

17 October 2019

The Manager, Listings  
Australian Securities Exchange  
Company Announcements Office

Via ASX Online

Dear Sir,

**Annual General Meeting – Chairman’s Address and Managing Director’s Presentation**

We attach copies of the Chairman’s Address and Managing Director’s Presentation which will be delivered at the Company’s Annual General Meeting being held at 10:00am today.

Yours faithfully

Timothy Burt  
**General Counsel & Company Secretary**

# WHITEHAVEN COAL AGM 2019

17 October 2019

## Chairman's Address

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Fellow shareholders, Ladies and Gentlemen

Can I take this opportunity to formally welcome you to the Whitehaven Coal Annual General Meeting for the financial year ending 2019.

I would also like to formally acknowledge the Gadigal people of the Eora nation, the traditional custodians of this land, and pay my respects to the elders past, present and emerging. Can I also extend our sincere thanks to Uncle Chicka Madden for his very warm and generous introduction.

It has been another busy year for Whitehaven as we worked towards our vision of becoming the benchmark coal investment on the ASX and further sharpened our focus on the seven key areas underpinning our growth strategy, specifically:

1. Disciplined growth and capital management
2. Nurturing our pipeline of human talent
3. Accessing latent capacity within our operations
4. Matching premium products to premium export markets
5. Diversifying our product range
6. Innovating; and
7. Keeping an eye on structural shifts in our market and opportunities that might arise from these

Our performance in the last financial year was pleasing, particularly given some of the headwinds we have had to contend with.

We produced a record 23.2 million tonnes of ROM coal on a managed basis – an outcome accomplished with an improved annual TRIFR of 6.2, demonstrating the Company's commitment to ensuring the relationship over time between production and safety should be inversely proportional.

I want to reiterate our core belief that safety is a cornerstone aspect of our business and that each and every one of our people should expect to come home safely to their loved ones at the end of each day. I am especially concerned to ensure safety remains front and centre at all our operations and that, as a company, we commit to working closely and collaboratively with the NSW Resources Regulator as it carries out the critical task of making the NSW mining industry the envy of every other jurisdiction when it comes to mine safety.

Ladies and gentlemen, the end of the last financial year marked the conclusion of mining at Rocglen, and the last coal was also recently mined at Sunnyside.

The end of mining at these smaller operations and ramp ups at larger operations is very much reflective of how the business is evolving into a larger, more efficient and better-integrated enterprise – a transformation those of you who have joined us for the journey over the past few years, would be familiar with.

We delivered a record net profit after tax before significant items of \$564.9 million, which facilitated an unprecedented distribution to shareholders and a full-year payout ratio of 88% of NPAT.

With just shy of \$465 million paid to shareholders in FY 19, the Company has delivered on its commitment to pay out at least 20 to 50% of NPAT as dividends, and will continue to do so through its next stage of growth.

I would like to acknowledge the work of Managing Director and CEO Paul Flynn, the executive leadership team and the entire 2,400-strong workforce in achieving this result. Successful companies are made up of successful people with the

right attitude and, while culture is a continuing journey, I am confident we can rise to meet the challenges presented by our growth agenda.

In this context, the Company has put its strong balance sheet to work and will continue to do so by investing in technology and expansion initiatives at existing operations and progressing key development projects, which I'll return to later and I know Paul will cover in detail shortly.

And of course the coal we produce will continue to service our premium markets of Japan, Korea and Taiwan but, increasingly, we will look to take advantage of the substantial growth in coal-fired power generation in Southeast Asia.

The International Energy Agency predicts these markets will grow from 71GW in 2017 to 175GW in 2040, requiring at least 220 million tonnes of coal each year by 2040 - more than Australia's total thermal coal exports in 2018 of 208 million tonnes.

Whitehaven's future growth and value proposition are underpinned by two significant, high-quality, near-term assets: the Vickery and Winchester South projects. Together, they will significantly increase the metallurgical coal exposure in our portfolio and take our saleable coal production towards 40Mtpa over the next ten or so years.

Indeed, it is worth pausing to reflect on the market opportunities in India, which this year accounted for 40% of our total metallurgical coal sales. Australia supplies more than 70% of India's metallurgical coal, and according to the Commonwealth Office of the Chief Economist, demand for this coal could increase by one-third between 2015 and 2035 as India's economy develops.

Whitehaven is positively differentiated from a number of our key competitors, increasing our total production at a time of ongoing tightness in the higher energy-content coal market and given the relative scarcity of metallurgical coal globally.

Regulatory barriers and a more uncertain investment environment will continue to impact supply, with associated impacts on price. And we are well-positioned to continue to take advantage of these dynamics. This topic is covered in Whitehaven's inaugural Sustainability Report released in September, which covers business resilience and how we see our company successfully charting a path into a more carbon-constrained future.

Given the ongoing debate about the role coal will continue to play globally, particularly in power generation, we communicate regularly with domestic and international investors on the full spectrum of environmental, sustainability and governance issues.

This includes discussion on voluntary compliance regimes, such as the Financial Stability Board's Task Force on Climate-related Financial Disclosures, which Whitehaven reported against for the first time in our inaugural Sustainability Report.

What that analysis demonstrated is our businesses remains resilient out until 2040 under all three of the most commonly referenced energy outlook scenarios advanced by the International Energy Agency. We have received very positive feedback from a number of beneficial owners and other investors in relation to our TCFD reporting and climate change disclosures and it is an area both the Board and Management will continue to work on closely through the Company's Sustainability Working Group.

More generally, I would like to take this opportunity to emphasise that for Whitehaven, sustainability is fundamentally about long-term contribution across the entire value chain, and as outlined in the report, it starts with our local presence. We support and sustain the communities around which our operations are based through permanent job creation, responsible environmental management, and by focusing resources on the areas where we know we can have a positive impact.

For our growing workforce, this means providing rewarding careers and placing great importance on safety as our business grows. And for our customer relationships, it means generating a reliable supply of high-quality products that support the use of industrial assets, such as high-efficiency, low-emissions, coal-fired power plants helping to power economic and social development in countries across Asia. The inaugural Sustainability Report sets a strong benchmark to transparently measure progress as the Company delivers positive outcomes to its stakeholders at home and abroad – and I commend the team on developing such as comprehensive resource.

As with any year, this one has not been without its challenges, including at times in relation to safety, production, labour and the external pricing environment. At a Board level, as you would expect, we have focused on providing appropriate oversight and guidance to ensure successful management of these challenges.

In this context I would like to make some remarks on the continuing drought in North West New South Wales. I am only too aware of the fact this is truly a land of droughts and flooding rains, but the drought conditions we have observed across much of NSW have been especially challenging and are arguably the worst since the Federation Drought at the turn of the last century. Our thoughts are with all those who are doing it tough as result of drought.

The CEO will make some additional remarks on this topic in his address.

Finally to governance, and I am pleased that earlier this year, we welcomed Lindsay Ward to the Board. Lindsay is a highly credentialed Director and senior executive with a wealth of experience across a range of sectors where Whitehaven's strategic interests converge, including mining, exploration, mineral processing, ports management, rail haulage, power generation, gas transmission, transport and logistics. As the Company transitions to a larger, cross-jurisdictional enterprise of increasing scale and complexity, Lindsay's diverse skill set represents a strong fit into the future.

Reflecting on another record-breaking year, I would like to thank my fellow Directors, senior management, and the entire workforce for their significant efforts – and to our joint venture partners, banking syndicate and you and our many other shareholders for your ongoing support.

While our sector is unquestionably complex, our long-term outlook on the market remains extremely positive. I am confident we have the strategies and talent we need to deliver further value for our shareholders, and our stakeholders more broadly, in this financial year and moving forward.

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# Whitehaven Coal Limited AGM Presentation 2019

17 October 2019



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# Disclosure

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.

THE PRESENTATION OF CERTAIN FINANCIAL INFORMATION MAY NOT BE COMPLIANT WITH FINANCIAL CAPTIONS IN THE PRIMARY FINANCIAL STATEMENTS PREPARED UNDER IFRS. HOWEVER, THE COMPANY CONSIDERS THAT THE PRESENTATION OF SUCH INFORMATION IS APPROPRIATE TO INVESTORS AND NOT MISLEADING AS IT IS ABLE TO BE RECONCILED TO THE FINANCIAL ACCOUNTS WHICH ARE COMPLIANT WITH IFRS REQUIREMENTS.

ALL DOLLARS IN THE PRESENTATION ARE AUSTRALIAN DOLLARS UNLESS OTHERWISE NOTED.

## **COMPETENT PERSONS STATEMENT**

INFORMATION IN THIS REPORT THAT RELATES TO COAL RESOURCES AND COAL RESERVES IS BASED ON AND ACCURATELY REFLECTS REPORTS PREPARED BY THE COMPETENT PERSON NAMED BESIDE THE RESPECTIVE INFORMATION. GREG JONES IS A PRINCIPAL CONSULTANT WITH JB MINING SERVICES. MAL BLAIK IS A SENIOR CONSULTANT WITH JB MINING SERVICES. PHILLIP SIDES IS A SENIOR CONSULTANT WITH JB MINING SERVICES. BENJAMIN THOMPSON IS A GEOLOGIST WITH WHITEHAVEN COAL. MARK BENSON IS A GEOLOGIST WITH WHITEHAVEN COAL. DOUG SILLAR IS A FULL TIME EMPLOYEE OF RPM ADVISORY SERVICES PTY LTD. MICHAEL BARKER IS A FULL TIME EMPLOYEE OF PALARIS LTD. TROY TURNER IS THE MANAGING DIRECTOR WITH ZENITH CONSULTING PTY LTD.

NAMED COMPETENT PERSONS CONSENT TO THE INCLUSION OF MATERIAL IN THE FORM AND CONTEXT IN WHICH IT APPEARS. ALL COMPETENT PERSONS NAMED ARE MEMBERS OF THE AUSTRALASIAN INSTITUTE OF MINING AND METALLURGY AND/OR THE AUSTRALIAN INSTITUTE OF GEOSCIENTISTS AND HAVE THE RELEVANT EXPERIENCE IN RELATION TO THE MINERALISATION BEING REPORTED ON BY THEM TO QUALIFY AS COMPETENT PERSONS AS DEFINED IN THE AUSTRALIAN CODE FOR REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES (THE JORC CODE, 2012 EDITION).

## **ADDITIONAL INFORMATION**

ANY REFERENCES TO RESERVE AND RESOURCE ESTIMATES SHOULD BE READ IN CONJUNCTION WITH THE WHITEHAVEN'S ORE RESERVES AND COAL RESOURCES STATEMENT FOR ITS COAL PROJECTS AT 31 MARCH 2019 AS RELEASED TO THE AUSTRALIAN SECURITIES EXCHANGE ON 15 AUGUST 2019. WHITEHAVEN CONFIRMS IN SUBSEQUENT PUBLIC REPORTS THAT IT IS NOT AWARE OF ANY NEW INFORMATION OR DATA THAT MATERIALLY EFFECTS THE INFORMATION INCLUDED IN THE RELEVANT MARKET ANNOUNCEMENT AND IN THE CASE OF ESTIMATES OF COAL RESOURCES OR ORE RESERVES, THAT ALL MATERIAL ASSUMPTIONS AND TECHNICAL PARAMETERS UNDERPINNING THE ESTIMATES IN THE RELEVANT MARKET ANNOUNCEMENT CONTINUE TO APPLY AND HAVE NOT MATERIALLY CHANGED.

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# FY2019 Highlights

Record EBITDA, NPAT, Dividends and ROM coal production



TRIFR of 6.16 at 30 June, **11% below the previous year** and below the NSW average



Record equity ROM coal production of 18.4Mt, **up 4% YOY**



Equity sales including purchased coal of 17.6Mt, **up 2% YOY**



Record Underlying EBITDA and NPAT before significant items of **\$1,041.7m and \$564.9m** respectively

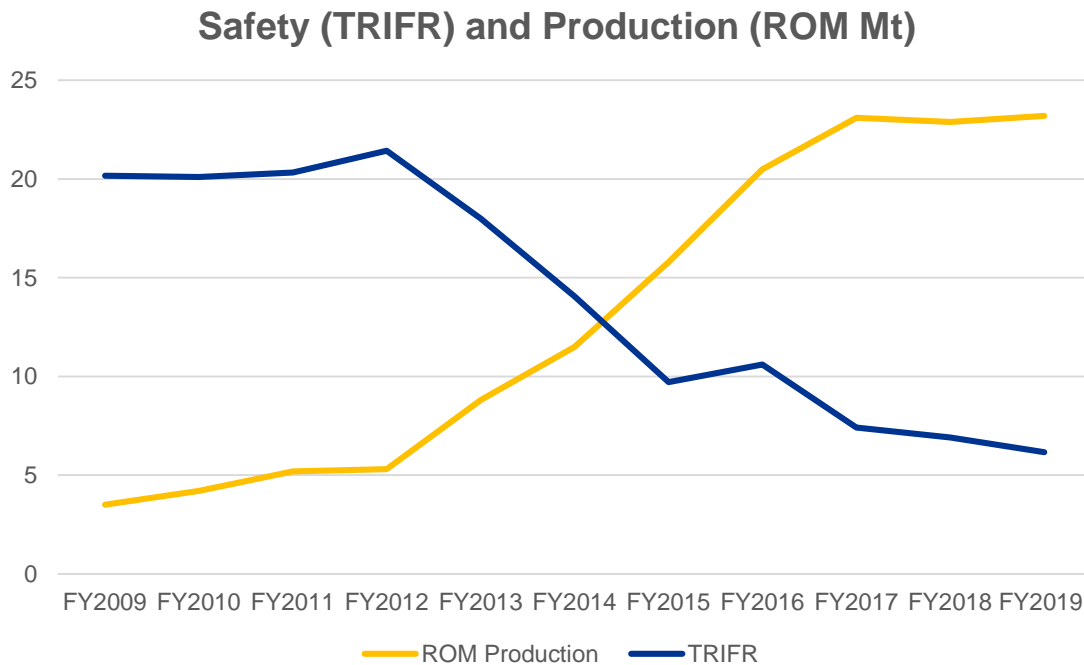


Record returns to shareholders with a final dividend of 30 cents taking **full year dividends to 50cps**



# Safety performance

## Improvement continuing



- Safety as measured by the TRIFR **continued to improve over the year**
- Whitehaven recorded a **TRIFR of 6.16** at the end of the year compared to 6.91 at the end of the previous year
- Safety is always a key focus for the business, and following the recent series of incidents in the Queensland coal industry, a renewed effort will be taken to improve outcomes

# Financial performance



# Financial highlights

Record profit; record dividends; strong balance sheet

Profit and Loss	FY2019	FY2018*	Comment
Net profit after tax before significant items (\$m)	564.9	524.5	Increase of 8%
Underlying EBITDA (\$m)	1,041.7	1,011.9	Increase of 3%
Net Profit (\$m)	527.9	524.5	
Earnings per share (cps)	53.5	53.1	
Cash generated from operations (\$m)	964.1	925.9	Strong conversion to cash
Dividends (cps)	50	40	Record full year declared dividend
Unit cost per tonne (\$/t)	67	58	Next slide for cost commentary
Balance Sheet	30 June 2019	30 June 2018*	Comment
Cash on hand (\$m)	119.5	111.8	Strong cash position
Total loans and borrowings (\$m)	415.3	588.1	Includes IFRS 16 lease liabilities
Net debt (\$m)	161.6	270.4	Excludes IFRS 16 lease liabilities
Gearing (%)	4%	7%	Modest gearing

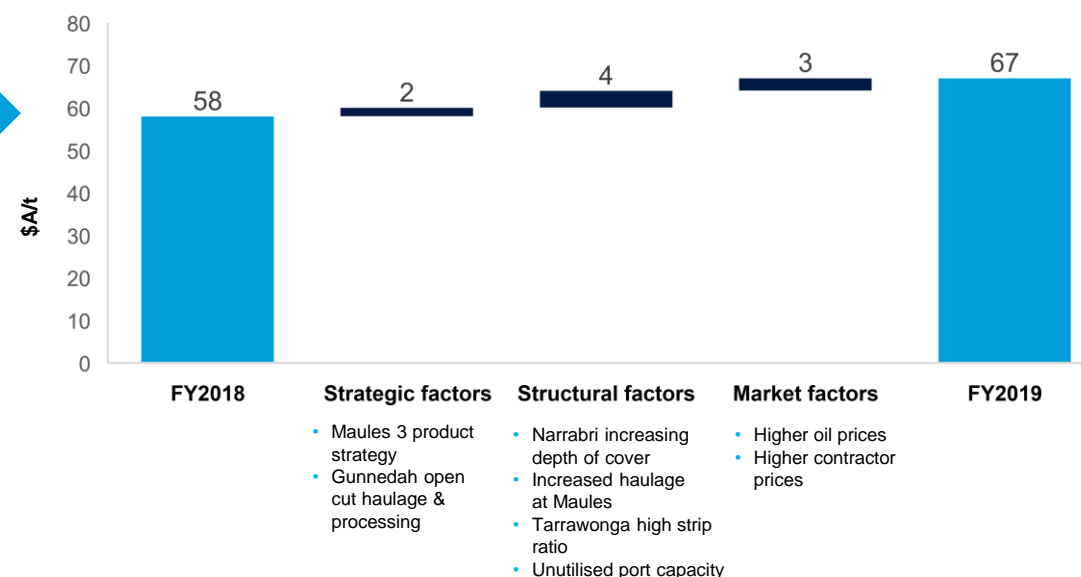
\* The comparative period has been restated for the adoption of IFRS 16 Leases

# Margins and costs

Margins increased due to higher realised premiums on thermal coal

		FY2019	FY2018
Coal Sales (equity basis, excluding purchased coal)	Mt	15.6	16.0
Average revenue (excluding purchased coal & net of royalties)	\$A/t	133	121
Average cost of sales*	\$A/t	67	58
<b>EBITDA Margin on coal sales</b>	<b>\$A/t</b>	<b>66</b>	<b>63</b>
EBITDA Margin on coal sales	%	50%	52%

- Realised thermal and metallurgical coal prices averaged US\$100/t and US\$119/t respectively in FY2019 compared to US\$98/t and US\$119/t in FY2018
- The weaker Australian dollar versus the US dollar in FY2019, 0.72 compared to 0.78 in FY2018 led to the higher average Australian dollar revenue for FY2019

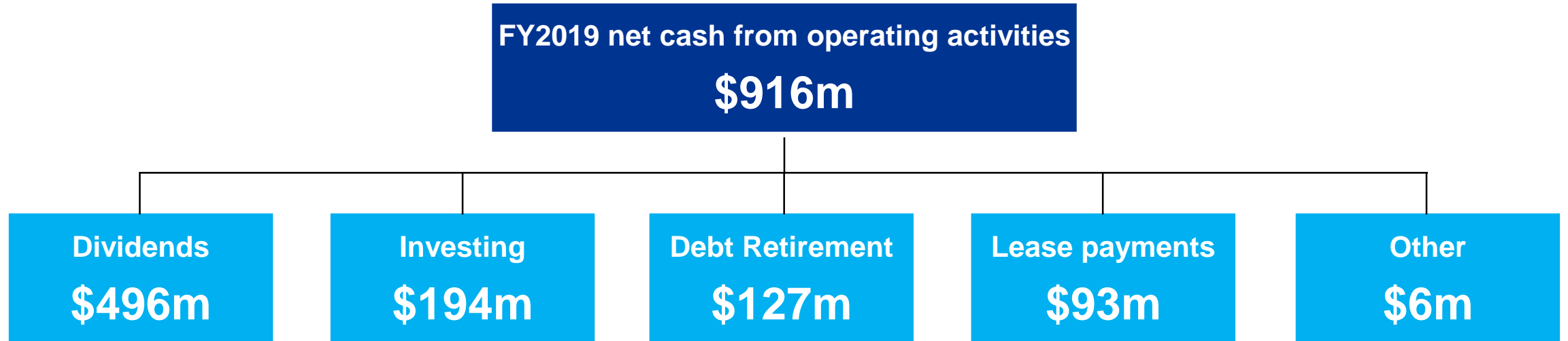


\* The comparative period cost per tonne has been restated for the adoption of IFRS 16 Leases.

Note: Total coal sales of 15.6Mt exclude 0.4Mt of Sunnyside coal sales in FY2019 and 0.1Mt in FY2018

# Free cash flow

Majority of free cash flow returned to shareholders



- Total FY2019 declared dividends of 50cps

- Includes \$47m sustaining capex and \$31m for Narrabri mains
- Includes \$32m for growth
- Includes \$80m final payment for Winchester South

- Senior debt and ECA net repayments

- Primarily fleet equipment

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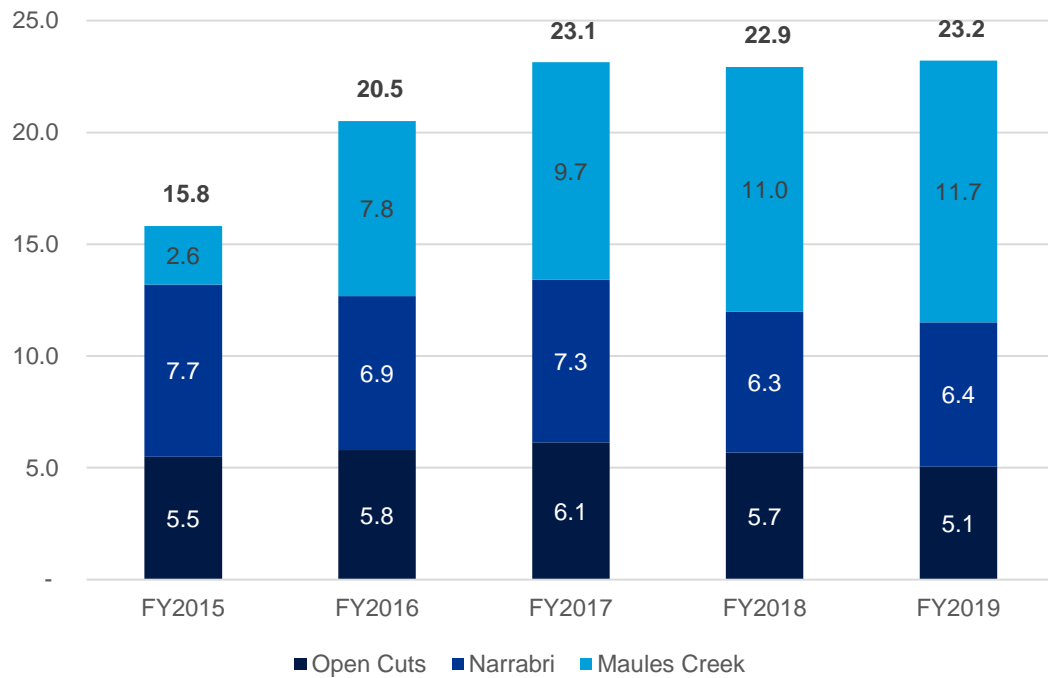
# Operations



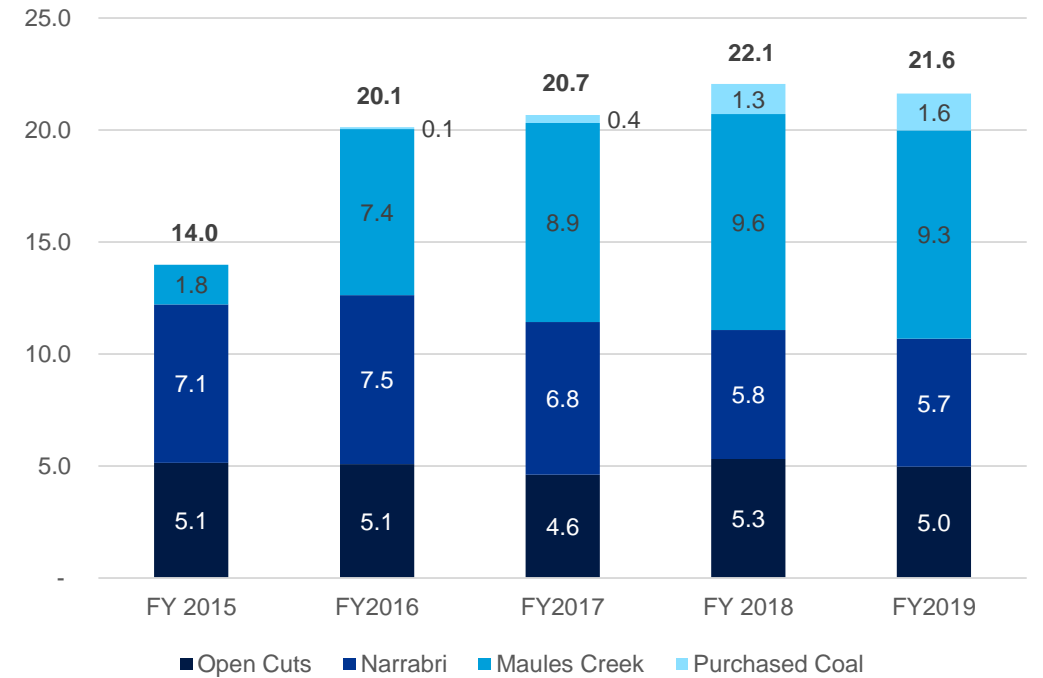
# Coal production and sales

Stable production & sales before next growth phase

### Whitehaven Managed ROM Coal Production (Mt)



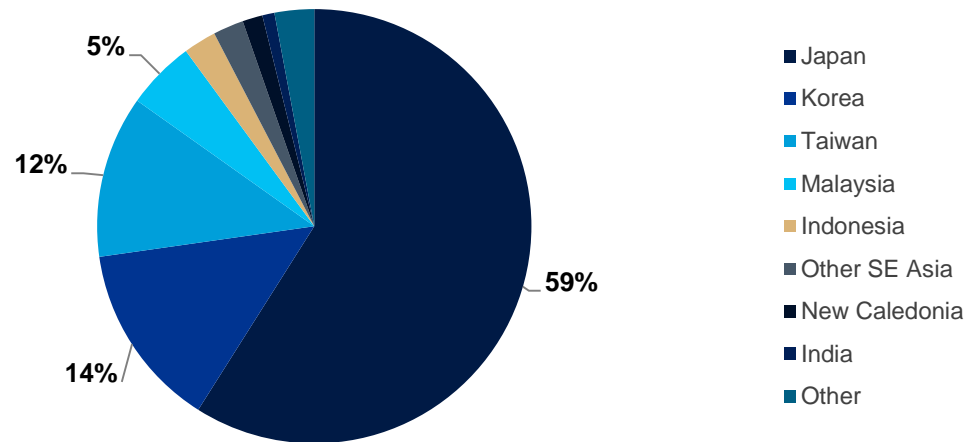
### Whitehaven Managed Coal Sales (Mt)



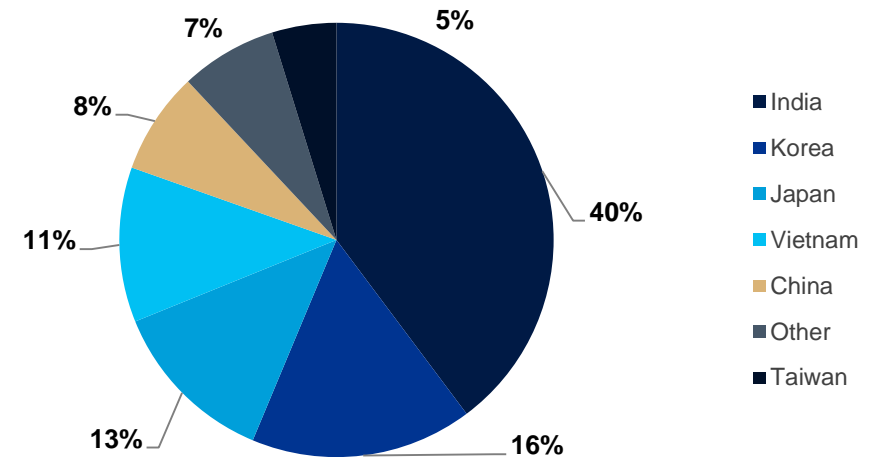
# Sales to premium markets

## Most sales to premium markets in Asia

Thermal Coal Sales FY2019



Metallurgical Coal Sales FY2019



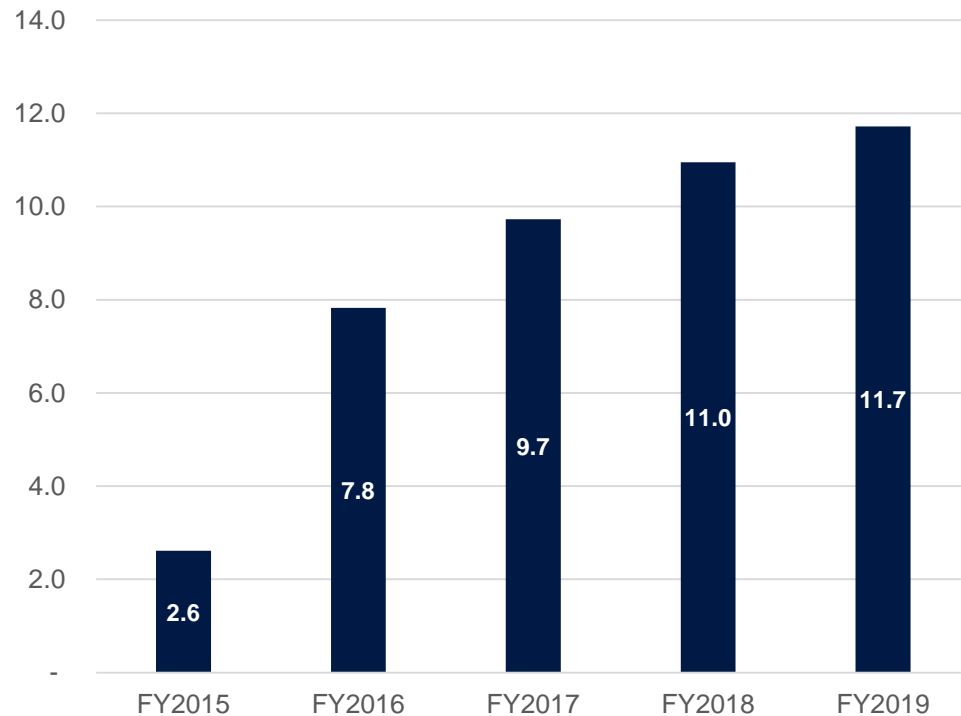
- Managed coal sales including purchased coal were **21.6Mt for the year** (17.5Mt thermal and 4.1Mt metallurgical)
- 85% of thermal coal sales were to the **premium markets in Asia**
- Sales into the growth markets of south east Asia **continued to grow and reached 10%** of total sales for the year



# Maules Creek

## Planning for autonomous haulage and expansion

Maules Creek Managed ROM Coal Production (Mt)

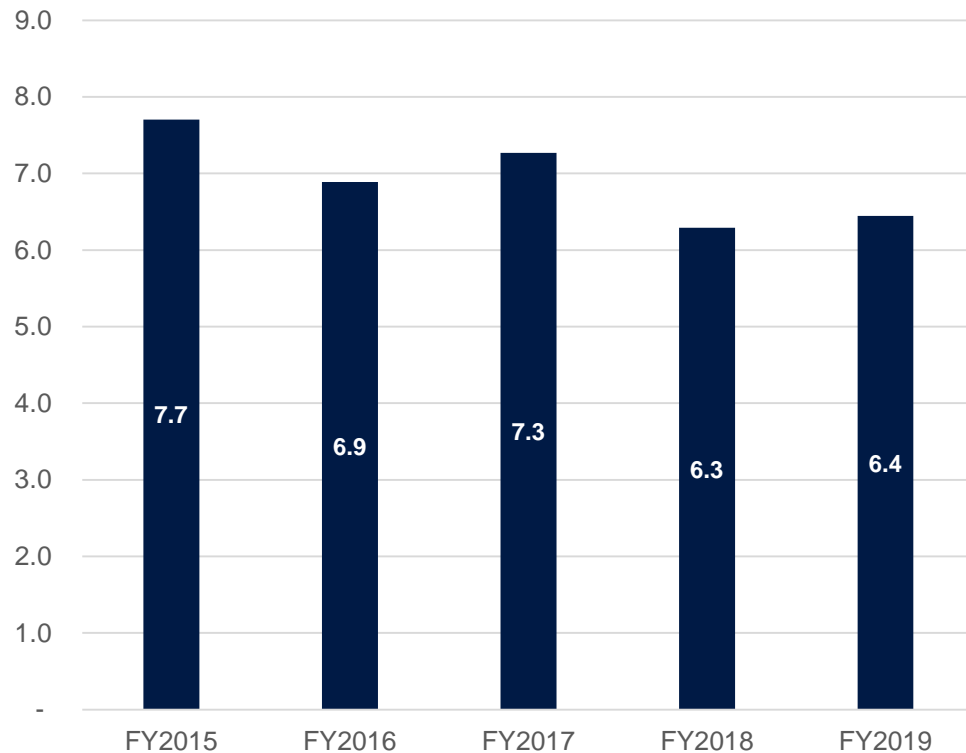


- **Record ROM coal production of 11.7Mt** as the mine continued to ramp up to its approved production rate of 13Mtpa ROM coal
- Revised marketing strategy leading to more coal washing and an **improved margin and pricing outcome**
- In-pit dumping to **commence in H2 FY2020**
- Work commenced on the MC16 project which is aimed **at increasing production to 16Mtpa ROM coal**
- **Autonomous haulage system** trial began during FY2019, with the first fleet of haulage trucks scheduled to start operation early Q3 FY2020

# Narrabri

One of the most productive underground mines in Australia

Narrabri Managed ROM Coal Production (Mt)

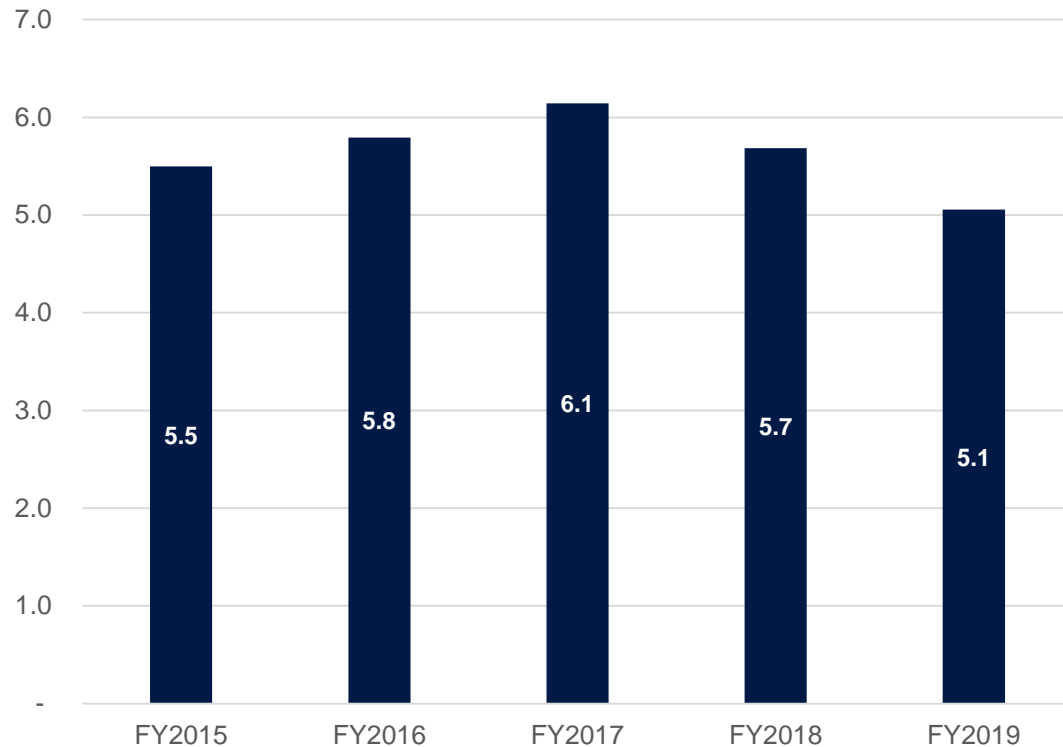


- **A strong final quarter** lifted ROM coal production to 6.4Mt, above the revised guidance range for the year
- New higher capacity hydraulic cylinders to be installed at the next longwall change in November/December 2019 which will assist in preventing cyclic weighting events
- Preliminary documents were lodged for the Stage 3 project in February **beginning the process for the project approval**
- Successful conversion of the Narrabri south exploration licence will extend mine life out to 2045 and should lead to **higher annual production** from the southern panels

# Gunnedah open cuts

## Equipment for Tarrawonga expansion arriving at the mine

Gunnedah Open Cuts ROM Coal Production (Mt)



- ROM coal production for the Gunnedah Open Cuts including Sunnyside was 5.1Mt for the year
- Both Rocglen and Sunnyside are fully in rehabilitation phase
- Lower production was due to Rocglen coming to a close and planned lower production from Werris Creek
- The Board approved an **expansion at Tarrawonga** to increase production to 3.0Mtpa ROM coal in H2 FY2020, offsetting most of the decline in saleable coal from Rocglen and Sunnyside

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# Drought and water security update

- Taking steps to support water security as drought conditions persist in North West NSW
- Water supply at Narrabri Underground and Gunnedah open cuts considered low risk
- Primary water source for Maules Creek is a high security water licence drawing upon the Namoi River - severely impacted by drought
- We have acquired additional long-term groundwater sources for Maules Creek
  - Access to some of these sources completed; work to access remaining sources continues
  - Proceeding through applicable processes with relevant NSW authorities to secure this access
- No interruption currently expected to usual operations due to water supply issues. FY2020 guidance confirmed
- However, monitoring situation closely. Maules Creek production could be impacted in the future if unanticipated delays arise in the context of those processes
- Whitehaven will have a clearer picture in the coming months as to whether there are likely to be any delays, and any resulting impact to production at the mine
- Working collaboratively with NSW authorities and all stakeholders to mitigate drought impacts

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# Growth



WHITEHAVEN COAL

# Portfolio overview

Whitehaven operates a growing business of long life mines

Assets	Approved Production	LOM	Comments
Maules Creek	13Mtpa ROM	>35 years	Mine ramping up to the approved level. Preparatory work underway for 16Mtpa modification request
Narrabri	11Mtpa ROM	>25 years	Work on the Stage 3 project well advanced with the EIS expected to be lodged in H1 CY2020
Tarrawonga	3.0Mtpa ROM	~10 years	Equipment for the expansion has begun arriving at the mine. Expect production to reach an annualised rate of 3.0Mt ROM in H2 FY2020
Werris Creek	2.5Mtpa ROM	~6 years	ROM production downsized to a sustainable level of ~1.7Mt per annum for the balance of the mine life
Vickery Project	Seeking 10Mtpa ROM	>20 years	Project entering the final stages of the approval process with the NSW Government / IPC
Winchester South Project	Seeking ~ 15Mtpa ROM	>25 years	EIS work underway, recent large core quality drilling results being analysed and will be incorporated into the reserve

# Vickery economics

## Whitehaven's next mine

- Evaluation of JV formation to progress once draft approval conditions issued by the Government are known (likely Q4 CY2019), targeting users of thermal and metallurgical coal
- Whitehaven will consider developing the project on a 100% basis in order to capture significant blending benefits across its portfolio of mines
- Early coal can be trucked to the Gunnedah CHPP for loading onto trains
- Project capex is estimated to be similar to Maules Creek ~ \$700m
- Indicative life of mine FOB unit costs are in the mid \$70's before royalties
- The potential for the introduction of AHS capability at the mine, likely to be implemented post box cut mining (year 3) will significantly enhance the economics of the project by reducing life of mine operating costs by ~\$4/t

### Fast facts



**\$700m**

Project capex estimation\*



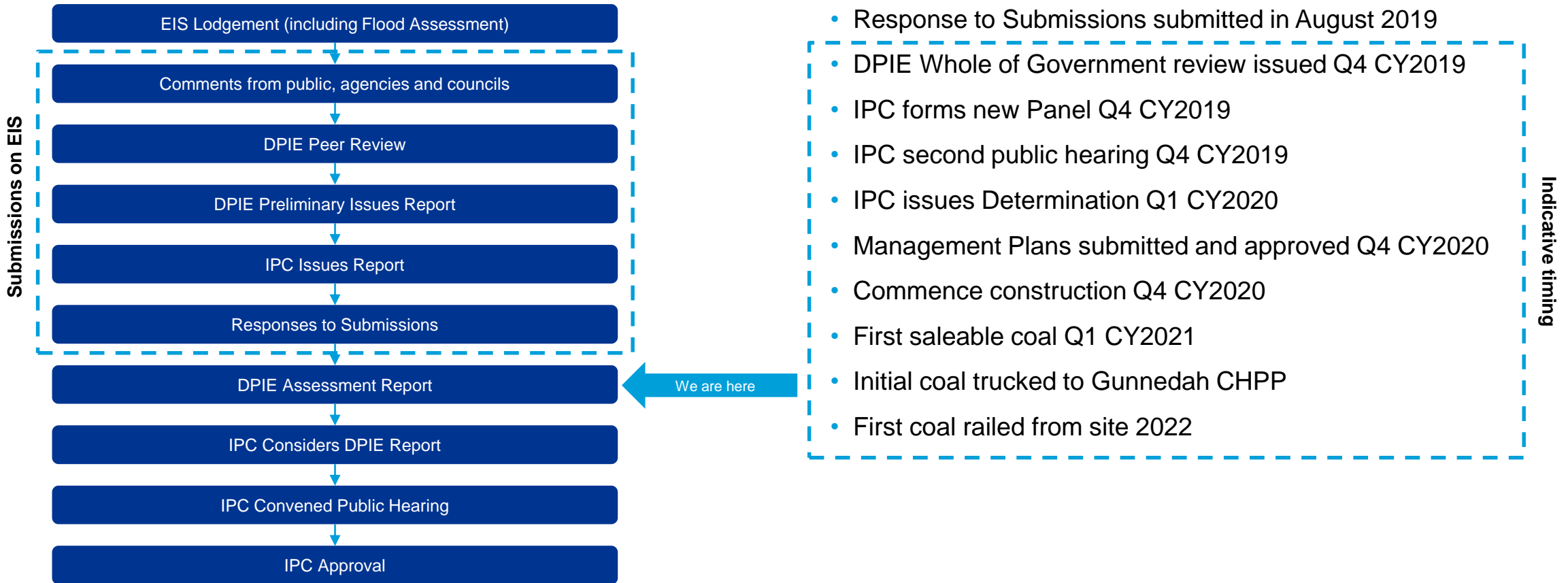
**2022**

first coal railed

\* Excluding fleet

# Vickery Project status update

## Working through the approval process



Note: DPIE = Department of Planning, Industry and Environment. IPC = Independent Planning Commission.

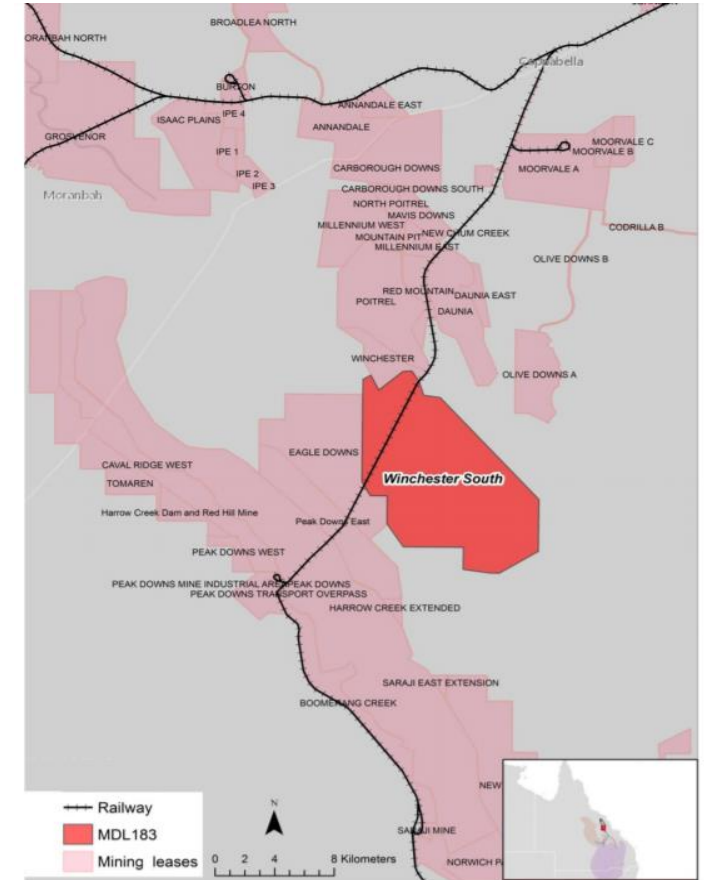
The dates for the whole of Government and IPC approval are projected not fixed. They are based on best available understanding of the process but Whitehaven is not in control of the process



# Winchester South – a strategic project

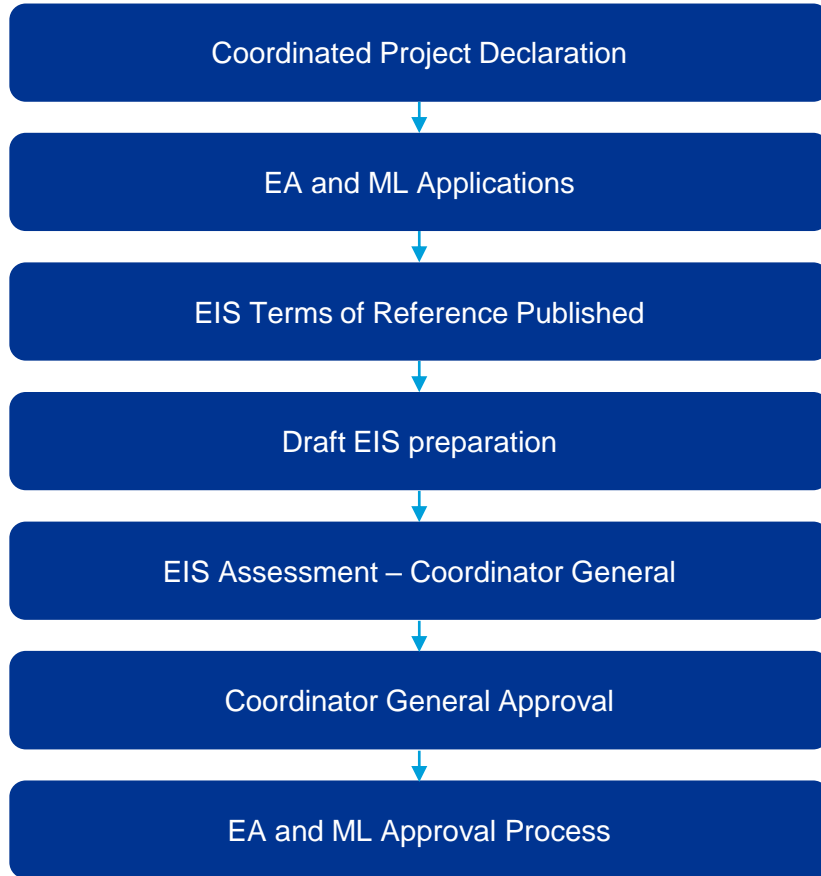
## Strategic coking coal exposure in the heart of Queensland's Bowen Basin

- **Well located** and close to Peak Downs, Poitrel, Daunia and Eagle Downs
- Queensland Government **strongly supports the project**
- Preliminary Capex **estimate of ~\$800 million**, excluding mining fleet
- **Strategic size and location** provide optionality
  - Goonyella rail system crosses the tenement
  - 530Mt JORC Resources
- Potential mine statistics
  - Open cut mine with a mine life of 20-30 years
  - Strip ratio 5:1 LOM average
  - ROM coal production: Scoped to 15Mtpa mining both Rangal and Fort Cooper coal measures
  - Product coal production: Scoped to 8Mtpa



# Winchester South Project status update

Working through the approval process with a co-operative QLD Government



- 20+ years of historical project work has been reassessed
- Large diameter coal quality drilling **program completed** with coal processing studies underway
- Project focus on infrastructure design and refinement, EIS Assessment studies, and agreements for water, power, port and rail
- Inaugural JORC Coal Reserve estimate by year end

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# Sustainability

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# Contribution to our stakeholders

## Whitehaven FY2019



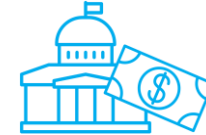
**\$464.9 million**  
returned to  
shareholders



**\$333.9 million**  
spent with  
local suppliers



**75%**  
of 2,400-strong  
workforce  
based in  
regional areas



**\$323.8 million**  
contributed to  
federal, state and  
local governments  
in taxes and royalties



**21.6Mt**  
of high-quality  
coal exported  
to customer  
countries



**9%**  
of workforce  
identifies as  
Indigenous



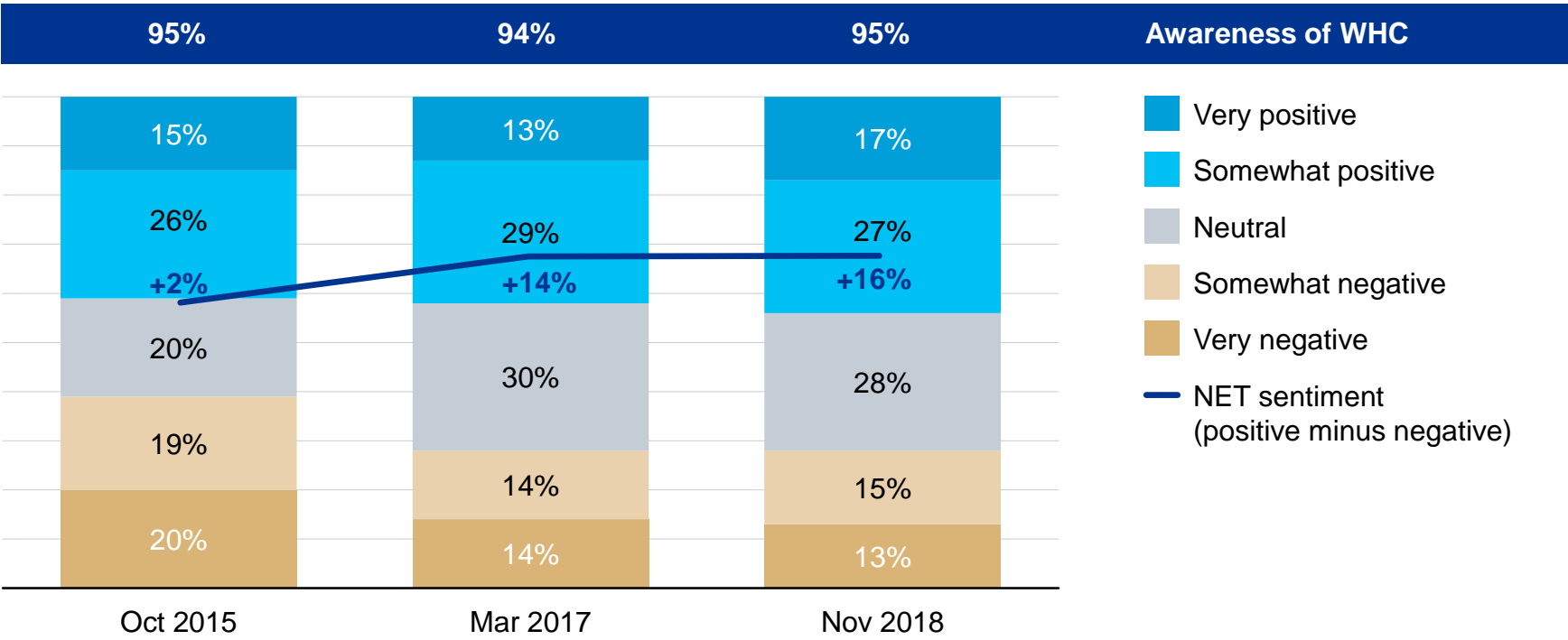
**\$515,000**  
in community  
partnerships  
and donations



**\$1.83 million**  
spent with  
18 Indigenous  
businesses

# Whitehaven is viewed positively in the region where we operate

Whitehaven’s reputation in the Gunnedah, Narrabri, Tamworth and Liverpool Plains local government areas has improved over the last few years



Source: Independent quantitative research conducted by Newgate Research  
 Base: All 2018 participants (n=600), Tamworth (n=150), Gunnedah (n=150), Narrabri (n=150), Liverpool Plains (n=150). 2017 (n=600). 2015 (n=600)

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# Responsible environmental management



**Air quality**  
management  
through monitoring  
and dust  
suppressants



**20,000**  
hectares of  
land-based  
biodiversity  
offsets<sup>1</sup>



**37,000**  
hectares leased  
for agriculture<sup>1</sup>



**Real-time**  
monitoring to  
manage noise, air  
quality and blast  
vibration

<sup>1</sup> compared to 3,560 hectares of land involved in mining activities as at July 2019

# Business resilience and climate change

## Committed to understanding & reporting climate related risk

- Whitehaven reports against the voluntary framework recommended by the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD)
- Alongside reporting on governance and risk mitigation, the central component of the TCFD's recommendations is for companies to:
  - Understand the impact of changes to the operating environment under potential lower-carbon scenarios
  - Determine their financial and operating 'resilience' under these potential lower-carbon scenarios
  - Ensure the monitoring of relevant metrics and indicators over time to determine the most likely eventuating carbon scenario over time

International Energy Agency World Energy Outlook scenarios

### Current Policies Scenario expected warming of 6°C by 2100

- Based on existing laws and regulations as of mid-2018
- Excludes aspirational emissions reduction targets declared globally

### New Policies Scenario expected warming of 4°C by 2100

- The central scenario - includes policies and targets announced by governments
- Takes continued evolution of known technologies into account

### Sustainable Development Scenario limiting warming to 2°C by 2100

- Provides an integrated strategy to achieve the key energy-related elements of the UN Sustainable Development agenda
- Aligned with the Paris Agreement goal of holding the increase in global average temperatures to 'well below 2°C'

Source: International Energy Agency (2018), World Energy Outlook 2018, OECD/IEA, Paris

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# Our analysis indicates our business is resilient

Stress-testing our portfolio against the IEA scenarios

## Scenario testing

- Is there a sufficient market demand to sell our products given their quality characteristics?
- Can our product be marketed and sold at a price that generates a positive cash flow for our business?

## Analysis outcomes

- Based on fundamental market analysis, the future of the Australian coal sector is expected to remain robust over the long term (particularly for high-quality coal producers such as Whitehaven)
- Our climate scenario analysis indicates long-term resilience and value generation in a range of de-carbonising scenarios (including a 2°C scenario)
- Even under a Sustainable Development scenario, all of our mines and projects will continue to have positive valuations and will have economic lives consistent with current plans

**The risk of our assets being stranded in a carbon-constrained world is considered to be low**



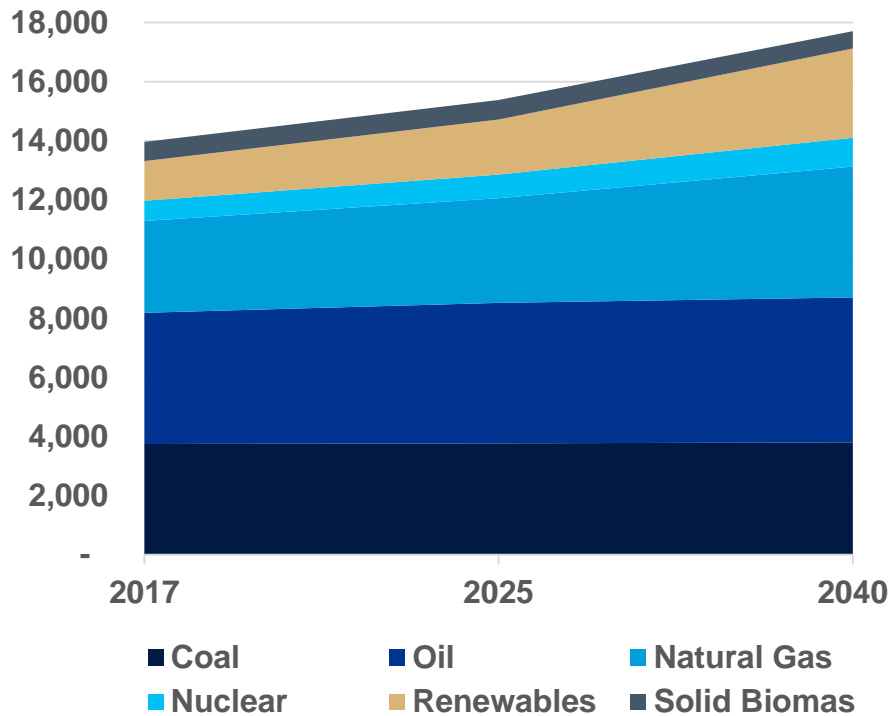
# Outlook for coal use



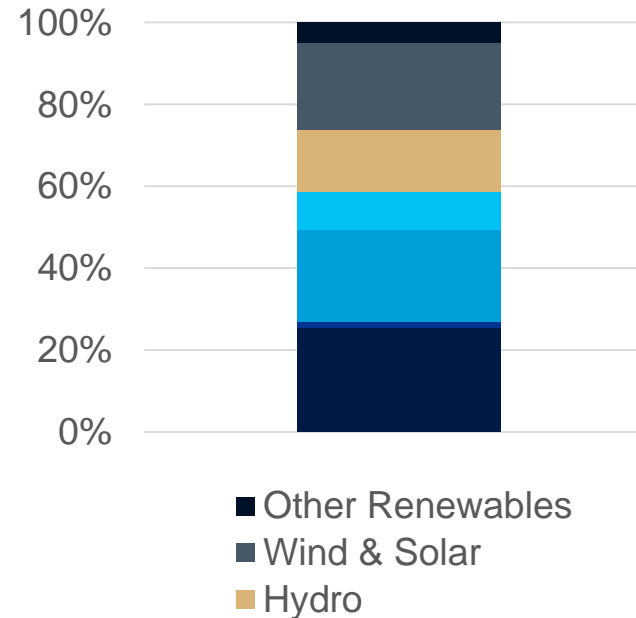
# Coal significant in energy mix

IEA projects coal to retain position as largest source of electricity in 2040

World Primary Energy Demand NPS (Mtoe)



World Share of Electricity Generation 2040 (NPS)

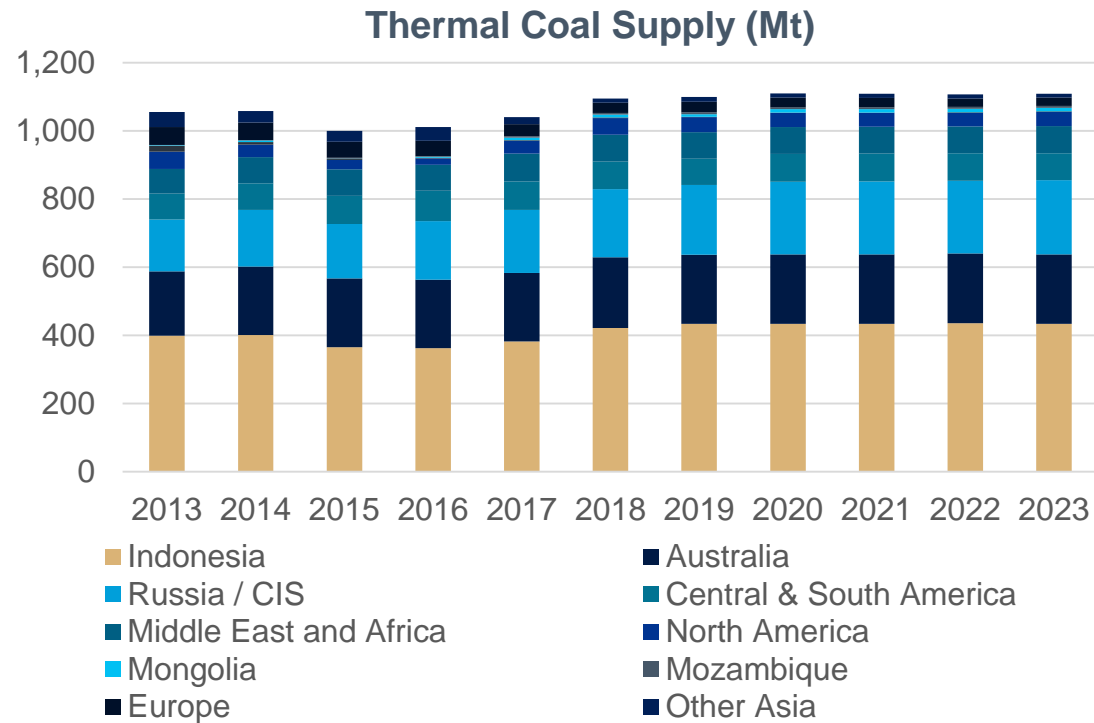


- The IEA New Policies Scenario (NPS) projects **coal demand to increase from 5.35Btce in 2017 to 5.44Btce in 2040 (~2%)**
- Coal's share of a growing primary energy demand is projected to decline from 27% in 2017 to 22% in 2040. Proportional gains are forecast from LNG and renewables
- Our customer feedback and regular review of their governments energy policies provide **strong confidence in coal's key role** for our customer energy mix during this timeframe

Source: IEA WEO 2018 Report

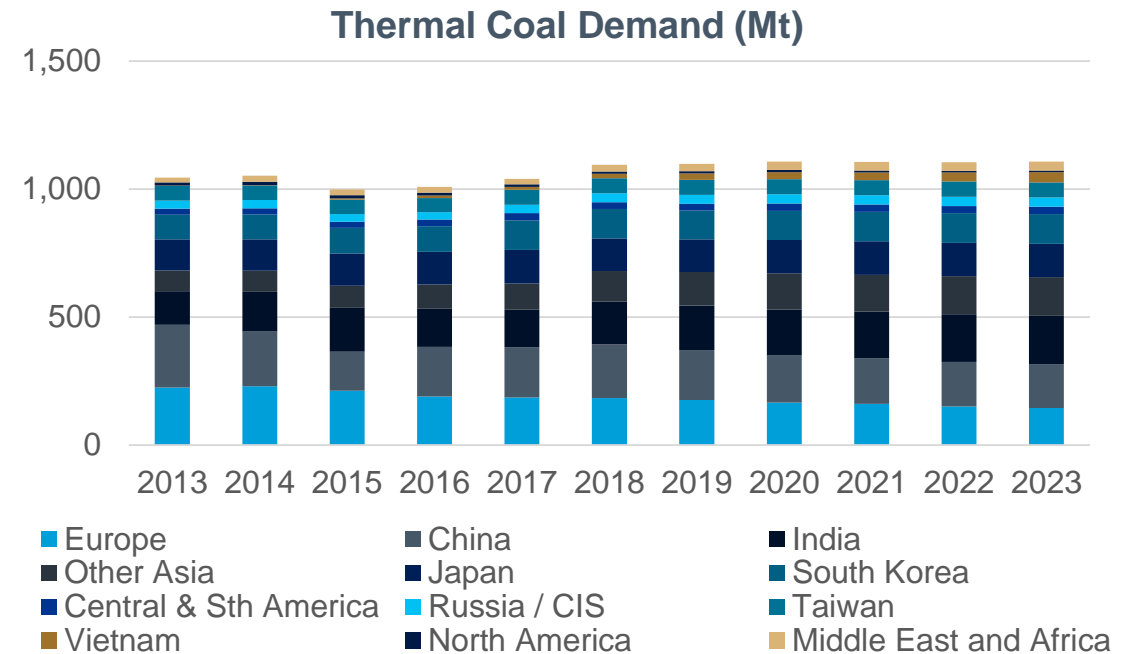
# Thermal coal – Global supply and demand

Demand forecast to increase in Whitehaven’s key markets, supply to remain flat



- Many respected forecasters and authorities such as the IEA, CRU and IHS are indicating that thermal coal supply is not expected to grow over the next 5 to 10 years

Source: IHS Markit 2019

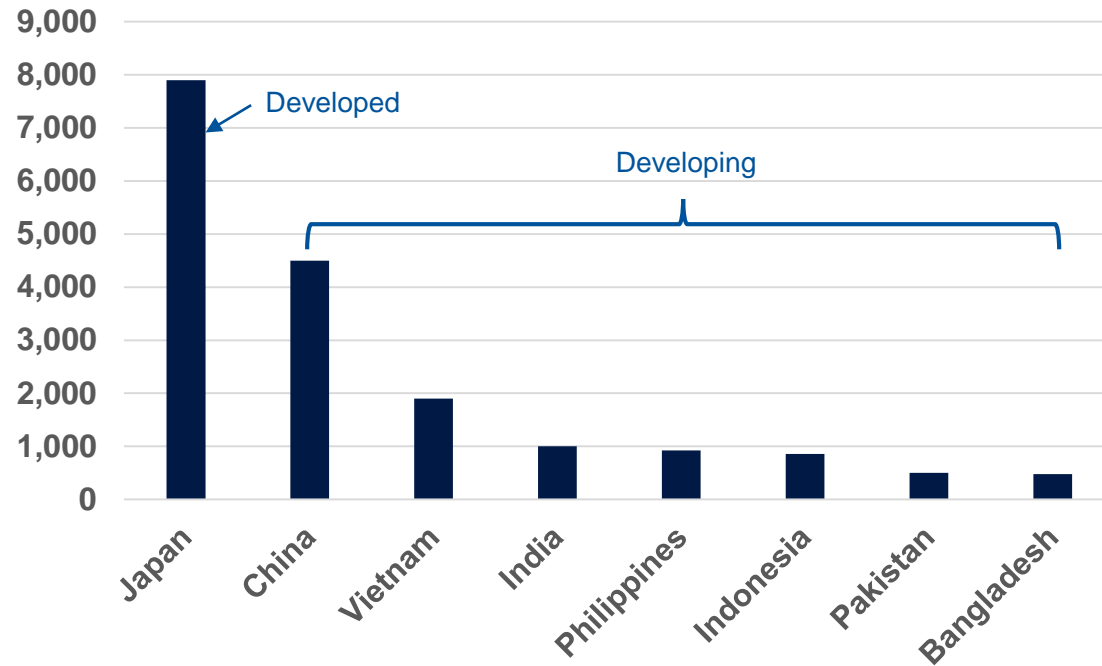


- From 2018 to 2023 demand is forecast to grow in Asia (ex. China) and decrease in Europe and China
- Whitehaven’s coal quality is positively correlated to the main forecasted growth markets, in particular SE Asia and Vietnam

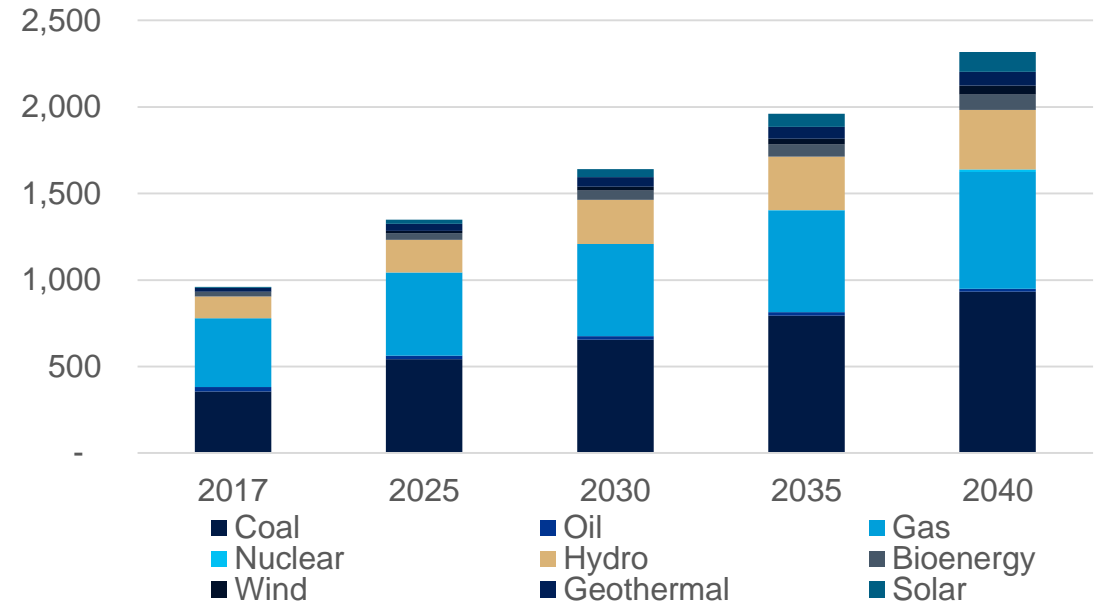
# Why the growth in demand from India & SE Asia?

Increasing per capita electricity consumption to drive higher demand

Electricity Consumption per Capita 2017 (kWh)



Southeast Asia Electricity Generation IEA NPS (TWh)



- Low per capita electricity consumption in these developing nations, combined with growing populations and rapid industrialisation is driving both growth in electricity demand and growth in generation from all sources in the region

Source: Commodity Insights June 2019 and WEO 2018 NPS, see Appendix 3 for the full disclosure on the IEA NPS

# Demand for higher quality thermal coal

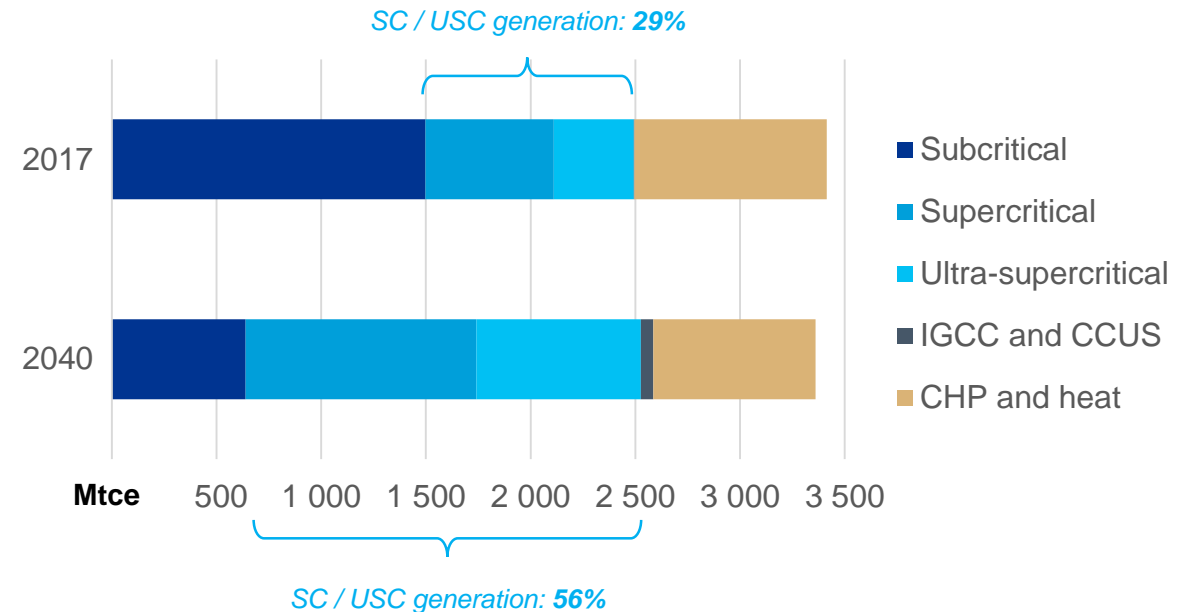
Remains robust as the efficiency of the global fleet increases

## SC / USC coal-fired plants become the 'technologies of choice'

- Higher-energy, lower-impurity coals are strongly leveraged to environmental reforms as economies progressively reduce their carbon footprints
- Increased plant efficiencies lead to rising adoption of supercritical (SC) and ultra-supercritical (USC) coal-fired power:
  - From ~20% efficiency for subcritical plants to 40-50% for SC/USC plants; and
  - SC/USC plants require smaller volumes of coal fuel to generate electricity; and
  - Higher energy coals allow coal-fired power generators to reduce their blended coal volumes, resulting in lower fuel costs (and carbon footprint)

## Global coal demand by boiler type

And the increasing adoption of SC / USC generation (NPS)

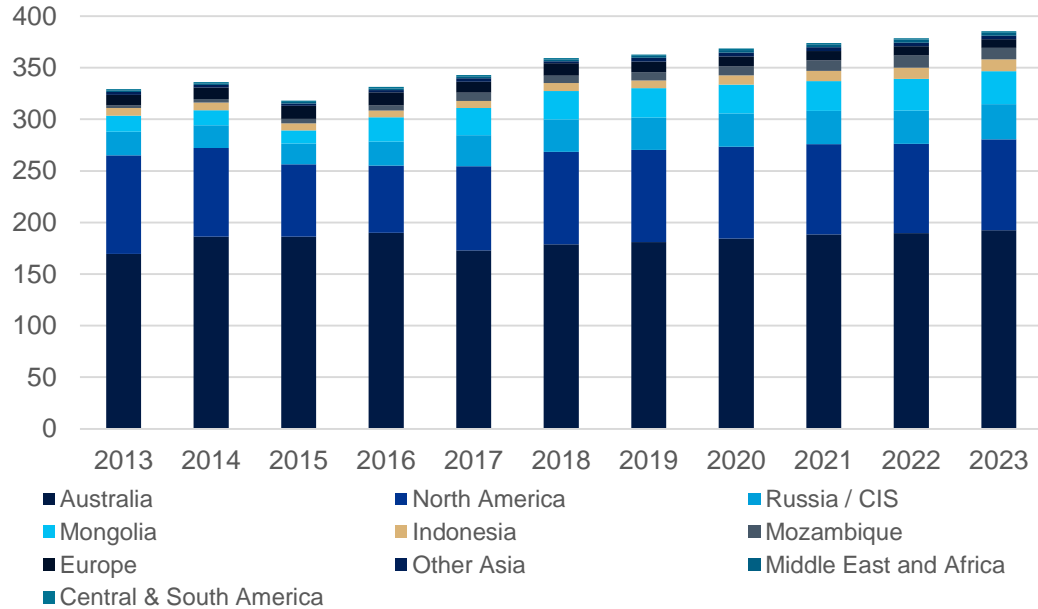


Source: WEO 2018 NPS, see Appendix 3 for the full disclosure on the IEA NPS

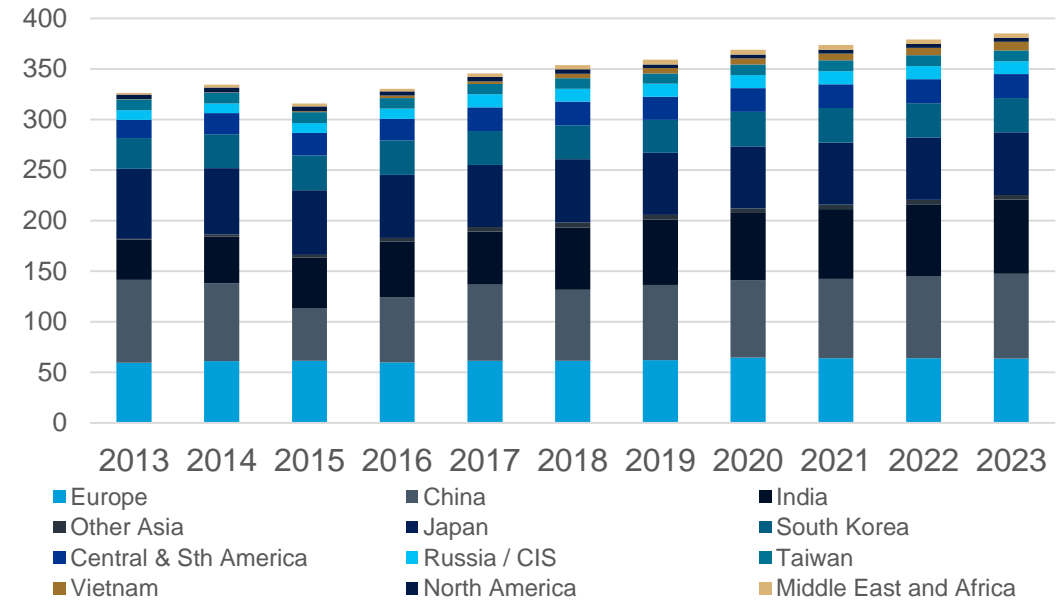
# Metallurgical coal – Global supply and demand

Forecast demand outstrips forecast supply

Metallurgical Coal Supply (Mt)



Metallurgical Coal Demand (Mt)



- From 2018 to 2023 supply growth is low and primarily from:
  - Supplying increasing by 27Mtpa
    - Australia - 14Mtpa
    - Mongolia - 5Mtpa
    - Mozambique - 4Mtpa
    - Indonesia - 4Mtpa
- Increasing ash and phosphorous levels in coking coals will see increasing demand for Whitehaven's SSCC

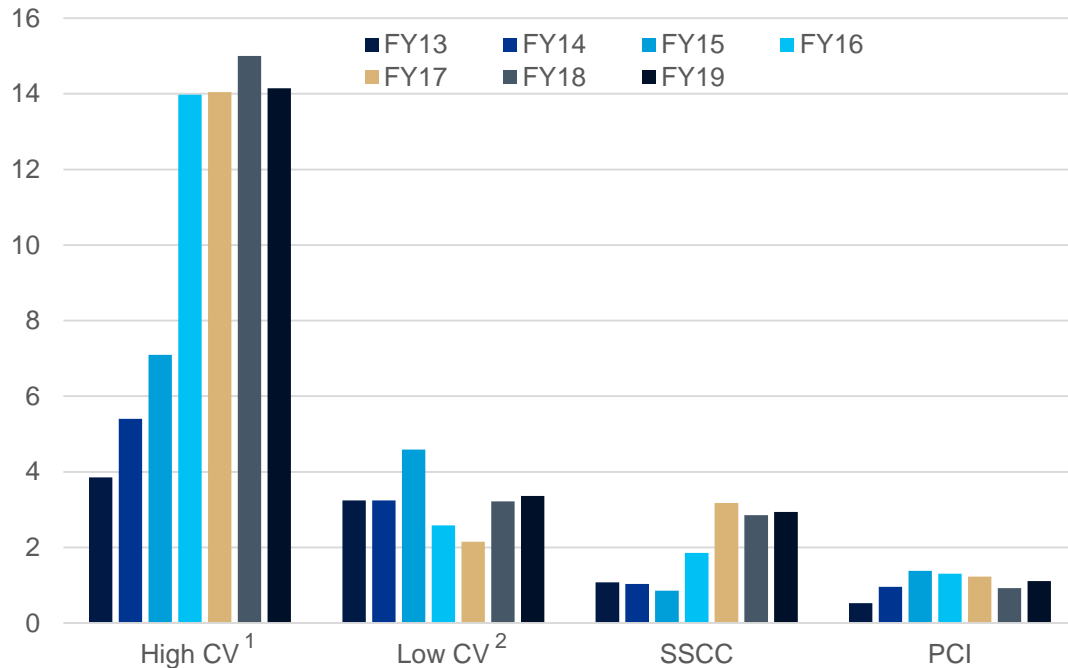
- From 2018 to 2023 demand is forecasted to grow by 33Mtpa:
  - Demand increasing by 33Mtpa
    - China - 14Mtpa
    - India - 12Mtpa
    - Vietnam - 4Mtpa
  - Europe, Japan, Korea, Taiwan are relatively stable

Source: IHS Markit 2019

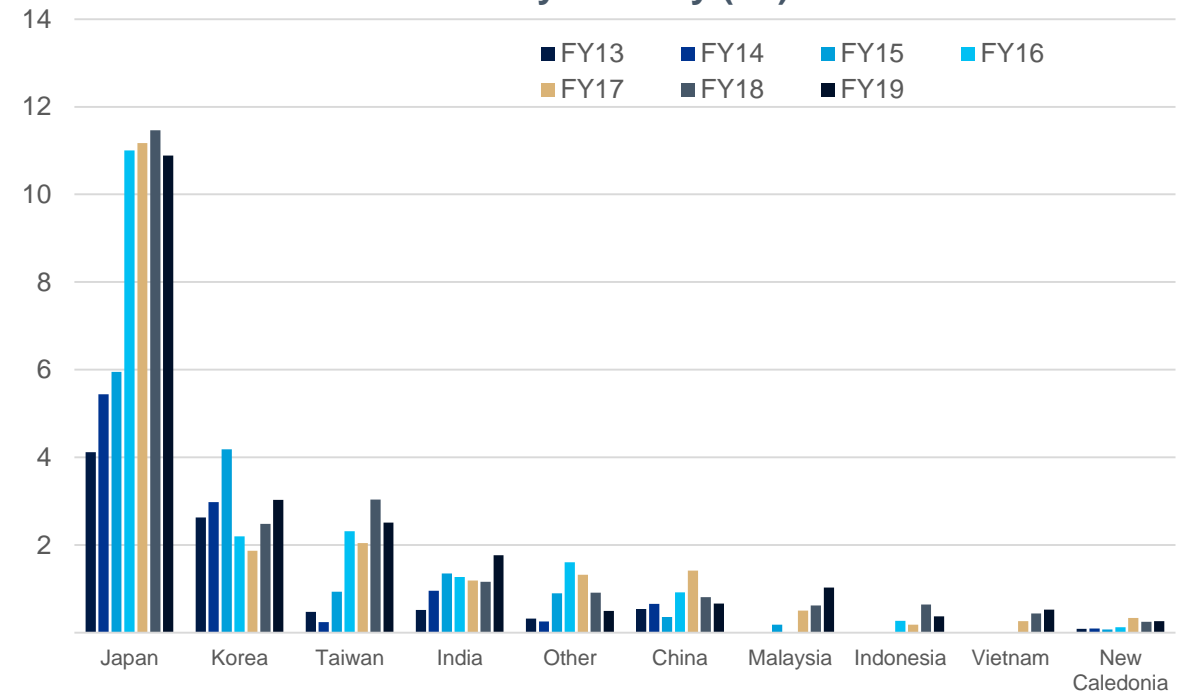
# Whitehaven coal sales

JKT remain our major customers for high CV thermal & India an emerging market for our metallurgical coal

Sales by Coal Type (Mt)



Sales by Country (Mt)



- Metallurgical coal sales have grown in volume but remain similar proportion in FY19 to that in FY13

<sup>1</sup> High CV ≥5,850 CV <sup>2</sup> Low CV <5,850 CV

- India is a growing metallurgical coal importer
- Markets to watch – Malaysia, Vietnam, Philippines, New Caledonia and Bangladesh

# Outlook for Whitehaven



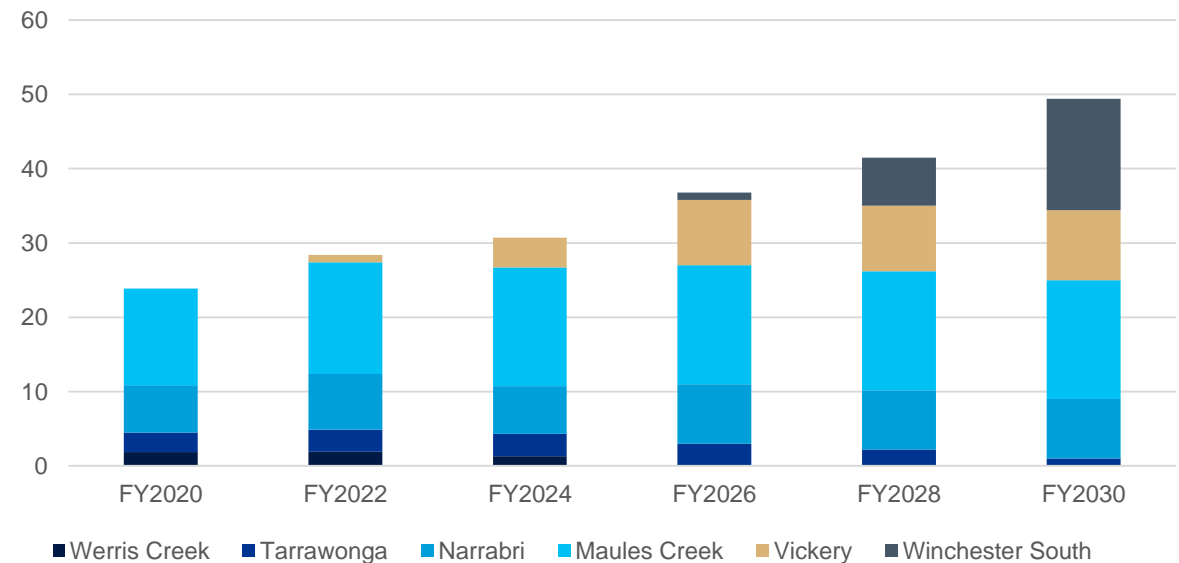


# ROM coal production profile

ROM coal production grows from ~ 23Mt in FY2019 to ~ 50Mt when fully ramped

- Production is set to **grow strongly over the next ten years** through a combination of greenfield and brownfield developments across the business
- The proportion of **metallurgical coal will also increase** as both Vickery and Winchester South possess significant quantities of good quality metallurgical coal
- Project timing is **subject to regulatory approvals** which are advancing in line with expectations

Whitehaven Managed ROM Coal Production (Mt)

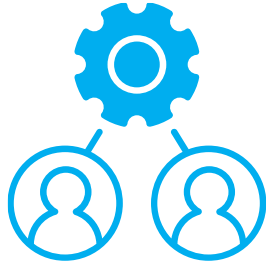


Note: Graph depicts ROM and saleable coal production on a 100% basis and with Winchester South and Vickery production fully ramped. The production profile shown in the chart is fully underpinned by the Company's Marketable Reserves from its operating mines and the Vickery and Winchester South projects. See Appendix 1 and Appendix 2 for full details of Whitehaven's Coal Resources and Reserves JORC tables and Slide 2 for the Competent Persons Statement. 100% of the forecast production from the Vickery project is underpinned by the JORC Reserves released to the ASX on 13 August, 2015 and available on Whitehaven's website. 100% of the forecast production from Winchester South is underpinned by Measured and Indicated Reserves. The JORC Resources estimate for Winchester South was released to the ASX by Whitehaven on 25 October 2018. The full JORC Resources report is also available on Whitehaven's website ([Whitehavencoal.com.au](http://Whitehavencoal.com.au)). See Appendix 1 for the JORC Resources table. Whitehaven confirms that the material assumptions underpinning the forecast production in the initial public reports referenced for Vickery and Winchester South continue to apply and have not materially changed.

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# Targets for FY2020

Preparing for ramp up of growth



## Operational

- Continue improving safety performance
- Deliver ROM coal production guidance in the range of 22.0Mt to 23.5Mt (100% basis)
- Deliver FY2020 cost guidance of A\$70/t
- Maules Creek in-pit dumping and AHS commences, decreasing costs
- Tarrawonga ramping up to 3Mtpa ROM coal
- Obtain Vickery project approval
- Release Winchester South initial JORC Reserves
- Begin process to convert the Narrabri South exploration licence to a mining lease



## Financial

- Return surplus capital to shareholders
- Maintain the existing strong balance sheet
- Ensure that costs remain tightly controlled

# Thank you

[www.whitehavencoal.com.au](http://www.whitehavencoal.com.au)



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# Appendices



# Resources

## Whitehaven Coal Limited – Coal Resources – August 2019

Tenement		Measured Resource (A)	Indicated Resource (B)	Measured + Indicated (A + B)	Inferred Resource (C)	Competent Person	Report Date
Maules Creek Opencut*	CL375 AUTH346 ML1701 ML1719	382	174	556	44	1	Mar-19
Narrabri North Underground**	ML1609	147	167	314	-	2	Mar-19
Narrabri South Underground**	EL6243	144	170	314	8	2	Mar-19
Tarrowonga Opencut	EL5967 ML1579 ML1685 ML1693	38	17	55	13	3	Mar-19
Tarrowonga Underground	EL5967 ML1579 ML1685 ML1693	10	15	25	14	3	Apr-14
Werris Creek Opencut	ML1563 ML1672	11	2	13	-	2	Mar-19
Rocglen Opencut	ML1620	2	3	6	0	3	Mar-19
Rocglen Underground	ML1620	-	3	3	1	3	Mar-15
Vickery Opencut	CL316 EL4699 EL5831 EL7407 EL8224 ML1464 ML1471 ML1718	230	165	395	110	3	Jul-15
Vickery Underground	CL316 EL4699 EL5831 EL7407 EL8224 ML1464 ML1471 ML1718	-	95	95	135	3	Jul-15
Winchester South	MDL 183	130	300	430	100	4	Oct-18
Gunnedah Opencut	ML1624 EL5183 CCL701	7	47	54	89	3	Jun-14
Gunnedah Underground	ML1624 EL5183 CCL701	2	138	140	24	3	Jun-14
Bonshaw Opencut	EL6450 EL6587	-	4	4	7	3	Jun-14
Ferndale Opencut	EL7430	103	135	238	134	5	Jan-13
Ferndale Underground	EL7430	-	-	-	73	5	Jan-13
Oaklands North Opencut	EL6861	110	260	370	580	3	Jun-14
Pearl Creek Opencut***	EPC862	-	14	14	38	6	Nov-12
<b>TOTAL COAL RESOURCES</b>		<b>1316</b>	<b>1709</b>	<b>3026</b>	<b>1370</b>		

1. Mal Blaik, 2. Mark Benson, 3. Benjamin Thompson, 4. Troy Turner, 5. Greg Jones, 6. Phill Sides

\* Maules Creek Joint Venture - Whitehaven owns 75% share

\*\* Narrabri Joint Venture - Whitehaven owns 70% share

\*\*\* Dingo Joint Venture - Whitehaven owns 70% share

# The Coal Resources for active mining areas are current to the pit surface as at the report date

# Reserves

## Whitehaven Coal Limited – Coal Reserves – August 2019

Tenement		Recoverable Reserves			Marketable Reserves			Competent Person	Report
		Proved	Probable	Total	Proved	Probable	Total		Date
Maules Creek Opencut*	CL375 AUTH346	340	120	460	310	100	410	1	Mar-19
Narrabri North Underground**	ML1609	102	5	107	98	4	102	2	Mar-19
Narrabri South Underground**	EL6243	-	121	121	-	114	114	2	Mar-19
Tarrowonga Opencut	EL5967 ML1579 ML1685 ML1693	26	10	37	22	8	30	1	Mar-19
Werris Creek Opencut	ML1563 ML1672	9	1	10	9	1	10	1	Mar-19
Rocglen Opencut	ML1620	-	-	-	-	-	-	1	Note
Vickery Opencut	CL316 EL4699 EL7407	-	200	200	-	178	178	1	Mar-15
<b>TOTAL COAL RESERVES</b>		<b>477</b>	<b>457</b>	<b>935</b>	<b>439</b>	<b>405</b>	<b>844</b>		

1. Doug Sillar, 2. Michael Barker

\* Maules Creek Joint Venture - Whitehaven owns 75% share

\*\* Narrabri Joint Venture - Whitehaven owns 70% share

# The Coal Reserves for active mining areas are current as at report date

### Coal Reserves are quoted as a subset of Coal Resources

### Marketable Reserves are based on geological modeling of the anticipated yield from Recoverable Reserves

**Note:** See Competent Person Statement on Slide 2

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# IEA New Policies Scenario

## The International Energy Agency's central scenario

Note: The New Policies Scenario provides a measured assessment of where today's policy frameworks and ambitions, together with the continued evolution of known technologies, might take the energy sector in the coming decades. The policy ambitions include those that have been announced as of August 2018 and incorporates the commitments made in the Nationally Determined Contributions under the Paris Agreement, but does not speculate as to further evolution of these positions. Where commitments are aspirational, this scenario makes a judgement as to the likelihood of those commitments being met in full. It does not focus on achieving any particular outcome: it simply looks forward on the basis of announced policy ambitions. The IEA does provide other projections – Sustainable Development Scenario and its Current Policies Scenario. The Sustainable Development Scenario has the lowest projected coal use while the Current Policy Scenario has the highest projected coal use. Details of the IEA's scenarios can be found in the IEA's World Energy Outlook 2018.