

29 October 2010

The Manager, Listings
Australian Securities Exchange
Company Announcements office

Via ASX Online

Dear Sir,

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 11.00am today.

Yours Faithfully

Timothy Burt
Company Secretary

October 29, 2010

Whitehaven Coal Limited AGM – 29 October, 2010
Chairman's Address

Ladies & Gentlemen,

I'll now discuss the company's performance for the year before handing over to Tony who will provide you with a detailed presentation on Whitehaven's operational performance and growth prospects.

This year Whitehaven cemented its position as the leading coal producer in the Gunnedah Basin. We have achieved continuing growth in our existing open cut operations and successfully commissioned our major Narrabri underground mine.

This disciplined implementation of our growth is creating ongoing value for shareholders, as well as opportunities for the communities in which we operate. Whitehaven now employs more than 420 people, making us one of the largest employers in north west New South Wales, and a significant contributor to the local and New South Wales economies.

Safety

The safety and wellbeing of our employees is critical and continues to be our number one priority. We continue to invest significant time and resources in our safety management systems and in identifying new ways to improve our safety culture and performance. Our commitment to safety has been demonstrated during the year through maintaining our Lost Time Injury frequency ratio below industry standard, and lowering our overall number of Lost Time Injuries.

Financial performance

From a financial perspective we continue to perform well. Whitehaven reported net profit after tax (NPAT) of \$114.9 million for FY2010. This included NPAT of \$59.8 million from the sale of 7.5% of the Narrabri Joint Venture and other significant items.

Underlying NPAT (before significant items) was \$55.1 million. This strong performance allowed us to declare a fully-franked final dividend of 2.8 cents per share.

More recently, Cash on hand at 30 September 2010 was \$132 million with approximately \$73 million in equipment leases and other interest bearing liabilities.

We remain confident that funding from existing cash balances, future operating cash flows and outstanding cash to be received from previously announced sales of the Narrabri Joint Venture interests will be sufficient to complete the development of Narrabri and the expansion of Whitehaven's existing open-cut mines.

Narrabri

As you are aware, Narrabri Stage 1 development is complete with a final Stage 1 cost of \$227m, as previously reported. I congratulate all of the individuals who contributed to bringing this modern, safe underground development into production.

The first of the mine's continuous miners began cutting coal in late June 2010, and the first shipment of coal left the mine by rail in late July.

Since then, we have received New South Wales State Government approval for Stage 2 of the Project. The Stage 2 longwall equipment was specified and ordered in September 2009 and delivery of the equipment has now commenced. Most of the Stage 2 equipment and construction contracts have been tendered and awarded, including the contract for the coal preparation and handling plant.

Our ongoing review of Stage 2 costs, including tendering for all major components of the work, has not identified any material change to the budget cost estimate of approximately \$300 million.

Tony will talk in more detail about the Narrabri operation in a moment and you will see a number of images which demonstrate the scale and significance of this project.

Open cut mines

Our open cut mines continued to perform well, with significant effort made to optimise their efficiency, deliver attractive products to our customers and to manage carefully our infrastructure requirements.

Management continue to develop and expand the open-cut mines and the Gunnedah CHPP to their combined design and permitted capacity of approximately 5.5 million tonnes per annum of saleable coal.

The Gunnedah CHPP upgrade is more than 90% complete at present and when commissioned, will provide additional washing capacity and enhance Whitehaven's ability to optimise coal blending and revenue from its four open-cut mines.

Infrastructure

There have been ongoing discussions surrounding the provision of transport infrastructure to the Gunnedah Basin and Hunter Valley coalfields.

Whitehaven's significant management focus on this critical aspect of the supply chain, along with our investment in NCIG, our existing rail allocations, and our investment in additional train capacity has ensured that we have appropriate infrastructure to meet our planned FY11 production and shipping targets.

Sustainability

We accept gladly our responsibilities and obligations to engage with, and participate in, the local community on many levels. Throughout the planning, development, operation and closure of our projects, Whitehaven has a strong track record of regularly engaging with relevant local communities.

In addition, our operations have contributed or agreed to commit more than \$8.5 million to community projects as well as numerous local charities and organisations. Our decision to invest in these projects has been based on consultation with local government and our desire that such contributions should benefit a broad cross-section of the community.

As Whitehaven has increased its productive capacity over the last 12 months, it has also increased its resources to ensure appropriate environmental outcomes across our range of operations.

Cobbora Project

Over the past year, the Company has been involved in discussions with the NSW Government in relation to the proposed Cobbora coal mine project. There has been press speculation in relation Whitehaven's potential involvement in this project, however I can confirm that discussions between Whitehaven and the NSW Government relating to the project have ceased.

Corporate activity

We announced in August 2010 that we had had discussions with third parties in relation to potential corporate transactions and that those discussions were preliminary and incomplete.

Since then, we have been approached by additional third parties.

In order to manage this situation effectively and minimise disruption to our day-to-day business, we have decided to undertake a formal process to determine whether a proposal is available for the company at a price and on terms that are in the best interests of all shareholders.

While we have an obligation to explore further the approaches we have had, we are extremely mindful that our business is in a growth phase and requires ongoing disciplined management, with as few distractions for our senior management as possible.

Tony will discuss the proposed process in more detail in just a moment.

Our business has significant strategic value and is one of Australia's few remaining substantial independent coal producers. There is no doubt that in the absence of any acceptable proposal emerging, Whitehaven will maintain its strong growth profile, deliver excellent operational performance and continue to create value for shareholders.

On behalf of the board and all shareholders I thank Tony Haggarty, our Managing Director, his executive team, and all our employees and contractors for their significant contribution to the Whitehaven business and its long term value.

I now invite our Managing Director, Tony Haggarty, to speak to us.



John Conde
Chairman



Whitehaven Coal Limited

Delivering Growth

Presentation to 2010 AGM

**Sydney, Australia
29 October 2010**



WHITEHAVEN COAL

Disclaimer

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



WHITEHAVEN COAL

Qualifications and Statement

Information in this report that relates to Coal Resources and Reserves is based on and accurately reflects reports prepared by the Competent Person named beside the respective information. All these persons are consultants for Whitehaven Coal Limited. Mr Colin Coxhead is a private consultant. Mr Greg Jones is a principal consultant with JB Mining Services. Mr Tom Bradbury is a full time employee of Geos Mining. Mr Chris Turvey is a private consultant. Mr Graeme Rigg is a full time employee of Runge Limited. Mr Doug Sillar is a full time employee of Runge Limited.

Named Competent Persons consent to the inclusion of material in the form and context in which it appears. This Coal Resources and Reserves statement was compiled by Mr Mark Dawson, Group Geologist, Whitehaven Coal Limited. All Competent Persons named are Members of the Australian 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, 2004 Edition).



WHITEHAVEN COAL

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- ▶ **Highlights**
- ▶ Operating and financial results
- ▶ Status of growth plans
- ▶ Outlook

Highlights - FY 2010

- ▶ **Net profit after tax (NPAT) of \$114.9 million¹**
- ▶ **Underlying NPAT (excluding Significant Items) of \$55.1 million**
- ▶ **Final fully franked dividend of 2.8 cents per share²**

- ▶ Average cost of sales per tonne down 10% from last year
- ▶ EBITDA of \$108.8 million, including \$20.2 million loss from sales of purchased coal
- ▶ Cash generated from operations of \$69.3 million
- ▶ Strong financial position at 30 June with net assets of \$1,023.2 million, including \$141.0 million cash on hand and interest bearing liabilities of \$94.9 million

Note 1. Including NPAT of \$59.8 million from the sale of 7.5% of the Narrabri Joint Venture and other Significant Items

Note 2. Record date 17 September, payment date 30 September

Operating highlights - FY 2010

- ▶ **Coal sales up 16% (equity basis)**
- ▶ **Saleable coal production up 24% (equity basis)**
- ▶ **All open cut operations performed very well in terms of safety, environmental management, production and cost control**
- ▶ **Expansion of saleable open cut coal production to 5.5 Mtpa is well advanced:**
 - ▶ Additional excavator and trucks at Werris Creek to take it to 2.0 Mtpa saleable
 - ▶ Additional excavator and trucks at Tarrawonga to take it to 1.8 Mtpa saleable
 - ▶ Rocglen increasing to 1.2 Mtpa saleable
 - ▶ Additional equipment at Sunnyside to increase to ~0.5 Mtpa saleable
 - ▶ Gunnedah CHPP being upgraded to 550 tph (~4 Mtpa), plus upgrades to crushing, screening and coal loading facilities at Werris Creek, Tarrawonga and Sunnyside
- ▶ **Narrabri Stage 1 construction complete, first coal production in June 2010**

Business development highlights - FY 2010

- ▶ Coal Resources (JORC) increased by 114% to 1,632.9 Mt
- ▶ Marketable Coal Reserves (JORC) increased by 14% to 318.1 Mt
- ▶ Purchased Vickery coal assets from Coal & Allied for \$31.5 million plus 1,150 ha of land
- ▶ Narrabri Stage 2 project approval received and construction commenced
- ▶ Narrabri longwall and associated equipment ordered, for delivery early 2011
- ▶ Concluded the sale of 7.5% interest in Narrabri JV to Daewoo/KORES for \$125 million
- ▶ NCIG Stage 1 shipped first coal in March, now ramping up to planned capacity
- ▶ NCIG Stage 2 committed in June 2010, with additional capacity expected from June 2012
- ▶ Concluded a long term contract with Port Waratah Coal Services for 3.6 Mtpa
- ▶ Concluded long term rail haulage contract with PN and acquired a new coal train
- ▶ Replaced leasing, guarantee and FX credit facilities with ANZ and Macquarie

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Coal sales and production – FY 2010

Coal sales – 000t	FY 2009	FY 2010	Change
100% Basis	4,041	4,570	+13%
Equity Share	3,562	4,133	+16%

Saleable coal production – 000t	FY 2009	FY 2010	Change
100% Basis	3,281	3,933	+20%
Equity Share	2,797	3,480	+24%
Saleable Coal Yield	92%	93%	

Full year profitability – FY 2010

Reported Financial Performance - A\$ millions	FY 2009	FY 2010
Revenue	489.3	406.8
EBITDA	136.3	108.8
NPAT before Significant Items	77.3	55.1
Net profit after tax on sale of Narrabri JV interests	184.6	80.0
Other Significant Items after tax	(17.7)	(20.2)
Reported NPAT	244.2	114.9
Earnings per share (cents per share - diluted)	60.3	24.0
Interim dividend (cents per share - fully franked)	2.8	2.8

Full year cost of sales down 10% from last year

A\$/t Free-on-board (FOB)	FY 2009	FY 2010
Coal Sales - 000t (equity basis, excl. purchased coal)	2,753	3,310
Average revenue - (excl. purchased coal & net of NSW royalties)	129.42	99.14
Average cost of sales	66.02	60.18
EBITDA	63.40	38.96
EBITDA Margin - %	49%	39%

Cash flow – FY 2010

A\$ millions	FY 2009	FY 2010
Cash generated from operations	135.6	69.3
Interest and tax payments	(13.0)	(108.8)
Net cash provided by/(used) in operating activities	122.7	(39.5)
Proceeds from sale of assets	59.0	100.7
Capital investment	(130.7)	(245.7)
Other investing activities	11.6	(1.9)
Net cash provided by/(used) in investing activities	(60.1)	(146.8)
Proceeds from issue of share capital	15.3	221.3
Proceeds/(repayment) of borrowings	(10.7)	17.2
Dividends paid	(16.8)	(42.4)
Net cash provided by/(used) in financing activities	(12.3)	196.1
Net increase/(decrease) in cash and cash equivalents	50.3	9.8
Cash and cash equivalents at 1 July	80.9	131.2
Cash and cash equivalents at 30 June	131.2	141.0

30 June financial position

A\$ millions	June 30 - 2009	June 30 – 2010
Cash	131.2	141.0
Current receivables	173.6	289.2
Other current assets	50.8	72.0
Non-current assets	651.5	849.1
Total assets	1,007.0	1,351.3
Current interest bearing loans and borrowings	33.4	37.3
Other current liabilities	179.7	187.9
Non-current interest bearing loans and borrowings	44.8	57.6
Other non-current liabilities	49.5	45.3
Total liabilities	284.2	328.1
Net assets	722.8	1,023.2
Share capital	367.4	591.2
Retained earnings	338.7	411.2
Reserves	16.7	20.8
Total equity	722.8	1,023.2

Full year capex – FY 2010

Capital Investment - \$ million	FY 2009	FY 2010
Open cut mines ¹	70.5	64.8
Narrabri ¹	91.7	126.6
New coal train	-	35.5
Exploration	-	1.5
Purchase Vickery	-	31.9
Land/other	4.3	7.7
Total Whitehaven ¹	166.5	268.0

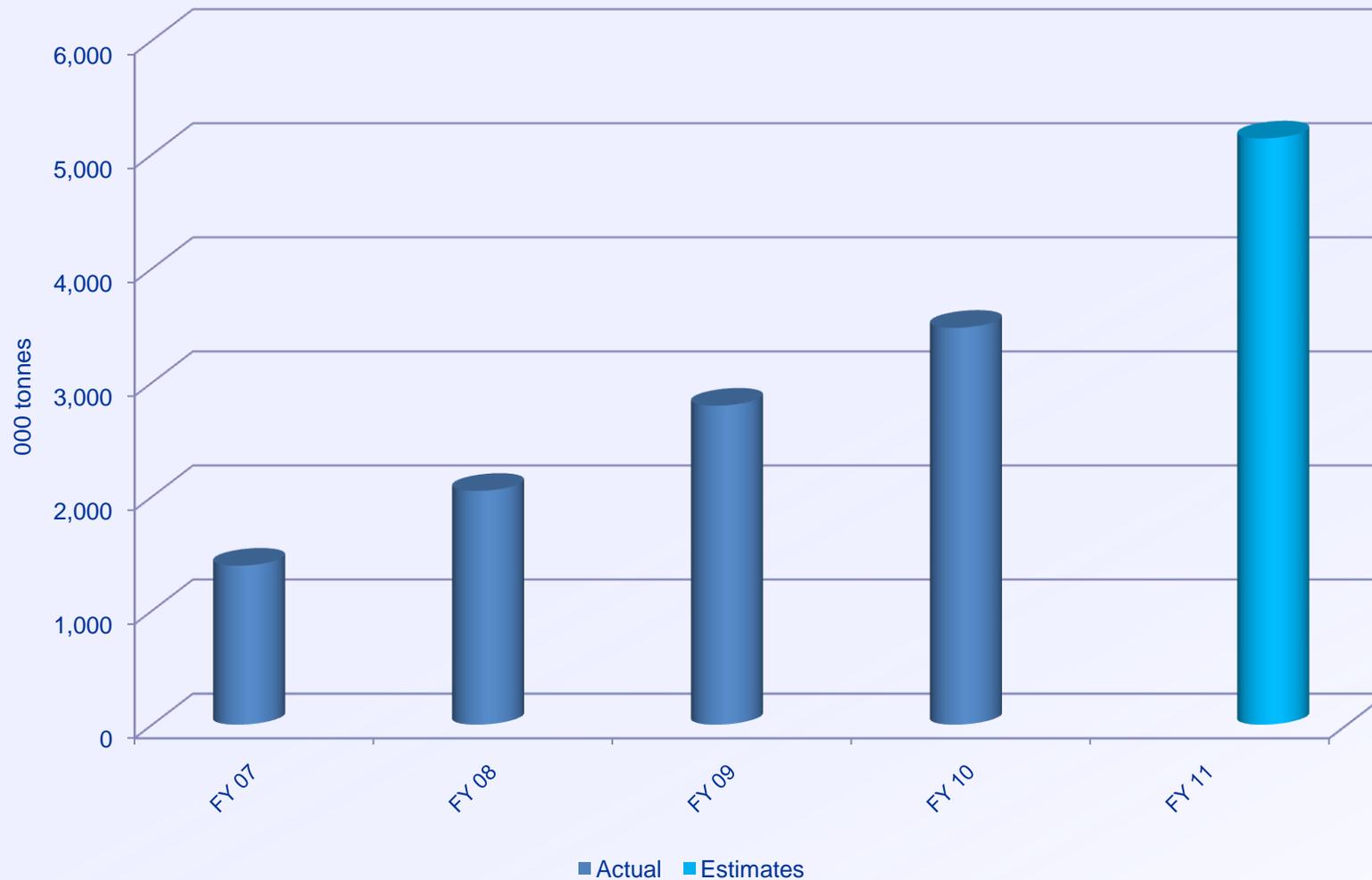
Note 1. Equity share

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Growth of our existing business continues

Saleable Coal Production - Equity Basis



Note: The estimate for FY 2011 relates to planned future events and expectations and as such involves known and unknown risks and uncertainties. Please refer to Disclaimer

Expansion of open cut mines to 5.5 Mtpa in place

► Werris Creek Mine (WHC 100%)

- Reserves to support 15 – 20 year LOM
- Permitted to 2.0 Mtpa
- PCI and thermal coals
- Saleable coal yield 100%
- Own crushing and rail load-out

► Tarrawonga Mine (WHC 70%)

- Reserves to support 15 – 20 year LOM
- Permitted to 2.0 Mtpa ROM
- PCI & high quality thermal coals
- Saleable coal yield >90%

► Rocglen Mine (WHC 100%)

- Reserves to support 8 – 10 year LOM
- Permitted to 1.5 Mtpa ROM
- Mainly thermal coals
- Saleable coal yield ~80%

► Sunnyside Mine (WHC 100%)

- Reserves to support +20 year LOM
- Permitted to 1.0 Mtpa ROM
- Thermal coals
- Saleable coal yield ~80%



Gunnedah CHPP and load-out upgrade almost complete

- ▶ **Gunnedah CHPP and rail load-out (WHC 100%)**
 - ▶ Permitted to handle and rail 4.0 Mtpa saleable coal
 - ▶ Being upgraded to handle planned 3.5 Mtpa saleable production from Tarrawonga, Rocglen & Sunnyside
 - ▶ Remaining 2.0 Mtpa saleable open cut coal will be crushed and loaded from Werris Creek



Narrabri underground mine – a world class asset

- ▶ Coal resources of 854 Mt in a single seam of 8-9 metres thick
- ▶ Current marketable reserves of 199.9 Mt based on extracting the bottom 4.2 metre section of the seam only
- ▶ Low ash, high energy, low sulphur PCI and thermal coals for the export market
- ▶ Saleable coal yield ~95%
- ▶ Planned production of 500 – 700 Ktpa from continuous miner operations while developing for longwall



Narrabri Stage 1 now producing

- ▶ First CM production 28 June 2010
- ▶ Second CM now underground
- ▶ Third and fourth CMs due to go underground in February
- ▶ All CMs deployed on development for longwall installation, due end 2011
- ▶ Gas drainage successful in reducing CO₂ levels below required outburst threshold
- ▶ Ongoing gas drainage to build up an inventory of drained coal ahead of production
- ▶ Total Stage 1 cost of \$227m



Narrabri mining conditions are good

Development roadway dimensions 5.4m wide x 3.5m high



Overcast site within the coal seam, which is 9m high

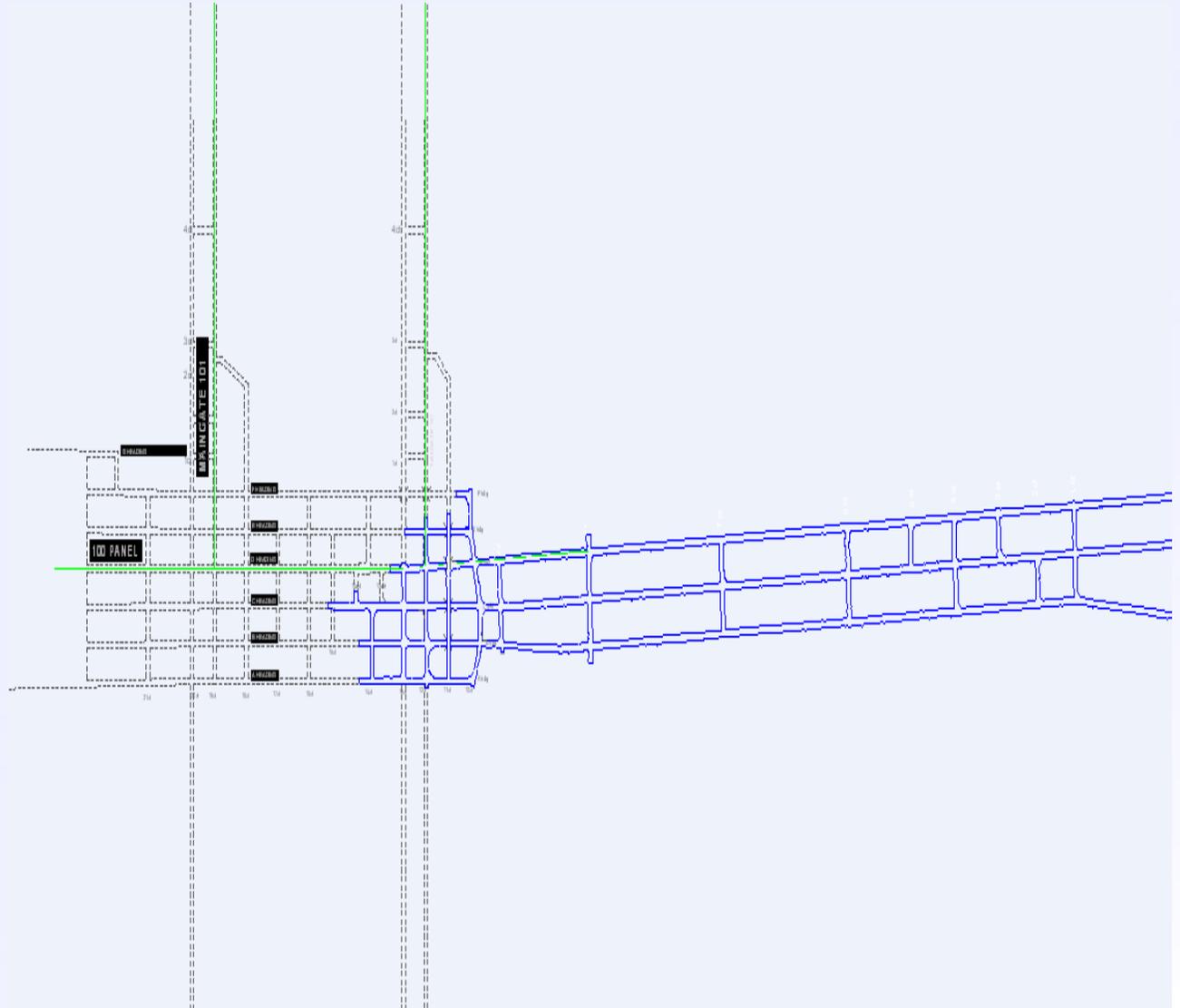


First Narrabri coal railed in July



Narrabri development for longwall #1

- ▶ Underground mining conditions are good, gas drainage is working well, mining and surface equipment is working well
- ▶ Gas drainage drilling along LW#1 has not identified any geological features
- ▶ Our current problem is recruiting enough experienced UG miners to form the core of production crews. This has reduced shifts worked and metres developed
- ▶ More than 700 people have applied for jobs, but mostly inexperienced
- ▶ Actions to address the problem include renewed recruitment efforts, contract labour and introduction of a fourth CM unit
- ▶ Current expectation is that LW start-up will be delayed by at least three months, to December 2011



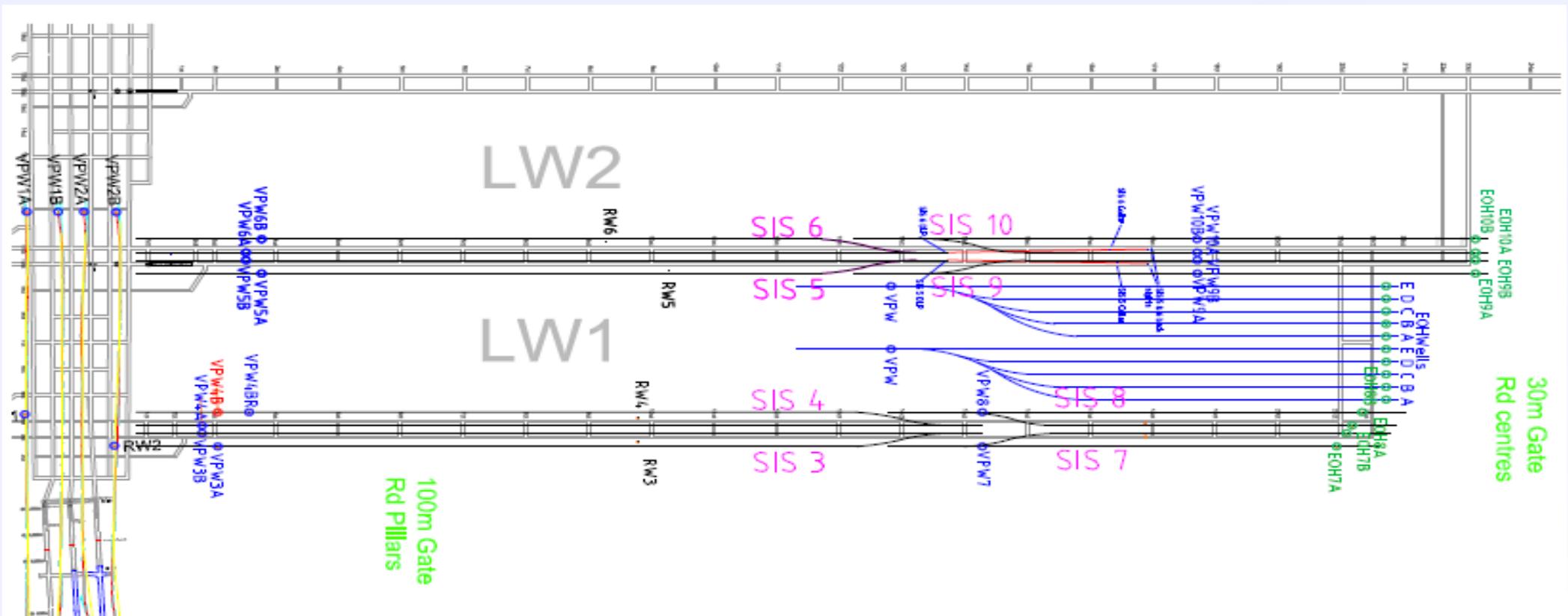
Narrabri Stage 2 progressing well

- ▶ Stage 2 approval granted by the NSW Government in August
- ▶ Longwall ordered in September 2009, delivery has commenced
- ▶ Ventilation shaft, CHPP and other key Stage 2 facilities now under construction
- ▶ Longwall currently scheduled to be installed late in 2011 for December start-up
- ▶ Stage 2 capital estimate of ~\$300 million (100% basis) remains valid following award of most Stage 2 contracts



Pre-drainage of gas using SIS and UIS methods in advance of longwall development and extraction

- ▶ Combination of surface to in-seam (SIS) and underground in-seam (UIS) drill holes are being employed to drain LW development roads and panels
- ▶ This will continue to build up an inventory of drained coal ahead of LW development and extraction
- ▶ Gas drainage drilling also provides very useful geological information



Narrabri can produce PCI coal, up to 40% of ROM

- ▶ Coal quality and washability analyses of large diameter bore-cores from Narrabri indicate potential to produce substantial quantities of PCI coal
- ▶ By adding a dense-medium cyclone (DMC) to the planned Stage 2 CHPP, indications are that ~40% of ~7.5% ash PCI coal and ~55% of ~12% ash thermal coal can be produced (i.e. total saleable coal yield of ~95%)
- ▶ If the full Narrabri seam is extracted in future using top coal caving (TCC), indications are that there is potential to produce up to 35% of ~7.5% ash PCI coal and 50% of ~15% ash thermal coal (i.e. total saleable coal yield of ~85%)
- ▶ A construction contract for the Stage 2 CHPP, including the DMC circuit, has been awarded to Sedgman and construction has commenced, with operations expected to commence in May 2011

Future potential for top coal caving

- ▶ First 2 longwall panels will mine 4.2 metre bottom section & will provide experience of caving & geo-tech characteristics
- ▶ Potential thereafter for top coal caving (TCC) which could:
 - ▶ Recover most of the 8-9 metre coal seam; increase resource recovery (+300 Mt) & extend mine life
 - ▶ Provide lower development costs (potential to reduce development CM units from 3 to 1)
 - ▶ Reduce gas management and spontaneous combustion management costs
 - ▶ Allow increase in LW production from 6 Mtpa to 9 Mtpa with low additional UG capex
 - ▶ But, would need substantial capacity upgrade to surface facilities & may require washing of full seam
- ▶ Narrabri longwall has been designed with option to retrofit TCC during a normal longwall change-out

Coal Resources up 114%, Marketable Reserves up 14%

COAL RESOURCES – AUGUST 2010 (100% Basis)

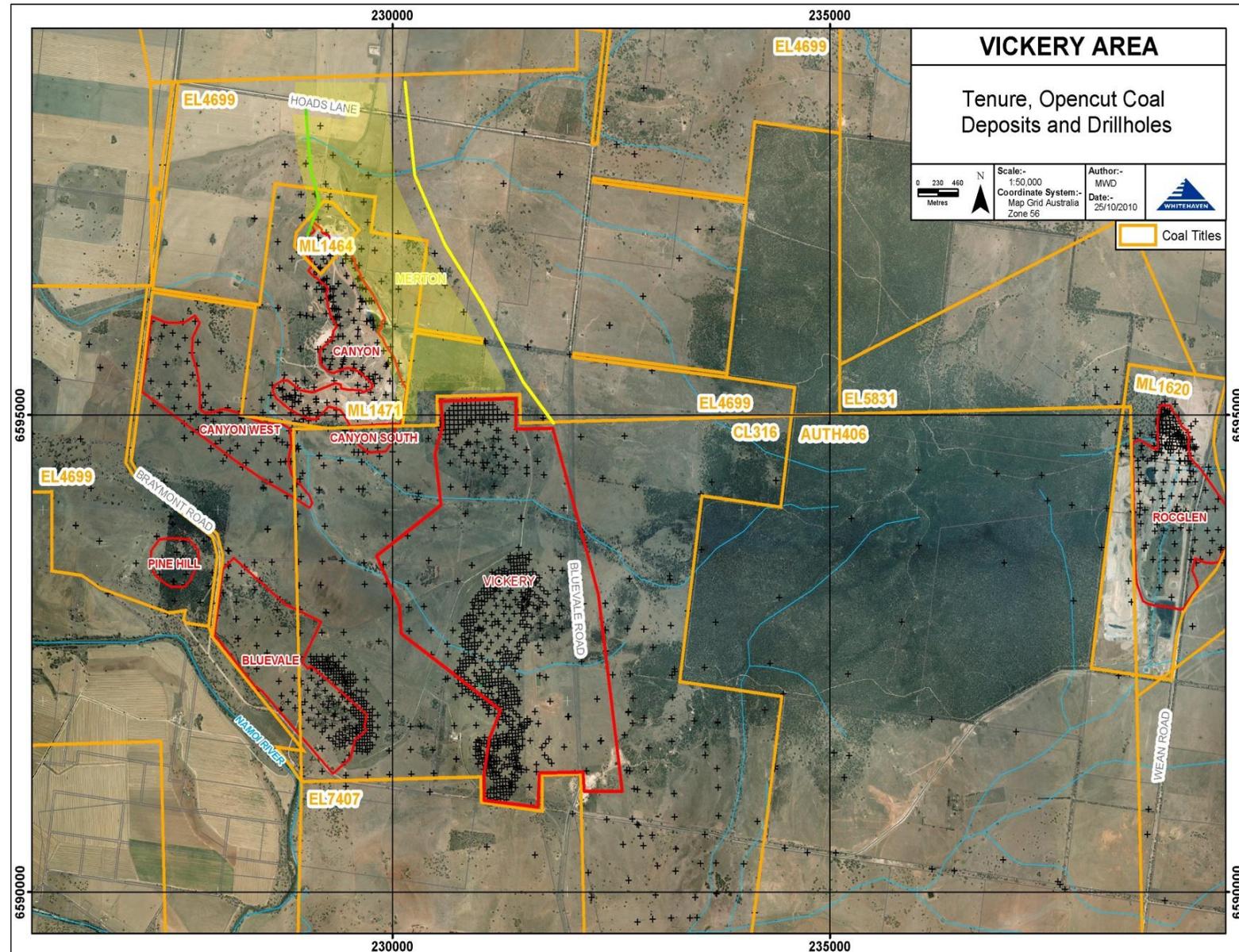
Mining District		Measured Resource	Indicated Resource	Inferred Resource	Total Resources
GUNNEDAH OPERATIONS	Open cut/Underground	94.87	301.69	339.8	736.3
WERRIS CREEK	Open cut	29.96	4.79	2.7	37.4
NARRABRI	Underground	214.6	285.0	355.0	854.6
ASHFORD	Open cut	-	2.6	2.0	4.6
TOTAL COAL RESOURCES		339.43	594.08	699.5	1,632.9

COAL RESERVES – AUGUST 2010 (100% Basis)

Mining District		Recoverable Reserves			Marketable Reserves		
		Proved	Probable	Total	Proved	Probable	Total
GUNNEDAH OPERATIONS	Open cut	23.94	61.63	85.57	22.24	58.50	80.74
WERRIS CREEK	Open cut	26.00	4.33	30.33	26.00	4.33	30.33
TOTAL OPEN CUT		49.94	65.96	115.90	48.24	62.83	111.07
GUNNEDAH OPERATIONS	Underground	-	7.7	7.7	-	7.1	7.1
NARRABRI	Underground	90.7	128.9	219.6	85.4	114.5	199.9
TOTAL UNDERGROUND		90.7	136.6	227.3	85.4	121.6	207.0
TOTAL COAL RESERVES		140.64	202.56	343.2	133.64	184.43	318.1

Vickery has a large resource of high quality coal

- ▶ Initial open cut (OC) resource (JORC) of 272.7 Mt, plus a 22.0 Mt underground resource
- ▶ Coal seams at Vickery contain a range of semi-soft coking and high quality thermal coals
- ▶ Previous coal quality analysis indicates a 95% yield of low ash (~6-8%) saleable coal
- ▶ Work at Vickery is now focussed on defining a mine plan & completing associated studies to support an OC mine producing ~5 Mtpa saleable coal for at least 15 years



Rail infrastructure to meet Whitehaven's growth

- ▶ Whitehaven (60%) and Idemitsu (40%) have sponsored RIC and ARTC investments which have increased rail track capacity north of Muswellbrook, to meet the needs of Whitehaven and Idemitsu. This program is continuing
- ▶ In return, Whitehaven and Idemitsu have rights to track capacity north of Werris Creek, under the terms of a deed with RIC. An agreement is also in place with ARTC regarding capacity south of Werris Creek
- ▶ Further track upgrade opportunities have been identified to increase rail capacity to ~ 20 Mtpa, however capacity beyond this will require additional investment for a new alignment across the Liverpool Range
- ▶ ARTC does not believe the Liverpool Range will constrain future track capacity growth and has identified an option to duplicate existing track in stages to match mine development and port expansions.
- ▶ Gunnedah Basin coal producers have formed a project group, led by ARTC, to define and cost the Liverpool Range upgrade, with the objective of being ready for construction to meet future demand
- ▶ Whitehaven has purchased a new 5,400 tonne coal train and entered into a long term haulage agreement with PN which includes the provision of further new trains as required

Rail infrastructure to meet Whitehaven's growth



Port infrastructure to meet Whitehaven growth

▶ Existing PWCS Terminal

- ▶ Whitehaven has secured 3.6 Mtpa of existing PWCS capacity

▶ Newcastle Coal Infrastructure Group (“NCIG”)

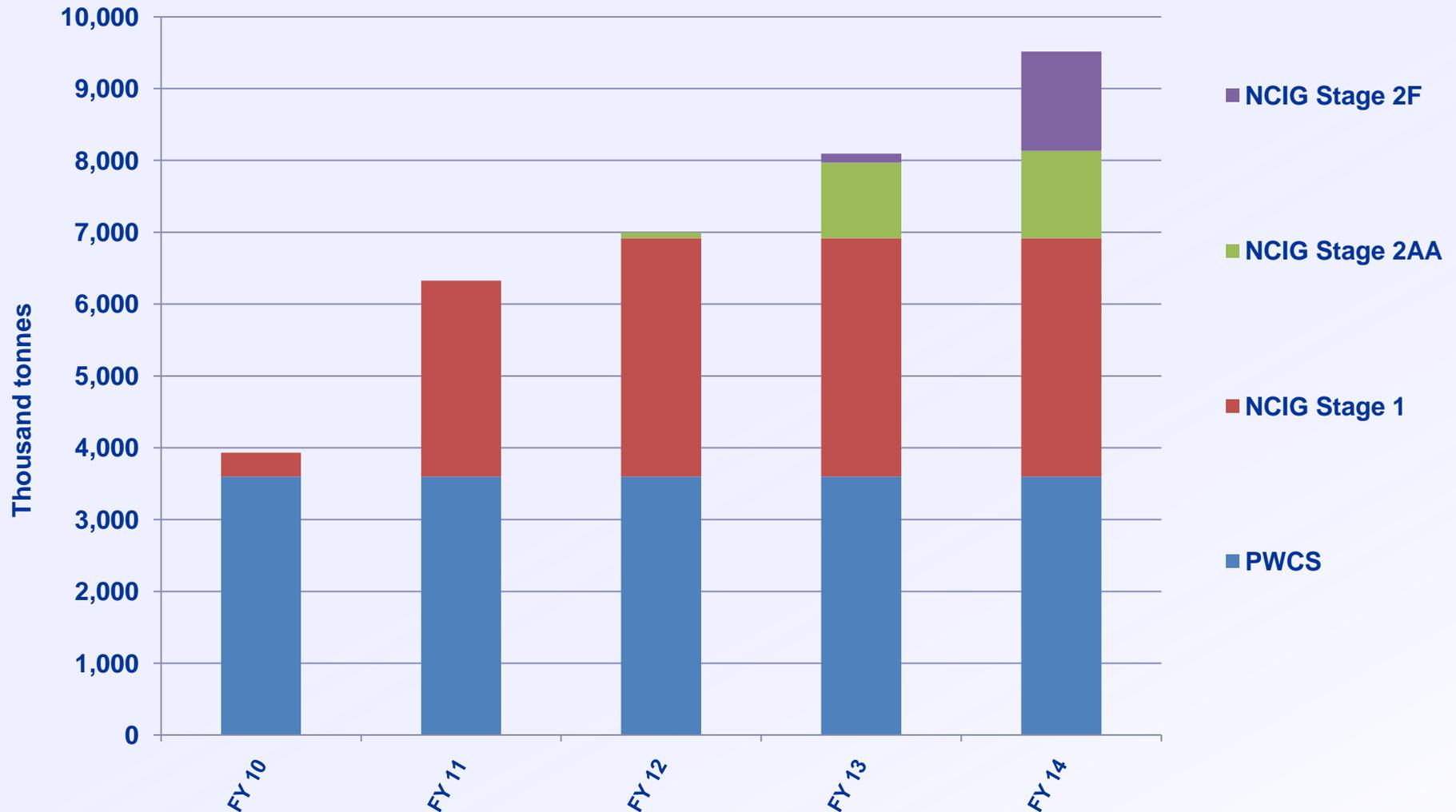
- ▶ Whitehaven owns 11% of NCIG....Stage 1 was commissioned in March 2010. Stage 1 capacity of 30 Mtpa is available to NCIG members pro-rata to shareholding
- ▶ Stage 2AA capacity of a further 23 Mtpa is now committed and is expected to become available in mid-2012. Of this, 12 Mtpa has been to be made available to non-NCIG shippers
- ▶ The balance of Stage 2 (Stage 2F), a further 13 Mtpa of capacity, is expected to be available in mid-2013

▶ Producer Agreement for port access

- ▶ In late 2009, the NSW Government (Newcastle Ports Corporation), reached a Capacity Framework Agreement with PWCS and NCIG to manage future access to Newcastle coal port capacity
- ▶ Under this agreement, port capacity to service future mine expansion and new mine developments will be provided by a fourth coal terminal on Kooragang Island (T4), to be built by PWCS
- ▶ A project team has been formed to progress T4. Depending on producer demand, T4 may be available by around 2016

Whitehaven's existing port capacity entitlement

WHC – EXPECTED PORT CAPACITY BUILDUP ¹



1. These estimates relate to planned future events and expectations and as such involve known and unknown risks and uncertainties. Please refer to Disclaimer

NCIG Stage 1 now fully operational, but limited to Panamax ships until late 2011



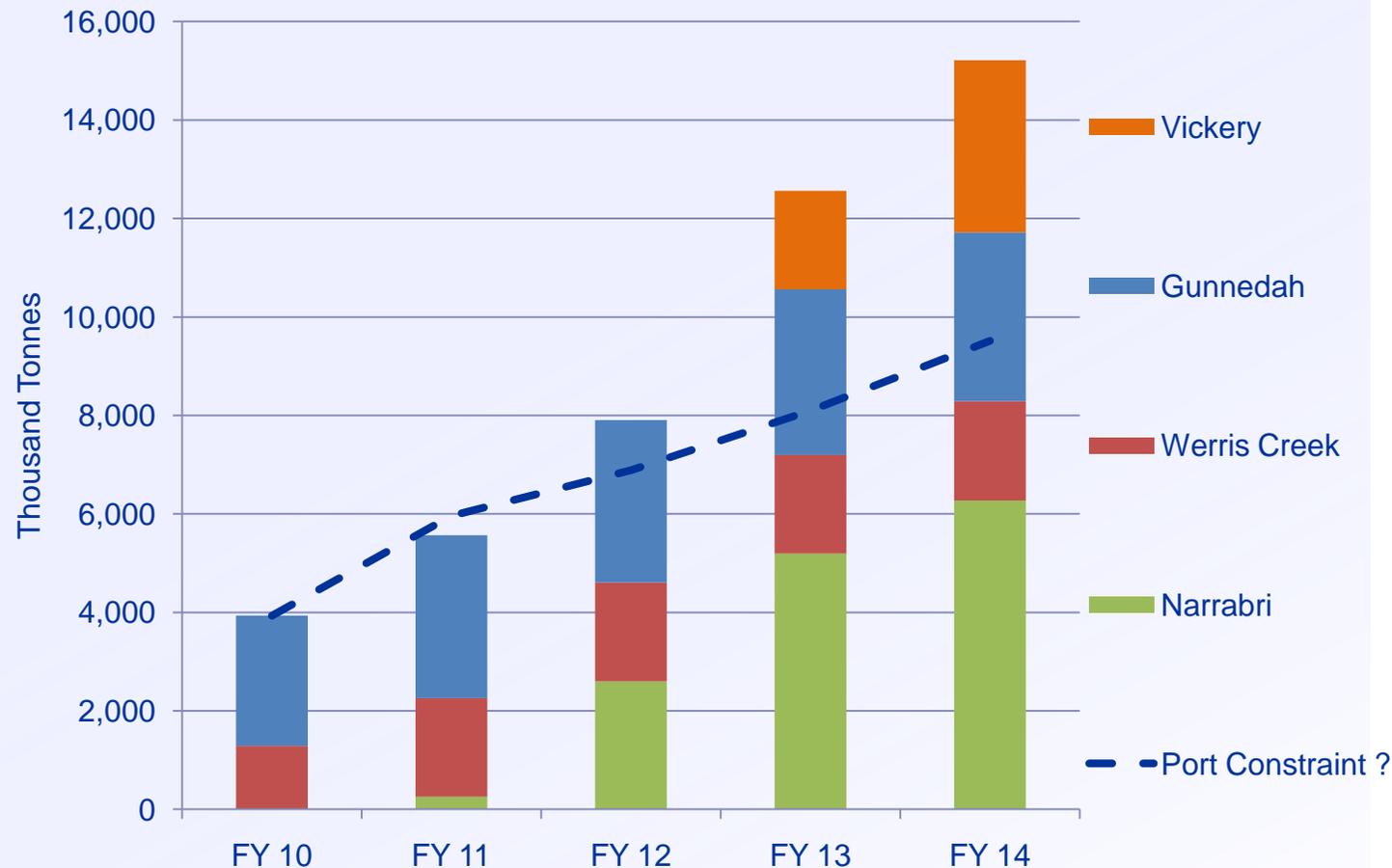
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Low-risk open cut production base with substantial growth from Narrabri UG and Vickery OC

- ▶ Four existing OC mines can produce up to ~5.5 Mtpa for 20 years
- ▶ Total WHC saleable production capacity expected to be ~11.5 Mtpa by FY 2013 (~5.5 Mtpa from existing mines and ~6 Mtpa from Narrabri)
- ▶ Potential to grow to more than 15 Mtpa saleable by adding Vickery OC
- ▶ Growth may be constrained in the medium term by port capacity, but there may be opportunities to access additional capacity in next few years
- ▶ T4 likely to be available from 2016
- ▶ 11% ownership of NCIG is an important asset
- ▶ WHC has invested in rail track and train capacity upgrades to support growth plans

WHC - SALEABLE PRODUCTION CAPACITY VS PORT CAPACITY ¹ - BY FY

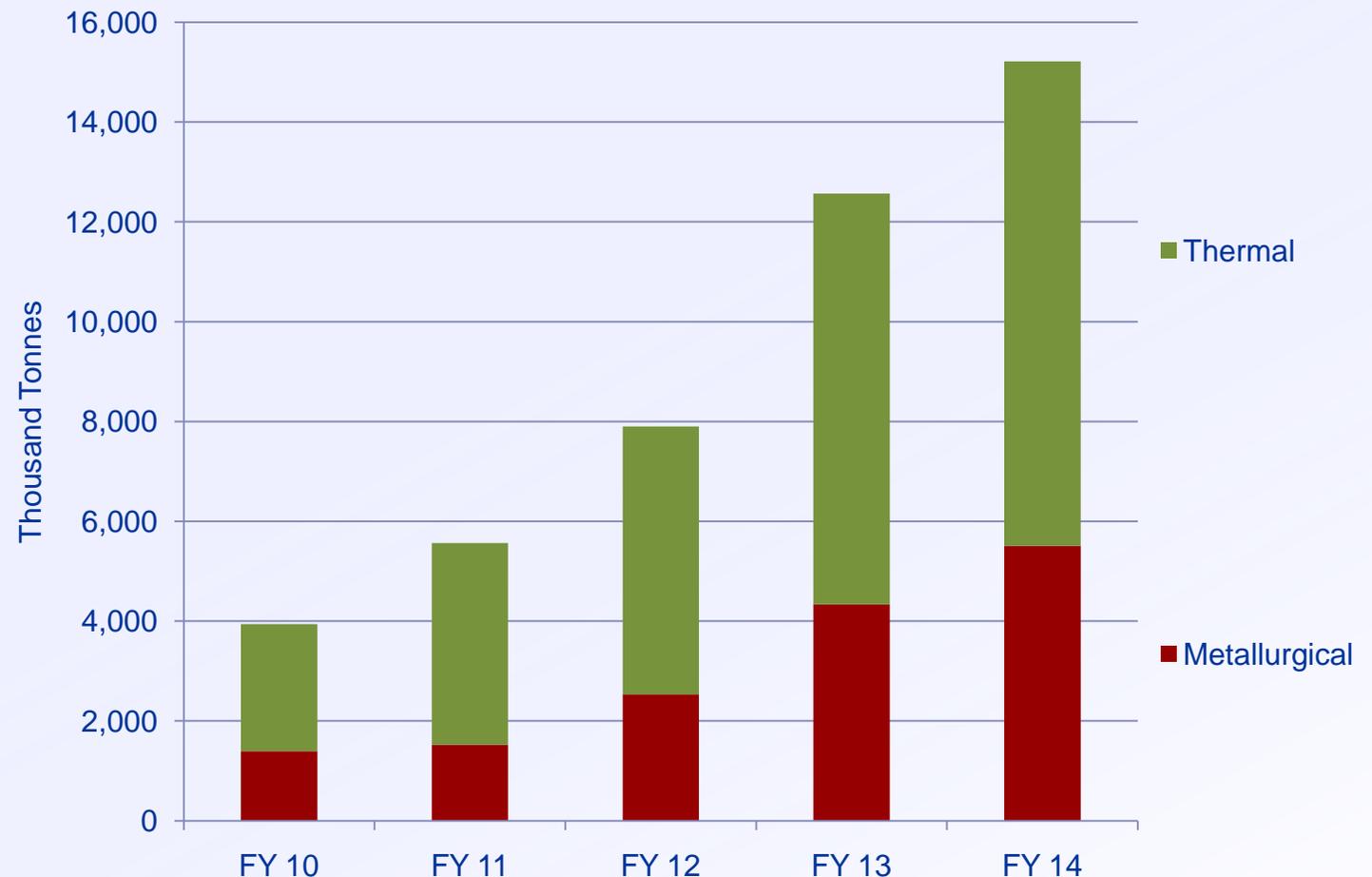


1. 100% basis. These estimates relate to planned future events and expectations and as such involve known and unknown risks and uncertainties. Please refer to Disclaimer

Potential to produce up to 40% metallurgical coal

- ▶ Currently producing 80% metallurgical coal from Tarrawonga and 15% from Werris Creek
- ▶ Indications are that Narrabri can produce up to 40% PCI
- ▶ Coal quality analysis at Vickery indicates up to 50% semi-soft coking coal, plus PCI and high quality thermal

SALEABLE PRODUCTION CAPACITY
METALLURGICAL & THERMAL COAL



1. 100% basis. These estimates relate to planned future events and expectations and as such involve known and unknown risks and uncertainties. Please refer to Disclaimer

Fixed price coal contracts and fixed FX status

- ▶ “Legacy” thermal coal contracts of 5.38 Mt remain during FY 11 and FY 12, average price US\$68.35/t. Otherwise, US\$ coal prices are currently only fixed for the short term
- ▶ Whitehaven currently has a total FX fixed position of US\$507m at an average exchange rate of 0.8129 US\$:A\$
- ▶ Approximately 100% of FY 2011 fixed price sales are covered by FX contracts at ~0.81 A\$/US\$
- ▶ Approximately 100% of FY 2012 fixed price contracts are covered by FX contracts at ~0.825 A\$/US\$

	FY 2011		FY 2012		TOTAL	
	000 t	US\$/t	000 t	US\$/t	000 t	US\$/t
Legacy contracts	3,935	66.48	1,446	73.43	5,381	68.35
Other fixed price contracts	510	142.12	-	-	510	142.12
Total fixed price Contracts	4,445	75.15	1,446	73.43	5,891	74.73

Coal market outlook

- ▶ Demand for metallurgical and thermal coal remains strong
- ▶ Supply still constrained by infrastructure and ever-increasing “red tape” and “green tape”
- ▶ Current spot coal prices – US\$ FOB
 - ▶ Hard coking coal ~\$200/t
 - ▶ Newcastle semi-soft/PCI ~\$140/t
 - ▶ Newcastle thermal ~\$102/t
- ▶ Forward thermal coal prices are also strong, \$104/t for Cal 2011 and \$105/t for Cal 2012 and \$108/t for Cal 2013

Growth plans are well funded

Capacity to fund new opportunities

- ▶ Major capital needs are more than covered by cash on hand and proceeds from the sale of Narrabri JV interests
- ▶ In addition, net cash flow from operations is available to service working capital and dividends
- ▶ The Whitehaven balance sheet also has substantial capacity for debt, should attractive investment opportunities arise

Major Cash Needs

A\$ million

Narrabri Stage 2	210
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Open cut expansion	50
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Other	50
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310

Major Cash Sources

Cash on hand	141
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Narrabri JV sale proceeds	249
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Equipment leasing	120
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510

Looking further ahead

- ▶ **Strong fundamental growth in demand for coal remains (both metallurgical and thermal)**
- ▶ **Whitehaven is well positioned**
 - ▶ Large resources and reserves of high quality coal
 - ▶ Mix of metallurgical and thermal coal products
 - ▶ Efficient, flexible open cut mines, competitive costs
 - ▶ Substantial growth from Narrabri and Vickery
 - ▶ Established rail and port capacity with 11% share of NCIG
 - ▶ Good portfolio of long term coal sales contracts to support growth profile
 - ▶ Strong financial position
 - ▶ Excellent platform for future corporate growth

Possible corporate transaction?

- ▶ As reported to shareholders in August, Whitehaven had discussions with third parties in relation to potential corporate transactions, following unsolicited approaches. These discussions are preliminary and incomplete
- ▶ In view of the ongoing interest being shown in the company, the Board believes that it should undertake a process to determine whether a proposal is available for the company at a price and on terms that are in the best interests of all shareholders
- ▶ In order to manage this situation effectively and minimise disruption to Whitehaven's ongoing business, the Board has decided to undertake a process where selected parties will be invited to conduct due diligence and submit proposals to the Board for consideration
- ▶ This process may take a number of months and may or may not result in a proposal being made or recommended by the Board
- ▶ In the absence of any acceptable proposal emerging, Whitehaven will continue to implement its growth plan and create value for shareholders



Whitehaven Coal Limited

Delivering Growth

Presentation to 2010 AGM

**Sydney, Australia
29 October 2010**



WHITEHAVEN COAL