

25 October 2017

The Manager, Listings  
Australian Securities Exchange  
Company Announcements Office

Via ASX Online

Dear Sir,

**Annual General Meeting – Chairman’s Address and Managing Director’s Presentation**

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  
**General Counsel & Company Secretary**

# WHITEHAVEN COAL

## AGM 2017

25 October 2017



## Chairman's Address

It gives me great pleasure to provide my Chairman's Report on Whitehaven Coal's performance for the 2017 financial year. This year marks ten years since your Company listed on the Australian Securities Exchange. I am pleased to report, a decade on, that Whitehaven Coal has delivered a record-breaking year. This year the Company:

- Produced a record amount of coal at more than 23 million tonnes on a managed basis;
- Reported a record profit of \$405m for the year;
- Maintained a disciplined and best quartile cost structure;
- Improved high safety standards; and
- Strengthened the balance sheet by accelerating repayment of debt.

In further detail, for the year to 30 June 2017, net profit after tax for the year was \$405.4m, up from \$20.5m. Full year ROM production grew 13% to 23.1 million tonnes, total saleable production grew 6% to 20.7 million tonnes, sales revenue grew 52%, FOB cash costs were \$58 per tonne and earnings before interest, tax, depreciation and amortisation was \$714.2m, up 219%. Importantly, we continued to deliver on our commitment to reduce our net debt which at 30 June 2017 was \$311m. I can now report that since the end of the financial year our net debt has fallen to \$65m.

These positive results have flowed through to Whitehaven's share price. Between 1 July 2016 and 30 June 2017 Whitehaven's share price rose 168%. Indeed, in FY2017 the Company was the best performing stock in the ASX200 index and today its market capitalisation is in excess of \$3.7 billion.

The Board of Directors do of course want to thank long-standing shareholders, and newer entrants to the register, for your support.

To illustrate the confidence that the Board of Directors has in the Company, a 20 cent per share distribution to shareholders has been proposed, comprising a 14 cent capital return and a 6 cent unfranked dividend. The capital return is subject to a shareholder vote at today's meeting.

With the company generating healthy cash flows, debt levels having reduced by more than \$800 million from their peak and the company's strong balance sheet, shareholders can expect to receive more returns in the future.

At this point I would like to thank Paul Flynn and his outstanding executive team for again showing great leadership across our business, industry and local community over the past 12 months. I would also pay tribute to Whitehaven Coal's strong and dedicated workforce for helping deliver another outstanding year.

### A decade of growth

Ladies and Gentleman, in the decade since listing in 2007, your company has grown significantly and now produces ten times the amount of coal than it did in the year of listing.

At the 2007 AGM, the then Chairman (and now Deputy Chairman) John Conde reported a profit for the financial year of \$24.1 million. The ten years since has been a decade of growth for Whitehaven operationally and financially and we believe the outlook is very positive for your Company's existing operations and projects.

Our next major development is the Vickery Project, an already approved coal mine located in the Gunnedah basin on land that has previously been mined. Whitehaven is seeking approval for an extension that will see it increase production from 4.5Mtpa to up to 10.0Mtpa.

Whitehaven is in the final stages of preparing to submit its Environmental Impact Statement for the Project – one of the most significant investments currently under way in North West NSW.

The Project, if approved, will cement our standing as the single largest private sector employer in the area. It will generate

around 500 jobs during the construction phase and roughly 450 jobs during operations, the majority of which will come from the local communities of Gunnedah, Narrabri, Boggabri and surrounding areas.

The Project will deliver substantial economic benefits to the local area and NSW more broadly, including more than \$1 billion in royalties to the NSW Government over the life of the project.

Whitehaven has a highly skilled management team and workforce with a demonstrated capacity of delivering large, new projects and for improving efficiency in operating mines. These skills can be used in developing new projects and with existing mines. Whitehaven wants to continue growing and building on the achievements of the past decade.

We will continue to seek acquisition opportunities and new projects where we consider that the Whitehaven team can add shareholder value. The company will seek opportunities in Australia that diversifies our product range and infrastructure accordingly.

### **Local mining, community focused**

Whitehaven has a proud history in the Gunnedah Basin where our mines, local investments, workforce and community contributions are centred and our commitment to the region remains strong.

As I am fond of saying, the Gunnedah Basin is home to some of the highest quality coal in the world, servicing export markets in Asia where it helps countries such as Japan, Taiwan and Korea meet their carbon emissions reduction targets.

As an Australian miner with a local focus, we want our projects to be environmentally and economically sustainable, and for the local community to benefit from our presence over the long-term. We are the largest non-government employer in the northwest NSW region, with a workforce of more than 1,500 across eight geographically dispersed sites.

Since 2012, Whitehaven Coal has invested around \$1bn into the economy in northwest NSW, with wages, payments to councils, support for businesses and sponsorships and donations to community groups. We have a strong track record of creating skilled jobs and bringing new investment and prosperity to the region.

But as we look forward to the next decade, we want to do more. Our Vickery Project means a bigger Whitehaven Coal and more investment in local communities. The Vickery Project will support the local community by delivering more jobs, more investment and greater economic security. We look forward to updating shareholders as the Project progresses.

### **Innovation**

I would like to close my report with a few words about innovation. Whitehaven Coal is an innovative company in an innovative industry.

At our world-class Maules Creek mine, the use of ultra-class equipment – trucks and excavators - has increased productivity and reduced costs. Up the road at our underground Narrabri operation, the longwall with its newly installed 400 metre wide face is fully automated and was one of the first in Australia to be equipped with a computerised operating system which enables horizon control. It is pleasing that Narrabri is now one of the most productive underground mines in Australia and consistently outperforms its original design capacity.

At our open cut operations, the commissioning of a new explosives provider has lowered the amount of explosives used and improved fragmentation of the blasted material. The use of the explosives has also contributed to improved productivity of the mining fleet and lowered costs.

And with our high quality coal helping countries across the region lower their carbon emissions, Whitehaven Coal and Australian coal producers more generally are well-placed to meet the increased global demand for cleaner coal. It would be a positive outcome for Australia if some of the high efficiency, low emission coal generating capacity were installed in Australia in the near future as a way of ensuring affordable and reliable electricity for the community.

### **Conclusion**

In conclusion, reflecting on the past year, and the decade since Whitehaven's listing on the ASX, it is fitting to thank and pay tribute to my fellow Directors, our Joint Venture Partners, shareholders, banking syndicate, management (both past and present), workforce and of course shareholders for their support over recent years.

As we look forward to another decade of success, your company would not be in the strong position that we are in today without your support.

Lastly, thank you for your attendance today. I look forward to reporting on further progress over the next 12 months.

The Hon. Mark Vaile AO  
Chairman

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# Whitehaven Coal Limited

ANNUAL GENERAL MEETING 2017

**Australia's Leading High-Quality Coal Company**

THE MINT, 10 MACQUARIE STREET, SYDNEY NSW 2000

25 OCTOBER 2017



# Disclosure

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.

THE PRESENTATION OF CERTAIN FINANCIAL INFORMATION MAY NOT BE COMPLIANT WITH FINANCIAL CAPTIONS IN THE PRIMARY FINANCIAL STATEMENTS PREPARED UNDER IFRS. HOWEVER, THE COMPANY CONSIDERS THAT THE PRESENTATION OF SUCH INFORMATION IS APPROPRIATE TO INVESTORS AND NOT MISLEADING AS IT IS ABLE TO BE RECONCILED TO THE FINANCIAL ACCOUNTS WHICH ARE COMPLIANT WITH IFRS REQUIREMENTS.

ALL DOLLARS IN THE PRESENTATION ARE AUSTRALIAN DOLLARS UNLESS OTHERWISE NOTED.

## COMPETENT PERSONS STATEMENT

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. PHILLIP SIDES IS A SENIOR CONSULTANT WITH JB MINING SERVICES. BEN THOMPSON IS A GEOLOGIST WITH WHITEHAVEN COAL. JOHN ROGIS IS A GEOLOGIST WITH WHITEHAVEN COAL. RICK WALKER IS A GEOLOGIST WITH WHITEHAVEN COAL. GRAEME RIGG IS A FULL TIME EMPLOYEE OF RPM ADVISORY SERVICES PTY LTD. DOUG SILLAR IS A FULL TIME EMPLOYEE OF RPM ADVISORY SERVICES PTY LTD. SHAUN TAMPLIN IS A FULL TIME EMPLOYEE OF TAMPLIN RESOURCES PTY LTD. CHARLES PARBURY IS A GEOLOGIST AND FULL TIME EMPLOYEE OF MCELROY BRYAN GEOLOGICAL SERVICES PTY LTD. MICHAEL BARKER IS A FULL TIME EMPLOYEE OF PALARIS LTD.

NAMED COMPETENT PERSONS CONSENT TO THE INCLUSION OF MATERIAL IN THE FORM AND CONTEXT IN WHICH IT APPEARS. ALL COMPETENT PERSONS NAMED ARE MEMBERS OF THE AUSTRALASIAN 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, 2012 EDITION).

## ADDITIONAL INFORMATION

ANY REFERENCES TO RESERVE AND RESOURCE ESTIMATES SHOULD BE READ IN CONJUNCTION WITH THE WHITEHAVEN'S ORE RESERVES AND COAL RESOURCES STATEMENT FOR ITS COAL PROJECTS AT 31 MARCH 2017 AS RELEASED TO THE AUSTRALIAN SECURITIES EXCHANGE ON 17 AUGUST 2017. WHITEHAVEN CONFIRMS IN SUBSEQUENT PUBLIC REPORTS THAT IT IS NOT AWARE OF ANY NEW INFORMATION OR DATA THAT MATERIALLY EFFECTS THE INFORMATION INCLUDED IN THE RELEVANT MARKET ANNOUNCEMENT AND IN THE CASE OF ESTIMATES OF COAL RESOURCES OR ORE RESERVES, THAT ALL MATERIAL ASSUMPTIONS AND TECHNICAL PARAMETERS UNDERPINNING THE ESTIMATES IN THE RELEVANT MARKET ANNOUNCEMENT CONTINUE TO APPLY AND HAVE NOT MATERIALLY CHANGED.

# Agenda

- Highlights
- History
- Safety
- Financial Performance
- Operations
- Community & Environment
- Outlook for Coal Use
- Outlook
- Appendices

# Record Year Highlights

WHITEHAVEN REPORTS RECORD PROFIT IN ITS 10<sup>TH</sup> ANNIVERSARY OF ASX LISTING



Safety improved with the TRIFR declining to 7.4 at Y/E



Record full year net profit including significant items of \$405.4 million up 1,879%



Equity coal sales of 15.5Mt for the year



Record EBITDA before significant items of \$714.2 million up 219% on pcg



A distribution of \$0.20ps \*



Net debt reduced to \$311 million, gearing 9%

\* PROPOSED CAPITAL RETURN IS SUBJECT TO SHAREHOLDER APPROVAL AT AGM



# History – 1999 to 2017

ESTABLISHED IN 1999 AND LISTED ON ASX IN 2007

## 1999/2000

Whitehaven Coal Limited is established  
Mining commenced at Canyon



## 2005/2006

Mining commenced at Werris Creek and Tarrawonga open cut mines



## 2007

Whitehaven Coal IPO and listed on the ASX



## 2008/2009

Construction of Narrabri underway  
Production commenced at Rocglen



## 2012

Merger with Aston Resources  
Boardwalk and Coalworks acquired  
Longwall installed at Narrabri



## 2013

Narrabri declared Commercial  
Maules Creek approved by Government



## 2014/2015

Construction and first coal at Maules Creek  
Financial close on a \$1.4 billion Senior Secured Bank Facility



## 2016

Company won industry awards for Aboriginal employment program at Maules Creek, apprenticeship program (and Annual Report)



## 2017

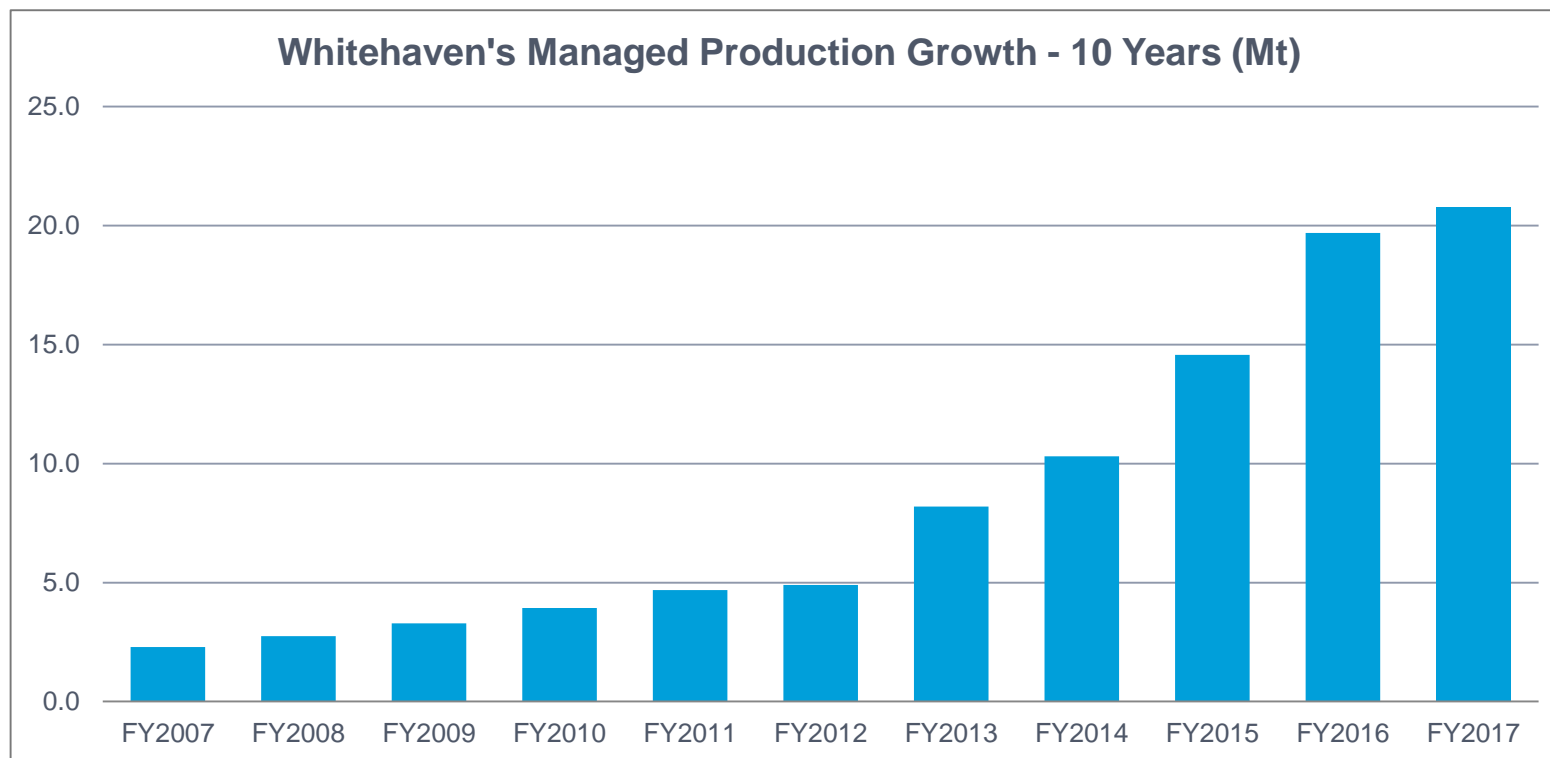
Record year of production, 23 million ROM Coal





# Strong Production Growth

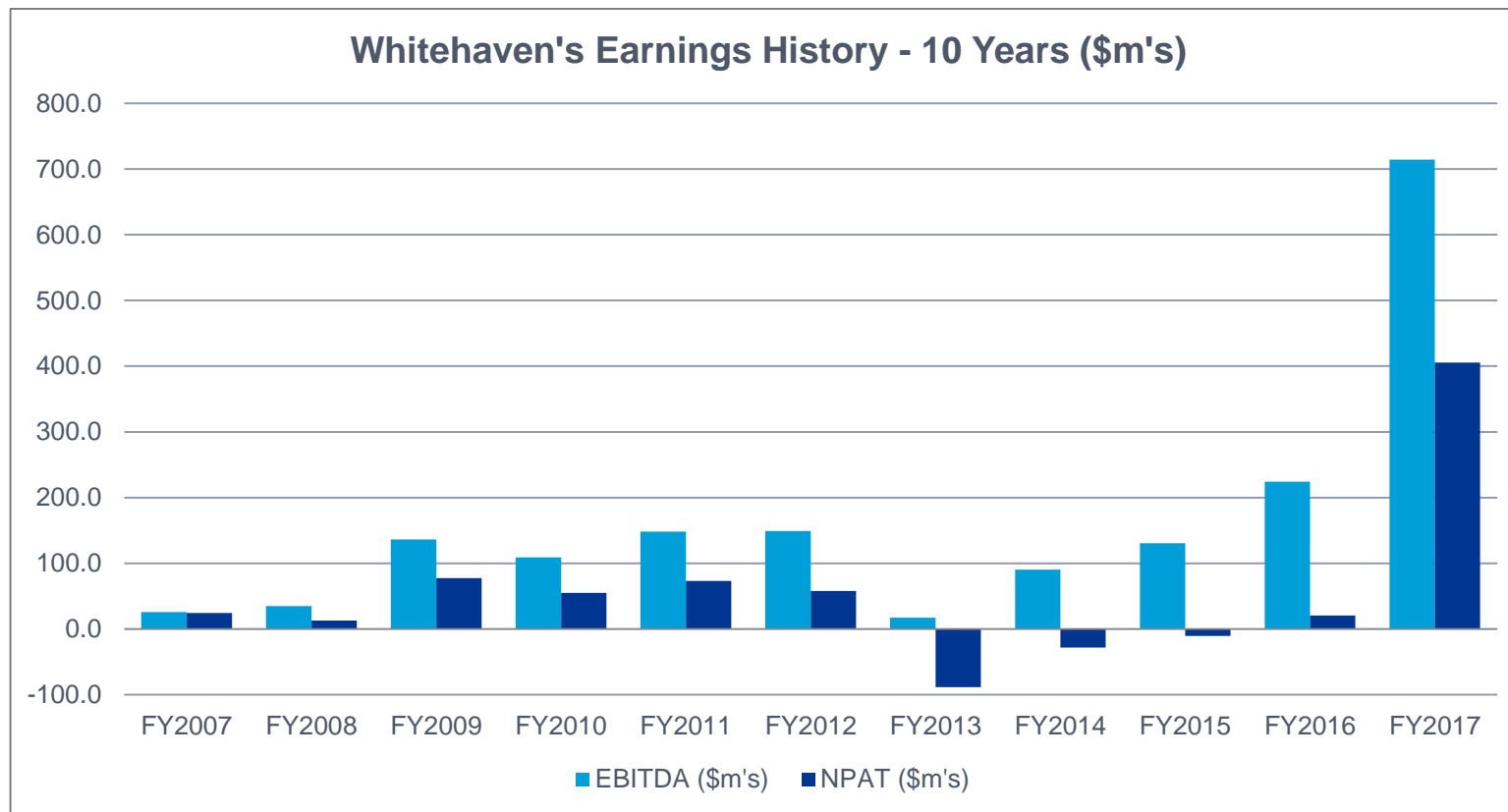
COAL PRODUCTION HAS INCREASED IN EVERY YEAR SINCE LISTING ON THE ASX



- With the development of two tier one assets – Narrabri and Maules Creek, Whitehaven has seen significant production growth since 2012

# Record Profit in 2017

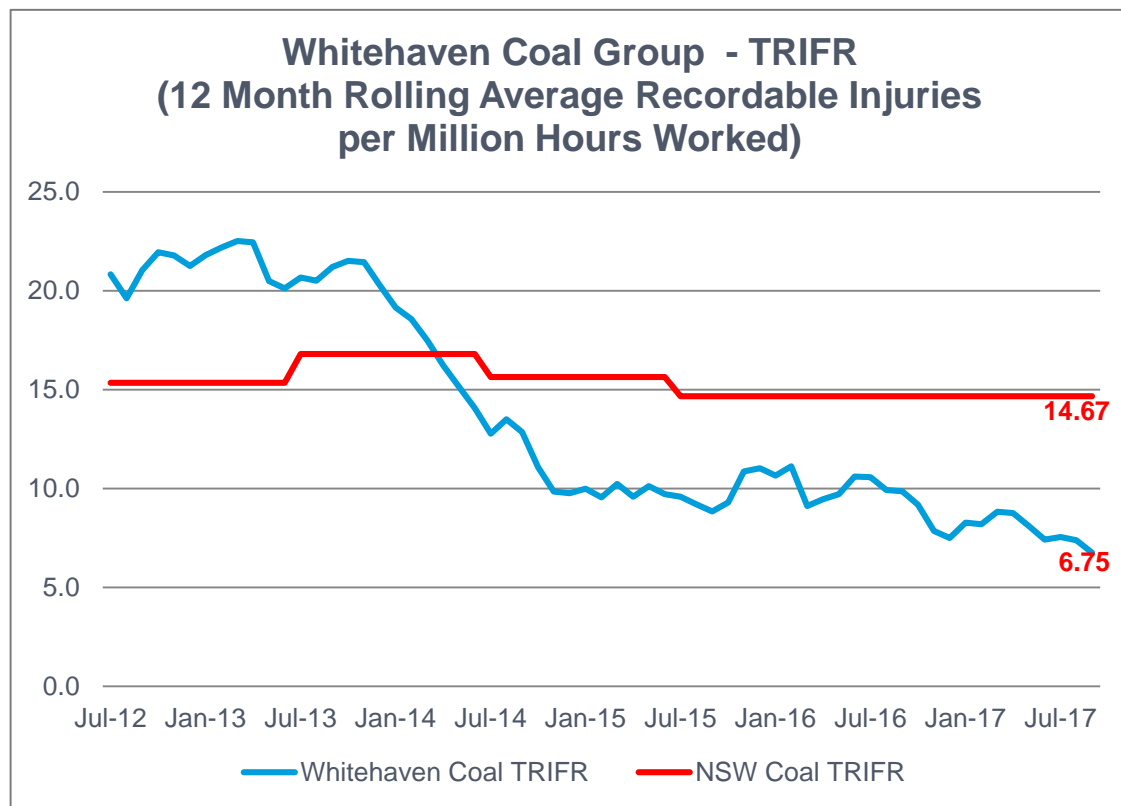
ADDING LOW COST MINES TO THE PORTFOLIO HAS LIFTED FINANCIAL RETURNS



- Strong profits and cash flow are now possible through the coal price cycle with a record result achieved in FY2017

# Safety

# Safety Performance



- Whitehaven's TRIFR remains significantly below NSW coal mining average
- TRIFR 6.75 at the end of September is the lowest recorded by Whitehaven
- Four of Whitehaven's locations have not had a recordable injury for over one year
- Rocglen has operated for 1,465 days (over 4 years) without a recordable injury and 1,765 days without a lost time injury

# Financial Performance

# Financial Highlights

HIGHER COAL PRICES FLOWING DIRECTLY TO PROFITS, DISTRIBUTION AND CASH FLOW

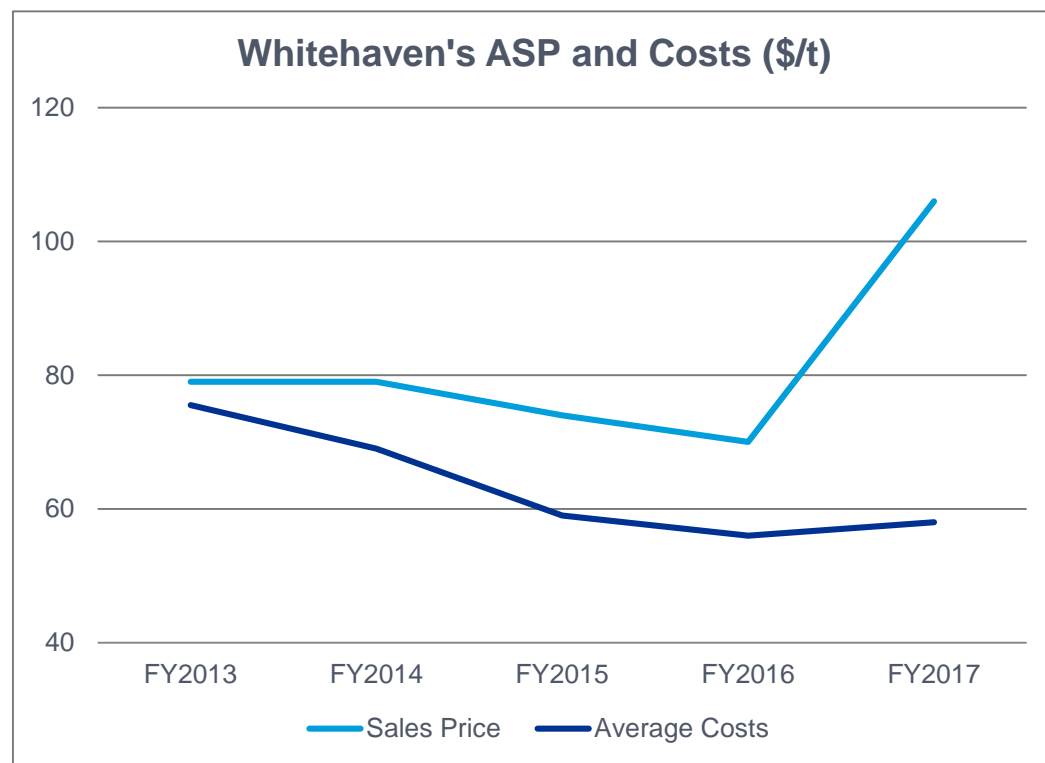
Profit and loss	FY2017	FY2016	Comment
Revenue	1,773.2	1,164.4	— Up by 52%
Net profit after tax (\$'m) including significant items	405.4	20.5	— Up 1,878%, record result
EBITDA before significant items (\$'m)	714.2	224.1	— Up 219% on pcp, higher volumes and prices
Cash generated from operations (\$'m)	655.3	269.3	— Up 243% on pcp
Distribution proposed (cps)	20	-	— Distribution to shareholders
Unit cost per tonne (\$/t)	58	56	— Modest increase from higher SSCC production

Balance Sheet	June 2017	June 2016	
Net debt (\$'m)	311	839	
Gearing (%)	9%	23%	— Strong balance sheet with investment grade credit metrics
Leverage (Net debt/EBITDA)	0.4	3.8	



# Costs and Margins

## INCREASED REVENUE AND TIGHT COST CONTROL



- The strong increase in revenue and modest increase in costs reflected in the improved margin
- Average received metallurgical and thermal coal prices for the year were US\$102/t and US\$81/t respectively
- Combination of lower production from Narrabri, offsetting higher production from the smaller open cuts and increased metallurgical coal production caused a modest increase in costs from \$56/t to \$58/t for the year

Note: The sales price (ASP) and costs are net of royalties paid to the NSW State Government

# Strong Balance Sheet

WHITEHAVEN IS WELL POSITIONED FOR THE FUTURE

	30 June 2017 \$'m	30 June 2016 \$'m
Cash on hand	87.1	101.5
Senior secured bank facility	325.0	835.0
ECA and finance leases	87.2	125.6
Total interest bearing liabilities*	398.3	940.8
<b>Net debt*</b>	<b>311.1</b>	<b>839.3</b>
Net assets	3,292.3	2,888.7

- Net debt reduced by \$528m over FY2017 with a further \$275m paid down since year end
- Our senior secured bank facility drawn to only \$50m today
- The strengthened balance sheet has enabled the Board to propose to return capital to shareholders and return to dividend paying status

\* Shown net of capitalised borrowing costs

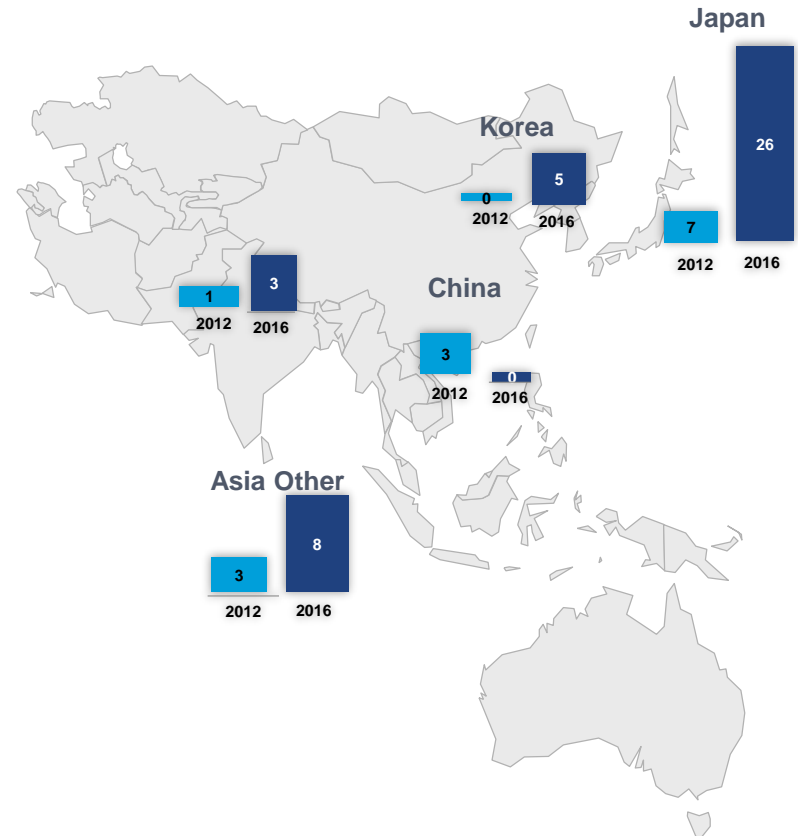
# Operations

# Whitehaven is a Significant Player in the Asian Coal Market

## AS ASIA GROWS WHITEHAVEN GROWS

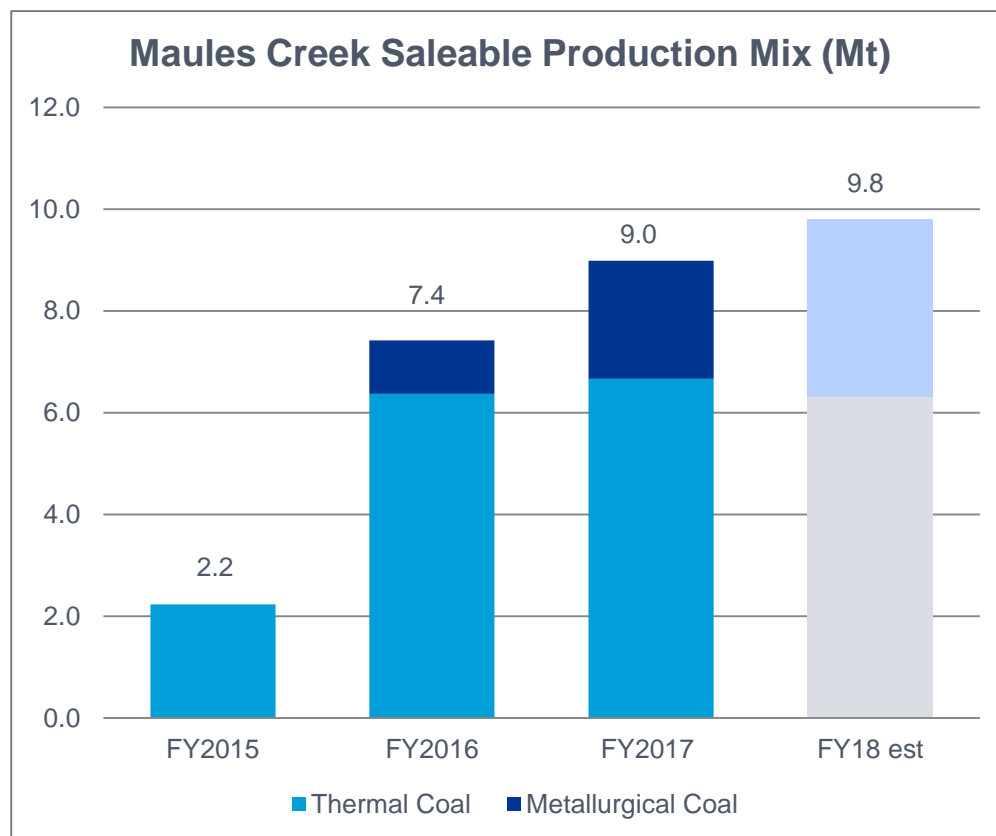
- In FY2017 96% of Whitehaven's coal was sold into the Asian region
- Whitehaven has been involved in the seaborne market since 2000
- Whitehaven is a key supplier in the seaborne coal market and a critical part of the supply chain supporting the power generation, steel and general manufacturing industries across Asia
- The size of Whitehaven's contribution can be measured in terms of :
  - Exports of thermal coal to Japan provide equivalent electric power for ~40 minutes per day
  - Annual Met coal production provides sufficient coal inputs to make the steel for ~5 million cars each year

Number of Whitehaven Customers  
(excludes Traders)



# Maules Creek Growth & Product Mix

PRODUCTION OF HIGHER MARGIN METALLURGICAL COAL INCREASING

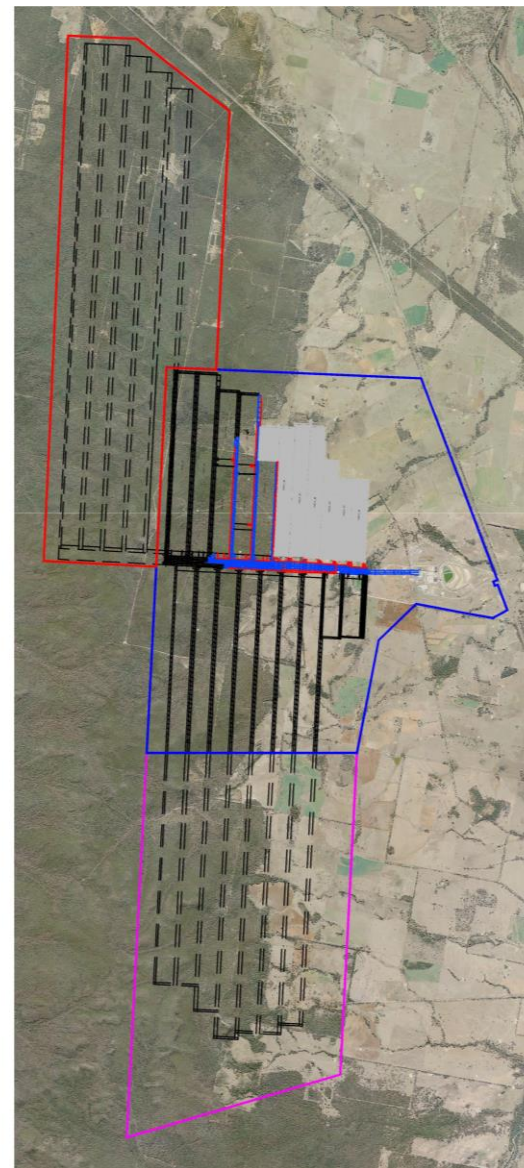


- Sales of metallurgical coal reached 2.3Mt for the year and is expected to increase to approximately 3.5Mt (35%) in FY2018
- Customer demand for the metallurgical coal is strong as steelmakers recognise the high quality of the Semi Soft Coking Coal (SSCC) however, recent price relativity between thermal and SSCC has tempered Whitehaven's incentive to make the SSCC product. This can be changed as the price spread widens
- The target of 50:50 product mix (thermal and metallurgical coal) should be achieved in FY2020

# Narrabri's Future

## SIGNIFICANT ADDITIONAL MINE LIFE AT NARRABRI

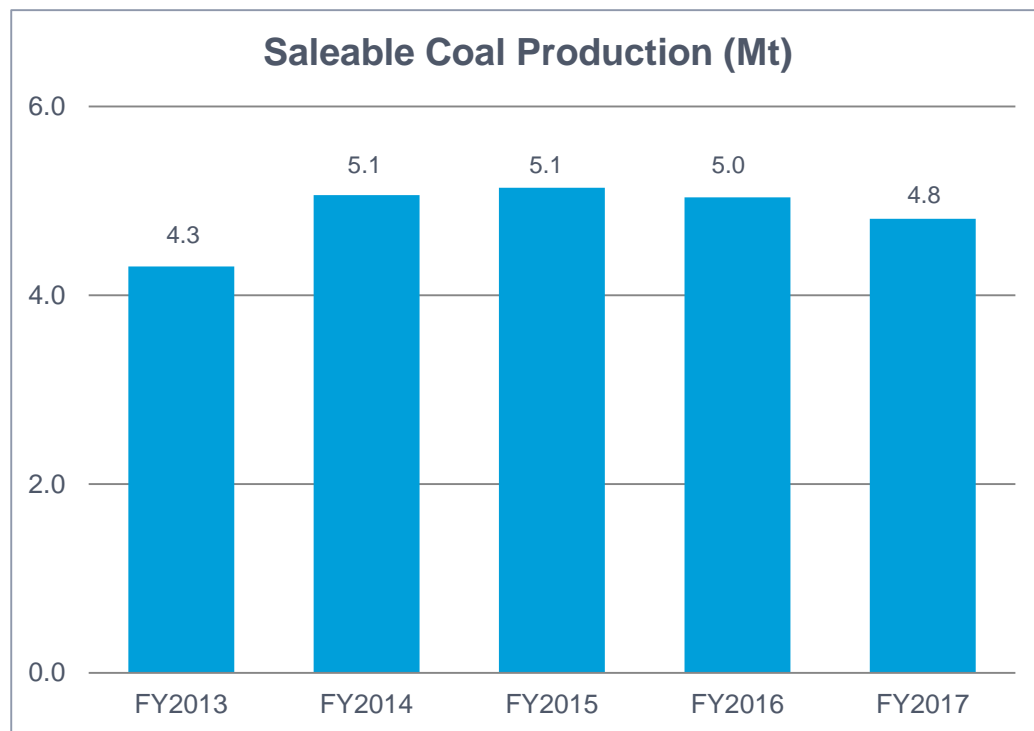
- Mine life at Narrabri can be increased by many years by:
  - Incorporating the Narrabri South exploration licence (EL) into the current mine plan, and
  - The successful application for an EL for coal under the Operational Allocation provisions of the NSW Mining Act 1992 for an area to the north and west of the current mining lease
- Drilling is currently underway in the southern EL to fully define the coal seam in the area with mine planning and design to follow once the drilling programme and coal analysis is completed
- ROM coal production guidance for Narrabri in FY2018 expected to be in the range of 8.0Mt to 8.4Mt





# Gunnedah Open Cuts

STRONG PRODUCTION PERFORMANCE FROM ALL MINES



- The three open cuts produced a record 6.1Mt of ROM coal and finished the year with good stock levels. This coal will be sold during the first half of FY2018
- Our portfolio of mines provides valuable production flexibility for the company when issues occur at one of the mines
- ROM coal production from these mines in FY2018 will be in the range of 5.0Mt and 5.4Mt.

# Vickery – The Next Project

10MTPA PROJECT SUPERIOR OUTCOME FOR COMMUNITY, EMPLOYEES AND SHAREHOLDERS

**Project is currently approved as a 4.5Mtpa open cut by the NSW Government. Whitehaven is seeking approval to increase production to 10Mtpa ROM coal**

<b>Location</b>	About 25kms north of Gunnedah
<b>Resources and Reserves</b>	Resource of 505Mt, Underground Resources of 230Mt, Open cut Reserves of 200Mt
<b>Ownership</b>	Whitehaven 100%, Seeking to form a JV (may sell up to 30%)
<b>Coal Quality</b>	High Calorific Value (CV) and low ash thermal coal similar to Maules Creek and SSCC where recent drilling has significantly upgraded the quality of the SSCC to be produced from the mine
<b>Start-up</b>	Can be started at any time but scheduled after Maules Creek is fully ramped
<b>Current Status</b>	Mine planning and infrastructure optimisations are being incorporated into the draft Environmental Impact Statement (EIS) to be lodged with Government authorities in Q1 CY2018
<b>Joint Venture Formation</b>	Process to commence when EIS documentation is lodged in CY2018

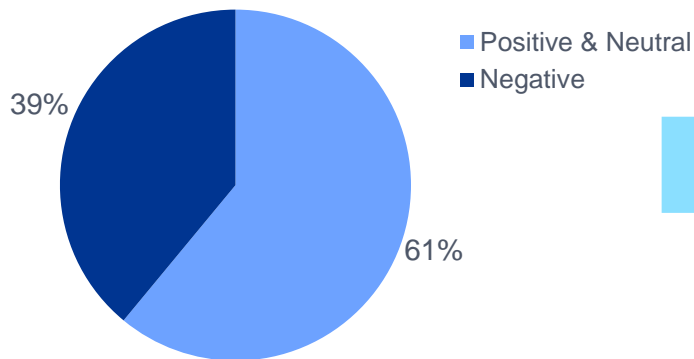
**Note:** See slides 40 and 41 for full details of the Coal Resources and Coal Reserves JORC tables and Slide 2 for the Competent Persons Statement.

# Community & Environment

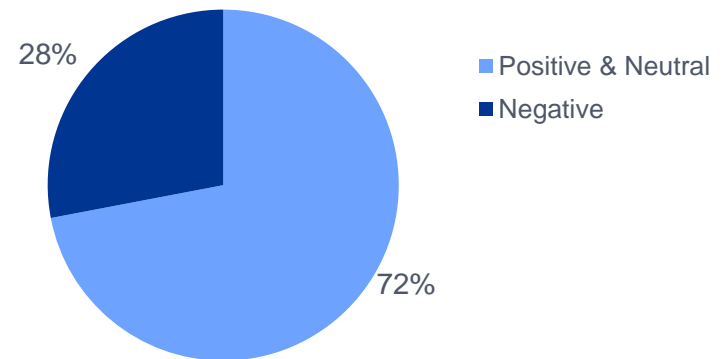
# Community Views of Whitehaven

COMMUNITY SURVEYS POINT TO SIGNIFICANT IMPROVEMENT OVER TWO YEARS

2015 Community Survey Results



2017 Community Survey Results



- Local residents from the Onnedah region with either a positive or neutral view on Whitehaven have increased over the two years

Source: Newgate Communications Pty Limited Research

# Community Contribution

WHITEHAVEN IS COMMITTED TO PROVIDING LASTING OPPORTUNITY TO ALL MEMBERS OF THE COMMUNITY IN WHICH WE OPERATE

We have invested

**\$1bn**

in the North West NSW economy since 2012



**\$12m**

in annual salaries to Indigenous workforce flowing back into communities



We made payments of

**\$159.4m**

to around 1,000 employees in remuneration and superannuation



**\$3.5m**

in voluntary planning agreements payments last year for local community infrastructure



In the past year we made

**90**

donations to community groups



**\$171.9m**

in royalties paid to the NSW Government this year



We worked with more than

**350**

local suppliers during the past year



**75%**

Around three quarters of our workforce live in the area of our operations, supporting the local economy



**11%**

of employees self-identify as Aboriginal or Torres Strait Islander people



# Environmental Credentials

## LOW WATER USE AND SIGNIFICANT CONTRIBUTION TO BIODIVERSITY OFFSETS

### ■ LAND

2%

of land owned  
by Whitehaven  
is actively mined



### ■ ENVIRONMENT

160,000

trees planted in biodiversity  
offsets this year



### ■ LAND

30,000

hectares of land is being  
used for agricultural  
purposes



### ■ WATER

1/3rd

of available water  
allocation used this year



### ■ LAND

11,000

hectares sprayed  
for weed control



### ■ LAND

90

kilometres of fencing  
replaced and installed





# Environment – Biodiversity in Action

WHITEHAVEN PLANTED OVER 160,000 TREES IN BIODIVERSITY OFFSET AREAS



- Over **668 hectares** rehabilitated, a further **937 hectares** prepared for revegetation and **11,000 hectares** sprayed for weed control
- **16.8 kilometres** of new fencing installed and **76 kilometres** of old fencing removed in biodiversity offset areas



# New RAP

WHITEHAVEN IS ABOUT TO LAUNCH ITS NEW “STRETCH” RECONCILIATION ACTION PLAN



## Success from our Innovate RAP

- Native Title Agreement signed
- Aboriginal Employment Strategy developed and implemented
- Executive team cultural awareness and immersion programme delivered by a local Elder
- Supported several NAIDOC functions
- Working with 30 Aboriginal businesses
- Now 11% of the total workforce

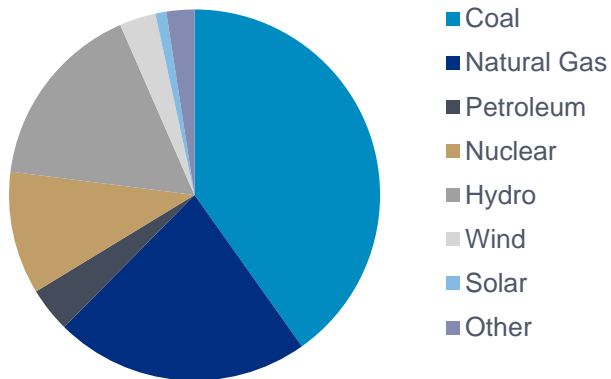
# Outlook for Coal Use

# World Electricity Generation Growth

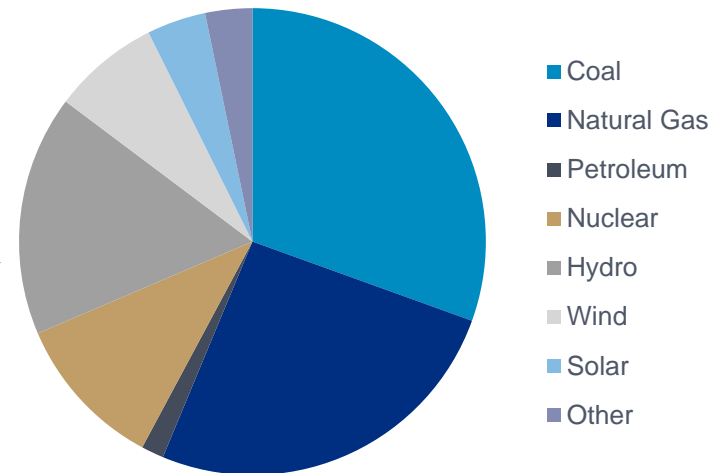
ELECTRICITY GENERATION IS FORECAST TO INCREASE BY 45% FROM 2015 TO 2040

- Electricity generation from coal increases by over 10 %and coal remains the largest source of world electricity generation in 2040 (31%) while wind and solar grow from 4% in 2015 to 11% in 2040
- Subsidies for wind and solar in 2015 were US\$120 billion and the total by 2040 is expected to reach US\$4.7 trillion

**2015 World Electricity Generation - 23,430TWh**



**2040 World Electricity Generation - 34,049TWh**



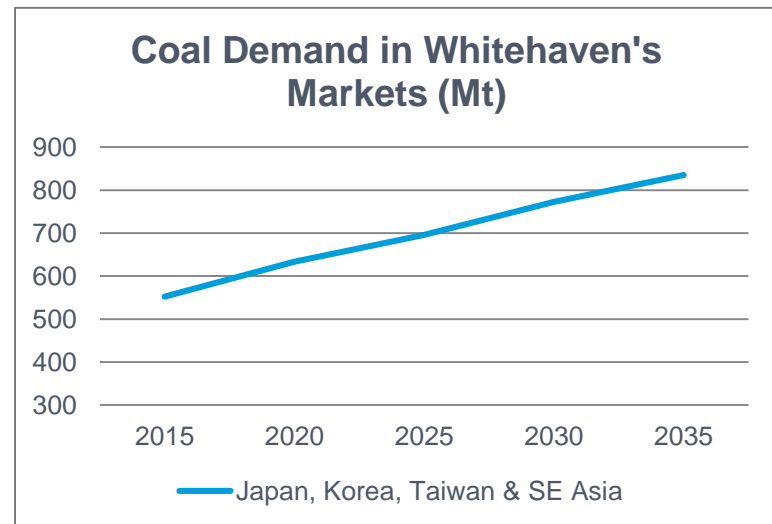
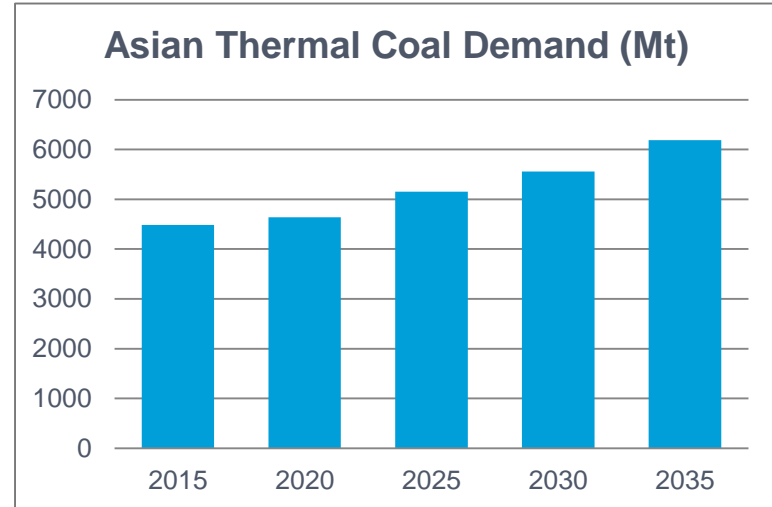
Source: US Energy Information Administration, International Energy Outlook 2017, Reference Case. The Reference case assumes continual improvement in known technologies based on current trends and relies on the views of leading economic forecasters and demographers related to economic and demographic trends for 16 world regions based on OECD membership status. The IEO2017 considers current policies—as reflected in current laws, regulations, and stated targets that are judged to reflect an actual policy commitment—for major countries with the goal of realistically capturing their effects in the projections. Projections in the IEO should be interpreted with a clear understanding of the assumptions that inform them (e.g., economic growth, population, world oil prices, and existing government regulations and policies) and the limitations inherent in any modelling effort.

IEA World Energy Outlook 2016

# Asian Thermal Coal Demand

## STRONG GROWTH IN WHITEHAVEN'S MARKETS

- Asian thermal coal demand is forecast to grow from 4.5Bt in 2016 to 6.2Bt from 2015 to 2035 an increase of 1.7Bt
- The growth in Whitehaven's key markets – North Asia and South East Asia is 283Mtpa over the period from 2015 to 2035
- This is almost 1.5 times Australia's current thermal coal exports



Source: CRU Thermal Coal Outlook September 2017

# Taipower - a Large Whitehaven Customer

INSTALLED COAL-FIRED CAPACITY INCREASING BY 3.4GW AND COAL DEMAND BY 9MT

## 2015 Term Tenders:

Bituminous coal quality:  
**16% Ash max**, 5900GAR min  
Ash evaluation: **\$0.15 / 1% Ash**



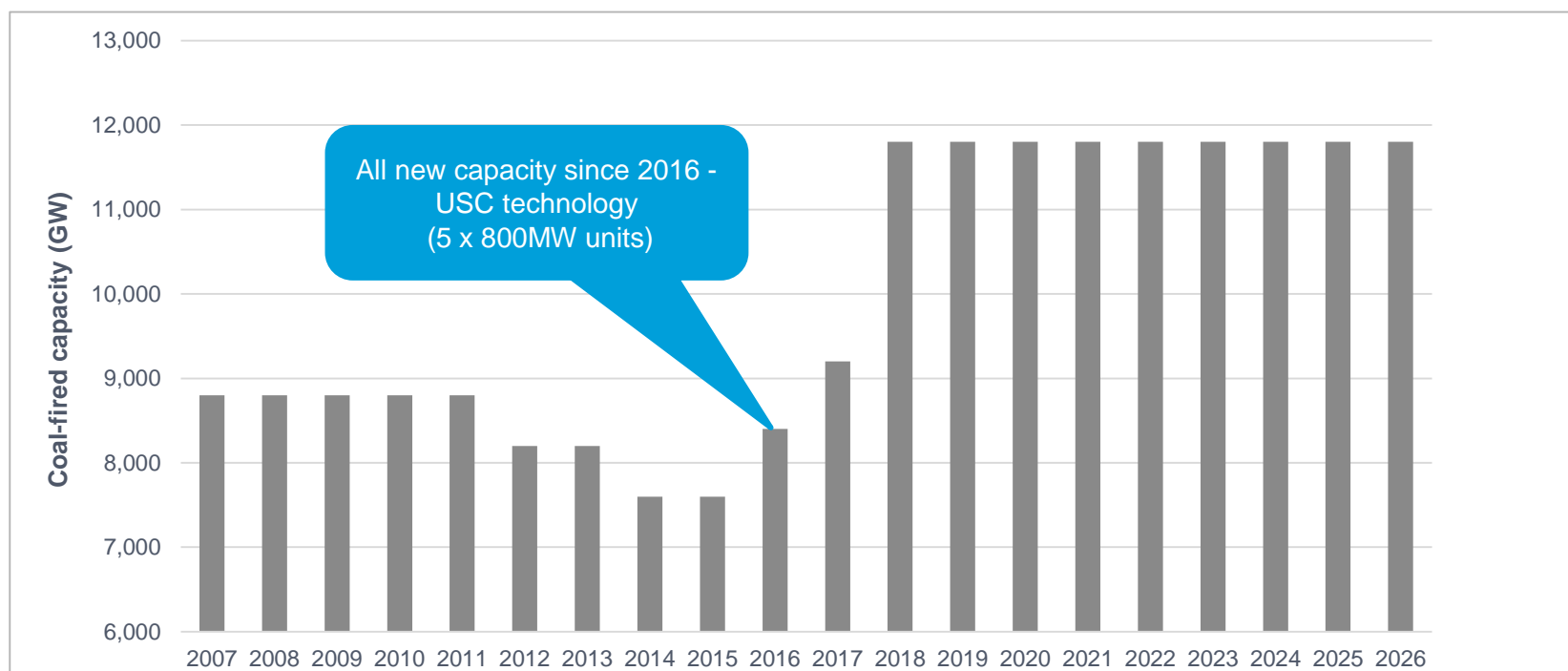
## 2016 Term Tenders:

Bituminous Coal Quality:  
Introduced **15% Ash max**  
Ash evaluation: **\$0.30 / 1% Ash**



## 2017 Term Tenders

Bituminous coal quality:  
Introduced **14% Ash max**,  
6,200GAR min  
Ash evaluation: **\$0.50 / 1% Ash**

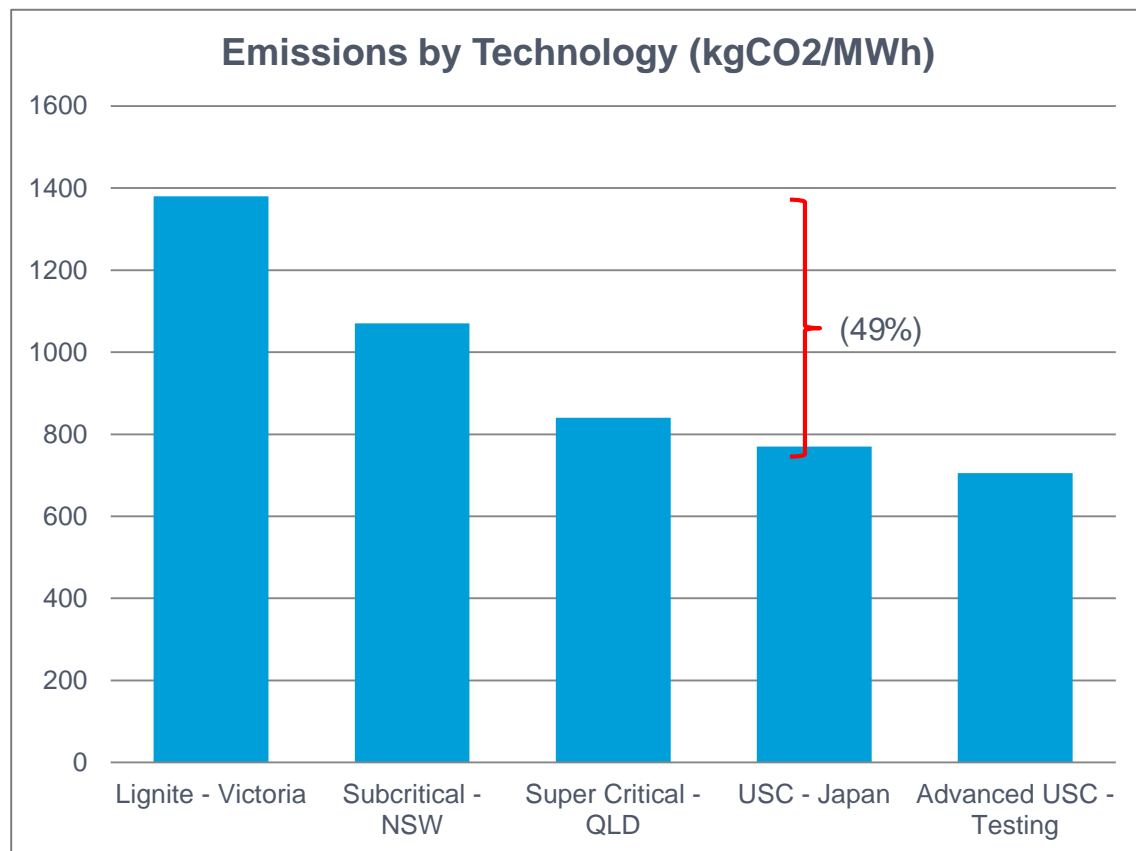


Source: Bureau of Energy, Ministry of Economic Affairs (2017), Taipower



# HELE Power Stations Lower Carbon Emissions

DEPLOYMENT OF HELE POWER STATIONS IMPROVES EFFICIENCY AND LOWERS EMISSIONS

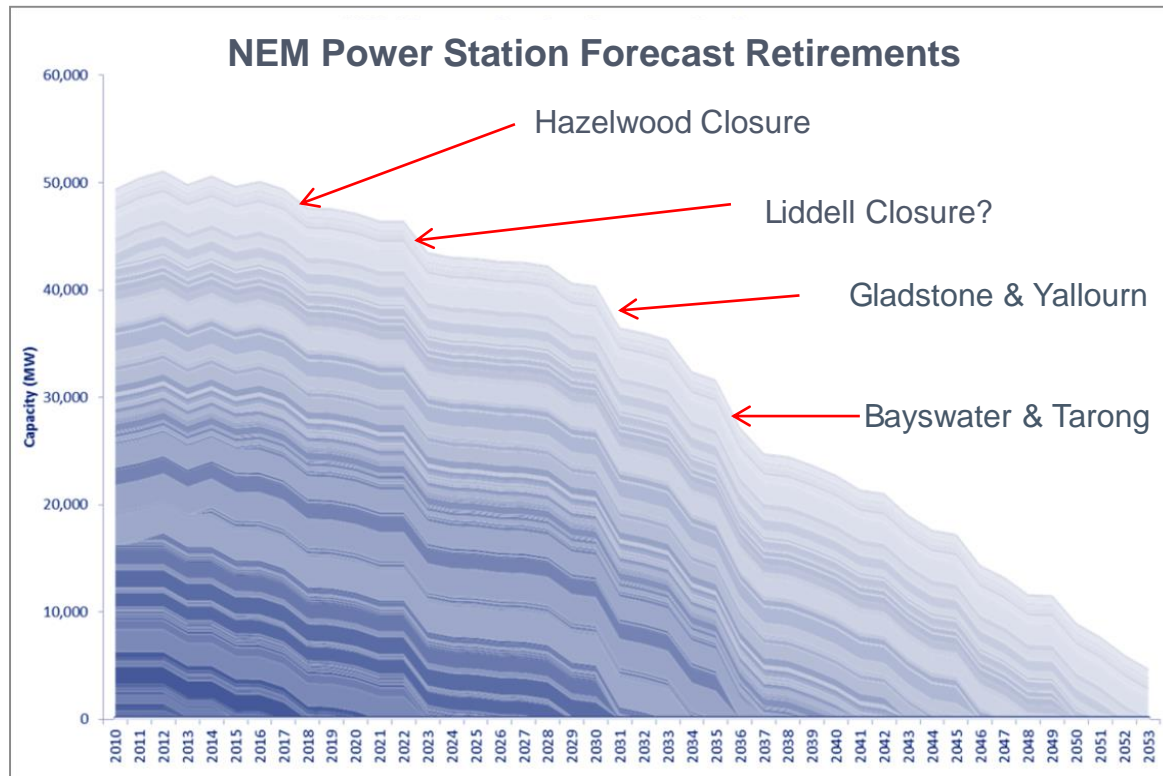


- Power station efficiency improves from 32% (Victorian lignite) to 45% (typical Japan) in modern ultra supercritical power stations
- 1015 of these plants are operating in the world with a further 1231 planned or under construction
- The demand for higher CV coals will increase to feed these new power stations

Source: WCA, IEA Technology Road Map HELE Generation 2012, Minerals Council of Australia and New Generation Coal Technology

# Coal Generation in Australia

## SCHEDULED PLANT CLOSURES IN AUSTRALIA WILL LOWER SYSTEM RELIABILITY



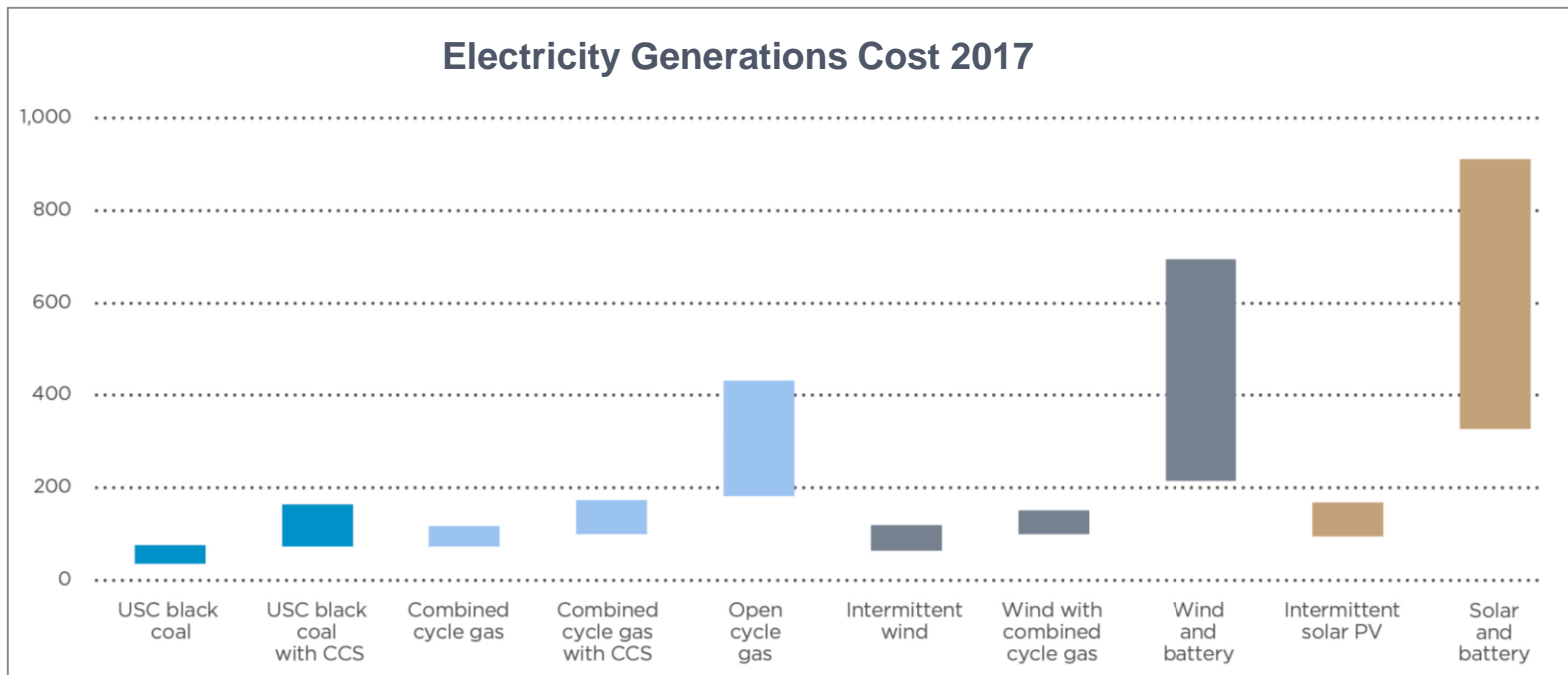
Source: Solstice Development Services

- On average over the past year coal generators have supplied about 66% of Australia's electricity needs despite the deployment of significant renewable capacity
- Electricity prices have increased through 2016 and 2017 as coal fired capacity was withdrawn from the market
- The closure of Hazelwood in Victoria in March this year and other scheduled closures in the future will significantly impact wholesale prices into the future

# Electricity Generation Costs

USC (HELE) POWER GENERATION IS THE LOWEST COST SOLUTION FOR AUSTRALIA

- HELE electricity is the lowest cost 24/7 power (A\$/MWh)
- New HELE plants can maintain grid security and reliability whilst providing the lowest cost option to replace ageing coal plants

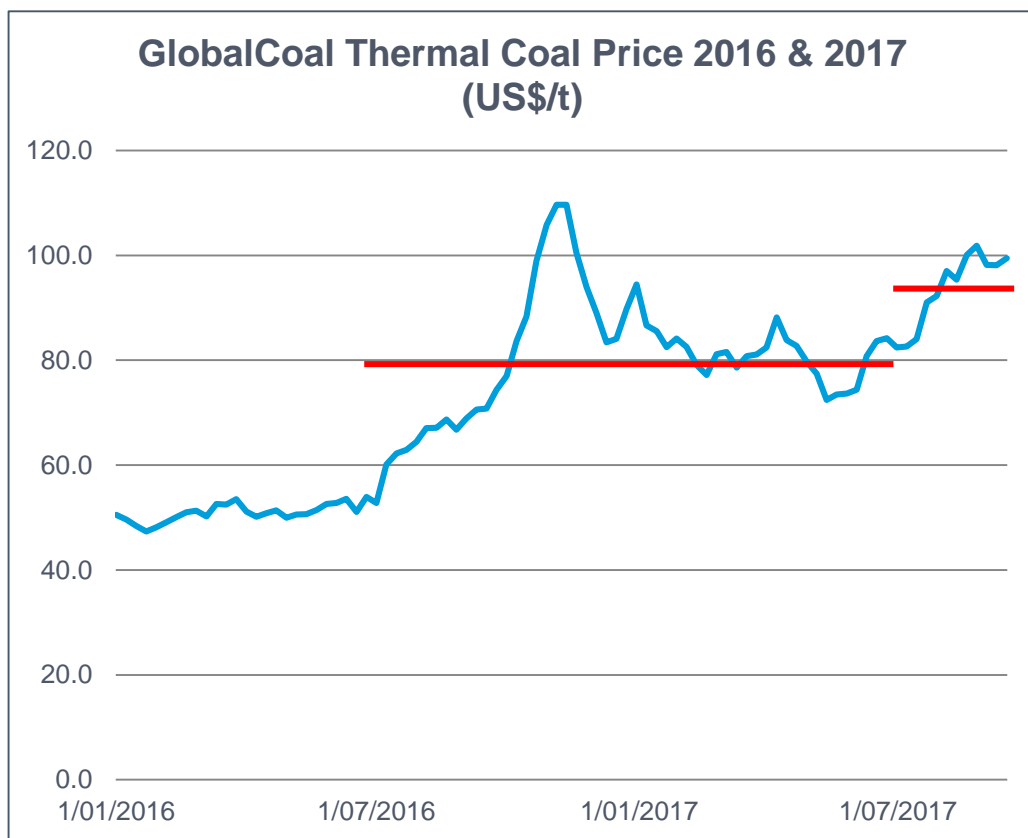


Source: Solstice Development Services, ACA Low Emissions Technologies Ltd, Prospects for HELE Power Station Development

# Outlook

# Thermal Coal Market - Balanced

SEABORNE MARKET BALANCED WITH DISRUPTIONS LIKELY TO PROVIDE PRICE UPSIDE

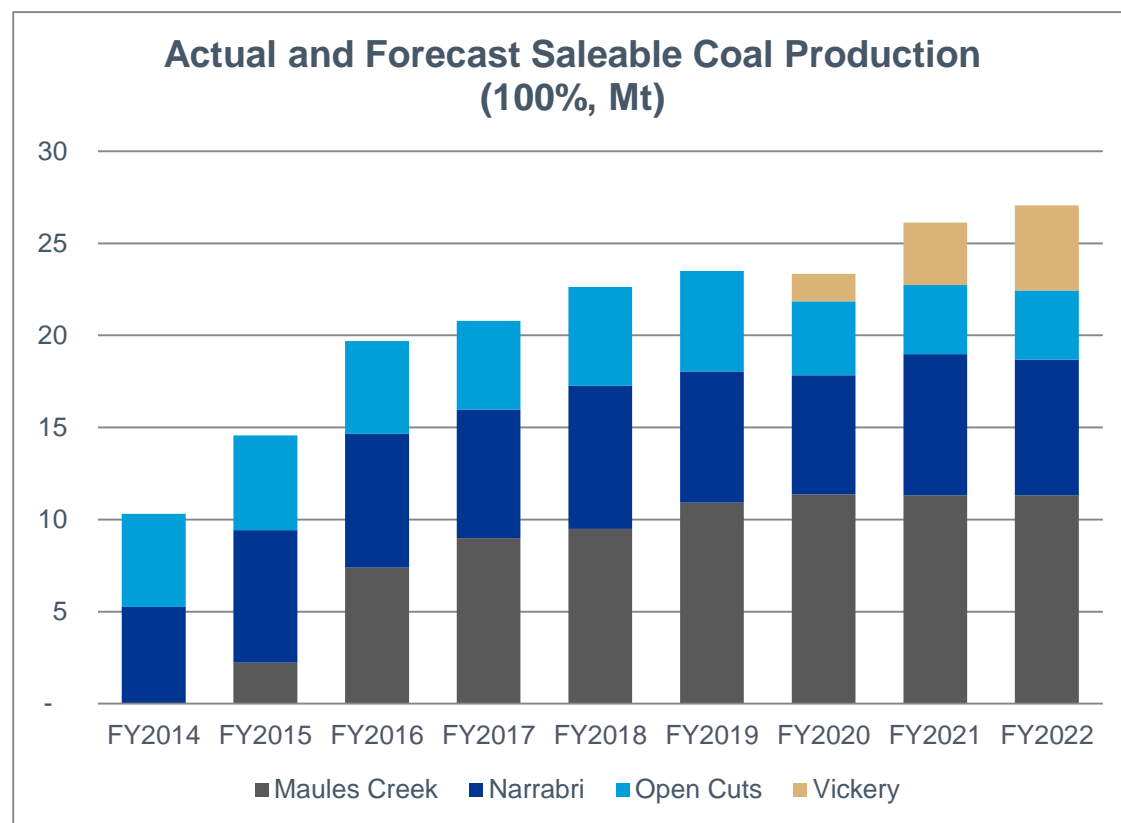


Source: GlobalCOAL NEWC Index weekly price series

- Ongoing production issues in Australia (strikes) and Indonesia (weather) have limited production growth
- Production closures and safety inspections in China combined with increased thermal generation have increased the call on the seaborne market this year
- The indicative China domestic price range has provided a floor price for the seaborne market
- All the while, the deployment of HELE technology increases the call on higher quality coal in the seaborne market, underpinning the price over the next year

# Whitehaven's Production Profile

MAULES CREEK RAMP UP AND VICKERY CONTRIBUTE TO GROWTH IN THE FUTURE



- Ramping up of production from Maules Creek continues with the next step up due in early FY2019
- Saleable coal production in FY2018 expected to be in the range of 22Mt to 23Mt (100% basis)
- The timing of Vickery project is dependent upon Government approvals and Board sanction of the project

Note: Graph depicts saleable coal on a 100% basis including pre-commercial coal production from Maules Creek and the Vickery Project. The production profile shown in the chart is fully underpinned by the Company's Marketable Reserves from its operating mines. See slide 41 for full details of the Coal Reserves JORC table and Slide 2 for the Competent Persons Statement.

# Embedded Growth Opportunities

## ORGANIC OPTIONS TO GROW SHAREHOLDER VALUE

- Increase the approval limit at Maules Creek from 13Mtpa ROM to 15+Mtpa ROM
- Extend the longwall panels into the south area at Narrabri, increasing LOM and annual production
- Seek additional lease opportunities to the north west of the Narrabri mine and extend mine life
- Introduce autonomous truck fleet to Maules Creek to increase productivity and reduce costs
- Develop the Vickery project adding 10Mtpa ROM coal production to the portfolio when fully ramped

# Targets for FY2018

## GROWING PRODUCTION SAFELY AND INCREASING SHAREHOLDER RETURNS

### Operations

- Continue improving safety performance
- Deliver saleable coal production guidance in the range of 22Mt to 23Mt (100% basis)
- Limit cost increase in FY2018 to the range of \$1/t to \$2/t compared to FY2017
- Ensure Maules Creek is operating at 10.5Mtpa ROM coal for FY2018
- Grow higher margin metallurgical coal sales from both Maules Creek and Narrabri
- Lodge EIS documentation for Vickery project
- Increase contracted position for Maules Creek SSCC and thermal coal

### Financial

- Return surplus capital to shareholders
- Maintain the existing strong balance sheet
- Ensure that costs remain competitive



SR 17 Narrabri 35

17 Maules Ck SR 11 Boggabri 18

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WHITEHAVEN COAL

# Appendices

# Resources

WHITEHAVEN COAL LIMITED - COAL RESOURCES - AUGUST 2016							
Tenement		Measured Resource	Indicated Resource	Inferred Resource	Total Resources	Competent Person	Report Date
Vickery Opencut	CL316/EL4699 EL583/EL7407 EL8224/ML1464 ML1471	230	165	110	505	1	Jun-15
Vickery Underground		-	95	135	230	1	Jun-15
Rocglen Opencut	ML1620	6	4	-	10	2	Mar-16
Rocglen Underground	ML1620	-	3	1	4	2	Mar-15
Tarrawonga Opencut*	EL5967/ML1579 ML1685/ML1693	45	18	13	76	2	Mar-16
Tarrawonga Underground	EL5967/ML1579 ML1685/ML1693	10	15	14	39	2	Apr-14
Maules Creek Opencut**	CL375/AUTH346/ EL8072	230	360	70	660	6	Mar-16
Werris Creek Opencut	ML1563/ML1672	15	3	-	18	2	Mar-16
Narrabri Underground***	ML1609/EL6243	190	300	230	720	5	Mar-16
Gunnedah Opencut	ML1624/EL5183/ CCL701	7	47	89	143	2	Aug-14
Gunnedah Underground	ML1624/EL5183/ CCL701	2	138	24	164	2	Aug-14
Bonshaw Opencut	EL6450/EL6587	-	4	7	11	2	Aug-14
Ferndale Opencut	EL7430	103	135	134	372	3	Jan-13
Ferndale Underground	EL7430	-	-	73	73	3	Jan-13
Oaklands North Opencut	EL6861	110	260	580	950	2	Aug-14
Pearl Creek Opencut****	EPC862	-	14	38	52	4	Jan-13
<b>TOTAL COAL RESOURCES</b>		<b>948</b>	<b>1563</b>	<b>1518</b>	<b>4029</b>		
1. John Rogis, 2. Ben Thompson, 3. Greg Jones, 4. Phil Sides, 5. Rick Walker, 6. Shaun Tamplin * Whitehaven owns 70% share of opencut resources within ML1579, ML1685 and ML1693. The total combined resource for Tarrawonga Mining Leases (ML1579, 1685 and 1693) and Exploration Licence (EL5967) is reported. ** Maules Creek Joint Venture - Whitehaven owns 75% share. *** Narrabri Joint Venture - Whitehaven owns 70% 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 2016									
Tenement		Recoverable Reserves			Marketable Reserves			Competent Person	Report Date
		Proved	Probable	Total	Proved	Probable	Total		
Vickery Opencut	CL316/EL4699/EL7407	—	200	200	—	178	178	1	Mar-15
Rocglen Opencut	ML1620	2.8	0.6	3.4	2.1	0.5	2.6	1	Mar-16
Tarrawonga Opencut *	EL5967 / ML1579 ML1685 / ML1693	29	10	39	27	9	35	1	Mar-16
Maules Creek Opencut**	CL375/AUTH346	210	300	510	190	270	460	3	Mar-16
Werris Creek Opencut	ML1663/ML1672	12	2	14	12	2	14	1	Mar-16
Narrabri North Underground***	ML1609	80	42	122	78	40	118	4	Mar-16
Narrabri South Underground***	EL6243	—	94	94	—	75	75	2	Mar-15
<b>TOTAL COAL RESERVES</b>		<b>334</b>	<b>649</b>	<b>982</b>	<b>309</b>	<b>575</b>	<b>883</b>		
<p>1. Doug Sillar, 2. Graeme Rigg, 3. James Smith, 4. Michael Barker</p> <p>* Whitehaven owns 70% share of opencut reserves within ML1579, ML1685 and ML1693. The total combined reserve for Tarrawonga Mining Leases (ML1579, 1685 and 1693) and Exploration Licence (EL5967) is reported.</p> <p>** Maules Creek Joint Venture - Whitehaven owns 75% share.</p> <p>*** Narrabri Joint Venture - Whitehaven owns 70% share.</p> <p># The Coal Reserves for active mining areas are current as at report date.</p> <p>## Coal Reserves are quoted as a subset of Coal Resources.</p> <p>### Marketable Reserves are based on geological modeling of the anticipated yield from Recoverable Reserves</p>									

**Note:** See Competent Person Statement on Slide 2