17 February 2022

Appendix 4D and Interim Financial Report

Half year ended 31 December 2021

Authorised for release by the Board of Whitehaven Coal Limited

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Results for Announcement to the Market
For the half year ended 31 December 2021

Whitehaven Coal Limited and its controlled entities results for announcement to the market are detailed below.

	Half year 31 Dec 2021 $'000	Half year 31 Dec 2020 $'000	Change %
Revenue	1,443,020	699,309	106%
Net profit / (loss) after tax from ordinary activities	340,503	(94,463)	460%
Net profit / (loss) after tax attributable to members	340,503	(94,463)	460%

Dividends

	Half year ended 31 December 2021	
	Amount per share	Franked amount per share
Interim dividend	8 cents	nil cents

The Directors have determined to pay an interim dividend for the half year ended 31 December 2021 of 8 cents per share, which will be unfranked.

Record date for determining entitlement to interim dividend	25/02/2022
Date interim dividend payable	11/03/2022

No dividends were paid during the half year ended 31 December 2021 (2020: nil).

Net Tangible Assets (NTA) per security

	31 Dec 2021	31 Dec 2020
Net tangible assets per share	294.48c/share	303.38c/share

Other information

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

Directors' Report

For the half year ended 31 December 2021

The Directors present their report together with the consolidated financial report of Whitehaven Coal Limited ('the Company' or 'Whitehaven'), being the Company, its subsidiaries and the Group's interest in joint operations for the half year ended 31 December 2021 and the auditor's report thereon.

1. 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.

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year that have not been noted in the review of operations.

2. Directors

2 (a) Directors

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

	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

3. Other

3 (a) Dividends

Paid during the period

There were no dividends paid to shareholders during the six months ended 31 December 2021 (2020: $nil).

Declared after the period

On 17 February 2022 the Directors declared an interim unfranked dividend of 8 cents per share totalling $80 million to be paid 11 March 2022.

3 (b) 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, other than the following:

Subsequent to end of the financial period, the Group repaid $225 million of debt drawn under the senior bank facility.

3 (c) Auditor's independence declaration

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 2021.

3 (d) 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 unless otherwise stated.

4. Operating and financial review

Financial headlines

- Record half year performance:
  - Revenue of $1,443.0 million.
  - EBITDA of $632.6 million.
  - Net profit after tax (NPAT) of $340.5 million.
  - Cash generated from operations of $567.4 million, up $512.5 million from H1 FY21.
- Net debt of $403.4 million at 31 December 2021, down $405.1 million from 30 June 2021.

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

	H1 FY22	H1 FY21
Whitehaven Coal Limited – Consolidated	**$ million**	**$ million**
Revenue	1,443.0	699.3
Net profit/(loss) after tax	**340.5**	**(94.5)**
EBITDA	**632.6**	**37.2**
Net interest expense (refer to note 5 Finance income and expense)	(22.5)	(22.7)
Other financial expenses	(5.5)	(7.8)
Depreciation and amortisation	(119.0)	(138.2)
Profit/(loss) before tax	**485.6**	**(131.5)**
Tax (expense)/credit	(145.1)	37.0
Profit/(loss) after tax	**340.5**	**(94.5)**

Review of financial performance

Whitehaven reported a TRIFR of 6.1 for the 12 months ended 31 December 2021.

The H1 FY22 NPAT of $340.5 million compared to a net loss after tax (NLAT) of $94.5 million in the prior corresponding period. The key factors that contributed to the H1 FY22 NPAT include:

- An increase in the EBITDA margin on sales of produced coal from $5/t in H1 FY21 to $102/t in H1 FY22
  - A $121/t increase in average achieved prices from $81/t in H1 FY21 to $202/t in H1 FY22, partially offset by
  - Higher FOB unit costs which at $83/t were $13/t above the prior corresponding period. H1 FY22 unit costs were impacted by La Niña wet weather and flooding, higher demurrage costs due to adverse weather conditions, rising diesel prices, lower mine yields and the impact of COVID.
  - Increase in royalties expense in line with increase in coal sales revenue and coal prices, and increased coal purchases.
- Depreciation and amortisation expenses decreased by $19.2 million to $119.0 million in H1 FY22.
- Financial expenses of $28.0 million were broadly in line with $30.5 million in H1 FY21.
- An income tax expense of $145.1 million in H1 FY22, in line with the historical effective tax rate of approximately 30%.

Gross revenue increased by $743.7 million to $1,443.0 million in H1 FY22 driven predominantly by higher coal prices, partly offset by a decrease in sales volumes. Sales of produced coal decreased by 1.5Mt to 6.3Mt in H1 FY22 from 7.8Mt in the H1 FY21 due to the Narrabri longwall move, a benefit from the draw down of stockpiles in H1 FY21, La Niña wet weather and flooding, and the spread of COVID which impacted operational productivity and restricted railings and vessel movements.

Coal prices reached record highs during the period and finished at elevated levels, driven by strong demand for high quality energy in a supply constrained market. Further information can be found in the *Outlook and likely developments* section of this report.

Elevated coal prices and strong operating cash flows in the period enabled Whitehaven to reduce its net debt by $405.1 million from $808.5 million at 30 June 2021 to $403.4 million at 31 December 2021.

The AUD:USD exchange rate increased marginally to 0.73 from 0.72 in the prior corresponding period.

The Group achieved an average price of US$146/t for its thermal coal sales in H1 FY22, US$91/t or 165% up on the prior period (H1 FY21: US$55/t).

Equity own metallurgical coal sales were 17% of total H1 FY22 sales (H1 FY21: 14%) at an average price of US$155/t, US$80/t or 107% higher than prior period (H1 FY21: US$75/t).

FOB costs of $83/t in H1 FY22 increased from $70/t in H1 FY21. The key factors contributing to the increase in unit costs were:

- Higher demurrage costs due to port movement constraints caused by high winds and swell, wet weather and floods and NCIG's shiploader SL02 returning to full service in late July 2021.
- An increase in the $A cost of diesel used in production and coal transportation due to rising crude oil prices.
- The impact of La Niña wet weather and flooding on operational productivity at open cut operations, underutilised rail take or pay costs and higher demurrage.
- Lower Narrabri sales volumes in line with ROM coal production due to the continued difficult mining conditions, the scheduled longwall relocation and the benefit of the stock draw down in the prior corresponding period, which led to lower utilisation of port and rail capacity.
- Lower yield of 81% compared to the prior corresponding period yield of 85% due to processing coal from deeper seams at Maules Creek and the marketing strategy to wash ROM coal harder to produce higher quality coals trading off lower yields and higher costs for higher revenues.
- The spread of COVID and its associated impact on workforce availability and operational productivity.

Cash flows and capital management

	H1 FY22	H1 FY21
Cash flow summary	**$ million**	**$ million**
Cash generated from operations	567.4	54.9
Investing cash flows	(93.1)	(54.5)
Financing cash flows	(424.8)	1.2
Cash at the end of the period	**106.8**	**99.8**
Capital management	**31 December 2021**	**30 June 2021**
Net debt[1]	403.4	808.5
Undrawn syndicated facility	680.0	312.0
Gearing ratio[1,2] (%)	12%	23%

1 Calculated in accordance with the senior facility covenant requirements and therefore excludes lease liabilities recognised under AASB 16 Leases of $87,305,000 (30 June 2021: $88,987,000).
2 Net Debt/(Net Debt plus Equity).

Cash generated from operations

Cash generated from operations of $567.4 million increased tenfold or $512.5 million relative to H1 FY21. This was primarily due to the strong recovery of coal prices in H1 FY22.

Investing cash flows

Investing cash outflows during H1 FY22 of $93.1 million were broadly in line with H1 FY21, apart from the payment of $16.2 million of consideration in respect of the acquisition of EDF's interest in the Narrabri mine (which was paid in the second half of the prior financial year), payment of $6.1 million in respect of the acquisition of APG's rights to a 1% royalty on Narrabri coal sales, and a $7.4 million increase at Narrabri mine due to the recommencement of mains development.

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 cash used in financing activities during H1 FY22 was $424.8 million, comprising net repayments of borrowings and payments of lease liabilities.

Strong operating cash flows enabled Whitehaven to significantly reduce its net debt at 30 June 2021 of $808.5 million by $405.1 million to $403.4 million at 31 December 2021. Gearing at 30 June 2021 of 23% reduced to 12% at 31 December 2021.

Available liquidity of $786.8 million at 31 December 2021 was comprised of undrawn capacity of $680.0 million under the senior bank facility at 31 December 2021 together with cash balances of $106.8 million.

Review of operations

Safety

Whitehaven reported a TRIFR of 6.1 for the 12 months ended 31 December 2021. The Company is committed to achieving zero harm to its people and the environment, and management is striving for better safety performance across all operations.

Production, sales and coal stocks

Whitehaven share (000t)	H1 FY22	H1 FY21	Movement
ROM Coal Production	6,728	7,727	(13%)
Saleable Coal Production	6,181	7,161	(14%)
Sales of Produced Coal	6,287	7,775	(19%)
Sales of Purchased Coal	877	935	(6%)
Total Coal Sales	7,165	8,710	(18%)
Coal Stocks at Period End	1,741	1,855	(6%)

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 FY22 ROM coal production of 6.7Mt, saleable coal production of 6.2Mt and total coal sales of 7.2Mt were all down on H1 FY21. The key features for the period include:

– The continued difficult mining conditions at Narrabri after mining through the fault-affected ground and the scheduled longwall relocation.
– Loss of access to mine sites and Gunnedah CHPP for up to two weeks due to localised flooding from sustained and unusually heavy rainfall in the December quarter causing approximately 0.7Mt – 0.9Mt ROM production to be deferred at the open cut mines. These weather events also impacted rail and ship movements along with the processing and transportation of coal.
– Labour shortages from the spread of COVID through NSW and its impact on operational productivity.
– Saleable production and sales were down on H1 FY21 due to the decrease in ROM coal production, loss of access to coal processing facilities as a result of localised flooding, and lower coal inventory levels at the commencement of the period.
– Sales of purchased coal were marginally lower than H1 FY21.
– Coal stocks at 31 December 2021 were 1.7Mt, a 6% decrease compared to 31 December 2020 of 1.9Mt, reflecting lower ROM production in the period partially offset by sales at the end of December being delayed into H2 FY22.

Maules Creek

Ownership: Whitehaven 75% and Operator, ICRA MC Pty Ltd (an entity associated with Itochu Corporation) 15%, J-Power Australia Pty Ltd 10%

Maules Creek 100% (000t)	H1 FY22	H1 FY21	Movement
ROM Coal Production	4,935	5,218	(5%)
Saleable Coal Production	4,224	4,299	(2%)
Sales of Produced Coal	4,332	4,606	(6%)
Coal Stocks at Period End	1,339	1,248	7%

Note: Tonnages in the above table are presented on a managed basis.

Maules Creek delivered ROM production of 4.9Mt in H1 FY22, 5% below H1 FY21. La Niña weather and flooding during the period cut road access to the mine for 12 days causing an estimated 0.6Mt – 0.7Mt of ROM production to be deferred.

Saleable coal production of 4.2Mt, broadly in line with H1 FY21.

Managed sales volumes for the half of 4.3Mt were 6% below H1 FY21 reflecting saleable coal volumes and the slippage of sales into H2 FY22 due to the rail, port and coal supply constraints caused by La Niña wet weather and flooding during the period.

Coal stocks for the end of the period were 1.3Mt, reflecting the draw down of ROM stock being offset by a build in product stock volumes due to a slippage of sales.

Narrabri

Ownership: Whitehaven 77.5% and Operator, J-Power 7.5%, Upper Horn Investments Limited 7.5%, Daewoo International Corporation and Korea Resources Corporation 7.5%

Narrabri Mine 100% (000t)	H1 FY22	H1 FY21	Movement
ROM Coal Production	1,940	2,624	(26%)
Saleable Coal Production	1,981	2,537	(22%)
Sales of Produced Coal	1,756	2,921	(40%)
Coal Stocks at Year End	319	487	(34%)

Note: Tonnages in the above table are presented on a managed basis.

In H1 FY22 managed ROM coal production at Narrabri of 1.9Mt was 26% below H1 FY21 reflecting continued difficult mining conditions after mining through the fault-affected ground and the scheduled longwall relocation from panel 109 to 110 during the period.

Saleable coal production of 2.0Mt was 22% below H1 FY21, which was consistent with ROM production, partially offset by the draw down of ROM stocks.

Managed sales volumes for the half of 1.8Mt were 40% below H1 FY21 reflecting saleable coal volumes and the slippage of sales into H2 FY22.

Coal stocks of 0.3Mt were down on H1 FY21 as a result of the decrease in production and draw down of ROM stocks to support saleable production.

Gunnedah open cut mines

Ownership: Werris Creek Whitehaven 100%, Tarrawonga Whitehaven 100%

Open Cuts 100% (000t)	H1 FY22	H1 FY21	Movement
ROM Coal Production	1,523	1,779	(14%)
Saleable Coal Production	1,478	1,970	(25%)
Sales of Produced Coal	1,651	2,009	(18%)
Coal Stocks at Year End	489	542	(10%)

Gunnedah open cut mines consist of Tarrawonga mine and Werris Creek mine. The combined ROM production of the two mines for the first half of FY22 was 1.5Mt, 14% below H1 FY21 reflecting the impact of La Niña wet weather and flooding.

Saleable coal production of 1.5Mt was 25% below H1 FY21. The La Niña wet weather and flooding restricted road access between Tarrawonga mine to the coal handling and preparation plant in Gunnedah decreasing the amount of coal being processed for sale. Sales for the period were 1.7Mt, 18% below H1 FY21 reflecting the saleable coal production profile.

Coal stocks at the end of December were 0.5Mt, 10% below H1 FY21 reflecting the draw down of stocks to support sales.

Development projects

Vickery

Ownership: 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.

In August 2020 the Vickery Extension Project (the Project) received approval from the NSW Independent Planning Commission (IPC) to operate an up to 10Mtpa open cut metallurgical and thermal coal mine, with onsite processing and rail infrastructure.

In September 2021 the Federal Minister for the Environment approved the Project under the Commonwealth's Environment Protection and Biodiversity Conservation Act 1999.

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

Winchester South

Ownership: Whitehaven 100%

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

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

Narrabri Stage 3 Extension

Ownership: Whitehaven 77.5%

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

In January 2022, the NSW Department of Planning, Industry and Environment (DPIE) recommended the Narrabri Underground Mine Stage 3 Extension Project be approved. The project was referred to the Independent Planning Commission (IPC) which will now review the project. We expect the IPC to make its determination during Q2 CY22.

Exploration

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

Infrastructure

Rail track capacity

Whitehaven contracts its below rail capacity from the Australian Rail Track Corporation (ARTC). During H1 FY22 the rail network was significantly impacted by flooding events, ARTC was subsequently able to repair the damage to the network.

Rail haulage capacity

Whitehaven has capacity within its two long-term rail haulage contracts for all current NSW based mine production plans.

Whitehaven has a pipeline of improvement projects with our rail haulage providers around efficiency and reliability that continue to be progressed through FY22.

The rail operators have been impacted by COVID through reduced manning during Q2 FY22. Whitehaven will continue to work with the rail operators to monitor this closely through the rest of the financial year.

Port capacity

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

As previously reported an NCIG shiploader was damaged in late 2020. The repairs were completed ahead of schedule and the shiploader returned to service in late July 2021.

Significant and periodic weather events throughout H1 FY22 adversely impacted port throughput and increased vessel queues at the port to levels not seen for many years, but this is expected to return to manageable levels in H2 FY22.

Outlook and likely developments

Thermal and Metallurgical Coal Outlook

The gC NEWC index achieved a record high in October at US$222/t. It averaged US$176/t in H1 FY22, up 78% from the H2 FY21 average of US$99/t. In January and February 2022, it set new record highs. The ongoing energy shortage is reflected in the prices being offered for prompt physical gC NEWC coal deliveries where prices are approaching US$300/t in the first quarter of CY22. We expect demand for seaborne thermal coal to remain strong in CY22 and the supply side response to those high prices to remain muted.

Premium low volatile hard coking coal (PLV HCC) FOB Australia averaged US$316/t across H1 FY22, up 167% on H2 FY21 of US$118/t. Supply constraints for metallurgical coal emerged over the December 2021 quarter. As a result the PLV HCC price has strengthened, averaging US$409/t in January 2022. The Platts SS index has increased, averaging US$268/t in January, up from a H1 FY22 average of US$207/t.

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

Signed in accordance with a resolution of the Directors:

The Hon. Mark Vaile AO
Chairman

Paul Flynn
Managing Director

Sydney

17th February 2022

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

As lead auditor for the review of the half-year financial report of Whitehaven Coal Limited for the half-year ended 31 December 2021, 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;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene 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 2022

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Financial Report

For the half year ended 31 December 2021

Consolidated statement of comprehensive income

For the half year ended 31 December 2021

	Note	31 Dec 2021 $'000	31 Dec 2020 $'000
Revenue	4	1,443,020	699,309
Other income		1,539	1,629
Operating expenses		(321,839)	(362,905)
Coal purchases		(194,610)	(65,862)
Selling and distribution expenses		(170,514)	(160,091)
Royalties		(100,835)	(49,361)
Depreciation and amortisation		(118,995)	(138,184)
Administrative expenses		(24,248)	(18,534)
Share-based payments expense		(3,525)	(2,428)
Foreign exchange gain/(loss)		3,577	(4,547)
Profit/(loss) before net financial expense		**513,570**	**(100,974)**
Finance income		48	75
Finance expense		(28,029)	(30,562)
Net finance expense	5	**(27,981)**	**(30,487)**
Profit/(loss) before tax		485,589	(131,461)
Income tax (expense)/benefit		(145,086)	36,998
Net Profit/(loss) for the period		**340,503**	**(94,463)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement on cash flow hedges		13,537	(9,176)
Income tax effect		(4,061)	2,753
Other comprehensive income/(loss) for the period, net of tax		**9,476**	**(6,423)**
Total comprehensive income/(loss) for the period, net of tax		**349,979**	**(100,886)**
Earnings per share			
Basic earnings/(loss) per share (cents per share)		34.1	(9.5)
Diluted earnings/(loss) per share (cents per share)		33.7	(9.5)

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

Consolidated statement of financial position

As at 31 December 2021

	Note	31 Dec 2021 $'000	30 Jun 2021 $'000
Assets			
Cash and cash equivalents		106,825	95,202
Trade and other receivables		146,105	154,163
Inventories		154,791	175,930
Derivatives	11	9,992	-
Total current assets		**417,713**	**425,295**
Trade and other receivables		7,949	11,785
Investments	11	37	37
Property, plant and equipment		3,443,215	3,330,413
Exploration and evaluation assets		623,301	613,508
Intangible assets		11,828	11,828
Total non-current assets		**4,086,330**	**3,967,571**
Total assets		**4,504,043**	**4,392,866**
Liabilities			
Trade and other payables		225,657	231,268
Interest-bearing liabilities	6	72,498	75,116
Employee benefits		35,795	31,926
Provisions	7	14,747	18,423
Derivatives	11	2,541	3,485
Total current liabilities		**351,238**	**360,218**
Non-current liabilities			
Other payables		55,016	46,269
Interest-bearing liabilities	6	525,033	917,597
Deferred tax liability		292,289	155,055
Provisions	7	226,156	203,789
Derivatives	11	1,598	4,200
Total non-current liabilities		**1,100,092**	**1,326,910**
Total liabilities		**1,451,330**	**1,687,128**
Net assets		**3,052,713**	**2,705,738**
Equity			
Issued capital		3,008,876	3,013,661
Share-based payments reserve		11,288	12,213
Hedge reserve		4,097	(5,379)
Retained earnings		28,452	(314,757)
Total equity		**3,052,713**	**2,705,738**

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

Consolidated statement of changes in equity

For the half year ended 31 December 2021

	Issued capital	Share-based payment reserve	Hedge reserve	Retained earnings	Total equity
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance 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 at 31 December 2020	**3,013,628**	**8,631**	**(1,200)**	**134,766**	**3,155,825**
Opening balance at 1 July 2021	**3,013,661**	**12,213**	**(5,379)**	**(314,757)**	**2,705,738**
Profit for the period	-	-	-	340,503	340,503
Other comprehensive income	-	-	9,476	-	9,476
Total comprehensive income for the period	**-**	**-**	**9,476**	**340,503**	**349,979**
Transactions with owners in their capacity as owners					
Share-based payments	-	3,525	-	-	3,525
Share issues/transfers to settle share-based payments	1,744	(2,207)	-	463	-
Transfer on lapse of share-based payments	-	(2,243)	-	2,243	-
Purchase of shares through employee share plan	(6,529)	-	-	-	(6,529)
Closing balance at 31 December 2021	**3,008,876**	**11,288**	**4,097**	**28,452**	**3,052,713**

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

Consolidated statement of cash flows

For the half year ended 31 December 2021

	31 Dec 2021	31 Dec 2020
	$'000	**$'000**
Cash flows from operating activities		
Cash receipts from customers	1,451,798	723,118
Cash paid to suppliers and employees	(884,396)	(668,187)
Cash generated from operations	567,402	54,931
Interest paid	(25,960)	(20,837)
Interest received	48	75
Income taxes (paid)/refunded	(11,958)	12,165
Net cash from operating activities	**529,532**	**46,334**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	10	29
Purchase of property, plant and equipment	(58,050)	(42,038)
Expenditure on projects	(12,792)	(12,472)
Acquisition of subsidiary	(16,176)	-
Acquisition of Narrabri private royalty[1]	(6,062)	-
Net cash used in investing activities	**(93,070)**	**(54,481)**
Cash flows from financing activities		
Payment of finance facility upfront costs	(5,226)	(2,128)
Purchase of shares	(6,529)	(314)
Proceeds from senior bank facility	40,000	80,000
Repayment of senior bank facility	(408,000)	(30,000)
Repayment of secured loans – ECA facility	(5,060)	(5,060)
Repayment of lease principal	(40,024)	(41,307)
Net cash (used in)/from financing activities	**(424,839)**	**1,191**
Net change in cash and cash equivalents	11,623	(6,956)
Cash and cash equivalents at 1 July	95,202	106,760
Cash and cash equivalents at 31 December	**106,825**	**99,804**

1 On 14th October 2021, the Company entered into an agreement to acquire the 1% private royalty over the Narrabri Coal mine held by Anglo Pacific Group plc (APG) with effect from 31 December 2021. The acquisition consideration is comprised of three components to be paid in instalments over five years. An amount of USD $4.4 million was paid on 31 December 2021 upon completion of the agreement.

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

The consolidated financial report of the Group for the half year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 17 February 2022.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2021 is available from the Company's website www.whitehavencoal.com.au or upon request from the Company's registered office.

2. Basis of preparation

The interim consolidated financial statements for the half year ended 31 December 2021 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 2021 and any public announcements made by Whitehaven Coal Limited during the half-year ended 31 December 2021 in accordance with the continuous disclosure requirements of the ASX listing rules.

3. 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 2021.

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.

4. Segment reporting

Identification of reportable segments

The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and determining the allocation of resources. The performance of operating segments is evaluated at least monthly based on revenues and profit before taxes and is measured in accordance with the Group's accounting policies.

The Group has determined that it has two reportable segments: open cut operations and underground operations.

Unallocated operations include coal trading, and corporate, marketing and infrastructure functions, which are managed on a group basis and are not allocated to reportable segments.

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

The following table represents revenue, profit and capital expenditure information for reportable segments:

Half year ended 31 December 2021	Open Cut Operations $'000	Underground Operations $'000	Unallocated Operations $'000	Total $'000
Revenue				
Sales to external customers	1,080,896	179,062	183,062	1,443,020
Revenue by product type:				
Metallurgical coal	229,078	3,479	30,976	263,533
Thermal coal	851,818	175,583	152,086	1,179,487
Total revenue from contracts with customers	1,080,896	179,062	183,062	1,443,020
Result				
Segment EBITDA result	577,105	50,992	4,468	632,565
Depreciation and amortisation				(118,995)
Income tax expense				(145,086)
Net finance expense				(27,981)
Net profit after tax per consolidated statement of comprehensive income				**340,503**
Capital expenditure				
Segment expenditure	32,282	25,077	13,483	70,842

Half year ended 31 December 2020	Open Cut Operations $'000	Underground Operations $'000	Unallocated Operations $'000	Total $'000
Revenue				
Sales to external customers	471,049	158,483	69,777	699,309
Revenue by product type:				
Metallurgical coal	92,391	17,105	-	109,496
Thermal coal	378,658	141,378	69,777	589,813
Total revenue from contracts with customers	471,049	158,483	69,777	699,309
Result				
Segment EBITDA result	46,719	(3,894)	(5,615)	37,210
Depreciation and amortisation				(138,184)
Income tax benefit				36,998
Net finance expense				(30,487)
Net loss after tax per consolidated statement of comprehensive income				**(94,463)**
Capital expenditure				
Segment expenditure	25,370	12,239	16,901	54,510

5. Finance income and expense

	31 Dec 2021	31 Dec 2020
	$'000	$'000
Recognised in the statement of comprehensive income		
Interest income	48	75
Finance income	**48**	**75**
Interest expense on lease liabilities	(4,960)	(6,372)
Interest on drawn debt facility	(8,605)	(9,368)
Other financing costs	(9,017)	(7,039)
Interest and financing costs	(22,582)	(22,779)
Net interest expense	(22,534)	(22,704)
Unwinding of discounts on provisions	(1,887)	(1,696)
Amortisation of finance facility upfront costs	(3,560)	(6,087)
Other finance expenses	(5,447)	(7,783)
Net finance expense	**(27,981)**	**(30,487)**

6. Interest-bearing liabilities

	31 Dec 2021	30 Jun 2021
	$'000	$'000
Current liabilities		
Lease liabilities	72,644	72,191
Secured loans – ECA facility	9,470	9,796
Capitalised borrowing costs	(9,616)	(6,871)
	72,498	**75,116**
Non-current liabilities		
Senior bank facility	320,000	688,000
Lease liabilities	168,881	190,729
Secured loans – ECA facility	43,464	48,200
Capitalised borrowing costs	(7,312)	(9,332)
	525,033	**917,597**
	597,531	**992,713**
Financing facilities	1,294,459	1,320,916
Facilities utilised at reporting date	614,459	1,008,916
Facilities not utilised at reporting date	680,000	312,000

Financing activities during the financial year

During the current period, $408 million of debt drawn under the senior bank facility was repaid (31 December 2020: $30 million) and $40 million was redrawn (31 December 2020: $80 million). The Group repaid $5.1 million of the ECA facility during the period (31 December 2020: $5.1 million). The senior bank facility and the ECA facilities are secured via a fixed and floating charge over the majority of the Group's assets. Under the facility, the Group is subject to compliance with gearing, net worth and interest coverage financial covenants.

Included within current and non-current lease liabilities are leases recognised in accordance with *AASB 16 Leases* of $34,846,000 and $52,459,000 respectively (30 June 2021: $33,743,000 and $55,244,000 respectively). Lease liabilities are secured over the leased assets to which they relate.

The fair values of loans and borrowings materially approximate their respective carrying values as at 31 December 2021 and 30 June 2021.

7. Provisions

	31 Dec 2021	30 Jun 2021
	$'000	**$'000**
Mine rehabilitation and biodiversity provisions	240,903	222,212
	240,903	**222,212**
Current	14,747	18,423
Non-current	226,156	203,789
Balance	**240,903**	**222,212**

8. Dividends

There were no dividends paid to shareholders during the six months ended 31 December 2021 (2020: $nil).

On 17 February 2022 the Directors declared an unfranked interim dividend of 8 cents per share totalling $80 million to be paid 11 March 2022. 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 2021	30 Jun 2021
The Group provided bank guarantees to:		**$'000**	**$'000**
i)	government departments as a condition of continuation of mining and exploration licences	273,499	276,330
ii)	rail capacity providers	25,529	29,339
iii)	port capacity providers	147,085	137,046
iv)	electricity network access supplier	22,470	22,470
v)	other	3,387	3,367
		471,970	**468,552**

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 in relation to the Milestone Shares. The Group 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.

10. Interest in joint operations

The Group has interests in the following joint operations that are measured in accordance with the terms of each arrangement, which are in proportion to the Group's interest in each asset, liability, income and expense of the joint operations:

		Ownership interest and voting rights	
	Country of incorporation	31 Dec 2021	30 Jun 2021
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]	Australia	75%	75%
Boggabri-Maules Creek Rail Pty Ltd[2]	Australia	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.

11. Financial Instruments

Net fair values

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 31 December 2021 and 30 June 2021.

- Level 1: measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: measurements based on 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)
- 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 consolidated statement of financial position:

	31 Dec 2021	Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts - receivable	9,992	-	9,992	-
	10,029	-	9,992	37
Liabilities measured at fair value				
Forward exchange contracts - payable	(4,139)	-	(4,139)	-
	(4,139)	-	(4,139)	-

	30 Jun 2021	Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts - receivable	-	-	-	-
	37	-	-	37
Liabilities measured at fair value				
Forward exchange contracts - payable	(7,685)	-	(7,685)	-
	(7,685)	-	(7,685)	-

The fair value of derivative financial instruments are 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 consolidated 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 foreign exchange risk. A number of these contracts remained open at 31 December 2021.

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 notes 3.1, 3.3 and 5.1 to the financial statements for the year ended 30 June 2021.

12. Subsequent events

In the interval between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material or 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, other than the following:

Subsequent to end of the financial period, the Group repaid $225 million of debt drawn under the senior bank facility.

Directors' declaration

For the half year ended 31 December 2021

In accordance with a resolution of the directors of Whitehaven Coal Limited, I state that:

In the opinion of the Directors:

(a) The financial statements and notes of Whitehaven Coal Limited are in accordance with the *Corporations Act 2001 (Cth)*, including:

   (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the six month period ended on that date, and

   (ii) Complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the Corporations Regulations 2001

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

On behalf of the Board

The Hon. Mark Vaile AO	**Paul Flynn**
Chairman	Managing Director

Sydney
17th February 2022

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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 interim statement of financial position as at 31 December 2021, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed 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, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and

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

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us 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 financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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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.

Ernst & Young

Scott Jarrett
Partner
Sydney
17 February 2022

Glossary

ARTC	Australian Rail Track Corporation
ASEAN	Association of Southeast Asian Nations
CHPP	Coal Handling Preparation Plant
CY22	Calendar Year 2022
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
H1 FY21	Six month period ending 31 December 2020
H1 FY22	Six month period ending 31 December 2021
HELE	High Energy Low Emissions
JORC	Joint Ore Resources Committee
KMP	Key Management Personnel
KPI	Key Performance Indicator
kt	Thousand tonnes
LTI	Long-Term Incentive
LW	Longwall
m	Million
MRRT	Minerals Resource Rent Tax
Mt	Million tonnes
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

Corporate directory

Directors

The Hon. Mark Vaile AO
Chairman

John Conde AO
Deputy Chairman

Dr Julie Beeby
Non-Executive Director

Paul Flynn
Managing Director and CEO

Lindsay Ward
Non-Executive Director

Fiona Robertson
Non-Executive Director

Raymond Zage
Non-Executive Director

Company Secretary

Timothy Burt

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Auditor

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Country of Incorporation

Australia

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