



WHITEHAVEN COAL LIMITED

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WHITEHAVEN COAL LIMITED (ASX:WHC) REPORTS RECORD PROFIT FOR THE FIRST HALF

FIRST HALF HIGHLIGHTS

- Record 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
- Revenue of \$156.8 million up 237% over last year excluding purchased coal and net of NSW royalty (up 142% on last year including purchased coal and net of NSW royalty)
- 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)
- EBITDA from continuing operations of \$90.2 million before coal purchases (\$41.9 million after coal purchases)
- NPAT from continuing operations of \$20.0 million compared to a loss of \$0.4 million during the same period last year
- Strong cash flow and financial position - \$76.6 million free cash available with Net Cash \$3.1 million
- A fully franked interim dividend declared of 2.5 cents per share, to be paid in March 2009.
- Continuing Excellent safety record maintained
- Rocglen and Sunnyside open cut mines commissioned successfully
- Marketable reserves of 69.2 Mt identified at Narrabri South
- Owner operation introduced at Werris Creek mine recently delivering significant improvements
- Narrabri Stage 1 construction on track to meet expected coal production in October 2009
- Rail track upgrade commissioned during the half delivering more paths and longer trains
- 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
- Announcement of a merger with Gloucester Coal Limited (ASX:GCL) to create a larger, stronger company with substantial value adding opportunities for shareholders of both companies

Commenting on the results for the first half, Whitehaven Managing Director Tony Haggarty said:

This is an excellent result for the company with record revenue, margins and profit from Whitehaven's operations. Margins benefited from the very strong prices in the first half and only moderate increases in operating costs, except for NSW Government royalty where the royalty rates were increased by more than 20%.

A pre-tax loss of \$48.3 million was incurred in purchasing coal to supply contract commitments. The need to purchase such a large quantity of coal at a high price was due largely from the delays in obtaining NSW Government approvals for the Rocglen and Sunnyside mines and delays by suppliers in commissioning increased rail track and train capacity.

Nevertheless, good progress was made in implementing Whitehaven's growth plans with the Rocglen and Sunnyside mines commissioned toward the end of the period and Narrabri construction advancing rapidly.

As of January, rail track and train capacity is in place to meet Whitehaven's requirement of 300,000 tonnes per month in the second half. This was achieved in January with 307,000 tonnes being railed. As a result, the requirement to purchase coal will be much less in the second half.

Looking forward, there is much uncertainty surrounding coal markets with both coking and thermal contract prices yet to be fixed for 2009. Whitehaven is in a relatively good position with the large majority of its tonnage and prices fixed for the second half, however contract performance by customers remains a risk. Beyond this, Whitehaven is very well placed with the majority of planned 2010 production committed to term contracts.

Financially, the company is strong with good operating cash flow and nil net debt. Cash inflow from the sale of the 7.5% interests in the Narrabri JV, along with cash from operations is expected to fund Whitehaven's capital growth program.

The recently announced merger with Gloucester Coal will also further strengthen the financial position of the merged entity, as well as provide substantial value for the shareholders of both companies from the realization of coal blending opportunities and infrastructure efficiencies and the sharing of operating expertise.

My thanks go to all of our employees and business partners who have contributed greatly to the excellent half year result.

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