



WHITEHAVEN COAL LIMITED

ABN 68 124 425 396
Ground Floor, Ann Place
895 Ann Street
Fortitude Valley QLD 4006
PO Box 2440
Fortitude Valley BC
QLD 4006
Ph: 07 3000 5690
Fax: 07 3000 5699
Web: www.whitehaven.net.au

WHITEHAVEN COAL LIMITED

QUARTERLY REPORT TO 31 DECEMBER 2008 (Q2 FY 2009)

Production

- Saleable coal production (100% basis) for the December quarter was 678,000 tonnes, up 4% on the previous corresponding period;
- On an equity basis, saleable coal production was up 27% on the previous corresponding period at 554,000 tonnes, reflecting Whitehaven's increase to 100% ownership of Werris Creek in late 2007;
- The rate of increase in saleable production in the December quarter was adversely affected by:
 - lower production from the Canyon mine as it reaches the end of its life;
 - ongoing poor performance from the mining contractor at Werris Creek;
 - a delay in the ramp up of Rocglen production, as a consequence of the delay in obtaining Government approvals reported previously; and
 - a substantial delay in gaining Government approvals for the Sunnyside mine which resulted in production only commencing in late December;
- Rocglen steadily increased production during the quarter and is on track to produce at the planned rate of approximately 1.2 million tonnes per annum (Mtpa) during the third quarter;
- Whitehaven has now taken over the operation of Werris Creek from the contractor and has put the necessary equipment and management in place to restore production to the planned rate of approximately 1.3 Mtpa during the third quarter;
- Tarrawonga continued its excellent production performance during the second quarter and continues to perform well;
- Production is now underway at Sunnyside and coal will be available as required in the third quarter.

Coal Sales

- Whitehaven's coal sales (equity basis including traded coal) of 760,000 tonnes for the December quarter was up 33% on the previous corresponding period, however the production constraints described above led to additional coal purchases during the quarter;
- In addition, the severe downturn in metallurgical coal markets during the quarter resulted in a lower than planned proportion of metallurgical coal sales, however customers are continuing to take delivery of contracted tonnage. Whitehaven currently has sales tonnages and prices fixed for the majority of planned production through until June 30 2009.

Narrabri Development

- Construction of the Narrabri Stage 1 project continues to progress on plan. Surface works are well advanced and construction of the three drifts is well underway. First coal is expected during Q2 FY 2009/10;
- Contracts have now been awarded for more than 90% of the Stage 1 work. Excavation is underway on all 3 drifts with ground conditions being consistent with expectations. Total expenditures up to end of December 2008 are approximately \$65 million;
- Detailed design of Stage 2 for installation and operation of the long wall is well underway with lodging of an application for approval with the NSW Department of Planning expected in the current half year;
- Contracts were completed during the quarter for the sale of a 7.5% Joint Venture (JV) interest in the Narrabri Project to EdF Trading for US \$120 million and the sale of a 7.5 % JV interest to J-Power for A \$125 million.

Infrastructure

- Rail track capacity upgrades by ARTC from the Gap to Narrabri, whilst disrupting services during the December quarter to Gunnedah and Werris Creek, are now largely complete. Track and train capacity is now in place to deliver Whitehaven's requirement for the remainder of FY 2009 of 300,000 tonnes per month to the port;
- Construction of the new NCIG coal loading terminal at Newcastle (Whitehaven owns 11%) remains on track with first coal shipments expected in early 2010.

Corporate

- Relocation of the Corporate office from Brisbane to Sydney continues to be on time with the relocation to be completed by the end of Q3 FY 2008/09;
- Whitehaven continued to generate strong cash flow from operations in the quarter. At 31 December, net available cash was \$77 million. Whitehaven had approximately \$51 million in equipment finance lease liabilities at 31 December with no drawn debt. Available undrawn credit lines stood at \$7.6 million;
- Whitehaven had a total of approx. US \$505 million in forward US\$/A\$ exchange contracts at the end of December, at an average rate of 0.7612 US\$:A\$. During the December quarter US \$200 million of par forward contracts were taken out at an average rate of 0.6725 US\$:A\$. For the balance of FY 2009 Whitehaven has forward exchange contracts of US \$211 million which represents some 98% of expected US\$ revenue including US\$ future sale proceeds from the sale of 7.5% on the Narrabri JV to EdF.

FOREIGN EXCHANGE HEDGING

		2008/09	2009/10	2010/11	2011/12	Total
Principal	US\$ m	211.3	188.6	93.2	12.0	505.10
Rate	A\$/US\$	0.7090	0.7943	0.8215	0.8215	0.7612

Detailed production results for the second quarter of FY 2009 for Whitehaven Coal Limited (ASX: WHC) and its controlled entities are set out below.

Thousands of tonnes	Quarter Ending			Year to Date		
	Dec 2008	Dec 2007*	% Change	July- Dec 2008	July- Dec 2007*	% Change
Whitehaven Mining Precinct (100 %)						
ROM Coal Production	490	469	4%	959	944	2%
Saleable Coal Production	453	359	26%	949	800	19%
Sales of produced coal	441	349	26%	827	829	-
Sales of purchased coal**	266	166	60%	573	312	84%
TOTAL SALES	707	515	37%	1,400	1,141	23%
Coal stocks at period end	242	304	-20%	242	304	-20%
Werris Creek (100%)						
ROM Coal Production	196	289	-32%	465	598	-22%
Saleable Coal Production	225	294	-23%	466	593	-21%
Sales of produced coal	182	268	-32%	425	551	-23%
Sales of purchased coal**	-	-	-	-	-	-
TOTAL SALES	182	268	-32%	425	551	-23%
Coal stocks at period end	107	102	5%	107	102	5%
Total Consolidated Group (100 %)						
ROM Coal Production	686	758	-9%	1,424	1,542	-8%
Saleable Coal Production	678	653	4%	1,415	1,393	2%
Sales of produced coal	623	617	1%	1,252	1,380	-9%
Sales of purchased coal**	266	166	60%	573	312	84%
TOTAL SALES	889	783	14%	1,825	1,692	8%
Coal stocks at period end	349	406	-14%	349	406	-14%

Thousands of tonnes	Quarter Ending			Year to Date		
	Dec 2008	Dec 2007*	% Change	July- Dec 2008	July- Dec 2007*	% Change
Whitehaven Mining Precinct (Equity Share)						
ROM Coal Production	372	391	-5%	711	777	-8%
Saleable Coal Production	329	289	14%	685	637	8%
Sales of produced coal	312	281	11%	587	670	-12%
Sales of purchased coal**	266	166	60%	573	312	84%
TOTAL SALES	578	447	29%	1,160	982	18%
Coal stocks at period end	193	250	-23%	193	250	-23%
Werris Creek (Equity Share)						
ROM Coal Production	196	133	47%	465	256	82%
Saleable Coal Production	225	147	53%	466	266	75%
Sales of produced coal	182	126	44%	425	240	77%
Sales of purchased coal**	-	-	-	-	-	-
TOTAL SALES	182	126	44%	425	240	77%
Coal stocks at period end	107	102	5%	107	102	5%
Total Consolidated Group (Equity Share)						
ROM Coal Production	568	524	8%	1,176	1,033	14%
Saleable Coal Production	554	436	27%	1,151	903	27%
Sales of produced coal	494	407	21%	1,012	910	11%
Sales of purchased coal**	266	166	60%	573	312	84%
TOTAL SALES	760	573	33%	1,585	1,222	30%
Coal stocks at period end	300	352	-15%	300	352	-15%

* Werris Creek 40% to Nov 07, 100% thereafter.

** Sales of externally purchased coal

For further information, please contact:

Tony Haggarty – Managing Director
Kate Kerrison – Kate Kerrison + Company

Tel: 02 8248 1257
Tel: 0413 946 704
Email: kate@katekerrison.com.au