

ASX RELEASE

24 February 2010

**Australian Stock Exchange
Company Announcements**

HALF YEAR RESULTS

Please find attached the following;

1. Media Release
2. Appendix 4D – Half Year Report
3. Half Year Report incorporating the Directors' Report and the consolidated financial report.

Yours Faithfully

**Tony Haggarty
Managing Director**

ASX RELEASE

24 February, 2010

WHITEHAVEN COAL REPORTS 35% INCREASE IN INTERIM NPAT

Whitehaven Coal Limited (ASX:WHC) today reported its financial results for the six months to December 31, 2009.

Financial highlights

- Net profit after tax (NPAT) of \$83.5 million¹
- Underlying NPAT (excluding Significant Items) of \$27.1 million, up 35%
- Interim fully franked dividend of 2.8 cents per share²
- Average cost of sales per tonne down 10% from previous corresponding period
- EBITDA of \$53.9 million, including \$5.5 million loss from sales of purchased coal
- Cash generated from operations of \$36.1 million and net cash flow of \$101.4 million
- Strong financial position at 31 December with net assets of \$1,037.8 million, including \$232.6 million cash on hand and interest bearing liabilities of \$82.6 million

Note ¹. Including NPAT of \$56.4 million from the sale of 7.5% of the Narrabri Joint Venture and other Significant Items

Note ². Record date 12 March, payment date 31 March

Operational highlights

- Coal sales up 32% (equity basis)
- Saleable coal production up 50% (equity basis)
- All operations performed well in terms of safety, environmental management, production and cost control
- Expansion of saleable open-cut coal production to 5.5 Mtpa, by Q3 calendar 2010
- Gunnedah CHPP being upgraded to 550 tph, plus upgrades to crushing, screening and coal loading facilities at Werris Creek, Tarrawonga and Sunnyside
- Coal Resources (JORC) increased by 56% to 1,190.4 Mt
- Purchase of Vickery coal assets from Coal & Allied for \$31.5 million plus 1,150ha of land
- Accelerated exploration program with budget of \$5 million in calendar 2010
- Narrabri Stage 1 surface construction almost complete and within budget
- Completion of Narrabri underground drift entries delayed due to poor ground conditions
- Narrabri Stage 2 project approval documents lodged
- Narrabri longwall and associated equipment ordered, for delivery late 2010
- Concluded the sale of 7.5% interest in Narrabri JV to Daewoo/KORES for \$125 million
- Development of NCIG port progressed well; first coal scheduled to be shipped in March
- Concluded a long term contract with Port Waratah Coal Services for 3.6 Mtpa
- Concluded long term rail haulage contract with PN and acquired a new coal train
- Replaced leasing, guarantee and FX credit facilities with ANZ and Macquarie



Whitehaven Coal Limited ABN 68 124 425 396
Level 9, 1 York Street, Sydney NSW 2000
PO Box R1113, Royal Exchange NSW 1225
Tel: +61 2 8507 9700 Fax: +61 2 8507 9701
www.whitehavencoal.com.au

ASX RELEASE

Commenting on the results, Whitehaven Managing Director Mr Tony Haggarty said:

"This is a very solid result which reflects the successful implementation of Whitehaven's short and medium term growth plans. The company has now cemented its position as the leading coal developer and producer in the Gunnedah Basin.

"The expansion of our open cut mines and CHPP is progressing on schedule and the construction phase of our major Narrabri underground mine is nearing completion, with intersection of the coal seam now anticipated to occur during April 2010.

"While the drift development has been delayed by difficult ground conditions, all other elements of the construction phase are expected to be completed by around the end of March 2010.

"In addition to these existing projects, Whitehaven's growth plans have been enhanced by the acquisition of the Bluevale (formerly Vickery) assets and our expanded exploration efforts throughout the region," he said.

Outlook

Whitehaven remains well positioned to benefit from the strong fundamental growth in demand for coal (both metallurgical and thermal).

The company's growth profile is supported by its strong financial position, solid portfolio of long term coal sales contracts and increased infrastructure access.

- ends

For further information please contact:

Tony Haggarty, Managing Director

(02) 8507 9700

Kate Kerrison, Kate Kerrison + company

0413 946 704
kate@katekerrison.com.au

Appendix 4D

1. This statement presents results for Whitehaven Coal Limited for the half year ended 31 December 2009 and, where applicable, comparative results for the previous year.

2. **Results for announcement to the market:**

	Half Year 31 Dec 2009 \$'000	Half Year 31 Dec 2008 \$'000	Change
Revenue from ordinary activities	198,518	275,717	-28.0%
Net Profit/(Loss) After Tax before significant items	27,070	20,028	+35.2%
Net Profit/(Loss) After Tax from ordinary activities	83,469	201,539	-58.6%
Net Profit/(Loss) After Tax attributable to members	83,469	201,539	-58.6%

3. **Dividends**

Fully franked dividends of \$28,584,000 were paid in relation to the year ended 30 June 2009 during the six month period. The record date for the entitlement was 18 September 2009. The franked amount per ordinary share was 6.0 cents (for 476,397,537 ordinary shares).

On 24 February 2010 the Directors declared a fully franked interim dividend of 2.8 cents per share (for 486,223,803 ordinary shares) totaling \$13,614,266 to be paid on 31 March 2010 with the record date for entitlement being 12 March 2010. The financial effect of this dividend has not been brought to account in the financial statements for this period.

4. **Net Tangible Assets (NTA) per security:**

	Half Year 31 Dec 2009	Half Year 31 Dec 2008
NTA per security	208.59c/share	136.69c/share

6. All other information can be obtained from the attached financial statements, accompanying notes and Directors' report.



Whitehaven Coal Limited
and its controlled entities

ABN 68 124 425 396

31 December 2009

Interim Financial Report

Contents

	<i>Page</i>
Directors' report	1
Statement of comprehensive income	7
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	19
Independent Auditor's review report	20

Whitehaven Coal Limited and its controlled entities

Directors' report

Interim Financial Report 31 December 2009

The directors present their report together with the consolidated financial report of Whitehaven Coal Limited ('the Company') for the six months ended 31 December 2009 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the interim period are:

Name	Position	Date of appointment
John Conde	Chairman	3 May 2007
Tony Haggarty	Managing Director	3 May 2007 (appointed Managing Director 17 October 2008)
Neil Chatfield	Director	3 May 2007
Allan Davies	Executive Director	25 February 2009
Alex Krueger	Director	3 May 2007
Hans Mende	Director	3 May 2007
Andrew Plummer	Executive Director	3 May 2007 (appointed Executive Director 17 October 2008)

Review of operations

Principal activities

The principal activity of the Group during the period was the development and operation of coal mines in New South Wales. During the six months ended 31 December 2009, Whitehaven Coal Limited and its controlled entities ("the Group") ceased operations from the Canyon mine as it reached the end of its mine life. A sale of a further 7.5% of the Group's joint venture interest in the Narrabri mine occurred during the half year, taking the Group's interest to 70%. There were no other significant changes in the nature of the activities of the Group during the period.

Whitehaven Coal Limited and its controlled entities

Directors' report

Interim Financial Report 31 December 2009

Results of operations

The Group's net profit for the six months ended 31 December 2009 amounted to \$83,469,000 (2008: \$201,539,000).

Highlights from the six months include the following:

- Operating revenue of \$198,518,000 (2008: \$275,717,000) on sales of 2,097,000 tonnes (2008: 1,585,000) of coal on an equity basis including purchased coal;
- Operating EBITDA before significant items of \$53,864,000 (2008: \$41,879,000);
- Sale of a further 7.5% of the joint venture interest in the Narrabri North Project for a gain of \$111.7 million before tax; and
- Ceased operations from the Canyon mine as it reached the end of its mine life.

The operating results are summarised below:

Whitehaven Coal Limited – Consolidated	YTD Dec 09 \$000	YTD Dec 08 \$000	Movement %
Revenue	198,518	275,717	-28.0%
Net profit before significant items	27,070	20,028	+35.2%
Net profit for the period attributable to members	83,469	201,539	-58.6%

The Group's operations during the half-year focused on operating and developing coal mines. There were four operating mines during the half-year, following closure of the Canyon mine in July 2009, with total saleable coal production (on an equity basis) of 1,725,000 tonnes compared to 1,151,000 tonnes in the six months ended 31 December 2008.

The Group's net profit for the six months ended 31 December 2009 was impacted by:

Lower market prices for coal compared to 2008.

Lower average cost of sales, reflecting benefits of increased production and sales tonnage and lower world oil prices, partially offset by continuing high demurrage costs.

Successful sale of 7.5% of the Narrabri project to a Korean consortium comprising Daewoo International Corporation and Korea Resources Corporation for A\$125 million.

Whitehaven Coal Limited and its controlled entities

Directors' report

Interim Financial Report 31 December 2009

Investments for future performance

The Group has interests in four operating mines (Tarrawonga, Werris Creek, Rocglen and Sunnyside) that produce thermal coal, semi-soft coking coal and PCI coal. Most of this coal is exported out of Newcastle to major steel mills and international power utilities.

During FY2010, the Group plans to commence underground mining at the Narrabri mine.

The Group's key assets include:

- (a) Open Cut Operations (Tarrawonga: 70%, Werris Creek: 100%, Rocglen: 100% and Sunnyside: 100%); and
- (b) Narrabri (70%).

These mines are expected to have aggregated managed production capacity of approximately 11,500,000 tonnes per annum by FY2013.

These production forecasts do not include possible additional production opportunities from the Tarrawonga underground or Bluevale opencut projects.

Under agreements with the NSW Government and the Australian Rail Track Corporation, the Group has committed to underwrite 60% of the funding of a major upgrade of the Muswellbrook to Narrabri rail infrastructure, which will increase the capacity of that line to more than 16 million tonnes per annum (Mtpa). The first stage of this upgrade was commissioned at the end of July 2008, lifting capacity from 4 Mtpa to 7 Mtpa. The remaining upgrades will progressively increase capacity through 2010.

Construction of the Newcastle Coal Infrastructure Group (NCIG) coal loading terminal (of which Whitehaven Coal Limited has an 11% interest) remains on track, with the first coal shipment expected in March 2010.

Liquidity and funding

The consolidated balance sheet at 31 December 2009 shows the Group is well positioned for growth.

<i>In thousands of AUD</i>	Dec 2009 \$'000	Jun 2009 \$'000
Cash and cash equivalents	232,594	131,159
Interest bearing liabilities	82,551	78,268
Net cash	150,043	52,891
Equity	1,037,797	722,845
Gearing ratio ¹	(12.6%)	(6.8%)

¹ Net debt to Net debt plus Equity

Whitehaven Coal Limited and its controlled entities

Directors' report

Interim Financial Report 31 December 2009

Strategy and future performance

Coal prices and marketing

The current medium term outlook for thermal coal and semi-soft demand and price outcomes remains strong and it is expected that this will be reflected in higher US\$ prices for the Group's products in the Japanese Financial Year commencing 1 April 2010 ("JFY10").

Outlook

- Strong productivity is expected to continue at all operations.
- Market coal prices for JFY10 are expected to increase in line with current spot prices.
- Production and sales volume will be limited by port constraints.
- Benefits of the strengthening market will be negatively affected by some legacy sales contracts
- The Narrabri mine will be commissioned in the current financial year and planning approval for the Stage 2 longwall operation is also expected in the current financial year.

Dividends

On 24 February 2010, the directors resolved to pay a fully franked interim dividend of 2.8 cents per ordinary share to be paid on 31 March 2010 in respect of the half year ended 31 December 2009 totalling \$13.6 million (2008: 2.5 cents per ordinary share totalling \$10.2 million). The record date for entitlement to the dividend is 12 March 2010. The financial effect of this dividend has not been brought to account in the financial statements for this period.

Dividends paid during the current period are as follows:

	Half Year ended 31 December 2009 \$'000	Half Year ended 31 December 2008 \$'000
Final ordinary (fully franked)	28,584	6,663

Whitehaven Coal Limited and its controlled entities

Directors' report

Interim Financial Report 31 December 2009

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material nature and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, other than the following:

- On 4 February 2010 the Group announced the completion of the acquisition of the Vickery Coal Project in the Gunnedah Basin from Coal & Allied Industries Limited. The total consideration was \$31.5 million in cash and a 1,156ha parcel of land in the Gunnedah region;
- On 20 January 2010 the Group issued 7,326,266 ordinary shares following the exercise of two unlisted options;
- The Directors have resolved to pay a fully franked interim dividend of 2.8 cents per ordinary share.

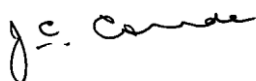
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the directors' report for the six months ended 31 December 2009.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/100, and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the directors:



John Conde
Chairman

24 February 2010



Tony Haggarty
Director

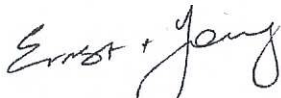
24 February 2010




Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Auditor's Independence Declaration to the Directors of Whitehaven Coal Limited

In relation to our review of the financial report of Whitehaven Coal Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Trent van Veen
Partner
24 February 2010

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of comprehensive income
For the six months ended 31 December 2009

	<i>Note</i>	Consolidated 31 Dec 2009	Consolidated 31 Dec 2008
<i>In thousands of AUD</i>			
Revenue		198,518	275,717
Operating expenses		(114,040)	(200,279)
Depreciation and amortisation		(12,248)	(12,385)
Cost of sales		(126,288)	(212,664)
Gross profit		72,230	63,053
Other income			
Before significant items		2,949	3,087
Significant items	5	111,702	261,615
		114,651	264,702
Selling and distribution expenses		(23,927)	(18,946)
Other expenses			
Before significant items		(401)	(12,837)
Significant items	5	(14,196)	-
	6	(14,597)	(12,837)
Administrative expenses			
Before significant items		(9,235)	(4,863)
Significant items	5	-	(532)
		(9,235)	(5,395)
Profit before net financing income / (expense)		139,122	290,577
Financial income		3,864	3,023
Financial expenses			
Before significant items		(6,418)	(4,588)
Significant items	5	(9,903)	-
		(16,321)	(4,588)
Net financing income / (expense)		(12,457)	(1,565)
Profit before tax		126,665	289,012
Income tax expense			
Before significant items		(11,992)	(7,901)
Significant items	5	(31,204)	(79,572)
		(43,196)	(87,473)
Net profit for the period attributable to equity holders of the Company			
Before significant items		27,070	20,028
Significant items	5	56,399	181,511
Net profit for the period		83,469	201,539

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of comprehensive income (continued)
For the six months ended 31 December 2009

	<i>Note</i>	Consolidated 31 Dec 2009	Consolidated 31 Dec 2008
<i>In thousands of AUD</i>			
Net profit for the period		83,469	201,539
Other comprehensive income			
Effective portion of changes in fair value of cash flow hedges, net of tax		37,811	(79,032)
Change in fair value of cash flow hedges transferred to profit and loss, net of tax		(1,535)	1,209
Other comprehensive income for the period, net of tax		36,276	(77,823)
Total comprehensive income for the period		119,745	123,716
Earnings per share:			
Basic earnings per share before significant items (cents per share)		5.9	5.0
Diluted earnings per share before significant items (cents per share)		5.8	5.0
Basic earnings per share (cents per share)		18.1	50.3
Diluted earnings per share (cents per share)		18.0	50.0

The condensed notes on pages 12 to 18 are an integral part of these consolidated interim financial statements.

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of financial position
As at 31 December 2009

<i>In thousands of AUD</i>	<i>Note</i>	Consolidated 31 Dec 2009	Consolidated 30 Jun 2009
Assets			
Cash and cash equivalents	7	232,594	131,159
Trade and other receivables		251,740	173,550
Inventories		13,788	13,869
Deferred stripping		17,100	5,716
Derivative financial instruments		59,278	31,208
Total current assets		574,500	355,502
Non-current assets			
Trade and other receivables		72,244	98,343
Investments		37	37
Property, plant and equipment		585,738	508,838
Exploration and evaluation		4,430	3,838
Intangibles	8	38,878	37,394
Derivative financial instruments		16,967	3,047
Total non-current assets		718,294	651,497
Total assets		1,292,794	1,006,999
Liabilities			
Trade and other payables		71,847	64,799
Interest-bearing loans and borrowings		34,575	33,421
Employee benefits		5,308	3,966
Current tax payable		57,372	106,874
Deferred income		132	245
Provisions		1,738	1,738
Derivative financial instruments		1,184	3,093
Total current liabilities		172,156	214,136
Non-current liabilities			
Interest-bearing loans and borrowings		47,976	44,847
Deferred tax liabilities		20,697	4,415
Deferred income		643	701
Provisions		13,525	14,323
Derivative financial instruments		-	5,732
Total non-current liabilities		82,841	70,018
Total liabilities		254,997	284,154
Net assets		1,037,797	722,845
Equity			
Share capital	9	583,721	367,352
Hedge reserve		52,574	16,298
Share based payments reserve		7,864	442
Retained earnings		393,638	338,753
Total equity		1,037,797	722,845

The condensed notes on pages 12 to 18 are an integral part of these consolidated interim financial statements.

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of changes in equity
For the six months ended 31 December 2009

<i>In thousands of AUD</i>	Note	Issued capital	Share Based Payment Reserve	Retained earnings	Hedge reserve	Total
Opening balance at 1 July 2008		351,374	1,211	111,382	25,562	489,529
Profit for the period		-	-	201,539	-	201,539
Other comprehensive income		-	-	-	(77,823)	(77,823)
Total comprehensive income for the half year		-	-	201,539	(77,823)	123,716
Transactions with owners in their capacity as owners:						
Dividends paid	11	-	-	(6,663)	-	(6,663)
Share based payments	6	-	83	-	-	83
Transfer from share based payment reserve		1,040	(1,040)	-	-	-
Share options exercised		15,229	-	-	-	15,229
Costs of shares issued, net of tax		(358)	-	-	358	-
Closing balance at 31 December 2008		367,285	254	306,258	(51,903)	621,894

<i>In thousands of AUD</i>		Issued capital	Share Based Payment Reserve	Retained earnings	Hedge reserve	Total
Opening balance at 1 July 2009		367,352	442	338,753	16,298	722,845
Profit for the period		-	-	83,469	-	83,469
Other comprehensive income		-	-	-	36,276	36,276
Total comprehensive income for the half year		-	-	83,469	36,276	119,745
Transactions with owners in their capacity as owners:						
Dividends paid	11	-	-	(28,584)	-	(28,584)
Share based payments	6	-	14,597	-	-	14,597
Transfer from share based payment reserve		7,175	(7,175)	-	-	-
Shares issued for cash		214,886	-	-	-	214,886
Costs of shares issued, net of tax		(5,692)	-	-	-	(5,692)
Closing balance at 31 December 2009		583,721	7,864	393,638	52,574	1,037,797

The condensed notes on pages 12 to 18 are an integral part of these consolidated interim financial statements.

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of cash flows
For the six months ended 31 December 2009

	<i>Note</i>	Consolidated 31 Dec 2009	Consolidated 31 Dec 2008
<i>In thousands of AUD</i>			
Cash flows from operating activities			
Cash receipts from customers		193,034	284,366
Cash paid to suppliers and employees		(156,916)	(252,876)
Cash generated from operations		36,118	31,490
Interest paid		(3,329)	(1,642)
Interest received		3,864	3,023
Income taxes paid		(89,523)	(10,129)
Net cash from/(used in) operating activities		(52,870)	22,742
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		86,087	41,670
Acquisition of property, plant and equipment		(112,128)	(76,226)
Exploration and evaluation expenditure		(2,175)	(15)
Contract guarantee security		751	(5,000)
Issuance of loans to related entities		(1,549)	(1,825)
Net cash used in investing activities		(29,014)	(41,396)
Cash flows from financing activities			
Proceeds from the issue of share capital	9	214,886	15,229
Transaction costs paid on issue of share capital		(8,131)	-
Proceeds from borrowings		14,155	10,779
Repayment of borrowings		(452)	-
Payment of finance lease liabilities		(8,555)	(4,911)
Dividends paid	11	(28,584)	(6,663)
Net cash from financing activities		183,319	14,434
Net increase/(decrease) in cash and cash equivalents		101,435	(4,220)
Cash and cash equivalents at 1 July		131,159	80,867
Cash and cash equivalents at 31 December		232,594	76,647

The condensed notes on pages 12 to 18 are an integral part of these consolidated interim financial statements.

Whitehaven Coal Limited and its controlled entities
Condensed notes to the consolidated interim financial statements
31 December 2009

1 Reporting entity

Whitehaven Coal Limited is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2009 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial report of the Group as at and for the year ended 30 June 2009 is available from the Company's website www.whitehavencoal.com.au or upon request from the Company's registered office at Level 9, 1 York Street, Sydney NSW 2000.

2 Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2009 and any public announcements made by Whitehaven Coal Limited during the interim reporting period in accordance with the continuous disclosure requirements of the ASX listing rules.

This consolidated interim financial report was approved by the Board of Directors on 23 February 2010.

The Company is of a kind referred to in ASIC Class Order 98/100, and in accordance with the Class order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3 Significant accounting policies

Except as described below, the accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2009.

Changes in accounting policy

The Group has adopted the following new and amended Australian Accounting Standards as of 1 July 2009.

a) *AASB 8 Operating Segments*

AASB 8 replaced AASB 114 Segment Reporting upon its effective date. The operating segments determined in accordance with AASB 8 are based on the internal reports that are reviewed by the chief operating decision makers in the Group. AASB 8 disclosures are shown in note 4, including the related revised comparative information.

b) *AASB 101 Presentation of Financial Statements*

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

Whitehaven Coal Limited and its controlled entities
Condensed notes to the consolidated interim financial statements
31 December 2009

4 Segment Reporting

a) Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on “operations at individual mine sites”. Discrete financial information about each of these operating segments is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by mining operations. The Group has determined that it has two reportable segments: Open Cut Operations and Underground Operations.

The following table represents revenue and profit information for reportable segments for the half-years ended 31 December 2009 and 31 December 2008. The Group’s financing (including finance costs and finance income), depreciation and income taxes are managed on a group basis and are not allocated to reportable segments. Information in relation to the Underground Operations segment has not yet been provided as the Narrabri project remains in development phase and currently has no revenue or results.

In thousands of AUD

	Open Cut Operations	Total
Half-year ended 31 December 2009		
Revenue		
Sales to external customers	204,488	204,488
Total segment revenue	<u>204,488</u>	<u>204,488</u>
Difference in treatment of foreign exchange on hedges		(5,970)
Total revenue per statement of comprehensive income		<u>198,518</u>

	Open Cut Operations	Total
Result		
Segment result	<u>53,864</u>	<u>53,864</u>
Depreciation and amortisation		(12,248)
Income tax expense (excluding significant items)		(11,992)
Significant items after income tax		56,399
Net financial expense		<u>(2,554)</u>
Net profit after tax per statement of comprehensive income		<u>83,469</u>

Whitehaven Coal Limited and its controlled entities
Condensed notes to the consolidated interim financial statements
31 December 2009

4 Segment Reporting (continued)

In thousands of AUD

Half-year ended 31 December 2008

Revenue

	Open Cut Operations	Total
Sales to external customers	275,717	275,717
Total segment revenue	<u>275,717</u>	<u>275,717</u>
Total revenue per statement of comprehensive income		<u>275,717</u>

	Open Cut Operations	Total
Result		
Segment result	<u>41,879</u>	41,879
Depreciation and amortisation		(12,385)
Income tax expense (excluding significant items)		(7,901)
Significant items after income tax		181,511
Net financial expense		<u>(1,565)</u>
Net profit after tax per statement of comprehensive income		<u>201,539</u>

Whitehaven Coal Limited and its controlled entities
Condensed notes to the consolidated interim financial statements
31 December 2009

5 Significant items

<i>In thousands of AUD</i>	Consolidated 31 Dec 2009	Consolidated 31 Dec 2008
Consideration on sale of 7.5% (2008: 15%) of Narrabri joint venture interest	122,429	285,345
Transaction costs	(208)	(520)
Assets disposed	(10,519)	(23,210)
Gain on sale of joint venture interest ¹	111,702	261,615
Restructure costs	-	(532)
One-off share-based payment expense ²	(14,196)	-
Finance costs on retranslation of EDF receivable ³	(9,903)	-
Significant items before tax	87,603	261,083
Applicable income tax expense	(31,204)	(79,572)
Significant items after tax	56,399	181,511

Significant items are amounts considered by the company not to be in the normal course of operations and are generally one-off or non-recurring.

¹ During the half-year period, the Company sold a further 7.5% of its joint venture interest in the Narrabri North Project to a Korean consortium, comprising Daewoo International Corporation (Daewoo) and Korea Resources Corporation (KORES), for A\$125 million, discounted to A\$122.4 million, plus 7.5% of all costs incurred since 1 January 2008. The sale takes the Company's interest in the project down to 70%. The consortium will pay the A\$125 million in three tranches. The first and second tranches of \$32.5 million and \$30 million were received during the half year period, as well as the consortium's 7.5% share of project development costs incurred since 1 January 2008. The third tranche will be payable at the later of 30 November 2010 and when the company obtains NSW Government approval for stage 2 of the Narrabri Project.

² This expense relates to the issue of executive shares and executive options. The Board committed to issue these shares and options on 19 February 2009. These shares and options were subsequently approved by shareholders at the AGM on 17 November 2009. Accounting standard AASB 2 deems the issue date of these shares and options to be the date shareholder approval was formally received. Accordingly the company is required to account for the issue based on the prevailing share price at the date of the AGM.

³ A receivable arising on a previous sell down of the Narrabri North Project is denominated in US\$ and has been discounted on initial recognition. At the reporting date the receivable has been retranslated to Australian dollars at current exchange rates, and the discount partially unwound. The resulting expense has been disclosed as a significant item.

6 Other expenses

<i>In thousands of AUD</i>	Consolidated 31 Dec 2009	Consolidated 31 Dec 2008
Share based compensation payments	14,597	83
Contract settlement commitments	-	12,754
	14,597	12,837

Whitehaven Coal Limited and its controlled entities
Condensed notes to the consolidated interim financial statements
31 December 2009

7 Cash and cash equivalents

<i>In thousands of AUD</i>	Consolidated 31 Dec 2009	Consolidated 30 June 2009
	232,594	131,159

8 Intangibles

<i>In thousands of AUD</i>	Consolidated 31 Dec 2009	Consolidated 30 June 2009
Acquired haulage rights	981	1,058
Rail access rights ¹	36,944	35,383
Water access rights	953	953
	38,878	37,394

¹The consolidated entity has entered into agreements with Rail Infrastructure Corporation and Australian Rail Track Corporation to underwrite 60% of the funding of a major upgrade of the Muswellbrook to Narrabri rail infrastructure which will increase the capacity of that line to more than 16 million tonnes per annum over the next two years. The initial funding for the upgrade has been obtained by Rail Infrastructure Corporation and will be subject to repayment by the consolidated entity over 15 years. The corresponding asset has been recognised and represents the group's right to rail access over that period. The access rights will be amortised on a units of production basis reflecting the economic benefit derived over the life of the access once the upgrades are complete.

9 Share capital

<i>In thousands of AUD (except for shares)</i>	Consolidated 31 Dec 2009	Consolidated 30 Jun 2009
a) Share capital		
Authorised, issued and fully paid up ordinary shares 478,897,537 (30 June 2009: 407,213,601)	583,721	367,352

b) Movements in shares on issue

Ordinary shares		
	Consolidated 31 Dec 2009	
	No. of shares 000's	\$000's
Beginning of the period	407,213	367,352
Issued for cash	71,684	214,886
Transfer from share based payment reserve	-	7,175
Costs of shares issued, net of tax	-	(5,692)
	478,897	583,721

Whitehaven Coal Limited and its controlled entities
Condensed notes to the consolidated interim financial statements
31 December 2009

10 Share-based payments

During the half year a total of 5,000,000 options over ordinary shares with an exercise price of \$1.70 per option were issued. The options vest in three tranches: 1,666,666 on 31 October 2009; 1,666,667 on 31 October 2010; and 1,666,667 on 31 October 2011.

11 Dividends

Dividends of \$28,584,000 were paid during the six months ended 31 December 2009 (2008: \$6,663,000).

On 24 February 2010 the Directors declared a fully franked interim dividend of 2.8 cents per share totalling \$13.6 million to be paid on 31 March 2010 with the record date for entitlement being 12 March 2010. The financial effect of this dividend has not been brought to account in the financial statements for this period.

12 Interests in Joint Ventures and Associates

	% Ownership Interest	
	31 Dec 2009	30 June 2009
Joint Ventures		
Tarrawonga Coal Project Joint Venture	70.0	70.0
Narrabri Coal Joint Venture	70.0	77.5
Associates		
Tarrawonga Coal Sales Pty Limited	70.0	70.0

Whitehaven Coal Limited and its controlled entities
Condensed notes to the consolidated interim financial statements
31 December 2009

13 Contingencies

<i>In thousands of AUD</i>	Consolidated 31 Dec 2009	Consolidated 30 June 2009
Bank guarantee to Rail Infrastructure Corporation	38,622	30,000
Performance guarantees provided to government departments in respect of restoration of certain mining leases	20,580	20,585
Bank guarantee to the Roads and Traffic Authority of NSW	850	1,700
Bank guarantee to the Newcastle Coal Infrastructure Group	16,920	-
Bank guarantee to Port Waratah Coal Services Limited	6,754	-
Bank guarantee to Peabody Coaltrade International Ltd	5,575	-
Other bank guarantees	250	250
	89,551	52,535

14 Subsequent events

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material nature and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, other than the following:

- On 4 February 2010 the Group announced the completion of the acquisition of the Vickery Coal Project in the Gunnedah Basin from Coal & Allied Industries Limited. The total consideration was \$31.5 million in cash and a 1,156ha parcel of land in the Gunnedah region;
- On 20 January 2010 the Group issued 7,326,266 ordinary shares following the exercise of two unlisted options;
- The Directors have resolved to pay a fully franked interim dividend of 2.8 cents per ordinary share.

Directors' declaration

In the opinion of the directors of Whitehaven Coal Limited ("the Company"):

1. the financial statements and notes set out on pages 7 to 18, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



John Conde
Chairman

24 February 2010



Tony Haggarty
Director

24 February 2010



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

To the members of Whitehaven Coal Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying 31 December 2009 financial report of Whitehaven Coal Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the period.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Whitehaven Coal Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Whitehaven Coal Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the six months ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A stylized signature of the Ernst & Young firm, written in a cursive script.

Ernst & Young

A stylized signature of Trent van Veen, written in a cursive script.

Trent van Veen
Partner
Sydney
24 February 2010