



WHITEHAVEN COAL LIMITED

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WHITEHAVEN COAL LIMITED

QUARTERLY REPORT TO 30 SEPTEMBER 2008 (Q1 FY 2009)

HIGHLIGHTS

- Saleable coal production (equity basis) of 598,000 tonnes for the quarter was up 28% over the previous corresponding period, reflecting continuing strong performance at Tarrawonga and the growing contribution from Werris Creek.
- Saleable production will continue to increase during FY 2009 with the Rocglen and Sunnyside mines (100% owned by Whitehaven) both coming into production in the current quarter.
- Coal sales (including traded coal) of 828,000 tonnes for the quarter was up 64% over the previous corresponding period.
- Port and rail capacity continued to constrain coal sales, but the financial impact was partly offset by increased coal prices and a lower A\$.
- Construction of the Narrabri Project (Stage 1) progressed well during the quarter and is on track to produce first coal in Q1 FY 2010. Design changes, increases in the cost of some inputs (e.g. steel and fuel) and the fall in the A\$ have increased the Stage 1 cost estimate by some 20%, to A\$185m.
- Agreements to sell a 7.5% Joint Venture (JV) interest in the Narrabri Project to EdF Trading for US\$120m and to sell a 7.5% JV interest to J-Power for A\$126m are both expected to be completed in the current quarter.
- Rail track capacity upgrades by ARTC have increased the available train paths for coal and also allowed larger, 72 wagon trains to commence running to Gunnedah and Werris Creek during the quarter.
- Construction of the new NCIG coal loading terminal at Newcastle, of which Whitehaven owns 11%, is on track to be commissioned in early 2010.
- Whitehaven continued to generate strong cashflow from operations in the September quarter, with cash on hand at the end of September of approximately \$101 million. This included some \$15 million from the exercise of share options.
- Whitehaven had a total of approximately \$360m in forward US\$/A\$ exchange contracts at the end of September, at an average rate of AUD 1.00 = USD 0.8287. This includes forward exchange contracts of US\$115.5M for the balance of FY 2009, representing some 35% of forecast US\$ sales revenue. No new contracts were taken out during the quarter.

CONSOLIDATED EQUITY PRODUCTION AND SALES

Production results for the first quarter of FY 2009 for Whitehaven Coal Limited (ASX: WHC) and its controlled entities are set out below.

	September Quarter*			Year-to-date*		
	(Thousand tonnes)	FY09	FY08	Δ	FY09	FY08
ROM Coal Production	607	509	19%	607	509	19%
Saleable Coal Production	598	468	28%	598	468	28%
Sales of produced coal	521	503	3%	521	503	3%
Sales of purchased coal **	307	0		307	0	
Total sales	828	503	64%	828	503	64%
Coal stocks at end of period	277	206	34%	277	206	34%
<i>* All figures are on an equity basis, ** sales of externally purchased coal</i>						

OPERATIONS

Whitehaven Mining Precinct (WMP)

The WMP includes the Canyon (100% owned by Whitehaven), Tarrawonga (70% owned by Whitehaven) and Rocglen (100% owned by Whitehaven) open cut mines and the Whitehaven CPP and train load-out facility (both 100% owned by Whitehaven).

WMP	September Quarter*			Year-to-date*		
	(Thousand tonnes)	FY09	FY08	Δ	FY09	FY08
ROM Coal Production	468	475	(1%)	468	475	(1%)
Saleable Coal Production	496	443	12%	496	443	12%
Sales of produced coal	386	480	(20%)	385	480	(20%)
Sales of purchased coal **	307	0		307	0	
Total sales	693	480	45%	693	480	44%
Coal stocks at end of period	230	216	6%	230	216	6%
<i>* All figures are on a 100% basis, ** sales of externally purchased coal</i>						

- Saleable coal production of 496,000 tonnes for the quarter was up 12% over the previous corresponding period.
- The increase in WMP production reflects increased production at Tarrawonga, but partially offset by reduced production at Canyon due to higher than expected stripping costs.
- Overburden removal is now well advanced at Rocglen and first coal is expected in November.
- The CPP operated to expectations.

Werris Creek (100% owned by Whitehaven)

- Reduced production at Werris Creek for the quarter was due to ongoing poor performance by the mining contractor;
- Agreement in principle has now been reached with the mining contractor to terminate the contract effective from 31 January 2009. From that time onward, Whitehaven will operate all of its mines and projects.

WERRIS CREEK	September Quarter*			Year-to-date*		
(Thousand tonnes)	FY09	FY08	Δ	FY09	FY08	Δ
ROM Coal Production	269	309	(13%)	269	309	(13%)
Saleable Coal Production	241	299	(19%)	241	299	(19%)
Sales of produced coal	243	283	(14%)	243	283	(14%)
Sales of purchased coal **	0	0		0	0	
Total sales	243	283	(14%)	243	283	(14%)
Coal stocks at end of period	115	102	13%	115	102	13%
<i>* All figures are on a 100% basis, ** sales of externally purchased coal</i>						

DEVELOPMENT PROJECTS

NARRABRI – Stage 1

- Stage 1 (Narrabri surface facilities, drift construction, pit bottom development and coal production using continuous miners) construction is progressing well. Surface works are well advanced and drift excavation has commenced. First coal is expected from Narrabri in Q1 of FY 2010.
- There have been some design changes to Stage 1; principally a decrease in the grade of the access drifts which has increased the length of tunnelling required to reach the coal seam. These design changes, along with some increases in input costs and depreciation of the A\$ have increased the estimated cost of the Stage 1 project by some 20%, to around A\$185m.
- Contracts have now been awarded for more than 80% of the Stage 1 work. Notwithstanding this, there remains some risk to cost and time budgets, principally with regard to driving the access drifts, in as much as ground conditions will determine the final time and cost to completion. Drift excavation began in September and at this stage, ground conditions are consistent with expectations.
- Detailed design of Stage 2 (installation and operation of the longwall) is well underway and Whitehaven expects to lodge an application for Project Approval for Stage 2 with the NSW Department of Planning shortly.

ROCGLLEN

- Initial overburden removal commenced at Rocglen in July 2008, with first coal production expected in November.
- The construction of the connecting haul road to the Gunnedah CHPP is on target, as is construction of site facilities.
- Rocglen production is planned to ramp up quickly to approximately 1 Mtpa, following commissioning in November.

SUNNYSIDE

- Planning Approval for Sunnyside was received in late September. The Mining Lease is expected to be granted in the very near future.
- First coal production from Sunnyside is expected in the current quarter.

CORPORATE

The following senior appointments were made in October:

- Mr Tony Haggarty has been appointed as the Managing Director.
- Mr. Andy Plummer has been appointed an Executive Director (Business Development).
- Mr. Austen Perrin has been appointed as the Chief Financial Officer.
- Mr Grieg Duncan has been appointed as the General Manager of Narrabri.
- Mr Brian Cullen has been appointed as General Manager of Technical Services.

For further information, please contact:

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