



Whitehaven Coal Limited

Delivering Growth

Presentation to Investors – Wilson HTM

May 12, 2009





Disclaimer

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- **A snapshot**
- **Status of growth plans**
- **WHC Outlook**
- **The merger with Gloucester Coal – Why the WHC/GCL merger is superior**

A snapshot



- ▶ ASX listed company “WHC”; market capitalisation ~A\$850 million
- ▶ Large coal resources in the Gunnedah Basin (*refer ASX release 10th March 2009*)
- ▶ Superior coal quality: PCI + low-ash, low-sulphur, high energy thermal coals
- ▶ First mover and major coal producer/developer in the Gunnedah Basin
- ▶ Saleable production capacity of up to ~5 Mtpa (100%) from 4 opencut mines
- ▶ Narrabri underground mine (Stage 1 CMs, Stage 2 longwall) now in construction with production to commence in Q4 2009;
- ▶ Narrabri expected to increase WHC saleable production capacity to ~11 Mtpa (100%)
- ▶ Efficient mines & high product coal yields offset extra rail haulage distance to port
- ▶ Managed by experienced coal executives with proven track records
- ▶ Board & management own significant WHC equity
- ▶ Strong financial position

Experienced managers/owners



Director/Title	Experience
John Conde AO <i>Non-Executive Chairman</i>	+30 years commercial experience
Neil Chatfield <i>Non-Executive Director</i>	+25 years in transport and resources industries
Allan Davies <i>Executive Director - Operations</i>	+25 years coal industry experience
Tony Haggarty <i>Managing Director</i>	+25 years coal industry experience
Alex Krueger <i>Non-Executive Director</i>	+20 years of investment experience in coal and energy (First Reserve)
Hans Mende <i>Non-Executive Director</i>	+35 years of coal industry experience (AMCI)
Andy Plummer <i>Executive Director - Finance</i>	+30 years coal industry and finance experience

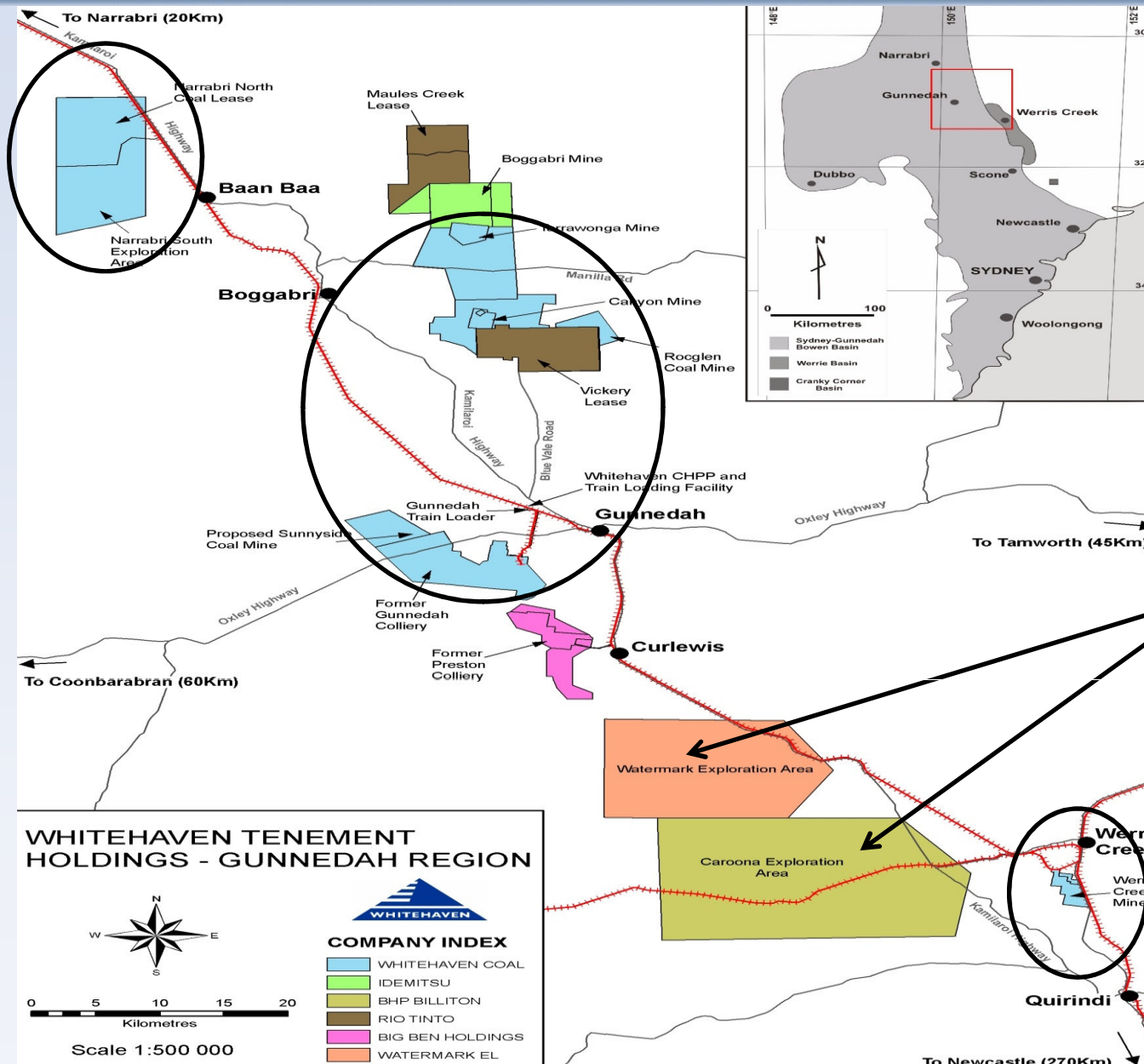
- ▶ Directors have extensive coal industry experience.
- ▶ Directors are proven mine developers and operators.
- ▶ Directors and senior management own significant WHC equity
- ▶ First Reserve Corporation and AMCI are the largest shareholders
- ▶ Directors are focused on profitability, adding value & dividends.

Strong financial position



A\$ millions	30 June 2008	31 December 2008
Cash	80.8	76.6
Current receivables	49.0	172.4
Other current assets	59.2	53.1
Non-current receivables	27.2	157.0
Other non-current assets	407.1	462.7
Total assets	623.3	921.8
Payables	37.9	40.2
Tax payable	10.1	85.9
Interest bearing loans and borrowings	23.0	28.1
Derivative financial instruments	-	20.1
Other current liabilities	2.8	7.7
Current liabilities	73.8	182.0
Payables	10.4	10.9
Interest bearing loans and borrowings	32.3	45.4
Derivative financial instruments	-	48.1
Other non-current liabilities	60.0	117.9
Total liabilities	133.8	299.9
Net Assets	489.5	621.9

Whitehaven is the leading coal producer and developer in the Gunnedah Basin



- ▶ Whitehaven recognised the value of Gunnedah Basin coal early and has been building its large resource base for 10 years
- ▶ Narrabri was one of the last large Exploration Licences (EL) issued under the old NSW system, i.e. without competitive tender
- ▶ Subsequent EL tenders have highlighted the value now being placed on Gunnedah Basin coal resources, with BHPB being the successful bidder for the Caroonia EL and Shenhua the successful bidder for the Watermark EL

Whitehaven has a solid, low-risk, existing OC business with up to 5 Mtpa saleable capacity



► Gunnedah Operations - OC Mines

► Tarrawonga Mine (WHC 70%)

- Resources 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%)

- Resources to support 8 year LOM
- Permitted to 1.5 Mtpa ROM
- PCI and thermal coals
- Saleable yield ~85%

► Sunnyside Mine (WHC 100%)

- Resources to support ~15 year LOM
- Permitted to 1.0 Mtpa ROM
- Thermal coals

► Gunnedah Operations CHPP (WHC 100%)

- Permitted to handle and rail 4.0 Mtpa
- Handles all coal from Tarrawonga, Rocglen and Sunnyside (Canyon to close shortly)
- Approximately 50% of ROM coal washed
- Washed coal yield >80%
- Total saleable coal yield >90%

► Werris Creek OC Mine (WHC 100%)

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

Gunnedah operations - Tarrawonga mine



Gunnedah operations – CHPP and rail loader



Werris Creek mine



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Whitehaven has substantial, near-term growth with Narrabri UG - Stage 1 construction on track

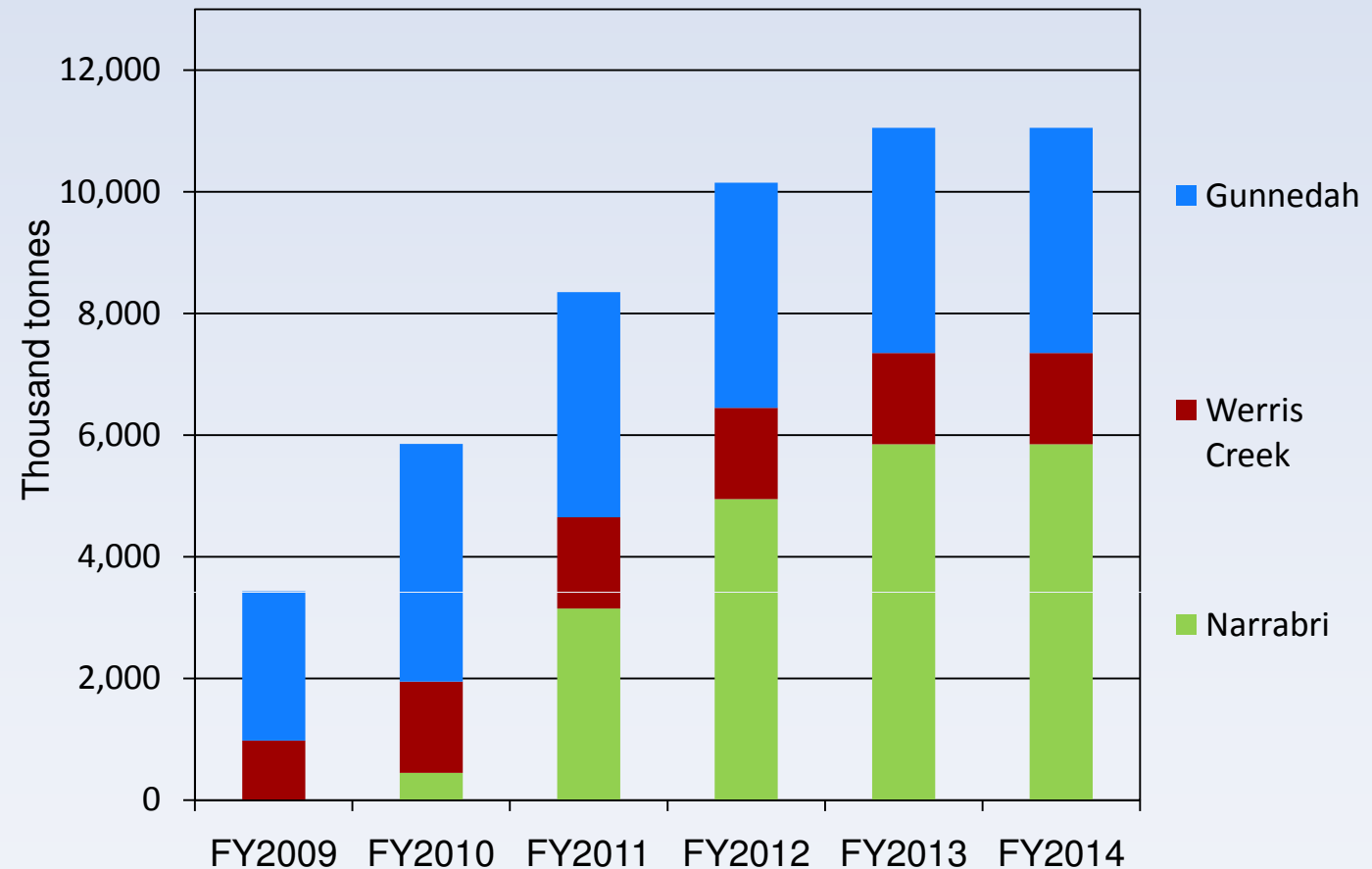


Existing low-risk OC production base with substantial organic growth from Narrabri UG



- ▶ Four OC mines in production (Canyon to close in 2009)
- ▶ Saleable production capacity from OCs up to 5Mtpa
- ▶ Narrabri Stage 1 under construction, first coal in Q4 2009
- ▶ WHC has invested in rail track capacity upgrades to support growth plans
- ▶ Port capacity is likely to constrain growth
- ▶ 11% ownership of NCIG an important asset

WHITEHAVEN GROWTH - SALEABLE PRODUCTION CAPACITY ¹.



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Funding the Whitehaven growth profile



NARRABRI NORTH UNDERGROUND MINE - DEVELOPMENT CAPITAL ESTIMATE ¹.

A\$ millions	FY 2010	FY 2011	Total
Stage 1 – Remaining to Invest	50	0	50
Stage 2 – Current Estimate	165	135	300
Total Narrabri North (100%)	215	135	350
Whitehaven's 77.5% Share	167	105	271

PLANNED FUNDING SOURCES – A\$ millions¹.

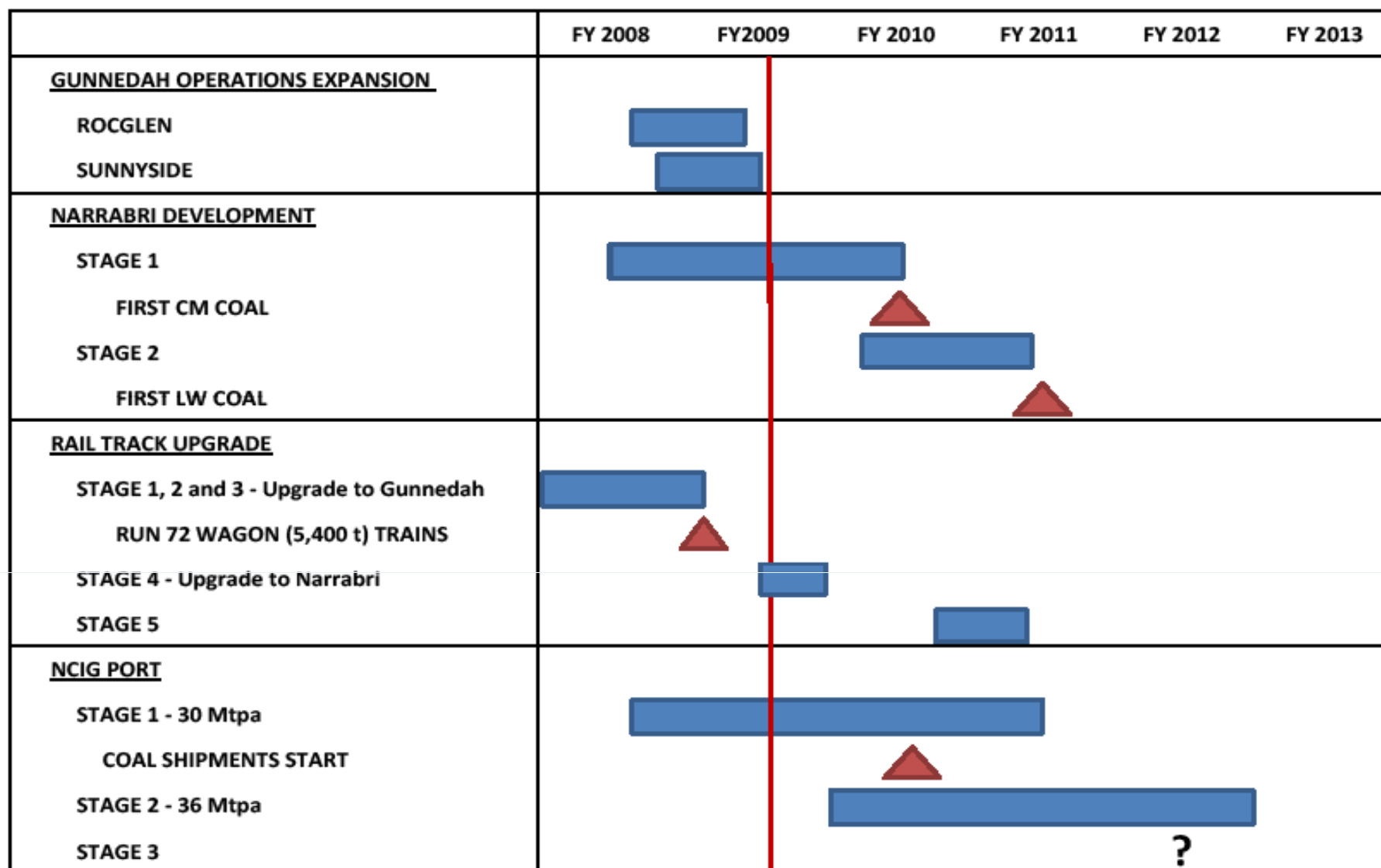
Expected Available Cash - 30 June 2009	120
Proceeds From Sale of JV Interests (Net of Tax)	160
Equipment Finance	50
Expected WHC Free Cash Flow - FY 2010 & 2011	100
Total Planned Sources of Funds (excluding Finance Debt)	430

- ▶ This indicates that no new bank debt is needed, however Whitehaven has mandated a syndicate of 4 major Australian banks to consolidate existing leasing, FX, security deposit and working capital facilities
- ▶ Whitehaven has very low gearing and a stand-by debt facility is also being considered
- ▶ Financial plans indicate that Whitehaven's growth can be funded without raising equity

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Note 1: Capacity based on current payloads of 3,300 tonnes per train

WHC growth profile is being coordinated with infrastructure development



Rail infrastructure to meet Whitehaven growth



- ▶ Whitehaven (60%) and Idemitsu (40%) have sponsored ARTC investment to increase rail track capacity (Stages 1, 2 and 3)
- ▶ Current track capacity is 6-7 train paths per day to Gunnedah
- ▶ 5,400 tonne trains give capacity of 11-12 Mtpa between Whitehaven and Idemitsu.....sufficient to meet short and medium term growth plans
- ▶ ARTC will extend this track capacity to Narrabri by mid-2009 (Stage 4)
- ▶ ARTC plans to further increase capacity to >15 Mtpa by end 2010 (Stage 5),
- ▶ Increasing rail capacity beyond 15 Mtpa will require additional investment:
 - Rail capacity can be increased to 25 Mtpa by a new alignment either across or through (i.e. tunnel) the Liverpool Range
 - Rail capacity can be increased above 25 Mtpa by full track duplication
 - Such development capex will be shared by other major producers in the area e.g. Caroon (BHP), Watermark (Shenhua), Maules Creek (Rio Tinto)

Note 1: Capacity based on current payloads of 3,300 tonnes per train

Port infrastructure to meet Whitehaven growth



► Existing PWCS Terminal

- Ongoing capacity constraints at PWCS
- PWCS has expansion plans to 145 Mtpa

► Newcastle Coal Infrastructure Group (“NCIG”)

- Whitehaven owns 11% of NCIG....Stage 1 due to be commissioned in Q1 2010
- Stage 1 capacity of 30 Mtpa due to be available by Q4 2010
- Stage 2 capacity of a further 36 Mtpa expected to become available in 2012, 12 Mtpa of this to be made available to non-NCIG shippers

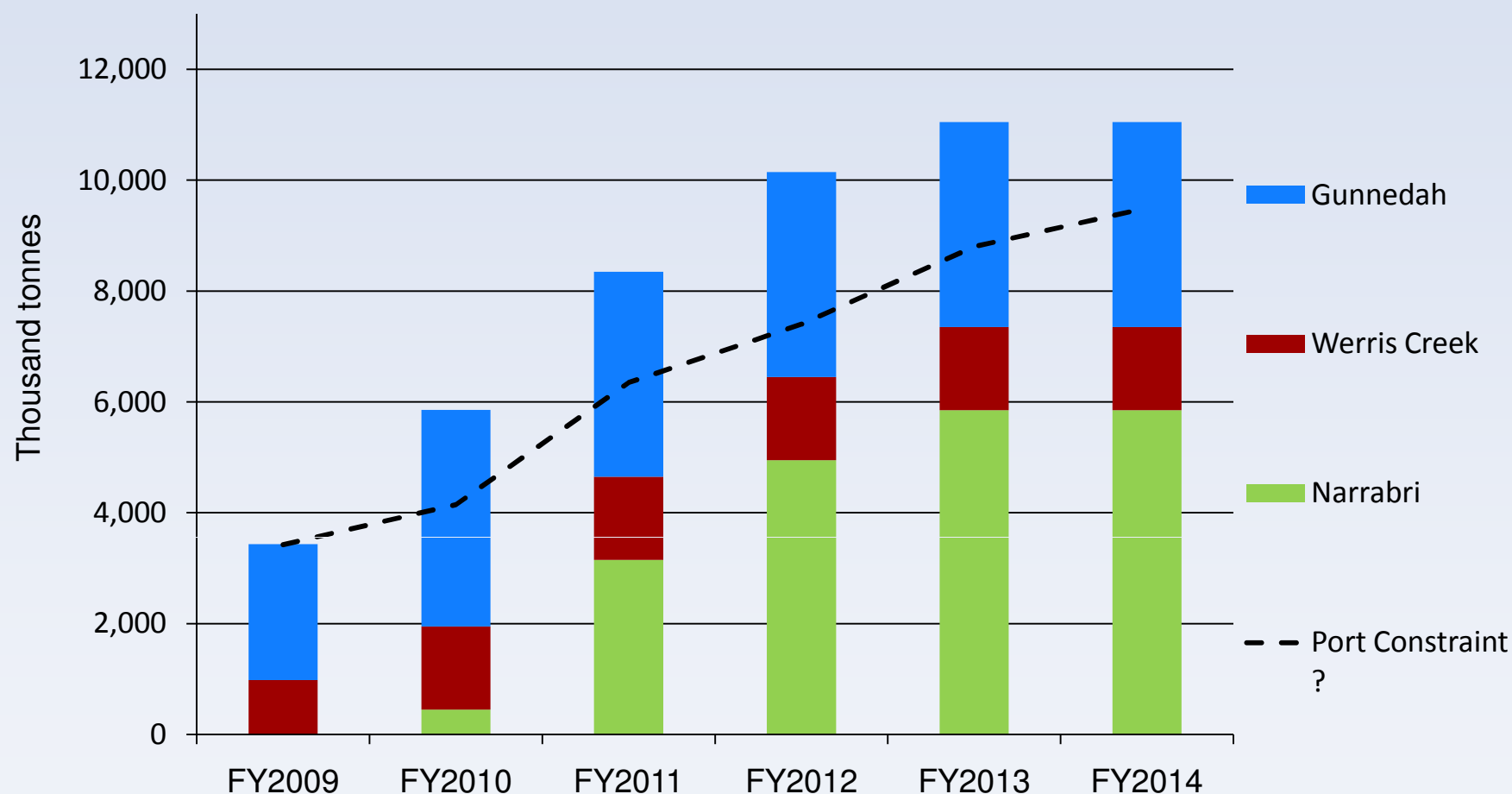
► Producer Agreement for port access

- Implementation Memorandum between Newcastle Ports Corporation (NPC), PWCS and NCIG agreed and submitted to the ACCC in early April
- This provides Whitehaven with 3.6 Mtpa from PWCS, 3.3 Mtpa from NCIG Stage 1 and 2.6 Mtpa from NCIG Stage 2, a total of 9.5 Mtpa
- Whitehaven will have access to additional port capacity from PWCS/T4, following commitment by NCIG to Stage 2

Port capacity may limit WHC growth rate



WHITEHAVEN GROWTH - SALEABLE PRODUCTION CAPACITY ¹.



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Coal market conditions



Demand – Cyclical slowdown, but structural uptrend

- Global demand for thermal coal remains strong, but demand for export coking coal is weak
- China currently importing much larger tonnages of Australian thermal coal, India following

Supply – Constrained by infrastructure, general trend to higher production costs, slower and more difficult mine development, “red tape and green tape”

- Port and rail inadequacies continue to constrain exports from Australia and elsewhere
- Slower domestic demand in China creates some risk of additional exports of thermal coal, but currently no signs of renewed exports
- Major Asian power utilities and steel mills look to Australia as a reliable, long-term supplier of high quality coals

Coal Prices

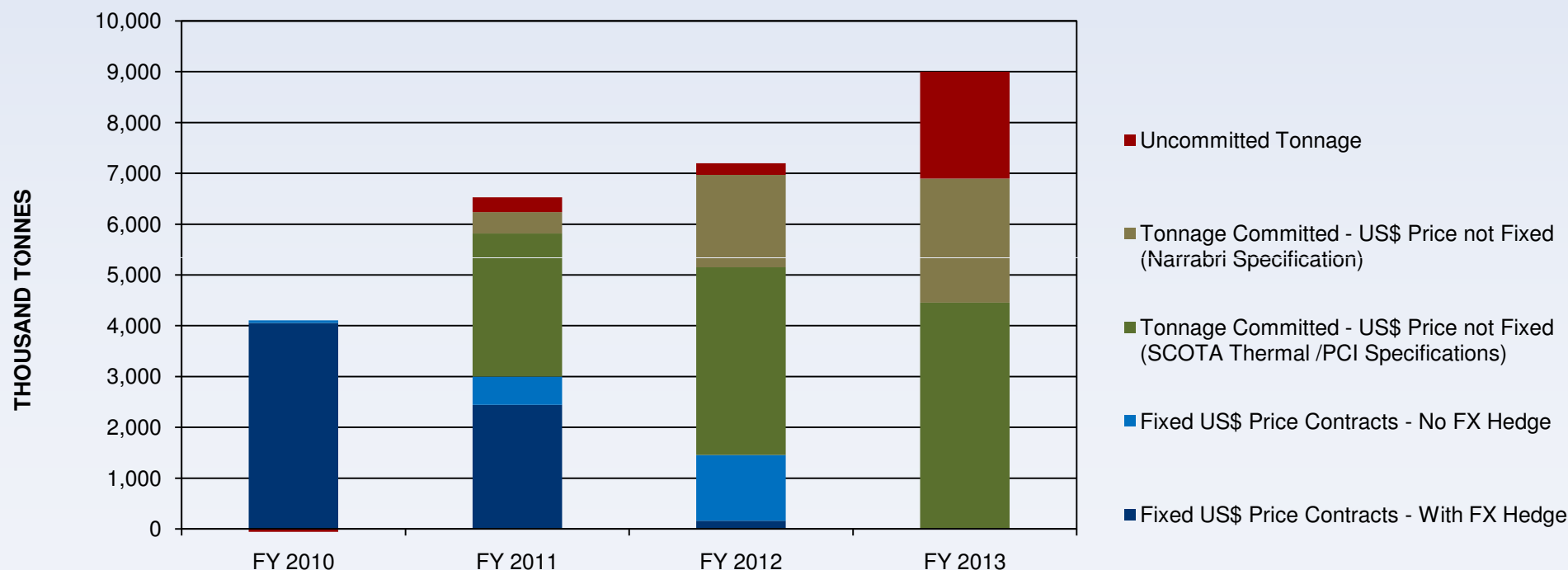
- Contract price for 2009 HCC around US\$128/t FOB, around US\$80/t for SSCC/PCI
- Spot market for thermal coal ~US\$64/t, but most contracts settling around US\$70/t FOB
- Forward coal prices are stronger, ~US\$75/t for Cal 2010 and ~US\$84/t for Cal 2011
- Weak A\$ is helping Australian suppliers

Whitehaven's response



- ▶ Advantages of high quality coal & flexibility in production from existing OC mines
- ▶ Our forward coal sales contracts support WHC's growth profile
- ▶ Our matrix of coal sales contracts & commitments minimises production and infrastructure risks
- ▶ A\$ forward currency contracts support fixed US\$ revenue

WHITEHAVEN COAL - FORWARD SALES PROFILE ¹.



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Looking ahead



- ▶ **Strong fundamental growth in demand for coal remains (especially thermal coal)**
- ▶ **Whitehaven is well positioned**
 - ▶ Large resources and reserves of high quality coal
 - ▶ Efficient, flexible OC mines, competitive costs
 - ▶ Narrabri UG construction progressing well
 - ▶ Increased rail and port capacity with 11% share of NCIG
 - ▶ Solid portfolio of long term coal sales contracts to support growth profile
 - ▶ Strong financial position
- ▶ **Some short term challenges**
 - ▶ Weaker coal demand and lower US\$ coal prices, but
 - ▶ partly offset by a weaker A\$
 - ▶ Continued port and rail congestion

Near and medium term objectives

- ▶ Grow earnings and dividends per share, maintain financial stability and create shareholder value
- ▶ Continue to manage existing OC operations efficiently
- ▶ Deliver Narrabri on time and budget
- ▶ Active exploration within Gunnedah lease/EL areas
- ▶ Increase coal reserves and extend mine life at Werris Creek and Tarrawonga
- ▶ Look for sensible acquisitions and 'bolt-on' developments
- ▶ Industry consolidation will continue and Whitehaven will play its part

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Merger with Gloucester Coal



- ▶ **Creation of a major Australian coal company with increased scale and enhanced financial strength**
 - ▶ **Increased scale** : market capitalisation, production, embedded growth potential, resources and reserves
 - ▶ **Enhanced financial strength**: strong financial platform from which to grow organically and by acquisition, greater access to competitive sources of capital
- ▶ **Strategic and financial benefits**
 - ▶ **Synergies**: substantial benefits from blending of complementary coal qualities
 - ▶ **Diversification of risk**: more diversified portfolio of assets, development projects and future opportunities, mining operations and long term customers
 - ▶ **Increased flexibility**: combined rail and port infrastructure, access to PWCS and NCIG growth
 - ▶ **Potential tax benefit**: if GCL acquires 100% of WHC, the merged group may be able to claim additional tax depreciation
- ▶ **Increased liquidity of securities**
- ▶ **Combines boards and management teams with proven track records**

Gloucester shareholders will be rewarded from the merger



- ▶ WHC's current share price does not reflect the significant embedded growth within the company
- ▶ Little value is placed on:
 - ▶ Narrabri North and Narrabri South; and
 - ▶ other Whitehaven resources and tenements
- ▶ WHC's underlying value is significantly greater than the 'look-through' value of \$2.45 (being Noble's offer for Gloucester of \$6 divided by the merger ratio of 2.45)
- ▶ The recent, (Dec 2008), sales of minority interests in Narrabri (EdF and J-Power) imply a value for WHC's interest in Narrabri alone of c. \$4 per WHC share
- ▶ Even if the Narrabri ramp-up is slower than projected, this opens up port capacity for the other Whitehaven mines and allows them to sell more coal

Gloucester shareholders will be rewarded from the merger



- ▶ Noble's cash bid is opportunistic and substantially undervalues GCL. It is clearly in the interest of Noble shareholders, but not GCL shareholders
- ▶ The merged GCL/WHC company would be a larger, more diversified coal company with strong existing businesses and a substantial near term growth profile
- ▶ Significant synergies are available to shareholders of the merged company from coal blending. This value is currently being captured by coal traders, including Noble
- ▶ The merger provides upside for Gloucester shareholders from retaining the control premium, which will be lost if the Noble offer is accepted
- ▶ Re-rating of the merged company is expected from:
 - ▶ increased size, free float and liquidity
 - ▶ attracting greater institutional investor support
 - ▶ entry into the S&P ASX/200