

QUARTERLY REPORT

13 April 2017



March Quarter 2017 – Production on target

HIGHLIGHTS

- Strong safety performance - TRIFR 8.6 at the end of March
- Record managed quarterly ROM coal production 5.7Mt
- Managed quarterly saleable coal production 5.1Mt
- Managed quarterly coal sales 4.9Mt
- Maules Creek operating at 10.5Mtpa rate during the quarter
- Near record production of 1.7Mt ROM coal and railings from the Gunnedah open cuts and CHPP
- Longwall changeout at Narrabri near completion with production due to recommence next week
- Vickery EIS to be lodged with the NSW Government authorities before the end of the June quarter

MANAGED PRODUCTION AND SALES HIGHLIGHTS

Thousands of tonnes	Quarter Ended			YTD		
	Mar 2017	Mar 2016	Change	Mar 2017	Mar 2016	Change
ROM Coal Production	5,675	5,665	0%	16,565	14,935	11%
Saleable Coal Production	5,081	5,304	(4%)	15,305	14,557	5%
Total Coal Sales	4,917	5,543	(11%)	15,195	14,940	2%

WHITEHAVEN EQUITY PRODUCTION AND SALES SUMMARY

Thousands of tonnes	Quarter Ended			YTD		
	Mar 2017	Mar 2016	Change	Mar 2017	Mar 2016	Change
Whitehaven Equity Totals						
Equity ROM Coal Production	4,416	4,361	1%	12,607	11,446	10%
Equity Saleable Coal Production	3,877	4,041	(4%)	11,571	11,081	4%
Equity Sales of Produced Coal	3,594	4,249	(15%)	11,352	11,546	(2%)
Sales of Purchased Coal	218	18	1,137%	256	36	614%
Total Equity Coal Sales	3,812	4,266	(11%)	11,608	11,582	0%
Equity Coal Stocks at period end	1,727	1,347	28%	1,727	1,347	28%

SAFETY

Another strong safety performance for the quarter with Whitehaven's TRIFR of 8.6 recordable injuries per million hours worked at the end of March.

Whitehaven's TRIFR is well below the NSW coal mining average of 15.5.

COAL SALES

Managed coal sales in the March quarter were 4.9Mt, excluding sales of purchased coal. The level of sales was as expected as production from Narrabri was impacted by the scheduled longwall changeout. Equity coal sales (excluding purchased coal) in the March quarter were 3.6Mt comprising 64% high CV thermal, 22% metallurgical coal and 14% low CV thermal coal. The sales mix for the quarter was influenced by higher than usual volume of low CV coal sales from Werris Creek compared to the first half of the year when low CV sales made up 8% of total sales.

Against a backdrop of supply/demand tightness promoted by Chinese production reform, strong demand for metallurgical coal by steelmakers during the December quarter, coupled with an anticipation of weather related disruptions in Australia, pushed metallurgical coal prices higher. Subsequent to the calendar year-end and with a relaxation of Chinese supply restraint driving metallurgical coal production, demand for metallurgical coal fell and spot prices weakened considerably.

Following the impact of Cyclone Debbie, enquiries for metallurgical coal have increased substantially. Given existing committed sales volumes, we are expecting an increase in metallurgical coal sales in the final quarter of the year.

MAULES CREEK MINE

Whitehaven 75%

Maules Creek attained another milestone in the ramp up phase by operating at an annualised rate of 10.5Mt during the quarter. ROM coal production at Maules Creek was 2.61Mt for the period. Production is on target to achieve the full year budget range of 9.5Mt to 9.8Mt ROM coal. Saleable coal production for the quarter was 2.50Mt compared to 1.97Mt in the previous corresponding period. Coal sales for the quarter were 2.19Mt, up 6% from the previous corresponding period.

Metallurgical coal sales of 0.483Mt from Maules Creek mine in the March quarter represented 23% of the total coal sales from the mine. The semi soft coking coal output from the mine continues to attract strong market interest with three term contracts agreed with Asian customers. Additional term business is expected to be completed in coming months.

NARRABRI MINE

Whitehaven 70%

The longwall changeout from LW106 to LW107 is almost complete with longwall mining in the first 400 metre wide panel due to commence next week. ROM coal production was 1.37Mt in the March quarter. Coal production was constrained as longwall mining in LW106 was completed in late February with the remainder of the quarter used for the longwall changeout. The next longwall changeout is currently scheduled for March 2018.

Saleable coal production was 1.33Mt and coal sales were 1.32Mt for the quarter.

Roadway development for the quarter was 3,419 metres with development for LW108 advancing on schedule.

GUNNEDAH OPEN CUTS

The three Gunnedah open cuts produced 1.70Mt of ROM coal for the quarter compared to 1.55Mt in the previous corresponding period. The strong production outcome from the three mines and the Gunnedah CHPP was supported by a good safety performance with zero injuries recorded across all the assets in the quarter. Strong production from both Tarrawonga and Rocglen during the quarter led to record railings of 0.359Mt from the Gunnedah CHPP in March.

Tarrawonga Mine

Whitehaven 70%

Tarrawonga produced 0.653Mt of ROM coal in the quarter compared to 0.576Mt in the previous corresponding period. Saleable coal production was 0.598Mt for the quarter, similar to the previous corresponding period. Coal sales for the period were 0.532Mt, 14% higher than the previous corresponding period.

Rocglen Mine

Rocglen produced a record 0.579Mt ROM coal for the quarter compared to 0.362Mt in the previous corresponding period. Saleable coal production and coal sales for the quarter were 0.253Mt and 0.218Mt respectively, 7% and 14% higher than the previous corresponding period.

Werris Creek Mine

The mine produced 0.463Mt of ROM coal in the quarter compared to 0.613Mt in the previous corresponding period. Production was as expected following revised mine production plans introduced earlier in the year. Production in the final quarter is expected to be significantly higher than for the earlier quarters this year as the mining sequence enters the bottom seams in the open cut. Coal sales for the quarter were 0.414Mt compared to 0.469Mt in the previous corresponding period.

VICKERY PROJECT

Work progressed on the production of the Environmental Impact Statement (EIS) required for Government approval for an expanded Vickery mine (10Mtpa). The EIS document and supporting documents are due to be lodged before the end of June 2017. Discussions with numerous interested parties regarding the formation of a joint venture will commence following the lodgment of the EIS.

Timing for start-up of the Vickery project remains market dependent, but will likely occur once Maules Creek has been fully ramped up to its 13Mtpa capacity.

CORPORATE

There are US\$37.0 million in forward A\$/US\$ exchange contracts currently in place at an average exchange rate of A\$1.00 = US\$0.7414. These contracts are deliverable between April 2017 and October 2017.

COAL PRICES - EQUITY

Whitehaven achieved an average price of US\$119/t in the March quarter for its sales of metallurgical coal products (22% of the total equity sales). The achieved price reflects a combination of quarterly benchmark linked term contracts, Platts Index linked prices and other index linked spot contracts in a quarter where there was a larger than normal difference between the quarterly benchmark price and the spot price. This large difference was

reflective of significantly changed market conditions which occurred shortly after the quarterly price negotiations were completed in December. The large fall in the spot price relative to the agreed benchmarks has also driven some price related re-scheduling by some end users seeking to spread the cost impact of the benchmark tonnes over more than one quarter. Negotiations for the June quarterly benchmark prices for both thermal and metallurgical coal are yet to be completed and have been complicated and delayed by the recent cyclone in Queensland. However, spot prices have risen strongly in response to the supply disruptions.

The global COAL NEWC Index thermal coal price averaged US\$81.54/t for the March quarter with Whitehaven achieving an average price of US\$83/t, a 2% premium, for its thermal coal sales during the quarter. It is noteworthy that the premium on all thermal coal sales was achieved in a period which included the sale of a significant portion of fixed price low CV coal.

High quality Maules Creek thermal coal sales were able to achieve an average premium of more than 9% above the Index price at the time of the sale. The premium is due to a combination of coal qualities including higher than benchmark CV, low ash and low sulphur in the thermal coal product.

COAL OUTLOOK

In recent weeks, coal markets have been dominated by the aftermath of the cyclone in central Queensland and China coal industry policy initiatives. The disruption caused by the cyclone is significant with the potential loss of about 15Mt of metallurgical and thermal coal exports from the region. This loss of exports is likely to be positive for coal prices until normal production and shipments resume and any contract delivery shortfall recovered, which could take some months.

Negotiations for the June quarter benchmark prices metallurgical and annual benchmark price for thermal coal have stalled as both customers and coal miners assess the impact of the cyclone. Price settlement is now likely to occur late in April at the earliest and is forecast to be at higher prices than were expected some weeks ago.

When the Queensland production losses are combined with relatively high China domestic coal prices, the outlook for coal prices over the next three to six months remains positive.

Whitehaven confirms its full year production guidance of 21Mt to 22Mt of saleable coal production.

EXPLORATION

Exploration expenditure incurred by Whitehaven during the March quarter was \$47k.

PRODUCTION AND SALES BY MINE

Thousands of tonnes	Quarter Ended			YTD		
	Mar 2017	Mar 2016	Change	Mar 2017	Mar 2016	Change
Maules Creek						
ROM Coal Production	2,610	2,057	27%	6,965	5,355	30%
Saleable Coal Production	2,502	1,970	27%	6,508	5,136	27%
Sales of Produced Coal	2,193	2,066	6%	6,288	5,283	19%
Coal Stocks at period end	739	401	84%	739	401	84%
Narrabri						
ROM Coal Production	1,370	2,056	(33%)	5,592	5,518	1%
Saleable Coal Production	1,329	2,127	(38%)	5,417	5,868	(8%)
Sales of Produced Coal	1,323	2,331	(43%)	5,313	6,063	(12%)
Coal Stocks at period end	207	391	(47%)	207	391	(47%)
Tarrawonga						
ROM Coal Production	653	576	13%	1,796	1,648	9%
Saleable Coal Production	598	444	35%	1,608	1,439	12%
Sales of Produced Coal	532	467	14%	1,569	1,456	8%
Coal Stocks at period end	505	324	56%	505	324	56%
Rocglen						
ROM Coal Production	579	362	60%	1,147	949	21%
Saleable Coal Production	253	237	7%	656	616	7%
Sales of Produced Coal	218	192	14%	658	562	17%
Coal Stocks at period end	384	252	52%	384	252	52%
Werris Creek						
ROM Coal Production	463	613	(25%)	1,065	1,466	(27%)
Saleable Coal Production	398	527	(25%)	1,116	1,499	(26%)
Sales of Produced Coal	414	469	(12%)	1,093	1,540	(29%)
Coal Stocks at period end	291	295	(1%)	291	295	(1%)
Whitehaven Group Totals						
ROM Coal Production	5,675	5,665	0%	16,565	14,935	11%
Saleable Coal Production	5,081	5,304	(4%)	15,305	14,557	5%
Sales of Produced Coal	4,681	5,525	(15%)	14,922	14,904	0%
Sales of Purchased Coal	236	18	1,238%	274	36	664%
Total Coal Sales	4,917	5,543	(11%)	15,195	14,940	2%
Coal Stocks at period end	2,125	1,662	28%	2,125	1,662	28%