201	(5%)	379	424	(10%)
Sales of Produced Coal	198	241	(18%)	370	441	(16%)
Coal Stocks at period end	159	176	(10%)	159	176	(10%)

Werris Creek

ROM Coal Production	304	496	(39%)	852	1,057	(19%)
Saleable Coal Production	425	402	6%	972	1,105	(12%)
Sales of Produced Coal	489	611	(20%)	1,071	1,242	(14%)
Coal Stocks at period end	202	241	(16%)	202	241	(16%)

Whitehaven Group Totals

ROM Coal Production	5,403	2,196	146%	9,270	5,656	64%
Saleable Coal Production	4,947	2,380	108%	9,253	5,669	63%
Sales of Produced Coal	4,916	2,949	67%	9,379	5,995	56%
Sales of Purchased Coal	-	-	-	18	-	-
Total Coal Sales	4,916	2,949	67%	9,397	5,995	57%
Coal Stocks at period end	1,756	858	105%	1,756	858	105%