

ASX ANNOUNCEMENT

22 March 2018



Whitehaven to acquire Winchester South Project from Rio Tinto

Whitehaven Coal Limited (ASX:WHC) today announced it has entered into a binding agreement to acquire Rio Tinto's 75% interest in the Winchester South coking coal project for total cash consideration of US\$200 million. US\$150 million of the consideration will be payable on completion with US\$50 million be payable 12 months post completion.

The acquisition is to be funded from cash and existing facilities.

Winchester South is a large, high quality coking coal project located in Queensland's Bowen Basin, approximately 30km south east of Moranbah. It is located in the same precinct as the tier one operating coal mines of Moranbah, Grosvenor and Peak Downs.

Whitehaven Coal Managing Director and CEO Mr Paul Flynn said "the Winchester South project is a significant strategic acquisition for the company which offers an opportunity to develop and operate a high-quality, large scale coking coal mine in one of the world's premier coking coal basins."

"Winchester South will form a key part of the company's longer term growth plan and complements our Vickery project in the Gunnedah Basin as another high quality asset which will help Whitehaven respond to the strong and growing demand for premium coking coal that exists in Asian markets."

"Whitehaven generates the greatest value for shareholders where the company can deploy its full breadth of skills across approvals, construction and operations and the Winchester South project aligns perfectly with these strengths", Mr Flynn said.

Winchester South is well positioned from an infrastructure perspective, with one of the main rail lines in the Goonyella System transgressing the tenement and the Queensland electricity power grid nearby. Coal can be delivered by rail to either Dalrymple Bay or Gladstone for export.

The Scentre Group currently owns the remaining 25% of Winchester South.

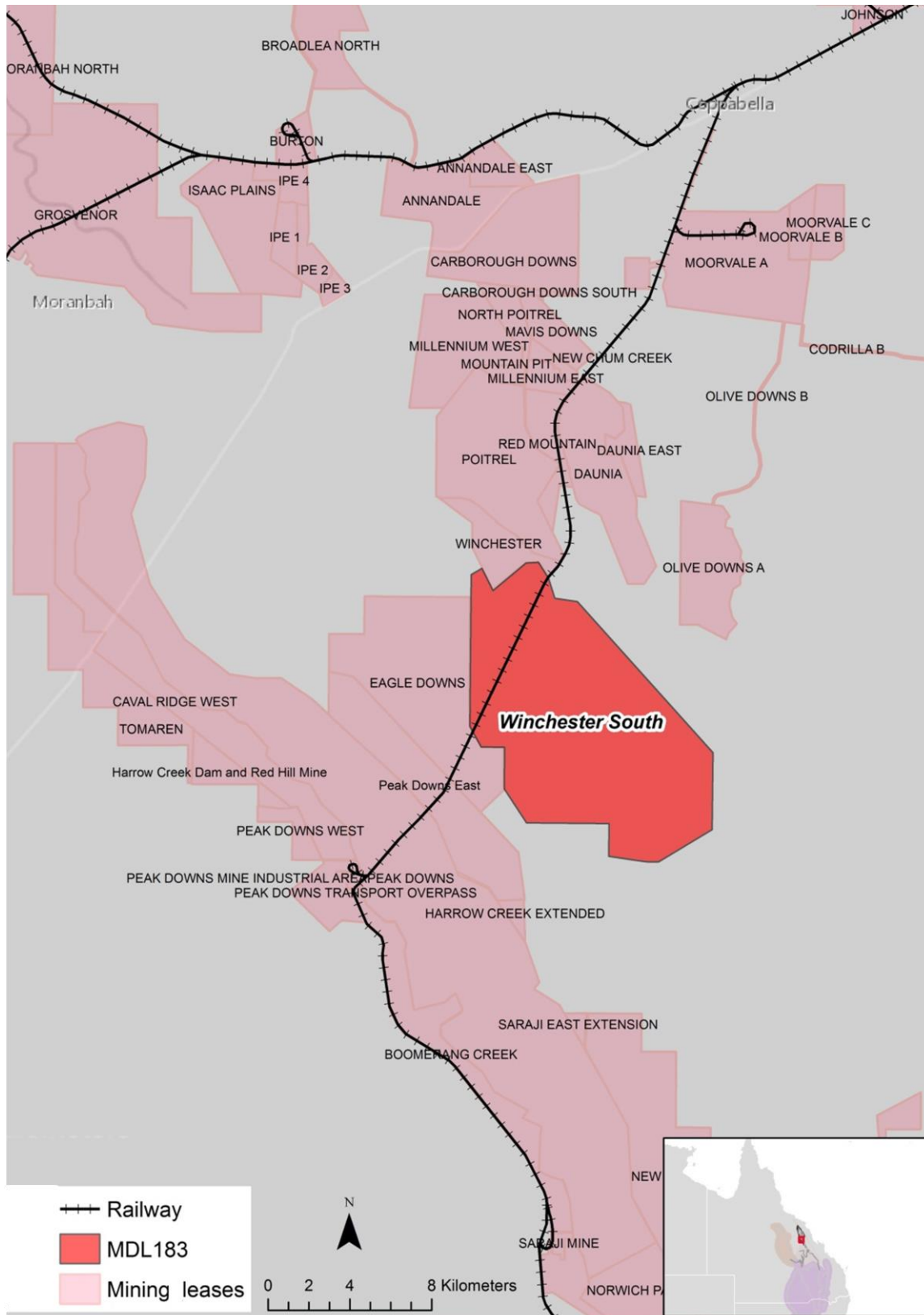
The acquisition is subject to normal regulatory approvals and a number of other customary conditions precedent for a transaction of this nature. Completion is expected to occur in the second half of 2018.

Key Elements of the Project

- Tenure: Granted MDL183
- JORC Resources¹ (100% basis): A total of 356Mt comprising 78Mt in the Measured Category, 146Mt in the Indicated Category and 132Mt in the Inferred Category
- Coal Seams: Leichardt and Vermont Upper in the Rangal Coal Measures and Vermont Lower in the Fort Cooper Coal Measures

Potential Mine Statistics

- Mine Life: Open cut mine of 20 - 30 years life with significant exploration potential
- Strip Ratio: Average of 5.0:1 over the life on mine
- ROM Coal Production: 7.5Mtpa to 15.0Mtpa
- Product Coal: In the range of 3.5Mtpa to 7.5Mtpa dependent upon the products produced
- Product Mix: HCC, SHCC, SSCC and thermal coal



¹ Mineral resources tonnage is shown on a 100 percent basis. The estimate of mineral resources for Winchester South, stated 31 December 2017, are taken from page 234 of the Rio Tinto 2017 Annual Report, released to the market on 2 March 2018 and available on Rio Tinto's website at: http://www.riotinto.com/documents/RT_2017_Annual_Report.pdf. The form and context in which the Competent Person's findings are presented have not been materially modified. The Competent person responsible for this resource estimate was Dr Richard Ruddock AusIMM. Whitehaven is not aware of any new information or data that materially affects the above estimate as reported in the 2017 Annual Report and confirms that all material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed. The form and context in which the Competent Person's findings are presented have not been materially modified.