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# Whitehaven Coal Limited

HALF YEAR RESULTS FY2016

Return to Profit, Record Production

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5 FEBRUARY 2016



# Disclosure

STATEMENTS CONTAINED IN THIS MATERIAL, PARTICULARLY THOSE REGARDING THE POSSIBLE OR ASSUMED FUTURE PERFORMANCE, COSTS, DIVIDENDS, RETURNS, PRODUCTION LEVELS OR RATES, PRICES, RESERVES, POTENTIAL GROWTH OF WHITEHAVEN COAL LIMITED, INDUSTRY GROWTH OR OTHER TREND PROJECTIONS AND ANY ESTIMATED COMPANY EARNINGS ARE OR MAY BE FORWARD LOOKING STATEMENTS. SUCH STATEMENTS RELATE TO FUTURE EVENTS AND EXPECTATIONS AND AS SUCH INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES. ACTUAL RESULTS, ACTIONS AND DEVELOPMENTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THESE FORWARD LOOKING STATEMENTS DEPENDING ON A VARIETY OF FACTORS.

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ALL DOLLARS IN THE PRESENTATION ARE AUSTRALIAN DOLLARS UNLESS OTHERWISE NOTED.

## Competent Persons Statement

Information in this report that relates to Coal Resources and Coal Reserves is based on and accurately reflects reports prepared by the Competent Person named beside the respective information. Mr Greg Jones is a principal consultant with JB Mining Services. Mr Phillip Sides is a senior consultant with JB Mining Services. Mr Mark Dawson is a Geologist with Whitehaven Coal Limited. Mr Ben Thompson is a Geologist with Whitehaven Coal. Mr John Rogis is a Geologist formerly employed by Whitehaven Coal. Mr Rick Walker is a Geologist with Whitehaven Coal. Mr Graeme Rigg is a full time employee of RungePincockMinarco Ltd. Mr Doug Sillar is a full time employee of RungePincockMinarco Ltd.

Named Competent Persons consent to the inclusion of material in the form and context in which it appears. All Competent Persons named are Members of the Australian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists and have the relevant experience in relation to the mineralisation being reported on by them to qualify as Competent Persons as defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition).

# Agenda

- **Highlights**
- **Safety**
- **Operations**
- **Financial Performance**
- **Community**
- **Coal Market Overview**
- **Outlook**
- **Appendices**
- **Additional Information**

# H1 FY2016 Highlights

RETURNED TO PROFIT WITH RECORD PRODUCTION



Profitable half year at cycle lows



EBITDA \$106 million, more than double previous corresponding half



Sustainable cost reductions continue in half year - \$58/t with more to come

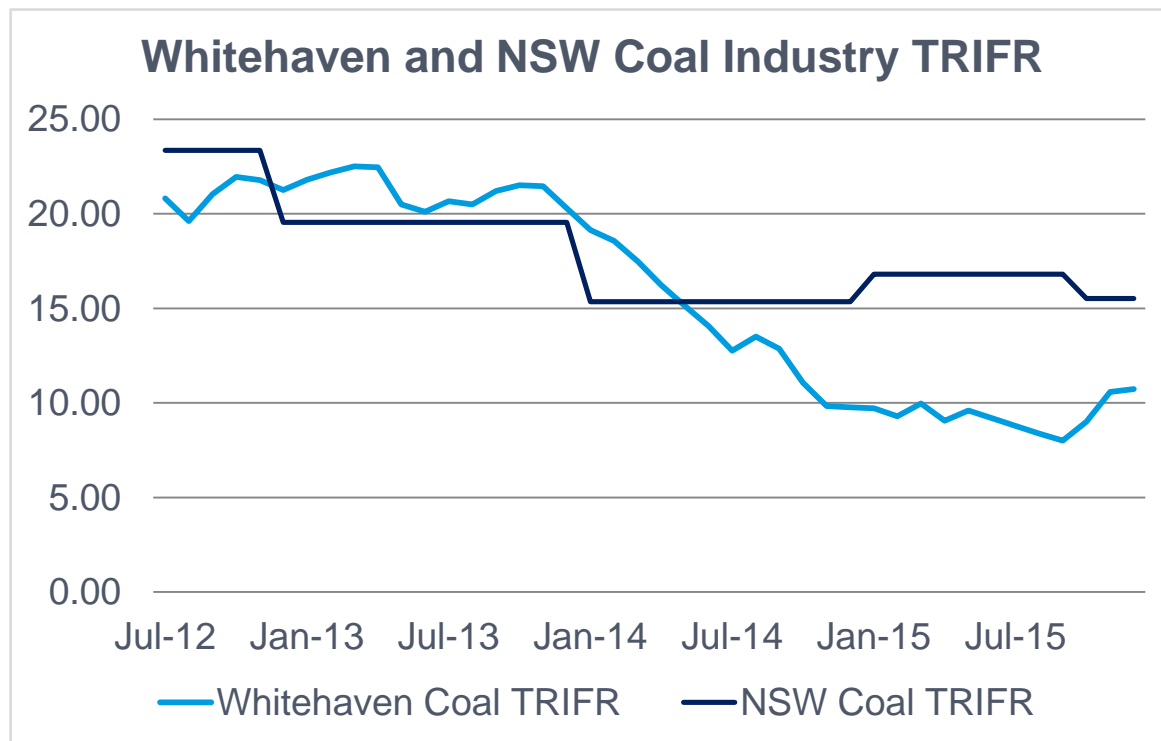


Net debt reduced to \$925 million

**Debt reduction commenced with further expected in the second half**

# Safety

# Safety



- Whitehaven’s TRIFR remains significantly below the NSW average of 15.5
- The TRIFR increased to 10.7 from 9.2 at the end of FY2015
- Renewed focus across all operations to improve safety

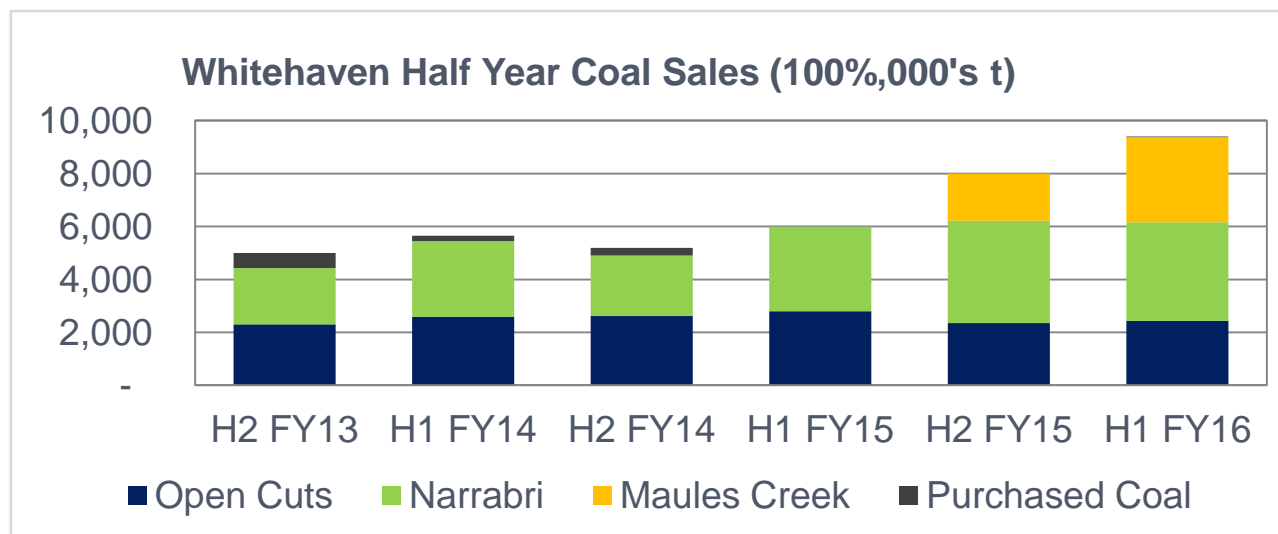
Note: Data includes Whitehaven employees and contractors at all mine sites, Gunnedah CHPP and corporate office. TRIFR refers to total recordable injury frequency rate

# Operations

# Coal Sales

RECORD SALES VOLUMES DRIVE STRONGER REVENUES

Equity Basis – 000t	H1 FY2016	H1 FY2015	Change
Maules Creek	2,413	-	-
Narrabri	2,613	2,237	17%
Gunnedah Open Cuts	2,133	2,464	(13%)
Coal Trading	157	11	-
<b>Whitehaven Total</b>	<b>7,316</b>	<b>4,713</b>	<b>52%</b>

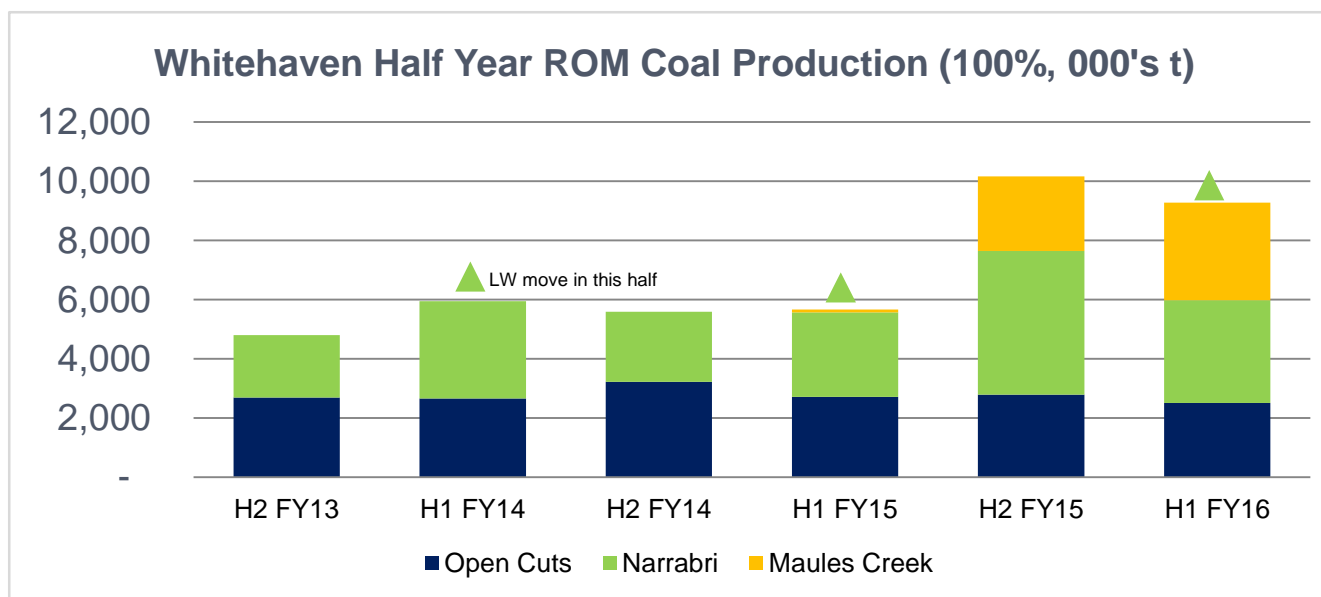




# ROM Coal Production

INCREASED PROPORTION FROM TIER ONE MINES – MAULES CREEK AND NARRABRI

Equity Basis – 000t	H1 FY2016	H1 FY2015	Change
Maules Creek	2,473	71	-
Narrabri	2,423	1,996	21%
Gunnedah Open Cuts	2,189	2,390	(8%)
<b>Whitehaven Total</b>	<b>7,085</b>	<b>4,457</b>	<b>59%</b>

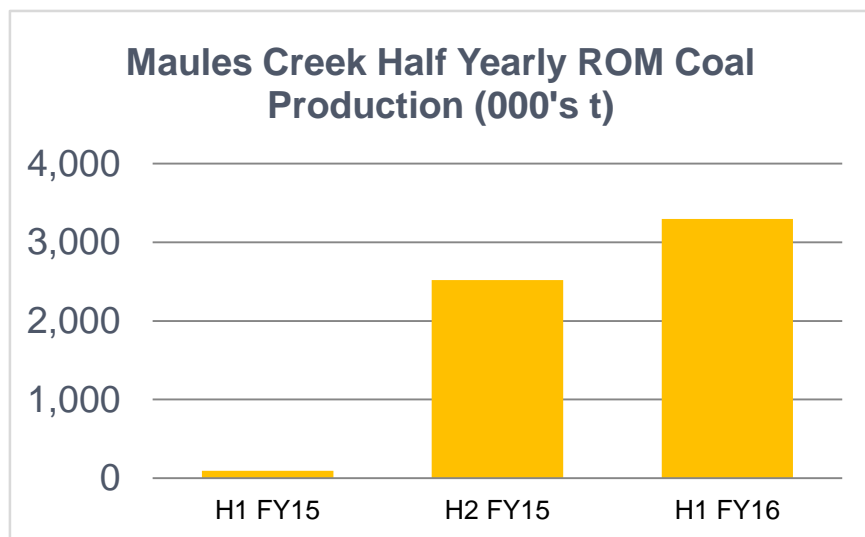


— Adding production of higher margin, higher quality coal from tier one mines

Note: Commercial production from Maules Creek began on 1 July 2015

# Maules Creek Production Ramping Up

## OUTSTANDING MARKET ACCEPTANCE OF MAULES CREEK COAL



Note: Pre-commercial production before July 2015

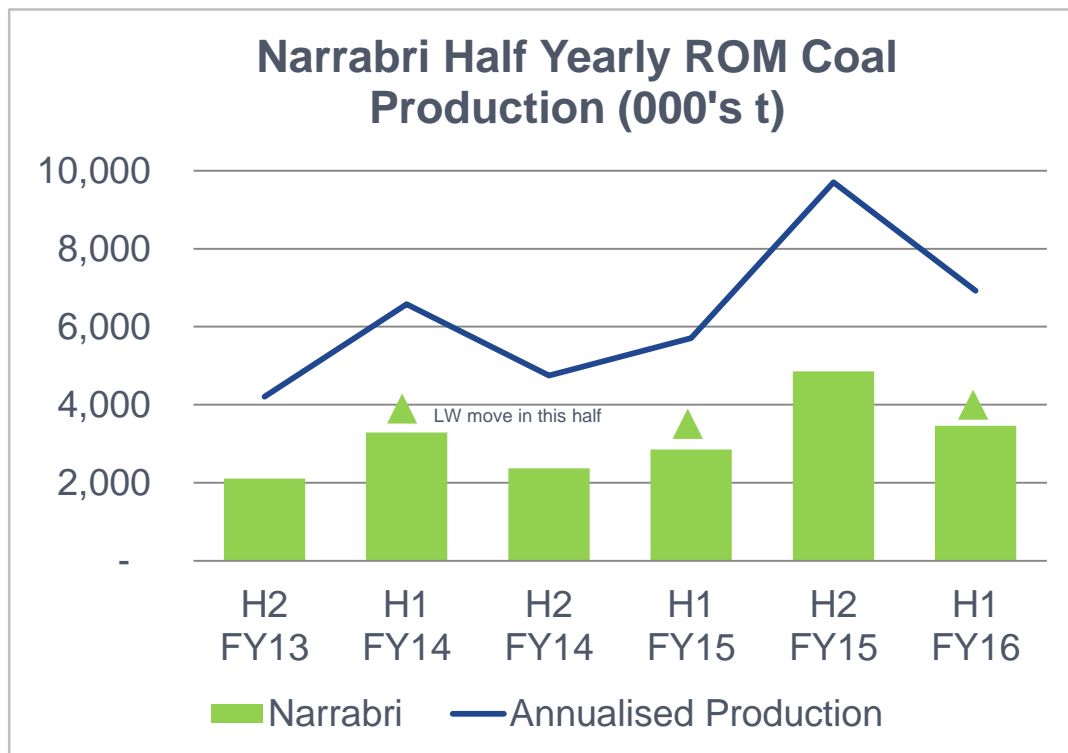
Note: Refer to Competent Person Statement on Slide 2 and to detailed Coal Resources and Coal Reserves tables on Slides 35 and 36 of this presentation

- Mine operating at 8.5Mtpa rate in December
- Costs averaged \$58/t in the half
- High quality thermal coal from Maules Creek achieved a 7% premium over Newcastle benchmark price for the half
- Met coal trial cargoes despatched in half
- Total capex for project reduced to \$716 million (saving \$50 million) including \$15 million remaining to be spent on permanent workshops and site offices over 2016 to 2018
- Metallurgical coal quality in upper seams better than expected – 0.750Mt met coal now contracted for CY16
- Infill drilling programme underway to convert

### Resources to Reserves

# Narrabri – In Australia’s Top Three U/G Mines

PRODUCTION APPROVAL INCREASED TO 11MTPA - WHITEHAVEN’S LOWEST COST MINE

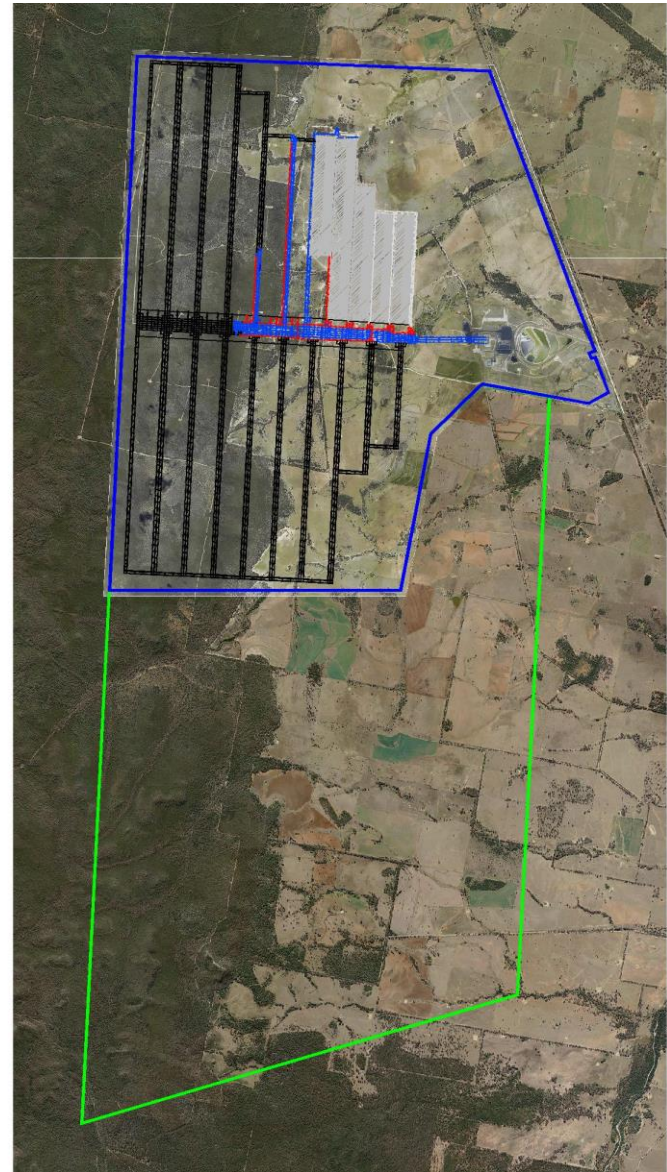


- Narrabri produced a record 8.3Mt ROM coal in CY2015
- First production from 400 metre wide face scheduled for April 2017
- Costs at Narrabri averaged \$49/t in half
- Approval received from NSW authorities to increase annual production from 8Mt to 11Mt

# Narrabri Mine Plan

## SUBSTANTIAL MINE LIFE EXTENSION

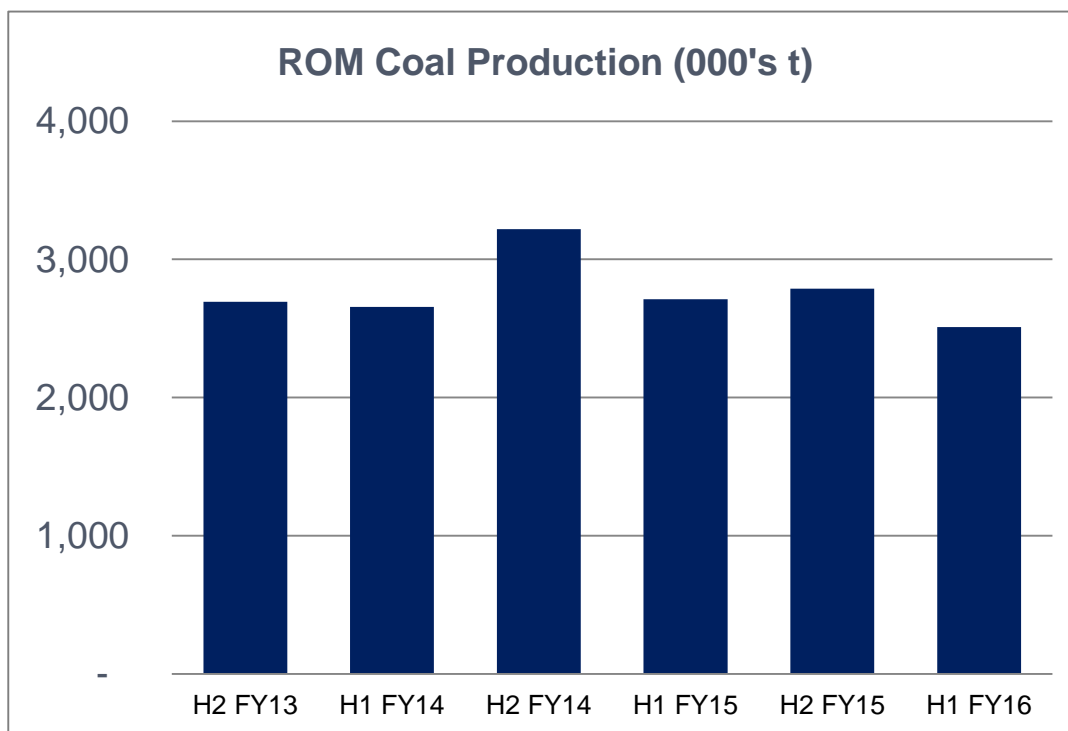
- Work on integrating Narrabri South and Narrabri North has commenced
- Plan to extend the longwall panels from Narrabri North into Narrabri South lease
- Drilling is scheduled in FY2017 in Narrabri South tenement to convert existing Resources into Reserves



Note: Refer to Competent Person Statement on Slide 2 and to detailed Coal Resources and Coal Reserves tables on Slides 35 and 36 of this presentation

# Gunnedah Open Cuts Production

CONTINUING TO PROVIDE STABLE PRODUCTION



- Impressive safety performance at Gunnedah open cuts - Rocglen, operating for 841 days without an incident and Gunnedah CHPP 1,175 days LTI free
- Costs successfully lowered at all three open cut mines
- ROM production to remain around current levels
- All mines EBITDA positive in H1

Note: Gunnedah open cuts consist of Tarrawonga, Rocglen and Werris Creek open cut mines

# Financial Performance

# Financial Highlights

## RETURN TO PROFIT

Profit and loss	H1 FY2016	H1 FY2015	Comment
Net profit after tax (\$'m)	7.8	(77.9)	▪ Up \$85.7m
EBITDA before significant items (\$'m)	106.4	52.1	▪ More than double the pcg
Cash generated from operations (\$'m)	118.3	22.7	▪ Up \$95.6m
Unit cost per tonne	58	63	▪ Down 8%, excludes ITDA

Balance Sheet	Dec 2015	June 2015	
Net debt (\$'m)	925	936	▪ Surplus of \$11m in six months after paying one off \$42m taxes and \$14m Maules Creek capex tail
Gearing (%)	24%	25%	▪ Gearing remains modest

# Return to Profit

Financial Performance - A\$ millions	H1 FY2016	H2 FY2015	H1 FY2015
Revenue	574.3	391.5	371.8
Other income	4.0	3.3	7.4
Operating expenses	(269.9)	(170.6)	(186.9)
Selling and distribution expenses (including NSW Govt. royalties)	(190.0)	(131.1)	(129.2)
Admin and other expenses (including net FX gain/loss)	(12.0)	(14.9)	(11.0)
<b>Operating EBITDA before significant items</b>	<b>106.4</b>	<b>78.2</b>	<b>52.1</b>
Gain/(loss) on fixed asset disposals	0.1	(0.4)	-
Depreciation & amortisation	(61.4)	(51.2)	(46.4)
Net interest expense	(28.6)	(15.6)	(15.3)
Other net financial expense	(4.7)	(6.2)	(8.1)
Income tax benefit / (expense)	(4.0)	(3.1)	5.3
<b>Net profit / (loss) after tax, before significant items</b>	<b>7.8</b>	<b>1.7</b>	<b>(12.4)</b>
Significant items after tax	-	(266.5)	(65.5)
<b>Net profit/(loss)</b>	<b>7.8</b>	<b>(264.8)</b>	<b>(77.9)</b>
Earnings per share (cents per share - diluted)	0.8	(25.4)	(7.9)



# Costs & Margins

## COSTS DRIVEN LOWER AGAIN

		H1 FY2016	H2 FY2015	H1 FY2015	FY2014
Coal Sales (equity basis, excl. purchased coal)	Mt	7.3	4.8	4.7	8.2
Average revenue (excl. purchased coal & net of NSW royalties)	\$A/t	72	75	73	79
Average cost of sales (excludes significant items)	\$A/t	58	60	63	69
<b>EBITDA Margin on Coal Sales</b>	<b>\$A/t</b>	<b>14</b>	<b>15</b>	<b>10</b>	<b>10</b>
EBITDA Margin on Coal Sales	%	19%	20%	14%	13%

- EBITDA margin of 19% maintained through H1FY2016 period of weak coal prices
- Margin per tonne combined with increased volume provides for debt repayment
- Fully absorbed costs fell by a further 5% from the FY2015 average of \$61/t and by 3% from the second half of FY2015
- Whitehaven's costs are now firmly entrenched in the first quartile and cost reductions are sustainable

# Balance Sheet and Capital Management

## BALANCE SHEET IMPROVED AT CYCLE LOWS

	31 Dec 2015 \$'m	30 Jun 2015 \$'m
Cash on hand	112.0	102.4
Senior secured bank facility	900.0	900.0
ECA and finance leases	136.9	138.2
Total interest bearing liabilities	1,036.9	1,038.2
Net debt	924.9	935.8
Net assets	2,876.6	2,865.0
Gearing ratio	24%	25%
Actual interest cover ratio <sup>1</sup>	4.1:1	N/A

- Net interest expense has peaked
- EBITDA increases with increased sales and changes in sales mix from Maules Creek and Narrabri
- The \$11m decline in net debt during the first half occurred following the \$42m “one off” tax payment and \$14m in Maules Creek capex tail
- Based on existing margins, Whitehaven expects free cash flow of \$300-\$500 million over the next 3 to 4 years, which would be available for debt reduction<sup>2</sup>

<sup>1</sup> ICR will first be tested using 31 December 2016 trailing twelve month results – results shown is for information only. If interest cover ratio test was applied Whitehaven would comfortably exceed it

<sup>2</sup> Excludes Funds generated from any sell down of Vickery

# Capital Allocation

## MAULES CREEK PROJECT CAPEX “COMPLETED”

Capital Investment - \$ Million	H1 FY2016	H2 FY2015	H1 FY2015
<b>Mine Sustaining Capital</b>			
Gunnedah Open Cuts sustaining	0.5	1.2	3.2
Narrabri sustaining	3.3	7.0	2.3
<b>Total Sustaining Capital</b>	<b>3.8</b>	<b>8.2</b>	<b>5.5</b>
<b>Expansion and Other Capital Investment</b>			
Maules Creek	9.7	63.5	170.9
Narrabri - Mains development	8.2	8.2	18.4
Narrabri face widening	7.7	6.2	-
Exploration Projects	2.3	0.6	0.3
Land & Other	1.1	1.6	6.8
<b>Total Expansion and Other Capex</b>	<b>28.9</b>	<b>80.1</b>	<b>196.4</b>
<b>Total Capital Investment <sup>1</sup></b>	<b>32.7</b>	<b>88.3</b>	<b>201.9</b>

- Following the asset refresh sustaining capital is minimal
- Maules Creek project construction essentially complete
- \$15 million for Maules Creek MIA to be spent over the next three years
- Narrabri 400 metre longwall face project WHC share of spend ~\$56m. To be funded ~\$36m by ECA finance and ~\$20m WHC cash

<sup>1</sup> Capital expenditure accounting, not cash based – refer appendices for cash capital expenditure spend

# Community

# Supporting Our Local Community

OPPORTUNITIES FOR NORTH WEST NSW - TRAINING, EMPLOYMENT AND BUSINESS



- Contributed \$843m to local economy since 2012 (infrastructure, services, wages and super of local employees, procurement and sponsorships)
- Spent \$64.1m with local businesses in H1 2016
- Aboriginal community:
  - Signed Native Title agreement for Maules Creek
  - 50 Aboriginal staff at Maules Creek (15% of workforce)
  - On track with commitments pledged in our first Reconciliation Action Plan
- Grants to 50 local community groups in H1 2016 including to the Australian Indigenous Otago World Cup teams
- Increased employment opportunities for women and apprentices. Five more local apprentices given opportunities (15 apprentices to date)

# Coal Market Overview

# Paris Meeting

## LOW EMISSION POWER GENERATION TECHNOLOGIES HAVE A GROWING FUTURE

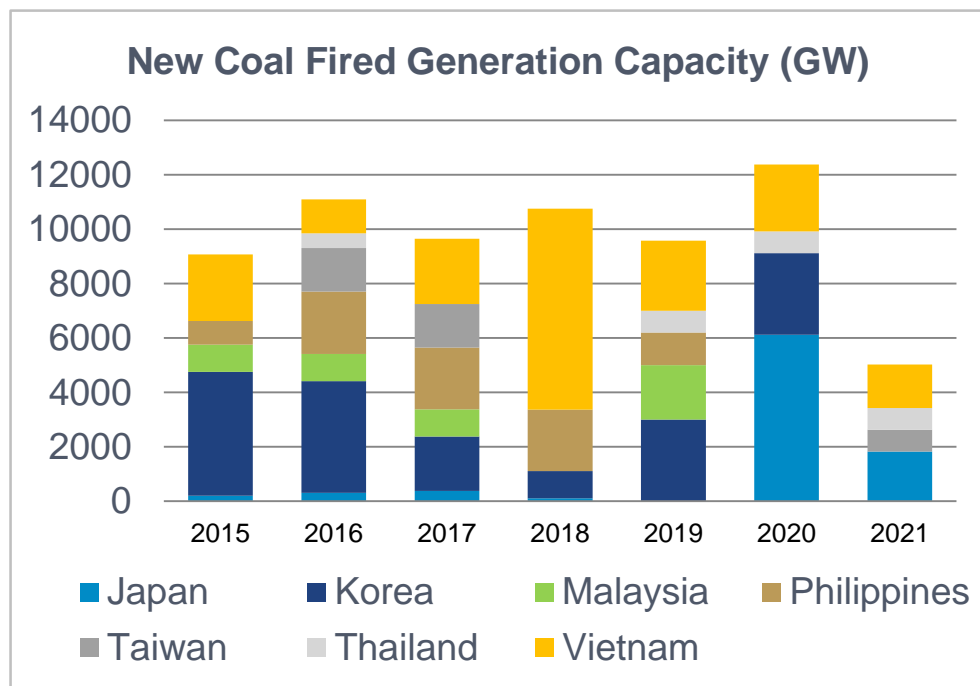
- With the Paris Nationally Determined Contributions (NDC) commitments, the IEA expects electricity generation from coal to grow by 24% between 2013 and 2040 <sup>1</sup>
- The submitted NDC's are the foundation of the Paris Agreement
- Deployment of high efficiency and low emissions (HELE) coal and carbon capture and storage technology is boosted under OECD arrangements
- Previous roadblocks to fund ultra-super critical coal fired generation technology have been removed
- Growth in deployment of HELE technology to drive coal demand in our region

### The strong support for HELE technology is positive for Whitehaven

<sup>1</sup> Based on the New Policies Scenario contained in the IEA World Energy Outlook 2015 report. The New Policies Scenario is the IEA's baseline scenario. In the report, the IEA also considers the Current Policies Scenario (highest coal usage) and the 450 Scenario, the lowest in coal use in the report. The report is available at <http://www.iea.org>.

# Asian Market Growth

## NEW GENERATING CAPACITY BEING ADDED ACROSS ASIA EX CHINA



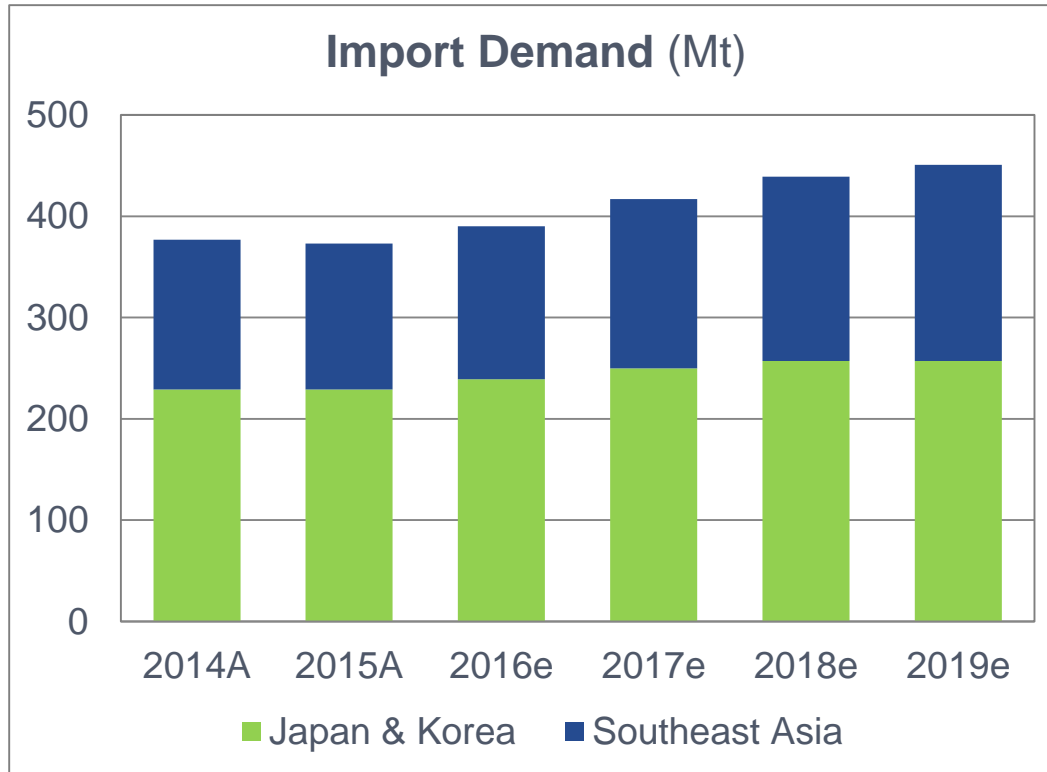
Source: Various investment banks, and country forecasts

- Significant new capacity has recently been added or is to be added to generating capacity in Whitehaven’s key markets
- The Asian region excluding China, Japan, Korea and Taiwan has a population of about 700 million with an average per capita electricity consumption less than a third of the global average
- These countries are seeking to lift the economic well-being of their populations and are adding new electricity generation capacity
- A significant portion of the capacity is likely to use HELE technology and require higher quality coals – such as Australian coal and Whitehaven’s coal



# Whitehaven's Markets

## STRONG ASIAN DEMAND GROWTH FOR HIGH QUALITY THERMAL COAL

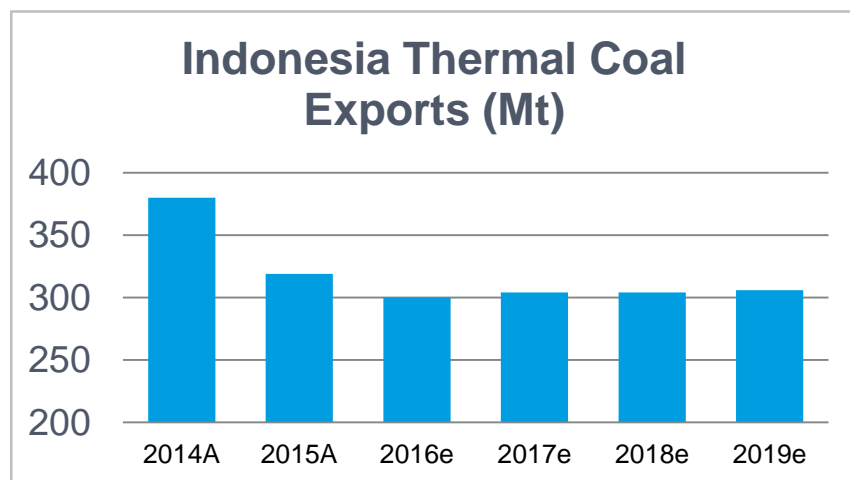
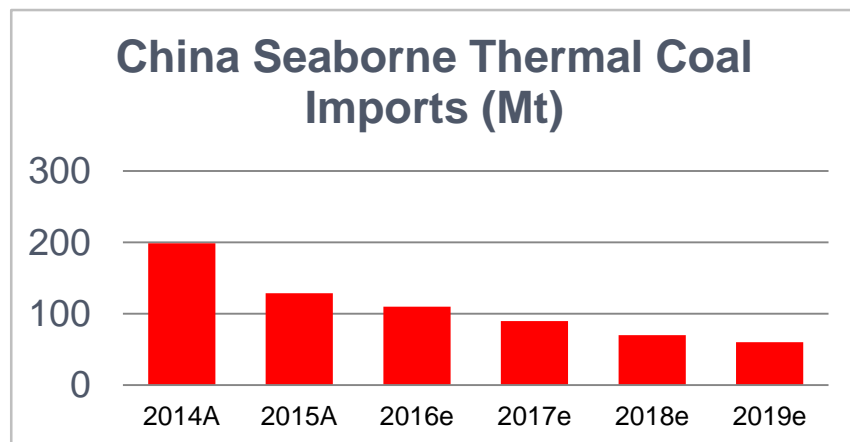


Source: Country statistics and Whitehaven estimates

- Seaborne coal demand from Whitehaven key markets is expected to grow by about 80Mtpa by 2019
- As new HELE power station technology is deployed in the region, demand for high quality coal like Whitehaven's will increase significantly
- Price premiums for high quality coal such as those produced by Whitehaven at Maules Creek and Narrabri likely to increase as demand for the higher quality coals grow

# Indonesian Coal Impacted By China

INDONESIA REBALANCING AFTER MAJOR DISRUPTION FROM CHINA WITHDRAWAL



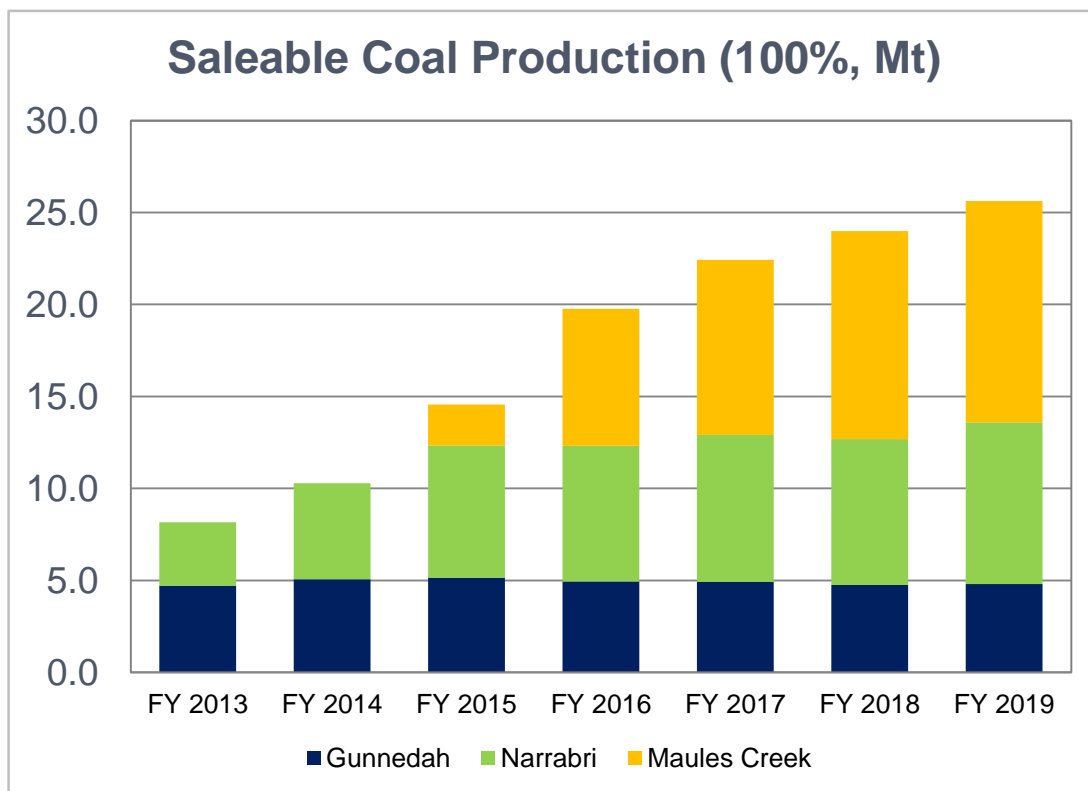
- The change of policies by Chinese authorities to apply quality constraints and limit imports has caused rapid adjustment
- The impact was significant with imports into China falling by 70Mt in 2015 as power producers supported the domestic coal industry
- Low CV coal from Indonesia bore the brunt of the changes with exports from the country falling by over 60Mt in 2015

Source: Country statistics and Whitehaven forecasts

# Outlook

# Production Growth To Continue

GROWTH IN HIGH QUALITY, LOW COST, HIGH MARGIN COAL



- Production growth continues as production commences from Narrabri’s wider longwall and Maules Creek ramps up to full production anticipated in FY2019
- As production grows Whitehaven expects to increase margins (more high quality met and thermal coal), increase profits and increase cashflow
- The increased cash flows will accelerate debt reduction
- The approved Vickery project provides another growth option beyond Maules Creek

Note: Graph depicts saleable coal on a 100% basis including coal destined for domestic and export sales and pre-commercial and commercial coal production from Maules Creek. The production profile shown in the chart is fully underpinned by the Company’s Marketable Reserves from its operating mines. See slide 35 for full details of the Coal Reserves JORC table.

# Vickery – Whitehaven’s Next Project

ANOTHER SIGNIFICANT GROWTH OPTION

**Approval granted by the NSW Government in September 2014 for a 4.5Mtpa open cut mine**

<b>Location</b>	About 25kms north of Gunnedah
<b>Resources and Reserves</b>	Resource of 505Mt, Underground Resources of 230Mt, Open cut Reserves of 200Mt
<b>Ownership</b>	Whitehaven 100%, Seeking to form a JV (may sell up to 30%)
<b>Coal Quality</b>	Similar to Maules Creek – Metallurgical SSCC, PCI and High CV thermal coal
<b>Start-up</b>	Can be started at any time but scheduled after Maules Creek is fully ramped
<b>Current Status</b>	EIS expected to be lodged with Government authorities in June 2016 seeking to increase the approved mining rate to 10.0Mtpa

Note: Refer to Competent Person Statement on Slide 2 and to detailed Coal Resources and Coal Reserves tables on Slides 35 and 36 of this presentation

# Outlook Guidance

FINANCIAL POSITION IMPROVING OVER NEXT THREE YEARS

- Improve safety performance
- Coal production guidance for FY2016 increased by 0.6Mt to range of 19.5Mt to 20.1Mt following the strong first half
- Increase tonnages of higher margin metallurgical coal sales
- Growth tonnage of higher margin coal from Maules Creek and Narrabri
- Costs expected to fall another \$1/t to \$2/t in the second half
- Further net debt reduction expected in the second half
- Based on existing margins, Whitehaven expects free cash flow of \$300-\$500 million over the next 3 to 4 years, which would be available for debt reduction

SR 17 Narrabri 35

17 Maules Ck SR 11 Boggabri 18



**THANK YOU**

[www.whitehavencoal.com.au](http://www.whitehavencoal.com.au)



**WHITEHAVEN COAL**

# Appendices



# Where We Operate

## Maules Creek (75%) Tier One Mine

- Reserves ~ 30 years, Permitted & Planned 13Mtpa
- SSCC, PCI and high energy thermal

## Narrabri (70%) Tier One Mine

- Reserves ~ 25 years, Permitted 8Mtpa, Planned 7Mtpa
- PCI & low ash thermal

## Werris Creek (100%)

- Reserves ~ 8 years, Permitted & Planned 2.5Mtpa
- PCI and thermal coal

## Tarrawonga (70%)

- Reserves >20 years, Permitted 3Mtpa, Planned 2Mtpa
- SSCC, PCI and thermal coal

## Rocglen (100%)

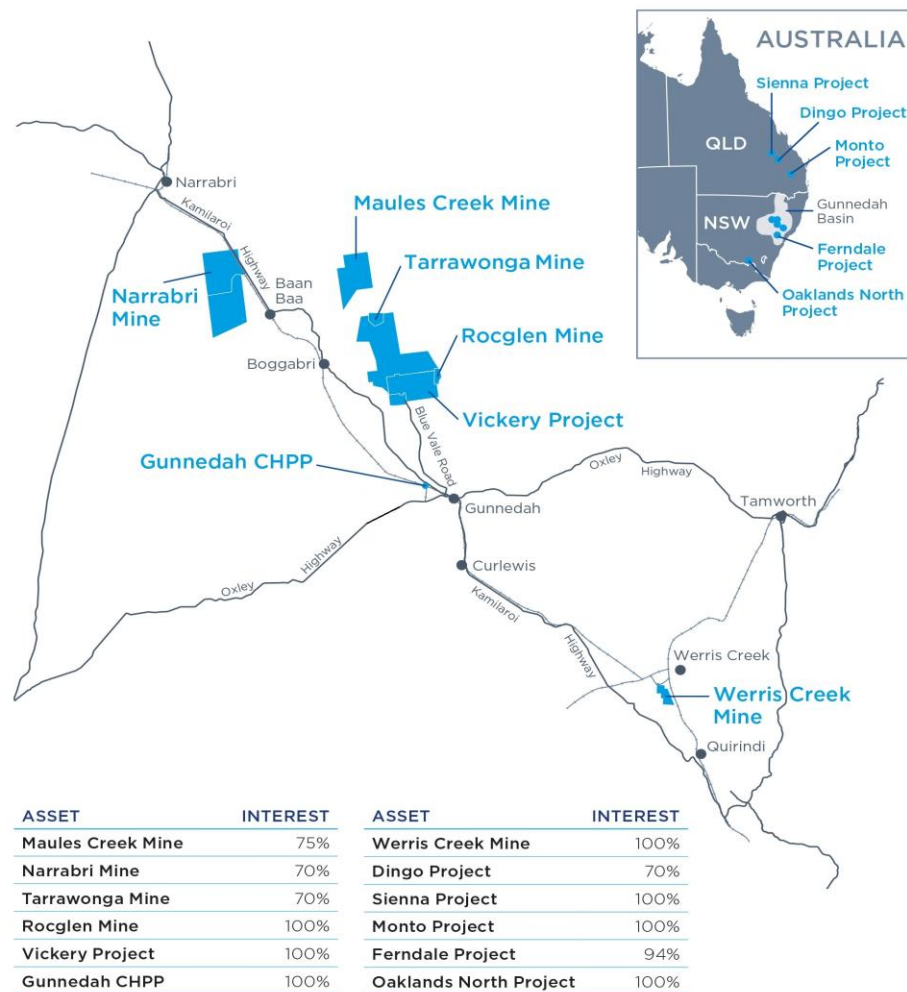
- Reserves ~3 years, Permitted 1.5Mtpa, Planned 1.2Mtpa
- Thermal coal

## Gunnedah CHPP (100%)

- Permitted to 4.1Mtpa product coal

## Vickery (100%)

- Reserves ~ 30 years, Permitted to 4.5Mtpa
- SSCC, PCI and high energy thermal coal



Note: Refer to Competent Person Statement on Slide 2 and to detailed Coal Resources and Coal Reserves tables on Slides 44 and 45 of this presentation

# Resources

WHITEHAVEN COAL LIMITED - COAL RESOURCES - AUGUST 2015							
Tenement		Measured Resource	Indicated Resource	Inferred Resource	Total Resources	Competent Person	Report Date
Vickery Opencut	CL316/EL4699 EL583 YEL7407	230	165	110	505	1	Jun-15
Vickery Underground	EL8224/ML1464 ML1471	-	95	135	230	1	Jun-15
Rocglen Opencut	ML1620	7	4	-	11	2	Mar-15
Rocglen Underground	ML1620	-	3	1	4	2	Mar-15
Tarrowonga Opencut*	EL5967/ML1579 ML1685/ML1693	48	18	13	79	3	Mar-15
Tarrowonga Underground	EL5967/ML1579 ML1685/ML1693	10	15	14	39	3	Apr-14
Maules Creek Opencut**	CL375/AUTH346 / EL8072	330	270	50	650	3	Mar-15
Werris Creek Opencut	ML1663/ML1672	18	4	-	22	2	Mar-15
Narrabri Underground***	ML1609/EL6243	160	390	180	730	6	Mar-15
Gunnedah Opencut	ML1624/EL5183/ CCL701	7	47	89	143	3	Aug-14
Gunnedah Underground	ML1624/EL5183/ CCL701	2	138	24	164	3	Aug-14
Bonshaw Opencut	EL6450/EL6587	-	4	7	11	3	Aug-14
Ferndale Opencut	EL7430	103	135	134	372	4	Jan-13
Ferndale Underground	EL7430	-	-	73	73	4	Jan-13
Oaklands North Opencut	EL6861	110	260	580	950	3	Aug-14
Pearl Creek Opencut****	EPC862	-	14	38	52	5	Jan-13
<b>TOTAL COAL RESOURCES</b>		<b>1025</b>	<b>1564</b>	<b>1448</b>	<b>4037</b>		
<p>1. John Rogis, 2. Ben Thompson, 3. Mark Dawson, 4. Greg Jones, 5. Phil Sides, 6. Rick Walker  * Whitehaven owns 70% share of opencut resources within ML1579, ML1685 and ML1693. The total combined resource for Tarrowonga Mining Leases (ML1579, 1685 and 1693) and Exploration Licence (EL5967) is reported.  ** Maules Creek Joint Venture - Whitehaven owns 75% share.  *** Narrabri Joint Venture - Whitehaven owns 70% share.  **** Dingo Joint Venture - Whitehaven owns 70% share.  # The Coal Resources for active mining areas are current to the pit surface as at the report date.</p>							

Note: See Competent Person Statement on Slide 2

# Reserves

WHITEHAVEN COAL LIMITED - COAL RESERVES - AUGUST 2015									
Tenement		Recoverable Reserves			Marketable Reserves			Competent Person	Report Date
		Proved	Probable	Total	Proved	Probable	Total		
Vickery Opencut	CL316/EL4699/EL7407	–	200	200	–	178	178	1	Mar-15
Rocglen Opencut	ML1620	3.8	0.9	4.6	2.9	0.7	3.5	1	Mar-15
Tarrowonga Opencut *	EL5967 / ML1679 ML1685 / ML1693	31	10	41	28	9	37	1	Mar-15
Maules Creek Opencut**	CL375/AUTH346	236	145	381	221	128	349	1	Mar-15
Werris Creek Opencut	ML1563/ML1672	14	3	17	14	3	17	1	Mar-15
Narrabri North Underground***	ML1609	51	85	136	48	81	129	2	Mar-15
Narrabri South Underground***	EL6243	–	94	94	–	75	75	2	Mar-15
<b>TOTAL COAL RESERVES</b>		<b>336</b>	<b>538</b>	<b>874</b>	<b>314</b>	<b>475</b>	<b>789</b>		

1. Doug Sillar, 2. Graeme Rigg

\* Whitehaven owns 70% share of opencut reserves within ML1579, ML1685 and ML1693. The total combined reserve for Tarrowonga Mining Leases (ML1579, 1685 and 1693) and Exploration Licence (EL5967) is reported.

\*\* Maules Creek Joint Venture - Whitehaven owns 75% share.

\*\*\* Narrabri Joint Venture - Whitehaven owns 70% share.

# The Coal Reserves for active mining areas are current as at report date.

## Coal Reserves are quoted as a subset of Coal Resources.

### Marketable Reserves are based on geological modeling of the anticipated yield from Recoverable Reserves

Note: See Competent Person Statement on Slide 2

# Additional Information

# No Significant Items

A\$ millions	H1 FY2016	FY2015
Included within the balances presented on the face of the Consolidated Statement of Comprehensive Income:		
<b>Operating expenses:</b> Suspension of mining activities and office closures	-	(0.6)
<b>Impairment:</b> Impairment of exploration and related assets, and MRRT goodwill	-	(445.4)
<b>Admin expenses:</b> Bad debt provisions and separation costs	-	(1.3)
<b>Other expenses:</b> Contract cancellation costs	-	-
<b>Financial expenses:</b> Write off of finance facility upfront costs	-	(23.1)
<b>Significant items before tax</b>	-	<b>(470.4)</b>
Applicable income tax benefit	-	112.6
De-recognition of MRRT net deferred tax liability	-	25.8
<b>Significant items after tax</b>	-	<b>(332.0)</b>

# Balance Sheet at 31 December

A\$ millions	31 Dec 2015	30 Jun 2015
Cash	112.0	102.4
Current receivables	102.8	101.1
Other current assets	71.1	90.0
<b>Current assets</b>	<b>285.9</b>	<b>293.5</b>
Non-current receivables	21.3	24.2
Other non-current assets	3,855.3	3,871.7
<b>Total assets</b>	<b>4,162.5</b>	<b>4,189.4</b>
Current payables	151.7	147.4
Current interest bearing loans and borrowings	22.9	21.8
Current tax payable	-	42.3
Other current liabilities	25.3	23.6
<b>Current liabilities</b>	<b>199.9</b>	<b>235.1</b>
Non-current interest bearing loans and borrowings	1,014.0	1,016.5
Other non-current liabilities	72.0	72.8
<b>Total liabilities</b>	<b>1,285.9</b>	<b>1,324.4</b>
<b>Net assets</b>	<b>2,876.6</b>	<b>2,865.0</b>
Share capital	3,146.3	3,146.2
Retained earnings	(309.2)	(317.4)
Reserves	38.4	35.1
Non-controlling interests	1.1	1.1
<b>Total equity</b>	<b>2,876.6</b>	<b>2,865.0</b>

# Cash Flows Simplified

A\$ millions	H1 FY2016	H2 FY2015	H1 FY2015
<b>EBITDA</b>	<b>106.4</b>	<b>78.2</b>	<b>52.1</b>
Interest	(25.6)	(18.2)	(17.0)
Sustaining capex	(5.6)	(7.9)	(6.3)
Narrabri mains	(8.2)	(8.2)	(18.4)
Narrabri deferred development	(14.5)	17.2	(1.6)
Other - working capital & non-cash items	26.3	32.3	(27.8)
<b>Cash flow available</b>	<b>78.8</b>	<b>93.4</b>	<b>(19.0)</b>
Improving/expansion capex			
Maules Creek project	(13.8)	(106.0)	(212.7)
Mine growth/cost reduction	(9.1)	(8.2)	(6.0)
Exploration	(0.7)	(0.1)	(0.1)
Vickery	(1.6)	(0.4)	(0.2)
Total	(25.2)	(114.7)	(219.0)
<b>Cash flow available pre-financing</b>	<b>53.6</b>	<b>(21.3)</b>	<b>(238.0)</b>
Funding			
Taxes	(42.3)	-	36.1
Amortisation of asset finance	(10.8)	(10.8)	(14.7)
New asset finance	9.5	-	-
Drawdowns	-	50.0	225.0
Upfront fees on facilities	(0.4)	(27.1)	-
<b>Total (uses)/sources of funding</b>	<b>(44.0)</b>	<b>12.1</b>	<b>246.4</b>
<b>Change in cash</b>	<b>9.6</b>	<b>(9.2)</b>	<b>8.4</b>

- Cash flows available pre-financing increased significantly in H1 FY2016 due to improved profit performance and reduced capex relative to the pcp.
- The ongoing level of capex spend has reduced now that the Maules Creek project is largely complete
- Capex now largely comprises sustaining capex and the tail of the Maules Creek (both minimal) along with the Narrabri 400 metre longwall face project - WHC share of spend is ~\$56m. To be funded ~\$36m by ECA finance and ~\$20m WHC cash
- Available cash flows were utilised to repay ATO, pay down asset finance as scheduled and increase cash holdings

# Debt Facilities

Debt facility	Limit (Million)	Drawn (Million)	Maturity/ Amortisation	Purpose
Senior Bank	\$400 Term \$800 Revolver \$200 Bank G'tee	\$400 Term \$500 Revolver \$200 Bank G'tee	Bullet repayment July 2019	General corporate purposes mainly Maules Creek CAPEX
Export Credit	\$37 (Tranche A) \$35 (Tranche B)	\$37 (Tranche A) \$9 (Tranche B)	Straight line repayments Tranche A – 3 years Tranche B – 7 years	Mining equipment
Asset Finance	\$90	\$90	Quarterly rental (average maturity 2 yrs)	Rolling stock and yellow goods

- Whitehaven's debt facilities share common financial covenants
- ICR covenant takes into account the benefit of increasing production levels and changes in sales mix
- Covenants include:
  - Interest Cover – 12 months trailing test, tested each balance date from December 2016 with an ICR of 2 x rising to 3 x at June 2018
  - Gearing – Calculated at each balance date
  - Total Net Worth - Calculated at each balance date
- Whitehaven's anticipates meeting all covenants at December 2016