



Whitehaven Coal Limited

Delivering Growth

First Half FY 2009 Results

February 2009





Disclaimer

Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Whitehaven Coal Limited, industry growth or other trend projections and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. Actual results, actions and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.





Qualifications and Statement

The information in this report that relates to Coal Reserves of the Narrabri Project is based on information compiled by Mr Graeme Rigg, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Rigg is a qualified mining engineer and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration results, Mineral resources and Ore Reserves'. Mr Rigg consents to the inclusion in the report of the matters based on his information in the form and context in which it appears



- **Highlights**
- **Financial and financial results**
- **Status of growth plans**
- **Outlook**
- **The merger with Gloucester Coal**

First half highlights

- ▶ Net profit after tax (NPAT) of \$201.5 million, including NPAT of \$181.5 million from the sale of 15% of the Narrabri Joint Venture and other significant items
- ▶ NPAT from continuing operations of \$20.0 million compared to -\$0.4 million last year
- ▶ EBITDA of \$90.2 million (excluding coal purchases), reduced to \$41.9 million after coal purchases
- ▶ Revenue of \$156.8 million (excluding purchased coal), up 237% over last year
- ▶ Coal sales up 30% (equity basis) over last year (up 8% on 100% basis)
- ▶ Saleable coal production up 27% (equity basis) over last year (up 2% on 100% basis)
- ▶ Excellent safety record maintained
- ▶ Rocglen open cut mine commissioned successfully
- ▶ Sunnyside open cut mine commissioned successfully
- ▶ Owner operation introduced at Werris Creek mine; significant improvements evident
- ▶ Narrabri Stage 1 construction on track for reaching coal in October 2009
- ▶ Rail track upgrade commissioned, more paths and longer trains
- ▶ Marketable reserves of 69.2 Mt identified at Narrabri South
- ▶ Concluded the sales of 7.5% interests in Narrabri JV to each of J-Power and EdF
- ▶ Strong demand for Whitehaven's low ash, low sulphur products
- ▶ Strong cash flow and financial position - \$76.6 million cash available - net cash \$3.1 million

First half profitability



A\$ millions	FY 2008	FY 2009
Sales tonnes – 000t (equity basis, excluding purchased coal)	910	1,012
Revenue – (excluding purchased coal and net of NSW royalty)	66.3	156.8
<i>Average coal price – A\$/t (excluding purchased coal and net of NSW royalty)</i>	<i>72.83</i>	<i>154.95</i>
Operating expenses – (excluding purchased coal and NSW royalty)	(54.8)	(66.6)
<i>Average cost of coal sold – A\$/t (excluding purchased coal and net of NSW royalty)</i>	<i>60.17</i>	<i>65.83</i>
EBITDA (excluding purchased coal)	11.5	90.2
Pre-tax loss from coal purchases	-	(48.3)
NPAT (excluding Significant Items)	(0.4)	20.0
Net profit after tax on sale of 15% interest in the Narrabri JV	-	183.1
Other Significant Items	-	(1.6)
Reported NPAT	(0.4)	201.5
Earnings per share (cents per share) (excluding Significant Items)	(0.1)	5.0
Interim dividend (cents per share - fully franked)	-	2.5

First half cash flow



A\$ millions	FY 2008	FY 2009
Cash generated from operations	2.0	31.5
Interest and tax payments	(3.7)	(8.7)
Net cash provided by/(used) in operating activities	(1.7)	22.7
Proceeds from sale of assets	3.0	41.7
Capital investment	(52.1)	(76.2)
Other investing activities	(6.3)	(6.9)
Net cash provided by/(used) in investing activities	(55.4)	(41.4)
Proceeds from issue of share capital	95.5	15.2
Proceeds/(repayment of borrowings)	(22.6)	5.9
Dividends paid	-	(6.7)
Net cash provided by/(used) in financing activities	72.9	14.4
Net increase/(decrease) in cash and cash equivalents	15.9	(4.2)
Cash and cash equivalents at 1 July	21.2	80.8
Cash and cash equivalents at 31 December	37.1	76.6

Capex and FX summary



Capital Investment - \$ million	First Half FY 2008
Rocglen Mine	21.6
Sunnyside Mine	4.2
Other Gunnedah Operations (Tarrawonga/Canyon/CHPP)	4.8
Werris Creek	0.9
Narrabri Stage 1	36.5
Land	4.0
Other	4.2
Total	76.2

FX Contract Status	31 December 2008
Total FX contract value – US\$ million	505
Average US\$:A\$ FX contract rate over all contracts	0.7612
Percentage of total fixed US\$ income covered	64.8%
Percentage of remaining FY 2009 US\$ revenue covered	100%
Average US\$:A\$ FX contract rate for remainder of FY 2009	0.7090

31 December financial position



A\$ millions	30 June 2008	31 December 2008
Cash	80.8	76.6
Current receivables	49.0	172.4
Other current assets	59.2	53.1
Non-current receivables	27.2	157.0
Other non-current assets	407.1	462.7
Total assets	623.3	921.8
Payables	37.9	40.2
Tax payable	10.1	85.9
Interest bearing loans and borrowings	23.0	28.1
Derivative financial instruments	-	20.1
Other current liabilities	2.8	7.7
Current liabilities	73.8	182.0
Payables	10.4	10.9
Interest bearing loans and borrowings	32.3	45.4
Derivative financial instruments	-	48.1
Other non-current liabilities	60.0	117.9
Total liabilities	133.8	299.9
Net Assets	489.5	621.9

Coal sales



Equity basis

(Mt)	H1 FY 2008	H1 FY 2009	Change
Gunnedah Operations	982	1,160	+18%
Werris Creek	240	425	+77%
Whitehaven Total	1,222	1,585	+30%

100% basis

(Mt)	H1 FY 2008	H1 FY 2009	Change
Gunnedah Operations	1,141	1,400	+23%
Werris Creek	551	425	-23%
Whitehaven Total	1,692	1,825	+8%

Saleable coal production



Equity basis

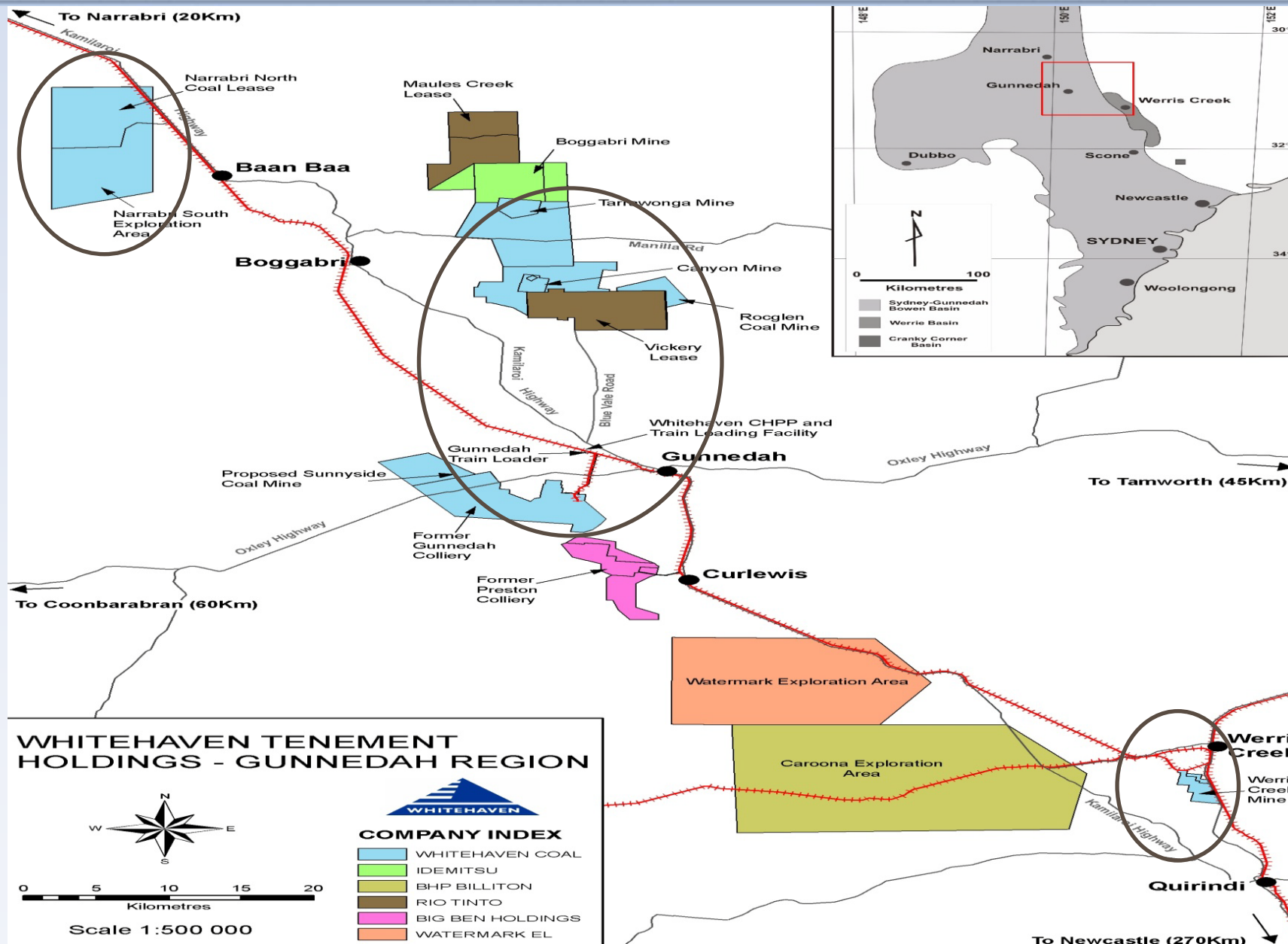
(Mt)	H1 FY 2008	H1 FY 2009	Change
Gunnedah Operations	637	685	+8%
Werris Creek	266	466	+75%
Whitehaven Total	903	1,151	+27%

100% basis

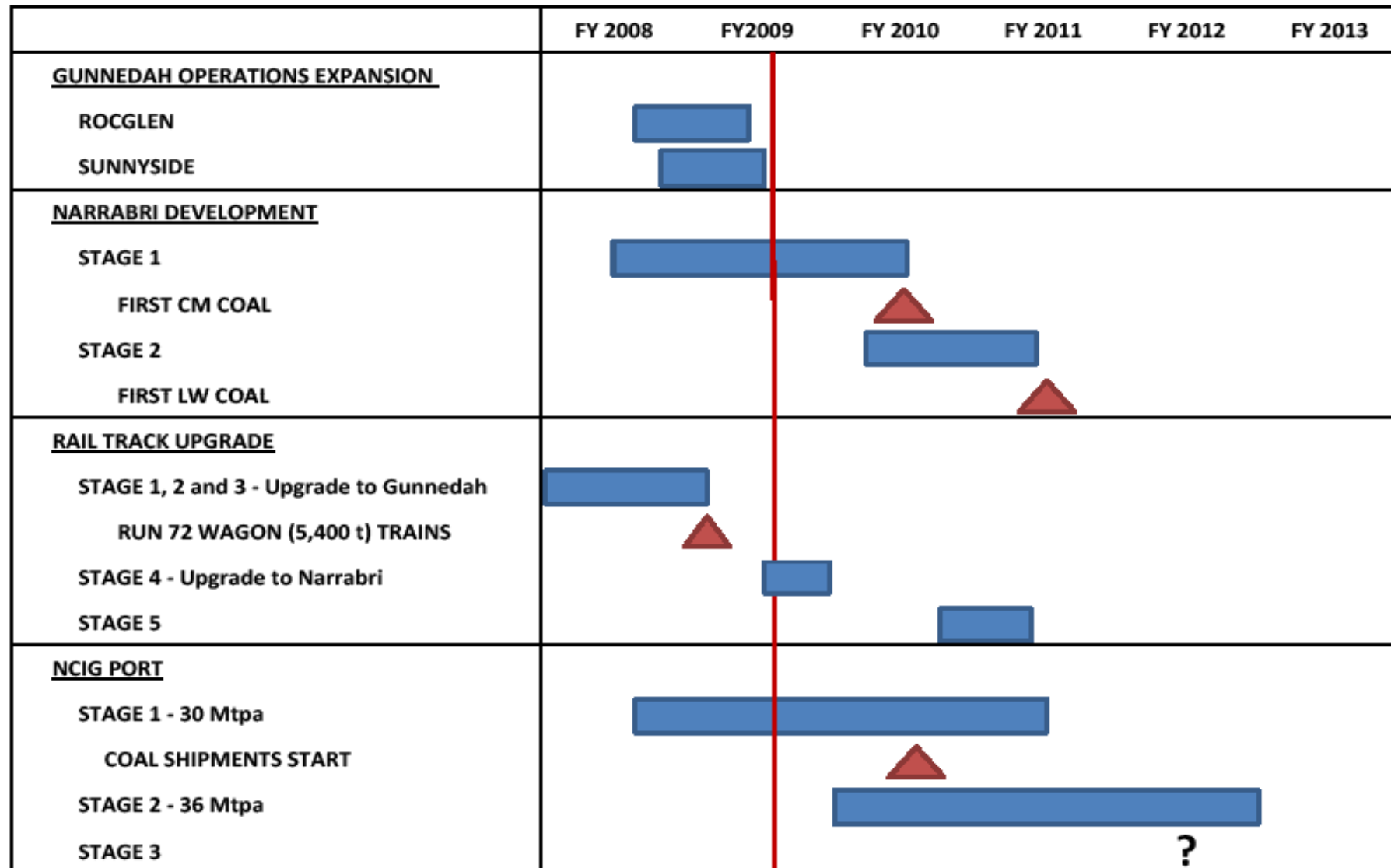
(Mt)	H1 FY 2008	H1 FY 2009	Change
Gunnedah Operations	800	949	+19%
Werris Creek	593	466	-21%
Whitehaven Total	1,393	1,415	+2%

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Whitehaven is the leading coal producer and developer in the Gunnedah Basin



Projects are on track and being coordinated with infrastructure development



Gunnedah operations - Tarrawonga mine



- ▶ 1.5 Mtpa ROM capacity
- ▶ PCI & high quality thermal coals
- ▶ Saleable yield >90%
- ▶ ROM coal trucked to Gunnedah CHPP
- ▶ WHC owns 70% of JV



Gunnedah operations - Rocglen mine



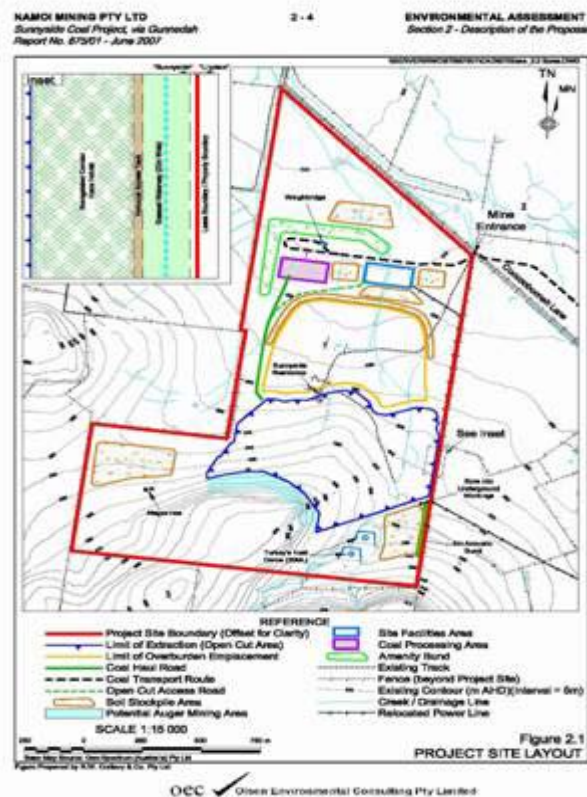
- ▶ 1.5 Mtpa ROM capacity
- ▶ PCI and thermal coals
- ▶ Saleable yield ~85%
- ▶ ROM coal trucked to Gunnedah CHPP



Gunnedah operations - Sunnyside mine



- ▶ Commenced December 2008
- ▶ 1.0 Mtpa ROM capacity
- ▶ Thermal coals
- ▶ ROM coal trucked to Gunnedah CHPP



Gunnedah operations – CHPP and rail loader



- ▶ ~50% ROM coal washed
- ▶ Washed yield >80%
- ▶ Total yield >90%
- ▶ CPP upgrade to 3 Mtpa
- ▶ 24-7 rail loading

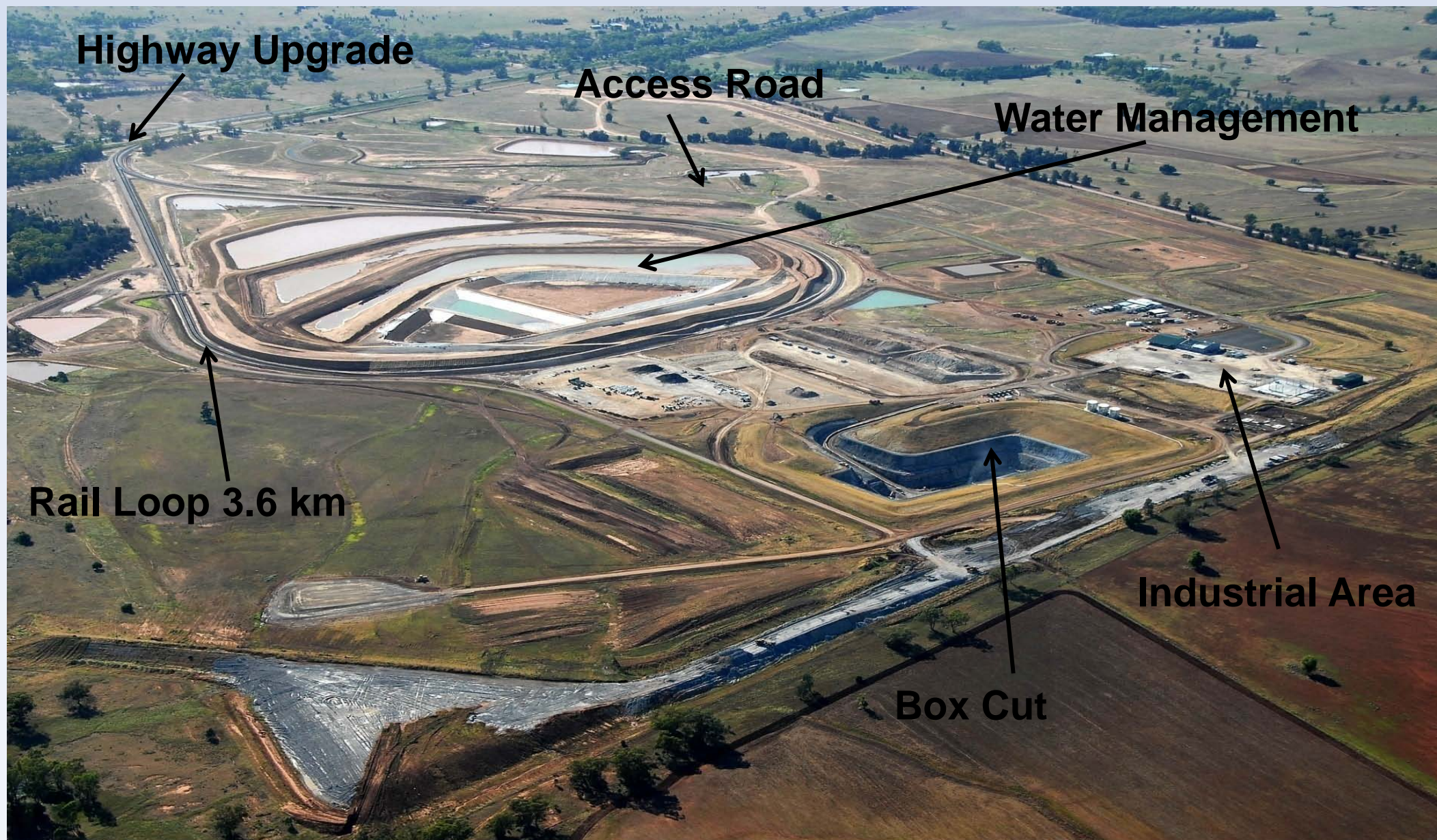


Werris Creek mine



- ▶ 1.5 Mtpa capacity
- ▶ PCI and thermal coals
- ▶ Saleable yield 100%
- ▶ Own crushing and rail load-out

Narrabri Stage 1 construction on track



Narrabri South marketable reserves now 69.2 Mt

Total Narrabri marketable reserves now 171.9 Mt



NARRABRI JORC COAL RESERVES - Million tonnes

Mine / Project	Recoverable Reserves	Marketable Reserves ¹		
		From Proved	from Probable	Total
Narrabri North	112.0	51.1	51.6	102.7
Narrabri South	89.9	13.0	56.2	69.2
Total Narrabri	201.9	64.1	107.8	171.9

Note 1. The JORC marketable reserves are based on geological modelling of the anticipated yield from recoverable reserves

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Coal market uncertainty



Demand – Cyclical slowdown, but structural uptrend

- Global demand for export coking coal is very weak. Thermal coal is better, but weaker than six months ago

Supply – Infrastructure constraints, higher costs, mine development slower & more difficult

- Port and rail inadequacies continue to constrain exports from Australia and elsewhere
- Slowing domestic demand in China creates some risk of additional exports of thermal coal, but currently no signs of renewed exports
- Major Asian power utilities and steel mills look to Australia as a reliable, long-term supplier of high quality coals

Coal Prices

- Contract price for 2009 coking coal still very uncertain, no spot market visibility
- Spot market for thermal coal has weakened recently - contract negotiations underway
- Weak A\$ is helping Australian suppliers

Looking ahead



► Challenging business environment

- Weaker coal demand, lower US\$ coal prices, but a weaker A\$
- Continued port and rail congestion
- Increased “take” by NSW Government from higher royalty rates (+20%)

► Whitehaven is well positioned

- Large reserves of high quality coal
- Efficient mines, competitive costs
- Open cut expansions in place, Narrabri progressing well
- Increased rail and port capacity in 2009
- 11% share of NCIG to provide substantial new port capacity in 2010
- Solid base of long term coal sales contracts
- Strong financial position

Merger with Gloucester Coal



- ▶ **Merger will create a bigger, stronger coal company with substantial benefits for all shareholders of both companies**
 - ▶ Complementary coal quality, operations, infrastructure and cash flows
 - ▶ Significant value can be added by blending Whitehaven and Gloucester coals
 - ▶ Combination of two strong balance sheets to provide a solid financial platform from which to develop its growth projects and grow by acquisition
 - ▶ Larger market capitalisation, greater free float and broader share register will provide greater financial flexibility
 - ▶ Highly experienced Board and management team to take the company forward
 - ▶ A balanced transaction, structured to provide substantial benefits to all shareholders going forward
 - ▶ In the absence of a superior offer, Whitehaven directors unanimously recommend acceptance of the offer and intend to accept in respect of the shares they own or control