
Whitehaven Coal Limited

HUNTER BUSINESS CHAMBER

Australian High Quality Coal Fuelling Asia

NEWCASTLE, AUSTRALIA

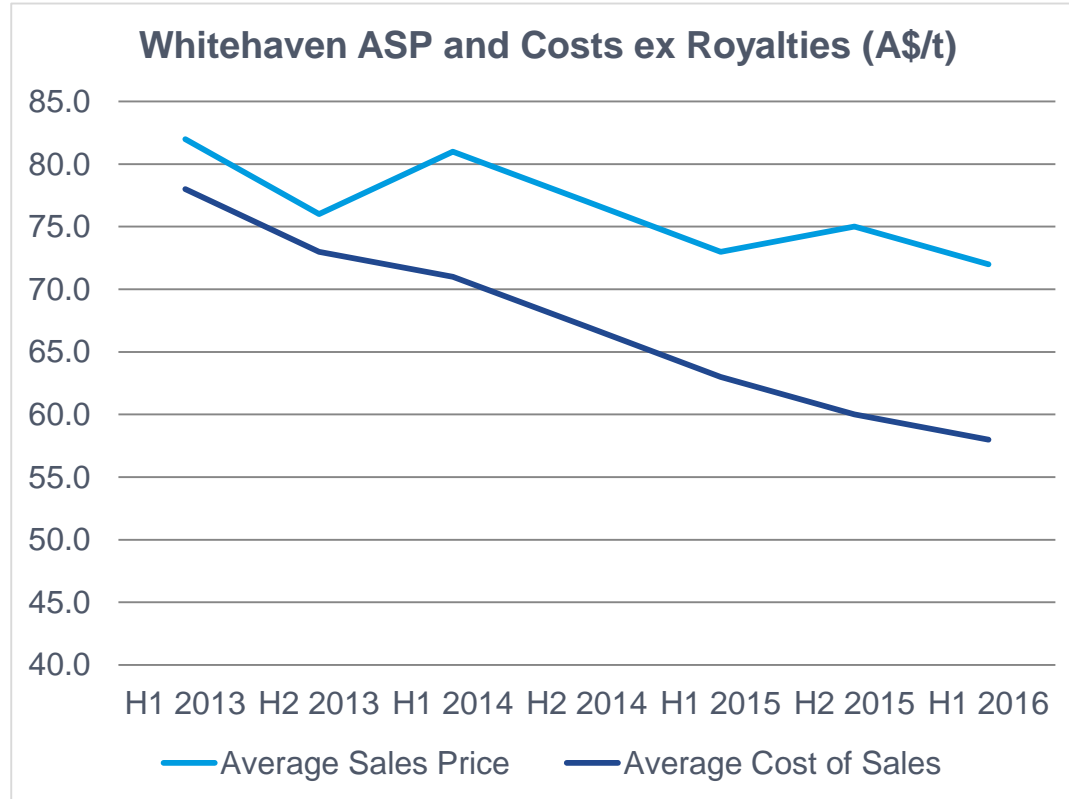
13 MAY 2016



WHITEHAVEN COAL

Whitehaven's Costs

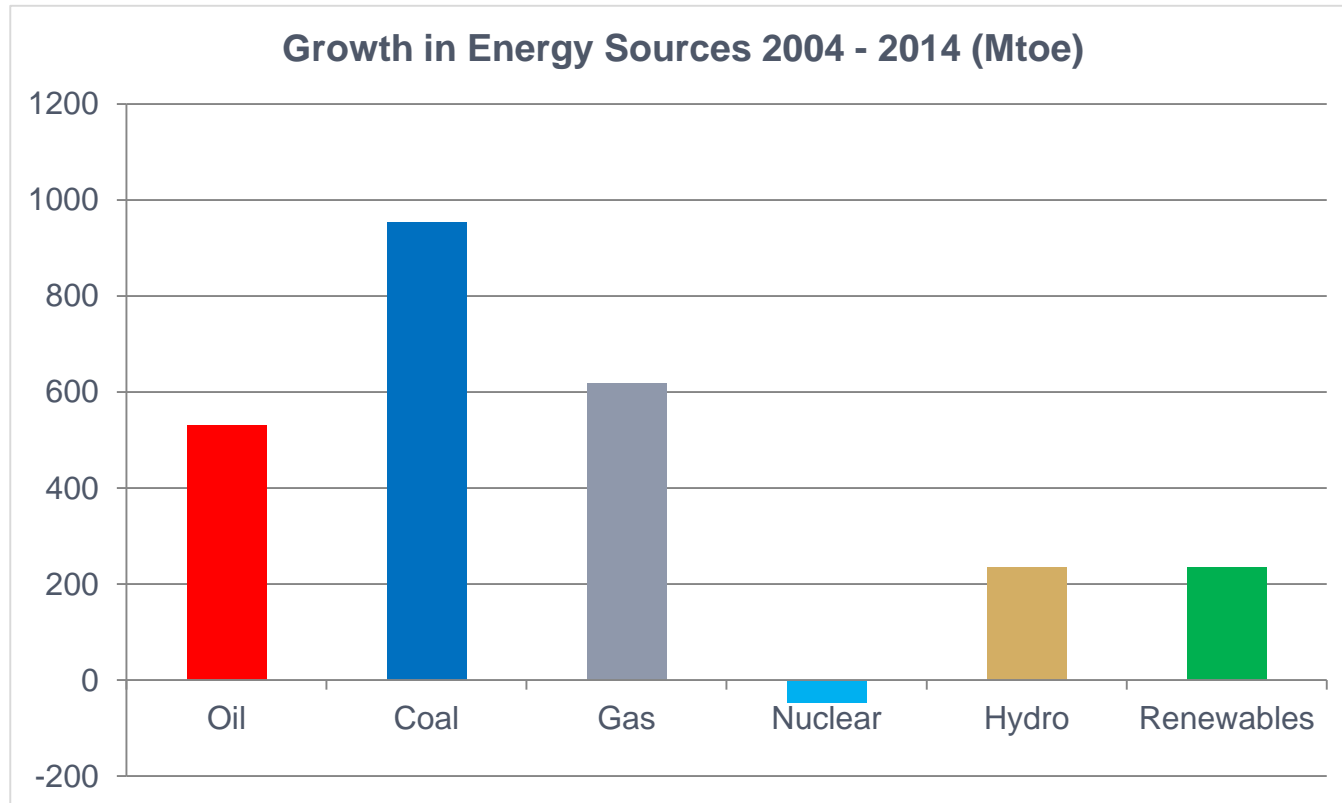
COSTS HAVE FALLEN SIGNIFICANTLY OVER PAST THREE YEARS



- Whitehaven's costs are now firmly entrenched in the first quartile of the seaborne market
- Fully absorbed costs have fallen by 26% over three years to A\$58/t in H1 2016
- EBITDA margin increasing
- Margin per tonne provides strong free cash flow

Ten Year Demand Growth

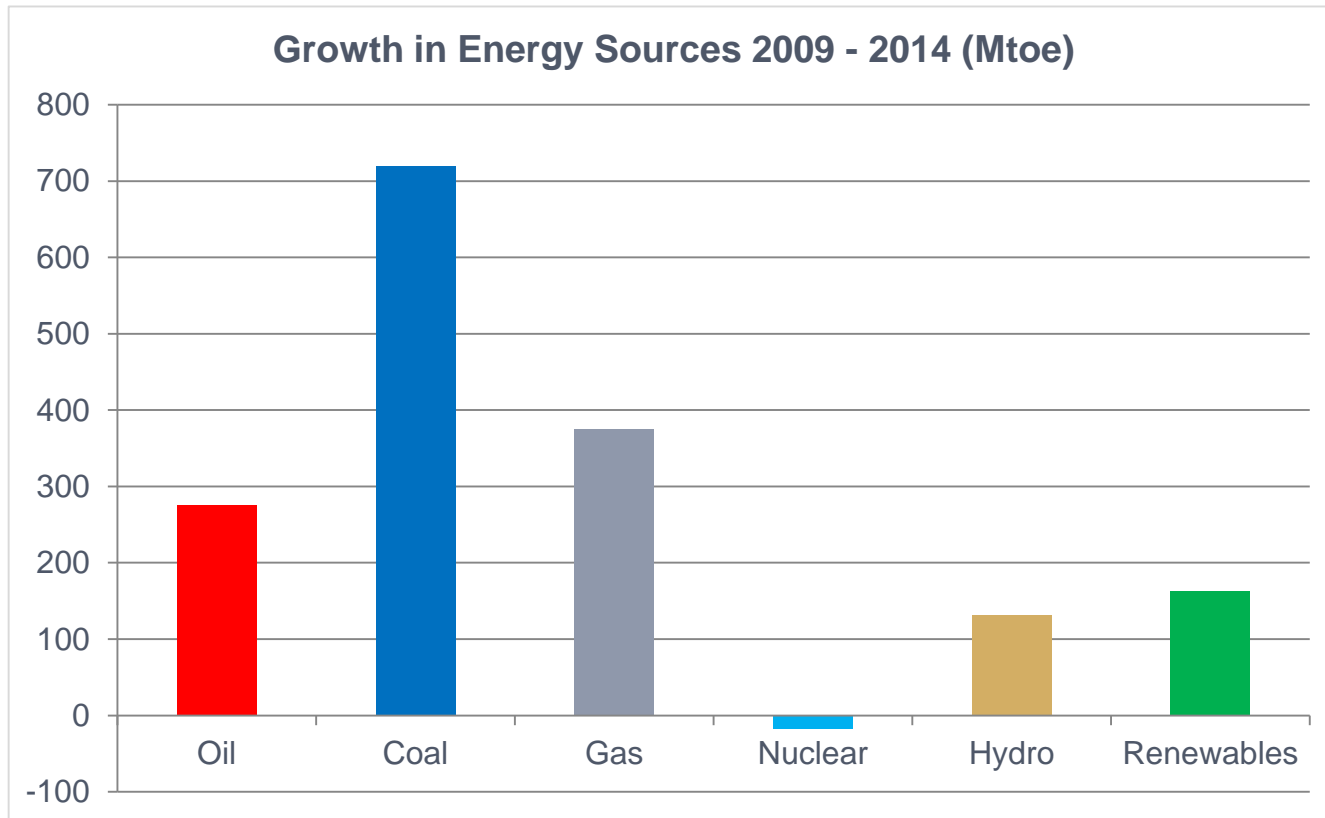
COAL HAS BEEN THE FASTEST GROWING ENERGY SOURCE OVER 10 YEARS



Source: BP Statistical Review 2015

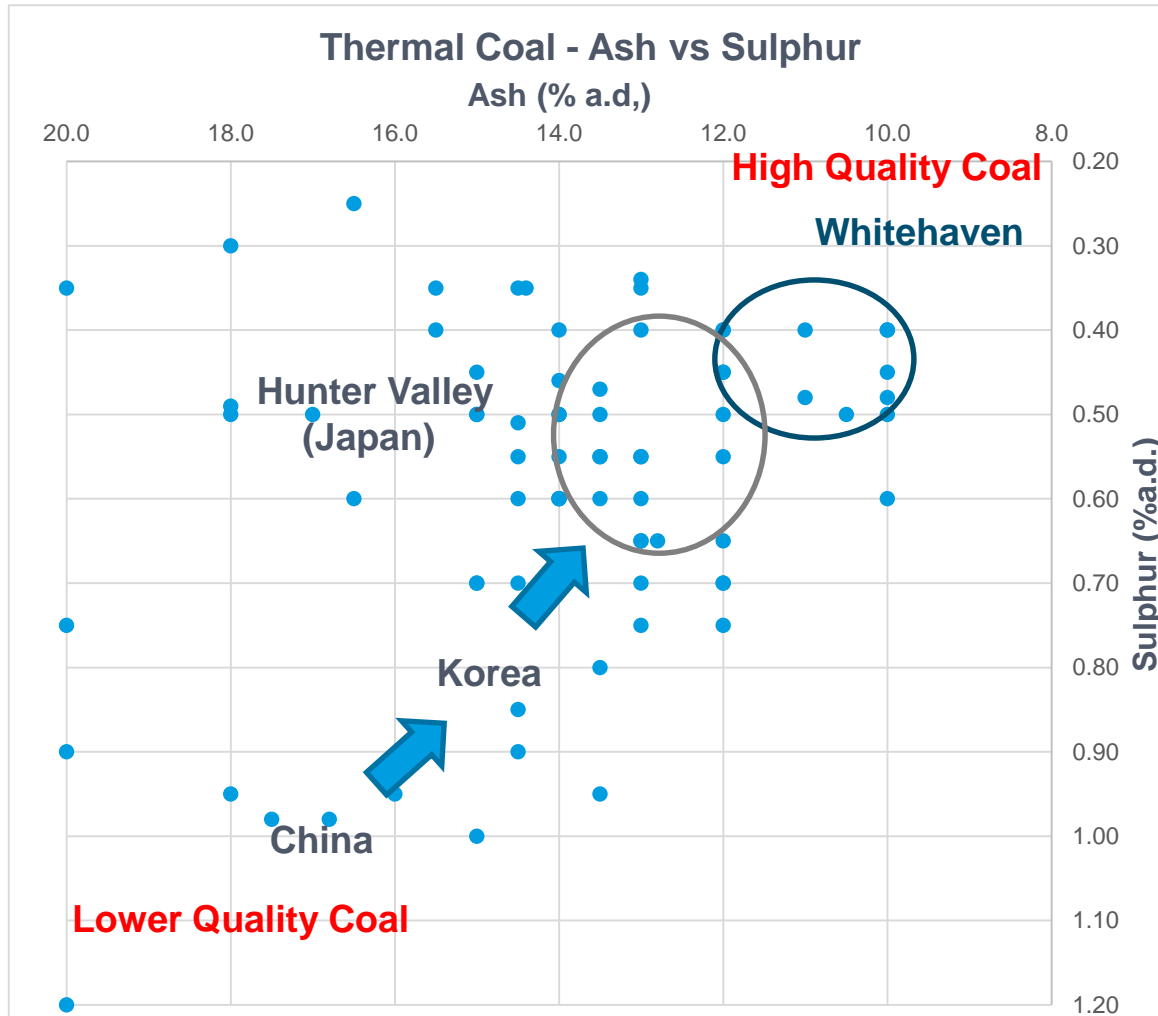
Five Year Demand Growth

COAL HAS BEEN THE FASTEST GROWING ENERGY SOURCE OVER 5 YEARS



Source: BP Statistical Review 2015

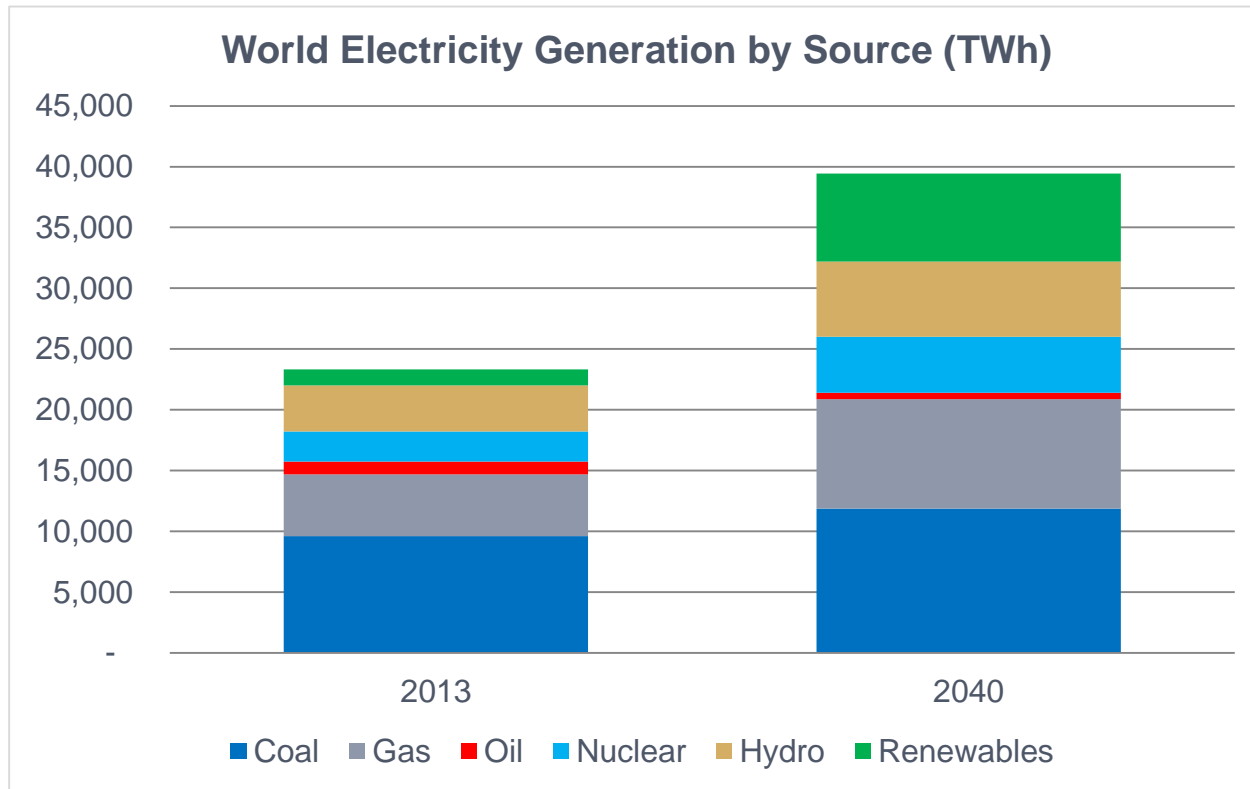
Gunnedah's High Quality Thermal Coal



- Whitehaven produces some of the highest quality coals sold in the Asian region
- These high yielding, high quality coals are sold into the premium Asian seaborne markets
- As countries strive to reduce their carbon emissions and use high efficiency low emissions (HELE) technology, they need and use higher quality coals

Global Electricity Demand Growth

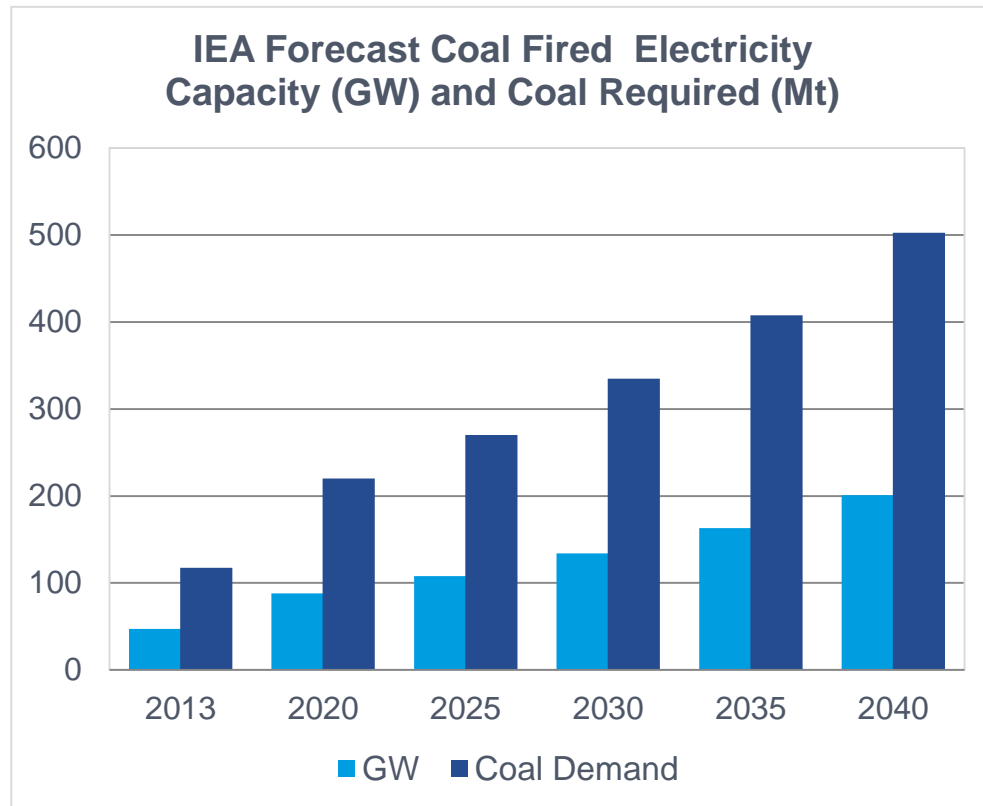
GLOBAL ELECTRICITY DEMAND FORECAST TO INCREASE BY 50% BY 2040 WITH COAL'S SHARE OVER 25% IN 2040



Source: IEA World Energy Outlook 2015 – New Policies Scenario

SE Asian Growth – Stronger

MORE GENERATING CAPACITY BEING ADDED IN THE LONGER TERM



- Based on IEA forecasts coal fired electricity capacity in Southeast Asia will almost double between 2013 and 2020 and will more than quadruple between 2013 and 2040
- Australian and more specifically Whitehaven’s coal is well placed to supply the growing demand
- Coal demand to increase by over 350Mtpa from 2013

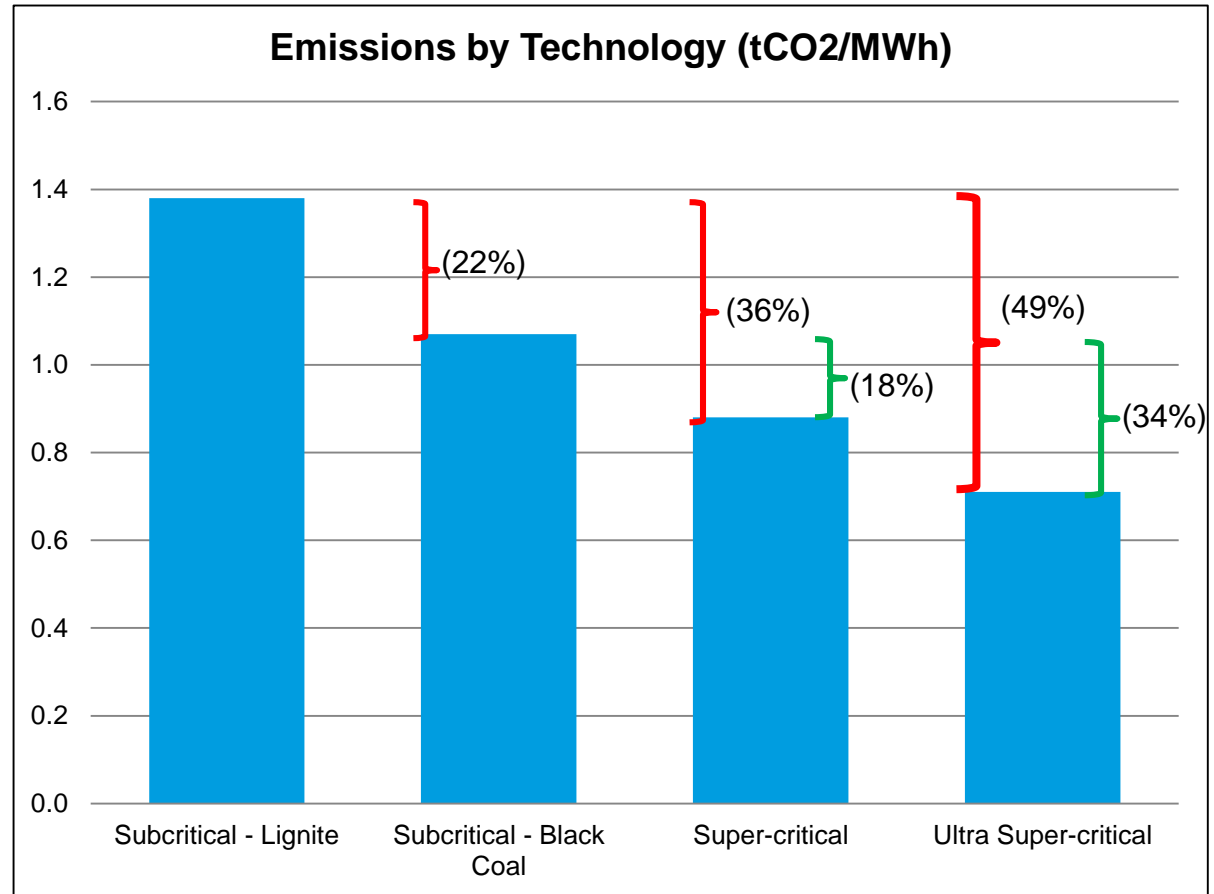
Southeast Asian Countries: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam

Source: IEA Southeast Asia Energy Outlook 2015 based on the “central scenario”. If the IEA “bridge scenario” was used electricity generation would be lower.

Coal – Pathway to Lower Carbon Emissions

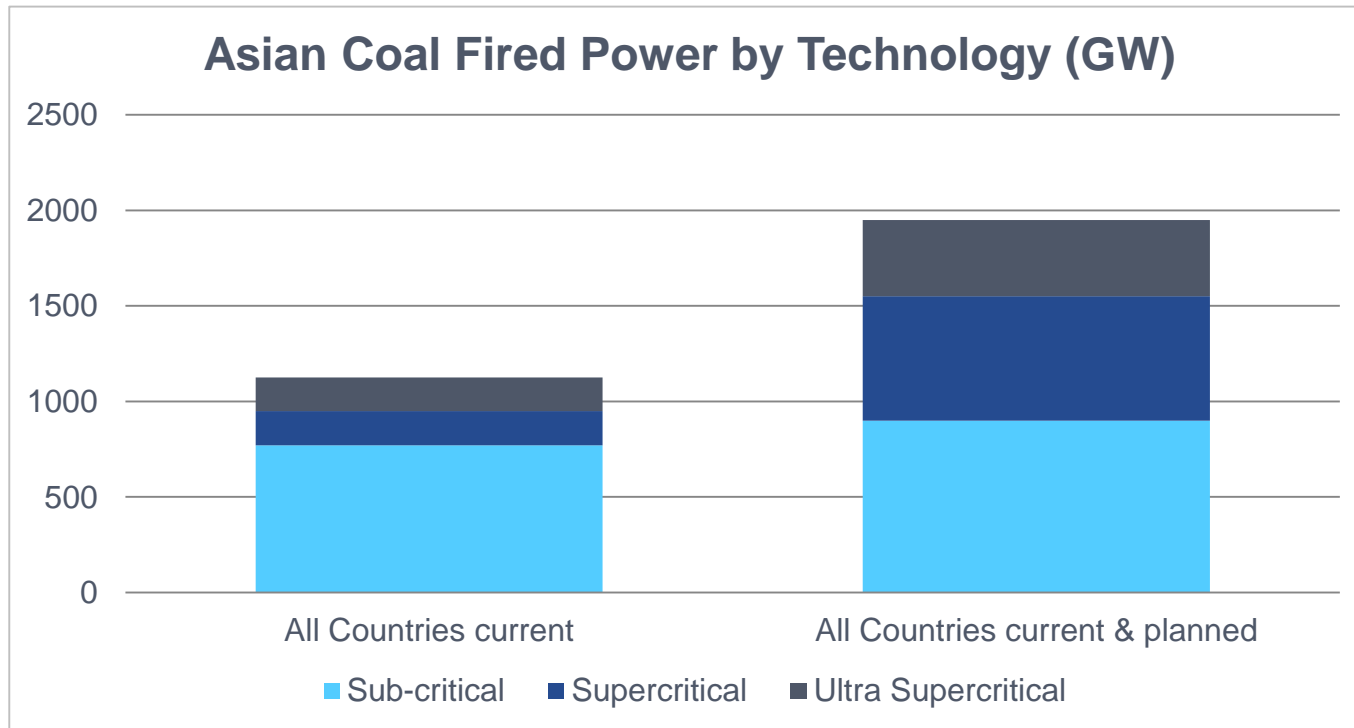
UTILISING HIGH QUALITY COALS IN MORE EFFICIENT HELE POWER STATIONS LOWERS EMISSIONS

- If Australia converted its lignite fired subcritical power stations to black coal fired USC plants then CO2 emissions would fall by about 33Mtpa or about 6% of the current total emissions for Australia



Deployment of HELE Gathers Momentum

THERE ARE 670 HELE UNITS IN OPERATION IN ASIA WITH A FURTHER 1066 PLANNED OR UNDER CONSTRUCTION

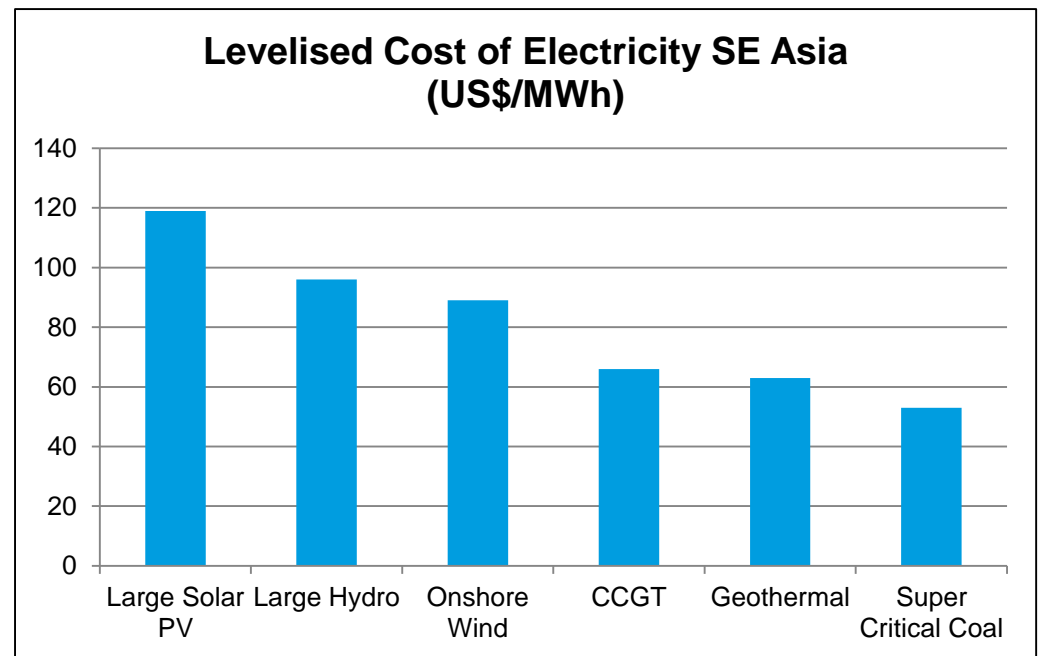


Source: IEA Clean Coal Centre, September 2015. Countries: Bangladesh, China, Japan, Malaysia, Philippines, South Korea, Taiwan, Thailand and Vietnam

Why are SE Asia Countries Deploying HELE Technology

RELIABILITY AND LOW COSTS ARE DRIVING ASIAN COUNTRIES TO BUILDING COAL FIRED POWER STATIONS

- Supercritical and ultra supercritical power stations provide reliable low cost electricity to the large populations in southeast Asian countries
- The intermittent nature of power from wind and solar are not the answer in these countries

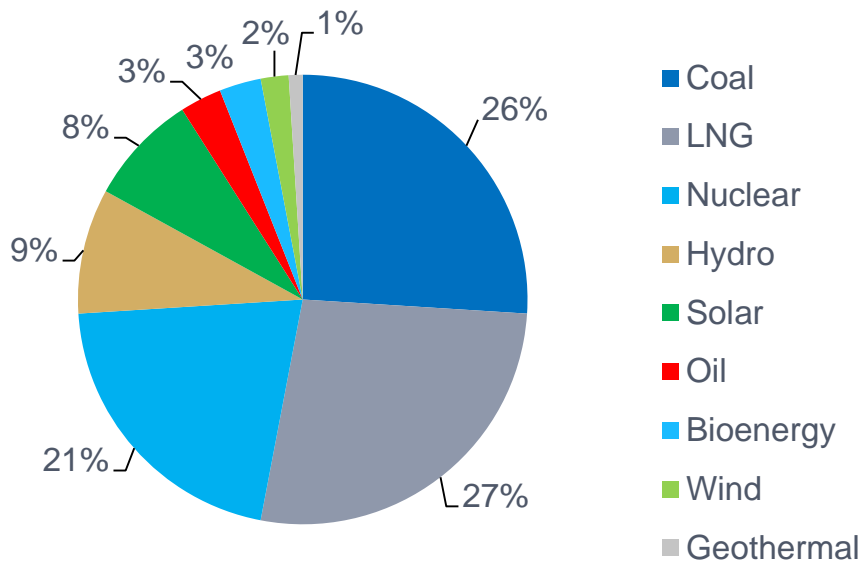


Source: IEA Southeast Asia Energy Outlook 2015

Narrabri Coal Used in Japan's Most Efficient Power Station

IF JAPAN'S COAL FIRED GENERATING EFFICIENCY WAS ADOPTED ELSEWHERE², CARBON DIOXIDE EMISSIONS WOULD BE REDUCED BY 1.5BT/Y¹

Japan COP21 Target Mix 2030



- In H1 FY2016, 62% of Whitehaven's thermal coal was sold in Japan, to increase as Maules Creek coal is sold into Japan
- Coal will remain a key fuel source for Japan into the future



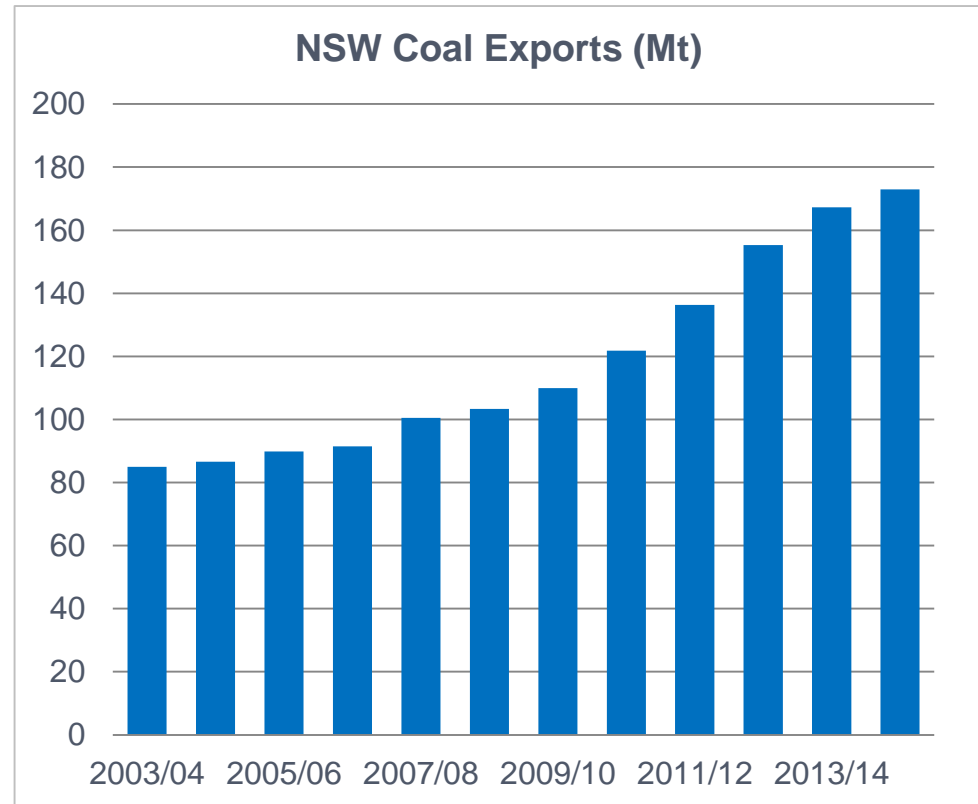
Source: J-Power, Japan Government energy and climate policy July 2015 and Coal in the 4th Strategic Energy Plan April 2014

Note: 1 The US Greenhouse Gas inventory report advises 2013 US CO2 emissions of 6.7 billion tonnes, 2 United States of America, China and India

Coal in NSW

COAL GENERATES OVER 85% OF NSW'S ELECTRICITY

- Coal is NSW's most valuable export commodity generating \$14 billion in revenue in FY2015 and 20% of the value of all exports
- More than 20,000 people are directly employed in the industry with many more indirectly
- Newcastle is the single largest coal export port in the world
- Mining disturbs less than 0.1% of the land surface in NSW
- Exports are growing strongly and will continue to grow as Asian demand increases

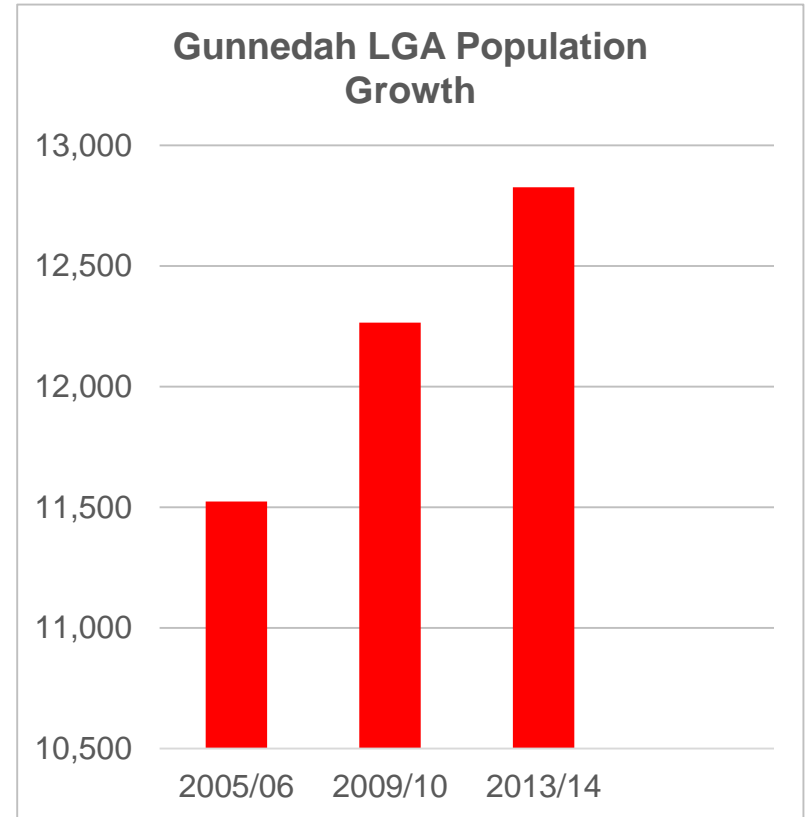


Source: NSW Coal Services Annual Report FY2015

Delivering Real Economic and Social Benefits

SINGLE LARGEST EMPLOYER IN NORTH WEST NSW REGION

- Whitehaven has 850 employees (FTE) with more than 75% living in area of our operations
- Delivered economic benefits with more than \$800m invested into NW NSW region over past 3 years
- Supporting growing communities – Gunnedah LGA population grew from 11,524 in August 2006 to 12,826 in 2013/14 (11.3% increase).
- Population also increased year-on-year (2013/14) in Liverpool Plains (0.7%) and Narrabri (0.6%)
- Total employment in Gunnedah Shire increased 16% between 2001-2011, while agricultural employment in area declined 22% over same period.



Source: ABS and Whitehaven Coal

NSW Government Support

IS THE NSW GOVERNMENT PROVIDING SUFFICIENT SUPPORT TO THIS KEY INDUSTRY?

- NSW has fallen to the second least attractive state for mining investment in Australia on the Fraser Institute's 'Investment Attractiveness' Index
- What is the Government's own view on coal mining and the development of the State's hydrocarbon resources?
- Is New South Wales sleepwalking into an energy policy abyss?
 - no structured plan for growing our export coal markets, and
 - no structured plan to avoid becoming reliant on imported energy from other States
- Will we miss the commercial opportunities in SE Asia?
- What about large scale emissions reductions by promoting the use of our cleaner coals?

SR 17 Narrabri 35

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THANK YOU

www.whitehavencoal.com.au



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