

QUARTERLY REPORT

16 April 2020

March 2020 Quarter Production Report

Highlights

- Safety performance considerably improved with the TRIFR at 4.49 for the rolling twelve months ended March
- No known cases of COVID-19 have been confirmed at any of our sites to date
- We have implemented appropriate COVID-19 response measures across our organisation in compliance with Government guidelines and industry-wide protocols, to keep our workforce, suppliers and communities safe
- Maules Creek manning requirements have been fully filled and quarterly production was in line with expectations
- A weighting event at our Narrabri longwall operation resulted in 20 lost days of production in March. The longwall face has subsequently been recovered and normal production has resumed
- Autonomous Haulage System (AHS) commenced at Maules Creek
- March quarter of 4.9Mt managed ROM coal production, up 8% on the previous corresponding period (pcp)
- March quarter saleable coal production of 4.1Mt, down 15% on pcp
- March quarter coal sales of 4.5Mt, down 22% on pcp
- Whitehaven completed refinancing of its AUD1bn senior bank debt facility with a syndicate of Australian and international banks. The facility now matures in July 2023

Safety

The safety outcome for the Group for the 12 months ending 31 March 2020 was a total recordable injury frequency rate (TRIFR) of 4.49. Group TRIFR remains well below the New South Wales (NSW) coal mining average of 14.64. Our Gunnedah Open Cuts have now attained a TRIFR of zero, which is a very satisfying achievement. This rate is the example for our larger sites to follow.

Comments from MD and CEO Paul Flynn

“During the quarter, we fully met our manning requirements at Maules Creek and are now investing in the skills development to achieve full utilisation of equipment and productivity of our workforce.

“As the largest private sector employer in our part of NSW, we are well aware of our role in supporting local jobs and the economy against the backdrop of the COVID-19.

“While globally and at home we see economic activity rapidly contracting, it is pleasing that demand for coal from customers in our region remains solid.”

Whitehaven Managed Totals – Continuing Operations

Thousands of tonnes	Quarter Ended			Year to Date		
	Mar 2020	Mar 2019	Change	Mar 2020	Mar 2019	Change
Managed ROM Coal Production	4,912	4,567	8%	12,363	15,008	(18%)
Managed Saleable Coal Production	4,103	4,818	(15%)	11,924	13,832	(14%)
Managed Sales of Produced Coal	3,940	5,302	(26%)	12,236	14,208	(14%)
Managed Sales of Purchased Coal	548	470	16%	1,974	1,255	57%
Total Managed Coal Sales	4,488	5,772	(22%)	14,210	15,463	(8%)
Managed Coal Stocks at period end	1,318	1,454	(9%)	1,318	1,454	(9%)

Note: Figures reflect continuing operations. The discontinued Sunnyside Mine and Rocglen Mine have both transitioned into rehabilitation

Whitehaven Equity Totals – Continuing Operations

Thousands of tonnes (including Sunnyside)	Quarter Ended			Year to Date		
	Mar 2020	Mar 2019	Change	Mar 2020	Mar 2019	Change
Equity ROM Coal Production	3,978	3,634	9%	9,924	11,656	(15%)
Equity Saleable Coal Production	3,304	3,765	(12%)	9,629	10,831	(11%)
Equity Sales of Produced Coal	3,192	4,161	(23%)	9,948	11,193	(11%)
Equity Sales of Purchased Coal	547	464	18%	1,940	1,237	57%
Total Equity Coal Sales	3,739	4,624	(19%)	11,888	12,430	(4%)
Equity Coal Stocks at period end	1,119	1,263	(11%)	1,119	1,263	(11%)

Note: Year to date restated for Narrabri ownership of 77.5% effective 1 July 2019. Figures reflect continuing operations. The discontinued Sunnyside Mine and Rocglen Mine have both transitioned into rehabilitation

Equity Coal Sales and Realised Pricing on own coal sales

		Quarter Ended				
		Mar 2020	Dec 2019	Sep 2019	Jun 2019	Mar 2019
Total Equity Coal Sales	Mt	3.7	3.9	4.5	4.4	4.9
Sales of purchased coal (thermal)	Mt	0.5	1.0	0.4	0.4	0.5
Sunnyside	Mt	-	0.1	0.1	0.1	0.1
Equity Own Coal Sales	Mt	3.2	2.8	3.9	3.9	4.2
Coal sales mix (own coal sales)						
High CV thermal Coal	%	64%	49%	65%	65%	60%
Other thermal coal	%	16%	29%	15%	15%	14%
Metallurgical coal	%	20%	22%	20%	20%	26%
Pricing						
NEWC Index	US\$/t	68	67	68	80	96
JSM Quarterly (SSCC)	US\$/t	104	98	115	129	132
Average SSCC spot price	US\$/t	82	77	86	95	117
Price achieved (own coal sales)						
Thermal coal	US\$/t	68	66	73	84	97
Metallurgical coal	US\$/t	85	87	100	107	120
Premium/Discount (own coals sales)						
Thermal to NEWC Index	%	-	(2%)	7%	5%	1%
Metallurgical to JSM Qtrly	%	(18%)	(12%)	(13%)	(17%)	(9%)
Metallurgical to Spot Price	%	4%	12%	16%	12%	3%

Note: Figures may not add due to rounding; September Quarter 2019 restated for Narrabri ownership of 77.5% effective 1 July 2019

Equity coal sales for the March quarter, including purchased coal, were 3.7 Mt, 19% below the pcp. Managed coal sales, including sales of purchased coal (0.5 Mt), were 4.5 Mt, 22% below the pcp.

Year to date sales volumes reflect the eight week Narrabri longwall change out, the impacts to production from staffing shortages and regional dust events at Maules Creek in the December quarter and the impact of rain at the Gunnedah open cuts in the March quarter.

The globalCoal Newcastle Index (gC Newc) thermal coal price has been stable year to date at around US\$68/t. Whitehaven continues to see strong end-user demand for high quality thermal coal.

In the March quarter, Whitehaven realised an average of US\$68/t for sales of own thermal coal equivalent to the gC Newc average price for the period. The thermal coal mix has returned to historically normal levels with a return to longwall production from Narrabri in the new longwall block.

Fixed US\$/Mt quality premiums and high natural energy content continue to deliver Maules Creek a strong premium over the gC Newc index price for its thermal coal. The premium in the March quarter was +12%.

March quarter metallurgical benchmark prices were US\$147/t for prime hard coking coal and US\$104/t for SSCC.

Whitehaven achieved an average realised price of US\$85/t for its metallurgical coal sales in the quarter.

Maules Creek Open Cut Mine

Whitehaven 75%

Thousands of tonnes – managed	Quarter Ended			Year to Date		
	Mar 2020	Mar 2019	Change	Mar 2020	Mar 2019	Change
ROM Coal Production	2,362	1,696	39%	6,558	7,922	(17%)
Saleable Coal Production	1,877	2,274	(17%)	5,496	6,664	(18%)
Sales of Produced Coal	1,735	2,661	(35%)	5,537	6,922	(20%)
Coal Stocks at period end	636	339	88%	636	339	88%

ROM coal production for the quarter was 2.362Mt, 39% above the pcp. Mining efforts in the comparative period focused on overburden movement in support of box-cut development. ROM coal production in the quarter reflects the rebuilding of employee numbers, which saw a full operator production complement achieved at the end of the quarter.

In the March 2020 quarter, works to support increasing the volume of in-pit dumping continued. Over the next three years the proportion of overburden material dumped in-pit will increase to 100%, which is expected to increase operational productivity and to decrease unit costs.

Year to date ROM coal production is 17% below pcp which, as previously reported, was affected by labour shortages and production disruptions due to drought and bushfires.

Since December 2019 Maules Creek has been recruiting experienced and cleanskin employees to ensure the fleet is fully deployed in Q4 FY20. The recruitment and training programmes have resulted in full manning being achieved in March 2020 with skill levels of cleanskins expected to improve in coming months. The return to full manning and scheduled ROM coal production from the Braymont seam in the June quarter underpin Maules Creek's production guidance for FY20.

ROM coal production was weighted to the end of the quarter, which resulted in both saleable coal production and sales being below the quarter's pcp, and has led to higher coal stocks at the end of the period than in the pcp.

Equity sales of metallurgical coal for the quarter were 0.3 Mt, or 21%, of sales volume.

Autonomous haulage (AHS) of overburden has commenced. As planned, a fleet of six EH5000 trucks and excavator was in operation in March. During Q4 FY20 additional labour resources will be trained and deployed to allow for 7 day operation of AHS by end of the Financial Year.

Narrabri Underground Longwall Mine

Whitehaven 77.5%

Thousands of tonnes – managed	Quarter Ended			Year to Date		
	Mar 2020	Mar 2019	Change	Mar 2020	Mar 2019	Change
ROM Coal Production	1,526	1,696	(10%)	3,552	4,572	(22%)
Saleable Coal Production	1,464	1,615	(9%)	4,094	4,449	(8%)
Sales of Produced Coal	1,491	1,652	(10%)	4,267	4,454	(4%)
Coal Stocks at period end	179	471	(62%)	179	471	(62%)

March quarter ROM coal production was 1.562Mt, 10% below the pcp and 22% below the year to date pcp. ROM coal production ramped up after completing the longwall relocation from LW108 to LW109 on 6 January 2020. Following a strong production performance through January and February, ROM coal production in March was impacted for 20 days by a weighting event which caused a deferral of 500-600Kt of longwall coal production. The longwall hydraulic leg cylinders, which were upgraded during the move from LW108 to LW109, have performed well. YTD ROM production reflects the impact of the 8 week scheduled longwall move in Q2 FY2020.

Saleable coal production and sales of produced coal were down on pcp reflecting the lower ROM coal production. The inventory drawdown supported sales volumes.

Sales for the quarter included 0.3Mt of lower CV fault effected thermal coal produced from the end of LW108. Metallurgical sales were 0.15Mt for the quarter.

Gunnedah Open Cut Mines – Continuing operations

Thousands of tonnes	Quarter Ended			Year to Date		
	Mar 2020	Mar 2019	Change	Mar 2020	Mar 2019	Change
ROM Coal Production	1,025	1,175	(13%)	2,253	2,513	(10%)
Saleable Coal Production	761	930	(18%)	2,334	2,719	(14%)
Sales of Produced Coal	714	989	(28%)	2,432	2,832	(14%)
Coal Stocks at period end	503	644	(22%)	503	644	(22%)

Note: Figures reflect continuing operations. The discontinued Sunnyside Mine and Rocglen Mine have both transitioned into rehabilitation

ROM coal production from both Tarrawonga Mine and Werris Creek Mine was impacted by drought breaking rains in the quarter. As a result, water supply continuity has returned to normalized levels. March quarter ROM coal production of 1.03Mt was 150Kt or 13% below pcp. YTD ROM production is 10% below the pcp. Relatedly, saleable coal production and sales of produced coal volume are also lower.

Tarrawonga Mine

Whitehaven 100%

Thousands of tonnes	Quarter Ended			Year to Date		
	Mar 2020	Mar 2019	Change	Mar 2020	Mar 2019	Change
ROM Coal Production	639	692	(8%)	1,544	1,523	1%
Saleable Coal Production	451	542	(17%)	1,393	1,600	(13%)
Sales of Produced Coal	411	522	(21%)	1,462	1,606	(9%)
Coal Stocks at period end	243	357	(32%)	243	357	(32%)

Tarrawonga ROM production of 0.639Mt was 8% down on pcp due to the impact of rain events in February and March.

Saleable coal production and sales of produced coal volumes were further impacted by both a decrease in bypass coal as a results of the mined coal mix, and localised flooding on the haulage corridor between the mine and Gunnedah coal handling and processing plant.

During the March quarter commissioning of the new EH4000 trucks was ongoing, to be finalized in April 2020. Installation of supporting infrastructure has commenced, with completion in Q4 FY20.

Werris Creek Mine

Whitehaven 100%

Thousands of tonnes	Quarter Ended			Year to Date		
	Mar 2020	Mar 2019	Change	Mar 2020	Mar 2019	Change
ROM Coal Production	385	484	(20%)	709	990	(28%)
Saleable Coal Production	311	387	(20%)	941	1,119	(16%)
Sales of Produced Coal	302	467	(35%)	971	1,226	(21%)
Coal Stocks at period end	260	287	(9%)	260	287	(9%)

Werris Creek ROM coal production of 0.385Mt was 20% down on pcp and 28% down on year to date. This decrease reflects localised geological losses in the pit, a continuation of difficult mining conditions around uncharted underground workings and rain delays. This decrease in ROM coal production has resulted in lower saleable coal production and sales of produced coal.

The final quarter of the year is expected to see a greater contribution of ROM coal from mining the lower seams in the Werris Creek mining sequence. These thicker seams have historically delivered an increase in ROM production in the quarter that they are mined.

COVID-19 Update

The health and safety of our workforce and community is our number one priority. We have not recorded any cases of COVID-19 among the Whitehaven workforce but we continue to plan for a range of scenarios. We are managing risks arising from the virus appropriately and proportionately, including adjusting work practices to facilitate social distancing, increasing health screenings, observing appropriate deep cleaning and sanitation practices, and sourcing additional critical products, PPE and health supplies.

We are working largely as normal with no material impact on production, and continue to refine measures to keep our people and communities safe and limit the transmission of COVID-19, while maintaining operations, in compliance with the Resources Sector National COVID-19 Health and Safety Protocols available at minerals.org.au/covid-19.

Development Projects

Studies continue to be carried out to advance Whitehaven's three main development projects:

1. Narrabri Underground Mine Stage 3 Extension Project
2. Vickery Extension Project
3. Winchester South Metallurgical Coal Project

These projects underpin Whitehaven's plans to expand managed ROM production in the next 10 years. While coal markets in the March quarter have demonstrated their resilience, volatile financial market conditions cause Whitehaven to continue to be cautious in allocating capital to expansion. Whitehaven does not expect to consider making a Final Investment Decision in relation to these projects in 2020. Projects will continue to be the subject of Whitehaven's strict capital allocation framework.

Expenditure incurred on expansion and growth projects by Whitehaven during the March quarter was \$6.9m reflecting engineering studies relating to Narrabri Stage 3 Environmental Impact Statement (EIS) studies and pre-feasibility design work for the Vickery Extension and Winchester South.

Narrabri Underground Mine Stage 3 Extension Project

The project seeks to convert Narrabri's existing Exploration Licence into a Mining Lease and use the existing portals, CHPP, rail loop and associated infrastructure to extract, process and ship 80-100Mt of ROM coal 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 from ~2031 to ~2045.

The project has received its Secretary's Environmental Assessment Requirements from the NSW Government as well as its EPBC Act referral from the Federal Government. Whitehaven has been incorporating these requirements in the preparation of an EIS which it plans to lodge with the NSW Government Department of Planning, Industry and Environment (DPIE) in Q1 FY21.

Further details can be found here <https://whitehavencoal.com.au/our-business/our-assets/narrabri-mine/>

Vickery Extension Project

Open cut and underground mining was undertaken at Vickery by Rio Tinto until the second half of the 1990's when operations ceased.

The Vickery open cut project was approved in September 2014 to produce up to 4.5Mt ROM coal per annum. Works necessary to maintain the current approval in good standing have been completed and the approval for the Vickery open cut project expires in September 2034.

The Vickery Extension Project seeks consent from the NSW Government to increase the approved Vickery open cut project to operate at up to 10Mtpa with onsite processing and railing capacity.

The NSW Government DPIE is finalising its whole of government (WOG) report on the Project. The WOG report will be used by the NSW Independent Planning Commission (IPC) to complete its final review and prepare its determination. The Minister for Planning and Public Spaces has requested the IPC convene a second public hearing; the IPC is giving consideration to how best to hold a public hearing in light of current restrictions on public gatherings.

Progress on design work for the CHPP, rail spur, and other site infrastructure continued during the quarter as did planning for operational readiness and mine planning. Draft management plans including those for noise, air quality, cultural heritage and traffic management continue to be refined. These management plans are scheduled to be finalised in the three to six month period following receipt from DPIE of the conditions of approval.

Further details can be found here <https://whitehavencoal.com.au/our-business/our-assets/vickery-extension-project/>

Winchester South Metallurgical Coal Project

The proposed Winchester South open cut metallurgical coal mine, situated in Queensland's Bowen Basin, continues to progress through the Queensland Government's major project development process. Studies to support drafting of the EIS have been progressed. Progress on design work for the CHPP, rail spur, and other site infrastructure continued during the quarter.

Work continues on the maiden JORC Reserve estimate for the project with an expected release date in Q4 FY20.

Further details can be found here <https://whitehavencoal.com.au/our-business/our-assets/winchester-south/>

Thermal and Metallurgical Coal Outlook

COVID-19 spread beyond China in the March quarter. In response many countries implemented a range of initiatives designed to slow the spread of the virus while maintaining essential services, however, border closures, social distancing and self-isolation programmes have caused economic activity levels in Australia and in the wider Asian region to decrease into April.

In March OPEC was unable to reach an oil production agreement and on 8 March Russia and Saudi Arabia advised that each country would increase their respective levels of crude oil production. Crude oil prices fell from US\$60's to US\$20's before rebounding to US\$30's in a period of 5 weeks. The AUD fell and rebounded over the same period from \$0.68 to a low of \$0.57 and back to around \$0.63.

The gC Newc thermal coal price during the March quarter was resilient, averaging US\$68, but subsequent to March quarter end key input costs have decreased and US\$ coal prices have shown some weakness. A softening AUD has kept Australian denominated prices relatively flat with those achieved in the March quarter.

The US\$ price for hard coking coal has weakened in line with weakening steel demand. The US\$ price for SSCC and PCI coal has similarly weakened. India, a key market for Whitehaven's metallurgical coal, has recently closed several ports, a move expected to impact shipments of Australian metallurgical coal in the June quarter. Whitehaven's other key metallurgical markets in North East Asia have recently announced steel production cuts, expected to result in reduced coal demand in the June quarter.

Corporate

On 19 February, Whitehaven refinanced its senior bank debt facility with a number of Australian and international banks.

The facility is a senior secured revolving corporate debt facility with an aggregate limit of AUD1bn and is available for general corporate purposes. Bank guarantee capacity in addition to the aggregate limit has been arranged bilaterally with members of the banking group. The facility now matures in July 2023. Covenant conditions remain unchanged from the previous facility.

The facility, which is on terms comparable with the one it replaced, was oversubscribed, demonstrating Whitehaven's strong credit profile and reflecting the strong support of Whitehaven by a broad group of financiers.

Whitehaven executed an 8 year fully amortising AUD60m Export Credit Facility with a syndicate of banks in support of the supply of new excavators and trucks for Tarrawonga mine. Importantly, this agreement creates a pathway to assist Whitehaven fund the procurement of Japanese manufactured mining equipment in future years.

As at 31 March 2020 there were US\$53.0 million in forward A\$/US\$ exchange contracts currently in place at an average exchange rate of A\$1.00 = US\$0.6388. These contracts are deliverable between April 2020 and March 2021.

FY20 Guidance

The FY20 guidance remains unchanged from the Updated FY20 Guidance ASX announcement issued 5 December 2019, with the exception of the timing of managed coal sales.

Item		Range	Comments
Managed ROM Coal Production	Mt	20.0 – 22.0	Production weighted to second half (H2 ~60%)
Maules Creek	Mt	10.0 – 11.0	Skilled labour shortages and drought impact
Narrabri	Mt	6.0 – 6.5	Longwall changeout in the December 2019 quarter
Gunnedah Open Cuts	Mt	4.0 – 4.5	Rocglen closed, Tarrawonga ramping to 3.0Mt ROM
Managed Coal Sales	Mt	17.5 – 18.5	Excludes coal purchases of approximately 2.5Mt
Unit cost (excluding royalties)	\$/t	73 – 75	Includes impacts of labour shortages at Maules Creek, impact of dust events, underutilization of logistics, higher strip ratios (Maules Creek and Tarrawonga) and lower yields at Maules Creek (deeper seams)
Sustaining Capital	\$m	55 – 63	
Narrabri Mains Development	\$m	22 – 26	Current Narrabri mains development completed in FY21
Expansion & Growth Capital			
Operating Mine Projects	\$m	50 – 58	Tarrawonga expansion to 3.0Mtpa, Narrabri hydraulic cylinders, Maules Creek AHS project
Growth Projects	\$m	80 – 90	Vickery, Winchester South and Narrabri Stage 3

This Quarterly Report is authorised for release to the market by the Managing Director of Whitehaven Coal Limited.

Investor and Analyst teleconference

Chief Executive Officer, Paul Flynn, will host a teleconference to provide an overview of the Q3 Production results.

Time: 11:00 AEST (Sydney time)

Date: Thursday, 16 April 2020

Dial-in details: Dial: **1800 896 323**; Passcode: **79240611**. For international dial in numbers please reference <https://www.redbackconnect.com.au/itfs/>

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PRODUCTION, SALES & STOCKS BY MINE Thousands of tonnes	Quarter Ended					
	Mar 2020	Dec 2019	Sep 2019	Jun 2019	Mar 2019	Dec 2018
Whitehaven Group Managed Totals						
ROM Coal Production	4,912	3,124	4,420	7,334	4,879	7,390
Saleable Coal Production	4,103	3,114	4,909	5,180	5,062	5,583
Sales of Produced Coal	3,940	3,522	5,084	4,948	5,571	5,038
Sales of Purchased Coal	548	963	463	390	470	368
Total Coal Sales	4,488	4,485	5,546	5,338	6,042	5,405
Coal Stocks at period end	1,318	975	2,001	3,350	1,781	3,309
Maules Creek						
ROM Coal Production	2,362	2,235	1,962	3,798	1,696	3,958
12-Month Rolling Yield	79%	78%	81%	82%	84%	88%
Saleable Coal Production	1,877	1,585	2,034	2,536	2,274	2,410
Sales of Produced Coal	1,735	1,677	2,125	2,387	2,661	2,106
Coal Stocks at period end	636	547	441	1,160	339	1,929
Narrabri						
ROM Coal Production	1,526	233	1,793	1,875	1,696	2,326
12-Month Rolling Yield	97%	96%	95%	94%	94%	94%
Saleable Coal Production	1,464	830	1,800	1,181	1,615	2,105
Sales of Produced Coal	1,491	940	1,835	1,251	1,652	1,927
Coal Stocks at period end	179	169	949	1,018	471	550
Gunnedah Open Cuts (Consolidated)						
ROM Coal Production	1,025	657	665	1,662	1,486	1,106
12-Month Rolling Yield	91%	91%	90%	90%	90%	90%
Saleable Coal Production	761	700	1,075	1,464	1,174	1,067
Sales of Produced Coal	714	904	1,124	1,309	1,258	1,004
Coal Stocks at period end	503	259	612	1,172	970	830
Tarrawonga						
ROM Coal Production	639	476	429	663	692	394
12-Month Rolling Yield	87%	88%	88%	90%	89%	90%
Saleable Coal Production	451	432	510	597	542	536
Sales of Produced Coal	411	476	575	560	522	538
Coal Stocks at period end	243	94	165	373	357	243
Werris Creek						
ROM Coal Production	385	181	143	692	484	339
12-Month Rolling Yield	100%	100%	100%	100%	100%	100%
Saleable Coal Production	311	222	408	529	387	261
Sales of Produced Coal	302	329	340	443	467	217
Coal Stocks at period end	260	165	346	570	287	250
Rocglen						
ROM Coal Production	-	-	-	268	203	266
Saleable Coal Production	-	-	28	206	154	160
Sales of Produced Coal	-	-	77	181	186	158
Coal Stocks at period end	-	-	-	90	97	137
Sunnyside						
ROM Coal Production	-	-	93	39	109	107
Saleable Coal Production	-	45	129	132	90	110
Sales of Produced Coal	-	99	133	126	83	90
Coal Stocks at period end	-	-	101	139	229	200