

QUARTERLY REPORT

16 January 2020

December 2019 Quarter Production Report

Highlights

- Safety performance improved with the TRIFR at 5.72 for the twelve months ended December
- Narrabri longwall change out completed on time, on budget and without injury. Ramp up to full production on plan
- In-pit dumping commenced at Maules Creek
- December quarter of 3.1 Mt ROM coal production, down 58% on the previous corresponding period (pcp)
- December quarter saleable coal production of 3.1Mt, down 44% on pcp
- December quarter coal sales of 4.5Mt, down 17% on pcp
- Completed the acquisition of EDF Trading Australia Pty Limited, which owns a 7.5% interest in the Narrabri underground mine. Closing the acquisition brings Whitehaven's ownership interest in the mine to 77.5%

Comments from the MD and CEO Paul Flynn

"This quarter Narrabri's scheduled longwall change out and chock leg cylinder replacement were completed on time, on budget and without injury."

"The December quarter production results reflect the impact of the previously reported labour shortages and dust events at our largest mine, Maules Creek and the scheduled Narrabri mine longwall move from LW108 to LW109."

"Whitehaven is investing in the people, processes and equipment needed to overcome short-term challenges, to deliver improved operational performance and to execute on its growth strategy."

Safety

The safety outcome for the Group for the 12 months ending 31 December 2019 was a total recordable injury frequency rate (TRIFR) of 5.72. Group TRIFR remains well below the New South Wales (NSW) coal mining average of 14.64.

Whitehaven Managed Totals

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2019	Dec 2018	Change	Dec 2019	Dec 2018	Change
Managed ROM Coal Production	3,124	7,390	(58%)	7,544	11,009	(31%)
Managed Saleable Coal Production	3,114	5,583	(44%)	8,023	9,564	(16%)
Managed Sales of Produced Coal	3,522	5,038	(30%)	8,606	9,474	(9%)
Managed Sales of Purchased Coal	963	368	162%	1,426	785	82%
Total Managed Coal Sales	4,485	5,405	(17%)	10,031	10,258	(2%)
Managed Coal Stocks at period end	975	3,309	(71%)	975	3,309	(71%)

Whitehaven Equity Totals

Thousands of tonnes (including Sunnyside)	Quarter Ended			Year to Date		
	Dec 2019	Dec 2018	Change	Dec 2019	Dec 2018	Change
Equity ROM Coal Production	2,513	5,703	(56%)	6,039	8,590	(30%)
Equity Saleable Coal Production	2,531	4,349	(42%)	6,527	7,616	(14%)
Equity Sales of Produced Coal	2,904	3,951	(27%)	7,065	7,600	(7%)
Equity Sales of Purchased Coal	957	368	160%	1,393	774	80%
Total Equity Coal Sales	3,861	4,319	(11%)	8,458	8,374	1%
Equity Coal Stocks at period end	800	2,662	(70%)	800	2,662	(70%)

Note: year to date restated for Narrabri ownership of 77.5% effective 1 July 2019

Equity Coal Sales and Realised Pricing on own coal sales

		Quarter Ended				
		Dec 2019	Sep 2019	Jun 2019	Mar 2019	Dec 2018
Total Equity Coal Sales	Mt	3.9	4.5	4.4	4.9	4.3
Sales of purchased coal (thermal)	Mt	1.0	0.4	0.4	0.5	0.4
Sunnyside	Mt	0.1	0.1	0.1	0.1	0.1
Equity Own Coal Sales	Mt	2.8	3.9	3.9	4.2	3.8
Coal sales mix (own coal sales)						
High CV thermal Coal	%	49%	65%	65%	60%	69%
Other thermal coal	%	29%	15%	15%	14%	11%
Metallurgical coal	%	22%	20%	20%	26%	20%
Pricing						
NEWC Index	US\$/t	67	68	80	96	104
JSM Quarterly (SSCC)	US\$/t	98	115	129	132	135
Average SSCC spot price	US\$/t	77	86	95	117	122
Price achieved (own coal sales)						
Thermal coal	US\$/t	66	73	84	97	108
Metallurgical coal	US\$/t	87	100	107	120	122
Premium/Discount (own coals sales)						
Thermal to NEWC Index	%	(2%)	7%	5%	1%	3%
Metallurgical to JSM Qtrly	%	(12%)	(13%)	(17%)	(9%)	(10%)
Metallurgical to Spot Price	%	12%	16%	12%	3%	0%

Note: Figures may not add due to rounding; September Quarter 2019 restated for Narrabri ownership of 77.5% effective 1 July 2019

Equity coal sales for the December quarter, including purchased coal, were 3.9 Mt, 11% below the pcp. Managed coal sales, including sales of purchased coal (1.0 Mt), were 4.5 Mt, 17% below the pcp. Sales volumes reflected both the eight week Narrabri longwall change out and the challenging production conditions at Maules Creek.

Equity sales were above saleable production for the quarter. Coal trading continued to deliver good margins in the quarter.

The global Coal Newcastle Index (gC Newc) thermal coal price was flat with the December quarter averaging US\$67/t, compared with the average price for Q1 FY2020 of US\$68/t. Whitehaven continues to see strong end user demand for high quality thermal coal.

In the December quarter, Whitehaven realised an average of US\$66/t for sales of own thermal coal, 2% below the gC Newc average price for the period. This pricing is due to an almost doubling of sales of “other thermal coal”. Blending opportunities were restricted due to the low produced volume of high CV thermal coal.

Fixed US\$/Mt quality premiums and high natural energy content continue to deliver Maules Creek a strong premium over the gC Newc index price for its thermal coal. The premium in the December quarter was 17%.

December quarter metallurgical benchmark prices were US\$141/t for prime hard coking coal and US\$98/t for SSCC.

Whitehaven achieved an average realised price of US\$87/t for its metallurgical coal sales in the quarter.

Maules Creek Open Cut Mine

Whitehaven 75%

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2019	Dec 2018	Change	Dec 2019	Dec 2018	Change
ROM Coal Production	2,235	3,958	(44%)	4,197	6,226	(33%)
Saleable Coal Production	1,585	2,410	(34%)	3,619	4,390	(18%)
Sales of Produced Coal	1,677	2,106	(20%)	3,802	4,261	(11%)
Coal Stocks at period end	547	1,929	(72%)	547	1,929	(72%)

As reported in Whitehaven’s ASX announcement of 5 December 2019, Maules Creek operations have been affected by both labour shortages, and by dust and smoke events associated with drought conditions and regional bushfires. In North West NSW bushfire activity has reduced, but drought conditions persist. Widespread rain forecast for North NSW over the coming week is expected to provide the region with much needed relief.

Labour shortages and operational interruptions have impacted overburden movement during the quarter. In turn, the below plan overburden movement has affected coal production and coal sales. Management has implemented a revised labour strategy for Maules Creek which has begun to deliver positive outcomes.

In the December quarter, mining reached the bottom of the pit in certain areas, which has seen the process of in-pit dumping commence. Over the next two years, the proportion of overburden material dumped in-pit and operational productivity are expected to increase and contribute to decreases in unit costs.

Sales volumes for the quarter broadly matched saleable coal production. Equity sales of metallurgical coal were in line with the pcp at 0.4 Mt.

Implementation of autonomous haulage (AHS) for overburden removal continues to progress well. Recruitment of the initial team to bring the first AHS overburden fleet into production in Q3 FY20 was completed. The first AHS fleet is comprised of six Hitachi EH5000 trucks.

Narrabri Underground Longwall Mine

Whitehaven 77.5%

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2019	Dec 2018	Change	Dec 2019	Dec 2018	Change
ROM Coal Production	233	2,326	(90%)	2,026	2,876	(30%)
Saleable Coal Production	830	2,105	(61%)	2,630	2,834	(7%)
Sales of Produced Coal	940	1,927	(51%)	2,776	2,802	(1%)
Coal Stocks at period end	169	550	(69%)	169	550	(69%)

December quarter ROM and saleable coal production levels reflect the impact of the eight week LW108 change out to LW109 and the replacement of the 400 leg cylinders that took place during this longwall relocation. Longwall production recommenced on 6 January 2020 and is ramping up to plan.

As is customary during a longwall change out, sales of coal were supported by a draw-down of coal stocks.

The sales mix for the quarter included a higher proportion of lower CV thermal coal (0.4Mt) due to the impact of out-of-seam dilution in ROM production encountered at the end of LW108. Metallurgical sales were 0.1Mt for the quarter.

Roadway development for the quarter was in-line with the mine plan at 2.6 kilometres.

With the longwall move having taken place in H1 FY20, Narrabri's ROM production and coal sales for FY20 are weighted to H2. The next longwall move to LW110 is scheduled for Q3 FY21.

Gunnedah Open Cut Mines

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2019	Dec 2018	Change	Dec 2019	Dec 2018	Change
ROM Coal Production	657	1,106	(41%)	1,321	1,907	(31%)
Saleable Coal Production	700	1,067	(34%)	1,775	2,339	(24%)
Sales of Produced Coal	904	1,004	(10%)	2,028	2,411	(16%)
Coal Stocks at period end	259	830	(69%)	259	830	(69%)

Total ROM and saleable coal production from the Gunnedah open cut mines was below the pcp due to the closure of both Rocglen Mine and Sunnyside Mine. Both of these operations have transitioned into rehabilitation phase. Werris Creek also contributed to the decrease against the pcp due to mining conditions.

Both saleable production and sales were greater than ROM production as stock levels were drawn down to support sales demand.

Tarrawonga Mine

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2019	Dec 2018	Change	Dec 2019	Dec 2018	Change
ROM Coal Production	476	394	21%	905	832	9%
Saleable Coal Production	432	536	(19%)	942	1,058	(11%)
Sales of Produced Coal	476	538	(12%)	1,051	1,085	(3%)
Coal Stocks at period end	94	243	(61%)	94	243	(61%)

Tarrawonga ROM production is in line with the mine sequence. Saleable production for the quarter was assisted by a draw-down of stocks.

During the December quarter three new Hitachi EX5600 excavators were successfully commissioned as part of the 3Mtpa expansion. It is anticipated Tarrawonga will reach its planned 3Mtpa ROM production run rate in Q4 FY20.

Werris Creek Mine

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2019	Dec 2018	Change	Dec 2019	Dec 2018	Change
ROM Coal Production	181	339	(47%)	324	506	(36%)
Saleable Coal Production	222	261	(15%)	630	731	(14%)
Sales of Produced Coal	329	217	51%	668	758	(12%)
Coal Stocks at period end	165	250	(34%)	165	250	(34%)

Werris Creek ROM production for the quarter was below the pcp due to mining conditions. Saleable coal production and coal sales were assisted by a draw-down of stock levels.

The second half of the year will see mining of the lower seams in the Werris Creek mining sequence, which is expected to result in an increase in ROM production in H2 compared with H1.

Logistics – rail and port

Eastern Australia has experienced one of the worst Spring and Summer bushfire seasons in the last 50 years however while bushfires have the potential to disrupt transport routes and damage rail infrastructure networks, actual disruptions have been minor.

Water Update

Whitehaven continues to work with relevant NSW authorities to access and optimise Whitehaven's water sources in the region. During 2019, Whitehaven took a number of steps to enhance its security of water supply:

- Acquired property near Maules Creek with productive groundwater resources
- Transferred various water access licences across the Whitehaven Group
- Purchased temporary water entitlements
- Hauled water between supply points and mines
- Increased the use of dust suppressants
- Implemented enhanced water efficiency measures in CHPPs

Further work on ensuring continuity of water supply for the medium and long term is ongoing, including obtaining regulatory approvals, and we do not currently expect any interruption to FY20 production in connection with water supply.

Leadership Team Additions

Whitehaven's strategy involves growing from a ~20Mtpa ROM coal producer to a ~50Mtpa producer. This growth will see an increase in our metallurgical coal production which enhances our customer reach, targeting additional export markets with additional production from two premier regions – the Gunnedah Basin in NSW and Queensland's Bowen Basin. To support this growth strategy several key changes in Whitehaven's leadership team have been undertaken:

- The creation of a two new Executive-level roles:
 - The appointment of Leigh Martin into the newly created role EGM People & Culture
 - EGM Health, Safety and Environment with a global search currently underwayThese roles recognise the need for: dedicated leadership to address labour and skills requirements and maintaining our position as a large regional employer; and, ensuring production and development activity is accompanied by an integrated focus on compliance with the growing suite of HSE obligations.
- The appointment of Mark Stevens in the role of EGM Project Delivery following the retirement of Brian Cole on 31 December 2019. Brian will remain with Whitehaven to assist with the Vickery Extension Project until project approval is received. Mark will oversee all major projects in Whitehaven's growth portfolio.
- The appointment of Quentin Granger as interim EGM Operations following Jamie Frankcombe's departure from the business. A global search for a permanent EGM Operations is underway and an appointment is expected to be made in H1 of FY2021.

Please refer to the Company website, <https://whitehavencoal.com.au/our-business/leadership/>, to view the full leadership team outlining the team's experience.

Vickery Extension Project

The Vickery Extension Project is a proposed open cut mine with a 20 year mine life in the Gunnedah Basin with JORC marketable reserves of 178Mt. The approval process has the Project currently with the NSW Government Department of Planning, Industry and Environment (DPIE) which is finalising its whole of government (WOG) report on the Project. The WOG report will be used by the NSW Independent Planning Commission (IPC) when it completes its final review and determination.

During the December quarter, work progressed on both construction design and readiness for mining. Design work for the CHPP, rail spur, and other site infrastructure has been advanced and operational readiness planning and mine planning activities have been significantly progressed. Key terms for a Voluntary Planning Agreement (VPA) has been reached with the Gunnedah Shire Council; while an agreement with Narrabri Shire Council has yet to be reached.

Whitehaven anticipates a Q1 CY20 release of the WOG report, including draft approval conditions, and for the IPC to deliver its determination in the following months.

Winchester South Metallurgical Coal Project

The proposed Winchester South open cut metallurgical coal mine, situated in Queensland's Bowen Basin, continues to progress through the Queensland Government's major project development process. Specialist studies are now well advanced and are in the final stages of data collection. Drafting of the Environmental Impact Statement (EIS) has commenced.

Technical optimisation of the Project continued during the quarter. Exploration programs were completed and field activities have shifted to site rehabilitation. Coal testing and assessment also materially advanced during the quarter allowing detailed mine planning to progress. Marketing and product positioning studies are underway.

Project infrastructure studies have also progressed. These encompass design and costing information in relation to processing and non-processing infrastructure.

Work continues on the maiden JORC Reserve estimate for the project with an estimated release date Q4 FY20.

Narrabri Underground Mine Stage 3 Extension Project

The Narrabri Underground Mine Stage 3 Extension Project is a proposal to convert the existing Narrabri South Exploration Licence into a Mining lease and extract coal. This extension accesses 80-100Mt of coal using the established infrastructure, including the existing coal handling preparation plant, rail loop, portals and offices.

Under the proposal, Whitehaven will continue using the longwall mining method. The project involves extending the planned southern longwall panels into the adjacent Narrabri South Exploration Licence. This will extend the approved life of the mine from ~2031 to ~2045 and continue to provide employment for the current workforce.

The project has received its Secretary's Environmental Assessment Requirements from the NSW Government as well as its EPBC Act referral from the Federal Government. Based on these requirements, the company has been developing an EIS which it plans to lodge with DPIE in the H2 CY20.

Exploration

Expenditure incurred on expansion and growth projects by Whitehaven during the December quarter was \$12.8m reflecting engineering studies relating to pre-feasibility design work for Vickery, and Winchester South and Narrabri Stage 3 EIS studies.

Thermal and Metallurgical Coal Outlook

The trade dispute between the United States of America (USA) and China has contributed to softness in global demand and in demand for thermal coal; it has also contributed to weakness in the seaborne thermal coal price, while low European gas prices, an increase in the European price of carbon and relatively low seaborne spot LNG prices have also weighed upon coal prices over the past two years. Today's signing of the Phase 1 trade deal is expected to provide a boost to global trade.

Whitehaven continues to see strong end user and trader demand for high quality thermal coal. The gC Newc coal price has found a floor in the past two quarters of circa US\$67/t, while API 4 pricing is now ~ US\$90/t. There is strength in the physical Richards Bay market as it rallied strongly in the December quarter. The gC Newc price levels have seen 'swing' suppliers from Colombia, Canada and the USA withdraw from the market which has led to a rebalancing of the fundamentals, and pricing being well supported in a range around the high US\$60's.

Spot LNG pricing has recovered from lows experienced in early 2019 but the incentive remains to switch fuel sources for those generators who can. Market expectations remain that spot LNG prices are likely to rebound in the medium term as consuming nations, including China, expand their capacity to receive imported LNG and the current LNG development project pipeline is completed and brought onstream.

As forecast in the September Quarter production report, China CY20 import volumes are expected to be greater than CY19 imports at more than 300Mt.

The metallurgical coal market recovered in late 2019 from the lows experienced mid-2019. The dynamics of the steel market are impacted by the trade tensions between China and the US, so the signing of the Phase 1 trade deal should have a welcome positive impact.

Corporate

At 31 December 2019 there were US\$22.5 million in forward A\$/US\$ exchange contracts currently in place at an average exchange rate of A\$1.00 = US\$0.6860. These contracts are deliverable between January 2020 and April 2020.

On the 2 January Whitehaven announced it had completed the acquisition of EDF Trading Australia Pty Limited, which owned a 7.5% interest in the Narrabri underground mine. Closing the acquisition brings Whitehaven's ownership interest in

the mine to 77.5% and triggers pre-emptive rights in favour of each of the Narrabri Joint Venture participants (including Whitehaven). If all Joint Venture participants (including Whitehaven) exercise their rights of pre-emption, Whitehaven's interest would decrease to approximately 75.7%.

FY20 Guidance

The FY20 guidance remains unchanged from the Updated FY20 Guidance ASX announcement issued 5 December 2019.

Item		Range	Comments
Managed ROM Coal Production	Mt	20.0 – 22.0	Production weighted to second half (H2 60%)
Maules Creek	Mt	10.0 – 11.0	Skilled labour shortages and drought impacts
Narrabri	Mt	6.0 – 6.5	Longwall changeout Q2 FY20
Gunnedah Open Cuts	Mt	4.0 – 4.5	Rocglen closed; Tarrawonga ramping up to 3.0Mt ROM
Managed Coal Sales	Mt	19.0 – 20.0	Excludes coal purchases
Unit cost (excluding royalties)	\$/t	73 - 75	Higher strip ratios (Maules Creek and Tarrawonga) and yields at Maules Creek (deeper seams)
Sustaining Capital	\$m	55 – 63	
Narrabri Mains Development	\$m	22 – 26	Current Narrabri mains development completed in FY21
Expansion & Growth Capital			
Operating Mine Projects	\$m	50 – 58	Tarrawonga expansion to 3.0Mtpa, Narrabri hydraulic cylinders, Maules Creek AHS project
Growth Projects	\$m	80 – 90	Vickery, Winchester South and Narrabri Stage 3

This Quarterly Report is authorised for release to the market by the Board of Directors of Whitehaven Coal Limited.

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PRODUCTION, SALES & STOCKS BY MINE Thousands of tonnes	Quarter Ended					
	Dec 2019	Sep 2019	Jun 2019	Mar 2019	Dec 2018	Sep 2018
Whitehaven Group Managed Totals						
ROM Coal Production	3,124	4,420	7,334	4,879	7,390	3,619
Saleable Coal Production	3,114	4,909	5,180	5,062	5,583	3,981
Sales of Produced Coal	3,522	5,084	4,948	5,571	5,038	4,436
Sales of Purchased Coal	963	463	390	470	368	417
Total Coal Sales	4,485	5,546	5,338	6,042	5,405	4,853
Coal Stocks at period end	975	2,001	3,350	1,781	3,309	1,643
Maules Creek						
ROM Coal Production	2,235	1,962	3,798	1,696	3,958	2,268
12-Month Rolling Yield	78%	81%	82%	84%	88%	88%
Saleable Coal Production	1,585	2,034	2,536	2,274	2,410	1,980
Sales of Produced Coal	1,677	2,125	2,387	2,661	2,106	2,154
Coal Stocks at period end	547	441	1,160	339	1,929	476
Narrabri						
ROM Coal Production	233	1,793	1,875	1,696	2,326	550
12-Month Rolling Yield	96%	95%	94%	94%	94%	95%
Saleable Coal Production	830	1,800	1,181	1,615	2,105	729
Sales of Produced Coal	940	1,835	1,251	1,652	1,927	875
Coal Stocks at period end	169	949	1,018	471	550	258
Gunnedah Open Cuts (Consolidated)						
ROM Coal Production	657	665	1,662	1,486	1,106	801
12-Month Rolling Yield	91%	90%	90%	90%	90%	90%
Saleable Coal Production	700	1,075	1,464	1,174	1,067	1,272
Sales of Produced Coal	904	1,124	1,309	1,258	1,004	1,407
Coal Stocks at period end	259	612	1,172	970	830	909
Tarrawonga						
ROM Coal Production	476	429	663	692	394	438
12-Month Rolling Yield	88%	88%	90%	89%	90%	91%
Saleable Coal Production	432	510	597	542	536	521
Sales of Produced Coal	476	575	560	522	538	547
Coal Stocks at period end	94	165	373	357	243	471
Werris Creek						
ROM Coal Production	181	143	692	484	339	167
12-Month Rolling Yield	100%	100%	100%	100%	100%	100%
Saleable Coal Production	222	408	529	387	261	470
Sales of Produced Coal	329	340	443	467	217	541
Coal Stocks at period end	165	346	570	287	250	146
Rocglen						
ROM Coal Production	-	-	268	203	266	144
Saleable Coal Production	-	28	206	154	160	195
Sales of Produced Coal	-	77	181	186	158	202
Coal Stocks at period end	-	-	90	97	137	103
Sunnyside						
ROM Coal Production	-	93	39	109	107	52
Saleable Coal Production	45	129	132	90	110	85
Sales of Produced Coal	99	133	126	83	90	117
Coal Stocks at period end	-	101	139	229	200	189