Appendix 4D

1. This statement presents results for Whitehaven Coal Limited for the half year ended 31 December 2018 and, where applicable, comparative results for the previous year.

2. **Results for announcement to the market:**

	Half Year 31 Dec 2018 $'000	**Half Year 31 Dec 2017[1] $'000**	**Change**
Revenue from ordinary activities	1,270,088	1,146,370	11%
Net profit after tax from ordinary activities	305,834	256,202	19%
Net profit after tax attributable to members	305,834	256,202	19%

[1] The comparative statement for the half year ended 31 December 2017 has been restated to give effect of the change in accounting policies. See note 3 of the interim financial report for further details.

3. Dividends

	Amount per security	Franked amount per security
Current reporting period:		
- Interim dividend FY2019 (payable March 2019)	15.0 cents	Nil
- Special dividend FY2019 (payable March 2019)	5.0 cents	Nil
Previous corresponding reporting period:		
- Interim dividend FY2018	13.0 cents	Nil
Record date for determining entitlement to Interim dividend		26 February 2019
Date of payment of Interim dividend		6 March 2019

Dividends of $267,516,000 were paid to shareholders during the six months ended 31 December 2018.

4. Net Tangible Assets (NTA) per security:

	Half Year 31 Dec 2018	**Half Year 31 Dec 2017[1]**
NTA per security	339.38c/share	323.67c/share

[1] The comparative statement for the half year ended 31 December 2017 has been restated to give effect of the change in accounting policies.

5. All other information can be obtained from the attached financial statements, accompanying notes and Directors' report.

Interim Financial Report

Half year ended 31 December 2018

Whitehaven Coal Limited
and its controlled entities
ABN 68 124 425 396

WHITEHAVEN COAL

Contents

Whitehaven Coal Limited
Directors' report
31 December 2018

The Directors present their report together with the consolidated financial report of Whitehaven Coal Limited ('the Company'), being the Company, its subsidiaries, and the Group's interest in joint operations for the half year ended 31 December 2018 and the auditor's review report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the half year period are:

Name	Position	Date of appointment
The Hon. Mark Vaile	Chairman	3 May 2012
John Conde	Deputy Chairman	3 May 2007
Dr Julie Beeby	Director	17 July 2015
Paul Flynn	Managing Director	3 May 2012 (appointed Managing Director 25 March 2013)
Tony Haggarty	Director	3 May 2007 (retired 1 November 2018)
Fiona Robertson	Director	16 February 2018
Raymond Zage	Director	27 August 2013

PRINCIPAL ACTIVITIES

The principal activity of Whitehaven Coal Limited and its controlled entities (the 'Group') during the period was the development and operation of coal mines in New South Wales and Queensland. There were no significant changes in the nature of the activities of the Group during the period.

DIVIDENDS

Paid during the period

Dividends of $267,516,000 were paid to shareholders during the six months ended 31 December 2018 (2017: distribution of $198,405,000 comprising a dividend of $59,521,000 and a capital return of $138,884,000).

Declared after the period

The Directors have declared an unfranked dividend of 20 cents per share totalling $198,405,000 to be paid on 6 March 2019 to be comprised of an interim dividend of 15 cents per share and a special dividend of 5 cents per share.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The auditor's independence declaration is set out on page 11 and forms part of the Directors' report for the half year ended 31 December 2018.

ROUNDING

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and dated 24 March 2016 and, in accordance with that Class order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

OPERATING AND FINANCIAL REVIEW

FINANCIAL HEADLINES

- Net profit after tax ("NPAT") increased by 19% to $305.8m.
- Operating EBITDA increased by 12% to $550.8m.
- Cash generated from operations increased by 5% to $463.7m.
- Net debt of $244.2m at 31 December 2018.
- Dividends of $267.5m were paid during the period.

The following table summarises the key reconciling items between the Group's operating EBITDA before significant items and its statutory profit.

Whitehaven Coal Limited – Consolidated	H1 FY2019 $ million	H1 FY2018[1] $ million
Revenue	1,270.1	1,146.4
Net profit for the period	**305.8**	**256.2**
Operating EBITDA	**550.8**	**493.7**
Net interest expense (refer to note 5)	(18.4)	(17.6)
Other financial expenses	(4.1)	(3.5)
Depreciation and amortisation	(96.2)	(101.2)
Profit before tax	432.1	371.4

[1] The comparative period for the six months ended 31 December 2017 has been restated to give effect to the change in accounting policies. See note 3 of this interim financial report for details on this change.

REVIEW OF FINANCIAL PERFORMANCE

H1 FY2019 NPAT of $305.8m represents an increase of 19% compared with the H1 FY2018 restated NPAT of $256.2m. The increased NPAT result was driven by a 28% increase in the per tonne EBITDA margin which rose to $73/t in H1 FY2019 from $57/t in H1 FY2018 (restated). The increased EBITDA margin reflects the benefits of higher coal prices in the period.

The key factors that contributed to the increased H1 FY2019 NPAT result include:

- Strong safety performance.
- Gross revenue increased by $123.7m to $1,270.1m in H1 FY2019. The increase was driven by the substantial increase in A$ realised prices to an average of A$155/t in H1 FY2019 up from A$124/t in H1 FY2018. The key drivers of A$ realised prices during the period include:
    - The Newcastle GlobalCoal Index price averaged US$111/t for high quality thermal coal in the first half, US$15/t higher than the average of US$96/t in the prior corresponding period.
    - The Group realised an average price of US$110/t for its thermal coal sales in H1 FY2019, reflecting the high quality of thermal coal delivered across the entire portfolio during the period.
    - The increase in prices for high quality thermal coal during H1 FY2019 reflect an increase in Chinese imports of higher quality coal from Australia, significant increases in import volumes in South and Southeast Asia following the ongoing deployment of new coal fired power stations in the region, and despite strong prices for high quality coal, limited supply side response.
    - The high quality of thermal coal from the Maules Creek mine typically achieved both quality and energy premiums relative to the Newcastle GlobalCoal Index price during the period. Sales of Maules Creek coal achieved an average price of 7% higher than the globalCOAL Newc index price during the period. Thermal coal sales from Narrabri, Rocglen and Tarrawonga broadly received the index price during the period.
    - Product mix decision was made to increase the production of high quality thermal coal to take advantage of the wide price spread between high quality thermal coal and lower quality thermal coal. This focus resulted in an increased proportion of coal being upgraded during the period and sold as high quality thermal coal.

REVIEW OF FINANCIAL PERFORMANCE (CONT.)

- The Group realised an average price of US$124/t in the first half for its sales of metallurgical coal products, up from US$111/t in the prior corresponding period. The realised price reflects a combination of quarterly benchmark linked and index based contracts.
- A weaker AUD – the average AUD:USD exchange rate decreased to 0.72 in H1 FY2019 from 0.78 in the prior corresponding period.
- The above factors were partially offset by a decrease in sales volumes to 8.2Mt (excluding Sunnyside sales of produced coal) from 9.2Mt in the prior corresponding period.

- FOB costs per tonne of A$69 in H1 FY2019 have increased from A$57/t in H1 FY2018 (restated for AASB 16 impact) and were impacted by strategic, structural and short term factors. These include:

  Strategic and market factors

  - An increased focus on high quality thermal product due to the price spreads between high quality thermal coal and lower quality thermal. This has resulted in increased washing and lower yields relative to the prior corresponding period.
  - An almost 40% increase in crude oil prices in A$ terms fed into the cost of diesel used in production and transportation.

  Structural factors

  - The Narrabri mine is being impacted by increased depth of cover which requires higher secondary support intensity.
  - A higher strip ratio at Tarrawonga and Maules Creek in line with the natural progression of these mines as they approach the LOM average.
  - The increased contribution of Maules Creek to total Whitehaven sales in line with the expansion of this mine.

  Short term factors

  - The recalibration of the mine sequence at Maules Creek following the increase in ROM production in late FY2018 resulted in an adverse impact on production and costs in the first quarter of H1FY2019. While the recovery in ROM production in the second quarter contributed to a reduction in production costs, a proportion of this production remains in inventory at 31 December 2018 and therefore the full benefit did not flow through to FOB costs per tonne in H1FY2019.
  - FOB costs per tonne at the Maules Creek mine have increased as the pit continues to be expanded to facilitate optimised mining conditions for the long term. This phase of the mine's life is characterised by out of pit dumping and a resulting increase in haul distances. FOB costs per tonne are expected to fall in the medium term as in-pit dumping commences.
  - Narrabri's longwall change-out took place entirely during the September 2018 quarter, impacting its sales volumes and its costs.
  - Increased demurrage and under-utilised logistics costs arising from lower production from the Narrabri and Maules Creek mines in the first quarter.

CASH FLOWS & CAPITAL MANAGEMENT

$ million	**H1 FY2019**	H1 FY2018[1]
Cash flow summary		
Operating cash flows	445.8	426.6
Investing cash flows	(80.3)	(30.2)
Net free cash flow	**365.5**	**396.4**
Financing cash flows	(388.1)	(384.9)
Cash at the beginning of the period	**111.8**	**87.1**
Cash at the end of the period	**89.2**	**98.6**

Capital management	**31 December 2018**	30 June 2018
Net debt[2]	244.2	270.4
Undrawn syndicated facility	775.0	725.0
Gearing ratio[2, 3] (%)	7%	7%

[1] The comparative period for the six months ended 31 December 2017 has been restated to give effect to the change in accounting policies. See note 3 of this interim financial report for details on this change.

[2] Calculated in accordance with the senior facility covenant requirements and therefore excludes lease liabilities recognised for the first time upon adoption of AASB 16 *Leases* of $169,011,000 (2018: $205,874,000)

[3] Net Debt/(Net Debt plus Equity)

Cash Flow Commentary

Operating cash flows

Operating cash flows of $445.8m in H1 FY2019 increased by $19.2m or 5% relative to the prior corresponding period. This was driven by the increased operating EBITDA result. While the conversion of EBITDA to cash flow from operations was also strong, there was an increase in working capital associated with a build in trade receivables and inventories at 31 December 2018, in line with the strong production and sales result in the December quarter.

Investing cash flows

Investing cash outflows during H1 FY2019 of $80.3m were higher than the prior corresponding period. Growth capital was allocated toward the Winchester South Project in Queensland and expenditure to progress the Environmental Impact Statement required for Government approval for an expanded Vickery mine (10Mtpa). Main road development costs at Narrabri are also increasing due to increased depth of cover and the resulting impact on secondary support costs and development rates.

Capital Management and Balance Sheet Commentary

In September 2018 a dividend payment of $267.5m was made ($0.27 per share).

Net debt at 31 December 2018 was $244.2m, a decrease of $26.2m from 30 June 2018. Gearing of 7% was at the same level as at 30 June 2018.

The decrease in net debt was driven by the strong operating cash flow performance during the period. This has facilitated repayments of the senior facility, leases and the ECA facility totalling $350.4m. This was offset by a drawdown of $250.0m during the period.

Undrawn capacity of $775.0m under the senior bank facility existed at 31 December 2018.

REVIEW OF OPERATIONS - HIGHLIGHTS

CONSOLIDATED EQUITY PRODUCTION, SALES AND COAL STOCKS

Whitehaven Total - 000t	H1 FY2019	H1 FY2018	Movement
ROM Coal Production	8,590	8,394	2%
Saleable Coal Production	7,616	8,263	(8%)
Sales of Produced Coal	7,600[1]	8,577	(11%)
Sales of Purchased Coal	774	655	18%
Total Coal Sales	8,374[1]	9,232	(9%)
Coal Stocks at Period End	2,662	1,418	88%

[1] Includes Sunnyside sales of produced coal of 207 kt (prior corresponding period: nil)

The tonnages in the table above are presented on an equity basis. Production tables and associated commentary set out in the mine-by-mine analysis are presented on a managed (100%) basis.

First half FY2019 saleable coal production and sales results were lower than the previous corresponding period. Key features include:

- ROM coal production was higher than for the prior corresponding period.
- A strong December quarter production saw Maules Creek produce a record 6.2Mt ROM coal for the half and Narrabri produce a near record amount of 2.3Mt ROM coal in the December quarter.
- Coal sales of produced coal were 7.6Mt, 11% lower due to the impact of the Narrabri longwall changeout in the September quarter and the timing of ROM coal production at Maules Creek in the December quarter.
- High stocks of lower cost coal at the end of December will be processed and sold during the second half of the year.

REVIEW OF OPERATIONS - SAFETY

The TRIFR increased to 7.57 at the end of December 2018 from 6.91 at the end of June 2018. Management is striving for better safety performance across all operations.

Whitehaven's TRIFR remains well below the NSW coal mining average of 14.7.

The company is committed to achieving zero harm to its people and environment.

REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS

Maules Creek *(Whitehaven 75%)*

Maules Creek Mine – 000t	H1 FY2019	H1 FY2018	Movement
ROM Coal Production	6,226	5,121	22%
Saleable Coal Production	4,390	4,560	(4%)
Sales of Produced Coal	4,261	4,738	(10%)
Coal Stocks at Period End	1,929	387	398%

Note – the tonnages in the table above are presented on a managed basis.

REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS (CONT.)

Maules Creek produced 6.2Mt ROM coal for the first half of FY19, a new mine record. The Maules Creek approved rate of 13Mtpa ROM coal production applies for each calendar year. Saleable coal production and coal sales for H1FY2019 of 4.4Mt and 4.3Mt respectively were marginally below the prior corresponding period.

Following a slower than expected start to the half year, ROM production momentum increased in the final months of 2018. The timing of ROM coal production resulted in ROM coal stocks at the end of the half year being higher than usual and caused saleable coal production and sales to lag ROM production. The high level of ROM stocks will be processed and sold during the second half, stocks will return to normalised levels in the second half of the financial year.

Product mix decision was made to increase the production of high quality thermal coal to take advantage of the wide price spread between high quality thermal coal and lower quality thermal coal to achieve higher price realisations for coal sales from the mine. This resulted in a decision to focus on three products - a very low ash low sulphur semi soft coking coal, a low ash low sulphur semi soft coking coal and a <10% ash very high CV low sulphur thermal coal. These products can be made by blending coal from multiple coal seams in the mine. Under this strategy more coal will require washing with resultant lower yield and higher costs to produce the three products. However, higher average realised prices for the various products will lead to an improved financial outcome for the mine. The product split between metallurgical and thermal coal will be maintained at 50:50, albeit some of the higher ash metallurgical coal can be sold as very high CV thermal if the margin generated is greater than selling the product as a semi soft coking coal.

Narrabri *(Whitehaven 70%)*

Narrabri Mine - 000t	H1 FY2019	H1 FY2018	Movement
ROM Coal Production	2,876	3,879	(26%)
Saleable Coal Production	2,834	3,813	(26%)
Sales of Produced Coal	2,802	3,820	(27%)
Coal Stocks at Period End	550	295	86%

Note – the tonnages in the table above are presented on a managed basis.

Production from Narrabri in the first half was constrained by the impact of a full longwall changeout in the September quarter. However, in the December quarter the mine performed strongly with near record ROM coal production. Total ROM coal production for the half was 2.9Mt. Longwall mining will continue in the current panel (LW108) for the balance of this financial year.

The next longwall change-out will occur when the longwall reaches the volcanic intrusion in panel LW108. Sufficient development drivage has been completed to ensure continuity of longwall operations. The longwall will be moved directly from LW108 at the volcanic intrusion into LW109. The remaining block of coal in the LW108 panel will be mined in the future.

A dedicated project team has been formed to work on the Narrabri Stage 3 project which includes the conversion of the southern exploration licence into a mining lease. A gateway submission to the Department of Planning and Environment (DPE) will be lodged in February 2019. The gateway submission is the first step in the Environmental Impact Assessment (EIA) process for the project. It is anticipated that the EIA for the Stage 3 project will be lodged with the DPE in early CY2020.

Following a number of weighting events which occurred at the mine from mid-January and into February, production guidance has been revised to the range of 5.6Mt to 6.0Mt ROM coal for FY2019.

REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS (CONT.)

Gunnedah Open Cuts

Tarrawonga, Rocglen, Werris Creek and Sunnyside - Whitehaven 100%.

Open Cuts – 000t	H1 FY2019	H1 FY2018	Movement
ROM Coal Production	1,907	2,161	(12%)
Saleable Coal Production	2,339	2,518	(7%)
Sales of Produced Coal	2,411	2,628	(8%)
Coal Stocks at Period End	830	1,094	(24%)

Note – the tonnages in the table above are presented on a managed basis.

Whitehaven's three foundation mines – Tarrawonga, Rocglen and Werris Creek – along with the Sunnyside rehabilitation project have performed below levels of the prior corresponding period. Rocglen is scheduled to come to the end of its life at the end of this financial year and in an effort to offset the loss of coal production from the mine, the Tarrawonga mine will be expanded to its fully approved rate of 3.0Mtpa ROM coal.

During the first half Whitehaven's Board approved an expansion plan for Tarrawonga involving the acquisition of new mining equipment as well as infrastructure improvements. The equipment will replace the aged mining fleet currently deployed at the mine with a modern, larger capacity fleet and expand production at the mine up to its permitted rate of 3.0Mtpa ROM coal. The increase in the mining rate is expected to commence in the September quarter FY2020 and incremental production will replace a significant portion of the saleable coal production anticipated to be lost with cessation of commercial mining operations at Rocglen.

DEVELOPMENT PROJECT - *Vickery* *(Whitehaven 100%)*

Whitehaven lodged the EIS for the Vickery Extension Project with the Department of Planning and Environment (DPE) on 13 August 2018. The DPE reviewed the EIS and placed it on public display one month later on 13 September 2018. The EIS was available for public inspection and comment for six weeks until 25 October 2018. A total of 560 submissions were received for the project with more than 63% of the submissions in favour of the project.

On September 6, the NSW Minister for Planning referred the Project to the NSW Independent Planning Commission (IPC) which subsequently formed a panel comprised of three commissioners. The DPE after having reviewed the public submissions to the EIS prepared an Issues Paper for consideration by the IPC panel. Two public hearings were held in early February in Boggabri and Gunnedah. The IPC has also accepted written submissions.

Whitehaven hopes that it will receive an approval for the Project by the end of calendar year 2019.

DEVELOPMENT PROJECT – *Winchester South* *(Whitehaven 100%)*

Whitehaven completed the acquisition of the Winchester South project during the June 2018 quarter and has placed the project onto the development path. A project director with extensive coal mining experience and a small technical team have been appointed.

Following the receipt of all the technical data on the project from the previous owner, Whitehaven has calculated new JORC Resouces for Winchester South. Full details of the revised Resources were released to the ASX on 25 October (the ASX release can be found at www.whitehavencoal.com.au). The newly calculated JORC Resources for the project are 530Mt, which is 49% higher than the estimate of 356Mt by the previous owner. The Resources calculation has also seen a large increase in the combined total of Measured and Indicated Categories from 277Mt to 430Mt.

The project team is working to advance the project and a comprehensive drill programme will commence in the June 2019 quarter. The programme is designed to confirm coal quality data specifically in relation to metallurgical coal qualities. Data from the drilling will assist in the design of the CHPP and other associated infrastructure along with further defining the Resources and ultimately the Reserves of the project.

EXPLORATION

Whitehaven maintains several exploration and potential development projects in Queensland and New South Wales. These are early stage projects where activity and spending is undertaken to keep the tenements in good standing.

INFRASTRUCTURE

During the reporting period Whitehaven contracted ad hoc additional port capacity which assisted the company to achieve record monthly railing and port throughput in December.

Rail Track Capacity

Whitehaven contracts its below rail capacity from the Australian Rail Track Corporation (ARTC). Expansion options have been identified for Whitehaven's additional capacity requirements within the Gunnedah Basin through improved operating efficiencies and track upgrades. Whitehaven is continuing this work with ARTC to ensure long term rail logistics costs are optimised.

Rail Haulage Capacity

Whitehaven has capacity within its two long term rail haulage contracts for all current NSW based mine production plans. The NSW related haulage contracts allow Whitehaven to align planned increases in production with rail capacity by giving notice to the rail providers of the need for additional capacity. This gives Whitehaven the ability to support its planned increases in managed production levels, while minimising fixed cost exposure.

Port Capacity

Whitehaven holds contracts at the Port of Newcastle which allow access to all three export coal terminals to support planned shipments. Whitehaven will require additional port capacity for the forecast production ramp up over the coming years – there is sufficient surplus capacity available to support production increases. Analysis continues on options to secure long term capacity at the lowest cost.

Queensland

Following the acquisition of the Winchester South tenement, Whitehaven has commenced analysis of options available for the logistics task in Queensland and alternative infrastructure requirements. The objective of this analysis is to provide a robust, efficient logistics solution for the Winchester South project. The work will continue over calendar year 2019.

OUTLOOK

Operations

Production guidance for FY2019 has been updated to be in the range of 21.5Mt to 22.5Mt. Increased production from the mines in the second half will help to reduce costs and assist to meet the revised full year guidance of $67/t excluding royalties. With the wide margin between high CV thermal coal and the 5,500 kcal/kg category, Whitehaven is incentivised to wash more coal to ensure the resulting product meets the gC NewC category specification. While additional washing costs are incurred, additional revenue generated from the sales of higher quality coal exceeds the higher costs incurred in producing the product.

Management will also be focussed on the two growth projects, Vickery Extension and Winchester South, to successfully and efficiently take them through the relevant regulatory processes in the shortest possible time.

Demand

The consulting firm CRU, has recently updated its forecasts for global demand for thermal coal in power generation showing growth of over 400Mt over the next five years. Global coal fired electricity generation increases by 8% to 10,858TWh over the five years. However, in Asia the growth is more significant with forecast increases in China, India and Southeast Asia of 14%, 29% and 27% respectively. CRU forecasts that coal fired generation will decline in Europe and several other countries but those declines are offset by the growth in demand for coal in Asia. While Chinese and Indian domestically produced coal will satisfy their growth in generation, growth across other Asian countries will increase seaborne traded thermal coal demand.

Thermal coal supply has shown little response to higher prices. The two major exporting countries, Indonesia and Australia, have each modestly increased their respective export tonnage, largely due to a combination of lengthy approvals processes and the reluctance of producers to expend capital to expand production. Two exporting countries that have increased their thermal coal exports by an aggregate 15Mt in 2018 from 2017 are the United States and Russia.

Recently imposed coal import restrictions by China have led to reduced demand for Indonesian low CV coal and have helped to increase the price differential that exists between high and low CV coals. This apparent structural change is positive for producers of high CV coal products like those produced in Australia, and especially so for high quality coal producers such as Whitehaven.

OUTLOOK (CONT.)

Pricing

CRU has forecast that the price for 6,000 kcal/kg coal will remain greater than US$90/t for each year of its forecast to 2023. With Asian economic growth fuelling increased demand for low cost thermal coal to meet energy needs and the limited high quality, supply side response to date, the medium term outlook for high quality thermal coal prices continues to be positive. The continued construction of 40+ year operating life HELE plants across Asia is viewed as supportive for continued growth in Asian demand for Whitehaven coal.

Hard coking coal prices have been sustained at ~US$200/t for much of 2018. CRU has forecast that the hard coking coal price will decline over its forecast period. However, because of the concentration of supply of high quality metallurgical coal from Queensland's Bowen Basin, prices in this market segment are volatile. Unforeseen disruptions to supply and the relatively fine balance between supply and demand both increase the volatility of the price of hard coking coal.

Signed in accordance with a resolution of the Directors:

The Hon. Mark Vaile AO
Chairman
15 February 2019

Paul Flynn
Managing Director
15 February 2019

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Auditor's Independence Declaration to the Directors of Whitehaven Coal Limited

As lead auditor for the review of Whitehaven Coal Limited for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Whitehaven Coal Limited and the entities it controlled during the financial period.

Ernst & Young

Ryan Fisk
Partner
15 February 2019

Whitehaven Coal Limited
Consolidated interim statement of comprehensive income
For the half year ended 31 December 2018

	Note	31 Dec 2018 $'000	31 Dec 2017 $'000 Restated[1]
Revenue	*4*	1,270,088	1,146,370
Other income		1,770	3,603
Operating expenses		(341,078)	(303,010)
Coal purchases		(110,779)	(85,386)
Selling and distribution expenses		(155,048)	(165,146)
Royalties		(93,854)	(82,944)
Administrative expenses		(12,402)	(10,346)
Depreciation and amortisation		(96,222)	(101,199)
Other expenses		(7,881)	(9,440)
Profit before net financial expense		**454,594**	**392,502**
Financial income		1,039	640
Financial expenses		(23,523)	(21,788)
Net financial expense	*5*	**(22,484)**	**(21,148)**
Profit before tax		**432,110**	**371,354**
Income tax expense		(126,276)	(115,152)
Net profit for the period		**305,834**	**256,202**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement on cash flow hedges		1,794	(2,359)
Income tax effect		(538)	708
Other comprehensive income/(loss) for the period, net of tax		**1,256**	**(1,651)**
Total comprehensive income for the period, net of tax		**307,090**	**254,551**
Net profit for the period attributable to:			
Owners of the parent		305,834	256,202
		305,834	**256,202**
Total comprehensive profit for the period, net of tax attributable to:			
Owners of the parent		307,090	254,551
		307,090	**254,551**
Earnings per share:			
Basic profit per share (cents per share)		30.9	25.9
Diluted profit per share (cents per share)		30.4	25.5

[1] The comparative statement for the six months ended 31 December 2017 has been restated to give effect to the change in accounting policies. See note 3 for further details.

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

Whitehaven Coal Limited
Consolidated interim statement of financial position
As at 31 December 2018

	Note	31 Dec 2018 $'000	30 Jun 2018 $'000 Restated[1]
Assets			
Cash and cash equivalents		89,195	111,777
Trade and other receivables		188,023	97,698
Inventories		130,583	124,567
Derivative financial instruments	*11*	6,063	2,595
Total current assets		**413,864**	**336,637**
Non-current assets			
Trade and other receivables		11,213	11,732
Financial assets at Fair Value through Profit or Loss	*11*	37	37
Property, plant and equipment[3]		3,746,534	3,746,758
Exploration and evaluation		536,821	508,552
Intangibles		21,027	22,200
Total non-current assets		**4,315,632**	**4,289,279**
Total assets		**4,729,496**	**4,625,916**
Liabilities			
Trade and other payables		266,443	223,984
Loans and borrowings[2]	*6*	90,011	105,453
Employee benefits		24,823	22,560
Provisions	*7*	6,435	6,136
Derivative financial instruments	*11*	2,809	1,136
Total current liabilities		**390,521**	**359,269**
Non-current liabilities			
Loans and borrowings[2]	*6*	412,384	482,641
Provisions	*7*	97,489	102,201
Deferred tax liabilities		325,887	198,993
Total non-current liabilities		**835,760**	**783,835**
Total liabilities		**1,226,281**	**1,143,104**
Net assets		**3,503,215**	**3,482,812**
Equity			
Issued capital		2,985,425	2,993,458
Share based payments reserve		14,827	13,948
Hedge reserve		2,278	1,022
Retained earnings		500,685	474,384
Equity attributable to owners of the parent		**3,503,215**	**3,482,812**
Non-controlling interest		-	-
Total equity		**3,503,215**	**3,482,812**

[1] The comparative statement for the year ended 30 June 2018 has been restated to give effect to the change in accounting policies. See note 3 for further details.
[2] Included within loans and borrowings are lease liabilities recognised for the first time upon adoption of *AASB 16 Leases* of $169,011,000 (2018: $205,874,000)
[3] Included within property, plant and equipment are right of use assets recognised for the first time upon adoption of *AASB 16 Leases* of $158,786,000 (2018: $195,868,000)

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

Whitehaven Coal Limited
Consolidated interim statement of changes in equity
For the half year ended 31 December 2018

	Issued capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2017	**3,136,941**	**7,827**	**1,282**	**146,246**	**3,292,296**
Impact of change in accounting policy	-	-	-	(5,939)	(5,939)
Balance as at 1 July 2017 (restated)	**3,136,941**	**7,827**	**1,282**	**140,307**	**3,286,357**
Profit for the period (restated)	-	-	-	256,202	256,202
Other comprehensive income	-	-	(1,651)	-	(1,651)
Total comprehensive income for the period (restated)	**-**	**-**	**(1,651)**	**256,202**	**254,551**
Transactions with owners in their capacity as owners					
Capital return	(138,884)	-	-	-	(138,884)
Dividends paid	-	-	-	(59,521)	(59,521)
Share based payments	-	4,683	-	-	4,683
Transfer on exercise of share based payments	6,187	(3,473)	-	(2,714)	-
Transfer on lapse of share based payments	-	(332)	-	332	-
Purchase of shares through employee share plan	(3,933)	-	-	-	(3,933)
Balance as at 31 December 2017	**3,000,311**	**8,705**	**(369)**	**334,606**	**3,343,253**

	Issued Capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2018	**2,993,458**	**13,948**	**1,022**	**481,388**	**3,489,816**
Impact of change in accounting policy (see note 3)	-	-	-	(7,004)	(7,004)
Balance as at 1 July 2018 (restated)	**2,993,458**	**13,948**	**1,022**	**474,384**	**3,482,812**
Profit for the period	-	-	-	305,834	305,834
Other comprehensive income	-	-	1,256	-	1,256
Total comprehensive income for the period	**-**	**-**	**1,256**	**305,834**	**307,090**
Transactions with owners in their capacity as owners					
Dividends paid	-	-	-	(267,516)	(267,516)
Share based payments	-	4,676	-	-	4,676
Transfer on exercise of share based payments	15,814	(3,695)	-	(12,119)	-
Transfer on lapse of share based payments	-	(102)	-	102	-
Purchase of shares through employee share plan	(23,847)	-	-	-	(23,847)
Balance as at 31 December 2018	**2,985,425**	**14,827**	**2,278**	**500,685**	**3,503,215**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

Whitehaven Coal Limited
Consolidated interim statement of cash flows
For the half year ended 31 December 2018

	Note	31 Dec 2018 $'000	31 Dec 2017 $'000 Restated[1]
Cash flows from operating activities			
Cash receipts from customers		1,179,432	1,128,898
Cash paid to suppliers and employees		(715,685)	(686,259)
Cash generated from operations		463,747	442,639
Interest paid		(18,964)	(16,715)
Interest received		1,038	638
Net cash from operating activities		**445,821**	**426,562**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,060	665
Purchase of property, plant and equipment		(52,140)	(27,004)
Exploration and evaluation expenditure		(24,416)	(3,861)
Acquisition of a subsidiary, net of cash acquired		(4,803)	-
Net cash used in investing activities		**(80,299)**	**(30,200)**
Cash flows from financing activities			
Purchase of shares		(23,847)	(3,933)
Proceeds from borrowings		250,000	150,000
Repayment of borrowings		(305,954)	(290,954)
Payment of finance facility upfront costs		(1,189)	(7,751)
Lease drawdown		4,824	-
Payment of lease liabilities		(44,422)	(33,843)
Payment of capital return to shareholders		-	(138,884)
Payment of dividend		(267,516)	(59,521)
Net cash used in financing activities		**(388,104)**	**(384,886)**
Net change in cash and cash equivalents		(22,582)	11,476
Cash and cash equivalents at 1 July		111,777	87,138
Cash and cash equivalents at 31 December		**89,195**	**98,614**

[1] The comparative statement for the six months ended 31 December 2017 has been restated to give effect to the change in accounting policies. See note 3 for further details.

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

1 Reporting entity

Whitehaven Coal Limited is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The address of the Company's registered office is Level 28, 259 George Street, Sydney NSW 2000. The Company is a for-profit entity, and the principal activity of the Group is the development and operation of coal mines in New South Wales and Queensland.

The consolidated financial report of the Company as at and for the half year ended 31 December 2018 comprises the Company and its subsidiaries (together referred to as the 'Group') and was authorised for issue in accordance with a resolution of the Board of Directors on 15 February 2019.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2018 is available from the Company's website www.whitehavencoal.com.au or upon request from the Company's registered office.

2 Basis of preparation and changes to the Group's accounting policies

2.1 Basis of preparation

The interim consolidated financial statements for the half year ended 31 December 2018 represent a condensed set of financial statements and have been prepared in accordance with AASB 134 *Interim Financial Reporting.*

The consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2018 and any public announcements made by Whitehaven Coal Limited during the interim reporting period in accordance with the continuous disclosure requirements of the ASX listing rules.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018 except for the adoption of new standards effective as of 1 July 2018. The Group has adopted AASB 16 *Leases* effective from 1 July 2018. Other than AASB 16 *Leases*, the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, AASB 16 *Leases*, AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments*. The nature and effect of these changes are described in Note 3.

Several other amendments and interpretations apply for the first time in the current period but do not have an impact on the interim consolidated financial statements of the Group.

3 Changes in accounting policies

This note explains the impact of the adoption of AASB 16 *Leases*, AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* on the Group's consolidated financial statements.

3.1 AASB 16 *Leases*

The Group has elected to adopt AASB 16 *Leases* from 1 July 2018 using the full retrospective method and therefore the comparative information has been restated to reflect this change in accounting policy.

AASB 16 supersedes IAS 17 and its associated interpretative guidance and provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Under AASB 16, a lessee is required to recognise, at the commencement date of the lease, the present value of non-cancellable lease payments as a lease liability on the statement of financial position with a corresponding right of use asset. The unwind of the financial charge on the lease liability and the amortisation of the leased asset are recognised in the statement of comprehensive income based on the implied interest rate and contract term respectively.

Impact on the Group:

The effect of adopting AASB 16 on the Group's consolidated financial statements is as follows. Only line items that have been restated have been included below.

3. Changes in accounting policies (cont.)

3.1 AASB 16 Leases (cont.)

Impact on the consolidated statement of financial position as at 30 June 2018:

		As previously reported $'000	AASB 16 impact $'000	Restated $'000
Assets				
Property, plant & equipment	(a)	3,550,890	195,868	3,746,758
Total assets		4,430,048	195,868	4,625,916
Liabilities				
Interest bearing loans and borrowings (current)	(a)	(35,137)	(70,316)	(105,453)
Interest bearing loans and borrowings (non-current)	(a)	(347,083)	(135,558)	(482,641)
Deferred tax liabilities	(a)	(201,995)	3,002	(198,993)
Total liabilities		(940,232)	(202,872)	(1,143,104)
Net assets		**3,489,816**	**(7,004)**	**3,482,812**
Equity				
Retained earnings	(a)	(481,388)	7,004	(474,384)
Total equity		**(3,489,816)**	**7,004**	**(3,482,812)**

(a) Right of use asset and Lease liability

Upon adoption of AASB 16 the present value of the non-cancellable lease payments relating to all contracts within the Group with an identified lease was recognised as a lease liability with a corresponding right of use asset, as if AASB 16 had always been applied. As the lease liability and right of use asset do not unwind at the same rate, the difference between the right of use asset and lease liability upon initial adoption was adjusted in retained earnings.

The statement of financial position as at 30 June 2018 was restated resulting in recognition of a *Right of use asset* (included in *Property, plant and equipment*) for $195,868,000, a *Lease liability* (included in *Interest bearing loans and borrowings*) for $205,874,000, a *Deferred tax asset* for $3,002,000 and a *Retained earnings* adjustment for $7,004,000.

Impact on the consolidated interim statement of comprehensive income as at 31 December 2017:

		As previously reported $'000	AASB 16 impact $'000	Restated $'000
Operating expenses	(b)	(335,963)	32,953	(303,010)
Depreciation and amortisation	(b)	(72,607)	(28,592)	(101,199)
Financial expenses	(b)	(15,992)	(5,796)	(21,788)
Income tax expense		(115,582)	430	(115,152)
Net profit for the period		**257,207**	**(1,005)**	**256,202**
Attributable to:				
Owners of the parent		257,207	(1,005)	256,202
Non-controlling interest		-	-	-

3 Changes in accounting policies (cont.)

3.1 AASB 16 Leases (cont.)

(b) Operating expenses, Depreciation and Amortisation and Financial Expenses

Prior to the adoption of AASB 16 the Group recognised operating leases in the form of mining and equipment and other infrastructure commitments in *Operating expenses* in the statement of comprehensive income.

Upon adoption of AASB 16 the unwind of the lease liability is charged to the statement of comprehensive income in *Financial expenses,* unwinding using the straight line interest method, and amortisation of the right of use asset is charged to the statement of comprehensive income in *Depreciation and amortisation* or allocated as part of the inventory costs in the statement of financial position, depreciating the leased assets straight line over the contract term.

The consolidated statement of comprehensive income for the six months ended 31 December 2017 was restated resulting in an increase in *Depreciation and Amortisation* and *Financial expenses* amounting to $28,592,000 and $5,796,000 respectively. Subsequently, *Operating expenses* was restated resulting in a decrease amounting to $32,953,000.

Impact on the consolidated interim statement of cash flows as at 31 December 2017:

		As previously reported $'000	AASB 16 impact $'000	Restated $'000
Cash paid to suppliers and employees	(c)	(719,212)	32,953	(686,259)
Interest paid	(c)	(10,919)	(5,796)	(16,715)
Net cash from operating activities		**399,405**	**27,157**	**426,562**
Payment of lease liabilities	(c)	(6,686)	(27,157)	(33,843)
Net cash used in financing activities		**(357,729)**	**(27,157)**	**(384,886)**

(c) Cash flows

Prior to the adoption of AASB 16 the Group classified cash flows from operating leases within operating activities.

Upon adoption of AASB 16 the Group classifies the principal portion of lease payments within financing activities and the interest portion within operating activities. The consolidated statement of cash flows was restated resulting in an increase to *Net cash from operating activities* amounting to $27,157,000 and an increase in *Net cash used in financing activities* amounting to $27,157,000.

There is no material impact on the basic and diluted EPS.

Accounting policy applied from 1 July 2018:

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to use or control the use of an identified asset for a period of time, in exchange for consideration.

At the commencement date of the lease, the Group recognises a lease liability and a corresponding right of use asset. The lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset.

The right of use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight line method and is recognised in the statement of comprehensive income in *Depreciation and amortisation*.

The unwind of the financial charge on the lease liability is recognised in the statement of comprehensive in *Financial expenses* income based on the implied interest rate or, if used, the Group's incremental borrowing rate.

The Group does not recognise leases that have a lease term of 12 months or less or are of low value as a right of use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the consolidated statement of comprehensive income in *Operating expenses* on a straight line basis over the lease term.

3 Changes in accounting policies (cont.)

3.2 AASB 15 *Revenue from Contracts with Customers*

The Group has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018 using the modified retrospective method, applying the completed contracts exemption at 1 July 2018 and comparatives are not restated. AASB 15 supersedes IAS 18 *Revenue* and IAS 11 *Construction Contracts* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are within the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. The core principle of AASB 15 is that an entity recognises revenue related to the transfer of promised goods or services when control of the goods or services passes to the customer. The amount of revenue recognised should reflect the consideration to which an entity expects to be entitled in exchange for transferring those goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Impact on the Group:

As the Group's revenue is derived from the sale of coal on a Free on Board basis in which the transfer of the risks and rewards coincides with the fulfilment of performance obligations and transfer of control as defined by AASB 15, there was no quantitative change in respect of the timing and amount of revenue the Group currently recognises.

Accounting policy applied from 1 July 2018:

The Group recognises sales revenue related to the transfer of promised goods or services when control of the goods or services is transferred to the customer. The amount of revenue recognised reflects the consideration to which the Group is or expects to be entitled in exchange for those goods or services.

Sales revenue is recognised on individual sales when control transfers to the customer. The title, risks and rewards, and fulfilment of performance obligation occurs when the product is loaded onto the vessel for delivery to the customer.

The Group sells its products on Free on Board terms where the Group has no responsibility for freight or insurance once control of the goods has passed at the loading port. Under these terms there is only one performance obligation, being the provision of goods at the point when control passes to the customer.

The Group's products are sold to customers under contracts which vary in tenure and pricing mechanisms, primarily being monthly or quarterly indexes. Certain sales may be provisionally priced at the date revenue is recognised, however substantially all coal sales are reflected at final prices by the end of the reporting period. The final selling price is based on the price for the quotational period stipulated in the contract.

3.3 AASB *9 Financial Instruments*

The Group has adopted AASB 9 *Financial Instruments* from 1 July 2018. With the exception of hedge accounting, which the Group has applied prospectively, the Group has applied AASB 9 retrospectively. AASB 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement*, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

Impact on the Group:

The accounting for the Group's financial assets, financial liabilities and hedge accounting remains largely the same as under IAS 39 and as a result, there has been no quantitative impact on the Group as a result of adopting AASB 9, and no comparative balances have been restated. A more detailed analysis of the impact on the Group of the main components of AASB 9 is as per the below:

Classification and measurement of financial assets: AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") and Fair Value Through Profit or Loss ("FVTPL"). This is based on the concept that financial assets should be classified and measured at fair value, with changes in fair value recognised in profit or loss as they arise (FVTPL), unless restrictive criteria are met for classifying and measuring the asset at either amortised cost or FVOCI. The classification is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Group has reviewed and assessed its existing financial assets as at 1 July 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of AASB 9 has had no material impact on the Group's financial assets in regards to their classification and measurement. Classification and measurement of financial assets remains the same under AASB 9.

Impairment: in relation to the impairment of financial assets, AASB 9 introduces a new forward-looking expected credit loss approach, replacing IAS 39's incurred loss approach whereby the Group needs to record an allowance for expected credit loss upon initial recognition of the financial instrument. For Trade and other receivables, the Group has elected to measure the loss allowance with respect to the 12 month expected credit loss. The Group has assessed the historical credit loss experience, and adjusted it for forward looking factors specific to the debtors and economic environment. Based on this assessment, the initial application of the impairment requirements of AASB 9 has had no material impact on the Group's financial statements.

3 Changes in accounting policies (cont.)

3.3 AASB 9 Financial Instruments (cont.)

Impact on the Group (cont.)

Hedge accounting: The Group applied hedge accounting prospectively. At the date of the initial application, all of the Group's existing hedge relationships were eligible to be treated as continuing hedge relationships. Consistent with prior periods, the Group has continued to designate the change in fair value of the entire forward contract in the Group's cash flow hedge relationships and, as such, the adoption of the hedge accounting requirements of AASB 9 has had no material impact on the Group's financial statements.

Accounting policy applied from 1 July 2018:

Financial assets:

Classification and measurement

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through OCI, or profit or loss) and those to be held at amortised cost. Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Group measures a financial asset at its fair value.

Financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments.

All financial liabilities are recognised initially at fair value.

The Group's financial liabilities include trade and other payables and loans and borrowings.

Derivatives and hedge accounting:

The Group uses derivative financial instruments to hedge its risks associated with foreign currency and interest rate fluctuations arising from operating activities. Such derivative financial instruments are initially recognised at fair value as at the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedges:

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss. Amounts taken to other comprehensive income are transferred out of other comprehensive income and included in the measurement of the hedged transaction when the forecast transaction occurs. When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction occurs.

4 Segment Reporting

Identification of reportable segments

The Group has determined that it has two reportable segments – Open Cut Operations and Underground Operations.

Unallocated operations includes coal trading, corporate, marketing, infrastructure functions as well as exploration projects which are managed on a group basis and are not allocated to reportable segments.

The Group's financing (including finance costs and finance income), depreciation and income taxes are managed on a group basis and are not allocated to reportable segments.

The following table represents revenue and profit information for reportable segments for the half years ended 31 December 2018 and 31 December 2017.

Disaggregation of revenue

The Group disaggregates revenue based on the type of good provided to customers. Set out below is the disaggregation of the Group's revenue from contracts with customers, classified into each reportable segment. The Group recognises its revenue at a point in time, when the transfer of control passes to the customer as the product is loaded onto a vessel for delivery.

4 Segment Reporting (continued)

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Half year ended 31 December 2018				
Revenue				
Segment revenue	114,544	855,254	300,290	1,270,088
Revenue by product type:				
Metallurgical coal	-	200,378	45,597	245,975
Thermal coal	114,544	654,876	254,693	1,024,113
Total revenue from contracts with customers	114,544	855,254	300,290	1,270,088

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Result				
Segment EBITDA result	2,824	414,029	133,963	550,816
Depreciation and amortisation				(96,222)
Net financial expense				(22,484)
Income tax expense				(126,276)
Net profit after tax per statement of comprehensive income				305,834

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Capital expenditure				
Segment expenditure	27,997	28,085	35,638	91,720

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Half year ended 31 December 2017				
Revenue				
Segment revenue	80,654	737,879	327,837	1,146,370
Revenue by product type:				
Metallurgical coal	-	135,476	41,612	177,088
Thermal coal	80,654	602,403	286,225	969,282
Total revenue from contracts with customers	80,654	737,879	327,837	1,146,370

4 Segment Reporting (continued)

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Result				
Segment EBITDA result (restated)	(5,774)	339,685	159,790	493,701
Depreciation and amortisation				(101,199)
Net financial expense				(21,148)
Income tax expense				(115,152)
Net profit after tax per statement of comprehensive income				256,202

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Capital expenditure				
Segment expenditure	4,175	5,851	22,106	32,132

5 Financial income and expense

	31 Dec 2018 $'000	31 Dec 2017 $'000 Restated
Recognised in profit and loss		
Interest income	1,039	640
Financial income	1,039	640
Interest expense on lease liabilities	(7,178)	(6,873)
Interest on drawn debt facility	(5,790)	(3,562)
Other financing charges	(6,422)	(7,805)
Interest and financing costs	(19,390)	(18,240)
Net interest expense	(18,351)	(17,600)
Unwinding of discounts on provisions	(1,193)	(1,037)
Amortisation of finance charges payable under debt facilities	(2,940)	(2,511)
Other financial expenses	(4,133)	(3,548)
Net financial expense	(22,484)	(21,148)

6 Loans and borrowings

	31 Dec 2018 $'000	30 June 2018 $'000 Restated
Current liabilities		
Lease liabilities	17,313	29,359
Lease liabilities associated with right of use assets	66,750	70,316
Secured loans – ECA facility	11,908	11,908
Capitalised borrowing costs	(5,960)	(6,130)
	90,011	105,453
Non-current liabilities		
Senior bank facility	225,000	275,000
Lease liabilities	74,182	56,982
Lease liabilities associated with right of use assets	102,261	135,558
Secured loans – ECA facility	22,398	28,353
Capitalised borrowing costs	(11,457)	(13,252)
	412,384	482,641
Total loans and borrowings	502,395	588,094
Financing facilities	1,294,812	1,332,476
Facilities utilised at reporting date	519,812	607,476
Facilities not utilised at reporting date	775,000	725,000

During the current period $300 million of debt drawn under the senior bank facility was repaid (31 December 2017: $285 million) and $250 million was redrawn (31 December 2017: $150 million). The Group repaid $5.9 million of the ECA facility during the period (31 December 2017: $5.9 million). The senior bank facility and the ECA facility are secured via a fixed and floating charge over the majority of the Group's assets.

The prior comparative period was restated for the impact of adopting AASB 16 *Leases*. This increased the interest bearing loans and borrowings by $205,874,000 as at 30 June 2018. Lease liabilities are secured over the leased assets to which they relate.

The fair values of loans and borrowings liabilities materially approximates their respective carrying values as at 31 December 2018 and 30 June 2018.

7 Provisions

	31 Dec 2018 $'000	30 June 2018 $'000
Mine rehabilitation and closure	103,924	108,337
	103,924	108,337
Current	6,435	6,136
Non-current	97,489	102,201
	103,924	108,337

8 Dividends

Dividends of $267,516,000 were paid to shareholders during the six months ended 31 December 2018 (2017: $198,405,000 comprising dividends of $59,521,000 and a capital return of $138,884,000).

On 14 February 2019 the Directors declared an unfranked dividend of 20 cents per share totalling $198,405,000 to be paid on 6 March 2019 to be comprised of an interim dividend of 15 cents and a special dividend of 5 cents. The financial effect of this dividend has not been brought to account in the financial statements for this period.

9 Contingencies

Bank guarantees

		31 Dec 2018 $'000	30 June 2018 $'000
The Group has provided bank guarantees to:			
(i)	Government departments as a condition of continuation of mining and exploration licenses	210,243	153,297
(ii)	Rail capacity providers	30,503	30,503
(iii)	Port capacity providers	113,347	104,240
(iv)	Electricity network access supplier	24,522	24,522
(v)	Other	11,107	2,629
		389,722	315,191

Biodiversity obligations

The Group has, under the terms of certain mining licenses, obligations to perform works to establish or upgrade biodiversity offset areas and to undertake, to set aside and maintain those areas. Based on current estimates, these obligations are not financially significant to the Group. The Group has committed to perform and is undertaking those works. The cost of the work is expensed by the Group in the period in which the work is undertaken and is reported in Operating expenses in the Statement of Comprehensive Income. The Group believes that there are several options available to satisfy these obligations.

Other

During the current period, the Group was served with a Statement of Claim commencing representative proceedings against the Group in the Supreme Court of Queensland. The proceedings have been commenced by Nathan Tinkler who claims to be trustee of the Boardwalk Resources Trust and is purportedly brought on behalf of Nathan Tinkler and a number of parties who were issued with Milestone Shares (subject to restrictions on voting and transfer until various development milestones are met) in Whitehaven Coal Limited in May 2012. Nathan Tinkler has made various allegations against the Group concerning an alleged breach of contract and misleading or deceptive conduct in connection with the Milestone Shares.

Other than the above, there is a number of legal and potential claims against the Group which have arisen in the ordinary course of business.

As the Group believes that it has no liability for the above matters, a provision has not been made for any potential adverse outcome. The Group will vigorously defend these matters, and believes that any adverse outcome would not be material based on information currently available to the Group.

10 Interests in joint operations

	% Ownership Interest	
Joint Operations:	31 Dec 2018	30 June 2018
Narrabri Coal Joint Venture	70%	70%
Maules Creek Joint Venture	75%	75%
Dingo Joint Venture	70%	70%
Ferndale Joint Venture	92.5%	92.5%
Boggabri-Maules Creek Rail Spur Joint Venture	39%	39%
Maules Creek Marketing Pty Ltd[1]	75%	75%
Boggabri-Maules Creek Rail Pty Ltd[1]	39%	39%

[1] The joint operations above operate as the sales and marketing vehicles or manager of the related unincorporated joint operations and require the consent of joint venture partners on significant management and financial decisions. As such the Group recognises its share of assets, liabilities, revenues and expenses of the above entities as joint operations under AASB11 *Joint Arrangements*.

11 Financial Instruments

Fair Values

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 31 December 2018 and 30 June 2018.

The measurement hierarchy categories are as follows:
- Level 1 - measurements based upon quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 - measurements based upon inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3 - measurements based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group held the following financial instruments carried at fair value in the statement of financial position:

	31 December 2018 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts – receivable	6,063	-	6,063	-
	6,100	-	6,063	37
Liabilities measured at fair value				
Forward exchange contracts – payable	(2,647)	-	(2,647)	-
Interest rate swaps - payable	(162)	-	(162)	-
	(2,809)	-	(2,809)	-

	30 June 2018 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts - receivable	2,595	-	2,595	-
	2,632	-	2,595	37
Liabilities measured at fair value				
Forward exchange contracts - payable	(888)	-	(888)	-
Interest rate swaps - payable	(248)	-	(248)	-
	(1,136)	-	(1,136)	-

The fair value of derivative financial instruments is derived using valuation techniques based on observable market inputs, such as forward currency rates and interest rates, at the end of the reporting period. The amounts disclosed in the statement of financial position are the fair values and are classified under level 2 in the fair value measurement hierarchy. During the period the Group entered into forward exchange contracts to hedge some of its foreign exchange risk. A number of these contracts remained open at 31 December 2018.

The carrying values of financial assets and financial liabilities recorded in the financial statements materially approximates their respective net fair values, determined in accordance with the accounting policies disclosed in note 5.3 to the financial statements for the year ended 30 June 2018.

12 Subsequent events

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Directors' declaration

In the opinion of the Directors of Whitehaven Coal Limited ("the Company"):

1. the financial statements and notes set out on pages 12 to 25, are in accordance with the *Corporations Act 2001* including:

    (a) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the six month period ended on that date; and

    (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

The Hon. Mark Vaile AO	Paul Flynn
Chairman	Managing Director
15 February 2019	15 February 2019

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Independent Auditor's Review Report to the Members of Whitehaven Coal Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Whitehaven Coal Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated interim statement of financial position as at 31 December 2018, the consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated interim statement of financial position of the Group as at 31 December 2018 and of its consolidated interim statement of comprehensive income for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated interim statement of financial position as at 31 December 2018 and its consolidated interim statement of comprehensive income for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Ryan Fisk
Partner
Sydney
15 February 2019

Glossary

Glossary of terms and abbreviations

ARTC	Australian Rail Track Corporation
ASEAN	Association of Southeast Asian Nations
CHPP	Coal Handling Preparation Plant
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
ECA	Export Credit Agency
FEC	Forward Exchange Contract
FOB	Free-on-Board
FVLCD	Fair Value Less Costs of Disposal
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
H1 FY2018	Six month period ending 31 December 2017
H1 FY2017	Six month period ending 31 December 2016
HELE	High Energy Low Emissions
IEA	International Energy Agency
JORC	Joint Ore Resources Committee
KMP	Key Management Personnel
LTI	Long Term Incentive
LW	Longwall
MRRT	Minerals Resource Rent Tax
Mt	Million tonnes
Mtce	Million tonnes of coal equivalent
MTI	Medium Term Incentive
Mtpa	Million tonnes per annum
NCIG	Newcastle Coal Infrastructure Group
PWCS	Port Waratah Coal Services
ROM	Run of Mine
STI	Short Term Incentive
t	Tonne
TAL	Tonne Axle Loads
TFR	Total Fixed Remuneration
TRIFR	Total Recordable Injury Frequency Rate
TSR	Total Shareholder Return