

WINTER 2017

RECORD YEAR FOR WHITEHAVEN



Whitehaven Coal produced a record amount of coal in the year to 30 June 2017, new figures have revealed.

The company's latest Quarterly Production Report stated the company produced 23.1 million tonnes of ROM coal in the 12 months to June 30, up 13 per cent on the year before.

Whitehaven's total output during the June quarter was 6.6 million tonnes of ROM coal, up 18 per cent on the 2016 June quarter. This was boosted by record coal output from the Tarrawonga and Rocglen mines.

Whitehaven said the global thermal coal price averaged \$US79.66 per tonne for the June quarter, with Whitehaven achieving an average price of \$US83 tonne.

Thermal coal accounted for 75 per cent of Whitehaven's sales during the quarter, with the remainder comprising metallurgical coal, which Whitehaven sold for \$US106 per tonne in the June quarter.

The full report can be found at <http://www.whitehavennews.com.au/wp-content/uploads/2017/07/June-2017-Quarter-Report.pdf>

KEY HIGHLIGHTS

- Strong safety performance
 - Group TRIFR 7.42 at the end of June
- June quarter ROM coal production of 6.6Mt and saleable coal production of 5.5Mt, up 18% and 7% respectively on previous corresponding period (pcp)
- Full year ROM coal production of 23.1Mt, up 13% on pcp
- Record full year saleable coal production of 20.8Mt, up 6% on pcp
- Managed and equity sales of 20.7Mt and 15.8Mt, up 3% and 2% respectively on pcp
- The three Gunnedah open cuts produced a record 2.1Mt ROM coal in the quarter
- Full year ROM coal production of 9.7Mt from Maules Creek mine, operating at 10.5Mtpa rate in the second half
- Full year ROM coal production from Tarrawonga and Rocglen of 2.7Mt and 1.6Mt respectively
- Longwall changeout at Narrabri completed and mining the first 400m wide panel has commenced

END OF FINANCIAL YEAR MESSAGE FROM PAUL FLYNN



At the start of a new financial year, I wanted to congratulate everyone for what has been another significant 12 months of achievement for Whitehaven Coal. We continue to make strong progress both operationally and financially and this is thanks to a strong team driven effort.

As many of you will know, Whitehaven Coal was formed in 1999 to develop the canyon open-cut mine near Gunnedah. The commencement of operations soon followed at Tarrawonga and Werris Creek before the company listed on the Australian Securities Exchange in 2007.

In the ten years that have followed the listing our estimated saleable production is approaching ten times the volume at the time of the IPO in 2007. The past decade has seen us grow from a relatively small mining company to a major coal player in the Australian (and international) markets.

As we close another financial year, my thanks to all who have made this happen. From our excellent management team to our dedicated workforce who so diligently go about their business each day.

OUR COAL BASIN PRODUCES EXCEPTIONAL HIGH-QUALITY COAL WHICH GIVES US A MAJOR COMPETITIVE ADVANTAGE IN THE PREMIUM GROWTH MARKETS OF ASIA.

Operations

As we head into the new financial year, with continued effort and teamwork, we can look forward with confidence.

Over the past year we have delivered what we said we would do this time last year: a continued focus on safety, meeting production guidance provided to the market, holding costs in the first quartile, and continuing to repay debt.

Each of our operations has contributed greatly over the course of the year. Obviously the largest single contributor to the year on year improvement has been Maules Creek and my thanks to Peter Wilkinson and the team there for their strong continued efforts.

Never wanting to be outdone, the team at Narrabri led by Steve Bow have overcome some challenges, and installed the first 400m wide longwall panel.

And of course, our Gunnedah open cuts remain the bedrock of the business. Given the ten year anniversary of Whitehaven's listing on the stock market, it feels appropriate to pay tribute to the teams at Tarrawonga, Rocglen and Werris Creek for their efforts over the years.

Of particular note is the strong safety performance at all of the Gunnedah operations registering only one recordable incident for the entire year and new annual production records at Tarrawonga and Rocglen are commendable.

While our operations at Maules Creek and Narrabri often receive the attention and headlines, it is important to recognise that it is our Tarrawonga, Rocglen and Werris Creek operations that have provided the platform for us to build the company that we are today. My thanks to Nigel Wood and all the teams there for their efforts.

On the sales and marketing side, Scott Knights and his team have also done an excellent job. It's not just maintaining and building relationships with customers in our key markets in Asia. But firstly ensuring that our record levels of product can be moved down to the two port facilities we use and are seamlessly loaded onto customer ships in Newcastle.

Community

Over the past 12 months we have continued to build on our efforts to maintain and grow good relations with the local community. One such initiative we supported this year has been the launch of the Girls Academy in Gunnedah. The Girls Academy works within local school systems to provide support for Indigenous high school age girls to engage in school and pursue their goals.

Our goal is that as Whitehaven continues to grow, the composition of the company's workforce should reflect the population in which we operate. As such, this year we launched maternity leave support for existing employees and as reported in our recent WGEA submission, increased the number of female employees by 26% and female operators by 56%. We will continue to focus on making progress in this important area and endeavour to identify opportunities for local people to join Whitehaven.

Pleasingly our continued efforts in community relations has been recognised this year around the wider community.

Our Aboriginal employment program at Maules Creek was highlighted as a model of best practice by the Prime Minister in this year's Closing The Gap report, while Maules Creek employee Murray O'Keefe was awarded the Young Achiever Award at the 2017 NSW Mining Industry and Suppliers' Awards. The Young Achiever Award recognises an inspirational young professional aged between 18-35 years who is building a successful career in mining. Congratulations to Murray.

NEWS IN BRIEF

Outlook

Turning to the future, as I am fond of saying, as a supplier of some of the highest quality coal in the world, we are well-placed to meet the increased global demand for cleaner coal. Our coal basin produces exceptional high-quality coal which gives us a major competitive advantage in the premium growth markets of Asia. When our coal is used in high efficiency low emissions power stations (HELE) now commonplace in our exports markets, it generates less emissions than any power station here in Australia.

I recently gave a speech to the Brisbane Mining Club on the topic which I hope you find interesting: <http://www.whitehavennews.com.au/wp-content/uploads/2017/06/Brisbane-Mining-Club-Address.pdf>

Looking ahead, our focus for the next year is on:

- An enhanced focus on safety as our number one priority,
- Consolidating our growth operationally to bolster our business processes and systems ready for the next wave of growth,
- Delivering increased saleable production but maintaining a laser focus on reducing costs and,
- the submission of the Environmental Impact Statement for the Vickery Extension Project

From a financial perspective, our balance sheet is in a strong position and we will continue to focus on further reducing our debt, returns to shareholders and providing flexibility for future growth.

In conclusion, it has been another strong year of delivery, and on many levels we believe a successful year. Thank you for your continued efforts.

Best wishes

Paul Flynn,
CEO and Managing Director



TEN YEAR ANNIVERSARY

Guests gathered to commemorate the ten year anniversary of Whitehaven Coal listing on the Australian Securities Exchange (ASX).

Whitehaven Coal was established in 1999, initially to develop the Canyon mine near Gunnedah. Operations were later expanded to include Tarrawonga and Werris Creek, before Whitehaven Coal floated on the ASX in 2007 under the code WHC.

Dignitaries marked the anniversary occasion at a reception attended by key figures in the company's history, both past and present.

Among the attendees, which included Joint Venture partners, shareholders and banking representatives, were founders Keith Ross, Hans Mende and Fritz Kundrun, along with other key figures John Conde, Tony Haggarty and Andy Plummer.

Whitehaven chairman Mark Vaile said: "The event was a celebration of all that has been achieved in the ten years since listing and of those that have been an integral part of Whitehaven Coal's success



BEST SEATS IN THE HOUSE IN BOGGABRI

The residents of Boggabri Multipurpose Centre are sitting pretty after the gift of three new pressure relief chairs.

Whitehaven Coal's Maules Creek mine used \$12,000 from its coffers to purchase the chairs, which help residents with mobility issues.

Health Service manager, Liz Worboys, said Whitehaven's External Relations Superintendent Darren Swain and a fellow employee visited the centre at the beginning of the year to see what was needed.

Mr Swain said Maules Creek was excited it could help the Boggabri centre.

"Maules Creek Coal is trying to engage more with the local community and it's one of the ways it can provide valuable assistance to the community," he said.

Pictured are Michelle Longworth, Donna Boyer and Liz Worboys trying out the new pressure relief chairs at Boggabri Multipurpose Centre with Whitehaven Coal's Darren Swain.

More at <http://www.whitehavennews.com.au/boggabri-residents-get-best-seats-in-the-house/>

VOICE FOR MINING FAMILY DAY

Miners gave a show of force at this year's NSW Voice for Mining Day.

More than 100 workers from Whitehaven and their families turned out in high vis to watch the Newcastle Knights take on the Wests Tigers in the NRL.

Pictured showing their support for the campaign is Scott Knights (EGM Marketing and Logistics), Director Christine McLoughlin and CEO and Managing Director Paul Flynn.



NARRABRI MINES RESCUE

A team from Whitehaven Coal's Narrabri mine finished runners-up in this year's Hunter Valley Mines Rescue competition.

Held at Glencore's Blakefield mine at Singleton, the competition is designed to help simulate underground emergencies so mines can practice rescue in real life emergency scenarios.

The competition covers scenarios such as surface fire, first aid, three underground scenarios (consisting of search and rescue, gas and ventilation surveys, and lives at risk) and a theory paper.

Teams from across the state were marked on these modules and at the end of a gruelling days winners are announced in Best Captain, First Aid, Overall Competition Winner, Teams Most Valuable Player and Best Theory categories. The overall winner of the contest was Peabody's Wambo mine.

Pleasingly, the team from Narrabri came equal first in the First Aid category for the second year running.

The Whitehaven Narrabri operation will host the overall Australian competition later this year in which the best teams from across the country will converge on the mine to compete for the overall title.

Taking part for Narrabri were captain Brett Slaney, vice captain Nick Wild and brigades men Sam Priest, Brad Jolliffe, Mat Whitton and Josh Lancaster. Most valuable player went to Sam Priest.

The team would like to thanks sponsors Pirtek, Impact Mining, Cougar Mining, Stripes Asset Services, Continental Eagle, Turner Signs & Embroidery, Blackwoods, Westrac, BIS Industries, Australian Drilling Systems and Banksia Group.



EMPLOYMENT MILESTONE

Whitehaven Coal's Maules Creek mine now employs 80 Aboriginal staff as part of its Indigenous equal opportunity employment program.

These employees are both male and female and are engaged to carry out a wide variety of roles within the mine. Additional trainees have been recruited and will be starting in July.

Some of these roles include operating heavy machinery, including 800 tonne excavators and 500 tonne dump trucks, water carts, graders and dozers – to being part of the office-based Technical Services Team.

Paul Sampson is an Aboriginal employee from the local area who started working for Whitehaven as an operator in September 2016. Mr Sampson said he enjoys working at the Maules Creek mine and receives excellent training and support to carry out his role as an operator of heavy equipment.

"I have been here in this role for the last six months and since then have progressed from the smaller 300 tonne trucks to the larger 500 tonne trucks which have a payload of around 320 tonnes," Mr Sampson said

The Maules Creek mine also sponsors on average at least one Aboriginal apprentice in trades such as

Electrotechnology Electrician and Mobile Plant Technology per year.

Whitehaven said many find work within the company or other local employers once they have completed their apprenticeship.

Pictured at Whitehaven's Narrabri mine are some of the Aboriginal apprentices – Tyler Mills, Kih McDonald, Jake Goodhew and Kyle Trindall – who are working at Whitehaven sites.

More at <http://www.whitehavennews.com.au/maules-creek-mine-passes-employment-milestone-2/>

ON THE ROAD FOR A GOOD CAUSE

Three Maules Creek mine workers are ditching their hard hats for the open road this month, in a bid to raise money for a vital service.

Robert Chappel, Mick Bruyn and Arnold Ward are taking to the road to raise money for the Westpac Rescue Helicopter Service.

The trio will take part in the Drover's Run and will leave the country music capital at the end of the month.

The convoy will leave Tamworth on July 29 and will head into South Australia before returning to Tamworth on August 11.

Mr Chappel put out the call for volunteers for the run about a year ago and said the group has been actively fundraising ever since. Activities have included a breakfast barbecue for the mine's shift workers, which he said raised about \$500.



The group has also set up a fundraising page on the GoFundraise website, where people can continue to donate to the cause. People can donate at <https://droversrun2017.gofundraise.com.au/page/ArnoldWard>

GET IN TOUCH

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

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