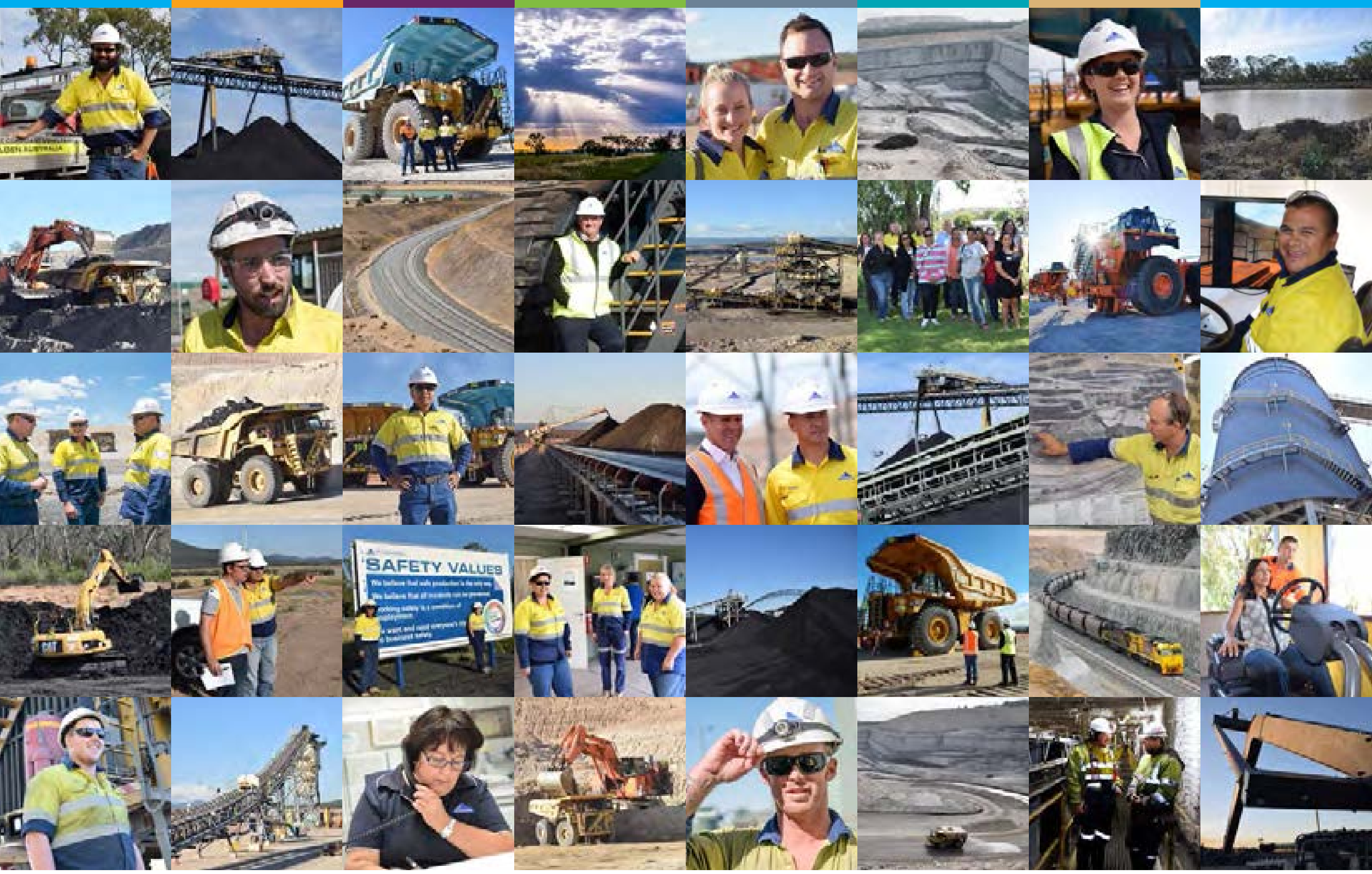
A YEAR OF DELIVERY

WHITEHAVEN COAL
ANNUAL REPORT 2015



WHITEHAVEN COAL

KEY HIGHLIGHTS

There were many highlights this year that bring us closer towards achieving our goal of creating the premier independent listed coal producer in Australia:

— Significantly improved safety performance with a 35% reduction in the TRIFR to 9.2 at the end of the year

— Record ROM and saleable coal production exceeding targets

— Narrabri becoming one of the most productive longwall underground mines in Australia establishing several new production records

— First coal railed from Maules Creek three months ahead of original schedule

— Maules Creek capex below budget

— Construction at Maules Creek almost complete at year end with the mine declared commercial from 1 July 2015

— Sustainable cost reductions achieved at all operating mines through operational initiatives and changes

— Refinancing our secured lending package

OUR COMMITMENT

This report demonstrates our commitment to be:

— A leading producer of some of the world's highest quality coal

— A company that has locally-based employees wherever possible

— A proud member of and leading employer in the north west NSW region

— A provider of stable and secure employment opportunities for local Aboriginal people.

ABOUT THIS REPORT

Welcome to our 2015 Annual Report which articulates our business, results and objectives to our key audiences, focusing on important issues and maintaining our commitment to address and report on our responsibilities and actions.

Environmental and social issues are important to us and are an integral part of the way we do business. In an effort to keep our Annual Report relevant and succinct, further information on these matters, not included in this report, can be found on our website: **www.whitehavencoal.com.au**.

1. OVERVIEW

KEY HIGHLIGHTS

REVENUE

$763.3M
IN REVENUE

COAL PRODUCTION

14.6Mt
OF SALEABLE COAL

PEOPLE

779 (FTE)
WITH 77% LIVING IN AREA OF OPERATIONS

SAFETY PERFORMANCE

9.2 TRIFR
A 35% YEAR-ON-YEAR IMPROVEMENT

FINANCIAL	FY2015 ($M'S)	FY2014 ($M'S)
Revenue	$763.3	$755.4
Operating EBITDA before significant items	$130.3	$90.4
Net loss after tax	$342.7	$38.4
Net Debt	$935.8	$685.2
Gearing	25%	18%
Earnings per share	(33.3c)	(3.9c)
NTA/share	$2.77	$3.02
CONSOLIDATED EQUITY PRODUCTION AND SALES	**000'S T**	**000'S T**
ROM coal production	12,205	9,177
Saleable coal production	11,255	8,161
Sales of produced coal	10,859	8,215
Sales of purchased coal	–	511
Total coal sales	10,859	8,726

Note: Production and sales include pre-commercial production and sales from Maules Creek

OPERATIONAL DEVELOPMENT

1ST COAL

RAILED FROM MAULES CREEK

CORPORATE DEVELOPMENT

VICKERY

PROJECT APPROVED

ECONOMIC SPEND

693

LOCAL BUSINESSES SUPPORTED DURING FY2015

ECONOMIC CONTRIBUTION TO NORTH WEST NSW AREA

$214.9M

SPENT WITH LOCAL SUPPLIERS AND BUSINESS

ABOUT US

14.6Mt
OF SALEABLE COAL

$214.9M
SPENT WITH LOCAL SUPPLIERS IN NORTH WEST NSW IN FY2015

$125.6M
IN WAGES AND SUPERANNUATION TO EMPLOYEES

Whitehaven Coal is on a path to becoming Australia's largest independent coal producer, producing 23 million tonnes per annum (Mtpa) by FY2018. The company produced 14.6 million tonnes of saleable coal in FY2015 (managed basis) supplied from the port of Newcastle to premium Asian markets.

Operating in the Gunnedah Basin, Whitehaven's production facilities include two world-class mines (Maules Creek open cut and Narrabri underground), three smaller open cut mines (Werris Creek, Tarrawonga and Rocglen) and a centralised washing plant at Gunnedah.

The Company has licenses for the exploration and development of additional mines in NSW and QLD.

The company employed 779 full-time equivalents at 30 June 2015 across our various sites which include corporate offices in Sydney and Newcastle, with a sales office in Tokyo, Japan. The proportion of our employees living in the area of our operations was 77% at 30 June 2015.

Whitehaven generated $763.3m of revenue with $130.3m EBITDA for FY2015.

Whitehaven shares traded on the Australian Stock Exchange (ASX) with the code WHC.

KEY ECONOMIC CONTRIBUTION

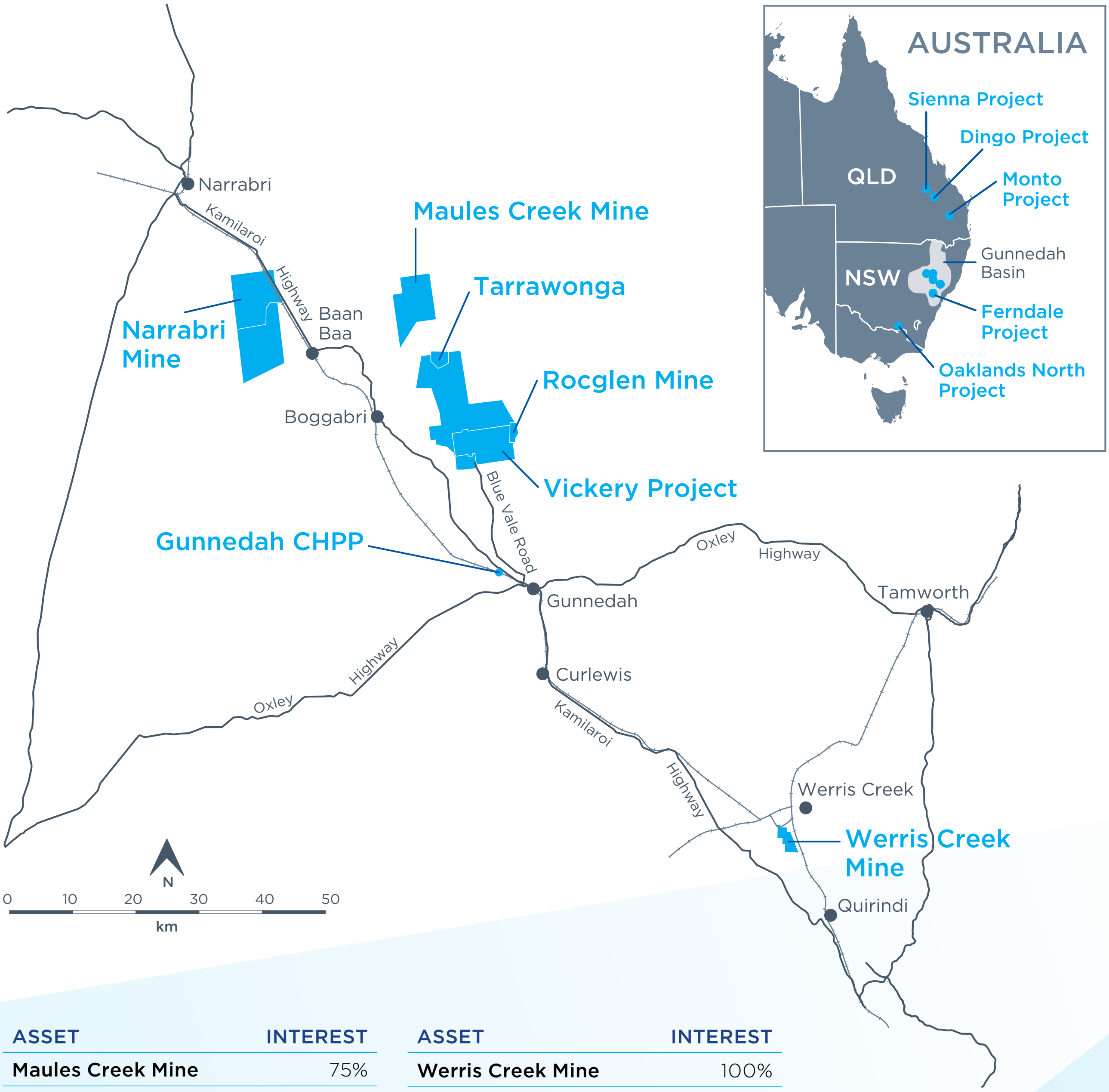
We contribute to the social and economic development of the communities in which we operate. The Company's economic contribution was $470.1m in 2015. This includes:

- $125.6m in payments including wages and superannuation to employees
- $214.9m in payments to suppliers in the Gunnedah, Narrabri, Tamworth and Liverpool Plains shires
- $129.6m in taxes and royalties to governments

The figures presented in this report include the Company's share of joint ventures.

"MINING PLAYS A POSITIVE ROLE IN OUR STATE AND THE MAULES CREEK PROJECT AND OTHERS LIKE IT CONTRIBUTE SIGNIFICANTLY TO MAKING NSW THE ECONOMIC LEADER IN OUR NATION"

Rt. Hon. Mike Baird MP, Premier of NSW (left) with Paul Flynn, CEO, Whitehaven Coal (right) on visit to Maules Creek, January 2015.



ASSET	INTEREST
Maules Creek Mine	75%
Narrabri Mine	70%
Tarrawonga Mine	70%
Rocglen Mine	100%
Vickery Project	100%
Gunnedah CHPP	100%

ASSET	INTEREST
Werris Creek Mine	100%
Dingo Project	70%
Sienna Project	100%
Monto Project	100%
Ferndale Project	94%
Oaklands North Project	100%


PADDO
AN

SETTING THE SCENE

Becoming Australia's leading independent coal producer.

We strive to be an efficient and transparent company for all our stakeholders. While we are working hard to maintain our cost leadership position in the industry, our top priorities are: zero accidents and incidents, minimisation of environmental impacts, increasing production from our world-class mines and the high quality of our coal. At the same time, we invest in our people and in developing and promoting high-performing employees.

OUR MISSION

To grow total shareholder value through:

- The operation of large, long-life, low-cost assets
- Support of an efficient, agile and dynamic workforce
- Forging long-term, mutually rewarding relationships with customers, suppliers, regulators, employees, the community and shareholders

OUR VALUES

Respect
Treat each other and the communities in which we operate, with fairness.

Discipline
Let's be clear, concise, upfront and uncomplicated.

Teamwork
Together we can show how a nimble, fast-moving company can deliver.

Integrity
Striving to deliver on our promises.

Commitment
Let's take pride in our ability to act quickly, with energy, enthusiasm and passion.

Performance
Achieving superior business results by stretching our capabilities.

CUSTOMERS

Whitehaven Coal's customer base comprises major steel producers and electric power generation companies located primarily in Asia (Japan, Korea, Taiwan and India). For more information see page 23.

FUTURE GROWTH

The Company's future growth will see a doubling of 2014 production to achieve sales of 23Mtpa by FY2018.

FY2015 YEAR OF DELIVERY

OPERATIONAL DEVELOPMENTS

December 2014 – Maules Creek Railed First Coal

Whitehaven railed first coal from the project, less than a year after construction began. Railings were three months ahead of schedule and the project was delivered under the original $767m budget. Coal from the project was sold out for the first year. The project was declared commercial from 1 July 2015.

June 2015 – Record Annual Production

Whitehaven achieved record production of coal from its suite of assets, including the world-class underground Narrabri mine of 7.7Mt ROM on a 100% basis and 5.4Mt ROM on an equity basis.

June 2015 – Cost Reduction Programme

Whitehaven's fully absorbed cost of coal sold fell from $69 per tonne in FY2014 to $61 per tonne in FY2015. This was achieved through a wide-ranging cost reduction programme which included the utilisation of more port capacity, reduced rail haulage charges, roster changes across the workforce, the restructuring of open-cut and CHPP operations, procurement and the centralisation of shared functions.

2014/15 – Recruitment

Our number of FTE employees increased from 655 to 779 as at 30 June 2015, with 77% of our employees living in the area of our operations.

2014/15 – Community Engagement and Economic Development

During the year the Company spent $214.9m with suppliers across the Gunnedah, Narrabri, Tamworth and Liverpool Plains council areas. The Company provided $182k in donations/sponsorships to community organisations and extended its commitment to the Westpac Rescue Helicopter Service by a further $100k through a matched employee payroll program. More than $26.7m has been committed to local councils in the form of Voluntary Planning Agreements for the provision of local infrastructure and services in the region.

CORPORATE DEVELOPMENTS

March 2015 – Refinancing

The Company achieved financial close on a $1.4 billion Senior Secured Bank Facility with a syndicate of Australian and international banks. The facility's A$1.2 billion drawable line of credit is for general corporate purposes and has a maturity date of July 2019. The facility will enable Whitehaven to fulfil its ambition of becoming Australia's leading independent coal company by providing funding flexibility for the Company in future years.

September 2014 – Approval of Vickery Project

Approval was received for the Vickery project, a low capital start-up, which will initially produce 4.5Mtpa ROM coal. Timing for start-up is expected once the company's flagship Maules Creek Project is fully ramped-up to its approved 13Mtpa ROM rate.

2014/15 – Further Integration into Premium Asian Markets

Increased sales into premium Asian markets – largely Japan and Korea – were secured for the high quality Maules Creek product, aided by the company's Japan-based Director of Marketing and the marketing assistance of our joint venture partners.

SHAREHOLDER STRUCTURE

The Company's shareholder structure as at 30 June 2015 is as below:

- Shares on issue: 1,026,045,885
- Number of shareholders: 6,829

More information on Corporate Governance is elsewhere in this report and available at www.whitehavencoal.com.au.

GROUP HIGHLIGHTS

TRIFR
↓ 9.2 (Down 35%)

FY2015	9.2
FY2014	14.06
FY2013	20.11

FTE EMPLOYEES
↑ 779 (19% Increase)

FY2015	779
FY2014	655
FY2013	617

EQUITY SALEABLE PRODUCTION**
↑ 11.3Mt (38% Increase)

FY2015	11.3Mt
FY2014	8.2Mt
FY2013	6.6Mt

TOTAL COAL SALES (EQUITY SHARE)
↑ 10.9Mt (24% Increase)

FY2015	10.9Mt
FY2014	8.7Mt
FY2013	7.4Mt

REVENUE (NET OF ROYALTIES)
↓ A$74/t

FY2015	$74/t
FY2014	A$79/t
FY2013	A$79/t

REVENUE
↑ $763.3M (1% Increase)

FY2015	$763.3M
FY2014	$755.4M
FY2013	$622.2M

EBITDA BEFORE SIGNIFICANT ITEMS
↑ $130.3M (44% Increase)

FY2015	$130.3M
FY2014	$90.4M
FY2013	$17.1m

COST OF SALES
↓ $61/t (Down 12%)

FY2015	$61
FY2014	$69
FY2013	$76

ROYALTIES PAID TO NSW GOVERNMENT*
↑ $84.3M

FY2015	$84.3M
FY2014	$67M
FY2013	$51.8M

PAID TO LOCAL SUPPLIERS
↑ $214.9M (17% Increase)

FY2015	$214.9M
FY2014	$183.3M
FY2013	$174.4M

SHAREHOLDER STRUCTURE

INSTITUTIONS 41%

PRIVATE INVESTORS 8%

CORPORATES 48%

RELATED PARTIES 2%

** FY2015 total includes pre-commercial production from Maules Creek
* On a 100% basis

CHAIRMAN'S STATEMENT

23Mtpa
TARGET BY FY2018 ON TRACK

$763.3M
OF REVENUE IN FY2015

Since our last Annual Report many targets have been achieved at Whitehaven, many records have been set and many commitments delivered upon. Firstly, our two world class trophy assets are clear of all regulatory hurdles, fully constructed and producing the quality coal that we promised the market.

In doing so, both Narrabri underground and Maules Creek open cut mines have set some exciting company records. Narrabri achieved record ROM production in FY2015 and Maules Creek was constructed three months ahead of schedule and under budget.

Coupled with these achievements we have managed our transition to a much more friendly debt facility which gives the Company clear air as we ramp up production in the coming years. We have also set new records with our safety performance, our policy on health, environment and community and our outperformance in indigenous employment. More details on these achievements can be found later in this Annual Report.

DELIVERING ON OUR TARGETS

A significant highlight this year has been delivering first coal from our new world-class Maules Creek asset. What for many years was purely a pipeline has become a reality. Capable of producing 12 Mtpa of coal over 30 years, Maules Creek has been delivered ahead of schedule, with capex below budget and declared commercial on 1 July 2015. This is not a common feat in recent Australia construction history. At Narrabri, our underground mine set several production records during the year and is quickly becoming one of the most productive and efficient undergrounds mines in Australia. Together, supported by our open-cut operations, we are well-placed to achieve our longstanding target of 23Mtpa by FY2018.

Financially, the company also adapted well to the significant headwinds in the industry. During the year the company reduced costs, returned to profitability in the second half of the year and established a new debt facility on more favourable terms to provide greater flexibility for the company. The discipline with which management has reduced costs, driven efficiencies and extracted the benefits of our enlarged scale has been a particularly pleasing aspect of FY2015.

In overall terms, these achievements, and others which are outlined elsewhere in this report, reflects well on the high quality executive and management team we have assembled which, as the last 12 months of delivery indicates, is clearly capable of establishing Whitehaven as a global industry leader.

FINANCIAL PERFORMANCE AFFECTED BY DIFFICULT MARKET CONDITIONS

The operational achievements detailed in this report take on added importance in light of external market conditions, which continue to weigh on Whitehaven's financial performance. Amid continued softness in coal pricing, a 17% increase in production to 9.6Mt (equity basis and excluding pre-commercial production from Maules Creek) translated to revenue of $763.3m in FY2015, almost the same as FY2014. The net loss after tax increased to $342.7m, which included $332.0m of significant items. This included the de-recognition of MRRT related deferred tax balances as a result of enactment of legislation repealing the MRRT and some write downs of exploration tenements.

Pleasingly, operating EBITDA before significant items increased by 44% to $130.3m. The company is conservatively geared at 25% as at 30 June 2015 and is positioned to deliver profits at the bottom of the cycle as Maules Creek increases production in the years ahead. No dividend was declared in FY2015.

While the net loss after tax result is difficult for shareholders to accept, they reflect external conditions over which we have little or no control. From the Board's perspective, the management imperative in such an environment is to tighten control over costs and productivity and extract the best price possible for the quality coal we sell. Senior management deserves credit for executing so well against this imperative.

POSITIONED FOR GROWTH

Despite the difficult conditions at present, shareholders have reason to be upbeat about Whitehaven's prospects over the short to medium term. With Maules Creek now declared commercial, increasing production and cash flows in the coming months and years will make Whitehaven one of Australia's largest, and lowest-cost, producers of high quality coal.

It is increasingly obvious from the contact the Board and senior management have had with our Asian markets that the global shift to cleaner, more efficient coal is underway and irreversible. Governments, including China, are responding to the environmental challenge and requiring their industries to source higher-energy, higher-quality coal. This plays to the strengths of the Australian industry generally, and to Whitehaven disproportionately so.

Whitehaven already produces a high-quality thermal product with low levels of ash, sulphur, phosphorous and other trace elements. Maules Creek will increase the proportion of higher-value PCI coal and semi-soft coking coal we sell, giving us diversification in product exposure and enhanced flexibility in global markets.

As a 23Mtpa producer, with approvals in place at Vickery to expand to an additional 4.5Mtpa as required, Whitehaven is ideally placed to participate in this growth.

SUPPORTING OUR LOCAL COMMUNITIES

Whitehaven takes great pride in our long-standing links with the local townships of Narrabri, Gunnedah and Boggabri where we operate. With the majority of our expanding workforce living in these communities, Whitehaven brings jobs, services and investment to the region in which we operate. The company intends to open a new office in Gunnedah this year, further improving our community link.

Pleasingly, the company increased its total spend with suppliers and businesses in the region of our operations over the year to nearly $215m. Our total spend with local businesses over the past three years across the Gunnedah, Narrabri, Tamworth and Liverpool Plains region is $572m. We are grateful for the role local communities have played in Whitehaven's success to date and do not take this support for granted.

BOARD AND GOVERNANCE

Rick Gazzard announced his intention to retire as a non-executive director, effective 17 July 2015. The Board would like to thank Rick for his significant contribution to the Company during the three years he has served as a Director and wish him well in his retirement. During the time Rick served on the Board, Whitehaven has achieved significant milestones in which Rick made a strong contribution at Board level. From the increase of production at our Narrabri underground operation to the development of our world-class Maules Creek asset, Rick has contributed to the success of these projects.

Joining the Board as a new independent non-executive Director is Dr Julie Beeby. Julie has enjoyed a strong career in the coal industry and we believe she will add significant skills and insight as Whitehaven continues on our path towards becoming Australia's leading independent coal company. We welcome Julie to the Board.

In closing, can I take this opportunity on behalf of the Board of Directors to thank Paul Flynn, his management team and in particular all of our workforce who have made this year's achievements possible.

Mark Vaile
Chairman

MANAGING DIRECTOR AND CEO STATEMENT

359 DAYS
FIRST COAL RAILED FROM MAULES CREEK FOLLOWING CONSTRUCTION CLEARANCE

$130.3M
EBITDA

In last year's Annual Report I described how Whitehaven Coal was at an exciting juncture in its evolution. Twelve months on, I am pleased to report an exceptional year of delivery, one which places the company in a strong position to reap significant benefits from our investment and hard work carried out in recent years.

There is little doubt that the year was another challenging one for the industry as coal prices continued to decline. Whitehaven was not immune to these challenges. Despite these headwinds, I am pleased to report a very positive overall set of financial, strategic and operational outcomes as we continue our pursuit of becoming Australia's premier independent listed coal producer.

This strong year of delivery culminated in the declaration of commercial production from our world-class Maules Creek mine on 1 July 2015. Construction of Maules Creek was achieved ahead of schedule and under budget, a significant achievement by all involved. The year also saw several production records at the Narrabri mine, which itself is becoming one of the most productive mines in Australia.

STRONG OPERATIONAL AND FINANCIAL PERFORMANCE

Despite continued subdued coal pricing, operating earnings before interest, tax, depreciation and amortisation (EBITDA) increased in FY2015 by 44% to $130.3m. The average fully absorbed costs of coal for the year was $61 per tonne, down from $69 per tonne. Importantly, operating cash flows increased by 96% to $213.4m because of substantial improvements in the elements of the business that we can control.

Whitehaven continued to deliver strong production growth in FY2015 following the commencement of production from Maules Creek for the first time and an outstanding year from the Narrabri underground mine. In overall terms, production volumes for the year were strong with 11.3 million tonnes of saleable coal production (up 38% on FY2014).

Narrabri's long-wall operation was again exceptional with the mine achieving new production records on a weekly, monthly, quarterly and annual basis in FY2015. As mentioned in the Chairman's report, independent benchmarks place Narrabri among the most productive longwall mines in Australia.

At our new world-class Maules Creek mine, first coal was railed off site some 359 days after the final construction clearance was received. Following an 18 month construction period, the mine was declared commercial on 1 July 2015. Production at Maules Creek will now increase to an annualised rate of 8.5Mt by the end of calendar year 2015, gradually increasing the proportion of metallurgical coal in line with market demand.

Elsewhere, 5.5Mt of ROM coal production from the open cut mines (Tarrawonga, Werris Creek and Rocglen) was in line with expectations and provided a strong and stable base for the company.

On the safety front, extra tonnes without a safe work environment would be unacceptable. The company's total recordable injury frequency rate (TRIFR) at year end was 9.2, a 35% year-on-year improvement. The TRIFR was more than 40% better than the NSW average of 16.81 and confirms a declining trend at the company since the end of FY2012. While a pleasing outcome, supported by our Safehaven program, more work is required to achieve the goal of zero injuries in the workplace.

COAL SALES AND PRICING

Whitehaven's coal sales increased by an impressive 32% to 10.9Mt (equity basis) for FY2015 compared to FY2014. The opening of Whitehaven's marketing office in Tokyo in early 2014 has brought immediate benefits by being able to place the additional coal produced by Narrabri and Maules Creek during the year at favourable prices. The company achieved an average price of US$64.59/t for all of its thermal coal sales in FY2015, a slight premium to the average Global Coal NEWC price for the year. It is also noticeable that the pricing outcome for the higher quality coals like Whitehaven produces has held up much better than many of the lower CV coals available in the Asian market.

COST DISCIPLINE AND REFINANCING

In addition to the strong production, it should be remembered that this was also achieved with reduced costs, and some difficult decisions such as restructuring at some of our smaller open-cut operations. This tight discipline on costs helps to underpin the future of the company in this period of lower coal prices.

As earmarked last year, Whitehaven successfully completed the refinancing of our debt facility by accepting a fully underwritten offer for a new A$1.4 billion Senior Secured Bank Facility from a syndicate of Australian and international banks. The new facility has terms more favourable than the facility it replaces, resulting in a lower interest rate and increased headroom for the company.

WHITEHAVEN'S COMPETITIVE ADVANTAGE

As coal continues to attract attention from those with a misplaced belief that its days are numbered, it is worth repeating the words I used in last year's report on the viability of coal.

Coal remains the lowest-cost source of energy to lift hundreds of millions of people around the globe out of poverty and it will have a central role in the global energy mix for the foreseeable future.

Whitehaven's coal quality is vastly different from the average coal quality found elsewhere in the seaborne trade. It is superior, with high calorific value, low ash and low sulphur. The majority of our thermal product goes to Japan and Korea where customers demand premium quality. In summary, the demand for the type of coal that Whitehaven supplies will be strong for many years to come.

OUR PEOPLE AND COMMUNITIES

While the industry as a whole has seen significant job losses over the year, Whitehaven has increased our FTE number to 779. We take pride in our reliance on local employees with over 75% living in the area of our operations. This is good for local towns and good for business. Experience tells us that a permanent local workforce is more stable and more productive than any alternative. As outlined in the Chairman's report, the company worked with nearly 700 local businesses during the year, boosting the north west NSW with significant investment.

With Maules Creek coming into production, I am also pleased to report that we have exceeded our goal relating to local Aboriginal employment. At year end 15.5% of our workforce at Maules Creek and 8% across the company as a whole self-identified as Aboriginal or Torres Strait Islander. We will continue to focus on this important area in the year ahead.

PRIORITIES FOR YEAR AHEAD

The focus for management in the year ahead are around the following priorities:

- Continuing the ramp up of operations at Maules Creek
- Positioning the company to commence the deleveraging process
- Driving further cost efficiencies across each of our operations
- Increasing contracted sales of higher margin metallurgical coal
- Progressing our fully-approved 4.5Mtpa Vickery project.

Vickery has the potential to become Whitehaven's third major mine in the Gunnedah Basin when it is developed, expected following the full ramp up of Maules Creek to its 13Mtpa capacity. We have begun the necessary work needed to apply to increase the approval rate from 4.5Mtpa to 8Mtpa and will look to form a joint venture with partners.

A YEAR OF DELIVERY

This year has been challenging but ultimately successful. With a new world-class mine constructed and operational and our existing assets performing strongly, FY2015 was a year of delivery for the company. I want to thank my executive team and all Whitehaven employees for their commitment in helping us deliver on our targets set out in last year's Annual Report.

Paul Flynn
Managing Director and CEO

2. STRATEGY

KEY OBJECTIVES

OBJECTIVE # 1

BECOME
DOMINANT COAL MINER IN GUNNEDAH BASIN

OBJECTIVE # 2

PRODUCE
HIGH QUALITY COAL

OBJECTIVE # 3

REMAIN
A LOW COST PRODUCER

OBJECTIVE # 4

OPTIMISE
REVENUE INTO PREMIUM MARKETS

OBJECTIVE # 5

GROW
THE COMPANY

"GLOBAL DEMAND FOR COAL CONTINUES TO BE STRONG. IN ORDER TO OPTIMISE REVENUE, WHITEHAVEN CONCENTRATES THE SALE OF OUR QUALITY THERMAL COAL INTO THE PREMIUM ASIAN MARKETS."

SCOTT KNIGHTS – EGM MARKETING

STRATEGIC FRAMEWORK

These important attributes are critical to delivering on our goal to be the leading independent ASX listed coal company. We must be the coal supplier of choice, the employer of choice and ultimately, the coal mining investment of choice in our sector.

GOAL

OUR GOAL IS TO BE THE LEADING ASX LISTED INDEPENDENT COAL COMPANY IN AUSTRALIA

STRATEGIC POSITION

DOMINATE THE GUNNEDAH BASIN

As the historical suppliers of quality coal into the premium Asian markets mines age and move up the cost curve, Whitehaven is uniquely positioned to fulfil the needs of those markets with premium quality coal. Whitehaven is now the dominant player in the only emerging high quality coal basin in Australia.

SUPERIOR COAL QUALITY

The world supply of high energy, low ash and low sulphur quality coal is constrained. As markets return to supply/demand balance, the relative scarcity of this coal will attract better pricing.

ALIGNED TO FUTURE REGULATION AND TECHNOLOGICAL INNOVATION

The world wants more energy created with lower emissions. Regulatory change around the world encourages the use of Whitehaven's quality coal. It is in turn driving technological change to reduce emissions that requires our quality coal to meet their needs.

FOCUSED ON PREMIUM MARKETS

High quality coal ensures we are aligned to the markets that pay a premium price for a premium product. All our markets are growing and as a result, growing their coal consumption.

1ST QUARTILE COST CURVE

Whitehaven is positioned in the 1st quartile of the thermal coal cost curve in Australia. This will ensure that Whitehaven remains financially robust through the cycle.

CRITICAL MASS IN A CONSOLIDATED MARKET

In a consolidated market, Whitehaven's recently achieved scale coupled with our long life mines positions the company as a credible, reliable and importantly independent supplier to our key customers for the long term.

SUSTAINABLE FOCUS ON COMMUNITY

The whole community must benefit from our presence. As the largest employer in our region and some 77% of our people living in the local area, $215m spent with over 600 businesses in the region and more than $120m paid in local wages, these contributions are fundamental to our deep local connection. Whitehaven now has 9% Aboriginal employment which reflects the Aboriginal representation in our communities, Whitehaven truly benefits the WHOLE community.

STRATEGY IN ACTION

The Company's goal is to double production from our 2014 level to achieve sales of 23Mtpa by FY2018 on a 100% basis. To achieve this, Whitehaven will carry out Operational Excellence and Sustainable Growth.

OPERATIONAL EXCELLENCE

This will be achieved by managing the Company's assets in the most effective and efficient way. This will be done by:

- Continually improving safety performance across all sites
- Selling high-quality coal to premium markets – including J-Power's state of the art Isogo power station (see page 25 'Coal Demands Grow')
- Respecting the environment
- Achieving production and sales targets
- Focusing on and managing costs
- Attracting and retaining high quality people

SUSTAINABLE GROWTH

This will be achieved by ensuring the business has sufficient resources to underpin growth. This will be done by:

- Focusing on continued exploration of the tenement portfolio to increase reserves
- Assessing expansion opportunities from existing assets
- Assessing potential acquisitions that support sustainable growth
- Increasing the customer base and focusing on value adding propositions for customers
- Investing in learning and development to build talent

LOGISTICS

Our coal is transported from the Gunnedah Basin to the port at Newcastle. Whitehaven has sufficient contracted rail capacity with the Australian Rail Track Corporation (ARTC) to deliver both current production and expected medium term production levels. Longer term, additional capacity will be needed. To support production from Maules Creek tracks have been upgraded to allow for full 30 tonne axle load operations – up to 8,000 tonne trains can now operate along the line.

Whitehaven has two rail haulage contracts in place to 2026 – Pacific National for 9.5Mtpa and Aurizon for up to 16Mtpa (as Maules Creek increases production).

Whitehaven has 6Mtpa port capacity at NCIG in Newcastle through an equity share of the terminal with a further 5.3Mtpa (until FY2015) at the PWCS terminal. After 2015 the Company has entered into a ten year rolling contract at PWCS for 12.4Mtpa.

From 2017 Whitehaven will require additional port capacity as the Maules Creek project increases to produce 13Mtpa.

For more information see where we operate on page 5.

WHITEHAVEN'S PREMIUM COAL QUALITY

Whitehaven produces high quality, low cost coals from our mines. Our low ash, high energy coal from our new Maules Creek mine is redefining thermal coal quality.

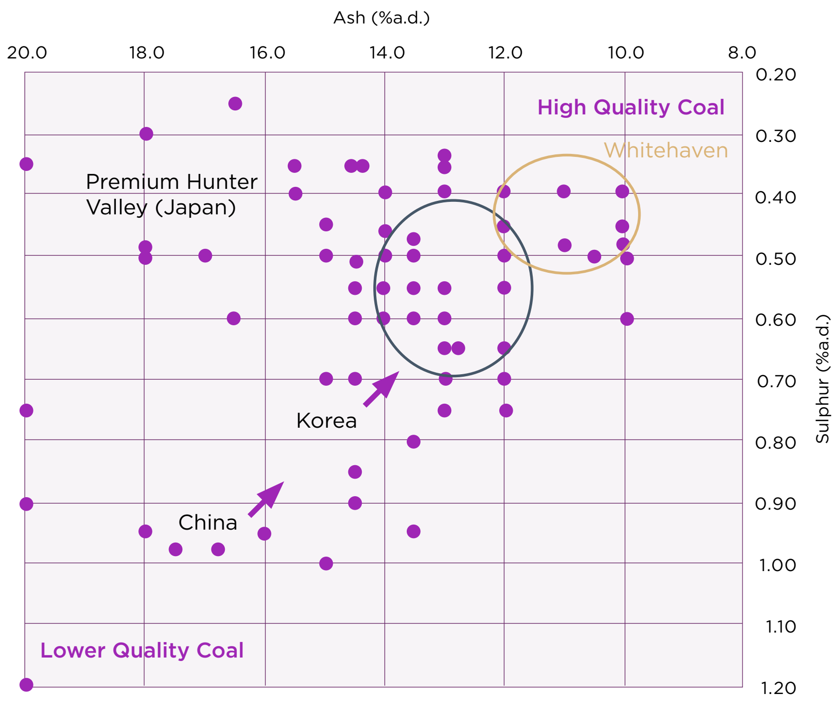
As countries strive to reduce their carbon and other emissions they use higher quality coals.

Both Japan and more recently Korea have introduced tax policies that further encourage use of higher quality coals.

PATHWAY TO LOWER CARBON EMISSIONS

With increasing use of higher quality thermal coal, the pathway to lower carbon emissions will see more efficient use of coal fired power stations.

Thermal Coal – Ash vs Sulphur



COST REDUCTION

COSTS

To deliver our strategy, Whitehaven places a strong focus on delivering cost reductions across the business while maintaining margins. Average unit costs in FY2015 declined by 12% to $61/t from $69/t in FY2014.

The Company has grown margins over the past two years. This has been achieved by reducing costs across all mines.

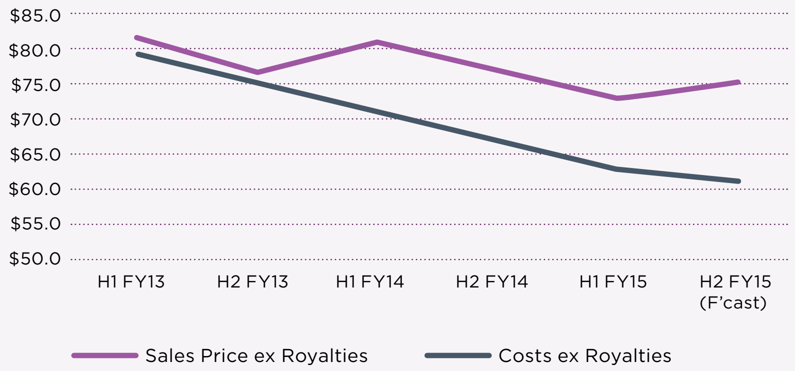
This reduction in costs positions Whitehaven in the lowest quartile of the thermal coal cost curve.

PRODUCTIVITY

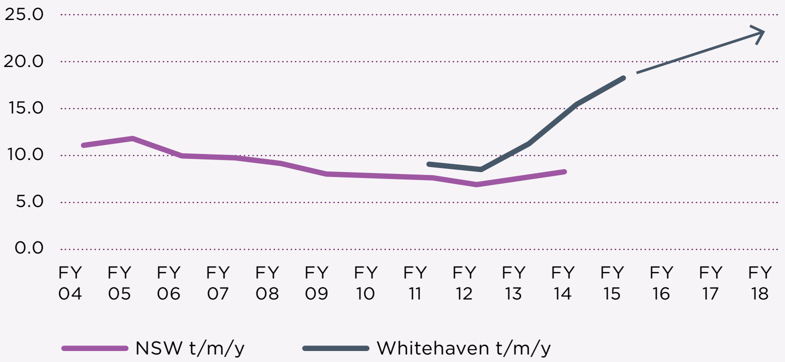
With a declining coal price, increasing productivity across Whitehaven's mines have become more important than ever.

Productivity at Whitehaven's mines – including our largest operations at Maules Creek and Narrabri – is higher than average and will continue to improve as Maules Creek ramps up production.

ASP, COSTS AND MARGIN (A$/t)



NSW AND WHITEHAVEN MINE PRODUCTIVITY



Source of charts: Whitehaven Coal and NSW Coal Services

CAPITAL EXPENDITURE

Total Capital Expenditure for FY2015 amounted to $290.2m with the focus on construction at Maules Creek.

SUSTAINING CAPITAL

The spend on sustaining capital at the operating mines was reduced from $16.5m in FY2014 to $13.7m in FY2015.

Spending on exploration tenements has been reduced to the amount required to maintain the tenements in good standing.

EXPANSION CAPITAL

The strong cash flows generated by the business combined with the refinanced debt structure provides flexibility for the company in future years.

FINANCIAL STRENGTH

To support the Company's strategic objectives, Whitehaven secured a new flexible A$1.4 billion facility from a group of major Australian and international banks in March 2015.

The new facility underpins and enhances Whitehaven's financial future, by lowering financing charges and providing additional headroom and repayment flexibility without penalty during the life of the facility.

The new facility consists of a $1.2 billion drawable line of credit that can be used for general corporate purposes and a $200 million bank guarantee facility. The entire facility matures in July 2019 providing Whitehaven with financial certainty for the years ahead.

The syndicate consists of 14 banks, all recognising the quality of Whitehaven's two world class mines.

One of the syndicate members, Bank of Tokyo, is a banker to one of Whitehaven's joint venture partners – J-Power, in turn one of Whitehaven's largest customers.

PREMIUM COAL MARKETS: COAL MARKET OUTLOOK AND ADAPTING TO MARKET CHANGES

Global demand for coal continues to grow. In order to optimise revenue, Whitehaven concentrates the sale of our high-quality thermal and metallurgical coal into the premium end user markets.

The sales mix of our coal will improve as higher margin metallurgical coal product rises from 16% to over 35% of total sales as Maules Creek ramps to full production.

Whitehaven has successfully sold coal into new markets in the Asian region in 2015 further diversifying our sales exposure and developing new term contract relationships.

COUNTRY INSIGHTS

We are focused on building strong relationships with a target of long term business to match our quality and mine life profile. Our strategy is to maximise revenue with focus on markets such as Japan, Korea, Taiwan and India. Whitehaven did not sell any coal into China in the second half of the year and does not expect to sell coal to China in the future.

HIGHLIGHTS FOR THE GLOBAL MARKET

The global coal industry underwent significant change in 2014/15. Whilst overall coal demand increased by 1% y.o.y the continued oversupply in both thermal coal and metallurgical coal markets resulted in falling prices across all seaborne markets (see detail on right). This pricing weakness has driven supply rationalisations in several producing regions, particularly in the traditional swing suppliers, in particular US and Canadian thermal and met coal suppliers. Indonesian thermal supply has also fallen in the second half of the year as predominantly US$ operating costs have seen around 7% of production or 30Mtpa annualised closed. Demand in the traditional markets for Australian thermal and met coal is expected to remain relatively robust, weaker Chinese import demand means that the supply rationalisation will need to continue for prices to stabilise.

PRICING

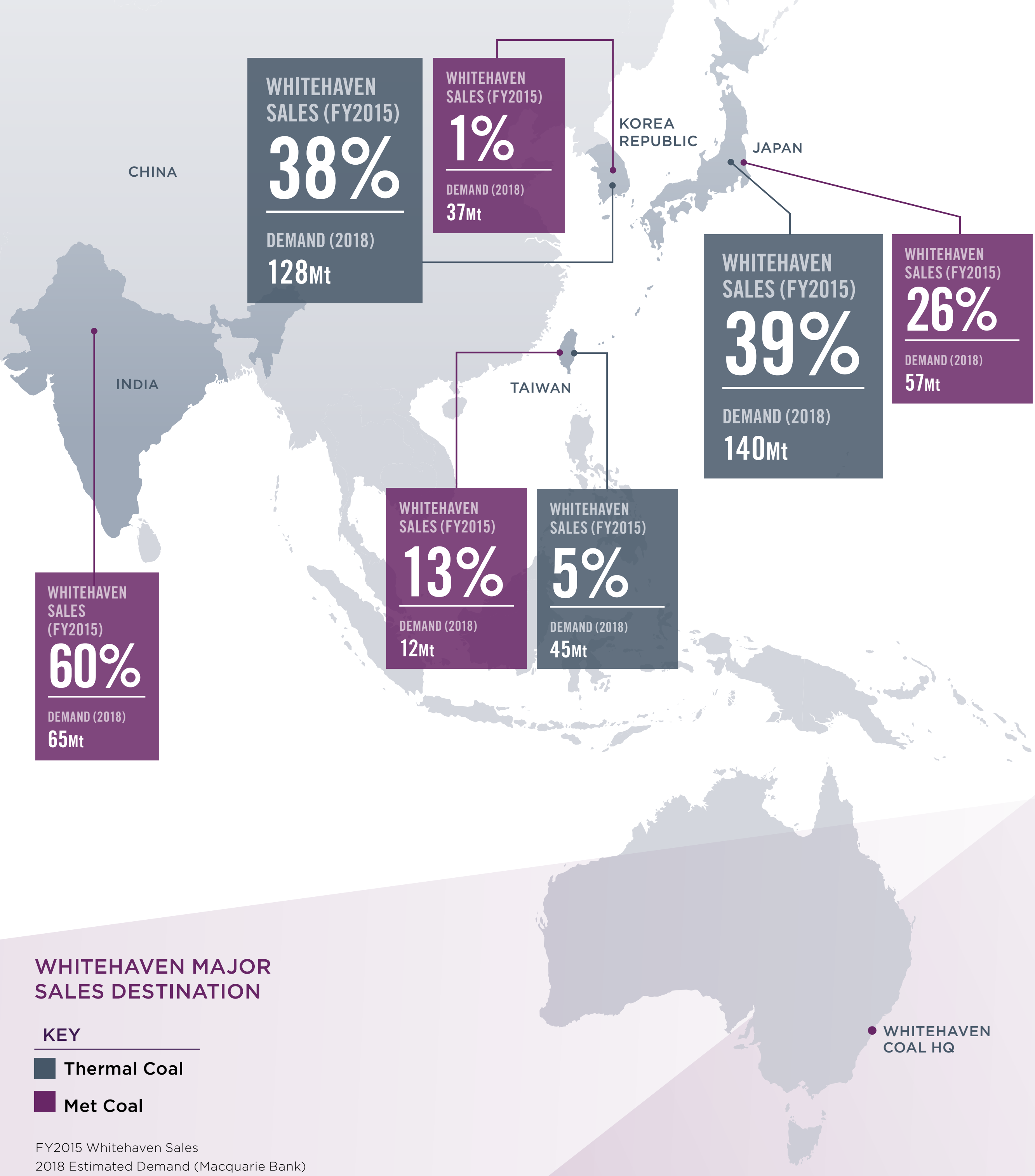
Thermal coal prices for 2014/15 as measured by the Newcastle GlobalCOAL index averaged US$64.40/mt, down US$13.85 or 18% on 2013/14. In A$ terms the 2014/15 average was $77.40/mt which was down $7.53 or 8.9% on 2013/14 reflecting the impact of the devaluation of the AUD/USD.

The average Hard Coking Coal benchmark for 2014/15 was US$116.40/mt, down by US$24.10/mt or 17.2% on 2013/14. In A$ terms the 2014/15 average was $137.43/mt down $11.77 or 7.9% on 2013/14.

KEY POINTS

There is strong demand growth in Whitehaven's markets. Korea, Japan and Taiwan are adding new coal fired power thermal power station capacity – estimates are that over the next eight years this will amount to about 30.6GW. Each GW of generation requires about 2.5Mt of coal a year.

WHITEHAVEN COAL SALES



WHITEHAVEN MAJOR SALES DESTINATION

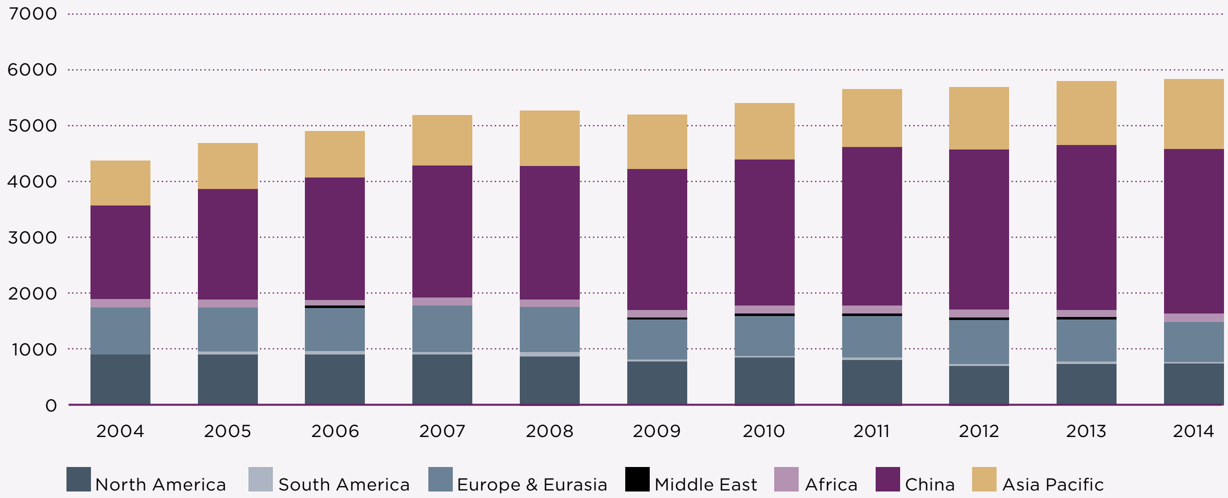
KEY

- Thermal Coal
- Met Coal

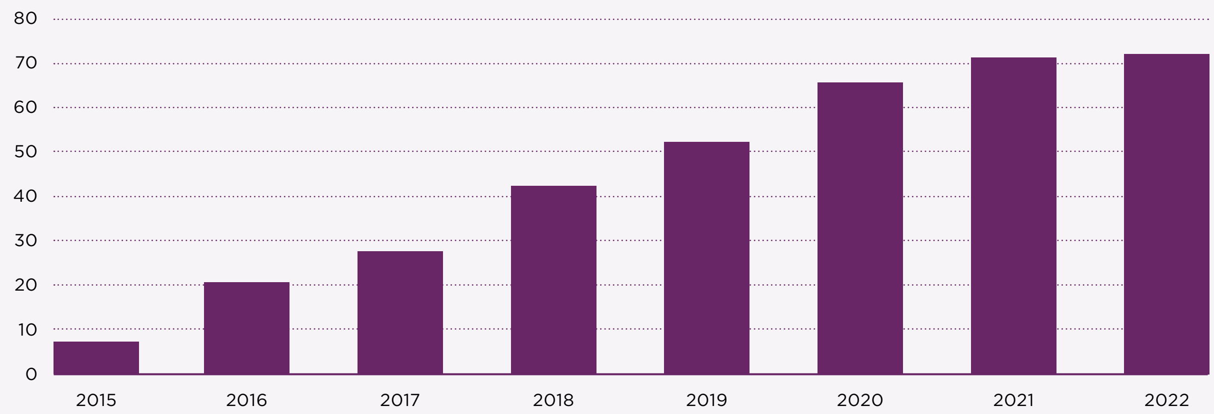
FY2015 Whitehaven Sales
2018 Estimated Demand (Macquarie Bank)
Note – remaining thermal coal sales to a range of other countries.

COAL DEMAND CONTINUES TO GROW

GLOBAL COAL DEMAND (Mt)



CUMULATIVE GROWTH IN GENERATING CAPACITY IN WHITEHAVEN'S MARKETS (GW)



Source for charts: BP Statisitcal Review 2015, Investment Banks, Country Data, Whitehaven Coal.

CASE STUDY – ISOGO

Continued demand for high-quality coal – such as that produced by Whitehaven – is illustrated by J-Power's state of the art Isogo power station.

The station is at the forefront of Japan's push to use "clean coal" technologies to contribute to international climate change mitigation efforts.

J-Power – a joint venture partner of Whitehaven – uses "ultra-super critical" coal technology at Isogo. The technology involves producing steam at high temperature and high pressure – steam in units reaches 600 to 620°C – to more forcefully drive the turbines that generate electricity. Isogo's Unit 2 has a thermal efficiency of 43 per cent, reducing carbon emissions and making it the most advanced coal power plant in the world.

Isogo uses coal from Whitehaven's Narrabri mine.

Image courtesy of J-Power.

INDUSTRY IN CONTEXT

The following is sourced from the Minerals Council of Australia.

1. DEMAND FOR COAL IS STRONG

Over the last decade, coal use has grown more strongly than any other energy source. The demand for both metallurgical and thermal coal is increasing as highly populated emerging economies urbanise and industrialise. In 2019 the world will use 1 billion tonnes more coal than today – more than 9 billion tonnes a year. By 2040, the global coal trade will increase by 40 per cent.

2. INDIA IS NOT SHUNNING COAL

India will overtake China as the world's largest importer of coal in 2025, with exports more than tripling by 2040. There is currently 113 GW of coal-fired generation capacity requiring 250 Mt of coal each year – an amount twice Australia's total capacity today.

3. WORLD ENERGY DEMAND CAN'T BE MET WITHOUT COAL

World primary energy demand will increase by 37 per cent between 2012 and 2040. Under all climate action scenarios, coal remains an important part of the global energy mix. There is no credible scenario in which all coal reserves remain in the ground.

4. COAL IS ESSENTIAL FOR THE MANUFACTURE OF STEEL AND CEMENT & DEMAND IS GROWING

Energy and steel consumption in emerging economies has grown rapidly in the past decade but many of these countries still use much less energy and steel than advanced economies. For example, China's rail network is still one-third that of the United States and one-sixth of the European Union despite its larger land mass and population.

Moreover, it is not possible to build a wind turbine without coal. There is more than 220 tonnes of coal in every wind turbine.

5. AUSTRALIA DOESN'T HAVE TO CHOOSE BETWEEN COAL & A LOW-EMISSIONS FUTURE

High efficiency, low emissions (HELE) coal-fired generators emit 20-25 per cent less CO_2 than the average of existing power stations and up to 40 per cent less than the oldest technology in place. With carbon capture and storage (CCS), a 90 per cent reduction in emissions can be achieved. This technology is working now:

- CO_2 emissions from modern ultra supercritical coal plants are comparable with those from open cycle gas fired generation
- There are 13 large-scale CCS projects in operation around the world capturing 40 million tonnes of CO_2 a year
- Canada's SaskPower launched the world's first commercial scale, coal-fired power plant with CCS in 2014. It injects 90 per cent of the CO_2 emissions produced

"COAL IS AUSTRALIA'S SECOND LARGEST EXPORT. IT CONTRIBUTED $40 BILLION TO NATIONAL INCOME IN 2013-14 AND WILL CONTRIBUTE $47 BILLION A YEAR BY 2019-20."

6. LOW EMISSION COAL TECHNOLOGY IS BEING DEPLOYED IN AUSTRALIA

Since 2007, the Australian coal industry has committed more than $300 million in a range of projects, with tens of millions of dollars more. Projects supported by the industry have successfully captured CO_2 at a coal-fired power plant at Callide in Queensland's Bowen Basin, sequestered 65,000 tonnes of CO_2 in a depleted gas field in Victoria's Otway Basin and intensified the search for storage sites for future CCS projects with exploration work underway or planned in Queensland, New South Wales, Victoria and Western Australia.

7. COAL WILL REMAIN A SOUND INVESTMENT

Coal remains a sound investment, with banks continuing to lend to new and existing projects. Global financing for coal mining rose to US$66 billion in 2014, up from US $55.28 billion in 2013 and a 360 per cent increase from 2005.

8. COAL WILL CONTINUE TO UNDERPIN AUSTRALIA'S PROSPERITY

Coal is Australia's second largest export. It contributed $40 billion to national income in 2013-14 and will contribute $47 billion a year by 2019-20.

Coal mining employs 45,800 people directly and supports the jobs of another 123,660. The industry paid $3.1 billion in royalties last financial year – $1.8 billion in Queensland, $1.3 billion in New South Wales. Over the four years, black coal royalties will total $18.1 billion – $11.3 billion in Queensland, $6.8 billion in New South Wales.

9. THE AUSTRALIAN COAL INDUSTRY DOES NOT RELY ON SUBSIDIES

The Productivity Commission's independent analysis of government assistance found 'The estimated effective rate of assistance from tariff and budgetary assistance for mining has been negligible.' At a global level, the International Monetary Fund has found that just 1.25 per cent of so-called 'fossil fuel subsidies' are directed to the coal sector.

10. COAL IS ALLEVIATING GLOBAL POVERTY

Between 1990 and 2010, about 830 million people – the vast majority in developing countries – gained access to electricity due to coal. Twice as many people gained electricity from coal as natural gas and for every person who obtained electricity from non-hydro renewable sources such as wind and solar, about 13 gained access due to coal.

Affordable, reliable energy is a precondition for economic growth and an escape from poverty. The cheapest, fastest way to provide that electricity is through cheap, modern, lower emissions coal generation power.

3. OPERATIONS

KEY HIGHLIGHTS

MAULES CREEK

1ST COAL
SUCCESSFULLY RAILED

NARRABRI

7.7Mt ROM
RECORD COAL PRODUCTION

“ WHITEHAVEN HAS DELIVERED ANOTHER RECORD-BREAKING YEAR OF PRODUCTION, WHILE ENSURING OUR SAFETY RECORD ACROSS THE COMPANY HAS CONTINUED TO IMPROVE.”

Jamie Frankcombe – EGM Operations

EQUITY SALEABLE PRODUCTION

11.3Mt

SALEABLE PRODUCTION

VICKERY

PROJECT

RECEIVED APPROVAL

OPERATIONAL ACHIEVEMENTS

IMPROVED SAFETY RESULTS

FROM THE PREVIOUS YEAR

Both key safety statistics (TRIFR AND LTIFR) that measure the safety outcome across the company improved in FY2014.

EARLY PRODUCTION

FROM MAULES CREEK & PROGRESSIVE RAMP UP OF PRODUCTION

Whitehaven employees began mining three months ahead of schedule and have ramped up production faster than originally anticipated.

RECORD PRODUCTION

FROM NARRABRI AND STRONG PRODUCTION FROM THE OTHER MINES

All mines in the portfolio performed strongly despite tough market conditions and changes to rosters.

PRODUCTION COSTS FELL

DURING THE YEAR CONTINUING THE TREND THAT COMMENCED IN 2013

Whitehaven has successfully maintained its average cash margin and in the second half year increased its cash margin despite lower coal prices.


MAULES CREEK ROM PRODUCTION (000'S t)
1600
1200
800
400
Dec 2014
Mar 2015
Jun 2015

MAULES CREEK

Ownership: Whitehaven 75% and Operator; ICRA MC Pty Ltd (an entity associated with Itochu Corporation) 15%; J-Power Australia Pty Ltd 10%.

Whitehaven's newest mine, Maules Creek, commenced railing coal in December 2014, less than a year after construction commenced. The mine, when operating at its annualised design capacity of 12mtpa saleable coal, in 2018, will double Whitehaven's coal production to over 23Mtpa making the company the largest independent coal producer in Australia.

Monthly production has gradually been increasing with the addition of management, mining equipment and employees. Mine production in the June half of FY2015 achieved an annualised rate of 6Mt. Mine production will increase in the December half of FY2016 when additional excavators and trucks are commissioned, and staff are recruited and trained. The additional mining equipment commenced arriving on site late in FY2015 and once commissioned will increase production to an annualised rate of about 8.5Mt early in the second half of FY2016.

Capital invested at the mine during the construction phase will be around $27 million less than the original estimate of $767 million. The savings were due to a combination of good construction contractor performance and the strong leadership of the Whitehaven project management team.

Last year, as part of the employee recruitment process at Maules Creek, Whitehaven adopted a policy to grow Aboriginal participation in the workforce. At 30 June 2015 there were 30 employees at Maules Creek identifying as Aboriginal. This represents 15% of the Maules Creek workforce and it exceeds the initial target that was set last year of 10% of employees within five years.

Demand for Maules Creek thermal coal has been strong. Production for the first year is completely sold out. Feedback from customers has been positive with the delivered coal either meeting or exceeding their expectations. Production of metallurgical coal products will commence in the first half of FY2016 with trial cargoes to several steelmakers. Interest from Japan is high, following a marketing campaign by the Group's marketing team.

CATEGORY	STATISTIC
Ownership	Whitehaven 75%, ICRA MC Pty Ltd 15% (an entity associated with Itochu Corp) and J-Power 10%
Location	45 kilometres southeast of Narrabri and 17km northeast of Boggabri in the Gunnedah Basin of New South Wales, Australia
Tenements	CL375 and AUTH346
Coal Types	50% SSCC/PCI coal and 50% high energy, low sulphur, low ash thermal coal
Life of Mine	30+ years
Coal Reserves	381Mt (Recoverable), 349Mt (Marketable)
Coal Resources	650Mt Open cut
Project Status	Mine declared commercial on 1 July 2015 and operating at an annualised rate of 6Mt
Employees	232 as at 30 June 2015, increasing to 450 when operating at full capacity
2015 Production Target	1.9Mt ROM coal
2015 Actual Production	2.6Mt ROM coal
2016 Production Target	7.1Mt – 7.3Mt ROM coal

NARRABRI

Ownership: Whitehaven 70% and Operator; J-Power 7.5%; EDF Trading 7.5%; Upper Horn Investments Limited 7.5%; Daewoo International Corporation and Korea Resources Corporation 7.5%.

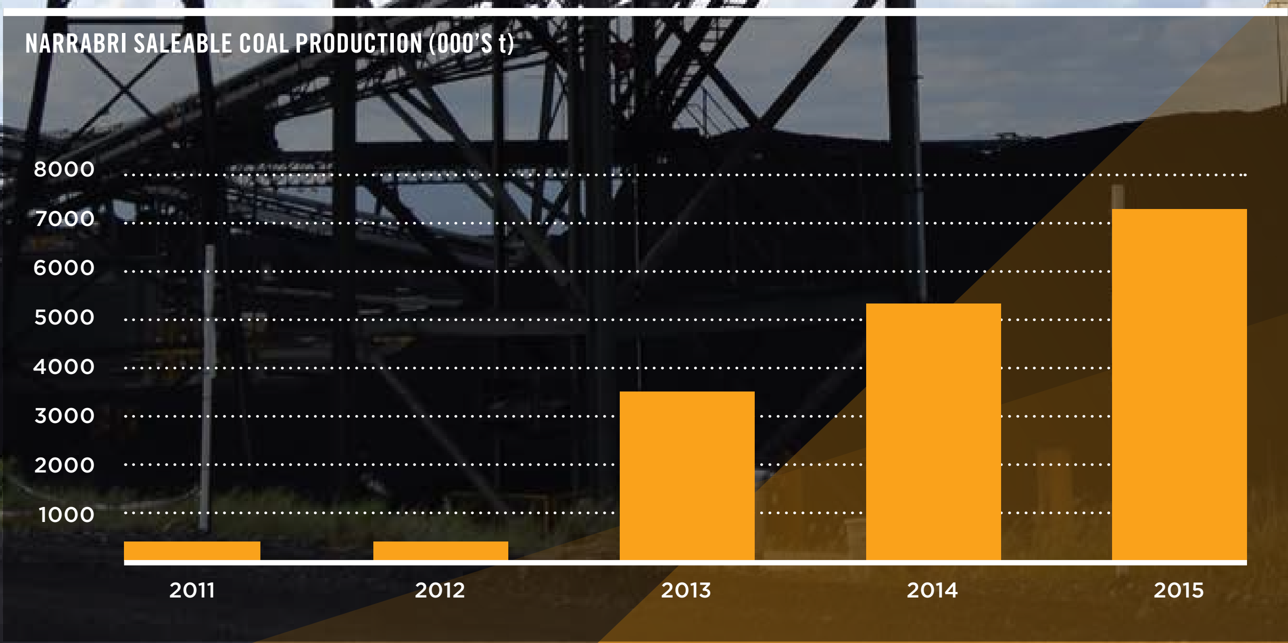
Narrabri had a very strong production year. Narrabri set new mine production and roadway development records of 7.7Mt ROM coal and 19,800 metres respectively. Production in FY2015 was almost 30% above the design capacity of 6Mtpa.

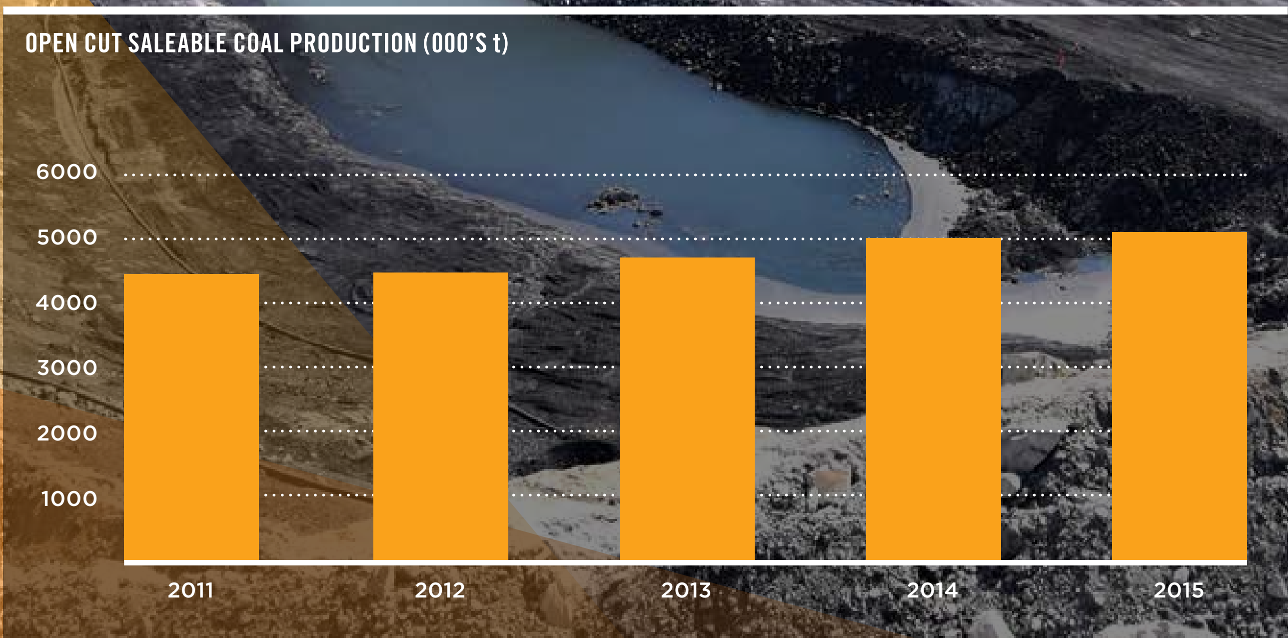
A number of factors combined to deliver this strong production performance including a motivated and productive workforce, and software upgrades to the longwall which have increased longwall automation and reduced down time. As a direct consequence of the higher production levels, production costs have fallen with Narrabri confirming its place as Whitehaven's lowest cost mine.

One longwall move was completed during the first half of the year when mining in the third panel (LW03) was completed. Mining recommenced in LW04 on schedule in late November 2014 after the six week changeout was completed. Because of the record production rates in FY2015 it is anticipated that two full longwall changeouts will be necessary in FY2016. Consequently, production in FY2016 is forecast to be lower than for FY2015.

Narrabri has further production growth potential. A decision to widen the longwall face to 400 metres, from the current 300 metres, will be taken during the September quarter 2015. This low risk option will increase production and reduce operating costs at the mine.

CATEGORY	STATISTIC
Ownership	Whitehaven 70%, J-Power 7.5%, EDF Trading 7.5%, Upper Horn Investments 7.5% and Daewoo International and Korea Resources Corporation 7.5%
Location	17 kilometres southeast of Narrabri and 70km northwest of Gunnedah
Tenements	ML1609 and EL6243
Coal Types	Approximately 80% high energy, low sulphur, low ash thermal coal and 20% PCI coal
Life of Mine	22+ years
Coal Reserves	230Mt (Recoverable), 204Mt (Marketable)
Coal Resources	730Mt
Employees	367 (as at 30 June 2015)
2015 Production Target	6.5Mt ROM coal and 6.2Mt product coal
2015 Actual Production	7.7Mt ROM coal and 7.2Mt product coal
2016 Production Target	6.6Mt – 6.8Mt ROM coal and 7.0Mt – 7.2Mt product coal


NARRABRI SALEABLE COAL PRODUCTION (000'S t)
8000
7000
6000
5000
4000
3000
2000
1000
2011
2012
2013
2014
2015


OPEN CUT SALEABLE COAL PRODUCTION (000'S t)
6000
5000
4000
3000
2000
1000
2011
2012
2013
2014
2015

OPEN CUTS

Ownership: Werris Creek – Whitehaven 100%; Rocglen – Whitehaven 100%; Tarrawonga – Whitehaven 70% and operator

Saleable coal production of 5.1Mt from the three smaller open cut mines met expectations for the year. The focus at each of the mines during the year was on cost reduction to ensure that each mine contributed positive cash flow to Whitehaven. New rosters, full year procurement benefits and operating initiatives were introduced during the year. The open cuts have been able to maintain saleable coal production levels following the changes. The changes at both Werris Creek and the Gunnedah CHPP, regrettably, led to some redundancies at each operation.

It is expected that production levels from these open cut mines can be maintained at current levels for the next three years before Reserves at Rocglen are exhausted in FY2019.

"THE FOCUS AT EACH OF THE MINES DURING THE YEAR WAS ON COST REDUCTION TO ENSURE THAT EACH MINE CONTRIBUTED POSITIVE CASH FLOW TO WHITEHAVEN."

CATEGORY	STATISTIC
Ownership	Tarrawonga: Whitehaven 70%, Idemitsu 30%. Rocglen and Werris Creek: Whitehaven 100%
Location	In the Gunnedah region
Tenements	Tarrawonga: ML1579, EL5967 and CL368. Rocglen: ML1620. Werris Creek: ML1563 and ML1672
Coal Types	Various qualities of thermal coal, SSCC and PCI coal
Life of Mine	Tarrawonga +15 years, Rocglen 3 years and Werris Creek approximately 8 years
Resources and Reserves	See full tables on pages 68 and 69
2015 Production Target	5.7Mt ROM coal and 5.3Mt product coal
2015 Actual Production	5.5Mt ROM coal and 5.1Mt product coal
2016 Production Target	5.0Mt – 5.2Mt ROM coal and 4.7Mt – 4.9Mt product coal

GROWTH PROJECTS: VICKERY

Ownership: Whitehaven 100%

Vickery is a high quality metallurgical and thermal coal project with products that are expected to be highly sought after by customers in premium markets. While Whitehaven has not yet commenced the process to form a joint venture at Vickery, the interest level displayed by strategic investors is high.

Vickery has the potential to become Whitehaven's third major mine in the Gunnedah Basin when it is developed. Timing of the development has not been determined but it is likely to occur following the full ramp up of Maules Creek to its 13Mtpa ROM capacity.

The Vickery open cut project was approved by the New South Wales Department of Planning and Infrastructure on September 19, 2014. The approval is for an open cut project to produce 4.5Mtpa ROM coal, with the coal to be transported along an approved haulage route to the Gunnedah CHPP.

Since 2012, when Whitehaven lodged the application for the 4.5Mtpa project with the NSW Government, the Company has increased the total Resources and Reserves in the Vickery project area. These larger Reserves are capable of supporting a higher annual production rate while maintaining a mine life longer than 20 years. Project economics improve significantly in the higher production case.

Whitehaven has begun the process of compiling the necessary work and documentation needed to apply to increase the approval rate from 4.5Mtpa to 8Mtpa. When the process has advanced sufficiently Whitehaven will look to form a joint venture with potential strategic investors who are prepared to sign off-take contracts for the products. Up to 30% of the project would be sold to the incoming party or parties. The funds raised from the sale would be used to fund Whitehaven's share of the project development costs.

CATEGORY	STATISTIC
Ownership	Whitehaven 100%
Location	About 23 kilometres north of Gunnedah in the Gunnedah Basin of New South Wales, Australia
Tenements	CL316, EL 4699, EL5831, EL 7407, EL8224, AUTH406
Coal Types	Over 55% SSCC/PCI coal and 40% high energy, low sulphur, low ash thermal coal
Life of Mine	20+ years in the 8Mtpa case (212Mt ROM)
Coal Reserves	200Mt (Recoverable), 178Mt (Marketable)
Coal Resources	505Mt Open Cut
Project Status	New South Wales Government approval received September 2014 for an open-cut mine project producing up to 4.5Mtpa ROM coal
Proposed Mining Operation	The Vickery open-cut mine has a strip ratio of 10.4:1. Current approval is for production of 4.5Mtpa ROM.

"VICKERY HAS THE POTENTIAL TO BECOME WHITEHAVEN'S THIRD MAJOR MINE IN THE GUNNEDAH BASIN WHEN IT IS DEVELOPED. TIMING OF THE DEVELOPMENT HAS NOT BEEN DETERMINED AS YET. HOWEVER, IT IS LIKELY TO OCCUR FOLLOWING THE FULL RAMP UP OF MAULES CREEK TO ITS 13MTPA CAPACITY."

4. SUSTAINABILITY

KEY HIGHLIGHTS

SAFETY

9.2 TRIFR

INJURIES PER MILLION HOURS WORKED – COMPANY RECORD

EMPLOYEE SATISFACTION

77%

EMPLOYEES SATISFIED WITH COMPANY AS PLACE TO WORK

ABORIGINAL WORK FORCE

8%

THROUGHOUT THE COMPANY

EMPLOYEE SATISFACTION

95%

RESPONSE RATE FROM EMPLOYEE SURVEYS

"THE HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY COMMITTEE ANALYSES ALL OF OUR MAJOR ACTIVITIES IN TERMS OF THE BROAD RANGE OF SUSTAINABLE DEVELOPMENT CONSIDERATIONS AND ENCOURAGES AND SUPPORTS STEPS TAKEN BY OUR MANAGEMENT TO ENSURE WHITEHAVEN DELIVERS ON OUR PROMISES..."

Tony Haggarty – Chairman of the HSEC Committee, Independent Director

ENVIRONMENT

550

HECTARES OF LAND UNDER REHAB

LOCAL COMMUNITY

$214.9M

SPENT WITH LOCAL SUPPLIERS & BUSINESSES

DONATIONS/SPONSORSHIP

$182K

SUPPORT TO DIFFERENT CAUSES

NSW ECONOMY

$84.3M

PAID ROYALTIES TO NSW GOVERNMENT

SUSTAINABLE DEVELOPMENT

SAFEHAVEN
PROGRAM PROGRESSED WITH IMPROVED RESULTS

GREATER DIVERSITY
IN THE WORK PLACE

$214.9M
SPENT WITH LOCAL SUPPLIERS DURING THE YEAR

Whitehaven Coal places an ongoing emphasis on a strong operational culture and ensuring that the company contributes to sustainable development in the regions where we operate.

Whitehaven Coal operates predominantly in the Gunnedah Basin. We have a small corporate office in Sydney, a marketing and logistics team, a shared services team in Newcastle and a marketing office in Tokyo, Japan.

In the Gunnedah Basin we are a large employer with over 75% of our 779 full time equivalent employees living in the region surrounding our operations. We source products and services from over 600 businesses in the local government shires surrounding our mines. We support community projects via donations to local charities and we make voluntary planning agreement payments to local councils that help supply improved services to local residents. We regularly report our activities to the Community Consultative Committee that has been established for each mine we operate. We seek to maintain our social licence by ensuring that we operate sustainably in the Gunnedah Basin.

The Health, Safety, Environment and Community (HSEC) Committee analyses each of our major activities through the lens of sustainable development and encourages and supports steps taken by our management to ensure Whitehaven delivers on our promise to be a 'good corporate citizen'.

One of the main ways in which we can be a 'good corporate citizen' is to have zero injuries and illnesses across our operations. We want our people to return home to their family and friends at the end of a work day tired from having given a hard day's work but safely and in good health. To support this objective in 2014 we introduced the seven "Safehaven Rules". I am pleased to report that since the Safehaven program began we have seen a significant reduction in the number of injuries our people have sustained at work. The past year has seen a 35% reduction in the rate of recordable injuries across the company and we are operating well below the NSW coal mining average.

In an agricultural community good land management is important. Whitehaven is a substantial landholder. In total, we own 63,000 hectares of land, including 22,000 hectares that are managed as biodiversity offset lands and 35,000 hectares that are used for agricultural activities. Only 2,000 hectares of land that we manage is either disturbed by mining activities or under rehabilitation. We are committed to ensuring high standards are set

“WHITEHAVEN IS CONTINUALLY SEEKING TO FIND SAFER, SMARTER, MORE SUSTAINABLE WAYS TO RUN OUR BUSINESS. TO ACHIEVE IMPROVED PERFORMANCE, WE WORK HAND-IN-HAND WITH OUR PARTNERS AND COMMUNITIES ON THE GROUND, WHERE IT MATTERS MOST.”

and applied to manage biodiversity offset properties and for the rehabilitation of areas disturbed by mining activities.

We are mindful of the impact of our operations on the environment and surrounding communities. Given the nature of our business we can generate dust, noise and blasting impacts and we use water in our operations. We have comprehensive management plans to minimise these impacts and have a large monitoring network in place that monitors noise, dust and blasting levels. We also monitor the quality of water that is discharged from each of our licenced discharge points. We monitor activities so that we minimise the impacts of our operations on the environment and our neighbours and the local community. We report this data on our website and to the regular Community Consultation Committees and we promptly respond to concerns that are raised from time to time.

We are pleased that our commitment to employing a local workforce wherever possible is ensuring that the communities in which we operate continue to thrive. More than three quarters of our workforce live and work in the region of our operations, We strongly believe that the presence of our employees and their families is helping the region grow, to be a more attractive place to live and work and that our presence is helping to bring improved levels of services to many towns and villages in the Gunnedah Basin.

Our commitment extends to the Aboriginal and Torres Strait Islander communities which make up about 10% of the population in the Gunnedah Basin. It is our strong belief that the best way we can support the Aboriginal and Torres Strait Islander communities is to provide Aboriginal and Torres Strait Islander people with the opportunity to secure stable, long-term employment. Last year we made a commitment that after five years at least 10% of our workforce at Maules Creek would be Aboriginal and/or Torres Strait Islander people. We are pleased to report that we are ahead of schedule. As at 30 June 2015 Aboriginal and/or Torres Strait Islander employees at Maules Creek totalled more than 15% of the workforce. In a recent employee survey where more than 700 employees responded, 8% of those responding employees identified themselves as being of Aboriginal and/or Torres Strait Islander descent.

A community is made up of men and women of different cultures and ages. Overall female representation across our workforce has remained steady at about 9%, but we have made progress to diversify our gender base in a number of important areas – leadership roles comprise 15% female employees, with 50% of our marketing and logistics team and 46% of our HSEC team being women.

We will continue to focus on growing a greater number of women in our workforce, so that the benefits of our presence are more widely delivered to the Gunnedah Basin community.

Whitehaven has an ongoing partnership with regional educational institutions to provide traineeships, internships and early childhood education. We are motivating students to acquire relevant industry knowledge with the potential to work for the company or suppliers to the company upon completion of their education. This will enhance our position as an employer of choice in the local communities in which we operate.

We aim to continue to make strides in the area of sustainable development and we will uphold our commitments in this area. I would like to thank everyone at Whitehaven for their efforts and hope that the coming year will bring further notable progress.

Tony Haggarty
Chairman of the HSEC Committee

PERFORMANCE DATA

PERFORMANCE DATA 2014-2015

	YEAR TO 30 JUNE 2015	YEAR TO 30 JUNE 2014
Health, Safety, People		
Number of employees (FTE)	779	655
Fatalities	0	0
Total recordable injury frequency rate per million hours worked (TRIFR)	9.2	14.6
Lost time injury frequency rate per million hours worked (LTIFR)	1.1	3.7

	YEAR TO 30 JUNE 2014	YEAR TO 30 JUNE 2013
Environment		
Greenhouse gas emissions (tonnes CO_2 equivalent)	465,612	459,511
Intensity – greenhouse gas emissions (tonnes CO2-e per tonne ROM coal)	0.04	0.05
Total energy use (gigajoules)	2,212,164	2,173,644
Intensity – total energy use (gigajoules per tonne ROM coal)	19.81	23.95

	YEAR TO 30 JUNE 2015	YEAR TO 30 JUNE 2014
Environment		
Land footprint – owned (hectares)	63,270	57,296
Land footprint – disturbed (hectares)	1,450	827
Land footprint – rehabilitated (hectares)	550	504
Land footprint – leased for agriculture (hectares)	35,233	30,350
Land footprint – biodiversity offset (hectares)	22,123	20,452

	YEAR TO 30 JUNE 2015	YEAR TO 30 JUNE 2014
Economic		
Wages and salaries ($m)	$125.6	$110.2
Payments in taxes and royalties to governments ($m)	$129.6	N/A
Payments to suppliers in northwest NSW ($m)	$214.9	$183.3
Voluntary planning agreement expenditure	$907,000	N/A

* most recent reportable period

STAKEHOLDER ENGAGEMENT

PROACTIVE DIALOGUE

A proactive stakeholder engagement programme helps us to respond effectively to changes in the Company's operating environment. This table identifies our key stakeholder groups. It outlines why we engage with them, reflects key focus areas for each and tracks our actions in each area. More information see our Corporate Governance section on our website at www.whitehavencoal.com.au.

STAKEHOLDER GROUP	WHY WE ENGAGE	KEY FOCUS AREAS	WHAT WE ARE DOING
Customers and Joint Venture Partners	As a vital element of the Company's strategy, the reliable and transparent relationship with our customers and joint venture partners drives the Company's performance. Whitehaven aims to sustain these mutually beneficial partnerships to ensure progress and promote growth of the company.	Customers and joint venture partners: — Matching product mix to customer demand — Reliability of supplies — Compliance with contract provisions and legal requirements Regional economic development: — Procurement standards outlined in all tenders — Rigorous due diligence of all partners to establish their integrity	— Understanding customer needs (including direct meetings, customer surveys, round tables, workshops and industry conferences) — Standards and information on the Company's tenders and procurement plans — Meetings with (potential) suppliers and business partners — Monitoring performance
Shareholders and Financial Community	As a publicly listed company we need to provide open, timely and transparent information to help our investors make informed decisions about our financial and non-financial performance. We also work with funding providers, banks and insurers to ensure the Company remains on strong financial footing.	Corporate governance: — Financial results — Coal market developments — Strategy — Risks (Business threats and opportunities)	— Presentations, webcasts and conference calls between management and financial community — Publication of relevant AGM/EGM documents — Meetings between management and financial community, including road shows and industry conferences — Investor and analyst days, including site visits — General meetings of shareholders — Perception studies among investor and financial community — ASX releases on material issues and key company events

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	WHY WE ENGAGE	KEY FOCUS AREAS	WHAT WE ARE DOING
Employees	Every aspect of our strategy is based on a commitment to our people, for us to attract and retain the best talent. Their knowledge, their willingness to work and their satisfaction are the keys to the Company's successful operations. We put an emphasis on creating the conditions for professional and career growth for our people. It is essential for us, and strengthens loyalty to the business.	Establishing and ensuring best practice HR standards across the Company, underpinned by: — Financial and non-financial incentives — Learning and development opportunities — Compliance with health and safety	— Employing HR Policy and Health and Safety Policy — Setting consistent standards across the Company — Internal communications, newsletters and feedback — Meetings between management and employees — Ensuring safety in the workplace — Employee satisfaction and engagement surveys
Local Communities	The growth and development of the Company needs to be supported by the local communities in which we operate. A better quality of life for our people and local communities through the projects and programs we support ensures the sustainability of our operations, helping us to fulfil our commitments as a leader in the industry.	Ensuring environmental compliance and mitigation of environmental impact wherever possible: — Contributing to local community development projects and social projects — Corporate philanthropy — Supporting infrastructure development and modernisation through voluntary planning agreements with local councils — Supporting educational, sporting and cultural events — Engagement with Aboriginal and Torres Strait Islander communities within the region	— Meetings with representatives of local communities — Implementation and support of local community development programmes — Projects and partnerships to deliver opportunities to local Aboriginal and Torres Strait Islander people — Engagement with local media — Public consultation
Government and Local Authorities, Industry Bodies	The Company complies with State and Federal laws and regulations. Whitehaven aims to establish and maintain stable and constructive relations with local, state and Federal government authorities, based on the principles of accountability, good faith and mutual benefit.	Establishing corporate governance systems to ensure compliance: — Taxation and Royalty payments — Maintaining a dialogue with government authorities on current legislative and regulatory issues	— Information disclosure and reporting — Dialogue with government authorities on legislative and regulatory issues — Development of partnership agreements — Participation in workshops and expert panels — Local community development planning

"AS A VITAL ELEMENT OF THE COMPANY'S STRATEGY, THE RELIABLE AND TRANSPARENT RELATIONSHIP WITH OUR CUSTOMERS AND PARTNERS DRIVES THE COMPANY'S PERFORMANCE. WHITEHAVEN AIMS TO SUSTAIN THESE MUTUALLY BENEFICIAL PARTNERSHIPS TO ENSURE PROGRESS AND PROMOTE GROWTH OF THE COMPANY"

HEALTH AND SAFETY

100
EMPLOYEES TOOK PART IN ANNUAL SAFEHAVEN CONFERENCE

35%
REDUCTION IN TRIFR

MAKING OPERATIONAL SAFETY OUR PRIORITY

Why these issues are important to us

Absence of fatalities, injuries and occupational illness and diseases is one of the key goals of an efficient business. Each employee expects to work in a safe and healthy environment. At the same time, the Company expects its employees to follow its safety rules. Jointly supporting these principles, we will be able to lift our business to a higher level of performance and a sustainable future.

Approach

Our commitment to health and safety is the foundation of how we work toward our goal of everyone going home safe and healthy after each work day. For us to achieve this goal, every person working at Whitehaven must be fully engaged. To this end we are building a positive culture where each person contributes to improving our safety performance and has the confidence to stop work and ensure it is safe.

Key Priorities

— Achieve zero workplace injuries

— Achieve zero workplace illnesses

In 2014, Whitehaven adopted the Seven Safehaven Rules which demonstrated the Company's belief that safety and a safe working environment are key priorities that should be taken into account in all actions and decisions, regardless of the type of work people are engaged in.

Safety – Performance Indicators

Our 2015 results confirm the effectiveness of the Safehaven Rules introduced by Whitehaven in 2014. The Whitehaven group registered no fatal accidents and TRIFR decreased from 14.1 to 9.2. This included 1.5 million hours worked on the Maules Creek construction project.

All high risk accidents were investigated and necessary measures taken to prevent similar incidents.

The Safehaven Rules were supported by a company-wide annual safety conference. A video featuring our workforce was created to clearly explain the rules. We continue to collaborate industry-wide to share and apply best practice in helping us further improve safety performance.

We have a good safety performance record but we do strive to improve on this every year. In 2015 we updated our safety strategy to strengthen our emphasis on injury reduction through identifying critical risks, verifying we have controls in place and providing appropriate leadership training.

2015 KEY FACTS

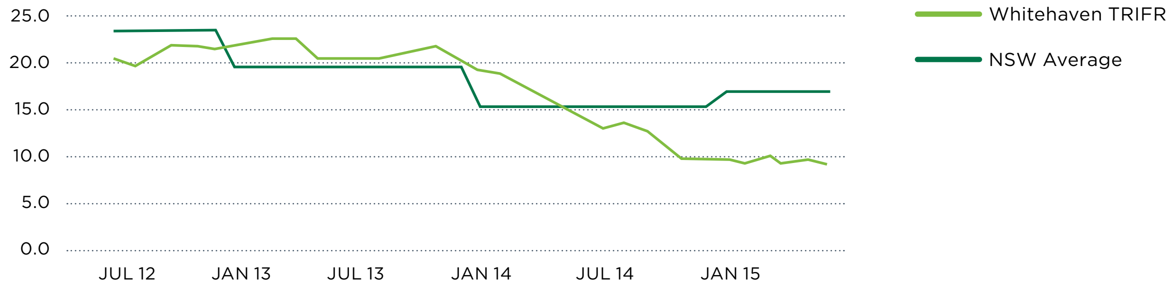
— No fatalities at Group operations

— A 35% reduction in TRIFR

— 72% reduction in lost time injury frequency rate

— Over 100 employees involved in annual Safehaven Conference

WHITEHAVEN AND NSW COAL INDUSTRY TRIFR



HEALTH

We believe that nothing is more important than the health of our people. The Company takes care of its employees by preventing and reducing their exposure to occupational health hazards, for example exposure to noise, dust and whole of body vibration. We also focus on promoting the fundamentals of fitness for work, particularly for safety-critical roles.

The potential for fatigue to contribute to safety incidents is understood across the industry and Whitehaven uses a range of methods to reduce potential for harm.

As part of our wellness programme, specific campaigns have been implemented on smoking, obesity, mental health, stretching, hydration and skin cancers.

TRAINING

Making employees aware of our health and safety expectations and developing an interdependent safety culture plays a key role in ensuring workplace safety. Before starting work at Whitehaven's sites, employees take part in a rigorous induction programme and receive the relevant workplace training. Everyone working at Whitehaven is responsible for ensuring workplace safety and they are expected to stop work and challenge their peers if they observe unsafe practices.

HEALTH AND SAFETY REQUIREMENTS FOR CONTRACTORS

When it comes to health and safety, Whitehaven makes no distinction between its own employees and contract personnel. The Company checks all potential contractors to ensure that they have all necessary health and safety systems and standards, and that their employees receive appropriate health and safety training. Agreements with contractors expressly specify that their employees must comply with Whitehaven's Safehaven Rules and our safety standards. Contract personnel receive health and safety induction training and take part in pre-start meetings and toolbox talks with our broader workforce where appropriate. Whitehaven staff carry out regular health and safety inspections and checks during contract periods.

ENVIRONMENT

2.3%
OWNED LAND USED FOR MINING ACTIVITIES

22,000
HECTARES OF LAND UTILISED FOR BIODIVERSITY OFFSETS

35,000
HECTARES OF LAND LEASED TO LOCAL FARMERS

MINIMISING OUR IMPACT

Sustainable development and operations are important to us because sustainable ecosystems, biodiversity and a healthy environment are vital conditions for the Gunnedah Basin and the wellbeing of generations of people that currently live there and those that will live there in the future. For this reason, a responsible approach to the environment is core to our business. We demonstrate this approach by adopting best practices in mine planning, operation, water management and rehabilitation activities and by minimising energy consumption and CO_2 equivalent emissions.

2015 KEY FACTS

- 63,270 hectares of land in total are owned by Whitehaven.
- 22,000 hectares of land are used for biodiversity offsets
- 35,000 hectares of land are used for agricultural purposes
- 2,000 hectares or about 2% of land are either used in current mining operations or are being rehabilitated following mining

Like all extractive industries, our operations do impact on the environment and on surrounding communities. We aim to minimise and eliminate negative impacts because we aim to have zero environmental incidents and also capitalise on the many positive benefits that we deliver.

We have developed a range of practical environmental programmes to:

- Manage and minimise impacts generated by mining including noise, dust and blasting
- Reduce our demand upon regional water supplies
- Rehabilitate mining land and return it to productive use
- Set aside and manage biodiversity conservation areas responsibly
- Avoid, reduce, recycle and dispose of waste; and
- Minimise energy consumption and CO_2 equivalent emissions.

We work in partnership with stakeholders that include local communities, environmental protection organisations and conservation advisors. This collaborative approach helps us best manage the challenges and opportunities we face.

DUST

Our operations can generate dust and we have developed and implemented systems that allow us to monitor dust levels so that we not only comply with our licence conditions but also respond pre-emptively by applying appropriate controls. Our continuous monitoring systems allow us to manage our activities and to minimise the impact of dust generation. Our operations are the subject of strict dust limits that are overseen by several state government regulatory bodies. The results of our dust monitoring are made available on our website and are distributed in each meeting of the relevant Community Consultative Committee.

CASE STUDY – LICENSING FARMLAND

Trent Hall is a local farmer from a respected farming family in the region. Trent currently licenses several Whitehaven-owned properties. Trent has applied a number of pasture improvement initiatives in addition to improving farm infrastructure such as provision of stock water and fences.

"Whitehaven Coal has provided an opportunity for my family and me to remain in the district through farming additional land in conjunction with my existing family farms," he says.

"Whitehaven recognises the importance of maintaining and improving farming land for future generations. Without Whitehaven's acquisition of one of my smaller properties my family was facing the reality of having to sell this property simply to reduce the financial burden. The sale to Whitehaven has helped secure my family's future in this district."

Although mining operations may extend for many years, mining is a temporary land use. We plan ahead for the closure of our operations after the commercially recoverable coal is exhausted. We balance the needs and expectations of the present with those of future generations.

Consultation with local communities, traditional landowners, governments and employees is fundamental to our closure planning which is integrated into our operational activities. We aim to progressively rehabilitate land during the mining years so that the rehabilitated land will sustain post-mining uses. In 2015, rehabilitation had reached various stages of progress on approximately 550 hectares of our 2,000 hectares of disturbed land. We also integrate other aspects into our closure planning, including socio-economic impacts and identifying alternative uses for mine infrastructure.

WATER

We use water at every stage of our business: for exploration, mining, processing and rehabilitation, as well as for potable consumption. We own substantial water rights that were generally either acquired as part of our acquisition of farming land or were purchased from government bodies to support our mining operations. Our operations are committed to using water responsibly given that water is a key resource for communities and industries in the Gunnedah Basin.

We must manage water in a way that minimises collection and use of clean water runoff whilst containing and maximising re-use of sediment laden and mine impacted water on-site. Water discharges are only permitted from licenced, monitored discharge points and any discharge must fall within strict water quality guidelines.

For example, each year rainfall and seepage into the mine provides Werris Creek with approximately 750 megalitres of water, we use about 50% of that in our mining operation and have been evaporating about 50% into the atmosphere.

Werris Creek mine is seeking state government approval to provide water that is excess to our mining needs to local farmers for use in irrigated farming rather than evaporate it.

Our management of water is the subject of strict monitoring that is overseen by several state government regulatory bodies. Information on our management of water is made available on our website and in each meeting of the relevant Community Consultative Committee.

ENVIRONMENT

AIR

CONTINUOUS

MONITORING SYSTEMS IN PLACE AT OPERATING MINE SITES

LAND

63,000

HECTARES OF OWNED LAND SUSTAINABLY MANAGED

BIODIVERSITY

22,000

HECTARES OF LAND MANAGED AS BIODIVERSITY OFFSETS

LAND

1450

HECTARES OF LAND DISTURBED BY OPERATIONS

CASE STUDY – BIODIVERSITY MANAGEMENT

The vine *Tylophora linearis*, is listed as Endangered under the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* and Vulnerable under the *NSW Threatened Species Conservation Act 1995*. The vine can be found on the Maules Creek coal mining lease. In accordance with the site Biodiversity Management Plan, and as an Australian first, Whitehaven has successfully collected *Tylophora linearis* seed and germinated it. In spring 2015 we expect that an initial 80 seedlings will be translocated to biodiversity offset areas and planted out. We will be closely monitoring the outcomes of this programme.

LAND

Whitehaven seeks sustainable stewardship of the land that we manage. About 2%, or less than 2,000 hectares, of the 63,000 hectares of land that we own is actively involved in mining or is being rehabilitated. Rehabilitated land is generally returned to either native vegetation or pasture – like our Canyon mine.

BIODIVERSITY

Biological diversity – or biodiversity – is the term given to the variety of life on Earth. It is the variety within and between all species of plants, animals and micro-organisms and the ecosystems within which they live and interact.

Whitehaven has 22,000 hectares of land that are being managed as biodiversity offset areas. That is about the same size as 40,000 football fields', about 200,000 housing lots of 1/4 acre or about 7 times the size of the greater city of Tamworth. It is also more than 10 times the area of land currently disturbed or under rehabilitation by our operations. The offset areas have been carefully selected, based on guidance from independent experts and regulatory authorities, to ensure they represent like-for-like or better biodiversity values than the areas that will be impacted by operations.

Whitehaven's approach to biodiversity aims to ensure that the actions we take are designed to outweigh the inevitable disturbances at our sites associated with mining. To achieve this we work closely with local communities, conservation advisors and environmental protection organisations, including various state and federal government bodies.

WASTE

During our mining operations we generate waste. We work on strategies that avoid, reduce, recycle and dispose of waste.

Our strategy for mineral waste management includes segregation and placement of overburden, tailings and reject materials in engineered waste dumps which are designed to be safe, stable and non-polluting. We segregate top soils at the initial clearing stages to ensure they are available for rehabilitation activities and we include water management structures in the design.

Non-mineral waste from mining operations is removed by registered contractors who recycle or dispose of the waste appropriately. Our non-mineral waste management activities this year included recycling of cardboard, paper and printer ink cartridges and engaging a contractor at Werris Creek mine to provide a total waste management service for the site. This initiative helped the site with its regulatory compliance and reporting requirements while also collecting recycling rebates and delivering decreases in waste disposal costs. Whitehaven is investigating the implementation of this initiative across the Group.

ENERGY AND CLIMATE CHANGE

Whitehaven is both a user and producer of energy. We advocate that increasing demand for energy by global customers and the challenge of addressing climate change issues are best met by companies, government and the community working together. Absent broad scale adoption of ultra super critical energy generation technology and the use of higher quality coals, the developing world's increasing need for secure, affordable energy to fuel continued economic growth clashes with the scale of emission reductions being sought by the developed world.

To assess how carbon policy and regulation will impact our business we closely monitor national and international climate and energy policy developments. We advocate for policies that are environmentally effective and economically efficient.

At an operational level we minimise our energy use where possible. Our energy intensity continues to decrease as we become more efficient and our greenhouse gas emissions per saleable tonne of coal produced have declined from that reported in previous years.

We believe that the high energy, low ash product that we produce will become an increasingly important source of the move to using higher quality coal for power generation. More information on this can be found on page 18.

ENVIRONMENTAL REGULATION

We are subject to various environmental regulations and are required to disclose Group-level environmental incidents, fines and complaints. Further information is available at www.whitehavencoal.com.au.

PEOPLE

779
FULL-TIME EMPLOYEES

8%
OF WORKFORCE IDENTIFY AS ABORIGINAL AND/OR TORRES STRAIT ISLANDER DESCENT

77%
OF EMPLOYEES ARE SATISFIED WITH WHITEHAVEN AS A PLACE TO WORK

OUR PEOPLE

Why these Issues are important to us

The successful realisation of a business strategy is entirely dependent on people: their management skills, professional knowledge and commitment to the Company's values and corporate ethos. Whitehaven aims to promote professional growth and career progression for our people and develop ways to build and strengthen company loyalty and team efficiency.

Approach

We seek to hire and motivate people who demonstrate our values of respect, discipline, teamwork, integrity, commitment and performance. Our people are passionate about making a difference to our business and the communities in which we operate. As the leading employer in the Gunnedah Basin, we seek to maintain our position as one of the most attractive employers in the region.

We employ people on the basis of job requirements and do not discriminate on grounds of age, ethnic or social origin, gender, sexual orientation, politics, religion, disability or any other status. We recognise the right of all employees to belong to a union should they wish. We employ people with disabilities and make every effort to offer suitable alternative employment and retraining to employees who become disabled.

We set clear performance objectives for our employees who are in turn paid a competitive salary and a comprehensive benefits package, as well as being offered professional growth.

Key Priorities

- Increase workforce productivity
- Increase staff loyalty and commitment
- Improve HR processes

"THE SUCCESSFUL REALISATION OF A BUSINESS STRATEGY IS ENTIRELY DEPENDENT ON PEOPLE: THEIR MANAGEMENT SKILLS, PROFESSIONAL KNOWLEDGE AND COMMITMENT TO THE COMPANY'S VALUES AND CORPORATE ETHOS."

OUR WORKFORCE

In a difficult year for the coal industry more broadly, Whitehaven increased its workforce from approximately 655 to 779 employees (FTE). Of these, 77% live and work in the area of our operations. We remain the largest private sector employer in the northwest NSW region.

Our workforce includes 63 Aboriginal and/or Torres Strait Islander employees, representing 8% of our total workforce. As Maules Creek is the site where our workforce is growing the most, we are committed to at least 10% of the Maules Creek workforce identifying as Aboriginal or Torres Strait Islander within the next five years. We are pleased to report that at 30 June 2015 we were ahead of our target with 15.5% of the Maules Creek workforce identifying as Aboriginal or Torres Strait Islander descent.

Our local employment commitments are often managed through directly-negotiated agreements with Traditional Owners.

Diversity in the workforce extends to increasing the representation of women throughout the company. Overall female representation in Whitehaven's workforce has remained relatively steady at 8.5% in 2015 compared with 8.3% in 2014.

Our 2015 employee survey was completed by 720 employees and revealed that almost 4 in 5 were satisfied with Whitehaven as a place to work. Overall satisfaction with Whitehaven as an employer has increased 29% over the last 12 months. Transparency, access to training and a better roster were the top mentioned areas in which employees would like to see the Company improve.

Good communication is critical if we are to meet the expectations of our people. Employee engagement is supported by a number of communications tools including a newsletter dedicated to Group updates and a new website featuring news and announcements.

2015 KEY FACTS

- 779 employees as of 30 June 2015
- 77% of our people live and work in region of our operations
- 15.5% of workforce at Maules Creek are Aboriginal (year end)

DIVERSITY

CONTINUAL IMPROVEMENT IN MEETING DIVERSITY OBJECTIVES AND TARGETS

15% OF LEADERSHIP ROLES ARE HELD BY WOMEN

DIVERSITY TARGETS FOR 2015

As part of our commitment to continuous improvement, we have set Group targets and initiatives for a range of diversity objectives. These help us deliver on our commitment to diversity and inclusion in the workplace. Whitehaven aims for an inclusive workplace that brings both men and women from diverse backgrounds and who reflect diversity of gender, culture, experience and skills. We believe that a diverse and inclusive workforce leads to a stronger Company performance through ideas and opinions of people selected from the widest available pool of talent.

Whitehaven's most recent employee engagement survey found that 77% of our workforce were satisfied with Whitehaven as a place to work. The survey was responded to by 720 employees, representing a response rate of 95%.

Whitehaven's Diversity strategy focuses on four main objectives relating to:

- Representation and participation
- Leadership and culture development
- Systems, processes and performance metrics, and
- Community and industry

While Whitehaven has made strong improvements in the past year in representation and participation of Aboriginal and Torres Strait Islander people in the workforce, more needs to be done in the area of gender diversity.

Overall female representation in Whitehaven's workforce has remained relatively steady at 8.5% in 2015 compared with 8.3% in 2014. Currently 15% of leadership roles in Whitehaven are held by women. Two of the company's Board of Directors are women.

Priorities for the year ahead include increasing this number through initiatives such as launching 'Women of Whitehaven' (WoW) which aims to provide the organisation with feedback and ideas on how to improve our gender diversity.

Progress on our objectives is monitored and assessed on an annual basis. Solid progress has been made and we continue to support these objectives through a number of new targets and initiatives during 2016.

"WHITEHAVEN'S MOST RECENT EMPLOYEE ENGAGEMENT SURVEY FOUND THAT 77% OF OUR WORKFORCE WERE SATISFIED WITH WHITEHAVEN AS A PLACE TO WORK. THE SURVEY WAS RESPONDED TO BY 720 EMPLOYEES, REPRESENTING A RESPONSE RATE OF 95%."

MEASURABLE OBJECTIVE	2015 TARGETS AND INITIATIVES	TARGET ACHIEVED	2016 TARGET
1. Representation and Participation Increase representation of Aboriginal employees and representation of female employees in non-traditional areas such as mining operations, trades and engineering and leadership roles.	Employee turnover is expected to remain low at existing Whitehaven operations. Opportunities exist at the new Maules Creek operation where we will engage a single recruitment provider to: — Ensure advertisements target Aboriginal and female candidates in addition to candidates with previous mining experience — Establish an assessment centre to identify the best candidates with the ability to learn mining roles without necessarily having current industry experience — Ensure the interview process is absent of bias and that the best candidates are offered positions	Employee turnover in 2015 was 9%. Prospect Group were engaged as the recruitment provider for Maules Creek. Prospect Group developed assessment methods that were absent of bias to ensure candidates from a diverse range of backgrounds and experience were considered for roles. Where practical, advertisements include photos of female employees and Aboriginal employees.	Benchmark employee perceptions on diversity/inclusion and flexibility as part of our annual employee engagement survey. Enhance careers website with the aim to attract a broader pool of candidates. Conduct unconscious bias training for all managers to incorporate research and learning in relation to the way bias affects communication, decision making and cultural acceptance.

DIVERSITY

MEASURABLE OBJECTIVE	2015 TARGETS AND INITIATIVES	TARGET ACHIEVED	2016 TARGET
2. Leadership and Culture Development Deliver development solutions to remove gender bias and create an inclusive culture.	— Review all mine site roles to determine the roles that best suit flexible work arrangements for working mothers and primary care givers, as a guide to management — Review of Leave Policy to include parental leave, ceremonial leave and flexible work options — Conduct diversity education and refresher training in relation to: > Anti-discrimination and sexual harassment linked to Whitehaven's Workplace Behaviour Policy > Aboriginal cultural awareness — Extend employee consultation by formalising an annual on-site event to create interaction between board members and interested employees to discuss diversity-related issues	A guide was developed that identified both corporate and mine site roles that best suited flexible work arrangements for working mothers and primary care givers. Such roles included accounting and purchasing positions in the corporate offices, along with site roles such as crib relief operators and some site safety positions. Policies are currently under review to include parental leave, ceremonial leave and flexible work options. Diversity education and refresher training was conducted in the Sydney and Newcastle office. A training package promoting Aboriginal cultural awareness is under development. In November 2014 Whitehaven sponsored a White Ribbon (ultramarathon) event to raise awareness of domestic violence against women. Board members and Whitehaven employees in the Narrabri region were invited to attend. The 'Women of Whitehaven' (WoW) network group was established and held its first meeting to develop the scope and purpose of the group.	Communicate and actively promote Whitehaven's diversity and inclusion strategy and its supporting policies through onboarding and annual training. Formalise and communicate the flexible work arrangements available to employees. Develop tools and provide training to managers on managing flexible work requests and flexible work practices such as ceremonial leave in their teams. Implement Aboriginal cultural awareness training. Hold an on-site event to launch WoW to which Board members and Whitehaven employees are invited to attend.

MEASURABLE OBJECTIVE	2015 TARGETS AND INITIATIVES	TARGET ACHIEVED	2016 TARGET
3. Systems, Processes and Performance Metrics Review practices to identify and enhance reporting to demonstrate the achievement of targets and initiatives.	Further enhance recruitment and reporting systems to: — More readily track turnover, vacancies and number of Aboriginal and female applications, interviews, appointment rates and record exit interviews — Capture employees seeking flexible work arrangements as well as specific needs of employees who are carers — Monitor performance at a site level	SCOUT eRecruitment system was implemented which enhances our ability to report on number of vacancies as well as track the number of Aboriginal and female applications, interviews and appointment rates.	Enhance internal and external recruitment processes including: — Communicate with all recruitment providers that Whitehaven expects at least one woman on the shortlist for all roles in FY16 — Ensure gender diversity on interview panels for senior leadership positions (at least one woman required for interview panels) Provide executive team quarterly updates on diversity performance metrics for each site. Monitor pay equity as part of annual salary review process.
4. Community and Industry Involvement in local community and industry initiatives to promote diversity.	— Development of an Aboriginal Engagement Strategy, including investigation of partnerships with Aboriginal groups to provide a long-term 'employment ready' Aboriginal workforce — Involvement in industry recognition of women in the workplace such as the annual Women in Mining Awards — Continued sponsorship of female apprentices and promotion of female cadet work experience programs — Assess what services are available in the community to assist working mothers and primary care givers, including child care and respite care	Reconciliation Australia has endorsed Whitehaven's Innovate RAP 2015-2017. Whitehaven has partnered with labour hire providers to develop an 'employment ready' Aboriginal workforce Gunnedah Family Support in partnership with the Gunnedah Domestic and Family Violence Interagency Committee are asking to partner with Whitehaven to develop a communication and education strategy around domestic violence, to be delivered in conjunction with the national White Ribbon Day campaign in November 2015.	Hold a community event to acknowledge the endorsement of Whitehaven's Innovate RAP. Continued involvement in industry recognition of women in the workplace through submissions to Women in Mining Awards. Partner with local community group White Ribbon Day campaign.

COMMUNITY

$214.9M
SPENT WITH LOCAL SUPPLIERS AND BUSINESSES IN NW NSW

$26.7M
COMMITTED TO LOCAL COUNCILS FOR REGIONAL DEVELOPMENT

$84.3M
IN ROYALTIES PAID TO NSW GOVERNMENT

ENCOURAGING SUSTAINABLE DEVELOPMENT

Why these issues are important to us

Whitehaven strives to build good relationships with the communities where we operate. We engage with them to understand the social, environmental and economic implications of our activities and seek to minimise the negative impacts on the places where we work.

Approach

Whitehaven takes great pride in our long-standing links with the local communities in which we operate including the fact that the majority of Whitehaven's workforce live in the area of our operations.

Whitehaven operates a sponsorship and donations program with the aim of:

- Developing strategic, long-term partnerships with community organisations
- Fostering support for Whitehaven from communities impacted by our activities
- Supporting a range of local not-for-profit organisations to increase community confidence in Whitehaven as a fair and responsible company

Key priorities

- Support for projects and organisations that promote healthy lifestyles
- Support for educational initiatives which develop academic and other skills
- Support projects which assist the broad local community and for organisations which have significant local, state, national or international reach

KEY FACTS

Whitehaven is an important contributor to the regional economy in the area of our operations. During the year we spent $214.9m with suppliers across the Gunnedah, Narrabri, Tamworth and Liverpool Plains council areas.

More than $26.7m has been committed to local councils in the form of Voluntary Planning Agreements for the provision of local infrastructure and services in the region.

During the year $182k in donations/sponsorship was dispersed to organisations throughout the region. The Company also extended its commitment to the Westpac Rescue Helicopter Service – matching funds through our payroll dedication program for a total $103k.

CASE STUDY – COMMUNITY SUPPORT

Whitehaven and our employees have donated more than $500,000 to the Westpac Rescue Helicopter over the past five years.

The Company supports the service by matching staff payroll deductions. This year the total raised for the service was more than $100,000.

Rescue Helicopter Service General Manager, Richard Jones, said that Whitehaven Coal was a valued supporter having generously joined their employees and the wider community to raise funds and awareness of the Service over a number of years. “The Service is most humbled by the generosity of the employees and Whitehaven Coal,’ Mr Jones said.

HEALTHY LIFESTYLES

During the year Whitehaven donated $10k to the Gunnedah Rural Health Centre for the purchase of much-needed nursing and physiotherapy equipment. The funding will provide an ophthalmoscope (eyes and ears), a carbon dematoscope (skin), a rechargeable battery for COAG check (blood) and vital physiotherapy equipment.

Whitehaven made a $5k donation to prostate cancer research and one of the new fleet of trucks at Maules Creek was painted blue to raise awareness of prostate cancer within the workforce.

EDUCATIONAL INITIATIVES

Schools throughout the region have been supported this year with donations worth $11k made to St Marys College Gunnedah, Boggabri Public School, Narrabri Public School, Gunnedah Public School, Gunnedah South School, Sacred Heart School Boggabri, Quirindi Public School, Narrabri High School, Werris Creek Pre School, St Xaviers School Gunnedah, G S Kidd Memorial School and Curlewis Public School.

Whitehaven continued its support of the Country Education Fund with a contribution of $10k and made a $2k donation to the Gunnedah Community Scholarship Fund. These organisations provide support to country children as they embark on tertiary education, with the aim that recipients return to the region to take up positions that are often difficult to fill in rural areas.

During 2015 a contribution of $20k was made to Narrabri RSL to assist in the construction of the memorial in Narrabri. This monument is a daily reminder of the sacrifices made by the combined armed forces in protecting our nation.

Whitehaven is also involved in supporting numerous community events such as Maules Creek Campdraft Annual Shows in Narrabri, Gunnedah and Quirindi, Nosh on the Namoi in Narrabri and Porchetta in Gunnedah.

ECONOMIC DEVELOPMENT

As a responsible corporate citizen, Whitehaven contributes financially to the economy at both state and federal level and to the communities in which we operate. Employees and contractors also add a significant economic contribution to the Gunnedah, Narrabri, Boggabri and Werris Creek townships through their purchases from local businesses.

In 2015 Whitehaven spent:

- $125.6m in salaries, wages, taxes and superannuation to employees (on a 100% joint venture basis)
- $84.3m in royalties to the New South Wales Government (on a 100% joint venture basis)
- Over $358.1m on mining, washing and delivering coal onto trains at our mine sites
- Over $202.2m in port and rail charges for track access haulage costs and port costs
- More than $182,000 towards local education activities and community groups

Under New South Wales Government regulations, a royalty of 8.2% (open cut) and 7.2% (underground) is payable on all of Whitehaven’s revenue. The royalty amount is based on the Australian sales price less allowable beneficiation costs and levies.

COMMUNITY

VOLUNTARY PLANNING AGREEMENTS

As part of the approval process, Whitehaven has entered into Voluntary Planning Agreements with local Government to contribute towards the cost of local infrastructure and facilities. Whitehaven's Voluntary Planning Agreements are listed below:

SITE	TOTAL AMOUNT CONTRIBUTED	PURPOSE
Maules Creek	$6m over two years	Funds to be utilised on the upgrade of infrastructure and road including Therribri Road, Baan Baa water supply and Tarrioro Bridge.
	$5m over five years	Funds to be utilised on the upgrade of the Narrabri Airport.
	$1.2m over two years	Funds to be utilised on CBD upgrades in the Narrabri Shire.
	$800k over three years	Funds to be utilised on various projects within the township of Boggabri and its surrounds.
	$275k over three years	Funds to be contributed to the Maules Creek Community.
	$100k	To be allocated to an environmental fund.
	Ongoing – approx $800k p.a.	Payment to Narrabri Shire council of $0.075 per saleable tonne, to be paid monthly. At full production this is expected to equate to approximately $800k per annum.
Tarrawonga	$1.4m over one year	Funds to be utilised for the construction of sealed roads around the Tarrawonga mine site with an emphasis on sealing Manila Road for the benefit of local residents. Unallocated funds to be spent at the discretion of Narrabri Shire Council.
	$100k	To be allocated to an environmental fund.
	Ongoing – approx $150k p.a.	Payment to Narrabri Shire Council of $0.075 per saleable tonne, to be paid monthly. At full production this is expected to equate to approximately $150k per annum.
Werris Creek	$300k	Spend over six years in consultation with Liverpool Plains Shire Council and community with two thirds to be spent in Werris Creek township.
Narrabri	$3.2m	Commenced in 2010 with funds directed to Narrabri Shire council for a range of requirements including the redevelopment of the Narrabri Swimming Pool Complex, Gunnedah Urban Riverine Scheme and Community Enhancement funds for Gunnedah and Narrabri over a 5 year period and the upgrade and seal of Kurrajong Creek Road.
Rocglen	$500k over five years	For local infrastructure matters.
Vickery	$5.25m	Gunnedah Shire Council Trust Account for community initiatives including: — Gunnedah Memorial Pool Upgrade — Urban Road Maintenance — Rural Road Maintenance — Cycleway and Recreational Facilities — Support of Gunnedah Mens Shed — Support of the Doreathea McKellar Society
	$2.25m	Narrabri Shire Council Trust Account for community initiatives including: — Boggabri Community Hall — Boggabri Swimming Pool — Bus Shelter Kamileroi Highway, Boggabri — Boggabri Sewerage Capacity Upgrade — Boggabri Preschool — Boggabri Childcare — Narrabri Airport Upgrade

“WE STRIVE TO BUILD GOOD RELATIONSHIPS WITH THE COMMUNITIES WHERE THE COMPANY OPERATES. WE ENGAGE WITH THEM TO UNDERSTAND THE SOCIAL, ENVIRONMENTAL AND ECONOMIC IMPLICATIONS OF OUR ACTIVITIES AND SEEK TO MINIMISE THE NEGATIVE IMPACTS ON THE PLACES WHERE WE WORK.”

CASE STUDY

Members of the Gunnedah Chamber of Commerce supported a motion stating the chamber understood the importance of Whitehaven Coal and the Maules Creek mine project to the district.

Chamber president Ann Luke handed the document outlining its support to Paul Flynn at a site visit of Maules Creek.

“Chamber members canvassed have reported an estimated $20m in district in direct income from construction contracts and sub-contracts already this year which has been re-invested in the Gunnedah economy, families and community,” the chamber letter said.

“We acknowledge and appreciate the local procurement policies implemented by Whitehaven Coal during the construction phase.”

The Chamber said business confidence and growth in the region had increased, along with new housing developments and businesses like Aldi opening.

COMPLAINTS

We accept that we cannot meet everybody’s concern and expectations. However, wherever we operate we seek to do so with broad-based community support. By listening carefully to the concerns of our stakeholders, we work to create mutually beneficial outcomes for all. Information on Group-wide complaints are available on our website at www.whitehavencoal.com.au/environment.cfm

ABORIGINAL ENGAGEMENT

ABORIGINAL COMMUNITY RELATIONS

Why these Issues are Important to us

As a proudly Australian company that calls the Gunnedah Basin its home, Whitehaven values local communities and is keen to ensure benefits flowing from our operations accrue locally – including to Aboriginal and Torres Strait Islander communities.

Approach

By listening, learning, understanding and initiating actions that can support Aboriginal and Torres Strait Islander peoples, we now have a number of projects and partnerships including a Reconciliation Action Plan that has been endorsed by Reconciliation Australia that will deliver opportunities and assistance in areas of greatest need.

Our approach focuses meaningful engagement and programs that can address issues affecting Aboriginal and Torres Strait Islander people within the region. We believe that the best way we can assist to improve the lives of local Aboriginal and Torres Strait Islander people is by offering the opportunity of stable, long-term employment and by supporting access to education from kindergarten through to university and mature age.

Key priorities

— Within five years of Maules Creek commencing production, 10% of the 400 plus strong workforce at the mine will be local Aboriginal and Torres Strait Islander peoples. Following our recent employee engagement survey, as at 30 June 2015 8% of our total workforce self-identify as Aboriginal or Torres Strait Islander. At Maules Creek, this is figure is 15.5%.

— As part of the company's Reconciliation Action Plan, we are progressing programs in a number of areas which can broadly be categorised under:

> Employment

> Education and Training

> Health

> Cultural Awareness and Understanding

> Economic Development and Potential Partnerships

Initiatives and support

Whitehaven's Aboriginal Engagement Strategy seeks to build on and develop relationships with Aboriginal and Torres Strait Islander communities within the region. The Company employs a dedicated Aboriginal Community Relations Officer, has developed a Reconciliation Action Plan and has supported a range of cultural and educational initiatives in the past year. The Reconciliation Action Plan is available on the Whitehaven website.

"WHITEHAVEN VALUES LOCAL COMMUNITIES AND IS KEEN TO ENSURE BENEFITS FLOWING FROM OUR OPERATIONS ACCRUE LOCALLY – INCLUDING TO ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITIES."

CASE STUDY – EMPLOYMENT

Derek Talbott

Derek Talbott started work on the Maules Creek Project with Leighton Contractors, flying in from Brisbane, where he was living with his wife and children. Derek was born in Gunnedah and lived in the local area for most of his life until the search for work took him further north. His new job working with Whitehaven has given him the opportunity to come home.

"I'm enjoying it," said Derek, "it gets me back home. Work has been scarce around here, but I'm really pleased to be able to come back home and take full advantage of the opportunity Whitehaven has given me. My whole family including mum and nan are ecstatic about me securing a career in the mining industry."

Darrin Trindall

Darrin Trindall, a trainee plant operator at the Maules Creek operation, is an example of the success the program is having. Employed late last year as part of our Indigenous employment program, the role was the fulfilment of a long-held dream of returning to live and work in his traditional homeland of Narrabri.

"I have always wanted to be a plant operator," said Darrin. "And when the opportunity with Whitehaven came up, I went for it. I'd spent 12 years working as a nurse in remote Aboriginal communities in the Northern Territory, and then went into civil construction. Once I had children, I wanted a career change, and I have always wanted to come home to Narrabri, so for me the opportunity at Whitehaven is a dream come true."

In addition to our employment commitments, these initiatives include:

EDUCATION

Whitehaven donated $40K to the Winanga-Li Aboriginal Child and Family Centre for the purchase of the centre's existing mini-bus, which had previously been leased. This enables families with no adequate transport to get their children to preschool, a vital logistic component in the early education of Aboriginal children in Gunnedah. The centre brings together a range of family, early childhood and health services for the region, catering for 35 children from birth to eight years of age and their families.

LOCAL ABORIGINAL WOMEN

Whitehaven hosted an Aboriginal Women in Mining day at Winanga-Li Centre, where participants were offered career insights into what the industry has to offer. A group of 10 local Aboriginal women attended with activities including a training pit and simulator, courtesy of training partners Skilled and Tesa. Discussion on the day included access to child care and flexible working priorities.

CULTURAL AWARENESS AND UNDERSTANDING

Whitehaven commissioned art works from local Gomeroi artist Ronny Long.

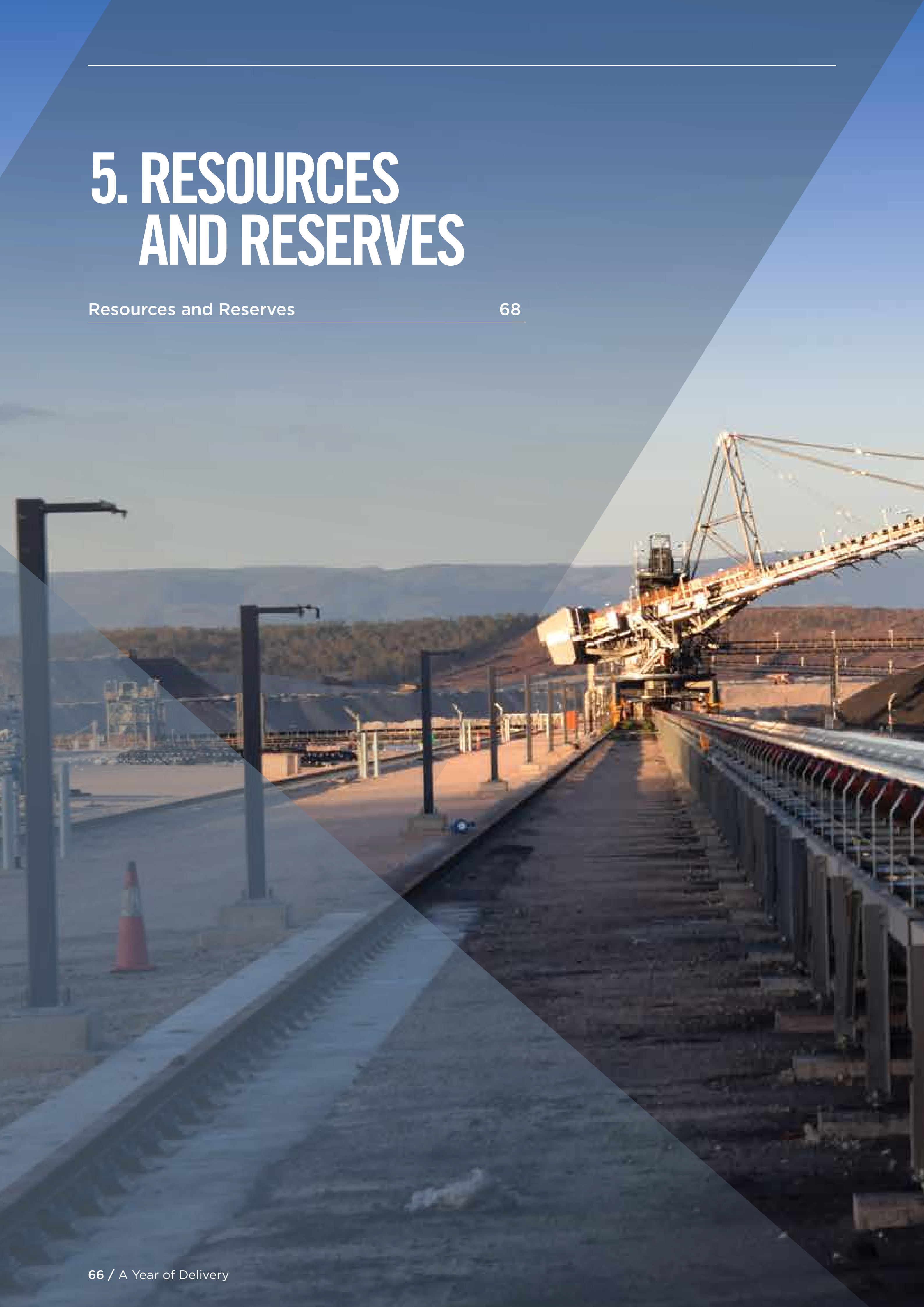
The art works completed in ink have images that are iconic to Aboriginal people in the area. The hand stencils, the emu and kangaroo footprints and lastly the Emu (Dhinawan) which has an important story to tell on the land and in the sky. The artworks can be seen on the previous page and also feature in our Reconciliation Action Plan document which can be found on the Whitehaven website.

Elsewhere since 2007 Werris Creek coal mine has stored ten sandstone boulders with 43 axe grinding groves in accordance with the management plan.

The mine was subsequently approached by the Nungaroo Local Aboriginal Land Council and the Liverpool Plains Shire Council Aboriginal Advisory Committee to relocate the Narrawolga Axe Grinding Groove Rocks from the site to the Willow Tree Visitor Information Centre for public display.

The Narrawolga Axe Grinding Groove Rocks were relocated from the temporary storage facility at Werris Creek to the Willow Tree Visitor Information Centre on 15 April 2015, following 13 months of planning.

5. RESOURCES AND RESERVES



RESOURCES AND RESERVES

COAL RESOURCES – AUGUST 2015

TENEMENT		MEASURED RESOURCE	INDICATED RESOURCE	INFERRED RESOURCE	TOTAL RESOURCE	COMPETENT PERSON	REPORT DATE
Vickery Opencut	CL316/EL4699/ EL7407	230	165	110	505	1	Jun 15
Vickery Underground	CL316/EL4699/ EL7407/EL8224/ EL5831	–	95	135	230	1	Jun 15
Rocglen Opencut	ML1620	7	4	–	11	2	Mar 15
Rocglen Underground	ML1620	–	3	1	4	2	Mar 15
Tarrawonga Opencut*	EL5967/ML1579 ML1685/ML1693	48	18	13	79	3	Mar 15
Tarrawonga 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	ML1563/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
TOTAL COAL RESOURCES		**1025**	**1564**	**1448**	**4037**		

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 Tarrawonga 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.

COAL RESERVES – AUGUST 2015

TENEMENT		RECOVERABLE RESERVES PROVED	PROBABLE	TOTAL	MARKETABLE RESERVES PROVED	PROBABLE	TOTAL	COMPETENT PERSON	REPORT DATE
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
Tarrawonga Opencut *	EL5967 / ML1579 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
TOTAL COAL RESOURCES		**336**	**538**	**874**	**314**	**475**	**789**		

1. Doug Sillar, 2. Graeme Rigg

* * Whitehaven owns 70% share of opencut reserves within ML1579, ML1685 and ML1693. The total combined reserve for Tarrawonga 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.

Coal Resources and Reserves for active mining areas are as at the 31st of March 2015. Production for the quarter ended 30 June 2015 is detailed in the June 2015 Quarterly Report. Please see the Whitehaven Coal website (www.whitehavencoal.com.au) for all the Coal Resource and Coal Reserve Table 1 details.

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 with 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).

6. LEADERSHIP AND MANAGEMENT

CORPORATE GOVERNANCE

Our Board is focused on high standards of governance, compliance, business conduct, safety and environmental performance – all of which are vital to Whitehaven's performance. It is our belief that high quality corporate governance supports long-term value creation for shareholders and other stakeholders. With this in mind, we have reviewed our corporate governance and reporting practices and our corporate governance statement has been made available on our website this year, in the section titled Corporate Governance: www.whitehavencoal.com.au/about_us/corporate_governance.cfm

DIRECTORS

The Hon. Mark Vaile AO

John Conde AO

Paul Flynn

THE HON. MARK VAILE AO

Chairman and Independent Non-executive Director
Appointed: 3 May 2012

As Deputy Prime Minister of Australia and Leader of the National Party from 2005 to 2007, Mark established an extensive network of contacts throughout Australia and East Asia. His focus at home was with regional Australia and particularly northern NSW. As one of Australia's longest serving Trade Ministers from 1999 through until 2006, Mark led negotiations which resulted in Free Trade Agreements being concluded with the United States of America, Singapore and Thailand as well as launching negotiations with China, Japan and ASEAN.

Importantly, early in his Ministerial career as the Minister for Transport and Regional Services, Mark was instrumental in the establishment of the ARTC which operates the Hunter Valley rail network.

Mark brings significant experience as a company director, having been Chairman of Aston Resources and CBD Energy Limited, and is currently an independent Director on the boards of Virgin Australia Limited and Servcorp Limited which are both listed on the ASX. Mark is also a Director of Stamford Land Corp which is listed on the Singapore Stock Exchange, a Director Trustee of HostPlus Superfund and Chairman of Palisade Regional Infrastructure Fund.

JOHN C CONDE AO

BSc, BE (Electrical) (Hons), MBA (Dist)

Deputy Chairman and Independent Non-executive Director
Appointed: 3 May 2007

John has over 30 years of broad based commercial experience across a number of industries, including the energy sector, and was chairman of the company prior to the merger with Aston Resources. John is chairman of Bupa Australia and New Zealand, Cooper Energy Limited and The McGrath Foundation. He is also president of the Commonwealth Remuneration Tribunal and a non-executive director of the Dexus Property Group. He retired as chairman of the Sydney Symphony Orchestra in May 2015. He was previously chairman of Ausgrid (formerly Energy Australia) and Destination NSW. He was formerly chairman and managing director of Broadcast Investment Holdings, as well as a non-executive director of BHP Billiton Limited and Excel Coal Limited.

PAUL FLYNN

BComm, FCA

Managing Director
Appointed: 25 March 2013

Previously Non-executive Director
Appointed: 3 May 2012

Paul has extensive experience in the mining, infrastructure, construction and energy sectors gained through 20 years as a professional advisor at Ernst & Young. Paul was formerly Chief Executive Officer and Managing Director of the Tinkler Group. Prior to joining the Tinkler Group, Paul was the managing partner of Ernst & Young's Sydney office and a member of its Oceania executive team. As a partner for over eight years, Paul managed many of the firm's largest mining and energy clients across Australia, Asia, South and North America. Paul has also fulfilled various leadership roles with large corporations on secondment including as the CFO of a top 50 listed company.

TONY HAGGARTY

MComm, FAICD

Non-executive Director from 25 March 2013

Previously Managing Director to 24 March 2013

Appointed: 3 May 2007

Tony has over 30 years' experience in the development, management and financing of mining companies, and was co-founder and Managing Director of Excel Coal Limited from 1993 to 2006. Prior to this, Tony worked for BP Coal and BP Finance in Sydney and London, and for Agipcoal as the Managing Director of its Australian subsidiary. Tony was appointed to the Board of Whitehaven on 3 May 2007 and was appointed Managing Director on 17 October 2008.

CHRISTINE MCLOUGHLIN

BA, LLB (Honours), FAICD

Independent Non-executive Director

Appointed: 3 May 2012

Christine has more than 25 years' experience working in diverse and highly regulated sectors in Australia, UK and South East Asian markets. Christine has expertise in strategy, risk, stakeholder engagement and human resources in industries including financial services, telecommunications, health and nuclear science. Christine is currently a Director of Suncorp Group Limited, nib Holdings Ltd and Spark Infrastructure Group. She was formerly Chairman of the Australian Payments Council and a former Director of the Australian Nuclear Science & Technology Organisation (ANSTO), the Victorian Transport Accident Commission and Westpac insurance companies in Australia and New Zealand.

RAYMOND ZAGE

BSc Finance

Non-executive Director

Appointed: 27 August 2013

Raymond is the Managing Director and Chief Executive Officer of Farallon Capital Asia which is responsible for investing capital in Asia on behalf of Farallon Capital Management, one of the largest alternative asset managers in the world. Raymond has been involved in investments throughout Asia in various industries including financial services, infrastructure, manufacturing, energy and real estate. Previously Raymond was in the investment banking division of Goldman, Sachs & Co. in Singapore, New York and Los Angeles.

DR JULIE BEEBY

BSc (Hons I), PhD (Physical Chemistry), MBA, FAICD

Independent Non-executive Director

Appointed: 17 July 2015

Julie has more than 25 years' experience in the minerals and petroleum industries in Australia including major Australian and US resources companies and as Chief Executive Officer of WestSide Corporation, an ASX listed, Queensland-based coal seam gas company. Julie has technical, operations and strategy expertise and has held senior and executive positions in coal mining, mining services and coal seam gas after commencing her career in coal and mineral processing research. Julie is currently the Chairman of the Board of the Queensland Electricity Transmission Corporation Limited, Powerlink Queensland, and has previously held non-executive director positions on the Boards of Gloucester Coal Limited, Forge Group Limited, CRC Mining, Queensland Resources Council and Australian Coal Research.

RICK GAZZARD

BE (Mining) Honours

Independent Non-executive Director

Appointed: 3 May 2012
Resigned: 16 July 2015

PHILIP CHRISTENSEN

BComm, LLB

Independent Non-executive Director

Appointed: 3 May 2012
Resigned: 14 July 2014

Tony Haggarty

Christine McLoughlin

Raymond Zage

Dr Julie Beeby

SENIOR EXECUTIVES


Paul Flynn


Timothy Burt


Kevin Ball

PAUL FLYNN

Managing Director and Chief Executive Officer

Refer to details set out on page 72.

TIMOTHY BURT

B.Ec, LLB (Hons) LLM

General Counsel and Company Secretary

Timothy joined Whitehaven as General Counsel and Company Secretary in July 2009. He has 19 years' ASX Listed company legal, secretarial and governance experience across a range of industries. Prior to joining Whitehaven, Timothy held senior roles at ASX listed companies Boral Limited, UGL Limited and Australian National Industries Limited. He holds a Master of Laws from the University of Sydney.

KEVIN BALL

BComm, CA

Chief Financial Officer

Appointed as Chief Financial Officer of Whitehaven Coal in December 2013, Kevin has over 25 years' experience working in the mineral and energy industry across coal, oil and gas and in complex consulting practices.

Kevin is a Chartered Accountant having spent 11 years with Ernst & Young, predominantly in the natural resources group, and has a graduate Diploma in Geoscience (Mineral Economics) from Macquarie University.

BRIAN COLE

BE (Civil-H1), M Eng Science, MBA, Fellow IE Aust, C P Eng., M AIMM

Executive General Manager – Project Delivery

Brian has more than 35 years of experience in heavy engineering projects and operations at an executive level in the energy related sector and has been focused on the Maules Creek project and other brownfields capital projects within the Whitehaven portfolio.

Most recently Brian managed the construction of the three stages of the third coal terminal in Newcastle for NCIG with a combined capital cost circa $2.8 billion.

JAMIE FRANKCOMBE

BE (Mining), MBA (Technology)

Executive General Manager – Operations

Jamie was appointed Executive General Manager – Operations in February 2013.

Jamie was previously Director Operations at Fortescue Metals Group Ltd. Prior to that he has had extensive senior experience in coal mine operations and development including as the Chief Operating Officer of PT Adaro Indonesia, Executive General Manager – Americas for Xstrata Coal and General Manager Operations for Xstrata Coal's Hunter Valley open cut operations.

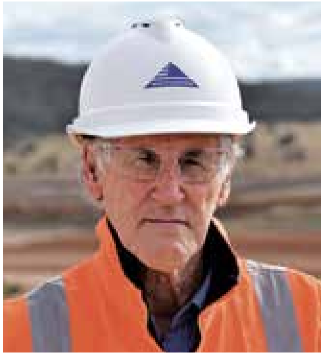
Jamie holds a Bachelor of Engineering (Mining) from Wollongong University and a Master of Business Administration (Technology) from APESMA Deakin University. Additionally he holds First Class Certificate of Competency qualifications for both the NSW and Queensland coal industry.

SCOTT KNIGHTS

BEcons (Hons)

Executive General Manager – Marketing

Scott was appointed Executive General Manager – Marketing in August 2014. Prior to joining Whitehaven he was Vice President Sales, Marketing and Logistics for Peabody Energy Australia. Scott has over 23 years of experience in a wide range of commercial roles including marketing, sales, logistics, management and business strategy in the commodities sector, working for Peabody Energy, Rio Tinto, PwC and Renison Goldfields Consolidated.

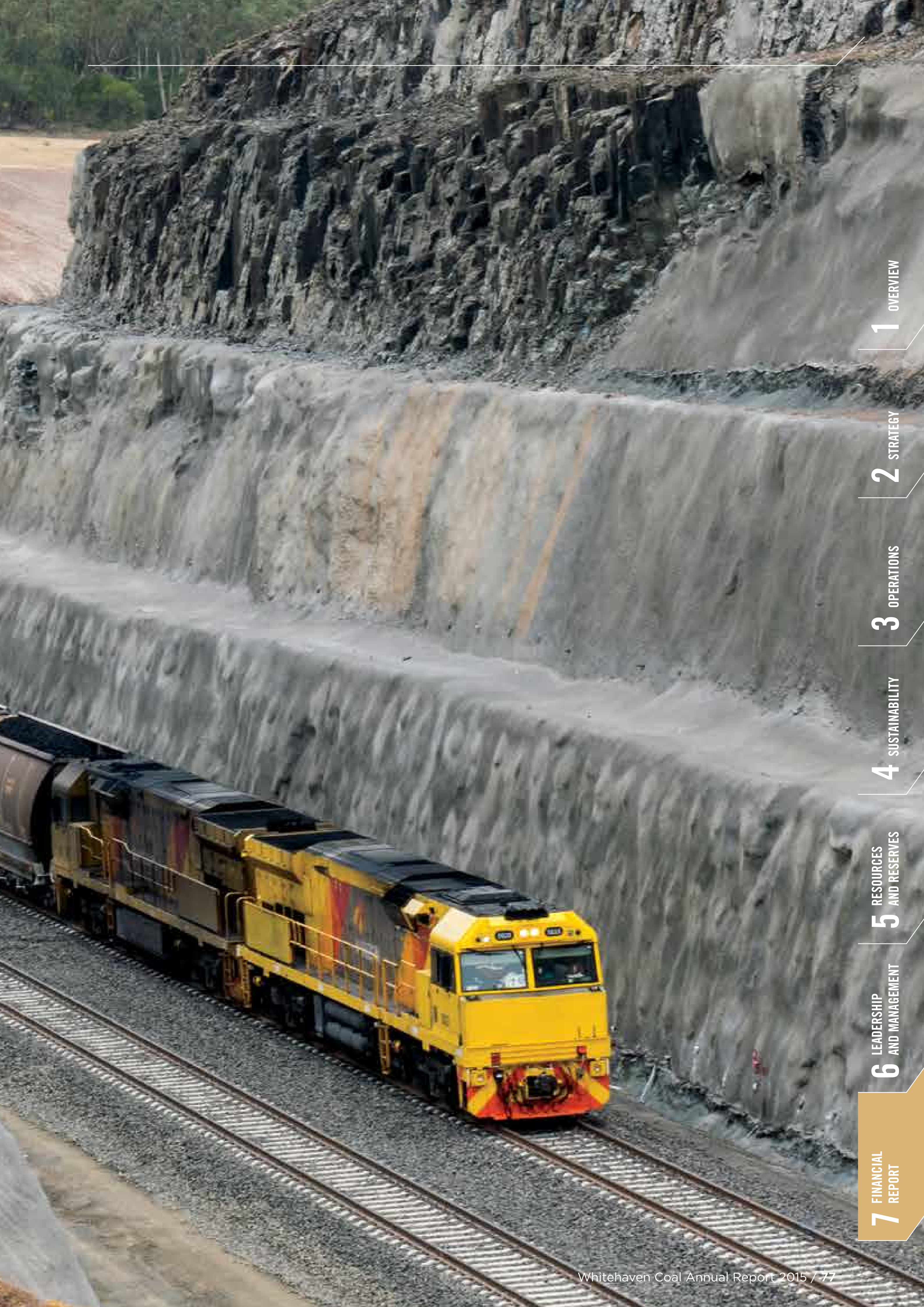


Brian Cole

Jamie Frankcombe

Scott Knights

7. FINANCIAL REPORT



DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report of Whitehaven Coal Limited ('the Company' or 'Whitehaven'), being the Company, its subsidiaries, and the consolidated entity's interest in joint ventures for the year ended 30 June 2015 and the auditor's report thereon.

1. PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was the development and operation of coal mines in New South Wales. During the year ended 30 June 2015, Whitehaven Coal Limited and its controlled entities ('the Group') substantially completed construction of the Maules Creek open cut mine.

In the opinion of the directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year that have not been noted in the review of operations.

2. DIRECTORS AND EXECUTIVES

2(a) Directors

See pages 72 to 73.

2(b) Senior Executives

See pages 74 to 75.

2(c) Directors' Interests

The relevant interest of each director in the shares and options issued by the Company, as notified by the directors to the Australian Securities Exchange in accordance with section 205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

DIRECTOR	ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES	GRANTED
Mark Vaile	2,567,767	189,000	1 May 2012
John Conde	378,605	–	–
Paul Flynn	265,792	–	–
Tony Haggarty	20,060,787	–	–
Christine McLoughlin	55,000	–	–
Ray Zage	–	–	–
Julie Beeby	–	–	–

2(d) Directors' Meetings

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

DIRECTOR	DIRECTORS' MEETINGS		AUDIT & RISK MANAGEMENT COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS		HEALTH, SAFETY, ENVIRONMENT & COMMUNITY COMMITTEE MEETINGS		GOVERNANCE & NOMINATIONS COMMITTEE MEETINGS	
	A	B	A	B	A	B	A	B	A	B
Mark Vaile	14	14	6	6	5	5	–	–	2	2
John Conde	14	14	6	6	5	5	–	–	2	2
Paul Flynn	14	14	–	–	–	–	–	–	–	–
Rick Gazzard	14	14	6	6	–	–	4	4	–	–
Tony Haggarty	14	11	–	–	–	–	4	4	–	–
Christine McLoughlin	14	14	–	–	5	5	4	4	2	2
Ray Zage	14	14	–	–	–	–	–	–	–	–

A – Number of meetings held during the time the Director held office during the year
B – Number of meetings attended

3. DIVIDENDS

3(a) Dividends

Paid During the Year

During the year the Company did not pay any dividends.

Declared After End of Year

Directors have resolved not to declare a dividend in respect of the 2015 financial year.

3(b) Share Options

Shares Issued on Exercise of Options

During the reporting period no options have been exercised.

Unissued Shares Under Options

At the date of this report there were 16,872,910 unissued ordinary shares of the Company under options (16,872,910 at the reporting date). Refer to note 32 of the financial statements for further details of the options outstanding.

3(c) Indemnification and Insurance of Officers

Indemnification

The Company has agreed to indemnify, to the fullest extent permitted by law, all current and former directors of the Company against liabilities that may arise from their position as directors of the Company and its controlled entities. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance Premiums

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts. Such insurance contracts insure persons who are or have been directors or officers of the Company or its controlled entities against certain liabilities (subject to certain exclusions).

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

3(d) Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

DIRECTORS' REPORT

3(e) Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 and dated 10 July 1998 and, in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

4. OPERATING AND FINANCIAL REVIEW

Financial Headlines

— Operating EBITDA before significant items increased by 44% to $130.3m

— Operating cash flows increased by 97% to $213.4m

— Net debt of $935.8m at 30 June 2015

— Conservatively geared at 25% at 30 June 2015

— Statutory loss after tax increased by 792% to $342.7m. The statutory loss after tax was due predominantly to three non-cash significant items:

> An impairment charge taken on early stage exploration assets. The impairment charge reflects the recently changed coal market environment and prospects for early stage exploration assets, particularly assets that are higher in ash and lower in energy and that would have been targeted towards customers based in China

> An impairment charge taken upon de-recognition of MRRT related deferred tax and goodwill balances as a result of the enactment of legislation repealing the MRRT (as disclosed in the half year financial statements)

> The write-off of deferred initial establishment costs in relation to the Group's previous financial facility which was replaced by a new facility in March 2015 (as disclosed in the March Quarterly Production Report)

The following table summarises the key reconciling items between the Group's operating EBITDA before significant items and its statutory loss.

WHITEHAVEN COAL LIMITED – CONSOLIDATED	FY2015 $ MILLION	FY2014 $ MILLION
Revenue	763.3	755.4
Net loss before significant items	**(10.7)**	**(28.4)**
Significant items after tax (refer to note 7)	(332.0)	(10.0)
Net loss for the period	(342.7)	(38.4)
Operating EBITDA before significant items	**130.3**	**90.4**
Significant items before tax and financing (refer to note 7)	(447.3)	(14.3)
Net interest expense (refer to note 12)	(67.8)	(52.8)
Depreciation and amortisation	(97.6)	(79.5)
Loss on investments and asset disposals	(0.9)	(0.1)
Loss before tax	(483.3)	(56.3)

The 30 June 2015 statutory result includes the impact of the following significant items (refer to note 7):

— A $355.0m impairment charge in relation to early stage exploration assets

— De-recognition of MRRT related deferred tax liability ($25.8m) and MRRT goodwill ($90.7m) balances as a result of the enactment of legislation repealing the MRRT, resulting in a net profit or loss charge of $64.9m

— The write-off of $23.1m of deferred up-front costs in relation to the retired debt facility

— Redundancy costs following restructure of the Gunnedah Coal Preparation and Handling Plant

— Provisions established in relation to amounts receivable

Review of Financial Performance

Group EBITDA before significant items of $130.3m has increased by 44% compared to $90.4m in FY2014. The improved result was driven by the benefits of a substantial reduction in unit costs of production, increased production and sales volumes and by eliminating coal purchases, however these improvements were partially offset by a lower average selling price realised for coal sold.

The key factors that contributed to the improved EBITDA result in the year include:

— A safer workplace

— A strong production result. FOB costs per saleable tonne of $61 in FY2015 have decreased by 12% from $69 reported in FY2014. The company's FOB cost per saleable tonne has declined for 2.5 years in the period since the commencement of the first half of FY2013. These savings have contributed to the Group being able to defend and grow average EBITDA margins. The key drivers of the significant reduction in unit costs during the year include:

> Productivity improvements – the underground operation at Narrabri and smaller open cut mines have contributed to improvements in output with similar or less manning:

- Narrabri saleable coal production (equity) of 5.0Mt was 1.3Mt or 37% above production in FY2014. Production during FY2015 exceeded nameplate capacity and reflects the operational and technical improvements of the last two financial years. The increase in production, when combined with tight cost control, has led to a reduction in unit costs in FY2015
- Production in FY2015 from smaller open cuts was slightly below FY2014, however overall unit costs decreased largely as a result of improved productivity and a focus on containing costs

> Procurement related savings included a range of initiatives – the benefit of a full year from renegotiated explosives, rail and road haulage contracts, and from renegotiated contracts for the supply of goods and services

> In addition, ARTC completed its Gunnedah Basin track upgrade from 25 tonne axle loads to 30 tonne axle loads in January 2015. The upgrade allows larger 8,000 tonne capacity trains to operate from all Whitehaven load points on the system

> Port costs have also been reducing, but the Hunter Valley flood event in April led to delays at the port of Newcastle and as a consequence demurrage costs have increased this year

> Flat administration costs – production has grown by 33% in FY2015 yet administration costs have grown by only 0.5%

> The fall in world crude oil prices in FY2015 has contributed to decreased unit costs of coal production. That fall has similarly affected all coal producers and caused a decrease in the input costs of coal production which has contributed to the falls in the US$ prices for coal that all seaborne coal producers have experienced in CY2015

> Despite a 9% increase in FY2015 sales of coal to 9.5mt from 8.7mt (includes 0.5mt of purchased coal), gross revenues only increased by $7.9m (1%) to $763.3m in FY2015 from $755.4m in FY2014. The 9% increased sales volume was largely offset by a 7% decrease in A$ average realised selling prices.

A$ prices fell to A$80 per tonne in FY2015 from A$86 per tonne in FY2014. Average US$ denominated coal prices fell 16% while the A$:US$ exchange rate improved by 8%.

The mix of sales between thermal (82% of volume) and metallurgical coal products (18%) in the year ended 30 June 2015 is consistent with the previous financial year and so did not contribute to the fall in average selling prices that was experienced.

> All coal sold in FY2015 was supplied from Whitehaven mines whereas in the prior financial year 0.5Mt of sales were met using purchased coal.

> The Group's ability to meet sales commitments exclusively with coal produced from Group owned mines reflects the benefit of the expanded portfolio of mines. As production from Maules Creek Open Cut is ramped up in 2016 and beyond, this benefit will further improve. Maules Creek product is a high quality coal that is attractive to our customers in Japan, Korea, Taiwan and India. Its presence in the Group's portfolio will provide greater access to these premium markets

The results of operations from Maules Creek have been treated as pre-commercial during the year ended 30 June 2015. This means that the surplus of revenues received from the sale of coal over the costs of producing the coal have not been reflected in the Statement of Comprehensive Income of the Group during the year, instead that net margin has been offset against the costs of constructing the mine as reported in the Statement of Financial Position.

Maules Creek commenced commercial operations on 1 July 2015. The financial performance of the mine will be reflected in the Group's Statement of Comprehensive Income for the financial year ending 30 June 2016.

DIRECTORS' REPORT

4. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Cash Flows & Capital Management

CASH FLOWS	FY2015	FY2014
Operating cash flows ($ million)	213.4	108.6
Investing cash flows ($ million)	(436.4)	(319.9)
Senior facility drawings ($million)	275.0	180.0

CAPITAL MANAGEMENT & BALANCE SHEET	30 JUNE 2015	30 JUNE 2014
Cash on hand ($ million)	102.4	103.2
Undrawn syndicated facility ($ million)	300.0	375.0
Interest bearing liabilities ($ million)	1,038.2	788.4
Net debt ($ million)	935.8	685.2
Net assets ($ million)	2,865.0	3,206.5
Gearing ratio[1]	24.6%	17.6%

1. Net Debt/(Net Debt plus Equity)

Cash Flow Commentary

Operating Cash Flows

Operating cash flows of $213.4m have increased by 97% from the prior year. The improvement reflects the following factors:

— Increased EBITDA before significant items of $39.9m to $130.3m in FY2015 from $90.4m in FY2014, for the reasons set out elsewhere in this report

— The refund of income taxes of $42m following the favourable resolution of a claim for accelerated deductions at Maules Creek. Operating cash flows in the prior year benefited from a $25m refund in relation to a similar deduction in respect of Narrabri

— A decrease in working capital in FY2015 (excluding working capital at Maules Creek which is treated as pre-commercial and impacts investing cash flows)

Investing Cash Flows

Investing cash outflows of $436.4m in the year ended 30 June 2015 reflect an increase of $116.5m compared to FY2014. The following factors have affected investing cash outflows:

— Maules Creek construction expenditures including capex working capital impacts

— Narrabri development expenditures for both mains and gate roads

— Narrabri longwall second shearer and BSL deposit payments

— Upgrades to rail loops at Werris Creek and Gunnedah to accommodate 30 tonne axle loads ("TAL")

— Remaining capital spend across the group was tightly controlled and related to sustaining capital required at each of the mines

— Exploration expenditures were lower in FY2015 than in FY2014

Almost 50% of investing cash flows were funded by cash generated by operations.

Financing Cash Flows

Drawings in FY2015 of $275m from the senior debt facility were used to:

— Meet investing cash flows

— Fund repayments in relation to asset leasing facilities

— Fund initial establishment costs of the new Senior Secured Bank Facility

Capital Management and Balance Sheet Commentary

Cash on hand at 30 June 2015 of $102.4m is consistent with the cash balance at 30 June 2014.

The Group established a new A$1.4 billion Senior Secured Bank Facility in March 2015 provided by a syndicate of Australian and international banks. The new facility is comprised of $1.2 billion drawable and a $0.2 billion guarantee facility. The new facility's A$1.2 billion drawable line of credit is for general corporate purposes and has a maturity of July 2019.

The new facility is $0.2 billion larger, and has more favourable terms, than the facility that it replaced. In particular, the margin and initial establishment fees have been reduced substantially from the previous facility – reflecting the credit transformation of the company.

Net Debt at 30 June 2015 was $935.8m, an increase of $250.6m from 30 June 2014. The increase has primarily been used to fund the Group's share of Maules Creek development expenditure, repayments made of the Group's asset leasing facilities and to meet establishment costs associated with the new debt facility.

While the gearing ratio remains low, the increase above FY2014 is largely represented by construction expenditures in relation to the Maules Creek mine. The gearing ratio has also been affected by the non-cash impairment charge in relation to exploration expenditures recorded in FY2015 and by impairment charges related to the repeal of the MRRT legislation.

Undrawn capacity of $300m remains at 30 June 2015.

Consolidated Equity Production, Sales and Coal Stocks

WHITEHAVEN TOTAL (000t)	FY2015	FY2014	MOVEMENT
ROM coal production	12,205	9,177	33%
Saleable coal production	11,255	8,161	38%
Sales of produced coal	10,859	8,215	32%
Sales of purchased coal	–	511	–
Total coal sales	10,859	8,726	24%
Coal stocks at year end	2,035	1,275	60%

The data set out in the above table is presented on an equity basis and includes the Group's share of Maules Creek pre-commercial production, sales and coal stock tonnages.

Significant highlights for FY2015 include:

— A 35% improvement in the TRIFR to 9.2

— Record ROM and Saleable coal production for the year

— Narrabri has become one of the most productive longwall underground mines in Australia establishing several production records during the year

— First coal railed from Maules Creek three months ahead of the original schedule

— Pre-commercial ROM coal production from Maules Creek of 2.6Mt (managed) in FY2015

— Maules Creek capital expenditure initial savings declared for the project

— Construction at Maules Creek approaching completion with the mine declared commercial on 1 July 2015

— Sustainable cost reductions achieved at all operating mines through continuing operational improvements

Review of Operations – Safety

Providing a safe working environment for employees is critical at Whitehaven Coal and is key to the Group's improving financial performance. Whitehaven Coal provides training, equipment, resources and systems to create the safest possible work environment at each site. Building a culture of safety awareness is the foundation for continuous improvement to exceed targets and to exceed industry averages.

As part of the Company's Health and Safety Policy, Whitehaven Coal aims to:

— Achieve zero workplace injuries and illnesses

— Achieve zero plant and equipment damage

— Achieve zero environmental incidents

DIRECTORS' REPORT

4. OPERATING AND FINANCIAL REVIEW (CONTINUED)

2015 Performance

Whitehaven Coal achieved a significant safety milestone in FY2015 following the introduction of the seven "Safehaven Rules" in late FY2014:

— Achieved lowest Whitehaven Coal Group TRIFR of 9.2, 35% lower than the rate at the end of the previous year

— The TRIFR is significantly below the NSW average coal mining rate of 16.81

Maules Creek Project

See page 33.

Pre-commercial Production and Sales for FY2015

MAULES CREEK 100% (000t)	FY2015	FY2014	MOVEMENT
ROM coal production	2,614	Construction	–
Saleable coal production	2,231	Construction	–
Sales of produced coal	1,769	Construction	–
Coal stocks at year end	779	Construction	–

Narrabri

See page 34.

Production and Sales for FY2015

NARRABRI MINE 100% (000t)	FY2015	FY2014	MOVEMENT
ROM coal production	7,703	5,659	36%
Saleable coal production	7,193	5,249	37%
Sales of produced coal	7,071	5,145	37%
Coal stocks at year end	1,038	556	87%

Open Cut Mines (Excluding Maules Creek)

See page 37.

Production and Sales for FY2015

OPEN CUTS 100% (000t)	FY2015	FY2014	MOVEMENT
ROM coal production	5,498	5,874	(6%)
Saleable coal production	5,095	5,060	1%
Sales of produced coal	5,147	5,206	(1%)
Coal stocks at year end	824	982	(16%)

Vickery

See page 38.

Exploration Projects

Whitehaven has several exploration and potential development projects in Queensland and New South Wales. These are early stage exploration projects. A decision was taken to record an impairment charge for these early stage projects in FY2015 because of the change in timeframe for their likely development, due to changes in market prospects for certain coal types.

In the current market environment the Company is focused on maintaining the tenements in good standing but is limiting its spending on those projects.

Infrastructure

Rail Track

Whitehaven contracts below rail capacity with the Australian Rail Track Corporation (ARTC). Whitehaven has contracted rail capacity that supports both current production volumes and immediate future growth in production.

ARTC is responsible for supplying track capacity to meet the track requirements of its customers. The ARTC provides its customers with clear upgrade paths. One of the key projects that the ARTC has undertaken over the last few years and one that was completed in January 2015 was an upgrade of the Gunnedah Basin rail system to support moving to 30 tonne axle loads (from 25 TAL) on coal wagons. This upgrade allowed 8,000 tonne capacity trains to operate from all load points on the system in 2015.

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 the haulage of up to 11.5Mtpa and the Aurizon contract provides for up to 16Mtpa. The company is able to align planned increases in production with contract rail haulage capacity by giving notice to the rail providers of the need for additional capacity. The contract structure supports the planned increases in Whitehaven's managed production levels.

Port Capacity

The company holds contracts for sufficient capacity at the port of Newcastle – either at NCIG or at PWCS – to support planned shipments in CY2015 and CY2016, however by CY2017 Whitehaven will require additional port capacity for the Maules Creek mine as it ramps up toward its approved 12Mtpa saleable coal production level. Discussions are in place with a number of producers to secure this additional port capacity from existing infrastructure. Additional port capacity will also need to be contracted to support development of Vickery.

Events Subsequent to Reporting Date

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

Outlook and Likely Developments

Whitehaven aims to become the premier independent coal company listed in Australia. This transformation commenced with the successful development of the Narrabri underground coal mine and has further advanced with the development of Maules Creek. The next major step toward achieving this goal will be when the Maules Creek mine achieves its design capacity of 13Mtpa ROM coal in FY2018. Significant progress was made during 2015 when the mine was declared commercial on 1 July 2015.

In FY2015 Whitehaven's Narrabri mine produced a record 7.7Mt of ROM Coal to become one of the most productive and lowest cost underground mines in Australia. Production from the mine in FY2016 will be lower than in FY2015 as two longwall changeouts will occur during the financial year. Maules Creek will continue to ramp up production and is expected to produce about 7.3Mt of ROM coal. The other open cut mines will produce a similar amount of coal in FY2016 as in FY2015 taking total production from all the mines to about 19.4Mt ROM coal.

Management remains focused on improving productivity and delivering further cost reductions across the operations. Additional production growth, underlying cost reductions and improvements in productivity have successfully positioned Whitehaven in the lowest cost quartile of the current coal industry cost curve. Further work will continue in these areas in an effort to cement the past three years' achievements in cost reductions.

In the higher quality segment of the seaborne thermal coal market where Whitehaven sells much of its coal, product availability is restricted which is providing price support. Continued demand growth in the premium seaborne thermal coal markets is likely to continue to support current pricing and lead to price increases once the market has progressed through the current rebalancing phase.

Although Whitehaven is not selling to China, Chinese imports of both metallurgical and thermal seaborne coal during the first half of calendar year 2015 have declined significantly following the introduction of new import policies.

The lower demand from the seaborne market has generally caused coal prices to fall. In response, producers have cut metallurgical coal production and redirected their coal into other end markets, however, increases in metallurgical coal production from Queensland's Bowen Basin producers has largely left the seaborne metallurgical coal market oversupplied. These factors have caused prices for metallurgical coal to fall. Further production cuts are required to rebalance the market.

Several Australian and Indonesian thermal producers have announced production cuts in response to lower Chinese demand and softer prices for high ash coal. These cuts are expected to reduce the oversupply particularly in the lower quality segment of the thermal coal market.

DIRECTORS' REPORT

4. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Risks Relating To Whitehaven's Future Prospects

Whitehaven operates in the coal sector. There are many factors, both specific to Whitehaven and to the coal industry in general, which may, either individually or in combination, affect the future operating and financial performance of the Group, its prospects and/or the value of Whitehaven shares. Many of the circumstances giving rise to these risks are beyond the control of the Whitehaven Directors and its management. The major risks believed to be associated with investment in Whitehaven are as follows:

Market Risks

The Company's future financial performance will be impacted by future coal prices and foreign exchange rates.

The factors which affect coal prices and demand include the outcome of future sales contract negotiations, general economic activity, industrial production levels, changes in foreign exchange rates, changes in energy demand and demand for steel, changes in the supply of seaborne coal, changes in international freight rates or other transportation infrastructure and costs, the cost of other commodities and substitutes for coal, market changes in coal quality requirements and government regulation which restricts the use of coal, imposes taxation on the resources industry or otherwise affects the likely volume of sales or pricing of coal.

Sales made under export contracts are denominated in US dollars. The Company uses forward exchange contracts (FECs) to hedge some of its currency risk in line with its hedging policy.

Operating Risks

The Company's coal mining operations are subject to operating risks that could result in decreased coal production which could reduce its revenues. Operational difficulties may impact the amount of coal produced at its coal mines, delay coal deliveries or increase the cost of mining for varying lengths of time. Such difficulties include (but are not limited to) weather (including flooding) and natural disasters, unexpected maintenance or technical problems, failure of key equipment, depletion of the Company's Reserves, increased or unexpected reclamation costs and interruptions due to transportation delays.

Geology Risks

Resource and Reserve estimates are stated to the JORC Code and are expressions of judgement based on knowledge, experience and industry practice. There are risks associated with such estimates, including that coal mined may be of a different quality, tonnage or strip ratio from those in the estimates.

Development Risks

There is a risk that circumstances (including unforeseen circumstances) may cause delays to project development, exploration milestones or other operating factors, resulting in the receipt of revenue at a date later than expected. Additionally, the construction of new projects/expansion by the Company may exceed the currently envisaged timeframe or cost for a variety of reasons outside of the control of the Company.

5. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

5(a) Auditor's Independence Declaration

In accordance with section 324DAA Corporations Act 2001 and the recommendation of the Audit & Risk Management Committee, the auditor's rotation period as auditor was extended for 2 years to 30 June 2015, subject to an annual performance assessment by the Chair of the Audit & Risk Management Committee.

The board is satisfied that the extension has maintained the quality of the audit and did not give rise to any conflicts of interest for the reasons set out below:

i. A new engagement quality review partner was appointed for the 2014 year end
ii. Extending the time period of the Lead Partner allowed the preservation of knowledge on the engagement given the changes in operations and the Board and Audit & Risk Management Committee composition
iii. The existing independence and service metrics in place are sufficient to ensure that auditor independence would not be diminished by such an extension

The 2 year extension to the auditor's rotation period has now expired and therefore there will be a new Lead Partner for the financial year ending 30 June 2016.

The auditor's independence declaration forms part of the Directors' report for financial year ended 30 June 2015. It is set out on page 108.

5(b) Non-audit Services

During the year Ernst & Young, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Management Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

— All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit & Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor; and

— The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, Ernst & Young, and their related practices for non-audit services provided during the year are set out below.

IN AUD	CONSOLIDATED 2015 ($)	CONSOLIDATED 2014 ($)
Non-audit services		
Ernst & Young		
Taxation services	126,962	–
Other non-audit services	65,000	149,253
Review of *National Greenhouse Energy Reporting Act* requirements	64,849	31,389
Assurance services for refinancing	299,134	–
Other assurance services	–	13,300
TOTAL	**555,945**	**193,942**

6. REMUNERATION REPORT (AUDITED)

6.1 Overview

The Board is committed to applying a fair and responsible executive remuneration framework. The Board believes that the current framework continues to serve shareholders well and has made the decision to leave the framework unchanged in 2015.

Our Remuneration Report for the year ended 30 June 2015 (FY2015) is designed to explain to shareholders the remuneration arrangements that exist within our framework as we strive to achieve our goal of creating the premier independent listed coal producer in Australia.

The progress that has been achieved is demonstrated by a 44% increase in EBITDA before significant items ("EBITDA") in FY2015, but as referred to earlier in this report statutory results have been adversely impacted by several non-cash charges. Despite the impact of these charges on the statutory result, the Board believes that Whitehaven has made considerable progress towards achieving its goal in this last financial year.

Against a challenging environment of lower global coal prices and a high exchange rate, Whitehaven's safety, operational and cost performances have combined to counter the impact of the price environment to deliver increased year-on-year operating EBITDA margins and a 44% increase in EBITDA to $130.3m in FY2015 from $90.4m in FY2014.

Safety TRIFR of 9.2 improved by 35%	EBITDA of $130.3m improved by 44%
ROM Production of 15.8 Mt improved by 37%	Costs of Production $61/t improved 12%
Saleable Production of 14.6mt improved by 41%	Average Selling Price of $80/t decreased 7%
Coal Sales of 14.0mt improved by 29%	Net Loss* of $10.7m improved by 62%

* Before Significant Items

DIRECTORS' REPORT

6. REMUNERATION REPORT (AUDITED) (CONTINUED)

There were many highlights in FY2015. Of particular note were:

— sustained improvement in the safety result across Whitehaven

— at Maules Creek – construction progress was accelerated, first coal was railed ahead of schedule, production was ramped up to 6 million tonnes annualised run rate and savings in project construction costs were delivered

— at Narrabri annual ROM production, saleable coal production and sales tonnage records were set together with lower per tonne production costs

— smaller operations at Tarrawonga, Rocglen and Werris Creek met their production targets and delivered lower costs of production

— the Vickery project received government approval

— operating costs were lowered across Whitehaven's coal supply chain

As a consequence of the Group's operating outcomes, the refinancing of the upsized secured senior debt facility was supported by major Australian and International banks on terms that reflected the Group's improved credit position.

Managing Director, Paul Flynn, is supported by a strong executive leadership group. The Board believes that the Company is well positioned to continue to improve its performance and deliver value for shareholders with an experienced, balanced and capable leadership team and a sound funding platform.

Our fixed remuneration and our total target remuneration for executive KMP will typically be positioned around the 50th to 75th percentile of the relevant market skill. Our objective for this positioning is to meet the market so that we attract and retain executive KMP while still ensuring restraint in respect of executive remuneration.

The Remuneration Committee remains committed to ensuring that the Company's remuneration framework operates effectively to appropriately incentivise and reward senior executives to execute our strategy while being aligned with shareholder interests. With respect to the Long Term Incentive (LTI) component of remuneration, in 2014 the Board introduced a second performance hurdle to apply to the LTI – a costs hurdle. This was done after consultation with stakeholders who were supportive of a second performance hurdle being adopted. The two hurdles against which the FY2015 grant will be tested are as follows:

i. 60% of the grant is subject to Relative Total Shareholder Return performance (TSR). The TSR performance rights are split equally into two tranches; the first tranche has a 3 year performance period, ending 30 June 2017 and the second tranche has a 4 year performance period, ending 30 June 2018

ii. 40% of the grant is subject to a cost target for the year ended 30 June 2017 that, if achieved, is expected to position Whitehaven in the lowest cost quartile of the current coal industry cost curve

Given the poor shareholder returns experienced in the coal sector in FY2015, the Board has decided again not to increase fees for Non-executive Directors for the coming year. Changes in total fixed remuneration (TFR) for executive KMP will be capped at 2% with two exceptions – the Chief Financial Officer and the Executive General Manager Marketing. To ensure that our Managing Director and our COO are rewarded in line with market conditions and that elements of their 'at risk' reward continue to be aligned with shareholders, their respective LTI's will be increased to 100% and 90% (from 80%) of total fixed remuneration.

The Company will be seeking approval from shareholders at the Annual General Meeting for the grant of performance rights under the long term incentive plan to the Managing Director. Full details of this grant (including the applicable performance hurdles and vesting schedule) will be set out in the Notice of Meeting.

6.2 Realised Remuneration

Details of the remuneration of KMP prepared in accordance with statutory obligations and accounting standards are contained in section 6.8 of this Remuneration Report.

The table below is designed to give shareholders a better understanding of the remuneration executive KMP actually received in FY2015 (including both cash STI and deferred STI, even though these amounts will be delivered after the end of FY2015).The amounts disclosed in the table, while not in accordance with accounting standards, are considered more helpful for shareholders to demonstrate the linkage between Company performance and remuneration outcomes for executives for FY2015.

NAME	FIXED[1]	STI[2]	LTI[3]	CESSATION[4]	OTHER[5]	TOTAL	CONTINGENT STI[6]
Paul Flynn	1,300,000	836,875	N/A	–	11,530	2,148,405	89,375
Kevin Ball	500,000	325,000	N/A	–	–	825,000	37,500
Timothy Burt	499,697	325,000	N/A	–	11,530	836,227	37,500
Brian Cole	650,100	422,500	N/A	–	18,193	1,090,793	48,750
Jamie Frankcombe	875,000	590,625	N/A	–	11,530	1,477,155	43,750
Scott Knights*	393,552	244,264	N/A	–	–	637,816	29,312

1. Fixed remuneration comprises base salary and superannuation.
2. STI represents the total amount of the STI that each executive is able to earn based on FY2015 performance even though 30% of this amount has been deferred into equity instruments in the form of rights to receive shares in the Company, where future receipt of shares is subject to meeting a number of service based conditions and, in some instances, performance based conditions. Refer to section 6.5.3 for further details.
3. No LTI was available for vesting during FY2015. See section 6.5.5 for details of LTI.
4. There were no cessation payments during FY2015.
5. Other includes parking, motor vehicle benefits and other similar items.
6. Contingent STI refers to STI amounts for above Target EBITDA performance and above Target Maules Creek performance that are the subject of further performance requirements refer Section 6.5.3 for further details.

*Commenced role as Executive General Manager Marketing on 18 August 2014.

6.3 Key Management Personnel for FY2015

This Report details the remuneration during FY2015 of the key management personnel (KMP) of the Company, who are listed in the table below. For the remainder of this Remuneration Report, the KMP are referred to as either executive KMP or Non-executive Directors.

NAME	TITLE (AT YEAR END)	CHANGES DURING FY2015
Paul Flynn	Managing Director and Chief Executive Officer	
Kevin Ball	Chief Financial Officer	
Timothy Burt	General Counsel and Company Secretary	
Brian Cole	Executive General Manager – Project Delivery	
Jamie Frankcombe	Executive General Manager – Operations	
Scott Knights	Executive General Manager – Marketing	Commenced 18 August 2014
The Hon. Mark Vaile	Chairman and Independent Non-executive Director Chair of Governance & Nomination Committee	
John Conde	Deputy Chairman and Independent Non-executive Director Chair of Audit & Risk Management Committee	
Rick Gazzard	Independent Non-executive Director	
Tony Haggarty	Non-executive Director Chair of Health, Safety, Environment & Community Committee	
Christine McLoughlin	Independent Non-executive Director Chair of Remuneration Committee	
Ray Zage	Non-executive Director	
Philip Christensen	Independent Non-executive Director	Resigned 14 July 2014

* Mr Rick Gazzard retired as a Non-executive Director effective 16 July 2015
** Dr Julie Beeby was appointed as a Non-executive Director effective 17 July 2015

DIRECTORS' REPORT

6. REMUNERATION REPORT (AUDITED) (CONTINUED)

6.4 Remuneration Governance

This section describes the role of the Board, Remuneration Committee and external advisers when making remuneration decisions, and sets out an overview of the principles and policies that underpin the Company's remuneration framework.

6.4.1 Role of the Board and Remuneration Committee

The Board is responsible for ensuring that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders. Consistent with this responsibility, the Board has established a Remuneration Committee, whose role is to:

— Review and approve the remuneration of the senior executives

— Review and approve the remuneration policies and practices for the Group generally, including incentive plans and other benefits; and

— Review and make recommendations to the Board regarding the remuneration of Non-executive Directors

The Remuneration Committee comprises three independent non-executive directors: Christine McLoughlin (Committee Chair), John Conde, and Mark Vaile. The Remuneration Committee has a formal charter, which sets out its roles and responsibilities, composition structure and membership requirements. A copy of this charter can be viewed on Whitehaven's website.

Further information regarding the Remuneration Committee's role, responsibilities and membership will be set out in the Company's Corporate Governance Statement.

6.4.2 Use of External Advisors

From time to time, the Remuneration Committee seeks and considers advice from external advisors who are engaged by and report directly to the Remuneration Committee. Such advice will typically cover Non-executive Director remuneration, executive KMP remuneration and advice in relation to equity plans.

The *Corporations Act* requires companies to disclose specific details regarding the use of remuneration consultants. The mandatory disclosure requirements only apply to those advisers that provide a 'remuneration recommendation' as defined in the *Corporations Act*. The Remuneration Committee has continued to engage the services of Egan Associates as the Company's remuneration adviser. In the current financial year the Committee did not receive any remuneration recommendations, though were provided with information on market trends to assist the Company in their annual review and continuing reward policy development.

6.4.3 Remuneration Principles and Framework

The Company's remuneration policies are based on the following core principles:

— To ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders and having regard to relevant Company policies

— To attract and retain skilled executives

— To structure short and long term incentives that are challenging and linked to the creation of sustainable shareholder returns; and

— To ensure any termination benefits are justified and appropriate.

These principles are reflected in the Company's remuneration framework, which comprises both fixed and 'at risk' remuneration components as indicated below. Details of each of these components and how they applied during FY2015 are described in section 6.5.

TOTAL FIXED REMUNERATION (TFR)	SHORT TERM INCENTIVES (STI)	LONG TERM INCENTIVES (LTI)
— Reviewed annually — Benchmarked against peer companies in the materials, industrial and energy sectors — Influenced by individual performance	— Determined based on a mix of financial and non-financial measures — For KMP, 37% of STI is deferred into equity instruments in the form of rights to receive shares in the Company subject to meeting service based vesting conditions and, in some instances, performance based vesting conditions (with vesting periods of either 12 or 24 months) — Ability of the Remuneration Committee to reduce the number of deferred equity instruments that vest if subsequent events show such a reduction to be appropriate ('clawback') — For KMP, the STI opportunity is set at 50% of TFR for target performance and 75% of TFR for stretch performance	— Provides the Remuneration Committee with the flexibility to determine the nature, terms and conditions of the grant each year — Operates as an award of performance rights (i.e. a right to receive a share in the Company if specified performance hurdles are satisfied) — For KMP, the face value of the LTI opportunity is currently set at between 80% and 100% of TFR — Contains two performance hurdles, one being a relative TSR and the second being a cost hurdle

6.4.4 Looking Ahead

In line with Company policy and executives' service agreements, remuneration levels are reviewed annually based on market benchmarking and individual performance. The Remuneration Committee considered that the executive KMP performed strongly throughout the year, delivering key projects and initiatives that bring us closer towards achieving our goal of creating the premier independent listed coal producer in Australia. However consistent with industry wide wage and salary conditions, and in light of the performance of the Company's share price and the experience this year of many of our shareholders, the Board decided:

— not to increase Directors fees; and

— to limit increases in total fixed remuneration of executive KMP to 2% (reflecting the broader workforce) with two exceptions – an increase in the fixed remuneration of Mr Ball (Chief Financial Officer) based on market benchmarking, performance and on assuming responsibility for Human Resources and Mr Knights based on market benchmarking, performance and on assuming responsibilities for Logistics.

The KPI's adopted in our FY2016 STI program will continue to develop to match the needs of the business and to drive the creation of shareholder value. Our EBITDA KPI for FY2016 has been changed to Net Profit After Tax (excluding significant items) in anticipation of the Company returning to profitability. Other KPI's for safety, production and FOB unit costs will remain although target levels will be reviewed and hurdles will be increased.

To continue to ensure that our Managing Director and COO are rewarded in line with market conditions and that their reward is aligned with shareholders, their respective LTI's will be increased from 80% to 100% and 90% of total fixed remuneration.

DIRECTORS' REPORT

6. REMUNERATION REPORT (AUDITED) (CONTINUED)

6.5 Detail of Components of Executive KMP Remuneration

This section describes in greater detail the different components of executive KMP remuneration for FY2015.

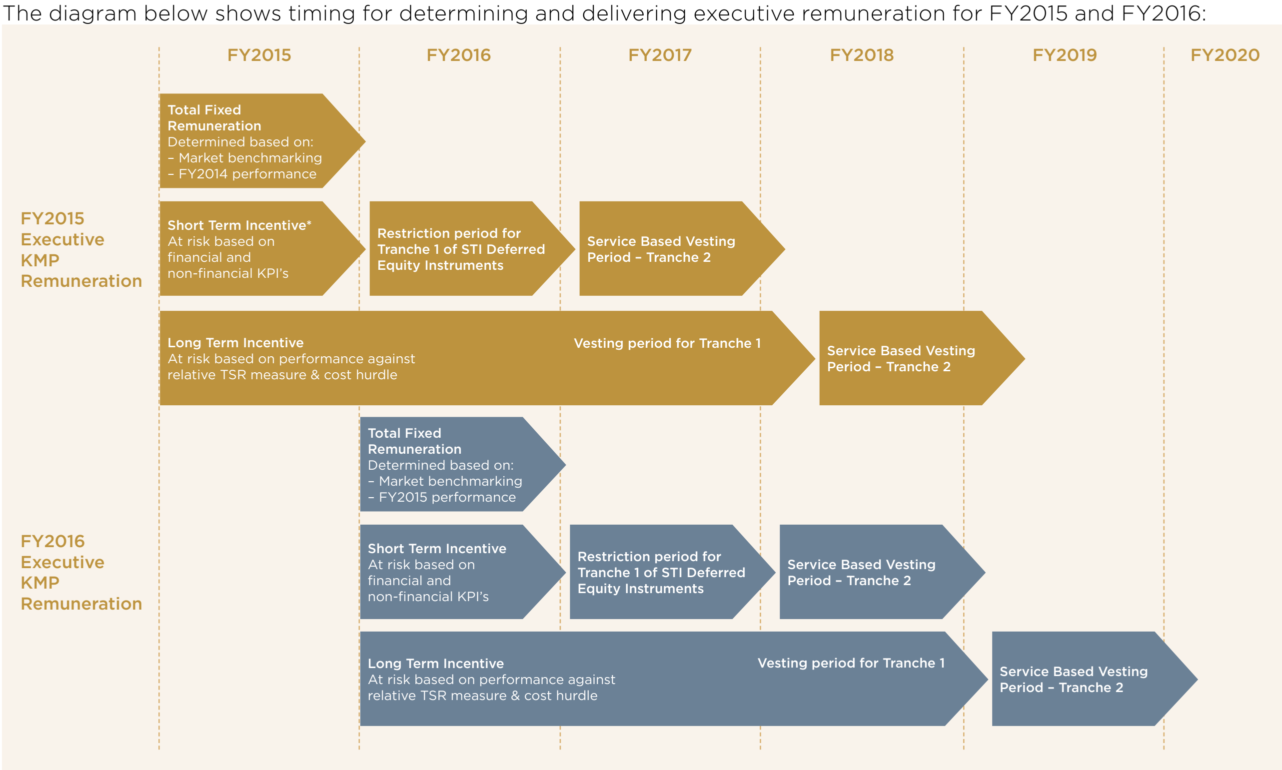
6.5.1 Mix and Timing of Remuneration in FY2015

Executive remuneration is delivered as a mix of fixed and 'at risk' remuneration. At risk remuneration can be earned through both STI and LTI and is delivered to executive KMP over multiyear timeframes to create a layered retention effect and to encourage sustained performance.

The table below illustrates the remuneration mix for executive KMP for FY2015 (assuming target performance for at risk components):

	FIXED	AT RISK	
	TOTAL FIXED REMUNERATION	STI	LTI
Executive KMP	43%	22%	35%

The diagram below shows timing for determining and delivering executive remuneration for FY2015 and FY2016:



* Short Term Incentive awards that are performance based (refer section 6.5.3) will be tested in the 24 months after the grant date. If performance targets are met in the second year the relevant award(s) will vest 24 months after the grant date. If performance targets are met in FY2016, half the award(s) will vest 12 months after the grant date. The other half will vest 24 months after the grant date.

6.5.2 Fixed Remuneration

Fixed remuneration received by executive KMP is subject to approval by the Remuneration Committee. Fixed remuneration is comprised of base salary and superannuation.

Both fixed remuneration and total target remuneration will typically be positioned between the 50th and 75th percentile of the relevant market skill. The objective of this positioning is to meet the market so as to attract and retain executive KMP in a sector where demand for skilled executives is high and the talent pool is relatively small, while still ensuring appropriate restraint in respect of executive remuneration. Actual market positioning for each individual may deviate from the positioning policy (above or below) due to considerations such as internal relativities, experience, tenure in role, individual performance and retention considerations.

6.5.3 Short Term Incentive for FY2015

The following table summarises the terms of the STI that applied during FY2015.

Who participated?	All executive KMP.

What was the performance period?	For all executive KMP the STI for FY2015 operated over a 12 month performance period from 1 July 2014 to 30 June 2015.
What was the target STI award?	Executive KMP's target STI was 50% of fixed remuneration over the 12 month performance period with up to 75% of fixed remuneration for stretch performance. The STI amount actually awarded for FY2015 is shown in section 6.5.4.
What were the performance conditions and how were they assessed?	The following KPI's were adopted as performance conditions and applied to the FY2015 STI: — Safety (total recordable injury frequency rate (TRIFR)) — FOB cost per saleable tonne (equity basis) — ROM production (managed basis) — EBITDA (before significant items) — Specific objectives in relation to Maules Creek — Leadership and individual key performance indicators as agreed between the Managing Director and the Board which included refinance of the senior debt facility At the beginning of FY2015, the Board set KPI's, the achievement of which was expected to be critical to the success of the Group at this time in the coal cycle. All KPI's were exceeded. The KPI's remain appropriate for the longer term interests of shareholders and the efforts and achievements of management during the year were exceptional in difficult circumstances. The Board designed these KPI's to ensure that the balance sheet of the Group was positioned to withstand the difficult circumstances that were anticipated. The Group's statutory loss was due predominantly to three non-cash significant items – the impairment of exploration assets, the enactment of legislation to repeal the MRRT, and the successful refinance of the Group's debt facility. The Board was mindful that all KPI's had been met or exceeded, notwithstanding the statutory loss, and resolved that the STI awards should therefore be approved as assessed. The Remuneration Committee and the Board assessed and approved the STI award paid to the Managing Director. The performance conditions for the senior executives were assessed by the Managing Director and approved by the Board. The weightings of each performance condition were tailored to reflect the executive KMP's role. The weightings are set out in the following table:

	MANAGING DIRECTOR	CFO	COMPANY SECRETARY /GROUP COUNSEL	EGM PROJECTS	EGM OPERATIONS	EGM MARKETING
Safety (TRIFR)	20%	20%	20%	20%	20%	20%
FOB cost per saleable tonne	15%	20%	15%	10%	20%	10%
ROM production	15%	10%	15%	10%	20%	10%
EBITDA	20%	20%	20%	10%	10%	30%
Maules Creek	15%	20%	20%	40%	20%	20%
Individual Leadership KPI's	15%	10%	10%	10%	10%	10%

Why were these performance conditions chosen?	These performance conditions were chosen as they were directly linked to the operational priorities of the Company.

DIRECTORS' REPORT

6. REMUNERATION REPORT (AUDITED) (CONTINUED)

What performance level was achieved?

A snapshot of the performance levels achieved for FY2015 is set out below:*

	YOY[1]	ACTUAL	TARGET	STRETCH	OUTCOME
Safety	35%	9.2	12.65	10.54	Exceeded Stretch
FOB cost per saleable tonne	12%	$61/t	$64/t	$62/t	Exceeded Stretch
ROM production	37%	15.8Mt	14.3Mt	14.8Mt	Exceeded Stretch
EBITDA	44%	$130m	$105m	$115m	Exceeded Stretch

1. Year on year improvement
* Excludes Maules Creek and Individual Leadership KPI's.

Safety
The continued emphasis on a safe working environment has driven a significant and sustained 3 year reduction in the TRIFR from 34.61 in FY2012, 20.11 in FY2013, 14.06 in FY2014 to 9.2 in FY2015. Against tough market conditions the Whitehaven view that "tonnes cannot come at the expense of safety" has been embedded well in the Company. Our producing mines and our construction site at Maules Creek have performed very safely – our TRIFR of 9.2 is superior to the NSW coal industry average. The progress of the Company over the last three years to improve its safety processes and standards now positions the Company well above the average safety performance for the NSW coal industry.

FOB cost per saleable tonne
The concerted effort by management to lower operating costs continues. We have several mines that are in or are approaching the lowest cost quartile of the current coal industry cost curve. Costs for FY2015 were driven substantially lower than the previous year and well below target. The actual outcome for the FY2015 cost target (equity basis) was $61/t FOB, which exceeded the target of $64/t FOB.

ROM production (managed)
In FY2015, first production from Maules Creek and record production was achieved at Narrabri. The other open cut mines met their respective production targets for the year. The combination of higher production and lower unit costs improved the EBITDA outcome, that otherwise might have been achieved, by more than $35m.

EBITDA (before significant items)
Excellent cost control, combined with record production enabled the Company to exceed its EBITDA target of $105m for FY2015 despite a difficult coal price environment. The STI award in excess of Target has been deferred into equity instruments and is subject to the vesting condition that the Company return to profitability within two years (see below for further details).

Maules Creek
Maules Creek construction proceeded well ahead of schedule. First railings from Maules Creek were brought forward by three months from the first week of March 2015 to the third week of December 2014. Typically, when construction milestone dates in large projects, like Maules Creek, are brought forward, the total project cost increases. However, at Maules Creek management was able to bring the project into production earlier than scheduled and below the project's construction budget enabling it to be declared commercial on 1 July 2015. The STI award in excess of Target for the Maules Creek KPI has been deferred into equity instruments and is subject to a vesting condition in relation to project savings (see below for further details).

Individual leadership KPI's
Managing Director KPI's are cascaded into the Company to site management level. Below site management level a mix of specific site based and Company-wide targets are adopted as appropriate. The STI classification weightings that apply for the Managing Director are broadly consistent when cascaded into the Company.

Refinancing
Aided by progress to achieve the operational and financial KPI's, the Group established a new A$1.4 billion Senior Secured Bank Facility in March 2015. The new facility is larger, and has more favourable terms, than the facility that it replaced. In particular, the margin and initial establishment fees have been reduced substantially from the previous facility – reflecting the credit transformation of the company.

How is the STI delivered?	63% of the STI award will be paid to the executive KMP in cash in September 2015. The remaining 37% of the STI award will be deferred into equity instruments (Deferred Equity), delivered as rights to receive Whitehaven ordinary shares subject to meeting service based vesting conditions and, in some instances, performance based vesting conditions. On vesting, each right will entitle the recipient to one ordinary share in the Company. The Deferred Equity portion of the executive KMP's STI is split into two tranches: — Tranche 1 consists of 27% of the total STI and is subject to serviced based vesting conditions only. Half of this tranche will vest 12 months after the grant date. The other half will vest 24 months after the grant date. — Tranche 2 consists of the remaining 10% up to the total STI and represents the portion of stretch performance achieved in relation to the EBITDA and Maules Creek KPI's. Tranche 2 of the Deferred Equity is subject to the achievement of the following two performance conditions: i. Up to 6% of the total STI will vest if the final project savings amount for the Maules Creek project is achieved; and ii. 4% of the total STI will vest if the Company reports a full year Net Profit After Tax within the next two years. The relevant tranche 2 performance conditions will be tested in the 24 months after the grant date. Deferred Equity will not vest if the executive KMP resigns or is terminated for cause or the Board applies its discretion to clawback some or all of the Deferred Equity. Dividends do not accrue on Deferred Equity. KMP are required to comply with the Company's securities trading policy in respect of their Deferred Equity, which includes a prohibition on hedging or otherwise protecting the value of their unvested securities. In the event of a takeover or any proposed transaction that, in the Board's opinion, is likely to result in a change of control, the Deferred Equity will vest.

6.5.4 STI Award Outcomes for KMP

As noted in the table above, KMP outperformed most components of the FY2015 STI. The individual outcome for each KMP is set out in the table below:

	STI EARNED ($A)			
KMP	PAID AS CASH ($)	DEFERRED INTO EQUITY ($)	PERCENTAGE OF MAXIMUM STI	CONTINGENT STI
Paul Flynn	585,813	251,062	86%	89,375
Kevin Ball	227,500	97,500	87%	37,500
Timothy Burt	227,500	97,500	87%	37,500
Brian Cole	295,750	126,750	87%	48,750
Jamie Frankcombe	413,438	177,187	90%	43,750
Scott Knights*	170,985	73,279	83%	29,312

* Commenced role as Executive General Manager Marketing on 18 August 2014

DIRECTORS' REPORT

6. REMUNERATION REPORT (AUDITED) (CONTINUED)

6.5.5 2014 Long Term Incentive Grant

As outlined in last year's Remuneration Report, the Board has introduced a second performance hurdle for the LTI granted in 2014 (2014 LTI grant) based on a cost per tonne target (cost hurdle). The cost hurdle was set at a level which is aligned to the Company's goal of being Australia's leading independent coal producer. The hurdle rate chosen was designed to position the Company in the lowest cost quartile of the current coal industry cost curve and was introduced in response to feedback received from shareholders. The cost hurdle applies to 40% of the grant. To ensure consistency with shareholder expectations, the Board retains the discretion to adjust the outcome of the cost hurdle (upwards or downwards) to take account of mergers, acquisitions and divestments or other exceptional circumstances. The remaining 60% of the grant continues to be tested against a relative TSR performance hurdle.

The following table describes the full terms of the 2014 LTI grant.

Who participated?	All executive KMP.
What was granted?	All executive KMP were granted performance rights with a face value equal to 80% of their TFR. The number of rights granted was determined by reference to the volume weighted average price of the Company's shares over the 20 trading day period commencing 10 trading days prior to 30 June 2014. Shareholder approval was obtained at the Annual General Meeting last year for the grant of performance rights to Mr Flynn. There is no exercise price payable on vesting of the performance rights.
What are the performance conditions?	The award was split into the following components: — **TSR rights:** 60% of the award is subject to a relative total shareholder return (TSR) performance hurdle, which compares the TSR performance of the Company with the TSR performance of a peer group of companies operating in the Australian resources sectors; and — **Costs target rights:** 40% of the award is subject to the Company achieving a defined costs per tonne target (Costs Hurdle) – see below.
Why were these performance conditions chosen?	A TSR performance hurdle has been chosen on the basis that it allows for an objective external assessment of the shareholder value created by the Company over a sustained period and on a basis that is familiar to shareholders. As stated above, the Cost Hurdle was chosen and set at a level which is aligned to the Company's vision to be Australia's leading independent coal producer and positioned in the lowest cost quartile of Australian coal producers.
What are the performance periods?	The TSR Rights are divided into two equal tranches capable of vesting after a 3 and 4 year performance period (respectively), with each performance period commencing on 1 July 2014. The Costs Target Rights are capable of vesting at the end of FY2017 based on the FOB cost per saleable tonne achieved on a Company-wide basis over the 12 month period from 1 July 2016 to 30 June 2017.

How will the performance condition be calculated for the TSR rights?	The TSR of the Company for the 2014 LTI grant is measured as a percentile ranking compared to the below comparator group of listed entities over the relevant performance period for the tranche.

Alumina	Iluka Resources	Rio Tinto
Arrium	Independence Group	Santos
Aquila Resources	New Hope Group	Sims Metal Management
Beach Energy	Newcrest Mining	Sirius Resources
BHP Billiton	Oil Search	Western Areas
BlueScope Steel	Origin Energy	Whitehaven Coal
Caltex Australia	Oz Minerals	Woodside Petroleum
Fortescue Metals Group	PanAust	WorleyParsons

The constituents of the comparator group are determined each year at the time of grant.

The level of vesting will be determined based on the ranking against the comparator group companies in accordance with the following schedule:

— In the 75th percentile (i.e. lowest cost quartile) or above – 100% of the TSR Rights vest;

— Between the 50th and 75th percentile – 35% of the TSR Rights vest at the 50th percentile, and thereafter additional vesting will occur on a pro rata straight line basis up to the 75th percentile; and

— Below the 50th percentile – no TSR Rights vest.

Unless the Remuneration Committee determines otherwise, the TSR of a company for a performance period will be calculated adopting the following determination of the relevant opening and closing share prices:

— The volume weighted average share price over the 20 trading day period commencing 10 trading days before 1 July 2014 (opening share price); and

— The volume weighted average share price over the corresponding 20 trading day period at the conclusion of the relevant Performance Period (closing share price)

How will the performance condition be calculated for the cost target rights?

The Remuneration Committee has set the LTI Costs Hurdle having regard to the Company's budgeted cost forecasts and to the current coal industry cost curve as measured by a recognised expert. The Board is satisfied that the LTI Costs Hurdle is challenging and rigorous and, if the target is achieved, it would place the Company in the lowest cost quartile of the current coal industry cost curve.

Testing will occur at the end of FY2017 based on the average costs achieved on a Company-wide basis over the 12 month period from 1 July 2016 to 30 June 2017. Full vesting will only occur if the Board is satisfied that performance meets or exceeds the Stretch Target as set out below. The Board may, where it is appropriate to do so, revise the targets below to take account of mergers, acquisitions and divestments or other exceptional circumstances.

Vesting will occur based on the following schedule:

— Stretch or above – 100% of Cost Target Rights vest;

— Between Target and Stretch – 35% of the TSR Rights vest at Target performance and thereafter additional vesting will occur on a pro rata straight line basis up to stretch performance;

— Target – 35% of Cost Target Rights vest; and

— Below Target – no Cost Target Rights vest.

Due to the commercially sensitive nature of this hurdle, the exact target will not be disclosed at this stage. However, retrospective disclosure of the outcomes against the target will be provided in the Remuneration Report for the year of vesting. Notably, the Company also sets annual short term cost hurdles in the KPI's for executive KMP's STI awards. Measured outcomes against that hurdle are reported at the end of each financial year.

To the extent that the Costs Hurdle is satisfied at the end of FY2017:

— 50% of the Costs Target Rights that vest will be immediately delivered in shares; and

— The remaining 50% will continue on foot, subject to a further one year service condition prior to being delivered in shares.

Notwithstanding the vesting schedule above, the Board retains a discretion to lapse any or all Costs Target Rights if the Board considers that vesting would be inappropriate in light of the intent and purpose of the target.

DIRECTORS' REPORT

6. REMUNERATION REPORT (AUDITED) (CONTINUED)

Re-testing	All performance rights that do not vest following testing will lapse immediately. There is no re-testing of awards that do not vest.
Do the performance rights attract dividend and voting rights?	Performance rights do not carry voting or dividend rights. Shares allocated on vesting of performance rights rank equally with other ordinary shares on issue, including in relation to dividend and voting rights. Participants are required to comply with the Company's securities trading policy in respect of their performance rights and any shares they receive upon vesting. They are prohibited from hedging or otherwise protecting the value of their performance rights.
What happens in the event of a change in control?	In the event of a takeover bid or other transaction, event or state of affairs that in the Board's opinion is likely to result in a change in control of the Company, the Board has a discretion to determine that vesting of some or all of any unvested performance rights should be accelerated.
What happens if an executive ceases employment during the performance period?	In general, unless the Board determines otherwise, where an executive's employment is terminated: — For cause: all unvested performance rights will lapse — Due to resignation or by mutual agreement with the Company: unvested performance rights will remain on foot and subject to the original performance hurdle. However, the Board may at its discretion determine to lapse any or all of the unvested performance rights and ordinarily, in the case of a resignation, would be expected to do so — For any other reason: unvested performance rights will remain on foot and subject to the original performance hurdle, with Board discretion to determine that some of the performance rights (up to a pro rata portion based on how much of the performance period remains) will lapse. The performance rights that remain on foot will be tested in the normal course following the end of the relevant performance period

6.5.6 Equity Instruments Granted as Remuneration

Performance Rights Granted to KMP

Details of performance rights granted to KMP during FY2015 are set out in the table below. The grants to KMP constituted their full LTI entitlement for FY2015 and were made on the terms summarised in section 6.5.5 above.

KMP	NUMBER OF PERFORMANCE RIGHTS GRANTED	PERFORMANCE HURDLE*	GRANT DATE	FAIR VALUE PER PERFORMANCE RIGHTS AT GRANT DATE**	VESTING DATE
Paul Flynn	213,699	TSR	16 January 2015	$0.71	30 June 2017
	213,698	TSR	16 January 2015	$0.72	30 June 2018
	284,932	Costs Hurdle	16 January 2015	$1.17	30 June 2017
				$1.13	30 June 2018
Kevin Ball	82,192	TSR	16 January 2015	$0.71	30 June 2017
	82,192	TSR	16 January 2015	$0.72	30 June 2018
	109,589	Costs Hurdle	16 January 2015	$1.17	30 June 2017
				$1.13	30 June 2018
Timothy Burt	82,192	TSR	16 January 2015	$0.71	30 June 2017
	82,192	TSR	16 January 2015	$0.72	30 June 2018
	109,589	Costs Hurdle	16 January 2015	$1.17	30 June 2017
				$1.13	30 June 2018
Brian Cole	106,866	TSR	16 January 2015	$0.71	30 June 2017
	106,865	TSR	16 January 2015	$0.72	30 June 2018
	142,488	Costs Hurdle	16 January 2015	$1.17	30 June 2017
				$1.13	30 June 2018
Jamie Frankcombe	143,836	TSR	16 January 2015	$0.71	30 June 2017
	143,835	TSR	16 January 2015	$0.72	30 June 2018
	191,781	Costs Hurdle	16 January 2015	$1.17	30 June 2017
				$1.13	30 June 2018
Scott Knights	73,973	TSR	16 January 2015	$0.71	30 June 2017
	73,972	TSR	16 January 2015	$0.72	30 June 2018
	98,630	Costs Hurdle	16 January 2015	$1.17	30 June 2017
				$1.13	30 June 2018

* To the extent that the Costs Hurdle is satisfied at the end of FY2017, 50% of the rights will vest immediately and the remaining 50% will continue on foot, subject to a further one year service condition.

** The fair value for performance rights granted to the KMP is based on the fair value at the grant date, measured using a Monte Carlo simulation model. The factors and assumptions used in determining the fair value are set out in the note 32 to the financial statements.

DIRECTORS' REPORT

6. REMUNERATION REPORT (AUDITED) (CONTINUED)

6.6 Company Performance

A snapshot of key Company performance measures for the past five years is set out below:

	2015	2014	2013	2012	2011 (PRE-MERGER)
Revenue ($m's)	763.3	755.4	622.2	618.1	622.2
EBITDA ($m's)	130.3	90.4	17.1	149.2	148.0
Profit/(loss) attributable to the group ($m's)	(342.7)	(38.4)	(88.7)	62.5	9.9
Share price at year end (dollars per share)	$1.32	$1.43	$2.30	$4.15	$5.83*
Basic EPS (cents per share)	(33.3)	(3.9)	(9.0)	10.9	2.0
Diluted EPS (cents per share)	(33.3)	(3.9)	(9.0)	10.9	2.0
Dividends paid (cents per share)	–	–	3.0	4.1	6.1
Special dividends paid (cents per share)	–	–	–	50.0	–
TRIFR	9.2	14.06	20.11	34.61	20.21
Saleable production – Mt	11.3	8.2	6.6	4.3	4.2

* The opening share price for 2011 was $4.80.

6.7 Employment Contracts

The following section sets out an overview of the remuneration and other key terms of employment for the executive KMP, as provided in their service agreements.

6.7.1 Managing Director

Paul Flynn was appointed as Managing Director and CEO of the Company on 25 March 2013. This table outlines the key terms of Mr Flynn's contract of employment.

Fixed remuneration	Mr Flynn's TFR for FY2016 is $1,326,000 per annum, which includes salary, superannuation contributions, any components under Whitehaven's salary packaging guidelines and all director's fees. TFR is reviewed annually.
Short term incentive	Mr Flynn is eligible to participate in the annual STI plan, as described in section 6.5 of this Remuneration Report. At target level of performance, his STI opportunity is 50% of TFR, with up to 75% of TFR for stretch performance.
Long term incentive	Mr Flynn is eligible to participate in the LTI plan on terms similar to those applicable to grants made to other senior executives of Whitehaven (as set out in section 6.5) and subject to receiving any required or appropriate shareholder approval. The Board has increased Mr Flynn's LTI grant from 80% to 100% of his TFR for FY2016.
Other key terms	Other key terms of Mr Flynn's service agreement include the following: — His employment is ongoing, subject to twelve months' notice of termination by Whitehaven or six months' notice of termination by Mr Flynn — The Company may terminate without notice in certain circumstances, including serious misconduct or negligence in the performance of duties. Mr Flynn may terminate immediately in the case of fundamental change to his role (i.e. there is a substantial diminution to his responsibilities), in which case his entitlements will be the same as if the Company terminated him without cause — The consequences for unvested incentive awards on termination of Mr Flynn's employment will be in accordance with the Company's STI and LTI plans — Mr Flynn will have post-employment restraints for a period of three months. No additional amounts will be payable in respect of this restraint period

6.7.2 Senior Executive Contracts

A summary of the notice periods and key terms of the current executive KMP contracts are set out in the table below. All of the contracts below are of ongoing duration.

NAME AND POSITION (AT YEAR-END)	NOTICE
Kevin Ball Chief Financial Officer Appointed 16 December 2013	3 months by employee 6 months by the Company
Timothy Burt General Counsel and Joint Company Secretary Appointed 29 July 2009	3 months by employee 12 months by the Company
Brian Cole Executive General Manager – Project Delivery Appointed 1 July 2012	6 months by employee or the Company
Jamie Frankcombe Executive General Manager – Operations Appointed 4 February 2013	3 months by employee 6 months by the Company
Scott Knights Executive General Manager – Marketing Appointed 18 August 2014	6 months by employee or the Company

The executive contracts give the Company discretion to make payment in lieu of notice. No notice is required where termination is for cause. The contracts do not provide for any termination payments other than payment in lieu of notice.

Treatment of unvested incentives is dealt with in accordance with the terms of grant. In general, under the STI and LTI arrangements, unvested entitlements will be forfeited where an executive is terminated for cause or, subject to the Board's discretion, where they resign. In all other circumstances where the Board considers the executive to be a 'good leaver', outgoing executives will generally retain their entitlements (subject to any applicable performance conditions in the case of LTI arrangements).

6. REMUNERATION REPORT (AUDITED) (CONTINUED)

6.8 Statutory Senior Executive Remuneration Table

The following table sets out the statutory remuneration disclosures required under the *Corporations Act 2001* (Cth) and has been prepared in accordance with the appropriate accounting standards and has been audited.

								SHARE-BASED PAYMENTS		
IN AUD	FY	SALARY & FEES	CASH BONUS	NON-MONETARY BENEFITS (A)	SUPER-ANNUATION BENEFITS	SHORT TERM INCENTIVE (B)	TERMINATION BENEFITS	SHARES	RIGHTS AND OPTIONS (C)	TOTAL REMUNERATION
Directors										
Paul Flynn*	2015	1,275,518	–	11,530	24,482	926,250	–	–	180,678	2,418,458
	2014	1,275,000	–	11,160	25,000	809,435	–	–	48,011	2,168,606
Other Executives										
Kevin Ball**	2015	475,000	–	–	25,000	362,500	–	–	61,606	924,106
	2014	249,956	–	–	13,636	114,895	–	–	14,860	393,347
Timothy Burt	2015	469,697	–	11,530	30,000	362,500	–	–	116,809	990,536
	2014	450,000	–	11,160	25,000	217,346	–	–	85,945	789,451
Brian Cole	2015	615,100	–	18,193	35,000	471,250	–	–	157,000	1,296,543
	2014	615,100	–	15,463	35,000	298,359	–	–	117,615	1,081,537
Jamie Frankcombe	2015	850,000	–	11,530	25,000	634,375	–	–	137,379	1,658,284
	2014	850,000	–	11,160	25,000	437,500	–	–	48,182	1,371,842
Scott Knights***	2015	371,032	–	–	22,520	273,575	–	–	–	667,127

* Commenced role as Managing Director and CEO on 25 March 2013. Mr Flynn's STI in FY14 operated over a 15 month period in recognition of the fact that he did not participate in the FY2013 STI grant

** Commenced role as Chief Financial Officer on 16 December 2013

*** Commenced role as Executive General Manager Marketing on 18 August 2014

A. The amounts disclosed as non-monetary benefits relate to car spaces, motor vehicle benefits and other similar items.

B. Refer to section 6.5 of twhe remuneration report for details of the FY2015 STI – approximately 63% will be paid in September 2015 while 37% will be the subject of further service based vesting conditions and in some instances performance based vesting conditions.

C. The fair value for Performance Rights granted to the KMP is based on the fair value at the grant date, measured using a Monte Carlo simulation model. The factors and assumptions used in determining the fair value are set out in note 32 to the financial statements.

6.8.1 Movement of Equity Instruments

The movement during the reporting period, by number and value, of performance rights over ordinary shares and deferred shares in the Company held by each senior executive is detailed below.

EXECUTIVE	INSTRUMENT	BALANCE AS AT 1 JULY 2014 (NUMBER)	GRANTED (NUMBER) (A)	GRANTED (VALUE) (B)	VESTED (NUMBER)	VESTED (VALUE) (C)	LAPSED (NUMBER)	LAPSED (YEAR OF GRANT) (D)	BALANCE AS AT 30 JUNE 2015 (NUMBER)
Paul Flynn	Performance Rights	590,909	712,329	$633,261	–	–	–	–	1,303,238
	Deferred Shares (STI)	–	126,410	$242,707	–	–	–	–	126,410
Kevin Ball	Performance Rights	96,380	273,973	$243,562	–	–	–	–	370,353
	Deferred Shares (STI)	–	19,150	$36,768	–	–	–	–	19,150
Timothy Burt	Performance Rights	262,100	273,973	$243,562	–	–	30,819*	2012	505,254
	Deferred Shares (STI)	10,292	33,937	$65,159	5,146	$10,395	–	–	39,083
Brian Cole	Performance Rights	358,700	356,219	$316,679	–	–	42,174*	2012	672,745
	Deferred Shares (STI)	12,499	46,597	$89,467	6,250	$12,625	–	–	52,846
Jamie Frankcombe	Performance Rights	312,500	479,452	$426,233	–	–	–	–	791,952
	Deferred Shares (STI)	6,676	68,287	$131,111	3,338	$6,743	–	–	71,625
Scott Knights	Performance Rights	–	246,575	$219,205	–	–	–	–	246,575

* The performance period for Tranche 1 of the 2012 LTI grant expired on 23 September 2014 and all of the rights lapsed as a result of the performance condition not being met.

A. The number of deferred shares granted during FY2015 reflects the deferred component of the FY2014 STI award, calculated by reference to the volume weighted average price of the Company's shares for the 20 day trading period commencing 10 trading days prior to 27 August 2014. The grant date of the deferred shares was 16 January 2015. The deferred shares are subject to a further one and two year service based vesting condition, as disclosed in last year's Remuneration Report.

B. The value of performance rights granted in the year is the fair value of the performance rights at grant date using the Monte Carlo simulation model. The total value of the performance rights granted is included in the table above. The unvested performance rights and deferred shares have a minimum value of zero if they do not meet the relevant performance or service conditions. The maximum value of unvested performance rights and deferred shares is the sale price of the Company's shares at the date of vesting.

C. No performance rights vested during the period. Tranche 1 of the FY2013 STI deferred shares vested during the period. The vested value has been calculated using the volume weighted average price of the Company's shares for the 20 day trading period commencing 10 trading days prior to the effective grant date of 27 August 2013.

D. The year in which the performance rights which lapsed were granted.

6.9 Non-executive Director Remuneration

This section explains the remuneration for Non-executive Directors.

6.9.1 Setting Non-executive Director Remuneration

Remuneration for Non-executive Directors is designed to ensure that the Company can attract and retain suitably qualified and experienced Directors.

Non-executive Directors do not receive shares, share options or any performance-related incentives as part of their remuneration from the Company however Directors are strongly encouraged to hold shares.

Directors are also entitled to be remunerated for any travel and other expenses reasonably incurred when attending meetings of the Board or in connection with the business of the Company.

The Remuneration Committee reviews and makes recommendations to the Board with respect to Non-executive Directors' fees and committee fees.

6.9.2 Current Fee Levels and Fee Pool

The table below sets out the Board and committee fees in Australian dollars as at 30 June 2015.

The Board determined that there would be no fee increases for Non-executive Directors in FY2016. Fees remain unchanged since 2012.

	CHAIRMAN	DEPUTY CHAIRMAN	MEMBER
Board	$350,000*	$262,500*	$140,000
Audit & Risk Management Committee	$40,000	–	$20,000
Remuneration Committee	$25,000	–	$12,500
Governance & Nominations Committee	No fee	–	No fee
Health, Safety, Environment & Community Committee	$25,000	–	$12,500

*This is a composite fee. The Chairman and Deputy Chairman of the Board receive no standing committee fees in addition to their Board fees.

The fees set out above are exclusive of mandatory statutory superannuation contributions made on behalf of the Non-executive Directors.

In addition to the meetings that the Non-executive Directors attended (as shown on page 79), the Non-executive Directors participated in site visits to underground and open cut mines.

DIRECTORS' REPORT

6. REMUNERATION REPORT (AUDITED) (CONTINUED)

6.9.3 Statutory Disclosures

The statutory disclosures required under the *Corporations Act 2001* (Cth) and in accordance with the Accounting Standards are set out in the table below.

Details of remuneration received in their capacity as Executive Directors are disclosed in section 6.8.

		SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS		TOTAL
IN AUD		BOARD & COMMITTEE FEES	NON-MONETARY BENEFITS	OTHER BENEFITS (NON-CASH)	SUPER-ANNUATION BENEFITS	TERMINATION BENEFITS	REMUNERATION FOR SERVICES AS A NON-EXECUTIVE DIRECTOR
Non-executive Directors							
The Hon. Mark Vaile (Chairman)	2015	350,000	–	–	18,783	–	368,783
	2014	350,000	–	–	17,774	–	367,774
John Conde (Deputy Chairman)	2015	262,500	–	–	18,783	–	281,283
	2014	262,500	–	–	17,774	–	280,274
Philip Christensen*	2015	5,979	–	–	568	–	6,547
	2014	165,000	–	–	15,263	–	180,263
Rick Gazzard	2015	172,500	–	–	16,388	–	188,888
	2014	172,500	–	–	15,956	–	188,456
Tony Haggarty	2015	165,000	–	–	15,675	–	180,675
	2014	151,458	–	–	14,010	–	165,468
Christine McLoughlin	2015	177,500	–	–	16,863	–	194,363
	2014	177,500	–	–	16,419	–	193,919
Ray Zage	2015	–[1]	–	–	–	–	–
	2014	–[1]	–	–	–	–	–
TOTAL	**2015**	**1,133,479**	**–**	**–**	**87,060**	**–**	**1,220,539**
	2014	**1,278,958**	**–**	**–**	**97,196**	**–**	**1,376,154**

* Resigned 14 July 2014

1. Mr Zage elected not to receive any Board & Committee fees.

6.10 Loans From Key Management Personnel and Their Related Parties

There were no loans outstanding to key management personnel and their related parties, at any time in the current or prior reporting periods.

6.11 Other Key Management Personnel Transactions

Apart from the details disclosed in this report, no Director has entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

6.12 Additional Disclosures Relating to Shares and Options and Rights Over Equity Instruments

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties is as follows:

NO. OF SHARES	HELD AT 1 JULY 2014	RECEIVED ON VESTING OF LTI	RECEIVED AS REMUNERATION	OTHER NET CHANGE	HELD AT 30 JUNE 2015
Directors					
Mark Vaile	2,787,767	–	–	(220,000)	2,567,767
John Conde	378,605	–	–	–	378,605
Philip Christensen*	1,566,575	–	–	n/a[1]	n/a[1]
Paul Flynn	39,382	–	126,410**	100,000	265,792
Rick Gazzard	200,000	–	–	–	200,000
Tony Haggarty	20,049,787	–	–	11,000	20,060,787
Christine McLoughlin	21,000	–	–	34,000	55,000
Ray Zage	–	–	–	–	–
Executives					
Kevin Ball	–	–	19,150**	25,000	44,150
Timothy Burt	190,192	–	33,937**	–	224,129***
Brian Cole	12,499	–	46,597**	–	59,096***
Jamie Frankcombe	184,363	–	68,287**	75,000	327,650***
Scott Knights	–	–	–	–	–

1. Philip Christensen resigned 14 July 2014.

* Includes 762,902 shares issued subject to restrictions. Refer to note 26 for details.

** Shares granted as part of FY2014 STI and subject to restrictions.

*** Includes shares subject to restrictions granted as part of FY2013 and FY2014 STI.

The movement during the reporting period in the number of options and rights over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person and director-related entities, including their related parties, is as follows:

	HELD AT 1 JULY 2014	GRANTED	EXERCISED	LAPSED/ FORFEITED	HELD AT 30 JUNE 2015	VESTED DURING THE YEAR	VESTED AND EXERCISABLE AT 30 JUNE 2015
Directors							
Mark Vaile	189,000*	–	–	–	189,000	–	189,000
Paul Flynn	590,909	712,329	–	–	1,303,238	–	–
Philip Christensen	189,000*	–	–	–	n/a[1]	–	n/a[1]
Executives							
Kevin Ball	96,380	273,973	–	–	370,353	–	–
Timothy Burt	262,100	273,973	–	(30,819)	505,254	–	–
Brian Cole	358,700	356,219	–	(42,174)	672,745	–	–
Jamie Frankcombe	312,500	479,452	–	–	791,952	–	–
Scott Knights	–	246,575	–	–	246,575	–	–

1. Philip Christensen resigned 14 July 2014.

* The Group issued fully vested options over the Company's shares in consideration for fully vested options held in Aston Resources Limited as part of the scheme of arrangement. Directors and director related entities received these options in their capacity as option holders in Aston Resources Limited and as such they do not form part of their remuneration.

Signed in accordance with a resolution of the directors:

Mark Vaile
Chairman
Dated at Sydney this 13th day of August 2015

AUDITOR'S INDEPENDENCE DECLARATION

Building a better working world

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

In relation to our audit of the financial report of Whitehaven Coal Limited for the financial year ended 30 June 2015 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Trent van Veen
Partner
13 August 2015

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	NOTE	2015	2014
Revenue	*8*	763,290	755,406
Other income	*9*	10,713	8,497
Operating expenses		(358,089)	(367,443)
Coal purchases		–	(45,740)
Selling and distribution expenses		(202,226)	(189,654)
Government royalties		(58,120)	(54,222)
Impairment of assets	*7*	(445,363)	(2,340)
Administrative expenses		(24,750)	(24,623)
Depreciation and amortisation		(97,584)	(79,491)
Other expenses	*10*	(2,784)	(4,567)
LOSS BEFORE NET FINANCIAL EXPENSE		**(414,913)**	**(4,177)**
Financial income	*12*	4,756	5,857
Financial expenses	*12*	(73,160)	(58,014)
NET FINANCIAL EXPENSE	*12*	**(68,404)**	**(52,157)**
Loss before tax		(483,317)	(56,334)
Income tax benefit	*13 a)*	140,592	17,949
NET LOSS FOR THE YEAR		**(342,725)**	**(38,385)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement on cash flow hedges		(1,507)	4,351
Income tax effect	*13 b)*	452	(1,305)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX		**(1,055)**	**3,046**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(343,780)**	**(35,339)**
Net loss for the period attributable to:			
Owners of the parent		(330,625)	(38,385)
Non-controlling interests		(12,100)	–
Total comprehensive loss for the period, net of tax attributable to:			
Owners of the parent		(331,680)	(35,339)
Non-controlling interests		(12,100)	–
Earnings per share			
Basic loss per share (cents per share)	*35*	(33.3)	(3.9)
Diluted loss per share (cents per share)	*35*	(33.3)	(3.9)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

		CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	NOTE	2015	2014
Assets			
Cash and cash equivalents	*14*	102,393	103,167
Trade and other receivables	*15*	101,052	70,262
Inventories	*16*	89,892	61,122
Derivative financial instruments	*17*	162	–
TOTAL CURRENT ASSETS		**293,499**	**234,551**
Trade and other receivables	*15*	24,176	29,672
Investments	*18*	37	568
Property, plant and equipment	*19*	3,539,244	3,384,937
Exploration and evaluation	*20*	201,346	526,914
Intangible assets	*21*	19,954	105,843
Deferred tax assets	*13 c)*	111,115	–
TOTAL NON-CURRENT ASSETS		**3,895,872**	**4,047,934**
TOTAL ASSETS		**4,189,371**	**4,282,485**
Liabilities			
Trade and other payables	*22*	147,422	155,688
Interest bearing loans and borrowings	*23*	21,750	33,084
Employee benefits	*24*	14,055	12,900
Current tax payable	*13 c)*	42,331	6,219
Provisions	*25*	7,380	22,995
Derivative financial instruments	*17*	2,136	466
TOTAL CURRENT LIABILITIES		**235,074**	**231,352**
Non-current liabilities			
Interest bearing loans and borrowings	*23*	1,016,481	755,308
Deferred tax liabilities	*13 c)*	–	29,931
Provisions	*25*	72,782	59,358
TOTAL NON-CURRENT LIABILITIES		**1,089,263**	**844,597**
TOTAL LIABILITIES		**1,324,337**	**1,075,949**
NET ASSETS		**2,865,034**	**3,206,536**
Equity			
Issued capital	*26 a)*	3,146,147	3,146,300
Share based payments reserve		36,543	35,206
Hedge reserve		(1,381)	(326)
Retained earnings		(317,353)	12,178
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**2,863,956**	**3,193,358**
Non-controlling interest		1,078	13,178
TOTAL EQUITY		**2,865,034**	**3,206,536**

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED IN THOUSANDS OF AUD ($'000)	NOTE	ISSUED CAPITAL	SHARE BASED PAYMENT RESERVE	HEDGE RESERVE	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTEREST	TOTAL EQUITY
Opening balance at 1 July 2013		**3,146,301**	**34,152**	**(3,372)**	**50,363**	**3,227,444**	**13,178**	**3,240,622**
(Loss) for the period		–	–	–	(38,385)	(38,385)	–	(38,385)
Other comprehensive income		–	–	3,046	–	3,046	–	3,046
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**–**	**–**	**3,046**	**(38,385)**	**(35,339)**	**–**	**(35,339)**
Transactions with owners in their capacity as owners:								
Share based payments	*32*	–	1,254	–	–	1,254	–	1,254
Transfer on exercise/ lapse of share based payments		–	(200)	–	200	–	–	–
Cost of shares issued, net of tax	*26*	(1)	–	–	–	(1)	–	(1)
CLOSING BALANCE AT 30 JUNE 2014		**3,146,300**	**35,206**	**(326)**	**12,178**	**3,193,358**	**13,178**	**3,206,536**
Opening balance at 1 July 2014		**3,146,300**	**35,206**	**(326)**	**12,178**	**3,193,358**	**13,178**	**3,206,536**
(Loss) for the period		–	–	–	(330,625)	(330,625)	(12,100)	(342,725)
Other comprehensive income		–	–	(1,055)	–	(1,055)	–	(1,055)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**–**	**–**	**(1,055)**	**(330,625)**	**(331,680)**	**(12,100)**	**(343,780)**
Transactions with owners in their capacity as owners:								
Share based payments	*32*	–	2,431	–	–	2,431	–	2,431
Transfer on exercise/ lapse of share based payments		–	(1,094)	–	1,094	–	–	–
Purchase of shares through employee share plan	*26*	(148)	–	–	–	(148)	–	(148)
Cost of shares issued, net of tax	*26*	(5)	–	–	–	(5)	–	(5)
CLOSING BALANCE AT 30 JUNE 2015		**3,146,147**	**36,543**	**(1,381)**	**(317,353)**	**2,863,956**	**1,078**	**2,865,034**

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	NOTE	2015	2014
Cash flows from operating activities			
Cash receipts from customers		740,162	773,612
Cash paid to suppliers and employees		(527,738)	(648,185)
Cash generated from operations		212,424	125,427
Interest paid		(39,914)	(42,895)
Interest received		4,752	5,054
Income taxes refunded		36,111	21,020
NET CASH FROM OPERATING ACTIVITIES	*30*	**213,373**	**108,606**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		–	31
Purchase of property, plant and equipment		(430,555)	(310,852)
Purchase of intangible assets		(4,975)	(6,300)
Exploration and evaluation expenditure		(851)	(2,813)
NET CASH USED IN INVESTING ACTIVITIES		**(436,381)**	**(319,934)**
Cash flows from financing activities			
Net proceeds from issue / (repayment) of shares		(153)	(2)
Proceeds from borrowings	*23*	1,125,000	236,784
Repayment of borrowings	*23*	(858,246)	(8,247)
Payment of finance facility upfront costs		(27,084)	–
Payment of finance lease liabilities		(17,283)	(24,556)
NET CASH FROM FINANCING ACTIVITIES		**222,234**	**203,979**
Net change in cash and cash equivalents		(774)	(7,349)
Cash and cash equivalents at 1 July		103,167	110,516
CASH AND CASH EQUIVALENTS AT 30 JUNE	*14*	**102,393**	**103,167**

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

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

The financial report of Whitehaven Coal Limited ('Whitehaven' or 'Company') for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 13 August 2015. Whitehaven Coal Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The address of the Company's registered office is Level 28, 259 George Street, Sydney NSW 2000. The Company is a for-profit entity, and the principal activity of the consolidated entity is the development and operation of coal mines in New South Wales.

2. BASIS OF PREPARATION

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial report has been prepared on a historical cost basis, except for derivative financial instruments and available for sale financial assets that have been measured at fair value (refer to notes 3g and 3h).

The Company is of a kind referred to in ASIC Class Order 98/100 and dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

a) Statement of Compliance

The financial report also complies with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

b) Functional and Presentation Currency

Both the functional and presentation currency of the Company and of all entities in the consolidated entity is Australian dollars ($).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all subsidiaries in the consolidated entity.

New Accounting Standards and Interpretations

i. **Changes in Accounting Policy and Disclosures**
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new standards and interpretations effective as of 1 July 2014. These are outlined in note 39.

ii. **Accounting Standards and Interpretations Issued but not yet Effective**
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2015 are outlined in note 39.

a) Basis of Consolidation

The consolidated financial report of the Company for the financial year ended 30 June 2015 comprises the Company and its subsidiaries (together referred to as the 'consolidated entity') and the consolidated entity's interest in jointly controlled operations.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Subsidiaries

Subsidiaries are all those entities over which the consolidated entity has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

ii. Jointly Controlled Operations

The consolidated entity recognises its interest in jointly controlled operations by recognising its interest in the assets and liabilities of the joint venture. The consolidated entity also recognises the expenses it incurs and its share of the income that it earns from the sale of goods or services by the joint venture.

iii. Transactions Eliminated on Consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

b) Foreign Currency Translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

c) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

— Nature of the products and services
— Nature of the production processes
— Type or class of customer for the products and services
— Methods used to distribute the products or provide the services, and if applicable
— Nature of the regulatory environment

d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. For the purpose of the Statement of Cash Flows, bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents.

e) Trade and Other Receivables

Trade receivables, which generally have between 5 and 21 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Recoverability of trade receivables is reviewed on an ongoing basis.

Receivables due in more than one year are recognised initially at fair value, discounted back to net present value based on appropriate discount rates for the consolidated entity.

f) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of coal inventories is determined using a weighted average basis. Cost includes direct material, overburden removal, mining, processing, labour, mine rehabilitation costs incurred in the extraction process and other fixed and variable overhead costs directly related to mining activities.

Inventories are classified as follows:

— Run of mine: material extracted through the mining process
— Finished goods: products that have passed through all stages of the production process
— Consumables: goods or supplies to be either directly or indirectly consumed in the production process

g) Derivative Financial Instruments

The consolidated entity uses derivative financial instruments to hedge its risks associated with foreign currency and interest rate fluctuations arising from operating activities.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently remeasured to fair value. Any gains and losses arising from changes in the fair value of derivatives are accounted for as described below:

Cash Flow Hedges

Cash flow hedges are hedges of the consolidated entity's exposure to variability in cash flows that is attributable to a particular risk associated with forecast sales and purchases that could affect profit or loss. Changes in the fair value of the hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction (coal sales and asset purchases) when the forecast transaction occurs.

The consolidated entity tests each of the designated cash flow hedges for effectiveness at each balance date, both retrospectively and prospectively, by using the dollar offset method. If the testing falls within the 80:125 range, the hedge is considered to be highly effective and continues to be designated as a cash flow hedge.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if it no longer meets the criteria for hedge accounting (due to it being ineffective), then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains in equity until the forecast transaction occurs.

Economic Hedges

Derivatives which do not qualify for hedge accounting are measured at fair value with changes in fair value recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Investments and Other Financial Assets

Financial assets in the scope of AASB 139 are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets.

Financial assets are recognised initially at fair value, plus, for assets not at fair value through profit or loss, any directly attributable transaction costs.

Recognition and Derecognition

Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the consolidated entity commits itself to purchase or sell the asset. Financial assets are derecognised if the consolidated entity's contractual rights to the cash flows from the financial assets expire or if the consolidated entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

i) Property, Plant and Equipment

i. Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets (including new mines) are capitalised as part of the cost of the asset.

Mining property and development assets include costs transferred from exploration and evaluation assets once technical feasibility and commercial viability of an area of interest are demonstrable and subsequent costs to develop the mine to production phase.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within 'other income'.

Assets are deemed to be commissioned when they are capable of operating in the manner intended by management, and amortisation starts from this date.

ii. Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the consolidated entity and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

iii. Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line or units of production basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Mining property and development assets are depreciated on a units of production basis over the life of the economically recoverable reserves.

The depreciation rates used in the current and comparative periods are as follows:

— Plant and equipment	2% – 50%
— Leased plant and equipment	3% – 14%
— Mining property and development assets	units of production

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

j) Mine Development Costs

The cost of acquiring mineral reserves and mineral resources are capitalised on the statement of financial position as incurred. Capitalised costs (development expenditure) include expenditure incurred to expand the capacity of a mine and to maintain production. Mine development costs include acquired proved and probable mineral reserves at fair value at acquisition date.

Mineral reserves and capitalised mine development expenditure are, upon commencement of commercial production, depreciated over the remaining life of mine. The net carrying amounts of mineral reserves and resources and capitalised mine development expenditure at each mine property are reviewed for impairment at the cash-generating unit level. To the extent to which these values exceed their recoverable amounts, that excess is fully provided against in the financial year in which this is determined.

k) Intangible Assets

i. Exploration and Evaluation Assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the consolidated entity has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

1. The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
2. Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if:

1. Sufficient data exists to determine technical feasibility and commercial viability, and
2. Facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are not allocated to cash-generating units.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

ii. Water Access Rights

The consolidated entity holds water access rights, which have been determined to have an indefinite life. The water access rights have been recognised at cost and are assessed annually for impairment.

iii. Rail Access Rights

Rail access rights have a finite useful life and are carried at cost less, where applicable, any accumulated amortisation and accumulated impairment losses. The carrying values of rail access rights are reviewed to ensure they are not in excess of their recoverable amounts. Rail access rights are amortised over the life of the mine or access agreement using a unit sold basis.

iv. Other Intangible Assets

Other intangible assets that are acquired by the consolidated entity, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the statement of comprehensive income on a straight line basis over the estimated life of the mining property to which the intangible relates.

v. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of comprehensive income as incurred.

l) Deferred Stripping Costs

Expenditure incurred to remove overburden or waste material during the production phase of a mining operation is deferred to the extent it gives rise to future economic benefits and charged to operating costs on a units of production basis using the estimated average stripping ratio for the area being mined. Changes in estimates of average stripping ratios are accounted for prospectively.

For the purposes of assessing impairment, deferred stripping costs are grouped with other assets of the relevant cash generating unit.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Consolidated Entity as Lessee

Finance leases, which transfer to the consolidated entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the statement of comprehensive income. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and a reduction of the liability.

n) Impairment

i. Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

ii. Non-financial Assets

The carrying amounts of the consolidated entity's non-financial assets, other than inventories and deferred tax assets, are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit').

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

o) Trade and Other Payables

Trade and other payables are carried at amortised cost. Due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

p) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

q) Employee Benefits

i. Wages, Salaries, Annual Leave and Sick Leave

Liabilities for wages, salaries, annual leave and sick leave are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled i.e. at undiscounted amounts based on remuneration wage and salary rates including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the consolidated entity as the benefits are taken by the employees.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the consolidated entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Long-term Service Benefits

The consolidated entity's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance date which have maturity dates approximating to the terms of the consolidated entity's obligations.

iii. Defined Contribution Superannuation Funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the statement of comprehensive income as incurred.

iv. Share-based Payment Transactions

The grant date fair value of options granted to employees is recognised as an expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

r) Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

i. Mine Rehabilitation and Closure

Provisions are made for the estimated cost of rehabilitation relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. Provision has been made in full for all disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cashflows. The estimated cost of rehabilitation includes the current cost of re-contouring, topsoiling and revegetation based on legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

Significant uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of changes in environmental legislation. The amount of the provision relating to rehabilitation of mine infrastructure and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time. The provision is recognised as a non-current liability with a corresponding asset included in mining property and development assets.

At each reporting date the rehabilitation liability is re-measured in line with changes in discount rates, and timing or amount of the costs to be incurred. Changes in the liability relating to rehabilitation of mine infrastructure and dismantling obligations are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as a finance cost in the statement of comprehensive income as it occurs.

If the change in the liability results in a decrease in the liability that exceeds the carrying amount of the asset, the asset is written-down to nil and the excess is recognised immediately in the statement of comprehensive income. If the change in the liability results in an addition to the cost of the asset, the recoverability of the new carrying

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

amount is considered. Where there is an indication that the new carrying amount is not fully recoverable, an impairment test is performed with the write-down recognised in the statement of comprehensive income in the period in which it occurs.

The amount of the provision relating to rehabilitation of environmental disturbance caused by on-going production and extraction activities is recognised in the statement of comprehensive income as incurred.

s) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

t) Revenue and Other Income Recognition

i. Sale of Coal

Revenue from the sale of coal is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Transfer of risk and rewards are considered to have passed to the buyer under the terms of the individual contracts.

Revenue from the sale of Maules Creek development coal is being offset against development costs capitalised on the statement of financial position until production reaches commercial levels.

ii. Rental Income

Rental income is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Revenue received before it is earned is recorded as unearned lease income in the statement of financial position at its net present value, determined by discounting the expected notional future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

iii. Hire of Plant

The consolidated entity hires plant under operating leases to its subsidiaries and joint ventures. Revenue from the plant hire is recognised in the statement of comprehensive income as earned.

u) Finance Income and Expense

Finance income comprises interest income on funds invested, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the consolidated entity's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method, except where capitalised as part of a qualifying asset.

Foreign currency gains and losses are reported on a net basis.

v) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid to the taxation authorities based on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes, other than for the following temporary differences:

- When the deferred income tax asset/liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit,
- When the taxable temporary difference is associated with investments in subsidiaries and joint operations to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realised or the liability settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

i. **Minerals Resource Rent Tax (MRRT)**
On 19 March 2012, the Australian Government passed through the Senate the *Minerals Resource Rent Tax Act 2012*, with application to certain profits arising from the extraction of iron ore and coal in Australia. MRRT was considered, for accounting purposes, to be a tax based on income. Accordingly, the current and deferred MRRT expense was measured and disclosed on the same basis as income tax. The MRRT was effective from 1 July 2012 however as financial reporting considerations must be made from the date of Royal Assent, the Group had recognised the impact of deferred tax originating from MRRT since 30 June 2012. On 5 September 2014 the MRRT Repeal and Other Measures Bill 2014 received Royal Assent. Following the enactment of this legislation the MRRT balances were derecognised (see Note 7).

ii. **Tax Consolidation**
The Company and its wholly-owned Australian resident controlled entities formed a tax-consolidated group with effect from 29 May 2007 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Whitehaven Coal Limited.

Current tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within a consolidated group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

iii. **Nature of Tax Funding Arrangements and Tax Sharing Arrangements**
The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables / (payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity, in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

w) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expense. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

A number of the consolidated entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Mine Rehabilitation

The consolidated entity assesses its mine rehabilitation provisions at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions at balance date represent management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the statement of financial position by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceeds the carrying value, that portion of the increase is charged directly to expense. For closed mines, changes to estimated costs are recognised immediately in the statement of comprehensive income.

Exploration and Evaluation Expenditure

The application of the consolidated entity's accounting policy for exploration and evaluation expenditure requires judgement in determining whether future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the statement of comprehensive income in the period when the new information becomes available.

Carrying Value of Assets

All mining assets are amortised over the shorter of the estimated remaining useful life or remaining mine life. For mobile and other equipment, the straight-line method is applied over the estimated useful life of the asset.

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and Fair Value less Costs of Disposal ("FVLCD"). These calculations require the use of estimates and assumptions. It is reasonably possible that the coal price assumption may change which may then impact our estimated life of mine determinant which could result in a material adjustment to the carrying value of tangible assets.

The consolidated entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as spot and future coal prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure. The related carrying amounts are disclosed in note 19.

Mineral Reserves and Resources

The estimated quantities of economically recoverable Reserves and Resources are based upon interpretations of geological and geophysical models and require assumptions to be made requiring factors such as estimates of future operating performance, future capital requirements and short and long term coal prices. The consolidated entity is required to determine and report Reserves and Resources under the Australian Code for Reporting Mineral Resources and Ore Reserves December 2004 (the JORC Code). The JORC Code requires the use of reasonable investment assumptions to calculate reserves and resources. Changes in reported Reserves and Resources can impact the carrying value of property, plant and equipment, provision for rehabilitation as well as the amount charged for amortisation and depreciation.

Taxation

The consolidated entity's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The consolidated entity has exposure to the following risks from their use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

This note presents information about the consolidated entity's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board on its activities.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated entity's activities. The consolidated entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Management Committee oversees how management monitors compliance with the consolidated entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The consolidated entity defines capital as total shareholders' equity and debt. The Board monitors the capital structure on a regular basis including the gearing ratio and level of dividends paid to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by lower levels of borrowings.

There were no changes in the consolidated entity's approach to capital management during the year.

The Group's gearing ratio is calculated as net debt divided by total equity plus net debt.

IN THOUSANDS OF AUD ($'000)	2015	2014
Interest-bearing loans and borrowings	1,038,231	788,392
Less: cash and cash equivalents	(102,393)	(103,167)
NET DEBT	**935,838**	**685,225**
Equity	2,865,034	3,206,536
EQUITY AND NET DEBT	**3,800,872**	**3,891,761**
Gearing ratio	25%	18%

Risk Exposures and Responses

Foreign Currency Risk

The consolidated entity is exposed to currency risk on sales, purchases and demurrage that are denominated in a currency other than the respective functional currency of the consolidated entity, the Australian dollar (AUD). The currency in which these transactions primarily are denominated is US Dollars (USD).

The consolidated entity uses forward exchange contracts (FECs) to hedge its currency risk.

The Hedging Policy of the consolidated entity is to utilise forward exchange contracts to cover up to:

- 100% of contracted sales where both volume and US dollar price are fixed;
- 90% of contracted sales where volume is fixed but pricing is provisional;
- 80% of planned sales from existing operations over a 12 month period; and
- a maximum of 50% of planned sales from existing operations for between 12 and 24 months.

No cover is taken out beyond 24 months other than contracted sales where both volume and US dollar prices are fixed.

In respect of other monetary assets and liabilities denominated in foreign currencies, the consolidated entity ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when necessary to address short-term imbalances.

The consolidated entity classifies its forward exchange contracts as cash flow hedges and measures them at fair value.

The fair value of forward exchange contracts used as hedges at 30 June 2015 was $0.1 million (2014: nil), comprising assets and liabilities that were recognised as fair value derivatives.

At 30 June 2015, the consolidated entity had the following financial instruments that were not designated in cash flow hedges that were exposed to foreign currency risk:

IN THOUSANDS OF USD ($'000)	2015	2014
Cash	11,613	24,155
Trade and other receivables	42,486	27,380
Trade and other payables	(5,682)	(5,646)
Finance lease liabilities	–	(2,370)
NET STATEMENT OF FINANCIAL POSITION EXPOSURE	**48,417**	**43,519**

Currency risk exposure arising from derivative financial instruments is disclosed in note 17.

The following exchange rates applied during the year:

	AVERAGE RATE		REPORTING DATE SPOT RATE	
FIXED RATE INSTRUMENTS	2015	2014	2015	2014
USD	0.8382	0.9187	0.7649	0.9420

Sensitivity Analysis
A 10 per cent strengthening of the Australian dollar against the following currencies at 30 June would have increased/(decreased) equity and pre-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

	CONSOLIDATED	
EFFECT IN THOUSANDS OF AUD ($'000)	EQUITY	PROFIT OR (LOSS)
30 June 2015		
USD	–	(5,755)
30 June 2014		
USD	–	(4,200)

A 10 per cent weakening of the Australian dollar against the following currencies at 30 June would have increased/(decreased) equity and pre-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

	CONSOLIDATED	
EFFECT IN THOUSANDS OF AUD ($'000)	EQUITY	PROFIT OR (LOSS)
30 June 2015		
USD	–	7,033
30 June 2014		
USD	–	4,260

Credit Risk
Credit risk arises from the financial assets of the consolidated entity, which comprise cash and cash equivalents, trade receivables, available for sale financial assets, derivative financial instruments and the granting of financial guarantees. The consolidated entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of the financial assets, as outlined below.

Exposure to Credit Risk
The consolidated entity's maximum exposure to credit risk at the reporting date was:

		CARRYING AMOUNT	
IN THOUSANDS OF AUD ($'000)	NOTE	2015	2014
Cash and cash equivalents	*14*	102,393	103,167
Trade and other receivables	*15*	56,686	32,688
Derivative financial instruments	*17*	162	–
Investments	*18*	37	568
TOTAL		**159,278**	**136,423**

NOTES TO THE FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The consolidated entity's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

IN THOUSANDS OF AUD ($'000)	2015	2014
Asia	45,964	27,572
Europe	8,132	1,494
Australia	2,590	3,622
TOTAL	**56,686**	**32,688**

Trade Receivables
The consolidated entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the consolidated entity's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 36.1% of the consolidated entity's revenue is attributable to sales transactions with three customers (2014: 45.9% with three customers).

More than 88% (2014: 60%) of the consolidated entity's current customers have been transacting with the consolidated entity for over five years, and losses have occurred infrequently.

The consolidated entity generally does not require collateral in respect of trade receivables.

The consolidated entity trades only with recognised, creditworthy third parties.

Receivable balances are monitored on an ongoing basis with the result that the consolidated entity's exposure to bad debts is not significant.

The consolidated entity recognised an impairment loss for trade receivables of $1,305,000 during the year ended 30 June 2015 (2014: $2,892,000).

Impairment Losses
The aging of the consolidated entity's trade receivables at the reporting date was:

IN THOUSANDS OF AUD ($'000)	GROSS 2015	IMPAIRMENT 2015	GROSS 2014	IMPAIRMENT 2014
Not past due	55,619	–	33,328	(1,634)
Past due 0-30 days	168	–	1,127	(1,053)
Past due 31-120 days	536	–	1,010	(205)
Past due 121 days to one year	–	–	104	–
More than one year	4,024	(3,661)	11	–
TOTAL	**60,347**	**(3,661)**	**35,580**	**(2,892)**

The Company was advised in July 2014 that a domestic customer had been placed into voluntary administration. A provision was established to cover balances owed which are not expected to be recovered. Based on historic default rates, the consolidated entity believes that no additional impairment allowance is necessary in respect of trade receivables.

Guarantees
The policy of the consolidated entity is to provide financial guarantees for statutory bonding requirements associated with the mining operations and for construction of the rail upgrade and other purposes such as security of leased premises. Guarantees are provided under the A$1.4 billion Senior Secured Bank Facility. Details of outstanding guarantees are provided in note 29.

Liquidity Risk
Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

Typically, the consolidated entity ensures that it has sufficient cash on demand to meet all expected operational expenses as and when due, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED 30 JUNE 2015						
	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	6 MTHS OR LESS	6-12 MTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Financial liabilities							
Finance lease liabilities	96,997	113,685	10,203	10,203	20,405	72,874	–
Interest bearing liabilities	941,234	947,016	5,176	5,071	9,822	926,947	–
Trade and other payables	147,422	147,422	147,422	–	–	–	–
Forward exchange contracts:							
Outflow	25,166	103,788	103,788	–	–	–	–
Inflow	(25,268)	(104,230)	(104,230)	–	–	–	–
TOTAL	**1,185,551**	**1,207,681**	**162,359**	**15,274**	**30,227**	**999,821**	**–**

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED 30 JUNE 2014						
	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	6 MTHS OR LESS	6-12 MTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Financial liabilities							
Finance lease liabilities	113,911	138,057	14,436	18,519	17,544	87,558	–
Interest bearing liabilities	674,481	682,678	5,387	5,275	10,247	653,206	8,563
Trade and other payables	155,688	155,688	155,688	–	–	–	–
Forward exchange contracts:							
Outflow	–	–	–	–	–	–	–
Inflow	–	–	–	–	–	–	–
TOTAL	**944,080**	**976,423**	**175,511**	**23,794**	**27,791**	**740,764**	**8,563**

Interest Rate Risk

The consolidated entity's borrowings comprise both variable and fixed rate instruments. The variable rate borrowings expose the consolidated entity to a risk of changes in cash flows due to the changes in interest rates.

Management analyses interest rate exposure on an ongoing basis. The consolidated entity uses interest rate swaps to mitigate interest rate risk.

At the reporting date the interest rate profile of the consolidated entity's interest-bearing financial instruments was:

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED CARRYING AMOUNT 2015	2014
Fixed rate instruments		
Financial liabilities	(96,997)	(113,911)
	(96,997)	**(113,911)**
Variable rate instruments		
Financial assets	102,393	103,167
Financial liabilities	(941,234)	(674,481)
	(838,841)	**(571,314)**
Net exposure	(935,838)	(685,225)

NOTES TO THE FINANCIAL STATEMENTS

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

	PROFIT OR LOSS	
EFFECT IN THOUSANDS OF AUD ($'000)	100BP INCREASE	100BP DECREASE
30 June 2015		
Variable rate instruments	(8,388)	8,388
Effect on loss before tax	**(8,388)**	**8,388**
30 June 2014		
Variable rate instruments	(5,713)	5,713
Effect on loss before tax	**(5,713)**	**5,713**

	EQUITY	
EFFECT IN THOUSANDS OF AUD ($'000)	100BP INCREASE	100BP DECREASE
30 June 2015		
Variable rate instruments	877	(918)
Effect on equity before tax	**877**	**(918)**
30 June 2014		
Variable rate instruments	1,235	(1,300)
Effect on equity before tax	**1,235**	**(1,300)**

Commodity Price Risk

The Group's major commodity price exposure is to the price of coal. The consolidated entity has chosen not to hedge against the movement in coal prices.

During the year the Group entered into commodity contracts to hedge fuel price risk.

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:

IN THOUSANDS OF AUD ($'000)	30 JUNE 2015	LEVEL 1	LEVEL 2	LEVEL 3
Assets measured at fair value				
Equity shares	37	–	–	37
Forward exchange contracts – receivable	162	–	162	–
Liabilities measured at fair value				
Forward exchange contracts – payable	(60)	–	(60)	–
Interest rate swaps – payable	(1,005)	–	(1,005)	–
Commodity swaps – payable	(1,071)	–	(1,071)	–

IN THOUSANDS OF AUD ($'000)	30 JUNE 2014	LEVEL 1	LEVEL 2	LEVEL 3
Assets measured at fair value				
Equity shares	568	531	–	37
Liabilities measured at fair value				
Interest rate swaps – payable	(466)	–	(466)	–

The fair value of derivative financial instruments is derived using valuation techniques based on observable market inputs, such as forward currency 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 (refer note 17).

The fair value of the Group's investment in listed shares is classified under level 1 in the fair value measurement hierarchy (refer note 18).

The fair value of the Group's investment in unlisted shares is classified under level 3 in the fair value measurement hierarchy (refer note 18). The Group's holding in unlisted shares is minor and any reasonably possible change in assumptions would not have a material impact on the Group's financial statements.

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

Financial Assets and Liabilities by Categories

		2015			2014		
CONSOLIDATED ENTITY	NOTES	LOANS & RECEIVABLES[1]	AVAILABLE FOR SALE	OTHER	LOANS & RECEIVABLES[1]	AVAILABLE FOR SALE	OTHER
Financial assets							
Cash and cash equivalents	*14*	102,393	–	–	103,167	–	–
Trade and other receivables	*15*	125,228	–	–	99,934	–	–
Investments	*18*	–	–	37	–	531	37
Other financial assets[2]	*17*	–	–	162	–	–	–
TOTAL FINANCIAL ASSETS		**227,621**	–	**199**	**203,101**	**531**	**37**
Financial liabilities							
Trade and other payables	*22*	147,422	–	–	155,688	–	–
Borrowings	*23*	1,038,231	–	–	788,392	–	–
Other financial liabilities[2]	*17*	–	–	2,136	–	–	466
TOTAL FINANCIAL LIABILITIES		**1,185,653**	–	**2,136**	**944,080**	–	**466**

1. Loans and receivables are non-derivatives with fixed or determinable payments and are not quoted on an active market. Loans and receivables are valued at amortised cost.
2. Other financial assets include $0.2 million (2014: nil) relating to derivatives that qualified as being in a hedging relationship. Similarly, other financial liabilities include amounts of $2.1 million (2014: $0.5 million).

6. SEGMENT REPORTING

a) Identification of Reportable Segments

The Group has identified its reportable segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group has determined that it has two reportable segments: Open Cut Operations and Underground Operations. Discrete financial information about each of these segments is reported to the executive management team on at least a monthly basis.

Unallocated includes coal trading, corporate, marketing and infrastructure functions which 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 years ended 30 June 2015 and 30 June 2014. The Group's financing (including finance costs and finance income), depreciation and income taxes are managed on a group basis and are not allocated to reportable segments.

NOTES TO THE FINANCIAL STATEMENTS

6. SEGMENT REPORTING (CONTINUED)

	YEAR ENDED 30 JUN 2015			
IN THOUSANDS OF AUD ($'000)	UNALLOCATED OPERATIONS[1]	OPEN CUT OPERATIONS	UNDERGROUND OPERATIONS	TOTAL
Revenue				
Sales to external customers	(8,612)	365,809	406,093	763,290
Total segment revenue	(8,612)	365,809	406,093	763,290
TOTAL REVENUE PER STATEMENT OF COMPREHENSIVE INCOME				**763,290**

	YEAR ENDED 30 JUN 2015			
IN THOUSANDS OF AUD ($'000)	UNALLOCATED OPERATIONS	OPEN CUT OPERATIONS	UNDERGROUND OPERATIONS	TOTAL
Result				
Segment result	(19,982)	36,694	113,538	130,250
Depreciation and amortisation				(97,584)
Income tax benefit				140,592
Significant items before income tax and financing (see note 7)				(447,253)
Loss on investments and asset disposals				(884)
Net interest expense				(67,846)
NET LOSS AFTER TAX PER STATEMENT OF COMPREHENSIVE INCOME				**(342,725)**
Capital expenditure				
Segment expenditure[2]	6,689	239,630	43,861	290,180

	YEAR ENDED 30 JUN 2014			
IN THOUSANDS OF AUD ($'000)	UNALLOCATED OPERATIONS	OPEN CUT OPERATIONS	UNDERGROUND OPERATIONS	TOTAL
Revenue				
Sales to external customers	29,940	402,144	323,322	755,406
Total segment revenue	29,940	402,144	323,322	755,406
TOTAL REVENUE PER STATEMENT OF COMPREHENSIVE INCOME				**755,406**

	YEAR ENDED 30 JUN 2014			
IN THOUSANDS OF AUD ($'000)	UNALLOCATED OPERATIONS[1]	OPEN CUT OPERATIONS	UNDERGROUND OPERATIONS	TOTAL
Result				
Segment result	(30,605)	48,507	72,463	90,365
Depreciation and amortisation				(79,491)
Income tax benefit				17,949
Significant items before income tax and financing (see note 7)				(14,259)
Loss on investments and asset disposals				(84)
Net interest expense				(52,865)
NET LOSS AFTER TAX PER STATEMENT OF COMPREHENSIVE INCOME				**(38,385)**
Capital expenditure				
Segment expenditure[2]	9,738	260,913	28,953	299,604

1. Primarily relates to coal trading, contract discounts and foreign exchange gains/losses not allocated to segments.
2. Open Cut operations includes Maules Creek expenditure.

Other Segment Information

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to geographic location based on final shipping destination.

IN THOUSANDS OF AUD ($'000)	2015	2014
Total segment revenue		
Japan	274,520	332,722
Korea	253,324	232,697
India	106,834	82,012
Other	57,555	28,390
Taiwan	50,890	19,976
China	14,957	43,667
Domestic	5,210	15,942
TOTAL REVENUE	**763,290**	**755,406**
Total revenue by product		
Thermal	589,856	575,839
Metallurgical	168,224	163,625
Domestic	5,210	15,942
TOTAL REVENUE	**763,290**	**755,406**

Major Customers

The Group has three major customers which account for 36.1% (2014: 45.9%) of external revenue.

NOTES TO THE FINANCIAL STATEMENTS

7. SIGNIFICANT ITEMS

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

		CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	NOTES	2015	2014
Included within the balances presented on the face of the Consolidated Statement of Comprehensive Income:			
Operating expenses:			
Suspension of mining activities and office closures[1]		–	(5,473)
Restructuring costs[2]		(585)	(522)
		(585)	**(5,995)**
Impairment of exploration and related assets[5]		(354,652)	(2,340)
Impairment of MRRT goodwill[3]		(90,711)	–
IMPAIRMENT OF ASSETS		**(445,363)**	**(2,340)**
Other expenses:			
Contract cancellation cost[4]		–	(2,521)
Administrative expenses:			
Separation costs[2]		–	(511)
Bad debt provisions[6]		(1,305)	(2,892)
		(1,305)	**(3,403)**
Financial expenses:			
Write-off of finance facility upfront costs	*23*	(23,093)	–
SIGNIFICANT ITEMS BEFORE TAX		**(470,346)**	**(14,259)**
Applicable income tax (expense)/benefit		112,573	4,278
De-recognition of MRRT net deferred tax liability[3]		25,801	–
Tax benefit on refund of overpaid tax[7]		42,331	–
Franking deficit tax charge[7]		(42,331)	–
SIGNIFICANT ITEMS AFTER TAX		**(331,972)**	**(9,981)**

1. During the prior year work was undertaken to remediate a spontaneous combustion incident at the Sunnyside mine and an additional provision was raised to cover ongoing care and maintenance costs.
2. During the year the Group incurred redundancy costs as a result of a restructure of its workforce (2014: $0.5m). In the prior year separation costs were also incurred following the resignation of the former CFO ($0.5m).
3. De-recognition of MRRT related deferred tax balances as a result of the enactment of legislation repealing the MRRT. This includes the MRRT goodwill that arose on the acquisition of Aston $53.2m (allocated to the open-cut segment), Boardwalk ($29.9m) and Coalworks ($7.6m) that were not allocated during the year ended 30 June 2012 as a result of the recognition of deferred taxes on the implementation of the MRRT legislation as part of the purchase price accounting. This MRRT goodwill, being an intangible asset was created upon the introduction of the MRRT. The carrying value of the MRRT goodwill has been reviewed in the current year following the enactment of legislation repealing the MRRT, and as a result was fully reversed, together with the associated deferred tax assets and liabilities initially recognised on introduction of the MRRT legislation.
4. During the prior year the Group incurred costs in relation to the cancellation of an infrastructure sharing agreement.
5. During the year ended 30 June 2015, an impairment charge of $355m was taken in respect of early stage exploration assets. The impairment charge reflects the recently changed coal market environment and prospects for early stage exploration assets and particularly assets that are higher in ash and lower in energy. This includes assets that would have been targeted towards customers in China. During the prior year the Group wrote off a number of small amounts of exploration and related expenditure.
6. The Company was advised in July 2014 that a domestic customer had been placed into voluntary administration. A provision was established to cover balances owed which are not expected to be recovered.
7. During the current year the company received a tax refund of $42.3m following conclusion of an outstanding tax matter resulting in a tax benefit being recognised in the income statement. As a result of the tax refund the company was required to pay franking deficit tax of $42.3m to rebalance its franking account, resulting in recognition of an income tax expense in the income statement. This amount was paid on 31 July 2015 and will remain as a credit available to the company to offset future tax liabilities.

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED 2015	2014

8. REVENUE

Sale of coal	763,290	755,406

9. OTHER INCOME

Equipment and other hire income	5,863	5,992
Rental income	1,365	1,473
Contract compensation income	–	924
Net foreign exchange gain	3,311	–
Sundry income	174	108
	10,713	**8,497**

10. OTHER EXPENSES

Contract cancellation costs[1]	–	2,521
Share based compensation payments	2,431	1,254
Loss on sale of non-current assets	353	792
	2,784	**4,567**

1. During the prior year the Group incurred costs in relation to the cancellation of an infrastructure sharing agreement.

NOTES TO THE FINANCIAL STATEMENTS

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED 2015	2014
11. PERSONNEL EXPENSES		
Wages and salaries	91,892	87,720
Contributions to superannuation plans	6,662	6,352
Other associated personnel expenses	3,248	3,620
Increase in liability for annual leave	802	1,170
Increase / (decrease) in liability for long service leave	405	(232)
Share based compensation payments[1]	2,431	1,254
	105,440	**99,884**

1. Disclosed in "Other expenses" in the Statement of Comprehensive Income.

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED 2015	2014
12. FINANCE INCOME AND EXPENSE		
Recognised in profit or loss		
Interest income[1]	1,025	1,114
Interest on tax refund[1]	3,727	3,940
Dividend income	4	95
Unrealised gain on investments	–	708
FINANCIAL INCOME	**4,756**	**5,857**
Interest expense on finance lease liabilities[1]	(8,002)	(9,170)
Interest on drawn debt facility[1]	(17,715)	(21,160)
Other interest charges[1]	(10,005)	(13,737)
Interest and financing costs	(35,722)	(44,067)
Write-off of finance facility upfront costs[1]	(23,093)	–
Unwinding of discounts on provisions[1]	(2,350)	(2,212)
Unrealised loss on investments	(531)	–
Amortisation of finance charges payable under debt facilities[1]	(11,433)	(11,640)
Net foreign exchange loss on finance leases	(31)	(95)
FINANCIAL EXPENSES	**(73,160)**	**(58,014)**
NET FINANCIAL EXPENSE	**(68,404)**	**(52,157)**
Recognised directly in equity		
Net change in cash flow hedges	(1,507)	4,351
Income tax effect	452	(1,305)
FINANCIAL (EXPENSE)/INCOME RECOGNISED DIRECTLY IN EQUITY, NET OF TAX	**(1,055)**	**3,046**

1. Included within net interest expense of $67,846,000 (2014: $52,865,000).

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED 2015	2014
13. INCOME TAX		
a) Income Tax (Expense)/Benefit		
Current income tax – corporate tax		
Current period	**60,401**	**68,204**
Adjustment for prior periods	(888)	(21)
	59,513	68,183
Deferred income tax – corporate tax		
Origination and reversal of temporary differences	55,278	(50,234)
De-recognition of MRRT net deferred tax liability	25,801	–
Income tax benefit reported in the statement of comprehensive income	140,592	17,949
Numerical reconciliation between tax expense recognised in the statement of comprehensive income and profit before tax		
Profit/(loss) before tax	(483,317)	(56,334)
Income tax benefit using the Company's domestic tax rate of 30% (2014: 30%)	144,995	16,900
Non-deductible expenses:		
Share based payments	(729)	(376)
Impairment of goodwill	(27,213)	–
Impairment of exploration assets	(28,668)	–
Other non-deductible expenses	(1,374)	(64)
De-recognition of MRRT net deferred tax liability	25,801	–
Recognition of tax losses	28,668	–
Tax benefit on refund of overpaid tax	42,331	–
Uplift on immediate deduction of exploration licence	–	7,729
Franking deficit tax liability	(42,331)	(6,219)
Over/(Underprovided) in prior periods	(888)	(21)
TOTAL INCOME TAX BENEFIT	**140,592**	**17,949**
b) Income Tax Recognised Directly in Equity		
Deferred income tax related to items charged/(credited) directly to equity		
Derivatives	452	(1,305)
Transaction costs on issue of share capital	1	1
Income tax expense recorded in equity	453	(1,304)

NOTES TO THE FINANCIAL STATEMENTS

13. INCOME TAX (CONTINUED)

c) Recognised Tax Assets and Liabilities

	CONSOLIDATED			
IN THOUSANDS OF AUD ($'000)	2015 CURRENT INCOME TAX	2015 DEFERRED INCOME TAX	2014 CURRENT INCOME TAX	2014 DEFERRED INCOME TAX
Opening balance	(6,219)	(29,931)	(13,935)	(17,841)
Charged to income – corporate tax	59,513	55,279	68,183	(50,234)
Charged to equity	–	453	–	(1,304)
Recognition of deferred tax asset on current year losses	(59,513)	59,513	(66,673)	66,673
De-recognition of MRRT net deferred tax liability	–	25,801	–	–
Franking deficit tax payable	(42,331)	42,331	–	–
Tax benefit on refund of overpaid tax	–	(42,331)	–	–
Transfer between current and deferred tax	–	–	27,225	(27,225)
Payments/(receipts)	6,219	–	(21,019)	–
CLOSING BALANCE	**(42,331)**	**111,115**	**(6,219)**	**(29,931)**
Tax expense in statement of comprehensive income:				
Charged to income		140,592		17,949
Charged to equity		453		(1,304)
Amounts recognised in the statement of financial position:				
Deferred tax asset (net)		111,115		–
Deferred tax liability (net)		–		(29,931)
		111,115		**(29,931)**

Deferred income tax assets and liabilities are attributable to the following:

	CONSOLIDATED			
	ASSETS		LIABILITIES	
IN THOUSANDS OF AUD ($'000)	2015	2014	2015	2014
Corporate tax				
Property, plant and equipment	–	–	(265,748)	(205,150)
Exploration and evaluation	16,435	–	–	(57,738)
Receivables	–	–	(499)	(375)
Derivatives	–	140	–	–
Investments	358	257	–	–
Deferred stripping	–	–	(5,186)	(5,004)
Deferred foreign exchange gain	–	1,352	(47)	–
Provisions	25,384	27,803	–	–
Tax losses	329,396	222,804	–	–
On MRRT	–	11,057	–	–
Other items	11,022	11,781	–	–
Tax assets/(liabilities)	382,595	275,194	(271,480)	(268,267)
Set off of tax (liabilities)/assets	(271,480)	(275,194)	271,480	275,194
Net tax assets/(liabilities)	111,115	–	–	6,927

	CONSOLIDATED			
	ASSETS		LIABILITIES	
IN THOUSANDS OF AUD ($'000)	2015	2014	2015	2014
MRRT				
Property, plant and equipment	–	–	–	(68,443)
Exploration and evaluation	–	–	–	(57,845)
Losses and royalty credits	–	85,380	–	-
Other	–	4,050	–	-
Tax assets/(liabilities)	–	89,430	–	(126,288)
Set off of tax assets	–	(89,430)	–	89,430
Net tax assets/(liabilities)	–	–	–	(36,858)
TOTAL NET DEFERRED TAX ASSET/(LIABILITY)	**111,115**	**–**	**–**	**(29,931)**

d) Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the cost base available on disposal of the following items:

	CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	2015	2014
Corporate tax		
Tax losses	32,164	82,310
Tax credits	30,958	24,738
	63,122	**107,048**
MRRT		
MRRT assets not recognised	–	421,767
	–	**421,767**

e) Tax Consolidation

The Company and its 100% owned Australian subsidiaries formed a tax consolidated group with effect from 29 May 2007. The consolidated tax group has entered into both a tax funding arrangement and a tax sharing agreement.

NOTES TO THE FINANCIAL STATEMENTS

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED 2015	2014
14. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	102,393	103,167
Cash at bank earns interest at floating rates based on daily bank deposit rates.		
15. TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	56,686	32,688
Other trade receivables and prepayments	35,875	25,972
Receivables due from related parties	8,491	11,602
	101,052	**70,262**
Non-current		
Other trade receivables and prepayments	24,176	29,672
16. INVENTORIES		
Coal stocks at lower of cost and net realisable value[1]	67,563	43,226
Consumables and stores	22,329	17,896
	89,892	**61,122**

1. Coal stocks include run of mine and product coal.

17. DERIVATIVE FINANCIAL INSTRUMENTS		
Current assets		
Forward exchange contracts – receivable	162	–
Current liabilities		
Forward exchange contracts – payable	60	–
Interest rate swaps – payable	1,005	466
Commodity swaps – payable	1,071	–
	2,136	466

Instruments Used by the Consolidated Entity

Derivative financial instruments are used by the consolidated entity in the normal course of business in order to hedge exposure to fluctuations in foreign exchange and interest rates. During the year, the Group's hedges were fully effective, and therefore the ineffectiveness recognised in financial expenses in the income statement for the current year was $nil (2014: $nil, see Note 12).

Interest Rate Swaps – Cash Flow Hedges

The Group has debt facilities subject to variable interest rates. In order to protect against interest rate movements and reduce the interest rate related volatility of the consolidated entity's financial expenses, the consolidated entity enters into interest rate swaps.

The cumulative effective portion of $874,000 (2014: $993,000) is reflected in other comprehensive income. The recycling of losses from the hedge reserve to the income statement for interest amounted to $335,000 (2014: $407,000), which has been recognised in financial expenses.

Commodity Swaps – Cash Flow Hedges

In order to protect against fuel price movements the Group entered into fuel price swaps during the year.

The cumulative effective portion of $9,010,000 (2014: $nil) is reflected in other comprehensive income. The recycling of losses from the hedge reserve to the income statement for fuel amounted to $7,939,000 (2014: $nil), which has been recognised in operating expenses.

Forward Currency Contracts – Cash Flow Hedges

The consolidated entity undertakes sales in US dollars. In order to protect against exchange rate movements and reduce the foreign exchange rate related volatility of the consolidated entity's revenue, the consolidated entity enters into forward exchange contracts to sell US dollars in the future at stipulated exchange rates. Forward exchange contracts are entered for future sales undertaken in US dollars.

The contracts are timed to mature when funds for coal sales are forecast to be received. At 30 June 2015, the forward exchange contracts are designated as cash flow hedges and are expected to impact profit or loss in the periods specified below.

Forward Exchange Contracts

IN THOUSANDS OF AUD (EXCEPT EXCHANGE RATES)	FAIR VALUE 2015	AVERAGE EXCHANGE RATES 2015	FAIR VALUE 2014	AVERAGE EXCHANGE RATES 2014
Sell US dollars				
Less than 6 months	102	0.7675	–	–
6 months to 1 year	–	–	–	–
	102	0.7675	–	–

The cumulative effective portion of $14,449,000 (2014: $2,432,000) is reflected in other comprehensive income. The recycling of losses from the hedge reserve to the income statement for sales amounted to $14,552,000 (2014: $2,505,000), which has been recognised in revenue.

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED 2015	2014
18. INVESTMENTS		
Non-current investments		
Investment in unlisted shares	37	37
Investment in listed shares	–	531
	37	**568**

NOTES TO THE FINANCIAL STATEMENTS

19. PROPERTY, PLANT AND EQUIPMENT

		CONSOLIDATED				
IN THOUSANDS OF AUD ($'000)	NOTES	FREEHOLD LAND	PLANT AND EQUIPMENT	LEASED PLANT AND EQUIPMENT	MINING PROPERTY AND DEVELOPMENT	TOTAL
Cost						
Balance at 1 July 2013		127,817	513,701	112,152	2,830,798	3,584,468
Additions		26,505	41,975	–	446,716	515,196
Transfer to plant and equipment		–	(27,978)	31,595	(3,617)	–
Transfer from exploration and evaluation	*20*	–	–	–	49,754	49,754
Disposals		(10)	(1,549)	–	–	(1,559)
Balance at 30 June 2014		154,312	526,149	143,747	3,323,651	4,147,859
Balance at 1 July 2014		154,312	526,149	143,747	3,323,651	4,147,859
Additions		2,545	26,244	190	478,066	507,045
Transfer to plant and equipment		–	14,254	(14,254)	–	–
Transfer to exploration and evaluation	*20*	–	–	–	(28,581)	(28,581)
Disposals		–	(498)	–	–	(498)
BALANCE AT 30 JUNE 2015		**156,857**	**566,149**	**129,683**	**3,773,136**	**4,625,825**
Depreciation and impairment						
Balance at 1 July 2013		–	(118,362)	(40,766)	(293,718)	(452,846)
Depreciation charge for the year		–	(33,617)	(12,079)	(265,122)	(310,818)
Transfer to plant and equipment		–	(20,069)	20,069	–	–
Disposals		–	742	–	–	742
Balance at 30 June 2014		–	(171,306)	(32,776)	(558,840)	(762,922)
Balance at 1 July 2014		–	(171,306)	(32,776)	(558,840)	(762,922)
Depreciation charge for the year		–	(40,451)	(10,683)	(272,517)	(323,651)
Transfer from plant and equipment		–	(8,237)	8,237	–	–
Disposals		–	142	–	–	142
Impairment		–	(136)	–	(14)	(150)
BALANCE AT 30 JUNE 2015		–	**(219,988)**	**(35,222)**	**(831,371)**	**(1,086,581)**
Carrying amounts						
At 1 July 2013		127,817	395,339	71,386	2,537,080	3,131,622
At 30 June 2014		154,312	354,843	110,971	2,764,811	3,384,937
At 1 July 2014		154,312	354,843	110,971	2,764,811	3,384,937
AT 30 JUNE 2015		**156,857**	**346,161**	**94,461**	**2,941,765**	**3,539,244**

Leased Plant and Machinery

The consolidated entity leases mining equipment under a number of finance lease agreements. At 30 June 2015, the consolidated entity's net carrying amount of leased plant and machinery was $94,461,000 (2014: $110,971,000). The leased equipment is pledged as security for the related finance lease liabilities. During the prior year the Group entered into sale and leaseback transactions resulting in the reclassification of items of equipment between property, plant and equipment and leased plant and equipment.

Impairment of Non-current Assets

The recoverable amount of the CGUs has been determined by the FVLCD method. The FVLCD for each CGU is determined based on the net present value of the future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGUs, including any expansion projects, and their eventual disposal. The cash flows have been estimated with reference to remaining reserves and resources along with assumptions in respect of coal prices, foreign exchange rates, stripping ratios, production rates and unit costs. These cash flows were discounted using a real pre-tax discount rate of 11%. The coal prices and foreign exchange rates applied for the first three years of the cash flow estimates are based on detailed financial budgets approved by senior management which included consideration of external sources such as analyst forecasts. Long term estimates are based on a consideration of third party analyst forecasts and management estimates in respect of long term incentive coal prices in the seaborne export coal market.

Costs of disposal are estimated based on the current market rate applied by advisors in respect of the disposal of mining assets.

20. EXPLORATION AND EVALUATION

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED
Balance at 1 July 2013	574,459
Exploration and evaluation expenditure	3,049
Transfer to property, plant and equipment	(49,754)
Impairment	(840)
Balance at 30 June 2014	526,914
Exploration and evaluation expenditure	851
Transfer from property, plant and equipment	28,581
Impairment	(355,000)
BALANCE AT 30 JUNE 2015	**201,346**

Exploration and Evaluation Assets

The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Exploration and evaluation assets include tenements granted by the Queensland State Government which are subject to periodic relinquishment requirements of up to 20% per year.

During the year ended 30 June 2015, an impairment charge of $355m was taken in respect of early stage exploration assets, which is not allocated to a segment. Exploration and evaluation assets are carried at their fair value less costs to dispose. This value represents the Group's view of these assets. The impairment charge reflects the recently changed coal market environment and prospects for early stage exploration assets.

NOTES TO THE FINANCIAL STATEMENTS

21. INTANGIBLE ASSETS

	CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	2015	2014
Water access rights	8,577	8,577
Acquired haulage rights	1,300	1,300
Less: Accumulated amortisation	(1,160)	(1,007)
Rail access rights[1]	11,237	6,262
MRRT Goodwill[2]	–	90,711
	19,954	**105,843**

1. As part of the agreement to cancel previously existing infrastructure sharing arrangements Whitehaven agreed to pay 10.1% of the construction cost of the shared portion of the Boggabri – Maules Creek rail spur. In return, Whitehaven receives access to rail tonnes on the joint rail spur.
2. MRRT goodwill arose on the acquisition of Boardwalk, Aston and Coalworks during the year ended 30 June 2012 as a result of the recognition of deferred taxes on the implementation of the MRRT legislation as part of the purchase price accounting. This MRRT goodwill, being an intangible asset was created upon the introduction of the MRRT. The carrying value of the MRRT goodwill was reviewed in the current year following the enactment of legislation repealing the MRRT and as a result was fully reversed, together with the associated deferred tax assets and liabilities initially recognised on introduction of the MRRT legislation.

The carrying amounts of water access rights are reviewed at each balance date to determine whether there is any indication of impairment. When reviewing for indicators of impairment, the Group considers mining plans, project approvals and market values, among other factors.

Movement Intangibles

	CONSOLIDATED				
IN THOUSANDS OF AUD ($'000)	WATER ACCESS RIGHTS	CONTRACT RELATED INTANGIBLE	RAIL ACCESS RIGHTS	MRRT GOODWILL	TOTAL
Balance at 1 July 2013	8,539	446	–	90,711	99,696
Additions during the year	38	–	6,262	–	6,300
Less: Amortisation charge	–	(153)	–	–	(153)
BALANCE AT 30 JUNE 2014	**8,577**	**293**	**6,262**	**90,711**	**105,843**
Balance at 1 July 2014	8,577	293	6,262	90,711	105,843
Additions during the year	–	–	4,975	–	4,975
Less: Amortisation charge	–	(153)	–	–	(153)
Less: MRRT goodwill impairment	–	–	–	(90,711)	(90,711)
BALANCE AT 30 JUNE 2015	**8,577**	**140**	**11,237**	**–**	**19,954**

22. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	2015	2014
Current		
Trade payables	46,935	49,500
Other payables and accruals	100,487	106,188
	147,422	**155,688**

23. INTEREST-BEARING LOANS AND BORROWINGS

This note provides information about the contractual terms of the consolidated entity's interest-bearing loans and borrowings.

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED 2015	2014
Current liabilities		
Finance lease liabilities	13,503	24,837
Secured loans	8,247	8,247
	21,750	33,084
Non-current liabilities		
Finance lease liabilities	83,494	89,074
Secured loans	932,987	666,234
	1,016,481	755,308
	1,038,231	**788,392**
Financing facilities		
Secured loans	1,241,234	1,049,481
Facilities utilised at reporting date		
Secured loans	941,234	674,481
Facilities not utilised at reporting date		
Secured loans	300,000	375,000

Financing Facilities

On 26 March 2015 the Company entered into a $1.4 billion Senior Secured Bank Facility. The facility has a maturity date of July 2019 and provides Whitehaven with lines of credit up to A$1.4 billion comprising of A$1.2 billion revolving and term facility, and $0.2 billion guarantee facilities. This facility was used to replace the Company's $1.2 billion facility. As a result the Company wrote off $23.1 million of finance upfront costs relating to the $1.2 billion facility. During the current year an amount of $225 million was drawn down under the old facility. A further $900 million was drawn down under the new facility, of which $850 million was used to repay debt drawn on the old facility. Other loans of $8.3 million were repaid during the year. The security provided in relation to the facilities is a fixed and floating charge over the assets of the Group.

Finance Lease Facility

At 30 June 2015, the consolidated entity's lease liabilities are secured by the leased assets of $94,461,000 (2014: $110,971,000), as in the event of default, the leased assets revert to the lessor.

Finance Lease Liabilities

Finance lease liabilities of the consolidated entity are payable as follows:

	CONSOLIDATED					
IN THOUSANDS OF AUD ($'000)	MINIMUM LEASE PAYMENTS 2015	INTEREST 2015	PRINCIPAL 2015	MINIMUM LEASE PAYMENTS 2014	INTEREST 2014	PRINCIPAL 2014
Less than one year	20,405	6,902	13,503	32,955	8,118	24,837
Between one and five years	93,280	9,786	83,494	105,102	16,028	89,074
	113,685	**16,688**	**96,997**	**138,057**	**24,146**	**113,911**

NOTES TO THE FINANCIAL STATEMENTS

IN THOUSANDS OF AUD ($'000)	CONSOLIDATED 2015	2014
24. EMPLOYEE BENEFITS		
Current		
Salaries and wages accrued	4,073	4,125
Liability for long service leave	274	(131)
Liability for annual leave	9,708	8,906
	14,055	**12,900**
25. PROVISIONS		
Mine rehabilitation and closure	76,458	62,900
Take or pay	–	9,776
Other provisions	3,704	9,677
	80,162	**82,353**
Current	7,380	22,995
Non-current	72,782	59,358
	80,162	**82,353**

Movements in Provision

IN THOUSANDS OF AUD ($'000)	MINE REHABILITATION AND CLOSURE	TAKE OR PAY	OTHER PROVISIONS
Balance at 1 July 2014	62,900	9,776	9,677
Provisions made during the period	11,748	–	–
Provisions used during the period	(540)	(10,246)	(1,040)
Provisions reversed during the period	–	–	(4,933)
Unwind of discount	2,350	470	–
BALANCE AT 30 JUNE 2015	**76,458**	–	**3,704**

Increases in the provision for rehabilitation were made during the year as a result of additional disturbance at several mines and a reassessment of the areas of disturbance and rehabilitation rates. Rehabilitation and mine closure expenditure is expected to occur over the life of the mining operations which ranges from 5 to 30 years. Refer to Note 3(r) for details on the nature of the obligation.

Other provisions include amounts recognised on acquisition of subsidiaries as part of the purchase price allocation and amounts for costs expected to be incurred for maintaining Sunnyside in care and maintenance.

26. SHARE CAPITAL AND RESERVES

a) Share Capital

	CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	2015	2014
Fully paid ordinary shares 1,026,045,885 (2014: 1,025,760,027)	3,146,147	3,146,300

b) Movements in Shares on Issue

Ordinary Shares

	CONSOLIDATED			
	2015		2014	
	NO. OF SHARES 000'S	$000	NO. OF SHARES 000'S	$000
Beginning of the financial year	1,025,760	3,146,300	1,025,693	3,146,301
Share based payments	286	–	67	–
Shares purchased by share plan	–	(148)	–	–
Costs of shares issued, net of tax	–	(5)	–	(1)
	1,026,046	**3,146,147**	**1,025,760**	**3,146,300**

c) Terms and Conditions of Issued Capital

Fully paid ordinary shares carry one vote per share, either in person or by proxy, at a meeting of the Company and carry the right to receive dividends as declared. In the event of a winding up of the Company, fully paid ordinary shares carry the right to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Under the terms of the acquisition of Boardwalk Resources Limited, 34,020,000 ordinary shares are subject to a restriction deed which removes their entitlement to vote, receive dividends as declared or participate in the proceeds from the sale of all surplus assets. These restrictions will be released on reaching certain milestones.

d) Hedge Reserve

The hedging reserve comprises the effective portion of the cumulative change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

e) Share-based Payment Reserve

The share-based payment reserve is used to record the value of share based payments provided to director related entities and senior employees under share option and long term incentive plans. Refer to note 32 for further details of these plans.

f) Dividends

No dividends were paid during the year ended 30 June 2015 (2014: nil).

The directors resolved not to pay dividend for the year ended 30 June 2015.

Dividend Franking Account

There were no franking credits available to shareholders of Whitehaven Coal Limited for subsequent financial years (2014: nil).

NOTES TO THE FINANCIAL STATEMENTS

27. OPERATING LEASES

Consolidated Entity as Lessee

The consolidated entity leases mining equipment, office equipment and office space under operating leases. The leases typically run for one to five years on commercial terms. None of the leases includes contingent rentals. The operating lease expenses recognised in profit or loss in the current year amounted to $1,378,000 (2014: $1,362,000).

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2015 are as follows:

	CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	2015	2014
Less than one year	23,254	905
Between one and five years	76,541	1,372
	99,795	**2,277**

28. CAPITAL EXPENDITURE COMMITMENTS

	CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	2015	2014
Plant and equipment and intangibles		
Contracted for but not provided for and payable:		
Within one year[1]	21,706	124,445

1. There were no commitments for capital expenditure beyond one year.

29. CONTINGENCIES

Bank Guarantees

	CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	2015	2014
The Group provided bank guarantees to:		
i. Government departments as a condition of continuation of mining and exploration licenses	49,375	67,132
ii. Rail capacity providers	30,027	23,492
iii. Port capacity providers	88,291	54,818
iv. Electricity network access supplier	26,200	8,950
v. Boggabri-Maules Creek Rail Spur	–	26,269
vi. Other	2,117	952
	196,010	**181,613**

Litigation

There is a number of legal and potential claims against the Group which have arisen in the ordinary course of business. As the Group believes that it has no liability for such matters, a provision has not been made for any potential adverse outcome. The Group will defend these claims and believes that any adverse outcome would not be material based on information currently available to the Group.

30. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

IN THOUSANDS OF AUD ($'000)	NOTES	CONSOLIDATED 2015	2014
Loss for the period		(342,725)	(38,385)
Adjustments for:			
Depreciation		97,431	79,338
Amortisation		75,510	66,913
Write-off of finance facility upfront costs		23,093	–
Finance costs		7,387	12,723
Foreign exchange (gains)/losses unrealised		(5,023)	847
Unrealised loss/(gain) on investment		531	(708)
Unwinding of discounts on provisions		2,427	2,212
Share-based compensation payments	*32*	2,431	1,254
Write-off of assets[1]		444,668	4,803
Loss on sale of non-current assets	*10*	353	792
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		**306,083**	**129,789**
Change in trade and other receivables		(22,694)	9,503
Change in inventories and deferred stripping		(2,983)	876
Change in trade and other payables		36,510	(41,915)
Change in provisions and employee benefits		938	7,285
Change in tax payable		36,111	(7,715)
Change in deferred taxes		(140,592)	10,783
CASH FLOWS FROM OPERATING ACTIVITIES		**213,373**	**108,606**

1. This balance includes the impairment of the MRRT goodwill of $90.7m and exploration and related assets of $354.7m and partially offset by other net write-off and reversals totalling $0.7m.

31. SUBSEQUENT EVENTS

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

NOTES TO THE FINANCIAL STATEMENTS

32. SHARE-BASED PAYMENTS

a) Recognised Share-based Payment Expenses

Employee Expenses

	CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	2015	2014
Share options and performance rights – senior employees	2,431	1,254
	2,431	**1,254**

b) Types of Share-based Payment Plans

Performance Right Grant to CEO and Senior Employees (FY2014)

The Company issued 3,107,441 performance rights to the CEO and senior employees under the Company's medium and long term incentive programs in FY2014.The terms and conditions of the grant are as follows.

PERFORMANCE RIGHTS	EXERCISE PRICE	NUMBER OF INSTRUMENTS	VESTING CONDITIONS	EXPIRATION DATE
MTI	$0.00	633,717	30 June 2015	30 June 2015
LTI tranche 1	$0.00	1,236,868	30 June 2016	30 June 2016
LTI tranche 2	$0.00	1,236,856	30 June 2017	30 June 2017
		3,107,441		

The performance rights vest over the period 1 July 2013 to 30 June 2017 and are subject to a performance measure linked to relative total shareholder return (TSR). The performance measure compares the TSR performance of the Company with the TSR performance of each of the entities in a comparator group. The comparator group for the FY2014 grant comprises those entities within the ASX 100 Resources Index as at 1 July 2013.

The performance rights vest subject to achieving a total shareholder return ('TSR') as follows:

- TSR over vesting period above 75th percentile – 100% vest
- TSR over vesting period between 50th and 75th percentile – sliding scale of vesting between 35% and 100%
- TSR over vesting period equal to the 50th percentile – 35% vest
- TSR over vesting period below the 50th percentile – 0% vest

Performance Right Grant to Senior Employees (FY2015)

The Company issued 4,800,501 performance rights to senior employees under the Company's medium and long term incentive programs in FY2015.The terms and conditions of the grant are as follows.

PERFORMANCE RIGHTS	EXERCISE PRICE	NUMBER OF INSTRUMENTS	VESTING CONDITIONS	EXPIRATION DATE
MTI	$0.00	1,225,363	30 June 2016	30 June 2016
LTI tranche 1	$0.00	1,072,548	30 June 2017	30 June 2017
LTI tranche 2	$0.00	1,072,533	30 June 2018	30 June 2018
LTI tranche 3	$0.00	1,430,057	30 June 2017	30 June 2018
		4,800,501		

The MTI, LTI tranche 1 and LTI tranche 2 performance rights vest over the period 1 July 2014 to 30 June 2018 and are subject to a performance measure linked to relative total shareholder return (TSR). The performance measure compares the TSR performance of the Company with the TSR performance of a peer group of companies operating in the Australian resources sector.

The performance rights vest subject to achieving a total shareholder return ('TSR') as follows:

- TSR over vesting period above 75th percentile – 100% vest
- TSR over vesting period between 50th and 75th percentile – sliding scale of vesting between 35% and 100%
- TSR over vesting period equal to the 50th percentile – 35% vest
- TSR over vesting period below the 50th percentile – 0% vest

The LTI tranche 3 performance rights vest at 30 June 2017 and are subject to the Company achieving a defined cost per tonne target for FY2017. Due to the commercially sensitive nature of this hurdle, the exact target will not be disclosed as this stage. However, retrospective disclosure of outcomes against the target will be provided in the Remuneration Report for the year of vesting.

The performance rights vest subject to achieving a defined cost per tonne target as follows:

— Stretch cost achieved – 100% vest
— Cost between target and stretch achieved – sliding scale of vesting between 35% and 100%
— Target cost achieved – 35% vest
— Below target cost – 0% vest

To the extent that the cost target is achieved at 30 June 2017:

— 50% of the performance rights that vest will be immediately delivered in shares; and
— The remaining 50% will continue on foot, subject to a further one year service condition prior to being delivered in shares.

c) Movement in Options and Performance Rights

The following table illustrates the number and weighted average exercise prices of, and movements in, options and performance rights during the year:

	WEIGHTED AVERAGE EXERCISE PRICE 2015	NUMBER OF OPTIONS/RIGHTS 2015	WEIGHTED AVERAGE EXERCISE PRICE 2014	NUMBER OF OPTIONS/RIGHTS 2014
Outstanding at beginning of period	$3.13	21,146,767	$3.62	18,264,731
Exercised during the period	$0.00	–	$0.00	–
Granted during the period	$0.00	4,830,468[1]	$0.00	3,107,441
Forfeited during the period	$0.00	(520,051)	$0.00	(225,405)
Lapsed during the period	$0.00	(939,382)	$0.00	–
Outstanding at 30 June	$2.70	24,517,802	$3.13	21,146,767
Exercisable at 30 June	$3.92	**16,872,910**	$3.92	16,872,910

1. Includes 29,967 performance rights granted during the year under the FY2014 program.

The outstanding balance as at 30 June 2015 is represented by:

i. 8,619,278 options over ordinary shares having an exercise price of $3.15, exercisable until 17 August 2015
ii. 12,354 options over ordinary shares having an exercise price of $3.33, exercisable until 10 November 2015
iii. 8,241,278 options over ordinary shares having an exercise price of $4.73, exercisable until 17 August 2016
iv. 759,253 performance rights over ordinary shares having an exercise price of nil, exercisable between 23 September 2014 and 23 September 2016
v. 2,085,138 performance rights over ordinary shares having an exercise price of nil, exercisable between 30 June 2015 and 30 June 2017
vi. 4,800,501 performance rights over ordinary shares having an exercise price of nil, exercisable between 30 June 2016 and 30 June 2018

No share options were exercised during the year ended 30 June 2015 (2014: nil).

The weighted average remaining contractual life of share options and performance rights outstanding at 30 June 2015 is 0.96 years (2014: 1.69 years).

NOTES TO THE FINANCIAL STATEMENTS

32. SHARE-BASED PAYMENTS (CONTINUED)

d) Option Pricing Models

The fair value of options granted is measured using a Black Scholes model.

The fair value of performance rights granted under the LTI program is measured using a Monte Carlo Simulation model incorporating the probability of the performance hurdles being met.

The following table lists the inputs to the models used for the years ended 30 June 2015 and 30 June 2014:

FY2015	MTI	LTI	LTI	LTI	LTI
Grant date	16 Jan 15	16 Jan 15	16 Jan 15	16 Jan 15	16 Jan 15
Vesting date	30 Jun 16	30 Jun 17	30 Jun 18	30 Jun 17	30 Jun 18
Fair value at grant date	$0.68	$0.71	$0.72	$1.17	$1.13
Share price	$1.190	$1.190	$1.190	$1.190	$1.190
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	40%	40%	40%	40%	40%
Performance Right life	2 years	3 years	4 years	3 years	4 years
Expected dividends	0%	0.8%	1.4%	0.8%	1.4%
Risk-free interest rate	2.2%	2.1%	2.1%	2.1%	2.1%

FY2014	MTI	LTI	LTI	LTI	LTI
Grant date	9 Oct 13	9 Oct 13	9 Oct 13	4 Nov 13	4 Nov 13
Vesting date	30 Jun 15	30 Jun 16	30 Jun 17	30 Jun 16	30 Jun 17
Fair value at grant date	$0.46	$0.61	$0.71	$0.33	$0.44
Share price	$1.825	$1.825	$1.825	$1.545	$1.545
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	35%	35%	35%	35%	35%
Performance Right life	2 years	3 years	4 years	3 years	4 years
Expected dividends	0.75%	1%	1.1%	1%	1.1%
Risk-free interest rate	2.7%	2.9%	3.2%	2.9%	3.2%

All shared-based payments are equity settled.

33. RELATED PARTIES

Compensation to Executive KMP and Non-executive Directors of the Group

	CONSOLIDATED	
IN THOUSANDS OF AUD ($'000)	2015	2014
Short term employee benefits	8,273	6,881
Contributions to superannuation plans	249	342
Termination benefits	–	542
Share-based compensation payments	653	483
TOTAL COMPENSATION	**9,175**	**8,248**

34. CONSOLIDATED ENTITY'S SUBSIDIARIES, ASSOCIATES AND INTERESTS IN JOINT OPERATIONS

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed below.

	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2015	2014
Parent Entity			
Whitehaven Coal Limited	Australia		
Subsidiaries			
Whitehaven Coal Mining Limited	Australia	100%	100%
Namoi Mining Pty Ltd	Australia	100%	100%
Namoi Agriculture & Mining Pty Ltd	Australia	100%	100%
Betalpha Pty Ltd	Australia	100%	100%
Betalpha Unit Trust	Australia	100%	100%
Tarrawonga Coal Pty Ltd	Australia	100%	100%
Whitehaven Coal Holdings Pty Ltd	Australia	100%	100%
Whitehaven Coal Infrastructure Pty Ltd	Australia	100%	100%
Narrabri Coal Pty Ltd	Australia	100%	100%
Narrabri Coal Operations Pty Ltd	Australia	100%	100%
Narrabri Coal Sales Pty Ltd	Australia	100%	100%
Creek Resources Pty Ltd	Australia	100%	100%
Werris Creek Coal Sales Pty Ltd	Australia	100%	100%
Werris Creek Coal Pty Ltd	Australia	100%	100%
WC Contract Hauling Pty Ltd	Australia	100%	100%
Whitehaven Blackjack Pty Ltd	Australia	100%	100%
Whitehaven Project Pty Ltd	Australia	100%	100%
Whitehaven Employee Share Plan Pty Ltd	Australia	100%	100%
Aston Resources Limited	Australia	100%	100%
Aston Coal 2 Pty Ltd	Australia	100%	100%
Aston Coal 3 Pty Ltd	Australia	100%	100%
Maules Creek Coal Pty Ltd	Australia	100%	100%
Boardwalk Resources Limited	Australia	100%	100%
Boardwalk Coal Management Pty Ltd	Australia	100%	100%
Boardwalk Coal Marketing Pty Ltd	Australia	100%	100%
Boardwalk Sienna Pty Ltd	Australia	100%	100%
Boardwalk Monto Pty Ltd	Australia	100%	100%
Boardwalk Dingo Pty Ltd	Australia	100%	100%
Boardwalk Ferndale Pty Ltd	Australia	100%	100%
Coalworks Limited	Australia	100%	100%
Yarrawa Coal Pty Ltd	Australia	100%	100%
Loyal Coal Pty Ltd	Australia	92.5%	92.5%
Ferndale Coal Pty Ltd	Australia	92.5%	92.5%
Coalworks (Oaklands North) Pty Ltd	Australia	100%	100%
CWK Nominees Pty Ltd	Australia	100%	100%
Oaklands Land Pty Ltd	Australia	100%	100%
Coalworks (Vickery South) Pty Ltd	Australia	100%	100%
Coalworks Vickery South Operations Pty Ltd	Australia	100%	100%
Vickery South Marketing Pty Ltd	Australia	100%	100%
Vickery South Operations Pty Ltd	Australia	100%	100%
Vickery Pty Ltd	Australia	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

34. CONSOLIDATED ENTITY'S SUBSIDIARIES, ASSOCIATES AND INTERESTS IN JOINT OPERATIONS (CONTINUED)

The consolidated financial statements include a share of the financial statements of the joint operations listed below.

	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2015	2014
Joint Operations			
Tarrawonga Coal Project Joint Venture		70%	70%
Narrabri Coal Joint Venture		70%	70%
Maules Creek Joint Venture		75%	75%
Dingo Joint Venture		70%	70%
Ferndale Joint Venture		94%	94%
Boggabri-Maules Creek Rail Spur Joint Venture		39%	39%
Tarrawonga Coal Sales Pty Ltd[1]	Australia	70%	70%
Maules Creek Marketing Pty Ltd[1]	Australia	75%	75%
Boggabri-Maules Creek Rail Pty Ltd[1]	Australia	39%	39%

1. The joint operations above operate as the sales and marketing vehicles or manager of the related unincorporated joint operations and require joint consent from all joint venture partners on all 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.

The consolidated entity has included its share of the above unincorporated joint operations' assets, liabilities, revenue and expenses in the consolidated financial statements. The amounts set out below are included in the 30 June 2015 consolidated financial statements under their respective categories.

IN THOUSANDS OF AUD ($'000)	2015	2014
Statement of comprehensive income		
Operating and administration expenses	209,852	228,270
Current assets		
Cash and cash equivalents	28,271	25,893
Trade and other receivables	21,328	6,887
Inventory	64,391	30,542
TOTAL CURRENT ASSETS	**113,990**	**63,322**
Non-current assets		
Property, plant and equipment	1,357,533	1,045,661
Exploration and evaluation	24,616	28,739
Intangible assets	4,257	4,257
TOTAL NON-CURRENT ASSETS	**1,386,406**	**1,078,657**
TOTAL ASSETS	**1,500,396**	**1,141,979**
Current liabilities		
Trade and other payables	67,653	102,829
Provisions current	2,017	314
TOTAL CURRENT LIABILITIES	**69,670**	**103,143**
Non-current liabilities		
Provisions	33,389	19,737
TOTAL NON-CURRENT LIABILITIES	**33,389**	**19,737**
TOTAL LIABILITIES	**103,059**	**122,880**
Guarantees		
The Joint Ventures provided bank guarantees to various parties	35,660	74,601
Capital expenditure commitments – Plant and equipment and intangibles		
Contracted but not provided for and payable:		
Within one year	21,483	123,651
One year or later and no later than five years	–	–
	21,483	**123,651**

35. EARNINGS/(LOSS) PER SHARE

Basic Earnings/(Loss) Per Share

The calculation of basic earnings/(loss) per share at 30 June 2015 is based on the profit/(loss) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the year calculated as follows:

	CONSOLIDATED 2015 $'000	2014 $'000
Profit/(loss) attributable to ordinary shareholders		
Net loss attributable to ordinary shareholders	(330,625)	(38,385)
Weighted average number of ordinary shares	000'S	000'S
Issued ordinary shares at 1 July	991,740	991,673
Effect of shares issued during the year	129	5
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES AT 30 JUNE	**991,869**	**991,678**
BASIC LOSS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS (CENTS)	**(33.3)**	**(3.9)**

Diluted Earnings/(Loss) Per Share

The calculation of diluted earnings/(loss) per share at 30 June 2015 is based on the profit/(loss) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding adjusted for the diluting impact of potential equity instruments calculated as follows:

	CONSOLIDATED 2015 $'000	2014 $'000
Profit/(loss) attributable to ordinary shareholders (diluted)		
Net loss attributable to ordinary shareholders (diluted)	(330,625)	(38,385)
Weighted average number of ordinary shares (diluted)	000'S	000'S
Weighted average number of ordinary shares (basic)	991,869	991,678
Effect of share options on issue	–	–
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (DILUTED)	**991,869**	**991,678**
DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS (CENTS)	**(33.3)**	**(3.9)**

36. AUDITORS' REMUNERATION

IN AUD ($)	CONSOLIDATED 2015	2014
Audit services		
Auditors of the Company – Ernst & Young		
Audit and review of statutory financial statements current year	652,200	688,500
Audit of joint ventures	373,478	305,400
	1,025,678	**993,900**
Non audit services		
Auditors of the Company – Ernst & Young		
Taxation services	126,962	–
Other non-audit services	65,000	149,253
Review of National Greenhouse Energy Reporting Act requirements	64,849	31,389
Assurance services for refinancing	299,134	–
Other assurance services	–	13,300
	555,945	**193,942**

NOTES TO THE FINANCIAL STATEMENTS

37. PARENT ENTITY INFORMATION

Information Relating to Whitehaven Coal Limited

	COMPANY	
IN THOUSANDS OF AUD ($'000)	2015	2014
Current assets	6,886	140,979
TOTAL ASSETS	**2,790,877**	**3,383,387**
Current liabilities	42,331	6,219
TOTAL LIABILITIES	**42,331**	**6,219**
Issued capital	3,275,296	3,275,299
Retained earnings	(564,384)	(38,617)
Share based payments reserve	37,634	72,625
TOTAL SHAREHOLDERS' EQUITY	**2,748,546**	**3,309,307**
Profit / (loss) of the parent entity	(563,186)	2,988
Total comprehensive income of the parent entity	(563,186)	2,988

38. DEED OF CROSS GUARANTEE

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and directors' reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*.If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

Whitehaven Coal Mining Limited	Maules Creek Coal Pty Ltd
Namoi Mining Pty Ltd	Boardwalk Resources Limited
Betalpha Pty Ltd	Boardwalk Coal Management Pty Ltd
Tarrawonga Coal Pty Ltd	Boardwalk Coal Marketing Pty Ltd
Whitehaven Coal Holdings Pty Ltd	Boardwalk Sienna Pty Ltd
Whitehaven Coal Infrastructure Pty Ltd	Boardwalk Monto Pty Ltd
Narrabri Coal Pty Ltd	Boardwalk Dingo Pty Ltd
Narrabri Coal Operations Pty Ltd	Boardwalk Ferndale Pty Ltd
Narrabri Coal Sales Pty Ltd	Coalworks Limited
Creek Resources Pty Ltd	Yarrawa Coal Pty Ltd
Werris Creek Coal Sales Pty Ltd	Coalworks (Oaklands North) Pty Ltd
Werris Creek Coal Pty Ltd	CWK Nominees Pty Ltd
WC Contract Hauling Pty Ltd	Oaklands Land Pty Ltd
Whitehaven Blackjack Pty Ltd	Coalworks (Vickery South) Pty Ltd
Whitehaven Employee Share Plan Pty Ltd	Coalworks Vickery South Operations Pty Ltd
Whitehaven Project Pty Ltd	Vickery South Marketing Pty Ltd
Aston Resources Limited	Vickery South Operations Pty Ltd
Aston Coal 2 Pty Ltd	Vickery Pty Ltd
Aston Coal 3 Pty Ltd	

The Company and each of the relevant subsidiaries entered into the deed on 27 June 2008 with subsequent assumption deeds entered into on 27 June 2012 and 25 June 2013.

The Deed of Cross Guarantee includes the Company and subsidiaries which are included within the statement of comprehensive income and statement of financial position of the consolidated entity.

The consolidated statement of comprehensive income and statement of financial position of the entities that are members of the Closed Group are as follows:

	CLOSED GROUP	
IN THOUSANDS OF AUD ($'000)	2015	2014
Statement of comprehensive income		
(Loss)/profit before tax	(483,317)	(56,334)
Income tax benefit	140,592	17,949
(LOSS)/PROFIT BEFORE TAX	**(342,725)**	**(38,385)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Net movement on cash flow hedges	(1,507)	4,351
Income tax effect	452	(1,305)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(1,055)**	**3,046**
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(343,780)**	**(35,339)**
Statement of financial position		
Assets		
Cash and cash equivalents	102,269	103,043
Trade and other receivables	103,404	72,614
Inventories	89,892	61,122
Derivative financial instruments	162	–
TOTAL CURRENT ASSETS	**295,727**	**236,779**
Trade and other receivables	24,176	29,672
Investments	37	568
Property, plant and equipment	3,538,947	3,384,640
Exploration and evaluation	197,191	522,759
Intangible assets	19,954	105,843
Deferred tax assets	111,115	–
TOTAL NON-CURRENT ASSETS	**3,891,420**	**4,043,482**
TOTAL ASSETS	**4,187,147**	**4,280,261**
Liabilities		
Trade and other payables	147,421	155,687
Interest bearing loans and borrowings	21,750	33,084
Employee benefits	14,055	12,900
Current tax payable	42,331	6,219
Provisions	7,380	22,995
Derivative financial instruments	2,136	466
TOTAL CURRENT LIABILITIES	**235,073**	**231,351**
Non-current liabilities		
Interest bearing loans and borrowings	1,016,481	755,308
Deferred tax liabilities	–	29,931
Provisions	72,782	59,358
TOTAL NON-CURRENT LIABILITIES	**1,089,263**	**844,597**
TOTAL LIABILITIES	**1,324,336**	**1,075,948**
NET ASSETS	**2,862,811**	**3,204,313**

NOTES TO THE FINANCIAL STATEMENTS

39. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

i. Changes in Accounting Policy and Disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new standards and interpretations effective as of 1 July 2014.

Several amendments apply for the first time in the current year. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The application of the standard did not have a material effect on the Group.

AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting
AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The application of the standard did not have a material effect on the Group.

AASB 2014-1 Part A – Annual Improvements 2010–2012 Cycle
This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle.

Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:

- AASB 2 – Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'
- AASB 3 – Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137
- AASB 8 – Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets
- AASB 116 & AASB 138 – Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts
- AASB 124 defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

AASB 2014-1 Part A – Annual Improvements 2011–2013 Cycle
These improvements address the following items:

- AASB13 – Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132.

ii. Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2015 are outlined below:

AASB 9 Financial Instruments
AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are described below:

— Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows
— Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
— Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases
— Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
  > The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
  > The remaining change is presented in profit or loss

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.

The Group has not yet determined the potential impact of the amendments on the consolidated entity's financial report. This standard applies to annual reporting periods beginning on or after 1 January 2018.

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments, Part C
Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments. This standard applies to annual reporting periods beginning on or after 1 January 2015.

AASB 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation
AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. This standard applies to annual reporting periods beginning on or after 1 January 2016.

AASB 15 Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services).

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

— Step 1: Identify the contract(s) with a customer
— Step 2: Identify the performance obligations in the contract
— Step 3: Determine the transaction price
— Step 4: Allocate the transaction price to the performance obligations in the contract
— Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

NOTES TO THE FINANCIAL STATEMENTS

39. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

This standard applies to annual reporting periods beginning on or after 1 January 2017 and early application is permitted. The Group is currently evaluating the impact of the new standard.

AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:

- a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and
- a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

AASB 2014-10 also makes an editorial correction to AASB 10. AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle

The subjects of the principal amendments to the Standards are set out below:

AASB 7 Financial Instruments: Disclosures:

- Servicing contracts – clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.
- Applicability of the amendments to AASB 7 to condensed interim financial statements – clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134.

AASB 119 Employee Benefits:

- Discount rate: regional market issue – clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.

AASB 134 Interim Financial Reporting:

- Disclosure of information 'elsewhere in the interim financial report' – amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information. This standard applies to annual reporting periods beginning on or after 1 January 2016.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures. This standard applies to annual reporting periods beginning on or after 1 January 2016.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Whitehaven Coal Limited, I state that:

In the opinion of the Directors:

a) The financial statements and notes of Whitehaven Coal Limited are in accordance with the *Corporations Act 2001*, including:
   i. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
   ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and

c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

d) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2015.

e) As at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 38 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board

Mark Vaile
Chairman
Sydney
13th August 2015

AUDITOR'S REPORT

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Independent auditor's report to the members of Whitehaven Coal Limited

Report on the financial report

We have audited the accompanying financial report of Whitehaven Coal Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 2a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independence

In conducting our audit 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. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

a. the financial report of Whitehaven Coal Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2a).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Whitehaven Coal Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Trent van Veen
Partner
Sydney
13 August 2015

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

SHAREHOLDINGS

Substantial Shareholders

The number of shares recorded as owned by substantial shareholders and their associates in the most recent substantial shareholder notices advised to the Company by these shareholders are set out below:

SHAREHOLDER	PERCENTAGE OF CAPITAL HELD	NUMBER OF ORDINARY SHARES HELD	DATE OF SUBSTANTIAL SHAREHOLDER NOTICE
Farallon Capital Management LLC	16.61%	170,414,721	19 June 2013
Fritz Kundrun*	12.09%	124,042,252	17 Oct 2014
Hans Mende*	11.13%	114,190,086	17 Oct 2014
AMCI Group*	8.40%	86,170,596	17 Oct 2014
Prudential PLC	8.00%	82,085,909	22 Oct 2014
Martua Sitorus	5.82%	59,673,423	20 June 2013
Manning & Napier Advisors LLC	6.04%	61,961,120	23 Jan 2015
Kerry Group Limited	5.00%	51,323,822	19 May 2014

* The holdings of Mr Kundrun and Mr Mende both include the 86,170,596 shares owned by AMCI Group.

Voting Rights

Ordinary Shares

Refer to note 26 in the financial statements

Options

There are no voting rights attached to the options.

Distribution of Equity Security Holders

CATEGORY	NUMBER OF EQUITY SECURITY HOLDERS
1 – 1,000	1,773
1,001 – 5,000	2,581
5,001 – 10,000	1,118
10,001 – 100,000	1,233
100,001 and over	124
	6,829

There are 5 holders of options over ordinary shares. Refer to note 32 in the financial statements.
The number of shareholders holding less than a marketable parcel of ordinary shares is 791.

Securities exchange
The Company is listed on the Australian Securities Exchange.

Other information
Whitehaven Coal Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

TWENTY LARGEST SHAREHOLDERS (LEGAL OWNERSHIP)

NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD
J P Morgan Nominees Australia Limited	193,894,454	18.90
Citicorp Nominees Pty Ltd	172,489,065	16.81
HSBC Custody Nominees (Australia) Limited – GSCO ECA	168,450,924	16.42
HSBC Custody Nominees (Australia) Limited	126,318,839	12.31
National Nominees Limited	119,655,325	11.66
AET SFS Pty Ltd – Boardwalk Res Inv P/C	26,678,979	2.60
Ranamok Pty Ltd – Plummer Family A/C	22,208,226	2.16
BNP Paribas Noms Pty Ltd – DRP	20,483,068	2.00
HFTT Pty Ltd – Haggarty Family A/C	20,018,869	1.95
HSBC Custody Nominees (Australia) Limited – A/C 2	15,106,876	1.47
Uob Kay Hian (Hong Kong) Limited – Clients A/C	13,502,377	1.32
Mr Michael Jack Quillen – Quillen Family A/C	6,135,000	0.60
Vesade Pty Ltd	5,795,052	0.56
Citicorp Nominees Pty Limited – Colonial First State Inv A/C	5,002,750	0.49
HSBC Custody Nominees (Australia) Limited GSCO ECA	4,409,572	0.43
HSBC Custody Nominees (Australia) Limited – A/C 3	3,710,737	0.36
Argo Investments Limited	3,656,652	0.36
Invia Custodian Pty Limited – AJ & LM Davies Family A/C	3,500,000	0.34
UBS Wealth Management Australia Nominees Pty Ltd	3,276,217	0.32
Wendmar Pty Limited – Mark Vaile Family A/C	2,524,635	0.25
	936,817,617	**91.31**

This information is current as at 7 August 2015.

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
FEC	Forward Exchange Contract
FOB	Free-on-Board
FVLCD	Fair Value Less Costs of Disposal
JORC	Joint Ore Resources Committee
KMP	Key Management Personnel
LTI	Long Term Incentive
LW	Longwall
MRRT	Minerals Resource Rent Tax
Mt	Million tonnes
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

CORPORATE DIRECTORY

DIRECTORS

The Hon. Mark Vaile
Chairman

John Conde
Deputy Chairman

Paul Flynn
Managing Director and CEO

Tony Haggarty
Non-executive Director

Christine McLoughlin
Independent
Non-executive Director

Raymond Zage
Non-executive Director

Dr Julie Beeby
Independent
Non-executive Director

COMPANY SECRETARY

Timothy Burt

REGISTERED AND PRINCIPAL ADMINISTRATIVE OFFICE

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AUSTRALIAN BUSINESS NUMBER

ABN 68 124 425 396

STOCK EXCHANGE LISTING

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ASX Code: WHC

AUDITOR

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COUNTRY OF INCORPORATION

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NOTES

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WHITEHAVEN COAL