30 JANUARY 2015

Australian Stock Exchange

Company Announcements

HALF-YEAR RESULTS

Please find attached the following in respect of the Half Year ending 31 December 2014;

1. Appendix 4D
2. Interim Financial Report

Yours faithfully

Timothy Burt

Company Secretary

Whitehaven Coal Limited ABN 68 124 425 396
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Appendix 4D

1. This statement presents results for Whitehaven Coal Limited for the half year ended 31 December 2014 and, where applicable, comparative results for the previous year.

2. Results for announcement to the market:

	Half Year 31 Dec 2014 $'000	**Half Year 31 Dec 2013 $'000**	**Change**
Revenue from ordinary activities	371,803	405,480	-8%
Net Loss After Tax from ordinary activities	(77,863)	(11,639)	-569%
Net Loss After Tax attributable to members	(77,863)	(11,639)	-569%

3. Dividends

No dividends were paid during the six months ended 31 December 2014 (2013: nil).

The Directors resolved not to pay an interim dividend for the half year.

4. Net Tangible Assets (NTA) per security:

	Half Year 31 Dec 2014	**Half Year 31 Dec 2013**
NTA per security	302.05c/share	305.20c/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

31 December 2014

Interim Financial Report

Contents

The directors present their report together with the consolidated financial report of Whitehaven Coal Limited ('the Company') for the six months ended 31 December 2014 and the auditor's review report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the interim 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)
Philip Christensen	Director	3 May 2012 (resigned 14 July 2014)
Rick Gazzard	Director	3 May 2012
Tony Haggarty	Director	3 May 2007
Christine McLoughlin	Director	3 May 2012
Raymond Zage	Director	27 August 2013

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was the development and 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

The Directors resolved not to pay an interim dividend for the half year.

No dividends were paid during the current or prior half year period.

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 consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, 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 six months ended 31 December 2014.

ROUNDING

The Company is of a kind referred to in ASIC Class Order 98/100, 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

- Statutory loss after tax of $77.9 million.
- Operating EBITDA before significant items of $52.1 million.
- Net debt of $887.4 million at 31 December 2014.
- Conservatively geared at 22% at 31 December 2014.

The Group's financial results are summarised below:

Whitehaven Coal Limited – Consolidated	H1 FY2015 $ million	H1 FY2014 $ million	Movement %
Revenue	371.8	405.5	(8%)
Net loss for the period attributable to members	(77.9)	(11.6)	(572%)
Add back: Significant items after tax (refer to note 4)	65.5	2.7	2326%
Net loss before significant items	(12.4)	(8.9)	(39%)
(Loss) / profit before net financial expense	(85.8)	11.7	(833%)
Add back: Depreciation and amortisation	46.4	39.3	18%
Add back: Loss on disposal of fixed assets	-	0.1	n/a
Operating EBITDA including significant items	(39.4)	51.1	(177%)
Add back: Significant items before tax and financing (refer to note 4)	91.5	3.9	2246%
Operating EBITDA before significant items	52.1	55.0	(5%)

The 31 December 2014 statutory result includes the impact of the following significant items:

- The write back of deferred tax balances and related goodwill recognised on implementation of the MRRT of $64.9 million as a result of the repeal of MRRT legislation; and,
- A charge of $0.8 million related to provision for doubtful debts following the company receiving notice that a domestic coal customer had been placed into voluntary administration.

REVIEW OF FINANCIAL PERFORMANCE

Operating EBITDA before significant items of $52.1 million has decreased by 5% relative to the prior comparative period. The key features of the operating EBITDA result include:

- A decrease in revenue of 8% to $371.8 million. This has been driven by falling coal prices offset by a weakening Australian dollar, particularly towards the end of 2014, and record sales of produced coal of 4.7Mt, up by 10% or 0.4Mt relative to the prior comparative period.
- Fully absorbed costs of coal per tonne have decreased to $63, down by 11% compared to $71 per tonne in the prior comparative period. Fully absorbed costs per tonne have declined consistently on a half by half basis since the first half of the prior year. The cost savings achieved have been driven by production efficiencies across the mine operations as well as a range of non-production related savings which have been underpinned by an increased focus on procurement following the introduction of a centralised function in the prior year.
- EBITDA margins maintained in a period of declining prices by improving efficiency and continuing with sustainable cost cutting across the portfolio.
- Sales of purchased coal have reduced to nil in the current period compared to 204kt in the prior comparative period, reflecting that production across the portfolio is well matched to sales commitments both in volume and quality terms. The commencement of production at Maules Creek will provide further flexibility in this regard and further minimise scenarios in which purchases of coal might be required.

CASH FLOWS & CAPITAL MANAGEMENT

Cash flows	**H1 FY2015**	H1 FY2014
Cash flows from operations ($ million)	**54.1**	78.3
Investing cash flows ($ million)	**(275.1)**	(140.9)
Senior facility drawings ($million)	**225.0**	30.0
Capital management & balance sheet	**31 December 2014**	30 June 2014
Cash on hand ($ million)	**111.6**	103.2
Senior secured banking facilities ($million)	850.0	625.0
Other interest bearing liabilities ($ million)	149.0	163.4
Total interest bearing liabilities ($ million)	**999.0**	788.4
Net debt ($ million)	**887.4**	685.2
Net assets ($ million)	**3,118.1**	3,206.5
Gearing ratio [1]	**22%**	18%
Undrawn facilities ($ million)	**200.0**	375.0

[1] *Net Debt to Net Debt plus Equity*

Cash flow from operations during the half was $54.1 million compared to $78.3 million in the prior corresponding period.

Total interest bearing liabilities at 31 December 2014 were $999.0 million. The represents an increase of $210.6 million relative to the position at 30 June 2014 ($788.4 million). The increase is made up of the following:

- Drawings of $225.0 million from the corporate debt facility to fund capital expenditure on the Maules Creek development.
- Repayments of finance leases and Export Credit Agreement ("ECA") facility of $14.4 million.

Gearing increased marginally to 22% at 31 December 2014 (30 June 2014: 18%) in line with the $225 million draw down in the Corporate Facility.

Cash balance of $111.6 million at the end of the half year.

REVIEW OF OPERATIONS - HIGHLIGHTS

CONSOLIDATED EQUITY PRODUCTION AND SALES

Whitehaven Total - 000t	H1 FY2015	H1 FY2014	Movement
ROM Coal Production	4,457	4,636	(4%)
Saleable Coal Production	4,429	4,081	9%
Sales of Produced Coal	4,713	4,302	10%
Sales of Purchased Coal	-	204	-
Total Coal Sales	4,713	4,506	5%
Coal Stocks at Period End	730	907	(19%)

The production numbers 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.

The first half was characterised by a number of operational highlights that have improved profitability during the period and also laid a solid foundation for continued growth. Key highlights during the six months to 31 December 2014 are as follows:

Maules Creek

- First coal railed from Maules Creek three months ahead of schedule.
- Construction of Maules Creek over 87% complete, ahead of schedule and on budget.
- ROM and saleable coal production for the half were 94kt and 54kt respectively.
- Mining equipment was ordered for the expansion of the mine to 8.5Mtpa from the initial production rate of 6.0Mtpa.

Production

- Record saleable coal production of 4.4Mt (equity basis) for the half, 9% higher than in the previous corresponding period.
- ROM production of 4.5Mt (equity basis) for the half, 4% lower than previous corresponding period as a result of the scheduled six week longwall changeout at Narrabri during the half. The longwall changeout was successfully completed ahead of schedule and production recommenced on 30 November 2014.
- The cost reduction programme instituted in the previous year continued to deliver with per unit production costs declining relative to the prior comparative period.

REVIEW OF OPERATIONS - SAFETY

Whitehaven is committed to protecting workers from injury or illness while working at any of our operations, construction projects or exploration areas. Following the introduction of Whitehaven's "Safehaven Rules" in early 2014 there has been an ongoing improvement in safety outcomes across the company. The trend continued in the first half of FY2015 where on a Whitehaven group basis the twelve month rolling average TRIFR fell to 9.49 in December 2014. Pleasingly the twelve month rolling average LTIFR also declined and was 2.23 at the end of December with both measures well below the NSW coal mine average.

REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS

Narrabri *(Whitehaven 70%)*

Narrabri Mine - 000t	H1 FY2015	H1 FY2014	Movement
ROM Coal Production	2,852	3,287	(13%)
Saleable Coal Production	3,052	2,913	5%
Sales of Produced Coal	3,196	2,858	12%
Coal Stocks at Period End	148	521	(72%)

Note – the table above is based on managed volumes.

Record saleable coal production of 3.052Mt from Narrabri in the first half was achieved in a period when six weeks cutting time was lost due to the scheduled longwall changeout. The strong operating performance of the mine provides confidence that the full year target of 6.5Mt ROM coal can be achieved. ROM coal production of 2.852Mt (annualised 7.4Mtpa) for the half year was 13% lower than the previous corresponding period and saleable coal production was 5% higher than the previous corresponding period. The planned six week longwall changeout was completed ahead of schedule with mining recommencing on 30 November.

Early in the half the longwall control systems were upgraded and processes were improved. By implementing the upgraded software, full shearer automation was attained enabling longwall productivity and horizon control to improve significantly. The longwall will continue to operate with this system in the future.

A decision was made during the half to pursue the feasibility of extending the longwall face to about 400 metres as the superior optimization path for Narrabri in lieu of top coal caving. The key attributes of a wider longwall face compared to top coal caving are lower operating risk, higher incremental production and reduced underground development, all of which can be achieved for a similar capital cost. A decision on the project is likely in the current half.

The Narrabri Mine is expected to produce in excess 6.5Mt ROM coal for the financial year.

Open Cut Operations

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

Open Cuts – 000t	H1 FY2015	H1 FY2014	Movement
ROM Coal Production	2,711	2,655	2%
Saleable Coal Production	2,563	2,296	12%
Sales of Produced Coal	2,799	2,591	8%
Coal Stocks at Period End	617	634	(3%)

Note – the table above is based on managed volumes.

The three open cut mines (Tarrawonga, Rocglen and Werris Creek) performed in line with expectations and plan during the first half of FY2015. ROM coal production increased by 2% to 2.7Mt and saleable coal production grew 12% to 2.6Mt when compared to the previous corresponding period. Coal sales increased by 8% to 2.8Mt for the half.

Maules Creek *(Whitehaven 75%)*

A major milestone was achieved at Maules Creek during the half year with the commencement of coal railings in mid-December. The initial coal railing was three months ahead of schedule and reflects positively on the high quality construction and operating teams in place at the mine.

ROM and saleable coal production for the half were 94kt and 54kt respectively.

The mining rate at Maules Creek will progressively increase during the second half of FY2015 with installed mining capacity in place to operate at an annualised rate of 6.0Mt by mid-March following commissioning of the full fleet of the ultra-class and ancillary mining equipment. The number of employees will also gradually increase from 151 at the end of December to about 180 from March 2015 as people are recruited to operate the additional mining equipment. Orders have been placed for more mining equipment that will be used to increase production to an annualised rate of 8.5Mt. This equipment is expected to start arriving onsite at the end of CY2015 and be operational early in CY2016.

Construction activity at Maules Creek is progressing ahead of schedule and was 87% complete at the end of December.

The construction workforce on site has begun to wind down as work is completed on several major elements of the project. The two major components remaining to be completed are the assembly and erection of the coal handling and preparation plant (CHPP) and the coal reclaimers from the product stockpiles. The washing section of the CHPP is due to be completed in early May and will be commissioned over several months to enable the production of metallurgical coal products in July 2015.

DEVELOPMENT PROJECTS

Vickery *(Whitehaven 100%)*

Whitehaven received notification from the NSW Department of Planning and Environment in September 2014 that the NSW Minister for Planning has approved the project application for the Vickery project.

Whitehaven owns 100% of the Vickery project and is actively seeking to form a joint venture with potential customers by selling down up to a 30% interest in the project. Potential joint venture partners may be supplied with similar coal from the Maules Creek mine until the Vickery project comes into production.

Timing for startup of the Vickery project is still to be determined but is unlikely to occur prior to Maules Creek ramping up to its approved production level of 13Mtpa. As is usual with project approvals Whitehaven has committed to observe a range of conditions to ensure that the environmental impacts arising from the project are properly minimised. Federal Government approval is not required for Vickery as mining had previously occurred in the project area. Vickery is located on flat open pastoral land largely owned by Whitehaven.

EXPLORATION

Whitehaven has interests in a number of other coal exploration projects, including Ferndale, Dingo, Sienna, Monto, Ashford and Oaklands North. Expenditure on these projects during the period was limited to the level required to ensure the assets are maintained in good standing with Government authorities.

INFRASTRUCTURE

Australian Rail Track Corporation has completed the track upgrade work to increase the track capability to 30 tonne axle loads. All trains on the Gunnedah basin rail system are now operating at 30 tonne axle loads with the average train size approaching 8,000 tonnes. As part of the monitoring system Whitehaven has fitted equipment to one of its rail wagons to provide real time monitoring of track conditions. Analysis of data from the equipment will identify when sections of the track require maintenance.

OUTLOOK

In the short term the market for both thermal and metallurgical coals is in surplus. Global production cuts in excess of 25Mtpa in metallurgical coal are expected to help return the market to balance in 2015. Continuing economic growth in Asia combined with production cuts will bring the Asian seaborne thermal coal market into balance. Whitehaven's production is fully committed to sales for the balance of FY2015.

The medium to long term outlook for coal remains strong, underpinned by expected growth in global energy demand over the next 20 years. The IEA in its recently released Medium Term Market Report 2014, forecasts that global coal demand will increase by 1,143Mt in the period from 2013 to 2019, a growth rate of 2.3% per year. Most of this growth will come from the Asian region with China, India and ASEAN countries providing the demand growth. This is the region where Whitehaven sells all of its coal production.

With Maules Creek moving into production, Whitehaven's portfolio of mines includes two large, low cost, world class mines which when combined with the existing open cut mines positions Whitehaven favourably to support increasing demand for high quality energy sources. The Vickery project provides another longer term, large scale growth option for Whitehaven. The combination of long life reserves and key infrastructure provides Whitehaven with the flexibility to expand production capacity in line with customer needs.

Signed in accordance with a resolution of the directors:

Mark Vaile
Chairman
30 January 2015

Paul Flynn
Managing Director
30 January 2015

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

In relation to our review of the financial report of Whitehaven Coal Limited for the half year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Trent van Veen
Partner
30 January 2015

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of comprehensive income
For the six months ended 31 December 2014

In thousands of AUD	***Note***	**Consolidated 31 Dec 2014**	**Consolidated 31 Dec 2013**
Revenue		371,803	405,480
Other income		7,374	6,640
Operating expenses		(186,876)	(194,563)
Coal purchases		-	(20,215)
Selling and distribution expenses		(100,717)	(101,574)
Government royalties		(28,528)	(29,463)
Impairment of MRRT goodwill	*4*	(90,711)	-
Administrative expenses		(11,265)	(12,765)
Other expenses	*5*	(443)	(2,538)
Depreciation and amortisation		(46,421)	(39,339)
(Loss) / profit before net financial expense		**(85,784)**	**11,663**
Financial income		4,263	2,072
Financial expenses		(27,676)	(29,774)
Net financial expense	*6*	**(23,413)**	**(27,702)**
Loss before tax		**(109,197)**	**(16,039)**
Income tax benefit	*4*	31,334	4,400
Net loss for the period		**(77,863)**	**(11,639)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement on cash flow hedges		(15,704)	2,806
Income tax effect		4,711	(842)
Other comprehensive (loss) / income for the period, net of tax		**(10,993)**	**1,964**
Total comprehensive loss for the period, net of tax		**(88,856)**	**(9,675)**
Net loss for the period attributable to:			
Owners of the parent		(77,863)	(11,639)
Non-controlling interests		-	-
		(77,863)	**(11,639)**
Total comprehensive loss for the period, net of tax attributable to:			
Owners of the parent		(88,856)	(9,675)
Non-controlling interests		-	-
		(88,856)	**(9,675)**
Earnings per share:			
Basic loss per share (cents per share)		(7.9)	(1.2)
Diluted loss per share (cents per share)		(7.9)	(1.2)

The notes on pages 14 to 23 are an integral part of these consolidated interim financial statements. Consistent with the approach adopted at 30 June 2014, the Company has made the decision to reclassify some items of expenditure. This includes re-classifying foreign exchange movements that were the result of operating activities from finance income and into revenue or other income and the re-classification of depreciation of some life of mine assets from operating expenses to depreciation. The new classification of these accounts is in line with current year classification. The comparative period has been restated to reflect these changes.

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of financial position
As at 31 December 2014

In thousands of AUD	*Note*	Consolidated 31 Dec 2014	Consolidated 30 Jun 2014
Assets			
Cash and cash equivalents	*7*	111,554	103,167
Trade and other receivables		131,141	70,262
Inventories		44,081	61,122
Derivative financial instruments		66	-
Total current assets		**286,842**	**234,551**
Non-current assets			
Trade and other receivables		23,801	29,672
Investments		193	568
Property, plant and equipment		3,555,678	3,384,937
Exploration and evaluation		524,309	526,914
Intangibles	*8*	19,778	105,843
Deferred tax assets		6,113	-
Total non-current assets		**4,129,872**	**4,047,934**
Total assets		**4,416,714**	**4,282,485**
Liabilities			
Trade and other payables		144,785	155,688
Interest-bearing loans and borrowings	*9*	28,246	33,084
Employee benefits		13,803	12,900
Current tax payable	*10*	42,331	6,219
Provisions	*11*	16,116	22,995
Derivative financial instruments		16,236	466
Total current liabilities		**261,517**	**231,352**
Non-current liabilities			
Interest-bearing loans and borrowings	*9*	970,791	755,308
Deferred tax liabilities		-	29,931
Provisions	*11*	66,283	59,358
Total non-current liabilities		**1,037,074**	**844,597**
Total liabilities		**1,298,591**	**1,075,949**
Net assets		**3,118,123**	**3,206,536**
Equity			
Share capital	*12*	3,146,300	3,146,300
Share based payments reserve		35,649	35,206
Hedge reserve		(11,319)	(326)
Retained earnings		(65,685)	12,178
Equity attributable to owners of the parent		**3,104,945**	**3,193,358**
Non-controlling interest		13,178	13,178
Total equity		**3,118,123**	**3,206,536**

The notes on pages 14 to 23 are an integral part of these consolidated interim financial statements.

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of changes in equity
For the six months ended 31 December 2014

In thousands of AUD	*Note*	Issued capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Opening balance at 1 July 2013		3,146,301	34,152	(3,372)	50,363	3,227,444	13,178	3,240,622
Loss for the period		-	-	-	(11,639)	(11,639)	-	(11,639)
Other comprehensive income		-	-	1,964	-	1,964	-	1,964
Total comprehensive income / (loss) for the period		-	-	1,964	(11,639)	(9,675)	-	(9,675)
Transactions with owners in their capacity as owners								
Share based payments	*5*	-	475	-	-	475	-	475
Transfer on exercise of share based payments		-	(200)	-	200	-	-	-
Closing balance at 31 December 2013		3,146,301	34,427	(1,408)	38,924	3,218,244	13,178	3,231,422

In thousands of AUD		Issued Capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Opening balance at 1 July 2014		3,146,300	35,206	(326)	12,178	3,193,358	13,178	3,206,536
Loss for the period		-	-	-	(77,863)	(77,863)	-	(77,863)
Other comprehensive loss		-	-	(10,993)	-	(10,993)	-	(10,993)
Total comprehensive loss for the period		-	-	(10,993)	(77,863)	(88,856)	-	(88,856)
Transactions with owners in their capacity as owners								
Share based payments	*5*	-	443	-	-	443	-	443
Closing balance at 31 December 2014		3,146,300	35,649	(11,319)	(65,685)	3,104,945	13,178	3,118,123

The notes on pages 14 to 23 are an integral part of these consolidated interim financial statements.

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of cash flows
For the six months ended 31 December 2014

In thousands of AUD	***Note***	**Consolidated 31 Dec 2014**	**Consolidated 31 Dec 2013**
Cash flows from operating activities			
Cash receipts from customers		316,390	394,189
Cash paid to suppliers and employees		(262,336)	(315,848)
Cash from operations		54,054	78,341
Interest paid		(21,261)	(22,771)
Interest received		4,264	711
Net income tax refund		36,111	-
Net cash from operating activities		73,168	56,281
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	24
Acquisition of property, plant and equipment		(270,025)	(139,245)
Exploration and evaluation expenditure		(311)	(1,654)
Acquisition of intangible assets		(4,722)	-
Net cash used in investing activities		(275,058)	(140,875)
Cash flows from financing activities			
Transaction costs paid on issue of share capital		-	(1)
Proceeds from borrowings	*9*	225,000	30,000
Repayment of borrowings		(4,123)	(4,123)
Proceeds from finance leases		-	56,784
Repayment of finance lease liabilities		(10,600)	(10,833)
Net cash from financing activities		210,277	71,827
Net increase / (decrease) in cash and cash equivalents		8,387	(12,767)
Cash and cash equivalents at 1 July		103,167	110,516
Cash and cash equivalents at 31 December		111,554	97,749

The notes on pages 14 to 23 are an integral part of these consolidated interim 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 consolidated entity is the development and operation of coal mines in New South Wales.

The consolidated interim financial report of the Company as at and for the six months ended 31 December 2014 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 [29 January 2015].

The consolidated annual financial report of the Group as at and for the year ended 30 June 2014 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 six months ended 31 December 2014 represent a condensed set of financial statements and have been prepared in accordance with AASB 134 Interim Financial Reporting.

The interim consolidated 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 2014 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 2014, except for the adoption of the following new standards and interpretations effective as of 1 July 2014:

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- Interpretation 21 Levies (IFRIC21)
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]
- AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]
- AASB 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders [AASB 1038]
- Annual Improvements to IFRSs 2010–2012 Cycle
- Annual Improvements to IFRSs 2011–2013 Cycle
- AASB 1031 Materiality
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments – Part B

The adoption of these amendments did not have any material impact on the financial position or performance of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 Segment Reporting

Identification of reportable segments

The Group has identified its reportable segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group has determined that it has two reportable segments: Open Cut Operations and Underground Operations. Discrete financial information about each of these segments is reported to the executive management team on at least a monthly basis.

Unallocated includes coal trading, corporate, marketing and infrastructure functions that 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 2014 and 31 December 2013. 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.

In thousands of AUD	**Unallocated**[1]	**Open Cut Operations**	**Underground Operations**	**Total**
Half-year ended 31 December 2014				
Revenue				
Sales to external customers	(5,032)	196,140	180,695	371,803
Total segment revenue				371,803
Total revenue per statement of comprehensive income				371,803

	Unallocated	**Open Cut Operations**	**Underground Operations**	**Total**
Result				
Segment result	(5,526)	14,222	43,421	52,117
Depreciation and amortisation				(46,421)
Net financial expense				(23,413)
Significant items before income tax				(91,480)
Income tax benefit				31,334
Net loss after tax per statement of comprehensive income				(77,863)

	Unallocated	**Open Cut Operations**	**Underground Operations**	**Total**
Capital expenditure				
Segment expenditure	5,421	175,962	20,534	201,917

[1] Contract discounts and foreign exchange gains/losses not allocated to segments

3 Segment Reporting (continued)

In thousands of AUD	Unallocated	Open Cut Operations	Underground Operations	Total
Half-year ended 31 December 2013				
Revenue				
Sales to external customers	22,862	202,478	180,140	405,480
Total segment revenue				405,480
Total revenue per statement of comprehensive income				405,480

	Unallocated	Open Cut Operations	Underground Operations	Total
Result				
Segment result	(5,686)	20,720	40,031	55,065
Depreciation and amortisation				(39,339)
Loss on asset disposals				(122)
Net financial expense				(27,702)
Significant items before income tax				(3,941)
Income tax benefit				4,400
Net loss after tax per statement of comprehensive income				(11,639)

	Unallocated	Open Cut Operations	Underground Operations	Total
Capital expenditure				
Segment expenditure	3,216	99,317	9,879	112,412

Consistent with the approach adopted at 30 June 2014, the Company has made the decision to reclassify some items of expenditure. This includes re-classifying foreign exchange movements that were the result of operating activities from finance income and into revenue or other income and the re-classification of depreciation of some life of mine assets from operating expenses to depreciation. The new classification of these accounts is in line with current year classification. The comparative period has been restated to reflect these changes.

4 Significant items

The items below are significant to the understanding of the overall results of the consolidated group. The Company believes the disclosure of these items provides readers of the financial statements with further meaningful insights to understand the financial performance of the Group.

In thousands of AUD	**Consolidated 31 Dec 2014**	**Consolidated 31 Dec 2013**
Included within the balances presented on the face of the Consolidated Interim Statement of Comprehensive Income:		
Operating expenses:		
Suspension of mining activities and office closures [1]	-	(2,000)
Impairment of MRRT goodwill [2]	(90,711)	-
Other expenses:		
Contract cancellation costs [3]	-	(1,941)
Administrative expenses:		
Bad debt provisions [4]	(769)	-
Significant items before tax	**(91,480)**	**(3,941)**
Applicable income tax expense	231	1,182
De-recognition of MRRT net deferred tax liability [2]	25,801	-
Tax benefit on refund of overpaid tax [5]	42,331	-
Franking deficit tax charge [5]	(42,331)	-
Significant items after tax	**(65,448)**	**(2,759)**

[1] During the prior half-year period, a provision of $2.0m was raised to cover costs to be incurred in remediating an unanticipated spontaneous combustion incident at the Sunnyside mine.

[2] De-recognition of MRRT related deferred tax balances as a result of the enactment of legislation repealing the MRRT. This includes the MRRT goodwill that arose on the acquisition of Boardwalk ($29.9m), Aston ($53.2m) and Coalworks ($7.6m) during the year ended 30 June 2012 as a result of the recognition of deferred taxes on the implementation of the MRRT legislation as part of the purchase price accounting. This MRRT goodwill, being an intangible asset was created upon the introduction of the MRRT. The carrying value of the MRRT goodwill has been reviewed in the current half-year following the enactment of legislation repealing the MRRT, and as a result was fully reversed, together with the associated deferred tax assets and liabilities initially recognised on introduction of the MRRT legislation.

[3] In the prior half-year period the group incurred costs in relation to the cancellation of an infrastructure sharing agreement.

[4] The Company was advised in July 2014 that a domestic customer had been placed into voluntary administration. A provision has been established to cover balances owed which are not expected to be recovered.

[5] During the half year the company received a tax refund of $42.3m following conclusion of an outstanding tax matter resulting in a tax benefit being recognised in the income statement. As a result of the tax refund the company is required to pay franking deficit tax of $42.3m to rebalance its franking account, resulting in recognition of an income tax expense in the income statement. This amount is payable on 31 July 2015 and once paid will remain as a credit available to the company to offset future tax liabilities.

5 Other expenses

In thousands of AUD	Consolidated 31 Dec 2014	Consolidated 31 Dec 2013
Share based compensation payments	443	475
Contract cancellation costs	-	1,941
Loss on sale of non-current assets	-	122
	443	2,538

6 Financial income and expense

In thousands of AUD	Consolidated 31 Dec 2014	Consolidated 31 Dec 2013
Recognised in profit and loss		
Interest income on bank facilities	536	711
Interest on tax refund	3,727	-
Dividend income	-	92
Unrealised gain on investments	-	1,269
Financial income	4,263	2,072
Interest expense on finance lease liabilities	(4,149)	(4,577)
Interest on drawn debt facility	(10,122)	(11,730)
Other interest charges	(5,293)	(6,745)
Interest and financing costs	(19,564)	(23,052)
Unwinding of discounts on provisions	(1,045)	(978)
Unrealised loss on investments	(375)	-
Amortisation of finance charges payable under debt facilities	(6,661)	(5,442)
Net foreign exchange loss on finance leases	(31)	(302)
Financial expenses	(27,676)	(29,774)
Net financial expense	(23,413)	(27,702)
Recognised directly in equity		
Net change in cash flow hedges	(15,704)	2,806
Income tax effect	4,711	(842)
Finance expense recognised directly in equity, net of tax	(10,993)	1,964

7 Cash and cash equivalents

In thousands of AUD	Consolidated 31 Dec 2014	Consolidated 30 June 2014
Cash and cash equivalents	111,554	103,167

8 Intangibles

In thousands of AUD	**Consolidated 31 Dec 2014**	**Consolidated 30 June 2014**
Water access rights	8,577	8,577
Acquired haulage rights	217	293
Rail access rights[1]	10,984	6,262
MRRT goodwill[2]	-	90,711
	19,778	105,843

[1] As part of the agreement to cancel previously existing infrastructure sharing arrangements Whitehaven has agreed to pay 10.1% of the construction cost of the shared portion of the Boggabri Maules Creek rail spur. In return, Whitehaven receives access to rail tonnes on the joint rail spur.

[2] MRRT goodwill arose on the acquisition of Boardwalk, Aston and Coalworks during the year ended 30 June 2012 as a result of the recognition of deferred taxes on the implementation of the MRRT legislation as part of the purchase price accounting. This MRRT goodwill, being an intangible asset was created upon the introduction of the MRRT. The carrying value of the MRRT goodwill was reviewed in the half-year following the enactment of legislation repealing the MRRT and as a result was fully reversed, together with the associated deferred tax assets and liabilities initially recognised on introduction of the MRRT legislation.

	Consolidated				
In thousands of AUD	Water access rights	Contract related intangible	Rail access rights	MRRT goodwill	Total
Movement in intangibles					
Balance at 1 July 2014	8,577	293	6,262	90,711	105,843
Additions during the year	-	-	4,722	-	4,722
Less: accumulated amortisation	-	(76)	-	-	(76)
Less: MRRT goodwill impairment	-	-	-	(90,711)	(90,711)
Balance at 31 December 2014	8,577	217	10,984	-	19,778

9 Interest-bearing loans and borrowings

In thousands of AUD	Consolidated 31 Dec 2014	Consolidated 30 June 2014
Current liabilities		
Finance lease liabilities	19,999	24,837
Secured bank loans	8,247	8,247
	28,246	33,084
Non-current liabilities		
Finance lease liabilities	83,680	89,074
Secured bank loans	887,111	666,234
	970,791	755,308
Total interest-bearing liabilities	999,037	788,392
Financing facilities		
Secured bank loans	1,095,358	1,049,481
Facilities utilised at reporting date		
Secured bank loans	895,358	674,481
Facilities not utilised at reporting date		
Secured bank loans	200,000	375,000

On 21 December 2012 the Company entered into a A$1.2 billion Senior Secured Bank Facility. The facility has a four year tenor and provides Whitehaven with lines of credit up to A$1.2 billion comprising of A$1.0 billion revolving and term, and A$0.2 billion guarantee facilities. During the period the Group executed agreements with members of the existing banking syndicate for the provision of an additional $50m of secured debt financing under terms that are broadly consistent with those of the existing corporate debt facility. The fair values of interest bearing liabilities materially approximate their respective carrying values as at 31 December 2014 and 30 June 2014.

During the period an amount of $225 million (31 December 2013: $30 million) was drawn down under the senior debt facility. The security provided in relation to the facility is a fixed and floating charge over the assets of the Group. During the prior period the Group entered into finance leases of $57 million. Finance lease liabilities are secured over the assets to which they relate.

10 Current tax payable

In thousands of AUD	Consolidated 31 Dec 2014	Consolidated 30 June 2014
Franking deficit tax	42,331	6,219

During the half year the company received a tax refund of $42.3m, plus interest on overpaid tax of $3.7m, following conclusion of an outstanding tax matter. As a result of the tax refund the company is required to pay franking deficit tax of $42.3m to rebalance its franking account. This amount is payable on 31 July 2015 and once paid will remain as a credit available to the company to offset future tax liabilities.

11 Provisions

In thousands of AUD	Consolidated 31 Dec 2014	Consolidated 30 June 2014
Mine rehabilitation and closure	69,901	62,900
Take or Pay	3,392	9,776
Other Provisions	9,106	9,677
	82,399	82,353
Current	16,116	22,995
Non-current	66,283	59,358
	82,399	82,353

12 Share capital

In thousands of AUD	Consolidated 31 Dec 2014	Consolidated 30 June 2014
a) Share capital		
Authorised, issued and fully paid up ordinary shares 1,025,760,027 (30 June 2014: 1,025,760,027)	3,146,300	3,146,300

b) Movements in shares on issue

Ordinary shares

	Consolidated 31 Dec 2014	
	No. of shares 000's	$000's
Beginning of the period [1]	1,025,760	3,146,300
	1,025,760	3,146,300

[1] Included in the above issued shares are 34,020,000 milestone shares issued as part of the consideration for the acquisition of Boardwalk Resources Ltd. The milestone shares are fully paid ordinary shares subject to the terms of a restriction deed which removes their entitlements to vote, receive dividends as declared or participate in the proceeds from the sale of all surplus assets until such time as certain milestones are met.

13 Share-based payments

During the current half year no performance share rights were issued.

14 Dividends

No dividends were paid during the six months ended 31 December 2014 (2013: nil).

The Directors resolved not to pay an interim dividend for the half year.

15 Contingencies

Bank guarantees

In thousands of AUD		Consolidated 31 Dec 2014	Consolidated 30 June 2014
The consolidated entity provided bank guarantees to:			
(i)	Government departments as a condition of continuation of mining and exploration licenses	67,132	67,132
(ii)	Rail capacity providers	23,492	23,492
(iii)	Port capacity providers	61,025	54,818
(iv)	Transgrid	26,200	8,950
(v)	Boggabri-Maules Creek Rail Spur	-	26,269
(vi)	Other	952	952
		178,801	181,613

16 Interests in joint operations

	% Ownership Interest	
	31 Dec 2014	30 June 2014
Joint Operations:		
Tarrawonga Coal Project Joint Venture	70	70
Narrabri Coal Joint Venture	70	70
Maules Creek Joint Venture	75	75
Dingo Joint Venture	70	70
Ferndale Joint Venture	94	94
Boggabri-Maules Creek Rail Spur Joint Venture	39	39
Tarrawonga Coal Sales Pty Ltd[1]	70	70
Maules Creek Marketing Pty Ltd[1]	75	75
Boggabri-Maules Creek Rail Pty Ltd[1]	39	39

[1]The joint operations above operate as the sales and marketing vehicles or manager of the related joint operations and require consent from all joint venture partners on all 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.

17 Financial risk management objectives and policies

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:

In thousands of AUD	**31 December 2014**	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value				
Equity shares	193	156	-	37
Forward exchange contracts – receivable	66	-	66	-
Liabilities measured at fair value				
Forward exchange contracts – payable	7,547	-	7,547	-
Commodity swaps – payable	7,594	-	7,594	-
Interest rate swaps – payable	1,095	-	1,095	-
	30 June 2014	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value				
Equity shares	568	531	-	37
Liabilities measured at fair value				
Interest rate swaps – payable	(466)	-	(466)	-

The fair value of derivative financial instruments is derived using valuation techniques based on observable market inputs, such as forward currency rates, commodity prices 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 and commodity contracts to hedge some of its foreign exchange and fuel price risk respectively. A number of these contracts remained open at 31 December 2014.

The fair value of the Group's investment in listed shares is classified under level 1 in the fair value measurement hierarchy.

The fair value of the Group's investment in unlisted shares is classified under level 3 in the fair value measurement hierarchy. The Group's holding in unlisted shares is minor and any reasonably possible change in assumptions would not have a material impact on the Group's financial statements.

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 3 to the annual financial statements.

18 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 consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, 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 10 to 23, 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 2014 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.

Mark Vaile
Chairman
30 January 2015

Paul Flynn
Managing Director
30 January 2015

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To the members of Whitehaven Coal Limited

Report on the Half year Financial Report

We have reviewed the accompanying half year financial report of Whitehaven Coal Limited, which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed 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 of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

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 controls as the directors determine are 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, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance 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 Whitehaven Coal Limited and the entities it controlled during the half year, 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Whitehaven Coal Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and

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

Ernst & Young

Trent van Veen
Partner
Sydney
30 January 2015