



WHITEHAVEN COAL

ASX ANNOUNCEMENT

3 DECEMBER 2014

CONFERENCE PRESENTATION

Whitehaven Coal Limited (ASX: WHC) advises that the attached presentation will be delivered by Paul Flynn, Managing Director and CEO, at an industry conference today.

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Whitehaven Coal Limited

UBS Iron Ore and Coal Conference

Sydney
3 December 2014

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All dollars in the presentation are Australian dollars unless otherwise noted.

Agenda



Whitehaven Introduction

Coal and its future

Coal Industry Developments

Narrabri

Maules Creek

Vickery

Costs & Margins

Financing and Growth

Conclusion

Our goal



**Creating Australia's premier ASX listed
coal company**

Introduction to Whitehaven



Whitehaven is headquartered in Sydney and currently employing over 650 people with about 75% living in the Gunnedah region around its operating mines

Whitehaven owns 3 open cut mines, 1 large underground mine and is currently developing another large open cut mine producing high quality metallurgical and thermal coal for sale into the Asian region

Whitehaven listed on the ASX in June 2007, merged with Aston Resources in May 2012 and currently has a market capitalisation of A\$1.2 billion

The large, high quality Resource and Reserve base of metallurgical and thermal coal can support 30 year operations at current operating rates

Operations are located in the Gunnedah Basin which hosts structurally benign and shallow dipping coal seams in a well understood basin

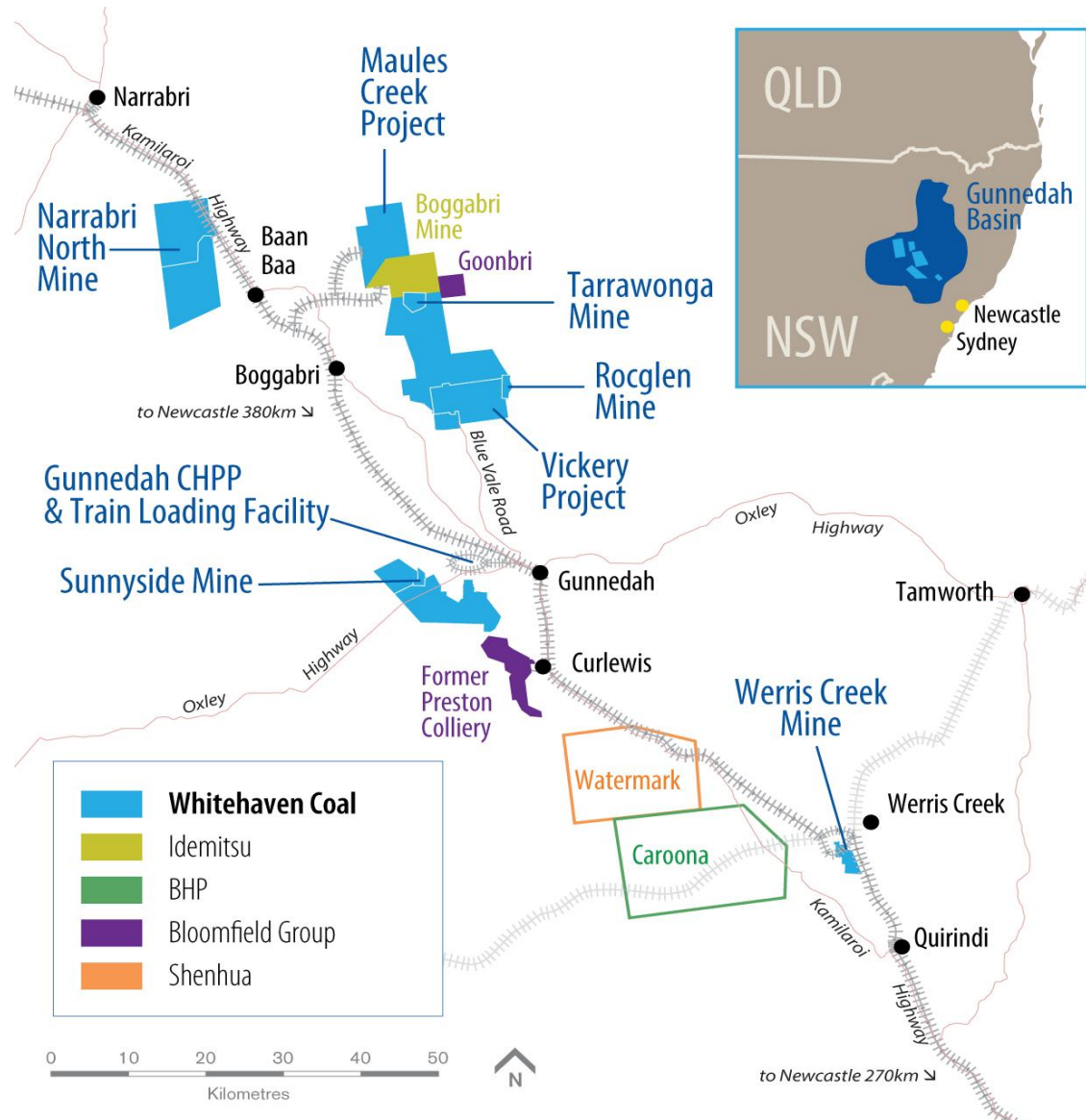
High margin metallurgical coal production could exceed 40% of total production when Maules Creek is fully ramped post FY2018

Infrastructure in place for railing to port and export overseas

Stable register

- Farallon Capital Management 16.6%
- AMCI Group & Assoc 14.8%
- Prudential PLC 8.1%
- Martua Sitorus Group 5.8%
- Manning & Napier 5.0%
- Kerry Group 5.0%

Where we operate



Maules Creek (75%)

- Reserves to support ~ 30 years
- Permitted & Planned : 13 Mtpa ROM
- SSCC, PCI and high energy thermal

Narrabri North (70%)

- Reserves to support ~ 25 years
- Permitted : 8 Mtpa ROM
- Planned : 6 Mtpa ROM
- PCI & low ash thermal coals

Tarrawonga (70%)

- Reserves to support > 20 years
- Permitted : 3 Mtpa ROM
- Planned : 2 Mtpa ROM
- SSCC, PCI and high energy thermal

Rocglen (100%)

- Reserves to support ~ 3 years
- Permitted & Planned to 1.5 Mtpa ROM
- Mainly thermal coals

Vickery (100%)

- Reserves to support ~ 30 years
- SSCC and high energy thermal
- Approval process well advanced for 4.5 Mtpa ROM

Gunnedah CHPP (100%)

- Permitted to 4.5 Mtpa

Werris Creek (100%)

- Reserves to support ~ 8 years
- Permitted & Planned to 2.5 Mtpa
- PCI and thermal coals

First mover advantage in the Gunnedah Basin

Coal in today's world

Coal is the power energizing the world

Our energy needs in perspective: In just one day...



Global population
will increase by
210,000



85,000+
People will move to cities
in **China** and **India**



1,100,000
People open
an internet account



225,000
New cars will be sold

21 million
**metric
tons**
of coal will
be used



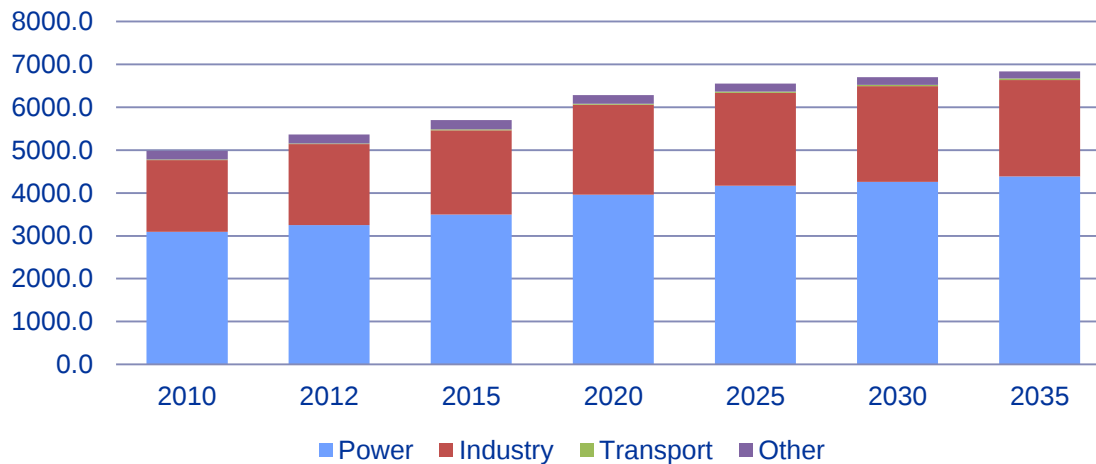
950,000
Twitter accounts
will be opened

Sources: Oxfam; UN Development Programme; Internet World Stats 2013; Wards Auto; International Energy Agency; The Next Web.

Coal's growing role in global energy



World Demand for Coal (Mtce)



Source: BP Energy Outlook to 2035, 2014

In the recent agreement with the US, Chinese carbon emissions will peak in 2030 so expect coal consumption to continue increasing over the next 14 years

Nearly 3.5 billion people in the world have limited or no access to electricity

Coal is the lowest cost source of electricity for many countries around the world

BP expects world coal demand to increase by 1.5Bt from 2012 to 2035 when coal demand is expected to reach 6.8Btpa

A significant portion of the demand growth (1.1Bt) will come from increased electricity generation in developing countries as those countries lift their population out of poverty

“For many parts of the world, fossil fuels are still vital and will be for the next few decades, because they are the only means to lift people out of the smoke and darkness of energy poverty”

Bjorn Lomborg, political scientist, economist and founder and president, Copenhagen Consensus Center

Coal a major component of the world energy mix

Australian political support



“Energy is what sustains prosperity and coal is the world’s principle energy source and it will be for many decades to come” and

“Coal is good for humanity, coal is good for prosperity, coal is an essential part of our economic future, here in Australia and right around the world”

The Hon Tony Abbott, the Prime Minister of Australia

“There is no solution to global base-load power generation that does not feature a major role for coal. Coal fired power generation has assisted in lifting over 500 million people – principally in China – out of poverty and providing them with higher standards of living. It is a critical part of our portfolio of export minerals”

The Hon Gary Gray, ALP Energy and Resources spokesman

“We are exporting coal so that nations can lift their people out of poverty and that is a fundamental point. We are exporting gas, we are exporting coal, we are exporting uranium. I mean, it is easy to sit in a nice studio here in Britain and reflect on you know, what climate change is and what energy is but fundamentally, when people haven’t got electricity, they haven’t got clean water, they want what Australia has and we stand prepared to get it to them ”

The Hon Joe Hockey, Treasurer of Australia

Political support is broadly based

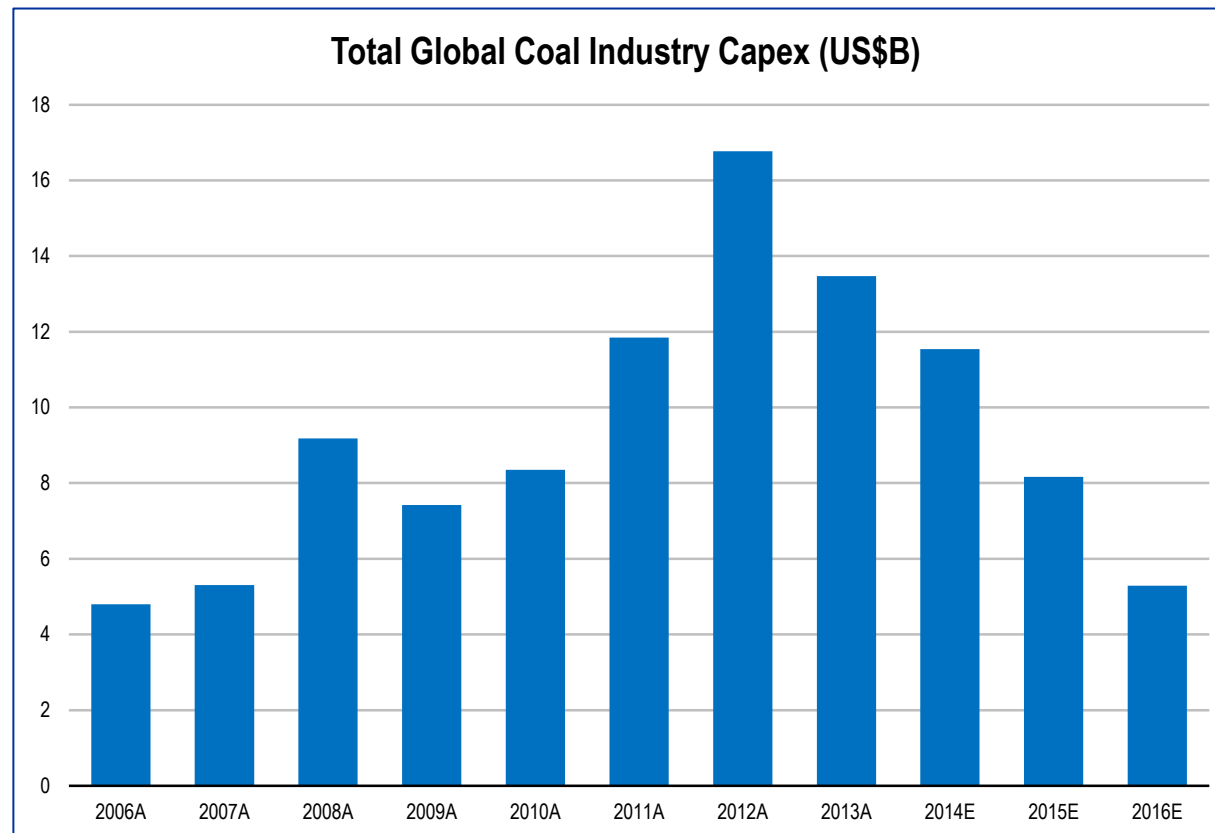
Capex falling



The downturn in the mining industry from weaker coal prices has led to a significant fall in capex by companies

The surge of new capacity brought on in response to the high prices of three to four years ago is ending

By late 2015/2016 capex will decline to about normal sustaining levels



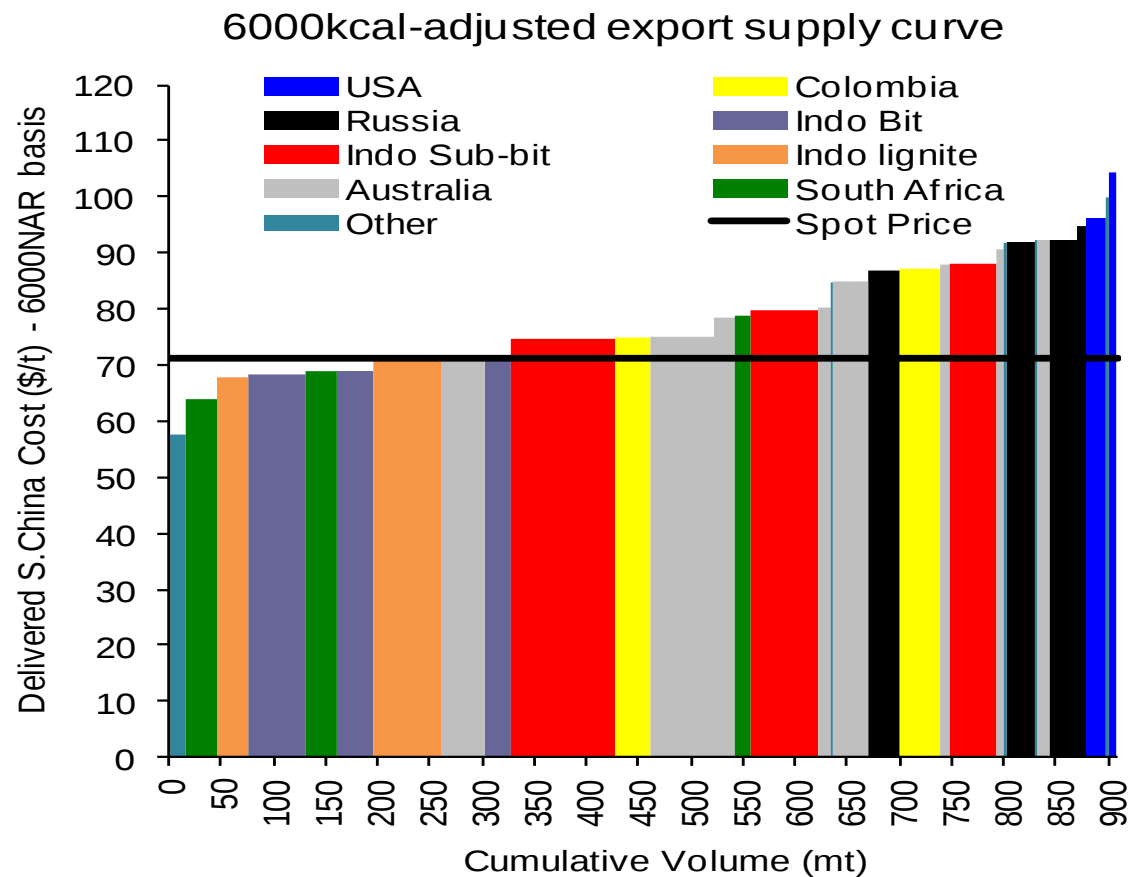
Production growth will slow

Industry costs



Over 50% of seaborne thermal coal producers are currently losing cash on a delivered basis to China

With the thermal coal price so deep into the cost curve production cuts are likely to occur in the months ahead



Production cuts are likely to occur in the future

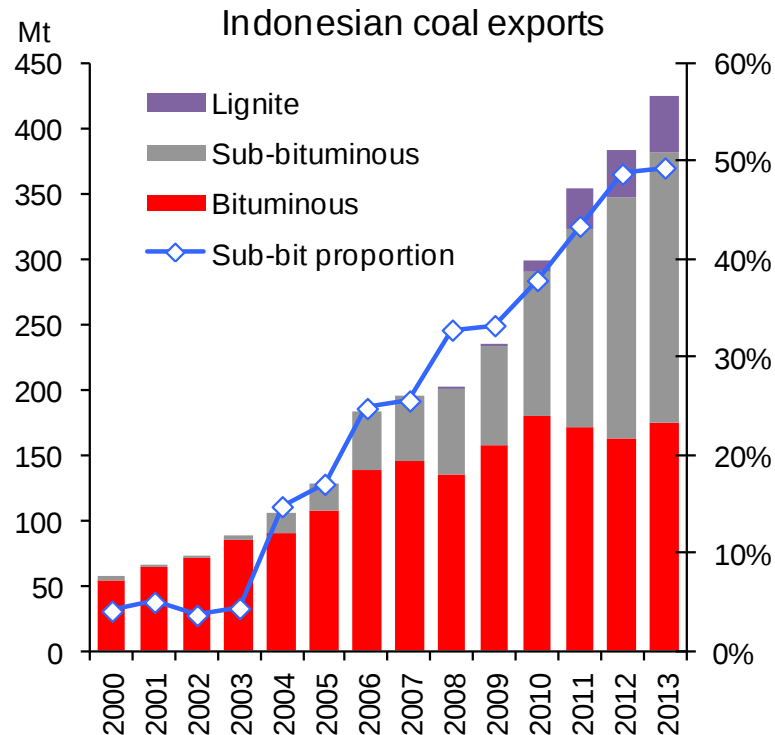
Indonesian situation



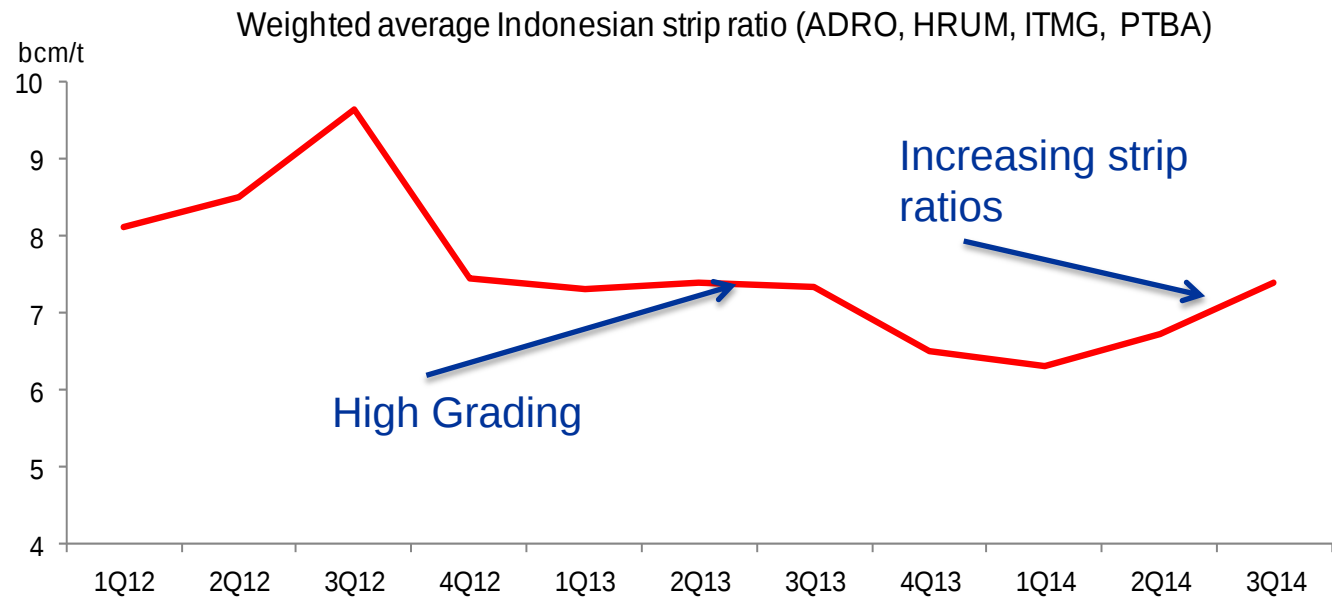
Exports from Indonesia have grown strongly while coal quality has deteriorated significantly

High grading by lowering strip ratios may have ended

Mine lives based on current reserves are declining with HRUM at 6.2 years, ITMG at 8.5 years and ADRO at 15.9 years implying a reduction in production in the future



Source: Indonesian Government Statistics, Macquarie Research



Source: Company Data, Macquarie Research

Indonesian industry under pressure

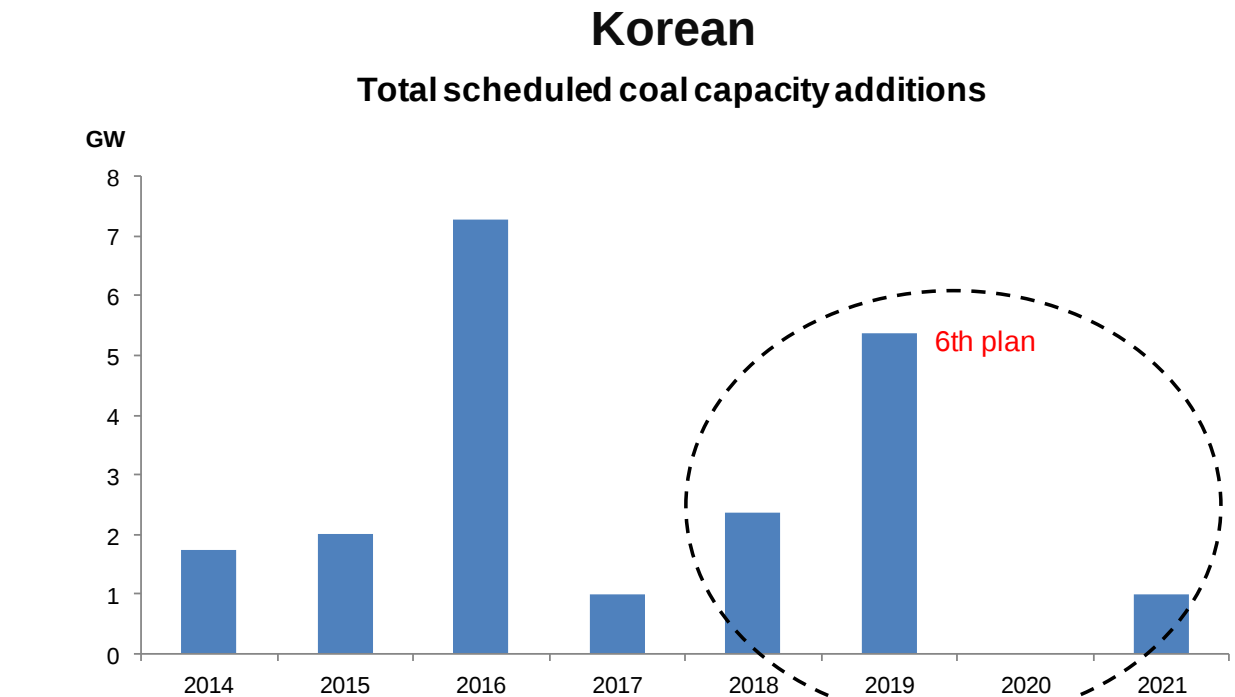
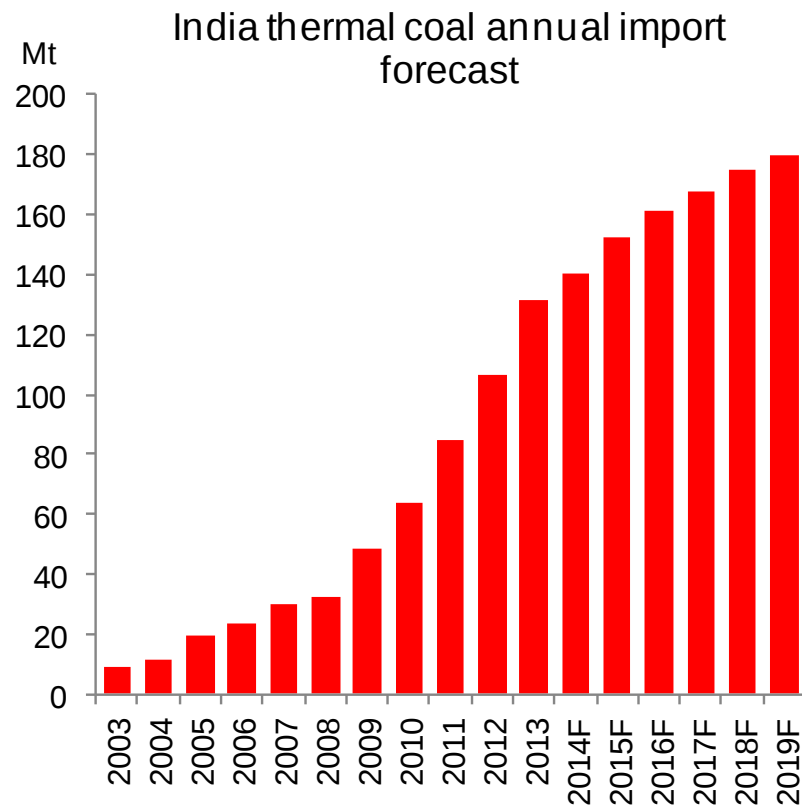
Demand growth



India expects to add significant new thermal generating capacity which will lead to strong growth in coal imports

Planned generating capacity of about 18GW to be added in Korea over the next 7 years will require an extra 45Mtpa coal demand from the seaborne market

Japan is also considering adding an additional 10GW (25Mtpa coal) of thermal generating capacity from 2019



Source: Macquarie Research

Demand for coal in Asia continues to grow

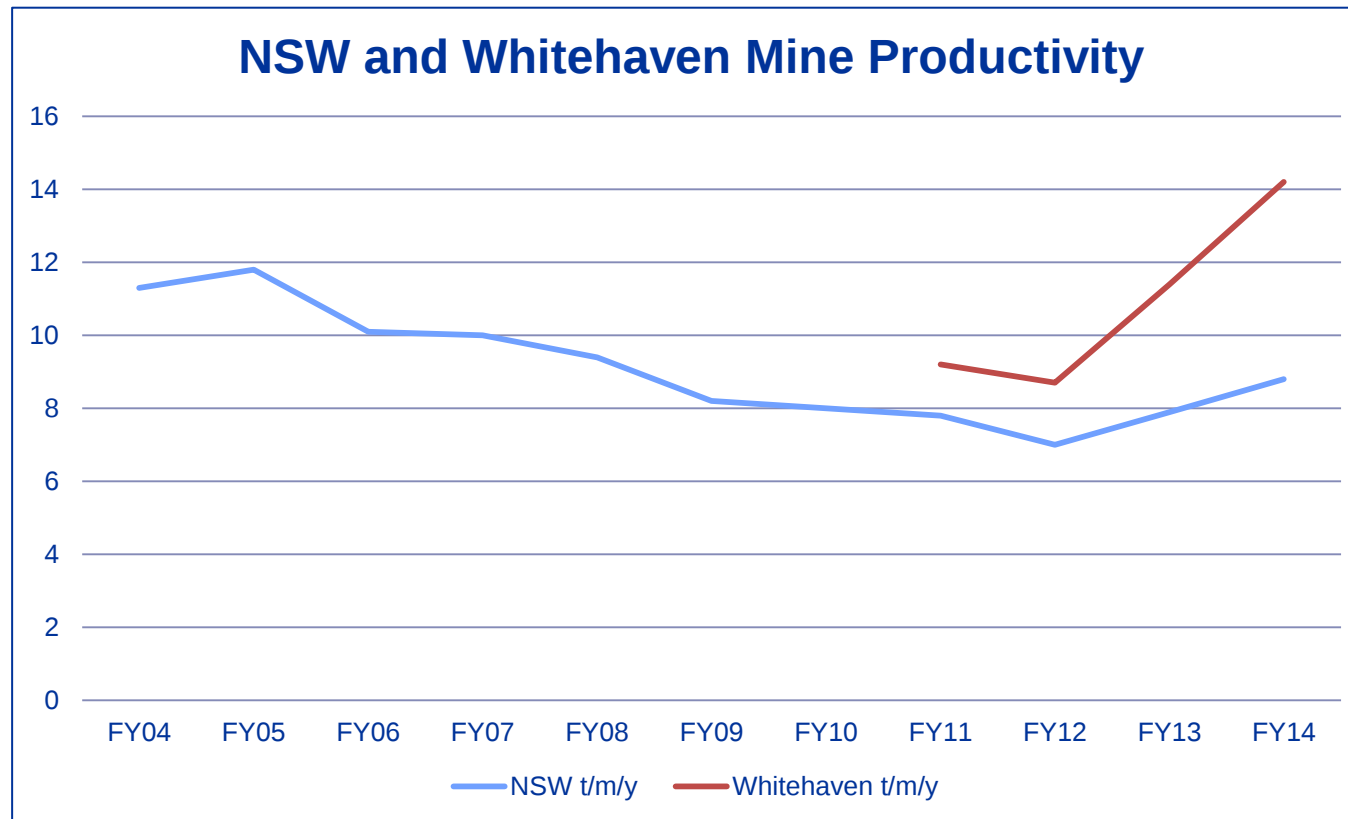
Industry context - productivity



All Australian producers are working to improve their productivity levels with success becoming evident

Productivity from Whitehaven's mines has consistently outperformed the NSW average in recent years

When Maules Creek is fully ramped productivity across Whitehaven's operations will be greater than 20,000t/m/y



Whitehaven much better than average

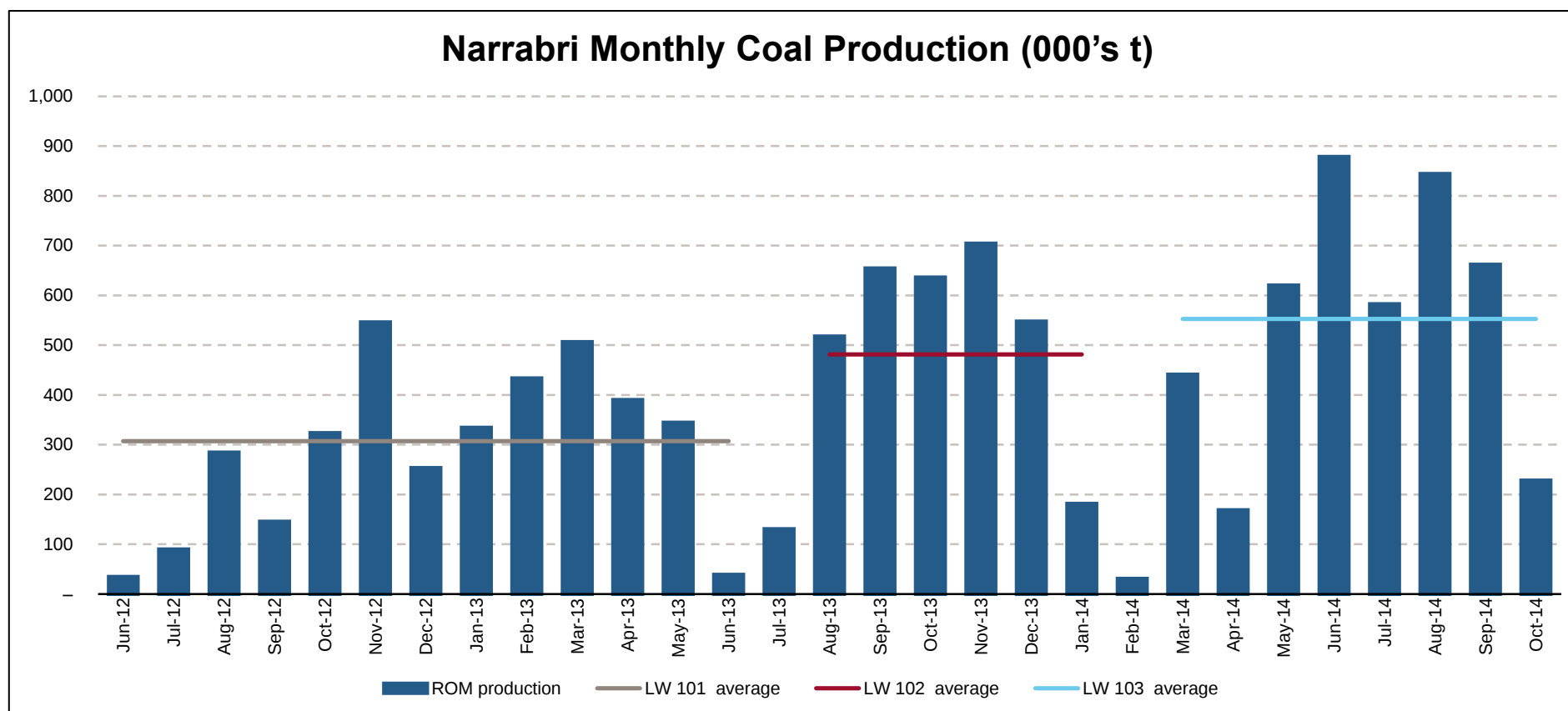
Narrabri performing strongly



Productivity in FY2014 was about 17,000t/m/y (ROM basis), expectations for FY2015 are for a further 10% improvement

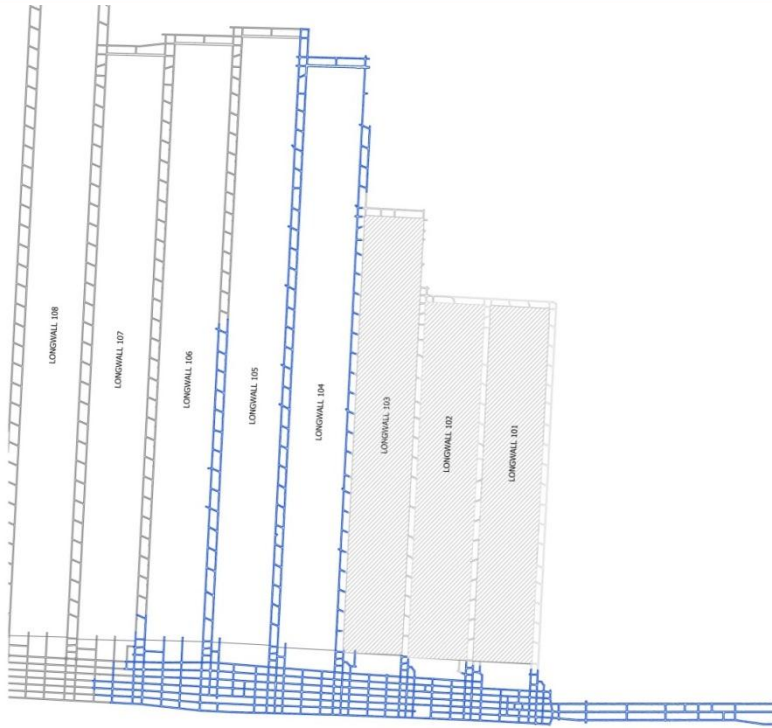
Average monthly production has improved with each longwall panel

Longwall coal production in LW04 has commenced, production in FY2015 forecast to exceed earlier guidance of 6.5Mt ROM coal



Productivity is improving with each panel

Narrabri beyond FY2015



The introduction of a wider longwall panel face was found to be superior to top coal caving

Key benefits of a wider panel face (400 metres)

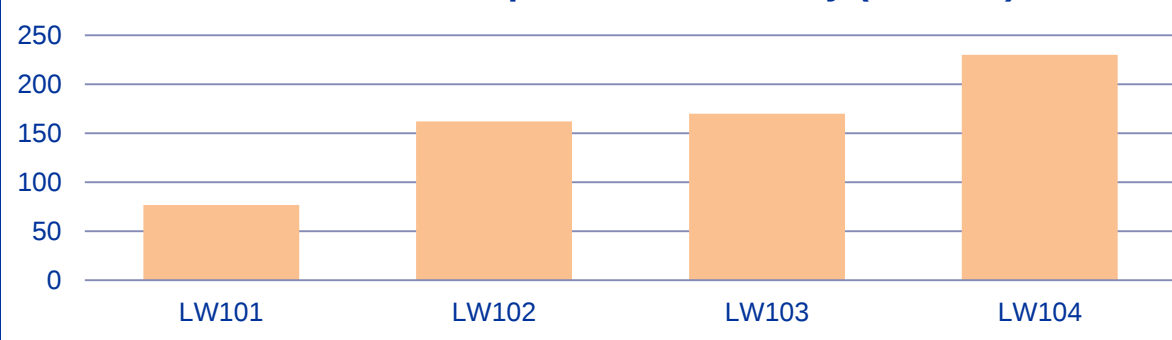
- Increases annual productivity of mine (lower costs)
- Low risk option
- Less road development required over LOM (60km)
- Ensures SCOTA specification for LOM
- Capex similar to TCC

Wider panels if approved could be introduced from panel LW07 and lead to increased production of about 0.8Mtpa from the mine

Formal decision on wider panels in the next two months

Gate road development rates continue to improve enabling a strong longwall float and assisting in costs reductions

Gate Road Development Productivity (m/week)



Narrabri has further growth potential

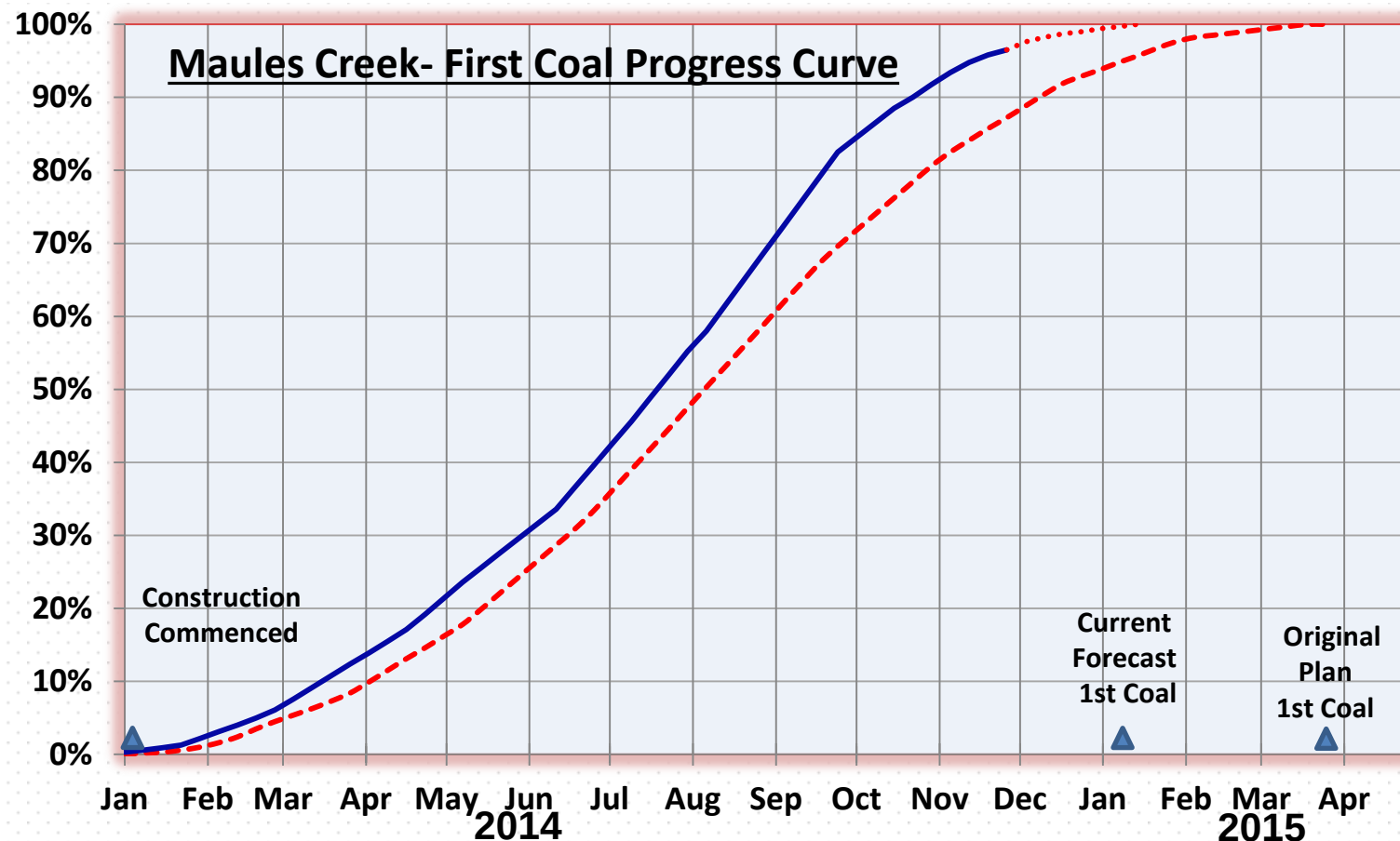
Maules Creek construction “S” curve



Revenue from coal sales will commence in January 2015, several months before the project is completed

Whitehaven expects to have spent about \$600 million at the time of the first coal shipments from Maules Creek

Commissioning of the by-pass circuit is underway with the rest of the mine infrastructure to follow during 2015



As at 3 December 2014

Maules Creek mining progress



Braymont seam exposed in the open cut

Ultra class equipment is operating in the open cut by Whitehaven employees

Sufficient equipment to operate at 6.0Mtpa ROM rate will be on site and operating from early in CY2105

Project likely to be declared commercial from 1 July 2015 with positive EBITDA generated in the first half credited to the project costs

Operating costs for FY2016 likely to be in the order of \$62/t as limited washing will occur in the period

First coal mined in December

Maules Creek – rail progress



Laying ballast for the rail



Cut 3 Rail in place

Rail line will be completed shortly

Maules Creek – By-pass system



Vickery approval



Approval granted by NSW Government in September

Vickery Project Key Elements	Details
Location	About 25kms north of Gunnedah
Resources and Reserves	Reserves of 204Mt contained within a Resource of 508Mt with significant upside potential on contiguous tenements
Ownership	Whitehaven 100%. Considering the formation of a Joint Venture by selling up to 30% of the project to potential customers
Coal Quality	Similar to Maules Creek – SSCC, PCI and high quality and high CV thermal coal
Project Concept	Very low startup capital open cut mine producing 4.5Mtpa ROM coal initially trucked to the Gunnedah CHPP for washing and loading onto trains
Startup	Earliest production likely after Maules Creek is fully ramped

Another significant growth option for Whitehaven

Costs continue to fall



		Sep Qtr FY2015	H2 FY2014	H1 FY2014 ⁽¹⁾	FY2014
Coal Sales (equity basis, excl. purchased coal)	'000t	2,388	3,913	4,302	8,215
Average revenue (excl. purchased coal & net of NSW royalties)	\$A/t	71	77	81	79
Average cost of sales (excludes significant items)	\$A/t	59	67	71	69
EBITDA Margin on Coal Sales	\$A/t	12	10	10	10
EBITDA Margin on Coal Sales	%	17%	13%	13%	13%
Unutilised Take or Pay charges for port and rail included above	\$A/t	0	2	2	2
Average cost of sales (excludes significant items and Take or Pay)	\$A/t	59	65	69	67

Note 1: H1 FY 2014 adjusted to reflect presentation of Narrabri mains amortisation costs in the amortisation line (i.e. excluded from mining costs)

Whitehaven increased its EBITDA margin during the September quarter

Strong production from Narrabri combined with sales of coal accumulated at the end of the previous quarter led to the significant fall in costs

The decline in average revenue for the quarter was more than offset by reduced costs enabling the EBITDA margin to be increased

Costs for the FY2015 are expected to average about \$62/t

Operations continue to generate strong cash flow

Refinancing progress



Maules Creek construction is fully funded by the current debt facility and the project is being de-risked each day as first coal sales move closer to fruition

The syndicate banks in the current facility are fully supportive of Whitehaven and have shown the ability to be unanimously flexible with the facility

Whitehaven is fully prepared and will access the debt capital markets when the opportunity arises

Overall credit quality of the company continues to improve as Maules Creek construction advances and Narrabri longwall ramps up production in LW04

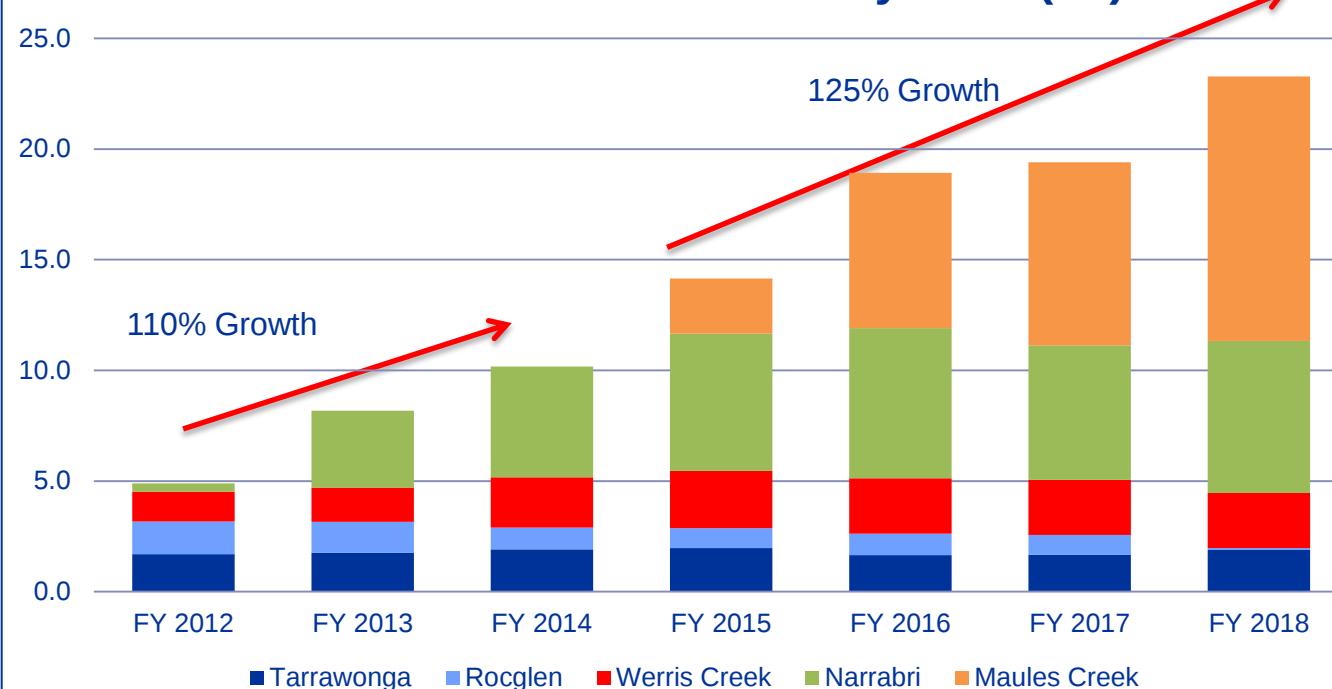
Refinancing is not time critical as the current facility has two years remaining, although it is Whitehaven's intention to complete the first step in the refinancing as early as possible 2015

Credit metrics continue to improve

Whitehaven's low cost growth



Saleable Coal Production by Mine (Mt)



Production is expected to more than double by FY2018 as Maules Creek ramps up to its full capacity

Saleable production in FY2015 is expected to be about 14Mt on a 100% basis (includes 2.5Mt pre-commercial sales from Maules Creek)

The fully approved Vickery project provides more growth for the company beyond FY2018

Note: Graph depicts saleable coal on a 100% basis including coal destined for domestic and export sales and excludes coal purchases

Data shown for the year ending 30 June. These estimates relate to planned future events and expectations and as such, involve known and unknown risks and uncertainties. The actual production is likely to vary on an annual basis as a function of supply, demand and other market conditions.

Production doubled from 2012 and will double again

Targets for FY2015



Aiming for ongoing improvement in safety performance at all operations

Ensuring construction of Maules Creek remains ahead of schedule and under budget

Developing long term markets and sales contracts for all Maules Creek production

Recruiting and training the workforce to operate Maules Creek

Broadening and deepening our stakeholder engagement plan

Engaging with local aboriginal groups to achieve our employment target

Improving the production performance of all mines in the portfolio

Driving efficiency and further cost reductions across the business

Implementing a long term financing plan that better aligns funding requirements and mine life

Creating Australia's premier ASX listed coal company

Thank you

www.whitehavencoal.com.au