

ASX RELEASE

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Whitehaven to sell 30% of Blackwater coal mine for US\$1.08 billion

Whitehaven Coal (ASX: WHC) is pleased to announce it has entered into separate binding agreements with Nippon Steel Corporation (“**Nippon Steel**”) and JFE Steel Corporation (“**JFE Steel**”) for the sale to those parties of a joint venture interest in the Blackwater coal mine (“**Blackwater**”) of 20% and 10% respectively for an aggregate cash consideration of US\$1.08 billion¹.

The transactions are expected to complete in the first quarter of calendar year 2025, subject to customary competition and regulatory approvals.

Nippon Steel and JFE Steel will each pay up front, its pro rata share of the aggregate consideration at the completion of its respective transaction. On completion of both transactions, Blackwater will be owned by Whitehaven, Nippon Steel and JFE Steel via an unincorporated joint venture. Whitehaven will manage the joint venture.

Nippon Steel and JFE Steel are long-term consumers of metallurgical coal from the Blackwater mine. As part of the joint venture arrangements, Whitehaven has entered into separate offtake agreements with Nippon Steel and JFE Steel, which consider their equity interests and historical consumption of Blackwater products. The offtake agreements include market-based pricing mechanisms.

Transaction highlights

- Whitehaven’s sell down of 30% of Blackwater for US\$1.08 billion recognises the long-term value and strategic importance of Blackwater’s metallurgical coal.
- Proceeds of US\$1.08 billion will be paid upfront on completion. This will immediately strengthen Whitehaven’s balance sheet and provide enhanced financial flexibility, having regard to the deferred and contingent payments that remain outstanding under the acquisition arrangements for Blackwater². Whitehaven’s net debt at 30 June 2024 was A\$1.3 billion.
- Nippon Steel and JFE Steel are strongly aligned with Whitehaven to unlock further value at Blackwater, a critical supplier of seaborne metallurgical coal.
- Long-term coal offtake agreements with both parties demonstrate strong demand for Blackwater metallurgical coal.

Mr Paul Flynn, CEO & Managing Director of Whitehaven, said:

“We are delighted to welcome Nippon Steel and JFE Steel as joint venture partners at Blackwater. Both companies have a long and proud tradition of excellence in steel production and have contributed to the economic advancement of Japan and the region more broadly.

“We look forward to working with our new partners as we continue to unlock opportunities at the operation.

“As long-term customers of Blackwater, their co-investment reflects the importance of Blackwater metallurgical coal in the seaborne market. The formation of this joint venture with such high quality participants validates the asset purchase by Whitehaven, the coal quality and Whitehaven’s plans as the operator of Blackwater.

“The proceeds from the sell down will further strengthen Whitehaven’s balance sheet, providing enhanced flexibility as we assess the range of competing opportunities for capital in line with our capital allocation framework.”

¹ Subject to customary completion adjustments.

² Refer to ASX announcement on the 18 October 2023. Whitehaven will be responsible for paying 100% of the deferred and contingent payments that remain outstanding, under the acquisition arrangements for Blackwater.

Mr Takashi Hirose, Representative Director and Executive Vice President at Nippon Steel, said:

"Having a secure supply of high quality coking coal supports us to stabilize profits and build a more resilient Nippon Steel, fully utilizing our technological advantages."

Mr Hiroyuki Ogawa, Executive Vice President of JFE Steel, said:

"JFE has been committed to Australia as a key trading partner since the 1960s with long standing investment in Queensland's resources sector for close to 30 years. As a long-term user of Blackwater's steelmaking coal, we are pleased to enter a strategic joint venture with Whitehaven to acquire a 10 per cent interest in the Blackwater mine."

"Our investment secures stable supply of high-quality coking coal from Blackwater, thereby underpinning our commitment to decarbonization through our innovative technologies, such as the carbon-recycling blast furnace."

Overview of Blackwater

The Blackwater coal mine is an open-cut mine that lies 73km south-east of Emerald in Queensland and in recent years has been producing around 12-13 Mtpa of ROM coal production, with opportunities to produce higher volumes. It is one of the largest coal mines in Australia, with a strike length of 80km, and has the largest dragline fleet (7) in the Southern Hemisphere. Both hard coking coal and semi soft coking coal products are mined at Blackwater. Blackwater's remaining life of mine could extend beyond 50 years¹. Blackwater's coal products are exported to customers across Asia through the RG Tanna Terminal north of Gladstone.

About Nippon Steel

Nippon Steel Corporation is Japan's largest steelmaker and one of the world's leading steel producers. The company operates in four business areas, starting with the core segment of Steelmaking and Steel Fabrication and including Engineering and Construction, Chemicals and Materials, and System Solutions. Nippon Steel has joint venture interests in several Australian coal operations, including Warkworth, Moranbah North, Foxleigh and Coppabella Moorvale.

About JFE Steel

JFE Steel is the second largest integrated steelmaker in Japan, supplying unique and highly functional steel products which are contributing to CO2 reduction, including electrical steel sheets and large and heavy steel plates for applications such as offshore wind power. JFE Steel serves customers on a global basis by producing steel under a corporate philosophy of "contributing to society with the world's most innovative technology." JFE Group has joint venture interests in several Australian coal operations, including Byerwen, Sonoma, Moranbah North and Coppabella Moorvale.

About Whitehaven Coal

Whitehaven is one of Australia's leading producers of metallurgical coal and high-quality, high-CV thermal coal. Our metallurgical and thermal coal products are exported to premium markets in Asia. Our operations are located in Queensland's Bowen Basin and in the Gunnedah Basin in New South Wales. As an active coal producer for more than 20 years including 15 years as a publicly-listed entity on the Australian Securities Exchange (ASX), Whitehaven is known for quality coal assets, excellence in safety and project delivery, and contributing to regional economies through investment and engagement.

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

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¹ Based on conceptual mine planning with life of mine dependent on prevailing local and macro-economic conditions.