



WHITEHAVEN COAL LIMITED

ABN 68 124 425 396
 Level 9
 1 York Street
 Sydney, NSW 2000
 PO Box R1113
 Royal Exchange
 NSW 1225
 Ph: 02 8507 9700
 Fax: 02 8507 9701

Web: www.whitehaven.net.au

**WHITEHAVEN COAL LIMITED
 QUARTERLY REPORT TO 30 JUNE 2009 (Q4 FY 2009)**

Highlights

<i>Thousands of tonnes</i>	Quarter Ending			Year to Date		
	Jun 2009	Jun 2008	% Chge	FY 2009	FY 2008	% Chge
Saleable Coal Production - 100%	990	728	+36%	3,281	2,724	+20%
Total Coal Sales – 100%	1,038	807	+29%	4,041	2,837	+42%
Saleable Coal Production - Equity	882	627	+41%	2,797	2,050	+36%
Total Coal Sales - Equity	931	793	+17%	3,562	2,413	+48%

- Record raw coal production (ROM) of 1.074 Mt for the June quarter (100% basis), up 29% on the previous corresponding period;
- Record saleable coal production of 0.990 Mt for the June quarter (100% basis), up 36% on the previous corresponding period;
- Coal sales of 1.038 Mt for the June quarter (100% basis), up 29% on the previous corresponding period; comprising 1.015 Mt of produced coal and 0.023 Mt of traded coal;
- Rail capacity continued to meet Whitehaven’s growth requirements, with sales of produced coal for the six months to June 30 at a rate of approximately 4 Mt per annum (Mtpa);
- Whitehaven base port capacity allocation at Port Waratah Coal Services (PWCS) of 3.6 Mtpa confirmed, subject to any system capacity adjustments during the year;
- Construction of the new NCIG coal loading terminal at Newcastle, of which Whitehaven owns 11%, remains on track to be commissioned in early 2010;
- Construction of the Narrabri Project (Stage 1) continues to progress well, with the underground drift entries scheduled to reach the coal seam in late 2009;
- Whitehaven and Modderriver Minerals, an associate of Pacific Carbon Pty Ltd, entered into a 50:50 joint venture during the quarter, called the Blackjack JV. This joint venture and other domestic coal sales growth opportunities have the potential to increase Whitehaven’s domestic coal sales from the current level of 90 Ktpa to around 400 Ktpa;
- Whitehaven continued to generate strong cashflow from operations in the June quarter. At 30 June, available cash was approximately \$131 million;
- Whitehaven has now fixed more than 90% of its FY 2010 sales tonnage and US\$ coal prices, with thermal coal prices averaging around US\$70 per tonne FOB and PCI/SSCC prices around US\$80 per tonne FOB;

Coal Production

- Whitehaven's rate of saleable coal production continued to increase in the June quarter, due to a number of positive factors:
 - Continuing good performance at Tarrawonga which is producing at a rate of ~1.5 Mtpa;
 - Continuing improvement at Werris Creek with production running at a rate of ~1.4 Mtpa in the June quarter. This compares to the rate of 0.9 Mtpa in the December 2008 quarter, prior to Whitehaven taking control of the mining operations;
 - Rocglen continued to perform well during the quarter and is scheduled to produce ~1.3 Mt in FY 2010;
 - Sunnyside is now well established and will continue to ramp up in FY 2010, with coal being blended for export and being supplied to Whitehaven's growing domestic markets;
- The last coal from Canyon was mined in July. Rehabilitation of Canyon is well advanced and is expected to be complete by the end of 2009.

Coal Sales

- Total coal sales of 1.038 Mt for the June quarter were up 29% on the previous corresponding period, reflecting higher saleable coal production and improved rail and port capacity;
- Sales of produced coal in the June quarter were a record 1.015 Mt, with only 23 Kt of purchased coal being required to optimise coal blending;
- Total metallurgical coal sales for FY 2009 of ~0.9 Mt were lower than planned due to the severe downturn in metallurgical coal markets early in the year. However, recovery in these markets is evident with metallurgical coal sales of ~1.2 Mt contracted for FY 2010;
- Whitehaven currently has export sales tonnages, US\$ coal prices and US\$/A\$ currency fixed for more than 90% of planned production through until June 30, 2010;
- Signing of the Blackjack Joint Venture and a new five year coal supply agreement with Pacific Carbon, along with continuation of Whitehaven's other existing domestic business, is expected to result in domestic coal sales increasing from ~90 Kt in FY 2009 to approximately 200 Kt in FY 2010.

Business Development

Narrabri Project

- Construction of the Narrabri Stage 1 project continues to progress on plan. Surface works are well advanced and construction of the three drifts is progressing well. The drifts are expected to reach the coal seam in late 2009;
- Contracts have now been awarded for all of the Narrabri Stage 1 work. Tunnelling is progressing well in all 3 drifts with approximately 50% now completed and ground conditions being consistent with expectations so far. Total expenditure up to the end of June 2009 is approximately \$135 million. Construction costs for Narrabri Stage 1 are still expected to be within 10% of the A\$186m budget, however the final cost of the underground drifts remains exposed to ground conditions as work progresses;
- Detailed design of Stage 2 for installation and operation of the longwall is progressing well with lodging of an application for approval with the NSW Department of Planning expected in August;

Blackjack Joint Venture

- During the quarter, a wholly owned subsidiary of Whitehaven entered into a 50:50 joint venture, called the Blackjack Joint Venture, with Modderiver Minerals Pty Ltd, an associate of Pacific Carbon Pty Ltd;
- Whitehaven currently supplies some 80 Ktpa of coal to Pacific Carbon's Kooragang Island plant at Newcastle, where the coal is used to produce retort coke, a product for which international demand is growing strongly;
- The Blackjack JV is now constructing an additional two retorts adjacent to Pacific Carbon's existing Kooragang Island plant. These new retorts are expected to be commissioned over the next six months;
- In addition, the Blackjack JV has Project Approval for the construction of a new six-retort coke plant at Gunnedah. The timing of construction of this plant is dependent on sufficient demand being secured for the additional coke. Good progress is being made in this regard;
- Under the terms of the Blackjack JV, Whitehaven is providing 100% of the capital required to construct these new coke plants, estimated to be approximately A\$15 million in total, with Modderiver's 50% share being funded by Whitehaven as an interest bearing loan, to be repaid by Modderiver from its 50% share of Blackjack JV cash flow;
- Whitehaven is the exclusive coal supplier to the Blackjack JV and, when completed, the eight new coke retorts will consume approximately 240 Ktpa of coal. This is in addition to Whitehaven's existing 80 Ktpa coal supply contract to Pacific Carbon;

Infrastructure

- Rail track capacity upgrades by ARTC as far as Gunnedah were completed in December 2008, providing track and train capacity to deliver Whitehaven's current requirement for an average of 300,000 tonnes per month to be railed to port from Gunnedah and Werris Creek;
- Further ARTC track upgrades were completed during June to extend this additional capacity to Narrabri. Whitehaven and ARTC are now focussing on the further track upgrades required to meet ongoing growth requirements from the Gunnedah Basin;
- An Implementation Memorandum (IM) regarding a system for providing access to additional port capacity at Newcastle was agreed by Newcastle Ports Corporation, PWCS and NCIG in April and submitted to the ACCC for approval. This approval was received on 23rd July. Under this agreement, Whitehaven will have access to at least 9.5 Mtpa of port capacity from PWCS and NCIG stages 1 and 2;
- Construction of the new NCIG coal loading terminal (Whitehaven owns 11%) remains on track with first coal shipments expected in early 2010.

Coal Reserves and Resources

- No further update of Resources and Reserves was provided during the quarter, however Whitehaven is continuing to carry out mine planning and economic studies which are expected to increase open cut reserves to a level sufficient to support a further 20 years of mining at both Werris Creek (at 1.5 Mtpa) and Gunnedah (at 3.0 Mtpa);
- An update of JORC Resources and Reserves is expected to be available at the time of announcing Whitehaven's annual financial results in August.

Corporate

- Relocation of the Corporate office from Brisbane to Sydney is complete;
- Whitehaven continued to generate strong cash flow from operations in the June quarter. At 30 June, net available cash was \$131 million;
- Whitehaven had approximately \$57 million in equipment finance lease liabilities at 30 June with no drawn debt.;
- Discussions have progressed satisfactorily during the quarter with a consortium of three major Australian banks, with the objective of consolidating Whitehaven's existing equipment leasing, bank guarantee and FX facilities, along with establishing a stand-by overdraft facility;

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

WHITEHAVEN COAL LIMITED – DETAILED PRODUCTION RESULTS – 4Q 2009

Thousands of tonnes	Quarter Ending			Year to Date		
	Jun-09	Jun-08	% Change	Jun-09	Jun-08	% Change
Gunnedah Operations (100%)						
ROM Coal Production	706	543	30%	2,396	1,876	28%
Saleable Coal Production	647	437	48%	2,174	1,613	35%
Sales of Produced Coal	661	144	359%	2,128	1,226	74%
Sales of Purchased Coal**	23	299	-92%	811	356	128%
Total Coal Sales	684	443	54%	2,939	1,582	86%
Coal Stocks at period end	247	198	25%	247	198	25%
Werris Creek (100%)						
ROM Coal Production	369	293	26%	1,123	1,116	1%
Saleable Coal Production	343	291	18%	1,107	1,111	0%
Sales of Produced Coal	355	339	5%	1,102	1,230	-10%
Sales of Purchased Coal**	0	25	-100%	0	25	-100%
Total Coal Sales	355	364	-3%	1,102	1,255	-12%
Coal Stocks at period end	84	69	22%	84	69	22%
Total Whitehaven Group (100%)						
ROM Coal Production	1,074	836	29%	3,519	2,992	18%
Saleable Coal Production	990	728	36%	3,281	2,724	20%
Sales of Produced Coal	1,015	483	110%	3,230	2,456	32%
Sales of Purchased Coal**	23	324	-93%	811	381	113%
Total Coal Sales	1,038	807	29%	4,041	2,837	42%
Coal Stocks at period end	331	267	24%	331	267	24%
Gunnedah Operations (Equity Share)						
ROM Coal Production	593	422	41%	1,902	1,501	27%
Saleable Coal Production	539	336	60%	1,690	1,266	33%
Sales of Produced Coal	553	105	426%	1,651	1,088	52%
Sales of Purchased Coal**	23	324	-93%	811	381	113%
Total Coal Sales	576	429	34%	2,460	1,469	67%
Coal Stocks at period end	233	143	63%	233	143	63%
Werris Creek (Equity Share)						
ROM Coal Production	369	293	26%	1,123	774	45%
Saleable Coal Production	343	291	18%	1,107	784	41%
Sales of Produced Coal	355	339	5%	1,102	919	20%
Sales of Purchased Coal**	0	25	-100%	0	25	-100%
Total Coal Sales	355	364	-3%	1,102	944	17%
Coal Stocks at period end	84	69	22%	84	69	22%
Total Whitehaven Group (Equity Share)						
ROM Coal Production	962	715	35%	3,025	2,275	33%
Saleable Coal Production	882	627	41%	2,797	2,050	36%
Sales of Produced Coal	907	444	104%	2,753	2,007	37%
Sales of Purchased Coal**	23	349	-93%	811	406	100%
Total Coal Sales	931	793	17%	3,562	2,413	48%
Coal Stocks at period end	318	212	50%	318	212	50%

** 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