

QUARTERLY REPORT

21 January 2022

December 2021 Quarterly Report; Updated FY22 guidance - La Niña and COVID impacts

Highlights

- Whitehaven achieved coal pricing averaged A\$211/t for the quarter (FY21 A\$94/t, Q2 FY21 A\$86/t)
- December quarter managed run-of-mine (ROM) production 3.2Mt
- December quarter managed saleable coal production 3.0Mt
- December quarter total managed coal sales 4.0Mt, managed own coal sales 3.5Mt, total equity coal sales 3.3Mt and equity sales of own coal 2.9Mt
- Managed coal stocks 2.1Mt as at 31 December
- Whitehaven expects to fully repay its senior debt facility in February 2022 and be in a net cash position in March 2022
- Narrabri longwall relocation from panel 109 to 110 successfully completed in December
- Weather events across the Gunnedah Basin and Hunter Valley have impacted operational productivity and road access, resulting in a cumulative impact on production and sales volumes for the quarter. FY22 guidance has been updated to account for the effects of significant rainfall associated with La Niña and COVID-related labour shortages.

Comments from MD and CEO Paul Flynn

“Coal prices continued at attractive levels through the December quarter and remain well supported for the near future given strong underlying demand and persistent supply-side disruptions.

“Cash generation has been strong, with the business expected to be net cash in the March quarter.

“Whitehaven has unfortunately not been immune to recent heavy rains that impacted large parts of regional NSW and QLD as La Niña made its presence felt for the second Australian summer in a row.

“While we remain very confident about ongoing favourable supply and demand dynamics, there is elevated uncertainty associated with COVID’s impact on workforce availability and resourcing through our supply chains.

“The strong balance sheet and robust market environment is an appropriate backdrop to provide an update on our capital management strategy with our half year results.”

Safety

The safety outcome for the Group for the 12 months ending 31 December 2021 was a total recordable injury frequency rate (TRIFR), on a 12 month rolling basis, of 6.1.

Whitehaven Managed Production, Sales and Stock Volumes

Unusually heavy rain in the quarter caused local flooding that saw road access to the mines and Gunnedah CHPP cut off for up to two weeks. Flooding is estimated to have caused approximately 600kt – 700kt of ROM production at Maules Creek to be deferred and 100kt – 200kt of ROM production at the Gunnedah open cuts to be deferred.

The spread of COVID throughout NSW has resulted in an increase in the number of workers self-isolating, with associated production impacts of 200kt in the December quarter. FY22 guidance update on page 7 includes an assessment of COVID related impacts.

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2021	Dec 2020	Change	Dec 2021	Dec 2020	Change
Managed ROM Coal Production	3,235	5,138	(37%)	8,398	9,622	(13%)
Managed Saleable Coal Production	3,024	3,949	(23%)	7,683	8,806	(13%)
Managed Sales of Produced Coal	3,520	3,924	(10%)	7,740	9,537	(19%)
Managed Sales of Purchased Coal	451	537	(16%)	877	955	(8%)
Total Managed Coal Sales	3,971	4,461	(11%)	8,617	10,492	(18%)
Managed Coal Stocks at period end	2,148	2,276	(6%)	2,148	2,276	(6%)

Whitehaven Equity Production, Sales and Stock Volumes

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2021	Dec 2020	Change	Dec 2021	Dec 2020	Change
Equity ROM Coal Production	2,643	4,105	(36%)	6,728	7,727	(13%)
Equity Saleable Coal Production	2,438	3,221	(24%)	6,181	7,161	(14%)
Equity Sales of Produced Coal	2,862	3,198	(10%)	6,287	7,775	(19%)
Equity Sales of Purchased Coal	451	537	(16%)	877	935	(6%)
Total Equity Coal Sales	3,313	3,736	(11%)	7,165	8,710	(18%)
Equity Coal Stocks at period end	1,741	1,855	(6%)	1,741	1,855	(6%)

Maules Creek Open Cut Mine

Whitehaven 75%

Thousands of tonnes – Managed	Quarter Ended			Year to Date		
	Dec 2021	Dec 2020	Change	Dec 2021	Dec 2020	Change
ROM Coal Production	1,996	3,251	(39%)	4,935	5,218	(5%)
Saleable Coal Production	1,786	2,094	(15%)	4,224	4,299	(2%)
Sales of Produced Coal	1,804	2,160	(16%)	4,332	4,606	(6%)
Coal Stocks at period end	1,339	1,248	7%	1,339	1,248	7%

Maules Creek delivered ROM production of 2.0Mt in the December quarter, 39% below pcp for the reasons outlined above.

December quarter saleable coal production of 1.8Mt was 15% below pcp, reflecting reduced processing days due to the loss of access to site.

Sales volumes for the quarter of 1.8Mt were 16% below pcp reflecting saleable coal volumes.

Equity metallurgical sales of semi-soft coking coal for the December quarter were 0.25Mt, representing 18% of Maules Creek sales volume.

Coal stocks for the end of the period were 1.3Mt, reflecting the draw down of ROM stock being offset by a build in product stock volumes due to slippage of sales caused by logistics issues. Refer to the Logistics update on page 6 for more details.

Narrabri Underground Longwall Mine

Whitehaven 77.5%

Thousands of tonnes – Managed	Quarter Ended			Year to Date		
	Dec 2021	Dec 2020	Change	Dec 2021	Dec 2020	Change
ROM Coal Production	415	978	(58%)	1,940	2,624	(26%)
Saleable Coal Production	619	908	(32%)	1,981	2,537	(22%)
Sales of Produced Coal	1,004	926	8%	1,756	2,921	(40%)
Coal Stocks at period end	319	487	(34%)	319	487	(34%)

The longwall was relocated from panel 109 to 110 during the quarter and managed ROM production at Narrabri was 0.4Mt. Longwall production recommenced on 22 December. A tight labour market restricted the availability of contract labour to complete the longwall move necessitating redeployment of mine development labour. The step around from panel 110A to panel 110B is scheduled to commence in May 2022 and be completed in late June 2022.

Saleable coal production of 0.6Mt for the quarter was 32% below pcp, reflecting ROM production partially offset by the draw down of ROM stocks.

Managed sales volumes for the quarter of 1.0Mt were 8% above pcp. Sales were supported by the drawdown of stockpiles, which resulted in a 34% decrease in coal stocks of 0.3Mt when compared to pcp.

There were no equity metallurgical sales of PCI during the quarter, reflecting the mine plan. PCI sales will recommence in Q3 FY22 with mining of panel 110A.

The commencement of cut and flit mining of panels 201 and 202 is expected in late Q3 FY22 due to contractor and supplier labour shortages.

The next longwall move from panel 110 to 203 is scheduled for late Q3 FY23. Relocation of the longwall to panel 203 will see the return to mining in shallower ground, and is expected to bring improved production, improved productivity and lower unit costs.

Gunnedah Open Cut Mines

Whitehaven 100%

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2021	Dec 2020	Change	Dec 2021	Dec 2020	Change
ROM Coal Production	824	908	(9%)	1,523	1,779	(14%)
Saleable Coal Production	618	947	(35%)	1,478	1,970	(25%)
Sales of Produced Coal	712	838	(15%)	1,651	2,009	(18%)
Coal Stocks at period end	489	542	(10%)	489	542	(10%)

For the December quarter, Gunnedah open cut mines achieved managed ROM coal production of 0.8Mt. See below for production and sales details per mine.

Tarrawonga Mine

Whitehaven 100%

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2021	Dec 2020	Change	Dec 2021	Dec 2020	Change
ROM Coal Production	551	564	(2%)	990	1,054	(6%)
Saleable Coal Production	355	466	(24%)	801	967	(17%)
Sales of Produced Coal	403	490	(18%)	883	1,063	(17%)
Coal Stocks at period end	299	224	34%	299	224	34%

Tarrawonga’s December quarter ROM production of 0.6Mt was in line with pcp despite the impact of flooding and COVID.

Saleable coal production for the December quarter of 0.4Mt was down 24% on pcp. As previously mentioned, localised flooding restricted road access in the Gunnedah area. As a result, coal haulage between the mine and the coal handling and preparation plant (CHPP) in Gunnedah was restricted. Refer to the Logistics update on page 6 for more details.

In response to the record price differences between 6000CV and lower grades of thermal coal, Whitehaven’s marketing strategy has been to wash Tarrawonga ROM coal harder to produce higher quality coals that can be used to blend up lower grade coal. This strategy trades off lower yield and higher costs for improved coal quality to support increased blending opportunities within the group, to lift overall coal quality to maximise profit margins.

Tarrawonga sales for the quarter of 0.4Mt were 18% below pcp due to the interruption of coal supply to the CHPP.

There were 0.2Mt of equity metallurgical sales of semi-soft coking coal during the quarter.

Coal stocks at the end of December were 0.3Mt, 34% above pcp reflecting an increase in ROM stocks at mine site due to the previously mentioned impact of weather events on road access to CHPP.

Werris Creek Mine

Whitehaven 100%

Thousands of tonnes	Quarter Ended			Year to Date		
	Dec 2021	Dec 2020	Change	Dec 2021	Dec 2020	Change
ROM Coal Production	273	344	(21%)	533	725	(26%)
Saleable Coal Production	263	481	(45%)	677	1,003	(33%)
Sales of Produced Coal	310	348	(11%)	768	946	(19%)
Coal Stocks at period end	190	318	(40%)	190	318	(40%)

During the quarter, wet weather events interrupted operations. December quarter ROM production of 0.3Mt was 21% down on the pcp.

Werris Creek’s ROM coal production is 100% bypass, which means the coal is crushed in preparation for transport and blending, but no washing of coal is undertaken. Saleable coal production for the quarter of 0.3Mt, 45% below pcp, reflects the current quarter ROM production profile and the pcp being supported by a drawdown of ROM stocks.

December quarter sales volumes of 0.3Mt, 11% down on pcp, reflect the saleable coal production profile supported by a stock drawdown. All sales for the quarter were thermal coal.

Coal stocks at the end of December were 0.2Mt, 40% below pcp, due to the draw down of stocks to support sales over the past two quarters.

Equity Coal Sales and Realised Pricing on own coal sales

		Quarter Ended				
		Dec 2021	Sep 2021	Jun 2021	Mar 2021	Dec 2020
Total Equity Coal Sales	Mt	3.3	3.9	3.7	4.0	3.7
Sales of purchased coal (thermal)	Mt	0.5	0.4	0.5	0.6	0.5
Equity Own Coal Sales	Mt	2.9	3.4	3.2	3.4	3.2
Coal sales mix (own coal sales)						
High CV thermal Coal	%	61%	65%	61%	53%	58%
Other thermal coal	%	27%	23%	27%	27%	24%
Metallurgical coal	%	12%	11%	12%	20%	18%
Pricing						
gC NEWC Index	US\$/t	184	168	109	89	67
JSM Quarterly (SSCC)	US\$/t	218	149	93	92	87
Price achieved (own coal sales)						
Average coal price ¹	A\$/t	211	189	122	101	86
Thermal coal	US\$/t	155	142	94	76	62
Metallurgical coal	US\$/t	201	134	103	92	77
Premium/Discount (own coal sales):						
Thermal to gC NEWC Index	%	(16%)	(15%)	(14%)	(15%)	(8%)
Metallurgical to JSM Qtrly	%	(8%)	(10%)	10%	(0%)	(11%)

Note: Figures may not add due to rounding; ¹ Before applicable royalties

Whitehaven achieved an average price of A\$211/t¹ for sales of own coal during the quarter, 144% higher than pcp.

The gC NEWC (6000 CV) index averaged US\$184/t for the December quarter, up 10% from the September quarter average of US\$168/t. The gC NEWC index price posted an all-time record high in October of US\$222/t, falling to US\$159/t in November before rebounding in December to US\$170/t. The rebound was caused by a combination of strong Asia based end user demand and production constraints due to wet weather and flooding in the Hunter Valley and Gunnedah Basin. This is reflected in full year coal throughput from the Port of Newcastle of 157Mt, down 2Mt from 2020 and 9Mt from 2019. Strong ongoing demand for all fuel types has also continued to buoy the coal market. Even at record prices, coal remains a more attractive and less expensive alternative to LNG.

Whitehaven achieved a December quarter realised average thermal coal price of US\$155/t, with the following factors impacting Whitehaven's pricing outcomes:

- Approximately 50% of Whitehaven's thermal coal book in the December quarter was priced in prior periods. Realised coal prices reflecting prior periods occurs under a number of scenarios. Firstly, some of the thermal coal contract book is priced on a lagging gC NEWC index basis such that realised prices lag the average gC NEWC index. The benefit of these rising prices will be seen in the coming quarters. Secondly, some sales have been delayed from prior quarters as a result of weather events earlier in the calendar year. Thirdly, a number of fixed price sales set in a prior period were fulfilled during the December quarter.
- Approximately 27% of thermal coal sales were priced with reference to sub gC NEWC 6000 CV pricing structures. This was almost exclusively the higher ash Narrabri fault-affected coal, where price differentials between the gC NEWC index and the API5 index have widened to average US\$68/t in the quarter, a similar level to the September quarter.

Equity coal sales for the December quarter, including purchased coal, were 3.3Mt, 11% below the pcp. Equity coal stocks at 31 December were slightly lower than pcp at 1.7Mt.

Sales volumes of Narrabri non-gC NEWC index coal product in the December quarter were similar to those in the September quarter. Some fixed price non-gC NEWC index coal product sales slipped from the December quarter into January. However, price realisations for Whitehaven's thermal coal are expected to return to above gC NEWC index in the second half of FY22.

Metallurgical coal represented 12% of sales for the December quarter. Spot demand for semi-soft coking coal has been limited.

Thermal and Metallurgical Coal Outlook

The gC NEWC and API5 indexes both set all-time records in October at US\$222.35/t and US\$145.56/t respectively. The gC NEWC index averaged approximately US\$184/t for the December quarter, up 10% from the September quarter average of US\$168/t. The API5 Index averaged US\$116.04/t for the December quarter, up 20% from the September average of US\$97.14/t. As at 19 January 2022 month to date (MTD), the gC NEWC index is US\$216.06/t and API5 is at US\$117.16/t.

In 2022, demand for seaborne thermal coal remains strong and ongoing constraints from both Australia and Indonesia have seen thermal prices soar once again. In Australia, COVID is adversely impacting production as the Omicron wave runs through NSW and Queensland. The December quarter also saw wet weather cause flooding in the Hunter Valley and Gunnedah Basin which impacted mining operations, including cutting access to some mines. In Indonesia, the government imposed an export ban from 31 December for the month of January or until domestic power utility PLN achieved regulated inventory levels. As at 11 January exports re-started for some producers, however the ban has reduced exports of seaborne coal supply by approximately 10Mt in January MTD.

Thermal coal customers came to the market across the December quarter to procure supplies through to the March quarter, in many cases having to accept inferior quality to what they were seeking. More recently, some tenders have attracted zero bidders, a strong indication that supply is very tight, and incremental supply is almost non-existent. Physical prices for 6000 CV quality coal for near term delivery are at substantial premia to the paper market.

Premium low volatile hard coking coal (PLV HCC) FOB Australia averaged US\$369.10/t across the December quarter, up 41% on the September quarter average of US\$262.30/t. Supply constraints for metallurgical coal have emerged over the end of the December quarter due to increased rainfall in Queensland related to La Niña weather patterns. In addition, a number of tropical cyclones have formed in the Coral Sea adding to concerns of possible further supply interruptions. As a result the PLV HCC spot price has remained strong, currently at US\$388.13/t January MTD. The Platts SS index has increased in January to US\$254/t MTD after averaging US\$234.97/t for the December quarter.

Both thermal and metallurgical coal prices are expected to be well supported over CY22.

Logistics update

During the December quarter, a number of weather events impacted rail and ship movements. Rain events in November and December cut site access to Maules Creek on a number of occasions affecting production, processing and train loading; both Tarrawonga and the Gunnedah CHPP also had road access cut.

Port movements were impacted by high winds and swell on multiple occasions in the quarter. In addition, the harbour operated under fresh water conditions from 29 November to 22 December due to flood waters, which restricted vessel movements.

The period ended with a combined vessel queue of ~50 across PWCS and NCIG.

Corporate

As at 31 December 2021, there were US\$98.7m of foreign exchange hedges at an average exchange rate 0.73314 for fixed price equity coal sales of 0.7Mt with contracts deliverable between January 2022 and December 2022. In addition, there were US\$679m of foreign exchange hedges at an average rate of 0.71831 for non-fixed price equity sales with contracts deliverable between January 2022 and June 2022.

Development Projects

Work continues to advance Whitehaven's three development projects. Projects are subject to Whitehaven's strict capital allocation framework. Under this framework each project must pass through a series of tollgates (PFS, DFS, FID). If Vickery and Winchester South pre-construction activities were to advance on a concurrent timeline, Whitehaven would not construct them concurrently.

Expenditure incurred on development projects during the quarter was \$4.4m, reflecting approvals work and studies.

Narrabri Underground Mine Stage 3 Extension Project

The project seeks to convert Narrabri's adjacent Exploration Licence into a Mining Lease and use the existing portals, CHPP, rail loop and associated infrastructure to extract, process and export high energy thermal coal and Pulverised Coal Injection (PCI) coal products using the longwall mining method. The project involves extending the longwall panels planned for the mining lease south of the current main roads into the contiguous Narrabri South Exploration Licence area, to extend the approved life of the mine to 2044.

Whitehaven submitted the Environmental Impact Statement (EIS) to the NSW Department of Planning, Industry and Environment (DPIE) in November 2020. The EIS was on public exhibition for 6 weeks and received 63 positive responses, 16 comments and 3 negative responses.

In January 2022 the DPIE prepared an overall Project Assessment Report and recommended the project be approved. The project has been referred to the Independent Planning Commission (IPC) for final determination. The IPC will now review the project and is expected to make a determination during Q2 CY2022.

Further details can be found at <https://whitehavencoal.com.au/our-business/our-assets/narrabri-mine>

Vickery Extension Project

Open cut and underground mining was undertaken at Vickery by Rio Tinto from 1991 through to 1998.

The Vickery Coal Project was approved in September 2014 to produce up to 4.5Mt ROM coal per annum.

In August 2020 the Vickery Extension Project received approval from the NSW Independent Planning Commission (IPC) to operate an up to 10Mtpa open cut metallurgical and thermal coal mine, with onsite processing and rail infrastructure. On 16 September 2021 the Federal Minister for the Environment approved the Project under the Commonwealth’s *Environment Protection and Biodiversity Conservation Act 1999*.

Works are currently being undertaken as required for Secondary Approvals such as water, noise, air quality, cultural heritage and traffic management.

Further details can be found at <https://whitehavencoal.com.au/our-business/our-assets/vickery-extension-project/>

Winchester South Metallurgical Coal Project

The proposed Winchester South open cut metallurgical coal mine is located in Queensland’s Bowen Basin. At full capacity the mine is targeting ROM production of up to 17Mt per annum to supply the international market for about 30 years.

The Project has recently completed the Public Notification phase for the Draft EIS and is working with the Office of the Coordinator General to address submissions received.

Further details can be found at <https://whitehavencoal.com.au/our-business/our-assets/winchester-south>

FY22 Guidance – La Niña and COVID impacts

There continues to be material uncertainty regarding these two unpredictable issues and their impact. However, as of January 2022, the impact of La Niña and COVID has caused a ~5% decrease in expected ROM production, reflected in the updated guidance set out below.

Item		FY22 updated guidance	FY22 previous guidance
Managed ROM coal production	Mt	19.0 – 20.5	20.0 – 21.5
Maules Creek	Mt	11.3 – 11.7	12.1 - 12.5
Narrabri	Mt	4.3 – 5.0	4.3 – 5.0
Gunnedah O/C	Mt	3.4 – 3.8	3.6 – 4.0
Managed coal sales	Mt	17.2 – 17.8	18.0 – 18.6
Cost of Coal	A\$/t	79 – 84	72 - 76

Note: The bottom end of guidance reflects the continuation for the remainder of FY22 of recent COVID labour related impacts. The top end of guidance reflects a return to more usual activity within Q3 FY22.

Updated unit cost guidance per tonne includes the following variables:

- Increased diesel prices A\$3/t
- Increased demurrage costs due to disruptions to coal production/supply A\$2/t
- Volumetric impacts of flooding in H1FY22 A\$2/t
- COVID related absenteeism A\$1/t - A\$2/t

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

Investor and Analyst teleconference

Managing Director and Chief Executive Officer Paul Flynn will host a teleconference to provide an overview of the December 2021 Quarter Production Report.

Time: 10:30 AEDT (Sydney time)

Date: Friday, 21 January 2021

Dial-in details: Participants register for the teleconference by copying and pasting the following link into your browser, <https://s1.c-conf.com/diamondpass/10018424-4hal6m.html>

Note, all participants must pre-register to join the conference call using the link above. Once registered, an email will be sent containing conference call date and time, as well as a full list of participant dial in numbers to join the call.

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Reporting Calendar

Event	Date
Half Year FY22 Results	17 February 2022
March Quarter Production Report	14 April 2022
June Quarter Production Report	14 July 2022
Full Year FY22 Results	25 August 2022
September Quarter Production Report	13 October 2022
Annual General Meeting	26 October 2022

PRODUCTION, SALES & STOCKS BY MINE Thousands of tonnes	Quarter Ended					
	Dec 2021	Sep 2021	Jun 2021	Mar 2021	Dec 2020	Sep 2020
Whitehaven Group Managed Totals						
ROM Coal Production	3,235	5,163	5,439	5,494	5,138	4,485
12-Month Rolling Yield	82%	83%	84%	87%	88%	88%
Saleable Coal Production	3,024	4,659	3,788	4,330	3,949	4,857
Sales of Produced Coal	3,520	4,220	4,009	4,229	3,924	5,613
Sales of Purchased Coal	451	426	503	569	537	417
Total Coal Sales	3,971	4,646	4,512	4,798	4,461	6,030
Coal Stocks at period end	2,148	3,249	3,330	2,757	2,276	1,809
Maules Creek						
ROM Coal Production	1,996	2,939	3,718	3,727	3,251	1,967
12-Month Rolling Yield	76%	77%	78%	79%	79%	79%
Saleable Coal Production	1,786	2,438	2,598	2,443	2,094	2,205
Sales of Produced Coal	1,804	2,528	2,645	2,354	2,160	2,447
Coal Stocks at period end	1,339	1,852	2,316	1,961	1,248	791
Narrabri						
ROM Coal Production	415	1,525	351	1,084	978	1,646
12-Month Rolling Yield	96%	97%	97%	99%	99%	99%
Saleable Coal Production	619	1,362	306	1,142	908	1,630
Sales of Produced Coal	1,004	753	569	1,051	926	1,995
Coal Stocks at period end	319	947	210	473	487	449
Gunnedah Open Cuts						
ROM Coal Production	824	699	1,370	683	908	871
12-Month Rolling Yield	89%	89%	90%	91%	91%	91%
Saleable Coal Production	618	859	884	745	947	1,023
Sales of Produced Coal	712	939	795	824	838	1,171
Coal Stocks at period end	489	450	804	324	542	569
Tarrawonga						
ROM Coal Production	551	439	796	404	564	490
12-Month Rolling Yield	81%	82%	83%	85%	85%	86%
Saleable Coal Production	355	445	469	446	466	501
Sales of Produced Coal	403	480	445	376	490	573
Coal Stocks at period end	299	242	407	156	224	248
Werris Creek						
ROM Coal Production	273	260	574	279	344	381
12-Month Rolling Yield	100%	100%	100%	100%	100%	100%
Saleable Coal Production	263	414	415	299	481	522
Sales of Produced Coal	310	459	350	449	348	598
Coal Stocks at period end	190	208	396	168	318	321