

# ASX ANNOUNCEMENT

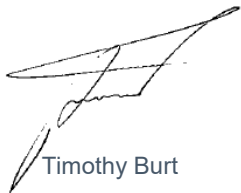
26 August 2020

## FY20 Results Presentation

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Attached is Whitehaven Coal Limited's FY20 Results Presentation

Yours Faithfully,



Timothy Burt

**General Counsel & Company Secretary**

*Authorised for release by the Board of Whitehaven Coal Limited*

# FY2020 Full Year Results Presentation

26 August 2020



WHITEHAVEN COAL

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# Disclosure

## **FORWARD LOOKING STATEMENTS**

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.

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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 AUSTRALIA PTY. TROY TURNER IS THE MANAGING DIRECTOR OF XENITH CONSULTING PTY LTD.

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THIS DOCUMENT IS AUTHORISED FOR RELEASE TO THE MARKET BY THE BOARD OF WHITEHAVEN COAL LIMITED.



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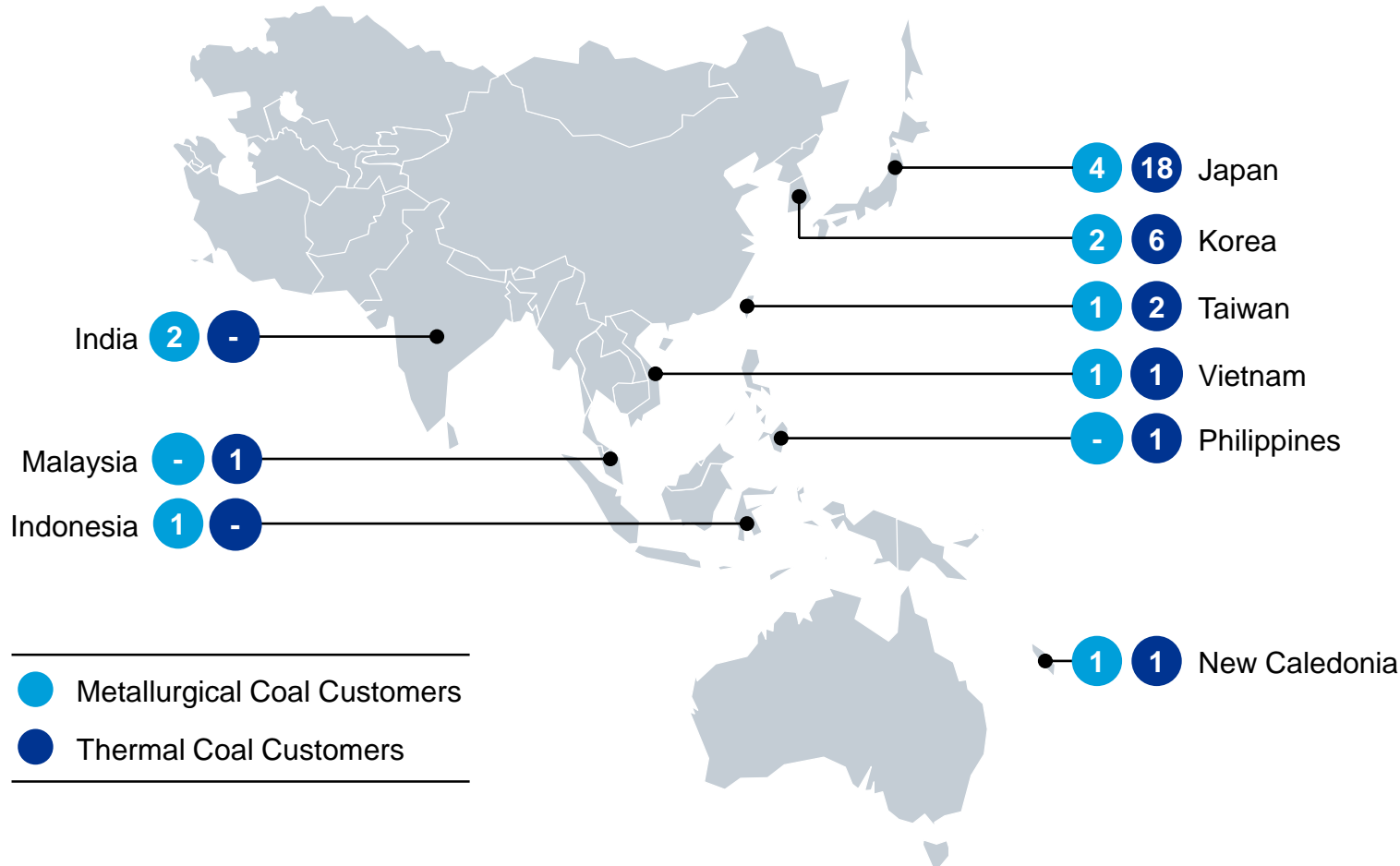
Appendices



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# Whitehaven's markets

# Whitehaven's customer base is in Asia



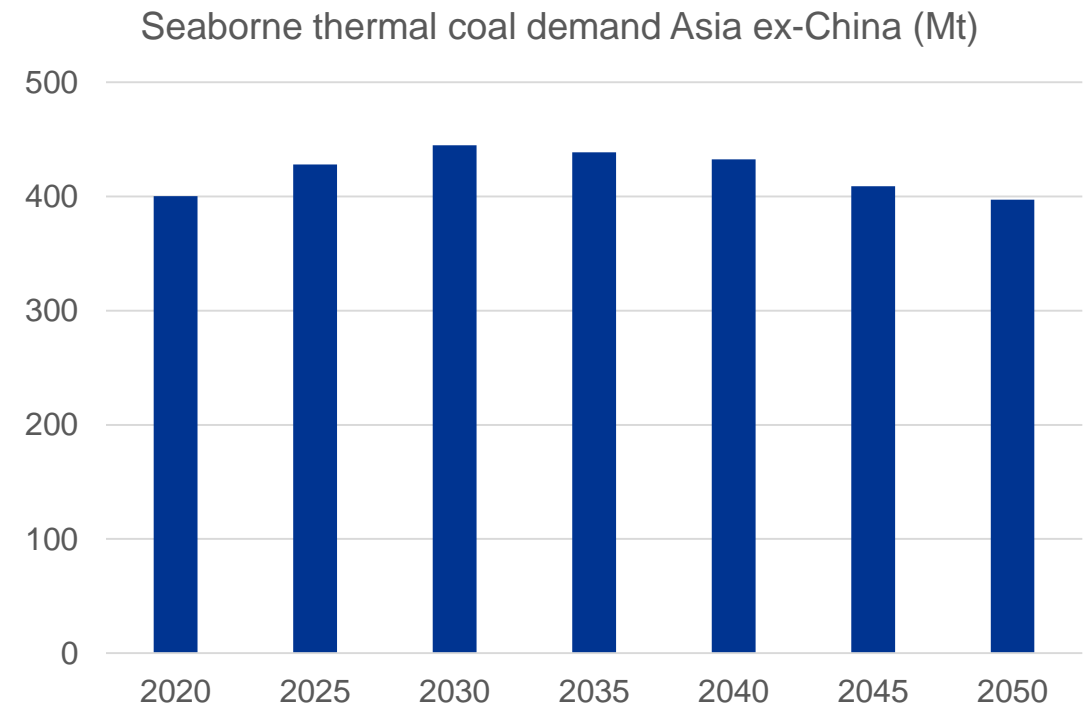
- Whitehaven's coal products are exported to Asia
- Our coal products are used:
  1. In high efficiency, low emission (HELE) electricity generation
  2. to make steel and
  3. in nickel smelting and other industrial applications

# The future of coal in Asia

## Continuing demand for high quality coal

*“Coal demand in Southeast Asia is forecast to grow by more than 5% per year through 2024, led by Indonesia and Vietnam. The region’s strong economic growth will drive electricity and industrial consumption, which will both be fuelled in part by coal. South Asian countries are also in need of more electricity supply for the growing populations, and they are often turning to coal to provide it.” IEA Coal 2019 Report*

*“Given the continued growth of coal in emerging economies, particularly across Asia, coal will remain an integral contributor to the energy mix and for industry development for the foreseeable future.” BP Statistical Review of World Energy 2020*



Source: IHS Markit and © 2020 IHS Markit

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# Our business has a strong future

High quality product portfolio aligned to forecast demand in nearby markets

- Our strategy is to own and operate large, lower cost mines, producing a mix of high quality thermal and metallurgical coal.
- One of our objectives is to meet projected increases in energy demand in our near region while making a practical contribution to global carbon emissions reduction efforts.
- Whitehaven provides clear and meaningful disclosure on its climate-related business resilience, and reports against the voluntary framework of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD).
- Whitehaven exhibits long-term resilience and value generation in a range of decarbonising scenarios, including the International Energy Agency's (IEA) 2-degree Sustainable Development Scenario (SDS), which is aligned with the *Paris Agreement*
- It is evident that under the three main policy scenarios presented by the IEA (including the Sustainable Development Scenario), there will continue to be a global demand for coal.

## We exist in a supportive policy and regulatory environment

*"In the medium term demand [for coal globally] is likely to remain relatively stable. Some developing countries in South East Asia and elsewhere are likely to increase their demand for thermal coal as they seek to provide access to electricity for their citizens...Ending or reducing NSW thermal coal exports while there is still strong long-term global demand would have little to no impact on global carbon emissions [given alternate sources]...would be lower quality compared to NSW coal."*

*NSW Government Strategic Statement on the Future of Coal Exploration and Mining in NSW*



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# COVID-19 impacts

## Impact has been on coal prices

- Whitehaven has not recorded any cases of COVID-19 among our workforce. Our location in regional NSW is a benefit. Our mines have continued to operate largely unaffected by COVID-19. Total 'direct' cost ~\$1m
- gC Newcastle thermal coal pricing headwinds emerged in April, weak USD has compounded the impact on A\$gCNewc prices
- Metallurgical coal markets - port closures in India and blast furnaces being idled in northern Asia in H2FY2020 have caused metallurgical coal customers to defer some shipments
- China import policy for coal is unclear. Record levels of year-on-year coal import growth from Australia but uncertainty of the availability of coal quota weighs on seaborne thermal coal prices and has widened the spread between domestic China coal prices and the seaborne API5 (5500kcal) market
- Early signs of a turnaround in the global energy complex with JKM (Asian LNG) October contract prices being priced higher

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# FY20 Results

# FY20 operational and financial highlights



## Production

20.6Mt  
managed ROM  
production



## Safety

4.13 TRIFR<sup>1</sup>  
a company  
record



## Vickery Expansion Project

IPC approval  
received



## Earnings

\$306m  
EBITDA



## Liquidity

\$468.8m



## \$1bn Senior Debt Facility

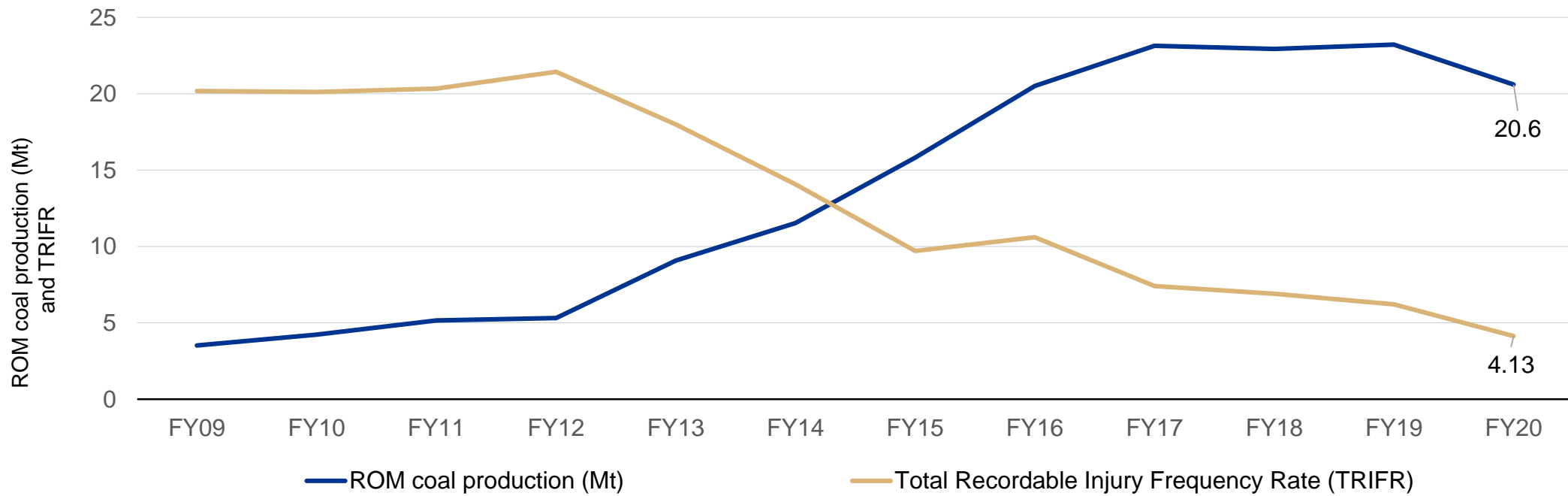
refinanced to  
July 2023

<sup>1</sup> Total recordable injury frequency rate (TRIFR) - the number of injuries (excluding fatalities) requiring medical treatment per million hours worked within an organisation

# Record safety performance

Safety is always a key focus for us

- Record safety performance – Whitehaven recorded a TRIFR of 4.13 as at 30 June 2020





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# Environmental management

## Rehabilitation in progress

During FY20, we undertook significant rehabilitation and offset-related work, including:

- rehabilitating 103 hectares of land
- planting 106,917 trees in offset areas
- revegetating 1,709 hectares of land in offset areas
- Sunnyside and Rocglen Mines rehabilitation

**Sunnyside July 2018**



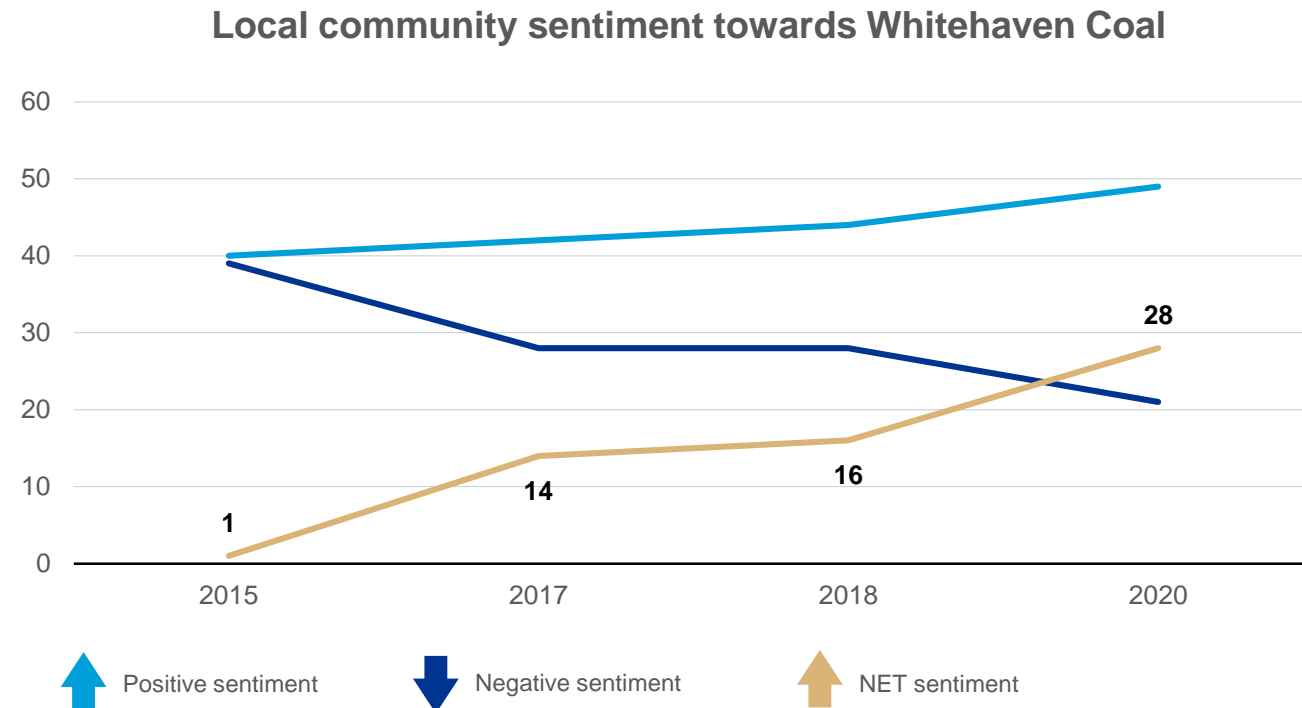
**Sunnyside August 2020**



# Local communities increasingly view us positively

Drivers of the statistically significant increase in positive, and decrease in negative, sentiment include growing community recognition of:

- Local employment – 75% of the workforce living around our operations; 9% of workforce identifies as Indigenous; \$126m+ in wages and salaries in FY20
- Local procurement – \$365m+ in FY20 alone
- Community support – \$412k in FY20, supporting long-term partnerships across education, health and Indigenous programs



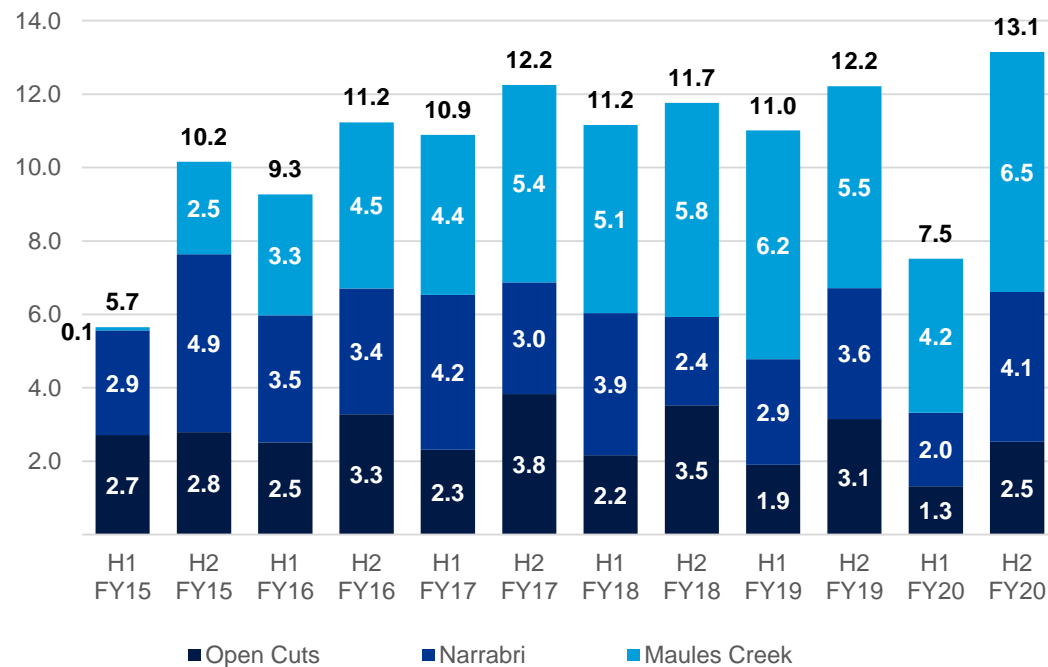
Source: Independent quantitative research conducted by Newgate Research. Base: All participants who are aware of Whitehaven Coal: 2020 (n=561), Tamworth (n=134), Gunnedah (n=145), Narrabri (n=143), Liverpool Plains (n=139). 2018 (n=568), 2017 (n=565). 2015 (n=574).

# ROM coal production and sales

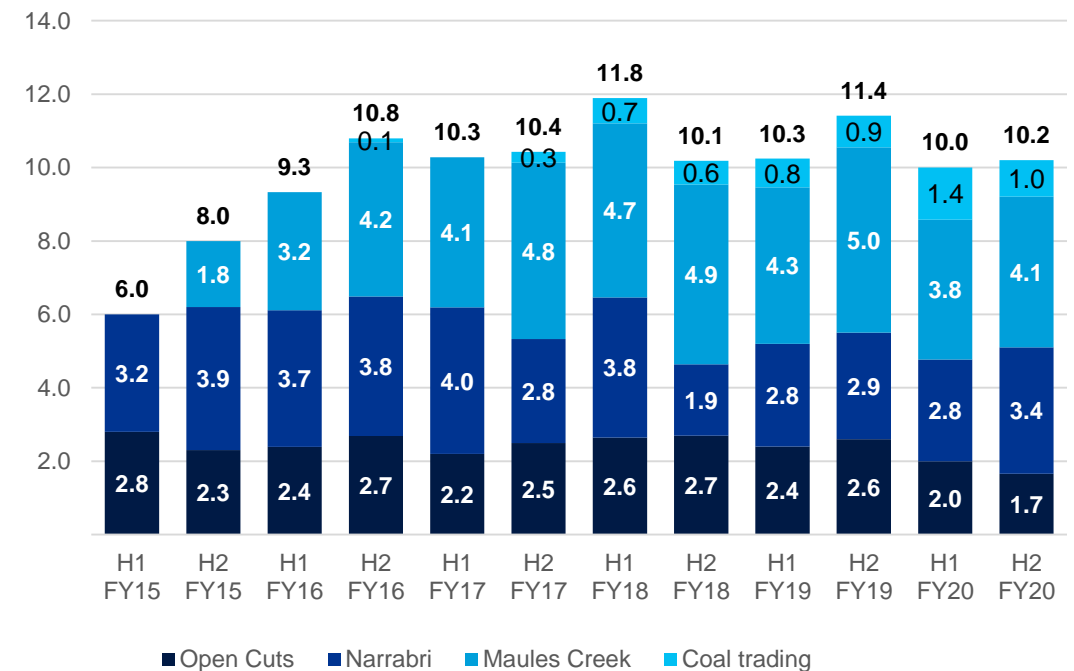
FY20 ROM production impacted by operational challenges

FY20 Sales supported by stock draw downs and coal trading

Whitehaven Managed ROM Coal Production (Mt)



Whitehaven Managed Coal Sales (Mt)

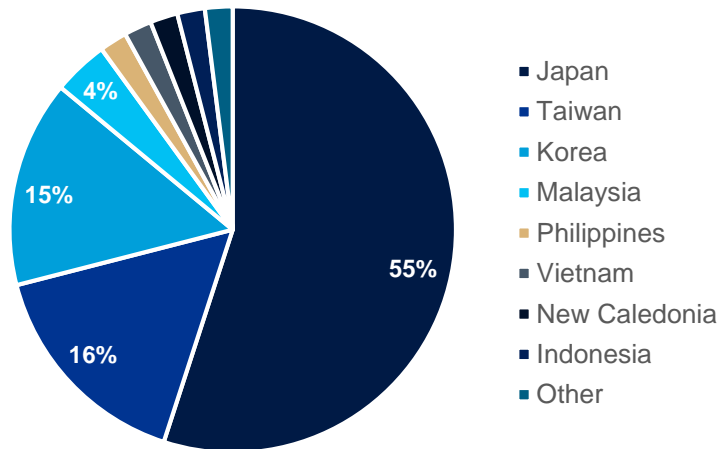


Note: Figures reflect continuing operations and discontinued Sunnyside Mine and Rocglen Mine, both of which have transitioned into rehabilitation

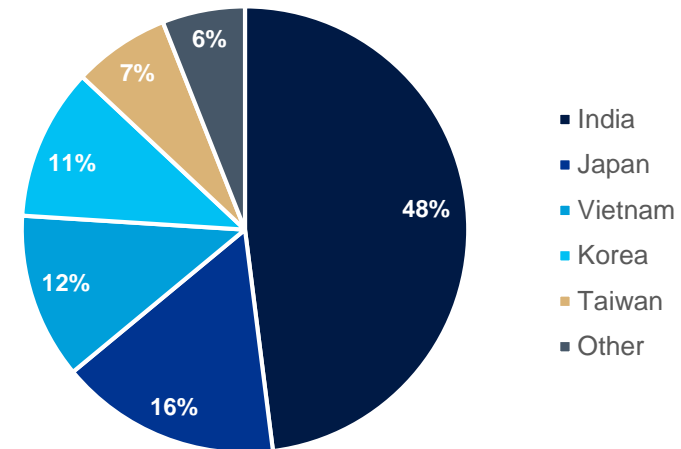
# Premium product sales into premium markets

- We produce and sell high quality coal products into premium Asian markets
- Managed coal sales, including purchased coal, were 20.2Mt<sup>1</sup> for the year (17.2Mt thermal and 3.0Mt metallurgical)
- Sales into the growth markets of South East Asia<sup>2</sup> accounted for 11% of total sales for the year

Thermal Coal Sales FY20



Metallurgical Coal Sales FY20



<sup>1</sup> Includes domestic sales of 0.1Mt and sale related to Rocglen and Sunnyside mines which are now in rehabilitation

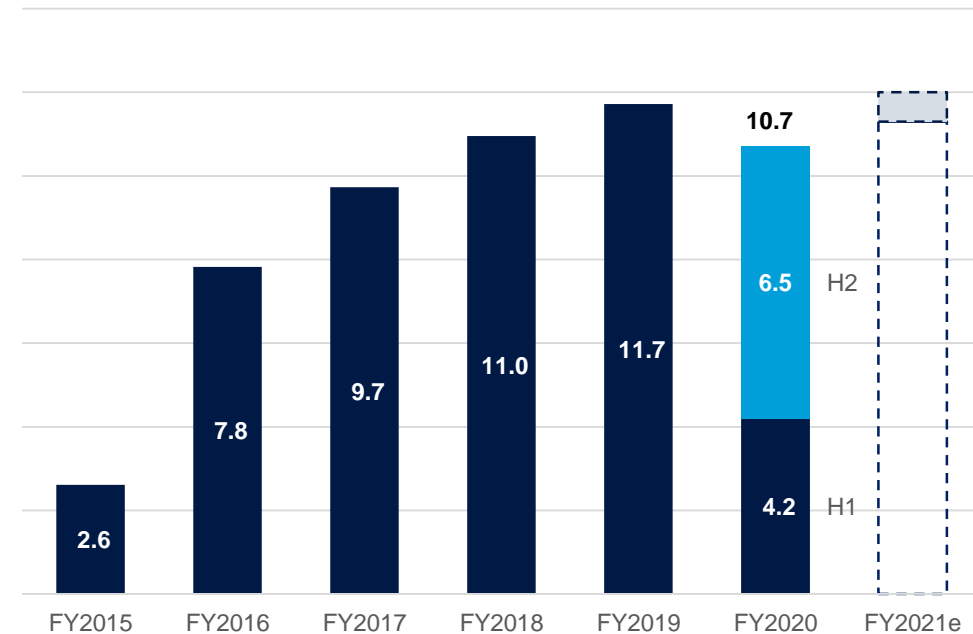
<sup>2</sup> Vietnam, Malaysia, Philippines, Indonesia



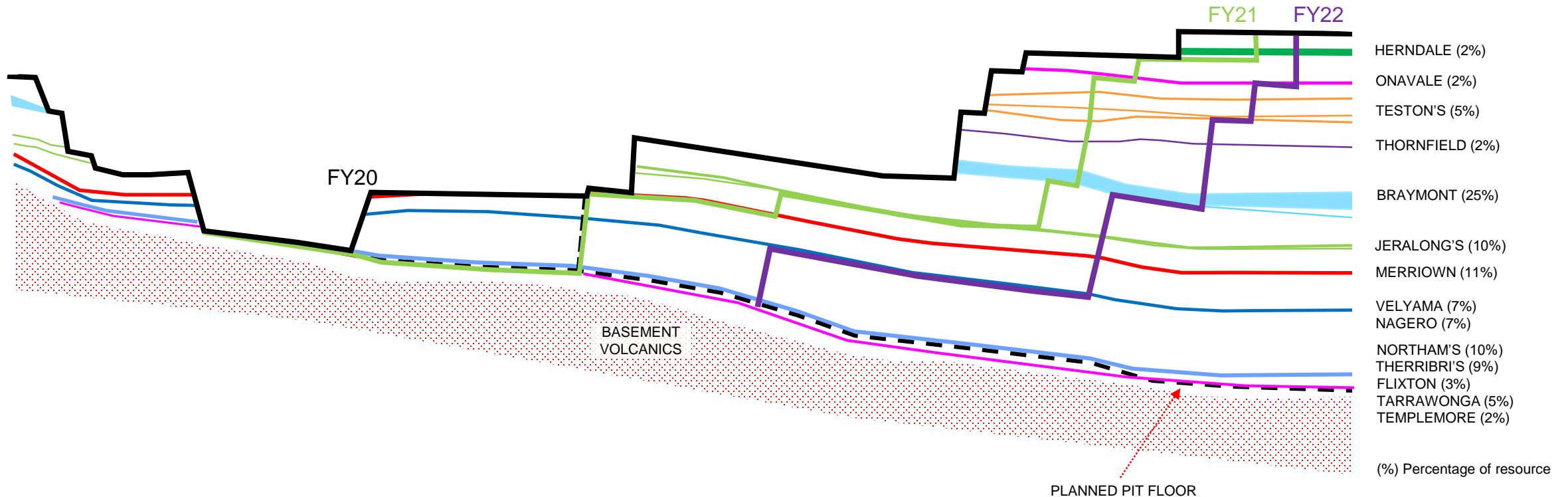
# Maules Creek

- For FY20 managed ROM production was down 8% at 10.7Mt vs pcg of 11.7Mt
- During the year, Maules Creek operations were impacted by the previously reported labour shortages, and dust and smoke events associated with drought conditions and regional bushfires in the December quarter of 2019
- Record production was achieved in the final quarter of the year reflecting the planned access to the high yielding Braymont seam, a return to a full roster of labour and improved excavator productivity
- 7 x 24 hour operation of the first overburden autonomous haulage (AHS) fleet commenced
- The second AHS fleet is scheduled to be commissioned in Q3 FY21, with the remaining three fleets to be rolled out over the following 18 months

Managed ROM Coal Production (Mt)



# Maules Creek geological X-section

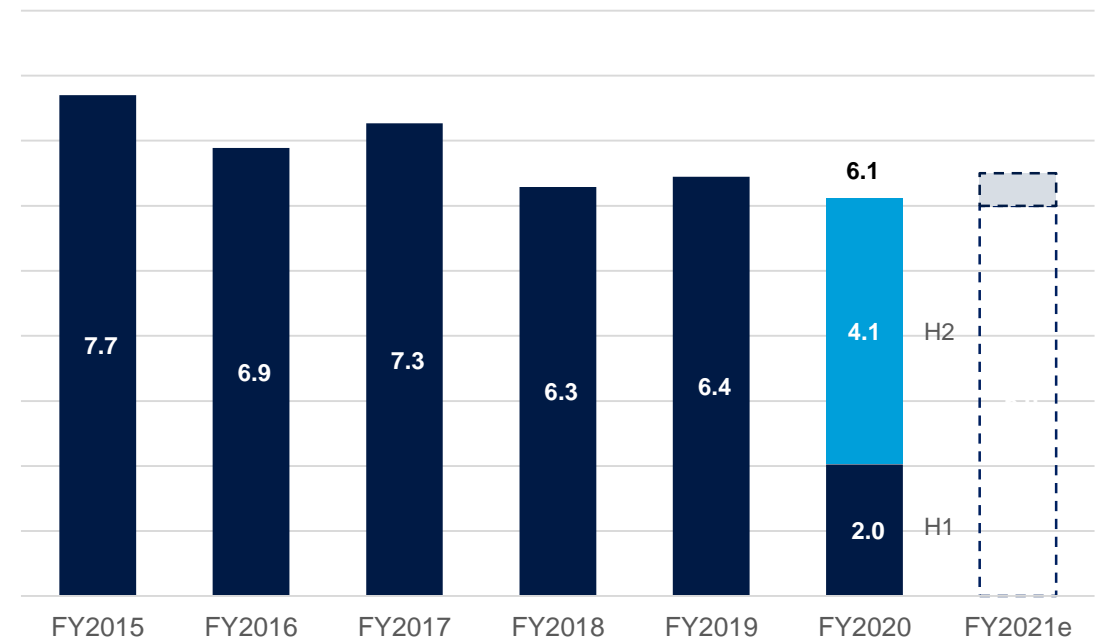


- Maules Creek reached pit bottom in the first of three planned locations. Access to pit bottom will create in-pit dump space and will deliver shorter overburden haulage distances and elevations. In-pit dumping is expected to increase to 100% of overburden material in FY23. The transition to 100% in-pit dumping will increase operational productivity and decrease unit costs

# Narrabri

- For FY20 managed ROM production was down 5% at 6.1Mt vs pcip of 6.4Mt
- In April Narrabri recorded 1.0Mt ROM production – the second time in its history that it has recorded a million tonne month
- Q2 FY20, 8 week longwall change-out from LW108 to LW109 saw the 398 leg cylinders in the longwall face supports replaced providing 26% more roof support capacity
- Longwall move to LW110 is scheduled for Q3 FY21
- Acquisition of EDF Trading Australia Pty Ltd during the year brought Whitehaven's interest in Narrabri to 77.5%<sup>1</sup>

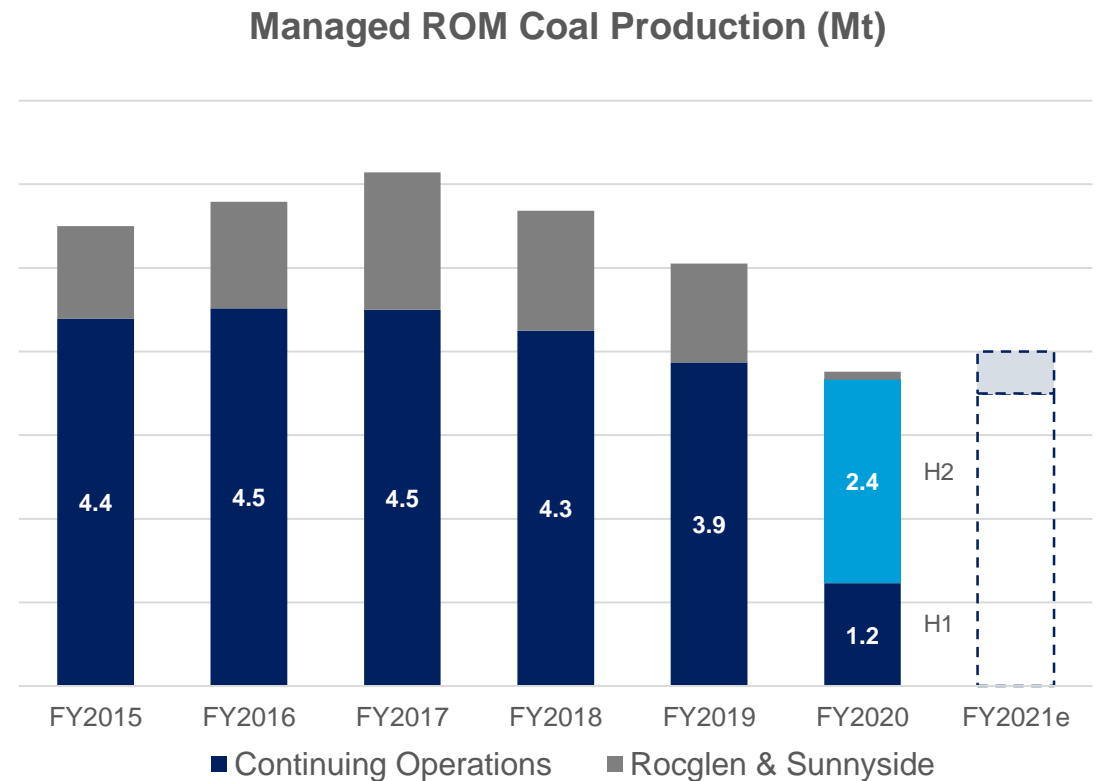
Managed ROM Coal Production (Mt)



<sup>1</sup> Refer ASX release 23 August 2019 for further details

# Gunnedah open cuts

- For FY20 managed ROM production was down 24% at 3.9Mt vs pcp of 5.1Mt as Rocglen entered into rehabilitation phase in the final weeks of FY2019 and Sunnyside entering into rehabilitation phase in August 2019
- For the continuing operations, Werris Creek and Tarrawonga, the full year production was slightly down on FY2019 due to the impact at Werris Creek of more extensive historical underground workings than anticipated and the heavy rains affecting both sites in the March quarter
- During the December quarter, three new Hitachi EX5600 excavators were successfully commissioned at Tarrawonga as part of its planned expansion to 3Mtpa





# Financial highlights

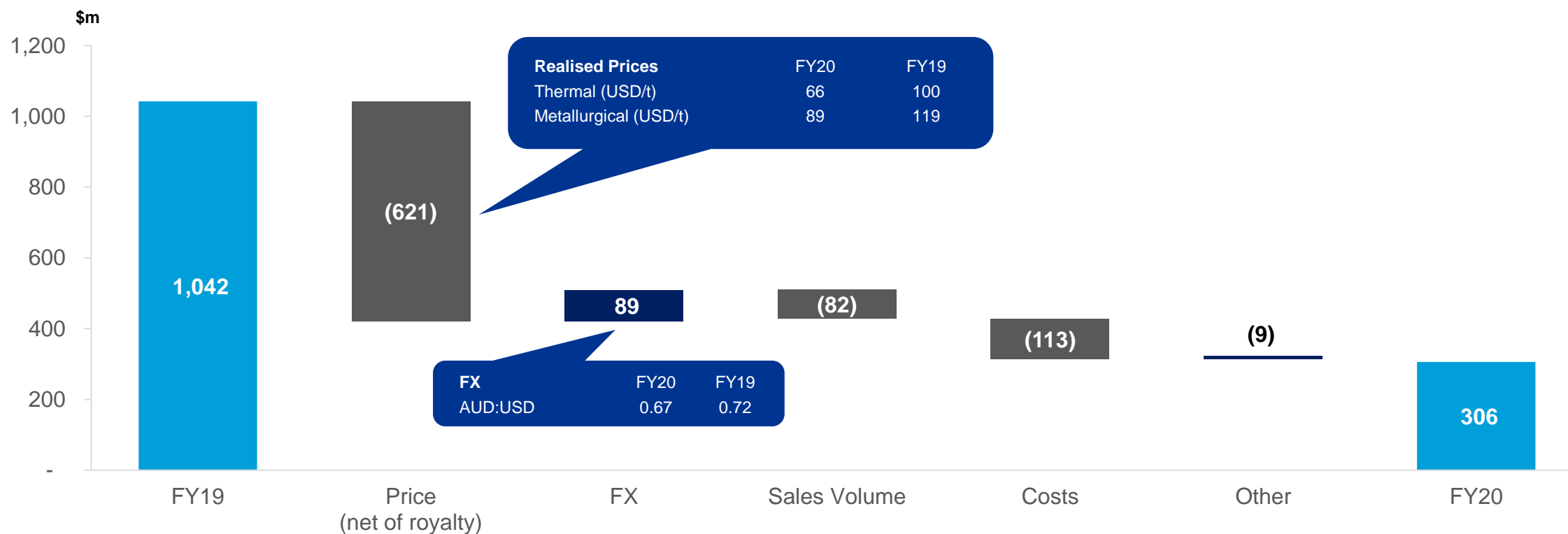
Earnings and cash generation impacted by softer coal prices

Profit and Loss (\$m)	FY2020	FY2019	Comment
Underlying EBITDA	306.0	1,041.7	Decrease in global COAL Newcastle Index price, SSCC prices, increased costs and decreased sales volumes
Underlying net profit after tax (NPAT)	30.0	564.9	Per above
Operating cash flows	146.4	916.5	Per above and refer to slide 27 for reconciliation to EBITDA
Dividends (cps)	1.5	50	Interim dividend of 1.5 cents per share paid in March 2020. No final dividend. Full year total represents 50% of NPAT
Unit cost per tonne (\$/t)	75	67	Refer to slide 22 for details
Balance Sheet (\$m)	30 Jun 2020	30 Jun 2019	Comment
Net debt <sup>1</sup>	787.5	161.6	Refer to slide 26 for details
Undrawn syndicated facility	362.0	840.0	Maturing July 2023
Cash	106.8	119.5	
Gearing (%)	20%	4%	

<sup>1</sup> Net debt excludes IFRS16 Leases & Right of Use Assets

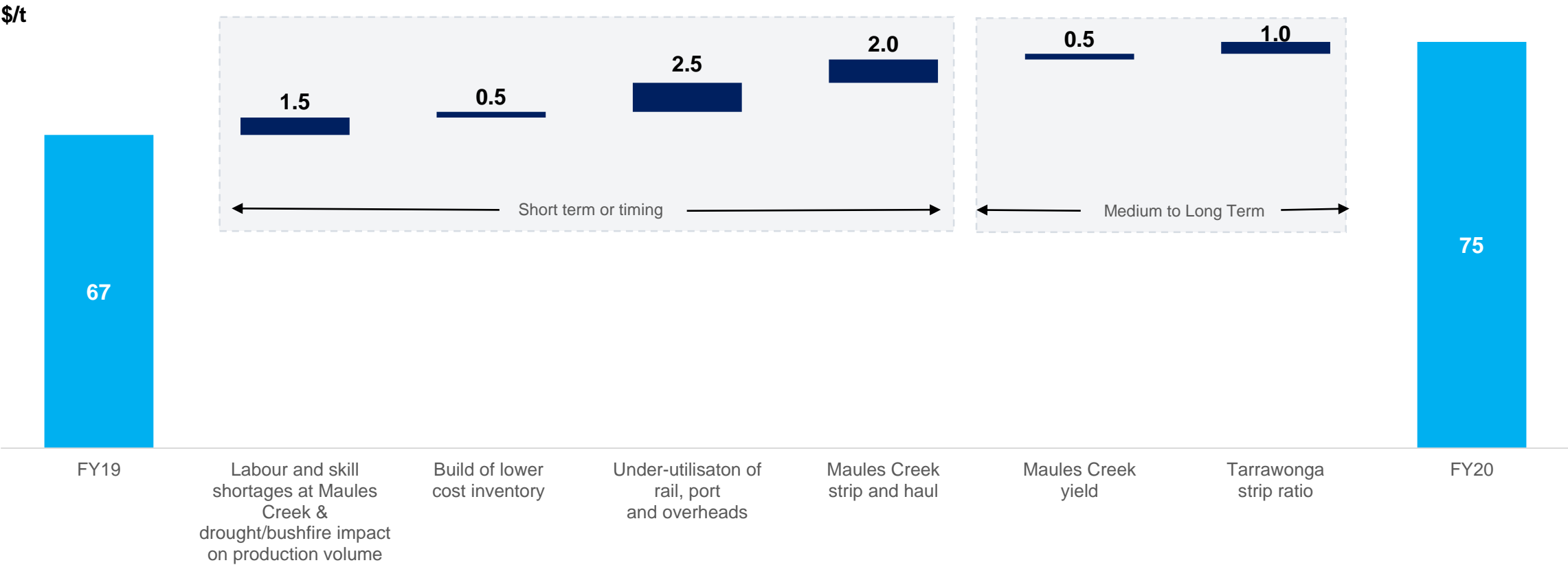
# EBITDA

- Lower USD coal prices in FY20 compared with FY19 were partially offset by a weaker Australian dollar
- As a result of lower ROM production and the mine closure of Rocglen, sales volumes were 1.3mt below FY19
- Unit costs were higher in FY20 than FY19 – see following slide



# Unit costs

FY19 vs FY20



# D&A and net financial expense

	FY20	Drivers
Depreciation & amortisation		
	\$224.6m \$16/t	<ul style="list-style-type: none"> <li>Leased fleet amortisation:               <ul style="list-style-type: none"> <li>Finance lease – straight line amortisation over asset life</li> <li>Operating lease – straight line amortisation over lease term</li> </ul> </li> <li>Owned PP&amp;E depreciation – combination of straight line over life of equipment and ROM profile of life of mine</li> <li>Mineral tenements amortisation – ROM profile of life of mine</li> </ul>
Net financial expense		
	\$39.1m	<ul style="list-style-type: none"> <li>Interest on drawn senior facility – bbsw<sup>1</sup> + margin</li> <li>Interest on fleet leases</li> <li>Interest on Export Credit Agency (ECA) facility</li> <li>Undrawn commitment fees</li> <li>Bank guarantee fees</li> <li>Amortisation of establishment costs</li> <li>Accounting treatment on refinance of the senior debt facility (IFRS 9)</li> </ul>

<sup>1</sup> The bank bill swap rate for the relevant period drawn



# Balance sheet and net debt

	30 Jun 2020 \$m	30 Jun 2019 \$m	Comments
Cash on hand	106.8	119.5	~\$100m cash balance
Senior secured bank facility (drawn)	638.0	160.0	\$A1bn drawable facility maturing July 2023
ECA <sup>1</sup>	68.1	28.4	Fully amortising facilities to fund Tarrawonga fleet and Narrabri longwall
Finance leases	216.3	107.3	Mobile equipment fleets; Operating leases have been converted to finance leases, refer to slide 50
IFRS 16 leases	130.3	134.1	Ancillary fleet rentals, Whitehaven train, minor operating leases
<b>Total loans and borrowings<sup>2</sup></b>	<b>1,024.6</b>	<b>415.3</b>	
Net debt excluding IFRS 16 lease liabilities	787.5	161.6	Refer to slide 26
Equity	3,249.6	3,522.2	Final Dividend from FY19 and interim dividend from FY20
Gearing excluding IFRS 16 lease liabilities	20%	4%	

<sup>1</sup> ECA facility – Export Credit Agency finance for equipment at Tarrawonga and Narrabri

<sup>2</sup> Shown net of capitalised borrowing costs and includes IFRS 16 Leases

# Financing

## Diversified sources of capital, no near term maturities & strong liquidity

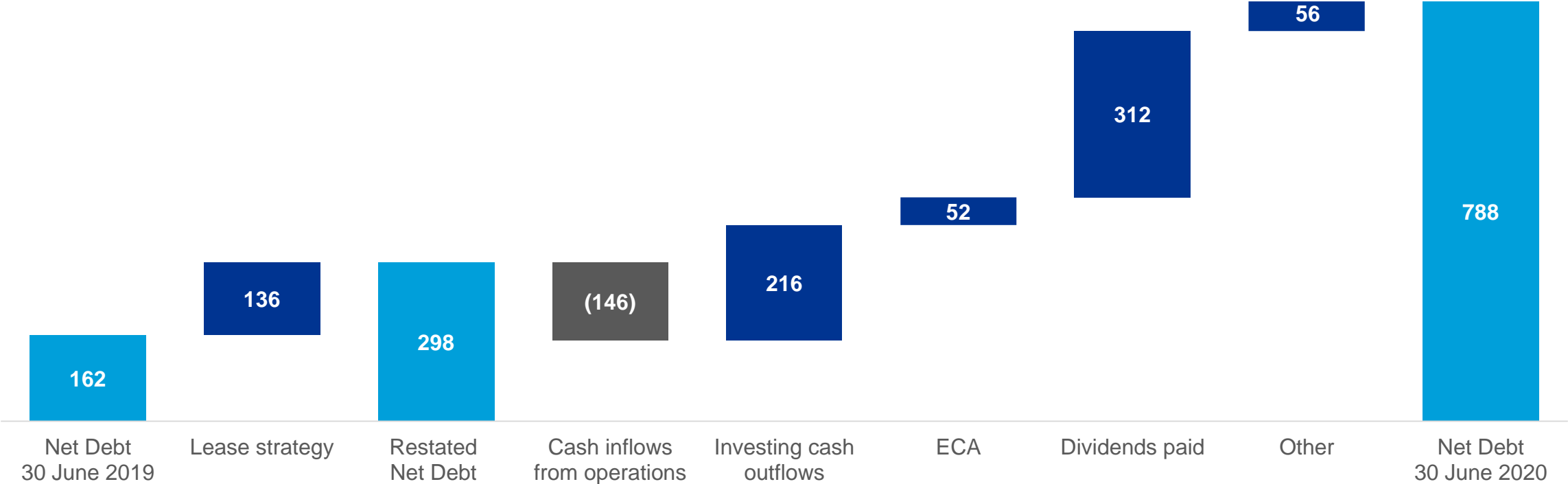
Senior debt facility	ECA <sup>2</sup>	Finance leases	Bank guarantees <sup>3</sup>	Liquidity
as at 30 June \$638.0m drawn	as at 30 June \$68.1m	as at 30 June \$216.3m	as at 30 June \$454.3m	as at 30 June \$468.8m
<ul style="list-style-type: none"> <li>\$1bn syndicated facility</li> <li>Facility refinanced to July 2023</li> <li>Syndicate comprised of Australian and International banks</li> <li>BBSW + Margin grid<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Tenor of eight years e.g. longwall equipment at Narrabri</li> <li>Led by Syndicate members</li> <li>Pricing - similar to Senior Debt but fixed for the term</li> <li>Secured</li> </ul>	<ul style="list-style-type: none"> <li>Tenor - Four or five years</li> <li>Provided by syndicate or OEM related</li> <li>Pricing can be either floating or fixed rate</li> <li>Secured against asset and guaranteed</li> </ul>	<ul style="list-style-type: none"> <li>Refinanced at the time of syndicated facility</li> <li>Underpins mining operations and logistics</li> </ul>	<ul style="list-style-type: none"> <li>\$362m undrawn facility</li> <li>\$106.8m cash on hand</li> </ul>
		<b>IFRS 16 Leases</b> <ul style="list-style-type: none"> <li>as at 30 June \$130.3m</li> <li>Ancillary fleet rentals, Whitehaven train, minor operating leases</li> <li>Unsecured</li> </ul>		

<sup>1</sup> A margin grid is a matrix used to adjust the margin (price) of a loan or revolving credit facility based on financial indebtedness ratio, net debt to EBITDA

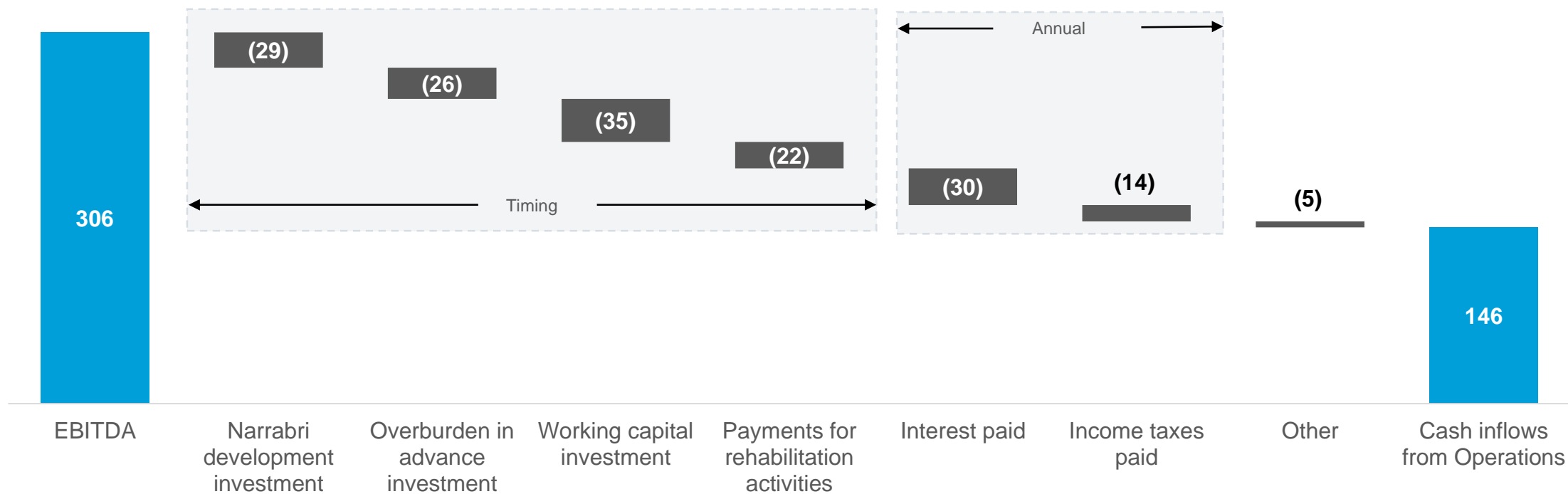
<sup>2</sup> ECA facility – Export Credit Agency finance

<sup>3</sup> Refer to Note 7.4 of the Annual Financial Report. Does not form part of financial indebtedness

# Net debt bridge



# EBITDA to operating cash flow



# Investing cash flows

Investing in increasing production volume and operational resilience

**FY20 guidance \$77m - \$89m<sup>1</sup>**

## **Sustaining PP&E**

FY20 \$62m

- Sustaining capex \$39m
- Narrabri mains \$23m

**FY20 guidance \$130m - \$148m<sup>2</sup>**

## **Growth Projects**

FY20 \$134m<sup>3</sup>

- Water security – \$19m

Operating mine projects	• Tarrawonga expansion to 3Mtpa – equipment leases
	• Narrabri hydraulic cylinders – one-off expenditure
	• Maules Creek AHS – integral component of MC16
Growth projects	• Vickery expansion
	• Winchester South
	• Narrabri Stage 3 Expansion

**FY20 guidance USD17m**

## **Acquisitions**

FY20 \$20m

- 1<sup>st</sup> tranche payment in relation to the acquisition of 7.5% interest in Narrabri mine

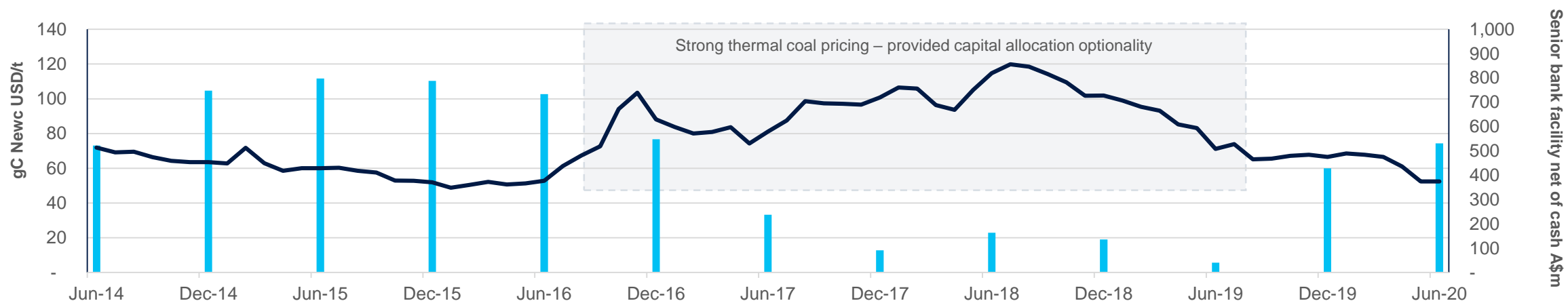
<sup>1</sup> FY20 guidance sustaining capital \$55m - \$63m + Narrabri mains development \$22m – \$26m

<sup>2</sup> FY20 operating mine projects \$50m - \$58m + growth projects \$80m – \$90m

<sup>3</sup> Total investing cash flows of \$186m less ECA financing of \$52m

# Capital allocation

We balance prudent debt levels with providing returns to shareholders and investing to sustain and expand production



Metric	WHC Target Range <sup>1</sup>
Gearing <sup>2</sup>	10% - 20%
Leverage <sup>3</sup>	0.5x – 1.5x

Maules Creek  
declared  
Commercial

Start debt  
retirement program

Paid down ~\$800m of bank debt

1. Return to shareholders -  
\$1,100m paid since June 2017  
2. \$400m purchase of  
Winchester South

Return to shareholders of  
~\$300m

Gearing	23%	9%	7%	4%	20%
Leverage	3.8	0.4	0.3	0.2	2.6

<sup>1</sup> In FY21, following the lease conversion strategy these ranges will be revisited

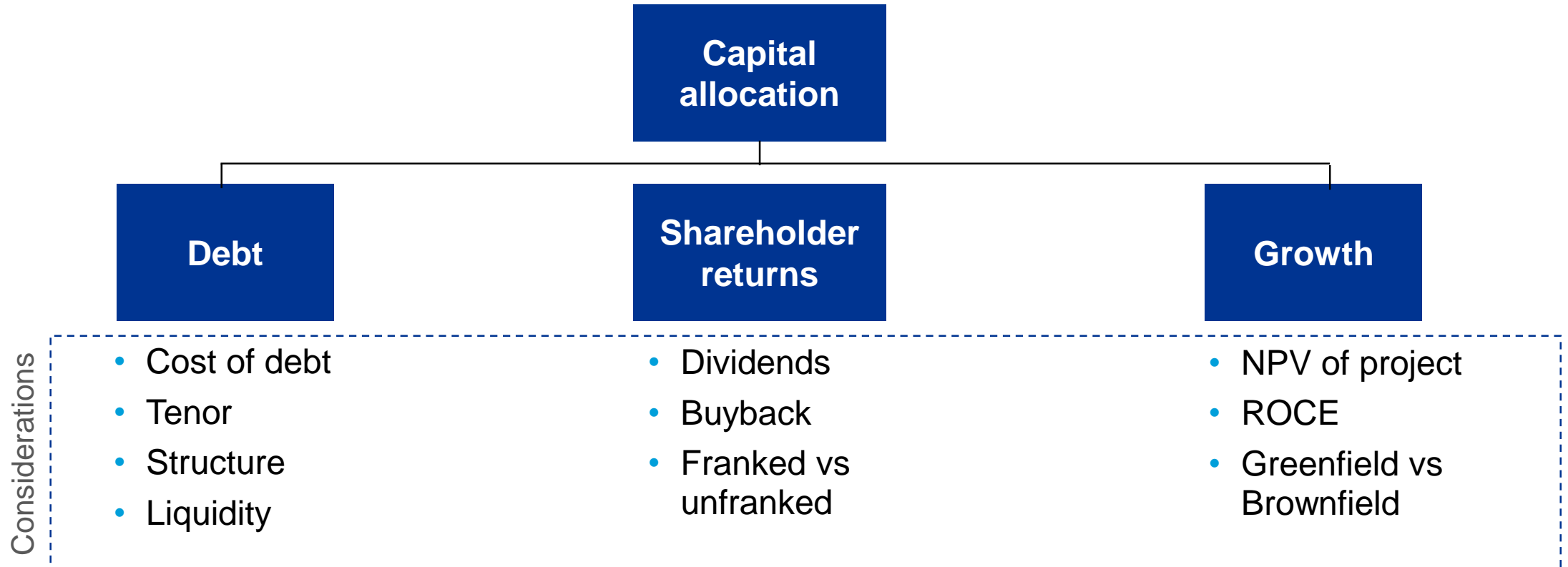
<sup>2</sup> Gearing = Net debt/ (Net debt + Equity)

<sup>3</sup> Leverage = Net debt/EBITDA

Note, net debt excludes IFRS16 Leases

# Capital management

Maintaining a strong balance sheet is always Whitehaven's priority





# Growth portfolio overview

Whitehaven operates a growing business of long life mines

	Assets	Approved Production <sup>1</sup>	LOM	
Brownfield projects	Maules Creek	13Mtpa ROM	>30 years	<ul style="list-style-type: none"> <li>Potential mine ramp up to 16Mtpa ROM with the roll out of AHS<sup>2</sup>, commencement of in-pit dumping and 16Mtpa modification application</li> </ul>
	Narrabri Stage 3	11Mtpa ROM	>20 years	<ul style="list-style-type: none"> <li>Extends mine life to ~2044</li> <li>up to 10km panels</li> </ul>
	Tarrawonga	3.0Mtpa ROM	~10 years	<ul style="list-style-type: none"> <li>Ramp up production to ~3.0Mtpa ROM</li> </ul>
Greenfield projects	Vickery	10Mtpa ROM	>20 years	<ul style="list-style-type: none"> <li>Open pit metallurgical and thermal coal production</li> <li>On site coal handling preparation plant</li> <li>Rail from site</li> </ul>
	Winchester South	Seeking ~ 15Mtpa ROM	>20 years	<ul style="list-style-type: none"> <li>Whitehaven's expansion into the Bowen Basin</li> <li>Open pit metallurgical and thermal coal production</li> </ul>

<sup>1</sup> Approved ROM production for operating mines in the table is fully underpinned by the JORC Reserves for those mines. The forecast production from the Vickery project is underpinned by the JORC Reserves released to the ASX on 13 August, 2015 while the forecast production from Winchester South is underpinned by Measured and Indicated Resources released to the ASX on 25 October 2018 ('initial public reports'). See Appendices for the JORC Resources and Reserves tables. Whitehaven confirms that the material assumptions underpinning the forecast production in the initial public reports for Vickery and Winchester South continue to apply and have not materially changed. Whitehaven's JORC information is available at <https://whitehavencoal.com.au/investors/jorc/>

<sup>2</sup> Autonomous Haulage System (AHS) for overburden movement

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# Vickery Extension Project

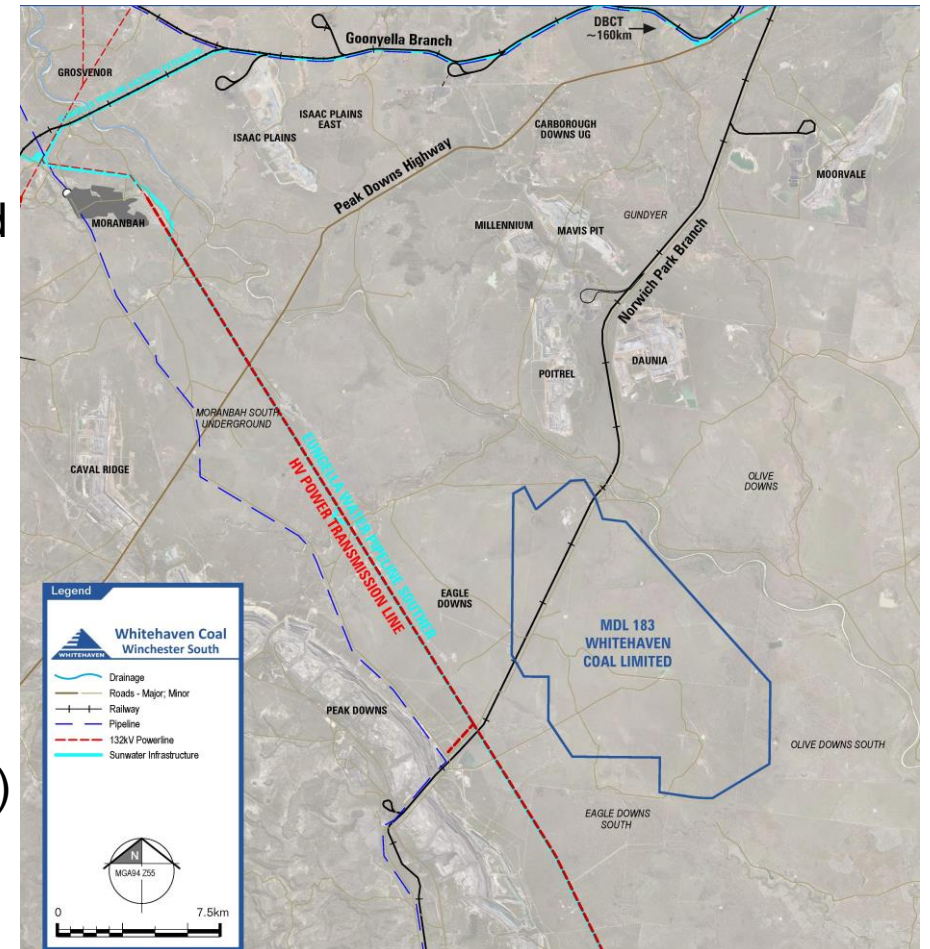
10Mtpa metallurgical and thermal coal open pit mine in NSW's Gunnedah Basin

- Approval from the Independent Planning Commission NSW received 12th August 2020
- Next steps
  - Federal approvals process
  - Secondary approvals and management plans
  - Final Investment Decision (FID) by the Whitehaven Board
- FID requirements are under consideration

# Winchester South

## Metallurgical open cut coal mine in Queensland's Bowen Basin

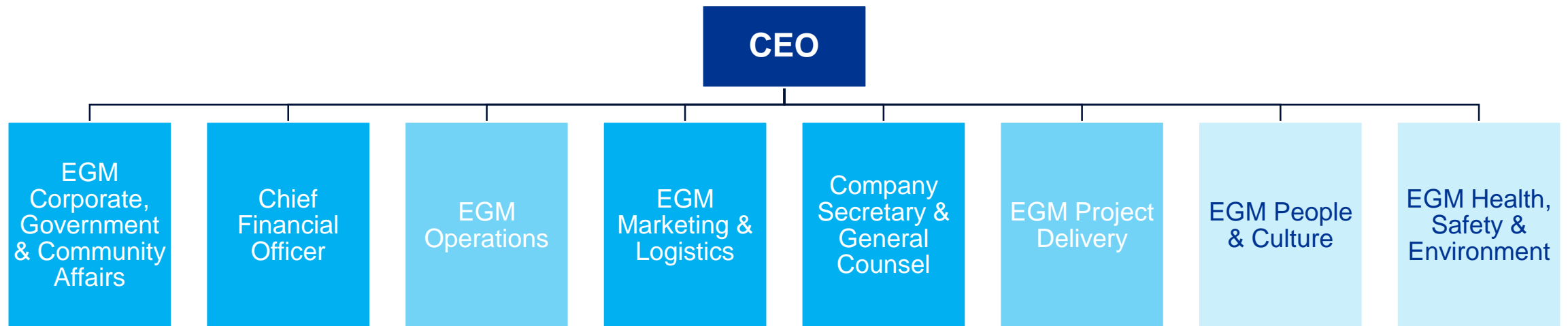
- A focus on project optimisation and approval
  - PFS Technical and Infrastructure studies well progressed
  - Maiden JORC Reserves by the end of 2020
  - Draft EIS assessment by the end of 2020
- Strategic location in the Bowen Basin
  - Established mining precinct
  - Proximal key infrastructure (rail, road, water and power)
- Large, low cost, long life growth opportunity
  - Up to 15Mtpa ROM Production
  - 5:1 ROM Strip Ratio (Rangal and Fort Cooper measures)
  - > 25 year mine life







# Corporate structure to deliver the strategy

Capabilities and resources to support growth of the business



 Newly created executive roles to support growth of the business

 Re-scoped executive roles

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# Outlook

# FY2021 production, sales & cost guidance

Key Elements		FY20 actual	FY21 range	Comments
<b>Managed ROM Coal Production</b>	<b>Mt</b>	<b>20.6</b>	<b>21.0 - 22.8</b>	Weighted to the second half (H2 ~55%)
Maules Creek	Mt	10.7	11.3 - 12.0	Weighted to the second half (H2 60%)
Narrabri	Mt	6.1	6.0 - 6.7	Longwall change-out in the June 2021 quarter
Gunnedah Open Cuts	Mt	3.8	3.7 – 4.1	Tarrawonga expansion fleet fully operational from July 2020
<b>Managed Coal Sales</b>	<b>Mt</b>	<b>17.5</b>	<b>18.5 - 20.0</b>	Plus coal trading
<b>Cost of Coal<sup>1</sup></b>	<b>A\$/t</b>	<b>75</b>	<b>69 - 74</b>	Increased production, partly offset by higher strip ratio at Maules Creek and increasing depth of cover at Narrabri, lower diesel costs

<sup>1</sup> excluding royalties



# FY2021 capital expenditure guidance

Key Elements		FY20 actual	FY21 range	Comments
Sustaining Capital				
	\$m	39	30 - 35	Underground and open cut sustaining capital expenditures
	\$m	-	30 - 35	Major rebuilds previously funded in lease refinance
Narrabri Mains Development				
	\$m	23	5	Remaining secondary support to be completed
Expansion & Growth Capital				
Operating Mine Projects	\$m	134	15 – 20	Maules Creek AHS project, further Narrabri longwall automation and water infrastructure
Growth Projects	\$m		35 – 40	Vickery land and project, Winchester South studies and Narrabri Stage 3
Other				
Acquisition of EDF consideration	\$m	20	17	Second of five annual acquisition instalments of USD11m

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# Focus for FY21

Improve operational outcomes and maintain a strong balance sheet

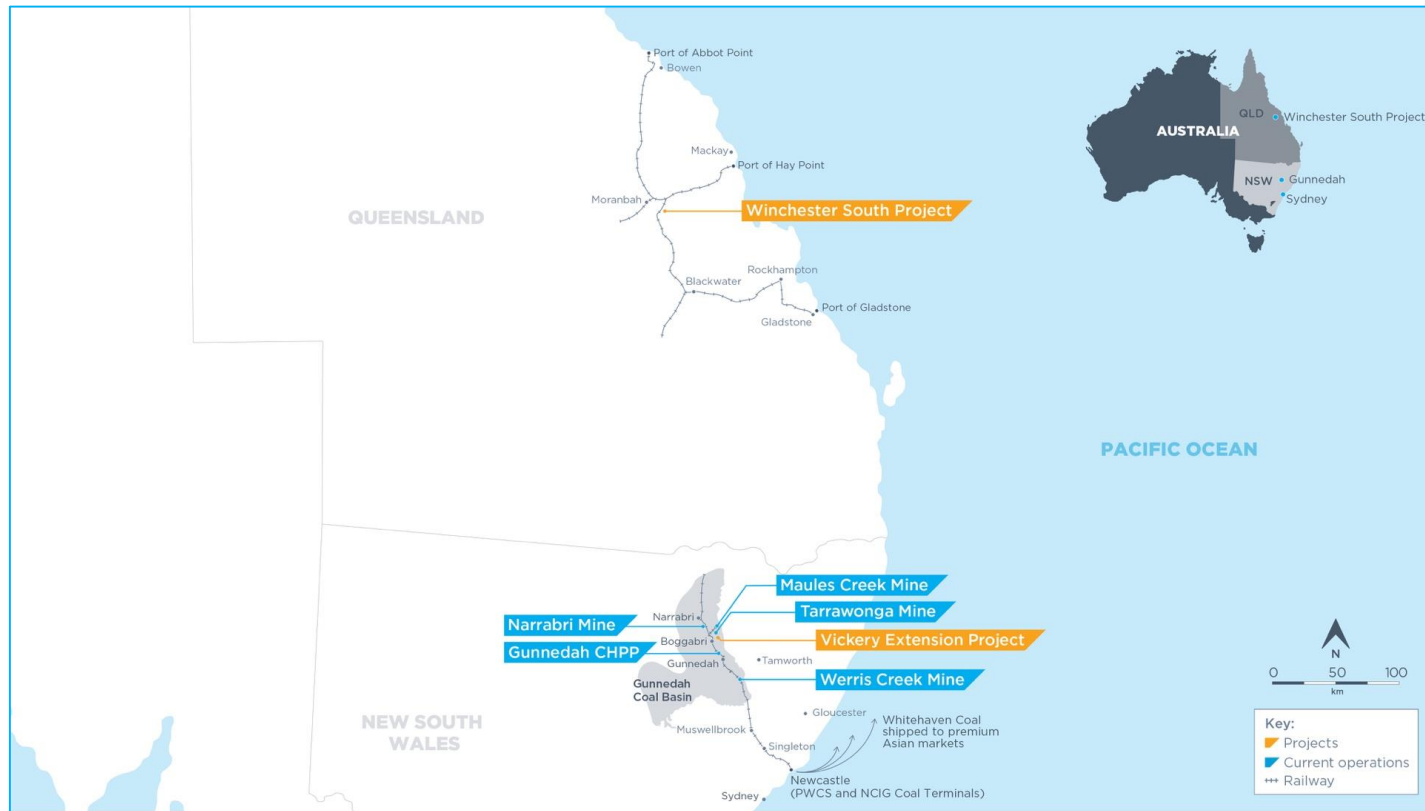
- Operational compliance improvement
- Operational focus - productivity and cost improvements (Project STRIVE)
- AHS roll out at Maules Creek
- Obtain Federal approvals for the Vickery Expansion project
- Explore the potential sell down and formation of a joint venture on the Vickery project
- Release Winchester South maiden JORC Reserves
- Maintaining a strong balance sheet and capital discipline

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# Appendices

# Where we operate today....& in the future

Gunnedah Basin, NSW and expanding into the Bowen Basin, QLD



- Four mines in the Gunnedah Basin producing high energy thermal coal and metallurgical coal
- Coal railed to Newcastle for export with access to two coal terminals
- Vickery Extension project near our other mines in the Gunnedah Basin in NSW
- Winchester South metallurgical coal project located centrally in Queensland's Bowen Basin

# Mine summary data

Key Attributes	Maules Creek Open Cut	Narrabri Underground
<b>Ownership</b>	WHC 75%, Itochu 15%, J Power 10%	WHC 77.5%, 3 JV partners each with 7.5%
<b>JORC Resources</b>	590Mt	610Mt
<b>JORC Reserves</b>	Marketable Proved & Probable 400Mt	Marketable Proved & Probable 212Mt
<b>Estimated LOM</b>	>30 Years	>20 years
<b>Approved ROM Production (Mtpa)</b>	13.0Mt	11.0Mt
<b>Strip Ratio</b>	6.4:1 for first 20 years	Nil, Underground Mine
<b>Yield</b>	85%	96%
<b>Products</b>	SSCC & High CV, low ash Thermal	High Vol PCI and low ash Thermal
<b>Future Potential</b>	Whitehaven likely to seek approval for an increase in the production rate to about 16Mtpa ROM coal after the mine achieves its current approved rate of production	Narrabri Stage 3 incorporates the exploration licence south of the current ML into the project

Note: See Appendices for full details of Whitehaven's Coal Resources and Reserves JORC tables and Slide 2 for the Competent Persons Statement

# Mine summary data

Key Attributes	Tarrawonga Open Cut	Werris Creek Open Cut
Ownership	WHC 100%	WHC 100%
JORC Resources	67Mt	10Mt
JORC Reserves	Marketable Proved & Probable 28Mt	Marketable Proved & Probable 7.5Mt
Estimated LOM	~10 Years	~6 years
Approved ROM Production (Mtpa)	3.0Mt	2.5Mt
Strip Ratio	10:1	7:1
Yield	89%	100%
Products	SSCC & High CV, low ash Thermal	High Vol PCI and Korean spec Thermal
Future Potential	Whitehaven recently approved an expansion to its fully approved rate of 3.0Mtpa ROM coal by the introduction of a new mining fleet from H2 CY2019	Mining to continue at current production rate (1.8Mtpa) until Reserves are exhausted

Note: See Appendices for full details of Whitehaven's Coal Resources and Reserves JORC tables and Slide 2 for the Competent Persons Statement

# Mine summary data

Key Attributes	Vickery Open Cut Project	Winchester South Open Cut Project
Ownership	WHC 100%, may form a JV by selling up to 30%	WHC 100%
JORC Resources	505Mt	530Mt
JORC Reserves	Marketable Proved & Probable 178Mt	Reserves yet to be released
Estimated LOM	>20 years	>20 years possible
Approved ROM Production (Mtpa)	4.5Mt seeking approval for 10Mt	Up to 15Mt
Strip Ratio	10:1	~5:1
Yield	85% to 90% - dependent on product profile	To be confirmed, in range of 55% to 65%
Products	SSCC 60% and High CV low ash Thermal 40%	Metallurgical and Thermal
Project Capex	~\$700m, excluding fleet	~\$800m <sup>1</sup> , excluding fleet, depending on scale

<sup>1</sup> 10Mtpa scenario

Note: See Appendices for full details of Whitehaven's Coal Resources and Reserves JORC tables and Slide 2 for the Competent Persons Statement



# Resources

## Whitehaven Coal Limited – Coal Resources – August 2020

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	372	174	546	44	1	Mar-20
Narrabri North Underground**	ML1609	143	153	296	-	1	Mar-20
Narrabri South Underground**	EL6243	144	170	314	8	1	Mar-20
Tarrawonga Opencut	EL5967 ML1579 ML1685 ML1693	36	18	54	13	2	Mar-20
Tarrawonga Underground	EL5967 ML1579 ML1685 ML1693	10	15	25	14	2	Apr-14
Werris Creek Opencut	ML1563 ML1672	9	1	10	-	1	Mar-20
Rocglan Opencut	ML1620	2	3	6	0	2	Mar-19
Rocglan Underground	ML1620	-	3	3	1	2	Mar-15
Vickery Opencut	CL316 EL4699 EL5831 EL7407 EL8224	230	165	395	110	2	Jul-15
Vickery Underground	ML1464 ML1471 ML1718	-	95	95	135	2	Jul-15
Winchester South	MDL 183	130	300	430	100	3	Oct-18
Gunnedah Opencut	ML1624 EL5183 CCL701	7	47	54	89	2	Jun-14
Gunnedah Underground	ML1624 EL5183 CCL701	2	138	140	24	2	Jun-14
Bonshaw Opencut	EL6450 EL6587	-	4	4	7	2	Jun-14
Ferndale Opencut	EL7430	103	135	238	134	4	Jan-13
Ferndale Underground	EL7430	-	-	-	73	4	Jan-13
Oaklands North Opencut	EL6861	110	260	370	580	2	Jun-14
Pearl Creek Opencut***	EPC862	-	14	14	38	5	Nov-12
<b>TOTAL COAL RESOURCES</b>		<b>1298</b>	<b>1695</b>	<b>2994</b>	<b>1370</b>		

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

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

\*\* Narrabri Joint Venture - Whitehaven owns 77.5% 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

Note: See Competent Person Statement on Slide 2

# Reserves

## Whitehaven Coal Limited – Coal Reserves – August 2020

Tenement		Recoverable Reserves			Marketable Reserves			Competent Person	Report
		Proved	Probable	Total	Proved	Probable	Total		Date
Maules Creek Opencut*	CL375 AUTH346	330	120	450	300	100	400	1	Mar-20
Narrabri North Underground**	ML1609	97	5	102	93	4	98	2	Mar-20
Narrabri South Underground**	EL6243	-	121	121	-	114	114	2	Mar-20
Tarrawonga Opencut	EL5967 ML1579 ML1685 ML1693	24	10	35	20	8	28	1	Mar-20
Werris Creek Opencut	ML1563 ML1672	7.1	0.4	7.5	7.1	0.4	7.5	1	Mar-20
Rocglen Opencut	ML1620	-	-	-	-	-	-	1	Note
Vickery Opencut	CL316 EL4699 EL7407	-	200	200	-	178	178	1	Mar-15
TOTAL COAL RESERVES		458	456	916	421	405	826		

1. Doug Sillar, 2. Michael Barker

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

\*\* Narrabri Joint Venture - Whitehaven owns 77.5% 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 modelling of the anticipated yield from Recoverable Reserves

Note: See Competent Person Statement on Slide 2

# Profit and loss

Earnings impacted by softer coal prices

Financial Performance – (\$m)	FY2020	FY2019
Revenue	1,721.6	2,487.9
Other income	3.5	3.9
Operating expenses (including purchased coal)	(916.3)	(905.0)
Rail, Port, Marketing and Royalties	(463.3)	(508.9)
Admin and other expenses (including net FX gain/loss)	(39.5)	(36.2)
<b>Underlying EBITDA</b>	<b>306.0</b>	<b>1,041.7</b>
Depreciation & amortisation	(224.6)	(212.1)
Net financial expense	(39.1)	(40.9)
Income tax expense	(12.3)	(223.8)
<b>Underlying NPAT</b>	<b>30.0</b>	<b>564.9</b>
EBITDA Margin on own coal sales (AUD\$ per tonne)	\$21/t	\$66/t
Earnings per share (cents per share – basic)	3.0	53.5

# Unit cost calculation

The unit cost is calculated off the face of the P&L. It includes operating expenses, selling & distribution expenses, administration expenses and share based payment expenses.

Coal purchases, royalties, depreciation & amortisation, FX and significant items are excluded. For example, the FY19 and FY20 calculation is:

	FY20		H1 FY20		FY19	
	\$'000	\$/t	\$'000	\$/t	\$'000	\$/t
Operating expenses	695,621	\$49	338,564	\$50	734,858	\$47
Selling & distribution expenses	342,084	\$24	166,889	\$24	324,131	\$21
Administrative expenses	29,810	\$2	12,539	\$2	26,185	\$2
Share based payment expenses	6,259		2,470		7,684	
Less: significant items – operating expenses note 2.2					(40,456)	(\$3)
Total cost of coal	1,073,774	\$75	520,462	\$76	1,052,402	\$67
Sales of own coal kt <sup>1</sup>	14,278		6,833		15,600	

<sup>1</sup> FY20 and H1FY20 includes Rocglen's sales of produced coal of 77kt and excludes Sunnyside's sales of 232kt

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# Covenants

## Strong banking relationships

Three tests are required to be satisfied and evidence of their satisfaction is provided in the form of a Compliance Certificate<sup>1</sup>:

Gearing –  $\text{Net Debt} / (\text{Net Debt} + \text{Equity})$

Gearing test serves to cap secured lending

Net Worth  
i.e. balance sheet net assets test

The net worth test aims to ensure that the value of the security i.e. assets, comfortably exceeds the level of secured debt

Interest Cover Ratio<sup>2</sup> – EBITDA coverage of interest (adjusted for interest on IFRS16 liabilities)

This test ensures that adequate EBITDA is generated to support interest serviceability

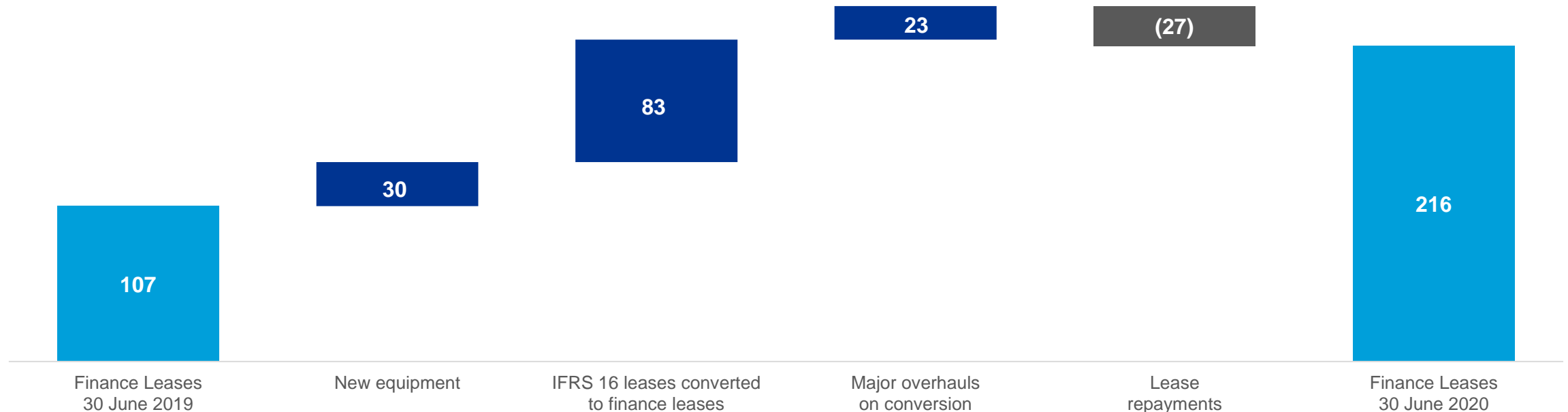
<sup>1</sup> A compliance certificate must be provided within 90 days of year end and 60 days of half-year end

<sup>2</sup> Interest cover ratio is 12 months retrospective and tested each half year based on audited financials

# Leasing conversion of mobile fleet now complete

## Conversion of mobile fleet from operating leases to finance leases

- With the change in accounting standards (*per IFRS 16*) operating lease assets have been brought onto the balance sheet
- Leased equipment is amortised, equipment is overhauled at intervals, and refinanced
- Equipment finance is provided by members of the senior facility and other OEM's<sup>1</sup>



<sup>1</sup> Original equipment manufacturer financing