

For personal use only

# Full Year Results FY2019

15 August 2019



---

# Disclosure

STATEMENTS CONTAINED IN THIS MATERIAL, PARTICULARLY THOSE REGARDING THE POSSIBLE OR ASSUMED FUTURE PERFORMANCE, COSTS, DIVIDENDS, RETURNS, PRODUCTION LEVELS OR RATES, PRICES, RESERVES, POTENTIAL GROWTH OF WHITEHAVEN COAL LIMITED, INDUSTRY GROWTH OR OTHER TREND PROJECTIONS AND ANY ESTIMATED COMPANY EARNINGS ARE OR MAY BE FORWARD LOOKING STATEMENTS. SUCH STATEMENTS RELATE TO FUTURE EVENTS AND EXPECTATIONS AND AS SUCH INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES. ACTUAL RESULTS, ACTIONS AND DEVELOPMENTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THESE FORWARD LOOKING STATEMENTS DEPENDING ON A VARIETY OF FACTORS.

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

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

## **COMPETENT PERSONS STATEMENT**

INFORMATION IN THIS REPORT THAT RELATES TO COAL RESOURCES AND COAL RESERVES IS BASED ON AND ACCURATELY REFLECTS REPORTS PREPARED BY THE COMPETENT PERSON NAMED BESIDE THE RESPECTIVE INFORMATION. GREG JONES IS A PRINCIPAL CONSULTANT WITH JB MINING SERVICES. MAL BLAK IS A SENIOR CONSULTANT WITH JB MINING SERVICES. PHILLIP SIDES IS A SENIOR CONSULTANT WITH JB MINING SERVICES. BENJAMIN THOMPSON IS A GEOLOGIST WITH WHITEHAVEN COAL. MARK BENSON IS A GEOLOGIST WITH WHITEHAVEN COAL. DOUG SILLAR IS A FULL TIME EMPLOYEE OF RPM ADVISORY SERVICES PTY LTD. MICHAEL BARKER IS A FULL TIME EMPLOYEE OF PALARIS LTD.

NAMED COMPETENT PERSONS CONSENT TO THE INCLUSION OF MATERIAL IN THE FORM AND CONTEXT IN WHICH IT APPEARS. ALL COMPETENT PERSONS NAMED ARE MEMBERS OF THE AUSTRALASIAN INSTITUTE OF MINING AND METALLURGY AND/OR THE AUSTRALIAN INSTITUTE OF GEOSCIENTISTS AND HAVE THE RELEVANT EXPERIENCE IN RELATION TO THE MINERALISATION BEING REPORTED ON BY THEM TO QUALIFY AS COMPETENT PERSONS AS DEFINED IN THE AUSTRALIAN CODE FOR REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES (THE JORC CODE, 2012 EDITION).

## **ADDITIONAL INFORMATION**

ANY REFERENCES TO RESERVE AND RESOURCE ESTIMATES SHOULD BE READ IN CONJUNCTION WITH THE WHITEHAVEN'S ORE RESERVES AND COAL RESOURCES STATEMENT FOR ITS COAL PROJECTS AT 31 MARCH 2019 AS RELEASED TO THE AUSTRALIAN SECURITIES EXCHANGE ON 15 AUGUST 2019. WHITEHAVEN CONFIRMS IN SUBSEQUENT PUBLIC REPORTS THAT IT IS NOT AWARE OF ANY NEW INFORMATION OR DATA THAT MATERIALLY EFFECTS THE INFORMATION INCLUDED IN THE RELEVANT MARKET ANNOUNCEMENT AND IN THE CASE OF ESTIMATES OF COAL RESOURCES OR ORE RESERVES, THAT ALL MATERIAL ASSUMPTIONS AND TECHNICAL PARAMETERS UNDERPINNING THE ESTIMATES IN THE RELEVANT MARKET ANNOUNCEMENT CONTINUE TO APPLY AND HAVE NOT MATERIALLY CHANGED.



# Agenda

Highlights

Safety

Financial Performance

Guidance & Growth

Operations

ESG & Community

Outlook for Coal

Summary

For personal use only

# Highlights

# Highlights

## Record EBITDA, NPAT, Dividends and ROM coal production



- TRIFR of 6.16 at 30 June, 11% below the previous year and below the NSW average



- Record equity ROM coal production of 18.4Mt, up 4% YOY



- Equity sales including purchased coal of 17.6Mt, up 2% YOY



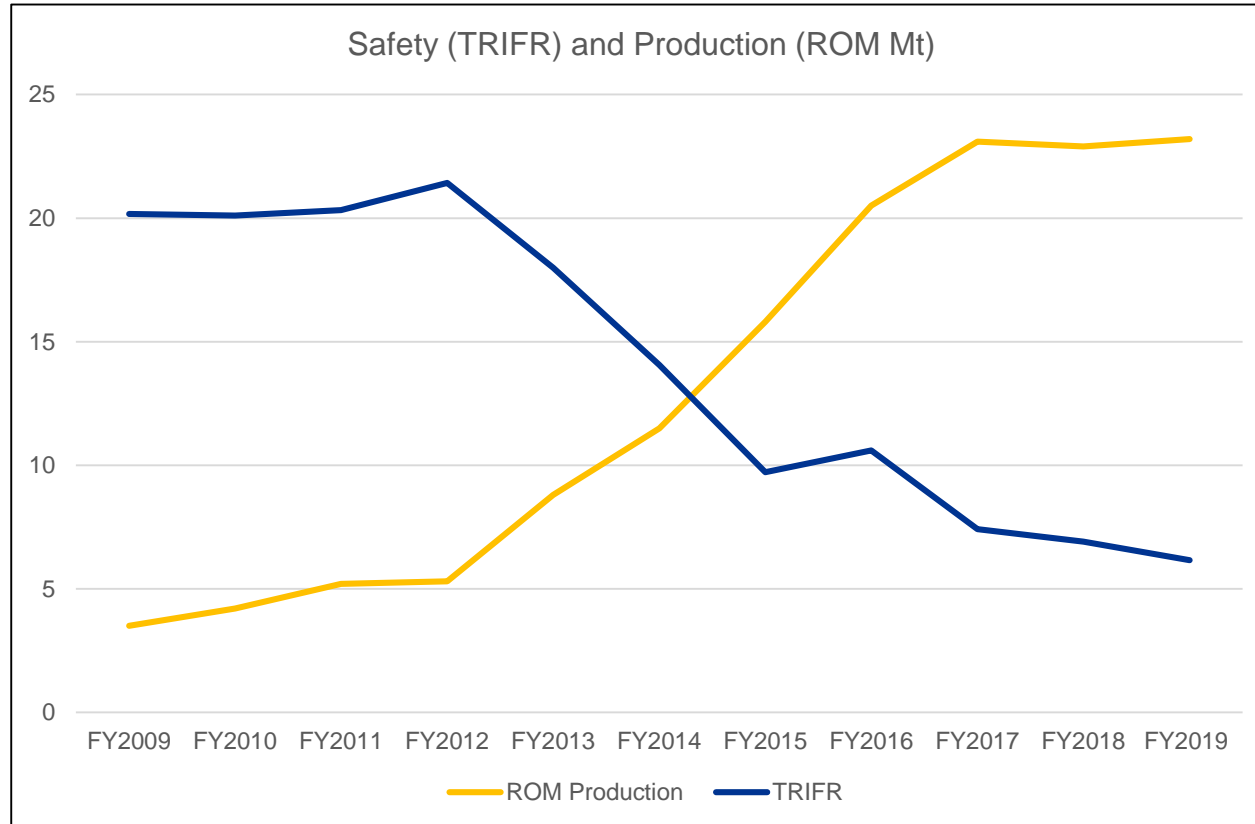
- Record Underlying EBITDA and NPAT before significant items of \$1,041.7m and \$564.9m respectively



- Record returns to shareholders with a final dividend of 30 cents taking full year dividends to 50cps

# Safety performance

## Improvement continuing



- Safety as measured by the TRIFR continued to improve over the year
- Whitehaven recorded a TRIFR of 6.16 at the end of the year compared to 6.91 at the end of the previous year
- Safety is always a key focus for the business, and following the recent series of incidents in the Queensland coal industry, a renewed effort will be taken to improve outcomes

For personal use only

# Financial performance



# Financial highlights – Record profit

<b>Profit and Loss</b>	<b>FY2019</b>	<b>FY2018*</b>	<b>Comment</b>
Net profit after tax before significant items (\$'m)	564.9	524.5	Increase of 8%
Underlying EBITDA (\$'m)	1,041.7	1,011.9	Increase of 3%
Cash generated from operations (\$'m)	964.1	925.9	Strong conversion to cash
Dividends (cps)	50	40	Record full year dividend
Unit cost per tonne (\$/t)	67	58	Refer to slide 11 for details
<b>Balance Sheet</b>	<b>30 June 2019</b>	<b>30 June 2018</b>	<b>Comment</b>
Net debt (\$'m)	161.6	270.4	Excludes IFRS 16 lease liabilities
Gearing (%)	4%	7%	

\* The comparative period has been restated for the adoption of IFRS 16 Leases. Refer to the appendices for more information



# Record full year result

Financial Performance – A\$ millions	FY2019	FY2018*
Revenue	2,487.9	2,257.4
Other income	3.9	6.8
Operating expenses	(905.0)	(767.2)
Rail, Port, Marketing and Royalties	(508.9)	(457.3)
Admin and other expenses (including net FX gain/loss)	(36.2)	(27.8)
<b>Underlying EBITDA</b>	<b>1,041.7</b>	<b>1,011.9</b>
Corporate development costs	-	(9.7)
Depreciation & amortisation	(212.1)	(203.1)
Net Interest Expense	(40.9)	(40.2)
Income tax expense	(223.8)	(234.4)
<b>Net profit after tax, before significant items</b>	<b>564.9</b>	<b>524.5</b>
Significant items after tax	(37.0)	-
<b>Net profit</b>	<b>527.9</b>	<b>524.5</b>
Earnings per share (cents per share – basic)	53.5	53.1

\*The comparative period has been restated for the adoption of IFRS 16 Leases. Refer to the appendices for more information

# Margins and costs

Margins increased due to higher realised premiums on thermal coal

		FY2019	FY2018
Coal Sales (equity basis, excluding purchased coal)	Mt	15.6	16.0
Average revenue (excluding purchased coal & net of royalties)	\$/t	133	121
Average cost of sales*	\$/t	67	58
<b>EBITDA Margin on coal sales</b>	<b>\$/t</b>	<b>66</b>	<b>63</b>
EBITDA Margin on coal sales	%	50%	52%

- Realised thermal and metallurgical coal prices averaged US\$100/t and US\$119/t respectively in FY2019 compared to US\$98/t and US\$119/t in FY2018
- The weaker Australian dollar versus the US dollar in FY2019, 0.72 compared to 0.78 in FY2018 led to the higher average Australian dollar revenue for FY2019
- See next slide for cost commentary

\* The comparative period cost per tonne has been restated for the adoption of IFRS 16 *Leases*.

Note: Total coal sales of 15.6Mt exclude 0.4Mt of Sunnyside coal sales in FY2019 and 0.1Mt in FY2018

---

# Cost discussion

## Cost increases due to a number of factors

### Strategic factors (~ \$2/t)

- Introduction of the three product strategy resulting in increased washing and lower yields relative to the prior year at Maules Creek and increased haulage and processing from the Gunnedah open cuts

### Structural factors (~\$4/t)

- Full year impact of increasing depth of cover at Narrabri in FY2019 reducing both development and longwall production rates and increased roof and ground support intensity
- Higher strip ratio at Tarrawonga in line with the natural progression of this mine
- Longer hauls and increased elevation of the hauls at Maules Creek as the pit continues to be expanded to facilitate optimised mining conditions for the long term – expected to reverse in the medium term with in-pit dumping and the introduction of autonomous haulage
- Unutilised capacity charges driven by the purchase of new port capacity and production phasing during FY2019

### Market factors (~\$3/t) – expected to moderate

- Higher oil prices and falling AUD (FY2019 cf. FY2018) flowing into higher diesel prices, impacting production and transportation costs
- Competition for skilled labour resources has increased across the industry leading to higher costs from contractors and other service providers

# Balance sheet

In good shape for the coming growth phase while continuing shareholder returns

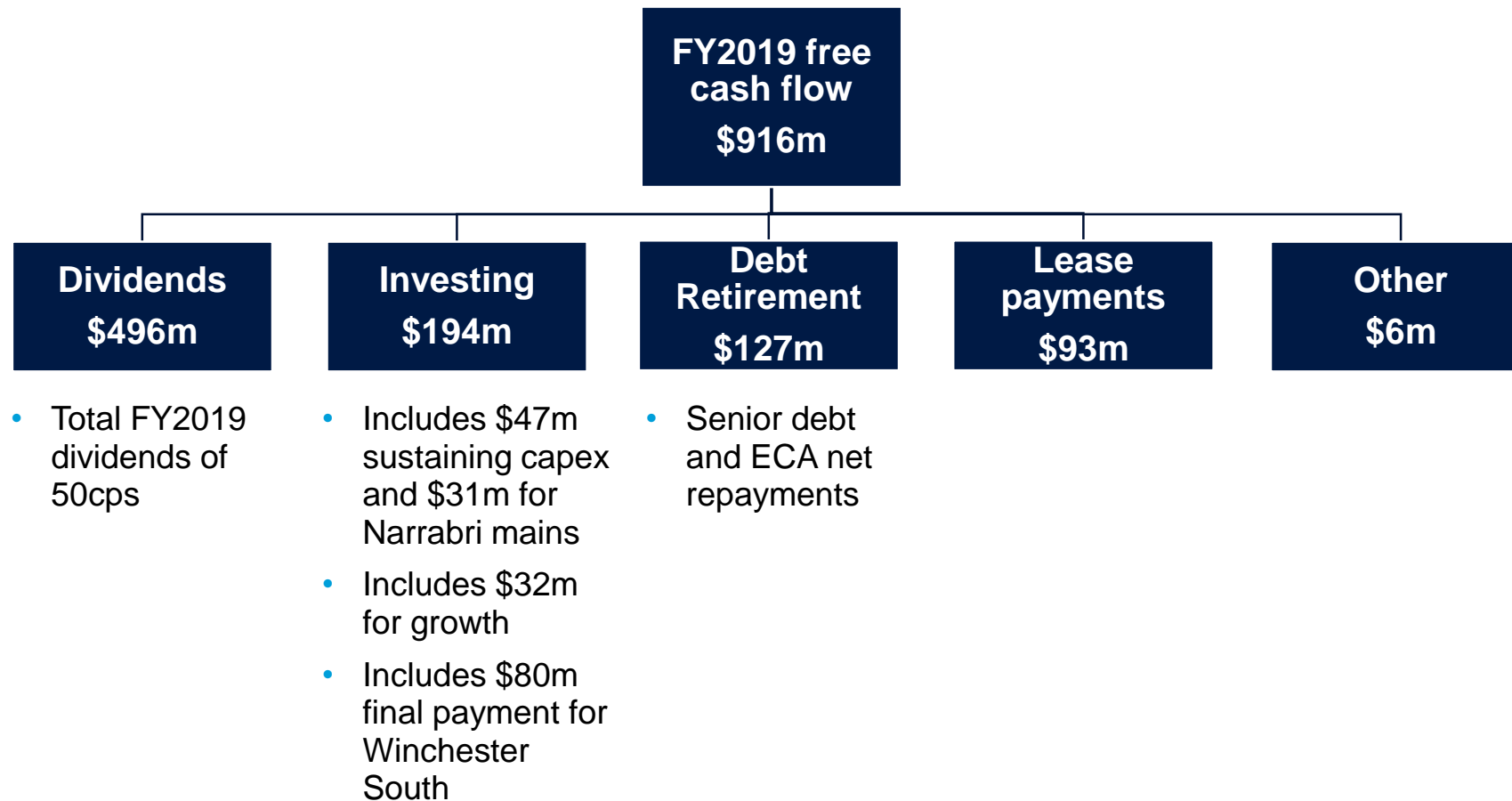
	30 June 2019 \$'m	30 June 2018 \$'m	
Cash on hand	119.5	111.8	Strong balance sheet supporting a sustainable capital allocation framework
Senior secured bank facility (drawn)	160.0	275.0	
ECA** and leases	135.8	126.6	Fixed term financing secured by operating assets
Leases recognised in accordance with IFRS 16	134.1	205.9	Operating leases and other arrangements brought onto the balance sheet as per IFRS 16 <i>Leases</i> accounting standards
<b>Total loans and borrowings*</b>	<b>415.3</b>	<b>588.1</b>	
Net debt excluding IFRS 16 lease liabilities	161.6	270.4	
Equity	3,522.2	3,482.8	
Gearing excluding IFRS 16 lease liabilities	4%	7%	Modest gearing

\* Shown net of capitalised borrowing costs and includes impact of adopting IFRS 16 *Leases*

\*\* ECA facility – Export Credit Agency finance for equipment at Narrabri

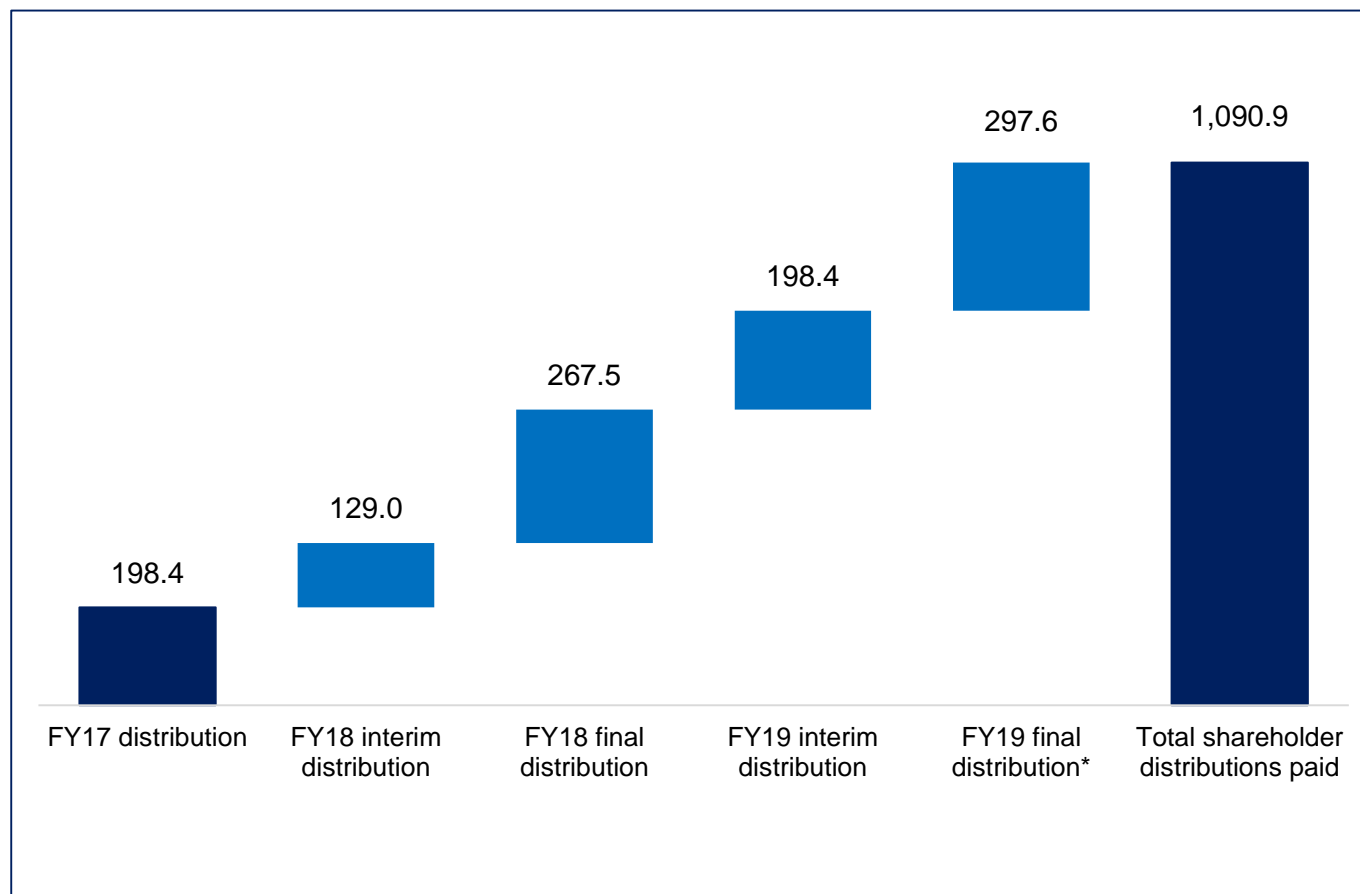


# Most free cash flow returned to shareholders



# Shareholders distributions

Returning excess cash to shareholders over the past two years



- Shareholders being rewarded with capital returns and dividends
- Total returns to shareholders amount to ~ \$1.1 billion in two years
- Payout ratios of 95% in FY2019 and 75% in FY2018

\* To be paid on 19 September 2019

For personal use only

# Guidance for FY2020

# FY2020 production & cost guidance

Key Elements		Range	Comments
<b>Production &amp; Sales (Whitehaven Managed)</b>			
<b>ROM Coal Production</b>	<b>Mt</b>	<b>22.0 - 23.5</b>	Production weighted to second half (H2 60%)
Maules Creek	Mt	12.0 - 12.5	
Narrabri	Mt	6.0 - 6.5	Longwall changeout scheduled for the December 2019 quarter
Gunnedah Open Cuts	Mt	4.0 - 4.5	Rocglen closed, Tarrawonga ramping to 3.0Mt ROM
<b>Managed Coal Sales</b>	<b>Mt</b>	<b>20.0 – 21.0</b>	Excludes coal purchases
<b>Cost of Coal (excluding Royalties)</b>	<b>\$/t</b>	<b>70</b>	Higher strip ratios (Maules Creek and Tarrawonga) and lower yields at Maules Creek (deeper seams)

- Higher costs in the first half due to a longwall change occurring in the December quarter and production phasing. Production ramps up in H2 and also benefits from increasing in-pit dumping at Maules Creek
- FY2020 costs reflect the continuing impact of the FY2019 strategic, structural & short term factors (see slide 11), combined with higher strip ratios at Maules Creek and Tarrawonga and lower yields from Maules Creek



# FY2020 capital guidance

Spending on new projects underpinning next phase of growth

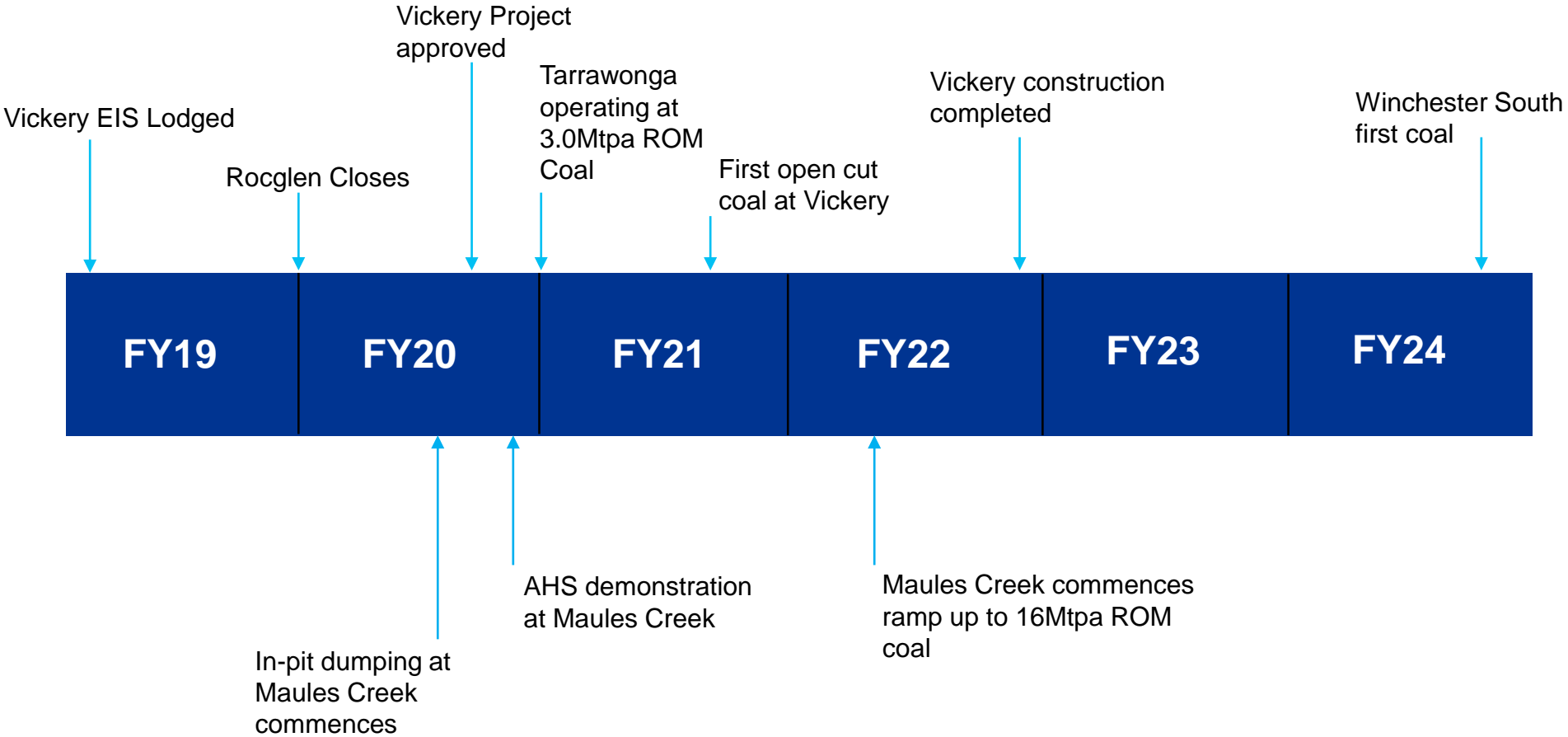
Key Elements		Range	Comments
<b>Sustaining Capital</b>			
	\$m's	55 - 63	
<b>Narrabri Mains Development</b>			
	\$m's	22 - 26	Current Narrabri mains development completed in FY2021
<b>Expansion &amp; Growth Capital</b>			
Operating Mine Projects	\$m's	50 - 58	Tarrowonga expansion to 3.0Mtpa, Narrabri hydraulic cylinders, Maules Creek AHS project
Growth Projects	\$m's	95 - 105	Vickery, Winchester South and Narrabri Stage 3

For personal use only

---

# Growth

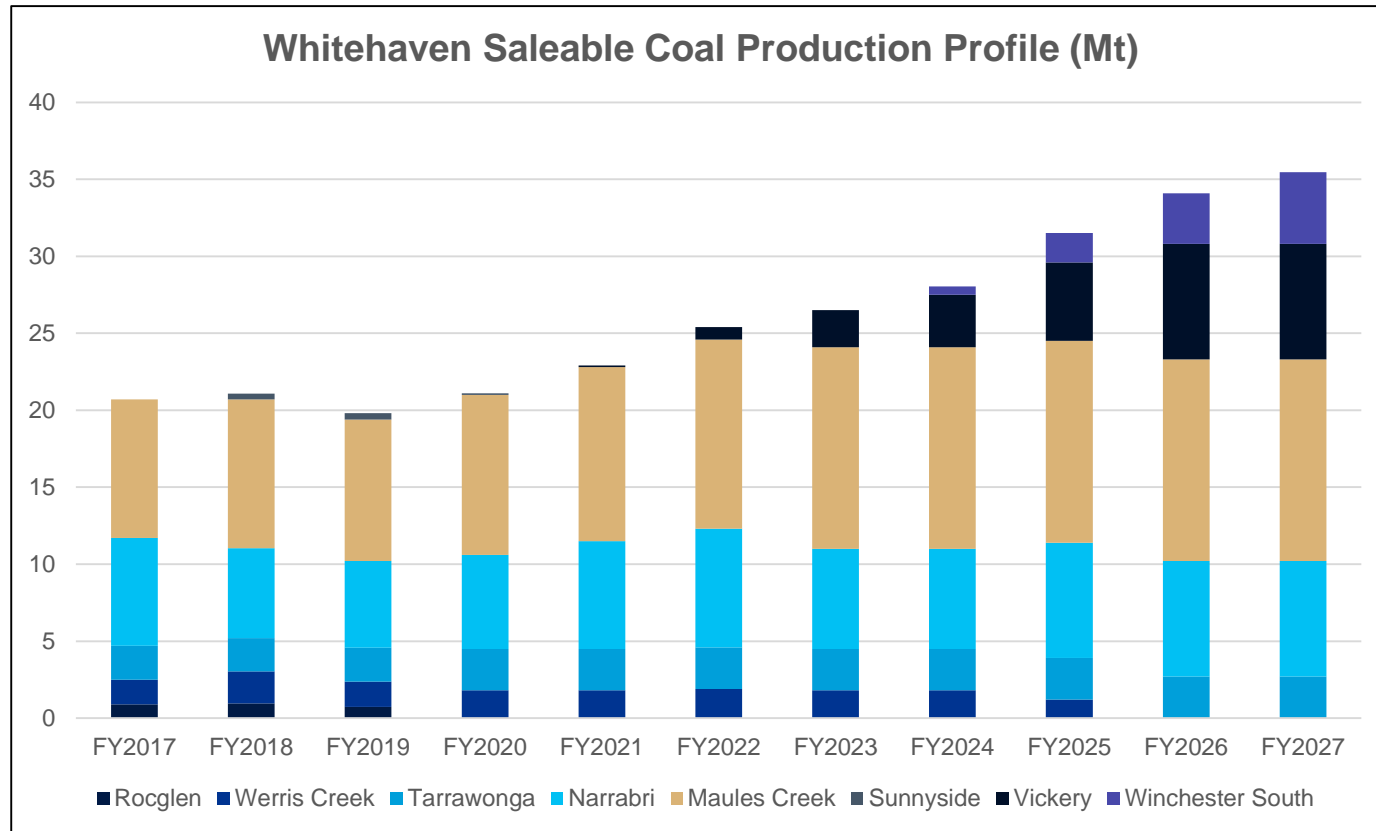
# Whitehaven Coal value enhancement programme



Note: The forecasts on the timeline are based on current knowledge and assumptions about the timing for the approval of the growth projects. These are subject to review and change as more information becomes available

# Whitehaven production profile

Strong growth profile from expansions and new mines



- Vickery production to ramp up from late FY2022 and Winchester South still in ramp up phase in FY2027
- Low cost expansion production from Maules Creek and Narrabri
- Within seven years Whitehaven will have a portfolio of highly productive long life large scale mines with the company holding an upper end of first quartile position on the cost curve

Note: Graph depicts saleable coal on a 100% basis. The production profile shown in the chart is fully underpinned by the Company's Marketable Reserves from its operating mines and the Vickery project. See slides 46 and 47 for full details of Whitehaven's Coal Resources and Reserves JORC tables and Slide 2 for the Competent Persons Statement. 100% of the forecast production from the Vickery project is underpinned by the JORC Reserves released to the ASX on 13 August, 2015 and available on Whitehaven's website. 100% of the forecast production from Winchester South is underpinned by the Measured and Indicated Resources.

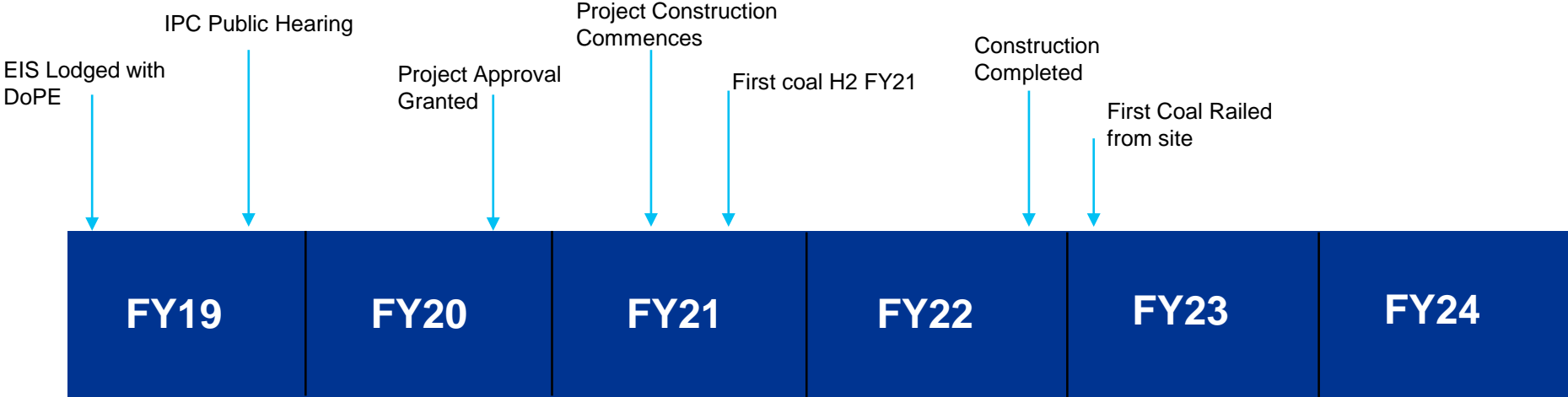


# Current operating mine expansions

## Significant expansion potential at current operations

Project	Current Status & Outlook
Tarrawonga Expansion to 3.0Mtpa ROM Coal	Mining equipment has begun to arrive on site. Work on upgrading mine infrastructure has commenced. All equipment expected to be operating at the expanded rate by H2 CY2020. Fully operating at 3Mtpa ROM production rate from FY2021
Narrabri Stage 3	Gateway submission lodged, work on EIA progressing with lodgement expected in H1 CY2020. Mine design and planning advancing with new design expected to be completed one year later. Road way development has commenced in the mining lease area to ensure longwall continuity when mining in the northern longwall panels is completed
Maules Creek 16Mtpa ROM Coal	Work well advanced on the mine plan and environmental studies required to expand the mine beyond the current 13Mtpa approved rate. Lodgment of the project modification due H1 CY2020 with approval likely one year later

# Indicative Vickery project timeline



Note: The forecasts on the time line are based on current knowledge and assumptions about the timing for the approval of the growth projects. These are subject to review and change as more information becomes available

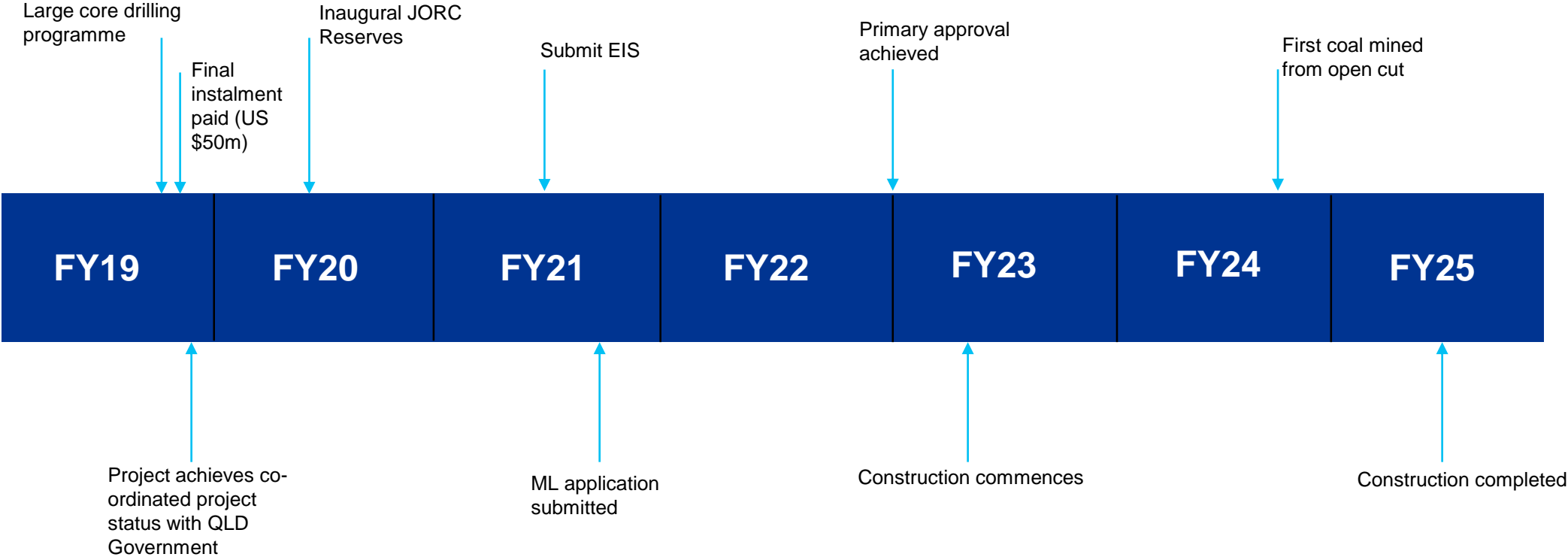
# Vickery update

## Whitehaven's next mine

- EIS lodged in August 2018 for a 10Mtpa ROM coal mine
- Independent Planning Commission (IPC) formed with public hearings held in February 2019
- IPC released Issues Report in April 2019
- Whitehaven expects to respond to the matters raised in the report within several weeks
- Negotiations with prospective JV partners to commence in the near future
- Formal approval from the NSW Government expected in H1 CY2020



# Indicative Winchester South project timeline



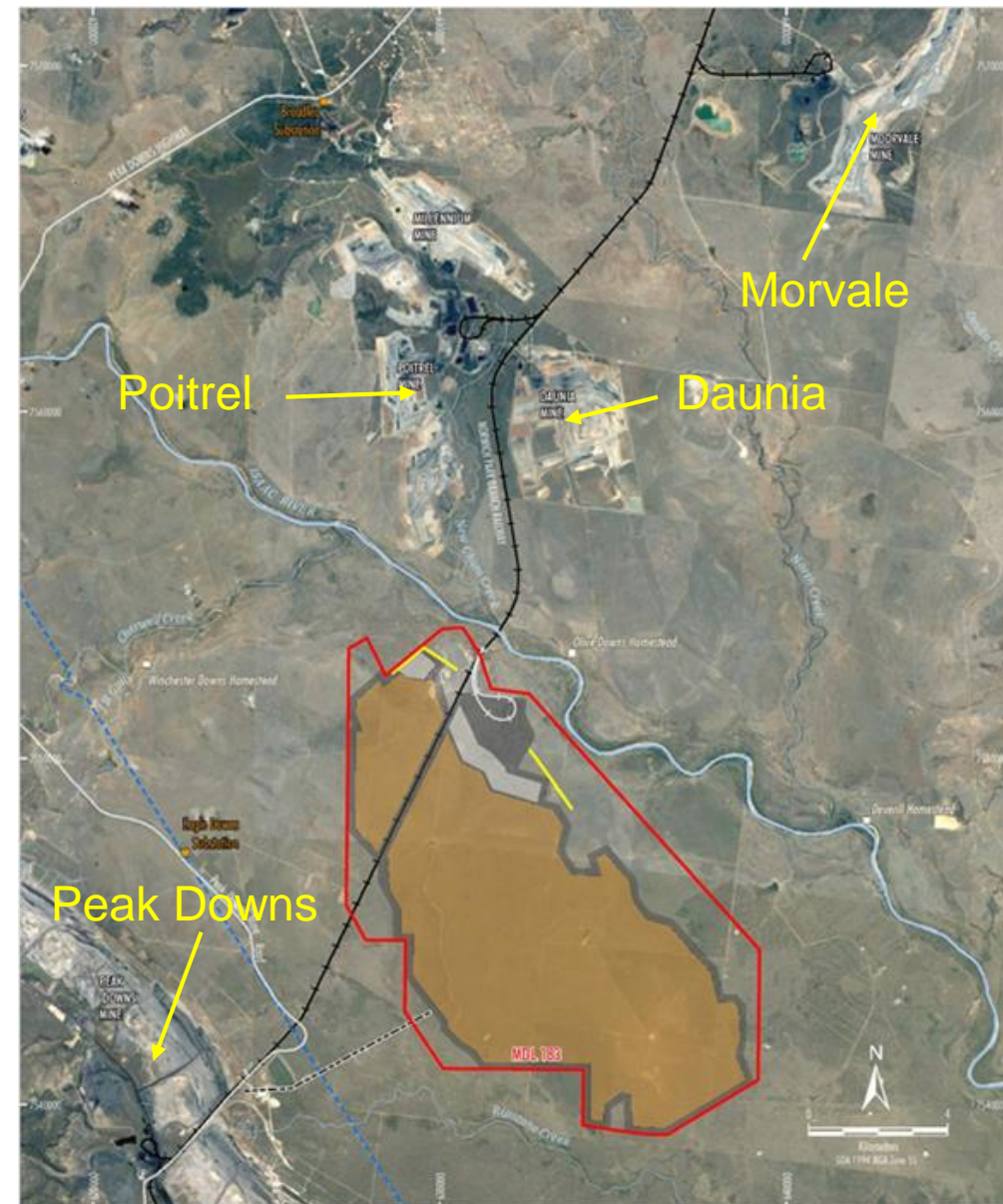
Note: The forecasts on the time line are based on current knowledge and assumptions about the timing for the approval of the growth project. These assumptions are subject to review and change as more information becomes available

# Winchester project update

## High quality met coal asset

- JORC Coal Resources released in October 2018 (530Mt)
- Large diameter core drilling programme for coal quality assessment completed in June 2019
- Data collection for EIS ongoing
- The project was declared a Coordinated Project by the Queensland Government, facilitating and fast tracking the approval process in the State
- A JORC Coal Reserves due in the first half of FY2020 with the Leichardt and Vermont seams likely to produce a hard coking coal and the Fort Cooper Measures a thermal coal product

See Slide 46 for the full JORC Resources statement and Slide 2 for Competent Persons Statement



For personal use only

# Operations

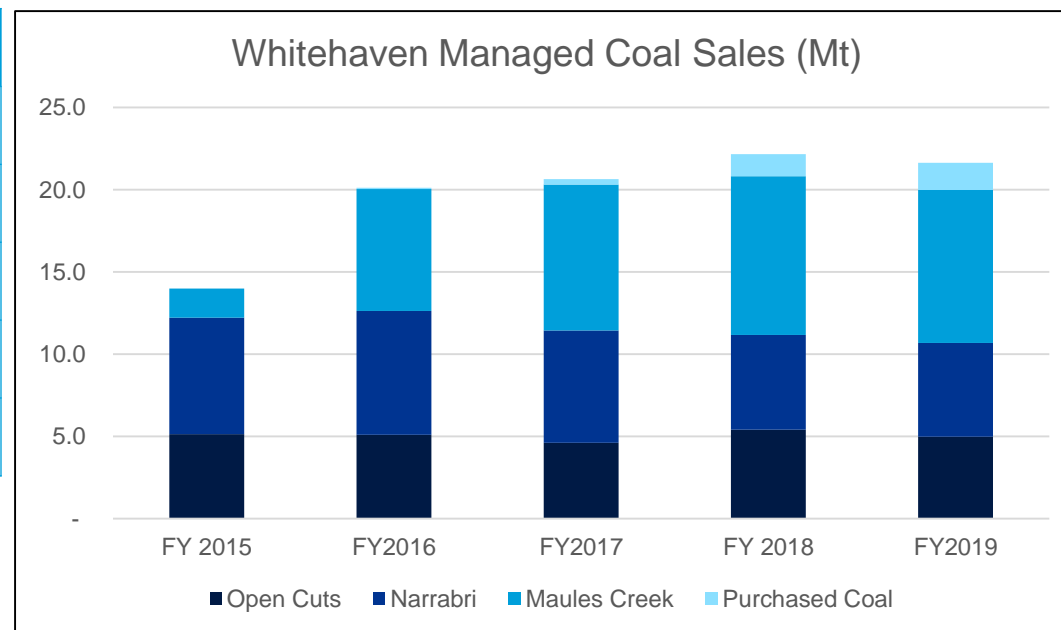


# Coal sales

## Stable sales before next growth phase

Equity Coal Sales - 000t	FY2019	FY2018	Change
Maules Creek	6,982	7,231	(3%)
Narrabri	3,994	4,032	(1%)
Gunnedah Open Cuts*	5,040	4,846	4%
Coal Trading	1,615	1,256	29%
<b>Whitehaven Total</b>	<b>17,631</b>	<b>17,365</b>	<b>2%</b>

\* Total coal sales above includes 0.4Mt of Sunnyside coal sales in FY2019 and 0.1Mt in FY2018



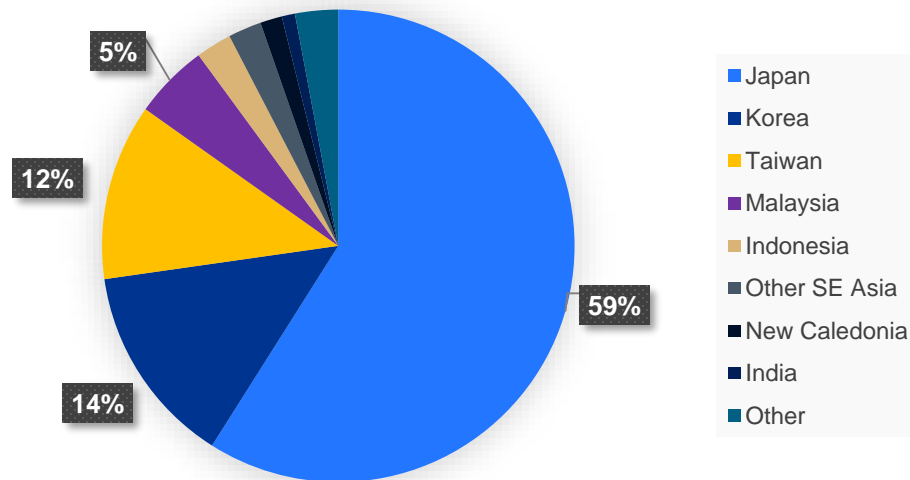
- Large ROM coal stocks built at both Maules Creek and Narrabri towards the end of the year will be processed and sold during the September quarter



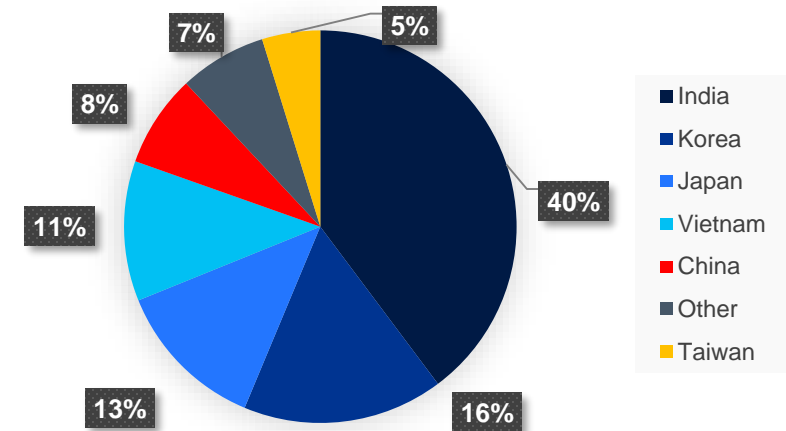
# Sales to premium markets

Most sales to premium markets in Asia

Thermal Coal Sales FY2019



Metallurgical Coal Sales FY2019

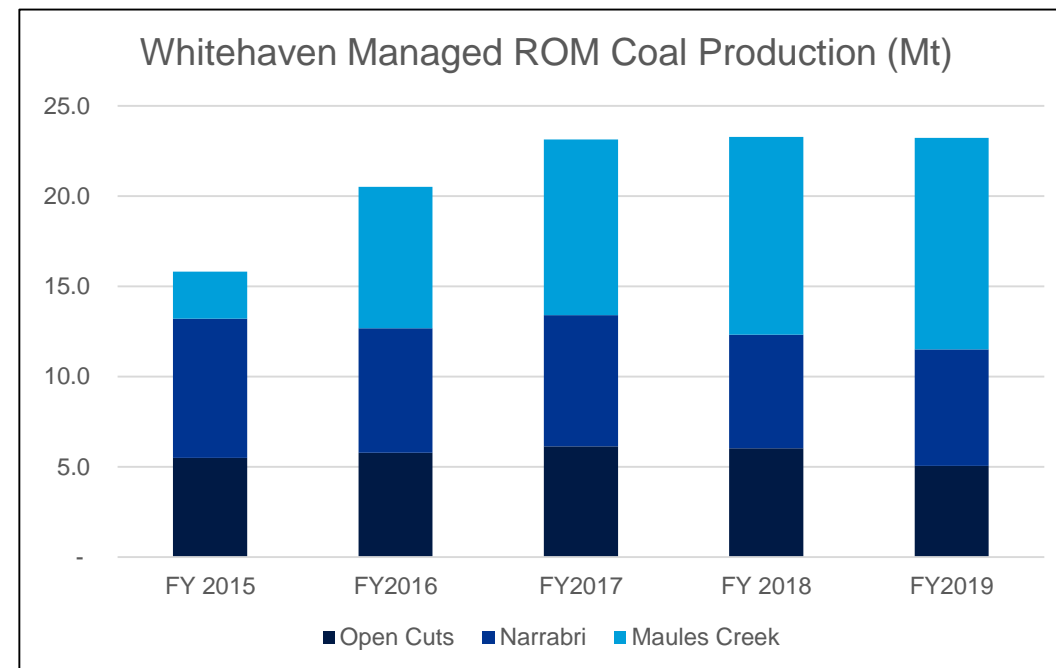


- Managed coal sales including purchased coal were 21.6Mt for the year (17.5Mt thermal and 4.1Mt met)
- 85% of thermal coal sales were to the premium markets in Asia
- Sales into the growth markets of south east Asia continued to grow and reached 10% of total sales for the year

# ROM coal production

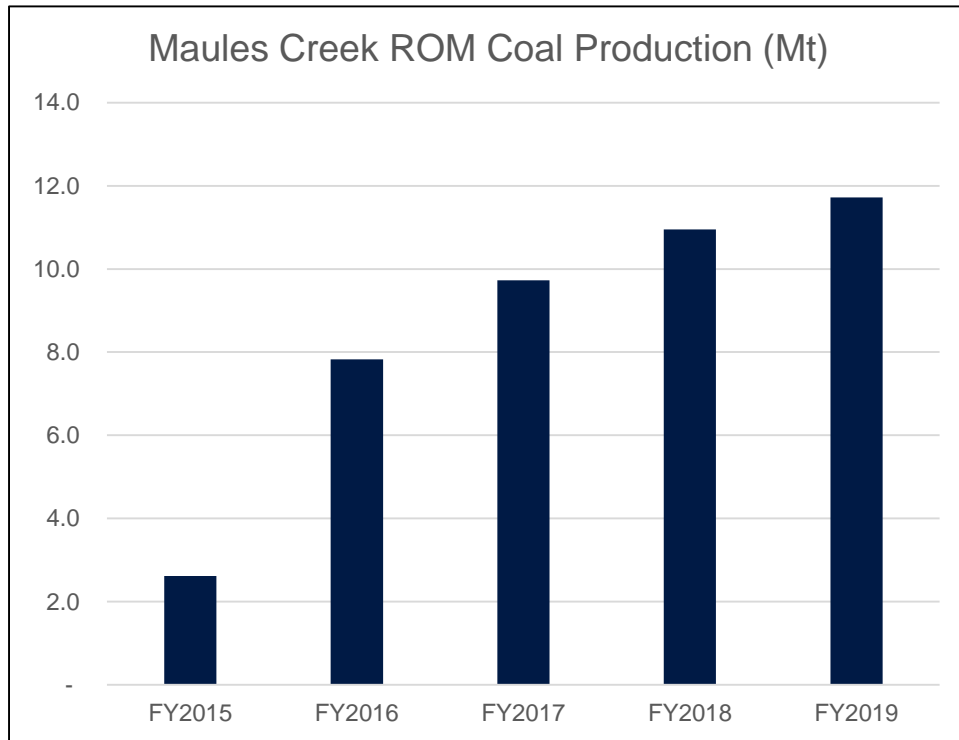
A platform for strong growth

Equity ROM Prod - 000t	FY2019	FY2018	Change
Maules Creek	8,790	8,215	7%
Narrabri	4,513	4,402	3%
Gunnedah Open Cuts	5,055	5,110	(11%)
<b>Whitehaven Total</b>	<b>18,358</b>	<b>17,727</b>	



# Maules Creek

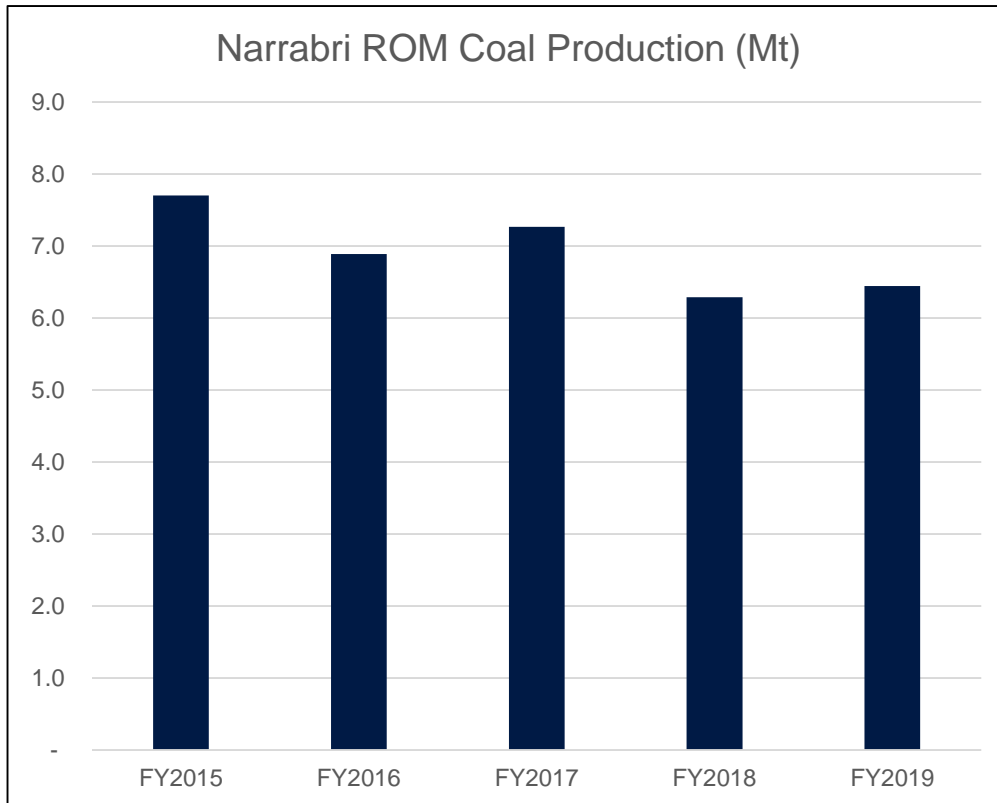
## Planning for autonomous haulage and expansion



- Record ROM coal production of 11.7Mt as the mine continued to ramp up to its approved production rate of 13Mtpa ROM coal
- Revised marketing strategy leading to more coal washing and an improved margin and pricing outcome
- In-pit dumping to commence in H2 FY2020
- Work commenced on the MC16 project which is aimed at increasing production to 16Mtpa ROM coal
- Autonomous haulage system to begin first fleet trial during FY2020

# Narrabri

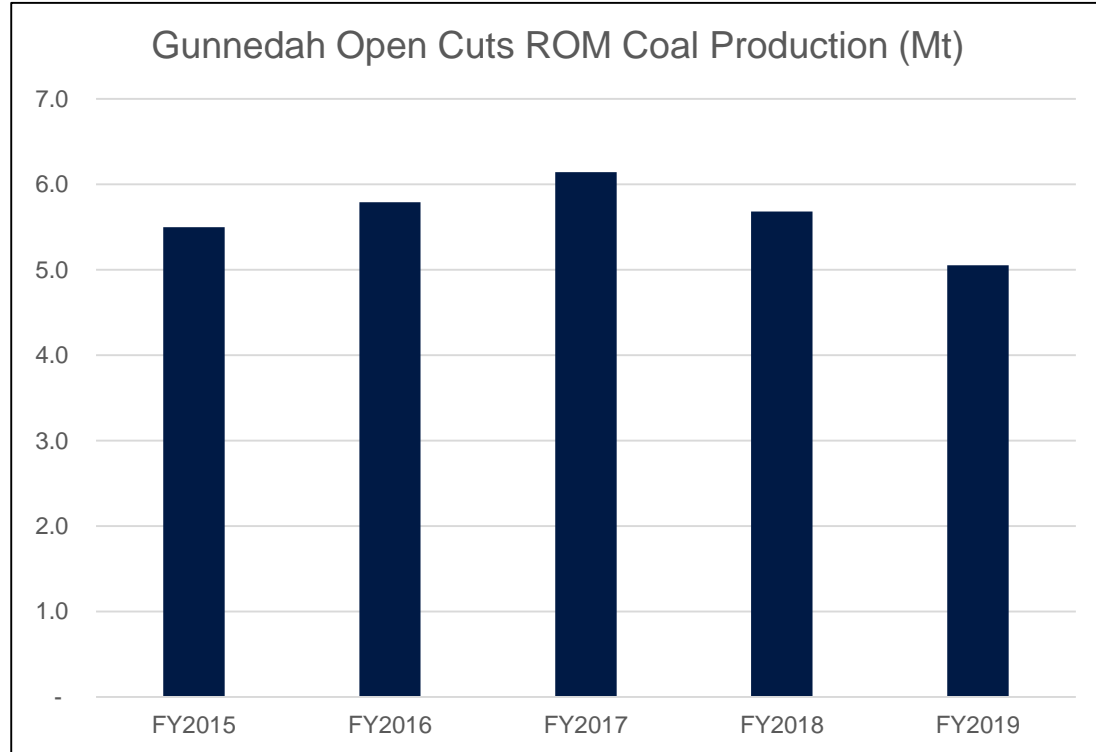
One of the most productive underground mines in Australia



- A strong final quarter lifted ROM coal production to 6.4Mt, above the revised guidance range for the year
- New higher capacity hydraulic cylinders to be installed at the next longwall change in November/December 2019 will assist in helping to prevent cyclic weighting events at the mine
- Preliminary documents were lodged for the Stage 3 project in February beginning the process for the project approval
- Successful conversion of the Narrabri south exploration licence will extend mine life out to 2045 and should lead to higher annual production from the southern panels

# Gunnedah open cuts

## Equipment for Tarrawonga expansion arriving at the mine



- ROM coal production for the Gunnedah Open Cuts including Sunnyside was 5.1Mt for the year
- Lower production was due to Rocglen coming to a close and planned lower production from Werris Creek
- The Board approved an expansion at Tarrawonga that will increase production to 3.0Mtpa ROM coal in H2 FY2020, offsetting most of the decline in saleable coal from Rocglen

For personal use only

# ESG & Community

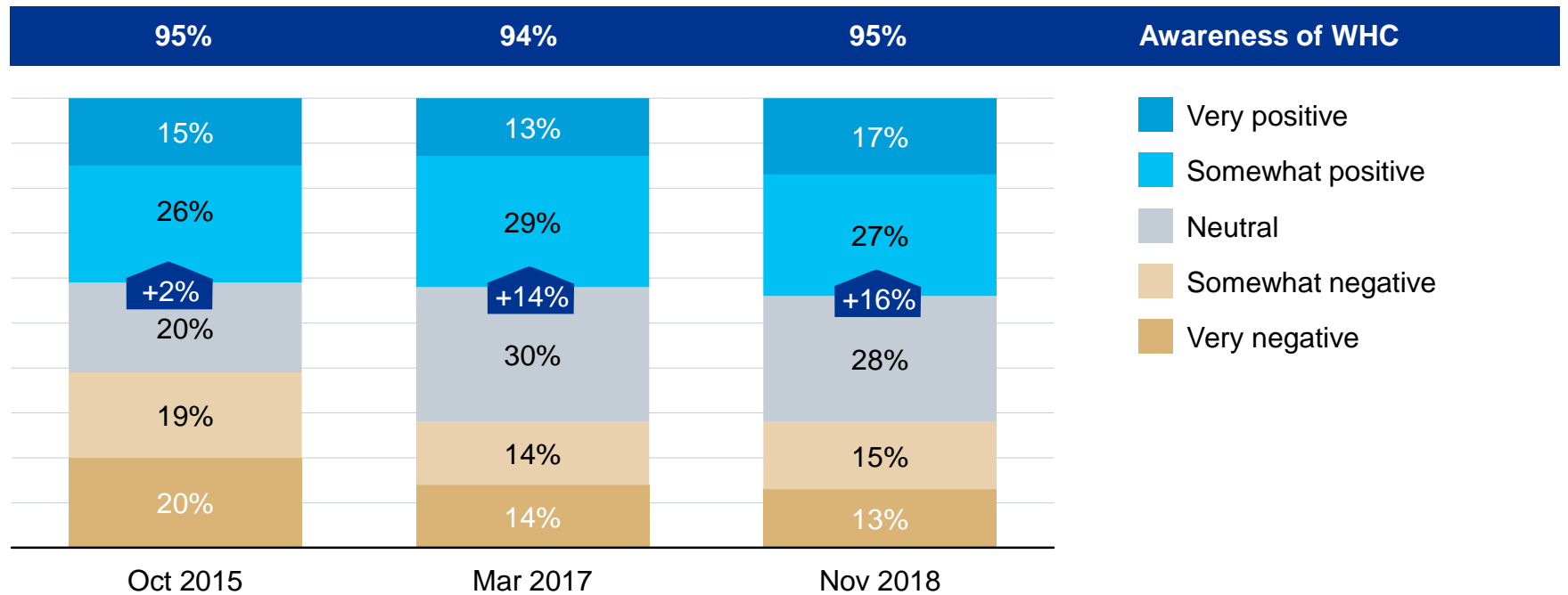
# Our community and social engagement is key to our success





# Whitehaven is viewed positively in the region where we operate

Whitehaven's reputation in the Gunnedah, Narrabri, Tamworth and Liverpool Plains Local Government Areas continues to improve



Source: Independent quantitative research conducted by Newgate Research.

Base: All 2018 participants (n=600), Tamworth (n=150), Gunnedah (n=150), Narrabri (n=150), Liverpool Plains (n=150). 2017 (n=600). 2015 (n=600).

# We help bring about positive change for Indigenous communities

We partner with Indigenous people connected to the land where we operate to create a stronger future, together.

Our commitment, outlined in our Reconciliation Action Plan, aims to help address issues affecting local Indigenous people through a range of practical and meaningful measures across the areas of health and education; employment; and procurement.



## Our key local partners

### Winanga-Li Aboriginal Children and Family Centre

Helping children get to and from school, and help families access medical care in both Gunnedah and Narrabri

### Clontarf Foundation Narrabri High School

Improving education, discipline, life skills, self-esteem and employment prospects of young Indigenous men, using football to attract, reward and help keep them in school.

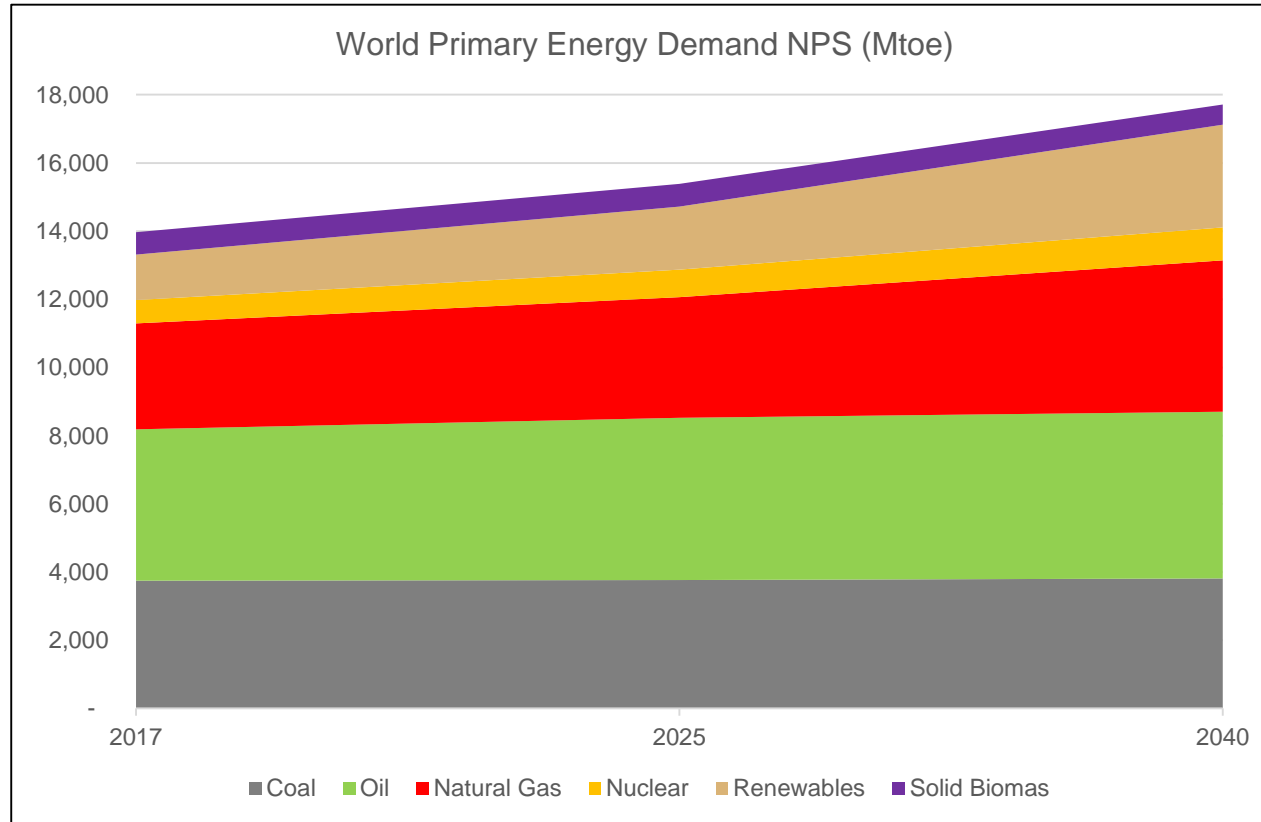
### Girls Academy Gunnedah High School

Increasing school attendance and graduation rates, and facilitating post-school transition planning.

For personal use only

# Outlook for coal

# IEA New Policy Scenario (NPS)

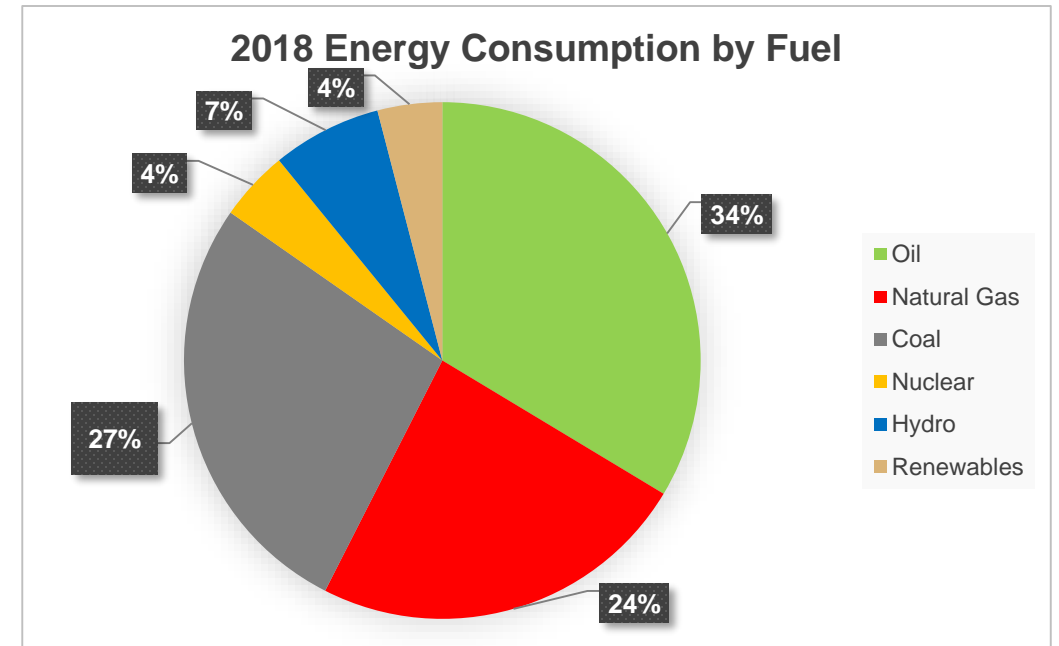
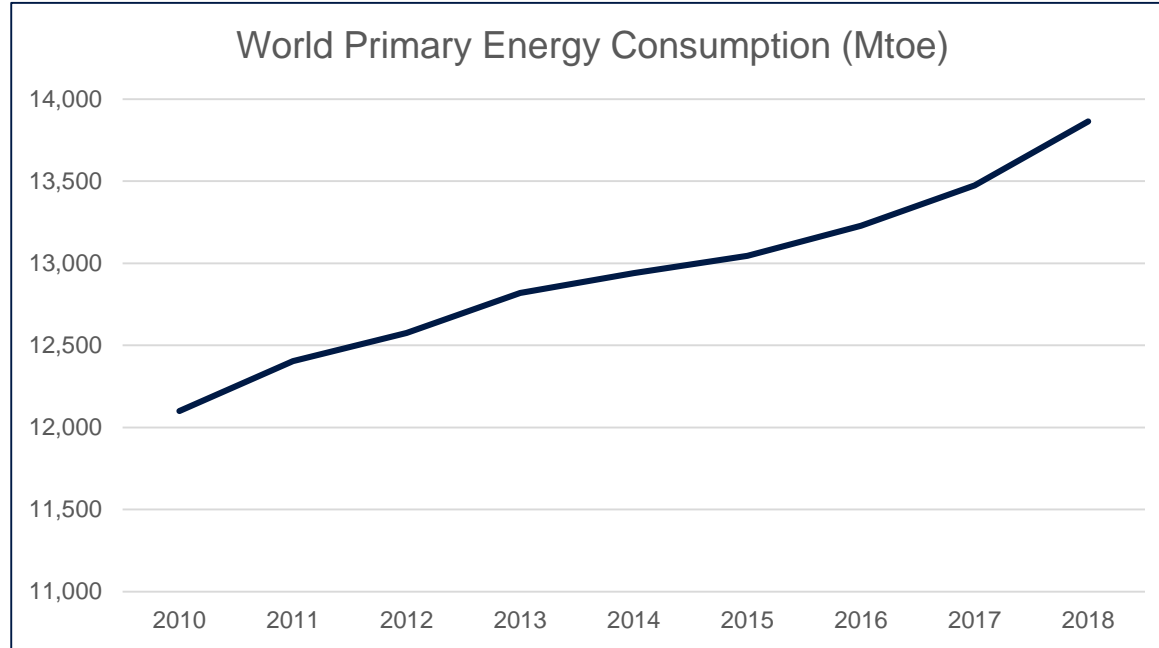


- Under the NPS, the IEA projects that world primary energy demand increases by 27% in the period from 2017 to 2040
- Absolute coal demand will increase by about 2% over the period but coal's share of primary energy demand is projected to decline from 27% in 2017 to 22% in 2040

Note: The **New Policies Scenario** provides a measured assessment of where today's policy frameworks and ambitions, together with the continued evolution of known technologies, might take the energy sector in the coming decades. The policy ambitions include those that have been announced as of August 2018 and incorporates the commitments made in the Nationally Determined Contributions under the Paris Agreement, but does not speculate as to further evolution of these positions. Where commitments are aspirational, this scenario makes a judgement as to the likelihood of those commitments being met in full. It does not focus on achieving any particular outcome: it simply looks forward on the basis of announced policy ambitions. The IEA does provide other projections – Sustainable Development Scenario and the Current Policies Scenario, details of these can be found in the IEA WEO 2018 Report. The Sustainable Development Scenario has the lowest projected coal use while the Current Policy Scenario has the highest projected coal use.

# Recent world energy consumption

## Primary energy consumption grew by 2.9% in 2018



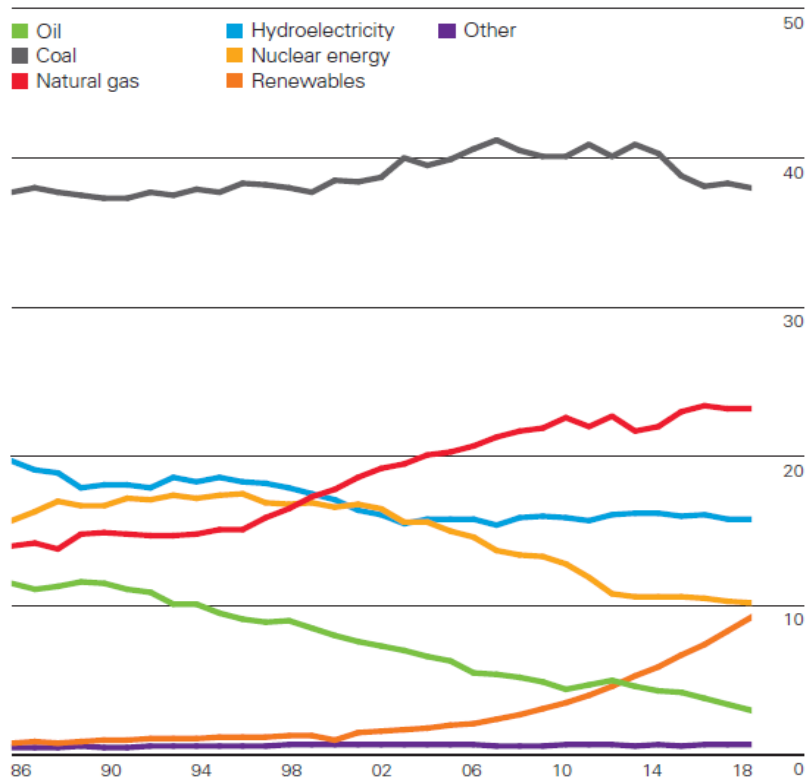
- World primary energy consumption growth has averaged 1.5% per year from 2007 to 2017 with the strongest growth regions - Asia Pacific (4.1%), Russian region (4.4%) and Africa (2.9%) in 2018
- Coal consumption increased by 1.4% in 2018, double its 10 year average and comprised 27% of total energy consumption in 2018

Source: BP Statistical Review of World Energy 2019

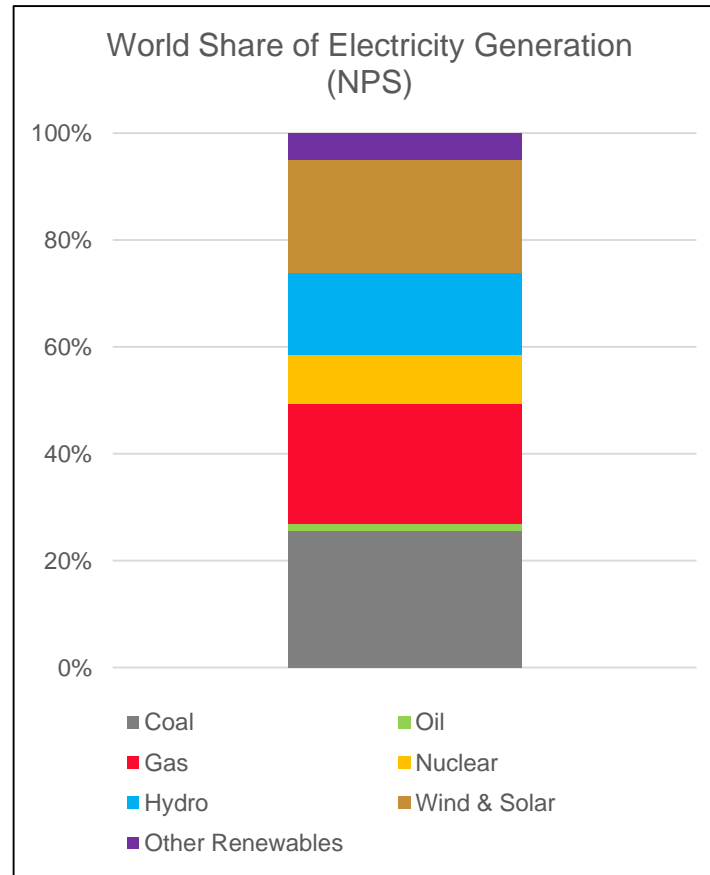
# Global share of electricity generation

IEA projects that coal remains the largest source of electricity in 2040

Share of global electricity generation by fuel  
Percentage



Source: BP Statistical Review of World Energy 2019

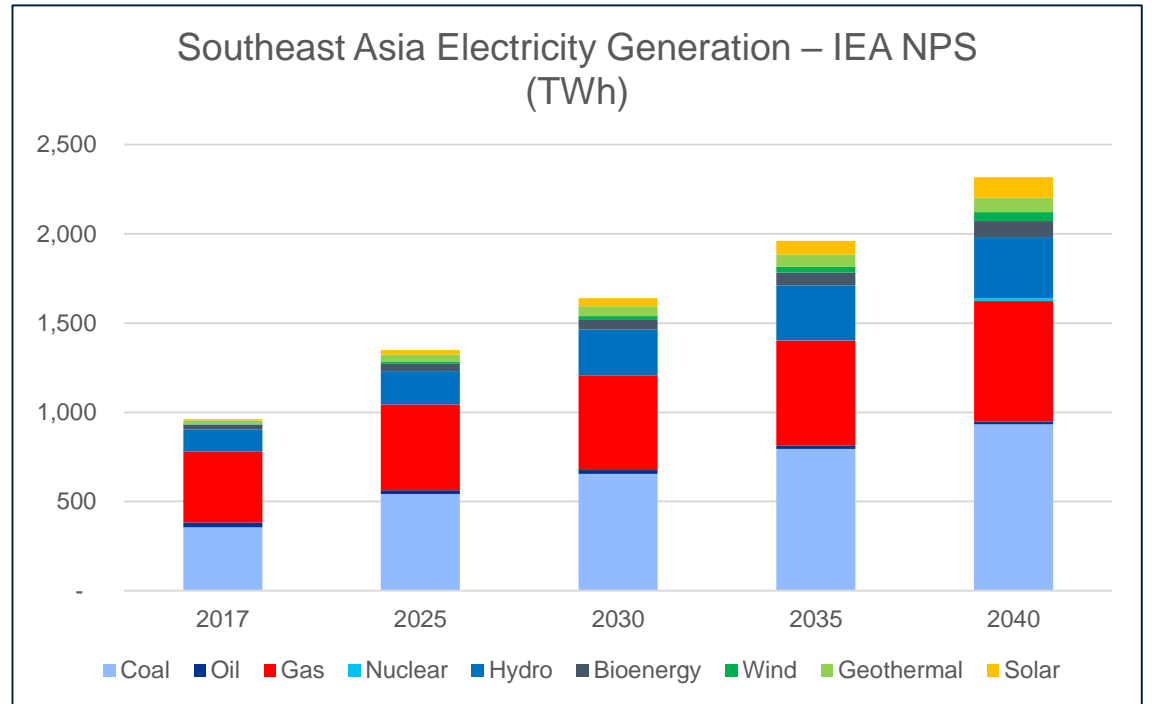
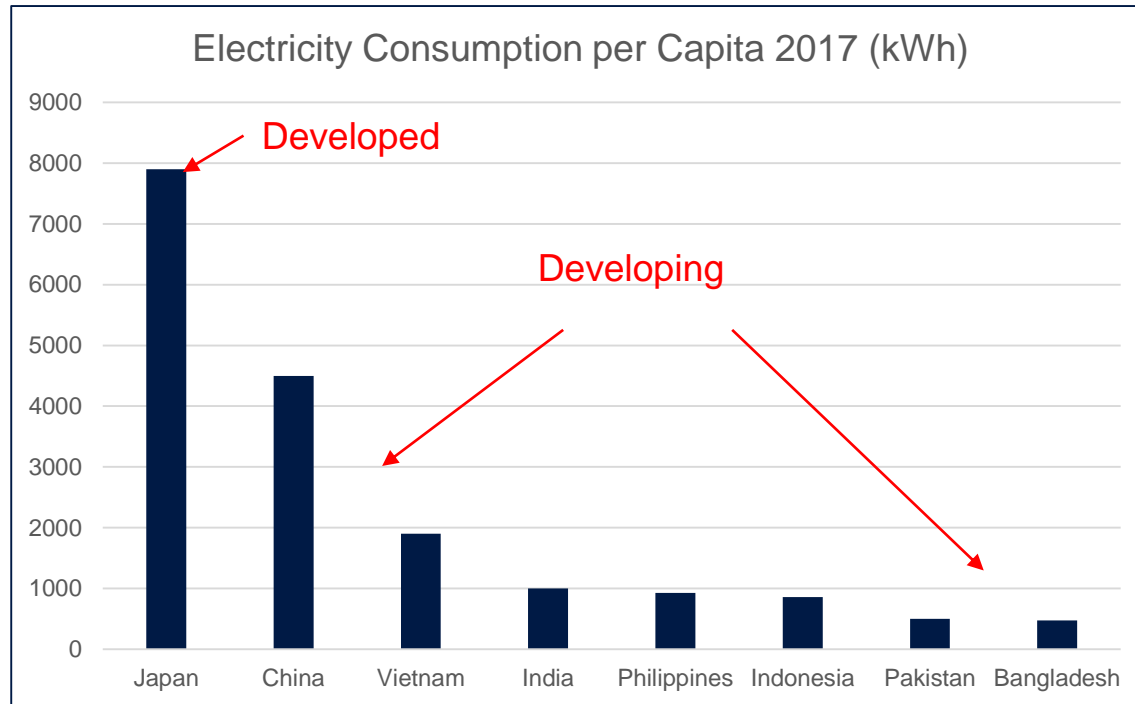


- Recent data released by the IEA and the UN indicates that countries are falling behind with their Paris commitments
- Under the IEA's NPS projections coal demand will increase from 5.35Btce in 2017 to 5.44Btce in 2040

Source: IEA WEO 2018 Report, see note on slide 38 for full details of NPS

# Why the growth in Asia?

Increasing per capita consumption to drive higher electricity demand



- Low per capita electricity consumption in developing nations, combined with growing populations and rapid industrialisation is driving both growth in electricity demand and growth in generation in the region
- Whitehaven is well placed to sell coal into these countries

Source: Commodity Insights and WEO 2018 NPS, see full note on slide 38



For personal use only

---

# The year ahead

---

# Focus for FY2020

Progress growth options and improve operational outcomes

- Focus on cost reduction and business improvement at all operations
- Progress the growth options at Maules Creek and Narrabri
- Obtain approval for the Vickery project
- Resolve the potential sell down and formation of a joint venture on the Vickery project
- Progress the approval process for Winchester South as quickly as possible



For personal use only

# Thank you



[www.whitehavencoal.com.au](http://www.whitehavencoal.com.au)



For personal use only

---

# Appendices



# Coal Resources

Whitehaven Coal Limited – Coal Resources – August 2019							
Tenement		Measured Resource (A)	Indicated Resource (B)	Measured + Indicated (A + B)	Inferred Resource (C)	Competent Person	Report Date
Maules Creek Opencut*	CL375 AUTH346 ML1701 ML1719	382	174	556	44	1	Mar-19
Narrabri North Underground**	ML1609	147	167	314	-	2	Mar-19
Narrabri South Underground**	EL6243	144	170	314	8	2	Mar-19
Tarrowonga Opencut	EL5967 ML1579 ML1685 ML1693	38	17	55	13	3	Mar-19
Tarrowonga Underground	EL5967 ML1579 ML1685 ML1693	10	15	25	14	3	Apr-14
Werris Creek Opencut	ML1563 ML1672	11	2	13	-	2	Mar-19
Rocglen Opencut	ML1620	2	3	6	0	3	Mar-19
Rocglen Underground	ML1620	-	3	3	1	3	Mar-15
Vickery Opencut	CL316 EL4699 EL5831 EL7407 EL8224 ML1464 ML1471 ML1718	230	165	395	110	3	Jul-15
Vickery Underground		-	95	95	135	3	Jul-15
Winchester South	MDL 183	130	300	430	100	4	Oct-18
Gunnedah Opencut	ML1624 EL5183 CCL701	7	47	54	89	3	Jun-14
Gunnedah Underground	ML1624 EL5183 CCL701	2	138	140	24	3	Jun-14
Bonshaw Opencut	EL6450 EL6587	-	4	4	7	3	Jun-14
Ferndale Opencut	EL7430	103	135	238	134	5	Jan-13
Ferndale Underground	EL7430	-	-	-	73	5	Jan-13
Oaklands North Opencut	EL6861	110	260	370	580	3	Jun-14
Pearl Creek Opencut***	EPC862	-	14	14	38	6	Nov-12
<b>TOTAL COAL RESOURCES</b>		<b>1316</b>	<b>1709</b>	<b>3026</b>	<b>1370</b>		
1. Mal Blak, 2. Mark Benson, 3. Benjamin Thompson, 4. Troy Turner, 5. Greg Jones, 6. Phill Sides. * Maules Creek Joint Venture - Whitehaven owns 75% share. ** Narrabri Joint Venture - Whitehaven owns 70% share. *** Dingo Joint Venture - Whitehaven owns 70% share. # The Coal Resources for active mining areas are current to the pit surface as at the report date.							

# Coal Reserves

For personal use only

Whitehaven Coal Limited – Coal Reserves – August 2019									
Tenement		Recoverable Reserves			Marketable Reserves			Competent Person	Report
		Proved	Probable	Total	Proved	Probable	Total		Date
Maules Creek Opencut*	CL375 AUTH346	340	120	<b>460</b>	310	100	<b>410</b>	1	Mar-19
Narrabri North Underground**	ML1609	102	5	<b>107</b>	98	4	<b>102</b>	2	Mar-19
Narrabri South Underground**	EL6243	-	121	<b>121</b>	-	114	<b>114</b>	2	Mar-19
Tarrowonga Opencut	EL5967 ML1579 ML1685 ML1693	26	10	<b>37</b>	22	8	<b>30</b>	1	Mar-19
Werris Creek Opencut	ML1563 ML1672	9	1	<b>10</b>	9	1	<b>10</b>	1	Mar-19
Rocglen Opencut	ML1620	-	-	-	-	-	-	1	Note
Vickery Opencut	CL316 EL4699 EL7407	-	200	<b>200</b>	-	178	<b>178</b>	1	Mar-15
<b>TOTAL COAL RESERVES</b>		<b>477</b>	<b>457</b>	<b>935</b>	<b>439</b>	<b>405</b>	<b>844</b>		
1. Doug Sillar, 2. Michael Barker * Maules Creek Joint Venture - Whitehaven owns 75% share. ** Narrabri Joint Venture - Whitehaven owns 70% share. # The Coal Reserves for active mining areas are current as at report date. ## Coal Reserves are quoted as a subset of Coal Resources. ### Marketable Reserves are based on geological modeling of the anticipated yield from Recoverable Reserves									

# Financial reconciliation

## Underlying result to Statutory result

Financial Performance – A\$ millions	FY2019 Underlying	Significant items	FY2019 Reported
Revenue	2,487.9	-	2,487.9
Other income	3.9	-	3.9
Operating expenses	(694.3)	(40.5) <sup>1</sup>	(734.8)
Coal purchases	(210.7)	-	(210.7)
Rail, Port, Marketing and Royalties	(508.9)	-	(508.9)
Admin and other expenses (including net FX gain/loss)	(36.2)	-	(36.2)
<b>Underlying EBITDA</b>	<b>1,041.7</b>	<b>(40.5)</b>	<b>1,001.2</b>
Depreciation & amortisation	(212.1)	(12.3) <sup>2</sup>	(224.4)
Net Interest Expense	(40.9)	-	(40.9)
Income tax expense	(223.8)	15.8	(208.0)
<b>Net profit after tax before significant items</b>	<b>564.9</b>	<b>(37.0)</b>	<b>527.9</b>
Significant items after tax	(37.0)	37.0	-
<b>Net profit after tax</b>	<b>527.9</b>	<b>-</b>	<b>527.9</b>

<sup>1</sup>Rehabilitation expense due to transition to latest cost calculator (refer to note 2.2 of annual financial report for further details)  
<sup>2</sup>Accelerated depreciation at Narrabri due to replacement of hydraulic cylinders (refer to note 2.2 of annual financial report for further details)



---

# IFRS 16 Leases

## Background

- WHC has adopted IFRS 16 Leases from 1 July 2018 and restated comparative periods
- The new standard requires operating leases and some rental arrangements to be brought onto the balance sheet as a 'lease' liability and right of use asset, effectively aligning the treatment of operating leases and finance leases
- The definition of a 'lease' has been broadened to include the value of contracts, such as rental contracts that contain an identified asset with a fixed consideration e.g. some equipment hired under rental agreements such as Emeco

### Main impact:

- Increased assets and liabilities: all leases are capitalised on the balance sheet via a right-of-use asset (included in property, plant and equipment) and a lease liability (included within loans and borrowings) for the present value of the obligation
- A \$0.5m timing change to NPAT with operating costs lower; EBITDA higher and a higher depreciation and interest charge e.g. FY2019 Depreciation increased by \$67.2m and interest increased by \$8.7m offset by a reduction in operating costs of \$75.4m

# IFRS 16 Leases

## Impact of adoption on FY2019 profit or loss

Financial Performance – A\$ millions	FY2019 excl IFRS 16	IFRS 16 impact	IFRS 16 \$/t impact*	FY2019 as reported
Revenue	2,487.9	-	-	2,487.9
Other income	3.9	-	-	3.9
Operating expenses	(980.4)	75.4	\$4.80	(905.0)
Rail, Port, Marketing and Royalties	(508.9)	-	-	(508.9)
Admin and other expenses (including net FX gain/loss)	(36.2)	-	-	(36.2)
<b>Underlying EBITDA</b>	<b>966.3</b>	<b>75.4</b>	<b>\$4.80</b>	<b>1,041.7</b>
Depreciation & amortisation	(144.9)	(67.2)	\$4.30	(212.1)
Net Interest Expense	(32.2)	(8.7)	\$0.55	(40.9)
Income tax expense	(224.0)	0.2	-	(223.8)
<b>Net profit after tax, before significant items</b>	<b>565.2</b>	<b>(0.3)</b>	<b>-</b>	<b>564.9</b>
Significant items after tax	(37.0)	-	-	(37.0)
<b>Net profit</b>	<b>528.2</b>	<b>(0.3)</b>	<b>-</b>	<b>527.9</b>

\* \$ per tonne calculated using sales of own coal of 15.6M tonnes during FY2019

# IFRS 16 Leases

## Impact of adoption on FY2018 profit or loss

Financial Performance – A\$ millions	FY2018	IFRS 16 adjustments	IFRS 16 \$/t impact*	FY2018 Restated
Revenue	2,257.4	-	-	2,257.4
Other income	6.8	-	-	6.8
Operating expenses	(839.1)	71.9	\$4.50	(767.2)
Rail, Port, Marketing and Royalties	(457.3)	-	-	(457.3)
Admin and other expenses (including net FX gain/loss)	(27.8)	-	-	(27.8)
<b>Underlying EBITDA</b>	<b>940.0</b>	<b>71.9</b>	<b>\$4.50</b>	<b>1,011.9</b>
Corporate development costs	(9.7)	-	-	(9.7)
Depreciation & amortisation	(141.0)	(62.1)	\$3.90	(203.1)
Net Interest Expense	(28.9)	(11.3)	\$0.70	(40.2)
Income tax expense	(234.8)	0.4	-	(234.4)
<b>Net profit after tax</b>	<b>525.6</b>	<b>(1.1)</b>	<b>-</b>	<b>524.5</b>
Earnings per share (cents per share – basic)	53.2	(0.1)	-	53.1

\* \$ per tonne calculated using sales of own coal of 16.0M tonnes during FY2018

# Where we operate

Whitehaven is the largest independent producer of high CV coal in Australia



- The recent acquisition of the Winchester South project in Queensland increases exposure to met coal

# Mine summary data

Key Attributes	Maules Creek Open Cut	Narrabri Underground
<b>Ownership</b>	WHC 75%, Itochu 15%, J Power 10%	WHC 70%, J Power 7.5% 3 others each with 7.5%
<b>JORC Resources</b>	600Mt	636Mt
<b>JORC Reserves</b>	Marketable Proved & Probable 410Mt	Marketable Proved & Probable 216Mt
<b>Estimated LOM</b>	>35 Years	>25 years
<b>Approved ROM Production (Mtpa)</b>	13.0Mt	11.0Mt
<b>Strip Ratio</b>	6.4:1 for first 20 years	Nil, Underground Mine
<b>Yield</b>	85%	96%
<b>Products</b>	SSCC & High CV, low ash Thermal	High Vol PCI and low ash Thermal
<b>FY2019 Production</b>		
<b>ROM Coal (Mt)</b>	11.7Mt	6.4Mt
<b>Saleable Coal (Mt)</b>	9.2Mt	5.6Mt
<b>Coal Sales (Mt)</b>	9.3Mt	5.7Mt
<b>Future Potential</b>	Whitehaven likely to seek approval for an increase in the production rate to about 16Mtpa ROM coal after the mine achieves it current approved rate of production	Narrabri Stage 3 incorporates the exploration licence south of the current ML into the project

# Mine summary data

Key Attributes	Tarrawonga Open Cut	Werris Creek Open Cut
<b>Ownership</b>	WHC 100%	WHC 100%
<b>JORC Resources</b>	68Mt	13Mt
<b>JORC Reserves</b>	Marketable Proved & Probable 30Mt	Marketable Proved & Probable 10Mt
<b>Estimated LOM</b>	~10 Years	~6 years
<b>Approved ROM Production (Mtpa)</b>	3.0Mt	2.5Mt
<b>Strip Ratio</b>	10:1	7:1
<b>Yield</b>	89%	100%
<b>Products</b>	SSCC & High CV, low ash Thermal	High Vol PCI and Korean spec Thermal
<b>FY2019 Production</b>		
<b>ROM Coal (Mt)</b>	2.2Mt	1.7Mt
<b>Saleable Coal (Mt)</b>	2.2Mt	1.6Mt
<b>Coal Sales (Mt)</b>	2.2Mt	1.7Mt
<b>Future Potential</b>	Whitehaven recently approved an expansion to its fully approved rate of 3.0Mtpa ROM coal by the introduction of a new mining fleet from H2 CY2019	Mining to continue at current production rate (1.8Mtpa) until Reserves are exhausted

# Mine summary data

Key Attributes	Rocglen Open Cut	Sunnyside Open Cut
<b>Ownership</b>	WHC 100%	WHC 100%
<b>JORC Resources</b>	6Mt	Minor Remnant Coal
<b>JORC Reserves</b>	Marketable Proved & Probable 0Mt	Minor Remnant Coal
<b>Estimated LOM</b>	Production ends June 2019	Rehab Project
<b>Approved ROM Production (Mtpa)</b>	1.5Mt	0.5Mt
<b>Strip Ratio</b>	5.5:1	Not Relevant
<b>Yield</b>	69%	100%
<b>Products</b>	Thermal	Low CV Thermal
<b>FY2019 Production</b>		
<b>ROM Coal (Mt)</b>	0.9Mt	0.3Mt
<b>Saleable Coal (Mt)</b>	0.7Mt	0.4Mt
<b>Coal Sales (Mt)</b>	0.7Mt	0.4Mt
<b>Future</b>	Coal production ended in June 2019, final rehab of the site commenced	Mine rehab to be completed in CY2019

# Mine summary data

Key Attributes	Vickery Open Cut Project	Winchester South Open Cut Project
<b>Ownership</b>	WHC 100%, may form a JV by selling up to 30%	WHC 100%
<b>JORC Resources</b>	505Mt	530Mt
<b>JORC Reserves</b>	Marketable Proved & Probable 178Mt	Reserves yet to be released
<b>Estimated LOM</b>	~20 years	>20years possible
<b>Approved ROM Production (Mtpa)</b>	4.5Mt seeking approval for 10Mt	To be determined but likely between 10Mt and 20Mt
<b>Strip Ratio</b>	10:1	~5:1
<b>Yield</b>	85% to 90%	To be confirmed, in range of 55% to 65%
<b>Products</b>	SSCC 60% and High C, low ash Thermal 40%	HCC, SHCC, SSCC and Thermal
<b>Project Capex</b>	\$600m to \$700m	To be confirmed, likely >\$700m
<b>Future</b>	Approval likely by end of H2 FY2020, construction commences by end of CY2020 with a two year build and production to ramp up over three to four years	EIS work commenced, quality drilling from April 2019 2 years to 3 years for approval and 2 year construction period