

ASX RELEASE

24 August 2010

**Australian Stock Exchange
Company Announcements**

Dear Sir

RESULTS FOR YEAR ENDED 30 JUNE 2010

Please find attached WHC's Preliminary Final Report (Appendix 4E) for the year ended 30 June 2010.

Yours faithfully

**Timothy Burt
Company Secretary**



Preliminary Final Report
For the year ended 30 June 2010

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RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE YEAR ENDED 30 JUNE 2010

Name of Entity Whitehaven Coal Limited

ABN 68 124 425 396

	2010 \$000	2009 \$000	Movement
Revenue	406,807	489,397	-16.9%
Profit from ordinary activities after tax attributable to members – excluding significant items	55,108	77,318	-28.7%
Significant items net of tax	59,776	166,894	-64.2%
Net Profit for the period attributable to members	114,884	244,212	-53.0%
Earnings per share – basic (cents)	24.2	60.5	-60.0%
Earnings per share – diluted (cents)	24.0	60.3	-60.2%

Dividends	Amount Per Security	Franked amount per security
Current reporting period		
- Final dividend 2010	2.8 cents	100%
- Interim dividend 2010	2.8 cents	100%
Previous corresponding reporting period		
- Final dividend 2009	6.0 cents	100%
- Interim dividend 2009	2.5 cents	100%
Record date for determining entitlement to Final dividend – 17 September 2010		
Date dividend is payable – 30 September 2010		
The Annual General Meeting will be held on – 29 October 2010		

REVIEW OF OPERATIONS

FINANCIAL HIGHLIGHTS

- Net profit after tax (NPAT) of \$114.9 million, including NPAT of \$59.8 million from the sale of 7.5% of the Narrabri Joint Venture and other significant items;
- Underlying NPAT, before significant items, of \$55.1 million
- A fully franked final dividend of 2.8 cents per share has been declared, payable on 30 September 2010;
- Revenue of \$328.2 million (net of purchased coal and excluding of NSW royalty), down 8% from FY09;
- Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$129.0 million (excluding coal purchases), reduced to \$108.8 million after coal purchases;
- Cash generated from operations of \$69.3 million, compared to \$135.6 million in FY09;
- Proceeds received from the sale of Narrabri of \$99.7 million during the year; and
- Strong cash flow and financial position - \$141.0 million cash available with net cash of \$46.1 million compared to \$131.2 million cash available and net cash of \$52.9 million at 30 June 2009.

OPERATING HIGHLIGHTS

- Coal sales up 16% (equity basis) compared with previous year (up 13% on 100% basis);
- Saleable coal production up 24% (equity basis) from FY09 (up 20% on 100% basis);
- The ongoing expansion of Whitehaven's open cut mines and the Gunnedah CHPP to their combined design and permitted capacity of 5.5 Mtpa of saleable coal is nearing completion;
- Construction of the Narrabri Stage 1 was completed during the final quarter of FY10 with first coal production achieved on 28 June, 2010;
- NSW Government approval has been received for Narrabri Stage 2 (subsequent to balance date). The Stage 2 longwall equipment was specified and ordered in September 2009. Delivery is expected to commence in January 2011, with installation underground scheduled for the September quarter of FY11; and
- The new coal train ordered by Whitehaven in 2009 was delivered and put into service in June 2010.

FINANCIAL PERFORMANCE

	FY 2010 \$m	FY 2009 \$m	Movement
Sales revenue	406.8	489.4	-16.9%
EBITDA before significant items	108.8	136.3	-20.2%
EBIT before significant items	76.7	110.0	-30.3%
NPAT before significant items	55.1	77.3	-28.7%
Significant items net of tax	59.8	166.9	-64.2%
NPAT after significant items	114.9	244.2	-53.0%
EPS-diluted	24.0 cents	60.3 cents	-60.2%

	FY 2010 \$m	FY 2009 \$m
Cash on Hand	141.0	131.2
Interest Cover Ratio (times) ¹	10.43	19.45
Interest Bearing Liabilities ²	94.9	78.2
Net Cash Position	46.1	53.0
Net Assets	1,023.2	722.8
Gearing Ratio ³	-4.7%	-7.9%

¹ EBIT before significant items to Interest Expense excluding FX in financing expense

² Interest bearing liabilities include loans from Rail Infrastructure Corporation for track upgrades (\$20.6 million 2010, 21.6 million 2009)

³ Net Debt to Net Debt plus Equity

Whitehaven's balance sheet remains very strong. Cash on hand at FY10 year-end, together with outstanding cash to be received from previously announced sales of the Narrabri JV interests and cash from operations, is expected to provide sufficient funding to complete the development of Narrabri Stage 2 and the expansion of Whitehaven's existing open cut mines.

Cash flow from operations was \$69.3 million for the year compared to \$135.6 million for FY09 due to a reduction in average coal prices. Closing cash on hand at 30 June 2010 was \$141.0 million, compared to \$131.2 million in FY09.

OPERATING PERFORMANCE

Consolidated Equity production and Sales (Equity Share)

Whitehaven Total – 000t	FY 2010	FY 2009	Movement
ROM Coal Production	3,724	3,025	+23%
Saleable Coal Production	3,480	2,797	+24%
Sales of Produced Coal	3,310	2,753	+20%
Sales of Purchased Coal	823	811	+1%
Total Coal Sales	4,133	3,564	+16%
Coal Stocks at Period End	430	317	+36%

Whitehaven Gunnedah Operations (Equity Share)

Whitehaven Total – 000t	2010	2009	Movement
ROM Coal Production	2,441	1,902	+28%
Saleable Coal Production	2,200	1,690	+30%
Sales of Produced Coal	2,101	1,651	+27%
Sales of Purchased Coal	823	811	+1%
Total Coal Sales	2,924	2,462	+19%
Coal Stocks at Period End	288	233	+24%

Werris Creek Mine (Equity Share)

Whitehaven Total – 000t	2010	2009	Movement
ROM Coal Production	1,283	1,123	+14%
Saleable Coal Production	1,280	1,107	+16%
Sales of Produced Coal	1,209	1,102	+10%
Sales of Purchased Coal	-	-	0%
Total Coal Sales	1,209	1,102	+10%
Coal Stocks at Period End	143	84	+70%

Open cut operations

The Gunnedah Operations include the Canyon (100% owned by Whitehaven), Tarrawonga (70% owned by Whitehaven), Rocglen (100% owned by Whitehaven), and Sunnyside (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). The Werris Creek Mine is 100% owned by Whitehaven.

Whitehaven’s open cut mines continued to perform well during the year. Work has been continuing to expand the mines to their combined design and permitted capacity of approximately 5.5 Mtpa of saleable coal.

As part of this, a new Hitachi EX3600 excavator plus second hand Cat 785 rear dump trucks were delivered to Werris Creek mine in late December 2009. Other supplementary equipment including a drill, bulldozers, a grader and a front end loader were delivered in early 2010.

An additional excavator was deployed initially at Werris Creek mine in February 2010 to boost overburden capacity and this machine was then moved permanently to Tarrawonga in late May 2010 to help increase Tarrawonga production to 2 Mtpa ROM.

In conjunction with the mine expansion, the company’s CHPP is undergoing a significant upgrade to facilitate treatment of increased tonnage of up to 4 Mtpa.

The remaining 2.0 Mtpa saleable open cut coal will be crushed and loaded from the Werris Creek site.

Both of the open cut and CHPP expansions have been implemented to coincide with the ramp-up of port capacity at the NCIG loading facility in Newcastle, and the increased rail and train capacity becoming available as part of ongoing rail infrastructure upgrades.

Narrabri Mine

Whitehaven (operator) 70.0%

Electric Power Development Co. Ltd 7.5%

EDF Trading 7.5%

Upper Horn Investments Limited 7.5%

Daewoo International Corporation and Korea Resources Corporation 7.5%

With the exception of the final section of the third access drift, construction of Narrabri Stage 1 is complete. First coal production was achieved by continuous miner on 28 June, 2010 and the second continuous miner unit went underground on 16 August, 2010.

Except for the cost of the underground access drifts, construction costs for Narrabri Stage 1 were within budget. As previously outlined, adverse ground conditions were encountered during drift construction, with the consequential delay resulting in additional costs for this component of the project. Total Stage 1 investment was approximately \$227million.

An amended Stage 1 approval for Narrabri was received in March 2010, allowing construction of the Stage 2 CHPP, ventilation shaft and other ancillary works to proceed. The full Stage 2 approval for longwall mining was granted by the NSW Minister for Planning, The Hon Tony Kelly MLC, on 28 July, 2010.

The Stage 2 longwall equipment was specified and ordered in September 2009 and delivery is expected to commence in January 2011, with installation underground scheduled for the September quarter of FY11.

The Bucyrus longwall ordered for Narrabri is designed to allow retro-fitting of top coal caving (TCC) equipment in the future. TCC is a proven method of extracting thick-seam coal by longwall methods, but its applicability at Narrabri will only be proven following further technical work and operational experience. If suitable for Narrabri, TCC has the potential to substantially increase the Narrabri mine's coal reserves and annual production in the future.

Most of the other Stage 2 equipment and construction contracts have now been tendered and awarded, including the contract for the Narrabri CHPP.

The final design for the Narrabri CHPP includes a dense medium cyclone unit to allow the production of up to 40% of PCI coal. Construction of the plant is expected to be completed in May 2011.

Ongoing review of Stage 2 costs, including tendering for all major components of the work, has not identified any material change to the budget cost estimate of approximately \$300 million (100% basis).

A detailed analysis of surface to in-seam (SIS) gas drainage results achieved at Narrabri over the last nine months has been carried out to produce an updated model of in-situ gas content and drainage patterns. Gas drainage to date has been successful in reducing gas content substantially with most test samples now showing gas content well below the required level. The increasing database of gas drainage results is allowing future gas drainage plans to be developed with a high level of confidence.



DEVELOPMENT PROJECTS

Vickery

Whitehaven 100%

Whitehaven's agreement with Coal & Allied Industries Limited (CAIL) to acquire the Vickery Coal Project ("Vickery") for \$31.5 million cash plus approximately 1,150 ha of land was completed in January 2010. The Vickery assets acquired comprise Authorisation 406 (A406), Coal Lease 316 (CL316), approximately 3,450 ha of associated land and 399 megalitres per year of water licences.

Whitehaven holds several coal tenements adjacent to CL316 and Vickery is an important "bolt-on" acquisition for Whitehaven. It consolidates the company's significant tenement holding in the Gunnedah region. An initial JORC open cut coal resource of 272.7 million tonnes has been identified.

Indications are that Vickery could provide Whitehaven with a significant increase in metallurgical coal reserves. There are nine coal seams contained within the Vickery tenements of which three, the Shannon Harbour, Stratford and Cranleigh seams, are believed to have economic potential.

The quality of these coal seams ranges from high volatile soft coking coal to low ash, high energy thermal coal.

Werris Creek Life of Mine Project

Whitehaven 100%

A Preliminary Environmental Assessment (PEA) has been submitted to the Department of Planning as the first step in seeking approval for an extension to the mine's life.

Ongoing exploration at the Werris Creek mine has shown that the Werris Creek coal deposit is isolated and the extent of the resource has now been fully outlined.

The Werris Creek Life of Mine Project involves a small increase in the approved rate of mining from 2.0 Mtpa to 2.5 Mtpa and the extended resource would provide an additional 20 year mine life beyond the currently approved mining area.

The PEA proposal includes an increase in ROM and Product Coal Stockpiles from 100,000 tonnes to 200,000 tonnes; construction of a rail loop to minimise impact on the current rail line and an increase in coal transport by road to domestic customers to 100,000 tonnes from 50,000 tonnes per annum.

Tarrawonga Modification

Whitehaven 70%

Idemitsu Australia Resources 30%

Ongoing exploration has resulted in a significant increase in reserves and resources at the Tarrawonga mine.

The mine is currently seeking a modification to its approvals to increase the total coal production from approximately 12.4 to 16.4 million tonnes and improve the associated infrastructure to meet the requirements of the increased tonnage. The proposal does not involve changes to the mining method, maximum production rate (up to 2.0 Mtpa), mine workforce, or the life of the mine (i.e. 8 to 10 years).

INFRASTRUCTURE

Whitehaven has entitlements to adequate track capacity to meet its current growth plans and is continuing to work with Australian Rail Track Corporation (ARTC), Rail Infrastructure Corporation (RIC) and other potential rail users in the Gunnedah Basin to identify and progress capital works required to meet future track capacity needs.

Whitehaven and Pacific National (PN) entered into a long term agreement for rail haulage in December 2009. When combined with track capacity entitlements, this contract provides for rail capacity to meet Whitehaven's existing growth plans and port capacity.

The new coal train ordered by Whitehaven in 2009 was delivered and put into service in June 2010. This train is being operated by PN under lease from Whitehaven. A second new train is expected to be provided by PN in late calendar year 2010, with a third ordered for the last quarter of calendar year 2011.

A Capacity Framework Agreement for providing access to additional port capacity at Newcastle was agreed by Newcastle Ports Corporation, Port Waratah Coal Services (PWCS) and NCIG in April 2009 and subsequently approved by ACCC. Under this agreement, Whitehaven will have access to at least 9.5 Mtpa of port capacity from PWCS (3.6 Mtpa), NCIG Stage 1 (3.3 Mtpa) and NCIG Stage 2 (2.6 Mtpa).

The NCIG coal loading terminal (Whitehaven owns 11%) achieved practical completion as planned in June 2010 and is continuing to ramp up throughput, albeit restricted to Panamax size ships until late 2011.

Whitehaven expects to have capacity of approximately 2.6 Mt at NCIG in FY11 which, along with 3.6 Mt from PWCS, is sufficient to meet a coal sales target of more than 6 Mt (100% basis) for FY11.

SAFETY

Whitehaven's safety record has continued to improve during the year, with our LTIFR being maintained below average industry level and our number of Lost Time Injuries continuing to decline from 6 in FY09 to 4 in FY10.

We have been continuing to focus on safety basics and general continuous improvement.

These initiatives include increased legal compliance auditing, improved contractor management, more detailed incident reporting and further development of our overall OH&S Management System.

THE ENVIRONMENT

Whitehaven is committed to ensuring its projects are carried out in accordance with site specific protocols for environmental management, and to the ongoing development of new ways to minimise our environmental impacts.

Our environmental team has been expanded during the year – in line with our overall growth – and we expect the team will continue to grow in the current year.

CORPORATE

Whitehaven was included in the ASX 200 index during the December quarter. The inclusion followed a significant increase in trading in the company's shares after the successful \$208 million equity raising during July 2009.

In October 2009 Whitehaven entered into a new banking facility with ANZ and Macquarie Bank Limited to replace existing facilities which were being wound down by the company's previous financier as it withdrew from the mining and resource sectors in Australia.

The new facility is for a 3 year term and comprises bank guarantees (totaling approximately \$100 million) and banking lines for commodity and foreign exchange hedging. The new facility includes a change of control provision which is triggered in the event that a change of control of Whitehaven occurs, as defined in the Corporations Act.

BOARD AND MANAGEMENT

In July 2009 Mr Timothy Burt was appointed General Counsel and Joint Company Secretary.

OUTLOOK

Whitehaven has emerged from FY10 with a strong financial position, low-risk open cut production base and attractive growth profile.

Careful management and investment in our infrastructure requirements means we have appropriate infrastructure in place to support FY11 production.

Strong fundamental growth in demand for both metallurgical and thermal coal remains, and supply continues to be constrained by infrastructure and regulatory issues.



PRELIMINARY STATEMENT OF COMPREHENSIVE INCOME

		Consolidated	
		2010	2009
		\$000	\$000
	<i>Note</i>		
Revenue		406,807	489,397
Operating expenses		(240,545)	(296,251)
Depreciation and amortisation		(32,025)	(26,290)
Cost of sales		(272,570)	(322,541)
Gross profit		134,237	166,856
Other income			
Before significant items		9,427	7,598
Significant items	4	114,314	263,715
		123,741	271,313
Selling and distribution expenses		(51,189)	(44,433)
Other expenses			
Before significant items		(802)	(10,570)
Significant items	4	(16,683)	-
		(17,485)	(10,570)
Administrative expenses			
Before significant items		(14,930)	(9,446)
Significant items	4	(2,375)	(6,938)
		(17,305)	(16,384)
Profit before financing income		171,999	366,782
Financial income			
Before significant items		12,817	10,203
Significant items	4	4,511	7,604
		17,328	17,807
Financial expenses			
Before significant items		(10,857)	(10,558)
Significant items	4	(7,223)	(24,180)
		(18,080)	(34,738)
Net financing expense		(752)	(16,931)
Profit before tax		171,247	349,851
Income tax expense			
Before significant items		(23,595)	(32,332)
Significant items	4	(32,768)	(73,307)
		(56,363)	(105,639)
Profit attributable to equity holders of the parent			
Before significant items		55,108	77,318
Significant items	4	59,776	166,894
Net Profit attributable to Equity Holders		114,884	244,212



PRELIMINARY STATEMENT OF COMPREHENSIVE INCOME (CONT'D)

		Consolidated	
		2010	2009
	Note	\$000	\$000
Net Profit attributable to Equity Holders		114,884	244,212
Other comprehensive loss			
Effective portion of changes in fair value of cash flow hedges		29,494	(32,887)
Change in fair value of cash flow hedges transferred to profit and loss		(48,722)	19,653
Income tax on items of other comprehensive loss		5,769	3,970
Other comprehensive loss for the period, net of tax		(13,459)	(9,264)
Total comprehensive income for the period		101,425	234,948
Earnings per share:			
Basic earnings per share (cents per share)	3	24.2	60.5
Diluted earnings per share (cents per share)	3	24.0	60.3
Earnings per share before significant items:			
Basic earnings per share (cents per share)	3	11.6	19.1
Diluted earnings per share (cents per share)	3	11.5	19.1

The Statement of Comprehensive Income is to be read in conjunction with the attached condensed notes to the financial statements.



PRELIMINARY STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	Consolidated	
		2010 \$000	2009 \$000
Assets			
Cash and cash equivalents		141,049	131,159
Trade and other receivables		289,206	173,550
Inventories		20,921	13,869
Deferred stripping		27,903	5,716
Derivative financial instruments		23,127	31,208
Total current assets		502,206	355,502
Trade and other receivables		37,159	98,343
Investments		1,210	37
Property, plant and equipment		760,981	508,838
Exploration and evaluation		5,344	3,838
Intangibles		43,488	37,394
Deferred stripping		928	-
Derivative financial instruments		-	3,047
Total non-current assets		849,110	651,497
Total assets		1,351,316	1,006,999
Liabilities			
Trade and other payables		128,408	64,799
Interest-bearing loans and borrowings		37,307	33,421
Employee benefits		6,245	3,966
Deferred income		191	245
Current tax payable		37,514	106,874
Provisions		1,246	1,738
Derivative financial instruments		14,280	3,093
Total current liabilities		225,191	214,136
Interest-bearing loans and borrowings		57,622	44,847
Deferred tax liabilities		12,089	4,415
Deferred revenue		444	701
Provisions		27,652	14,323
Derivative financial instruments		5,142	5,732
Total non-current liabilities		102,949	70,018
Total liabilities		328,140	284,154
Net assets		1,023,176	722,845
Equity			
Issued capital	5	591,176	367,352
Share based payment reserve		17,927	442
Hedge reserve		2,839	16,298
Retained earnings		411,234	338,753
Total equity attributable to equity holders of the parent		1,023,176	722,845

The Statement of Financial Position is to be read in conjunction with the attached condensed notes to the financial statements.

PRELIMINARY STATEMENT OF CHANGES IN EQUITY

Consolidated

In thousands of AUD

	Note	Issued Capital	Share based payments reserve	Retained earnings	Hedge reserve	Total
Opening balance at 1 July 2008		351,374	1,211	111,382	25,562	489,529
Profit for the period		-	-	244,212	-	244,212
Other comprehensive loss		-	-	-	(9,264)	(9,264)
Total comprehensive income for the period		-	-	244,212	(9,264)	234,948
Transactions with owners in their capacity as owners:						
Dividends paid		-	-	(16,841)	-	(16,841)
Share based payments		-	272	-	-	272
Share options exercised	5	15,295	-	-	-	15,295
Transfer from share based payment reserve	5	1,041	(1,041)	-	-	-
Costs of shares issued, net of tax	5	(358)	-	-	-	(358)
Closing balance at 30 June 2009		367,352	442	338,753	16,298	722,845
Opening balance at 1 July 2009		367,352	442	338,753	16,298	722,845
Profit for the period		-	-	114,884	-	114,884
Other comprehensive loss		-	-	-	(13,459)	(13,459)
Total comprehensive income for the period		-	-	114,884	(13,459)	101,425
Transactions with owners in their capacity as owners:						
Dividends paid		-	-	(42,403)	-	(42,403)
Share based payments		-	17,485	-	-	17,485
Share options exercised	5	14,753	-	-	-	14,753
Shares issued for cash	5	214,886	-	-	-	214,886
Costs of shares issued, net of tax	5	(5,815)	-	-	-	(5,815)
Closing balance at 30 June 2010		591,176	17,927	411,234	2,839	1,023,176

The Statement of Changes in Equity is to be read in conjunction with the attached condensed notes to the financial statements.

PRELIMINARY STATEMENT OF CASH FLOWS

		Consolidated	
		2010	2009
	<i>Note</i>	\$000	\$000
Cash flows from operating activities			
Cash receipts from customers		397,363	518,748
Cash paid to suppliers and employees		(328,018)	(383,132)
Cash generated from operations		69,345	135,616
Interest paid		(6,505)	(4,957)
Interest received		7,426	4,425
Income taxes paid		(109,789)	(12,419)
Net cash from/(used in) operating activities		(39,523)	122,665
Cash flows from investing activities			
Proceeds from sell down of Narrabri Project		99,749	59,021
Proceeds from sale of property, plant and equipment		1,071	-
Acquisition of property, plant and equipment		(245,685)	(130,677)
Acquisition of intangible assets		(3,110)	(61)
Exploration and evaluation expenditure		(1,506)	(2,064)
Contract guarantee security		6,162	18,838
Loans to related entities		(3,404)	(5,155)
Net cash used in investing activities		(146,723)	(60,098)
Cash flows from financing activities			
Proceeds from the issue of share capital	5	214,886	-
Proceeds from the exercise of share options	5	14,753	15,295
Transaction costs paid on issue of share capital		(8,306)	-
Proceeds from borrowings		32,321	-
Repayment of borrowings		(918)	-
Payment of finance lease liabilities		(14,197)	(10,729)
Dividends paid		(42,403)	(16,841)
Net cash from/(used in) financing activities		196,136	(12,275)
Net increase in cash and cash equivalents		9,890	50,292
Cash and cash equivalents at 1 July		131,159	80,867
Cash and cash equivalents at 30 June		141,049	131,159

The Statement of Cash Flows is to be read in conjunction with the attached condensed notes to the financial statements.

NOTES TO THE ASX APPENDIX 4E FINANCIAL REPORT

1. Basis of preparation of preliminary final report

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

The Company is of a kind referred to in ASIC Class Order 98/100 and dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

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 in note 3 of the full financial report, the accounting policies applied by the Group are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2009.

2. Segment reporting

a) Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on "operations at individual mine sites". Discrete financial information about each of these operating segments is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by mining operations. The Group has determined that it has two reportable segments: Open Cut Operations and Underground Operations.

The following table represents revenue and profit information for reportable segments for the years ended 30 June 2010 and 30 June 2009. The Group's financing (including finance costs and finance income), depreciation and income taxes are managed on a group basis and are not allocated to reportable segments. Information in relation to the Underground Operations segment has not yet been provided as the Narrabri project remained in the development phase until the close of the year ended 30 June 2010 and had no revenue or results.

<i>In thousands of AUD</i>	Open Cut Operations	Total
Year ended 30 June 2010		
Revenue		
Sales to external customers	418,106	418,106
Total segment revenue	<u>418,106</u>	<u>418,106</u>
Difference in treatment of foreign exchange on hedges		(11,299)
Total revenue per statement of comprehensive income		<u>406,807</u>

Notes to the ASX Appendix 4E financial report continued

2. Segment reporting (cont'd)

In thousands of AUD

	Open Cut Operations	Total
Year ended 30 June 2010		
Result		
Segment result	109,808	109,808
Depreciation and amortisation		(32,025)
Income tax expense (excluding significant items)		(23,595)
Significant items after income tax		59,776
Net interest income		920
Net profit after tax per statement of comprehensive income		114,884

Capital expenditure for the year amounted to \$111,596,000 for open cut operations and \$126,647,000 for underground operations.

In thousands of AUD

	Open Cut Operations	Total
Year ended 30 June 2009		
Revenue		
Sales to external customers	489,397	489,397
Total segment revenue	489,397	489,397
Total revenue per statement of comprehensive income		489,397
Result		
Segment result	136,472	136,472
Depreciation and amortisation		(26,290)
Income tax expense (excluding significant items)		(32,332)
Significant items after income tax		166,894
Net interest expense		(532)
Net profit after tax per statement of comprehensive income		244,212

Capital expenditure for the prior year amounted to \$78,109,000 for open cut operations and \$93,219,000 for underground operations.

Notes to the ASX Appendix 4E financial report continued

2. Segment reporting (cont'd)

Other segment information

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to geographic location based on the location of the customers.

<i>In thousands of AUD</i>	2010	2009
Total segment revenue		
China	22,485	12,349
Japan	128,217	209,611
India	33,563	47,161
UK	98,803	91,486
Other	8,663	14,007
Australia ¹	115,132	106,548
Domestic	11,243	8,235
Total revenue	418,106	489,397

¹Includes FOB contracts to Australian intermediaries who on-sell export coal

Total revenue by product

Thermal	270,476	274,611
PCI	136,387	206,551
Domestic	11,243	8,235
Total revenue	418,106	489,397

Major Customers

The Group has three major customers which account for 49.3% of external revenue.

Notes to the ASX Appendix 4E financial report continued

3. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2010 was based on the profit attributable to ordinary shareholders of \$114,884,000, and profit attributable to ordinary shareholders before significant items of \$55,108,000, (2009: \$244,212,000 and \$77,318,000) and a weighted average number of ordinary shares outstanding during the year of 475,432,000 (2009: 403,785,000) calculated as follows:

Profit attributable to ordinary shareholders	Consolidated 2010 \$000	Consolidated 2009 \$000
Net profit attributable to ordinary shareholders	114,884	244,212
Net profit attributable to ordinary shareholders before significant items	55,108	77,318
	Consolidated 2010 000's	Consolidated 2009 000's
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July	407,213	391,918
Effect of shares issued during the year	68,219	11,867
Weighted average number of ordinary shares at 30 June	475,432	403,785
Basic earnings per share attributable to ordinary shareholders (cents)	24.2	60.5
Basic earnings per share before significant items attributable to ordinary shareholders (cents)	11.6	19.1

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2010 was based on the profit attributable to ordinary shareholders of \$114,884,000, and profit attributable to shareholders before significant items of \$55,108,000 (2009: \$244,212,000 and \$77,318,000) and a weighted average number of ordinary shares outstanding during the year of 478,060,000 (2009: 404,884,000) calculated as follows:

Profit attributable to ordinary shareholders (diluted)	Consolidated 2010 \$000	Consolidated 2009 \$000
Net profit attributable to ordinary shareholders	114,884	244,212
Net profit attributable to ordinary shareholders before significant items	55,108	77,318
	Consolidated 2010 000's	Consolidated 2009 000's
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares (basic)	475,432	403,785
Effect of share options on issue	2,628	1,099
Weighted average number of ordinary shares (diluted)	478,060	404,884
Diluted earnings per share attributable to ordinary shareholders (cents)	24.0	60.3
Diluted earnings per share before significant items attributable to ordinary shareholders (cents)	11.5	19.1

Notes to the ASX Appendix 4E financial report continued

4. Significant items

<i>In thousands of AUD</i>	Consolidated 2010	Consolidated 2009
Consideration on sale of 7.5% (2009: 15%) of Narrabri joint venture interest	125,000	285,345
Transaction costs	(167)	(520)
Assets disposed	(10,519)	(23,210)
Gain on sale of joint venture interest ¹	114,314	261,615
Share based compensation ²	(16,683)	-
Restructure costs ³	-	(2,444)
Employee on-costs adjustment ⁴	-	(1,145)
Due diligence costs and project costs ⁵	(2,375)	(3,349)
Reimbursed due diligence costs	-	2,100
Financial income on unwinding of discount of EDF receivable ⁶	4,511	7,604
Finance costs on retranslation of EDF receivable ⁶	(7,223)	(24,180)
Significant items before tax	92,544	240,201
Applicable income tax expense	(32,768)	(73,307)
Significant items after tax	59,776	166,894
<i>Reconciliation of significant items to face of Statement of comprehensive income:</i>		
Other income:		
Gain on sale of joint venture interest ¹	114,314	261,615
Reimbursed due diligence costs	-	2,100
	114,314	263,715
Administrative expenses:		
Restructure costs	-	(2,444)
Employee on-costs adjustment ⁴	-	(1,145)
Due diligence costs and project costs ⁵	(2,375)	(3,349)
	(2,375)	(6,938)

Significant items are amounts considered by the company not to be in the normal course of operations and are generally one-off or non-recurring.

¹ During the year, the Company sold a further 7.5% of its joint venture interest in the Narrabri North Project to a Korean consortium, comprising Daewoo International Corporation (Daewoo) and Korea Resources Corporation (KORES), for A\$125 million, plus 7.5% of all costs incurred since 1 January 2008. The sale takes the Company's interest in the project down to 70%. The consortium will pay the A\$125 million in three tranches. The first and second tranches of \$32.5 million and \$30 million were received during the year, as well as the consortium's 7.5% share of project development costs incurred since 1 January 2008. The third tranche of \$62.5 million became payable on approval for stage 2 of the Narrabri Project from the NSW Government which was received in July 2010.

² This expense relates to the issue of executive shares and executive options. The Board committed to issue these shares and options on 19 February 2009. These shares and options were subsequently approved by shareholders at the AGM on 17 November 2009. Accounting standard AASB 2 deems the issue date of these shares and options to be the date shareholder approval was formally received. Accordingly the company is required to account for the issue based on the prevailing share price at the date of the AGM.

³ Following strategic management changes to the Group, the corporate office was relocated from Brisbane to Sydney in the prior year. This resulted in costs of \$2,444,000 associated with redundancies and office closures.

Notes to the ASX Appendix 4E financial report continued

4. Significant items (cont'd)

⁴ During the prior year the Group was made aware of an underpayment of employee on-costs. Management recorded a provision for the amounts due to be paid and associated fees for late payment.

⁵ During the year the Group undertook due diligence on a number of projects in relation to corporate and asset transactions.

⁶ A receivable arising on a previous sell down of the Narrabri North Project is denominated in US\$ and has been discounted on initial recognition. At the reporting date the receivable has been retranslated to Australian dollars at current exchange rates, and the discount partially unwound. The resulting income and expense have been disclosed as significant items.

5. Share capital

a) Share capital

In thousands of AUD

	Consolidated	
	2010	2009
Fully paid ordinary shares 493,650,070 (2009: 407,213,601)	591,176	367,352

b) Movements in shares on issue

Ordinary shares

	Consolidated			
	2010			2009
	Nos of shares	\$000's	Nos of shares	\$000's
	000's		000's	
Beginning of the financial year	407,213	367,352	391,918	351,374
Issued for cash	71,684	214,886	-	-
Exercise of share options	14,753	14,753	15,295	15,295
Transfer from share based payment reserve	-	-	-	1,041
Costs of shares issued, net of tax	-	(5,815)	-	(358)
	493,650	591,176	407,213	367,352

Notes to the ASX Appendix 4E financial report continued

6. Interests in Joint Ventures and Associates

The consolidated entity has interests in the following jointly controlled operations, whose principal activities involve the development and mining of coal:

	2010	2009
Tarrawonga Coal Project Joint Venture	70%	70%
Narrabri Coal Joint Venture	70%	77.5%
Blackjack Carbon Joint Venture	50%	50%

The consolidated entity's share of the above jointly controlled entities has been recorded using the proportional consolidation method.

7. Sell down of Narrabri Project

During the year, the Company sold a further 7.5% of its joint venture interest in the Narrabri North Project to a Korean consortium, comprising Daewoo International Corporation (Daewoo) and Korea Resources Corporation (KORES), for A\$125 million, plus 7.5% of all costs incurred since 1 January 2008. The sale takes the Company's interest in the project down to 70%. The consortium will pay the A\$125 million in three tranches. The first and second tranches of \$32.5 million and \$30 million were received during the year, as well as the consortium's 7.5% share of project development costs incurred since 1 January 2008. The third tranche of \$62.5 million became payable on approval for stage 2 of the Narrabri Project from the NSW Government which was received in July 2010.

8. Dividends

During the year the company paid fully franked dividends of \$42,403,000, representing a final 2009 dividend of 6.0 cents per ordinary share and an interim dividend for 2010 of 2.8 cents per ordinary share.

Declared after end of year

After the balance sheet date the following dividend was proposed by the directors. The dividend has not been provided and there are no income tax consequences.

	Cents per share	Total amount \$'000	Franked amount per security	Date of payment
Final ordinary (Fully franked)	2.8	13,822	100%	30 September 2010

The record date for determining entitlement to the dividend will be 17 September 2010.

The financial effect of these dividends has not been brought to account in the financial statements for the year ended 30 June 2010 and will be recognised in subsequent financial reports.

Notes to the ASX Appendix 4E financial report continued

9. 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 directors have resolved to pay a fully franked dividend of 2.8 cents per ordinary share.
- After the year end the Company granted Share Acquisition Rights (SARs) over 1,305,000 ordinary shares to key senior employees as part of ongoing long term incentive plans. The SARs vest over the period 1 July 2011 to 1 July 2014 and are subject to market based performance hurdles.
- On 28 July 2010 the Group received approval from the NSW Minister for Planning, The Hon Tony Kelly MLC, for Narrabri Coal Project Stage 2. The project approval under Part 3A of the Environmental Planning and Assessment Act 1973 will permit the development of a longwall mining operation and associated infrastructure at the Narrabri Mine to an approved level of production of 8 Mtpa. The receipt of approval for Narrabri Coal Project Stage 2 also triggers two tranche payments related to previous sell downs of the Narrabri Joint Venture. Tranche 2 of \$83.3 million from J Power was received on 13 August 2010. Tranche 3 of \$62.5 million due from the Korean consortium is receivable on 30 November 2010.
- On 9 August 2010 the Group provided funding of \$29.0 million to NCIG as part of the funding requirement of the NCIG Stage 2AA expansion. It is the Group's intention to recover this funding as NCIG secures planned investment from other external parties.
- On 5 August 2010, in response to media speculation, the Group issued an announcement to the ASX confirming that the Group has had, and continues to have, discussions with third parties in relation to potential corporate transactions. Those discussions that are continuing are preliminary and remain incomplete, and it is highly uncertain whether they will lead to a proposal for consideration by the Company's directors and shareholders.

The financial effect of the above matters has not been brought to account in the financial statements for the year ended 30 June 2010 but will be recognised in future financial periods.

10. Net tangible asset backing

	Consolidated 2010	2009
Net tangible assets per share	\$1.9846	\$1.6833

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 2010 that are likely to be subject to dispute or qualification by the auditors.

The Company has a formally constituted Audit Committee.

A handwritten signature in black ink, appearing to be "A Perrin", with a horizontal line underneath it.

A Perrin
CFO & Joint Company Secretary

Date: 24 August 2010

JORC AUGUST STATEMENTS

WHITEHAVEN COAL LIMITED - COAL RESOURCES - AUGUST 2010							
Tenement		Measured Resource	Indicated Resource	Inferred Resource	Total Resources	Competent Person	Report Date
Bluevale Opencut	EL4699/CL316	8.79	5.66	1.1	15.5	1	Sep-09
Vickery Opencut	CL316	30.00	151.60	91.1	272.7	2	Aug-10
Vickery Underground	CL316	-	-	22.0	22.0	2	Aug-10
Rocglen Opencut	ML1620	11.74	6.19	2.1	20.1	1	May-09
Rocglen Underground	ML1620	-	2.09	2.1	4.2	1	May-09
Tarrowonga Opencut *	EL5967/ML1579	17.44	41.57	19.1	78.1	1	Jun-10
Tarrowonga Underground	EL5967/ML1579	6.55	13.64	20.1	40.2	1	Jun-10
Sunnyside Opencut	ML1624/EL5183	20.35	47.84	22.9	91.1	1	May-09
EL5183 Underground	EL5183	-	7.20	32.2	39.4	1	May-09
BLOCK 7 Opencut	CCL701	-	-	1.4	1.4	1	Jan-09
BLOCK 7 Underground	CCL701	-	12.90	2.5	15.4	1	Jan-09
Other Gunnedah Resources	CCL701	-	13.00	123.2	136.2	3	Mar-10
TOTAL GUNNEDAH OPERATIONS		94.87	301.69	339.8	736.3		
TOTAL WERRIS CREEK ***	ML1563/EL5993/ EL7422	29.96	4.79	2.7	37.4	1	May-09
Narrabri North Underground	ML1609	169.40	171.00	135.0	475.4	4	Dec-09
Narrabri South Underground	EL6243	45.20	114.00	220.0	379.2	4	Dec-09
TOTAL NARRABRI		214.6	285.0	355.0	854.6		
Brunt Deposit Opencut	EL6450	-	2.60	0.3	2.9	3	Sep-09
Arthurs Seat Opencut	EL6587	-	-	1.7	1.7	3	Nov-09
TOTAL ASHFORD		-	2.6	2.0	4.6		
TOTAL COAL RESOURCES		339.43	594.08	699.5	1,632.9		
1. Colin Coxhead, 2. Greg Jones, 3. Tom Bradbury, 4. Chris Turvey * Tarrowonga Joint Venture - Whitehaven owns 70% share of ML1579. Combined Resource for Tarrowonga Mining Lease and Exploration Licence ** Narrabri Joint Venture - Whitehaven owns 70% share *** Combined Resource for Werris Creek Mining Lease and Exploration Licences # The Coal Resources for active mining areas are current to the pit surface as at the report date.							

WHITEHAVEN COAL LIMITED - COAL RESERVES - AUGUST 2010									
Tenement		Recoverable Reserves			Marketable Reserves			Competent Person	Report Date
		Proved	Probable	Total	Proved	Probable	Total		
Bluevale Opencut	EL4699/CL316	3.33	6.42	9.75	3.09	5.98	9.07	1	Jun-10
Rocglen Opencut	ML1620	8.92	3.76	12.68	7.81	3.29	11.10	1	Jun-10
Tarrowonga Opencut *	EL5967/ML1579	4.80	30.77	35.57	4.45	28.55	33.00	1	Jun-10
Tarrowonga Underground	EL5967/ML1579	-	3.70	3.70	-	3.10	3.10	2	May-09
Sunnyside Opencut	ML1624/EL5183	6.89	20.68	27.57	6.89	20.68	27.57	1	Jun-10
BLOCK 7 Underground	CCL701	-	4.00	4.00	-	4.00	4.00	2	May-09
TOTAL GUNNEDAH OPERATIONS		23.94	69.33	93.27	22.24	65.60	87.84		
TOTAL WERRIS CREEK **	ML1564/EL5993/ EL7422	26.00	4.33	30.33	26.00	4.33	30.33	1	Jun-10
Narrabri North Underground	ML1609	66.0	67.4	133.4	66.0	67.4	133.4	2	Jan-10
Narrabri South Underground	EL6243	24.7	61.5	86.2	19.4	47.1	66.5	2	Jan-10
TOTAL NARRABRI ***		90.7	128.9	219.6	85.4	114.5	199.9		
Brunt Deposit Opencut	EL6450	-	-	-	-	-	-		
Arthurs Seat Opencut	EL6587	-	-	-	-	-	-		
TOTAL ASHFORD		-	-	-	-	-	-		
TOTAL COAL RESERVES		140.64	202.56	343.2	133.64	184.43	318.1		
<p>1. Doug Sillar, 2. Graeme Rigg * Tarrowonga Joint Venture - Whitehaven owns 70% share of ML1579. Combined Reserve for Tarrowonga Mining Lease and Exploration Licence ** Combined Reserve for Werris Creek Mining Lease and Exploration Licences *** Narrabri Joint Venture - Whitehaven owns 70% share # The Coal Reserves for active mining areas are reported on the end of June 2010 pit surface. ## Coal Reserves are quoted as a subset of Coal Resources. ### Marketable Reserves are based on geological modeling of the anticipated yield from Recoverable Reserves</p>									

NB: - Refer to Page 28 for full JORC compliant and persons statements



JORC Competent Persons Statement

Information in this report that relates to Coal Resources and Reserves is based on and accurately reflects reports prepared by the Competent Person named beside the respective information. All these persons are consultants for Whitehaven Coal Limited. Mr Colin Coxhead is a private consultant. Mr Greg Jones is a principal consultant with JB Mining Services. Mr Tom Bradbury is a full time employee of Geos Mining. Mr Chris Turvey is a private consultant. Mr Graeme Rigg is a full time employee of Minarco-MineConsult Pty Ltd. Mr Doug Sillar is a full time employee of Minarco-MineConsult Pty Ltd.

Named Competent Persons consent to the inclusion of material in the form and context in which it appears. This Coal Resources and Reserves statement was compiled by Mr Mark Dawson, Group Geologist, Whitehaven Coal Limited. All Competent Persons named are Members of the Australian 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, 2004 Edition).