

ASX ANNOUNCEMENT

10 December 2015



Approval received for increased production at Narrabri Mine

Whitehaven Coal Limited (ASX: WHC) is pleased to announce that the NSW Department of Planning and Environment has granted approval to increase annual production from 8Mtpa to 11Mtpa and to install a 400 metre wide longwall face at the Narrabri mine. Mining is currently taking place in longwall panel LW05. The first 400 metre wide longwall panel currently being developed is LW07. This is expected to come into production in H2 FY2017.

Key elements of the project include the purchase of additional longwall face shields, a new armoured face conveyor and drive motors, upgrades to the coal clearance systems and surface coal handling stockpile facilities.

The 400 metre wide longwall face is expected to initially increase ROM coal production by an estimated 750Ktpa. At full production Narrabri's FOB costs are expected to be reduced by ~AUD3/t. Narrabri is Whitehaven's lowest cost operation with FY2015 costs of AUD52/t, and was Australia's #1 longwall operation in FY2015. This expansion will cement Narrabri as one of the best and most efficient underground coal mines in Australia.

The benefits of implementing an extended longwall face include less gate road and main road development, fewer longwall moves, increased productivity and improved safety.

Narrabri produced 7.7Mt of ROM coal and 7.2Mt of saleable coal in FY2015. ROM coal production for FY2016 is expected to be in the range of 6.6Mt to 6.8Mt as two full longwall moves occur in FY2016.

Whitehaven's Managing Director and CEO, Paul Flynn said "Narrabri is one of the best and most efficient underground coal mines in Australia. The approval for increased production at Narrabri is another significant step towards achieving Whitehaven's goal to become Australia's leading independent coal company, and will drive Whitehaven's costs of production further into the first quartile. Narrabri's coal and Whitehaven's high quality coal more broadly has an important role to play in the long term demand for energy in SE Asia. One of the most efficient power stations in the world, J-Power's Isogo, uses Narrabri coal and today's approval of increased production is good news for both our business and for highly efficient power stations like Isogo as they seek to reduce carbon emissions.

Background

The Narrabri Mining Lease was granted in January 2008 and development of the mine commenced in 2009. Several joint venture partners were introduced to the project from February 2008 through to August 2009. First development coal was produced in the September quarter of 2010 and longwall production commenced in October 2012. Production has increased in each year with new record of 7.7Mt ROM coal achieved in FY2015, significantly higher than the original design capacity of 6.0Mtpa.

Narrabri employs approximately 360 people with most living in the local region.

Whitehaven has contributed almost \$250 million into the Narrabri local government area over the past three years. The company has an ongoing commitment of over \$20.6 million via its Voluntary Planning Agreements with the Council. Funds will be spent on a number of community projects over a number of years.