

ASX RELEASE

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SHAREHOLDER UPDATE

Speculation of Equity Raising

Whitehaven notes speculation in today's press in relation to a potential capital raising. Whitehaven currently has no plan to raise new equity.

During the next twelve months, Whitehaven expects to receive outstanding proceeds of approximately \$200 million from the previous sales of Narrabri joint venture proceeds. As previously announced, these funds, together with operating cash flow and equipment leasing finance, are expected to be more than adequate to fund Whitehaven's current investment plans.

Consensus Earnings Forecasts

Whitehaven Coal Limited (ASX:WHC) advises that recent upgrades to earnings forecasts in various broker research reports do not reflect Whitehaven's expected results for the year ending 30 June 2010 (FY 2010).

It appears a number of analysts have assumed recent export contract coal price rises will be reflected in Whitehaven's results for the current quarter.

As previously reported to shareholders, the majority of Whitehaven's coal sales contract prices for FY 2010 are fixed.

The benefits of recent coal price rises will be realised in the year ending 30 June 2011 (FY 2011), rather than in the current quarter.

At this point, Whitehaven expects its underlying net profit after tax for FY 2010 to be in the range of \$50 million to \$55 million; however this remains subject to achieving planned rail and shipping performance in June.

Narrabri Progress

The full face of coal has now been reached in two of the three access tunnels at Whitehaven's Narrabri mine and preparations are underway to take the first continuous mining unit underground. Surface facilities are complete and the first train of export coal is currently scheduled for late July.

Commissioning of Whitehaven's Coal Train

Whitehaven's new coal train comprising three locomotives and eighty six wagons is being delivered this month. Commissioning and testing is expected to be completed during June with the full train (72 wagons) hauling export coal in July. Pacific National will operate the train under lease.

NCIG Status

The commissioning and transition to full operations at the new NCIG port facility at Newcastle is progressing well. Whitehaven shipped its first Panamax cargo from NCIG in May and expects to ship two further cargoes in June. Whitehaven's 11% interest in NCIG is expected to provide new port capacity for Whitehaven of approximately 2.5 million tonnes in FY 2011.

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