



WHITEHAVEN COAL LIMITED

ABN 68 124 425 396

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16 October 2009

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Via electronic lodgement

Dear Sir

2009 Notice of Annual General Meeting Mailing

Attached are the Notice of Meeting and Proxy Form for Whitehaven Coal Limited's 2009 Annual General Meeting, which will be held on Tuesday 17 November 2009 at the Westin Hotel (Ballroom 4) 1 Martin Place, Sydney, commencing at 11.00am.

Yours faithfully
Whitehaven Coal Limited

Timothy Burt
Company Secretary

Notice of annual general meeting

Whitehaven Coal Limited ACN 124 425 396

Notice is given that the annual general meeting of Whitehaven Coal Limited (**Company**) will be held at:

Location	The Westin Hotel, 1 Martin Place Sydney NSW 2000
Date	17 November 2009
Time	11.00am

Ordinary business

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the directors and the auditor for the financial year ended 30 June 2009.

Directors' remuneration report

To consider and, if in favour, to pass the following resolution under section 250R(2) *Corporations Act 2001* (Cth) (**Corporations Act**):

- 1 *'That the section of the report of the directors for the financial year ended 30 June 2009, dealing with the remuneration of the directors, secretary and senior executives, be adopted.'*

This resolution will be decided as if it were an ordinary resolution. However under section 250R(3) *Corporations Act*, the vote on this resolution is advisory only and does not bind the directors or the Company.

Election of directors

To consider and, if in favour, to pass the following as ordinary resolutions:

- 2 *'That Hans Mende who retires by rotation under rule 16.1 of the Company's constitution, and being eligible, be re-elected as a director of the Company.'*
- 3 *'That John Conde who retires by rotation under rule 16.1 of the Company's constitution, and being eligible, be re-elected as a director of the Company.'*
- 4 *'That Allan Davies, who was appointed as a director pursuant to rule 13.2 of the Company's constitution, and being eligible, be re-elected as a director of the Company.'*

Information about the candidates appears in the accompanying Explanatory Memorandum.

Special Business

Approval for the issue of Shares to a related party

To consider, and if in favour, pass the following resolution as an ordinary resolution:

5 `That:

- (a) *shareholders ratify the Company's commitment made on 19 February 2009 to issue 2,500,000 Ordinary Shares to Dalara; and*
- (b) *for the purposes of Chapter 2E of the Act, Listing Rule 10.11 and the requirements of ASX, approval be given for the issue of 2,500,000 Ordinary Shares to Dalara on the terms set out in the Explanatory Memorandum accompanying this Notice of meeting, at an issue price of \$1.55 per Ordinary Share.'*

Note: If approval is obtained under Listing Rule 10.11, approval is not required under Listing Rule 7.1, as set out in the Explanatory memorandum.

Approval for the grant of options to a related party

To consider, and if in favour, pass the following resolution as an ordinary resolution:

6 `That:

- (a) *shareholders ratify the Company's commitment made on 19 February 2009 to grant three options to require the issue of 1,666,666, 1,666,667 and 1,666,667 Ordinary Shares (respectively) to Dalara; and*
- (b) *for the purposes of Chapter 2E of the Act, Listing Rule 10.11 and the requirements of ASX, approval be given for the grant of three options requiring the issue of 1,666,666, 1,666,667 and 1,666,667 Ordinary Shares (respectively) to Dalara, on the terms set out in the Explanatory Memorandum accompanying this Notice of meeting.'*

Note: If approval is obtained under Listing Rule 10.11, approval is not required under Listing Rule 7.1, as set out in the Explanatory memorandum.

Approval for previous share issue

To consider, and if in favour, pass the following resolution as an ordinary resolution:

- 7 `That for the purpose of Listing Rule 7.4, and for all other purposes, shareholders approve the issue of 60,682,040 Ordinary Shares to sophisticated and professional investors on 7 August 2009 on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Approval to allow vesting of options issued to Rob Stewart

8 To consider, and if in favour, pass the following resolution as an ordinary resolution

`That:

- (a) *shareholders approve and ratify the Board's commitment to allow Rob Stewart's options to vest on his retirement; and*
- (b) *for the purpose of Listing Rule 6.23.4, Rob Stewart's options are varied so that the Board may allow those options to vest on his retirement and, if allowed to so vest, are not forfeited.*

Approval of employee share and option plans

9 To consider, and if in favour, pass the following resolution as an ordinary resolution:

'That for the purposes of ASX Listing Rule 7.2 (exception 9) the issue of securities under:

- (a) *the Whitehaven Coal Limited Employee Share Option Plan; and*
- (b) *the Whitehaven Coal Limited Employee Share Plans,*

a summary of the terms and conditions of which are set out in the explanatory statement, be approved as an exception to ASX Listing Rule 7.1.'

Adoption of proportional takeover approval rules

To consider, and if in favour, pass the following resolution as a special resolution:

- 10 *'That the Company's constitution be amended by adopting rule 27 in the form of the Schedule to the Explanatory Memorandum for a period of three years, effective on the day on which the resolution is passed by shareholders in general meeting.'*

Dated 16 October 2009

By order of the Board

Timothy Burt
Company Secretary

Notes

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form. A proxy may also be submitted online by visiting the website www.investorvote.com.au. You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and Control Number as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website.

- (d) A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001* (Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) If you have any questions on how to cast your votes call Timothy Burt on 02 8507 9700 during business hours.

Voting restriction

The Company will disregard any votes cast on resolution 1 by:

- (a) a director; and
- (b) an associate of a director,

however the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy voting form; or

it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Under the Act and Listing Rule 14.11, the Company will disregard any votes cast on the following resolutions by the following persons:

Resolution 5	Dalara and its associates.
Resolution 6	Dalara and its associates.
Resolution 7	Any party who was issued shares and their associates.
Resolution 8	Rob Stewart and his associates.
Resolution 9	Executive Directors of the Company and their associates.

The Company will not however disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting entitlements

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the meeting are those who are registered as shareholders on 16 November 2009 at 7.00pm (Sydney time).

Explanatory memorandum

Whitehaven Coal Limited ACN 124 425 396

Financial statements and reports

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the directors, the auditor's report and the financial report be laid before the annual general meeting. In addition the Company's constitution provides for these reports to be received and considered at the meeting.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of shareholders at the annual general meeting on the financial statements and reports. However shareholders will be given reasonable opportunity at the meeting to raise questions with respect to these reports.
- 3 Shareholders may also submit written questions to the Company's auditor, Ernst & Young, if the question is relevant to the content of the audit report, or the conduct of its audit of Whitehaven Coal Limited's annual report for the year ended 30 June 2009. Relevant written questions for the auditor must be delivered by 5pm, 10 November 2009. Please send any written questions for Ernst & Young to the address listed in the proxy form attached to this notice of meeting.

Resolution 1: Directors' remuneration report

- 4 Section 250R(2) of the Corporations Act requires that the section of the directors' report dealing with the remuneration of directors, the secretary and up to five senior executives (**remuneration report**) be put to shareholders for adoption.
- 5 The resolution of shareholders is **not binding** on the Company.
- 6 The remuneration report is included in the Directors' Report in the Whitehaven Coal Limited annual report. It is also available on the Whitehaven Coal Limited internet site (www.whitehaven.net.au). The report:
 - (a) explains the board's policies in relation to the nature and level of remuneration paid to directors, secretaries and senior executives within the Whitehaven group;
 - (b) discusses the link between the board's policies and Whitehaven Coal Limited's performance;
 - (c) sets out the remuneration details for each director and for each member of Whitehaven Coal Limited's senior executive management team; and
 - (d) makes clear that the basis for remunerating non-executive directors is distinct from the basis for remunerating executives, including executive directors.
- 7 A reasonable opportunity will be provided for discussion of the remuneration report at the meeting.
- 8 The directors recommend you vote in favour of this resolution.

Election of directors

Resolution 2: Election of Hans Mende

- 9 Under Rule 16.1 of the constitution of the Company, one third of the current directors (excluding the managing director) must retire by rotation at each annual general meeting. In accordance with this Rule, Hans Mende retires at the end of this meeting. Hans, being eligible, presents himself for re-election.
- 10 Hans has been President of the AMCI Group since he co-founded the company in 1986. He is also a non-executive director of MMX Mineracao, New World Resources N.V, Excel Maritime and Felix Resources Limited, an Australian listed company. Prior to starting at AMCI Group, Hans was employed by the Thyssen group of companies in various senior executive positions. Hans graduated from the University of Cologne, Germany in 1966.
- 11 The Directors recommend you vote in favour of this resolution.

Resolution 3: Election of John Conde

- 12 In accordance with Rule 16.1 of the constitution of the Company (described above), John Conde retires at the end of this meeting. John, being eligible, presents himself for re-election.
- 13 In addition to being chairman of Whitehaven, John is chairman of Energy Australia and chairman of the Bupa Australia Group. John is president of the Commonwealth Remuneration Tribunal and chairman of the Sydney Symphony. He is a director of the Dexus Property Group. John has degrees in Science and Electrical Engineering (with the University Medal) from the University of Sydney and a Master of Business Administration from Harvard University. John was previously a Director of BHP Billiton and Excel Coal Limited, Managing Director of Broadcast Investment Holdings Pty Limited, Director of Lumley Corporation and President of the National Heart Foundation of Australia.
- 14 The Directors recommend you vote in favour of this resolution.

Resolution 4: Election of Allan Davies

- 15 Under Rule 13.2 of the constitution of the Company, the Board has the power to appoint any person as a director to fill a casual vacancy. In accordance with this rule, on 19 February 2009 the Board appointed Allan Davies.
- 16 Pursuant to Rule 13.2, Allan Davies can hold this office only until this meeting. Allan, being eligible, presents himself for re-election.
- 17 Allan is a mining engineer and has 35 years experience in the Australian and international coal and metalliferous mining industries. He is a registered mine manager in Australia and South Africa. Allan was a founding director of Excel Coal Limited and as Executive Director – Operations for Excel Coal Limited, Allan had direct responsibility for operations and construction projects. From 2000 until early 2006, Allan worked for Patrick Corporation as Director Operations. Prior to this, Allan was the General Manager of Hunter Valley No 1 and Howick coal mine for Rio Tinto from 1996 to 2000, and General Manager for AgipCoal (United Collieries) from 1991 to 1995. He was also a director of Mining at BP Coal (USA) from 1988 to 1990. Currently, Allan is a non-executive director of QR Limited, a member of the Advisory Board of the Kaplan Infrastructure and Logistics Fund and a non-executive director of QMastor Limited.

18 The Directors recommend you vote in favour of this resolution.

Special Business

Issue of shares and grant of options to Allan Davies (a related party)

Summary of the proposed transaction

The issue of Shares and Options

19 On 26 February 2009, the Company announced that Mr Allan Davies was appointed as a director of Whitehaven on 19 February 2009 and Whitehaven had entered into the Share Subscription and Option Deed with Dalara.

20 Dalara is controlled by Mr Allan Davies and is, therefore, a related party of Whitehaven.

21 Under the Share Subscription and Option Deed, the Company recorded its commitment to (subject to obtaining shareholder approval):

- (a) issue 2,500,000 Ordinary Shares to Dalara at a price of \$1.55 per ordinary share; and
- (b) grant the Options to Dalara.

22 The terms of the Options are summarised in the table below:

Option number	Number of Ordinary Shares to which the Options relate	Exercise price	Vesting date	Expiry date
Tranche One	1,666,666	\$1.70	31 October 2009	31 October 2013
Tranche Two	1,666,667	\$1.70	31 October 2010	31 October 2013
Tranche Three	1,666,667	\$1.70	31 October 2011	31 October 2013

23 In addition to the terms of the Options set out in the table in paragraph 22:

- (a) Dalara may exercise an Option by delivering a notice of exercise to Whitehaven at any time until 5pm on the last day of each exercise period (i.e. the period commencing on the vesting date and ending on the expiry date as set out in the table in paragraph 22) in respect of all (and not part only) of the Ordinary Shares to which Dalara is entitled.
- (b) Upon exercise of an Option by Dalara, Whitehaven is bound to issue the number of Ordinary Shares set out in the table in paragraph 22 to Dalara, and Dalara is bound to purchase the Ordinary Shares for the exercise price.
- (c) Unless otherwise resolved by the Board to the contrary, any unexercised Options will lapse if:
 - (i) Dalara assigns the Options or its rights under the Share Subscription and Option Deed without the prior written consent of Whitehaven;
 - (ii) Allan Davies retires as a director of Whitehaven; or

- (iii) Allan Davies is lawfully terminated as a result of conduct involving a wilful breach of his duties as a director.
- (iv) The Ordinary Shares the subject of any unexercised Options are reduced by 50% if, prior to the exercise of the relevant Option, Allan Davies:
 - (A) dies; or
 - (B) becomes disabled and is, in the opinion of a medical practitioner nominated by the Board, unable to perform his normal duties.

24 The Options proposed to be issued under the Share Subscription and Option Deed form part of Allan Davies' remuneration package. Both the Ordinary Shares and the Options are designed to align the interests of Mr Davies with the Company.

Interests of Allan Davies in Whitehaven securities

25 The table below sets out the current interests of Allan Davies in Whitehaven securities, and his interests after the issue of the Ordinary Shares and Options the subject of resolutions 5 and 6 and the exercise of the Options.

Allan Davies' current interests in the Company	Allan Davies' interests in the Company after the issue of the Ordinary Shares and Options	Allan Davies' interests after the issue of the Ordinary Shares and Options, assuming the Options are exercised
125,000 Ordinary Shares held by Dalara amounting to approximately 0.026% of the Company's issued capital	<p>2,625,000 Ordinary Shares held by Dalara amounting to approximately 0.55% of the Company's issued capital (on a diluted basis)</p> <p>1,666,666 options held by Dalara to acquire Ordinary Shares with an exercise price of \$1.70 per Ordinary Share, a vesting date of 31 October 2009 and an expiry date of 31 October 2013</p> <p>1,666,666 options held by Dalara to acquire Ordinary Shares with an exercise price of \$1.70 per Ordinary Share, a vesting date of 31 October 2010 and an expiry date of 31 October 2013</p> <p>1,666,667 options held by Dalara to acquire Ordinary Shares with an exercise price of \$1.70 per Ordinary Share, a vesting date of 31 October 2011 and an expiry date of 31 October 2013</p>	7,625,000 Ordinary Shares held by Dalara amounting to approximately 1.58% of the Company's issued capital (on a diluted basis)

Approvals sought

- 26 Resolution 5 seeks shareholder approval for the issue of 2,500,000 Ordinary Shares to Dalara.
- 27 Resolution 6 seeks shareholder approval for the grant of the Options to Dalara.
- 28 Both resolution 5 and resolution 6 seek:
- (a) shareholder approval for the purposes of Chapter 2E of the Act and in compliance with Listing Rule 10.11; and
 - (b) ratification by shareholders of the Company's commitment to Dalara made on 19 February 2009.

Reason for the delay in seeking shareholder approval

- 29 While the Company made the commitment to issue the Ordinary Shares and grant the Options to Dalara in February 2009, there has been a delay in seeking shareholder approval for that commitment. The delay has been due to the protracted merger negotiations between the Company and Gloucester Coal Limited which had, since the time the commitment was made until the termination of those negotiations, been the focus of the Company's attention.

Resolution 5: Approval for the issue of shares to a related party

The issue of Ordinary Shares

- 30 The Company seeks approval to issue 2,500,000 Ordinary Shares to Dalara pursuant to the Share Subscription and Option Deed.

Why is shareholder approval required?

- 31 Dalara is a related party for the purpose of Chapter 2E of the Act and Listing Rule 10.11 because it is an entity that is controlled by Mr Davies, a director of the Company. Further, Mr Davies is a beneficiary of the AJ and LM Davies Family Trust.
- 32 The issue of Ordinary Shares to Dalara will constitute the giving of a financial benefit to a related party under section 229(3)(e) of the Act and consequently, approval under section 208 of the Act is sought.
- 33 Listing Rule 10.11 also requires the approval of shareholders before Ordinary Shares can be issued to a related party.
- 34 The following information is provided in accordance with Listing Rule 10.13 in relation to the Ordinary Shares that are proposed to be issued to Dalara under the Share Subscription and Option Deed:

Name of person to whom securities will be issued	Dalara Investments Pty Limited ACN 064 011 365 as trustee for AJ and LM Davies Family Trust ABN 75 942 788 252
Maximum number of securities to be issued	2,500,000 Ordinary Shares

Date the Company committed to issue the securities	19 February 2009
Date the Company will issue the securities	The Ordinary Shares will be issued no later than 1 December 2009.
Relationship to Company	Dalara is the corporate trustee of the AJ and LM Davies Family Trust. Dalara is controlled by Mr Allan Davies, who is a director of Whitehaven and also a beneficiary of the AJ and LM Davies Family Trust
Issue price of the securities	\$1.55 per Ordinary Share
Terms of issue	Ordinary Shares which will rank equally with all existing Ordinary Shares then on issue and the Company will seek quotation of the shares on ASX
Intended use of funds	The funds received will be used for working capital purposes

35 Provided approval is obtained under Listing Rule 10.11, approval is not separately required under Listing Rule 7.1.

What majority of votes is required?

36 A simple majority of shareholders is required to pass the resolution.

Who can vote on this resolution?

37 All shareholders can vote other than Dalara and its associates.

38 Associates include:

- (a) any person who is a director or secretary;
- (b) a related body corporate of the person or a director or secretary of a related body corporate;
- (c) any person with whom a party has an agreement, arrangement or understanding whether or not formal, in writing or enforceable:
 - (i) because of which one of those persons has or will have power to exercise control or substantially influence the exercise of voting power attached to shares for the purpose of controlling or influencing the composition of the board or the conduct of its affairs;
 - (ii) under which one of those persons will or may acquire or be required by the other to acquire shares in which the other has a relevant interest;
 - (iii) under which one of those persons may be required to dispose of shares at the other's discretion; or
 - (iv) is acting in concert with the party or proposing to become associated with them.

Other information

- 39 During the last 12 months, Ordinary Shares have traded on ASX in the price range of \$0.89 to \$4.79 per Ordinary Share.

Accounting treatment

- 40 Given the commitment was made by the Company on 19 February 2009, the cost and expense associated with the issuing of the Ordinary Shares to Dalara the subject of resolution 5, was included in the Company's accounts for the financial year ended 30 June 2009.

Directors' recommendation and interests

- 41 No director, other than Allan Davies, has an interest in the outcome of resolution 5. Each director, other than Allan Davies, recommends that members vote in favour of resolution 5. Because of his interest in the outcome, Allan Davies does not make a recommendation in relation to resolution 5.

Resolution 6: Approval for the grant of options to a related party

The grant of options

- 42 The Company seeks approval to grant the Options to Dalara.

Why is shareholder approval required?

- 43 Dalara is a related party for the purpose of Chapter 2E of the Act and Listing Rule 10.11 because it is an entity that is controlled by Mr Davies, a director of the Company. Further, Mr Davies is a beneficiary of the AJ and LM Davies Family Trust.
- 44 The grant of the Options to Dalara will constitute the giving of a financial benefit to a related party under section 229(3)(e) of the Act and consequently, approval under section 208 of the Act is sought.
- 45 Listing Rule 10.11 also requires the approval of shareholders before the Options can be granted to a related party.
- 46 The following information is provided in accordance with Listing Rule 10.13 in relation to the grant of the Options:

Name of person to whom the options will be granted	Dalara Investments Pty Limited ACN 064 011 365 as trustee for AJ and LM Davies Family Trust ABN 75 942 788 252
Maximum number of options to be granted	Three options requiring the issue of 1,666,666, 1,666,667 and 1,666,667 Ordinary Shares (respectively)
Date the Company committed to grant the Options	19 February 2009
Date the Company will grant the options	The Options will be granted no later than 1 December 2009

Relationship to Company	Dalara is the corporate trustee of the AJ and LM Davies Family Trust. Dalara is controlled by Mr Allan Davies, who is a director of Whitehaven and also a beneficiary of the AJ and LM Davies Family Trust
Issue price of the options	Nil
Terms of issue	As set out in paragraphs 4 and 5
Intended use of funds	No funds will be raised from the issue of the options

47 Provided that approval is obtained under Listing Rule 10.11, approval is not separately required under Listing Rule 7.1.

Listing Rule 10.11

What majority of votes is required?

48 A simple majority of shareholders is required to pass the resolution.

Who can vote on this resolution?

49 All shareholders can vote other than those who are to receive securities in relation to the Company under the resolution, and their associates. A description of when a party will be an associate is set out in paragraph 38.

Trading ranges for Ordinary Shares

50 During the last 12 months, Ordinary Shares have traded on ASX in the price range of \$0.89 to \$4.79 per Share.

Value attributed to the Options as at the Commitment Date

51 The Company, having taken appropriate advice, attributes a total value as at the Commitment Date to the Options as set out in the following table:

Tranche of Options	Value as at the Commitment Date
Tranche One Option	\$0.96 million
Tranche Two Option	\$0.95 million
Tranche Three Option	\$0.93 million

52 The value of the Options set out in the table above has been derived using the 'Black & Scholes' valuation method and is based upon the following inputs and assumptions:

- (a) the hypothetical price for Shares at the Commitment Date was \$1.515, being the last traded price of the Company's Shares on that date;

- (b) an exercise price of \$1.70 per Option;
- (c) a risk free rate of 3.25% per annum;
- (d) a volatility factor of 60%;
- (e) an expected life of 4 years for the Tranche One Option, 3 years for the Tranche Two Option and 2 years for the Tranche Three Option;
- (f) dividend yield of 5%; and
- (g) all the other terms and conditions of the Options as outlined in paragraphs 22 and 23.

Accounting treatment

- 53 Given the commitment was made by the Company on 19 February 2009, the cost and expense associated with the granting of the Options to Dalara the subject of resolution 6, was included in the Company's accounts for the financial year ended 30 June 2009.

Directors' recommendation and interests

- 54 No director, other than Allan Davies, has an interest in the outcome of resolution 6. Each director, other than Allan Davies, recommends that members vote in favour of resolution 6. Because of his interest in the outcome, Allan Davies does not make a recommendation in relation to resolution 6.

Resolution 7: Approval of previous share issue

- 55 Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of the shares at the commencement of that 12 month period.
- 56 The allotment and issue of securities detailed in resolution 7 did not exceed the 15% threshold for the purpose of Listing Rule 7.1. Listing Rule 7.4 provides that where a Company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that Company's 15% capacity and enabling it to issue further securities up to that limit. The purpose of resolution 7 is for shareholders to approve, pursuant to Listing Rule 7.4, the issue of 60,682,040 Ordinary Shares to sophisticated and professional investors on 7 August 2009 which counted toward the Company's 15% limit under Listing Rule 7.1. The Company seeks approval of the issue to preserve its ability to issue shares under the 15% limit in Listing Rule 7.1 throughout the coming 12 months.
- 57 In accordance with Listing Rule 7.5, shareholders are advised of the following particulars in relation to the allotment and issue:

Persons to whom securities were issued	Sophisticated and professional investors following a bookbuild process undertaken by UBS AG and Wilson HTM
Number of securities issued	60,682,040 Ordinary Shares

Date the Company issued the securities	7 August 2009
Issue price of the securities	\$3.05 per Ordinary Share
Terms of issue	Ordinary Shares which rank equally with all existing Ordinary Shares on issue and quoted on ASX
Intended use of funds	The funds received will be used to: <ul style="list-style-type: none"> (a) assist in funding growth opportunities and strategic initiatives; (b) increase working capital to manage lumpy cashflows; and (c) strengthen the Company's balance sheet and provide financial flexibility.

Who can vote on the resolution?

58 All shareholders can vote other than parties that were issued securities on 7 August 2009 and their associates. A description of when a party will be an associate is set out in paragraph 38.

Resolution 8: Approval to allow vesting of options issued to Rob Stewart

59 The Company entered into an employment agreement with Mr Robert Stewart dated 3 September 2007 in relation to his appointment as Chief Executive Officer. Mr Stewart commenced his role as CEO on 22 October 2007 and was appointed as Managing Director on 1 April 2008.

60 Pursuant to the terms of the employment agreement with Mr Stewart, the Company issued options to Mr Stewart with the following terms:

Tranche	Number of shares for each Tranche	Exercise price	Vesting date	Expiry Date
Tranche One	1,000,000	\$2.50 per share	22 October 2008	22 October 2012
Tranche Two	1,000,000	\$2.50 per share	22 October 2009	22 October 2012
Tranche Three	1,000,000	\$2.50 per share	22 October 2010	22 October 2012

61 Rob Stewart retired as Managing Director on 16 October 2008. Options which were not vested (or allowed to vest) at the time of his retirement, would otherwise be forfeited under the terms of issue.

62 The board committed to Rob Stewart, at the time of his retirement, that it would allow those options to vest on the date of his retirement and to ensure the options so vested would not otherwise be forfeited. The board considered this commitment reasonable due to the contribution Rob Stewart made to the Company during his time as Chief Executive Officer and Managing Director.

63 An amendment to the terms of Rob Stewart's options requires the approval of shareholders under listing rule 6.23.4. Accordingly, the Company seeks shareholder approval at this meeting.

Resolution 9: Approval of employee share and option plans

- 64 The Company seeks shareholder approval. The Company has established the following employee share and option plans:
- (a) the Whitehaven Coal Limited Employee Share Option Plan; and
 - (b) the Whitehaven Coal Limited Employee Share Plans.
- 65 Under ASX Listing Rule 7.1 companies are generally restricted from issuing more than 15% of their issued share capital in any 12 month period without shareholder approval. There are a number of exceptions to this restriction including exception 9 which applies in circumstances where the Company issues securities under an employee incentive scheme which has been approved by members within three years before the date of issue.
- 66 Generally, the Board has the power to establish and issue options or shares under the plans. However, it is prudent to seek shareholder approval for issues of securities under the plans, so that those issues will not be taken into account for the purpose of the 15% limit in Listing Rule 7.1.
- 67 If approved, the issue of options and the exercise of those options under the Whitehaven Employee Share Option Plan or the issue of shares under the Whitehaven Employee Share Plan (Exempt) or Whitehaven Employee Share Plan (Non Exempt) may have the effect of diluting the holdings of existing shareholders.
- 68 The Company has not issued any shares or options under the plans. A summary of the terms under which awards will be made for each plan described above is set out in the Annexure.

Resolution 10: Adoption of proportional takeover rules

- 69 The law regarding takeovers allows companies to amend their constitutions to prohibit the registration of a transfer of shares resulting from an offer made under a proportional takeover bid, unless shareholders in a general meeting approve the bid.
- 70 The Company's constitution contains a rule (rule 27) that enables the Company to refuse to register shares acquired under a proportional takeover bid unless approved by a resolution of shareholders. Rule 27 has not been renewed since registration of the Company on 15 March 2007 and by its terms (and in accordance with section 648G(3) of the Corporations Act), will be deemed to be omitted from the Company's Constitution on 15 March 2010.
- 71 Given the pending omission of rule 27, it is now appropriate to consider reinsertion of rule 27 in the Company's Constitution. The proposed new rule 27 is in identical terms to the previous provision.

Effect of rule 27

- 72 The effect of rule 27 is that, if a proportional takeover offer is received, the directors are required to convene a meeting of shareholders to vote on a resolution to approve the proportional bid. That meeting must be held at least 14 days before the bid closes. If the proportional bid is not approved, the registration of any transfer of shares resulting from an offer made under the proportional bid will be prohibited and the bid will be deemed to be withdrawn. If the proportional bid is approved, the transfers will be registered, provided they comply with the other provisions of the Corporations Act and the Company's constitution. The provisions of rule 27 do not apply to takeover bids for the

whole of the issued shares of the Company. The insertion of rule 27 will make it operational in the manner outlined above for a period of three years (or longer if it is subsequently renewed by further resolution/s of shareholders).

Reasons for proposing the resolution

- 73 Without the proposed rule, a proportional takeover bid may enable control of the Company to be acquired without shareholders having an opportunity to dispose of all their shares to the bidder. Shareholders could thus risk being left as part of a minority interest in the Company. If the shareholders considered that control of the Company was likely to pass under any takeover bid, they could be placed under pressure to accept the offer even if they do not want control of the Company to pass to the bidder. The proposed rule will prevent this, by permitting shareholders in general meeting to decide whether a proportional takeover bid should be permitted to proceed.
- 74 The bidder and its associates would not be permitted to vote on the matter at such a meeting and thereby influence the outcome.
- 75 As at the date of this notice, no director is aware of any proposal by any person to acquire or increase the extent of a substantial interest in the Company.

Review of the proportional takeover approval provisions

- 76 There have been no partial takeover bids made for the shares of the Company (shareholders will be aware, Gloucester Coal Limited made a full takeover bid for all the shares in the Company). Therefore, there are no actual examples against which to review the advantages and disadvantages of rule 27, for the directors and the shareholders respectively, of the Company during this period.

Potential advantages and disadvantages

- 77 The directors of the Company consider that the proposed proportional takeover approval provisions have no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.
- 78 The potential advantages of the proposed proportional takeover approval provisions for shareholders of the Company are that:
- (a) they give shareholders their own say in determining, by majority vote, whether a proportional takeover bid should proceed;
 - (b) they may assist shareholders in not being 'locked in' as a relatively powerless minority;
 - (c) they increase shareholders' bargaining power and may assist in ensuring that any future proportional bid is adequately priced; and
 - (d) knowing the view of the majority of shareholders, assists each individual shareholder in assessing the likely outcome of the proportional takeover bid, and whether to accept or reject offers made under that bid.
- 79 With regard to possible disadvantages to shareholders, it could be argued that the proposed rule 27 reduces the possibility of a successful proportional takeover bid and that, as a result, proportional bids for the Company will be discouraged, with a consequent possible depressing effect on the

Company's share price. The counter argument to this is that the procedure does not affect adversely bids which are attractive to the majority of shareholders.

80 The proposed rule 27 is set out in the Schedule.

81 The Directors recommend shareholders vote in favour of this resolution.

Definitions

A number of capitalised terms are used throughout this Notice of meeting and Explanatory memorandum. Except to the extent the context otherwise requires:

Term	Definition
Act	the <i>Corporations Act 2001</i> (Cth)
ASIC	Australian Securities & Investments Commission
ASX	ASX Limited
ASX Announcement	means the ASX announcement made by the Company on 25 February 2009
Commitment Date	means 19 February 2009
Company or Whitehaven	Whitehaven Coal Limited ACN 124 459 396
Constitution	means the constitution of the Company
Dalara	Dalara Investments Pty Limited ACN 064 011 365 as trustee for AJ and LM Davies Family Trust ABN 75 942 788 252
Share Subscription and Option Deed	means the share subscription and option deed between Dalara and the Company
Directors	the directors of the Company
Listing Rules	the listing rules of ASX
Ordinary Shares	means ordinary fully paid shares in the capital of the Company
Options	means three options to require the issue of 1,666,666, 1,666,667 and 1,666,667 (respectively) Ordinary Shares to Dalara, the terms of which are described in paragraphs 22 and 23
Whitehaven Coal Limited Employee Share Plans	means the: (a) Whitehaven Coal Limited Employee Share Plan (Exempt); and (b) Whitehaven Coal Limited Employee Share Plan (Non Exempt).

Schedule

Proposed rule 27

27. PARTIAL TAKEOVERS

27.1 Interpretation

For the purposes of this rule:

Term	Definition
Proportional Takeover Bid	has the same meaning as given to that term by section 9 of the Law
Relevant Day	in relation to a Proportional Takeover Bid, means the day that is 14 days before the end of the period during which the offers under the Proportional Takeover Bid remain open

a reference to a '**person associated with**' another person has the meaning given to that expression by Division 2 of Part 1.2 of the Law.

27.2 Approval of Partial Takeovers Bids

- (a) Subject to the Listing Rules, where offers have been made under a Proportional Takeover Bid in respect of shares in a class of shares in the Company, the registration of a transfer giving effect to a takeover contract for the bid is prohibited unless and until a resolution (in this rule referred to as an '**Approving Resolution**') to approve the Proportional Takeover Bid is passed in accordance with the provisions of this rule.
- (b) A person (other than the bidder or an associate of the bidder) who, as at the end of the day of which the first offer under the Proportional Takeover Bid was made, held shares in that class is entitled to vote on an Approving Resolution and, for the purpose of so voting, is entitled to one vote for each of the shares held in that class.
- (c) An Approving Resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the Approving Resolution.
- (d) The provisions of these rules that apply in relation to a general meeting of the Company, with such modifications as the circumstances require, apply in relation to a meeting that is convened to vote on an Approving Resolution as if such a meeting was a general meeting of the Company.
- (e) An Approving Resolution that has been voted on in accordance with this rule, is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is taken to have been rejected.

- (f) Where offers have been made under a Proportional Takeover Bid then the Board must ensure that a resolution to approve the Proportional Takeover Bid is voted on in accordance with this rule before the Relevant Day.
- (g) Where a resolution to approve a Proportional Takeover Bid is voted on, in accordance with this rule, before the Relevant Day, the Company must, on or before the Relevant Day:
 - (i) give to the bidder; and
 - (ii) serve on each notifiable securities exchange in relation to the Company, a notice in writing stating that a resolution to approve the Proportional Takeover Bid has been voted on and whether the resolution has been passed, or has been rejected, as the case requires.
- (h) Where, at the end of the day before the Relevant Day no resolution to approve the Proportional Takeover Bid has been voted on in accordance with this rule, a resolution to approve the Proportional Takeover Bid is to be, for the purpose of this rule, deemed to have been passed in accordance with this rule.
- (i) Where a resolution under this rule is rejected, then:
 - (i) notwithstanding section 652A of the Law, all offers under the Proportional Takeover Bid that have not, as at the end of the Relevant Day, been accepted, and all offers (in this paragraph referred to as the 'accepted offers') under the Proportional Takeover Bid that have been accepted and from whose acceptance binding contracts have not resulted, at the end of the Relevant Day, are deemed to be withdrawn at the end of the Relevant Day;
 - (ii) the bidder is, forthwith after the end of the Relevant Day, to return to each person who has accepted any of the accepted offers any documents that were sent by the person to the bidder with the acceptance of the offer;
 - (iii) the bidder is entitled to rescind, and is required, forthwith after the end of the Relevant Day, to rescind, each binding contract resulting from the acceptance of an offer made under the Proportional Takeover Bid; and
 - (iv) a person who has accepted an offer made under the Proportional Takeover Bid is entitled to rescind the contract (if any) resulting from that acceptance.
- (j) This rule ceases to have effect on the third anniversary of the later of the date of adoption or last renewal of this rule.

Annexure

Summary of Whitehaven Coal Limited employee share and option plans

As at the date of this Notice of Meeting no shares or options have been offered or issued under the plans. The plans will be offered to employees under ASIC class order 03/184 employee share schemes or otherwise in accordance with the exemptions to disclosure under part 6D.2 of the Corporations Act. The number of shares and options which may be issued under the plans in reliance on ASIC class order 03/184 is subject to an effective limit of 5% of the Company's total issued capital. Offers under the exemptions in part 6D.2 of the Corporations Act will not count towards this 5% limit.

It should be noted that the following paragraphs outline the rules under which any grants will operate. At this stage, the Directors have not set the quantum of awards, nor the performance hurdles, vesting period, or exercise price of the options. These will be determined at the time that a grant of options or shares is to be made. However, the Directors wish to receive in principle approval for the Plans to ensure shareholders are fully informed and that ASX Listing Rule 7.1 is not contravened. This also provides the company with greater flexibility to respond to changes in the business environment.

Whitehaven Coal Limited Employee Share Option Plan

Eligibility criteria

The ESOP will be open to eligible employees (including executives but excluding non executive directors) of the Company.

Grant of options

All options are to be offered to eligible employees for no consideration. The offer must be in writing and specify, amongst other things, the number of options for which the employee may apply, the period within which the options may be exercised and any conditions to be satisfied before the option expiry date (as determined by the Board).

Exercise of options

The options granted under the ESOP may be exercised, subject to any exercise conditions, by the participant giving a signed notice to the Company and paying the exercise price (as determined by the Board) in full. The Company will apply for official quotation on ASX of any Shares issued on exercise of any options.

Lapse

Subject to the Board's discretion to determine otherwise, the options will lapse upon the earlier of the date specified by the Board or events contained in the ESOP rules, including termination of employment and resignation.

Rights of participants

Once shares are allotted upon exercise of the options the participant will hold the shares free of restrictions. The shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue.

Should the Company undergo a reorganisation or reconstruction of capital or any other such change the terms of the options will be correspondingly changed to the extent necessary to comply with the listing rules. In the event of a change of control, the Board will have discretion to deal with the options, including allowing accelerate investing or the issue of the options in a substituted corporation. A holder of options is not entitled to participate in a new issue of shares or other securities made by the Company to shareholders merely because they hold options.

Assignment

The options are not transferable or assignable without the prior written approval of the Board, unless that transfer is to a permitted nominee of the eligible employee.

Administration

The ESOP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the listing rules) in addition to those set out in the ESOP.

Termination and amendment

The ESOP may be terminated or suspended at any time by the Board. The ESOP may be amended at any time by the Board except where the amendment reduces the rights of holders of options.

Whitehaven Coal Limited Employee Share Plan (exempt)

Under the exempt plan eligible employees will be offered shares in the Company. Eligible employees include employees who have been employed by the Company for at least 12 months prior to awards being issued. The plan will comply with proposed tax legislation enabling the employees to a tax free discount of up to \$1,000 on shares acquired under the plan in a financial year.

Shares may not be sold for at least three years from the date of grant under the Plan (or until the employee terminates employment, whichever is earlier). Other than this, there are no restrictions on employees transferring or assigning the shares under this plan.

Whitehaven Coal Limited Employee Share Plan (non-exempt)

Under the non-exempt plan eligible employees will be offered the ability to acquire shares. The Board has a discretion to determine the issue price of the shares. Other than this, there are no special rules relating to the grant of Shares under the Plan.

The terms and conditions under which eligible employees will be entitled to acquire shares under this Plan, including purchase price, restriction periods, forfeiture conditions, and performance hurdles will be determined by the Directors at the time of offer of any shares.

Any offers under this Plan are intended to form part of the Company's overall remuneration strategy.

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INTENTIONALLY BLANK



000001 000 WHC
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
 Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia

Alternatively you can fax your form to
 (within Australia) 1800 783 447
 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
 (custodians) www.intermediaryonline.com

For all enquiries call:
 (within Australia) 1300 552 270
 (outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

- Cast your proxy vote**
- Access the annual report**
- Review and update your securityholding**

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 11:00 am (Sydney Time) Sunday 15 November 2009**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
 or turn over to complete the form →**

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Whitehaven Coal Limited hereby appoint

the Chairman of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Whitehaven Coal Limited to be held at The Westin Hotel, 1 Martin Place, Sydney, New South Wales on Tuesday, 17 November 2009 at 11:00 am and at any adjournment of that meeting.

Important for Resolution 9: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on resolution 9 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on resolution 9 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of resolution 9 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adopt the Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Hans Mende	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of John Conde	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Allan Davies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for the issue of shares to a related party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for the grant of options to a related party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of previous share issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to allow vesting of options issued to Rob Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of employee share and option plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Adoption of proportional takeover rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____