



# **Whitehaven Coal Limited**

## **Delivering Growth**

### **Half Year Results - December 2010**

**22 February 2011**



**WHITEHAVEN COAL**

## 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.**



**WHITEHAVEN COAL**



## Qualifications and Statement

Information in this report that relates to Coal Resources and Reserves is based on and accurately reflects reports prepared by the Competent Person named beside the respective information. All these persons are consultants for Whitehaven Coal Limited. Mr Colin Coxhead is a private consultant. Mr Greg Jones is a principal consultant with JB Mining Services. Mr Tom Bradbury is a full time employee of Geos Mining. Mr Chris Turvey is a private consultant. Mr Graeme Rigg is a full time employee of Runge Limited. Mr Doug Sillar is a full time employee of Runge Limited. Mr William Dean is a full time employee of UGM Australia.

Named Competent Persons consent to the inclusion of material in the form and context in which it appears. This Coal Resources and Reserves statement was compiled by Mr Mark Dawson, Group Geologist, Whitehaven Coal Limited. All Competent Persons named are Members of the Australian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and have the relevant experience in relation to the mineralisation being reported on by them to qualify as Competent Persons as defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).



**WHITEHAVEN COAL**

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- ▶ Operating and financial results
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# Financial highlights – H1 2011

- ▶ **Underlying NPAT (excluding Significant Items) of \$32.9 million, up 21%**
- ▶ **Net loss after tax (NPAT) of \$35.1 million<sup>1</sup>**
- ▶ **Final fully franked dividend of 3.3 cents per share<sup>2</sup>**
- ▶ Average cost of sales per tonne consistent with FY 2010
- ▶ EBITDA of \$68.2 million
- ▶ Cash generated from operations of \$16.7 million
- ▶ Net cash flow of \$51.0 million
- ▶ Completed leasing for Whitehaven train with long term tenor
- ▶ Strong financial position at 31 December with net assets of \$1,032.4 million, including \$192.1 million cash on hand and interest bearing liabilities of \$142.3 million

Note 1. Including NPAT loss of \$68.0 million from losses and provision for future losses on legacy contracts and other Significant Items

Note 2. Record date 14 March, payment date 31 March

# Operating highlights – 1HY 2011

- ▶ **Coal sales up 49% (equity basis).**
- ▶ **Saleable coal production up 10% (equity basis).**
- ▶ **Good operational safety, environmental management, production and cost control performance despite the impact of wet weather.**
- ▶ **Saleable coal production adversely affected by high number of wet weather days.**
- ▶ **Shortfall against planned production of more than 0.65 Mt for the half year.**
- ▶ **Expansion of saleable open cut coal production to 5.5 Mtpa is well advanced:**
  - ▶ Werris Creek production to 2.0 Mtpa saleable
  - ▶ Tarrawonga production to 1.8 Mtpa saleable
  - ▶ Rocglen increasing to 1.2 Mtpa saleable
  - ▶ Gunnedah CHPP being upgraded to 550 tph (~4 Mtpa), plus upgrades to crushing, screening and coal loading facilities at Werris Creek, Tarrawonga and Sunnyside
- ▶ **Narrabri Stage 1 complete with saleable coal produced from CM operation of 81Kt.**
- ▶ **Narrabri Stage 2 construction well advanced and on time and budget**

# Business development highlights – 1HY 2011

- ▶ **Coal Resources (JORC) up 116.8 Mt (7%) to 1,749.7 Mt.**
- ▶ **Marketable Coal Reserves (JORC) up 47.6 Mt (15%) to 365.7 Mt.**
- ▶ **Opencut resources in the combined Vickery area (Vickery, Merton, Bluevale and Canyon Extended) of 405.0 Mt.**
- ▶ **An initial opencut Marketable Reserve in the combined Vickery area of 56.67 Mt.**
- ▶ **Full Stage 2 approval for longwall mining at Narrabri was granted by the NSW Minister for Planning, The Hon Tony Kelly MLC, on 28 July, 2010.**
- ▶ **A program of surface to in-seam (SIS) and underground in-seam (UIS) drilling is continuing at Narrabri to create an inventory of drained coal ahead of mining.**
- ▶ **Build up of the Narrabri permanent workforce with a contract awarded for mine services and the provision of a fourth continuous miner.**
- ▶ **NCIG Stage 2AA funding complete with construction completion expected in mid CY 2012.**
- ▶ **Under the rail haulage contract with PN a new PN train was delivered in January 2011 increasing rail capacity in line with planned production.**

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# First half coal sales – 1HY 2011

Equity Basis – 000t	H1 - FY 2010	H1 - FY 2011	Change
Gunnedah Operations	1,556	2,414	+55%
Werris Creek	541	678	+25%
Narrabri	-	41	-
<b>Whitehaven Total</b>	<b>2,097</b>	<b>3,133</b>	<b>+49%</b>

100% Basis – 000t	H1 - FY 2010	H1 - FY 2011	Change
Gunnedah Operations	1,786	2,686	+50%
Werris Creek	541	678	+25%
Narrabri		58	-
<b>Whitehaven Total</b>	<b>2,327</b>	<b>3,422</b>	<b>+47%</b>

# First half saleable coal production – 1HY 2011

Equity Basis – 000t	H1 - FY 2010	H1 - FY 2011	Change
Gunnedah Operations	1,155	1,163	+1%
Werris Creek	570	675	+18%
Narrabri	-	57	-
<b>Whitehaven Total</b>	<b>1,725</b>	<b>1,895</b>	<b>+10%</b>

100% Basis – 000t	H1 - FY 2010	H1 - FY 2010	Change
Gunnedah Operations	1,394	1,422	+2%
Werris Creek	570	675	+18%
Narrabri	-	81	-
<b>Whitehaven Total</b>	<b>1,964</b>	<b>2,178</b>	<b>+11%</b>

# Half year profitability – 1HY 2011

Reported Financial Performance - A\$ millions	H1 - FY 2010	H1 - FY 2011
Revenue	198.5	318.3
NPAT before Significant Items	27.1	32.9
NPAT	83.5	(35.1)
Earnings per share before Significant Items (cents per share - diluted)	5.8	6.6
(Loss) / Earnings per share after Significant items (cents per share - diluted)	18.0	(7.1)
Interim dividend (cents per share - fully franked)	2.8	3.3

Underlying Financial Performance - A\$ millions	H1 – FY 2010	H1 - FY 2011
Revenue excluding sales of purchased coal & net of NSW royalties	156.9	192.3
Operating costs excluding coal purchases	97.7	120.3
EBITDA from own coal sales	59.2	72.0
Pre-tax loss from sales of purchased coal	5.5	3.7
Depreciation & Amortisation	12.2	18.7
EBIT	41.6	49.6
Interest	2.5	1.8
Tax	12.0	14.9
NPAT before Significant Items	27.1	32.9
Net profit after tax on sale of Narrabri JV interests	77.5	-
Other Significant Items after tax	(21.1)	(68.0)
NPAT	83.5	(35.1)

# Half-year cost of sales in line with last year

A\$/t FOB	H1 - FY 2010	H1 - FY 2011
Coal Sales - 000t (equity basis, excl. purchased coal)	1,649	1,948
Average revenue - (excl. purchased coal & net of NSW royalties)	95.15	98.73
<b>Average cost of sales</b>	<b>59.25</b>	<b>61.81</b>
EBITDA	35.9	36.92
EBITDA Margin - %	38%	37%



# First half cash flow – 1HY 2011

A\$ millions	H1 - FY 2010	H1 - FY 2011
Cash generated from operations	36.1	16.7
Interest and tax payments	(89.0)	(34.2)
<b>Net cash provided by/(used) in operating activities</b>	<b>(52.9)</b>	<b>(17.5)</b>
Proceeds from sale of assets	86.1	178.9
Capital investment	(112.1)	(123.3)
Other investing activities	(3.0)	(7.7)
<b>Net cash provided by/(used) in investing activities</b>	<b>(29.0)</b>	<b>47.9</b>
Proceeds from issue of share capital	206.8	-
Proceeds/(repayment) of borrowings	5.1	34.5
Dividends paid	(28.6)	(13.8)
<b>Net cash provided by/(used) in financing activities</b>	<b>183.3</b>	<b>20.7</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>101.4</b>	<b>51.0</b>
Cash and cash equivalents at 1 July	131.2	141.0
<b>Cash and cash equivalents at 30 June</b>	<b>232.6</b>	<b>192.1</b>

# 31 December financial position

A\$ millions	June 30 - 2010	December 31 – 2010
<b>Cash</b>	<b>141.0</b>	<b>192.1</b>
Current receivables	289.2	116.9
Other current assets	72.0	149.7
<b>Current assets</b>	<b>502.2</b>	<b>458.7</b>
Non-current receivables	37.1	1.2
Other non-current assets	812.0	932.2
<b>Total assets</b>	<b>1,351.3</b>	<b>1,392.1</b>
Current payables	128.4	92.7
Current tax payable	37.5	-
Current interest bearing loans and borrowings	37.3	52.8
Other current liabilities	22.0	63.5
<b>Current liabilities</b>	<b>225.2</b>	<b>209.0</b>
Non-current payables	-	-
Non-current interest bearing loans and borrowings	57.6	89.5
Other non-current liabilities	45.3	61.2
<b>Total liabilities</b>	<b>328.1</b>	<b>359.7</b>
<b>Net assets</b>	<b>1,023.2</b>	<b>1,032.4</b>
Share capital	591.2	591.2
Retained earnings	411.2	362.3
Reserves	20.8	78.9
<b>Total equity</b>	<b>1,023.2</b>	<b>1,032.4</b>

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# Expansion of open cut mines to 5.5 Mtpa in place

## ► Werris Creek Mine (WHC 100%)

- Reserves to support 15 – 20 year LOM
- Permitted to 2.0 Mtpa
- PCI and thermal coals
- Saleable coal yield 100%
- Own crushing and rail load-out



## ► Tarrawonga Mine (WHC 70%)

- Reserves to support 15 – 20 year LOM
- Permitted to 2.0 Mtpa ROM
- PCI & high quality thermal coals
- Saleable coal yield >90%

## ► Rocglen Mine (WHC 100%)

- Reserves to support 8 – 10 year LOM
- Permitted to 1.5 Mtpa ROM
- Mainly thermal coals
- Saleable coal yield ~80%

## ► Sunnyside Mine (WHC 100%)

- Reserves to support +20 year LOM
- Permitted to 1.0 Mtpa ROM
- Thermal coals
- Saleable coal yield ~80%





# Gunnedah CHPP and load-out upgrade almost complete

- ▶ Gunnedah CHPP and rail load-out (WHC 100%)
  - ▶ Permitted to handle and rail 4.0 Mtpa saleable coal
  - ▶ CHPP upgraded to handle planned 3.5 Mtpa saleable production from Tarrawonga, Rocglen & Sunnyside
  - ▶ Remaining 2.0 Mtpa saleable open cut coal will be crushed and loaded from Werris Creek





# Narrabri underground mine – a world class asset

- ▶ Coal resources of 854 Mt in a single seam of 8-9 metres thick
- ▶ Current marketable reserves of 199.9 Mt based on extracting the bottom 4.2 metre section of the seam only
- ▶ Low ash, high energy, low sulphur PCI and thermal coals for the export market
- ▶ Saleable coal yield ~95%
- ▶ Current production from continuous miner operations while developing for longwall





# Narrabri Stage 1 now producing

- ▶ First CM production 28 June 2010
- ▶ Second and third continuous miners commissioned during the half-year
- ▶ Total of 81 Kt of saleable coal produced to date
- ▶ All CMs deployed on development for longwall installation, due end 2011
- ▶ Gas drainage successful in reducing CO<sub>2</sub> levels below required outburst threshold
- ▶ Ongoing gas drainage to build up an inventory of drained coal ahead of production





# Narrabri mining conditions continue to be good



Overcast site within the coal seam, which is 9m high

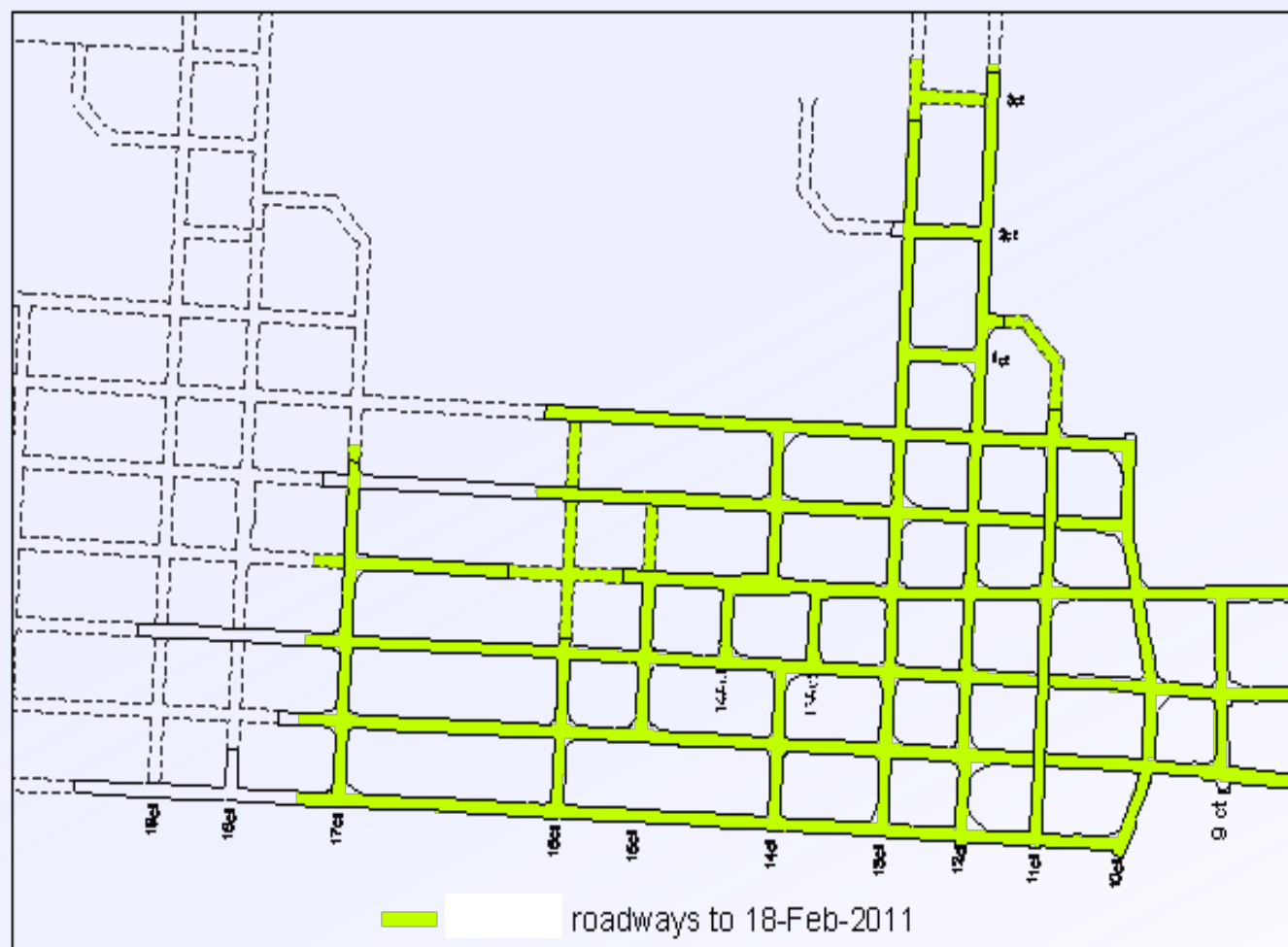
Development roadway dimensions 5.4m wide x 3.5m high





# Narrabri development for longwall #1

- ▶ Underground mining conditions continue to be good
- ▶ Gas drainage working well, mining and surface equipment working well
- ▶ Gas drainage drilling along LW#1 has not identified any geological features
- ▶ More than 700 people have applied for jobs, but mostly inexperienced
- ▶ Actions to address the problem include renewed recruitment efforts, contract labour and introduction of a fourth CM unit.
- ▶ Current expectations remain for December 2011 start up of the long wall



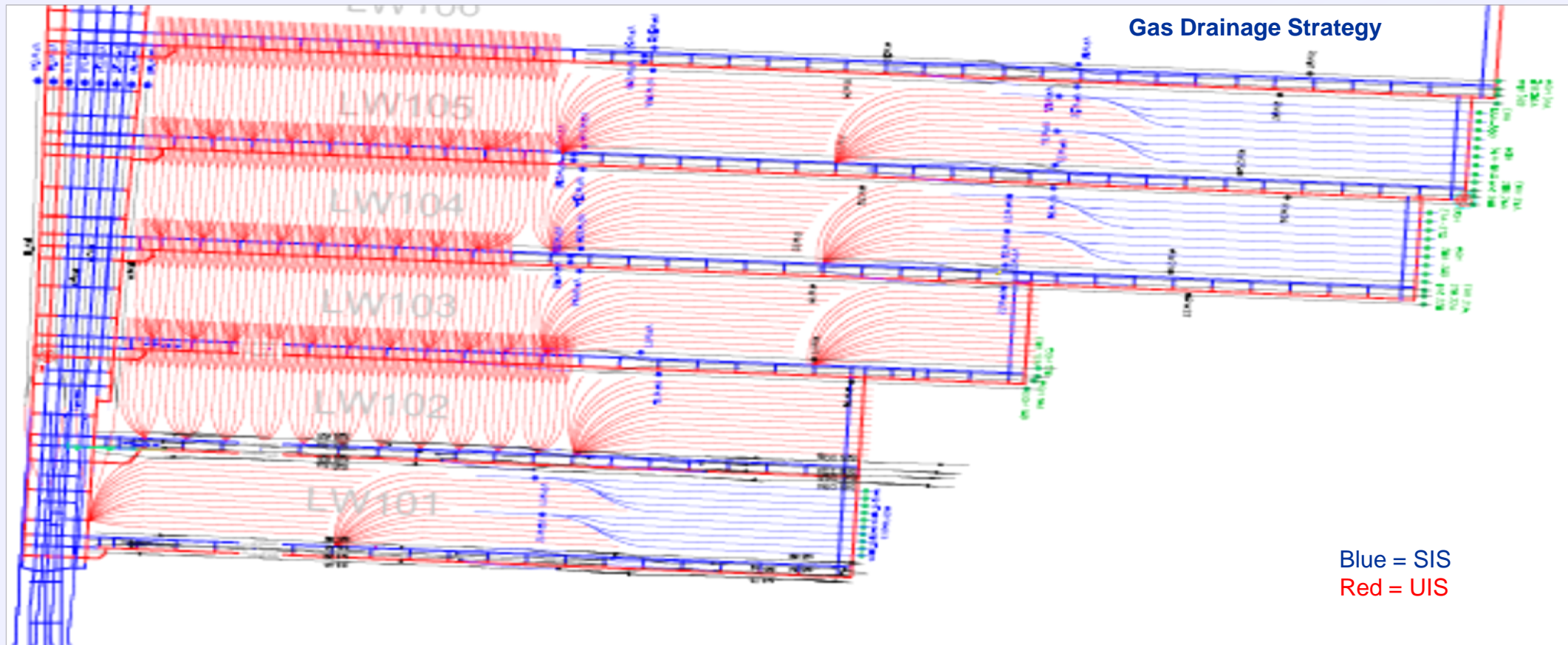
# Narrabri Stage 2 progressing well

- ▶ Stage 2 approval granted by the NSW Government in August
- ▶ Longwall ordered in September 2009, delivery is 86% complete
- ▶ Ventilation shaft, CHPP and other key Stage 2 facilities well advanced
- ▶ Stage 2 capital estimate of ~\$300 million (100% basis) remains valid following award of most Stage 2 contracts



# Pre-drainage of gas using SIS and UIS methods in advance of longwall development and extraction

- ▶ Combination of surface to in-seam (SIS) and underground in-seam (UIS) drill holes are being employed to drain LW development roads and panels
- ▶ This will continue to build up an inventory of drained coal ahead of LW development and extraction
- ▶ Gas drainage drilling also provides very useful geological information





# Narrabri can produce PCI coal, up to 40% of ROM

- ▶ Coal quality and washability analyses of large diameter bore-cores from Narrabri indicate potential to produce substantial quantities of PCI coal
- ▶ By adding a dense-medium cyclone (DMC) to the planned Stage 2 CHPP, indications are that ~40% of ~7.5% ash PCI coal and ~55% of ~12% ash thermal coal can be produced (i.e. total saleable coal yield of ~95%)
- ▶ If the full Narrabri seam is extracted in future using top coal caving (TCC), indications are that there is potential to produce up to 35% of ~7.5% ash PCI coal and 50% of ~15% ash thermal coal (i.e. total saleable coal yield of ~85%)
- ▶ A construction contract for the Stage 2 CHPP, including the DMC circuit, has been awarded to Sedgman and construction has commenced, with operations expected to commence in May 2011



# Future potential for top coal caving

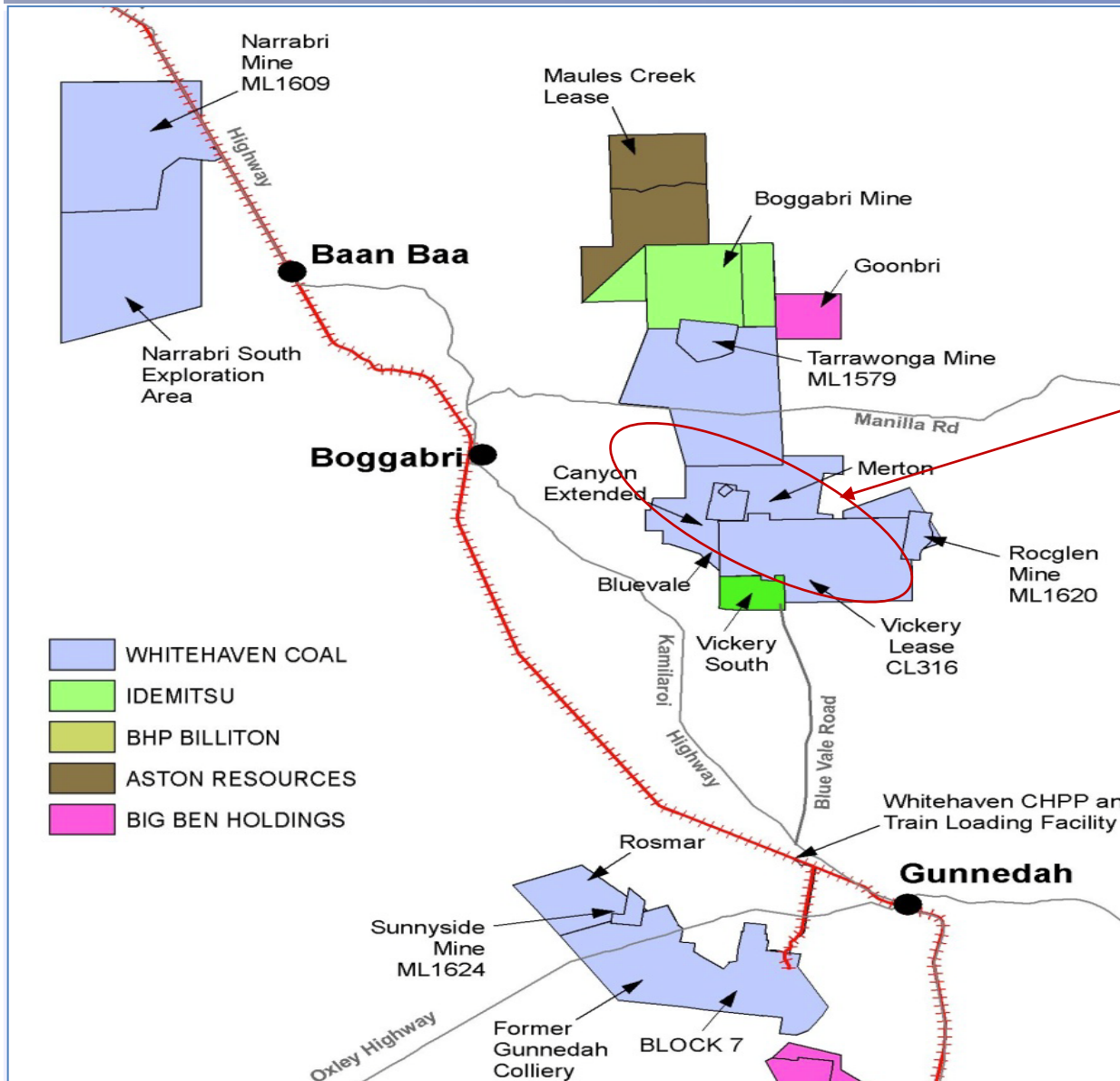
- ▶ First 2 longwall panels will mine 4.2 metre bottom section & will provide experience of caving & geo-tech characteristics
- ▶ Potential thereafter for top coal caving (TCC) which could:
  - ▶ Recover most of the 8-9 metre coal seam; increase resource recovery (+300 Mt) & extend mine life
  - ▶ Provide lower development costs (potential to reduce development CM units from 3 to 1)
  - ▶ Reduce gas management and spontaneous combustion management costs
  - ▶ Allow increase in LW production from 6 Mtpa to 9 Mtpa with low additional UG capex
  - ▶ But, would need substantial capacity upgrade to surface facilities & may require washing of full seam
- ▶ Narrabri longwall has been designed with option to retrofit TCC during a normal longwall change-out

# Coal Resources up 7%, Marketable Reserves up 15%

COAL RESOURCES - February 2011				
Million tonnes	Measured Resource	Indicated Resource	Inferred Resource	Total Resources
Vickery Combined Area Opencut	38.79	157.26	209.0	405.0
Tarrawonga Opencut	17.44	41.57	19.1	78.1
Rocglen Opencut	11.74	6.19	2.1	20.1
Sunnyside Opencut	20.35	47.84	22.9	91.1
Other Gunnedah Resources	6.55	48.83	203.3	258.8
<b>TOTAL GUNNEDAH</b>	<b>94.87</b>	<b>301.69</b>	<b>456.4</b>	<b>853.1</b>
<b>TOTAL WERRIS CREEK</b>	<b>29.96</b>	<b>4.79</b>	<b>2.7</b>	<b>37.4</b>
<b>TOTAL NARRABRI</b>	<b>214.60</b>	<b>285.00</b>	<b>355.0</b>	<b>854.6</b>
<b>TOTAL ASHFORD</b>	<b>-</b>	<b>2.60</b>	<b>2.0</b>	<b>4.6</b>
<b>TOTAL COAL RESOURCES</b>	<b>339.43</b>	<b>594.08</b>	<b>816.1</b>	<b>1,749.7</b>

COAL RESERVES - February 2011						
Million tonnes	Recoverable Reserves			Marketable Reserves		
	Proved	Probable	Total	Proved	Probable	Total
Vickery Combined Area Opencut	16.33	50.12	66.45	14.19	42.48	56.67
Tarrawonga Opencut	4.80	30.77	35.57	4.45	28.55	33.00
Rocglen Opencut	8.92	3.76	12.68	7.81	3.29	11.10
Sunnyside Opencut	6.89	20.68	27.57	6.89	20.68	27.57
Other Gunnedah Reserves	-	7.70	7.70	0.00	7.10	7.10
<b>TOTAL GUNNEDAH</b>	<b>36.94</b>	<b>113.03</b>	<b>149.97</b>	<b>33.34</b>	<b>102.10</b>	<b>135.44</b>
<b>TOTAL WERRIS CREEK</b>	<b>26.00</b>	<b>4.33</b>	<b>30.33</b>	<b>26.00</b>	<b>4.33</b>	<b>30.33</b>
<b>TOTAL NARRABRI</b>	<b>90.7</b>	<b>128.9</b>	<b>219.6</b>	<b>85.4</b>	<b>114.5</b>	<b>199.9</b>
<b>TOTAL COAL RESERVES</b>	<b>153.6</b>	<b>246.3</b>	<b>399.9</b>	<b>144.7</b>	<b>220.9</b>	<b>365.7</b>

# The addition of Vickery provides more options



The Vickery area comprising:

- Vickery,
- Merton,
- Bluevale and
- Canyon Extended provides

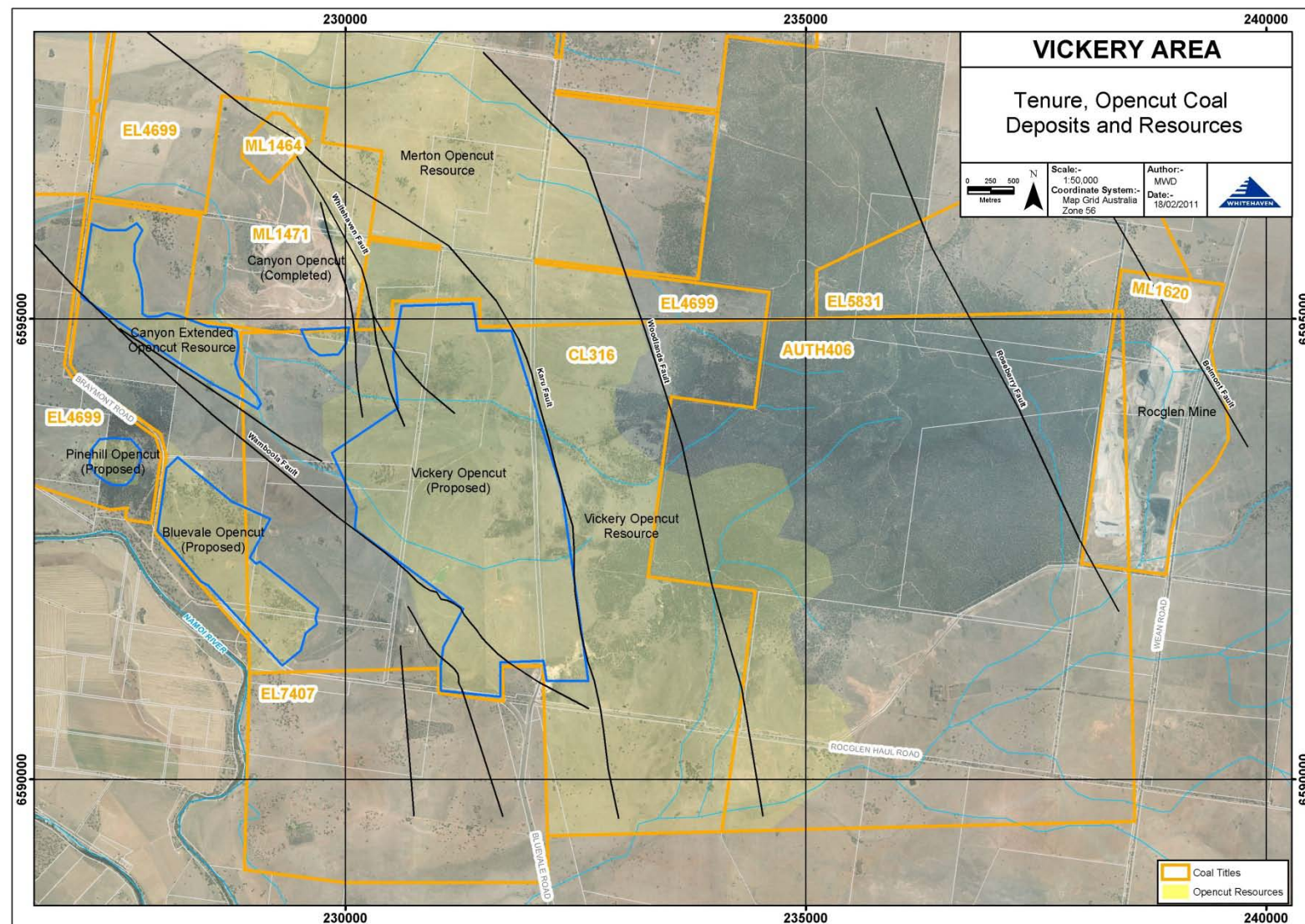
405 Mt of open cut Resources, with an initial open cut Reserve of 56.7 Mt Recoverable and 47.6 Mt Marketable.

There are also substantial underground resources.



# Vickery has a large resource of high quality coal

- ▶ Coal seams at Vickery contain a range of semi-soft coking and high quality thermal coals
- ▶ Previous coal quality analysis indicates a +80% yield of mainly metallurgical saleable coal
- ▶ Work at Vickery focussed on defining a mine plan & completing associated studies to support an opencut mine producing ~4Mtpa saleable coal for at least 20 years



# Rail infrastructure to meet Whitehaven's growth

- ▶ Whitehaven (60%) and Idemitsu (40%) have sponsored RIC and ARTC investments which have increased rail track capacity north of Muswellbrook, to meet the needs of Whitehaven and Idemitsu. This program is continuing
- ▶ In return, Whitehaven and Idemitsu have rights to track capacity north of Werris Creek, under the terms of a deed with RIC. An agreement is also in place with ARTC regarding capacity south of Werris Creek
- ▶ Further track upgrade opportunities have now been identified by ARTC to increase rail capacity to ~60 Mtpa from the Gunnedah Basin, including a duplication of the existing Liverpool Range track alignment
- ▶ This track upgrade program can be constructed in stages to meet producers' development plans and Gunnedah Basin coal producers have formed a project group, led by ARTC, to ensure construction occurs to meet future demand
- ▶ Whitehaven has entered into a long term haulage agreement with PN which includes the provision of new trains to meet Whitehaven's growth plans. Whitehaven purchased a new train in August which is now being operated under contract by PN
- ▶ In January 2011, the first new train under the PN contract was delivered and a further new train is due in August 2011



# Port infrastructure to meet Whitehaven growth

## ► Existing PWCS Terminal

- Whitehaven has secured 3.6 Mtpa of existing PWCS capacity

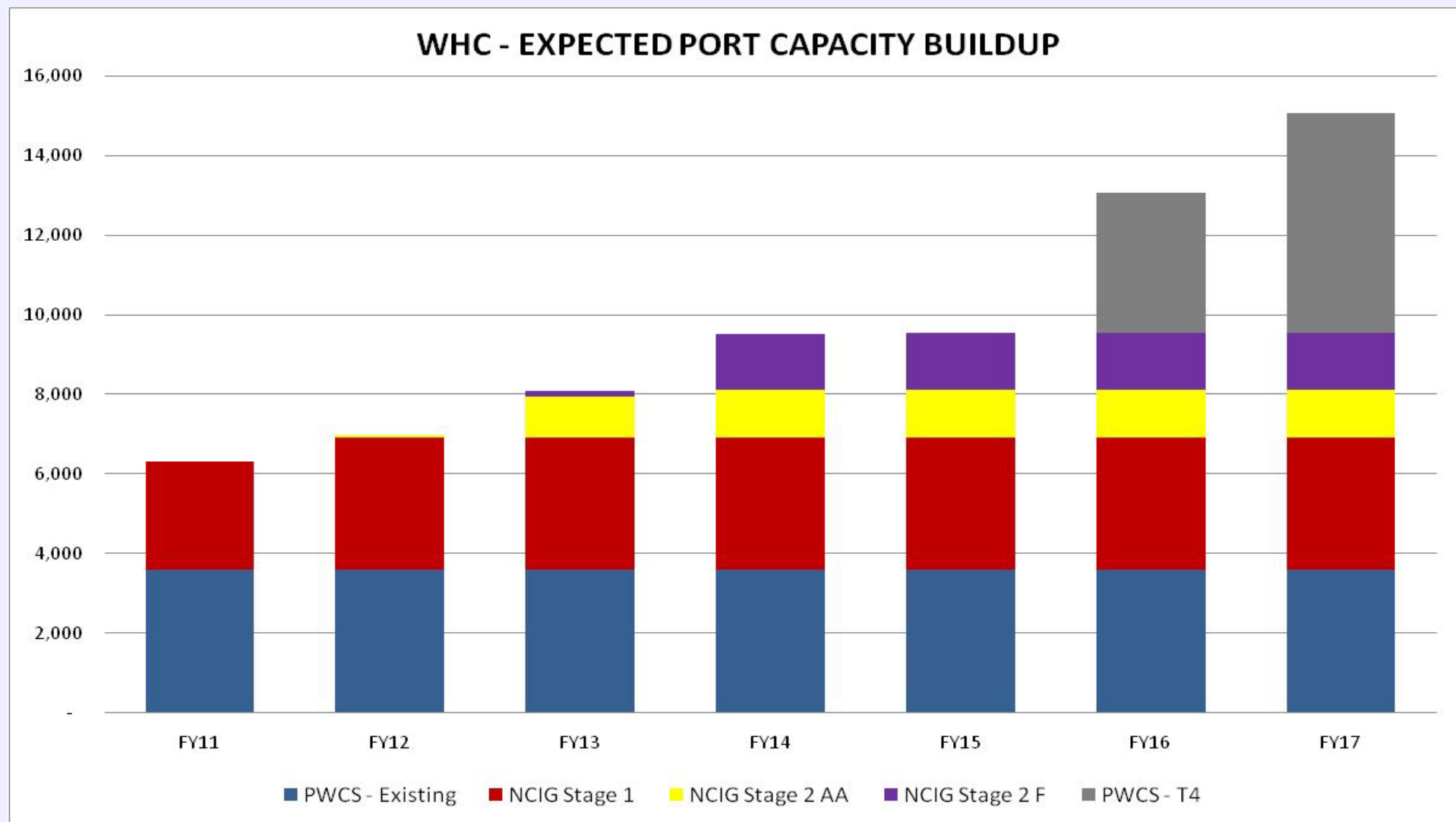
## ► Newcastle Coal Infrastructure Group (“NCIG”)

- Whitehaven owns 11% of NCIG....Stage 1 was commissioned in March 2010. Stage 1 capacity of 30 Mtpa is available to NCIG members pro-rata to shareholding
- Stage 2AA capacity of a further 23 Mtpa is now committed and is expected to become available in mid-2012. Of this, 12 Mtpa has been to be made available to non-NCIG shippers
- The balance of Stage 2 (Stage 2F), a further 13 Mtpa of capacity, is expected to be available in mid-2013

## ► Producer Agreement for port access

- In late 2009, the NSW Government (Newcastle Ports Corporation), reached a Capacity Framework Agreement with PWCS and NCIG to manage future access to Newcastle coal port capacity
- Under this agreement, port capacity to service future mine expansion and new mine developments will be provided by a fourth coal terminal on Kooragang Island (T4), to be built by PWCS
- A project team has been formed to progress T4 and good progress is being made, however T4 capacity is unlikely to be available before 2016

# Whitehaven's existing port capacity entitlement



1. These estimates relate to planned future events and expectations and as such involve known and unknown risks and uncertainties. Please refer to Disclaimer

# NCIG Stage 1 now fully operational, but limited to Panamax ships until late 2011



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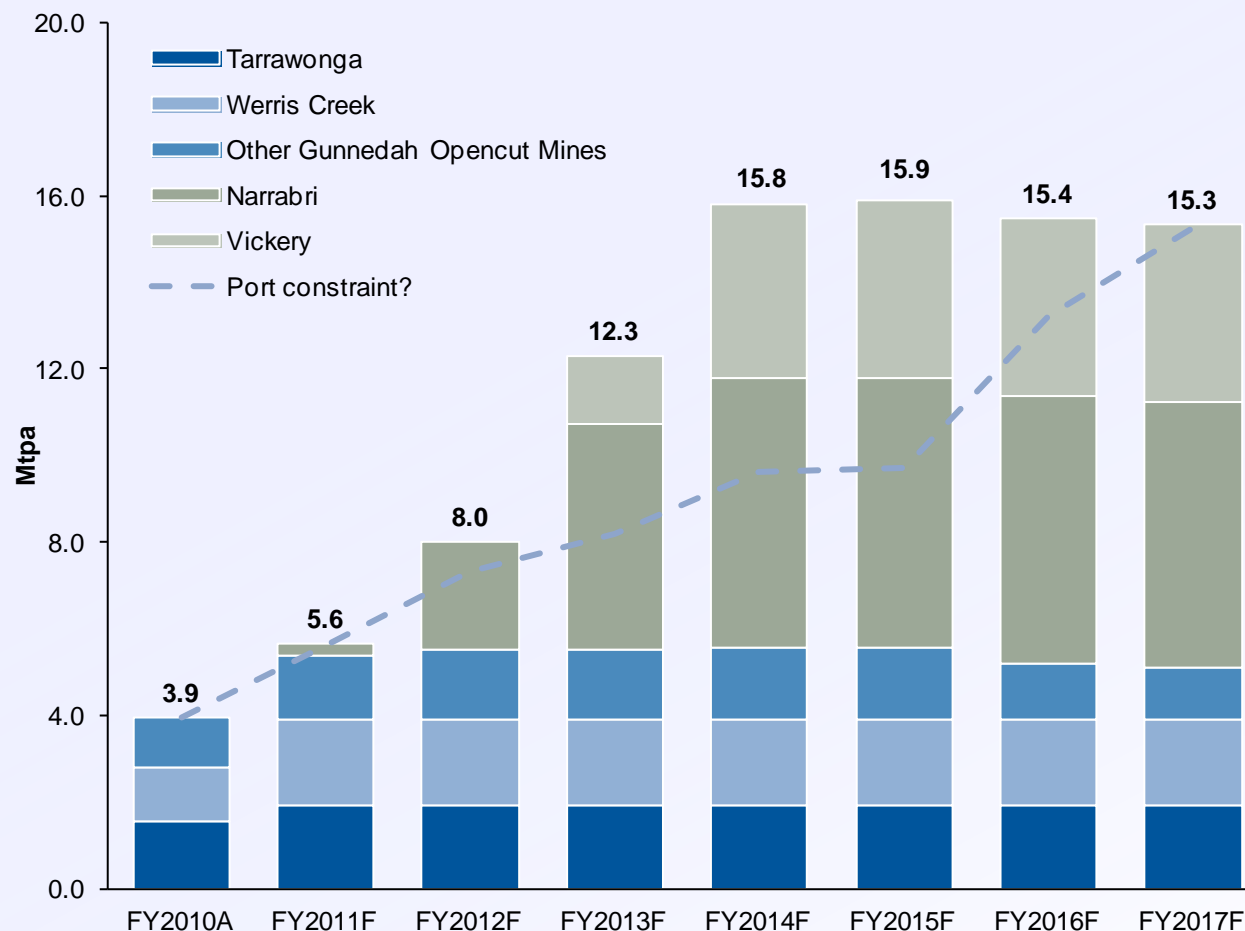
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# Low-risk open cut production base with substantial growth from Narrabri UG and Vickery OC

- ▶ Four existing opencut mines expected to produce up to ~5.5 Mtpa<sup>1</sup>. More opencut capacity in future from existing resources + Vickery
- ▶ Total saleable production capacity expected to be ~11.5 Mtpa<sup>1</sup> by FY2013 (~5.5 Mtpa from existing mines and ~6 Mtpa from Narrabri)
- ▶ Vickery expected to contribute > 4 Mtpa (saleable), with production starting from as early as 2013
- ▶ Growth may be constrained in the medium term by port capacity, but it is likely that there will be opportunities to access additional capacity over the next few years
- ▶ T4 likely to be available from 2016
- ▶ 11% ownership of NCIG is an important infrastructure asset
- ▶ Investment in rail track and train capacity upgrades support growth plans

## SALEABLE PRODUCTION CAPACITY VS PORT CAPACITY (100% BASIS)<sup>1</sup>

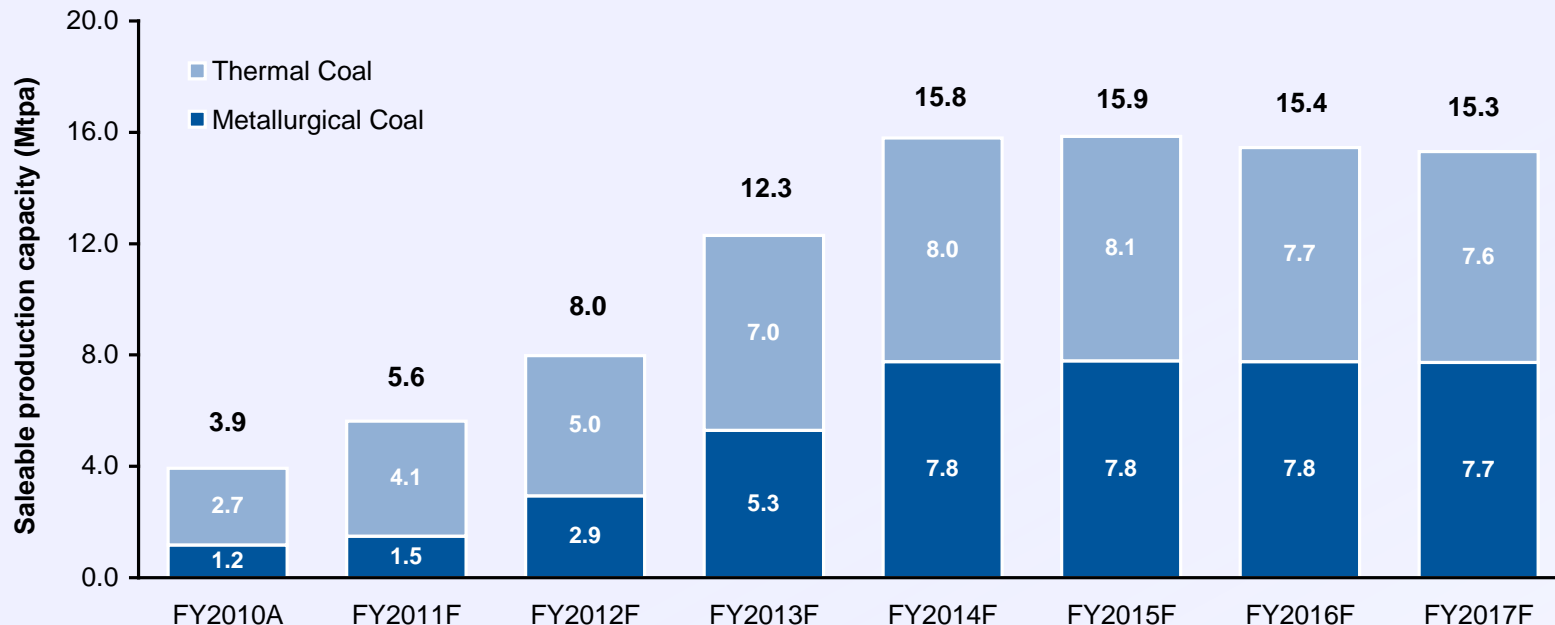


1. 100% basis. These estimates relate to planned future events and expectations and as such involve known and unknown risks and uncertainties. Please refer to Disclaimer



# Increasing percentage of metallurgical coal production and close to 100% export sales

## MIX OF METALLURGICAL AND THERMAL COAL (100%) – UNCONSTRAINED BY PORT CAPACITY



- ▶ Metallurgical coal production is expected to grow from ~30% to over 50% of total saleable production capacity as Narrabri and Vickery are developed
- ▶ Produced 57% metallurgical coal from Tarrawonga and 18% from Werris Creek in FY2010 ; expected long term average of 85% and 13% of metallurgical coal respectively
- ▶ Indications are that Narrabri can produce up to 40% PCI coal and Tarrawonga, up to 85% PCI / semi-soft coking
- ▶ Coal quality analysis at Vickery indicates up to 85% semi-soft coking and PCI coal
- ▶ ~95% export sales in FY2010, increasing to ~99% by FY2013

# Fixed price coal contracts and fixed FX status

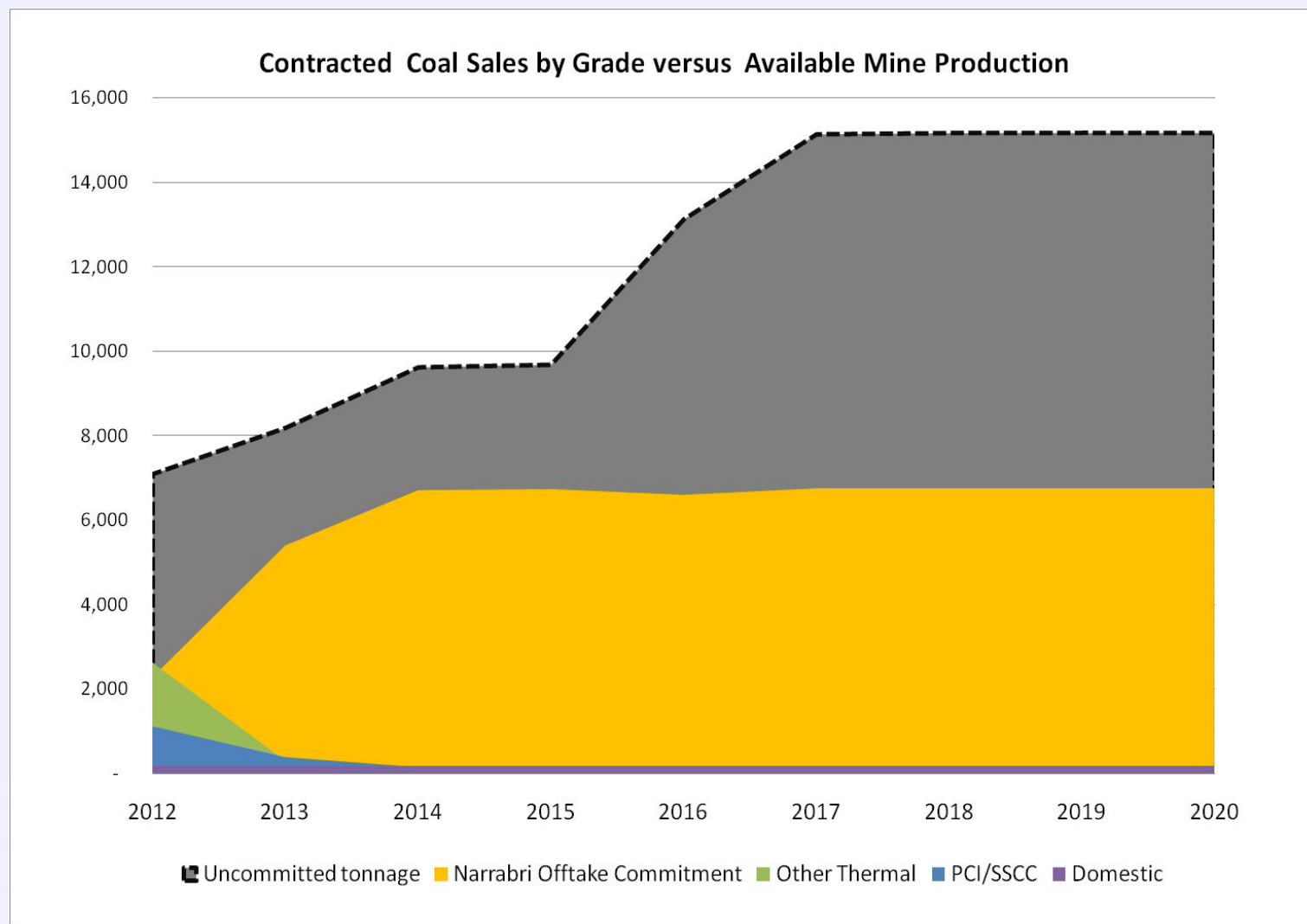
- ▶ “Legacy” thermal coal contracts of 3.724 Mt remain during FY 11 and FY 12 at an average price US\$69.27/t. Otherwise, US\$ coal prices are currently only fixed for the short term
- ▶ Whitehaven currently has a total FX fixed position of US\$434m at an average exchange rate of 0.8150 US\$:A\$
- ▶ Approximately 100% of FY 2011 fixed price sales are covered by FX contracts at ~0.8051 A\$/US\$
- ▶ Approximately 100% of FY 2012 fixed price contracts are covered by FX contracts at ~0.8259 A\$/US\$

## WHITEHAVEN LEGACY CONTRACTS REMAINING AT 31ST DECEMBER 2010

	FY 2011	FY 2012			Total
	2nd Half	1st Half	2nd Half	Total	Total
Tonnes - 000t	2,083	1,551	90	1,641	3,724
Price - US\$/t FOB	68.70	69.88	72.00	69.99	69.27

# Significant uncommitted tonnages in future years

- ▶ Even with the large off take commitments with Whitehaven's Narrabri JV partners, there remains significant uncommitted tonnage based on future production.
- ▶ The Vickery project offers a good mix of metallurgical coal opportunities and will increase the overall percentage of metallurgical coal
- ▶ Legacy thermal contract commitments cease at the end of 2011/2012 freeing up significant thermal sale opportunities



# Growth plans are well funded

## Capacity to fund new opportunities

- ▶ Major capital needs are more than covered by cash on hand and proceeds from the sale of Narrabri JV interests
- ▶ In addition, net cash flow from operations is available to service working capital and dividends
- ▶ The Whitehaven balance sheet also has substantial capacity for debt, should attractive investment opportunities arise

### Major Cash Needs

### A\$ million

Narrabri Stage 2	104
Open cut expansion	30
Other	50

**184**

### Major Cash Sources

Cash on hand	192
Narrabri JV sale proceeds	57
ECA finance	85

**334**

# Outlook

- ▶ Saleable coal production expected to increase significantly in the second half, subject to no further adverse weather conditions.
- ▶ While there remains uncertainty around coal prices and other variables, Whitehaven currently expects full year underlying NPAT to be in the range of \$80 M to \$90 M with significant items reducing reported NPAT to between \$15 M and \$20 M.

## Whitehaven Coal Limited – Current Expectations of Net Profit After Tax in FY 2011.

\$M	First Half	Second Half	FY 2011
Underlying Net Profit After Tax	33	50 – 55	83 - 88
<u>Significant Items</u>			
Realised Loss from Legacy Contract Settlement	(22)		(22)
Provision for Future Loss on Legacy Contract Settlement	(32)		(32)
Other Significant Items	(14)		(14)
Reported Net Profit After Tax and Significant Items	(35)	50 – 55	15 – 20

Estimates of company earnings provided in this release 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.



# Looking further ahead

- ▶ **Strong fundamental growth in demand for coal remains (both metallurgical and thermal)**
- ▶ **Whitehaven is well positioned**
  - ▶ Large resources and reserves of high quality coal
  - ▶ Mix of metallurgical and thermal coal products
  - ▶ Efficient, flexible open cut mines, competitive costs
  - ▶ Substantial growth from Narrabri and Vickery
  - ▶ Established rail and port capacity with 11% share of NCIG
  - ▶ Good portfolio of long term coal sales contracts to support growth profile
  - ▶ Strong financial position
  - ▶ Excellent platform for future corporate growth

# Possible corporate transaction

- ▶ On 29 October 2010, Whitehaven Coal Limited (ASX:WHC) announced that it was commencing a formal process to enable selected interested parties to conduct due diligence and submit proposals for a potential corporate transaction with the company.
- ▶ Whitehaven has now received a number of non-binding indicative proposals and a selected short-list of parties have been invited to complete detailed due diligence and submit binding proposals.
- ▶ The formal process is expected to continue for a number of months and may or may not result in a final proposal being made and recommended by the Board.



# **Whitehaven Coal Limited**

## **Delivering Growth**

### **Half Year results December 2010**

**22 February 2011**



**WHITEHAVEN COAL**