



Whitehaven Coal Limited

Delivering Growth

Presentation to Morgan Stanley Conference

May 5, 2009





Disclaimer

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Contents



- **A snapshot**
- **Status of growth plans**
- **Outlook**
- **The merger with Gloucester Coal**

A snapshot



- ▶ ASX listed company “WHC”; market capitalisation ~A\$800 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 ~5 Mtpa in 2009 from 5 OC mines (Canyon closing)
- ▶ Narrabri underground mine (Stage 1 CMs, Stage 2 longwall) being constructed with production to commence in Q4 2009;
- ▶ Developments underway to grow saleable production capacity to 11 Mtpa
- ▶ 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

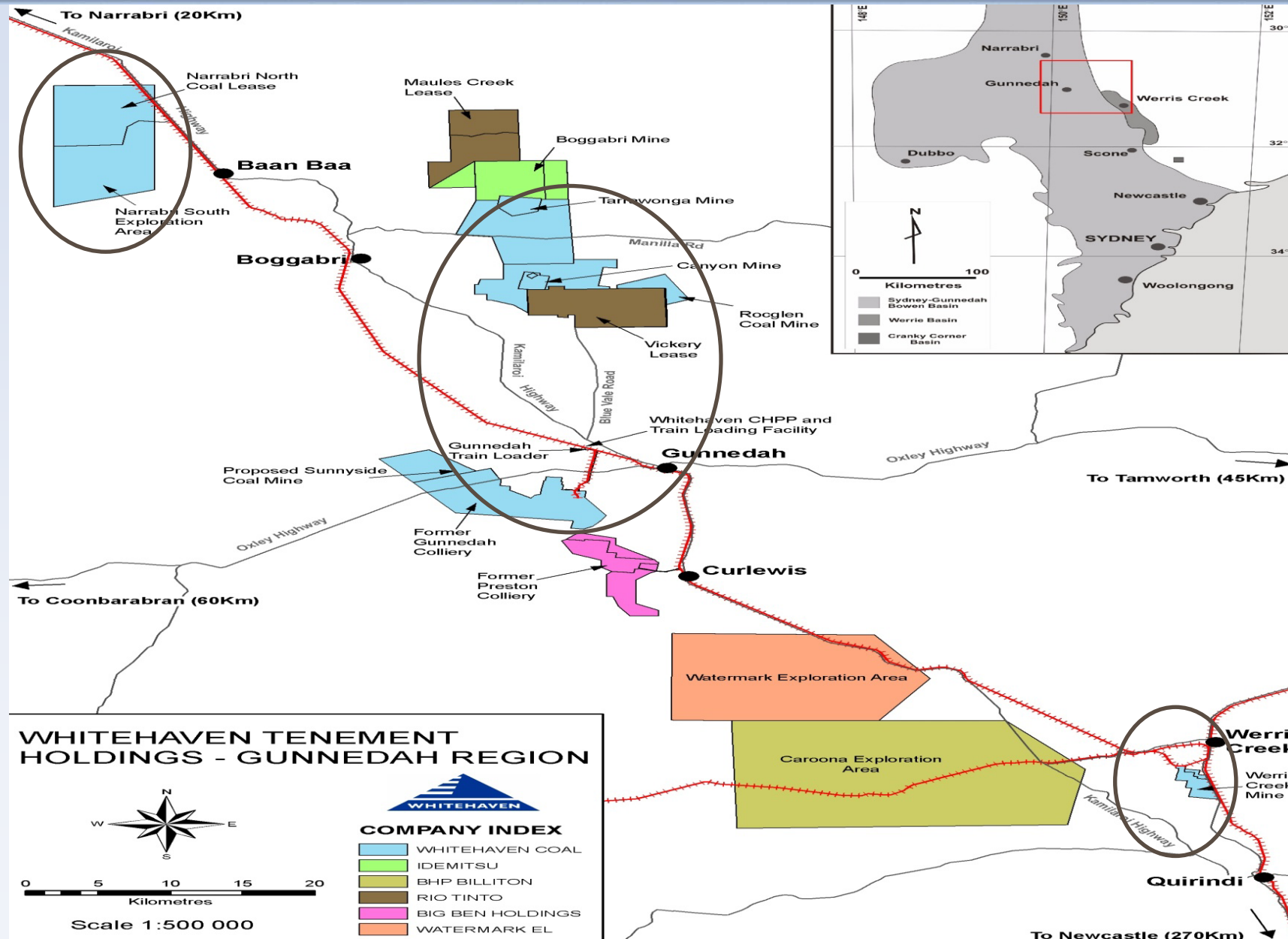
- Directors have extensive coal industry experience.
- Directors are proven mine developers and operators.
- Directors and senior management own significant WHC equity
- First Reserve Corporation and AMCI are the largest shareholders
- Directors are focused on profitability, adding value & dividends.

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



Gunnedah operations - Tarrawonga mine



- ▶ 1.5 Mtpa ROM capacity
- ▶ PCI & high quality thermal coals
- ▶ Saleable yield >90%
- ▶ ROM coal trucked to Gunnedah CHPP
- ▶ WHC owns 70% of JV



Gunnedah operations - Rocglen mine



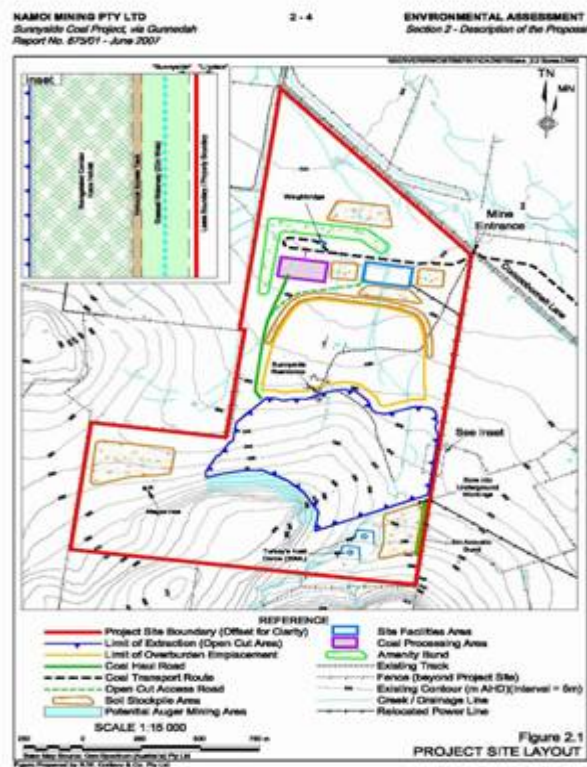
- ▶ 1.5 Mtpa ROM capacity
- ▶ PCI and thermal coals
- ▶ Saleable yield ~85%
- ▶ ROM coal trucked to Gunnedah CHPP



Gunnedah operations - Sunnyside mine



- ▶ Commenced December 2008
- ▶ 1.0 Mtpa ROM capacity
- ▶ Thermal coals
- ▶ ROM coal trucked to Gunnedah CHPP



Gunnedah operations – CHPP and rail loader



- ▶ ~50% ROM coal washed
- ▶ Washed yield >80%
- ▶ Total yield >90%
- ▶ CPP upgrade to 3 Mtpa
- ▶ 24-7 rail loading to 4 Mtpa



Werris Creek mine



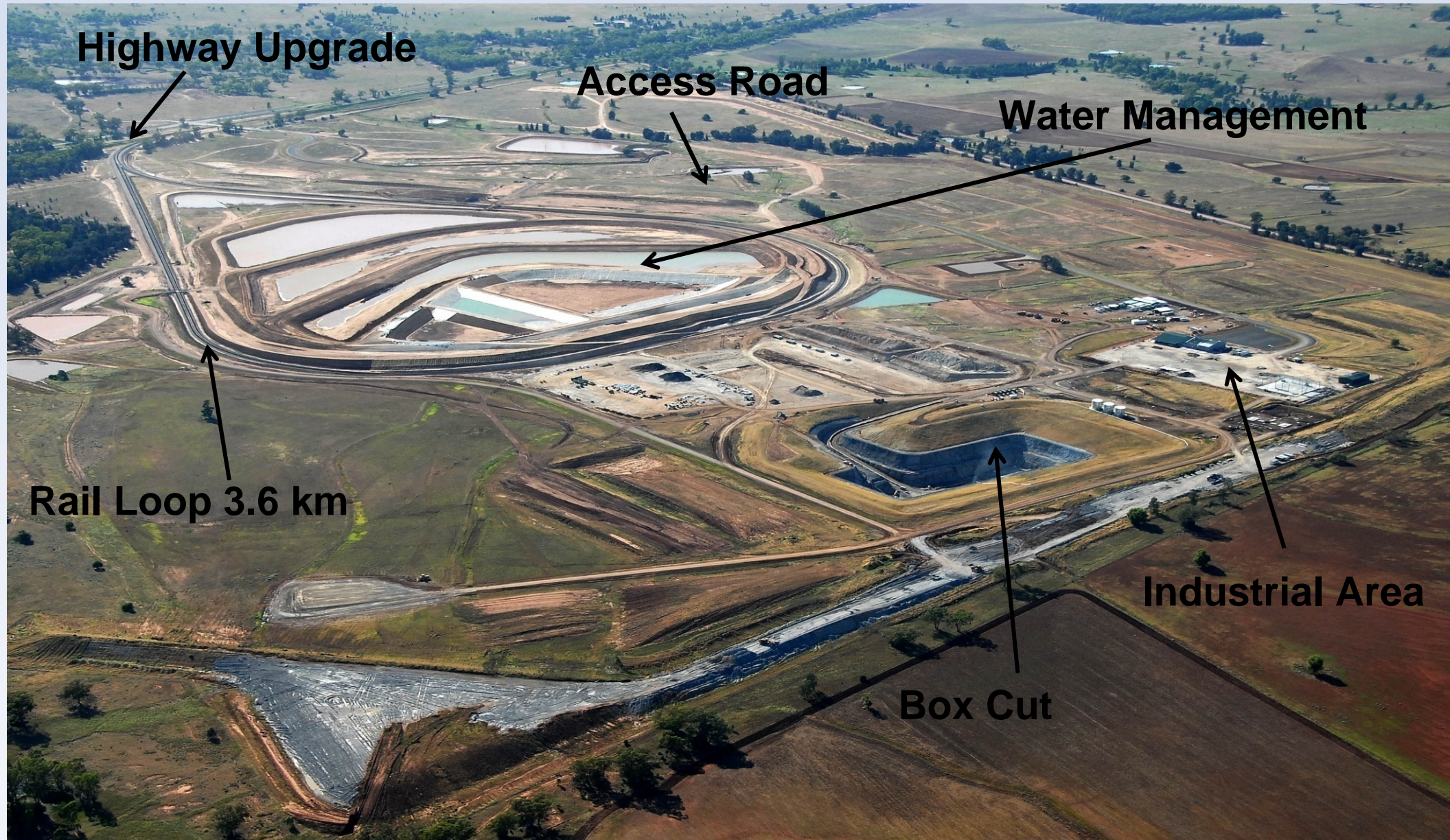
- ▶ 1.5 Mtpa capacity
- ▶ PCI and thermal coals
- ▶ Saleable yield 100%
- ▶ Own crushing and rail load-out

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Narrabri Stage 1 construction on track

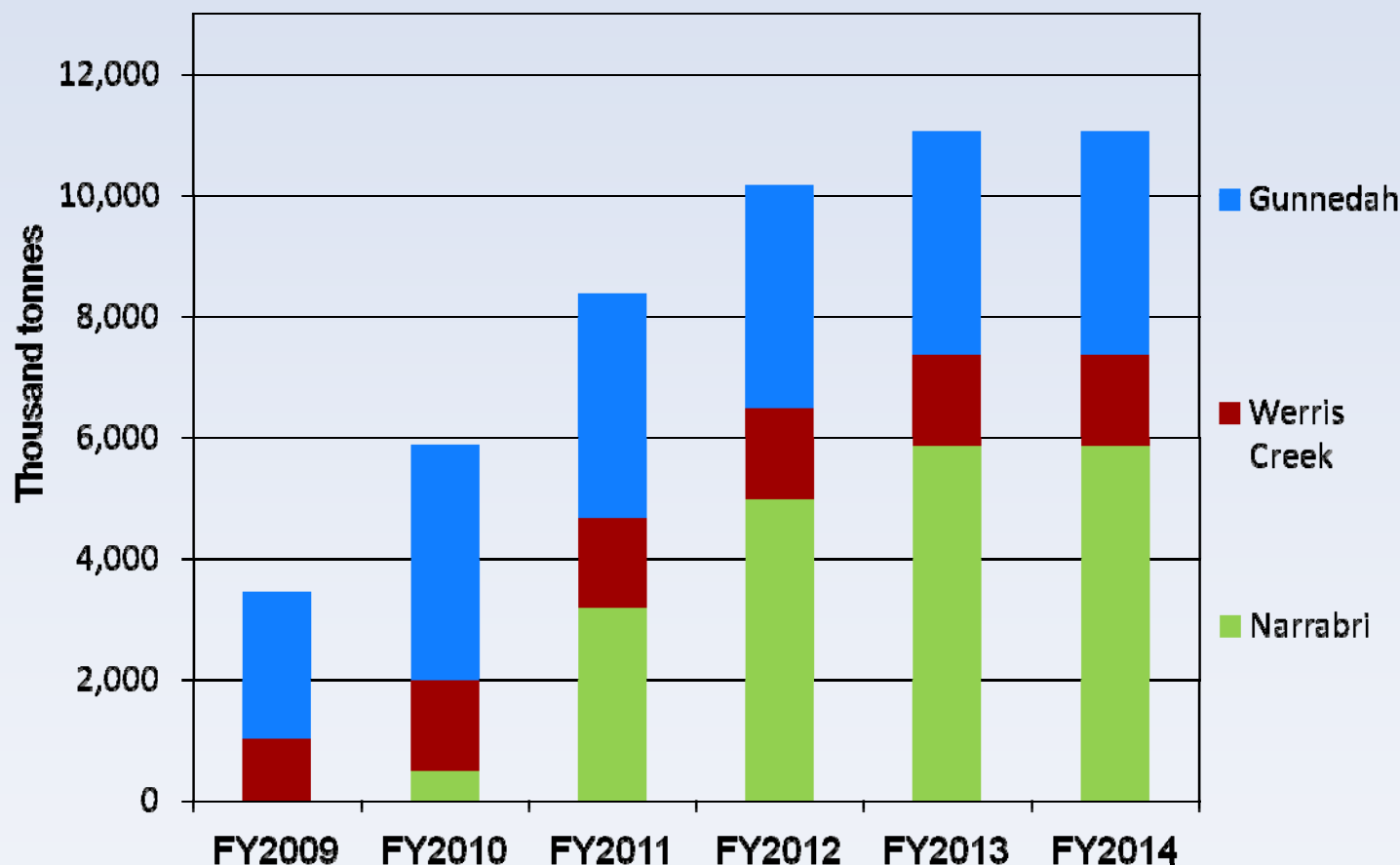


Established production with high growth



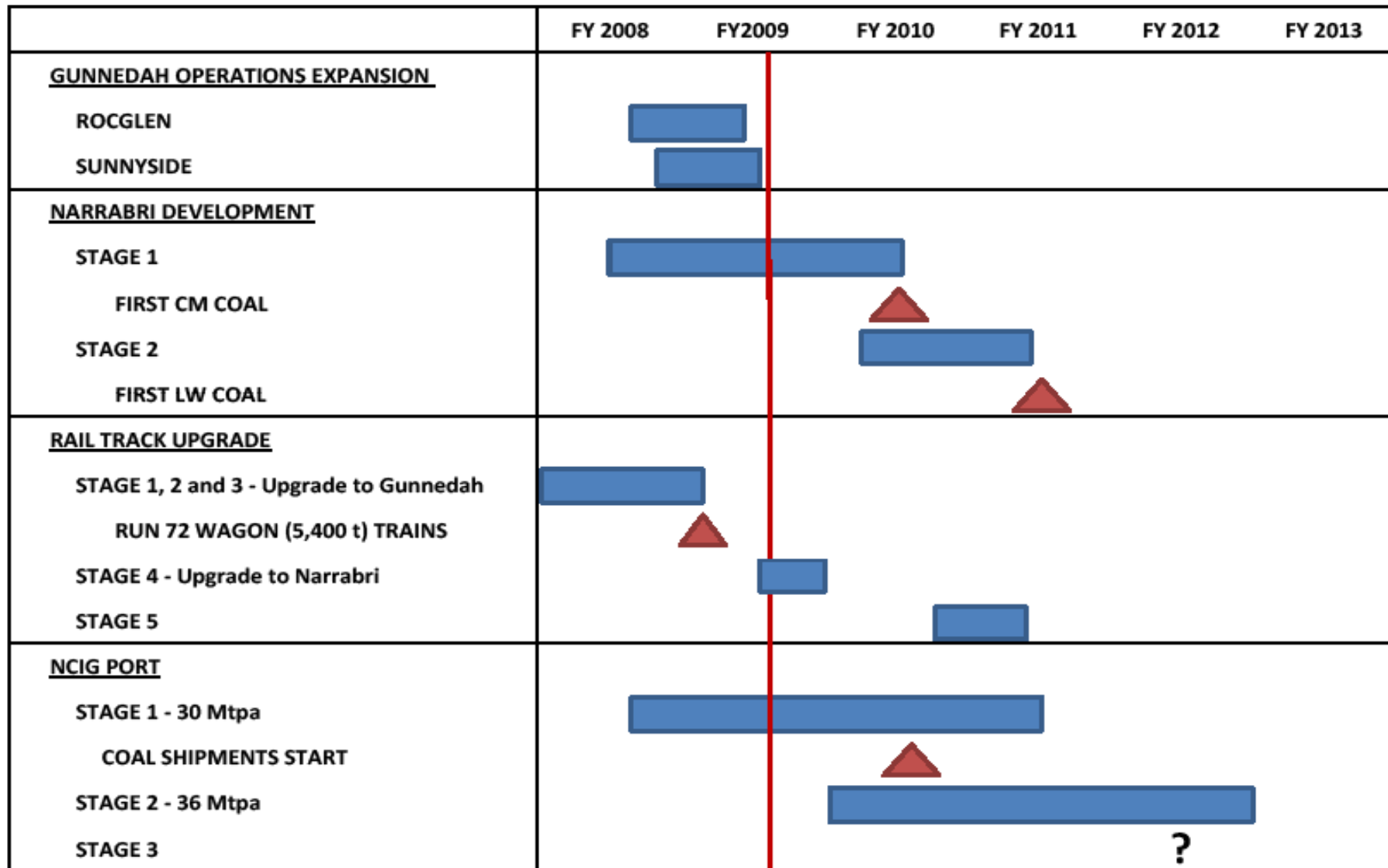
- ▶ Five OC mines now in production, Canyon to close in 2009
- ▶ Saleable production capacity in 2009 ~ 5Mtpa
- ▶ Narrabri Stage 1 under construction, first coal in Q4 2009
- ▶ WHC has invested in rail track capacity upgrades to support growth plans
- ▶ Port capacity is likely to constrain growth
- ▶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

WHITEHAVEN GROWTH - SALEABLE PRODUCTION CAPACITY ¹.



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

Projects are on track and 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, Watermark, Maules Creek

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

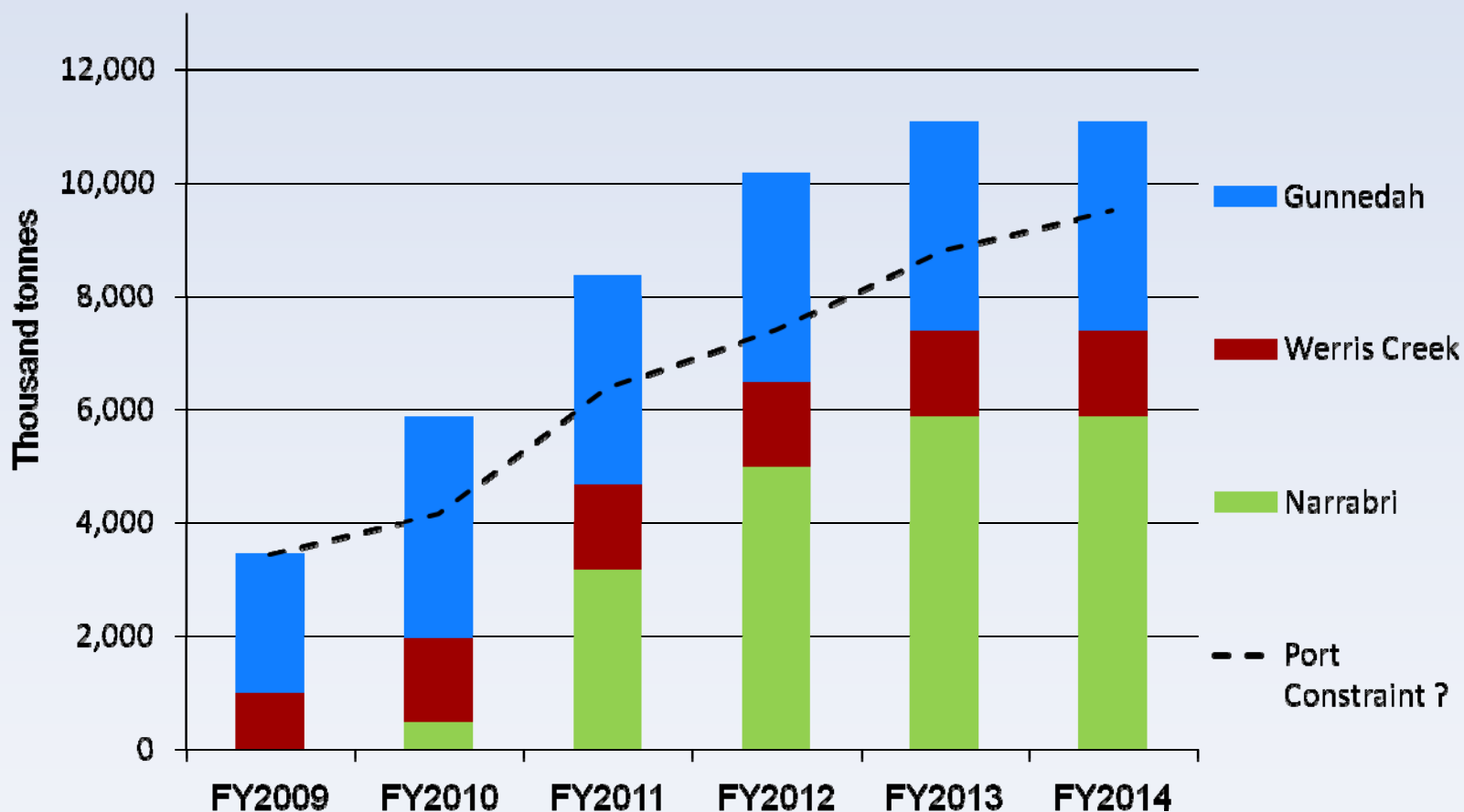
► Producer Agreement for port access

- 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



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Coal market uncertainty



Demand – Cyclical slowdown, but structural uptrend

- Global demand for export coking coal remains very weak. Thermal coal is better, but weaker than six months ago
- China currently importing much larger tonnages of Australian thermal coal, India following

Supply – Infrastructure constraints, higher costs, mine development slower & more difficult

- Port and rail inadequacies continue to constrain exports from Australia and elsewhere
- Slowing 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 hard coking coal around US\$128/t FOB, around US\$80/t for SSCC/PCI
- Spot market for thermal coal weaker, but most contracts settling around US\$70/t FOB
- Weak A\$ is helping Australian suppliers

Looking ahead



► Challenging business environment

- Weaker coal demand, lower US\$ coal prices, but a weaker A\$
- Continued port and rail congestion
- Increased “take” by NSW Government from higher royalty rates (+20%)

► Whitehaven is well positioned

- Large reserves of high quality coal
- Efficient mines, competitive costs
- Open cut expansions in place, Narrabri UG construction progressing well
- Increased rail and port capacity in 2009
- 11% share of NCIG to provide substantial new port capacity in 2010
- Solid base of long term coal sales contracts
- Strong financial position

Near and medium term objectives

- ▶ Continue to manage our existing OC operations efficiently
- ▶ Deliver Narrabri Stage 1 on time and budget
- ▶ Complete rail upgrade to Narrabri
- ▶ See NCIG Stage 1 delivered on time
- ▶ Active exploration within Gunnedah lease/EL areas
- ▶ Increase coal reserves and extend life at Werris Creek and Tarrawonga
- ▶ Look for sensible acquisitions and 'bolt-on' developments
- ▶ Industry consolidation will continue and Whitehaven will play its part
- ▶ Grow earnings and dividends per share, maintain financial stability and create shareholder value

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 capable and experienced boards and management teams with proven track records**



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