



QUARTERLY REPORT

SEPTEMBER 2013 QUARTERLY PRODUCTION REPORT

HIGHLIGHTS

- Total managed saleable coal production for the quarter was 2.349 Mt, a new company record and 44% higher than the previous corresponding period.
- Strong coal production of 1.363 Mt from the Narrabri Mine following the successful relocation and startup of the longwall equipment in the second panel at the mine.
- Thermal coal sales from the Narrabri Mine achieved better than the standard Newcastle thermal coal specification following the introduction of blending the by-pass coal and the thermal coal product from the CHPP at the mine.
- The expansion of the Werris Creek Mine to 2.5 Mtpa is on schedule and all work will be completed by December 2013.
- Successfully defended the injunction application seeking to restrict the commencement of construction activities at the Maules Creek project.
- Signed a contract with Leighton Contractors for the construction of the rail line for the Maules Creek project with mobilisation expected in the December quarter.



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PRODUCTION AND SALES HIGHLIGHTS

Thousands of tonnes	Quarter Ending			YTD		
	Sep 2013	Sep 2012	Change	Sep 2013	Sep 2012	Change
Managed ROM Coal Production	2,661	1,908	39%	2,661	1,908	39%
Managed Saleable Coal Production	2,349	1,634	44%	2,349	1,634	44%
Managed Total Coal Sales	2,499	1,843	36%	2,499	1,843	36%
Equity Saleable Coal Production	1,870	1,375	36%	1,870	1,375	36%
Equity Coal Sales	2,030	1,615	26%	2,030	1,615	26%

Whitehaven's managed ROM and saleable coal production set new quarterly records of 2.661 million tonnes (Mt) and 2.349 Mt, up 39% and 44% respectively on the previous corresponding period. The significant increase in production was due to record production rates from the longwall at the Narrabri Mine during the quarter compared to early stage ramp up of the longwall in the previous corresponding period.



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WHITEHAVEN PRODUCTION DATA

Thousands of tonnes	Quarter Ending			Year to Date		
	Sep-13	Sep-12	% Change	Sep-13	Sep-12	% Change
Narrabri (100%)						
ROM Coal Production	1,363	512	166%	1,363	512	166%
Saleable Coal Production	1,143	489	134%	1,143	489	134%
Sales of Produced Coal	1,054	371	184%	1,054	371	184%
Coal Stocks at period end	457	159	188%	457	159	188%
Tarrawonga (100%)						
ROM Coal Production	539	456	18%	539	456	18%
Saleable Coal Production	455	373	22%	455	373	22%
Sales of Produced Coal	509	389	31%	509	389	31%
Coal Stocks at period end	289	130	122%	289	130	122%
Rocglen (100%)						
ROM Coal Production	339	353	(4%)	339	353	(4%)
Saleable Coal Production	251	238	5%	251	238	5%
Sales of Produced Coal	279	268	4%	279	268	4%
Coal Stocks at period end	109	118	(8%)	109	118	(8%)
Sunnyside (100%)						
ROM Coal Production	-	188	(100%)	-	188	(100%)
Saleable Coal Production	-	138	(100%)	-	138	(100%)
Sales of Produced Coal	-	115	(100%)	-	115	(100%)
Coal Stocks at period end	-	207	(100%)	-	207	(100%)
Werris Creek (100%)						
ROM Coal Production	420	399	5%	420	399	5%
Saleable Coal Production	501	396	27%	501	396	27%
Sales of Produced Coal	500	388	29%	500	388	29%
Coal Stocks at period end	273	139	96%	273	139	96%
Total Whitehaven Group (100%)						
ROM Coal Production	2,661	1,908	39%	2,661	1,908	39%
Saleable Coal Production	2,349	1,634	44%	2,349	1,634	44%
Sales of Produced Coal	2,342	1,532	53%	2,342	1,532	53%
Sales of Purchased Coal**	157	311	(50%)	157	311	(50%)
Total Coal Sales	2,499	1,843	36%	2,499	1,843	36%
Coal Stocks at period end	1,129	754	50%	1,129	754	50%



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Thousands of tonnes	Quarter Ending			Year to Date		
	Sep-13	Sep-12	% Change	Sep-13	Sep-12	% Change
Total Whitehaven Group (Equity Share)						
ROM Coal Production	2,091	1,617	29%	2,091	1,617	29%
Saleable Coal Production	1,870	1,375	36%	1,870	1,375	36%
Sales of Produced Coal	1,873	1,304	44%	1,873	1,304	44%
Sales of Purchased Coal**	157	311	(50%)	157	311	(50%)
Total Coal Sales	2,030	1,615	26%	2,030	1,615	26%
Coal Stocks at period end	912	668	37%	912	668	37%

** sales of externally purchased coal

SAFETY AND ENVIRONMENT

Whitehaven's open cut operations (Tarrawonga, Rocglen and Werris Creek Mines) recorded two LTI's during the quarter. Whitehaven will continue to work tirelessly on ensuring its safety standards and procedures are aligned with industry best practice and recently introduced a safety leadership and behavioural based training program for personnel at all sites.

Although the Narrabri Mine recorded its first LTI since October 2012 during the quarter, overall safety performance has been good, with both its twelve month rolling TRIFR and LTIFR significantly below the average for NSW underground coal mines.

There were no environmental incidents reported at any of the operations during the quarter.

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%

Longwall production at the Narrabri Mine recommenced on 20 July 2013 following completion of the longwall changeover from the first panel to the second panel. ROM coal production for the quarter was 1.363 Mt and saleable production was 1.143 Mt which is significantly higher than the previous corresponding period when the mine was still ramping up to full production.

The annualised cutting rate for the longwall reached 7.1 Mt during the period that it actually cut coal in the quarter, a significant achievement for the mine. The strong production outcome provides a positive indication of



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the mine's future production potential. The longwall had retreated 685 metres in the second panel by the end of the quarter and is due to complete mining of the panel in February 2014.

During the quarter a team of technical experts from Caterpillar worked to resolve the remaining technical issues with the longwall. The shearer was successfully modified during the changeout to rectify roll back and bidirectional cutting commenced at the end of August.

The blending strategy to resolve the low energy levels of the thermal coal from the mine was successful. The combination of blending crushed by-pass coal and washed thermal coal product has made a thermal coal product that fully meets the Newcastle benchmark specifications. All thermal coal sold from the Narrabri Mine during the quarter achieved the Newcastle benchmark price. For further details refer to Whitehaven's ASX Announcement of 20 August 2013.

Another benefit for the future of the mine is that following the success of the blending strategy, focus will shift to increasing the production of PCI coal. Whitehaven anticipates that the mine will be able to produce and sell significantly more than the currently contracted volumes of 650kt per year.

OPEN CUT PRODUCTION AND DEVELOPMENT

Tarrawonga Mine

The Tarrawonga Mine performed in line with expectations with operations, fully aligned with the adjusted mine plan and associated changes implemented in March this year. ROM coal production of 0.539 Mt and saleable coal production of 0.455 Mt were 18% and 22% higher than the previous corresponding period.

Rocglen Mine

Production at the Rocglen Mine was impacted by some geotechnical issues with ROM coal production down 4% to 0.339 Mt from the previous corresponding period. A recovery plan has been developed and implemented to recover the reduced output by the end of the December quarter.

Werris Creek Mine

Production at Werris Creek was slightly below plan on account of coal loss and degradation of quality in the mining areas of the interface between the old underground workings and new open cut mining areas. In some instances the old timers had extracted more coal than indicated from the old plans. Production for the quarter was 0.420 Mt ROM coal, or about 5% higher than the previous corresponding period.

The expansion project at the Werris Creek Mine is nearing completion with only a few of the key elements requiring further work. Production will be expanded to an annualised rate of 2.5 Mtpa when the remaining construction activity is completed during the current quarter.



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MAULES CREEK PROJECT

Whitehaven (Manager)	75%
ITOCHU Corporation	15%
J-Power Australia Pty Limited	10%

Whitehaven has continued to progress the Maules Creek project during the quarter. The project delivery group has issued tenders for a number of the key work packages for the project and is in the process of evaluating those tenders and packages. The process has confirmed with confidence that the capital cost of the project, estimated at \$767 million on a 100% basis will be met. First coal is expected during the first quarter of CY2015.

As an integral part of the project two indigenous groups are completing the archeological artifact salvage clearance process. The groups identify artifacts that could potentially be disturbed by the construction activity and advise on their removal and safe storage for the future. This work is due to be completed in several weeks.

Construction of the rail line will commence, following a mobilisation period for the contractor, immediately after the salvage works are completed.

A second community consultative meeting was held in August. These meetings will become a regular feature of the project to ensure that the local community is completely informed about the development and that any questions or concerns about future mining activity are promptly and comprehensively addressed.

The legal proceedings in the Federal Court challenging the Federal Environmental Minister's EPBC approval of Maules Creek Mine took place between 16 September and 19 September 2013. The parties to the proceedings now await the judge's decision which is expected to be handed down in December.

Following the court hearing, the Applicants in the action sought an injunction preventing Whitehaven from progressing with the project while the Federal Court decision was outstanding. At a hearing held in September, before Justice Griffiths, the Environmental Defenders Office application for an injunction was refused. See the Whitehaven Announcement dated 26 September 2013 for further details.

Whitehaven signed a contract for the construction of the rail line for the project with Leighton Contractors. The rail line is a key part of the mine infrastructure and the longest lead item for the project.

VICKERY PROJECT

Whitehaven	100%
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Whitehaven has responded to the submissions following the public exhibition of the EIS for the Vickery project. The company is in discussions with the NSW Department of Planning & Infrastructure to resolve a small number of outstanding issues prior to referral to a Planning Assessment Commission for determination.

The project approval falls entirely under the remit of the NSW State Government as the Federal Government has determined that the EPBC Act will not apply at Vickery.



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INFRASTRUCTURE

Whitehaven has contracted with ARTC to provide 6.4Mtpa of rail track capacity for the Maules creek project from CY2015. ARTC is working through various upgrades to the system which includes track some duplication, passing loops and a yard at Gunnedah. These are on schedule to be completed before 2015.

A trial of Aurizon 30 tonne axle load locomotives began on 1 August 2013. The train is currently running to Narrabri. The data being provided by this trial indicates that 30 tonne axle load locomotives will be able to continue to operate, hauling wagons to maximum 25 tonne axle load, until the full 30 tonne track is complete in 2015. The track upgrade to full 30 tonne axle load delays the need for additional passing loops and forms part of the track infrastructure improvements required to meet forecast growth in Gunnedah Basin volumes.

The delays in various project approvals have resulted in Whitehaven having surplus port capacity for FY2014. The cost of the surplus capacity is expected to add approximately \$3/t to cash FOB costs in FY2014.

CORPORATE

Whitehaven had \$93M of cash on hand at 30 September 2013. After adjusting for working capital payments made to suppliers on 1 July 2013 deferred from June 2013, there was a net cash inflow from operations of \$4.2M for the September quarter.

The sale and leaseback during the quarter of mining equipment purchased last year contributed \$31M of proceeds. New mining equipment purchases of \$23M were also finalised in the quarter with funding secured through finance lease arrangements outside Whitehaven's Bank Debt Facility. The mining equipment acquired is being utilised at the Werris Creek and Tarrawonga mines and will contribute to management's drive to reduce production costs. No further mining equipment purchases are anticipated in the near term in relation to existing open cut operations.

At 30 September 2013 total drawn debt from Whitehaven's Bank Debt Facility was \$475M, an increase of \$30M compared to 30 June 2013. The Bank Debt Facility has a four year tenor and provides lines of credit comprising \$1.0 billion revolving and term, and \$0.2 billion guarantee facilities. The \$30M drawn was used to fund \$21M of Maules Creek capital expenditure during the quarter with the balance of \$9M to be applied to funding commitments for the Maules Creek rail line early in the second quarter.

The company is currently in discussions with its banking group to restructure its Bank Debt Facility. When the Bank Debt Facility was originally established, the covenant testing was timed to occur after first coal was railed from Maules Creek. Since the Bank Debt Facility was arranged the project timeline has been impacted by recent delays in the final approval for the project and by court challenges, and accordingly we are seeking to amend the facility to reflect the new timeline.

There were approximately US\$79.5m in forward A\$ / \$US exchange contracts on hand at the end of September, at an average exchange rate of A\$1.00 = US\$0.9241. These contracts are deliverable between October 2013 and June 2014.

Whitehaven has continued to make progress with the previously announced restructure of its finance and administration functions to a centralised shared services function, which will be in the current quarter.



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EXPLORATION

Whitehaven spent a total of \$0.429 million on exploration during the September quarter. Expenditure was limited to that required to maintain tenements in good standing.

COAL SALES AND COAL MARKET OUTLOOK

Total managed coal sales for the September quarter were 2.499 Mt, up 36% on the previous corresponding period. Included in the total sales were sales of purchased coal of 0.157 Mt in the September quarter, down 50% compared to the previous corresponding period. Export sales comprised 0.440 Mt of metallurgical coal and 2.006 Mt of thermal coal, with domestic thermal coal sales of 0.052 Mt.

The benchmark price of Whitehaven's metallurgical product, Newcastle Semi-Soft Coking Coal (SSCC) was between US\$102 and US\$103 per tonne FOB in the September quarter. The price for the December quarter is expected to be about US\$103/t FOB.

During the September quarter, the benchmark Newcastle thermal coal index (globalCOAL NEWC Index) averaged US\$78.00/t. In addition, the average pricing achieved by Whitehaven for all Thermal coal sales in the quarter was US\$77.53/t.

Thermal coal sales from the Narrabri Mine have achieved better than the standard Newcastle thermal coal specification for the quarter following the introduction of blending the by-pass coal and washed thermal coal product from the Coal Handling and Preparation Plan (CHPP) at the mine.

The thermal coal market in Asia continues to trade within a fairly tight range; however, the Physical Newcastle (FOB) market has seen stronger pricing on the back of US\$84.00/t trades for late Q4, 2013 and early Q1 2014 deliveries. Japanese and Korean thermal coal demand continues to be steady with generating companies in both countries starting to restock before the winter. In the Atlantic market (Amsterdam-Rotterdam-Antwerp and Richards Bay, South Africa) thermal coal prices have increased on the back of supply difficulties out of Columbia and pre-winter demand by the utility sector. In addition, this has also positively influenced prices in the Pacific market (Newcastle). Metallurgical coal prices have increased recently with the October-December negotiations completed with the Steel Mills in Asia. This is reflective of the continued strong import demand by China.

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