



QUARTERLY REPORT

JUNE 2014 QUARTERLY PRODUCTION REPORT

HIGHLIGHTS

- **Whitehaven established new ROM and saleable coal production records of 11.5Mt and 10.3Mt respectively for 2014, an improvement of 27% and 26% over the previous year.**
- **New production records were achieved at Narrabri, Tarrawonga and Werris Creek for the full year, highlighting the strong operational performance from all of Whitehaven's mines during the year.**
- **Narrabri performed extremely well with several consecutive weekly production records in June and full year production of 5.659Mt.**
- **Construction of the Maules Creek project progressed to beyond 50% complete and remains on schedule and budget for first coal to be railed in March 2015.**
- **Development of the box cut for the Maules Creek mine will commence in August 2014.**
- **Rail line construction is 43% complete, slightly ahead of schedule.**
- **Mining equipment has started to arrive on site with the first large excavator assembled and ready to start mining of the initial box-cut.**
- **Coal sales (100% basis) for the year were 10.8Mt an increase of 22% on the previous year.**
- **Whitehaven's equity production and sales for the full year were ROM 9.1Mt, saleable 8.2Mt and sales 8.7Mt, all records for the company.**

**WHITEHAVEN COAL**

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MANAGED PRODUCTION AND SALES HIGHLIGHTS

Thousands of tonnes	Quarter Ended			YTD		
	Jun 2014	Jun 2013	Change	Jun 2014	Jun 2013	Change
Managed ROM Coal Production	3,785	2,247	68%	11,533	9,072	27%
Managed Saleable Coal Production	2,867	2,259	27%	10,310	8,195	26%
Managed Total Coal Sales	2,902	2,582	12%	10,841	8,916	22%

WHITEHAVEN EQUITY PRODUCTION AND SALES HIGHLIGHTS

Thousands of tonnes	Quarter Ended			YTD		
	Jun 2014	Jun 2013	Change	Jun 2014	Jun 2013	Change
Whitehaven Totals						
Equity ROM Coal Production	3,050	1,847	65%	9,177	7,352	25%
Equity Saleable Coal Production	2,282	1,807	26%	8,161	6,630	23%
Equity Sales of Produced Coal	2,080	1,744	19%	8,215	6,441	28%
Sales of Purchased Coal	294	392	(25%)	511	982	(48%)
Total Equity Coal Sales	2,374	2,135	11%	8,726	7,423	18%
Equity Coal Stocks at period end	1,275	841	52%	1,275	841	52%



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SAFETY AND ENVIRONMENT

The rolling average TRIFR (14.06) at a group level continued to improve in the June quarter falling from 17.06 in the previous quarter. The rolling average LTIFR rate (3.33) also fell from the previous quarter (4.2). The trend in improved results is due to a combination of the enhanced focus on safety across the company, the introduction of Whitehaven's "Safehaven Rules" earlier in the year and the increasing benefit of very good safety performance results from the Maules Creek project. Both measures remain below the average for NSW coal mines.

Taking the safety emphasis beyond our own employees a group of about 100 contractors participated in a health and safety forum during the quarter. The purpose of the forum was to communicate the minimum health and safety standards required when the contractors are working at Whitehaven managed sites.

COAL SALES AND COAL MARKET OUTLOOK

Total coal sales for the June quarter of 2.902Mt were 12% higher than the previous corresponding period. Export sales comprised 0.529Mt of metallurgical coal and 2.323Mt of thermal coal. In addition, there was 0.05Mt of domestic thermal coal sales for the June quarter.

Full year sales were 10.841Mt, about 22% higher than the previous year comprising 1.988Mt metallurgical coal with the balance thermal coal sold to both the domestic and export markets.

Whitehaven achieved an average price of US\$93.63/t from sales of its metallurgical products in the June quarter. Whitehaven expects the price for these products in the next quarter to be in the range of US\$91/t to US\$92/t.

During the June quarter, the benchmark Newcastle thermal coal index (GlobalCOAL NEWC Index) averaged US\$73.05/t, which was a 6.4% decrease from the previous quarter. Relative to that benchmark, Whitehaven achieved an average price for all of its export thermal coal sales of US\$72.81/t.

Thermal coal exports from the major exporting countries e.g. Indonesia, Australia and Colombia increased in the first half of the year. This increased supply has pushed the thermal coal price to the low point of the cycle in recent weeks.

While demand continues to grow, albeit at a lower rate than in recent years, a state of oversupply is expected over the next six months.

Positive signs are emerging in the metallurgical coal market with the recent quarterly settlement rolled over at the same price as the previous quarter. Production cuts of about 19.0Mtpa from the US, Canada, Australia and Mozambique have occurred with expectations that further cuts are likely to occur in coming weeks. This should lead to a modest recovery in prices towards the end of this calendar year.



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NARRABRI MINE

Whitehaven (Manager)	70.0%
Electric Power Development Co Ltd	7.5%
EDF Trading	7.5%
Upper Horn Investments Limited	7.5%
Daewoo International Corporation and Korea Resources Corporation	7.5%

The Narrabri Mine produced 1.697Mt ROM coal and 1.388Mt of saleable coal for the quarter, higher by 114% and 40% respectively than in the previous corresponding quarter when a longwall changeout was under way. Production from the longwall resumed in late April following the outage announced on 24 April. Following a detailed review of the incident, including input of external experts, an enhanced operating procedure has been adopted to mitigate against a repeat of the incident. Resumption of production by the longwall after the incident was successful with several new consecutive weekly production records created through June. The current record for weekly production occurred in the final week of June and stands at 257Kt. Strong performance of the longwall through May and June enabled Narrabri production to exceed guidance.

The longwall retreated a total of 833 metres during the quarter and is expected to complete mining in the third panel during the December quarter this year.

The roadway development required for LW04 panel was completed during the quarter and is available for the next longwall changeout. Strong performance by the development crews in recent months has ensured that roadway development is significantly in advance of longwall requirements, enabling a smooth transition of the longwall equipment into the next panel. Narrabri is scheduled to have a single longwall move in FY2015.

A new full year production record of 5.659Mt ROM coal and 5.249Mt saleable coal was established for the mine representing increases of 54% and 51% respectively on the previous year.

OPEN CUT PRODUCTION AND DEVELOPMENT

Total open cut ROM production of 2.087Mt for the quarter was 43% higher than the previous corresponding period and a new record for the company. Full year ROM coal production from the open cuts was 5.874Mt, 9% higher than the previous year and also a new record. Saleable coal production for the quarter (1.479Mt) and full year (5.060Mt) were 17% and 7% higher than the previous corresponding periods.

The Gunnedah CHPP is undergoing a restructure where the number of employees will be reduced from 37 full time equivalents to 17 positions. Whilst the restructure resulted in four retrenchments other employees who are leaving the CHPP have chosen to take voluntary retrenchments or will be relocated to the open cut mines, The change which will take about two months to complete will lead to cost reductions at the plant.

A successful project at Werris Creek aimed at setting new standards for housekeeping is being introduced at the other mines and CHPP in Gunnedah. It is expected that the new regime will reduce hazards and improve safety across all workplaces.



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Tarrawonga Mine

The strong production performance by the Tarrawonga Mine for both the quarter and full year created new production records for both periods. ROM coal production in June was exceptionally high with a total of 340Kt produced in the month. ROM coal production and saleable coal production for the quarter were 0.751Mt and 0.563Mt respectively. Production for the year was 2.194Mt ROM and 1.914Mt saleable coal about 7% and 9% higher respectively than the previous year.

The exceptional performance during the quarter was due to the combination of good weather conditions, higher proportion of dozer push and mining of some coal exposed in the previous quarter.

Rocglen Mine

The Rocglen Mine finished the year with ROM coal production of 0.458Mt and saleable coal production of 0.170Mt for the quarter. Full year ROM coal production was 1.324Mt about 2% lower than the previous year. Favourable weather conditions and a rescheduling of the mining sequence helped to the lift production in the quarter.

Werris Creek Mine

Werris Creek performed well in the final three months of the year and established new production records for both the quarter and full year. Quarterly production was 0.878Mt ROM coal and 0.746Mt of saleable coal. The higher performance was due to improved mining conditions in the open cut and the completion of the expansion in December 2013 which enabled production to increase to an annualised rate of 2.5Mt. Production for the year was 2.356Mt of ROM coal and 2.310Mt saleable coal.

MAULES CREEK PROJECT

Whitehaven (Manager)	75%
ITOCHU Corporation	15%
J-Power Australia Pty Limited	10%

Construction activity at Maules Creek continues satisfactorily with the project passing the important milestone of 50% complete earlier this month. The project remains on budget and schedule for first coal to be railed in March 2015.

On average there are some 430 people engaged on site construction activity. The safety performance over the whole site is commendable with no LTI's recorded to date with in excess of 400,000 hours worked. In addition there have not been any reportable environmental incidents recorded during the construction activity. Major contractors engaged include Leighton Contractors, Ditchfield and Downer.

Progress with the construction of the rail line and access road in both the shared section (with Boggabri Coal) and the Maules Creek section of the project are advancing on schedule. A total of 1.5 million cubic metres of material has been excavated, processed where required and placed in embankment fills. Construction of the bridge and rail line across the Namoi River and flood plain is advancing with the majority of pylons to carry the rail beams now erected and with a number of the beams, which are being progressively delivered to site, having been hoisted into position. The abutments for the rail bridge over the Kamilaroi Highway are now well advanced and preparations are underway to lift the bridge beams into place.



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At the mine site the foundations for the train loadout bin have been completed and Downer is proceeding with the construction of the bin. Construction of the ROM hill area and associated ROM wall advanced to schedule. The infrastructure forms a vital component of the plant enabling the transfer of coal from the ROM dump through to the train loadout bin. Work on the CHPP and coal stockpiling areas continues to advance with material from the ROM hill being used to build pads for those components of the project. In all some 900,000 cubic metres of earth and rockfill material have been excavated under the bulk earthworks contract.

Clearing activity over the initial mining area was completed in mid-June following a voluntary undertaking issued by Whitehaven Coal in the Land and Environment Court as disclosed in the ASX Releases of 10 June and 12 June. Sufficient area has been cleared to enable the box-cut for the open cut mine to be developed on schedule in August.

Mining equipment is being delivered to site with the Hitachi EX3600 and EX8000 excavators being assembled. The first deliveries of haul truck components have been delivered to site. Recruitment of the initial mining leadership team has begun with employment of key staff completed. Positions for operators and maintenance personnel have been advertised locally and regionally and have received an overwhelming response.

The Maules Creek project is currently the largest coal mine under construction in Australia. The project construction costs are estimated to total \$767 million with first coal expected to be railed in March 2015. The mine with an expected life of mine strip ratio of 6.4:1 and average LOM FOB costs of \$67/t will be one of the lowest cost open cut coal mines in Australia. Its initial production rate is planned to be 6Mtpa, however, over a period of three years production is expected to ramp to 13.0Mtpa ROM coal. Production will consist of high quality thermal coal for use by electricity generators and specialist metallurgical coals for use by steel makers – both marketed to end users in the Asian region. When operating at full capacity Maules Creek is expected to employ about 450 people sourced locally.

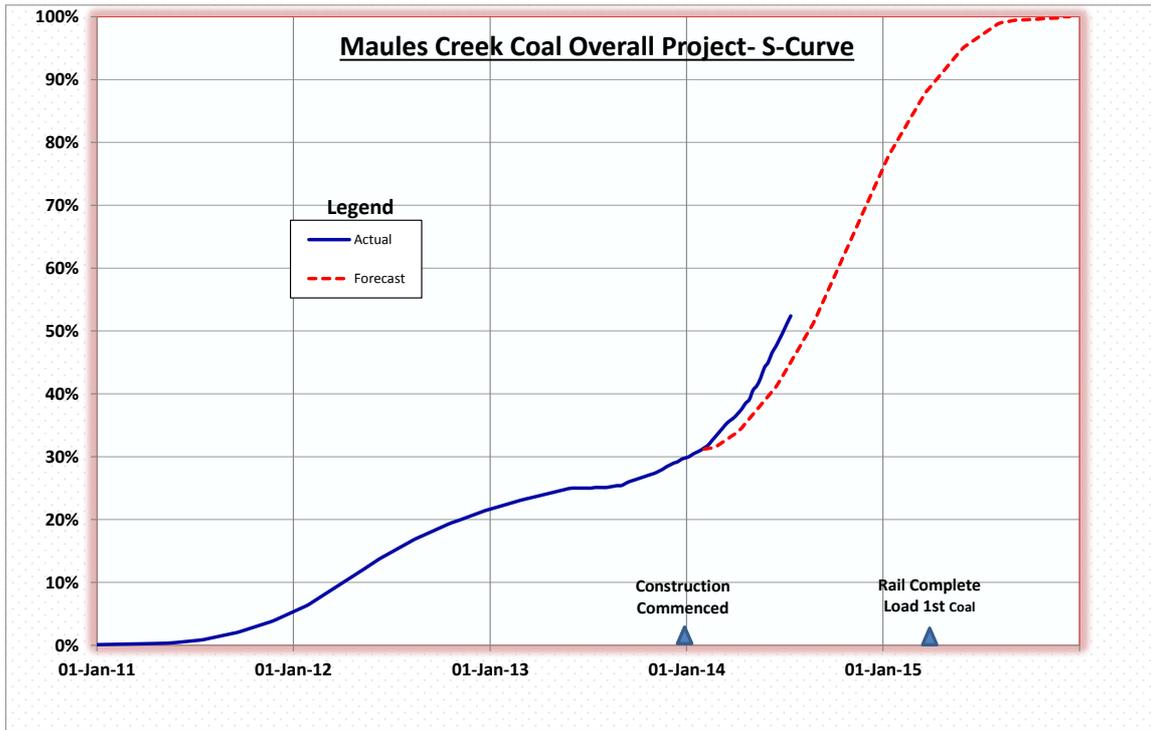
The following table and diagram (“S” Curve) provide an update on construction progress of the project’s key components.

Area	Contractor	% Complete at End June 2014
Rail	Leighton	43%
Bulk Earthworks	Ditchfield	32%
CHPP Design and Procurement	Sedgman	100%
CHPP Construction and Commissioning	Downer	13%
Water Supply	Stripes	100%
132/22kV Power Supply	Transgrid/Downer	15%
Mine Infrastructure (Temp)	Various	25%



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Mine infrastructure site from ROM pad





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ROM slot for crusher and conveying system



Namoi River rail bridge





WHITEHAVEN COAL

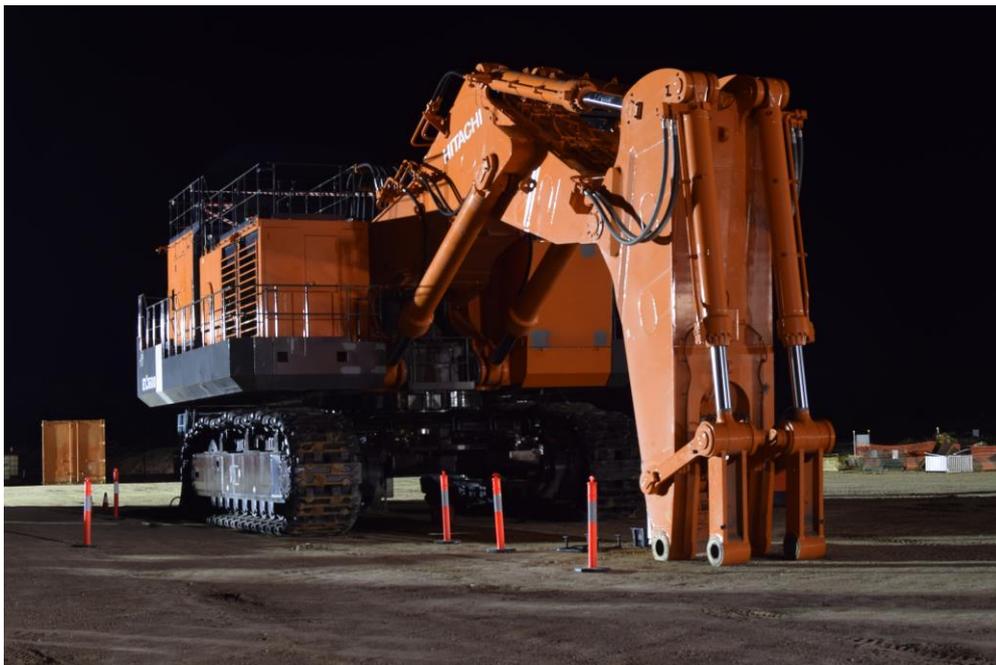
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Road and rail line route cutting



EX3600 being assembled





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VICKERY PROJECT

Whitehaven	100%
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Whitehaven continues to work through the approval process with the NSW Department of Planning & Infrastructure and is engaged in negotiating Voluntary Planning Agreements with the two local councils in the area. These negotiations are taking longer than originally expected. It is currently anticipated that the approval process will be concluded in the September quarter of this year.

INFRASTRUCTURE

The remaining two track infrastructure projects and 30 tonne axle load upgrade to expand the capacity of the Gunnedah Basin rail system to meet Maules Creek contracted demand are on schedule for completion before the end of this calendar year.

Following the success of the initial 30 tonne axle load locomotive trial, approval has now been given for the continuous operation of 30 tonne axle load locomotive fleets on existing track infrastructure in the Gunnedah Basin at speeds up to 60km/hour. Trialing of the heavier locomotives at speeds up to 80km/hour continues.

CORPORATE

Whitehaven has taken a major step in lifting its marketing capabilities in its largest market by opening an office in Tokyo and engaging a Japanese executive to lead the effort in obtaining further coal sales in this premium market.

The major focus for the corporate team during the quarter was on improving the planning process and completing the budget for FY2015. In addition, planning is advancing on integrating the Maules Creek operating team and reporting capability into the Whitehaven organisation.

There are approximately US\$90.0 million in forward A\$ / \$US exchange contracts currently in place at an average exchange rate of A\$1.00 = US\$0.9400. These contracts are deliverable between July and March 2015.

EXPLORATION

Whitehaven spent a total of \$0.637 million on exploration during the June quarter.



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PRODUCTION AND SALES BY MINE

Thousands of tonnes	Quarter Ended			YTD		
	Jun 2014	Jun 2013	Change	Jun 2014	Jun 2013	Change
Narrabri (managed)						
ROM Coal Production	1,697	792	114%	5,659	3,679	54%
Saleable Coal Production	1,388	992	40%	5,249	3,466	51%
Sales of Produced Coal	1,219	1,030	18%	5,145	3,328	55%
Coal Stocks at period end	556	199	179%	556	199	179%
Tarrawonga (managed)						
ROM Coal Production	751	539	39%	2,194	2,055	7%
Saleable Coal Production	563	516	9%	1,914	1,751	9%
Sales of Produced Coal	566	460	23%	1,975	1,648	20%
Coal Stocks at period end	327	338	(3%)	327	338	(3%)
Rocglen						
ROM Coal Production	458	317	44%	1,324	1,354	(2%)
Saleable Coal Production	170	237	(28%)	836	1,006	(17%)
Sales of Produced Coal	173	212	(18%)	905	1,002	(10%)
Coal Stocks at period end	240	134	79%	240	134	79%
Sunnyside						
ROM Coal Production	-	-	-	-	307	-
Saleable Coal Production	-	60	-	-	425	-
Sales of Produced Coal	-	67	-	-	446	-
Coal Stocks at period end	-	-	-	-	-	-
Werris Creek						
ROM Coal Production	878	598	47%	2,356	1,677	40%
Saleable Coal Production	746	453	65%	2,310	1,547	49%
Sales of Produced Coal	658	422	56%	2,326	1,510	54%
Coal Stocks at period end	415	323	28%	415	323	28%
Whitehaven Group Managed Totals						
Managed ROM Coal Production	3,785	2,247	68%	11,533	9,072	27%
Managed Saleable Coal Production	2,867	2,259	27%	10,310	8,195	26%
Managed Sales of Produced Coal	2,616	2,190	19%	10,351	7,934	30%
Sales of Purchased Coal*	286	392	(27%)	490	982	(50%)
Total Managed Coal Sales	2,902	2,582	12%	10,841	8,916	22%
Managed Coal Stocks at period end	1,539	994	55%	1,539	994	55%

* sales of externally purchased coal