



Whitehaven Coal Limited

Delivering Growth

Presentation to Wilson HTM Conference

March 5, 2009





Disclaimer

Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Whitehaven Coal Limited, industry growth or other trend projections and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties. Actual results, actions and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.





Qualifications and Statement

The information in this report that relates to Coal Reserves of the Narrabri Project is based on information compiled by Mr Graeme Rigg, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Rigg is a qualified mining engineer and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration results, Mineral resources and Ore Reserves'. Mr Rigg consents to the inclusion in the report of the matters based on his information in the form and context in which it appears



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

A snapshot



- ▶ ASX listed company “WHC”; market capitalisation ~A\$550 million
- ▶ Large coal resources in the Gunnedah Basin
- ▶ 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 ~78%
- ▶ 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

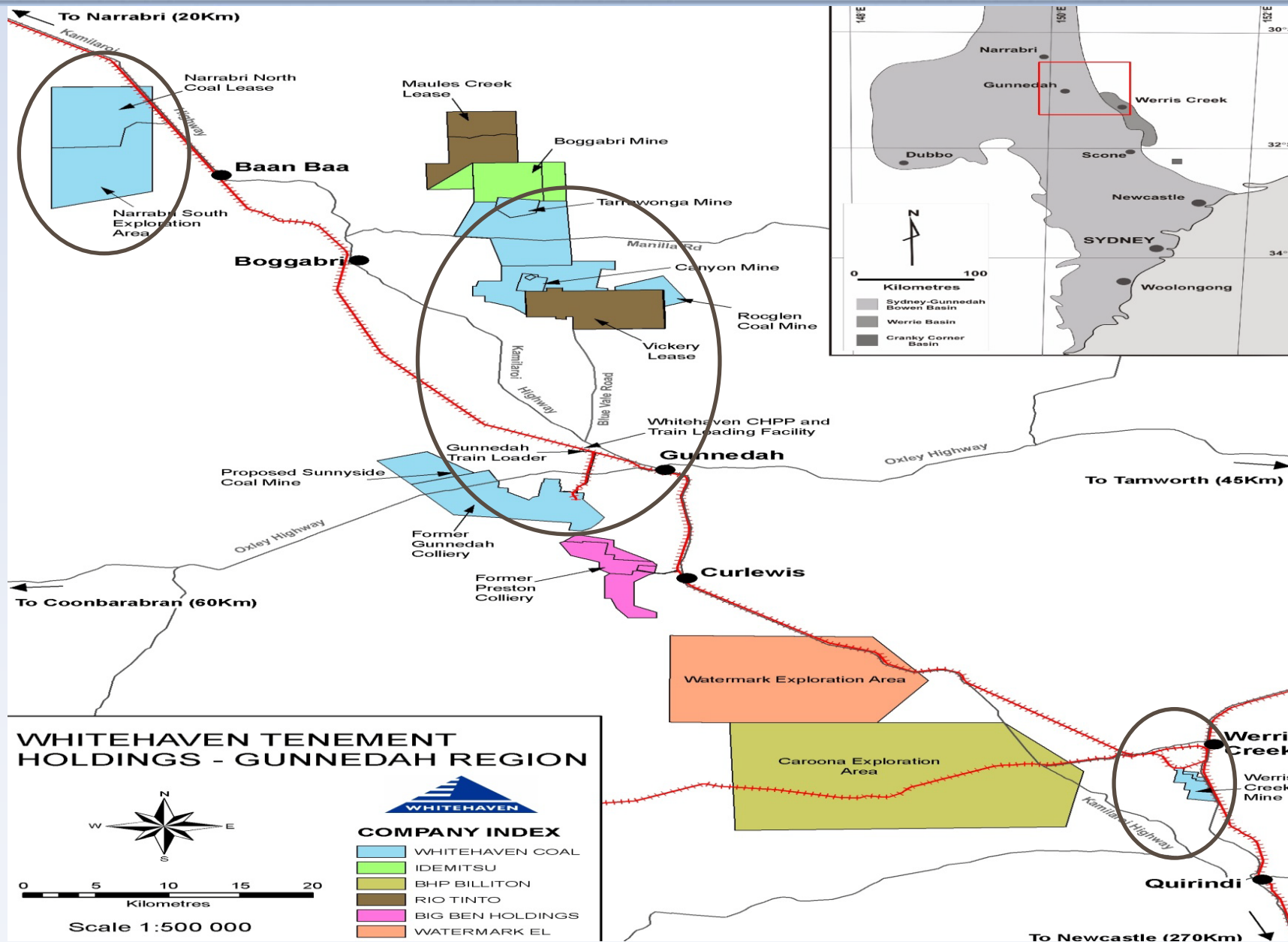
- Directors have extensive coal industry experience.
- Directors are proven mine developers and operators.
- Directors and senior management own ~78% of WHC.
- First Reserve Corporation and AMCI are the largest shareholders. Haggarty and Plummer each own ~ 7%.
- Directors are focused on profitability, 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



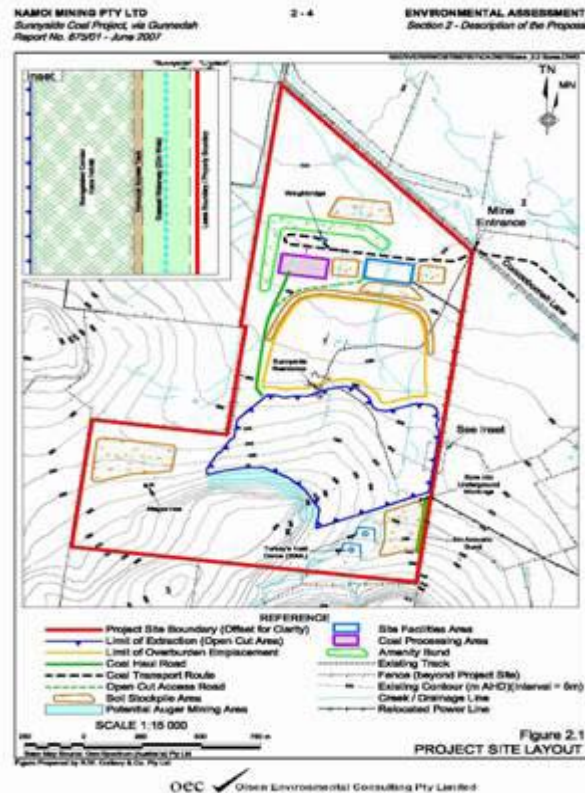
- ▶ 1.5 Mtpa ROM capacity
- ▶ PCI and thermal coals
- ▶ Saleable yield ~85%
- ▶ ROM coal trucked to Gunnedah CHPP



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



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



Narrabri South marketable reserves now 69.2 Mt

Total Narrabri marketable reserves now 171.9 Mt



NARRABRI JORC COAL RESERVES - Million tonnes

Mine / Project	Recoverable Reserves	Marketable Reserves ¹		
		From Proved	from Probable	Total
Narrabri North	112.0	51.1	51.6	102.7
Narrabri South	89.9	13.0	56.2	69.2
Total Narrabri	201.9	64.1	107.8	171.9

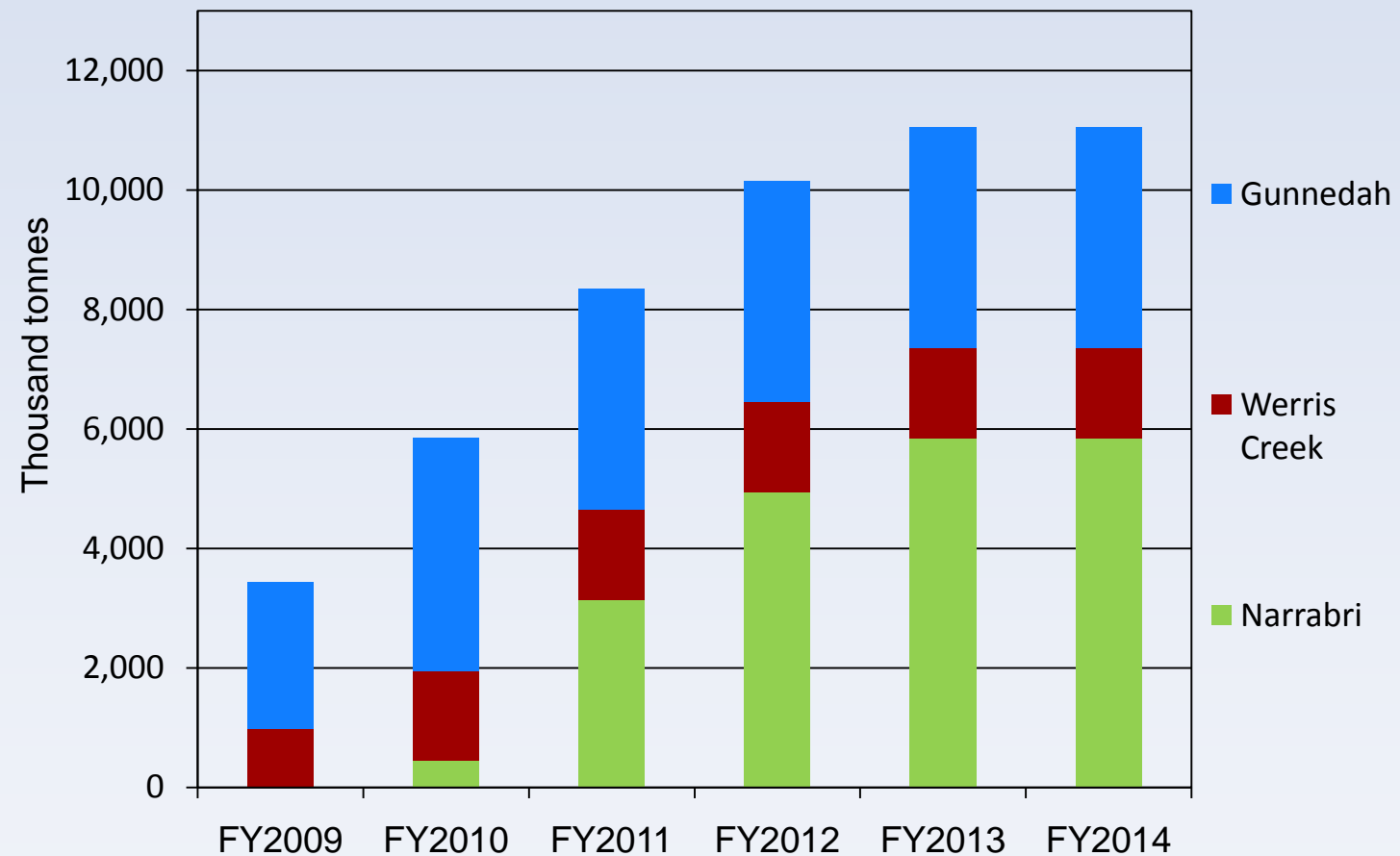
Note 1. The JORC marketable reserves are based on geological modelling of the anticipated yield from recoverable reserves

Established production with high growth

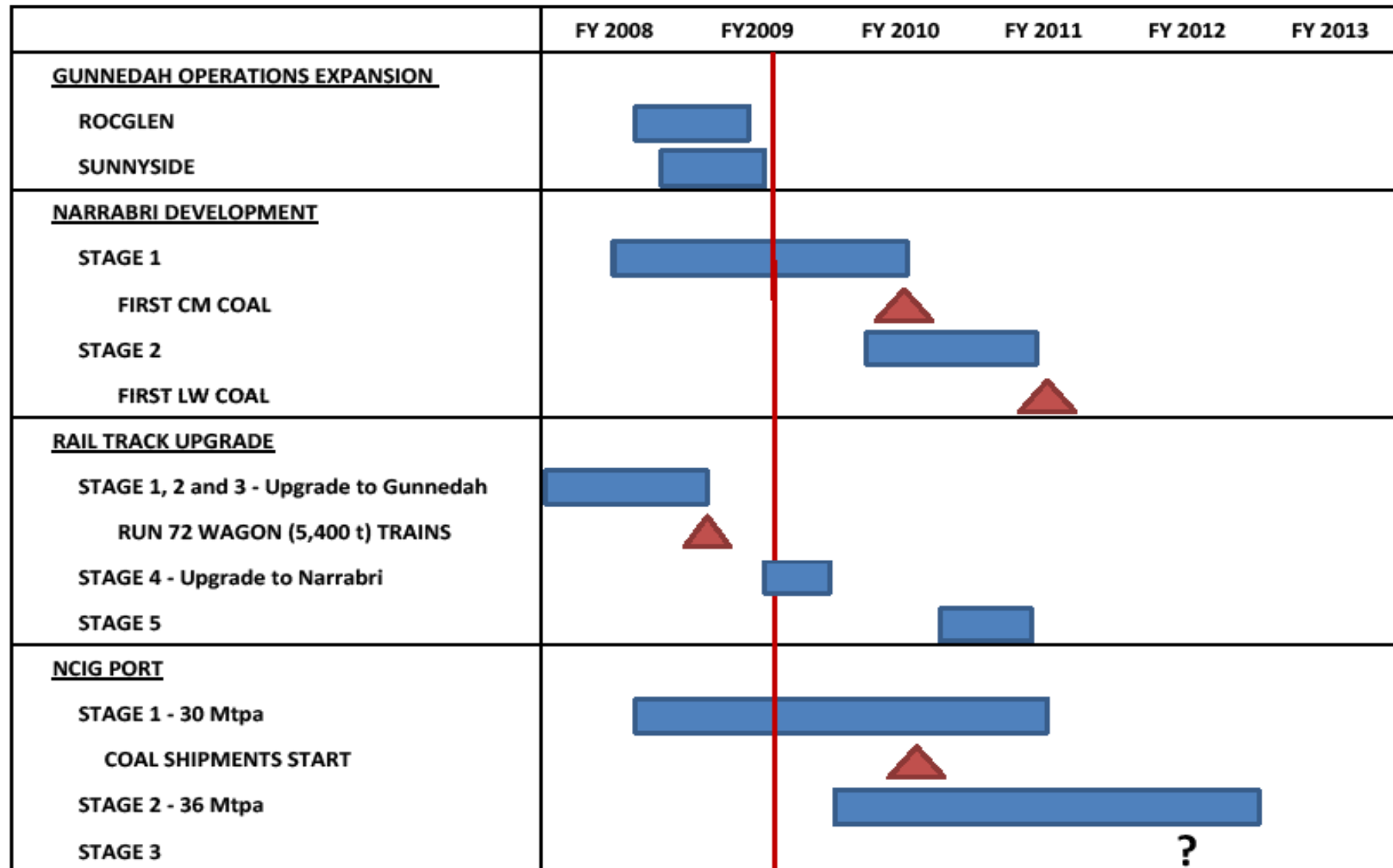


- ▶ Five OC mines now in production, Canyon to close in 2009
- ▶ Saleable production capacity in 2009 > 5Mt
- ▶ Narrabri Stage 1 under construction, first coal in Q4 2009
- ▶ WHC has invested in rail track capacity upgrades to support growth plans
- ▶ Port capacity is likely to constrain growth
- ▶ 11%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

WHITEHAVEN GROWTH - SALEABLE PRODUCTION CAPACITY



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-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: 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, but timing uncertain

► Newcastle Coal Infrastructure Group (“NCIG”)

- Whitehaven owns 11% of NCIG....due to be commissioned in Q1 2010
- Stage 1 capacity of 30 Mtpa to be reached by Q4 2010
- Stage 2 capacity of a further 36 Mtpa to be available in 2012

► Producer Agreement for port access

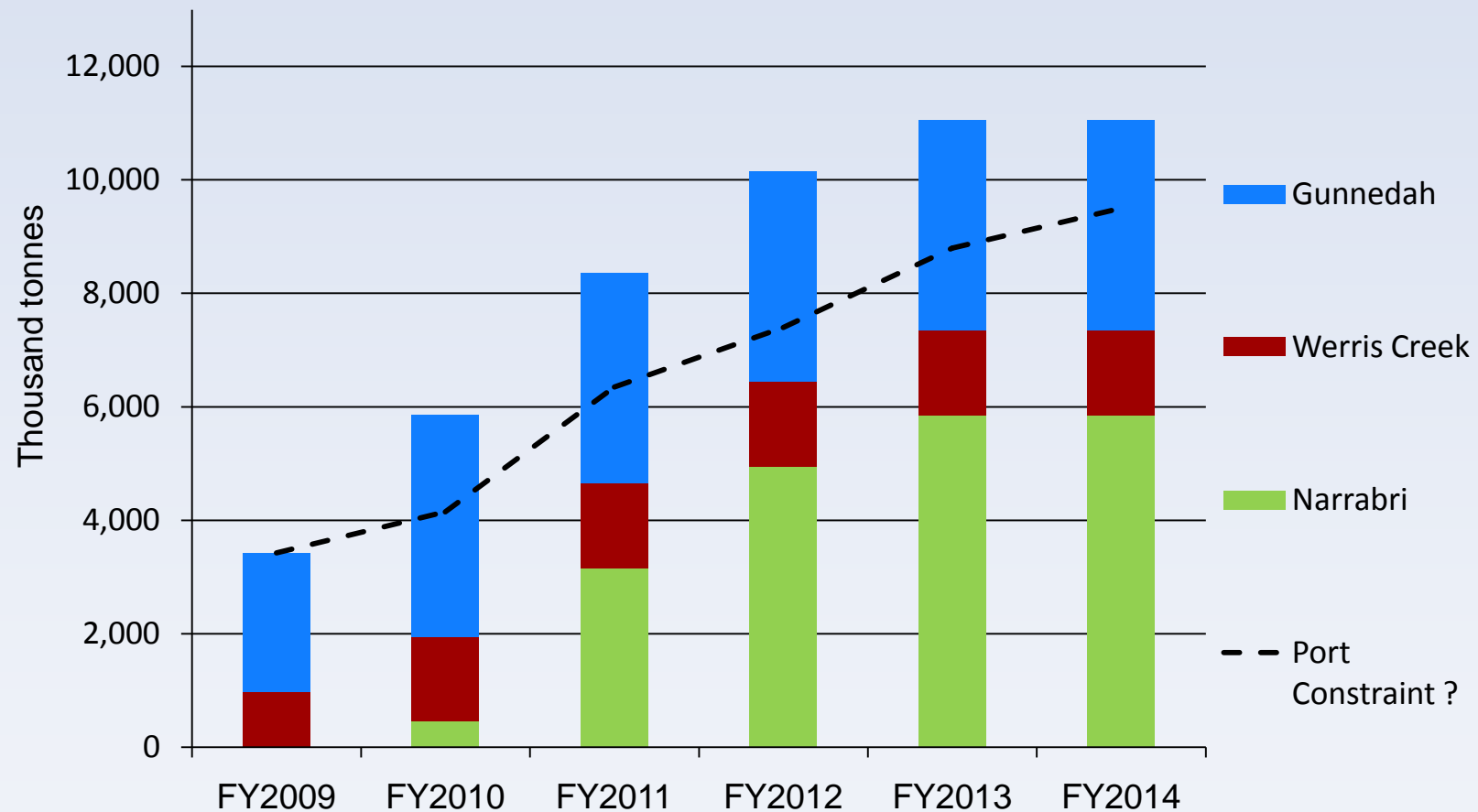
- NSW Government appointed Nick Greiner to facilitate a plan for long term port access
- The “Greiner Plan” was delivered in June, but NSW Government has failed to endorse
- Current application to the ACCC for a further short term allocation system

► **REALITY CHECK....Newcastle scheduled for +200 Mtpa port capacity by 2012**

Port capacity may limit WHC growth rate



WHITEHAVEN GROWTH - SALEABLE PRODUCTION CAPACITY



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Coal market uncertainty



Demand – Cyclical slowdown, but structural uptrend

- Global demand for export coking coal is very weak. Thermal coal is better, but weaker than six months ago

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 coking coal still very uncertain, no spot market visibility
- Spot market for thermal coal has weakened recently - contract negotiations underway
- 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 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 operations efficiently
- Werris Creek improvement and extended life
- 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
- 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



- ▶ **Merger will create a bigger, stronger coal company with substantial benefits for all shareholders of both companies**
 - ▶ Complementary coal quality, operations, infrastructure and cash flows
 - ▶ Significant value can be added by blending Whitehaven and Gloucester coals
 - ▶ Combination of two strong balance sheets to provide a solid financial platform from which to develop its growth projects and grow by acquisition
 - ▶ Larger market capitalisation, greater free float and broader share register will provide greater financial flexibility
 - ▶ Highly experienced Board and management team to take the company forward
 - ▶ A balanced transaction, structured to provide substantial benefits to all shareholders going forward
 - ▶ In the absence of a superior offer, Whitehaven directors unanimously recommend acceptance of the offer and intend to accept in respect of the shares they own or control