

Whitehaven Coal Limited Quarterly Report to 31 March 2012

2012 MARCH QUARTER HIGHLIGHTS

Thousands of tonnes	Quarter Ending			YTD		
	Mar 12	Mar 11	% Change	Mar 12	Mar 11	% Change
ROM Coal Production – 100%	1,280	1,197	7%	3,829	3,525	9%
Saleable Coal Production - 100%	1,044	1,033	1%	3,508	3,211	9%
Total Coal Sales – 100%	1,419	1,334	6%	4,708	4,756	-1%
Saleable Coal Production - Equity	903	940	-4%	3,057	2,835	8%
Total Coal Sales - Equity	1,276	1,241	3%	4,273	4,373	-2%

HIGHLIGHTS

- As reported separately, the merger of Whitehaven and Aston Resources Limited; and the acquisition of Boardwalk Resources Limited by Whitehaven, were approved by the Federal Court on 18th April. Implementation of these transactions is now underway with the combined entity expected to be in place and trading on the ASX on 7th May.
- Whitehaven ROM coal production during the March quarter was 1.28 million tonnes (Mt) on a 100% basis, up 7% on the previous corresponding period, with saleable coal production of 1.04 Mt, up 1% on the previous corresponding period.
- As previously reported, production from Whitehaven's open cut mines was reduced significantly during the quarter by exceptional wet weather in January and February, with consequential changes in the mining sequence at most mines.
- Coal sales for the March quarter were 1.419 Mt (100% basis), up 6% on the previous corresponding period. Sales comprised 1.062 Mt of produced coal and 0.357 Mt of purchased coal. Export sales comprised 0.370 Mt of metallurgical coal and 1.001 Mt of thermal coal, with domestic thermal coal sales of 0.048 Mt.
- Legacy contract deliveries in the March quarter totalled 0.135 Mt, with a further 0.114 Mt settled from purchase of coal or cash settlement. The remaining 0.045 Mt of legacy contract tonnes were delivered on 1st April 2012, so completing delivery of all legacy contracts.
- NSW Government approvals for the extension of the Rocglen and Werris Creek open-cut mines have been received, allowing maximum resource extraction. In the case of Werris Creek, the new approval allows production of up to 2.5 Mtpa for 20 years.
- Narrabri underground development continued during the March quarter with four continuous miners operating and a total of 72 thousand tonnes (Kt) of ROM coal produced in the quarter. A total of 509 Kt of ROM coal has been produced from Narrabri to the end of March 2012.



- Narrabri mining conditions remain excellent and development productivity is good. However, Narrabri continues to experience difficulty in recruiting sufficient experienced underground miners and contractors to fully utilise its four development mining units. As reported previously, this has resulted in delays to the longwall schedule, however longwall development is now complete, construction of Stage 2 surface facilities including the CHPP and other ancillary works is complete; and underground installation of the longwall equipment is progressing well. As reported previously, the longwall is due to be commissioned in May.
- Narrabri continues to successfully drain in-seam gas (85% CO₂) to levels below the threshold required for continuous mining. A program of surface to in-seam (SIS) and underground in-seam (UIS) drilling is continuing and a substantial inventory of drained coal is being established, with the development roadways for LW 4 now being drained.
- The new NCIG port continues to operate well. Whitehaven has incurred some under-utilisation charges at the port this quarter, due to the delay in Narrabri longwall start-up.
- Construction of the second stage (2AA) of NCIG is well advanced and is on time and budget for commissioning in mid-2012, taking capacity to 53 Mtpa.
- The final stage of NCIG (2F) is on schedule for commissioning in mid-2013. This will take the port to its full capacity of 66 Mtpa by late 2013, of which Whitehaven's share will be approximately 6 Mtpa. Whitehaven also has a rolling 10 year port contract with PWCS for 3.6 Mtpa. Following extension of the Tarrawonga JV, Idemitsu will contribute 30% of Tarrawonga port capacity, giving Whitehaven access to a total of approximately 10 Mtpa of Newcastle port capacity (100% basis).
- Whitehaven has also secured a total of 8.4 Mt in additional port capacity at Newcastle, spread over the period May 2012 to June 2016. This additional capacity covers the majority of planned growth in Whitehaven's coal exports during the period prior to the planned commissioning of the PWCS T4 facility, scheduled for late 2015. Following commitment of the final stage of the NCIG port, Whitehaven has now nominated to PWCS for additional capacity entitlements and should be notified of the outcome of this nomination in December.
- Rail capacity is continuing to increase with the Whitehaven-owned coal train being fully utilised and two additional new Pacific National (PN) trains now operational. Trials are progressing well to increase new train size from 72 wagons to 82 wagons, thereby increasing train size from 5,400 tonnes to 6,150 tonnes (+14%) providing better utilisation of the track.
- Cash on hand at 31 March was \$85 million.
- Whitehaven recently refinanced its existing bank facilities and established a new undrawn credit line of A\$350m as a standby working capital and general corporate facility.
- Whitehaven had a total of approximately US\$110m in forward US\$/A\$ exchange contracts at the end of March, at an average exchange rate of AUD 1.00 = US\$ 0.9515.



COAL SALES

Total coal sales of 1.419 Mt for the March quarter (100% basis), increased 6% over the previous corresponding period, with sales of 1.062 Mt of produced coal and 0.357 Mt of purchased coal.

Coal purchases were necessary in the March quarter to conclude legacy contracts, with additional purchases necessary due to wet weather impacts on Whitehaven's own production.

The metallurgical coal price ex-Newcastle (Semi-Soft/PCI) for the June 2012 quarter has been set at approximately US\$140/t. With carried over tonnages from the March quarter, Whitehaven expects to achieve an average of approximately US\$165/t in the June quarter for met. coal sales.

Export thermal coal sales were 1.001 Mt for the March quarter, including sales of 0.319 Mt of purchased coal. In addition, 0.025 Mt of legacy contracts were cash settled during the quarter.

Japanese term contract prices for thermal coal have been fixed at around US\$124/t for the new Japanese fiscal year (April 2011 to March 2012), while the current spot price for Newcastle thermal coal was around US\$107/t FOB at the end of March 2012.

OPEN CUT PRODUCTION AND DEVELOPMENT

As previously reported, Whitehaven's open-cut mines (Tarrowonga, Werris Creek, Rocglen and Sunnyside) experienced significant impacts from exceptional wet weather in the March quarter with approximately 400,000 tonnes of lost production. Some impact continues to be felt from the reduction in explosives deliveries as a result of the Orica plant shutdown in Newcastle in November 2011.

Following a substantial upgrade to coal resources and reserves and the extension of the Tarrowonga Joint venture, an application has been lodged for modification to the existing Project Approval for Tarrowonga. This would allow production to increase from 2 Mtpa to 3 Mtpa and would cover mining of the full JORC reserve over more than 15 years. This application is progressing through the NSW planning authorities.

A revised Project Approval has been received from the NSW Minister for Planning for extension of the Werris Creek mine life, to cover the full JORC reserve at up to 2.5 Mtpa over 20 years.

Approval has also been received from the Minister for Planning to modify the Rocglen Project Approval to take account of modified geological information.

NARRABRI DEVELOPMENT

Construction of Stage 2 facilities and delivery of longwall and other equipment is essentially complete.

Development of the first longwall panel is complete and SBD-Delta, a mining contractor, is currently installing the longwall and providing underground development support. The AFC is installed and shields are currently being installed. As reported previously, commissioning of the longwall is due in May.



VICKERY PROJECT

Work at Vickery during the March quarter has further defined JORC resources and the mine development plan. (refer current JORC report on www.whitehavencoal.com.au). Initial mine planning has generated a pit design which produces 164 Mt of ROM coal at a stripping ratio of 10:1.

Work is progressing to define an open-cut mine plan for Vickery to produce around 4.5 Mtpa ROM for more than 25 years with a stripping ratio of approximately 10:1. With Tarrawonga coal to be processed and railed from the new Idemitsu Boggabri plant in future, Whitehaven's Gunnedah CHPP and rail loading facilities are available for Vickery. The development plan for Vickery is therefore to truck ROM coal to Gunnedah CHPP for processing and loading, as occurs at present. This results in an efficient use of existing infrastructure and a relatively low capital cost of development for Vickery.

Ongoing analysis of Vickery coal quality indicates that, if all ROM coal is washed, saleable coal yield would be more than 80% of predominantly low ash, low sulphur, and low phosphorus semi-soft coking coal. This saleable coal yield can be increased significantly by by-passing a proportion of low-ash ROM coal, as is done with Whitehaven's Tarrawonga coal. This will provide the Vickery project with a high degree of flexibility in producing metallurgical or premium thermal coal, depending on market conditions from time to time.

Whitehaven currently plans to lodge an application for Project Approval for Vickery open-cut in the first half of calendar 2012, with the aim of obtaining approval and being in a position to commence mine production in the second half of calendar 2013.

INFRASTRUCTURE

Whitehaven has entitlements to adequate rail track capacity to meet its current growth plans and is continuing to work with ARTC and other potential rail users in the Gunnedah Basin to identify and progress capital works required to meet future track capacity needs.

Whitehaven and PN entered into a long term agreement for rail haulage in December 2009. When combined with track capacity entitlements, this contract provides for rail capacity to meet Whitehaven's existing growth plans and port capacity.

A Capacity Framework Agreement for providing access to additional port capacity at Newcastle was agreed by Newcastle Ports Corporation, PWCS and NCIG in April 2009 and subsequently approved by ACCC. Under this agreement, Whitehaven will have access to approximately 10 Mtpa of port capacity from PWCS and NCIG.

Stage 1 of the new NCIG coal loading terminal (Whitehaven owns 11%) is continuing to ramp up to its 30 Mtpa capacity. Construction of the second stage (2AA) of NCIG is progressing on time and budget for commissioning in mid-2012, taking the capacity of NCIG to 53 Mtpa. The final stage of NCIG (2F) was committed in August 2011 and is due for commissioning in June 2013. This will take the port to its full capacity of 66 Mtpa, with Whitehaven's share being approximately 6 Mtpa.



As previously announced, Whitehaven has secured a total of 8.4 Mt in additional port capacity at Newcastle, spread over the period May 2012 to June 2016. This additional capacity covers the majority of planned growth in Whitehaven's coal exports during the period prior to the planned commissioning of the PWCS T4 facility, scheduled for late 2015.

COAL RESERVES AND RESOURCES

A revised JORC coal Resources and Reserves statement for Whitehaven was released in April 2012 and can be viewed on the Whitehaven web site at www.whitehavencoal.com.au.

CORPORATE

Cash on hand at 31 March was \$85 million. This cash, and cash from operations is expected to provide sufficient funding to complete the development of Narrabri and the expansion of Whitehaven's existing open-cut mines.

The Group refinanced its existing syndicated bank facility last quarter with a series of long-term bilateral facilities put in place with a number of Australian and foreign financial institutions. The new bank facilities have a five-year tenor and provide Whitehaven with additional lines of credit up to A\$350 million for working capital and general corporate purposes. In addition the group put in place a short term A\$450 million facility in December for general corporate purposes.

The new facilities recognise Whitehaven's strong credit quality and growth prospects and will support Whitehaven's endeavours to further develop and realise the value from its existing world class coal assets.

Whitehaven had a total of approximately US\$110million in forward US\$/A\$ exchange contracts at the end of March, at an average rate of 0.9515 US\$:A\$. The hedging profile at the end of March is:

Currency Hedging at 31/03/12		FY 2012	FY 2013	Total
Principal	US\$m	110	-	110
Rate	US\$/A\$	0.9515	-	0.9515

Detailed production results for the March 2012 quarter for Whitehaven Coal Limited (ASX: WHC) and its controlled entities are set out in the following tables.

WHITEHAVEN PRODUCTION DATA - MANAGED BASIS

Thousands of tonnes	Quarter Ending			Year to Date		
	Mar-12	Mar-11	% Change	Mar-12	Mar-11	% Change

Gunnedah Operations (100%)

ROM Coal Production	989	656	51%	2,663	2,246	19%
Saleable Coal Production	745	532	40%	2,249	1,955	15%
Sales of Produced Coal	731	514	42%	2,218	2,015	10%
Sales of Purchased Coal**	357	288	24%	1,188	1,472	-19%
Total Coal Sales	1,088	801	36%	3,406	3,487	-2%
Coal Stocks at period end	421	315	34%	421	315	34%

Werris Creek (100%)

ROM Coal Production	219	480	-54%	890	1,135	-22%
Saleable Coal Production	209	444	-53%	986	1,119	-12%
Sales of Produced Coal	233	469	-50%	1,063	1,147	-7%
Sales of Purchased Coal**	-	-	-	-	-	-
Total Coal Sales	233	469	-50%	1,063	1,147	-7%
Coal Stocks at period end	77	131	-41%	77	131	-41%

Narrabri (100%)

ROM Coal Production	72	61	18%	276	143	93%
Saleable Coal Production	91	56	63%	272	137	99%
Sales of Produced Coal	98	63	55%	239	121	97%
Sales of Purchased Coal**	-	-	-	-	-	-
Total Coal Sales	98	63	55%	239	121	97%
Coal Stocks at period end	62	22	180%	62	22	180%

Total Whitehaven Group (100%)

ROM Coal Production	1,280	1,197	7%	3,829	3,525	9%
Saleable Coal Production	1,044	1,033	1%	3,508	3,211	9%
Sales of Produced Coal	1,063	1,046	2%	3,520	3,284	7%
Sales of Purchased Coal**	357	288	24%	1,188	1,472	-19%
Total Coal Sales	1,419	1,334	6%	4,708	4,756	-1%
Coal Stocks at period end	560	468	20%	560	468	20%

WHITEHAVEN PRODUCTION DATA - EQUITY BASIS

Thousands of tonnes	Quarter Ending			Year to Date		
	Mar-12	Mar-11	% Change	Mar-12	Mar-11	% Change

Gunnedah Operations (Equity Share)

ROM Coal Production	860	584	47%	2,271	1,886	20%
Saleable Coal Production	630	456	38%	1,881	1,619	16%
Sales of Produced Coal	618	440	40%	1,855	1,669	11%
Sales of Purchased Coal**	357	288	24%	1,188	1,472	-19%
Total Coal Sales	974	727	34%	3,043	3,141	-3%
Coal Stocks at period end	381	276	38%	381	276	38%

Werris Creek (100% Owned)

ROM Coal Production	219	480	-54%	890	1,135	-22%
Saleable Coal Production	209	444	-53%	986	1,119	-12%
Sales of Produced Coal	233	469	-50%	1,063	1,147	-7%
Sales of Purchased Coal**	-	-	-	-	-	-
Total Coal Sales	233	469	-50%	1,063	1,147	-7%
Coal Stocks at period end	77	131	-41%	77	131	-41%

Narrabri (Equity Share)

ROM Coal Production	50	42	18%	193	100	93%
Saleable Coal Production	64	39	63%	191	96	99%
Sales of Produced Coal	68	44	55%	167	85	97%
Sales of Purchased Coal**	-	-	-	-	-	-
Total Coal Sales	68	44	55%	167	85	97%
Coal Stocks at period end	43	15	180%	43	15	180%

Total Whitehaven Group (Equity Share)

ROM Coal Production	1,129	1,106	2%	3,354	3,121	7%
Saleable Coal Production	903	940	-4%	3,057	2,835	8%
Sales of Produced Coal	919	953	-4%	3,086	2,901	6%
Sales of Purchased Coal**	357	288	24%	1,188	1,472	-19%
Total Coal Sales	1,276	1,241	3%	4,273	4,373	-2%
Coal Stocks at period end	501	422	19%	501	422	19%

** sales of externally purchased coal

Whitehaven Coal Limited - ASX Quarterly - 31 Mar 2012

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