



WHITEHAVEN COAL LIMITED

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WHITEHAVEN COAL LIMITED (ASX: WHC)

ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2008

HIGHLIGHTS

- Net Profit after Tax up 142% from the previous year to \$51.9 million, including \$38.9 million from the sale of 7.5% of the Narrabri project.
- EBITDA up 254% from the previous year to \$90.7 million, including \$55.6 million from the sale of 7.5% of the Narrabri project.
- Coal sales up 91% from the previous year to 2.8 million tonnes (Mt).
- Revenue up 142% from the previous year to \$256.5 million.
- A fully franked dividend declared of \$6.7 million (1.7 cents per share) for FY2008, to be paid in September 2008.
- JORC coal resources increased by 77.6 Mt to 712.9 Mt, with marketable coal reserves increased by 19.9 Mt to 137.9 Mt.
- Acquisition of 60% of the Werris Creek mine, bringing Whitehaven's ownership to 100%.
- Planning Approval for Narrabri Stage 1 granted in November 2007 and Mining Lease granted in January 2008.
- Construction of the Narrabri project is progressing well and is on track to produce first coal in Q1 FY2010.
- Planning Approval for the Rocglen open cut mine was granted in May 2008, followed by the grant of a Mining Lease in June 2008. Mining at Rocglen commenced in July 2008 with first coal expected in Q2 FY2009.
- A 7.5% interest in the Narrabri project was sold to China's Yudean Group for A\$67.5 million.
- Since 30 June 2008, Whitehaven has accepted offers from Electric Power Development Co Ltd and EDF Trading for those companies to each acquire a 7.5% stake in the Narrabri project for A\$125 million and US\$120 million respectively.
- Demand for Whitehaven's low ash, low sulphur coal continues to increase. New coal sales contracts were obtained recently for approximately 1.0 Mt per year of semi soft coking coal (SSCC) and pulverized coal injection coal (PCI) for the next three years.
- Sales prices for new contracts for FY2009 have recently been settled, with averages of A\$250 per tonne achieved for SSCC and PCI and A\$135 per tonne for thermal coal.
- Whitehaven maintained its exceptional safety record in FY2008 with only one lost time injury recorded. Since commencing operations in 2000, Whitehaven has only had two lost time injuries over the eight year period.

FINANCIAL PERFORMANCE

(A\$ millions)	FY 2008	FY 2007
Revenue	256.5	106.2
EBITDA	90.7	25.6
Net Profit	51.9	24.1

The Whitehaven consolidated group balance sheet at 30 June 2008 has a strong cash position which, with proceeds from the recently announced sale of interests in the Narrabri project, gives Whitehaven the financial capacity to fully fund its program of new project development.

(A\$ millions)	FY 2008	FY 2007
Cash on Hand	105.9	21.2
Interest Cover Ratio ¹ (times)	109.7 times	3.2 times
Interest Bearing Liabilities	(55.2)	(76.7)
Net Cash / (Net Debt)	50.7	(55.5)
Net Assets	489.5	250.0
Gearing Ratio ² (%)	(11.6%)	18%

¹ EBIT to Interest Expense (excluding FX in financing expense)

² Net Debt to Net Debt plus Equity

OPERATIONS

Consolidated Equity Production and Sales

(Thousand tonnes)	Year-to-Date*		
	FY 2008	FY 2007	% Variance
ROM Coal Production	2,275	1,731	31%
Saleable Coal Production	2,050	1,395	47%
Sales of produced coal	2,413	1,315	83%
Sales of purchased coal**	375	144	160%
Total Sales	2,788	1,460	91%
Coal stocks at end of period	212	251	(15%)

* All figures are on an equity basis, ** sales of externally purchased coal

Whitehaven Mining Precinct (WMP)

(Thousand tonnes)	Year-to-Date*		
	FY 2008	FY 2007	% Variance
ROM Coal Production	1,876	1,388	35%
Saleable Coal Production	1,613	997	62%
Sales of produced coal	1,743	893	95%
Sales of purchased coal **	356	128	178%
Total Sales	2,099	1,021	106%
Coal stocks at end of period	198	286	(31%)

** All figures are on an 100% basis. ** sales of externally purchased coal*

The WMP includes the Canyon (100% owned by Whitehaven), Tarrawonga (70% owned by Whitehaven) and Rocglen (100% owned by Whitehaven) open cut mines and the Whitehaven Coal Handling and Preparation Plant and train load-out facility ("CHPP") (100% owned by Whitehaven).

FY 2008 saleable coal production of 1.613 Mt was 62% above the previous year.

The increase in WMP production reflects the increasing production at Tarrawonga (+80%), partially offset by reduced production at Canyon (-33%) due to a higher strip ratio as the mine comes to the end of its life.

Planning approval was granted for work to expand the CHPP to increase annual washing capacity from 2 Mt per annum (Mtpa) to 3 Mtpa and to lift annual train loading capacity from 3 Mtpa to 4 Mtpa . The work will be completed in FY09.

Werris Creek (100% owned by Whitehaven)

(Thousand tonnes)	Year-to-Date*		
	FY 2008	FY 2007	% Variance
ROM Coal Production	1,116	1,289	(13%)
Saleable Coal Production	1,111	1,291	(14%)
Sales of produced coal	1,112	1,320	(16%)
Sales of purchased coal **	25	41	(39%)
Total Sales	1,137	1,361	(16%)
Coal stocks at end of period	69	56	23%

** All figures are on an 100% basis. ** sales of externally purchased coal*

Whitehaven completed the acquisition of a further 60% of the Werris Creek mine in the period giving the Group 100%. Full ownership will provide the benefit of operational and marketing synergies with the Group's other projects.

Coal production during the year was impacted by a number of operational factors, but production has now improved through the introduction of a new blasting contractor, new mine plan and the impact of other operational improvements.

FY 2008 saleable coal production of 1.11 Mt was 14% below the previous year. Productivity improvements have been achieved in the last quarter of FY 2008. Further gains are required and options to improve productivity are being investigated.

DEVELOPMENT PROJECTS

NARRABRI

The development application was approved for Narrabri Coal Project Stage 1 in November 2007 and the Mining Lease granted in January 2008.

The project is progressing well, but a delay in gaining approvals to commence construction has resulted in the date for producing first coal to be revised to Q1 of FY 2010.

Works are well advanced on the site access road, office and workshop area, boxcut, dams and rail loop.

Contracts have now been awarded for more than 60% of the Stage 1 work. Recent awards include: transmission substation; drift conveyor; train load out facility; rail track components, skyline stackout conveyor and drift construction.

There has been some increase in the forecast capital cost of Stage 1 caused by higher costs of materials and a decision to reduce the grade of the drifts which will reduce long term costs. These have absorbed some contingency, but Stage 1 is still expected to come within budget.

A drill program has been completed to undertake a detailed evaluation of coal seam gas in the first two longwall panels and further drilling is under way to improve detailed understanding of the conditions of early mining areas.

ROCGLLEN

Following Planning Approval in May, the Mining Lease for the Rocglen mine was granted by the NSW Government in June 2008.

Overburden removal commenced in July 2008 and first coal is expected from this new mine in second quarter of 2009 financial year.

SUNNYSIDE

The Environmental Assessment came off Public Exhibition on 19th May 2008 and Whitehaven has responded to all submissions received. Planning Approval is expected by end of August 2008.

The Mining Lease for Sunnyside should be approved promptly following Planning Approval.

Granting of the Mining Lease in September 2008 will enable first coal production from Sunnyside in Q2 FY 2009.

BONSHAW

Agreement has been reached in July 2008 for the purchase of the 1/3rd share of the Bonshaw project in northern NSW from Republic Coal Pty Ltd. This brings Whitehaven to 100% ownership of the project.

Whitehaven will pay Republic Coal a total of \$2.87M for the acquisition in two tranches. The first tranche of \$1.87M will be paid on transfer of the tenements and the balance is payable on the earlier of development consent being granted or Whitehaven selling or transferring a majority interest in the tenements.

CORPORATE

Mr Keith Ross retired as Managing Director in March 2008. Mr Rob Stewart was appointed Managing Director effective 1 April 2008. Mr Stewart joined Whitehaven as CEO in October 2007.

The head office of the Group is being relocated from Brisbane to Sydney by April 2009.

RESOURCES AND RESERVES (100% Basis)

Whitehaven's coal resources and reserves statements have been updated for both Werris Creek and Sunnyside as at 30 April 2008.

At Werris Creek, further exploration and mine planning has increased coal resources from 26 Mt to 38 Mt, with marketable reserves of 19.9 Mt.

This increase in resources and reserves provides Whitehaven with the potential to extend the life of Werris Creek up to 13 years, at the planned production rate of 1.5 Mtpa.

At Sunnyside, additional exploration has allowed the reclassification of 0.8 Mt from inferred to indicated status, and 4.1 Mt from indicated to measured. A further resource of 65.9 Mt has been identified within the Sunnyside EL area.

Whitehaven's JORC Coal Resources total 712.9 Mt¹, an increase of 77.6 Mt (12%), with JORC Marketable Reserves of 137.9 Mt^{2,3}, an increase of 19.9 Mt (17%).

Mine/Project	Owner -ship	Status	Measured	Indicated	Inferred	Total
Canyon	100%	Operating	TBD	TBD	TBD	TBD
Tarrowonga Opencut	70%	Operating	8.3	11.0	24	43.3
Tarrowonga Seam Underground	100%	Feasibility	2.7	8.0	5	15.7
Tarrowonga Underground - other	100%	Exploration	7.3	26.0	53	86.3
Belmont Opencut	100%	Project	-	14.2	-	14.2
Sunnyside Opencut	100%	Project	4.1	2.2	-	6.3
Sunnyside – EL 5183 other	100%	Exploration	3.4	23.5	39	65.9
Canyon West	100%	Exploration	TBD	TBD	TBD	TBD
Blue Vale	100%	Exploration	2.8	1.5	0.7	5.0
WMP Total			28.6	86.4	121.7	236.7
Narrabri North	92.5%	Project	88.6	81.0	60.0	229.6
Narrabri South	92.5%	Exploration	30.6	103.0	75.0	208.6
Narrabri Total			119.2	184.0	135.0	438.2
Werris Creek Opencut	100%	Operating	30.0	5.4	2.6	38.0
Bonshaw – Arthur's Seat	66.67%	Exploration	TBD	TBD	TBD	TBD
Total			177.8	275.8	259.3	712.9

¹ The coal resources and reserves have not been amended to reflect any coal extracted since the date of the relevant JORC report

² The JORC marketable reserves are based on geological modeling of the anticipated yield from recoverable reserves

³ The JORC reserves are included in the JORC resources.

RESOURCES AND RESERVES (100% Basis) contd.

Mine/Project	Recoverable Reserves (Proved+Probable) (Mt)	Marketable Reserves (Mt)		
		From Proved	From Probable	Total
Canyon	-	-	-	-
Tarrowonga Open Cut	8.9	-	7.7	7.7
Tarrowonga Seam Underground	-	-	-	-
Tarrowonga Seam-other	-	-	-	-
RocGlen (Belmont)	10.8	-	7.6	7.6
Sunnyside	-	-	-	-
Canyon West	-	-	-	-
West Blue Vale	-	-	-	-
WMP Total	19.7	-	15.3	15.3
Narrabri North	112.0	51.1	51.6	102.7
Narrabri South	-	-	-	-
Narrabri Total	112.0	51.1	51.6	102.7
Werris Creek	19.9	17.6	2.3	19.9
Ashford – Arthur’s Seat	-	-	-	-
TOTAL	151.6	68.7	69.2	137.9

RESOURCES AND RESERVES STATEMENT

The information in this report that relates to Coal Resources and Reserves of the Whitehaven Group is based on information compiled by Mr David West, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr West MAusIMM is a qualified geologist and is a full time employee of Whitehaven Coal Mining Ltd. Mr West has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration results, Mineral resources and Ore Reserves’. Mr West consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

THE ENVIRONMENT

Responsible management of the environment within which we operate remains a high priority for Whitehaven Coal directors, management, and employees. There is a strong focus on maintaining all of our operations within the very strict conditions imposed by the relevant authorities under our Development Consents and to minimise any adverse impact on the communities in which we operate.

INFRASTRUCTURE

Under an agreement completed with the Australian Rail Track Corporation and NSW Government, Whitehaven has committed to underwrite 60% of the funding of a major upgrade of the Muswellbrook to Narrabri rail infrastructure which will increase the capacity of that line to more than 15 million tonnes per annum over the next two years. The first stage has been commissioned and will provide a 70% increase of the current capacity. In return for its underwriting, Whitehaven has rights to 60% of the rail haulage capacity for coal from the Gunnedah Basin.

COAL PRICES & MARKETING

The medium term demand for thermal and PCI coal remains strong and is reflected in higher US\$ prices for Whitehaven's products in FY 2009.

Whitehaven has entered into new coal sales contracts with steel industry users for approximately 1.0 million tonnes per year of semi-soft coking coal (SSCC) and pulverised coal injection (PCI) coal for the next three years. These contracts will be supplied at prevailing market prices, fixed annually. The average sales price secured for FY 2009 under these contracts is A\$250 per tonne FOB.

Whitehaven has also secured approximately 0.6 Mt of new thermal coal contracts for FY 2009 at an average price of approximately A\$135 per tonne FOB. These new contracts are with prime customers in the major Asian markets and will further underpin Whitehaven's significant production growth in the Gunnedah region.

OUTLOOK

- Managed production will increase in FY 2009 with production improvements at Tarrawonga and Werris Creek and commissioning of the new Rocglen and Sunnyside open cut mines replacing Canyon which is at the end of its reserves.
- Strategy to maximise conversion of thermal coal to PCI to gain access to higher pricing will continue consistent with commitment to previously contracted sales.
- Shipping allocation yet to be granted for 2009 to Whitehaven at the existing Newcastle coal terminal will be critical to achieving sales forecast.
- Construction of Stage 1 of the Narrabri project is scheduled for completion with the first coal from continuous miner operations expected in Q1 FY 2010.
- The company will continue its endeavours to achieve exceptional safety and environmental performance and to maintain strong relations with the community in the Gunnedah Basin.

For further information, please contact:

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Whitehaven Coal Limited and its controlled entities

ABN 68 124 425 396

Appendix 4E 30 June 2008

Results for announcement to the market:

	Whitehaven Coal Limited - Consolidated		
	Year Ended 30 June 2008		
	2008 \$000	2007 \$000	Movement %
Revenue	256,462	106,201	241.5%
Profit from ordinary activities after tax attributable to members	51,854	24,095	215.2%
Net Profit for the period attributable to members	51,854	24,095	215.2%
Earnings per share – basic	14.5	8.0	181.3%
Earnings per share - diluted	14.4	8.0	180.0%

Dividends	Amount per security	Franked amount per security
Current reporting period - Final dividend 2008	1.7 cents	100%
Previous corresponding reporting period - Final dividend 2007	Nil	N/A
Record date for determining entitlement to dividend – 29 August 2008		
Date dividend is payable – 30 September 2008		

Brief explanation of any figures reported above or other items of importance not previously reported to the market:

Nil

Discussion and Analysis of the results for the year ended 30 June 2008:

Refer to the annual results report for commentary.

Whitehaven Coal Limited and its controlled entities
Income statement
For the financial year ended 30 June 2008

		Consolidated	
		2008	2007
	<i>Note</i>	\$000	\$000
Revenue		256,462	106,201
Cost of sales		(196,353)	(67,206)
Gross profit		60,109	38,995
Other income	6	56,738	1,140
Selling and distribution expenses		(24,631)	(28,231)
Administrative expenses		(7,061)	(6,824)
Other expenses		(12,557)	(15,172)
Profit/(loss) before financing income		72,598	(10,092)
Financial income		8,609	20,612
Financial expenses		(7,178)	(5,126)
Net financing income		1,431	15,486
Profit before tax		74,029	5,394
Income tax expense		22,175	18,701
Net Profit attributable to members of the parent		51,854	24,095
Earnings per share:			
Basic earnings per share (AUD)	3	14.5	8.0
Diluted earnings per share (AUD)	3	14.4	8.0

The income statement is to be read in conjunction with the condensed notes to the financial statements set out on pages 6 to 10.

Whitehaven Coal Limited and its controlled entities
Statement of changes in equity
For the financial year ended 30 June 2008

Consolidated	Issued capital	Retained earnings	Hedge reserve	Total
	\$000	\$000	\$000	\$000
Opening balance at 1 July 2006	31,000	20,314	-	51,314
Profit for the period	-	24,095	-	24,095
Total recognised income and expense for the period	-	24,095	-	24,095
Share based payments, net of tax	-	15,163	-	15,163
Shares issued	162,046	-	-	162,046
Share issue costs	(163)	-	-	(163)
Closing balance at 30 June 2007	192,883	59,572	-	252,455
Opening balance at 1 July 2007	192,883	59,572	-	252,455
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	11,554	11,554
Change in fair value of cash flow hedges transferred to profit and loss, net of tax	-	-	14,008	14,008
Total income and expense recognised directly in equity	-	-	25,562	25,562
Profit for the period	-	51,854	-	51,854
Total recognised income and expense	-	51,854	25,562	77,416
Share based payments, net of tax	-	2,687	-	2,687
Share options exercised	14,227	-	-	14,227
Shares issued	145,366	-	-	145,366
Share issue costs, net of tax	(2,622)	-	-	(2,622)
Balance at 30 June 2008	349,854	114,113	25,562	489,529

The statement of changes in equity is to be read in conjunction with the condensed notes to the financial statements set out on pages 6 to 10.

Whitehaven Coal Limited and its controlled entities
Balance sheet
As at 30 June 2008

		Consolidated	
		2008	2007
	<i>Note</i>	\$000	\$000
Assets			
Cash and cash equivalents		105,867	21,185
Trade and other receivables		48,996	14,336
Inventories		9,353	10,768
Deferred Stripping		23,132	11,425
Current tax receivable		-	25
Derivatives		19,649	5,202
Total current assets		206,997	62,941
Receivables		2,217	2,214
Biological assets		-	80
Investments		37	37
Property, plant and equipment		367,818	267,612
Exploration and evaluation		1,774	1,672
Intangibles		17,382	920
Deferred Tax Assets		-	7,876
Derivatives		27,127	8,870
Total non-current assets		416,355	289,281
Total assets		623,352	352,222
Liabilities			
Trade and other payables		37,871	16,135
Interest-bearing loans and borrowings		22,959	22,294
Employee benefits		2,159	1,380
Unearned revenue		123	62
Current tax liability		10,143	-
Provisions		593	708
Total current liabilities		73,848	40,579
Payables		10,432	-
Interest-bearing loans and borrowings		32,267	54,401
Deferred tax liabilities		9,957	-
Unearned revenue		512	262
Provisions		6,807	4,525
Total non-current liabilities		59,975	59,188
Total liabilities		133,823	99,767
Net assets		489,529	252,455
Equity			
Issued capital	5	349,854	192,883
Reserves		25,562	-
Retained earnings		114,113	59,572
Total equity attributable to equity holders of the parent		489,529	252,455

The balance sheet is to be read in conjunction with the condensed notes to the financial statements set out on pages 6 to 10.

Whitehaven Coal Limited and its controlled entities
Statement of cash flows
For the financial year ended 30 June 2008

		Consolidated	
		2008	2007
	<i>Note</i>	\$000	\$000
Cash flows from operating activities			
Cash receipts from customers		236,464	108,668
Cash paid to suppliers and employees		(218,612)	(101,905)
Cash generated from operations		17,852	6,763
Interest paid		(4,916)	(2,489)
Interest received		3,398	2,428
Income taxes paid		(4,348)	(1,739)
Net cash provided by operating activities		11,986	4,963
Cash flows from investing activities			
Proceeds from sell down of Narrabri Project	6	67,500	-
Proceeds from sale of property, plant and equipment		3,021	-
Acquisition of subsidiary, net of cash acquired	4	(36,730)	-
Cash acquired in business combination		-	17,179
Acquisition of property, plant and equipment		(40,025)	(22,244)
Acquisition of intangible assets		(861)	(92)
Exploration and evaluation expenditure		(104)	(604)
Loans to related entities		(7,943)	(2,514)
Loans repaid by related entities		11,338	-
Net cash used in investing activities		(3,804)	(8,275)
Cash flows from financing activities			
Proceeds from the issue of share capital	5	135,365	4,296
Proceeds from the exercise of share options	5	14,227	-
Transaction costs paid on issue of share capital	5	(3,814)	(163)
Proceeds from the issuance of borrowings		-	35,812
Repayment of borrowings		(61,223)	(11,226)
Payment of finance lease liabilities		(8,055)	(3,478)
Dividends paid		-	(2,500)
Net cash provided by financing activities		76,500	22,741
Net increase in cash and cash equivalents		84,682	19,429
Cash and cash equivalents at 1 July		21,185	1,756
Cash and cash equivalents at 30 June		105,867	21,185

The statement of cash flows is to be read in conjunction with the condensed notes to the financial statements set out on pages 6 to 10.

Whitehaven Coal Limited
Notes to the ASX Appendix 4E financial report

1. Basis of preparation of preliminary final report

The report has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 for the purpose of fulfilling the Group's obligation under Australian Securities Exchange (ASX) listing rules. The consolidated financial report of the Group also complies with the IFRSs and interpretations adopted by the International Accounting Standards Board. The report is presented in Australian Dollars.

The accounting policies adopted have been applied consistently to all periods presented in the consolidated financial report.

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value

A full description of the accounting policies adopted by the Group may be found in the consolidated entity's full financial report. Except as described below, the accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2007.

Derivative financial instruments – cash flow hedge accounting

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operating activities. All derivatives held at 30 June 2007 were foreign currency options which did not qualify for hedge accounting and were recognised at fair value through the income statement.

During the year ended 30 June 2008, the Group converted its hedge book comprising foreign currency options to forward exchange contracts. To the extent the Group satisfies the requirements for cash flow hedge accounting, changes in the fair value of the forward exchange contracts are recognised directly in equity. To the extent the hedge is ineffective, changes in fair value are recognised in the income statement. If the hedge instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. Other aspects of the financial instruments policy are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2007.

2. Segment reporting

Business and geographical segments

The consolidated entity operates predominantly within the coal industry in Australia.

Whitehaven Coal Limited
Notes to the ASX Appendix 4E financial report

3. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2008 was based on the profit attributable to ordinary shareholders of \$51,854,000 (2007: \$24,095,000) and a weighted average number of ordinary shares outstanding during the year of 357,041,000 (2007: 301,933,000) calculated as follows:

Profit attributable to ordinary shareholders

	Consolidated	
	2008	2007
	\$000	\$000
Net profit attributable to ordinary shareholders	51,854	24,095

Weighted average number of ordinary shares

	Consolidated	
	2008	2007
	000's	000's
Issued ordinary shares at 1 July	323,000	300,000
Effect of shares issued at 3 December 2007	21,248	1,933
Effect of shares issued at 7 December 2007	2,038	-
Effect of shares issued at 24 January 2008	8,294	-
Effect of shares issued at 24 March 2008	2,457	-
Effect of shares issued at 6 June 2008	4	-
Weighted average number of ordinary shares at 30 June	357,041	301,933
Basic earnings per share attributable to ordinary shareholders (cents)	14.5	8.0

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2008 was based on the profit attributable to ordinary shareholders of \$51,854,000 (2007: \$24,095,000) and a weighted average number of ordinary shares outstanding during the year of 360,253,000 (2007:301,951,000) calculated as follows:

Profit attributable to ordinary shareholders (diluted)

	Consolidated	
	2008	2007
	\$000	\$000
Net profit attributable to ordinary shareholders	51,854	24,095

Weighted average number of ordinary shares (diluted)

	Consolidated	
	2008	2007
	000's	000's
Weighted average number of ordinary shares (basic)	357,041	301,933
Effect of share options on issue	3,212	18
Weighted average number of ordinary shares (diluted)	360,253	301,951
Diluted earnings per share attributable to ordinary shareholders (cents)	14.4	8.0

Whitehaven Coal Limited
Notes to the ASX Appendix 4E financial report

4. Acquisitions of subsidiary

Acquisition of Creek Resources Pty Limited

On 30 November 2007 the Group acquired Creek Resources Pty Ltd, which holds a 60% interest in the Werris Creek Joint Venture. Subsequent to the acquisition, the Group owns 100% of the Werris Creek coal mine in NSW. The Group has determined, on a provisional basis, that the acquisition had the following effect on the Group's assets and liabilities on acquisition date:

	Pre – acquisition carrying amounts	Fair value adjustments	Recognised values on acquisition
<i>In thousands of AUD</i>			
Cash and cash equivalents	3,917		3,917
Property, plant and equipment	11,197	61,095	72,292
Trade and other receivables	4,582		4,582
Inventories	1,764		1,764
Deferred stripping	1,913		1,913
Deferred tax asset/(liability)	(619)	633	14
Trade and other payables	(6,229)		(6,229)
Interest-bearing loans and borrowings	(4,638)		(4,638)
Unsecured loans	(11,076)		(11,076)
Provisions	(1,461)		(1,461)
Net identifiable assets and liabilities	(650)	61,728	61,078
Goodwill on acquisition			-
Consideration paid, satisfied through issuance of shares*			(10,000)
Future consideration payable**			(10,431)
Consideration paid, satisfied in cash***			40,647
Cash acquired			(3,917)
Net cash outflow			36,730

*Whitehaven Coal Limited issued 3,610,108 ordinary shares.

**Consideration is payable when development consent approval is obtained for increased JORC reserves, which is estimated to be December 2009.

***Includes transaction costs of \$322,000.

Pre-acquisition carrying amounts were determined based on applicable AASBs immediately before the acquisition. The values of assets and liabilities recognised on acquisition are their estimated fair values.

Whitehaven Coal Limited
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5. Share capital

Ordinary shares

	Consolidated			
	2008		2007	
	Nos of shares 000's	\$000's	Nos of shares 000's	\$000's
Beginning of the financial year	323,000	192,883	31,000	31,000
Issued for cash	51,081	135,366	5,143	4,296
Exercise of share options	14,227	14,227	-	-
Acquisition of Narrabri Coal Pty Ltd	-	-	140,000	140,000
Acquisition of Whitehaven Coal Holdings Pty Ltd	-	-	30,000	15,000
Acquisition of Creek Resources Pty Ltd	3,610	10,000	-	-
Share split	-	-	114,000	-
Issued to settle contract	-	-	2,750	2,750
Issued to employees	-	-	107	-
Costs of shares issued, net of tax	-	(2,622)	-	(163)
	391,918	349,854	323,000	192,883

6. Sell down of Narrabri Project

In March 2008, the Group sold 7.5% of its Narrabri Coal Project to Upper Horn Investments (Australia) Pty Limited, part of the Guandong Yudean Group for \$67,500,000, resulting in a gain of \$55,629,000 recognised in other income. The tax impact on the gain was \$16,689,000, resulting in an after tax gain of \$38,940,000.

On 1 August 2008, the Group announced receipt of further offers from Electric Power Development Co., Ltd. ("J-Power") and EDF Trading ("EDFT") for those companies to each acquire a 7.5% stake in the Narrabri Coal Project for A\$125 million and US\$120 million, respectively. The sales are subject to formal documentation, due diligence and usual regulatory approvals, conditional on FIRB approval and are expected to be completed during August 2008.

7. Dividends

Since the end of the financial year the directors have resolved to pay a fully franked dividend of 1.7 cents per ordinary share to be paid on 30 September 2008 in respect of the year ended 30 June 2008 (2007: Nil). The record date for entitlement to the dividend is 29 August 2008.

8. 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 and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years other than the following:

- The Group has committed to acquire the remaining one third balance of the Bonshaw Project for \$2,873,000.
- Further sell downs of the Narrabri Coal Project have been agreed to (refer Note 6).
- The directors have resolved to pay a fully franked dividend of 1.7 cents per ordinary share (refer Note 7).

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9. Net tangible asset backing

	Consolidated 2008	2007
Net tangible assets per share	\$1.2002	\$0.7787

10. Changes in accounting policy

There are no changes in accounting policies from prior periods, except as disclosed Note 1 regarding hedge accounting.

COMPLIANCE STATEMENT

This report is based on the financial statements of the Company and its controlled entities. The financial statements are in the process of being audited. The Group is not aware of any matters associated with the financial report for the year ended 30 June 2008 that are likely to be subject to dispute or qualification by the auditors.

Sign here:

Company Secretary

Print name: L.M. Whitton

Date: 20 August 2008