

**Appendix 4D**

1. This statement presents results for Whitehaven Coal Limited for the half year ended 31 December 2016 and, where applicable, comparative results for the previous year.

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

	<b>Half Year 31 Dec 2016 \$'000</b>	<b>Half Year 31 Dec 2015 \$'000</b>	<b>Change</b>
Revenue from ordinary activities	823,456	574,251	43%
Net profit/(loss) after tax from ordinary activities	157,494	7,837	1,910%
Net profit/(loss) after tax attributable to members	157,494	7,837	1,910%

3. Dividends

No dividends were paid during the six months ended 31 December 2016 (2015: nil).

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

4. Net Tangible Assets (NTA) per security:

	<b>Half Year 31 Dec 2016</b>	<b>Half Year 31 Dec 2015</b>
NTA per security	294.74c/share	278.42c/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

Interim Financial Report

31 December 2016

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**Whitehaven Coal Limited**  
**Directors' report**  
**31 December 2016**

The Directors present their report together with the consolidated financial report of Whitehaven Coal Limited ('the Company'), being the Company, its subsidiaries, and the Group's interest in joint operations for the half year ended 31 December 2016 and the auditor's review report thereon.

**DIRECTORS**

The Directors of the Company at any time during or since the end of the half year 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

**PRINCIPAL ACTIVITIES**

The principal activity of Whitehaven Coal Limited and its controlled entities (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 Group, the results of those operations, or the state of affairs of the Group, in future financial years other than the following:

Subsequent to the end of the financial period, the Group repaid a further \$105 million of debt drawn under the senior bank facility. This represents a reduction in net debt of a corresponding amount.

**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 half year ended 31 December 2016.

**ROUNDING**

The Company is of a kind referred to in ASIC Corporate Instrument 2016/191, and in accordance with that Corporate Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

**OPERATING AND FINANCIAL REVIEW**

**FINANCIAL HEADLINES**

- Statutory profit after tax was \$157.5m, an increase of \$149.7m (+1,910%).
- Cash generated from operations was \$263.6m, an increase of \$145.3m (+123%).
- Operating EBITDA before significant items was \$324.8m, an increase of \$218.4m (+205%).
- Net debt reduced by \$231.1m to \$628.0m at 31 December 2016.
- Gearing was 17% at 31 December 2016 and the statutory result includes no significant items.
- The following table summarises the key reconciling items between the Group's operating EBITDA before significant items and its statutory profit.

<b>Whitehaven Coal Limited – Consolidated</b>	H1 FY2017 \$ million	H1 FY2016 \$ million
Revenue	823.5	574.3
<b>Net profit for the period</b>	<b>157.5</b>	<b>7.8</b>
<b>Operating EBITDA before significant items</b>	<b>324.8</b>	<b>106.4</b>
Net interest expense (refer to note 4)	(26.6)	(28.6)
Other financial expenses	(4.0)	(4.7)
Depreciation and amortisation	(68.2)	(61.4)
Gain on disposal of assets	-	0.1
Profit before tax	226.0	11.8

**REVIEW OF FINANCIAL PERFORMANCE**

H1 FY2017 net profit after tax (NPAT) of \$157.5m represents an increase of \$149.7m over the NPAT of \$7.8m in H1 FY2016.

The H1 FY2017 NPAT result was driven by improved EBITDA margins from \$14/t in H1 FY2016 to \$41/t in H1 FY2017. The improved EBITDA margin performance reflects increased coal prices during the half, an increase in metallurgical coal sales volumes as a proportion of total sales volumes and the continuation of tight control of costs.

The key factors that contributed to the H1 FY2017 NPAT result for the year include:

- Strong safety performance.
- Gross revenue increased by \$249.2m to \$823.5m in H1 FY2017. The increase was driven by the substantial increase in A\$ realised prices to an average of A\$106/t in H1 FY2017 from A\$78/t in H1 FY2016. The increase in sales volumes from 7.3Mt to 7.8Mt also contributed. The key drivers of A\$ realised prices during the period include:
  - The Newcastle GlobalCoal Index price averaged US\$81/t for the first half, significantly above the average of US\$56/t in the prior corresponding period.
  - The Group realised an average price of US\$90/t in the first half for its sales of metallurgical coal products. The realised price reflects a combination of quarterly benchmark linked and index based contracts.
  - The high quality of thermal coal from the Maules Creek mine typically achieved both quality and energy premiums relative to the Newcastle GlobalCoal Index price during the period.
  - An increase in the proportion of metallurgical coal sales from 13% in H1 FY2016 to 19% in H1 FY2017. The increase in the metallurgical coal sales mix was underpinned by increased production of metallurgical coal at Maules Creek combined with growing market penetration of the Maules Creek semi soft coking coal product.

**REVIEW OF FINANCIAL PERFORMANCE (CONT.)**

- Offset by a strengthened currency – the A\$ increased from 0.72 in the prior corresponding period to 0.75 in H1 FY2017
- The increase in prices for both thermal and metallurgical coal during H1 FY2017 reflects the return of the market to supply/demand balance following production cuts in a number of key coal producing countries, China, Indonesia, the USA and Australia. These production cuts represent a rational response by mine owners to the low prices of calendar years 2014, 2015 and the first half of 2016.
- FOB costs per tonne of A\$56 in H1 FY2017 have decreased from A\$58/t in H1 FY2016. The cost reduction has been driven by a range of savings associated with scale increases, productivity improvements and improved procurement practices.
- Increased production from Maules Creek has strengthened the portfolio, reducing the impact of Narrabri longwall change-outs while supporting further improvement in the utilisation of contracted rail and port capacity.
- Administration costs were lower than the prior corresponding period.

**CASH FLOWS & CAPITAL MANAGEMENT**

<b>Cash flows</b>	<b>H1 FY2017</b>	<b>H1 FY2016</b>
Cash generated from operations (\$ million)	<b>263.6</b>	118.3
Investing cash flows (\$ million)	<b>(34.6)</b>	(39.0)
Senior facility repayment (\$ million)	<b>(180.0)</b>	-
<b>Capital management &amp; balance sheet</b>	<b>31 December 2016</b>	<b>30 June 2016</b>
Cash (\$ million)	<b>106.8</b>	101.5
Undrawn syndicated facility (\$ million) <sup>3</sup>	<b>445.0</b>	365.0
Interest bearing liabilities (\$ million)	<b>734.8</b>	960.6
Net debt (\$ million)	<b>628.0</b>	859.1
Net assets (\$ million)	<b>3,044.0</b>	2,888.7
Gearing ratio <sup>1</sup>	<b>17%</b>	23%
Leverage <sup>2</sup>	<b>1.4</b>	3.8

<sup>1</sup> Net Debt/(Net Debt plus Equity)

<sup>2</sup> Net Debt/EBITDA (31 December 2016 annualised EBITDA of \$442.4m)

<sup>3</sup> During the current period the Group cancelled \$100 million of the senior bank facility. The total facility available as at 31 December 2016 was \$1.1 billion (31 December 2015: \$1.2 billion).

**Cash Flow Commentary**

*Operating cash flows*

Cash generated from operations of \$263.6m represents a substantial increase of \$145.3m relative to the prior corresponding period resulting from the increased operating EBITDA. Conversion of EBITDA to cash flow from operations was also strong however the EBITDA to cash flow conversion was adversely impacted by an increase in working capital associated with trade receivables at 31 December 2016 being carried at higher prices compared with 31 December 2015.

*Investing cash flows*

Investing cash outflows during H1 FY2017 of \$34.6m were 11% below the prior corresponding period and reflect a continuation of the disciplined approach being taken to managing capital expenditure. Investing cash flows in H1 FY2017 include sustaining capital expenditure, cost reduction capital expenditure and capital expenditure associated with the Narrabri 400 metre wide face extension project.

**CASH FLOWS & CAPITAL MANAGEMENT (CONT.)**

**Capital Management and Balance Sheet Commentary**

Cash on hand at 31 December 2016 of \$106.8m is similar to the cash balance at 30 June 2016.

Net debt at 31 December 2016 was \$628.0m, a decrease of \$231.1m from 30 June 2016. Gearing of 17% was reduced by 26% from the 30 June 2016 gearing ratio of 23% due to the reduction in net debt at 31 December 2016.

The decrease in net debt has been driven by the strong operating cash flow performance during the period. This has facilitated repayments of the senior facility, finance leases and the ECA facility totalling \$196.7m.

Refinancing of the Whitehaven train resulted in the extinguishment of a \$35.3m finance lease liability.

Undrawn capacity of \$445.0m under the senior bank facility and \$25.5m under the ECA facility existed at 31 December 2016.

**REVIEW OF OPERATIONS - HIGHLIGHTS**

**CONSOLIDATED EQUITY PRODUCTION, SALES AND COAL STOCKS**

<b>Whitehaven Total - 000t</b>	<b>H1 FY2017</b>	<b>H1 FY2016</b>	<b>Movement</b>
ROM Coal Production	8,192	7,085	16%
Saleable Coal Production	7,694	7,041	9%
Sales of Produced Coal	7,758	7,298	6%
Sales of Purchased Coal	38	18	-
Total Coal Sales	7,796	7,316	7%
Coal Stocks at Period End	1,171	1,358	(14%)

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 H1 FY2017 production and sales results demonstrate continuing strong operational performance. Key highlights during the six months to 31 December 2016 include:

- Both Rocglen and the Gunnedah Coal Handling Preparation Plant (CHPP) achieved three years without a recordable injury.
- ROM and saleable coal production for the half were 16% and 9% higher, respectively than the prior corresponding period.
- Coal sales of 7.8Mt were 7% higher than the prior corresponding period.
- Sales of metallurgical coal continued to grow and represented 19% of total sales in H1 FY2017.
- Coal production at Maules Creek continues to ramp up with a run rate of 10.5Mtpa achieved at the end of H1 FY2017.
- Metallurgical coal quality from Maules Creek has exceeded early expectations and is attracting high levels of customer interest and represented 29% of total Maules Creek production in H1 FY2017.
- ROM coal production at Narrabri was 4.2Mt, the second highest half year outcome since the mine commenced. The 400 metre wide panel at Narrabri is on schedule to commence production in the June quarter FY2017.
- Strong saleable coal production and lower unit costs from the Gunnedah open cut mines.

The Group's workforce was over 1,400 people at the end of December 2016. Employee and contractor numbers have grown from the beginning of H1 FY2017 as Maules Creek has continued to expand.

**REVIEW OF OPERATIONS - SAFETY**

Whitehaven's TRIFR was 7.2 at 31 December 2016 compared to 10.6 at the end of June 2016. Whitehaven's TRIFR at 31 December 2016 is significantly below the NSW industry average TRIFR of 15.5. Whitehaven places the utmost 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.

**REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS**

**Maules Creek (Whitehaven 75%)**

<b>Maules Creek Mine – 000t</b>	<b>H1 FY2017</b>	<b>H1 FY2016</b>	<b>Movement</b>
ROM Coal Production	4,355	3,297	32%
Saleable Coal Production	4,006	3,166	27%
Sales of Produced Coal	4,095	3,217	27%
Coal Stocks at Period End	486	403	21%

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

ROM and saleable coal production for the first half were 4.4Mt and 4.0Mt respectively, 32% and 27% higher compared to the previous corresponding period. Equipment for the next ramp up phase at Maules Creek is in place with the mine operating at an annualised rate of 10.5Mtpa during December 2016. Production in the second half of the financial year is expected to be higher than in the first half.

Production of metallurgical coal in the first half was 1.2Mt, or 29% of total production. Expectations are for metallurgical coal production to increase to approximately 1.7Mt in the second half. The ramp up in metallurgical coal production is exceeding initial forecasts. Steel makers are attracted to the high quality of the Maules Creek product which is being widely accepted as an attractive coking blend stock. The first term contract for metallurgical coal was signed with a large Asian based steelmaker in late 2016. Negotiations with several other steelmakers are advanced and further long term contracts are expected to be executed in coming months.

A key feature of Maules Creek's performance during FY2016 continues to be the high quality of its thermal coal products. Maules Creek thermal coal is one of the highest quality coals sold into the Asian seaborne market. Many customers are utilising this high energy, low ash coal in new High Efficiency Low Emission (HELE) technology power stations to reduce their emissions.

Two public open days were held at the mine during the half. These were designed to showcase the mine to employee families and the broader community in the region. Over 700 people attended the two open days and the feedback from attendees was very supportive.

**Narrabri (Whitehaven 70%)**

<b>Narrabri Mine - 000t</b>	<b>H1 FY2017</b>	<b>H1 FY2016</b>	<b>Movement</b>
ROM Coal Production	4,222	3,462	22%
Saleable Coal Production	4,088	3,741	9%
Sales of Produced Coal	3,990	3,733	7%
Coal Stocks at Period End	227	731	(69%)

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

The Narrabri underground mine continued to deliver industry leading results. ROM coal production was 4.2Mt for the first half, 22% higher than in the previous corresponding period. Saleable coal production was 4.1Mt compared to 3.7Mt in the previous corresponding period.

ROM coal production in the first half would have been greater if not for the impact of adverse geotechnical conditions late in the half year. The conditions were confined to an area within the second half of the longwall block and reduced production rates were experienced when mining through this area.

Roadway development for the next panel (LW107) was completed well in advance of the next longwall change-out.



**REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS (CONT.)**

**Gunnedah Open Cuts**

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

<b>Open Cuts – 000t</b>	<b>H1 FY2017</b>	<b>H1 FY2016</b>	<b>Movement</b>
ROM Coal Production	2,313	2,511	(8%)
Saleable Coal Production	2,132	2,346	(9%)
Sales of Produced Coal	2,156	2,430	(11%)
Coal Stocks at Period End	782	622	26%

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

The Gunnedah Open Cut Operations continued to perform well with ROM production of 2.3Mt and saleable production of 2.1Mt for the half year.

Sustainable cost reductions have been recorded across the Gunnedah Open Cut operations, largely due to the implementation of more efficient mining practices, improved productivity and procurement driven cost savings.

Temporary operational changes were introduced late in the half year at Tarrawonga and Rocglen. Production from Rocglen was reduced for several weeks and affected employees were temporarily transferred to Maules Creek as a mitigation measure to remain within the approved road haulage limit of 3.5Mtpa. An approval modification has been received to increase the annual truck haulage limit to 4.0Mtpa for calendar year 2017 to take advantage of the improved operating performance of these mines.

Rocglen and the CHPP have both achieved three years free of injuries.

**DEVELOPMENT PROJECT - Vickery (Whitehaven 100%)**

Work progressed on the various studies to produce the Environmental Impact Statement (EIS) required for Government approval for an expanded Vickery mine (10Mtpa). Drafting of the EIS document and supporting documents is nearing completion. A decision of the preferred rail route is close and is likely to be concluded in the March quarter. Submission of the completed EIS to the Department of Planning and Infrastructure will follow within the first half of CY2017. Discussions with numerous interested parties regarding the formation of a joint venture will commence following the lodgement of the EIS.

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. The Company is focused on maintaining the tenements in good standing but is limiting its spending on these projects.

**INFRASTRUCTURE**

*Rail Track*

Whitehaven contracts below rail capacity with the Australian Rail Track Corporation (ARTC).

Whitehaven is working with ARTC to improve operating efficiencies and to provide additional capacity without the need to construct new rail infrastructure. The objective of this work is to reduce unit costs. It is expected this will provide increased flexibility in the contractual framework for operations and improve supply chain productivity.

*Rail Haulage*

Whitehaven has two rail haulage contracts, one with Pacific National and one with Aurizon. These contracts have a common expiry date in 2026. The Pacific National contract provides for haulage of up to 13Mtpa and the Aurizon contract provides for up to 16Mtpa. The contract structures support the planned increases in the Group's managed production levels whilst minimising additional cost exposure.

**REVIEW OF OPERATIONS – MINE BY MINE ANALYSIS (CONT.)**

**INFRASTRUCTURE (CONT.)**

*Port Capacity*

The company holds contracts for sufficient capacity at the port of Newcastle – at both NCIG and at PWCS – to support planned shipments in CY2017. Whitehaven will require additional port capacity for the forecast production ramp up over the next five years. Current surplus port capacity is expected to provide opportunity to secure Whitehaven's requirements.

**OUTLOOK**

**Operations**

Production in the second half of FY2017 is planned to be higher than in the first half. It is expected that the guidance range of 21Mt to 22Mt provided with the FY2016 results will be achieved.

Maules Creek continues to ramp up and is forecast to produce at an annualised rate of 10.5Mt in the second half.

Narrabri is due to commence mining in the first 400 metre wide longwall panel in April 2017. Pre-installation of the new longwall equipment, which commenced in December, is expected to shorten the time required to complete the next longwall change-out so as to enable a return to longwall production in April. 400 metre wide longwall panels are expected to deliver higher production rates and lower unit costs.

Maules Creek and Narrabri are tier one assets with long mine lives and industry leading low cost structures. There are opportunities to increase production at both mines in the near and medium term while prospects exist for life of mine extensions. These mines are now firmly established as key pillars underpinning Whitehaven's future success.

Production from the smaller open cuts will be greater in the second half as the mining sequence results in increased production (half on half) at Werris Creek and Rocglen.

**Demand**

Whitehaven's high quality, clean coals continue to attract strong demand from a growing customer base. This is especially evident for Maules Creek semi soft coking coal which has rapidly gained broad market acceptance.

In the recently released IEA Report, Medium Term Market Outlook 2016, the IEA forecast that demand for thermal coal in ASEAN countries is expected to grow by 6.9% per year on average from 162Mtce in 2015 to 241Mtce in 2021. This is consistent with the strength in demand which Whitehaven is observing from a number of key Asian countries which are continuing to fuel their economic growth by adding cost competitive coal fired power generating capacity. Much of the growth in Asian energy demand is expected to be driven by new power stations designed to use super critical or ultra super-critical boiler technology and so the demand for Whitehaven's high quality thermal coal is expected to increase.

**Pricing**

Coal markets changed in mid-2016 following supply reductions overseas.

The curtailments in supply resulted in substantial price increases for all classes of coal, with prices peaking towards the end of 2016. In 2017 prices for both metallurgical and thermal coal have moderated, however they remain well above those that have been experienced during the last two to three years.

While thermal and metallurgical coal prices may fluctuate in the short term, Whitehaven believes that over the medium to longer term, as demand for affordable, reliable electricity continues to grow in the Asian region, coal prices will remain constructive and that Whitehaven's high quality coals will continue to attract a premium in the market.

Signed in accordance with a resolution of the directors:



The Hon. Mark Vaile AO  
Chairman  
17 February 2017



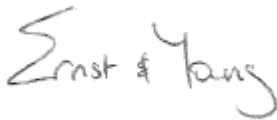
Paul Flynn  
Managing Director  
17 February 2017

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

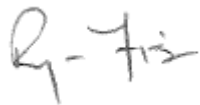
As lead auditor for the review of Whitehaven Coal Limited for the six month period ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

- 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 period.



Ernst & Young



Ryan Fisk  
Partner  
17 February 2017

**Whitehaven Coal Limited**  
**Consolidated interim statement of comprehensive income**  
**For the half year ended 31 December 2016**

	<i>Note</i>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
		<b>\$'000</b>	<b>\$'000</b>
Revenue		823,456	574,251
Other income		5,838	4,048
Operating expenses		(267,271)	(263,341)
Coal purchases		(4,160)	(1,375)
Selling and distribution expenses		(157,056)	(146,801)
Government royalties		(62,786)	(43,246)
Administrative expenses		(11,599)	(14,363)
Depreciation and amortisation		(68,160)	(61,359)
Other expenses		(1,604)	(2,670)
<b>Profit before net financial expense</b>		<b>256,658</b>	<b>45,144</b>
Financial income		690	460
Financial expenses		(31,342)	(33,792)
<b>Net financial expense</b>	4	<b>(30,652)</b>	<b>(33,332)</b>
<b>Profit before tax</b>		<b>226,006</b>	<b>11,812</b>
Income tax expense		(68,512)	(3,975)
<b>Net profit for the period</b>		<b>157,494</b>	<b>7,837</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net movement on cash flow hedges		(5,516)	2,242
Income tax effect		1,656	(673)
<b>Other comprehensive (loss) / income for the period, net of tax</b>		<b>(3,860)</b>	<b>1,569</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>153,634</b>	<b>9,406</b>
<b>Net profit for the period attributable to:</b>			
Owners of the parent		157,494	7,837
Non-controlling interests		-	-
		<b>157,494</b>	<b>7,837</b>
<b>Total comprehensive profit for the period, net of tax attributable to:</b>			
Owners of the parent		153,634	9,406
Non-controlling interests		-	-
		<b>153,634</b>	<b>9,406</b>
<b>Earnings per share:</b>			
Basic profit per share (cents per share)		15.9	0.8
Diluted profit per share (cents per share)		15.8	0.8

The comparative period has been restated to better reflect the classification of administration and operating expenses. 'Operating expenses' for the interim period ending 31 December 2015 as previously reported was \$268.6m. This has been reduced by \$5.2m to align with the current interim period's presentation. Correspondingly, 'Administrative expenses' for the interim period ending 31 December 2015 has increased by \$5.2m.

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

**Whitehaven Coal Limited**  
**Consolidated interim statement of financial position**  
**As at 31 December 2016**

	<i>Note</i>	<b>31 Dec 2016</b>	<b>30 Jun 2016</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
Cash and cash equivalents		106,780	101,453
Trade and other receivables		131,402	68,347
Inventories		68,207	68,737
Derivative financial instruments	11	-	351
<b>Total current assets</b>		<b>306,389</b>	<b>238,888</b>
<b>Non-current assets</b>			
Trade and other receivables		21,870	28,964
Investments	11	37	37
Property, plant and equipment		3,430,812	3,497,613
Exploration and evaluation		208,934	206,583
Intangibles		19,818	19,818
Deferred tax assets		36,715	103,573
<b>Total non-current assets</b>		<b>3,718,186</b>	<b>3,856,588</b>
<b>Total assets</b>		<b>4,024,575</b>	<b>4,095,476</b>
<b>Liabilities</b>			
Trade and other payables		140,578	135,928
Interest bearing loans and borrowings	5	22,794	24,451
Employee benefits		21,096	16,872
Provisions	6	7,414	7,260
Derivative financial instruments	11	6,302	1,138
<b>Total current liabilities</b>		<b>198,184</b>	<b>185,649</b>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	5	712,017	936,115
Provisions	6	70,420	84,996
<b>Total non-current liabilities</b>		<b>782,437</b>	<b>1,021,111</b>
<b>Total liabilities</b>		<b>980,621</b>	<b>1,206,760</b>
<b>Net assets</b>		<b>3,043,954</b>	<b>2,888,716</b>
<b>Equity</b>			
Issued capital		3,145,321	3,144,944
Share based payments reserve		4,671	18,417
Hedge reserve		(4,411)	(551)
Retained earnings		(102,705)	(275,172)
<b>Equity attributable to owners of the parent</b>		<b>3,042,876</b>	<b>2,887,638</b>
Non-controlling interest		1,078	1,078
<b>Total equity</b>		<b>3,043,954</b>	<b>2,888,716</b>

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

**Whitehaven Coal Limited**  
**Consolidated interim statement of changes in equity**  
**For the half year ended 31 December 2016**

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

	<b>Issued Capital</b>	<b>Share Based Payment Reserve</b>	<b>Hedge Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>	<b>Non-controlling Interest</b>	<b>Total Equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance at 1 July 2016	<b>3,144,944</b>	<b>18,417</b>	<b>(551)</b>	<b>(275,172)</b>	<b>2,887,638</b>	<b>1,078</b>	<b>2,888,716</b>
Profit for the period	-	-	-	157,494	157,494	-	157,494
Other comprehensive income	-	-	(3,860)	-	(3,860)	-	(3,860)
Total comprehensive income for the period	-	-	<b>(3,860)</b>	<b>157,494</b>	<b>153,634</b>	-	<b>153,634</b>
Transactions with owners in their capacity as owners							
Share based payments	-	1,604	-	-	1,604	-	1,604
Transfer on exercise of share based payments	377	(1,170)	-	793	-	-	-
Transfer on lapse of share based payments	-	(14,180)	-	14,180	-	-	-
Closing balance at 31 December 2016	<b>3,145,321</b>	<b>4,671</b>	<b>(4,411)</b>	<b>(102,705)</b>	<b>3,042,876</b>	<b>1,078</b>	<b>3,043,954</b>

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

**Whitehaven Coal Limited**  
**Consolidated interim statement of cash flows**  
**For the half year ended 31 December 2016**

<i>Note</i>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	767,451	585,348
Cash paid to suppliers and employees	(503,861)	(467,056)
<b>Cash generated from operations</b>	<b>263,590</b>	<b>118,292</b>
Interest paid	(27,056)	(26,054)
Interest received	688	458
Net income taxes (paid) / refunded	-	(42,331)
<b>Net cash from operating activities</b>	<b>237,222</b>	<b>50,365</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	71	188
Purchase of property, plant and equipment	(32,326)	(36,954)
Exploration and evaluation expenditure	(2,351)	(2,258)
<b>Net cash used in investing activities</b>	<b>(34,606)</b>	<b>(39,024)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	9,450
Repayment of borrowings	(184,487)	(4,123)
Payment of finance facility upfront costs	(576)	(427)
Payment of finance lease liabilities	(12,226)	(6,633)
<b>Net cash from financing activities</b>	<b>(197,289)</b>	<b>(1,733)</b>
Net change in cash and cash equivalents	5,327	9,608
Cash and cash equivalents at 1 July	101,453	102,393
<b>Cash and cash equivalents at 31 December</b>	<b>106,780</b>	<b>112,001</b>

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

**Whitehaven Coal Limited**  
**Notes to the consolidated financial statements**  
**31 December 2016**

**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 Group is the development and operation of coal mines in New South Wales.

The consolidated financial report of the Company as at and for the half year ended 31 December 2016 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 17 February 2017.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2016 is available from the Company’s website [www.whitehavencoal.com.au](http://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 half year ended 31 December 2016 represent a condensed set of financial statements and have been prepared in accordance with AASB 134 Interim Financial Reporting.

The consolidated interim 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 2016 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 2016, except for the adoption of the following new standards and interpretations effective as of 1 July 2016:

- AASB 14 Regulatory Deferral Accounts
- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle – AASB 5, AASB 7, AASB 119 and AASB 134
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception

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**  
**Notes to the consolidated financial statements**  
**31 December 2016**

**Accounting Standards and Interpretations issued but not yet effective**

**AASB 9 Financial Instruments**

A finalised version of AASB 9 which contains accounting requirements for financial instruments, replacing AASB 139 Financial Instruments: Recognition and Measurement. The standard contains requirements in the areas of classification and measurement, impairment, hedge accounting and derecognition. The Group is in the process of determining the potential impact of the new standard on the Group's financial report. This standard applies to annual reporting periods beginning on or after 1 January 2018.

**AASB 15 Revenue from Contracts with Customers**

AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The Group is in the process of determining the potential impact of the new standard on the Group's financial report. This standard applies to annual reporting periods beginning on or after 1 January 2018.

**AASB 16 Leases**

AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. AASB 16 contains disclosure requirements for lessees. The Group is in the process of determining the potential impact of the new standard on the Group's financial report. This standard applies to annual reporting periods beginning on or after 1 January 2019.

**AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative:  
Amendments to AASB 107**

This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This standard applies to annual reporting periods beginning on or after 1 January 2017. The Group is in the process of determining the potential impact of the amendments on the Group's financial report.

**AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement  
of Share-based Payment Transactions**

This standard amends AASB 2 Share-based Payments, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for the:

- Effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments
- Share-based payment transactions with a net settlement feature for withholding tax obligations
- A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

This standard applies to annual reporting periods beginning on or after 1 January 2018. The Group is in the process of determining the potential impact of the amendments on the Group's financial report.

**Whitehaven Coal Limited**  
**Notes to the consolidated financial statements**  
**31 December 2016**

**3 Segment Reporting**

***Identification of reportable segments***

The Group has determined that it has two reportable segments – Open Cut Operations and Underground Operations.

Unallocated operations includes coal trading, corporate, marketing and infrastructure functions which are managed on a group basis and are not allocated to reportable segments.

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.

The following table represents revenue and profit information for reportable segments for the half-years ended 31 December 2016 and 31 December 2015.

	<b>Unallocated</b>	<b>Open Cut</b>	<b>Underground</b>	<b>Total</b>
	<b>\$'000</b>	<b>Operations</b>	<b>Operations</b>	<b>\$'000</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Half-year ended 31 December 2016</b>				
<b>Revenue</b>				
Sales to external customers	4,889	525,289	293,278	823,456
Total segment revenue				<u>823,456</u>
Total revenue per statement of comprehensive income				<u>823,456</u>

	<b>Unallocated</b>	<b>Open Cut</b>	<b>Underground</b>	<b>Total</b>
	<b>\$'000</b>	<b>Operations</b>	<b>Operations</b>	<b>\$'000</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Result</b>				
Segment EBITDA result	1,214	185,126	138,478	324,818
Depreciation and amortisation				(68,160)
Net financial expense				(30,652)
Income tax expense				<u>(68,512)</u>
Net profit after tax per statement of comprehensive income				<u>157,494</u>

	<b>Unallocated</b>	<b>Open Cut</b>	<b>Underground</b>	<b>Total</b>
	<b>\$'000</b>	<b>Operations</b>	<b>Operations</b>	<b>\$'000</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Capital expenditure</b>				
Segment expenditure	3,474	8,808	23,014	<u>35,296</u>

**Whitehaven Coal Limited**  
**Notes to the consolidated financial statements**  
**31 December 2016**

**3 Segment Reporting (continued)**

	<b>Unallocated</b>	<b>Open Cut</b>	<b>Underground</b>	<b>Total</b>
	<b>\$'000</b>	<b>Operations</b>	<b>Operations</b>	<b>\$'000</b>
		<b>\$'000</b>	<b>\$'000</b>	
<b>Half-year ended 31 December 2015</b>				
<b>Revenue</b>				
Sales to external customers	8,611	360,782	204,858	574,251
Total segment revenue				<u>574,251</u>
Total revenue per statement of comprehensive income				<u>574,251</u>

	<b>Unallocated</b>	<b>Open Cut</b>	<b>Underground</b>	<b>Total</b>
	<b>\$'000</b>	<b>Operations</b>	<b>Operations</b>	<b>\$'000</b>
		<b>\$'000</b>	<b>\$'000</b>	
<b>Result</b>				
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 profit after tax per statement of comprehensive income				<u>7,837</u>

	<b>Unallocated</b>	<b>Open Cut</b>	<b>Underground</b>	<b>Total</b>
	<b>\$'000</b>	<b>Operations</b>	<b>Operations</b>	<b>\$'000</b>
		<b>\$'000</b>	<b>\$'000</b>	
<b>Capital expenditure</b>				
Segment expenditure	3,001	10,559	19,177	32,737

**Whitehaven Coal Limited**  
**Notes to the consolidated financial statements**  
**31 December 2016**

**4 Financial income and expense**

	<b>31 Dec 2016</b> <b>\$'000</b>	<b>31 Dec 2015</b> <b>\$'000</b>
Recognised in profit and loss		
Interest income	690	460
Financial income	<u>690</u>	<u>460</u>
Interest expense on finance lease liabilities	(2,073)	(3,493)
Interest on drawn debt facility	(16,857)	(21,171)
Other financing charges	<u>(8,421)</u>	<u>(4,413)</u>
Interest and financing costs	<u>(27,351)</u>	<u>(29,077)</u>
<b>Net interest expense</b>	<b><u>(26,661)</u></b>	<b><u>(28,617)</u></b>
Unwinding of discounts on provisions	(963)	(1,205)
Amortisation of finance charges payable under debt facilities	<u>(3,028)</u>	<u>(3,510)</u>
Other financial expenses	<u>(3,991)</u>	<u>(4,715)</u>
Net financial expense	<u>(30,652)</u>	<u>(33,332)</u>
Recognised directly in equity		
Net change in cash flow hedges	(5,516)	2,242
Income tax effect	<u>1,656</u>	<u>(673)</u>
Finance (expense) / income recognised directly in equity, net of tax	<b><u>(3,860)</u></b>	<b><u>1,569</u></b>

**Whitehaven Coal Limited**  
**Notes to the consolidated financial statements**  
**31 December 2016**

**5 Interest-bearing loans and borrowings**

	<b>31 Dec 2016</b>	<b>30 June 2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Current liabilities		
Finance lease liabilities	13,168	14,420
Secured loans	9,626	10,031
	<u>22,794</u>	<u>24,451</u>
Non-current liabilities		
Senior bank facility	655,000	835,000
Finance lease liabilities	28,349	69,073
Secured loans	28,668	32,042
	<u>712,017</u>	<u>936,115</u>
<b>Total interest-bearing liabilities</b>	<b><u>734,811</u></b>	<b><u>960,566</u></b>
Financing facilities	1,205,302	1,351,766
Facilities utilised at reporting date	<u>734,811</u>	<u>960,566</u>
Facilities not utilised at reporting date	<u>470,491</u>	<u>391,200</u>

During the current period \$180 million of debt drawn under the senior bank facility was repaid (31 December 2015: \$nil). The Group repaid \$4.5 million of the ECA facility during the period (31 December 2015: \$4.1 million). The security provided in relation to the facilities is a fixed and floating charge over the assets of the Group. Finance lease liabilities are secured over the assets to which they relate.

During the current period the Group cancelled \$100 million of the senior bank facility. The total facility available as at 31 December 2016 was \$1.1 billion (31 December 2015: \$1.2 billion).

The fair values of interest bearing liabilities materially approximate their respective carrying values as at 31 December 2016 and 30 June 2016.

**6 Provisions**

	<b>31 Dec 2016</b>	<b>30 June 2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Mine rehabilitation and closure	75,304	89,393
Other provisions	2,530	2,863
	<u>77,834</u>	<u>92,256</u>
Current	7,414	7,260
Non-current	70,420	84,996
	<u>77,834</u>	<u>92,256</u>

**7 Taxes**

During the period the Group re-assessed the probability of recovering tax losses. At 31 December 2016, the Group did not recognise additional deferred tax assets in respect of unbooked tax losses or tax credits. This will continue to be assessed on an ongoing basis.

**Whitehaven Coal Limited**  
**Notes to the consolidated financial statements**  
**31 December 2016**

**8 Dividends**

No dividends were declared or paid during the half year ended 31 December 2016 (2015: nil).  
The Directors resolved not to pay an interim dividend for the half year (2015: nil).

**9 Contingencies**

**Bank guarantees**

	<b>31 Dec 2016</b>	<b>30 June 2016</b>
	<b>\$'000</b>	<b>\$'000</b>
The Group provided bank guarantees to:		
(i) Government departments as a condition of continuation of mining and exploration licenses	116,827	79,104
(ii) Rail capacity providers	30,503	21,357
(iii) Port capacity providers	81,620	69,708
(iv) Electricity network access supplier	26,499	26,499
(v) Other	2,674	1,880
	<b>258,123</b>	<b>198,548</b>

**10 Interests in joint operations**

	<b>% Ownership Interest</b>	
	<b>31 Dec 2016</b>	<b>30 June 2016</b>
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	92.5%	92.5%
Boggabri-Maules Creek Rail Spur Joint Venture	39%	39%
Tarrawonga Coal Sales Pty Ltd <sup>1</sup>	70%	70%
Maules Creek Marketing Pty Ltd <sup>1</sup>	75%	75%
Boggabri-Maules Creek Rail Pty Ltd <sup>1</sup>	39%	39%

<sup>1</sup>The joint operations above operate as the sales and marketing vehicles or manager of the related unincorporated 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 *Joint Arrangements*.

**Whitehaven Coal Limited**  
**Notes to the consolidated financial statements**  
**31 December 2016**

**11 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:

	<b>31 December</b>			
	<b>2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets measured at fair value</b>				
Unlisted equity shares	37	-	-	37
	<u>37</u>	<u>-</u>	<u>-</u>	<u>37</u>
<b>Liabilities measured at fair value</b>				
Forward exchange contracts – payable	(5,658)	-	(5,658)	-
Interest rate swaps - payable	(644)	-	(644)	-
	<u>(6,302)</u>	<u>-</u>	<u>(6,302)</u>	<u>-</u>
	<b>30 June</b>			
	<b>2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets measured at fair value</b>				
Equity shares	37	-	-	37
Forward exchange contracts - receivable	351	-	351	-
	<u>388</u>	<u>-</u>	<u>351</u>	<u>37</u>
<b>Liabilities measured at fair value</b>				
Forward exchange contracts - payable	(71)	-	(71)	-
Interest rate swaps - payable	(1,067)	-	(1,067)	-
	<u>(1,138)</u>	<u>-</u>	<u>(1,138)</u>	<u>-</u>

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 2016.

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 5.3 to the financial statements for the year ended 30 June 2016.

**12 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 Group, the results of those operations, or the state of affairs of the Group, in future financial years other than the following:

Subsequent to the end of the financial period, the Group repaid a further \$105 million of debt drawn under the senior bank facility. This represents a reduction in net debt of a corresponding amount.

## 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 21, 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 2016 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.



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The Hon. Mark Vaile AO  
Chairman  
17 February 2017



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Paul Flynn  
Managing Director  
17 February 2017



To the members of Whitehaven Coal Limited

## Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Whitehaven Coal Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six month period 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 interim end or from time to time during the six month period.

## Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim 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 2016 and its performance for the six month period 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 period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.

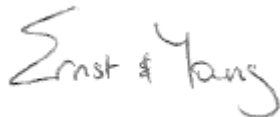
## Independence

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.

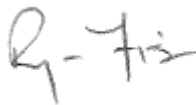
## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim 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 2016 and of its performance for the six month period 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  
17 February 2017

## Glossary

### Glossary of terms and abbreviations

ARTC	Australian Rail Track Corporation
ASEAN	Association of Southeast Asian Nations
CHPP	Coal Handling Preparation Plant
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
ECA	Export Credit Agency
FEC	Forward Exchange Contract
FOB	Free-on-Board
FVLCD	Fair Value Less Costs of Disposal
H1 FY2017	Six month period ending 31 December 2016
H1 FY2016	Six month period ending 31 December 2015
HELE	High Energy Low Emissions
IEA	International Energy Agency
JORC	Joint Ore Resources Committee
KMP	Key Management Personnel
LTI	Long Term Incentive
LW	Longwall
MRRT	Minerals Resource Rent Tax
Mt	Million tonnes
Mtce	Million tonnes of coal equivalent
MTI	Medium Term Incentive
Mtpa	Million tonnes per annum
NCIG	Newcastle Coal Infrastructure Group
PWCS	Port Waratah Coal Services
ROM	Run of Mine
STI	Short Term Incentive
t	Tonne
TAL	Tonne Axle Loads
TFR	Total Fixed Remuneration
TRIFR	Total Recordable Injury Frequency Rate
TSR	Total Shareholder Return