17 February 2021

APPENDIX 4D AND HALF YEAR FINANCIAL REPORT

Authorised for release by the Board of Whitehaven Coal Limited

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Appendix 4D

1. This statement presents results for Whitehaven Coal Limited for the half year ended 31 December 2020 and, where applicable, comparative results for the previous year.

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

	Half Year 31 Dec 2020 $'000	Half Year 31 Dec 2019 $'000	Change
Revenue from ordinary activities	699,309	885,080	(21%)
Net (loss)/profit after tax from ordinary activities	(94,463)	27,397	(445%)
Net (loss)/profit after tax attributable to members	(94,463)	27,397	(445%)

3. Dividends

	Amount per security	Franked amount per security
Current reporting period: Interim dividend FY2021	Nil	Nil
Previous corresponding reporting period: Interim dividend FY2020 (paid March 2020)	1.5 cents	Nil

No dividends were paid during the six months ended 31 December 2020 (2019: $297,346,000).

The Directors resolved not to pay an interim dividend for the half year.

4. Net Tangible Assets (NTA) per security:

	Half Year 31 Dec 2020	Half Year 31 Dec 2019
NTA per security	303.38c/share	315.13c/share

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

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

INTERIM **FINANCIAL REPORT**

Half year ended 31 December 2020

Contents

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 2020 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)
Fiona Robertson	Director	16 February 2018
Lindsay Ward	Director	15 February 2019
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 operating and developing 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

There were no dividends paid to shareholders during the six months ended 31 December 2020 (2019: $297.3m).

Declared after the period

The Directors resolved not to pay a dividend with respect to the half year ended 31 December 2020.

EVENTS SUBSEQUENT TO REPORTING DATE

In the interval between the end of the financial period and the date of this report there has not arisen 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.

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

The auditor's independence declaration is set out on page 10 and forms part of the Directors' report for the half year ended 31 December 2020.

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 loss after tax of $94.5m.
- EBITDA of $37.2m.
- Cash generated from operations of $54.9m.
- Net debt of $823.1m at 31 December 2020.

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

Whitehaven Coal Limited – Consolidated	H1 FY21 $ million	H1 FY20 $ million
Revenue	699.3	885.1
Net (loss)/profit after tax	**(94.5)**	**27.4**
EBITDA	**37.2**	**177.3**
Net interest expense (refer to note 4)	(22.7)	(15.8)
Other financial expenses	(7.8)	(4.4)
Depreciation and amortisation	(138.2)	(116.1)
(Loss)/profit before tax	(131.5)	41.0
Tax credit/(expense)	37.0	(13.6)
Net (loss)/profit after tax	(94.5)	27.4

REVIEW OF FINANCIAL PERFORMANCE

Whitehaven delivered a strong safety performance with a TRIFR of 5.41 at 31 December 2020, well below the NSW coal mining average of 12.79, however, the H1 FY21 net loss after tax of $94.5m was below the H1 FY20 net profit after tax (NPAT) of $27.4m. The key factors that contributed to the H1 FY21 net loss after tax include:

- EBITDA margin on sales of produced coal decreased by $19/t from $24/t in H1 FY20 to $5/t in H1 FY21.
  - A $28/t decrease in average realised prices from $109/t in H1 FY20 to $81/t in H1 FY21.
  - A decrease of $11.7m in royalties expense from $61.1m in H1 FY20 to $49.4m in H1 FY21. The decrease was driven by the lower coal prices realised during the period, slightly offset by the increase in sales volume.
  - The fall in unit revenues was partially offset by improved unit cost performance - which at $70/t were $6/t below the prior period. The increase in ROM production to 7.7Mt in H1 FY21, which was 28% above H1 FY20 of 6.0Mt, combined with elevated coal inventory levels at the commencement of the half drove an increase in sales volumes which contributed to the decrease in unit costs relative to H1 FY20.
- Depreciation and amortisation expense increased by $22.1m to $138.2m in H1 FY21. The increase was driven by higher ROM production and depreciation on capitalised major rebuilds on the operating fleet.
- Financial expenses increased by $10.3m from $20.2m in H1 FY20 to $30.5m in H1 FY21. The increase was primarily due to higher interest on the senior bank debt facility due to higher drawn balances, and higher amortisation of finance facility upfront costs due to the refinance of the senior bank debt facility in the prior financial year.
- An income tax benefit of $37.0m in H1 FY21, in line with the historical effective tax rate of approximately 30%.

Gross revenue decreased by $185.8m in H1 FY21 driven predominantly by a decrease in average net realised prices, partly offset by an increase in sales volumes. Market coal prices were soft due to the impact of COVID-19 upon key Asian economies in the months between April and November 2020, which reduced demand for all forms of coal and energy, causing the gCNewc index price to fall to a low of US$48/t in August before recovering strongly in the December quarter. The improved pricing environment has been sustained into 2021 and reflects a number of factors including:

  - Tighter coal supply following decisions from some coal producers to curtail production in response to the historically low coal price environment,

- An increase in demand for energy as Asian economies recovered from the worst of the economic lockdowns induced by the COVID-19 pandemic,
- Increased industrial activity as governments provide infrastructure and construction led economic stimulus packages,
- Changes in the flows of coal in the seaborne coal markets in response to China's new import coal policy setting,
- A cold North-Asian winter, with average temperatures in northern Asia at 10 year lows.

The AUD:USD exchange rate increased to 0.72 in H1 FY21 from 0.68 in the prior corresponding period, which added to the pressure on realised prices in the period.

Sales of produced coal increased by 0.7Mt to 7.8Mt in H1 FY21 from 7.1Mt in the prior corresponding period. The increase in ROM production combined with elevated coal inventory at the commencement of the half drove the increase in sales volumes.

FOB costs of $70/t in H1 FY21 decreased from $76/t in H1 FY20. The key factors contributing to the decrease in unit costs were:

- Productivity improvements at the open cuts leading to increased ROM production and increased sales,
- A reduction in the cost of diesel used in production and coal transportation caused by decreased crude oil prices,
- Increased railings and sales which led to improved utilisation of port and rail capacity and lower unit costs, partially offset by
- Damage sustained to one of the two coal loaders at Newcastle Coal Infrastructure Group (NCIG) caused 0.6Mt of equity sales of produced coal to be deferred from H1 FY21 to the second half which has adversely impacted H1 FY21 sales volumes, unit costs and cash flows.

CASH FLOWS & CAPITAL MANAGEMENT

$ million	**H1 FY21**	H1 FY20
Cash flow summary		
Cash generated from operations	54.9	122.3
Investing cash flows	(54.5)	(132.5)
Financing cash flows	1.2	41.9
Cash at the end of the period	**99.8**	**121.3**

Capital management	**31 December 2020**	30 June 2020
Net debt[1]	823.1	787.5
Undrawn syndicated facility	312.0	362.0
Gearing ratio[1, 2] (%)	21%	20%

[1] Calculated in accordance with the senior facility covenant requirements and therefore excludes lease liabilities recognised upon adoption of AASB 16 *Leases* of $112,104,000 (30 June 2020: $130,313,000)

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

Cash Flow Commentary

Operating cash flows

The full impact of the difficult H1 FY21 energy pricing environment was reflected in the reduced cash generated from operations of $54.9m which was $17.7m higher than H1 FY21 EBITDA of $37.2m. A strong decrease in working capital in H1 FY21 was partially offset by investment in Narrabri panel development ahead of longwall extraction and expenditures on rehabilitation at Rocglen and Sunnyside.

Investing cash flows

Investing cash outflows during H1 FY21 of $54.5m were $78.0m lower than the prior corresponding period as the company focussed on reducing capital expenditures in what was expected, and proved, to be a difficult half year.

Throughout the cycle Whitehaven has continued to allocate sustaining capital to each of its mines to maintain safe and productive operations.

Financing cash flows and Capital Management

Net debt at 31 December 2020 was $823.1m, an increase of $35.6m from 30 June 2020 while gearing of 21% was largely in line with gearing of 20% at 30 June 2020. The increase of $35.6m in net debt was driven largely by reduced sales and cash inflows from lower than expected Narrabri production in the December quarter as well as slippage of coal sales from H1 FY21 into H2 FY21 as a result of the damage to a shiploader at NCIG.

During the half the company sought and received from its finance providers an amendment to one of three covenants, being its Interest Cover Ratio covenant. Subsequent to year end, the company has prepared a Compliance Certificate for delivery to its banking syndicate for the 12 months ended 31 December 2020 which reports compliance with the original unadjusted ICR covenant.

Available liquidity of $411.8m at 31 December 2020 was comprised of undrawn capacity of $312.0m under the senior bank facility at 31 December 2020 together with cash balances of $99.8m.

REVIEW OF OPERATIONS

CONSOLIDATED EQUITY PRODUCTION, SALES AND COAL STOCKS

Whitehaven Total - 000t	H1 FY21	H1 FY20	Movement
ROM Coal Production	7,727	6,039	28%
Saleable Coal Production	7,161	6,527	10%
Sales of Produced Coal	7,775	7,065[1]	10%
Sales of Purchased Coal	935	1,393	(33%)
Total Coal Sales	8,710	8,458[1]	3%
Coal Stocks at Period End	1,855	800	132%

[1] Prior corresponding period includes Sunnyside sales of produced coal of 232 kt.

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.

H1 FY21 ROM coal production, saleable coal production and sales volumes have all increased on the prior corresponding period (pcp). The key features for the period include:

- ROM coal production was above the pcp, with the open cut operations delivering operational consistency during H1 FY21. However, December quarter ROM production from Narrabri was below expectations by ~0.7Mt as the longwall mined through a mid-face 3 metre upthrow fault that resulted in reduced productivity and increased out-of-seam dilution.
- Saleable production and sales were up on pcp due to the underlying increase in ROM coal production and elevated coal stocks levels at the commencement of the period.
- Sales of produced coal were 7.8Mt which was 0.7Mt above the pcp however, an outage at the NCIG export terminal adversely impacted ~0.6Mt of December 2020 sales and caused these sales to slip into H2 FY21. Further details of the outage are included in the Infrastructure section.

- Equity coal stocks at 31 December 2020 were 1.9Mt, an increase of 1.1Mt compared to the 0.8Mt at 31 December 2019. Strong ROM production in the period and the slippage caused by the NCIG shiploader outage have added to coal stocks at 31 December 2020.

REVIEW OF OPERATIONS - SAFETY

The TRIFR increased to 5.41 for the Group for the 12 months ending 31 December 2020, from 4.13 as at 30 June 2020. Whitehaven's TRIFR remains well below the NSW coal mining average of 12.79. The Company is committed to achieving zero harm to its people and environment, and management is striving for better safety performance across all operations.

REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS

Maules Creek Open Cut Mine *(Whitehaven 75%)*

Maules Creek Mine – 000t	H1 FY21	H1 FY20	Movement
ROM Coal Production	5,218	4,197	24%
Saleable Coal Production	4,299	3,619	19%
Sales of Produced Coal	4,606	3,802	21%
Coal Stocks at Period End	1,248	547	128%

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

Maules Creek produced 5.2Mt ROM coal in the first half of FY21, 24% above pcp (the pcp had been affected by labour shortages and by dust and smoke events). In the December quarter Maules Creek operated through one of the wettest Decembers on record to deliver a confidence-building ROM production and overburden movement result, while opening up areas for in-pit dumping in line with plans.

H1 FY21 saleable production of 4.3Mt was 19% above pcp. This increase in saleable production reflects the increase in ROM coal production.

Managed sales volumes for the half of 4.6Mt was 21% above pcp, which reflects a return to consistent production levels.

Coal stocks of 1.2Mt at the end of the period were 128% above the pcp. The increase reflects strong production in the December quarter, the replenishment of ROM stocks and the slippage of some December 2020 sales into January 2021 (refer to the Infrastructure section for more details).

Narrabri Underground Mine *(Whitehaven 77.5%)*

Narrabri Mine - 000t	H1 FY21	H1 FY20	Movement
ROM Coal Production	2,624	2,026	30%
Saleable Coal Production	2,537	2,630	(4%)
Sales of Produced Coal	2,921	2,776	5%
Coal Stocks at Period End	487	169	188%

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

For the first half of FY21, managed ROM coal production at Narrabri of 2.6Mt was 30% above pcp (which included a longwall change out from LW108 to LW109). In the December quarter, managed ROM production at Narrabri was impacted by ~0.7Mt as the longwall mined through a mid-face 3 meter upthrow fault that resulted in reduced productivity and increased out-of-seam dilution.

Managed saleable coal production was 2.5Mt while managed sales of produced coal of 2.9Mt were in-line with pcp.

Coal stocks of 0.5Mt were up on pcp. The next longwall move from panel 109 to 110 is scheduled for Q4 FY21.

Gunnedah Open Cut Mines

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

Open Cuts – 000t	H1 FY21	H1 FY20	Movement
ROM Coal Production	1,779	1,321	35%
Saleable Coal Production	1,970	1,775	11%
Sales of Produced Coal	2,009	2,028	(1%)
Coal Stocks at Period End	542	259	109%

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

Gunnedah open cut mines achieved ROM coal production of 1.8Mt in the half, 35% above pcp. The increase reflects improved ROM coal production at both operating mines, Tarrawonga and Werris Creek.

H1 FY21, saleable coal production of 2.0Mt was 11% above pcp, while sales of produced coal of 2.0Mt were in line with pcp. Sales for the period did not increase in line with production as sales volumes for the period were impacted by sales slippages from December into January as a result of the NCIG shiploader issue and Port Waratah Coal Services (PWCS) vessel queues.

Coal stocks for the period increased to a normalised level of 0.5Mt.

During the pcp Rocglen and Sunnyside mines ceased operations and transitioned into rehabilitation. Rehabilitation is on schedule at both sites, with revegetation activities currently being undertaken at Sunnyside and the earthworks scheduled to be completed at Rocglen in H1 FY22.

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

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

The Vickery Coal Project was approved in September 2014 to produce up to 4.5Mt ROM coal per annum. Works necessary to maintain the current approval in good standing have been completed and the existing approval for the Vickery Coal Project will expire in September 2034.

The Vickery Extension Project seeks consent to increase the approved Vickery Coal Project to operate an open cut metallurgical and thermal coal mine up to 10Mtpa ROM, with onsite processing and rail infrastructure. On 12 August 2020, the NSW IPC approved the project. The project is now being reviewed by the Federal DAWE for Environment Protection and Biodiversity Conservation (EPBC) approval. A decision from DAWE is expected in April 2021 due to the injunction application seeking to restrain the Federal Minister of Agriculture, Water and the Environment from issuing the Project with an EPBC approval. The injunction application is due to be heard in court in March 2021

Progress on design work for the CHPP, rail spur, and other site infrastructure continued during the period.

Draft management plans, including those required for Secondary Approval such as noise, air quality, cultural heritage and traffic management, continue to be refined based on the approval conditions handed down by the IPC.

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

The proposed Winchester South open cut metallurgical coal mine is located in Queensland's Bowen Basin. The Project continues to progress through the Queensland Government's Coordinated Project approval process with the draft Environmental Impact Statement (EIS) having been submitted to Queensland's Office of Coordinator General for adequacy review in December 2020, ahead of Public Notification, expected to commence in the second quarter of 2021.

On 16 December 2020 Whitehaven Coal released its maiden Reserves Statement for the Project and an associated update to the Project's Coal Resources in accordance with the JORC Code (2012). The Project Resources estimate was upgraded to 1,100Mt from 530Mt, which includes 665Mt of Measured and Indicated Resources. The Project maiden Reserves estimate is 350Mt, with Marketable Reserves of 210Mt.

Whitehaven is finalising the pre-feasibility report, to be submitted to the Board in early 2021 for its consideration.

DEVELOPMENT PROJECT – *Narrabri Stage 3 Extension* *(Whitehaven 77.5%)*

The project seeks to convert Narrabri's existing Exploration Licence into a Mining Lease and use the existing portals, CHPP, rail loop and associated infrastructure to extract, process and export high energy thermal coal and PCI coal products using the longwall mining method. The project involves extending the longwall panels planned for the mining lease south of the current main roads into the contiguous Narrabri South Exploration Licence area, to extend the approved life of the mine out to 2045.

Whitehaven submitted the Stage 3 Extension Project EIS to the NSW DPIE. The EIS was on public exhibition throughout November and December 2020. On 22 December 2020 the DPIE requested that Whitehaven respond to issues raised in the public exhibition period by 8 March 2021.

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

Port Capacity

Whitehaven exports coal through the Port of Newcastle using the two export terminal providers PWCS and NCIG.

In mid-November one of NCIG's two shiploaders was damaged as a result of a storm. Since the storm NCIG has been operating at reduced capacity using one shiploader. With both shiploaders in operation, NCIG was achieving annualised capacity performance levels of ~72Mtpa, and with one shiploader in operation NCIG's operating capacity is ~45Mtpa – 47Mtpa. In the 12 months to 31 October 2020 exports through NCIG were ~54Mt.

Prior to the storm, Whitehaven had ~23Mtpa capacity (managed) across both export terminals. As NCIG has downgraded its capacity, Whitehaven has had to source ad-hoc monthly capacity of ~200Kt per month until the shiploading capacity at NCIG can be lifted to a level that removes Whitehaven's need for additional ad-hoc capacity. NCIG and Whitehaven maintain insurance policies that address increased costs that may arise as a result of the damage to the shiploader.

Rail Track Capacity

Whitehaven contracts its below rail capacity from the ARTC. Contract expansion options have been identified for Whitehaven's additional capacity requirements within the Gunnedah Basin through improved operating efficiencies including the ARTC Network Control Optimisation project successfully implemented in 2020. Whitehaven is continuing this work with the 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 including the ramp up production profile from the Vickery Expansion Project. 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. Whitehaven has also continued to progress efficiency projects with our rail haulage operators providing cost and flexibility benefits for all companies.

Queensland

For the Winchester South tenement, Whitehaven has analysed options available for the logistics task in Queensland. Whitehaven is engaging with owners of both port and track regarding existing capacity and expansion opportunities. Whitehaven continues to work with these parties to ensure it can secure an efficient logistics solution for the project.

OUTLOOK

Thermal and Metallurgical Coal Outlook

Seaborne thermal coal markets rose from the low points experienced in August. Supply curtailments coupled with increased energy demand in Asia are supporting the higher price environment, particularly for higher grades of energy coal such as those that Whitehaven produces from its Gunnedah Basin operations.

Even though Whitehaven does not have direct exposure to China, the Chinese import restrictions for Australian sourced coal does have an impact on the seaborne coal market. China's restrictions have altered seaborne coal trade flows where, instead of being delivered to China, Australian coal is now finding customers in alternate destinations including India, Pakistan and the Middle East, and traded coal historically delivered into these markets is finding its way into China.

Prices for Australian origin metallurgical coal were weak through the half however metallurgical coal prices have sharply increased in recent weeks. Asian steelmaking output ex-China continues to improve as economic stimulus activity drives increased coal demand and consumption in Whitehaven's key metallurgical coal markets of India, Japan, Korea, Vietnam and Taiwan. Following India's mid-year COVID-19 lockdown, demand has rebounded strongly and it continues to be a growing destination for Whitehaven's metallurgical coal products. Renewal of Whitehaven's term metallurgical coal sales contracts has been uninterrupted and Whitehaven expects sales volumes in 2021 to return to pre-COVID-19 levels.

Signed in accordance with a resolution of the Directors:

The Hon. Mark Vaile AO	Paul Flynn
Chairman	Managing Director
17 February 2021	17 February 2021

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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 2020, 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

Scott Jarrett
Partner
17 February 2021

Whitehaven Coal Limited
Consolidated statement of comprehensive income
For the half-year ended 31 December 2020

	Note	31 Dec 2020 $'000	31 Dec 2019 $'000
Revenue	3	699,309	885,080
Other income		1,629	1,386
Operating expenses		(362,905)	(338,564)
Coal purchases		(65,862)	(127,430)
Selling and distribution expenses		(160,091)	(166,889)
Royalties		(49,361)	(61,069)
Administrative expenses		(18,534)	(12,539)
Depreciation and amortisation		(138,184)	(116,070)
Share-based payments expense		(2,428)	(2,470)
Foreign exchange loss		(4,547)	(236)
(Loss)/profit before net financial expense		**(100,974)**	**61,199**
Financial income		75	734
Financial expenses		(30,562)	(20,988)
Net financial expense	4	**(30,487)**	**(20,254)**
(Loss)/profit before tax		**(131,461)**	**40,945**
Income tax benefit/(expense)		36,998	(13,548)
Net (loss)/profit for the period		**(94,463)**	**27,397**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement on cash flow hedges		(9,176)	3,096
Income tax effect		2,753	(929)
Other comprehensive (loss)/income for the period, net of tax		**(6,423)**	**2,167**
Total comprehensive (loss)/income for the period, net of tax		**(100,886)**	**29,564**
Net (loss)/profit for the period attributable to:			
Owners of the parent		(94,463)	27,397
		(94,463)	**27,397**
Total comprehensive (loss)/profit for the period, net of tax attributable to:			
Owners of the parent		(100,886)	29,564
		(100,886)	**29,564**
Earnings per share:			
Basic (loss)/profit per share (cents per share)		(9.5)	2.8
Diluted (loss)/profit per share (cents per share)		(9.5)	2.7

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

Whitehaven Coal Limited
Consolidated statement of financial position
As at 31 December 2020

	Note	31 Dec 2020 $'000	30 Jun 2020 $'000
Assets			
Cash and cash equivalents		99,804	106,760
Trade and other receivables		114,429	129,145
Inventories		154,301	175,593
Income tax receivable		-	13,225
Derivative financial instruments	*10*	7,725	8,286
Total current assets		**376,259**	**433,009**
Non-current assets			
Trade and other receivables		9,407	9,708
Investments	*10*	37	37
Property, plant and equipment		4,055,872	4,154,994
Exploration and evaluation		600,815	591,343
Intangibles		22,946	22,946
Total non-current assets		**4,689,077**	**4,779,028**
Total assets		**5,065,336**	**5,212,037**
Liabilities			
Trade and other payables		191,420	189,474
Loans and borrowings	*5*	80,497	81,553
Employee benefits		30,845	30,430
Provisions	*6*	13,087	10,083
Derivative financial instruments	*10*	9,439	824
Total current liabilities		**325,288**	**312,364**
Non-current liabilities			
Other payables		62,111	62,111
Loans and borrowings	*5*	954,480	943,008
Provisions	*6*	223,479	260,044
Deferred tax liabilities		344,153	384,920
Total non-current liabilities		**1,584,223**	**1,650,083**
Total liabilities		**1,909,511**	**1,962,447**
Net assets		**3,155,825**	**3,249,590**
Equity			
Issued capital		3,013,628	3,003,964
Share based payments reserve		8,631	15,253
Hedge reserve		(1,200)	5,223
Retained earnings		134,766	225,150
Total equity		**3,155,825**	**3,249,590**

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

Whitehaven Coal Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2020

	Issued capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2019	**2,980,933**	**16,909**	**(1,979)**	**526,337**	**3,522,200**
Profit for the period	-	-	-	27,397	27,397
Other comprehensive income	-	-	2,167	-	2,167
Total comprehensive income for the period	**-**	**-**	**2,167**	**27,397**	**29,564**
Transactions with owners in their capacity as owners					
Dividends paid	-	-	-	(297,346)	(297,346)
Share-based payments	-	2,470	-	-	2,470
Transfer on exercise of share-based payments	22,902	(6,043)	-	(16,859)	-
Cash settled share-based payments	-	(549)	-	-	(549)
Balance as at 31 December 2019	**3,003,835**	**12,787**	**188**	**239,529**	**3,256,339**

	Issued Capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2020	**3,003,964**	**15,253**	**5,223**	**225,150**	**3,249,590**
Loss for the period	-	-	-	(94,463)	(94,463)
Other comprehensive loss	-	-	(6,423)	-	(6,423)
Total comprehensive loss for the period	**-**	**-**	**(6,423)**	**(94,463)**	**(100,886)**
Transactions with owners in their capacity as owners					
Share-based payments	-	2,428	-	-	2,428
Share issues/transfers to settle share-based payments	9,977	(6,485)	-	2,031	5,523
Cash settled share-based payments	-	(836)	-	319	(517)
Transfer on lapse of share-based payments	-	(1,729)		1,729	-
Purchase of shares through employee share plan	(313)	-	-	-	(313)
Balance as at 31 December 2020	**3,013,628**	**8,631**	**(1,200)**	**134,766**	**3,155,825**

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 statement of cash flows
For the half-year ended 31 December 2020

	31 Dec 2020 $'000	31 Dec 2019 $'000
Cash flows from operating activities		
Cash receipts from customers	723,118	915,518
Cash paid to suppliers and employees	(668,187)	(793,192)
Cash generated from operations	54,931	122,326
Interest paid	(20,837)	(14,389)
Interest received	75	732
Net income taxes refunded/(paid)	12,165	(16,242)
Net cash from operating activities	**46,334**	**92,427**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	29	27
Purchase of property, plant and equipment	(42,038)	(89,526)
Expenditure on projects	(12,472)	(26,394)
Acquisition of a subsidiary, net of cash acquired	-	(16,611)
Net cash used in investing activities	**(54,481)**	**(132,504)**
Cash flows from financing activities		
Purchase of shares	(314)	-
Proceeds from borrowings	80,000	490,000
Repayment of borrowings	(35,060)	(105,954)
Payment of finance facility upfront costs	(2,128)	(81)
Payment of lease liabilities	(41,307)	(44,732)
Payment of dividend	-	(297,346)
Net cash from financing activities	**1,191**	**41,887**
Net change in cash and cash equivalents	(6,956)	1,810
Cash and cash equivalents at 1 July	106,760	119,535
Cash and cash equivalents at 31 December	**99,804**	**121,345**

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 2020 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 17 February 2021.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2020 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

a) Basis of preparation

The interim consolidated financial statements for the half year ended 31 December 2020 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 2020 and any public announcements made by Whitehaven Coal Limited during the half-year ended 31 December 2020 in accordance with the continuous disclosure requirements of the ASX listing rules.

b) 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 2020.

Several 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 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 2020 and 31 December 2019.

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.

3 Segment Reporting (continued)

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Half year ended 31 December 2020				
Revenue				
Segment revenue	69,777	471,049	158,483	699,309
Revenue by product type:				
Metallurgical coal	-	92,391	17,105	109,496
Thermal coal	69,777	378,658	141,378	589,813
Total revenue from contracts with customers	69,777	471,049	158,483	699,309

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Result				
Segment EBITDA result	(5,615)	46,719	(3,894)	37,210
Depreciation and amortisation				(138,184)
Net financial expense				(30,487)
Income tax benefit				36,998
Net loss after tax per statement of comprehensive income				(94,463)

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Capital expenditure				
Segment expenditure	16,901	25,370	12,239	54,510

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Half year ended 31 December 2019				
Revenue				
Segment revenue	119,130	547,358	218,592	885,080
Revenue by product type:				
Metallurgical coal	-	144,815	47,986	192,801
Thermal coal	119,130	402,543	170,606	692,279
Total revenue from contracts with customers	119,130	547,358	218,592	885,080

3 Segment Reporting (continued)

Half year ended 31 December 2019 (continued)	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Result				
Segment EBITDA result	(1,036)	132,428	45,877	177,269
Depreciation and amortisation				(116,070)
Net financial expense				(20,254)
Income tax expense				(13,548)
Net profit after tax per statement of comprehensive income				27,397

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Capital expenditure				
Segment expenditure	41,338	31,247	43,335	115,920

4 Financial income and expense

	31 Dec 2020 $'000	31 Dec 2019 $'000
Recognised in profit and loss		
Interest income	75	734
Financial income	75	734
Interest expense on lease liabilities	(6,372)	(5,489)
Interest on drawn debt facility	(9,368)	(4,401)
Other financing charges	(7,039)	(6,688)
Interest and financing costs	(22,779)	(16,578)
Net interest expense	(22,704)	(15,844)
Unwinding of discounts on provisions	(1,696)	(1,698)
Amortisation of finance facility upfront costs	(6,087)	(2,712)
Other financial expenses	(7,783)	(4,410)
Net financial expense	(30,487)	(20,254)

5 Loans and borrowings

	31 Dec 2020 $'000	30 June 2020 $'000
Current liabilities		
Lease liabilities	81,362	81,977
Secured loans – ECA facility	10,120	11,908
Capitalised borrowing costs	(10,985)	(12,332)
	80,497	81,553
Non-current liabilities		
Senior bank facility	688,000	638,000
Lease liabilities	226,065	264,628
Secured loans – ECA facility	52,935	56,207
Capitalised borrowing costs	(12,520)	(15,827)
	954,480	943,008
Total loans and borrowings	1,034,977	1,024,561
Financing facilities	1,370,482	1,414,720
Facilities utilised at reporting date	1,058,482	1,052,720
Facilities not utilised at reporting date	312,000	362,000

During the current period $30 million of debt drawn under the senior bank facility was repaid (31 December 2019: $100 million) and $80 million was redrawn (31 December 2019: $490 million). The Group repaid $5.1 million of the ECA facility during the period (31 December 2019: $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.

Included within current and non-current lease liabilities are leases recognised upon adoption of AASB 16 *Leases* of $39,554,000 and $72,550,000 respectively (30 June 2020: $39,605,000 and $90,708,000 respectively). Lease liabilities are secured over the leased assets to which they relate.

The fair values of loans and borrowings liabilities materially approximate their respective carrying values as at 31 December 2020 and 30 June 2020.

6 Provisions

	31 Dec 2020 $'000	30 June 2020 $'000
Mine rehabilitation and biodiversity provisions	236,566	270,127
	236,566	270,127
Current	13,087	10,083
Non-current	223,479	260,044
	236,566	270,127

7 Dividends

There were no dividends paid to shareholders during the six months ended 31 December 2020 (2019: $297,346,000).

The Directors resolved not to pay a dividend with respect to the half year ended 31 December 2020.

8 Contingencies

Bank guarantees

		31 Dec 2020 $'000	30 June 2020 $'000
The Group has provided bank guarantees to:			
(i)	Government departments as a condition of continuation of mining and exploration licenses	257,189	257,877
(ii)	Rail capacity providers	28,167	27,936
(iii)	Port capacity providers	128,959	135,220
(iv)	Electricity network access supplier	22,470	22,470
(v)	Other	9,379	10,785
		446,164	454,288

Other

As previously reported, representative proceedings were commenced against the Group on 21 December 2018 in the Supreme Court of Queensland by Nathan Tinkler as representative applicant. The proceedings were brought on behalf of 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. The proceedings have since been transferred to the Supreme Court of New South Wales and the representative applicant has been replaced by Les & Zelda Investments Pty Ltd (ACN 148 907 573) as Trustee for the Les & Zelda Family Trust. The pleadings make various allegations against the Group concerning an alleged breach of contract, misleading and deceptive conduct and minority shareholder oppression in connection with the Milestone Shares. The Group has filed a defence that denies those allegations. The proceedings are ongoing, and no trial date has yet been set.

Other than the above, there are a number of legal and potential claims against the Group that have arisen in the ordinary course of business. The Group does not believe that these matters will result in any material adverse outcome based on information currently available and no provision has been made for any potential adverse outcome.

9 Interest in joint operations

	% Ownership Interest	
Joint Operations:	31 Dec 2020	30 June 2020
Narrabri Coal Joint Venture[1]	77.5%	77.5%
Maules Creek Joint Venture[1]	75%	75%
Dingo Joint Venture[1]	70%	70%
Ferndale Joint Venture[1]	92.5%	92.5%
Boggabri-Maules Creek Rail Spur Joint Venture[1]	39%	39%
Maules Creek Marketing Pty Ltd[2]	75%	75%
Boggabri-Maules Creek Rail Pty Ltd[2]	39%	39%

[1] These entities have been classified as joint operations under AASB 11 Joint Arrangements, as these joint arrangements are not structured through separate vehicles.

[2] The joint operations above operate as the sales and marketing vehicles or manager of the related unincorporated joint operations and require joint consent from all joint venture partners on all significant management and financial decisions. The group recognises its share of assets, liabilities, revenues and expenses of the above entities as joint operations under AASB 11 Joint Arrangements.

10 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 2020 and 30 June 2020.

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 2020 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts – receivable	7,725	-	7,725	-
	7,762	-	7,725	37
Liabilities measured at fair value				
Forward exchange contracts – payable	(9,439)	-	(9,439)	-
	(9,439)	-	(9,439)	-

	30 June 2020 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts - receivable	8,286	-	8,286	-
	8,323	-	8,286	37
Liabilities measured at fair value				
Forward exchange contracts - payable	(824)	-	(824)	-
	(824)	-	(824)	-

The fair value of derivative financial instruments is derived using valuation techniques based on observable market inputs, such as forward currency 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 2020.

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 2020.

11 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 11 to 20, 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 2020 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
Chairman
17 February 2021

Paul Flynn
Managing Director
17 February 2021

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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 2020, 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 2020 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 2020 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

Scott Jarrett
Partner
Sydney
17 February 2021

Glossary

Glossary of terms and abbreviations

ARTC	Australian Rail Track Corporation
ASEAN	Association of Southeast Asian Nations
CHPP	Coal Handling Preparation Plant
DAWE	Department of Agriculture, Water and the Environment
DPIE	Department of Planning, Industry and Environment
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 FY21	Six month period ending 31 December 2020
H1 FY20	Six month period ending 31 December 2019
HELE	High Energy Low Emissions
IEA	International Energy Agency
IPC	Independent Planning Commission
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
ROU	Right of Use
STI	Short Term Incentive
t	Tonne
TAL	Tonne Axle Loads
TFR	Total Fixed Remuneration
TRIFR	Total Recordable Injury Frequency Rate
TSR	Total Shareholder Return