Appendix 4D

1. This statement presents results for Whitehaven Coal Limited for the half year ended 31 December 2017 and, where applicable, comparative results for the previous year.

2. Results for announcement to the market:

	Half Year 31 Dec 2017 $'000	**Half Year 31 Dec 2016 $'000**	**Change**
Revenue from ordinary activities	1,146,370	823,456	39%
Net profit after tax from ordinary activities	257,207	157,494	63%
Net profit after tax attributable to members	257,207	157,494	63%

3. Dividends

	Amount per security	Franked amount per security
Current reporting period: - Interim dividend 2018	13.0 cents	Nil
Previous corresponding reporting period: - Interim dividend 2017	Nil	Nil
Record date for determining entitlement to Interim dividend		26 February 2018
Date of payment of Interim dividend		2 March 2018

A distribution to shareholders of $198,405,000 was paid during the six months ended 31 December 2017 comprising dividends of $59,521,000 and a capital return of $138,884,000.

4. Net Tangible Assets (NTA) per security:

	Half Year 31 Dec 2017	**Half Year 31 Dec 2016**
NTA per security	324.35c/share	294.74c/share

5. All other information can be obtained from the attached financial statements, accompanying notes and Directors' report.

Whitehaven Coal Limited
and its controlled entities

ABN 68 124 425 396

Interim Financial Report

31 December 2017

Contents

The Directors present their report together with the consolidated financial report of Whitehaven Coal Limited ('the Company'), being the Company, its subsidiaries, and the Group's interest in joint operations for the half year ended 31 December 2017 and the auditor's review report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the half year period are:

Name	Position	Date of appointment
The Hon. Mark Vaile	Chairman	3 May 2012
John Conde	Deputy Chairman	3 May 2007
Paul Flynn	Managing Director	3 May 2012 (appointed Managing Director 25 March 2013)
Tony Haggarty	Director	3 May 2007
Christine McLoughlin	Director	3 May 2012
Raymond Zage	Director	27 August 2013
Dr Julie Beeby	Director	17 July 2015

PRINCIPAL ACTIVITIES

The principal activity of Whitehaven Coal Limited and its controlled entities (the 'Group') during the period was the operation of coal mines in New South Wales. There were no significant changes in the nature of the activities of the Group during the period.

DIVIDENDS

Paid during the period

A distribution to shareholders of $198,405,000 was paid during the six months ended 31 December 2017 comprising dividends of $59,521,000 and a capital return of $138,884,000.

Declared after the period

The Directors have declared an unfranked interim dividend of 13 cents per share totalling $128,963,000 to be paid on 2 March 2018.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The auditor's independence declaration is set out on page 9 and forms part of the Directors' report for the half year ended 31 December 2017.

ROUNDING

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and dated 24 March 2016 and, in accordance with that Class order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

OPERATING AND FINANCIAL REVIEW

FINANCIAL HEADLINES

- Net profit after tax ("NPAT") increased by 63% to $257.2m.
- Operating EBITDA before significant items increased by 42% to $460.6m.
- Cash generated from operations increased by 55% to $409.7m.
- Net debt of $146.9m at 31 December 2017 and gearing reduced to 4%.
- Shareholder distribution of $198.4m paid during the period.

The following table summarises the key reconciling items between the Group's operating EBITDA before significant items and its statutory profit.

Whitehaven Coal Limited – Consolidated	H1 FY2018 $ million	H1 FY2017 $ million
Revenue	1,146.4	823.5
Net profit for the period	**257.2**	**157.5**
Operating EBITDA before significant items	**460.6**	**324.8**
Net interest expense (refer to note 4)	(11.8)	(26.6)
Other financial expenses	(3.6)	(4.0)
Depreciation and amortisation	(72.6)	(68.2)
Gain on disposal of assets	0.2	-
Profit before tax	372.8	226.0

REVIEW OF FINANCIAL PERFORMANCE

H1 FY2018 NPAT of $257.2m represents an increase of 63% above the H1 FY2017 reported NPAT of $157.5m. The increased NPAT result was driven by a 32% increase in per tonne EBITDA margins which rose to $54/t in H1 FY2018 from $41/t in H1 FY2017. The increased EBITDA margin reflects largely the benefits of higher coal prices in the period combined with continuing cost control.

The key factors that contributed to the increased H1 FY2018 NPAT result include:

- Strong safety performance.
- Gross revenue increased by $322.9m to $1,146.4m in H1 FY2018. The increase was driven by the substantial increase in A$ realised prices to an average of A$124/t in H1 FY2018 up from A$106/t in H1 FY2017. The increase in sales volumes from 7.8Mt to 9.2Mt also contributed. The key drivers of A$ realised prices during the period include:
    - The Newcastle GlobalCoal Index price averaged US$96/t for the first half, US$15/t higher than the average of US$81/t in the prior corresponding period.
    - The Group realised an average price of US$95/t for all of its thermal coal in H1 FY2018.
    - The Group realised an average price of US$111/t in the first half for its sales of metallurgical coal products. The realised price reflects a combination of quarterly benchmark linked and index based contracts.
    - The high quality of thermal coal from the Maules Creek mine typically achieved both quality and energy premiums relative to the Newcastle GlobalCoal Index price during the period.
    - Optimisation of the product sales mix to take advantage of the strong prices for high quality thermal coal, with little incentive to switch into incremental SSCC volumes.
    - Offset by a strengthened currency – the average AUD:USD exchange rate increased to 0.78 in H1 FY2018 from 0.75 in the prior corresponding period; and
    - The increase in prices for both thermal and metallurgical coal during H1 FY2018 reflects China's steady draw on the seaborne thermal coal market and strong Asian demand for high quality coals, reflecting buoyant Asian economic conditions.

REVIEW OF FINANCIAL PERFORMANCE (CONT.)

- FOB costs per tonne of A$60 in H1 FY2018 have been held relatively flat with costs in H2 FY2017 but have increased from A$56/t in H1 FY2017. The cost performance reflects the impact of changes in mix. Specifically, the relative contribution of Narrabri tonnes (Whitehaven's lowest cost mine) to the Group's sales mix decreased due to lower ROM production volumes at Narrabri compared with the contribution from the open cut mines. At Maules Creek, costs have been affected by higher strip ratio and longer haul distances, while the Gunnedah open cuts have continued their strong cost performance.
- Increased Maules Creek production has strengthened the portfolio, reducing the impact of Narrabri longwall change-outs while supporting further improvement in the utilisation of contracted infrastructure capacity on the rail and at the port.
- Increased coal purchases to optimise price margins and maximise the delivery of Whitehaven's high quality thermal coals into high margin sales contracts.
- Selling and distribution costs reflect the benefits of a recent renegotiation of the below rail capacity contract with ARTC which resulted in a reduction in track access costs.
- Decreased administration costs.

CASH FLOWS & CAPITAL MANAGEMENT

$ million	**H1 FY2018**	H1 FY2017
Cash flow summary		
Operating cash flows	399.4	237.2
Investing cash flows	(30.2)	(34.6)
Net free cash flow	**369.2**	**202.6**
Financing cash flows	(357.7)	(197.3)
Cash at the beginning of the period	**87.1**	**101.5**
Cash at the end of the period	**98.6**	**106.8**

Capital management	**31 December 2017**	30 June 2017
Net debt	146.9	311.1
Undrawn syndicated facility	810.0	775.0
Gearing ratio[1] (%)	4%	9%
Leverage[2] (times)	0.2	0.4

[1] Net Debt/(Net Debt plus Equity)

[2] Net Debt/EBITDA (CY 2017 annualised EBITDA of $850.0m, 30 June 2017: $714.2m)

Cash Flow Commentary

Operating cash flows

Operating cash flows of $399.4m in H1 FY2018 increased by $162.2m or 68% relative to the prior corresponding period (pcp) resulting from the increased operating EBITDA. Conversion of EBITDA to cash flow from operations was also strong, however was adversely impacted by an increase in working capital associated with trade receivables at 31 December 2017 being recorded at higher prices than compared with 31 December 2016.

CASH FLOWS & CAPITAL MANAGEMENT (CONT.)

Cash Flow Commentary (cont.)

Investing cash flows

Investing cash outflows during H1 FY2018 of $30.2m were flat with the prior corresponding period and reflect a continuation of the disciplined approach being taken to managing capital expenditure. Investing cash flows in H1 FY2018 include sustaining capital expenditure, main road development expenditure at Narrabri and expenditure to progress the Environmental Impact Statement (EIS) required for the submission seeking Government approval for an expanded Vickery mine (10Mtpa).

CASH FLOWS & CAPITAL MANAGEMENT (CONT.)

Capital Management and Balance Sheet Commentary

Cash on hand at 31 December 2017 of $98.6m is similar to the cash balance at 30 June 2017.

Net debt at 31 December 2017 was $146.9m, a decrease of $164.2m from 30 June 2017. Gearing of 4% was reduced by 55% from the 30 June 2017 gearing ratio of 9% due to the reduction in net debt at 31 December 2017.
The decrease in net debt has been driven by the strong operating cash flow performance during the period. This has facilitated repayments of the senior facility, finance leases and the ECA facility totalling $297.6m.

Undrawn capacity of $810.0m under the senior bank facility existed at 31 December 2017.

In November 2017 a shareholder distribution of $198.4m was made. The shareholder distribution comprised a dividends of $59.5m ($0.06 per share) and a capital return of $138.9m (a return of capital of $0.14 per share).

REVIEW OF OPERATIONS - HIGHLIGHTS

CONSOLIDATED EQUITY PRODUCTION, SALES AND COAL STOCKS

Whitehaven Total - 000t	H1 FY2018	H1 FY2017	Movement
ROM Coal Production	8,394	8,192	2%
Saleable Coal Production	8,263	7,693	7%
Sales of Produced Coal	8,577	7,758	11%
Sales of Purchased Coal	655	38	NM
Total Coal Sales	9,232	7,796	18%
Coal Stocks at Period End	1,418	1,171	21%

The tonnages in the table above are presented on an equity basis. Production tables and associated commentary set out in the mine-by-mine analysis are presented on a managed (100%) basis.

H1 FY2018 production and sales results demonstrate continuing sound operational performance. Key highlights include:

- ROM and saleable coal production of 8.4Mt and 8.3Mt were 2% and 7% higher, respectively than the pcp.
- Coal sales, including purchased coal, of 9.2Mt were 18% higher than the pcp.
- Coal production at Maules Creek continues to ramp up with the mine producing 5.1Mt ROM coal, up 18% on pcp.
- Solid production of 2.2Mt and strong sales of 2.6Mt, up 22% from the three Gunnedah open cut mines.
- A drilling programme at Narrabri targeted at determining the displacement of the fault in LW panel 110 confirmed a reduction in the displacement of the fault.
- Decision taken to mine through the fault in both LW panels 108 and 109 will increase production in both FY2019 and FY2020 from previous guidance.
- Mining recommenced at the Sunnyside open cut to fully rehabilitate the site while extracting the remaining 0.8Mt of coal. Mining is planned to be completed in CY2019.

REVIEW OF OPERATIONS - SAFETY

Whitehaven's TRIFR was 6.2 at 31 December 2017 compared to 7.4 at the end of June 2017. Whitehaven's TRIFR at 31 December 2017 is significantly below the NSW industry average TRIFR of 14.7 and is the lowest ever recorded by the Group. Whitehaven places the utmost importance on the safety of its employees and contractors and is committed to provide training, equipment, resources and systems to create the safest possible work environment for its workforce.

REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS

Maules Creek *(Whitehaven 75%)*

Maules Creek Mine – 000t	H1 FY2018	H1 FY2017	Movement
ROM Coal Production	5,121	4,355	18%
Saleable Coal Production	4,560	4,006	14%
Sales of Produced Coal	4,738	4,095	16%
Coal Stocks at Period End	387	486	(20%)

Note – the tonnages in the table above are presented on a managed basis.

Production at Maules Creek continued to ramp up on schedule. ROM coal production and saleable coal production for the first half was 5.1Mt, up 18% and 4.6Mt, up 14% respectively on the pcp. Coal sales for the half were a new record of 4.7Mt, up 16% on pcp. Metallurgical coal sales for the first half were 0.9Mt representing 19% of total coal sales for the half.

Sales of contractually committed metallurgical coal from Maules Creek for the first half of the year performed as expected. However, demand by steel makers for uncommitted semi soft coking coals has been subdued due to high steel demand and margins. These factors have encouraged steel makers to maximize coke oven productivity and use higher proportions of hard coking coal in their coke blends. While steel margins and steel demand continue to be robust we expect sales of uncommitted metallurgical coal from Maules Creek will be challenging. Production and sales guidance for FY2018 has been restated with metallurgical coal sales from Maules Creek likely to be in the range of 20% to 25% of total sales.

New equipment for the next step up in production is arriving at Maules Creek and is expected to be fully operational by July of this year. This equipment will increase capacity at the mine to its fully approved rate of 13Mtpa ROM coal. ROM coal production from Maules Creek in the second half will be higher than in the first half with expectations of the total ROM coal production for FY2018 reaching 11.0Mt.

Narrabri *(Whitehaven 70%)*

Narrabri Mine - 000t	H1 FY2018	H1 FY2017	Movement
ROM Coal Production	3,879	4,222	(8%)
Saleable Coal Production	3,813	4,088	(7%)
Sales of Produced Coal	3,820	3,990	(4%)
Coal Stocks at Period End	295	227	30%

Note – the tonnages in the table above are presented on a managed basis.

REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS (CONT.)

Narrabri (cont.)

ROM coal production for the first half was 3.9Mt. Saleable coal production for the first half was 3.8Mt and coal sales were 3.8Mt, each modestly lower than the pcp.

Coal production at Narrabri during the first half was impacted by a slower mining rate through the fault zone in the September quarter while changing roof conditions in the December quarter accelerated the need for secondary roof support to be installed ahead of previous plans. During the December quarter labour was diverted from production to install additional secondary support leading to a reduction in longwall production. The changed roof conditions are due to the increasing depth of cover at the mine.

Following the success of mining through the fault in longwall panel LW107, plans have been developed to mine through the fault zone in panels LW108 and LW109. Relative to previous guidance, mining through this zone will reduce costs in both FY2019 and FY2020 and result in increased ROM coal production of 0.3Mt in each year.

Production guidance for Narrabri for FY2018 is in the range of 6.0Mt and 6.5Mt ROM coal.

Gunnedah Open Cuts

Tarrawonga - Whitehaven 70%; Rocglen, Werris Creek and Gunnedah CHPP - Whitehaven 100%.

Open Cuts – 000t	H1 FY2018	H1 FY2017	Movement
ROM Coal Production	2,161	2,313	(7%)
Saleable Coal Production	2,518	2,131	18%
Sales of Produced Coal	2,628	2,155	22%
Coal Stocks at Period End	1,093	782	40%

Note – the tonnages in the table above are presented on a managed basis.

The Gunnedah open cuts – Tarrawonga, Rocglen and Werris Creek – produced a total of 2.2Mt ROM coal for the half year 7% lower than in the pcp. Saleable coal production for the half year was 2.5Mt, 18% higher than the pcp as high coal stocks produced before the end of the last financial were processed. Coal sales for the half year were 2.6Mt, 22% higher than the pcp.

During the half Whitehaven agreed to acquire Idemitsu's 30% interest in Tarrawonga. The acquisition is expected to close in first half of CY2018 following receipt of NSW Government approval and will add about 0.6Mtpa to Whitehaven's equity coal production effective from completion.

A rehabilitation programme commenced at the Sunnyside open cut mine in the period. Sunnyside had been on care and maintenance. Mining is expected to be completed in CY2019 and a total of 0.8Mt of coal is expected to be mined over the two year period as part of a programme to rehabilitate the former mining site. Contemporary rehabilitation of the mine site will provide another example of Whitehaven's excellent capabilities in rehabilitation.

DEVELOPMENT PROJECT - *Vickery* (Whitehaven 100%)

Whitehaven hosted a visit by the three local mayors and local media to Maules Creek during the December quarter to show key stakeholders its latest tier one operating mine while providing attendees with detailed information in relation to the Vickery project. Whitehaven advised attendees that it had removed the Blue Vale pit from the proposed Vickery open cut project. Subsequent community feedback in relation to the announced change has been positive.

Removal of Blue Vale requires Whitehaven to make changes to the detailed documentation for the Environmental Impact Statement (EIS) for an expanded Vickery mine (up to 10Mtpa). The EIS remains on target to be submitted during the March quarter.

Timing for start-up of the Vickery project remains market dependent, but will likely occur once Maules Creek has been fully ramped up to its 13Mtpa capacity. Discussions with numerous parties who have expressed interest in becoming joint venture partners will commence following the lodgement of the EIS.

REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS (CONT.)

EXPLORATION

Whitehaven has several exploration and potential development projects in Queensland and New South Wales. These are early stage exploration projects. The Company is focused on maintaining the tenements in good standing but is limiting its spending on these projects.

INFRASTRUCTURE

Rail Track

Whitehaven contracts its below rail capacity with the Australian Rail Track Corporation (ARTC). The capacity framework which governs this contract has been recently renegotiated until 2022. The renegotiation resulted in a reduction in track access costs. Whitehaven continues to work with ARTC to expand effective capacity within the Gunnedah Basin without requiring additional physical infrastructure through operating efficiency improvements. The objective of this work is to provide the capacity required for Whitehaven's forecast production levels over the coming years in the most efficient and reliable manner.

Rail Haulage

Whitehaven has two rail haulage contracts, one with Pacific National and one with Aurizon. These contracts both expire in 2026. These contracts provide for the haulage of up to 30Mtpa which allows for all currently projected brownfield expansions. The company is able to align planned increases in saleable coal production with contract rail haulage capacity by giving timely notice to the rail providers of the need for additional capacity.

Port Capacity

Whitehaven holds contracts at the Port of Newcastle – at both NCIG and PWCS coal terminals – to support planned shipments. Whitehaven will require additional port capacity for the forecast production ramp up over the next 5 years. Currently and for the foreseeable future there is surplus port capacity available at the port for both short term surge and long term annual requirements.

OUTLOOK

Operations

FY2018 production guidance is in the range of 20.5Mt to 21.0Mt. Production at Maules Creek will continue to progressively ramp up and reach its fully approved capacity of 13Mtpa ROM coal by early FY2020. Marketing efforts will continue to focus on delivering contracted metallurgical coal sales while production from the smaller open cuts will continue at usual rates while sales are likely to exceed production as coal stocks accumulated at the end of FY2017 are sold.

Demand

Buoyant economic conditions across the Asian region and the deployment of new HELE coal fired power stations are maintaining strong demand for thermal and metallurgical coal in the region. China's draw on the seaborne coal market has remained well above market expectations as small, unsafe and less productive mines are being closed or forced to improve their environmental credentials. Consumption in India is also on the rise after a weak start to 2017 and other countries in South East Asia continue to deploy new power stations and as urbanisation continues.

CRU has estimated that about 7GW of new coal fired electricity were installed in 2017 requiring an additional 17Mtpa of coal. In addition, coal continues to increase its role in the electricity mix in Asian countries, excluding China, from an estimated 39% in 2010 to 45% in 2017. Further growth is expected over the next five years underpinning coal demand. At the same time there is little sign of new coal mine capacity being brought on line.

Pricing

Thermal coal prices during the December half year period remained strong and exceeded the expectations of many commentators in the lead up to the north Asian winter. A number of factors are helping to maintain these higher prices - China's draw on the seaborne thermal coal market is steady, demand for higher quality coals from South East Asia and the traditional Asian markets of Japan, Korea and Taiwan remains strong. The demand from these countries reflects buoyant economic conditions across Asia. On the supply side, a number of factors, including Australian industrial relations issues and poor weather in Indonesia has limited the supply response. The outlook for thermal coal in the short to medium term remains favourable.

Hard coking coal prices have also been strong. The potential for weather related disruptions in Queensland in the next two quarters is expected to result in strong but volatile prices which will have an impact on demand for and pricing of Whitehaven's semi soft coking coal products.

Signed in accordance with a resolution of the directors:

____
The Hon. Mark Vaile AO
Chairman
16 February 2018

____
Paul Flynn
Managing Director
16 February 2018

Building a better
working world

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Auditor's Independence Declaration to the Directors of Whitehaven Coal Limited

As lead auditor for the review of Whitehaven Coal Limited for the half year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Whitehaven Coal Limited and the entities it controlled during the half year.

Ernst & Young

Ryan Fisk
Partner
16 February 2018

Whitehaven Coal Limited
Consolidated interim statement of comprehensive income
For the half year ended 31 December 2017

	Note	31 Dec 2017 $'000	31 Dec 2016 $'000
Revenue		1,146,370	823,456
Other income		3,603	3,577
Operating expenses		(335,963)	(267,271)
Coal purchases		(85,386)	(4,160)
Selling and distribution expenses		(165,146)	(157,056)
Government royalties		(82,944)	(62,786)
Administrative expenses		(10,346)	(11,599)
Depreciation and amortisation		(72,607)	(68,160)
Foreign exchange (loss) / gain		(4,757)	2,261
Share based payment expense		(4,683)	(1,604)
Profit before net financial expense		**388,141**	**256,658**
Financial income		640	690
Financial expenses		(15,992)	(31,342)
Net financial expense	*4*	**(15,352)**	**(30,652)**
Profit before tax		**372,789**	**226,006**
Income tax expense		(115,582)	(68,512)
Net profit for the period		**257,207**	**157,494**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement on cash flow hedges	*4*	(2,359)	(5,516)
Income tax effect	*4*	708	1,656
Other comprehensive loss for the period, net of tax		**(1,651)**	**(3,860)**
Total comprehensive income for the period, net of tax		**255,556**	**153,634**
Net profit for the period attributable to:			
Owners of the parent		257,207	157,494
Non-controlling interests		-	-
		257,207	**157,494**
Total comprehensive profit for the period, net of tax attributable to:			
Owners of the parent		255,556	153,634
Non-controlling interests		-	-
		255,556	**153,634**
Earnings per share:			
Basic profit per share (cents per share)		26.0	15.9
Diluted profit per share (cents per share)		25.6	15.8

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

Whitehaven Coal Limited
Consolidated interim statement of financial position
As at 31 December 2017

	Note	31 Dec 2017 $'000	30 Jun 2017 $'000
Assets			
Cash and cash equivalents		98,614	87,138
Trade and other receivables		134,775	113,278
Inventories		87,411	99,144
Derivative financial instruments	*10*	573	2,413
Total current assets		**321,373**	**301,973**
Non-current assets			
Trade and other receivables		9,316	10,853
Investments	*10*	37	37
Property, plant and equipment		3,446,769	3,442,467
Exploration and evaluation		160,642	156,781
Intangibles		22,200	22,200
Deferred tax assets		-	32,729
Total non-current assets		**3,638,964**	**3,665,067**
Total assets		**3,960,337**	**3,967,040**
Liabilities			
Trade and other payables		164,105	166,054
Interest bearing loans and borrowings	*5*	35,018	23,560
Employee benefits		22,698	20,071
Provisions	*6*	5,500	5,188
Derivative financial instruments	*10*	1,100	582
Total current liabilities		**228,421**	**215,455**
Non-current liabilities			
Interest bearing loans and borrowings	*5*	210,528	374,715
Provisions	*6*	89,045	84,574
Deferred tax liabilities		82,146	-
Total non-current liabilities		**381,719**	**459,289**
Total liabilities		**610,140**	**674,744**
Net assets		**3,350,197**	**3,292,296**
Equity			
Issued capital		3,000,311	3,136,941
Share based payments reserve		8,705	7,827
Hedge reserve		(369)	1,282
Retained earnings		341,550	146,246
Equity attributable to owners of the parent		**3,350,197**	**3,292,296**
Non-controlling interest		-	-
Total equity		**3,350,197**	**3,292,296**

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

Whitehaven Coal Limited
Consolidated interim statement of changes in equity
For the half year ended 31 December 2017

	Issued capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 July 2016	**3,144,944**	**18,417**	**(551)**	**(275,172)**	**2,887,638**	**1,078**	**2,888,716**
Profit for the period	-	-	-	157,494	157,494	-	157,494
Other comprehensive income	-	-	(3,860)	-	(3,860)	-	(3,860)
Total comprehensive income for the period	**-**	**-**	**(3,860)**	**157,494**	**153,634**	**-**	**153,634**
Transactions with owners in their capacity as owners							
Share based payments	-	1,604	-	-	1,604	-	1,604
Transfer on exercise of share based payments	377	(1,170)	-	793	-	-	-
Transfer on lapse of share based payments	-	(14,180)	-	14,180	-	-	-
Closing balance at 31 December 2016	**3,145,321**	**4,671**	**(4,411)**	**(102,705)**	**3,042,876**	**1,078**	**3,043,954**

	Issued Capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 July 2017	**3,136,941**	**7,827**	**1,282**	**146,246**	**3,292,296**	**-**	**3,292,296**
Profit for the period	-	-	-	257,207	257,207	-	257,207
Other comprehensive income	-	-	(1,651)	-	(1,651)	-	(1,651)
Total comprehensive income for the period	**-**	**-**	**(1,651)**	**257,207**	**255,556**	**-**	**255,556**
Transactions with owners in their capacity as owners							
Capital return	(138,884)	-	-	-	(138,884)	-	(138,884)
Dividends paid	-	-	-	(59,521)	(59,521)	-	(59,521)
Share based payments	-	4,683	-	-	4,683	-	4,683
Transfer on exercise of share based payments	6,187	(3,473)	-	(2,714)	-	-	-
Transfer on lapse of share based payments	-	(332)	-	332	-	-	-
Purchase of shares through employee share plan	(3,933)	-	-	-	(3,933)	-	(3,933)
Closing balance at 31 December 2017	**3,000,311**	**8,705**	**(369)**	**341,550**	**3,350,197**	**-**	**3,350,197**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

Whitehaven Coal Limited
Consolidated interim statement of cash flows
For the half year ended 31 December 2017

	Note	31 Dec 2017 $'000	31 Dec 2016 $'000
Cash flows from operating activities			
Cash receipts from customers		1,128,898	767,451
Cash paid to suppliers and employees		(719,212)	(503,861)
Cash generated from operations		409,686	263,590
Interest paid		(10,919)	(27,056)
Interest received		638	688
Net cash from operating activities		**399,405**	**237,222**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		665	71
Purchase of property, plant and equipment		(27,004)	(32,326)
Exploration and evaluation expenditure		(3,861)	(2,351)
Net cash used in investing activities		**(30,200)**	**(34,606)**
Cash flows from financing activities			
Purchase of shares		(3,933)	-
Proceeds from borrowings		150,000	-
Repayment of borrowings		(290,954)	(184,487)
Payment of finance facility upfront costs		(7,751)	(576)
Payment of finance lease liabilities		(6,686)	(12,226)
Payment of capital return to shareholders		(138,884)	-
Payment of dividend		(59,521)	-
Net cash from financing activities		**(357,729)**	**(197,289)**
Net change in cash and cash equivalents		11,476	5,327
Cash and cash equivalents at 1 July		87,138	101,453
Cash and cash equivalents at 31 December		**98,614**	**106,780**

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

1 Reporting entity

Whitehaven Coal Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The address of the Company's registered office is Level 28, 259 George Street, Sydney NSW 2000. The Company is a for-profit entity, and the principal activity of the Group is the development and operation of coal mines in New South Wales.

The consolidated financial report of the Company as at and for the half year ended 31 December 2017 comprises the Company and its subsidiaries (together referred to as the 'Group') and was authorised for issue in accordance with a resolution of the Board of Directors on 16 February 2018.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2017 is available from the Company's website www.whitehavencoal.com.au or upon request from the Company's registered office at Level 28, 259 George Street, Sydney NSW 2000.

2 Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The interim consolidated financial statements for the half year ended 31 December 2017 represent a condensed set of financial statements and have been prepared in accordance with AASB 134 Interim Financial Reporting.

The consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2017 and any public announcements made by Whitehaven Coal Limited during the interim reporting period in accordance with the continuous disclosure requirements of the ASX listing rules.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2017.

Several amendments apply for the first time in the current year. However, they do not impact the interim consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Accounting Standards and Interpretations issued but not yet effective

AASB 9 Financial Instruments

A finalised version of AASB 9 contains accounting requirements for financial instruments, replacing AASB 139 Financial Instruments: Recognition and Measurement. The standard contains requirements in the areas of classification and measurement, impairment, hedge accounting and derecognition. The Group has determined that the potential impact of the new standard on the Group's financial report will be immaterial. This standard applies to annual reporting periods beginning on or after 1 January 2018.

AASB 15 Revenue from Contracts with Customers

The core principle of AASB 15 is that an entity recognises revenue in accordance with the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with AASB 15 by applying the following steps: Step 1: Identify the contract(s) with the customer; Step 2: Identify the performance obligations in the contract; Step 3: Determine the transaction price; Step 4: Allocate the transaction price to the performance obligations in the contract; Step 5: Recognise the revenue when the entity satisfies a performance obligation. New disclosures about revenue are also introduced. The Group is currently in the process of completing its analysis of the potential impact of the amendments on the Group's financial report. However, as the majority of the Group's revenue is derived from contracts in which the transfer of risks and rewards occurs at the same time as the satisfaction of the performance obligation, no material changes are expected in respect of the timing and amount of revenue currently recognised by the Group. This standard applies to annual reporting periods beginning on or after 1 January 2018.

2 Basis of preparation and changes to the Group's accounting policies (cont.)

Accounting Standards and Interpretations issued but not yet effective (cont.)

AASB 16 Leases

AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. AASB 16 contains disclosure requirements for lessees. The Group is continuing its assessment to quantify the impact of the new standard on the Group's financial report, but expect adoption of the standard to have a material impact to the Group's financial statements.This standard applies to annual reporting periods beginning on or after 1 January 2019.

3 Segment Reporting

Identification of reportable segments

The Group has determined that it has two reportable segments – Open Cut Operations and Underground Operations.

Unallocated operations includes coal trading, corporate, marketing and infrastructure functions which are managed on a group basis and are not allocated to reportable segments.

The Group's financing (including finance costs and finance income), depreciation and income taxes are managed on a group basis and are not allocated to reportable segments.

The following table represents revenue and profit information for reportable segments for the half-years ended 31 December 2017 and 31 December 2016.

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Half-year ended 31 December 2017				
Revenue				
Sales to external customers	80,654	737,879	327,837	1,146,370
Total segment revenue				1,146,370
Total revenue per statement of comprehensive income				1,146,370

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Result				
Segment EBITDA result	(5,971)	306,732	159,790	460,551
Depreciation and amortisation				(72,607)
Net financial expense				(15,352)
Income tax expense				(115,582)
Gain on investments and asset disposals				197
Net profit after tax per statement of comprehensive income				257,207

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Capital expenditure				
Segment expenditure	4,175	5,851	22,106	32,132

3 Segment Reporting (continued)

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Half-year ended 31 December 2016				
Revenue				
Sales to external customers	4,889	525,289	293,278	823,456
Total segment revenue				823,456
Total revenue per statement of comprehensive income				823,456

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Result				
Segment EBITDA result	1,214	185,126	138,478	324,818
Depreciation and amortisation				(68,160)
Net financial expense				(30,652)
Income tax expense				(68,512)
Net profit after tax per statement of comprehensive income				157,494

	Unallocated $'000	Open Cut Operations $'000	Underground Operations $'000	Total $'000
Capital expenditure				
Segment expenditure	3,474	8,808	23,014	35,296

4 Financial income and expense

	31 Dec 2017 $'000	31 Dec 2016 $'000
Recognised in profit and loss		
Interest income	640	690
Financial income	640	690
Interest expense on finance lease liabilities	(1,077)	(2,073)
Interest on drawn debt facility	(3,562)	(16,857)
Other financing charges	(7,805)	(8,421)
Interest and financing costs	(12,444)	(27,351)
Net interest expense	(11,804)	(26,661)
Unwinding of discounts on provisions	(1,037)	(963)
Amortisation of finance charges payable under debt facilities	(2,511)	(3,028)
Other financial expenses	(3,548)	(3,991)
Net financial expense	(15,352)	(30,652)
Recognised directly in equity		
Net change in cash flow hedges	(2,359)	(5,516)
Income tax effect	708	1,656
Finance expense recognised directly in equity, net of tax	(1,651)	(3,860)

5 Interest-bearing loans and borrowings

	31 Dec 2017 $'000	30 June 2017 $'000
Current liabilities		
Finance lease liabilities	28,349	17,682
Secured loans	11,909	11,908
Capitalised borrowing costs	(5,240)	(6,030)
	35,018	23,560
Non-current liabilities		
Senior bank facility	190,000	325,000
Finance lease liabilities	-	17,353
Secured loans	34,306	40,261
Capitalised borrowing costs	(13,778)	(7,899)
	210,528	374,715
Total interest-bearing liabilities	245,546	398,275
Financing facilities	1,074,564	1,187,204
Facilities utilised at reporting date	264,564	412,204
Facilities not utilised at reporting date	810,000	775,000

During the current period the Group refinanced its senior bank facility provided by a syndicate of Australian and international banks. The new facility is comprised of a $1.0 billion drawable revolver and a $0.2 billion guarantee facility. The new facility's $1.0 billion drawable line of credit is for general corporate purposes and has a maturity of July 2021.

During the current period $285 million of debt drawn under the senior bank facility was repaid (31 December 2016: $180 million) and $150 million was redrawn (31 December 2016: nil). The Group repaid $5.9 million of the ECA facility during the period (31 December 2016: $4.5 million). The security provided in relation to the facilities is a fixed and floating charge over the assets of the Group. Finance lease liabilities are secured over the assets to which they relate.

The fair values of interest bearing liabilities materially approximates their respective carrying values as at 31 December 2017 and 30 June 2017.

6 Provisions

	31 Dec 2017 $'000	30 June 2017 $'000
Mine rehabilitation and closure	94,545	89,762
	94,545	89,762
Current	5,500	5,188
Non-current	89,045	84,574
	94,545	89,762

7 Dividends

A distribution to shareholders of $198,405,000 was paid during the six months ended 31 December 2017 comprising dividends of $59,521,000 (2016: nil) and a capital return of $138,884,000 (2016: nil).

On 16 February 2018 the Directors declared an unfranked interim dividend of 13 cents per share totalling $128,963,000 to be paid on 2 March 2018. The financial effect of this dividend has not been brought to account in the financial statements for this period.

8 Contingencies

Bank guarantees

		31 Dec 2017 $'000	30 June 2017 $'000
The Group provided bank guarantees to:			
(i)	Government departments as a condition of continuation of mining and exploration licenses	118,720	118,907
(ii)	Rail capacity providers	30,503	30,503
(iii)	Port capacity providers	108,107	97,163
(iv)	Electricity network access supplier	25,511	25,511
(v)	Other	4,798	3,195
		287,639	275,279

9 Interests in joint operations

	% Ownership Interest	
	31 Dec 2017	30 June 2017
Joint Operations:		
Tarrawonga Coal Project Joint Venture	70%[1]	70%
Narrabri Coal Joint Venture	70%	70%
Maules Creek Joint Venture	75%	75%
Dingo Joint Venture	70%	70%
Ferndale Joint Venture	92.5%	92.5%
Boggabri-Maules Creek Rail Spur Joint Venture	39%	39%
Tarrawonga Coal Sales Pty Ltd[2]	70%	70%
Maules Creek Marketing Pty Ltd[2]	75%	75%
Boggabri-Maules Creek Rail Pty Ltd[2]	39%	39%

[1]During the current period the Group entered into a binding agreement to acquire Idemitsu's 30% interest in the Tarrawonga Coal project Joint Venture. Completion of the acquisition is subject to a number of standard conditions precedent being met, including regulatory approvals. Upon completion of the acquisition, the Group will own 100% of the Tarrawonga mine.

[2]The joint operations above operate as the sales and marketing vehicles or manager of the related unincorporated joint operations and require the consent of joint venture partners on significant management and financial decisions. As such the Group recognises its share of assets, liabilities, revenues and expenses of the above entities as joint operations under AASB11 *Joint Arrangements*.

10 Financial Instruments

Net Fair Values

The Group complies with AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 - measurements based upon quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 - measurements based upon inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3 - measurements based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group held the following financial instruments carried at fair value in the statement of financial position:

	31 December 2017 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Assets measured at fair value				
Unlisted equity shares	37	-	-	37
Forward exchange contracts – receivable	573	-	573	-
	610	-	573	37
Liabilities measured at fair value				
Forward exchange contracts – payable	(708)	-	(708)	-
Interest rate swaps - payable	(392)	-	(392)	-
	(1,100)	-	(1,100)	-

	30 June 2017 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts - receivable	2,413	-	2,413	-
	2,450	-	2,413	37
Liabilities measured at fair value				
Forward exchange contracts - payable	-	-	-	-
Interest rate swaps - payable	(582)	-	(582)	-
	(582)	-	(582)	-

The fair value of derivative financial instruments is derived using valuation techniques based on observable market inputs, such as forward currency rates and interest rates, at the end of the reporting period. The amounts disclosed in the statement of financial position are the fair values and are classified under level 2 in the fair value measurement hierarchy. During the period the Group entered into forward exchange contracts to hedge some of its foreign exchange risk. A number of these contracts remained open at 31 December 2017.

The carrying values of financial assets and financial liabilities recorded in the financial statements materially approximates their respective net fair values, determined in accordance with the accounting policies disclosed in note 5.3 to the financial statements for the year ended 30 June 2017.

11 Subsequent events

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Directors' declaration

In the opinion of the Directors of Whitehaven Coal Limited ("the Company"):

1. the financial statements and notes set out on pages 11 to 21, are in accordance with the *Corporations Act 2001* including:

   (a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the six month period ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

The Hon. Mark Vaile AO
Chairman
16 February 2018

Paul Flynn
Managing Director
16 February 2018

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Independent Auditor's Review Report to the Members of Whitehaven Coal Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Whitehaven Coal Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated interim statement of financial position as at 31 December 2017, the consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated interim statement of financial position of the Group as at 31 December 2017 and of its consolidated interim statement of comprehensive income for the half year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half Year Financial Report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated interim statement of financial position as at 31 December 2017 and its consolidated interim statement of comprehensive income for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
Sydney
16 February 2018

Glossary

Glossary of terms and abbreviations

ARTC	Australian Rail Track Corporation
ASEAN	Association of Southeast Asian Nations
CHPP	Coal Handling Preparation Plant
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
ECA	Export Credit Agency
FEC	Forward Exchange Contract
FOB	Free-on-Board
FVLCD	Fair Value Less Costs of Disposal
H1 FY2018	Six month period ending 31 December 2017
H1 FY2017	Six month period ending 31 December 2016
HELE	High Energy Low Emissions
IEA	International Energy Agency
JORC	Joint Ore Resources Committee
KMP	Key Management Personnel
LTI	Long Term Incentive
LW	Longwall
MRRT	Minerals Resource Rent Tax
Mt	Million tonnes
Mtce	Million tonnes of coal equivalent
MTI	Medium Term Incentive
Mtpa	Million tonnes per annum
NCIG	Newcastle Coal Infrastructure Group
PWCS	Port Waratah Coal Services
ROM	Run of Mine
STI	Short Term Incentive
t	Tonne
TAL	Tonne Axle Loads
TFR	Total Fixed Remuneration
TRIFR	Total Recordable Injury Frequency Rate
TSR	Total Shareholder Return