

Appendix 4D

1. This statement presents results for Whitehaven Coal Limited for the half year ended 31 December 2015 and, where applicable, comparative results for the previous year.

2. **Results for announcement to the market:**

	Half Year 31 Dec 2015 \$'000	Half Year 31 Dec 2014 \$'000	Change
Revenue from ordinary activities	574,251	371,803	54%
Net profit/(loss) after tax from ordinary activities	7,837	(77,863)	NM
Net profit/(loss) after tax attributable to members	7,837	(77,863)	NM

NM – Results are Not Meaningful or Not Measurable

3. **Dividends**

No dividends were paid during the six months ended 31 December 2015 (2014: nil).

The Directors resolved not to pay an interim dividend for the half year.

4. **Net Tangible Assets (NTA) per security:**

	Half Year 31 Dec 2015	Half Year 31 Dec 2014
NTA per security	278.42c/share	302.05c/share

5. All other information can be obtained from the attached financial statements, accompanying notes and Directors' report.



Whitehaven Coal Limited
and its controlled entities

ABN 68 124 425 396

31 December 2015

Interim Financial Report

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Whitehaven Coal Limited and its controlled entities

Directors' report

31 December 2015

The directors present their report together with the consolidated financial report of Whitehaven Coal Limited ('the Company') for the six months ended 31 December 2015 and the auditor's review report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the interim period are:

Name	Position	Date of appointment
The Hon. Mark Vaile	Chairman	3 May 2012
John Conde	Deputy Chairman	3 May 2007
Paul Flynn	Managing Director	3 May 2012 (appointed Managing Director 25 March 2013)
Tony Haggarty	Director	3 May 2007
Christine McLoughlin	Director	3 May 2012
Raymond Zage	Director	27 August 2013
Dr Julie Beeby	Director	17 July 2015
Rick Gazzard	Director	3 May 2012 (resigned 16 July 2015)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was the development and operation of coal mines in New South Wales. There were no significant changes in the nature of the activities of the Group during the period.

DIVIDENDS

The Directors resolved not to pay an interim dividend for the half year.

No dividends were paid during the current or prior half year period.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The auditor's independence declaration is set out on page 9 and forms part of the directors' report for the six months ended 31 December 2015.

ROUNDING

The Company is of a kind referred to in ASIC Class Order 98/100, and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

Whitehaven Coal Limited and its controlled entities

Directors' report

31 December 2015

OPERATING AND FINANCIAL REVIEW

FINANCIAL HEADLINES

- Statutory profit after tax of \$7.8 million.
- Operating EBITDA before significant items of \$106.4 million.
- Net debt of \$924.9 million at 31 December 2015.
- Conservatively geared at 24% at 31 December 2015.

The Group's financial results are summarised below:

Whitehaven Coal Limited – Consolidated	H1 FY2016 \$ million	H1 FY2015 \$ million
Revenue	574.3	371.8
Net profit/(loss) before significant items	7.8	(12.4)
Significant items after tax (refer to note 4)	-	(65.5)
Net profit/(loss) for the period	7.8	(77.9)
<hr/>		
Operating EBITDA before significant items	106.4	52.1
Significant items before tax and financing (refer to note 4)	-	(91.5)
Net interest expense (refer to note 6)	(28.6)	(15.3)
Other financial expenses	(4.7)	(8.1)
Depreciation and amortisation	(61.4)	(46.4)
Gain on disposal of assets	0.1	-
Profit/(loss) before tax	11.8	(109.2)

REVIEW OF FINANCIAL PERFORMANCE

In difficult trading conditions the Group has returned to profit recording a net profit after tax for the period of \$7.8 million (net loss of \$77.9 million recorded in the prior corresponding period ("pcp")) a turnaround of \$85.7 million.

Operating EBITDA before significant items of \$106.4 million has increased by 104% relative to the pcp. The key features of the results include:

- An increase in revenue of 54% to \$574.3 million. This has been driven by record sales of 7.3Mt of produced coal, an increase of 55% or 2.6Mt from the pcp and a weakening AUD:USD exchange rate offset by decreases in US dollar coal prices for both thermal and metallurgical coal. Prices received (excluding royalty) averaged \$72/t which was \$1/t below the pcp;
- FOB costs of coal have decreased by \$5/t or 8% to \$58/t from \$63/t in the pcp. FOB costs per tonne have decreased for six consecutive halves. The cost savings achieved have been driven by production efficiencies across mine operations as well as a range of savings driven by scale increases and improved procurement practices;
- EBITDA margin has increased to \$14/t from \$10/t in the pcp;
- Increased sales of produced coal. ROM production has increased 59% to 7.1Mt from 4.5Mt in the pcp predominantly due to the Maules Creek mine being in commercial production from 1 July 2015 and its contribution of 2.5Mt to total equity ROM coal production, and by increased sales of produced coal from Narrabri as its performance continued to improve;
- Commencement of commercial production at Maules Creek in the half year has provided the company with improved production capacity and flexibility.

Whitehaven Coal Limited and its controlled entities
Directors' report
31 December 2015

CASH FLOWS & CAPITAL MANAGEMENT

Cash flows	H1 FY2016	H1 FY2015
Cash generated from operations (\$ million)	118.3	22.7
Investing cash flows (\$ million)	(39.0)	(243.7)
Senior bank facility drawings (\$million)	-	225.0
Export credit agreement ("ECA") facility drawings (\$million)	9.5	-
Capital management & balance sheet	31 December 2015	30 June 2015
Cash (\$ million)	112.0	102.4
Senior bank debt (\$million)	900.0	900.0
Finance lease liabilities (\$ million)	90.4	97.0
ECA debt (\$ million)	46.5	41.2
Total interest bearing liabilities (\$ million)	1,036.9	1,038.2
Net debt (\$ million)	924.9	935.8
Net assets (\$ million)	2,876.6	2,865.0
Gearing ratio ¹	24%	25%
Undrawn senior bank facility (\$ million)	300.0	300.0
Undrawn ECA facility (\$ million)	26.2	-

¹ *Net Debt to Net Debt plus Equity*

Cash generated from operations during the half was \$118.3 million compared to \$22.7 million in the pcp. This represents a 421% increase above the pcp and reflects the continued strong operational performance of the Group's mines combined with the contribution made by Maules Creek from its initial six months of commercial production.

Investing cash flows during H1 FY2016 of \$39.0 million were 84% below the pcp reflecting the substantially complete status of project capital expenditures at Maules Creek. Investing cash flows in H1 FY2016 include sustaining capital expenditure, cost reduction capital expenditure and capital expenditure in support of increased productivity including the extension of the longwall face (from 300 metres to 400 metres) and associated projects at Narrabri.

There were no drawings from the senior bank facility during the half year ended 31 December 2015 due to the strong cash flow generated by operations and the substantial reduction in capital expenditure.

The ECA facility had \$26.2 million available and undrawn at 31 December 2015. During the half year ended 31 December 2015 drawings of \$9.5 million were made from this facility to fund capital projects associated with the Narrabri longwall face extension.

Cash on hand has increased from \$102.4 million at 30 June 2015 to \$112.0 million at 31 December 2015, while total interest bearing liabilities at 31 December 2015 have decreased by \$1.3 million to \$1,036.9 million at 31 December 2015. The decrease in total interest bearing liabilities is comprised of:

- Drawings of \$9.5 million from the ECA facility; and
- Repayments of finance leases and ECA facility of \$10.8 million.

This resulted in net debt decreasing by \$10.9 million to \$924.9 million at 31 December 2015 from \$935.8 million at 30 June 2015. Gearing decreased to 24% at 31 December 2015 (30 June 2015: 25%).

At 31 December 2015 there remained \$300.0 million undrawn under the senior bank facility and \$26.2 million undrawn from the ECA facility.

Whitehaven Coal Limited and its controlled entities
Directors' report
31 December 2015

REVIEW OF OPERATIONS - HIGHLIGHTS

CONSOLIDATED EQUITY PRODUCTION, SALES AND COAL STOCKS

Whitehaven Total - 000t	H1 FY2016	H1 FY2015	Movement
ROM Coal Production	7,085	4,457	59%
Saleable Coal Production	7,041	4,429	59%
Sales of Produced Coal	7,298	4,713	55%
Sales of Purchased Coal	18	-	-
Total Coal Sales	7,316	4,713	55%
Coal Stocks at Period End	1,358	730	86%

The tonnages in the table above are presented on an equity basis. Production tables and associated commentary set out in the mine-by-mine analysis are presented on a managed (100%) basis. The amounts shown for the year ended 30 June 2015 include Maules Creek pre-commercial production, sales and coal stocks tonnages.

The first half FY2016 production and sales results demonstrate the delivery of continuing strong operational performances. Key highlights during the six months to 31 December 2015 include:

- Commercial coal production commenced at Maules Creek on 1 July 2015
- Maules Creek production had ramped up to a run rate of 8.5Mtpa ROM coal in December 2015
- The 4th longwall change-out at Narrabri was successfully completed
- Narrabri cemented its position as one of the most productive underground coal mines in Australia
- Narrabri produced a record 8.3Mt ROM coal in CY2015, placing it in the top three underground mines in Australia
- Gunnedah open cut performance continued to provide a platform of consistent cash flow positive production
- ROM and saleable coal production for the half were 59% higher than the previous corresponding period
- Coal sales of 7.3Mt were 55% higher than for the previous corresponding period.

REVIEW OF OPERATIONS - SAFETY

Whitehaven's TRIFR was 10.7 at 31 December compared to 9.2 at the end of the June 2015. Whitehaven places importance on the safety of its employees and contractors and is committed to provide training, equipment, resources and systems to create the safest possible work environment for our people. Whilst the company's performance during the half year compares favourably to the NSW industry average, several tailored programmes have been implemented to continue the path of improvement exhibited in recent years.

The NSW industry average TRIFR was 15.5 for the first half.

Whitehaven Coal Limited and its controlled entities
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REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS

Narrabri (Whitehaven 70%)

Narrabri Mine - 000t	H1 FY2016	H1 FY2015	Movement
ROM Coal Production	3,462	2,852	21%
Saleable Coal Production	3,741	3,052	23%
Sales of Produced Coal	3,733	3,196	17%
Coal Stocks at Period End	731	148	394%

Note – the tonnages in the table above are presented on a managed basis.

Excellent performance from Narrabri saw ROM coal production of 3.5Mt and saleable coal production of 3.7Mt for the first half of FY2016, well ahead of the previous corresponding period and commendable given that a full longwall changeout occurred in the period. The strong performance from the mine in the half resulted in full calendar year ROM coal production of 8.3Mt, a record performance and positioning the mine in the top three underground mines in Australia. Narrabri is Whitehaven's lowest cost mine and its performance is underpinning the strong performance of the company.

Coal sales for the first half were 3.7Mt, 17% higher than in the first half of FY2015.

The NSW Department of Planning and Environment granted approval for the mine to lift annual production to 11.0Mtpa from the previous level of 8.0Mtpa. Whitehaven is confident that once the wider longwall panels have been established in the mine, production will be able to approach the newly approved rate. The Whitehaven Board and its joint venture partners approved the decision to move to 400 metre wide longwall panels during the half. Production from the panels is scheduled to commence during FY2017.

Ongoing development of main road and gate roads is critical to sustainable and continuous production from the mine by maintaining a positive development float. With a total of 11,560 metres completed in the half year the development float is well ahead of requirements for the next longwall panels.

Another longwall changeout is scheduled to occur in the June quarter of FY2016 when mining in the current panel is completed.

Maules Creek (Whitehaven 75%)

Maules Creek Mine – 000t	H1 FY2016	H1 FY2015	Movement
ROM Coal Production	3,297	94	NM
Saleable Coal Production	3,166	54	NM
Sales of Produced Coal	3,217	-	NM
Coal Stocks at Period End	403	94	NM

Note – the tonnages in the table above are presented on a managed basis. Production and sales from Maules Creek in FY2015 were treated as being "pre-commercial" which means that neither the revenues nor the costs of production were reported in the consolidated interim statement of comprehensive income, but rather the surplus that was generated was credited to project construction costs.

NM – Results are Not Meaningful or Not Measurable

Commercial production from Maules Creek began on 1 July 2015. The production ramp up which began in December 2014 continued with the mine reaching an annualised rate of 6.0Mt early during the half year. Following the introduction of additional mining equipment to site during the first half, production reached an annualised rate of 8.5Mt ROM coal in December. Full year production guidance from the mine has increased to 7.6Mt ROM coal and 7.4Mt saleable coal.

ROM coal and saleable coal production for the half were 3.3Mt and 3.2Mt respectively. Coal sales for the half year were 3.2Mt.

Whitehaven Coal Limited and its controlled entities

Directors' report

31 December 2015

Maules Creek (continued)

There is strong market interest in Maules Creek thermal coal with many customers trialling the coal through their respective power stations. The high calorific value and low ash characteristics of Maules Creek thermal coal result in a premium price being received over the Newcastle Global Coal Index price. Because of the high quality and low impurity levels in the coal most new customers have contracted the coal at a price above the usual energy and ash adjusted premium. The quality and volume of metallurgical coal in the upper seams of Maules Creek have exceeded the company's expectations. Trial shipments of this metallurgical coal have been despatched to target customers in the first half, and negotiations for longer term sales contracts with buyers in northern Asia and India have commenced. Contracts have already been executed for 0.750Mt metallurgical coal for CY2016.

Total project capital expenditure for Maules Creek at 31 December 2015 was \$701 million compared with a project total budget of \$767 million. At 30 June 2015 the company declared contingency savings of \$27 million. Construction of the permanent mine workshops and administration facilities are the last remaining items from the project's scope to be completed. Given the adequacy of the existing temporary facilities, construction of the permanent facilities is now expected to take place between 2016 and 2018 at a cost not expected to exceed \$15 million. The company expects to declare further contingency savings during H2 FY2016 when the project is formally declared "complete".

With the ramp up in production at Maules Creek to 8.5Mtpa ROM coal in December 2015, the workforce at Maules Creek reached 333 employees. Workforce diversity and indigenous employment have increased - there were more than 50 indigenous employees working at Maules Creek at the end of the half year. The vast majority (77%) of the workforce of 333 employees at Maules Creek live locally.

Gunnedah Open Cuts

Tarrawonga - Whitehaven 70%; Rocglen, Werris Creek and Gunnedah CHPP - Whitehaven 100%.

Open Cuts – 000t	H1 FY2016	H1 FY2015	Movement
ROM Coal Production	2,511	2,711	(7%)
Saleable Coal Production	2,346	2,563	(8%)
Sales of Produced Coal	2,430	2,799	(13%)
Coal Stocks at Period End	622	617	1%

Note – the tonnages in the table above are presented on a managed basis.

Saleable coal production of 2.3Mt from the three smaller open cut mines was in line with expectations for the first half year. The focus remains on cost reduction to ensure that each mine contributes positive cash flow to Whitehaven. New rosters and other operating initiatives continue to lower costs at each of the mines.

Production is expected to be slightly higher in the second half of the year.

DEVELOPMENT PROJECT - Vickery (Whitehaven 100%)

Work continued on the various studies to produce the Environmental Impact Statement (EIS) needed to seek government approval for an expanded Vickery mine (10Mtpa) during the first half of the year. The studies include assessment of impacts on groundwater, flora and fauna, cultural heritage, agricultural land and surface water. These studies will continue with a view to finalising an EIS for submission in June 2016.

Whitehaven intends to seek joint venture partners for the project and will activate the process after the EIS has been submitted to the NSW Government authorities.

Timing for start-up of the Vickery project remains market dependent, but will not occur prior to Maules Creek having been fully ramped up to 13Mtpa.

EXPLORATION

Whitehaven has several exploration and potential development projects in Queensland and New South Wales. These are early stage exploration projects. In the current market environment the Company is focused on maintaining the tenements in good standing but is limiting its spending on these projects.

Whitehaven Coal Limited and its controlled entities

Directors' report

31 December 2015

INFRASTRUCTURE

Whitehaven currently has sufficient below rail and above rail contracts in place to deliver its coal to port. However, Whitehaven will require additional port capacity in FY2017 and is actively seeking additional capacity for that year and beyond. The company is confident of acquiring the additional capacity given the surplus capacity available at Newcastle.

OUTLOOK

Whitehaven's goal is to become the premier independent coal company listed in Australia. This transformation commenced with the successful development of the Narrabri underground coal mine and was further advanced when Maules Creek commenced commercial production in July 2015. The transformation is continuing at pace - Maules Creek is planned to ramp up production to 13Mtpa ROM coal over the next two to three years and Narrabri is planned to increase production following installation of a wider longwall face in H2 FY2017. These two tier one mines have long mine lives and lowest quartile FOB cost positions. Narrabri has a current life of more than 20 years, while Maules Creek has a life in excess of 30 years. Both mines have exciting prospects for significant life of mine extensions. These mines form the platform which underpins the future success of Whitehaven and the cash margins that these mines generate will repay debt and fund future growth of the company.

Both the seaborne thermal and metallurgical coal markets are rebalancing with significant production cuts already having been made in key exporting countries – Indonesia, Canada, Australia and the United States of America. More production cuts are expected to be made in CY2016. On the other hand, coal consumption in Asian countries is expected to continue its 40 year growth trend. Asian countries will continue to fuel their economic growth by adding cost competitive coal fired power generating capacity. Many of these new power stations are designed to use super critical or ultra super critical boiler technology and so the demand for Whitehaven's high quality coals is expected to grow.

The strength of growth in Asian energy demand combined with production cutbacks from key exporting countries suggest that Asian coal markets will return to balance over the course of CY2016 and provide the basis for a firm price recovery commencing in CY2017. Whitehaven remains very positive about the medium and long term outlook for high quality coal. Our coal is highly sought after by customers and countries that have a common-sense appreciation for the critical role high quality coal can play in creating an economically competitive, low emissions future. Customer feedback on the coal we are producing at Maules Creek is exceptionally positive.

Signed in accordance with a resolution of the directors:



Mark Vaile
Chairman
5 February 2016



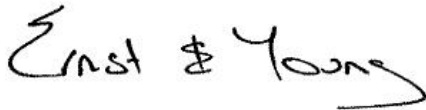
Paul Flynn
Managing Director
5 February 2016

Auditor's Independence Declaration to the Directors of Whitehaven Coal Limited

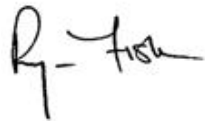
As lead auditor for the review of Whitehaven Coal Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Whitehaven Coal Limited and the entities it controlled during the financial period.



Ernst & Young



Ryan Fisk
Partner
5 February 2016

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of comprehensive income
As at 31 December 2015

<i>In thousands of AUD (\$'000)</i>	<i>Note</i>	Consolidated 31 Dec 2015	Consolidated 31 Dec 2014
Revenue		574,251	371,803
Other income		4,048	7,374
Operating expenses		(268,557)	(186,876)
Coal purchases		(1,375)	-
Selling and distribution expenses		(146,801)	(100,717)
Government royalties		(43,246)	(28,528)
Impairment of MRRT goodwill	4	-	(90,711)
Administrative expenses		(9,147)	(11,265)
Depreciation and amortisation		(61,359)	(46,421)
Other expenses	5	(2,670)	(443)
Profit / (loss) before net financial expense		45,144	(85,784)
Financial income		460	4,263
Financial expenses		(33,792)	(27,676)
Net financial expense	6	(33,332)	(23,413)
Profit / (loss) before tax		11,812	(109,197)
Income tax (expense) / benefit		(3,975)	31,334
Net profit / (loss) for the period		7,837	(77,863)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement on cash flow hedges		2,242	(15,704)
Income tax effect		(673)	4,711
Other comprehensive income / (loss) for the period, net of tax		1,569	(10,993)
Total comprehensive income / (loss) for the period, net of tax		9,406	(88,856)
Net profit / (loss) for the period attributable to:			
Owners of the parent		7,837	(77,863)
Non-controlling interests		-	-
		7,837	(77,863)
Total comprehensive profit / (loss) for the period, net of tax attributable to:			
Owners of the parent		9,406	(88,856)
Non-controlling interests		-	-
		9,406	(88,856)
Earnings per share:			
Basic profit / (loss) per share (cents per share)		0.8	(7.9)
Diluted profit / (loss) per share (cents per share)		0.8	(7.9)

The notes on pages 14 to 22 are an integral part of these consolidated interim financial statements.

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of financial position
As at 31 December 2015

<i>In thousands of AUD (\$'000)</i>	<i>Note</i>	Consolidated 31 Dec 2015	Consolidated 30 Jun 2015
Assets			
Cash and cash equivalents		112,001	102,393
Trade and other receivables		102,807	101,052
Inventories		69,987	89,892
Derivative financial instruments	15	1,166	162
Total current assets		285,961	293,499
Non-current assets			
Trade and other receivables		21,332	24,176
Investments	15	37	37
Property, plant and equipment		3,525,103	3,539,244
Exploration and evaluation		203,734	201,346
Intangibles	7	19,882	19,954
Deferred tax assets		106,464	111,115
Total non-current assets		3,876,552	3,895,872
Total assets		4,162,513	4,189,371
Liabilities			
Trade and other payables		151,680	147,422
Interest bearing loans and borrowings	8	22,909	21,750
Employee benefits		17,005	14,055
Current tax payable	9	-	42,331
Provisions	10	7,444	7,380
Derivative financial instruments	15	898	2,136
Total current liabilities		199,936	235,074
Non-current liabilities			
Interest bearing loans and borrowings	8	1,014,015	1,016,481
Provisions	10	71,985	72,782
Total non-current liabilities		1,086,000	1,089,263
Total liabilities		1,285,936	1,324,337
Net assets		2,876,577	2,865,034
Equity			
Issued capital		3,146,295	3,146,147
Share based payments reserve		38,216	36,543
Hedge reserve		188	(1,381)
Retained earnings		(309,200)	(317,353)
Equity attributable to owners of the parent		2,875,499	2,863,956
Non-controlling interest		1,078	1,078
Total equity		2,876,577	2,865,034

The notes on pages 14 to 22 are an integral part of these consolidated interim financial statements.

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of changes in equity
For the six months ended 31 December 2015

In thousands of AUD (\$'000)	Note	Issued capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total	Non- controlling Interest	Total Equity
Opening balance at 1 July 2014		3,146,300	35,206	(326)	12,178	3,193,358	13,178	3,206,536
Loss for the period		-	-	-	(77,863)	(77,863)	-	(77,863)
Other comprehensive (loss)		-	-	(10,993)	-	(10,993)	-	(10,993)
Total comprehensive (loss) for the period		-	-	(10,993)	(77,863)	(88,856)	-	(88,856)
Transactions with owners in their capacity as owners								
Share based payments	5	-	443	-	-	443	-	443
Closing balance at 31 December 2014		3,146,300	35,649	(11,319)	(65,685)	3,104,945	13,178	3,118,123

In thousands of AUD (\$'000)		Issued Capital	Share Based Payment Reserve	Hedge Reserve	Retained Earnings	Total	Non- controlling Interest	Total Equity
Opening balance at 1 July 2015		3,146,147	36,543	(1,381)	(317,353)	2,863,956	1,078	2,865,034
Profit for the period		-	-	-	7,837	7,837	-	7,837
Other comprehensive income		-	-	1,569	-	1,569	-	1,569
Total comprehensive income for the period		-	-	1,569	7,837	9,406	-	9,406
Transactions with owners in their capacity as owners								
Share based payments	5	-	2,137	-	-	2,137	-	2,137
Transfer on exercise of share based payments		148	(464)	-	316	-	-	-
Closing balance at 31 December 2015		3,146,295	38,216	188	(309,200)	2,875,499	1,078	2,876,577

The notes on pages 14 to 22 are an integral part of these consolidated interim financial statements.

Whitehaven Coal Limited and its controlled entities
Consolidated interim statement of cash flows
For the six months ended 31 December 2015

<i>In thousands of AUD (\$'000)</i>	<i>Note</i>	Consolidated 31 Dec 2015	Consolidated 31 Dec 2014
Cash flows from operating activities			
Cash receipts from customers		585,348	316,390
Cash paid to suppliers and employees ¹		(467,056)	(293,678)
Cash generated from operations		118,292	22,712
Interest paid		(26,054)	(21,261)
Interest received		458	4,264
Net income taxes (paid) / refunded	9	(42,331)	36,111
Net cash from operating activities		50,365	41,826
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		188	-
Purchase of property, plant and equipment		(36,954)	(238,683)
Purchase of intangible assets		-	(4,722)
Exploration and evaluation expenditure		(2,258)	(311)
Net cash used in investing activities		(39,024)	(243,716)
Cash flows from financing activities			
Proceeds from ECA facility	8	9,450	-
Proceeds from senior bank facility	8	-	225,000
Repayment of ECA facility		(4,123)	(4,123)
Payment of facility establishment costs		(427)	-
Payment of finance lease liabilities		(6,633)	(10,600)
Net cash from financing activities		(1,733)	210,277
Net change in cash and cash equivalents		9,608	8,387
Cash and cash equivalents at 1 July		102,393	103,167
Cash and cash equivalents at 31 December		112,001	111,554

¹ The Group has made the decision to reclassify cash flows relating to Narrabri deferred development expenditure. These cash flows have been moved from "Purchase of property, plant and equipment" to "Cash paid to suppliers and employees". The comparative period has been restated to reflect this change. The change in classification has been made to improve clarity of financial information. Narrabri deferred development expenditure relates to costs of developing future longwall gateroads, longwall move costs and gas drainage costs associated with future longwall panels. These costs are incurred and spent, deferred and then the amortised costs are included in operating expenses in the statement of comprehensive income when the longwall panel is mined.

The notes on pages 14 to 22 are an integral part of these consolidated interim financial statements.

Whitehaven Coal Limited and its controlled entities

Notes to the consolidated interim financial statements

31 December 2015

1 Reporting entity

Whitehaven Coal Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (“ASX”). The address of the Company’s registered office is Level 28, 259 George Street, Sydney NSW 2000. The Company is a for-profit entity, and the principal activity of the consolidated entity is the development and operation of coal mines in New South Wales.

The consolidated interim financial report of the Company as at and for the six months ended 31 December 2015 comprises the Company and its subsidiaries (together referred to as the “Group”) and was authorised for issue in accordance with a resolution of the Board of Directors on 5 February 2016.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2015 is available from the Company’s website www.whitehavencoal.com.au or upon request from the Company’s registered office at Level 28, 259 George Street, Sydney NSW 2000.

2 Basis of preparation and changes to the Group’s accounting policies

Basis of preparation

The interim consolidated financial statements for the six months ended 31 December 2015 represent a condensed set of financial statements and have been prepared in accordance with AASB 134 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 30 June 2015 and any public announcements made by Whitehaven Coal Limited during the interim reporting period in accordance with the continuous disclosure requirements of the ASX listing rules.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2015, except for the adoption of the following new standards and interpretations effective as of 1 July 2015:

- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments – Part C
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

The adoption of these amendments did not have any material impact on the financial position or performance of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Whitehaven Coal Limited and its controlled entities
Notes to the consolidated interim financial statements
31 December 2015

3 Segment Reporting

Identification of reportable segments

The Group has identified its reportable segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. While a portfolio wide approach is taken to the management of sales, marketing and logistics, there is a distinction between the reporting of Open Cut and Narrabri operational results. As such, the Group has determined that it has two reportable segments – Open Cut Operations and Underground Operations.

The Group manages sales, marketing and logistics centrally. In order to meet customer product specifications a large number of thermal coal shipments include coal from multiple operations. The resulting blended revenue stream is allocated to each of the mines.

Unallocated includes coal trading, corporate, contract discounts and foreign exchange gains/losses that are managed on a group basis and are not allocated to reportable segments.

The following table represents revenue and profit information for reportable segments for the half-years ended 31 December 2015 and 31 December 2014. The Group's financing (including finance costs and finance income), depreciation and income taxes are managed on a group basis and are not allocated to reportable segments.

<i>In thousands of AUD (\$'000)</i>	Unallocated¹	Open Cut Operations	Underground Operations	Total
Half-year ended 31 December 2015				
Revenue				
Sales to external customers	8,611	360,782	204,858	574,251
Total segment revenue				574,251
Total revenue per statement of comprehensive income				574,251
	Unallocated¹	Open Cut Operations	Underground Operations	Total
Result				
Segment EBITDA result	(12,277)	55,435	63,241	106,399
Depreciation and amortisation				(61,359)
Net financial expense				(33,332)
Income tax expense				(3,975)
Gain on investments and asset disposals				104
Net loss after tax per statement of comprehensive income				7,837
	Unallocated	Open Cut Operations	Underground Operations	Total
Capital expenditure				
Segment expenditure	3,001	10,559	19,177	32,737

¹ Includes contract discounts, coal trading and foreign exchange gains/losses not allocated to segments

Whitehaven Coal Limited and its controlled entities
Notes to the consolidated interim financial statements
31 December 2015

3 Segment Reporting (continued)

In thousands of AUD (\$'000)

	Unallocated¹	Open Cut Operations	Underground Operations	Total
Half-year ended 31 December 2014				
Revenue				
Sales to external customers	(5,032)	196,140	180,695	371,803
Total segment revenue	<hr/>			371,803
Total revenue per statement of comprehensive income				<hr/> <hr/>

	Unallocated¹	Open Cut Operations	Underground Operations	Total
Result				
Segment EBITDA result	(5,526)	14,222	43,421	52,117
Depreciation and amortisation				(46,421)
Net financial expense				(23,413)
Significant items before income tax				(91,480)
Income tax benefit				31,334
Net loss after tax per statement of comprehensive income				<hr/> <hr/>

	Unallocated	Open Cut Operations	Underground Operations	Total
Capital expenditure				
Segment expenditure	5,421	175,962	20,534	201,917
	<hr/>			<hr/>

¹ Includes contract discounts, coal trading and foreign exchange gains/losses not allocated to segments

Whitehaven Coal Limited and its controlled entities
Notes to the consolidated interim financial statements
31 December 2015

4 Significant items

The items below are significant to the understanding of the overall results of the consolidated group. The Company believes the disclosure of these items provides readers of the financial statements with further meaningful insights to understand the financial performance of the Group.

<i>In thousands of AUD (\$'000)</i>	Consolidated 31 Dec 2015	Consolidated 31 Dec 2014
<i>Included within the balances presented on the face of the Consolidated Interim Statement of Comprehensive Income:</i>		
Administrative expenses:		
Bad debt provisions ¹	-	(769)
Impairment of MRRT goodwill ²	-	(90,711)
Significant items before tax	-	(91,480)
Applicable income tax expense	-	231
De-recognition of MRRT net deferred tax liability ²	-	25,801
Tax benefit on refund of overpaid tax ³	-	42,331
Franking deficit tax charge ³	-	(42,331)
Significant items after tax	-	(65,448)

¹ In the prior half-year period the Group was advised that a domestic customer had been placed into voluntary administration. A provision was established to cover balances owed which were not expected to be recovered.

² De-recognition of MRRT related deferred tax balances as a result of the enactment of legislation repealing the MRRT. This includes the MRRT goodwill that arose on the acquisition of Boardwalk (\$29.9m), Aston (\$53.2m) and Coalworks (\$7.6m) during the year ended 30 June 2012 as a result of the recognition of deferred taxes on the implementation of the MRRT legislation as part of the purchase price accounting. This MRRT goodwill, being an intangible asset was created upon the introduction of the MRRT. The carrying value of the MRRT goodwill was reviewed at 31 December 2014 following the enactment of legislation repealing the MRRT, and as a result was fully reversed, together with the associated deferred tax assets and liabilities initially recognised on introduction of the MRRT legislation.

³ In the prior half year the company received a tax refund of \$42.3m following conclusion of an outstanding tax matter resulting in a tax benefit being recognised in the income statement. As a result of the tax refund the company was required to pay franking deficit tax of \$42.3m to rebalance its franking account, resulting in recognition of an income tax expense in the income statement. This amount was paid on 31 July 2015 and remains as a credit available to the company to offset future tax liabilities.

Whitehaven Coal Limited and its controlled entities
Notes to the consolidated interim financial statements
31 December 2015

5 Other expenses

<i>In thousands of AUD (\$'000)</i>	Consolidated 31 Dec 2015	Consolidated 31 Dec 2014
Share based compensation payments	2,137	443
Net foreign exchange loss	533	-
	<u>2,670</u>	<u>443</u>

6 Financial income and expense

<i>In thousands of AUD (\$'000)</i>	Consolidated 31 Dec 2015	Consolidated 31 Dec 2014
Recognised in profit and loss		
Interest income	460	536
Interest on tax refund	-	3,727
Financial income	<u>460</u>	<u>4,263</u>
Interest expense on finance lease liabilities	(3,493)	(4,149)
Interest on drawn debt facility	(21,171)	(10,122)
Other financing charges	(4,413)	(5,293)
Interest and financing costs	<u>(29,077)</u>	<u>(19,564)</u>
Net interest expense	<u>(28,617)</u>	<u>(15,301)</u>
Unwinding of discounts on provisions	(1,205)	(1,045)
Unrealised loss on investments	-	(375)
Amortisation of finance charges payable under debt facilities	(3,510)	(6,661)
Net foreign exchange loss on finance leases	-	(31)
Other financial expenses	<u>(4,715)</u>	<u>(8,112)</u>
Net financial expense	<u>(33,332)</u>	<u>(23,413)</u>
Recognised directly in equity		
Net change in cash flow hedges	2,242	(15,704)
Income tax effect	(673)	4,711
Finance income / expense recognised directly in equity, net of tax	<u>1,569</u>	<u>(10,993)</u>

Whitehaven Coal Limited and its controlled entities
Notes to the consolidated interim financial statements
31 December 2015

7 Intangibles

<i>In thousands of AUD (\$'000)</i>	Consolidated 31 Dec 2015	Consolidated 30 June 2015
Water access rights	8,581	8,577
Acquired haulage rights	1,300	1,300
Less: Accumulated amortisation	(1,236)	(1,160)
Rail access rights ¹	11,237	11,237
	19,882	19,954

¹As part of the agreement to cancel previously existing infrastructure sharing arrangements Whitehaven agreed to pay 10.1% of the construction cost of the shared portion of the Boggabri Maules Creek rail spur. In return, Whitehaven received rail access rights.

<i>In thousands of AUD (\$'000)</i>	Water access rights	Contract related intangible	Rail access rights	Total
Movement in intangibles				
Balance at 1 July 2015	8,577	140	11,237	19,954
Additions during the year	4	-	-	4
Less: accumulated amortisation	-	(76)	-	(76)
Balance at 31 December 2015	8,581	64	11,237	19,882

8 Interest-bearing loans and borrowings

<i>In thousands of AUD (\$'000)</i>	Consolidated 31 Dec 2015	Consolidated 30 June 2015
Current liabilities		
Finance lease liabilities	13,933	13,503
ECA facility	8,976	8,247
	22,909	21,750
Non-current liabilities		
Senior bank facility	900,000	900,000
Finance lease liabilities	76,430	83,494
ECA facility	37,585	32,987
	1,014,015	1,016,481
Total interest-bearing liabilities	1,036,924	1,038,231
Secured facilities	1,272,761	1,241,234
Secured facilities utilised at reporting date	946,561	941,234
Secured facilities not utilised at reporting date	326,200	300,000

Whitehaven Coal Limited and its controlled entities
Notes to the consolidated interim financial statements
31 December 2015

8 Interest-bearing loans and borrowings (continued)

During the period no amounts were drawn down under the senior bank facility (31 December 2014: \$225 million under the previous facility) and \$9.5 million was drawn from the ECA facility (31 December 2014: \$nil). The Group repaid \$4.1 million of the ECA facility during the period (31 December 2014: \$4.1 million). The security provided in relation to the facilities is a fixed and floating charge over the assets of the Group. During the period the Group did not enter into new finance leases (31 December 2014: \$57 million). Finance lease liabilities are secured over the assets to which they relate.

The fair values of interest bearing liabilities materially approximate their respective carrying values as at 31 December 2015 and 30 June 2015.

9 Current tax payable

<i>In thousands of AUD (\$'000)</i>	Consolidated 31 Dec 2015	Consolidated 30 June 2015
Franking deficit tax	-	42,331

During the 2015 financial year the company received a tax refund of \$42.3m following conclusion of an outstanding tax matter. As a result of the tax refund the company was required to pay franking deficit tax of \$42.3m to rebalance its franking account. This amount was paid on 31 July 2015 and remains as a credit available to the company to offset future tax liabilities.

10 Provisions

<i>In thousands of AUD (\$'000)</i>	Consolidated 31 Dec 2015	Consolidated 30 June 2015
Mine rehabilitation and closure	76,112	76,458
Other Provisions	3,317	3,704
	79,429	80,162
Current	7,444	7,380
Non-current	71,985	72,782
	79,429	80,162

11 Share-based payments

During the current half year no performance share rights were issued. The non-cash share-based payment expense in the current period arises from prior period share rights being expensed over their respective vesting periods.

12 Dividends

No dividends were paid during the six months ended 31 December 2015 (2014: nil).

The Directors resolved not to pay an interim dividend for the half year.

Whitehaven Coal Limited and its controlled entities
Notes to the consolidated interim financial statements
31 December 2015

13 Contingencies

Bank guarantees

<i>In thousands of AUD (\$'000)</i>	Consolidated 31 Dec 2015	Consolidated 30 June 2015
The consolidated entity provided bank guarantees to:		
(i) Government departments as a condition of continuation of mining and exploration licenses	61,818	49,375
(ii) Rail capacity providers	30,027	30,027
(iii) Port capacity providers	80,150	88,291
(iv) Electricity network access supplier	27,563	26,200
(v) Other	1,893	2,117
	201,451	196,010

14 Interests in joint operations

	% Ownership Interest	
	31 Dec 2015	30 June 2015
Joint Operations:		
Tarrawonga Coal Project Joint Venture	70%	70%
Narrabri Coal Joint Venture	70%	70%
Maules Creek Joint Venture	75%	75%
Dingo Joint Venture	70%	70%
Ferndale Joint Venture	94%	94%
Boggabri-Maules Creek Rail Spur Joint Venture	39%	39%
Tarrawonga Coal Sales Pty Ltd ¹	70%	70%
Maules Creek Marketing Pty Ltd ¹	75%	75%
Boggabri-Maules Creek Rail Pty Ltd ¹	39%	39%

¹The joint operations above operate as the sales and marketing vehicles or manager of the related joint operations and require the consent of joint venture partners on significant management and financial decisions. As such the Group recognises its share of assets, liabilities, revenues and expenses of the above entities as joint operations under AASB11.

Whitehaven Coal Limited and its controlled entities
Notes to the consolidated interim financial statements
31 December 2015

15 Financial risk management objectives and policies

Net Fair Values

The Group complies with *AASB 7 Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 - measurements based upon quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 - measurements based upon inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3 - measurements based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group held the following financial instruments carried at fair value in the statement of financial position:

<i>In thousands of AUD (\$'000)</i>	31 December			
	2015	Level 1	Level 2	Level 3
Assets measured at fair value				
Unlisted equity shares	37	-	-	37
Forward exchange contracts – receivable	1,166	-	1,166	-
Liabilities measured at fair value				
Forward exchange contracts – payable	-	-	-	-
Interest rate swaps - payable	(898)	-	(898)	-
	30 June			
	2015	Level 1	Level 2	Level 3
Assets measured at fair value				
Unlisted equity shares	37	-	-	37
Forward exchange contracts - receivable	162	-	162	-
Liabilities measured at fair value				
Forward exchange contracts - payable	(60)	-	(60)	-
Interest rate swaps - payable	(1,005)	-	(1,005)	-
Commodity swaps - payable	(1,071)	-	(1,071)	-

The fair value of derivative financial instruments is derived using valuation techniques based on observable market inputs, such as forward currency rates and interest rates, at the end of the reporting period. The amounts disclosed in the statement of financial position are the fair values and are classified under level 2 in the fair value measurement hierarchy. During the period the Group entered into forward exchange contracts to hedge some of its foreign exchange risk. A number of these contracts remained open at 31 December 2015.

The carrying values of financial assets and financial liabilities recorded in the financial statements materially approximates their respective net fair values, determined in accordance with the accounting policies disclosed in note 3 to the annual financial statements.

16 Subsequent events

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

Directors' declaration

In the opinion of the directors of Whitehaven Coal Limited ("the Company"):

1. the financial statements and notes set out on pages 10 to 22, are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Mark Vaile
Chairman
5 February 2016



Paul Flynn
Managing Director
5 February 2016

To the members of Whitehaven Coal Limited

Report on the Half year Financial Report

We have reviewed the accompanying half year financial report of Whitehaven Coal Limited, which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

Directors' Responsibility for the Half year Financial Report

The directors of the company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Whitehaven Coal Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

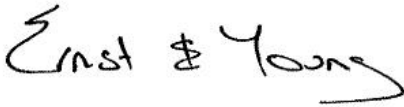
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

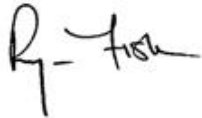
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Whitehaven Coal Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Ryan Fisk
Partner
Sydney
5 February 2016