WHITEHAVEN COAL

ASX ANNOUNCEMENT

26th February 2014

Australian Stock Exchange

Company Announcements

HALF-YEAR RESULTS

Please find attached the following in respect of the Half Year ending 31 December 2013;

1. Appendix 4D
2. Interim Financial Report

Yours Faithfully,

Timothy Burt

Company Secretary

Appendix 4D

1. This statement presents results for Whitehaven Coal Limited for the half year ended 31 December 2013 and, where applicable, comparative results for the previous year.

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

	Half Year 31 Dec 2013 $'000	Half Year 31 Dec 2012 $'000	Change
Revenue from ordinary activities	402,242	280,751	+43%
Net Loss After Tax from ordinary activities	(11,639)	(48,585)	+76%
Net Loss After Tax attributable to members	(11,639)	(48,585)	+76%

3. Dividends

No dividends were paid during the six months ended 31 December 2013 (2012: $29,375,000).

The Directors resolved not to pay an interim dividend for the half year.

4. Net Tangible Assets (NTA) per security:

	Half Year 31 Dec 2013	Half Year 31 Dec 2012
NTA per security	305.20c/share	310.95c/share

5. 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 2013

Interim Financial Report

Contents

Whitehaven Coal Limited and its controlled entities
Directors' report
31 December 2013

The directors present their report together with the consolidated financial report of Whitehaven Coal Limited ('the Company') for the six months ended 31 December 2013 and the auditor's 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
The Hon. Mark Vaile	Chairman	3 May 2012
John Conde	Deputy Chairman	3 May 2007
Paul Flynn	Managing Director	3 May 2012 (appointed Managing Director 25 March 2013)
Philip Christensen	Director	3 May 2012
Rick Gazzard	Director	3 May 2012
Tony Haggarty	Director	3 May 2007
Christine McLoughlin	Director	3 May 2012
Raymond Zage	Director	27 August 2013

Principal activities

The principal activity of the Group during the period was the development and operation of coal mines in New South Wales. There were no significant changes in the nature of the activities of the Group during the period.

Operating and financial review

Financial headlines

- Statutory loss after tax decreased by 76% to $11.6 million
- Operating EBITDA before significant items increased 747% to $50.8 million
- Net debt of $556.9 million at 31 December 2013
- Conservatively geared at 15% at 31 December 2013

The Group's financial results are summarised below:

Whitehaven Coal Limited – Consolidated	Dec 13 $ million	Dec 12 $ million	Movement %
Revenue	402.2	280.8	+43%
Net loss for the period attributable to members	(11.6)	(48.6)	+76%
Add back: Significant items after tax (refer to note 4)	2.7	19.5	+86%
Net loss before significant items	(8.9)	(29.1)	+69%
Loss before tax	(16.0)	(67.8)	+76%
Add back: Net interest expense (refer to note 6)	28.8	21.0	-37%
Add back: Depreciation and amortisation	35.3	25.1	-41%
Add back: (Gain) / Loss on investments and asset disposals[1]	(1.2)	1.0	+220%
Operating EBITDA including significant items	46.9	(20.7)	+327%
Add back: Significant items before tax and financing (refer to note 4)	3.9	26.7	+85%
Operating EBITDA before significant items	50.8	6.0	+747%

[1]Comparative includes gain on disposal of assets of $171,000

The 31 December 2013 statutory result includes the impact of the following significant items:

- During the prior half year, mining activities at the Sunnyside mine were suspended indefinitely. During the current half year an additional provision of $2.0 million was raised to cover costs related to remediating an unanticipated spontaneous combustion incident identified at the Sunnyside mine.
- A charge of $1.9 million related to the cancellation of an infrastructure sharing agreement.

Operating EBITDA

Operating EBITDA before significant items of $50.8 million (2012: $6.0 million) has increased by 747% relative to the prior comparative period. The key features of the operating EBITDA result include:

- An increase in revenue of 43% to $402.2 million. This has been driven by record sales of produced coal of 4.3Mt, up by 48% or 1.4Mt relative to the prior comparative period.
- The increased sales of produced coal are underpinned by Narrabri production which has increased to 3.3Mt from 1.6Mt in the prior comparative period (100% basis). This reflects the continued ramp up of production at Narrabri which is now producing in excess of nameplate capacity.
- Open Cuts production volumes have also increased to 2.7Mt from 2.4Mt in the prior comparative period (100% basis), driven primarily by Tarrawonga and Werris Creek (following its recent capacity expansion to 2.5Mt per annum).
- Australian dollar (A$) prices are broadly flat compared to the prior comparative period. This largely reflects a combination of reduced United States dollar (US$) price offset by a weaker A$.
- Sales of purchased coal have reduced to 213k tonnes in the current period compared to 424k tonnes in the prior comparative period. This reflects the increased volume of produced coal along with improved production reliability ensuring alignment between coal production and shipping requirements.
- Production and infrastructure costs have continued to decline on a per unit basis in line with Management's focus on driving efficiencies and cost reduction across the group

Operating highlights

The first half was characterised by a number of operational highlights that have improved profitability during the period and also laid a solid foundation for continued growth. Key highlights during the six months to 31 December 2013 are as follows:

Production

- Record production of 5.94Mt of run of mine ("ROM") coal and 5.21Mt of saleable coal (100% basis) was driven by the outstanding performance of the Narrabri Mine.
- On an equity basis Whitehaven produced 4.64Mt ROM coal and 4.08Mt saleable coal, an increase of 32% and 37% respectively over the prior comparative period.
- The cost reduction programme instituted in the previous year continued to deliver with per unit production costs declining relative to the prior comparative period
- Narrabri produced 3.29Mt of ROM coal and 2.91Mt of saleable coal during the half, exceeding its nameplate capacity of 6.0Mtpa.
- Previous low energy levels in the Narrabri thermal coal product were resolved, with all Narrabri sales meeting or exceeding Newcastle specifications.
- The expansion project at Werris Creek increased production capacity to 2.5Mt per annum from the previous capacity of 2.0Mt per annum.

Maules Creek

- Whitehaven successfully defended an application for an injunction brought in the Federal Court in September seeking to restrict the commencement of construction at the Maules Creek project.
- A Federal Court judge handed down a judgment in December finding that the Federal Minister for the Environment did not err in law in granting approval for the Maules Creek project.Construction activity commenced with a number of construction contracts let for the various components of the work.
- Orders have been placed for the mining equipment required for the first stage of mining to produce 6.0Mtpa ROM coal.

- The NSW Department of Planning and Infrastructure in consultation with the NSW Office of Environment & Heritage advised Whitehaven that they were satisfied with the works undertaken under the Aboriginal Cultural Heritage Management Plan for the stage one area of the Maules Creek project (rail corridor and mine infrastructure area).

Infrastructure

The existing rail haulage contract with Pacific National (9.5Mt per annum) has been extended from 2020 until 2026 and includes a reduction on haulage rates and costs for Whitehaven. The new contract which was effective from 1 January 2014 will see the introduction of two new larger trains capable of 30 tonne axle loads and the retirement of three small trains from use on the system.

Corporate

In December 2013 Whitehaven received approval from its banking consortium for an amendment to the company's A$1.2 billion corporate debt facility to realign the interest coverage ratio test with the revised Maules Creek production timeline. The first date for the interest coverage ratio test is now the earlier of December 2015 and the first half year following achievement of quarterly saleable production at Maules Creek of 3.5Mt on an annualised basis.

Safety and Environment

Whitehaven is committed to protecting workers from injury or illness while working at any of our operations, construction projects or exploration areas. We take this commitment seriously and expect those working for us to share the same level of commitment. The commitment has led to an improved safety performance for Whitehaven during the first half of the year. On a Whitehaven group basis the twelve month rolling average TRIFR fell to 20.72 in December 2013. Pleasingly the twelve month rolling average LTIFR also declined and was 3.68 at the end of December, below the NSW coal mine average.

A renewed focus on safety across the open cut mines during the half has resulted in a reduction in both the rolling average TRIFR (15.79) and the twelve month rolling average LTIFR rate (3.32) as at 31 December 2013. At the Narrabri Mine the rolling average TRIFR (25.40) continued to trend lower and the twelve month rolling average LTIFR rate was 2.31 as at 31 December 2013. Both of these statistics remained significantly below the average for NSW underground coal mines.

Two reportable environmental incidents occurred during the half year. First, Whitehaven was issued with a "Clean up Notice" for the Sunnyside mine as a consequence of spontaneous combustion occurring in carbonaceous material in the open cut. Works to cap the material are expected to be completed by the end of March 2014. Secondly an exceedance of air quality criteria occurred at a monitoring station adjacent to the Gunnedah CHPP leading to a revised dust pollution reduction programme. This has been implemented and approved by the EPA.

Operating performance

Consolidated Equity Production and Sales (Equity Share)

Whitehaven Total - 000t	H1 FY2014	H1 FY2013	Movement
ROM Coal Production	4,636	3,518	+32%
Saleable Coal Production	4,081	2,982	+37%
Sales of Produced Coal	4,302	2,901	+48%
Sales of Purchased Coal	213	424	-50%
Total Coal Sales	4,515	3,325	+36%
Coal Stocks at Period End	907	801	+13%

Whitehaven set a number of production and sales records during the half largely due to the strong performance of the Narrabri Mine following the start of production from the second longwall panel in early July 2013 and improved production from Open Cuts. Purchased coal volumes were sourced to meet logistical or quality demands. Overall coal stocks increased in line with the additional production from the mines.

Narrabri *(Whitehaven 70% and Operator)*

Narrabri Mine - 000t	H1 FY2014	H1 FY2013	Movement
ROM Coal Production	3,287	1,576	+109%
Saleable Coal Production	2,913	1,327	+119%
Sales of Produced Coal	2,858	1,201	+138%
Coal Stocks at Period End	521	359	+45%

Note – the table above is based on managed volumes.

The Narrabri mine achieved a number of operating milestones and records during the half year. ROM and saleable production were 3.29Mt and 2.91Mt for the six months, 109% and 119% higher than the previous comparative period. Longwall production exceeded nameplate capacity over the period and achieved a weekly record of 193kt of ROM coal. Mining in the second panel was completed in January 2014 just after the end of the half year.

With the mine operating above nameplate capacity, surface infrastructure has been enhanced with the original by-pass circuit, which allows crushed ROM coal to be placed directly onto the product stockpile, being recommissioned during the period. When combined with the CHPP this provides increased capacity and flexibility to deliver the required product mix. All thermal coal sold from Narrabri met Newcastle benchmark specifications.

Another significant achievement for the future of the mine was that following the success of the blending strategy, additional production of PCI coal can be planned. Whitehaven anticipates that the mine will be able to produce and sell about 800kt of PCI coal in FY2014 with further upside possible in the future.

During the half a team of technical experts from Caterpillar resolved the remaining technical issues with the longwall; the shearer was successfully modified during the change out to rectify roll back and bidirectional cutting commenced at the end of August 2013.

Open Cut Operations

Ownership: Tarrawonga - Whitehaven 70% and Operator and Idemitsu 30%; Rocglen, Werris Creek and Gunnedah CHPP - Whitehaven 100%.

Open Cuts – 000t	H1 FY2014	H1 FY2013	Movement
ROM Coal Production	2,655	2,392	+11%
Saleable Coal Production	2,296	2,043	+12%
Sales of Produced Coal	2,591	2,038	+27%
Coal Stocks at Period End	634	434	+46%

Note – the table above is based on managed volumes and excludes Sunnyside.

Open cuts increased production by 11% to 2.66Mt from 2.39Mt in the prior comparative period. The increase was primarily driven by Tarrawonga and Werris Creek. Increased production at Werris Creek is in line with the expansion work commenced in FY2013 and completed during the current period. During the period Tarrawonga received the required approvals to proceed with work on the Northern Extension. Operational highlights for each of the Mines are as follows:

- Tarrawonga performed in line with expectations and fully aligned with the adjusted mine plan and associated changes implemented in early 2013. ROM coal production of 1.07Mt and saleable coal production of 0.849Mt were 13% and 4% higher than the prior comparative period.
- Rocglen has performed in line with plans but complex geological conditions continue to be experienced in certain areas of the pit. ROM coal production was 0.63Mt, down 8% and saleable coal production of 0.49Mt was 3% lower than the prior comparative period.
- Werris Creek increased ROM and saleable coal production to 0.96Mt (an increase of 26% and 33% respectively). The expansion of the mine to an annualised rate of 2.5Mt which included construction of a new rail loop, mine infrastructure and moving the crushing facilities was completed in December. Production is expected to increase in the second half of the year.

Project Development

Maules Creek (Whitehaven 75% and Operator)

The legal proceedings in the Federal Court challenging the Federal Environmental Minister's EPBC approval of Maules Creek Mine took place between 16 September and 19 September 2013. Federal Court Justice Cowdroy handed down his judgment on 20 December 2013 dismissing the application on all counts.

Stage 1 of the archaeological artefact salvage clearance process which was the final element in the Aboriginal Archaeology and Cultural Heritage Management Plan (AHMP) was completed and signed off by aboriginal groups prior to the end of December. The sign off on the first stage of the AHMP enabled construction activity on the project to commence.

Construction of the Maules Creek project commenced in late 2013 following a mobilisation period by Leighton, the contractor engaged to build the rail line to the new mine, as well as other contractors. Tenders for a number of the key work packages for the project have been issued. The process has reaffirmed that the $767m estimated capital cost of the project on a 100% basis remains valid. First coal is expected to be railed from the minesite during the first quarter of the 2015 calendar year.

A second community consultative meeting was held in August 2013. These meetings will become a regular feature of the project to ensure that the local community is completely informed about the development and that any questions or concerns about future mining activity are promptly and comprehensively addressed.

Vickery (Whitehaven 100%)

Whitehaven has continued to progress the approval process for the Vickery project, responding to the submissions following the public exhibition of the EIS for the project. The company is in discussions with the NSW Department of Planning & Infrastructure to resolve a small number of outstanding issues. As the project approval falls entirely under the remit of the NSW State Government the Federal Government has determined that the EPBC Act will not apply at Vickery.

Whitehaven is currently negotiating Voluntary Planning Agreements with the two local councils in the area as one of the final steps prior to obtaining project approval.

Exploration

Whitehaven has interests in a number of other coal exploration projects, including Ferndale, Dingo, Sienna, Monto, Ashford and Oaklands North. Expenditure in H1 2014 has been incurred on exploration drilling to ensure the assets are maintained in good standing with Government authorities.

The company was granted the Wean exploration tenement by the NSW State Government during the half year. The tenement is adjacent to the proposed Vickery project and will potentially add further coal resources to the Vickery complex.

Infrastructure

Pacific National and Whitehaven have agreed to extend their rail haulage contract from 2020 until 2026. Whitehaven will benefit from reduced coal haulage freight rates in the period until 2026. The new contract which was effective from 1 January 2014 will see the introduction of two new larger trains capable of 30 tonne axle loads and the retirement of smaller trains from use on the system. The combination of larger capacity trains and fewer train paths will reduce cost for both Pacific National and Whitehaven and was seen to be a win / win outcome for both companies

Several rail track infrastructure projects being undertaken by ARTC, designed to expand rail capacity of the Gunnedah Basin rail system, are progressing on schedule. These projects are due to be completed in time for the start-up of production from the Maules Creek Mine. Whitehaven has contracted with ARTC to provide 6.4Mtpa of rail track capacity for the Maules creek project from 2015. Whitehaven is working closely with ARTC on the timing for delivery of additional capacity on the rail system to cater for the production from the mine as it ramps up to its full design capacity

The initial 30 tonne axle load trial which began in August 2013 by using a large locomotive equipped with extensive monitoring equipment has been successfully completed. The trial period has now been extended to 2015 to allow further monitoring, with incremental increases in train speeds, to be undertaken. Current plans are for the rail line to be upgraded to 30 tonne axle loads by the beginning of 2015 in time for the expected commencement of production at Maules Creek.

Outlook

The medium to long term outlook for coal remains strong, underpinned by expected growth in global energy demand over the next 20 years. This will be underpinned by emerging economies, particularly in Asia where significant new generating capacity is scheduled to come on line. Coal is expected to continue to play a central role in supporting this growth due its reliability of supply and its cost competitiveness relative to other energy sources.

Following the development of Maules Creek, Whitehaven's production portfolio will include two large, low cost, tier one mines positioning the Group well to support increasing demand for high quality energy sources. Whitehaven also holds a number of projects that are at various stages of development including Vickery and Ferndale. With long life reserves and key infrastructure, Whitehaven has the flexibility to expand production capacity in line with customer needs.

For FY 2014, Whitehaven is expecting to sell approximately 8.4Mt on an equity basis, exclusive of purchased coal. Whitehaven achieved close to the average Newcastle benchmark price for its thermal coal sales in the first half of the year, and this is expected to continue for the second half.

The thermal coal market remains relatively well supplied for 2014. While this has recently impacted price levels, the inevitable rebalancing of supply is expected to benefit Whitehaven as a producer of high quality, low cost coals.

Capital management

Net debt and available funding lines at 31 December 2013 show that the Group is well positioned for growth.

	31 Dec 2013	30 June 2013
Cash on hand ($ million)	**97.7**	110.5
Interest bearing liabilities ($ million)	**654.7**	582.1
Net debt ($ million)	**556.9**	471.6
Net assets ($ million)	**3,231.4**	3,240.6
Gearing ratio [1]	**14.7%**	12.7%
Undrawn syndicated facility ($ million)	**525.0**	555.0

[1] *Net Debt to Net Debt plus Equity*

Total interest bearing liabilities at 31 December 2013 are $654.7 million. This represents an increase of $72.6 million relative to the position at 30 June 2013 ($582.1 million). The increase includes the following:

- Drawings of $30.0 million from the corporate debt facility to fund capital expenditure on the Maules Creek development.
- New finance leases of $56.8 million to fund expansion equipment at Werris Creek.
- Finance lease repayments of $10.8 million.
- Repayments of $4.1 million in relation to the Export Credit Agreement ("ECA") finance facility.

At 31 December 2013 there remains $525.0 million undrawn capacity within the corporate debt facility. The facility will continue to be utilised to fund development expenditure at Maules Creek.

Whitehaven received approvals from its banking consortium for an amendment to the company's A$1.2 billion corporate debt facility to realign the interest coverage ratio test with the revised Maules Creek production timeline. The first date for the interest coverage ratio test is now the earlier of December 2015 and the first half year following achievement of quarterly saleable production at Maules Creek of 3.5Mtpa on an annualised basis.

Dividends

The Directors resolved not to pay an interim dividend for the half year.

Dividends paid during the current period are as follows:

	31 Dec 2013 $ million	31 Dec 2012 $ million
Final ordinary (fully franked)	nil	29.4

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, in future financial years other than the following:

- On 25 February 2014 Whitehaven received confirmation from the Australian Tax Office that the company was entitled to an up-front deduction for Narrabri exploration expenditure. This will result in the company receiving a tax refund of $21m plus interest in the second half of FY2014.

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

The lead auditor's independence declaration is set out on page 10 and forms part of the directors' report for the six months ended 31 December 2013.

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:

Mark Vaile
Chairman
26 February 2014

Paul Flynn
Managing Director
26 February 2014

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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 2013, 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
Sydney
26 February 2014

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of comprehensive income
For the six months ended 31 December 2013

In thousands of AUD	*Note*	Consolidated 31 Dec 2013	Consolidated 31 Dec 2012[1]
Revenue		402,242	280,751
Other income		4,549	7,698
Operating expenses (including coal purchases)		(218,867)	(208,561)
Selling and distribution expenses		(101,574)	(67,582)
Government royalties		(29,463)	(17,552)
Administrative expenses		(12,765)	(12,534)
Other expenses	*5*	(2,538)	(3,028)
Depreciation and amortisation		(35,251)	(25,092)
Profit/(loss) before net financial expense		**6,333**	**(45,900)**
Financial income		7,100	3,846
Financial expenses		(29,472)	(25,701)
Net financial expense	*6*	**(22,372)**	**(21,855)**
Loss before tax		**(16,039)**	**(67,755)**
Income tax benefit		4,400	19,170
Net loss for the period		**(11,639)**	**(48,585)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement on cash flow hedges		2,806	(3,229)
Income tax effect		(842)	969
Other comprehensive income / (loss) for the period, net of tax		**1,964**	**(2,260)**
Total comprehensive loss for the period, net of tax		**(9,675)**	**(50,845)**
Net loss for the period attributable to:			
Owners of the parent		(11,639)	(48,585)
Non-controlling interests		-	-
		(11,639)	**(48,585)**
Total comprehensive loss for the period, net of tax attributable to:			
Owners of the parent		(9,675)	(50,845)
Non-controlling interests		-	-
		(9,675)	**(50,845)**
Earnings per share:			
Basic loss per share (cents per share)		**(1.2)**	(5.0)
Diluted loss per share (cents per share)		**(1.2)**	(5.0)

[1]As restated (refer to note 2)

The Company has made the decision to reclassify some items of expenditure. This included moving rail freight costs from operating expenses to selling and distribution expenses, and showing government royalties separately from selling and distribution expenses. The comparative period has been restated to reflect these changes.

The notes on pages 15 to 30 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 2013

In thousands of AUD	***Note***	**Consolidated 31 Dec 2013**	**Consolidated 30 Jun 2013[1]**
Assets			
Cash and cash equivalents	*7*	97,749	110,516
Trade and other receivables		102,823	87,297
Inventories		57,632	58,235
Derivative financial instruments		235	120
Total current assets		**258,439**	**256,168**
Non-current assets			
Trade and other receivables		32,598	37,843
Investments		1,130	1,052
Property, plant and equipment		3,192,393	3,131,622
Exploration and evaluation		576,118	574,459
Intangibles	*8*	100,975	99,696
Total non-current assets		**3,903,214**	**3,844,672**
Total assets		**4,161,653**	**4,100,840**
Liabilities			
Trade and other payables		142,712	137,266
Interest-bearing loans and borrowings	*9*	30,001	25,242
Employee benefits		12,651	11,107
Current tax payable		13,935	13,935
Provisions	*10*	36,443	43,642
Derivative financial instruments		2,247	4,938
Total current liabilities		**237,989**	**236,130**
Non-current liabilities			
Interest-bearing loans and borrowings	*9*	624,655	556,838
Deferred tax liabilities		14,857	17,841
Provisions	*10*	52,730	49,409
Total non-current liabilities		**692,242**	**624,088**
Total liabilities		**930,231**	**860,218**
Net assets		**3,231,422**	**3,240,622**
Equity			
Share capital	*11*	3,146,301	3,146,301
Share based payments reserve		71,846	71,371
Hedge reserve		(1,408)	(3,372)
Retained earnings		1,505	13,144
Equity attributable to owners of the parent		**3,218,244**	**3,227,444**
Non-controlling interest		13,178	13,178
Total equity		**3,231,422**	**3,240,622**

[1]As restated (refer to note 2)

The notes on pages 15 to 30 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 2013

In thousands of AUD	*Note*	Issued capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Opening balance at 1 July 2012[1]		3,116,769	67,696	2,962	131,194	3,318,621	55,504	3,374,125
Loss for the period[1]		-	-	-	(48,585)	(48,585)	-	(48,585)
Other comprehensive loss		-	-	(2,260)	-	(2,260)	-	(2,260)
Total comprehensive loss for the half year		-	-	(2,260)	(48,585)	(50,845)	-	(50,845)
Transactions with owners in their capacity as owners								
Dividends paid		-	-	-	(29,375)	(29,375)	-	(29,375)
Share based payments	*5*	-	3,028	-	-	3,028	-	3,028
Costs of shares issued, net of tax		(42)	-	-	-	(42)	-	(42)
Acquisition of non-controlling interests		-	-	-	-	-	(42,326)	(42,326)
Closing balance at 31 December 2012		3,116,727	70,724	702	53,234	3,241,387	13,178	3,254,565

In thousands of AUD		Issued capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Opening balance at 1 July 2013[1]		3,146,301	71,371	(3,372)	13,144	3,227,444	13,178	3,240,622
Loss for the period		-	-	-	(11,639)	(11,639)	-	(11,639)
Other comprehensive income		-	-	1,964	-	1,964	-	1,964
Total comprehensive income / (loss) for the half year		-	-	1,964	(11,639)	(9,675)	-	(9,675)
Transactions with owners in their capacity as owners								
Share based payments	*5*	-	475	-	-	475	-	475
Closing balance at 31 December 2013		3,146,301	71,846	(1,408)	1,505	3,218,244	13,178	3,231,422

[1]As restated (refer to note 2)

The notes on pages 15 to 30 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 2013

In thousands of AUD	*Note*	Consolidated 31 Dec 2013	Consolidated 31 Dec 2012
Cash flows from operating activities			
Cash receipts from customers		394,189	256,503
Cash paid to suppliers and employees		(315,848)	(356,564)
Cash from / (used in) operations		78,341	(100,061)
Interest paid		(22,771)	(16,636)
Interest received		711	2,968
Income taxes paid		-	(20)
Net cash from / (used in) operating activities		56,281	(113,749)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		24	322
Acquisition of property, plant and equipment		(139,245)	(124,209)
Exploration and evaluation expenditure		(1,654)	(13,464)
Acquisition of Coalworks		-	(154,880)
Proceeds from sale of investments		-	6,991
Proceeds from repayment of loans advanced		-	204
Net cash used in investing activities		(140,875)	(285,036)
Cash flows from financing activities			
Transaction costs paid on issue of share capital		(1)	(60)
Proceeds from borrowings	*9*	30,000	350,000
Repayment of borrowings	*9*	(4,123)	(344,092)
Proceeds from finance leases	9	56,784	-
Repayment of finance lease liabilities		(10,833)	(8,105)
Dividends paid	*13*	-	(29,375)
Net cash from / (used in) financing activities		71,827	(31,632)
Net decrease in cash and cash equivalents		(12,767)	(430,417)
Cash and cash equivalents at 1 July		110,516	513,625
Cash and cash equivalents at 31 December		97,749	83,208

The notes on pages 15 to 30 are an integral part of these consolidated interim financial statements.

1 Reporting entity

Whitehaven Coal Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The address of the Company's registered office is Level 28, 259 George Street, Sydney NSW 2000. The Company is a for-profit entity, and the principal activity of the consolidated entity is the development and operation of coal mines in New South Wales.

The consolidated interim financial report of the Company as at and for the six months ended 31 December 2013 comprises the Company and its subsidiaries (together referred to as the "Group") and was authorised for issue in accordance with a resolution of the Board of Directors on 26 February 2014.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2013 is available from the Company's website www.whitehavencoal.com.au or upon request from the Company's registered office at Level 28, 259 George Street, Sydney NSW 2000.

2 Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The interim consolidated financial statements for the six months ended 31 December 2013 represent a condensed set of financial statements and have been prepared in accordance with AASB 134 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2013 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.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2013, except for the adoption of new standards and interpretations effective as of 1 July 2013.

The Group applies, for the first time, certain standards and amendments that may require restatement of previous financial statements. These include Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine, AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 13 Fair Value Measurement and amendments to AASB 101 Presentation of Financial Statements. As required by AASB 134, the nature and the effect of these changes are disclosed below. In addition, the application of AASB 12 Disclosure of Interest in Other Entities would result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Group or the interim consolidated financial statements of the Group.

The nature and the impact of each new standard/amendment is described below:

AASB 101 Clarification of the requirement for comparative information (Amendment)

The amendment to AASB 101 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position (as at 1 July 2012 in the case of the Group), presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes.

Under AASB 134, the minimum items required for interim financial statements do not include an opening statement of financial position.

AASB 134 Interim financial reporting and segment information for total assets and liabilities (Amendment)

The amendment clarifies the requirements in AASB 134 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in AASB 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment.

The Group does not provide this disclosure as total segment assets were not reported to the chief operating decision maker (CODM).

AASB 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to AASB 7

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with AASB 132. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with AASB 132. The Group does not have financial assets and liabilities with rights to set-off arrangements therefore the amendment does not have an impact on the Group.

AASB 10 Consolidated Financial Statements and AASB 127 Separate Financial Statements

AASB 10 establishes a single control model that applies to all entities including special purpose entities. AASB 10 replaces the parts of previously existing AASB 127 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. AASB 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in AASB 10, all three criteria must be met, including:

(a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

AASB 10 had no impact on the consolidation of investments held by the Group.

AASB 11 Joint Arrangements and AASB 128 Investment in Associates and Joint Ventures

AASB 11 replaces AASB 131 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. AASB 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under AASB 11 must be accounted for using the equity method.

The application of AASB 11 and AASB 128 did not impact the Group's accounting for its interests in joint arrangements because the Group determined that its joint arrangements and Jointly Controlled Entities that were previously classified as jointly controlled assets were classified as joint operations under AASB 11.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for interim consolidated financial statements, unless significant events and transactions in the interim period require that they are provided. Accordingly, the Group has not made such disclosures.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance under IFRS for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of AASB 13 has not materially impacted the fair value measurements carried out by the Group.

AASB 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim consolidated financial statements period. The Group provides these disclosures in Note 16.

Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

The Interpretations Committee issued IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (IFRIC 20), effective 1 January 2013. Prior to the issuance of IFRIC 20, the accounting for production stripping costs had been based on general IFRS principles and the *Framework,* as IFRS had no specific guidance.

Previously, the Group capitalised production stripping costs for those operations where this was considered to be the most appropriate basis for matching the cost against the related economic benefits and the effect was material. This was generally the case where there were fluctuations in stripping ratios over the life of the mine.

The amount of stripping costs capitalised was based on the life-of-mine average strip ratio that was obtained by dividing the total tonnage of waste expected to be mined over the life of the mine by the quantity (e.g., tonnes) of economically recoverable reserves expected to be mined across the life of the mine.

Production stripping costs incurred in the period were deferred to the extent that the current period actual strip ratio exceeded the life-of-mine average strip ratio. Such deferred costs were then charged to profit or loss to the extent that, in subsequent periods, the current period actual strip ratio fell below the life-of-mine average strip ratio until those deferred costs were fully depleted. No stripping liabilities were recognised. The life-of-mine ratio was based on economically recoverable reserves of the mine.

IFRIC 20 now provides specific guidance on how to account for production stripping costs. It requires such costs to be capitalised where certain recognition criteria are met. IFRIC 20 differs from the life of mine average strip ratio approach in a number of ways, including:

a) The level at which production stripping costs are to be assessed, i.e., at a component level rather than a life-of-mine level

b) The way in which any stripping activity assets are to be depreciated

In addition, specific transitional rules are provided to deal with any opening deferred stripping balances an entity may have recognised under its previous accounting policy.

Identification of stripping activity assets

The first difference is the requirement to identify the components of each ore body. This will determine whether any stripping activity assets should be recognised and, if so, the level at which such assets are initially recognised. IFRIC 20 defines a component as a specific volume of the ore body that is made more accessible by the stripping activity. An identified component of the ore body is considered to typically be a subset of the total ore body of the mine. This effectively requires that a lower unit of account than the entire life of mine (which is used in the current life of mine average strip ratio approach) is to be used. A mine may have several components, which are identified based on the mine plan. As well as providing a basis for measuring the costs reliably at recognition stage, the identification of components is necessary for the subsequent depreciation or amortisation of the stripping activity asset, which will take place as each identified component is mined.

Depreciation of the stripping activity asset(s)

The second difference relates to the way in which the stripping activity asset(s) are depreciated. As described above, under the life-of-mine average strip ratio approach, the deferred stripping balance was released to profit or loss when the actual ratio fell below the average expected ratio. IFRIC 20 requires that any stripping activity asset(s) is to be depreciated/amortised over the expected useful life of the identified component of the ore body that has been made more accessible by the activity. The method used should be the one that best reflects the consumption of economic benefits. IFRIC 20 requires the use of the units of production method unless another method is more appropriate.

Transition

IFRIC 20 is applied prospectively to production stripping costs incurred on or after the beginning of the earliest period presented, which is 1 July 2012 for the Group. Any previously recognised asset balance(s) that resulted from stripping activity undertaken during the production phase (predecessor stripping asset) was required to be reclassified as a part of an existing asset to which the stripping activity related, to the extent that there remains an identifiable component of the ore body with which the predecessor stripping asset could be associated. Such balances are then depreciated/amortised over the remaining expected useful life of the identified component of the ore body to which each predecessor stripping asset balance related.

If there was no identifiable component of the ore body to which the predecessor asset related, it was written off via opening retained earnings at 1 July 2012.

Impact as at transition date (1 July 2012) and on the comparative financial information for the six months ended 31 December 2012 and the year ended 30 June 2013

In accordance with the transitional provisions of IFRIC 20, this new policy has been applied prospectively from the start of the comparative period, being 1 July 2012. As a result of the adoption of the interpretation, the adjustments outlined below were made to the financial statements.

The Group had previously accounted for production stripping costs using the life–of-mine average strip ratio approach (explained above). As at 1 July 2012, there was a deferred stripping balance of $99.6 million.

The adoption of IFRIC 20 had the following impact at the transition date of 1 July 2012, for the six months ended 31 December 2012 and the year ended 30 June 2013:

In thousands of AUD	**1 July 2012**	**IFRIC20 Adjustment**	**1 July 2012 Restated**
Deferred Stripping	99,601	(99,601)	-
Property Plant & Equipment	2,954,158	27,968	2,982,126
Other Assets	1,289,506	-	1,289,506
Deferred tax liabilities	(78,770)	21,490	(57,280)
Other liabilities	(840,227)	-	(840,227)
Net assets	3,424,268	(50,143)	3,374,125
Retained earnings	181,337	(50,143)	131,194
Other reserves	3,242,931	-	3,242,931
Total equity	3,424,268	(50,143)	3,374,125

In thousands of AUD	**31 December 2012**	**IFRIC 20 Adjustment**	**31 December 2012 Restated**
Net loss before tax	(65,506)	(2,249)	(67,755)
Tax benefit	18,495	675	19,170
Net loss after tax	(47,011)	(1,574)	(48,585)
Deferred Stripping	101,473	(101,473)	-
Property Plant & Equipment	3,049,789	27,591	3,077,380
Other Assets	930,949	-	930,949
Deferred tax liabilities	(59,583)	22,165	(37,418)
Other liabilities	(716,346)	-	(716,346)
Net assets	3,306,282	(51,717)	3,254,565
Retained earnings	104,951	(51,717)	53,234
Other reserves	3,201,331	-	3,201,331
Total equity	3,306,282	(51,717)	3,254,565

In thousands of AUD	**30 June 2013**	**IFRIC 20 Adjustment**	**30 June 2013 Restated**
Deferred Stripping	97,381	(97,381)	-
Property Plant & Equipment	3,115,176	16,446	3,131,622
Other Assets	969,218	-	969,218
Deferred tax liabilities	(42,122)	24,281	(17,841)
Other liabilities	(842,377)	-	(842,377)
Net assets	3,297,276	(56,654)	3,240,622
Retained earnings	69,798	(56,654)	13,144
Other reserves	3,227,478	-	3,227,478
Total equity	3,297,276	(56,654)	3,240,622

In addition to the above-mentioned amendments and new standards, AASB 1 First-time Adoption of International Financial Reporting Standards was amended with effect for reporting periods starting on or after 1 January 2013. The Group is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 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 2013 and 31 December 2012. 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.

In thousands of AUD	Open Cut Operations	Underground Operations	Total
Half-year ended 31 December 2013			
Revenue			
Sales to external customers	222,102	180,140	402,242
Total segment revenue	222,102	180,140	402,242
Total revenue per statement of comprehensive income			402,242

	Open Cut Operations	Underground Operations	Unallocated to segments	Total
Result				
Segment result	20,720	35,943	(5,896)	50,767
Depreciation and amortisation				(35,251)
Net interest expense				(28,761)
Gain on investments and asset disposals				1,147
Income tax benefit				4,400
Significant items before income tax				(3,941)
Net loss after tax per statement of comprehensive income				(11,639)

3 Segment Reporting (continued)

In thousands of AUD	**Open Cut Operations**	**Underground Operations**	**Total**
Half-year ended 31 December 2012			
Revenue			
Sales to external customers	235,183	69,341	304,524
Total segment revenue	235,183	69,341	304,524
Capitalisation of Narrabri development revenue			(24,301)
Difference in treatment of foreign exchange on hedges			528
Total revenue per statement of comprehensive income			280,751

	Open Cut Operations	**Underground Operations**	**Unallocated to segments**	**Total**
Result				
Segment result	17,808	(5,167)	(6,681)	5,960
Depreciation and amortisation				(25,092)
Net interest expense				(20,952)
Loss on investments and asset disposals				(930)
Income tax benefit				19,170
Significant items before income tax				(26,741)
Net loss after tax per statement of comprehensive income				(48,585)

4 Significant items

The items below are significant to the understanding of the overall results of the consolidated group. The Company believes the disclosure of these items provides readers of the financial statements with further meaningful insights to understand the financial performance of the Group.

In thousands of AUD	**Consolidated 31 Dec 2013**	**Consolidated 31 Dec 2012**
Included within the balances presented on the face of the Consolidated Interim Statement of Comprehensive Income:		
Operating expenses:		
Suspension of mining activities and office closures [1]	(2,000)	(22,861)
Other expenses:		
Contract cancellation costs [2]	(1,941)	-
Share-based payment expense [3]	-	(2,441)
	(1,941)	(2,441)
Administrative expenses:		
Due diligence costs and project costs [4]	-	(1,439)
Significant items before tax and financing	**(3,941)**	(26,741)
Significant items before tax	**(3,941)**	(26,741)
Applicable income tax expense	1,182	7,290
Significant items after tax	**(2,759)**	(19,451)

[1] During the prior half-year period, mining activities at the Sunnyside mine were suspended indefinitely and the Company's Business Development Unit and Brisbane presence were scaled back. The cost relates to inventory, mining property and development and exploration assets that have been written off, and costs incurred in the closure of the operations.

During the current half year period an additional provision of $2.0m was raised to cover costs to be incurred in remediating an unanticipated spontaneous combustion incident at the Sunnyside mine.

During the prior half-year, the Company informed the market that these developments were to be undertaken and believes the disclosure of the associated costs provides readers of the financial statements with further meaningful insights to understand the financial performance of the Group.

[2] In the half-year period the group incurred costs in relation to the cancellation of an infrastructure sharing agreement.

[3] As a result of the acquisition of Boardwalk Resources, the Company issued share options to a key employee of Boardwalk in lieu of proposed long-term incentive arrangements. The related expense has been recognised over the vesting period of the options. The options fully vested during the prior half-year period.

[4] In the prior half-year period the group incurred transaction costs related to the acquisition of Coalworks Limited and due diligence costs incurred in responding to an indicative and non-binding proposal which was not forthcoming.

5 Other expenses

In thousands of AUD	Consolidated 31 Dec 2013	Consolidated 31 Dec 2012
Share based compensation payments	475	3,028
Contract cancellation costs	1,941	-
Loss on sale of non-current assets	122	-
	2,538	3,028

6 Financial income and expense

In thousands of AUD	Consolidated 31 Dec 2013	Consolidated 31 Dec 2012
Recognised in profit and loss		
Interest income on bank facilities [1]	711	3,005
Dividend income	92	607
Unrealised gain on investments	1,269	-
Net unrealised foreign exchange gain	3,697	223
Net realised foreign exchange gain	1,331	-
Gains from ineffective portion of hedges	-	11
Financial income	7,100	3,846
Interest expense on finance lease liabilities [1]	(4,577)	(3,948)
Unwinding of discounts on provisions [1]	(978)	(1,404)
Unrealised loss on investments	-	(1,101)
Finance charges payable under debt facilities [1]	(5,442)	(6,021)
Net unrealised foreign exchange loss	-	(643)
Interest on drawn debt facility [1]	(11,730)	(5,815)
Other interest charges [1]	(6,745)	(6,769)
Financial expenses	(29,472)	(25,701)
Net financing expense	(22,372)	(21,855)

[1] Included within net interest expense of $28.8 million (2012: $21.0 million)

Recognised directly in equity		
Net change in cash flow hedges	2,806	(3,229)
Income tax effect	(842)	969
Finance expense recognised directly in equity, net of tax	1,964	(2,260)

7 Cash and cash equivalents

In thousands of AUD	**Consolidated 31 Dec 2013**	**Consolidated 30 June 2013**
	97,749	110,516

8 Intangibles

In thousands of AUD	**Consolidated 31 Dec 2013**	**Consolidated 30 June 2013**
Water access rights	8,581	8,539
Acquired haulage rights	370	446
Rail access rights[1]	1,313	-
Goodwill[2]	90,711	90,711
	100,975	99,696

[1] As part of the agreement to cancel previously existing infrastructure sharing arrangements Whitehaven has agreed to pay 10.1% of the construction cost of the shared portion of the Boggabri Maules Creek rail spur. In return, Whitehaven receives access to rail tonnes on the joint rail spur.

[2] Goodwill on the acquisition of Boardwalk, Aston and Coalworks arises as a result of the recognition of deferred taxes as part of the purchase price accounting.

	Consolidated				
In thousands of AUD	Water access rights	Contract related intangible	Rail access rights	Goodwill	Total
Movement in intangibles					
Balance at 1 July 2013	8,539	446	-	90,711	99,696
Additions during the year	42	-	1,313	-	1,355
Less: accumulated amortisation	-	(76)	-	-	(76)
Balance at 31 December 2013	8,581	370	1,313	90,711	100,975

9 Interest-bearing loans and borrowings

In thousands of AUD	**Consolidated 31 Dec 2013**	**Consolidated 30 June 2013**
Current liabilities		
Finance lease liabilities	21,754	16,995
Secured bank loans - ECA	8,247	8,247
	30,001	25,242
Non-current liabilities		
Finance lease liabilities	104,297	62,357
Secured bank loans – senior facility	475,000	445,000
Secured bank loans - ECA	45,358	49,481
	624,655	556,838
Total interest-bearing liabilities	654,656	582,080
Financing facilities		
Secured bank loans – senior facility	1,000,000	1,000,000
Secured bank loans - ECA	53,605	57,728
	1,053,605	1,057,728
Facilities utilised at reporting date		
Secured bank loans – senior facility	475,000	445,000
Secured bank loans - ECA	53,605	57,728
	528,605	502,728
Facilities not utilised at reporting date		
Secured bank loans – senior facility	525,000	555,000
Secured bank loans - ECA	-	-
	525,000	555,000

On 21 December 2012 the Company entered into a A$1.2 billion Senior Secured Bank Facility. The facility has a four year tenor and provides Whitehaven with lines of credit up to A$1.2 billion comprising of A$1.0 billion revolving and term, and A$0.2 billion guarantee facilities. This facility was used to replace the Company's existing bank facilities.

During the period an amount of $30 million (31 December 2012: $350 million) was drawn down under the senior debt facility. Loans of $4 million were repaid during the period (31 December 2012: repaid $325 million in relation to previous bank facilities and $19 million of other loans). The security provided in relation to the facility is a fixed and floating charge over the assets of the Group.

During the period the Group entered into finance leases of $57 million. Finance lease liabilities are secured over the assets to which they relate.

10 Provisions

In thousands of AUD	Consolidated 31 Dec 2013	Consolidated 30 June 2013
Mine rehabilitation and closure	57,194	52,104
Take or Pay	17,636	26,165
Other Provisions	14,343	14,782
	89,173	93,051
Current	36,443	43,642
Non-current	52,730	49,409
	89,173	93,051

11 Share capital

In thousands of AUD (except for shares)	Consolidated 31 Dec 2013	Consolidated 30 Jun 2013
a) Share capital		
Authorised, issued and fully paid up ordinary shares 1,025,692,710 (30 June 2013: 1,025,692,710)	3,146,301	3,146,301

b) Movements in shares on issue

Ordinary shares

	Consolidated 31 Dec 2013	
	No. of shares 000's	$000's
Beginning of the period [1]	1,025,693	3,146,301
	1,025,693	3,146,301

[1] Included in the above issued shares are 34,020,000 milestone shares issued as part of the consideration for the acquisition of Boardwalk Resources Ltd. The milestone shares are fully paid ordinary shares subject to the terms of a restriction deed which removes their entitlements to vote, receive dividends as declared or participate in the proceeds from the sale of all surplus assets until such time as certain milestones are met.

12 Share-based payments

During the current half year 3,096,889 performance share rights with a fair value of $1,758,000 were issued to key senior employees as part of the Company's long term and medium term incentive plans. The performance share rights vest over the period 1 July 2013 to 30 June 2017 and are subject to a performance measure linked to relative total shareholder return (TSR). The performance measure compares the TSR performance of the Company with the TSR performance of each of the entities in a comparator group. The comparator group for the FY2014 grants comprises those entities within the ASX 100 Resources Index as at 1 July 2013.

The fair value of performance rights granted under the Whitehaven Coal Limited Equity Incentive Plan is measured using a Monte-Carlo Simulation model incorporating the probability of the performance hurdles being met.

The following table lists the inputs to the models used for the period ended 31 December 2013:

Fair value of performance rights and assumptions

	MTI	LTI	LTI	LTI	LTI
Grant date	9 Oct 13	9 Oct 13	9 Oct 13	4 Nov 13	4 Nov 13
Vesting date	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 16	30 Jun 17
Fair value at grant date	$0.46	$0.61	$0.71	$0.33	$0.44
Share price	$1.825	$1.825	$1.825	$1.545	$1.545
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	35%	35%	35%	35%	35%
Performance Right life	2 years	3 years	4 years	3 years	4 years
Expected dividends	0.75%	1%	1.1%	1%	1.1%
Risk-free interest rate	2.7%	2.9%	3.2%	2.9%	3.2%

The fair value of the performance rights granted is expensed over the vesting period.

13 Dividends

No dividends were paid during the six months ended 31 December 2013 (2012: $29,375,000).

The Directors resolved not to pay an interim dividend for the half year.

14 Interests in joint operations and jointly controlled entities

	% Ownership Interest	
	31 Dec 2013	30 June 2013
Joint Operations:		
Tarrawonga Coal Project Joint Venture	70	70
Narrabri Coal Joint Venture	70	70
Maules Creek Joint Venture	75	75
Dingo Joint Venture	70	70
Ferndale Joint Venture	94	94
Boggabri-Maules Creek Rail Spur Joint Venture	39	39
Jointly controlled entities:		
Tarrawonga Coal Sales Pty Limited	70	70
Maules Creek Marketing Pty Ltd	75	75
Boggabri-Maules Creek Rail Pty Ltd	39	39

The jointly controlled entities above operate as the sales and marketing vehicles of the related joint operations and require consent from all joint venture partners on all significant management and financial decisions. As such all the entities above are proportionately consolidated as joint operations under AASB11.

15 Contingencies

Bank guarantees

In thousands of AUD	Consolidated 31 Dec 2013	Consolidated 30 June 2013
The consolidated entity provided bank guarantees to:		
(i) Department of Mineral Resources NSW as a condition of continuation of mining and exploration licenses	34,668	29,089
(ii) Australian Rail Track Corporation (previously to Rail Infrastructure Corporation)	21,731	21,631
(iii) Newcastle Coal Infrastructure Group	34,539	34,539
(iv) Port Waratah Coal Services Limited	18,605	18,605
(v) Hunter Valley Energy Coal Ltd	32,200	41,538
(vi) Transgrid	7,750	4,000
(vii) Various parties for office leases	952	905
(viii) The Minister Administering the Crown Lands Act 1989	60	60
(ix) The Boggabri-Maules Creek Rail Spur	46,476	-
	196,981	150,367

Other contingent liabilities

On 10 December 2013, Whitehaven received a notice of legal proceedings from one of its contractors for breach of contract. The claim is in the sum of $5.3 million. Whitehaven denies any breach of contract and will vigorously defend the proceedings.

16 Financial risk management objectives and policies

Net Fair Values

The Group complies with AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:
• Level 1 - measurements based upon quoted prices (unadjusted) in active markets for identical assets or liabilities,
• Level 2 - measurements based upon inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
• Level 3 - measurements based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group held the following financial instruments carried at fair value in the statement of financial position:

In thousands of AUD	**31 December 2013**	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value				
Interest rate swaps – receivable	235	-	235	-
Equity shares	1,130	1,093	-	37
Liabilities measured at fair value				
Forward exchange contracts – payable	(2,247)	-	(2,247)	-
	30 June 2013	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value				
Interest rate swaps – receivable	120	-	120	-
Equity shares	1,052	1,015	-	37
Liabilities measured at fair value				
Forward exchange contracts – payable	(4,938)	-	(4,938)	-

The fair value of derivative financial instruments is derived using valuation techniques based on observable market inputs, such as forward currency rates, at the end of the reporting period. The amounts disclosed in the statement of financial position are the fair values and are classified under level 2 in the fair value measurement hierarchy.

The fair value of the Group's investment in listed shares is classified under level 1 in the fair value measurement hierarchy.

The fair value of the Group's investment in unlisted shares is classified under level 3 in the fair value measurement hierarchy. The Group's holding in unlisted shares is minor and any reasonably possible change in assumptions would not have a material impact on the Group's financial statements.

The carrying values of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the accounting policies disclosed in note 2 to the annual financial statements.

17 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, in future financial years other than the following:

- On 25 February 2014 Whitehaven received confirmation from the Australian Tax Office that the company was entitled to deduct the Narrabri exploration value upfront. This will result in the company receiving a tax refund of $21m plus interest in the second half of FY2014.

Directors' declaration

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

1. the financial statements and notes set out on pages 11 to 30, are in accordance with the *Corporations Act 2001* including:

    (a) giving a true and fair view of the Company's financial position as at 31 December 2013 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 Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Mark Vaile
Chairman
26 February 2014

Paul Flynn
Managing Director
26 February 2014

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To the members of Whitehaven Coal Limited

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Whitehaven Coal Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 half year.

Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 2013 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:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Trent van Veen
Partner
Sydney
26 February 2014