

SPRING 2015



MAULES CREEK OFFICIALLY OPENED

WHITEHAVEN marked a momentous occasion as our new world-class mine at Maules Creek was officially opened.

Federal Minister for Industry and Science, the Hon Ian Macfarlane MP, was on hand to unveil the plaque in front of watching dignitaries and guests earlier this month. Minister Macfarlane was joined by the Federal Member for Parkes, Mr Mark Coultou MP, the State Member for Barwon, the Hon Kevin Humphries MP, senior representatives from Whitehaven's joint venture partners Itochu and J-Power, and other dignitaries and guests.

"The official opening ceremony marks an important milestone in Whitehaven Coal's growth and transition as a company and is a testament to the

performance of our people who have worked tirelessly to deliver this project ahead of time, and under budget" said CEO and Managing Director Paul Flynn.

"Over the past three years alone, Whitehaven has spent nearly half a billion dollars locally and it's the local community that will continue to reap the benefit of projects such as Maules Creek for decades to come. Today is a day where we acknowledge and celebrate the achievements of the past few years, but the real story of Maules Creek and the economic opportunity it is bringing to this area is only just starting."

Maules Creek, which began raiing coal in December 2014 and has been operating commercially since 1 July 2015, will create nearly 500 new local jobs, inject an additional \$68 million

in wages into the local economy each year, and deliver \$13 million in local infrastructure investment as part of Whitehaven's Voluntary Planning Agreements with local councils.

Maules Creek is also setting new standards in terms of its commitment to supporting the local Indigenous community and is already exceeding its voluntary target of 10 per cent Indigenous representation at Maules Creek within the first five years.

Guests at the ceremony were positive about the long-term outlook for coal, and particularly the high quality coal being demanded by countries that understand the crucial role it has to play in helping achieve a lower emissions future.

Visit www.whitehavencoal.com.au for videos and more photos from the event.



MAULES CREEK OPENED

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RECONCILIATION ACTION PLAN

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ANNUAL FINANCIAL RESULTS

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MAULES CREEK OPENED – WHAT THEY SAID

“Foreign investment along with local ingenuity has built a mine that is absolutely world class. Everyone who has been involved in it should be congratulated. This mine (Maules Creek) is the epitome of how to develop a coal mine both in an environmentally sustainable way but also one that produces coal that produces the lowest emissions of any coal-fired electricity in the world.”

Hon. Ian Macfarlane MP, Federal Minister for Science and Industry

“It is a world-class project. The economic benefits for the region are really second-to-none. After nearly 30 years of being in discussion, it is great to see this project coming to fruition. Congratulations Whitehaven – outstanding result.”

Kevin Humphries MP, Member for Barwon

“The benefits have been massive for our region and our economy. They need to be congratulated for what they have achieved there as much as what they have achieved with the mine.”

Jamie Chaffey, President of Gunnedah Chamber of Commerce

“Japan depends on Australia as a very indispensable and reliable supplier of coal. The Maules Creek mine will certainly advance the economic partnership we enjoy between our two countries.”

Masato Takaoka, Consulate-General of Japan in Sydney

“This high quality coal from the Gunnedah Basin is Japan, China and India’s answer to global warming and reducing their emissions.”

Mark Coulton, MP, Member for Parkes

“I was born and bred in Gunnedah – this is my traditional country... I’ve seen a lot of changes in Gunnedah over the last few years... the community is very prosperous at the moment. If the mining is going to be here for a long time, with generational change, our children and grandchildren will be able to get jobs out here. That’s real change for Aboriginal people.”

Greg Griffiths – Gomeri Traditional Owner

FACTS AND FIGURES

Since receiving the final approval to commence construction work on this \$767 million project, Whitehaven staff and contractors have:

- Worked 1.5 million man hours, with a peak workforce of around 750 people
- Delivered 22,000 individual items of equipment, piping and steel components to site from construction yards in nearby Narrabri – about 250 of which weighed five tonnes or more
- Built around 10 kilometres of construction access roads, 12 kilometres of sealed mine access roads, and upgraded about four kilometres of local roads as part of our Voluntary Planning Agreements with Council
- Developed an 18 kilometre-long water distribution network; including an intake pump station, two booster pump stations, and five distribution and truck fill pumping stations
- Worked with a total of 105 Registered Aboriginal Parties to survey 38 registered sites within the Application Area and recover over 7,000 Aboriginal artefacts for safe-keeping
- Successfully installed over 30 kilometres of rail in under 30 days to transport our production trains

SAFEHAVEN VIDEO – COME HOME SAFE



We are committed to our people coming home safe and healthy at the end of each day.

We work in an industry that can pose serious risks to safety and health. So over the last few years we have been focussing on programmes to reduce these risks. These programmes have included the introduction of our seven Safehaven Rules, which relate to the most common and serious risks in our workplaces, and delivering training on safety leadership and how we make sure safety is included in our everyday decisions.

Since the Seven Safehaven Rules were introduced two years ago, the rate of recordable injuries at Whitehaven have reduced by half.

We are now at a stage where our workforce understand what the rules are, so to continue to reinforce what they are about and to introduce them to new members of our workforce, we have developed a Safehaven video – starring some of our workers and their families.

The Safehaven video uses the theme of ‘Would you put your child in this situation?’ We want you – as our workforce – to think about the controls you put in place to keep yourself and your workmates safe.

Copies of the video are being sent to you in the hope that you share the video with your family and use it to talk about what you do at Whitehaven. We want you to go home safe at the end of each day.

The video can be viewed at www.whitehavencoal.com.au

INAUGURAL RECONCILIATION ACTION PLAN LAUNCHED



Whitehaven launched our inaugural Reconciliation Action Plan at the Winanga-Li Aboriginal Child and Family Centre in Gunnedah.

Justin Mohamed, CEO of Reconciliation Australia, The Hon. Barnaby Joyce MP, Member for New England and Haylene Grogan, Director of Reform and Policy, Aboriginal Affairs NSW were on hand to participate in the ceremony.

Whitehaven CEO and Managing Director, Paul Flynn said the launch was a timely opportunity to reaffirm our commitment to making a meaningful long-term contribution to regional mining communities.

“As a proudly Australian company that calls the Gunnedah Basin home, we don’t take the support of local communities for granted, and we want to ensure that the benefits from our operations accrue locally – including to Aboriginal and Torres Strait Islander communities,” Mr Flynn said.

The Reconciliation Action Plan (RAP) focuses on practical and meaningful efforts Whitehaven will undertake to

address issues affecting local Aboriginal and Torres Strait Islander people.

The Plan seeks to align these initiatives with national efforts aimed at closing the social, economic and health gap between Aboriginal and Torres Strait Islanders and the broader Australian population.

Specific details about Whitehaven’s RAP include:

- A target of 10% Aboriginal and Torres Strait Islander employment at Maules Creek. This figure is already above 15%
- Continued support for the Winanga-Li Aboriginal Child and Family Centre
- Further engagement with Aboriginal and Torres Strait Islander women
- Increasing cultural awareness and understanding both within Whitehaven and externally

Whitehaven set a target that within five years of Maules Creek commencing production, 10 per cent of the 400 plus strong workforce would be of Aboriginal and/or Torres Strait Islanders descent. This target has already been exceeded, and 15 per cent of the current Maules Creek workforce is Indigenous.

“We have decided to set ourselves this goal, not because we have to, but because it’s the right thing to do, and because we know that self-respect and a secure future very often starts with a skill and a wage. This plan goes beyond providing jobs at Whitehaven, it also seeks to support the wider Aboriginal and Torres Strait Islander community by working closely with the Winanga-Li Aboriginal Child and Family Centre, improving cultural awareness and understanding and by finding better ways to engage with local Aboriginal women.

“It’s great to see so many members of our community come out and support the launch of our Reconciliation Action Plan. Particularly, I would like to thank Justin Mohamed from Reconciliation Australia, The Hon. Barnaby Joyce, Member for New England and Haylene Grogan from Aboriginal Affairs NSW for supporting this important initiative,” Mr Flynn said.

Whitehaven’s RAP document can be viewed at www.whitehavencoal.com.au

NEWS IN BRIEF

ANNUAL FINANCIAL RESULTS

Since the last edition of **Whitehaven News**, we have released our full year results for **FY2015**. The key highlights are:

- Operating EBITDA (excluding significant items) of \$130.3 million for the year, 44% higher than the previous year
- Sales revenue of \$763.3 million, in line with the prior year
- Net loss before significant items of \$10.7m, an improvement of 62% compared with the loss of \$28.4m in the previous year
- Net profit recorded in the second half
- Net loss after significant items of \$342.7 million. This was due predominantly to three non-cash significant items including an impairment of early stage exploration assets, a charge arising following the enactment of legislation to repeal the MRRT and the successful refinance of the Group's debt facility

- FOB unit costs down by 12% to \$61/t (excluding royalties) in FY2015 compared \$69/t in FY2014
- Operating cash flow of \$213.4 million, 96% higher than previous year
- Net debt increased to \$935.8 million as spending on Maules Creek comes to an end
- Successfully re-financed debt facility with improved terms

Commenting on the results, Whitehaven Coal Managing Director and CEO Paul Flynn said: "This is a positive result for Whitehaven which cements its place as one of the world's leading producers of high quality coal. The fact that Whitehaven has delivered on its commitments, and returned to profitability in the second half despite subdued global demand for coal, is a strong endorsement of our product, performance and potential."

INDUSTRY NEWS

A new report by the International Energy Agency (IEA) - Clean Coal Centre - has detailed the changing electricity generation landscape in the rapidly growing countries of South and East Asia.

The findings of the report indicate a strong uptake of cleaner high efficiency low emission (HELE) coal fired power stations amongst the ten surveyed countries.

Read more at: www.whitehavennews.com.au/asia-makes-large-scale-shift-to-modern-coal-powered-generation/

COAL – IT'S AN AMAZING THING

The Minerals Council of Australia (together with ACALET) have launched a national campaign to provide information about the Australian coal industry.

The key messages of the campaign are that:

- The industry makes a substantial economic contribution to jobs and growth
- Cleaner, higher efficiency coal-fired power stations are reducing CO₂ emission by up to 40 per cent
- Coal demand will remain strong for decades

To find out more, visit www.littleblackrock.com.au

WHITEHAVEN'S LOCAL ECONOMIC CONTRIBUTION INCREASES

Whitehaven spent nearly \$215 million with local businesses in North Western NSW this financial year.

As the company's new Maules Creek mine ramped up production, the amount spent with suppliers in the Gunnedah, Narrabri, Tamworth and Liverpool Plains shires has risen to \$214.9m in the year to 30 June 2015, and a total of \$572.7m over the past three financial years.

In addition to this significant spend with local businesses, Whitehaven's economic contribution also includes local wages in excess of \$125.6 million this financial year. With over 75% of Whitehaven's 779 FTE employees living in the north west NSW region, this money will stay in the local community.

We have committed more than \$26.7m to local councils via our Voluntary Planning Agreements which fund investment in local infrastructure and services around the region - including the upgrade of roads and Narrabri airport. In addition, we paid royalties and taxes to the NSW Government totalling nearly \$130 million. These royalties are used by the Government to fund schools, hospitals and other infrastructure required around the State.

Locally, we also provided donations and sponsorships of local community organisations totalling \$182K and extended our commitment to the Westpac Helicopter Service by a further \$100K through a matched employee payroll program.

GET IN TOUCH

If you have any news, stories or ideas for future editions of **Whitehaven News**, please get in touch with:

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