



# Whitehaven Coal

**Results for the Financial Year Ended 30 June 2007**



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# FY 2007 Summary



Key Summary	FY 2007
Lost Time Injuries	0
Sales (Mt) – Equity	1.46
Revenue (A\$m)	106.2
EBITDA (A\$m)	25.6
Net Profit (A\$m)	22.5

# Highlights



- Net profit after tax of \$22.5m on 1.46Mt of coal sales
- EBITDA of \$25.6m
- Successful IPO and listing on the ASX in June 2007
- Tarrawonga open cut mine successfully commissioned
- Owner operation introduced at Canyon and Tarrawonga mines with significant cost savings
- Environmental Assessments lodged for the three coal projects:
  - Narrabri North
  - Belmont
  - Sunnyside
- Additional 110Mt JORC resources identified at Narrabri South
- Increasing demand for Whitehaven's low ash, low sulphur products.

# Comparison with Prospectus FY 2007



## Proforma summary income statement

	<b>FY 2007 A\$ million</b>	<b>Prospectus A\$ million</b>	<b>Variation A\$ million</b>
Revenue	106.2	115.8	(9.6)
FX gains	5.9	1.9	4.0
Total revenue	112.1	117.7	(5.6)
Operating expenses	(87.6)	(96.5)	8.9
EBITDA	25.6	23.4	2.2
EBIT	13.3	15.5	(2.2)
NPAT - Proforma	6.4	8.5	(2.1)
Adjustments:			
FX gains/(losses)	9.7	1.7	8.0
Tax benefit	23.1		23.1
Other (incl IPO costs)	(1.7)	(0.8)	(0.9)
Directors shares under Equity participation deed	(15.0)	(15.0)	-
Net Profit/(loss) after tax	22.5	(5.6)	28.1

# Balance Sheet at 30 June



(\$'000's)	FY 2007	FY 2006
Cash	21,185	1,756
Other current assets	41,730	24,811
Non-current assets	<u>288,127</u>	<u>80,451</u>
<b>Total Assets</b>	<b>351,042</b>	<b>107,018</b>
Borrowings	76,695	25,594
Other liabilities	<u>24,320</u>	<u>30,941</u>
<b>Total liabilities</b>	<b>101,015</b>	<b>56,535</b>
<b>Equity</b>	<b>250,027</b>	<b>50,483</b>
Net debt	55,510	23,838
Gearing – Net debt/(Net debt + equity)	18%	32%

# Capital Expenditure



(\$'000's)	FY2008f	FY2007
<b>Whitehaven Mining Precinct (WMP)</b>		
Belmont / Sunnyside projects	10,830	6,049
Tarrawonga	7,940	31,891
Canyon / CHPP	<u>1,850</u>	<u>9,841</u>
<b>WMP Total</b>	<b>20,620</b>	<b>47,781</b>
<b>Werris Creek</b>	<b>180</b>	<b>511</b>
<b>Narrabri North project</b>	<b><u>55,500</u></b>	<b><u>5,167</u></b>
<b>Total</b>	<b>76,300</b>	<b>53,459</b>



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# Whitehaven Assets



## Narrabri (100%)

- ▲ Coal Type: Thermal
- ▲ Underground mine in development (North) and exploration project (South)
- ▲ Forecast first coal production from Narrabri North in Q4 CY2008
- ▲ Life = >20 yrs

## Werris Creek (40% interest)

- ▲ Coal Types: PCI, Thermal
- ▲ Operating opencut mine



## Bonshaw (66.7% interest)

- ▲ Coal Type: Coking
- ▲ Exploration prospect at exploration stage

## Whitehaven Mining Precinct

- ▲ Coal Types: Semi-soft coking, PCI, Thermal
- ▲ 2 operating mines (Canyon (100%), Tarrawonga O/C (70%)),
- ▲ 2 mines in development, Sunnyside (100%) and Belmont (100%),
- ▲ Several exploration projects.
- ▲ Central coal processing and train-loading facilities

**Plan to increase production from to c. 10 Mtpa in FY2011**

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# FY 2007 Operations Summary (100% Basis)



- Saleable production up 65%

Saleable Production (Mt)	FY 2007	FY 2006	Change
Whitehaven Mining Precinct	997	563	+77%
Werris Creek	1,291	824	+57%
<b>Total</b>	<b>2,288</b>	<b>1,397</b>	<b>+65%</b>

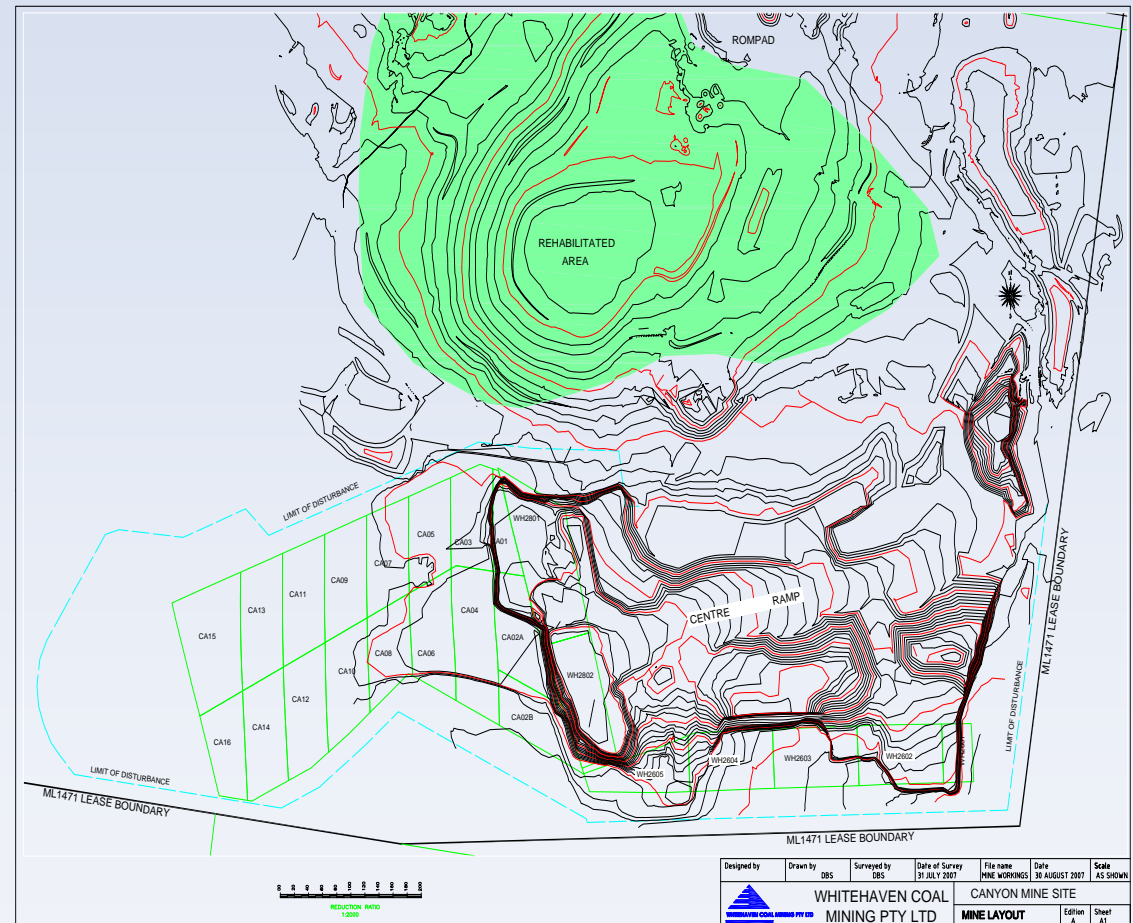
- Coal Sales up 48%

Coal Sales (Mt)	FY 2007	FY 2006	Change
Whitehaven Mining Precinct	1,021	731	+40%
Werris Creek	1,361	880	+55%
<b>Total</b>	<b>2,382</b>	<b>1,611</b>	<b>+48%</b>

# Canyon



- Operation planned to be scaled down when Belmont project is approved.
- Equipment will be progressively transferred to the Belmont open cut mine development



# Tarrawonga (70%)



- Successful commissioning
- Production outstripping allocation at Newcastle Port (PWCS)
- High percentage of bypass coal – i.e. no washing required
- High margin operation
- Purchase of coal mining fleet will further reduce operating costs
- Washed coal product (5.5% ash, c. 0.38% sulphur) is in increasing demand from steel mills

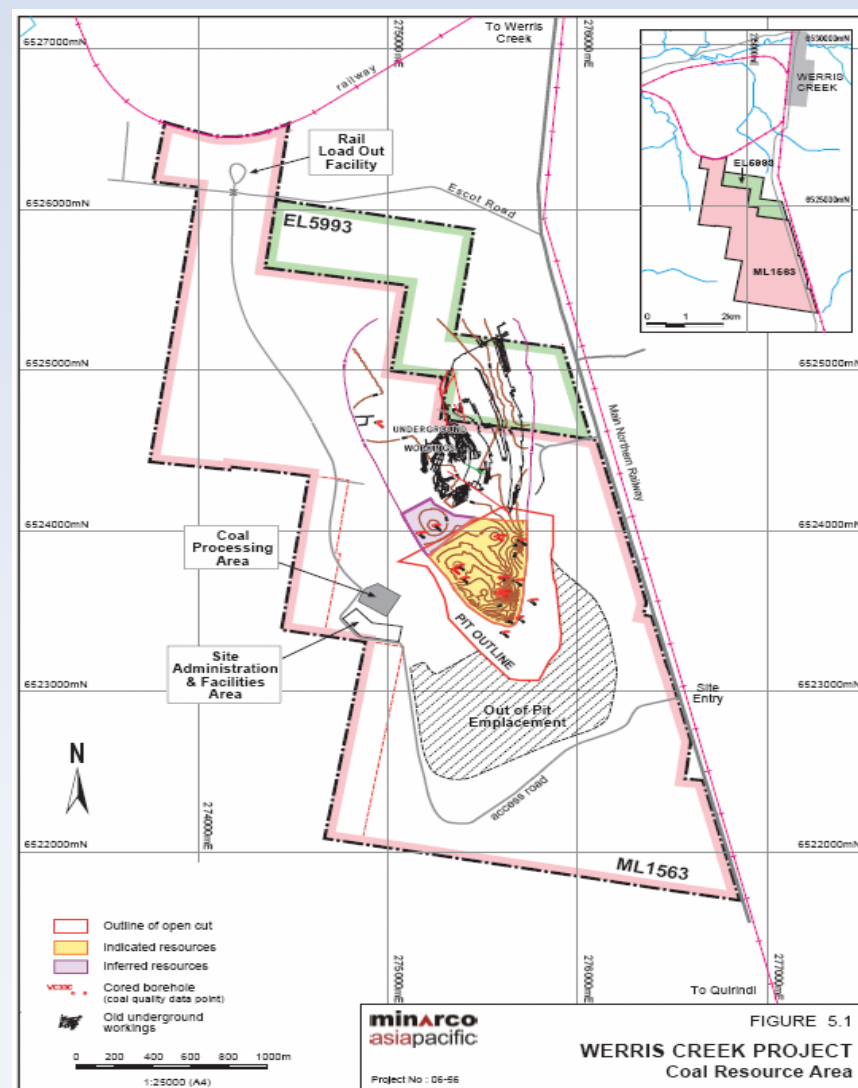




# Werris Creek Mine (40%)



- New contractor – Marshall Mining and Earthmoving (subsidiary of John Holland)
- Drilling has identified additional resources
- Potential for additional reserves
- Revision of JORC reserves estimate expected in September 2007.



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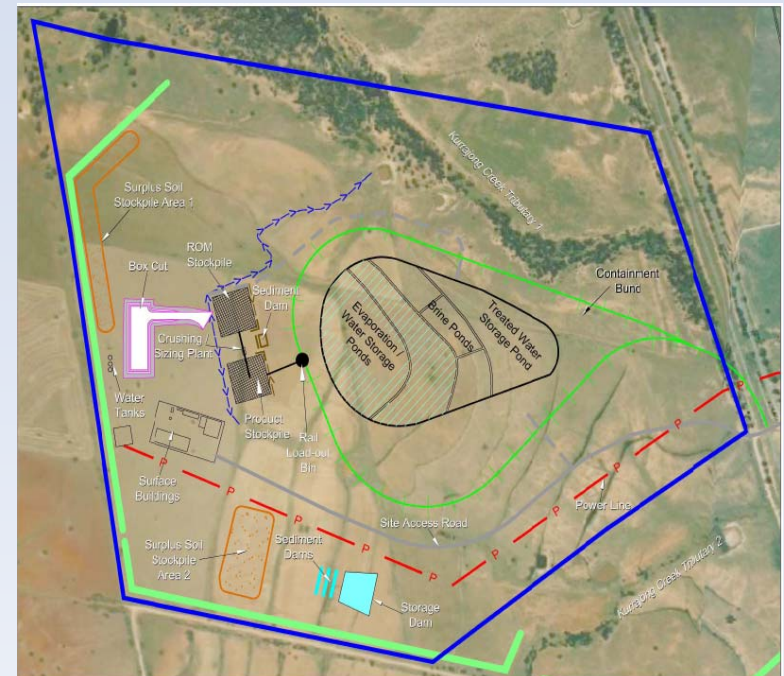
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# Narrabri North

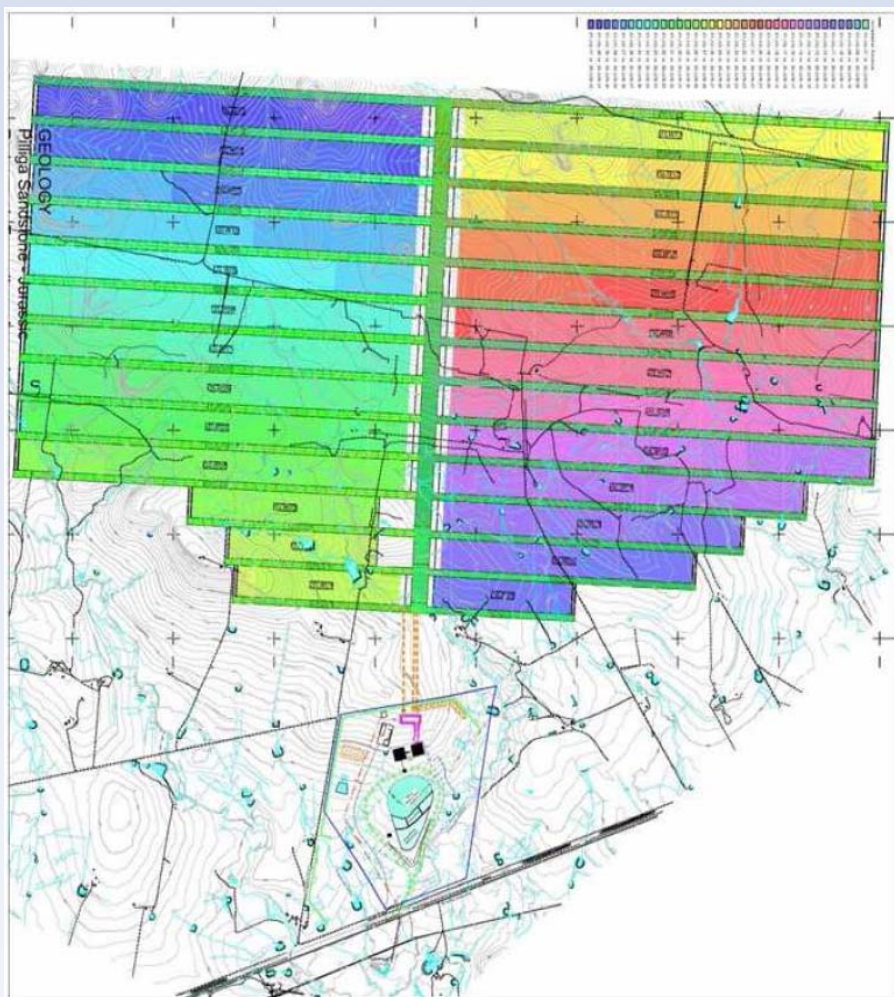


- Development Approval expected September 2007
- Mining Lease expected October 2007
- Construction to commence late 2007
- First coal production expected end 2008
- Stage 2 longwall planning advanced
- Coal quality and product yield expected to provide low cost, high profitability
- Potential for multiple longwalls in Narrabri North
- Narrabri North infrastructure will service future expansion of production
- **Narrabri North Resources:**



(Mt)	JORC 29 August 2007	Prospectus 3 May 2007	Change
Measured	<b>88.6</b>	60.8	+27.8
Indicated	<b>81.0</b>	57.0	+34.0
Inferred	<b>60.8</b>	120.0	-60.0
<b>Total</b>	<b>229.6</b>	<b>237.8</b>	<b>-8.2</b>

# Narrabri North (continued)



# Narrabri South



- Potential for multiple longwalls within Narrabri South
- Further exploration has increased resources at Narrabri South by c. 110Mt
- **Narrabri South Resources:**

(Mt)	JORC 29 August 2007	Prospectus 3 May 2007	Change
Measured	<b>30.7</b>	0.3	+30.4
Indicated	<b>103.0</b>	28.0	+75.0
Inferred	<b>75.0</b>	70.0	+5.0
<b>Total</b>	<b>208.7</b>	<b>98.3</b>	<b>+110.4</b>

# Narrabri Development Project - Summary

- Major Gunnedah Basin resource
- High quality, high yield thermal and PCI coal
- Potential for multiple longwalls within Narrabri North and Narrabri South
- Central infrastructure to service future development
- **Total Narrabri Resources:**

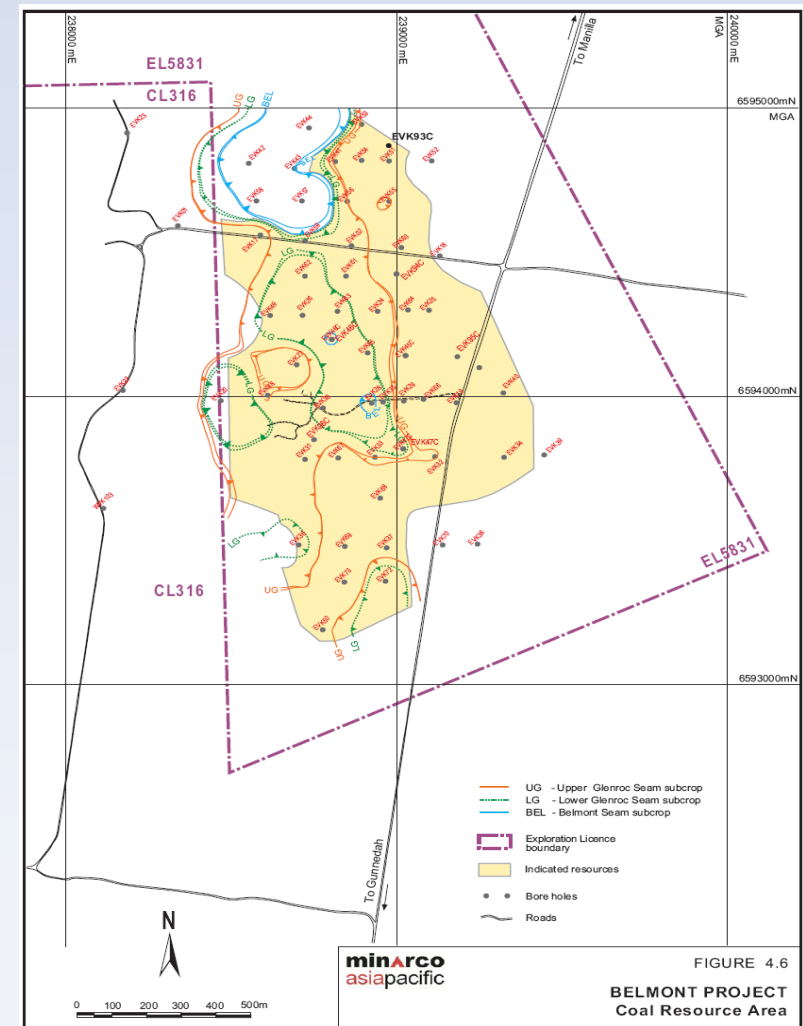
(Mt)	JORC 29 August 2007	Prospectus 3 May 2007	Change
Measured	119.3	61.1	+58.2
Indicated	184.0	85.0	+99.0
Inferred	135.0	190.0	-55.0
<b>Total</b>	<b>438.3</b>	<b>336.1</b>	<b>+102.2</b>



# Belmont Project



- Public display of Environmental Assessment expected in September 2007
- Approval process may delay coal production to FY2009
- Belmont's strip ratio (4.5 to 1) is lower than Canyon's (8.2 to 1)

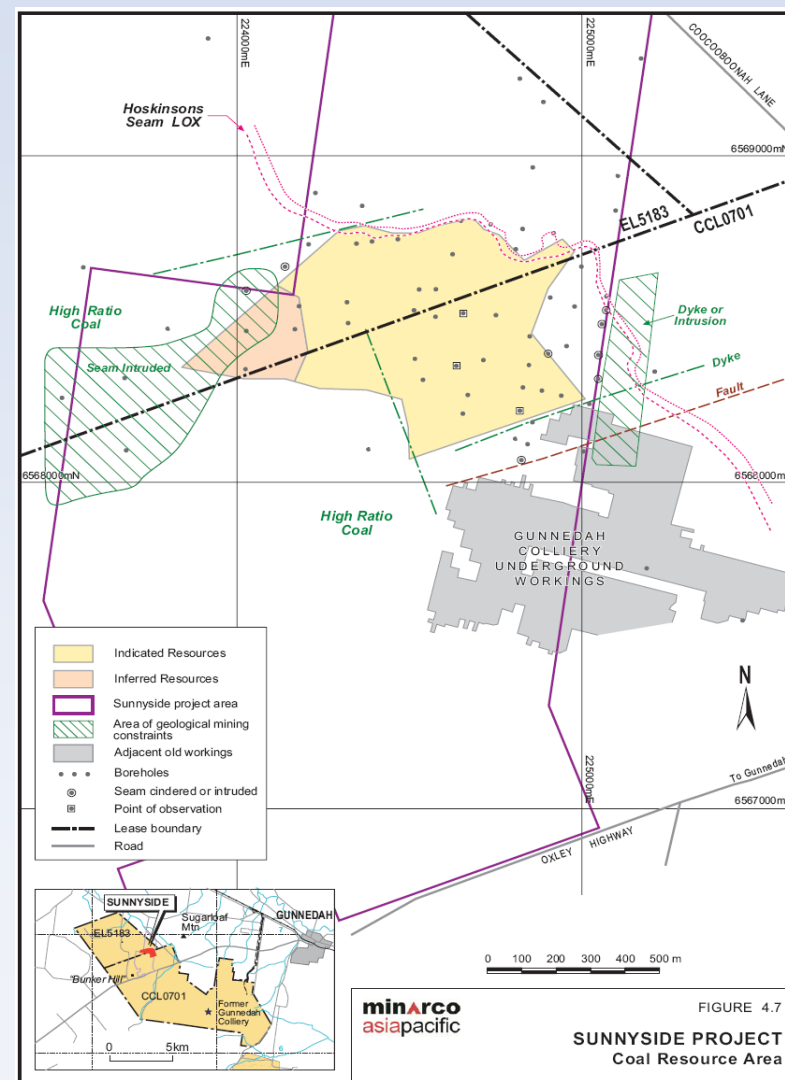


# Sunnyside Project



- Draft EA lodged on 3 July 2007
- Approval process may delay coal production to FY2009
- Low strip ratio, low cost operation planned
- High ash coal provides for blending
- **Resources (Mt):**

Indicated	5.5
Inferred	0.8
<b>Total</b>	<b>6.3</b>

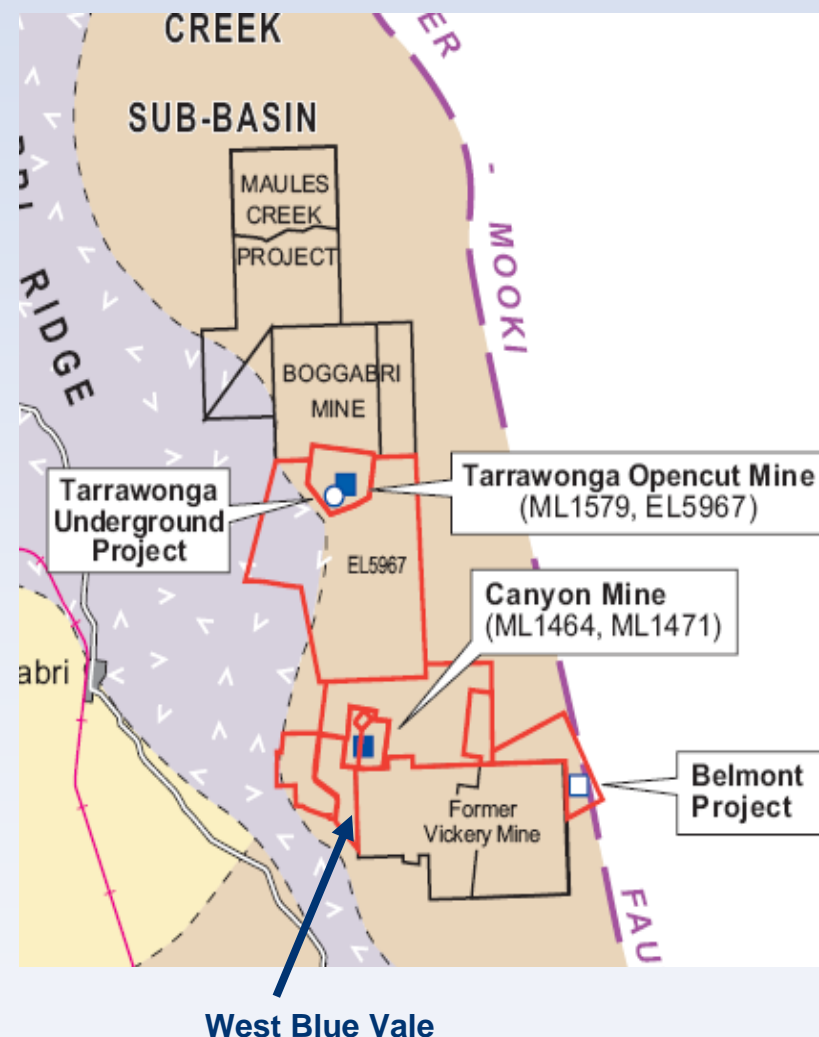


# West Blue Vale Project



- The West Blue Vale deposit is within a few kilometres of the operating Canyon mine.
- The opencut Resource is:
- **Resources (Mt):**

	JORC Resource
Measured	2.76
Indicated	1.49
Inferred	0.71
<b>Total</b>	<b>4.95</b>



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# Rail Capacity Expansion Underway

- Current rail capacity from Narrabri to Newcastle is c. 4Mtpa
- Longer trains will provide increased capacity to c.7Mtpa by Q1 CY2008
- Cost of infrastructure upgrade to support longer trains is c.\$50 million, to be funded by Government and recovered through rail freight charges
- Agreement with NSW Government for Whitehaven to underwrite 60% of the rail upgrade
- Net reduction in rail freight charge – longer trains will more than offset upgrade costs
- Rail capacity to increase to 10.7Mtpa within two years
- Further upgrades to 15Mtpa being planned

# Port Capacity Expansion Underway

- Current export terminal of PWCS, (Port Waratah Coal Services) has expected capacity in CY2008 of c.97Mt
- Nominated demand by all exporters through the PWCS terminal is c.112Mt in CY2008
- New coal terminal operator, NCIG, (Newcastle Coal Infrastructure Group), is due to commission Stage 1 by the end of calendar 2009
- NCIG Stage 1 capacity = 30Mtpa, further expansion approved in two stages to 45Mtpa and then 60Mtpa
- Whitehaven owns 11.1% of NCIG

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# Coal Markets



- Strong demand expected to continue
- JFY 2008 prices should reflect current high spot prices
- Increased demand for Whitehaven's low ash, low sulphur products
- Strong end-user interest in the Narrabri project thermal coal

# Outlook for FY 2008



- Port constraints will limit sales growth
- Coal stocks to be maintained at high levels
- Productivity will be optimised
- Accounting profit for hedge book taken in June 2007
- Cash effect of current hedge book is favourable vs accounting impact
- Regulatory approvals for Belmont and Sunnyside are not within Whitehaven's control. Delays are possible
- Narrabri North construction to commence

# Outlook Beyond FY2008



- High productivity of Whitehaven's operations to be maintained
- New projects are well advanced in planning process
- Belmont and Sunnyside are low capital, straight-forward projects
- Rail capacity expansion is committed and underway
- Port capacity expansion addressed by NCIG project
- Narrabri North longwall on-track for commencement in 2010
- Whitehaven's high quality coals will continue to be increasingly in demand

# Qualifications and Statement



- *The information in this report that relates to Coal Reserves and Resources at Narrabri North and Narrabri South is based on information compiled by Mr Pat Hanna, who is a Member of the Australian Institute of Geoscientists. Mr Hanna FAusIMM, MAIG is a qualified geologist and is a full time employee of SRK Consulting (Australasia) Pty Ltd. Mr Hanna 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 Hanna consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*
- *The information in this report that relates to Coal Reserves and Resources at West Blue Vale and Sunnyside are based on information compiled by Mr Greg Jones, who is a Member of the Australian Institute of Geoscientists. Mr Jones BSc (Hons) MAusIMM, MAIG is a qualified geologist and is a principal Consultant of JB Mining Services Pty Ltd. Mr Jones 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 Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*