

15 December 2011

Dear Whitehaven shareholder,

### **Creating a Leading Independent Australian Coal Company**

As you may be aware, Whitehaven Coal Limited has been in discussions with Aston Resources Limited regarding a merger of the two companies.

I am pleased to inform you that the two companies have announced a merger of equals that will see the creation of a leading independent Australian coal company with a market capitalisation of approximately \$5.1 billion<sup>1</sup>.

This is an exciting and transformative transaction which is consistent with Whitehaven's track record of delivering growth and maintaining its ongoing development profile.

The merged entity will have a high quality portfolio of producing mines, major development projects and attractive exploration assets and will be in an excellent position to generate enhanced value for all shareholders.

The transaction is subject to a number of conditions including Aston shareholder and regulatory approvals, and is scheduled to be completed in April 2012. The merger of Whitehaven and Aston has the unanimous support of the Whitehaven and Aston Boards.

Aston and Whitehaven have complementary assets and teams in the Gunnedah Basin that make this transaction a compelling and unique opportunity for both companies.

By combining these assets we can ensure the very efficient and sustainable development of the combined coal resources. Importantly, there will be no regional job losses as part of this transaction and no impact on our existing operations in the region.

### **Special Dividend**

As part of the transaction, Whitehaven will pay a fully franked special dividend of \$0.50 per share to its shareholders immediately prior to implementation of the merger. You will receive further information in relation to this in the New Year.

### **Acquisition of Boardwalk Resources**

In a separate transaction, Whitehaven has entered into separate agreements to acquire all of the shares and other issued securities in the unlisted coal explorer Boardwalk Resources Limited, which holds a range of coal exploration assets in New South Wales and Queensland. The acquisition of Boardwalk Resources Limited has the unanimous support of the Whitehaven board.

Boardwalk's exploration tenements provide the combined entity with an attractive longer term growth pipeline, with a range of development possibilities.

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<sup>1</sup> Market capitalisation based on undiluted shares on issue and closing prices as at 9-Dec-2011; includes value attributed to Boardwalk Resources.

Boardwalk Resources Limited investors, including Tinkler Group and Farallon Funds, will be issued 85.88 million Whitehaven shares as consideration for the acquisition. These shares will not be entitled to the Whitehaven special dividend.

Boardwalk Resources Limited shareholders will be entitled to up to an additional 34.02 million Whitehaven shares upon receipt of mining leases and environmental approvals at any two of the following projects: Dingo, Ferndale, Sienna, Monto and Oaklands North (being 17.01 million shares for each approval, limited to the total of 34.02 million shares).

The Boardwalk transaction is subject to a number of conditions, including completion of the Aston/Whitehaven merger and Whitehaven shareholders approving the issue of shares to the Boardwalk Resources Limited investors.

### **Board & Management**

The current Deputy Chairman of Aston, the Hon. Mark Vaile, will be Chairman of the merged business, and I will be Deputy Chairman. Whitehaven's Managing Director, Mr Tony Haggarty, will retain his position, as will Whitehaven Executive Director Mr Allan Davies.

### **Timing**

The Whitehaven notice of general meeting and Explanatory Memorandum for approval of the issue of shares for the Boardwalk transaction are expected to be mailed to Whitehaven shareholders in late February 2012. The general meeting of Whitehaven shareholders is expected to be held in late March 2012.

It is expected that the Boardwalk transaction will complete in April 2012, subject to the Aston merger proceeding, with final consideration issued following Whitehaven Shareholder Approval and the record date of the Whitehaven special dividend.

Further details on timing and implementation of the merger scheme and the Boardwalk Transaction will be made available to shareholders upon release of the Aston Scheme Booklet and the Whitehaven Explanatory Memorandum.


### **Further information and Updates**

**If you have any questions about the merger process you can call the Whitehaven Coal Shareholder Information Line on 1800 232 950 (toll free). Full details of the Aston merger and Boardwalk acquisition are available on our website: [www.whitehavencoal.com.au](http://www.whitehavencoal.com.au)**

Whitehaven's commitment to developing its operations and building value for shareholders remains unchanged. Our operations are performing strongly and we continue to work constructively with the communities we operate in, and to ensure the safety and wellbeing of our skilled and committed workforce.

I encourage you to read all information in relation to this transaction carefully, and if you have any additional questions please don't hesitate to contact the shareholder information line detailed above.

Yours sincerely



**John Conde**  
**Chairman**  
**Whitehaven Coal Limited**