Powering the region

Whitehaven Coal
Annual Report 2019

This report includes forward looking statements relating to future events and expectations.

While these statements reflect expectations at the date of this publication, they are, by their nature, not certain and are subject to known and unknown risks.

Whitehaven makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilling any such forward looking statements (whether express or implied) and, except as required by applicable regulations or law, Whitehaven does not undertake to publically update such forward looking statements.

Contents

FY2019 in review

Financial highlights:

- Record net profit after tax before significant items of $564.9m, up 8% on FY2018
- Underlying EBITDA increased to $1,041.7m, up 3% on FY2018. This was driven by increased margins, underpinned by an increase in the production of high quality thermal coal
- Cash generated from operations increased to $964.1m
- The decrease in net debt to $161.6m at 30 June 2019 was driven by the strong operating cash flow performance during the year. Gearing decreased to 4% at 30 June 2019 from a level of 7% as at 30 June 2018
- The strength and resilience of Whitehaven's cash flow generation has resulted in dividends of 50 cents per share being declared for the year
- As a result of the strength of Whitehaven's balance sheet, its scale of operations, and its improved earnings and cash flow generation, Whitehaven is well placed to both expand operations from its existing portfolio of opportunities and to take advantage of external growth opportunities that may arise.

	FY2019	**FY2018[1]**
	$ million	**$ million**
Revenue	2,487.9	2,257.4
Underlying EBITDA	1,041.7	1,011.9
EBITDA – statutory	1,001.2	1,002.2
Net profit after tax before significant items	564.9	524.5
Net profit after tax	527.9	524.5
Cash generated from operations	964.1	925.9
Net debt	161.6	270.4
Gearing (net debt/net debt + equity) (%)	4%	7%
Earnings per share (cents)	53.5	53.1
Shareholder distributions (cents per share)	50	40

1 Restated for adoption of AASB 16 Leases.

Operational highlights:

- Record ROM coal production of 18.4Mt, up 4% on FY2018
- A strong finish to the year at both Narrabri and Maules Creek enabled ROM coal production guidance to be exceeded
- Coal sales of 17.6Mt including purchased coal for the year
- Increased premiums relative to the prevailing index price for both thermal and metallurgical coal
- High coal inventories at both Maules Creek and Narrabri will support sales during the September quarter of FY2020.

	FY2019	**FY2018**
	000t	**000t**
ROM coal production	18,358	17,727
Saleable coal production	15,817	16,160
Sales of produced coal	16,017	16,109
Sales of purchased coal	1,615	1,256
Total coal sales	17,631	17,365

Chairman's introduction

Dear Shareholder

It has been another busy year for Whitehaven as we worked towards our vision of being the benchmark coal investment on the Australian Securities Exchange (ASX) and further sharpened our focus on seven key areas underpinning our growth strategy.

It is pleasing to report record ROM production and record profit, which facilitated an unprecedented distribution to shareholders by way of a full-year payout ratio of 88% of NPAT. I would like to acknowledge the work of Managing Director and CEO Paul Flynn, the executive leadership team and our entire 2,400-strong workforce in achieving this result.

Just as important as recent performance is the fact that your company is in a strong position for future success, with close alignment between our strategic product offering and evolving demand trends for high-calorific value (high-CV), low-impurity thermal coal, and low-sulphur, low-phosphorous semi-soft coking coal (SSCC).

The coal we produce will continue to service our premium markets of Japan, Korea and Taiwan but, increasingly, we will look to take advantage of the substantial growth in coal-fired power generation in Southeast Asia. The International Energy Agency (IEA), in its New Policies Scenario, predicts these markets will grow from 71GW in 2017 to 175GW in 2040, requiring at least 220Mtpa of coal – more than Australia's 2018 thermal coal exports of 208Mpta – by 2040.

Our future growth and value proposition are underpinned by two significant, high-quality, near-term assets: our Vickery and Winchester South projects. Together, they will significantly increase the metallurgical coal exposure in our portfolio and take our saleable coal production towards 40Mtpa by 2030.

In this context, it is worth reflecting on the market opportunities in India, which this year accounted for 40% of our total metallurgical coal sales. Australia supplies more than 70% of India's metallurgical coal, and according to the Commonwealth Office of the Chief Economist, demand for this coal could increase by one-third between 2015 and 2035 as India's economy develops.

Whitehaven is positively differentiated from a number of our key competitors, increasing our total production at a time of ongoing tightness in the higher energy-content coal market and given the relative scarcity of metallurgical coal globally.

Regulatory barriers and a more uncertain investment environment will continue to impact supply, with attendant impacts on price. And we are well positioned to continue to take advantage of these dynamics. This topic is covered in Whitehaven Coal's *Sustainability Report 2019*, in which we talk about business resilience and how we see our company successfully charting a path into a more carbon-constrained future. I commend our inaugural sustainability report to you.

Given the ongoing debate about the role coal will continue to play globally, particularly in power generation, we continue to communicate regularly with domestic and international investors on the full spectrum of environmental, sustainability and governance issues. This includes continuing discussion on voluntary compliance regimes, such as the Task Force on Climate-related Financial Disclosures (TCFD), which Whitehaven reported against for the first time in 2019.

On behalf of the Board, I would like to take this opportunity to thank shareholders for their continuing support. While our sector is unquestionably complex, our long-term outlook on the market remains extremely positive. I am confident we have the strategies and talent we need to deliver further value for our shareholders, and our stakeholders more broadly.

The Hon. Mark Vaile AO
Chairman

Managing Director and CEO's introduction

Dear Shareholder

I am pleased to present Whitehaven Coal's *Annual Report 2019*.

We delivered another record profit and continued our pattern of delivering strong and consistent financial returns for our shareholders this year.

The full-year result solidifies our position as the leading pure-play coal miner listed on the ASX. It also serves us well as we prepare to transform into an even larger, more efficient and better-integrated enterprise, to take advantage of the demand for high-quality coal in the Asian region.

We reported underlying NPAT of $564.9 million, and produced a record 23.2Mt of ROM coal on a managed basis – results that allowed us to declare a record dividend to our shareholders. I would like to thank the approximately 2,400 members of our workforce who contributed to this result, as well as our joint venture partners, commercial partners and the executive leadership team.

Importantly, we accomplished these financial and operational outcomes with an improved total recordable injury frequency rate for the year of 6.2, reflecting our belief that production growth is not sustainable unless accompanied by a strong safety focus. Nonetheless, with a growing business, safety is always front of mind, and recent tragic events in the mining and other sectors are a stark reminder that we must be vigilant.

Away from the headline results, the year has had its challenges, including those relating to production, labour and the external pricing environment. We have not been immune to rising cost pressures, particularly due to the Narrabri mine operating deeper underground and longer hauls needed for out of pit dumping at Maules Creek mine. We anticipate that these are transient aspects of both operations. Costs should moderate as we introduce new roof support cylinders at Narrabri and begin in-pit dumping at Maules Creek over the next year. We are also redoubling our efforts to keep costs down in other areas.

Operationally, the business is approaching its other most important turning point – and our strong balance sheet readies us to realise new growth and increased efficiency. In terms of existing mines, production at Tarrawonga will expand to three million tonnes, supported by a new fleet, and Narrabri Stage 3 looks to extend the life of the mine to 2045, with fewer changeouts. Maules Creek will benefit from optimisation initiatives, including deploying autonomous haulage and in-pit dumping, with attendant cost reductions.

In addition, our pipeline of development projects positively differentiates us from many of our sector competitors. During the past year, the Queensland Government declared the Winchester South Project a Coordinated Project. We will soon release our first statement of reserves, providing more details about the key attributes of this exciting project. We are also anticipating a determination for the Vickery Extension Project in the coming months. This development attracted an unprecedented level of local community support during its public exhibition phase.

Other changes are also afoot throughout the business. In FY20, we will increase our focus on rehabilitating Rocglen, where we stopped mining in June 2019. We are also due to extract our last coal from Sunnyside Mine before the end of 2019. While we are sad to close these chapters in Whitehaven's production story, we have an opportunity to make these mines shining examples of contemporary approaches to rehabilitation.

We are in the middle of a significant transition. This includes moving from operating five mines that produce about 23 million tonnes of coal annually to four major mines that will produce around 40 million

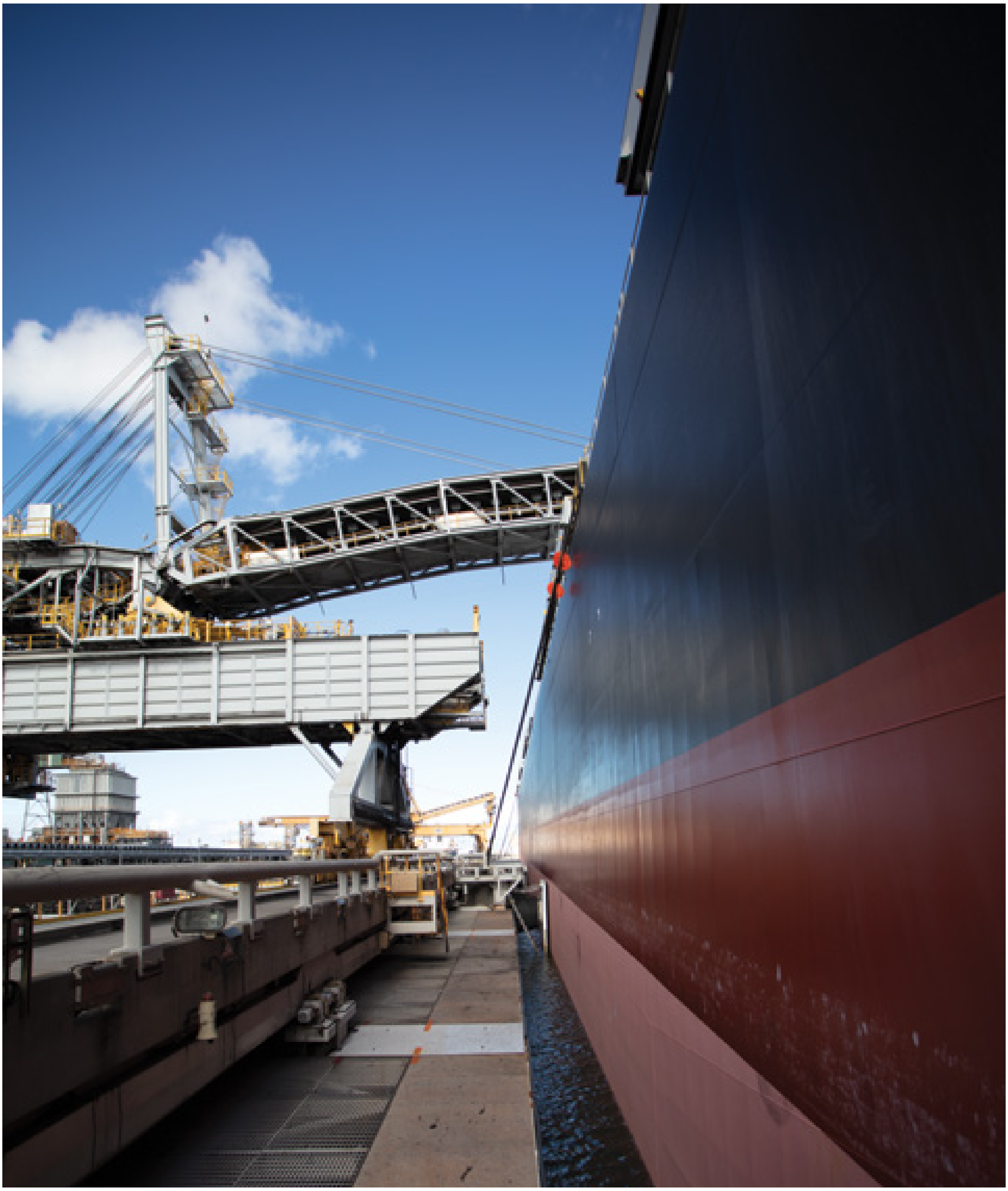
tonnes within the next decade. We are also managing a range of initiatives across the full exploration, development, production and rehabilitation life cycle. Reassuringly, we have a great team in place, with the right blend of skills and experience to deliver on our strategy.

As we progress down this path, it is important to acknowledge the significant contribution we make to our local, state and national economies and communities. We will continue to ensure the benefits of our operations extend beyond our direct workforce and shareholders. We are ever focused on building capacity in the regions where we operate, by developing skills, creating permanent jobs and procuring services locally. Our approach and achievements in this space are detailed in our inaugural sustainability report, which I encourage you to read at **www.whitehavencoal.com.au**.

As we mark another record year, and embark on what promises to be an exciting but challenging 12 months, I thank you for your support.

Paul Flynn
Managing Director and CEO

About us



Whitehaven Coal is proud to be the leading Australian producer of premium-quality coal, and the dominant player in Australia's only emerging high-quality coal basin. We help power developed and emerging economies in Asia where there is strong and growing demand for our product, particularly for use in high-efficiency, low-emissions coal-fired power stations. We are driving prosperity and economic growth in regional Australia, particularly in North West NSW, which is the focus of our capital investment and workforce presence.

We operate five mines (four open cut and one large underground mine) in the Gunnedah Basin of NSW. Our operating assets are complemented by two high-quality, near-term development assets: Vickery, near Gunnedah, and Winchester South, in Queensland's Bowen Basin. Over our almost 20-year history, including 12 years as a publicly listed entity on the ASX, we have developed a reputation for excellence in project delivery and safe, efficient and environmentally responsible operations.

We are proudly local, and around 75% of our 2,400-strong workforce live in the local communities around our mine sites. We believe in helping communities grow, ensuring benefits flowing from our operations accrue locally.

Purpose, vision and principles

Purpose

To support and sustain regional communities by exporting high-quality thermal and metallurgical coal from Australia to the world.

Vision

To be the benchmark coal exposure on the ASX.

Principles

The following principles guide our interactions internally and with external stakeholders.

Safety

We endeavour to ensure the safety of our employees, contractors and communities.

Teamwork

We work collaboratively and support one another.

Respect

We foster a diverse and inclusive culture and deal with all stakeholders respectfully.

Integrity

We are honest and do the right thing.

Value

We create value for shareholders, customers and local communities.

Excellence

We deliver on our commitments.

How we create value

Business inputs

1. **Assets:** We are the dominant player in Australia's only emerging high-quality coal basin with a footprint in one of Australia's highest quality metallurgical coal basins. Our mine assets are complemented by a large fleet of heavy mining equipment in addition to mine support infrastructure and rolling stock.
2. **People:** To ensure we optimise our physical assets, we seek to attract, recruit and retain the technical, specialist and central office staff with the skills to support the needs of the business today and into the future.
3. **Financial:** We deploy our financial resources carefully to maintain our reputation as a reliable and cost-efficient producer focused on delivering value for all our shareholders over the long term. Our disciplined capital allocation approach keeps our balance sheet strong and provides flexibility through the cycle.

Governance and reporting framework

We seek to design and implement corporate governance and management arrangements to manage our exposure to political and regulatory risks and to observe best-practice management measures in relation to health, safety, stakeholder engagement and business integrity.

Our value proposition

We identify, develop and operate high-quality, cost-efficient, long-life coal assets and distribute the financial and non-financial returns to shareholders, employees, customers and the communities where we work and live.

Our community and social compact depicts the process whereby our capital investment is recycled through a value chain including employees, suppliers, customers and community members.

Our business focus

We seek to ensure continuous and sustainable value creation by applying our human and financial capital to the following key areas.

- **Customers:** We form long-term relationships with our customers to provide raw materials that support the efficient utilisation of industrial assets including coal-fired power plants and steel blast furnaces
- **Infrastructure and logistics:** We have supply agreements with Australian businesses focused on the efficient movement of our product, contributing to shared sustainability goals through our value chain
- **Community:** We work with local councils, business groups, the agricultural sector, charitable organisations and a range of local service providers to share the economic and social dividends of mining and maintain our social licence to operate
- **Procurement:** We are firmly oriented towards working with regionally based suppliers in recognition of the contribution of local enterprise to long-term community prosperity and cohesion
- **Environment:** We are responsible stewards of the natural environment, and maintain strong sustainability practices through each stage of the mining process, from development, to operations, closure and rehabilitation
- **Industry:** We are members of various industry associations and participate in policy forums on issues associated with ensuring Australia's resource endowment can better support sustainable development here and abroad.

Business outputs

Employees

We provide skills development pathways and stable regional employment in a safe and rewarding work environment.

Community

We support local communities through direct investment, job creation, partnerships with local suppliers and working with community groups.

Customers

We offer a reliable supply of high-quality coal to support economic and social development in the Asian region.

Investors

We aim to provide strong and consistent returns to shareholders and joint venture partners from our existing portfolio of mines with upside potential from key growth assets.

FY19 value created

Employees:
- Approximately 75% of our 2,400-strong workforce based in regional areas
- $189.9 million in wages paid
- 9% of workforce identifies as Indigenous
- Launched our Stretch Reconciliation Action Plan.

Community:
- $333.9 million spent with local suppliers
- $1.83 million spent with local Indigenous businesses
- Supported the Narrabri Clontarf Academy and the Girls' Academy at Gunnedah.

Customers:
- Exported over 21.6 million tonnes of high-quality thermal and metallurgical coal
- Japan, our key export market, has achieved the highest average efficiency rate of 42% and least pollutants for coal-fired generation in the world.

Investors:
- $464.9 million returned to shareholders through dividends
- Total shareholder return of 308% over the past three years
- $1,041.7 million in underlying earnings before interest, tax, depreciation and amortisation (EBITDA).

Our community and social compact

Identify, develop and operate high-quality, long-life, lower-cost coal projects

Promote local economic growth and sustainability through permanent job creation and local procurement

Help build local community capacity and viability through direct and indirect intergenerational investment in education, health, skills and infrastructure

Instill community trust through responsible environmental stewardship and community partnerships

Leave an economic and social legacy that outlives mining operations

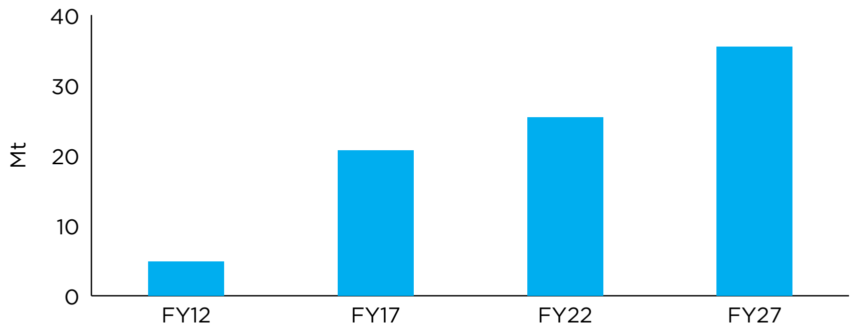
Our strategy

Whitehaven Coal has built a strong position in the Gunnedah Coal Basin, comprising a portfolio of assets producing high–CV thermal coal and premium SSCC both with low impurity levels. Last year we expanded our reach into the well-regarded Bowen Basin in Queensland, and we are on track to nearly double total production over the next decade.

Our future growth and value proposition is underpinned by two significant, high-quality, near-term development assets, being Vickery, located within our existing portfolio of mines in the Gunnedah Coal Basin, and Winchester South, in Queensland's Bowen Basin. The development of these two projects will take Whitehaven's managed saleable coal production towards 40Mtpa over the next 10 years.

Our goal is to be the benchmark export coal exposure on the ASX

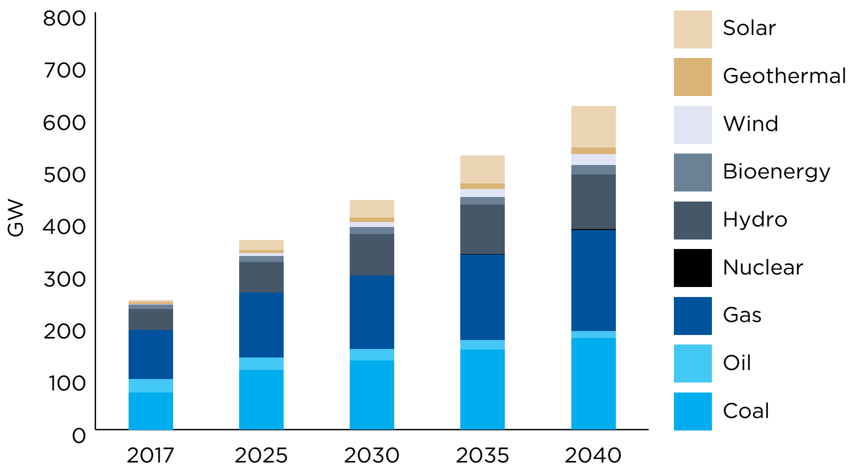
Saleable production actual and forecast



Note: Graph depicts saleable coal on a 100% basis. The production profile shown is fully underpinned by Marketable Reserves for the Company's operating mines and Vickery Project, and Measured and Indicated Resource for the Winchester South Project. See pages 15 and 16 for full details of Whitehaven's Coal Resources and Reserves JORC tables and for the Competent Persons Statement. 100% of the forecast production from the Vickery Project is underpinned by the JORC Reserves released to the ASX on 13 August 2015. 100% of the forecast production from the Winchester South Project is underpinned by Measured and Indicated Resources released to the ASX on 25 October 2018. The full JORC Resources report is also available on whitehavencoal.com.au. All material assumptions underpinning the initial public reports referenced for Vickery and Winchester South continue to apply and have not materially changed.

The coals we produce service the premium export markets of Japan, Taiwan and Korea and we are well positioned to take advantage of the substantial growth in coal-fired generation capacity projected in South East Asia, predicted by the IEA to grow from 71GW in 2017 to 175GW in 2040, requiring at least an additional 220Mtpa of coal – more than Australia's total 2018 thermal coal exports of 208Mt – by 2040.

South East Asia Generation Capacity



Source: IEA WEO 2018, New Policies Scenario (NPS). The NPS is one of three key scenarios modelled by the IEA. Refer to page 28 of the 2019 Sustainability Report for details in relation to the other scenarios.

Our strategy is to own and operate large, low-cost mines producing a mix of high-CV thermal coal and premium SSCC, and to grow our share of the burgeoning market for these products in our region.

Our framework to deliver on our strategy is focused on seven key areas.

Disciplined growth and capital management Towards a bigger, more productive Whitehaven	We have invested in high-quality, large-scale, long-life assets that allow the business to efficiently manage the cyclical nature of the commodities sector. We expect to grow our portfolio from a managed level of approximately 22Mt in 2019 to over 40Mt by 2030. As some of our smaller foundation mines reach the end of their lives, our business is oriented towards growing the scale of larger existing operations and delivering on our key development assets being Vickery and Winchester South. Maintaining capital discipline and a focus on productivity gains over an expanding production base will continue to drive returns for shareholders.
Nurturing our talent pipeline Attracting and retaining the right people	Our track record of growth and our strong development pipeline make us an attractive employer for committed and motivated people who value being a part of a community and achieving goals. As the largest employer in North West NSW, we will continue to communicate the benefits of our regional location – and that of our development site in Queensland's Bowen Basin – to attract talent to fuel our growth.
Latent capacity Unlocking future value	We are assessing and pursuing opportunities to access latent capacity in our mines through upgrades to mobile equipment as well as fixed infrastructure. These opportunities help us realise the full extent of the resources at our mines and enable us to do more, with less.
Premium products for premium markets Leveraged to the quality end of the spectrum	The supply of high-energy, low-ash and low-sulphur coal globally is constrained but, at the same time, demand for coal with these attributes is increasing in a world that is becoming more carbon conscious. Our quality assets and strong customer relationships in export markets situated within our geographic region mean we are able to attract premium pricing for our products.
Diversification of product range Building a more resilient portfolio	Our business produces high-quality thermal coal and SSCC. With the purchase of Winchester South, we have set a path to materially increase our exposure to metallurgical coal products. We can also optimise revenue by responding to prevailing pricing spreads in the thermal and SSCC markets.
Innovating Delivering the technology dividend	Productivity of the coal mining industry has improved over time as equipment has become bigger and more efficient. At Whitehaven we employ large equipment matched to the mining conditions at our operations including ultraclass fleets at the Maules Creek mine. The work we are undertaking with Hitachi on evaluating its Autonomous Haulage System on the Hitachi Ultra Class trucks in use at Maules Creek is one such example.
Opportunistic M&A Keeping a vigilant eye on structural shifts in the market	We take time to critically assess the strengths and weaknesses of our business. Where acquisition opportunities that enhance our strengths or counteract any business weaknesses present themselves, we review and act on them appropriately. We do this in a measured and disciplined manner, as we did with the acquisition of Winchester South.

Our operations and growth

In FY19, Whitehaven produced a record 23.2Mt of ROM coal on a managed basis.

The production ramp-up at Maules Creek continued, with ROM coal production of 11.7Mt in FY19, up 7% from 11.0Mt the previous year. Narrabri ROM production increased from 6.3Mt in FY18 to 6.4Mt in FY19. ROM coal production from our four smaller open cut mines – Tarrawonga, Rocglen, Werris Creek and Sunnyside – was 5.1Mt, slightly lower than the 5.7Mt produced in FY18. Sunnyside is in its rehabilitation phase, and the remaining Rocglen reserves were fully mined out during FY19. Rocglen entered its rehabilitation phase in the final weeks of FY19. Further detail on FY19 production is available in 'Operating and financial review' on page 26.

We are exploring a range of opportunities to optimise and expand operations at our existing mines. This includes an expansion at Tarrawonga that will lift production to the approved rate of 3.0Mtpa ROM coal, supported by a more efficient fleet along with a modest upgrade to the mine infrastructure.

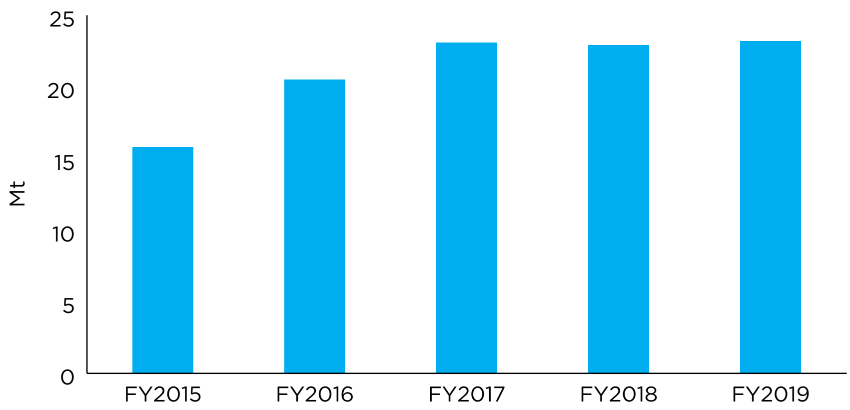
The Narrabri Stage 3 Project meanwhile looks to extend the life of the Narrabri underground mine to around 2045, using existing surface infrastructure. In the shorter term, new equipment to be installed in FY20 that will allow us to more efficiently mitigate the impact of weighting events that can occur more frequently in the underground environment as depth of cover increases.

We also have three key initiatives underway at Maules Creek, including the ongoing evaluation of autonomous haulage systems, which aims to improve safety and efficiency; the transition to in-pit dumping which will positively impact costs, and a proposed modification to increase the approved ROM coal production rate from 13Mtpa to 16Mtpa ROM coal.

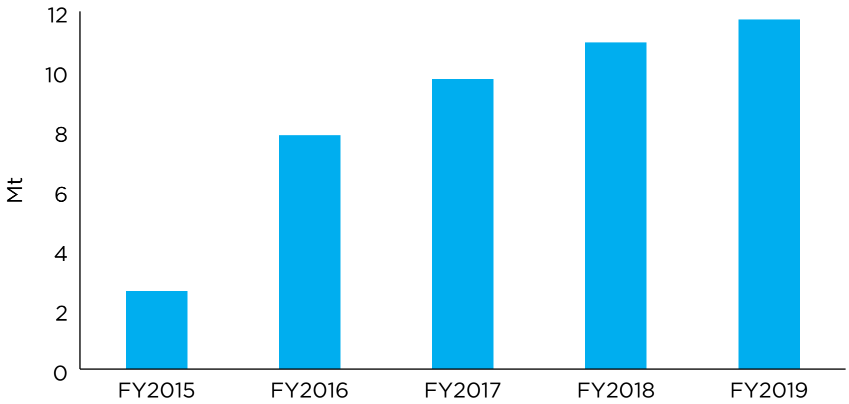
These brownfield opportunities are complemented by our two development projects: Winchester South in Queensland's Bowen Basin, and the Vickery Extension Project in the Gunnedah Basin. If approved, at full capacity Winchester South will target ROM production of approximately 15Mtpa of predominantly high-quality metallurgical coal over a mine life of around 30 years. Our Vickery Extension Project, if approved, will target an average of 7.2Mtpa of a blend of metallurgical and thermal coal over a 25-year mine life.

Our growth agenda is not just about scale but also about diversifying our product range and geographic presence so we can be more agile and responsive to market dynamics and other externalities. Please refer to our *Sustainability Report 2019* for an analysis of the resilience of our business in response to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures.

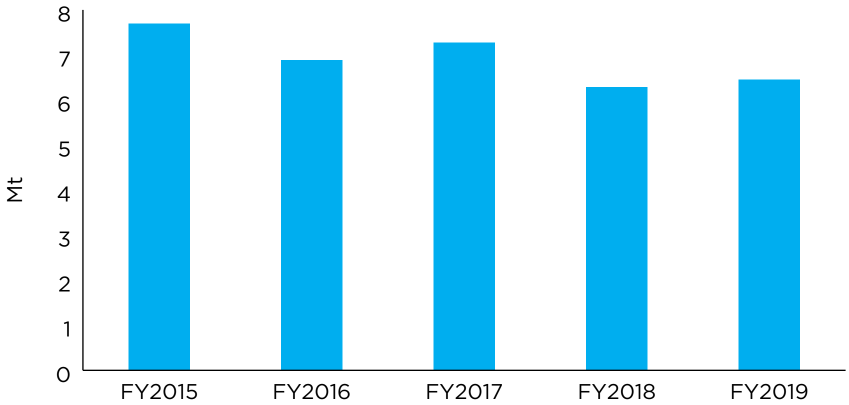
Total managed ROM coal production



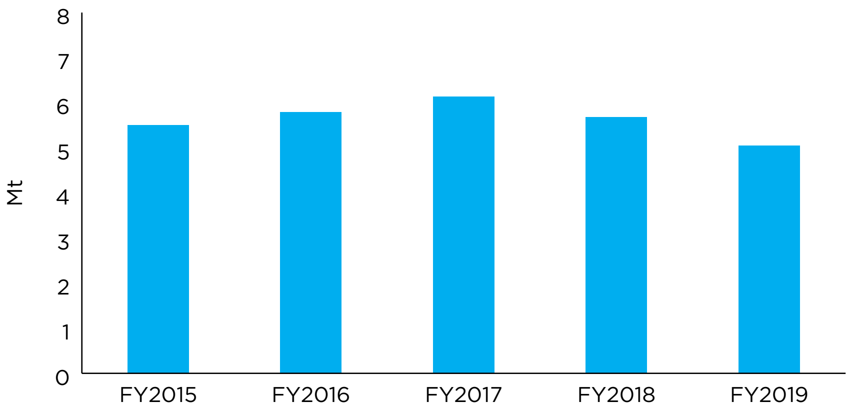
Maules Creek managed ROM coal production



Narrabri managed ROM coal production



Gunnedah open cuts managed ROM coal production



Resources & Reserves

Whitehaven Coal Limited – Coal Resources – August 2019

Tenement		Measured Resource (A)	Indicated Resource (B)	Measured + Indicated (A + B)	Inferred Resource (C)	Competent Person	Report Date
Maules Creek Opencut*	CL375 AUTH346 ML1701 ML1719	382	174	**556**	44	1	Mar-19
Narrabri North Underground**	ML1609	147	167	**314**	-	2	Mar-19
Narrabri South Underground**	EL6243	144	170	**314**	8	2	Mar-19
Tarrawonga Opencut	EL5967 ML1579 ML1685 ML1693	38	17	**55**	13	3	Mar-19
Tarrawonga Underground	EL5967 ML1579 ML1685 ML1693	10	15	**25**	14	3	Apr-14
Werris Creek Opencut	ML1563 ML1672	11	2	**13**	-	2	Mar-19
Rocglen Opencut	ML1620	2	3	**6**	0	3	Mar-19
Rocglen Underground	ML1620	-	3	**3**	1	3	Mar-15
Vickery Opencut	CL316 EL4699 EL5831 EL7407 EL8224 ML1464 ML1471 ML1718	230	165	**395**	110	3	Jul-15
Vickery Underground		-	95	**95**	135	3	Jul-15
Winchester South	MDL 183	130	300	**430**	100	4	Oct-18
Gunnedah Opencut	ML1624 EL5183 CCL701	7	47	**54**	89	3	Jun-14
Gunnedah Underground	ML1624 EL5183 CCL701	2	138	**140**	24	3	Jun-14
Bonshaw Opencut	EL6450 EL6587	-	4	**4**	7	3	Jun-14
Ferndale Opencut	EL7430	103	135	**238**	134	5	Jan-13
Ferndale Underground	EL7430	-	-	**-**	73	5	Jan-13
Oaklands North Opencut	EL6861	110	260	**370**	580	3	Jun-14
Pearl Creek Opencut***	EPC862	-	14	**14**	38	6	Nov-12
Total Coal Resources		**1,316**	**1,709**	**3,026**	**1,370**		

1. Mal Blaik, 2. Mark Benson, 3. Benjamin Thompson, 4. Troy Turner, 5. Greg Jones, 6. Phill Sides.
*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.

Whitehaven Coal Limited – Coal Reserves – August 2019

Tenement		Recoverable Reserves Proved	Recoverable Reserves Probable	Recoverable Reserves Total	Marketable Reserves Proved	Marketable Reserves Probable	Marketable Reserves Total	Competent Person	Report Date
Maules Creek Opencut*	CL375 AUTH346	340	120	**460**	310	100	**410**	1	Mar-19
Narrabri North Underground**	ML1609	102	5	**107**	98	4	**102**	2	Mar-19
Narrabri South Underground**	EL6243	-	121	**121**	-	114	**114**	2	Mar-19
Tarrawonga Opencut	EL5967 ML1579 ML1685 ML1693	26	10	**37**	22	8	**30**	1	Mar-19
Werris Creek Opencut	ML1563 ML1672	9	1	**10**	9	1	**10**	1	Mar-19
Rocglen Opencut	ML1620	-	-	**-**	-	-	**-**	1	Note
Vickery Opencut	CL316 EL4699 EL7407	-	200	**200**	-	178	**178**	1	Mar-15
Total Coal Reserves		**477**	**457**	**935**	**439**	**405**	**844**		

1. Doug Sillar, 2. Michael Barker.

*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.

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. Greg Jones is a principal consultant with JB Mining Services. Mal Blak is a senior consultant with JB Mining Services. Phillip Sides is a senior consultant with JB Mining Services. Benjamin Thompson is a Geologist with Whitehaven Coal. Mark Benson is a Geologist with Whitehaven Coal. Doug Sillar is a full time employee of RPM Advisory Services Pty Ltd. Michael Barker is a full time employee of Palaris Ltd. Troy Turner is a full time employee of Xenith.

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 Australasian 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).

Directors' Report

For the year ended 30 June 2019

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 Group's interest in joint operations for the year ended 30 June 2019 and the auditor's report thereon.

1. Principal activities

The principal activity of Whitehaven Coal Limited and its controlled entities (the 'Group') during the period was the development and operation of coal mines in New South Wales.

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

2. Directors and Executives

2 (a) Directors

The directors of the Company at any time during or since the end of the financial year are:

The Hon. Mark Vaile AO

Chairman

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, CBD Energy Limited and SmartTrans Limited and a former independent Director on the board of Virgin Australia Holdings Limited. Mark is currently a Director of ServCorp Limited which is listed on the ASX (since June 2011), Stamford Land Corp which is listed on the Singapore Stock Exchange, a Director Trustee of HostPlus Superfund and Chairman of Palisade Regional Infrastructure Fund.

Former ASX listed directorships in the last 3 years:
Chairman, SmartTrans Holdings Limited (April 2016–June 2018); Director, Virgin Australia Holdings Limited (September 2008–December 2018)

John Conde AO

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

Deputy Chairman

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 Cooper Energy Limited (since February 2013) and The McGrath Foundation. He is also president of the Commonwealth Remuneration Tribunal and a non-executive director of the Dexus Property Group (since April 2009). He recently retired as chairman of Bupa Australia and New Zealand. 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.

Former ASX listed directorships in the last 3 years: Nil

Dr Julie Beeby

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

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 the ASX listed coal seam gas producer WestSide Corporation Ltd. 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 was formerly the Chairman of the Queensland Electricity Transmission Corporation Limited, and non-executive director of Gloucester Coal Limited, OzMinerals Limited, CRC Mining, Queensland Resources Council and Australian Coal Research. Currently Julie is a non-executive director of Tasmanian Networks Pty Limited.

Former ASX listed directorships in the last 3 years:
Director, Oz Minerals Limited (April 2016–May 2018)

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 and was instrumental in the merger of Whitehaven Coal with Aston Resources. Paul joined the Board of Whitehaven on 3 May 2012 and assumed the role of Managing Director and CEO on 27 March 2013. 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.

Former ASX listed directorships in the last 3 years: Nil

Fiona Robertson

MA (Oxon), FAICD, MAusIMM

Non-Executive Director

Appointed: 16 February 2018

Fiona has a corporate finance background, with more than 20 years' experience as CFO of ASX-listed emerging and mid-tier mining and oil & gas companies preceded by 14 years with Chase Manhattan Bank in London, New York and Sydney, in corporate banking, credit risk management and mining finance roles. Previous non-executive directorships include ASX-listed oil and gas producer, Drillsearch Energy Limited where she chaired the Audit & Risk Committee. Currently Fiona is a non-executive director of ASX-listed Heron Resources Limited (since April 2015) and MPC Kinetic Limited.

Former ASX listed directorships in the last 3 years: Nil

2. Directors and Executives *(cont.)*

2 (a) Directors *(cont.)*

Lindsay Ward

BAppSc (Hons I), GradDip (Mgt), GAICD

Non-Executive Director

Appointed : 15 February 2019

Lindsay has more than 30 years' experience across industries including mining, exploration, mineral processing, ports management, rail haulage, power generation, gas transmission, transport and logistics. Having started his career in the mining industry, Lindsay has held a wide range of leadership and operational roles. He is currently CEO of Palisade Integrated Management Services, which has eight diverse infrastructure assets under management. Prior to this, he was the Managing Director of Dart Mining, a Melbourne-based exploration company, and a non-executive director of Metro Mining Limited. Lindsay also has extensive mining experience having worked with BHP Australia Coal (Bowen Basin – Queensland), Camberwell Coal (Hunter Valley – NSW) and Yallourn Energy (Latrobe Valley – Victoria) in various mine engineering and senior leadership roles including Mine Manager and General Manager. Lindsay is a Graduate Member of the Australian Institute of Company Directors and is an experienced Director of both listed and unlisted companies.

Former ASX listed directorships in the last 3 years:
Director, Metro Mining Limited (October 2011–February 2019)

Raymond Zage

BSc Finance

Non-Executive Director

Appointed: 27 August 2013

Raymond is the founder and CEO of Tiga Investments Pte Ltd. He is also senior advisor to Farallon Capital Management, L.L.C., one of the largest alternative asset managers in the world, and a non-executive director of Toshiba Corporation, which is listed on the Tokyo Stock Exchange, and PT Lippo Karawaci Tbk, which is listed on the Indonesian Stock Exchange. Raymond has been involved in investments throughout Asia in various industries including financial services, infrastructure, manufacturing, energy and real estate. Previously Raymond was the Managing Director and CEO of Farallon Capital Asia, and prior to that worked in the investment banking division of Goldman, Sachs & Co. in Singapore, New York and Los Angeles.

Former ASX listed directorships in the last 3 years: Nil

Tony Haggarty

MComm, FAICD, CPA

Non-Executive Director from 25 March 2013

Previously Managing Director to 24 March 2013

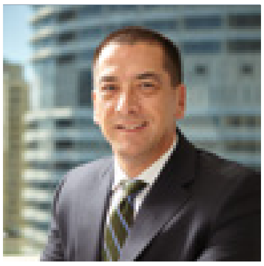
Appointed: 3 May 2007

Retired: 25 October 2018

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 until 27 March 2013.

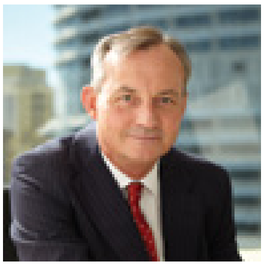
Former ASX listed directorships in the last 3 years: Nil

2 (b) Senior Executives



Paul Flynn – Managing Director and Chief Executive Officer

Refer to details set out in section 2(a) Directors on page 19.



Kevin Ball – Chief Financial Officer and Executive General Manager – Human Resources

BComm, CA

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

A finance graduate of the University of New South Wales, Kevin is a Chartered Accountant having spent 11 years with Ernst & Young at the commencement of his career predominantly in EY's natural resources group and has a graduate Diploma in Geoscience (Mineral Economics) from Macquarie University.

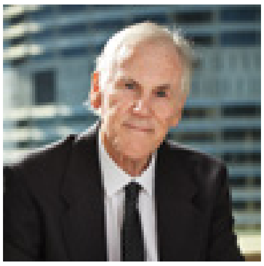
Timothy Burt – General Counsel & Company Secretary

B.Ec, LLB (Hons) LLM

Timothy joined Whitehaven as General Counsel and Company Secretary in July 2009. He has more than 20 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.

2. Directors and Executives *(cont.)*

2 (b) Senior Executives *(cont.)*



**Brian Cole –
Executive General Manager –
Project Delivery**
BE (Civil-H1), M Eng Science, MBA, Fellow IE Aust, C P Eng., M AIMM

Brian was appointed Executive General Manager – Project Delivery in June 2012.

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 of circa $2.8 billion.

**Jamie Frankcombe –
Chief Operating Officer**
BE (Mining), MBA (Technology)

Jamie was appointed Executive General Manager – Operations in February 2013 and his title amended to Chief Operating Officer in June 2018.

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 –
Executive General Manager –
Marketing and Logistics**
BEcons (Hons)

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 25 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.

Michael Van Maanen – Executive General Manager – Corporate and External Affairs
BA (Hons)

Michael has nearly 20 years of experience across corporate communications and public policy roles in both the government and private sectors. He was appointed Executive General Manager Corporate and External Affairs in May 2018. Prior to joining Whitehaven, Michael was a founding Partner of Newgate Communications and led the firm's mining and resources practice group. Michael was previously a ministerial adviser in the Howard Government and worked in a range of national security policy roles for the Departments of the Prime Minister and Cabinet, Foreign Affairs and Trade and Defence.

2. Directors and Executives *(cont.)*

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:

	Ordinary shares
Mark Vaile	1,509,317
John Conde	708,620
Julie Beeby	55,000
Paul Flynn[1]	1,454,327
Fiona Robertson	21,560
Lindsay Ward	-
Ray Zage	-

1 Mr Flynn held 2,608,430 options issued by the Company as at the date of this report.

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	12	12	6	6	3	3	3	3	1	1
John Conde	12	12	6	6	3	3	-	-	1	1
Julie Beeby	12	12	-	-	-	-	4	4	1	1
Paul Flynn	12	12	-	-	-	-	-	-	-	-
Tony Haggarty	4	4	2	2	-	-	1	1	-	-
Fiona Robertson	12	12	6	6	2	2	3	3	-	-
Lindsay Ward	5	5	-	-	1	1	1	1	-	-
Ray Zage	12	11	-	-	-	-	-	-	-	-

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

3. Other

3 (a) Dividends

Paid during the year

Dividends of $464,854,000 were paid to shareholders during the year ended 30 June 2019 (2018: distribution of $326,936,000 comprising a dividend of $188,052,000 and a capital return of $138,884,000).

Declared after end of year

On 15 August 2019 the Directors declared a dividend of 30 cents per share totalling $298 million to be paid on 19 September 2019 and be comprised of an ordinary dividend of 13 cents, franked to fifty percent and a special dividend of 17 cents, unfranked.

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 7,788,735 unissued ordinary shares of the Company under options. Refer to note 5.5 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.

3 (e) Rounding

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and dated 24 March 2016 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

- Net profit after tax ("NPAT") increased to $527.9m.
- Underlying EBITDA increased to $1,041.7m.
- Cash generated from operations increased to $964.1m.
- Net debt of $161.6m at 30 June 2019 and gearing reduced to 4%.
- The net profit after tax result was impacted by the following two significant items:
  - During the year ended 30 June 2019, the Group transitioned its rehabilitation provision calculations for most sites to the latest rehabilitation cost calculator available from resource regulators. This resulted in a pre-tax charge to the income statement of $40.5 million. See note 2.2 of this financial report for further detail.
  - Accelerated depreciation adjustment to write down the carrying value of existing longwall roof support legs, which will be replaced in H1 FY2020 as part of the next longwall change out. See note 2.2 of this financial report for further detail.

The following table summarises the key reconciling items between the Group's Underlying EBITDA and its statutory profit before tax.

	FY2019	FY2018[1]
Whitehaven Coal Limited – Consolidated	**$ million**	**$ million**
Revenue	2,487.9	2,257.4
Net profit after tax before significant items	**564.9**	**524.5**
Significant items after tax (refer to note 2.2 Significant items)	(37.0)	-
Net profit after tax	**527.9**	**524.5**
Underlying EBITDA	**1,041.7**	**1,011.9**
Rehabilitation expense (refer to note 2.2 Significant items)	(40.5)	-
Corporate development costs	-	(9.7)
Statutory EBITDA	**1,001.2**	**1,002.2**
Net interest expense (refer to note 5.2 Finance income and expense)	(32.9)	(33.1)
Other financial expenses	(8.0)	(7.1)
Depreciation and amortisation[2]	(224.4)	(203.1)
Profit before tax	735.9	758.9

1 The comparative period for FY2018 has been restated to give effect to the change in accounting policies. See note 1.5 of this financial report for details on this change.

2 Includes $12.3 million of accelerated depreciation recognised in connection with the replacement of the existing hydraulic cylinders with higher capacity hydraulic cylinders at the Narrabri mine. This has been disclosed as a significant item in Note 2.2 of this financial report.

Review of financial performance

Whitehaven delivered a record NPAT before significant items of $564.9m representing an increase of $40.4m compared to $524.5m in FY2018. The strong FY2019 NPAT result was underpinned by Underlying EBITDA of $1,041.7 million, an increase of $29.8 million compared to $1,011.9 million in FY2018.

The improvement in the Underlying EBITDA result was driven by an increase in the EBITDA margin on sales of produced coal to $66/t in FY2019, up on the $63/t margin (restated) achieved in FY2018. This improvement reflects the benefits of higher realised coal prices experienced during the year, particularly in respect of high calorific value thermal coal which represented 80% of total thermal coal sales volume in FY2019 partially offset by an increase in costs.

The key factors that contributed to the FY2019 NPAT before significant items result for the year include:

- Strong safety performance.
- Gross revenue increased to $2,487.9m in FY2019 from $2,257.4m in FY2018. The increase was driven by the increase in A$ realised prices to an average of A$145/t in FY2019 from A$130/t in FY2018. This was partially offset by a small decrease in total sales volumes (including purchased coal) from 17.3Mt in FY2018 to 17.2Mt in FY2019.

- The key drivers of A$ realised prices during the period were:
  - The Newcastle GlobalCoal Index price averaged US$99/t for high quality thermal coal in FY2019 which was $1/t below the average recorded in FY2018, however Whitehaven made the decision to increase its production of high quality thermal coal which saw Whitehaven achieve an average realised price on thermal sales of US$100/t in FY2019, $2/t above the average realised price achieved in FY2018.
  - The high quality of thermal coal from the Maules Creek mine achieved both quality and energy premiums relative to the Newcastle GlobalCoal Index price during the period. Sales of Maules Creek coal achieved an average premium of 9% above the GlobalCoal index price for the year.
  - An increase in the proportion of metallurgical coal sales from 17% in FY2018 to 19% in FY2019 was underpinned by increased production of metallurgical coal at Maules Creek.
  - The Group realised a US$4/t premium on sales of metallurgical coal during FY2019 relative to the average index price. The index averaged US$115/t in FY2019 or US$5/t below the average price in FY2018.
  - A weaker AUD – the average AUD:USD exchange rate decreased to 0.72 in FY2019 from an average of 0.78 in FY2018.
- FOB costs of A$67/t in FY2019 have increased from A$58/t in FY2018 (restated for AASB 16 Leases impact) and were impacted by strategic, structural and market factors. These include:

  Strategic factors

  - An increased focus on high quality thermal product due to the price spreads between high quality thermal coal and lower quality thermal coal. This has resulted in increased washing and lower yields relative to the prior year at Maules Creek.

  Structural factors

  - The impact of the depth of cover at Narrabri was fully felt in the Group results for FY2019. Deeper working impacted both development and longwall production rates while also requiring higher primary and secondary support intensity. Production at Narrabri was strong at the end of FY2019 and there are encouraging signs that the strategies and actions undertaken over the last 12–24 months have positively impacted performance.
  - Higher strip ratio at Tarrawonga in line with the natural progression of this mine.
  - FOB costs per tonne at the Maules Creek mine have increased as the pit continues to be expanded to facilitate optimised mining conditions for the long term. FOB costs per tonne are expected to fall in the medium term as haul distances and elevations benefit from increased in-pit dumping as the mine matures and the introduction of autonomous haulage systems.
  - Increased demurrage and under-utilised logistics costs arose due to contracted capacity volumes being above production volumes at various stages throughout FY2019. This was also impacted by the phasing of production over the course of the year, particularly at the Maules Creek and Narrabri mines. This impact is expected to moderate as production levels return to more consistent levels over the near to medium term.

  Market factors

  - An increase of approximately 16% in average crude oil prices in A$ terms fed into the cost of diesel used in production and transportation.
  - The strength in coal prices combined with a number of large infrastructure projects has increased the competition for skilled labour resources. This has had some impact on the ability to fill roles in a timely manner which has had some impact on operating productivity during FY2019.

Whitehaven's portfolio is expected to strengthen further in the coming years with development of the Vickery and Winchester South projects.

4. Operating and financial review *(cont.)*

Cash flows & capital management

Cash Flow summary	FY2019 $ million	FY2018[1] $ million
Net cash from operating activities	916.4	892.1
Investing cash flows	(193.8)	(384.9)
Net free cash flow	**722.6**	**507.2**
Financing cash flows	(714.9)	(482.5)
Cash at the beginning of the period	**111.8**	**87.1**
Cash at the end of the period	**119.5**	**111.8**

Capital management	30 June 2019	30 June 2018[1]
Net debt[2]	161.6	270.4
Undrawn syndicated facility	840.0	725.0
Gearing ratio[2,3] (%)	4%	7%

1 The comparative period for FY2018 has been restated to give effect to the change in accounting policies. See note 1.5 of this financial report for details on this change.

2 Calculated in accordance with the senior facility covenant requirements and therefore excludes lease liabilities recognised for the first time upon adoption of AASB 16 Leases of $134,111,000 (2018: $205,874,000)

3 Net Debt/(Net Debt plus Equity)

Whitehaven holds a strong capital base to maintain investor, creditor and debt market confidence and ensure the business is well positioned to support attractive future growth opportunities.

Cash flow and capital management commentary

Operating cash flows of $916.4m in FY2019 increased by 3% compared to FY2018. The increase in operating cash flows is largely due to the growth in Underlying EBITDA to $1,041.7 million in FY2019 and reflects the higher realised coal prices achieved during FY2019 relative to FY2018.

The increase in realised thermal and metallurgical coal prices in FY2019 is due to increased price premia relative to the prevailing Newcastle GlobalCoal Index price for thermal coal and the index price for semi soft coking coal. This is principally due to the decision to increase the production of high quality thermal coal to take advantage of the increasing demand for high energy, low ash thermal coal and the growing market awareness of the benefits of the Maules Creek metallurgical coals.

Interest payments were lower as loans and borrowings were reduced to $415.3m at 30 June 2019 from $588.1m at 30 June 2018.

Investing cash outflows of $193.8m in the year ended 30 June 2019 were $191.1 million lower than the $384.9 million outflow in FY2018. This was primarily due to the payment of purchase consideration in FY2018 for the Winchester South Project and Idemitsu's 30% interest in Tarrawonga. The FY2019 investing cash outflows include deferred consideration amounts paid for the above acquisitions, spend on the Winchester South Project in Queensland and expenditure to progress the Environmental Impact Statement required for Government approval of an expanded Vickery mine (10Mtpa). Growth capital was also allocated to the Tarrawonga expansion project to increase ROM coal production to 3.0Mtpa. Throughout the cycle Whitehaven has continued to allocate sustaining capital to each of its mines to maintain safe and productive operations.

Net debt at 30 June 2019 was $161.6m, a decrease of $108.8m from 30 June 2018. Gearing also decreased to 4% at 30 June 2019 from a level of 7% as at 30 June 2018.

The decrease in net debt was driven by the strong operating cash flow performance during the year. This has facilitated repayments of the senior facility, leases and the ECA facility totalling $630.0m. This was offset by a drawdown of $410.0m during the period.

Undrawn capacity of $840.0m under the senior bank facility existed at 30 June 2019.

The strength and resilience of Whitehaven's cash flow generation has driven strong returns to shareholders in FY2019. A final dividend of 27 cents per share was paid in respect of FY2018 and resulted in a total cash distribution to shareholders of $268 million in September 2018. An interim dividend in respect of FY2019 of 20 cents per share, $198 million in total, was paid in March 2019.

As a result of the strength of Whitehaven's balance sheet, its scale of operations, and its improved earnings and cash flow generation, Whitehaven is well placed to both expand operations from its existing portfolio of opportunities and to take advantage of external growth opportunities that may arise.

Consolidated equity production, sales and coal stocks

Whitehaven Total (000t)	FY2019	FY2018	Movement
ROM Coal Production	18,358	17,727	4%
Saleable Coal Production	15,817	16,160	(2%)
Sales of Produced Coal	16,017 [1]	16,109 [1]	(1%)
Sales of Purchased Coal	1,615	1,256	29%
Total Coal Sales	17,631	17,365	2%
Coal Stocks at Year End	2,754	2,621	5%

1 Includes Sunnyside sales of produced coal of 416 kt (2018: 100 kt)

Significant highlights for FY2019 include:

- Record ROM coal production of 18.4Mt, up 4% on pcp.
- A strong finish to the year at both Narrabri and Maules Creek enabled ROM coal production guidance to be exceeded.
- Coal sales of 16.0Mt of produced coal and 17.6Mt including purchased coal for the year.
- Increased premiums relative to the prevailing index price for both thermal and metallurgical coal.
- High coal inventories at both Maules Creek and Narrabri will support sales during the September quarter of FY2020.

4. Operating and financial review *(cont.)*

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

2019 performance

The safety outcome for the Group improved over FY2019 with the TRIFR declining from 6.9 in FY2018 to 6.2 in FY2019. The Group TRIFR remains well below the NSW coal mining average of 14.7.

Maules Creek

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

Maules Creek 100% (000t)	FY2019	FY2018	Movement
ROM Coal Production	11,720	10,953	7%
Saleable Coal Production	9,200	9,664	(5%)
Sales of Produced Coal	9,309	9,641	(3%)
Coal Stocks at Year End	1,160	646	80%

Maules Creek ROM coal production increased from 11.0Mt in FY2018 to 11.7Mt in FY2019. The reduction in saleable coal production in FY2019 relative to the results of FY2018 reflects the phasing of ROM coal production towards the back end of FY2019 as well as the yield loss associated with producing a higher quality thermal coal than was produced in FY2018. The phasing of ROM coal production in FY2019 resulted in significant ROM coal inventories being held at 30 June 2019. This coal will be processed during the first quarter of FY2020 and support coal sales during this period.

Management remains focussed on continuing to expand the open cut pit at Maules Creek to facilitate optimised mining conditions for the long term. This phase of the mine's life is characterised by out of pit dumping and a resulting increase in haul distances and haul elevation. These activities will underpin the continued expansion in ROM production towards the approved level of 13Mt per annum and importantly facilitate the consistent delivery of this production over the course of each year.

The marketing strategy was refined in FY2019 to focus upon three key products – a very low ash semi soft coking coal (SSCC), a low ash SSCC and a low ash, high energy thermal coal. The thermal coal product is expected to continue commanding significant price premiums relative to the Newcastle GlobalCoal Index price due to the combination of low ash (~10%) and high calorific value delivered to customers. This strategy has contributed to improve margins despite the increased costs associated with increased washing and lower product yields. This strategy has also streamlined certain activities at the mine by reducing the number of working stockpiles and simplified operations.

SSCC sales for the year of 2.3Mt represented 25% of total sales from the mine. With the premiums available on thermal coal combined with prevailing spot prices for SSCC, there was little incentive to produce and sell SSCC on the spot market. In the longer term we expect to increase sales of SSCC from the mine to about 50% of total production.

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 Mine 100% (000t)	FY2019	FY2018	Movement
ROM Coal Production	6,447	6,289	3%
Saleable Coal Production	5,630	5,840	(4%)
Sales of Produced Coal	5,705	5,760	(1%)
Coal Stocks at Year End	1,018	639	59%

Narrabri ROM production increased marginally from 6.3Mt in FY2018 to 6.4Mt in FY2019. A strong June quarter ensured that revised full year ROM production guidance was exceeded. The June quarter ROM production result was encouraging given the longwall negotiated an extensive fault zone during this period.

To reduce the impact of weighting events, Whitehaven has employed a number of strategies which are having a positive impact. The more intensive primary and secondary support regime is a key component of this and has become the standard for new development in the working area of the mine that exceeds 250 metres depth of cover. The production rates achieved during the June quarter provide encouragement that the strategies adopted to mitigate the impacts of increased depth are having a positive impact.

Whitehaven has ordered a new set of larger capacity hydraulic cylinders to further increase the strength of longwall face support. The new cylinders are approximately 30% stronger than the current hydraulic cylinders. The new cylinders will be installed into the longwall roof supports at the longwall change-out which is due to occur in the December quarter of 2019.

Open cut mines (excluding the Maules Creek mine)

Ownership: Werris Creek Whitehaven 100%; Rocglen Whitehaven 100%; Tarrawonga Whitehaven 100%; Sunnyside Whitehaven 100%

Open Cuts 100% (000t)	FY2019	FY2018	Movement
ROM Coal Production	5,055	5,683	(11%)
Saleable Coal Production	4,977	5,377	(7%)
Sales of Produced Coal	4,979	5,321	(6%)
Coal Stocks at Year End	1,172	1,689	(31%)

ROM and saleable coal production from the open cuts in FY2019 was 5.1Mt and 5.0Mt respectively. While production in FY2019 was lower when compared to FY2018 (ROM of 5.7Mt and saleable 5.4Mt) it was in line with planned production for the year. Inventories at Rocglen and Tarrawonga were drawn down to take advantage of the higher coal price environment.

During FY2019 the Board approved an expansion at Tarrawonga which will increase ROM coal production in FY2020 to its fully approved level of 3.0Mtpa. The expansion requires the purchase of a larger scale, more efficient mining fleet that is to be funded via asset financing facilities. The fleet will arrive and be mobilised during the first half of FY2020. Increasing the annual ROM production rate enhances the cash flows from the mine over the near to medium term.

The Gunnedah open cuts have provided a stable platform over the last five years which has assisted Whitehaven to develop both the Narrabri mine and the Maules Creek mine. Sunnyside is in its rehabilitation phase and the remaining Rocglen reserves were fully mined out during FY2019. Rocglen entered the rehabilitation phase in the final weeks of FY2019.

The Sunnyside and Rocglen rehabilitation programmes are important as they will provide stakeholders with an example of contemporary mine site rehabilitation.

4. Operating and financial review *(cont.)*

Development projects

Vickery

Ownership: Whitehaven 100%

In August 2018 Whitehaven lodged the Vickery Extension Project Environmental Impact Statement (EIS) with the Department of Department of Planning, Industry and Environment (DPIE). The DPIE reviewed the EIS and it was placed on public display in September 2018 and available for public inspection and comment for six weeks until late October 2018.

In September 2018, the NSW Minister for Planning referred the Project to the NSW Independent Planning Commission (IPC) which subsequently formed a panel of three commissioners. The DPIE prepared an Issues Paper for consideration by the IPC panel and the IPC held a public hearing during February 2019 in Boggabri and in Gunnedah. The IPC, as well as holding the two February 2019 town hall style meetings, accepted written submissions. More than 75% of written submissions supported Whitehaven's Vickery Extension Project.

Following receipt of the DPIE paper, the written responses and the two town hall style meetings, the IPC released its Issues Report in April 2019. Whitehaven is progressively working through the IPC's issues report and expects to complete its work shortly. Once Whitehaven has responded satisfactorily, the DPIE will prepare a whole-of-government report on the Project for the IPC's final review and to inform its determination.

The New South Wales Government has a stated objective to complete assessments in less than 500 days. Whitehaven currently expects to receive the IPC's determination early in calendar year 2020 and that the project will be approved given strong local community support for the Project and the fact that it offers significant additional economic and community benefits compared to the already approved Vickery Coal Project.

In June, Whitehaven commenced site works in relation to the approved 4.5mtpa Vickery Coal Project. This site work is now complete. A drilling programme has commenced to determine the line of oxidation in relation to the first coal seam to be exposed. This drilling will be used to refine the position of the box cut for the Vickery open cut mine.

Winchester South

Ownership: Whitehaven 100%

Whitehaven completed its acquisition of the Winchester South project in the June 2018 quarter and it has quickly moved the project along the development path. A project director with extensive coal mining experience and a technical team have been appointed to take the project through the Queensland and Federal Government approval processes.

Earlier this calendar year, ground work necessary to prepare the environmental impact statement commenced (including ecological and baseline data collection studies).

Following receipt and assessment of the technical data on the project, Whitehaven released its JORC Resources for Winchester South to the ASX on 25 October 2018 (available at www.whitehavencoal.com.au). The JORC Resources for the project were 530Mt. The Resources calculation from 25 October has also seen a large increase in the combined total of Measured and Indicated Categories from 277Mt to 430Mt.

As part of the evaluation process, and for use in project planning, Whitehaven completed a comprehensive drill programme in the June 2019 quarter. The programme was designed to confirm coal quality data specifically in relation to metallurgical coal qualities. The data from the drilling will assist Whitehaven to design the CHPP and other associated infrastructure while also further defining the JORC Resources and ultimately the Reserves of the project. Drill core from the drilling programme is being tested with the results due in H1 FY2020.

Early in CY2019 an Initial Advice Statement was lodged with the Queensland Coordinator-General seeking a Coordinated Project declaration under the State Development and Public Works Organisation Act 1971. A significant milestone was achieved for the project during the June quarter with the declaration of the project as a Coordinated Project by the Queensland Coordinator-General. The declaration paves the way for a whole-of-government assessment of the project by way of an environmental impact statement. For full details see the ASX Release dated 18 April 2019.

Another round of drilling will commence in early FY2020 with the aim of enhancing the geological confidence of the project ahead of detailed mine planning and project optimisation. Detailed mine planning for the project continues ahead of Whitehaven determining a JORC Reserve which is scheduled for later in the CY2019.

Infrastructure

In order to deliver our products to market, Whitehaven contracts rail track capacity, rail haulage and port capacity with each of the providers of these services. As production has grown and with imminent growth from Vickery, Whitehaven's future requirement for infrastructure will make Whitehaven one of the largest infrastructure users in the New South Wales rail and port systems.

Rail Track

Whitehaven contracts rail capacity with the Australian Rail Track Corporation (ARTC). The capacity framework that governs this contract is into its second term. We continue to work with ARTC to expand effective capacity within the Gunnedah Basin without requiring additional rail infrastructure through improved operating efficiencies and investment in new information technology systems. The objective of this work is to improve supply chain productivity and increase train path availability.

Preliminary negotiations have begun on obtaining access to the Goonyella rail network for the Winchester South project. The rail network is owned by Aurizon.

Rail Haulage

We have rail haulage contracts with each of the major rail haulage providers, Pacific National and Aurizon. These contracts have an expiry date in 2026. They provide for the haulage of all currently projected expansion tonnes before Vickery. We are 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. This supports the planned increases in our managed production levels, whilst minimising fixed cost exposure.

Port Capacity

We maintain contracts at the Port of Newcastle with both terminal operators, Newcastle Coal Infrastructure Group and Port Waratah Coal Services that support all planned shipments. To provide for the forecast production ramp up over the next five years we will secure surplus capacity available at the port. This is sufficient to allow for both short-term surge and long-term annual shipping requirements.

Early talks have commenced with a number of coal producers who may have excess port capacity with the aim of securing port capacity for the Winchester South Project.

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

Subsequent to the end of the financial period, the Directors have proposed a 30 cent per share dividend to be paid on 19 September 2019 and be comprised of an ordinary dividend of 13 cents, franked to fifty percent and a special dividend of 17 cents, unfranked.

Outlook and likely developments

Thermal coal markets and prices have softened due to a number of factors – low seaborne LNG prices, Chinese import restrictions and the negative impact upon global GDP from trade tensions between the United States and China.

The decline in gas prices in Europe from US$9/GJ in September 2018 to US$3/GJ in June 2019 has led to power generators switching from coal to gas in those markets where this is possible, causing demand for coal to fall in the region.

While power demand in China continues to grow, increased rainfall has led to more power generated by hydro-electricity combined with increased installed wind and solar capacity and increased coal fired power generation in central and western parts of China. With growing domestic coal production and reduced demand from the coastal regions, coal imports declined.

Whitehaven's target markets for thermal coal of Japan, Taiwan, Korea and the broader South-East Asian region continue to exhibit increasing demand for high energy, low ash thermal coal. While Whitehaven does not export thermal coal into the Chinese market, Chinese import customs clearance delays and the negative sentiment arising from trade tensions between the United States and China has contributed to weaker thermal coal index prices during 2019. Central banking authorities are acting to stimulate economic activity.

With the benefit of both good weather and good prices, seaborne coal supply from Indonesia, Russia and Australia has increased year on year. With the softening of prices in the first half of 2019 the market is expected to rebalance as high cost producers moderate production. Exports from swing producers in the United States and Colombia have declined given the price environment. CRU estimates that exports from those two countries will fall by 21Mt and 5Mt respectively in 2019. Over the course of the period since mid-2016, there has been little new large scale production added to global thermal coal supply. With seaborne LNG trading below breakeven levels for new supply, some rebalancing can be expected to occur in this market as well.

The short term outlook for metallurgical coal has weakened in the face of lower margins in steelmaking. However, the longer term outlook remains healthy with steel production holding up well in several countries (India, China and Japan) which are dependent upon the seaborne market to meet coking coal needs.

4. Operating and financial review *(cont.)*

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. 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:

Volatility in coal prices

The Company's future financial performance will be impacted by future coal prices. Factors which affect coal prices include the outcome of future sales contract negotiations, general economic activity, industrial production levels, changes in foreign exchange rates, changes in coal demand, changes in the supply of seaborne coal, changes in international freight rates and the cost of substitutes for coal. The Company does not currently hedge against coal price volatility.

Foreign currency risk

As the Company's sales are predominately denominated in US dollars, adverse fluctuations in the US$/A$ exchange rate may negatively impact the Group's financial position.

The Company uses forward exchange contracts to hedge some of this currency risk in accordance with a hedging policy approved by the Board of Directors.

Acquisitions and commercial transactions

Acquisitions and commercial transactions undertaken with the objective of growing the Company's portfolio of assets are subject to a number of risks which may impact the ability to deliver anticipated value. Risks associated with acquisitions include:

- operational performance of acquired assets not meeting expectations;
- anticipated synergies or cost savings being delayed or not being achieved;
- adverse market reaction to proposed transactions; and
- the imposition of unfavourable or unforeseen conditions, obligations or liabilities.

Whitehaven's commercial processes are designed to reduce the likelihood of these risks materialising as a result of a commercial transaction.

Capital requirement risk

Although Whitehaven is currently in a strong liquidity position, there is a risk that insufficient liquidity or the inability to access funding on acceptable terms may impact growth opportunities (such as the development of new projects and/or mergers and acquisitions) and ongoing operations.

Whitehaven manages liquidity risk by holding a prudent level of available cash and maintaining adequate committed credit facilities which have been provided by a diverse panel of Australian and international banks.

Whitehaven had $959.5 million in liquidity (cash and undrawn facilities) available as at 30 June 2019.

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.

Operating risks

The Company's coal mining operations are subject to operating risks that could 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 weather and natural disasters, unexpected maintenance or technical problems, failure of key equipment, higher than expected rehabilitation costs, industrial action and higher than expected labour costs.

Geological uncertainty is also an inherent operational risk which could result in pit wall failures or rock falls, mine collapse, cave-ins or other failures to mine infrastructure.

The Company has in place a framework for the management of operational risks and a comprehensive group insurance program which provides insurance coverage for a number of these operating risks.

Water security

Water is critical to Whitehaven's mining operations as it is used for various purposes including dust suppression and coal washing. Whitehaven's ability to access water may be impacted by a number of factors, including drought, changes in government policy and regulation and scarcity of supply. The inability to access sufficient water may negatively impact on Whitehaven's costs, future production and financial performance.

Whitehaven regularly monitors the water balance at each of its sites and investigates opportunities to minimise water usage and secure alternate, reliable water sources to build resilience against water availability risks.

Infrastructure risks

Coal produced from Whitehaven's mining operations is transported to customers by a combination of rail and ship. A number of factors could disrupt these transport services, including a failure of infrastructure providers to increase capacity in order to meet future export requirements.

Rail and port capacity is obtained predominantly through long-term contract arrangements which include take-or-pay provisions which require payments to be made irrespective of whether the service is used. In the event utilised capacity is below contracted capacity, there is a risk Whitehaven will be required to pay take-or-pay charges for capacity which is not used. Whitehaven seeks to align these take-or-pay infrastructure obligations with the Company's forecasted future production.

Geology risks

There are inherent risks associated with estimating coal Resources and Reserves, including subjective judgements and determinations as to coal quality, geological conditions, tonnage and strip ratio. The Company's Resource and Reserve estimates are determined by suitably qualified competent persons in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Cyber risk

Whitehaven's operations are supported by a robust information technology security framework and back-up data infrastructure. However, computer viruses, unauthorised access, cyber-attack and other similar disruptions may threaten the security of information and impact operational systems. The Company manages this risk by continuing to invest in systems to prevent such attacks and undertaking staff training programmes.

Counterparty risk

The Company deals with a number of counterparties, including joint venture partners, suppliers and customers. Counterparty risks include:

- Non-supply or changes to the quality of key inputs which may impact costs and production at operations;
- Failure to reach agreement with joint venture partners which could impact the Company's ability to optimise value from its projects; and
- Failure of customers to perform against long-term take-or-pay agreements.

Counterparty risk is assessed prior to entry into any new arrangements and, if necessary, appropriate risk control mechanisms are put in place. Whitehaven proactively engages with its counterparties to manage instances of non-supply and quality control and to ensure alignment of expectations.

Environment and safety risks and licence to operate

A range of health, safety and environmental risks exist with coal mining activities. Accidents, environmental incidents and real or perceived threats to the environment or the amenity of local communities could result in a loss of the Company's social licence to operate leading to delays, disruption or the shut-down of operations. Potential environment and safety risks include equipment failure, human errors in underground operations, vehicle and mining equipment interactions in open cut operations, roof fall hazards in underground operations and spontaneous combustion risks.

The Company engages with a number of different stakeholders in the communities within which it operates. Stakeholder related risks include:

- the requirement to comply with the Native Title Act 1993 (Cth) which can delay the grant of mining tenements and impact the timing of exploration, development and production operations;
- the ability to reach agreement with local landholders in relation to acquisition and/or access terms which may delay the timing of project development; and
- notwithstanding the contributions made to the communities within which the Company operates, local communities may become dissatisfied with the impact of operations or oppose new development projects. There is also the possibility of anti-coal activism targeted towards the Company's projects.

Whitehaven has a comprehensive environmental, health and safety management system to mitigate the risk of incidents and to ensure compliance with environmental and safety laws. The Company also has a dedicated community relations team that engage with local communities to ensure that community issues are understood and addressed appropriately.

Further details in relation to how the Company engages effectively with the communities in which we operate and steps which the Company takes to maintain its social licence to operate will be provided in the Company's 2019 Sustainability Report to be released later in the year.

Environmental regulation

The coal sector is subject to a broad range of environmental laws, regulations and standards including in relation to greenhouse gas emissions. Evolving regulation and standards could result in increased costs, regulatory action, litigation or, in extreme cases, threaten the viability of an operation.

Whitehaven actively monitors legislative and regulatory developments and engages appropriately with legislative and regulatory bodies to manage this risk.

4. Operating and financial review *(cont.)*

Risks relating to Whitehaven's future prospects *(cont.)*

Climate change risk

The physical and non-physical impacts of climate change may affect the Company's assets, production and the coal markets where its high quality coal products are sold. These impacts may include severity and frequency of weather patterns, policy and regulatory change and coal demand responses. Further details in relation to climate change risks will be provided in the Company's 2019 Sustainability Report to be released later this year.

The IEA has forecast under its New Policies Scenario (its central scenario, which assumes that all of the Nationally Determined Commitments (NDCs) as provided by countries after the 2015 Paris COP21 meeting are met in full) that global coal demand will continue to grow until at least 2040 – with particularly strong demand in the broad Asian region, Whitehaven's key export market. The IEA regularly makes projections about world coal demand based on various future scenarios for energy development. The New Policies Scenario is the IEA's central scenario in its most recent World Energy Outlook (2018). Alternate scenarios include the Current Policies Scenario (highest projected coal usage) and the 450 Scenario (lowest projected coal usage). Further details are available at: https://webstore.iea.org/world-energy-outlook.

5. Auditor independence and non-audit services

5 (a) Auditor's independence declaration

The auditor's independence declaration forms part of the Directors' report for financial year ended 30 June 2019. It is set out on page 61.

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 or payable 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 2019** $	**Consolidated 2018** $
Non-audit services		
Ernst & Young		
Taxation compliance services	125,000	63,978
Due diligence services	-	836,881
Other non-audit services	69,790	71,226
	194,790	**972,085**

Remuneration Report

(Audited)

Summary

We present the Remuneration Report for the financial year ended 30 June 2019 (FY2019) for which we seek your support at our Annual General Meeting (AGM) in October. More than 95% of votes cast at last year's AGM were in favour of the resolution to approve our 2018 Remuneration Report.

Our objective is to provide a Remuneration Report containing the key elements that are important to our shareholders and to present that information in a way that is clear and readily understood, including details of realised remuneration outcomes for our Key Management Personnel (KMP) and performance against the Short Term Incentive (STI) Key Performance Indicators (KPIs) and Long Term Incentive (LTI) performance conditions.

Our executive remuneration framework is aligned to shareholder interests and operates to incentivise and reward senior executives to execute our strategy to build a portfolio of assets that is cost competitive and to develop and operate that portfolio of assets in a safe and sustainable way.

Whitehaven's performance in FY2019

Managing Director and Chief Executive Officer, Paul Flynn (CEO), is supported by a strong executive leadership group and the Board believes that the Company is well positioned, with its high quality asset development pipeline and strength of existing operations, to continue to grow, to improve its performance and to continue to deliver value to shareholders.

Whitehaven has performed strongly during the year. It has delivered record Underlying EBITDA, and record NPAT. Over the three and four year LTI testing period Whitehaven has delivered total shareholder returns (TSR) of 308% and 233% respectively and was ranked 1st and 5th respectively against its LTI peer comparator groups.

During the year, Whitehaven has returned cash dividends of $465m to shareholders and the Board has resolved to pay a final dividend of 30 cents per share ($298m) to shareholders from the FY2019 result.

During the year, Whitehaven increased the quality of its saleable products to take advantage of increased demand for higher quality coal, increasing its revenues and margins which led to a record net profit after tax before significant items and supported dividend payments to shareholders.

The decision to increase product quality, combined with the following factors, contributed to an increase in unit costs for FY2019:

- The strong coal price environment increased competition for scarce, skilled resources which adversely impacted employee turnover levels and operating productivity; and
- Difficult mining conditions persisted at both our Werris Creek open cut mine and at our Narrabri underground mine.

Remuneration outcomes for FY2019

The cost and production pressures experienced during the year have led to reduced STI and LTI outcomes for Executive KMP. STI awards for performance during the year were assessed at between 58% and 64% of the possible award.

The LTI Cost Hurdle Award that was tested in the year failed to achieve the gateway target and lapsed. The LTI Relative Total Shareholder Return (TSR) award vested in full as a consequence of the substantial shareholder returns that have been delivered over the three and four year performance test periods. Further details of the LTI awards that were tested in 2019 are set out later in this report at Section 4.2.

Changes to remuneration framework for FY2020

The Board continues to consider Executive KMP remuneration in the context of our strategy, relevant benchmarks and retaining and appropriately rewarding our leadership team.

Changes in fixed remuneration for Executive KMP in FY2020 will be capped at 2% with one exception (detailed later).

Details of the upcoming FY2020 LTI grant and hurdles for the CEO will be included in the Notice for our upcoming AGM (at which shareholders will be asked to approve the grant).

Non-executive Directors fees

There was no increase to Non-executive Directors fees in the year, nor is any proposed for FY2020. There is no proposal to change the maximum aggregate Directors' fee pool.

We thank all our people (the Executive KMP and their teams) for their continued commitment and contribution to Whitehaven.

Table of Remuneration Report contents

1. Introduction

This Remuneration Report forms part of the Directors Report.

In accordance with Section 308 (3C) of the Corporations Act 2001 (Cth) (Corporations Act), the external auditors, Ernst & Young, have audited this Remuneration Report.

This report details the remuneration and fees during FY2019 of the Key Management Personnel 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.

1.1 Key Management Personnel for FY2019

This Report details the remuneration during FY2019 of:

Name	Role held during FY2019	Committee positions held
Non-executive Directors		
The Hon. Mark Vaile AO	Chairman and Non-executive Director	Chairman of Governance & Nomination Committee Member of Audit & Risk Management Committee Member of Remuneration Committee
John Conde AO	Deputy Chairman and Non-executive Director	Chairman of Remuneration Committee Member of Audit & Risk Management Committee Member of Governance & Nomination Committee
Dr Julie Beeby	Non-executive Director	Chairman of Health, Safety, Environment & Community Committee Member of Governance & Nomination Committee
Fiona Robertson	Non-executive Director	Chairman of Audit & Risk Management Committee (effective 1 November 2018) Member of Health, Safety, Environment & Community Committee (effective 1 November 2018)
Lindsay Ward (appointed 15 February 2019)	Non-executive Director	Member of Health, Safety, Environment & Community Committee Member of Remuneration Committee
Raymond Zage	Non-executive Director	Nil
Tony Haggarty (retired 25 October 2018)	Non-executive Director	Chairman of Audit & Risk Management Committee Member of Health, Safety, Environment & Community Committee

Executive KMP	Role held during FY2019
Paul Flynn	Managing Director and Chief Executive Officer (CEO)
Kevin Ball	Chief Financial Officer and Executive General Manager – Human Resources (CFO)
Timothy Burt	General Counsel and Company Secretary
Brian Cole	Executive General Manager (EGM) – Project Delivery
Jamie Frankcombe	Chief Operating Officer (COO)
Scott Knights	Executive General Manager (EGM) – Marketing and Logistics
Michael van Maanen	Executive General Manager (EGM) – Corporate and External Affairs

1. Introduction *(cont.)*

1.2 Summary of Company performance

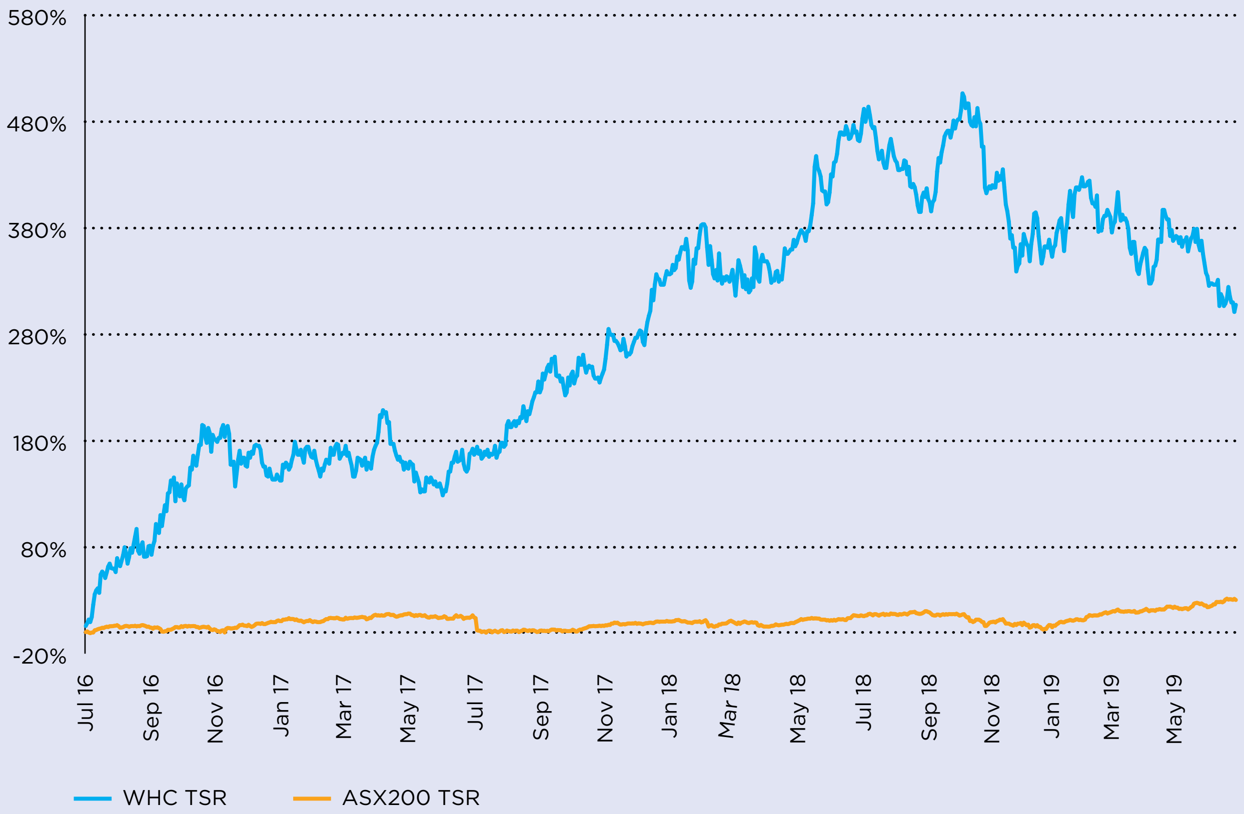
FY19 at a glance

How did we perform in FY19?

Statutory EBITDA	Shareholder distributions	Total shareholder return (TSR) three year
$1,001.2m	**50c/share**	**308%**
FY18: $1,002.2m*	**FY18: 40c per share**	**Four year TSR: 233%**

*Statutory EBITDA has been restated for the adoption of AASB 16 *Leases*

WHC total shareholder return since 1 July 2016



While FY2019 performance produced a strong Statutory EBITDA of $1,001.2m, Net Profit after Tax of $527.9m, and an improvement in safety from June 2018, unit cost and production targets were not met.

Company performance for the last five years

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

	2019	2018	2017	2016	2015
Revenue ($m)	2,487.9	2,257.4	1,773.2	1,164.4	763.3
Statutory EBITDA ($m)[1]	1,001.2	1,002.2	714.2	224.1	130.3
Net profit after tax ($m)[1]	527.9	524.5	405.4	20.5	(342.7)
Share price at year end (dollars per share)	$3.66	$5.78	$2.87	$1.08	$1.32[2]
Basic EPS (cents per share)	53.5	53.1	41.2	2.1	(33.3)
Diluted EPS (cents per share)	52.4	52.1	40.7	2.1	(33.3)
Shareholder distributions paid (cents per share)	47	33	-	-	-
Total Reportable Injury Frequency Rate (TRIFR)	6.2	6.9	7.4	10.6	11.3
Environmental Enforcement Action Frequency Rate (EEAFR)[3]	1.9	2.1	4.2	8.1	2.9
Saleable Production – Mt	19.8	20.9	20.8	19.7	11.3

1 Statutory EBITDA and Net profit after tax for FY2018 has been restated for the adoption of AASB 16 *Leases*. Statutory EBITDA and Net profit after tax for FY2017 – FY2015 has not been restated for the adoption of AASB 16 *Leases*

2 The opening share price for 2015 was $1.43

3 An Environmental Enforcement Action is defined as a warning letter, an official caution, an order, a penalty or a prosecution. Where a single piece of enforcement correspondence notes a breach of more than one approval/licence condition, each breach is counted separately.

1.3 How do Remuneration Outcomes align to FY2019 performance?

Component	Principles	Outcome
Fixed Remuneration (TFR)	Total Fixed remuneration set with reference to market benchmarking and individual performance	Changes in total Fixed remuneration for Executive KMP in FY2020 will be capped at 2% with one exception, the Executive General Manager Corporate and External Affairs.
STI	Reflects the performance of management during the performance period, relative to performance conditions set at the start of FY2019	Performance outcomes did not meet all of the objectives set and therefore the below target STI outcomes reflect this. This was due primarily to the cost of production and ROM production objectives not being met and consequently no awards were made for these performance areas. The Executive KMP STI outcome was between 58% and 64% of maximum possible STI. See Section 4.1 for more details on the STI outcomes.
LTI	Reflects long-term overall Company performance and delivery of value to shareholders over the performance period	The LTI awards granted under the 2015 (TSR Tranche 2) and 2016 (TSR Tranche 1 and Costs Hurdle Award) LTI plans reached the end of their respective performance periods and were tested following 30 June 2019. Due to the strong TSR performance of 308% and 233% over the respective three and four year performance period the Relative TSR Awards each vested fully. The Costs Hurdle Gateway and the Costs Hurdle Target were set in 2016. Actual costs for FY2019 of $67/t exceeded the Costs Hurdle Gateway and the 2016 Costs Hurdle Award lapsed in full. See Section 4.2 for more details on the LTI outcomes for FY2019.

1. Introduction *(cont.)*

1.4 Executive KMP realised remuneration outcomes

As set out in Section 1.3, the Remuneration Committee is of the view that while Executive KMP have had a challenging year with respect to the performance conditions associated with the STI, overall Executive KMP have continued successfully to execute the Group's long-term strategy. The table below gives shareholders a better understanding of the actual remuneration outcomes for Executive KMP in FY2019. It includes:

- Fixed remuneration earned in FY2019;
- STI earned in respect of FY2019 performance (including the cash component payable in September 2019 and the deferred component awarded in equity which may vest and become exercisable in later years);
- LTI that reached the end of its performance period in FY2019 including the impact of share price growth between the grant date and the test date; and
- Any non-monetary benefits provided to Executive KMP in FY2019 (including fringe benefits).

The amounts disclosed in the table, while not in accordance with accounting standards, may be more helpful for shareholders as it demonstrates the linkage between Company performance and remuneration outcomes for Executive KMP for FY2019, as summarised in Section 1.3.

For further details on the STI and LTI outcomes for FY2019 refer to section 4.1 and 4.2 respectively.

Name	FY	TFR[1]	STI[2] Cash	Total Cash	FY2019 Deferred Equity STI[3]	LTI[4] Vested At face value of award	Other[5]	Total Remuneration	Vested LTI[6] Share Price Growth	Total Including Share Price Growth
Paul Flynn	**2019**	**1,500,000**	**603,750**	**2,103,750**	**603,750**	**948,092**	**12,500**	**3,668,092**	**2,585,637**	**6,253,729**
	2018	*1,352,520*	*636,983*	*1,989,503*	*636,983*	*1,129,962*	*12,660*	*3,769,108*	*3,762,412*	*7,531,520*
Kevin Ball	**2019**	**700,000**	**181,913**	**881,913**	**181,913**	**343,201**	**-**	**1,407,027**	**935,979**	**2,343,006**
	2018	*612,000*	*201,759*	*813,759*	*201,759*	*420,803*	-	*1,436,321*	*1,397,755*	*2,834,076*
Timothy Burt	**2019**	**600,000**	**169,050**	**769,050**	**169,050**	**291,721**	**12,500**	**1,242,321**	**795,583**	**2,037,904**
	2018	*520,200*	*171,495*	*691,695*	*171,495*	*387,682*	*12,660*	*1,263,532*	*1,279,355*	*2,542,887*
Brian Cole	**2019**	**690,000**	**174,182**	**864,182**	**174,182**	**379,238**	**10,432**	**1,428,034**	**1,034,258**	**2,462,292**
	2018	*676,260*	*223,122*	*899,382*	*223,122*	*504,026*	*635*	*1,627,165*	*1,663,282*	*3,290,447*
Jamie Frankcombe	**2019**	**1,000,000**	**297,000**	**1,297,000**	**297,000**	**574,324**	**12,500**	**2,180,824**	**1,566,298**	**3,747,122**
	2018	*910,350*	*342,991*	*1,253,341*	*342,991*	*719,496*	*12,660*	*2,328,488*	*2,385,627*	*4,714,115*
Scott Knights	**2019**	**625,000**	**176,094**	**801,094**	**176,094**	**287,162**	**-**	**1,264,350**	**788,699**	**2,053,049**
	2018	*525,000*	*173,078*	*698,078*	*173,078*	*362,161*	-	*1,233,317*	*1,198,778*	*2,432,095*
Michael van Maanen[7]	**2019**	**375,000**	**114,461**	**489,461**	**114,461**	**-**	**-**	**603,922**	**-**	**603,922**
	2018	*36,308*	-	*36,308*	-	-	-	*36,308*	-	*36,308*

Note: For role held by Executive KMP during FY2019 refer to Section 1.1.

1 Total Fixed Remuneration (TFR) comprises base salary and superannuation.

2 STI represents the amount of cash STI that each Executive KMP will be paid in September 2019 based on FY2019 performance. Refer to section 3.3 and section 4.1 for further details.

3 Deferred Equity STI refers to the amount of STI deferred into rights that are the subject to further service conditions. Whilst not yet granted, the STI is expected to be issued at a Volume Weighted Average Price (VWAP) of $3.69. It is expected that rights issued under the STI will vest and become exercisable in two equal tranches following the completion of FY2020 and FY2021. Refer to Section 3.3 for further details.

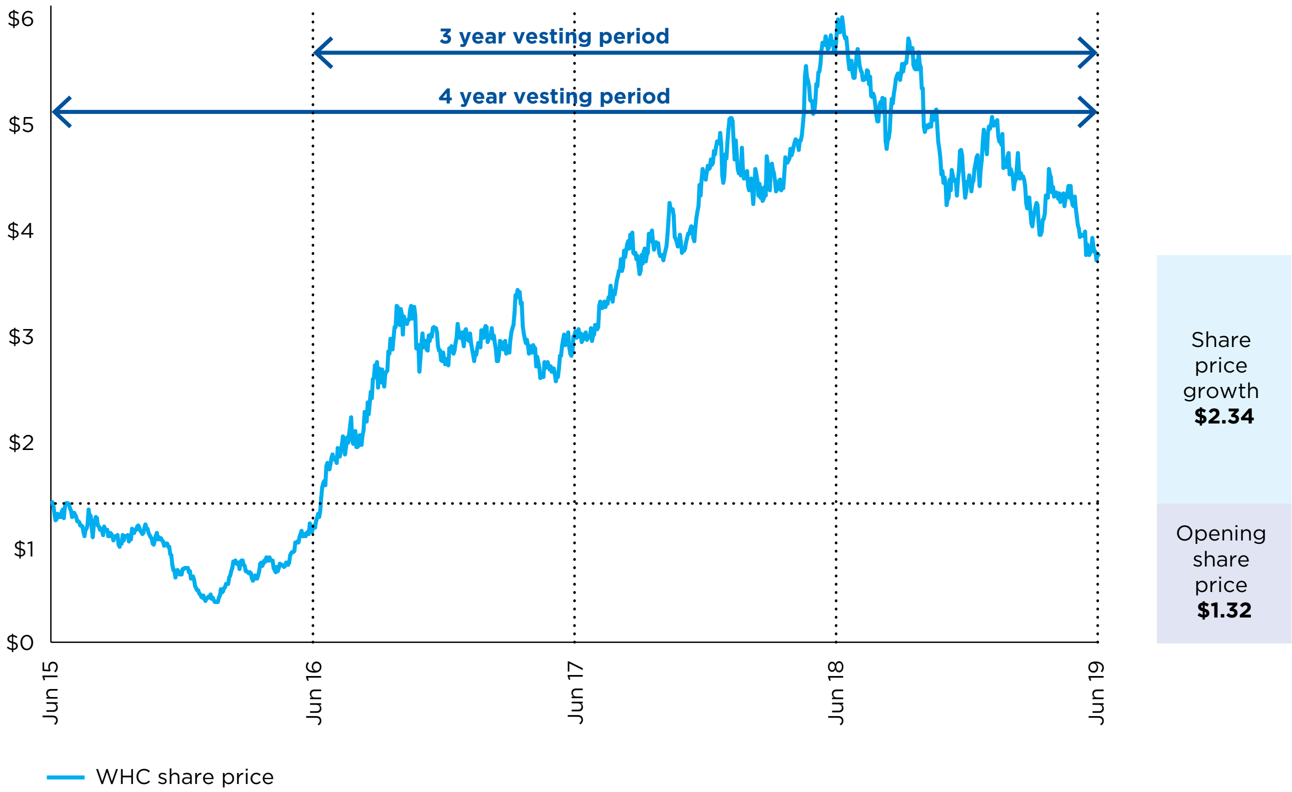
4 LTI represents LTI awards made in 2015 and 2016 for which the test period ended in FY2019 and which have vested. The amounts shown are the face value of the awards at grant. Refer to section 4.2 for further details.

5 Other includes parking, motor vehicle benefits and other similar items.

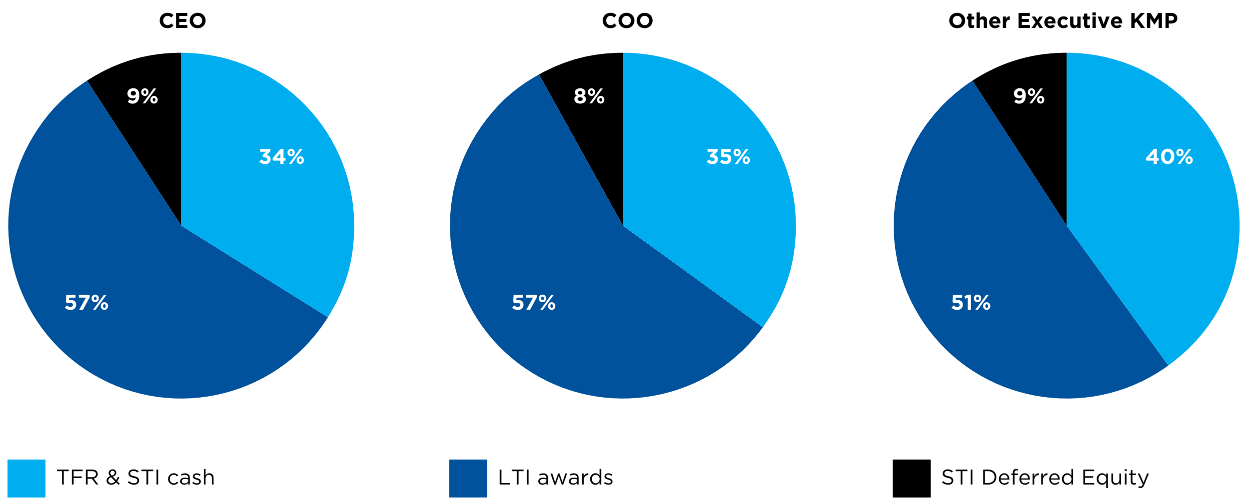
6 LTI Share Price Growth is the amount of the LTI award delivered by an increase between the face value VWAP used for the award that was granted and the VWAP of a share at the award test date for those awards which vested. Whitehaven Coal share price performance over the 3 and 4 year periods is shown in the graph below and outcomes are explained further in section 4.2 of this report.

7 Commenced on 28 May 2018.

WHC Share Price Growth



The graphs below illustrate how the actual remuneration mix for Executive KMP for FY2019 was delivered. A significant proportion of the actual remuneration mix for FY2019 was from LTI awards which is a reflection of the significant share price growth achieved to the end of FY2019.



2. Remuneration Governance

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

Remuneration governance framework

Board

The Board maintains overall responsibility for the remuneration policy and 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.

Delegation and oversight

Recommendations and Reporting

Remuneration Committee

The Board has established a Remuneration Committee, whose role is to:

- review and approve the remuneration of the Executive KMP;
- 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 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 is set out in the Company's Corporate Governance Statement.

External Advice

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 fees, Executive KMP remuneration and advice in relation to equity plans.

No remuneration recommendations were obtained during FY2019 as defined under the Corporations Act 2001 (Cth).

Remuneration principles

The following principles underpin the Company's remuneration framework:

- Remuneration is comparable and competitive within our comparator group in order to attract and retain skilled executives;
- Short and long-term incentives are aligned with the interests of the Company and its shareholders;
- Structures are equitable and reinforce relevant Company policies such as ensuring a focus on a safe working environment for all employees and a focus on compliance with environmental approval conditions;
- Reward outcomes are aligned with performance with a signficant portion of pay deemed 'at risk' based on challenging KPI's which are linked to the creation of sustainable shareholder returns

3. Remuneration framework

The Company's Executive KMP remuneration framework is based on a set of core principles and is comprised of both fixed and at-risk remuneration components. This section describes in detail the different components of Executive KMP remuneration and framework for FY2019.

3.1 Summary of Executive KMP remuneration components in FY2019

The below table summarises the core principles, framework components and how they were applied during FY2019. The different components of Executive KMP remuneration mentioned below are described in greater detail in section 3.2, 3.3 and 3.4.

Attract and retain skilled executives	**Structures are equitable and reinforce relevant Company policies**	**Incentives are challenging and linked to the creation of sustainable shareholder returns**	**Incentives are aligned with the long-term interests of the Company and its shareholders**
Fixed remuneration (TFR)	**At-risk STI**		**At-risk LTI**
Cash		**Equity**	
– includes salary and superannuation	– 50% of STI is delivered as cash	– 50% of STI is deferred into rights to receive shares in the Company subject to meeting service based vesting conditions (with vesting periods of 12 and 24 months)	– provides the Remuneration Committee with the flexibility to determine the nature, terms and conditions of the grant each year
– reviewed annually by the Remuneration Committee	– determined based on a mix of financial and non-financial performance conditions	– 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)	– operated in FY2019 as an award of 100% performance rights
– benchmarked against peer companies	– STI opportunity is set between 70% and 100% of TFR for target performance and between 87.5% and 125% of TFR for stretch performance		– the face value of the LTI opportunity is currently set between 80% and 120% of TFR
– set based on individual performance and experience			– vesting is subject to two independent performance hurdles – Relative TSR and Costs Target

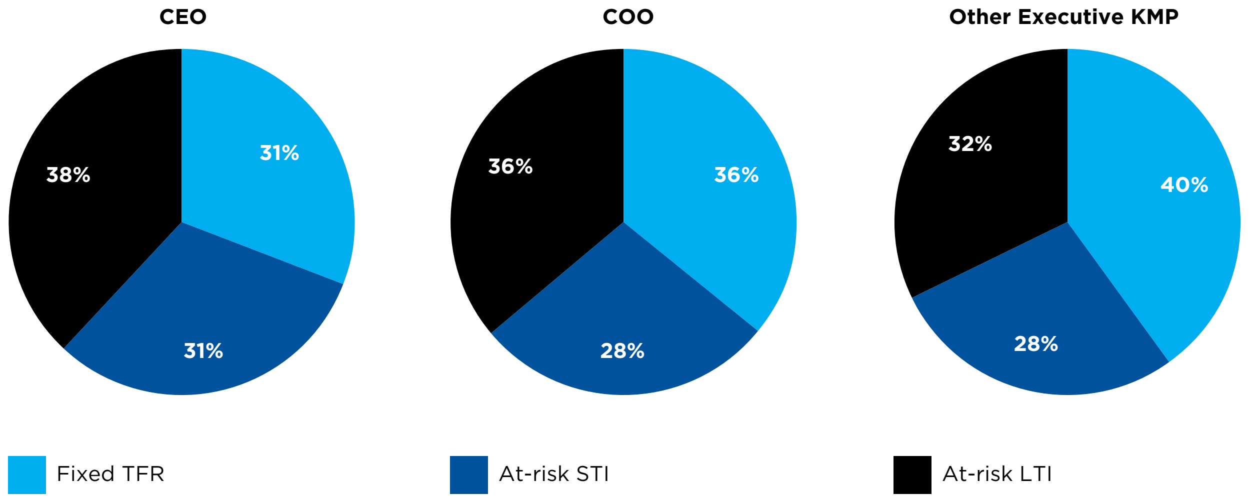
3. Remuneration framework *(cont.)*

3.1 Summary of Executive KMP remuneration components in FY2019 *(cont.)*

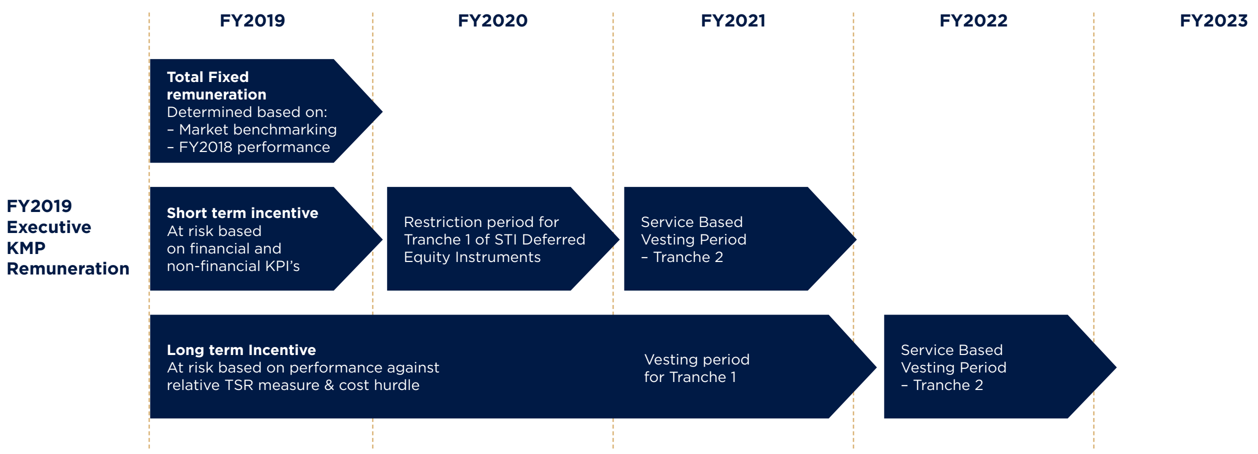
Mix and timing of Executive KMP remuneration

Executive KMP 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 graphs below illustrate the remuneration mix for Executive KMP for FY2019 (assuming Target performance for at-risk components).



The diagram below shows timing for determining and delivering Executive KMP remuneration for FY2019:



Benchmarking total remuneration

While benchmarking is a useful starting point, it is only one input used by the Board when determining total remuneration for Executive KMP. 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.

Remuneration is benchmarked against an appropriate market comparator group adopted by the Board. The Board considers company size, complexity and business challenges when it builds its remuneration comparator group.

The market comparator group consists of Australian listed companies, which have been identified as relevant competitors of Whitehaven that operate in similar business environments.

The objective of the Board's positioning is to meet the market so as to attract and retain a leading management team while observing appropriate restraint in respect of executive remuneration.

3.2 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. In line with Company policy and executives' service agreements, remuneration levels are reviewed annually having regard to market benchmarking and individual performance.

Fixed remuneration will typically be positioned between the 50th and 75th percentile of the market comparator group adopted by the Board.

3.3 STI Awards and Structure for FY2019

The terms of the STI that applied during FY2019 were as follows:

Feature	Description
Performance period	12 month performance period from 1 July 2018 to 30 June 2019
Form of delivery, vesting and exercise	The STI for FY2019 is delivered 50% in cash in September 2019 and 50% in deferred rights that are granted in or around October 2019, which on exercise entitle the recipient to receive one ordinary share in the Company per deferred right. Half of the deferred rights vest and become exercisable following completion of FY2020, while the other half will vest and become exercisable following the completion of FY2021, subject to meeting service conditions. Vested deferred rights that have not been exercised by August 2029 will automatically be exercised. No amount is payable on vesting or exercise of deferred rights.
Quantum (% of TFR)	CEO: Target 100% and Stretch 125% COO: Target 80% and Stretch 100% Other Executive KMP: Target 70% and Stretch 87.5%
Calculation of STI award	The value of STI awards is calculated as follows: **Value of STI Award** = TFR x Target Opportunity x Level of KPI result
Performance conditions and KPI weighting	Whitehaven has chosen performance conditions that link to our strategy and motivate outperformance of annual business plans. The Board set Target KPIs at the commencement of FY2019. The table below summarises the KPIs that were adopted as performance conditions in FY2019, and the applicable weighting of each performance condition:

KPI	All KMP excluding EGM Project Delivery	EGM Project Delivery
Safety (TRIFR)	20%	10%
Net Profit After Tax (NPAT)	25%	25%
ROM production (managed basis)	20%	10%
FOB cost per tonne (equity basis)	15%	15%
Environmental Enforcement (EEAFR)	10%	10%
Individual leadership	10%	30%

3. Remuneration framework *(cont.)*

3.4 LTI Awards and Structure for FY2019

The terms of the LTI grant made during FY2019 to Executive KMP were as follows:

<table>
<tr><th>Feature</th><th>Description</th></tr>
<tr><td>Form of delivery, vesting and exercise</td><td>FY2019 LTI awards that vest will be delivered in the form of performance rights, being rights to receive one ordinary share in the Company per performance right, subject to meeting performance conditions. Vested deferred rights that have not been exercised by October 2028 will automatically be exercised. No amount is payable on vesting or exercising of deferred rights.</td></tr>
<tr><td>Quantum (% of TFR)</td><td>CEO: 120%
COO: 100%
Other Executive KMP: 80%</td></tr>
<tr><td>Performance period</td><td>TSR Awards: divided into two equal tranches capable of vesting and becoming exercisable after a three and four year performance period, with each performance period respectively, beginning on 1 July 2018.

Costs Hurdle Awards: FOB cost per tonne achieved for the year ended 30 June 2021 with the Costs Hurdle Awards being tested at that time. Half the awards will be capable of vesting and becoming exercisable after the end of the performance period and the remaining half of any awards that vest will be subject to deferral for a further year before becoming exercisable.</td></tr>
<tr><td>Performance Conditions</td><td>
<table>
<tr><th>Component</th><th>Details</th><th>Reason the performance condition was chosen</th></tr>
<tr><td>TSR Award</td><td>50% of the award is subject to a relative total shareholder return (TSR) performance hurdle (TSR Hurdle) which compares the TSR performance of the Company with the TSR performance of a peer group of companies operating in the Australian resources sector.</td><td>This measure allows for an objective external assessment of the shareholder value created by the Company relative to a group of peers over a sustained period</td></tr>
<tr><td>Costs Hurdle Award</td><td>50% of the award is subject to the Company achieving a cost per tonne target (Costs Hurdle) that will position the company competitively on the then current cost curve. The Board sets this hurdle having regard to both the Company's cost forecasts and to the estimated coal industry cost curve as advised by a recognised expert.</td><td>This measure is aligned to the Company's objective to be positioned competitively against Australian coal producers in relation to costs of production. Competitive costs protect and preserve shareholder value in difficult times and support enhanced returns when the commodity cycle recovers.</td></tr>
</table>
</td></tr>
<tr><td>Calculation of LTI award</td><td>The value of LTI awards and the number of performance rights granted is calculated as follows:

TFR x Target Opportunity = Value of LTI Award ÷ VWAP of performance right = Number of performance rights granted

TSR Awards: the TSR of the Company for the FY2019 LTI grant is measured as a percentile ranking compared to the comparator group of listed entities in the resources sector over the relevant performance period of the tranche. The TSR comparator group was established before the commencement date of the respective performance period and comprised the following companies:

Beach Energy Ltd
BHP Group Ltd
Coronado Global Resources Inc. (from listing)
Evolution Mining Ltd
Fortescue Metals Group Ltd
Iluka Resources Ltd
Independence Group NL
Mineral Resources Ltd
New Hope Corporation Ltd
Newcrest Mining Ltd
Northern Star Resources Ltd
Oil Search Ltd
OZ Minerals Ltd
Regis Resources Ltd
Rio Tinto Ltd
Santos Ltd
South32 Ltd
St Barbara Limited
Woodside Petroleum Ltd
WorleyParsons Ltd

Costs Hurdle Awards: Testing will occur following the completion of FY2021 based on the average costs achieved on a Company wide basis over the 12 month period from 1 July 2020 to 30 June 2021.</td></tr>
</table>

Vesting schedule	**TSR Awards:**

Performance level	Outcome as a % of target opportunity
75th percentile or above	100% of the TSR Awards will vest
Between 50th and 75th percentile	Vesting will occur on a pro rata straight line basis between 50% and 100%
At 50th percentile	50% of the TSR Awards will vest
Below 50th percentile	0% TSR Awards will vest

Costs Hurdle Awards:

Due to the commercially sensitive nature of this hurdle the target will not be disclosed until the year of testing. Notwithstanding the vesting schedule below, the Board retains discretion to lapse any or all of the Costs Target Awards if the board considers that vesting would be inappropriate in light of the intent and purpose of the target. Full vesting will only occur if the Board is satisfied performance meets or exceeds the target as set out below. The Board may, where it is appropriate to do so, recalibrate the target to take account of structural changes in the Company's asset portfolio (such as mergers, acquisitions and divestments) or other exceptional circumstances. Previous Costs Hurdle Awards have been made by referencing the Company's forecasts for the third forward year. Prospectively, rather than setting a fixed dollar number for the Costs Hurdle Target, the Company will set the target as the entry point to the first quartile in the published Wood Mackenzie data of industry outcomes. By making the target an externally published industry result, this will facilitate assessment while preserving totally the intent of this award – that the Company produce industry leading cost outcomes in its operations. As evidenced during the past two years, the Board will ensure that the Company does not overlook shareholder value enhancing opportunities even if these opportunities are higher cost mining operations.

Performance level	Outcome as a % of target opportunity
Target or lower	100% of the Costs Hurdle Awards will vest
Between Gateway and Target	Vesting will occur on a pro rata straight line basis between 50% and 100%
Gateway	50% of the Costs Hurdle Awards will vest
Above Gateway	0% Costs Hurdle Awards will vest

Retesting	Any component of the LTI award that does not vest following testing will lapse immediately. There is no re-testing of awards that do not vest.

3. Remuneration framework *(cont.)*

3.5 Policies and conditions of rights awarded under equity plans

Malus and clawback

The Board has discretion to reduce or clawback all vested and unvested LTI and STI awards in certain circumstances if subsequent events show a reduction to be appropriate. The circumstances in which the Board may exercise this discretion include: where an Executive KMP engages in fraud, dishonesty or other misconduct, a material misstatement of the Company's financial statements or other material error which results in vesting, or any other factor that the Board deems justifiable.

Dividend and voting rights

Rights carry no entitlement to voting or dividends prior to exercise. Upon exercise of vested rights the recipient is entitled to receive a dividend equivalent payment (DEP) in respect of any prior period between the start of the performance period, and exercise. Any DEP made to participants may be made in cash or provided as additional fully paid ordinary shares in the Company, as determined by the Board.

Prohibition on hedging

Participants are required to comply with the Company's securities trading policy in respect of their performance rights, options and any shares they receive upon exercise.

They are prohibited from hedging or otherwise protecting the value of their performance rights and options.

Change of 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 discretion to determine that vesting of some or all of any unvested performance awards should be accelerated.

Cessation of employment

Unless the Board determines otherwise, cessation of employment by:

- **Resignation or termination for cause:** unvested performance awards will lapse.
- **Mutual agreement with the Company:** unvested performance awards 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 awards and ordinarily, in the case of a resignation, would be expected to do so.
- **Other circumstances:** unvested performance awards will remain on foot and subject to the original performance hurdle, with Board discretion to determine that some of the performance awards (up to a pro rata portion based on how much of the performance period remains) will lapse. The performance awards that remain on foot will be tested in the normal course following the end of the relevant performance period.

4. Remuneration outcomes for FY2019

4.1 STI outcomes for Executive KMP in FY2019

The Board set Target KPIs prior to the commencement of the financial year that link to our strategy and motivate outperformance of annual business plans. The table below summarises details in relation to each KPI and the performance levels achieved for FY2019.

Performance condition	KPI measure	Actual KPI result	STI outcome	Comment
Safety	TRIFR	6.16		Safety performance has improved during FY2019 by 10%. The TRIFR of 6.2 at the end of June 2019 fell from 6.9 at June 2018 and remains well below the NSW coal industry average of 14.7. The Company has an aspirational goal of being the industry leader in safety, and work to improve safety processes and standards continues.
NPAT	Net Profit After Tax[1]	$564.9m		A record operating profit for the Group was achieved in FY2019. Higher average coal prices for FY2019 drove optimal product mix decisions, which resulted in an increase in the production of high quality thermal coal to increase margins. The high quality of thermal coal produced typically achieved both quality and energy premiums during the year. The higher achieved prices flowed through to results and facilitated returns to shareholders with surplus cash flow being returned by way of dividends.
ROM production	ROM production (managed)	23.2Mt		In a market of higher prices, Whitehaven faced the challenges of increased demand for scarce skilled resources. This contributed to an increase in staff turnover and decreased productivity at our open cut mines. This resulted in managed ROM production of 23.2Mt for the year which, despite being 1.3% higher than FY2018, was below the target set.
FOB cost	FOB cost per tonne	$67/tonne		Due to the strong coal price environment and increased demand for high quality coal, decisions were taken to increase the quality of coal produced and sold to take advantage of higher margins, which led to an increase in unit costs. The strong coal market increased competition for scarce, skilled resources which adversely impacted staff turnover and led to increased costs during FY2019. Difficult mining conditions experienced at the Narrabri and Werris Creek mines also led to increased costs. Consequently unit costs for FY2019 of $67/t were 8% higher than FY2018 and did not meet cost targets.
Environmental	Incidents	9 incidents		The Board recognises the importance of compliance with environmental approval conditions to maintaining the Group's standing in the community. The Group strives to adopt and achieve industry best practice. In FY2019, there were 9 incidents and the EEAFR was 1.9 per million man hours worked. This was a stretch outcome.
Individual leadership	Individual based	Individual based		The leadership performance of the CEO is assessed annually by the Board. A stretch result was awarded to the CEO. Awards to other Executive KMP were based on individual perfomance.

Key: Stretch   Between Target and Stretch   Below Gateway

1 Net Profit After Tax before significant items

4. Remuneration outcomes for FY2019 *(cont.)*

4.1 STI outcomes for Executive KMP in FY2019 *(cont.)*

The individual STI outcome for each Executive KMP for FY2019 is set out in the table below. The total STI opportunity at Target and Stretch, by Executive KMP, as a percentage of TFR is detailed in Section 3.3.

Executive KMP	Paid as cash	Deferred Equity	Total	Percentage of maximum STI received	Percentage of maximum STI forfeited
	($)	($)	($)		
Paul Flynn	603,750	603,750	1,207,500	64%	36%
Kevin Ball	181,913	181,913	363,826	59%	41%
Timothy Burt	169,050	169,050	338,100	64%	36%
Brian Cole	174,182	174,182	348,364	58%	42%
Jamie Frankcombe	297,000	297,000	594,000	59%	41%
Scott Knights	176,094	176,094	352,188	64%	36%
Michael van Maanen	114,461	114,461	228,922	64%	36%

4.2 LTI outcomes for Executive KMP in FY2019

Vesting Period	WHC 4 yr TSR Performance	WHC TSR Rank vs Peer Group	Vesting of 2015–2019 LTI (TSR)
2015–2019	+233%	5th	100%

Vesting Period	WHC 3 yr TSR Performance	WHC TSR Rank vs Peer Group	Vesting of 2016–2019 LTI (TSR)
2016–2019	+308%	1st	100%

This is the third year since the 2012 merger that LTI awards have vested. The Board believes that the Company is well positioned to continue its strong performance and to deliver value for shareholders. In FY2019 the Company returned $465m to shareholders. The Company's balance sheet strength, quality of operations and future capital needs underpinned the decision by the Board to pay a further $298m in dividends (30 cents per share) to shareholders from the FY2019 results.

The table below sets out the LTI awards that were tested in 2019 against performance conditions and the results of the relevant test.

			Outcomes		
LTI Year	**Tranche**	**Test Type**	**Performance**	**Vested**	**Lapsed**
2015	2 of 2	Relative TSR	5 in 23	100%	0%
2016	1 of 2	Relative TSR	1 in 22	100%	0%
2016	n/a	Costs Hurdle	$67/t Actual $63/t Target	0%	100%

Costs Hurdle Target

In mid-2016 the Board set the Gateway and Target for FY2019 during the cyclical lows of the coal price. Costs for FY2016 were $55/t while coal revenues averaged $69/t and EBITDA margins were $14/t. The Board set a Costs Hurdle Target that was challenging and if achieved would place the company in the first quartile position of the cost curve.

In April 2018 Whitehaven completed its acquisition of 30% of the Tarrawonga open cut mine from Idemitsu and in light of the strong coal price environment decisions were taken to increase production across the Gunnedah open cut mines. This, combined with the factors set out in section 4.1, adversely impacted the actual costs outcome for FY2019. The Board considered the impact of these circumstances.

Actual costs of $67/t exceeded the Costs Hurdle Gateway which caused all cost hurdle awards tested in relation to FY2019 to lapse.

4.2 LTI outcomes for Executive KMP in FY2019

Executive KMP LTI awards vesting in FY2019

Executive KMP	**2015 Tranche 2 TSR Hurdle**	**2016 Tranche 1 TSR Hurdle**	**2015 Tranche 2 Costs Hurdle[1]**	**2016 Costs Hurdle**	**Gross up for Capital Return[2]**	**2016 Tranche 1 TSR Hurdle**	**2016 Costs Hurdle**	**LTI Value**	**Vested LTI at face value of award[2]**	**Vested LTI share price appreciation[3]**
	Performance Rights					**Options**		**$**	**$**	**$**
Paul Flynn	308,372	139,724	164,466	Lapsed	21,656	455,521	Lapsed	3,533,729	948,092	2,585,637
Kevin Ball	111,628	50,579	59,535	Lapsed	7,839	164,895	Lapsed	1,279,180	343,201	935,979
Timothy Burt	94,884	42,992	50,605	Lapsed	6,677	140,161	Lapsed	1,087,304	291,721	795,583
Brian Cole	123,349	55,890	65,787	Lapsed	8,663	182,209	Lapsed	1,413,496	379,238	1,034,258
Jamie Frankcombe	186,802	84,640	99,628	Lapsed	13,119	275,941	Lapsed	2,140,621	574,324	1,566,297
Scott Knights	92,093	43,389	49,117	Lapsed	6,512	141,454	Lapsed	1,075,861	287,162	788,699
Michael van Maanen[4]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	-
Award Test Date	30 June 2019	30 June 2019	30 June 2019	30 June 2019						
VWAP – Face value	$1.29	$1.21	$1.29	$1.21						
VWAP – Award Test Date	$3.69	$3.69	$3.69	$3.69						

1 Tested and vested in 2018 but subject to a further one year deferral period, and vested in FY2019.

2 Refer to the Notice of 2017 Annual General Meeting, Resolution 6. This adjustment applies to rights issued before the 'ex' date for the capital return to shareholders in November 2017 to ensure that incentive plan participants were not disadvantaged by the capital return.

3 As presented in section 1.4.

4 Commenced 28 May 2018.

4. Remuneration outcomes for FY2019 *(cont.)*

4.2 LTI outcomes for Executive KMP in FY2019 *(cont.)*

LTI awards granted in FY2019

A summary of the LTI awards granted in FY2019 (i.e. the face value and the fair value of the LTI granted to each Executive KMP) is set out in the table below.

Executive KMP	Number of performance rights granted[1]	Face value of performance rights grant[2]	Fair value of performance rights at grant date[3]
		($)	($)
Paul Flynn	315,790	$1,800,000	$1,285,265
Kevin Ball	98,246	$560,000	$399,861
Timothy Burt	84,211	$480,000	$342,739
Brian Cole	96,843	$552,000	$394,151
Jamie Frankcombe	175,439	$1,000,000	$714,037
Scott Knights	87,720	$500,000	$357,020
Michael van Maanen	52,632	$300,000	$214,212

1 Refer to Section 3.4 for the terms of the LTI grant.

2 The face value of the LTI performance rights was calculated using the volume weighted average price of Whitehaven shares over the 20 trading day period commencing 10 trading days prior to 30 June 2018, being $5.70.

3 The fair value for awards granted to the Executive KMP is based on the average fair value of $4.07 (for the fair value of each tranche from which this average is derived – see note 5.5) per performance right as at 27 October 2018 being the grant date. The factors and assumptions used in determining the fair value are set out in note 5.5 to the financial statements.

5. Executive KMP employment contracts

This section sets out an overview of key terms of employment for the Executive KMP, as provided in their service agreements.

All Executive KMP 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).

Managing Director and CEO

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 annual TFR for FY2020 is $1,530,000 (FY2019: $1,500,000). It includes salary, superannuation contributions, and any components under Whitehaven's salary packaging guidelines and all Director fees. TFR is reviewed annually.
Short term incentive	Mr Flynn is eligible to participate in the annual STI plan, as described in section 3.3. At Target performance, his FY2020 STI opportunity is 100% of TFR (FY2019: 100%), with up to 125% of TFR for Stretch performance (FY2019:125%).
Long term incentive	Mr Flynn is eligible to participate in the LTI plan as described in section 3.4, subject to receiving required shareholder approval. Mr Flynn's LTI grant in FY2020 will be 120% of his TFR (FY2019: 120%). The form of the Award will be provided 100% as rights to acquire shares; each right held will entitle Mr Flynn to receive one ordinary share in the Company subject to satisfaction of the relevant performance conditions. The FY2019 award was in the form of 100% rights.
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 in 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

Other Executive KMP 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 and Executive General Manager – Human Resources Appointed 16 December 2013	3 months by employee 6 months by the Company
Timothy Burt General Counsel and 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 Chief Operating Officer Appointed 4 February 2013	3 months by employee 6 months by the Company
Scott Knights Executive General Manager – Marketing and Logistics Appointed 18 August 2014	6 months by employee or the Company
Michael van Maanen Executive General Manager – Corporate and External Affairs Appointed 28 May 2018	3 months by employee 6 months by the Company

6. Non-executive Director remuneration

This section explains the fees paid to Non-executive Directors during FY2019.

6.1 Setting Non-executive Director fees

Non-executive Directors fees are designed to ensure that the Company can attract and retain suitably qualified and experienced Non-executive Directors.

Non-executive Directors do not receive shares, share options or any performance-related incentives as part of their fees from the Company. Although there is no formal minimum shareholding, Non-executive Directors are encouraged to hold shares.

Non-executive Directors are also reimbursed for 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.

In 2012 the shareholders approved a total aggregate maximum amount of Non-executive Directors' fees of $2,500,000 per annum. No change is being sought to the total aggregate Non-executive Directors' fees pool for FY2020.

6.2 Current Non-executive Director fee remuneration

The table below sets out the Board and Committee fees in Australian dollars for FY2019.

There have been no changes to Directors fees for FY2019. No changes are proposed.

	Chairman	Deputy Chairman	Member
Board	$375,000[1]	$262,500[1]	$140,000
Audit & Risk Management Committee	$40,000	-	$20,000
Remuneration Committee	$40,000	-	$20,000
Governance & Nominations Committee	No fee	-	No fee
Health, Safety, Environment & Community Committee	$40,000	-	$20,000

1 *The Chairman and Deputy Chairman of the Board do not receive Committee fees in addition to their Board fees.*

The fees set out above exclude 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 24), the Non-executive Directors participated in visits to mine sites, development project sites, coal handling and preparation plants and participated in the Company's annual safety day.

6.3 FY2019 Non-executive Director remuneration

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

		Short-term benefits			Post-employment benefits	
Non-executive Directors	**FY**	**Board & Committee fees**	**Non-monetary benefits**	**Other benefits (non-cash)**	**Superannuation benefits**	**Total fees for services as a Non-executive Director**
The Hon. Mark Vaile (Chairman)	**2019**	**375,000**	**-**	**-**	**20,531**	**395,531**
	2018	*375,000*	-	-	*20,049*	*395,049*
John Conde (Deputy Chairman)	**2019**	**262,500**	**-**	**-**	**20,531**	**283,031**
	2018	*262,500*	-	-	*20,049*	*282,549*
Dr Julie Beeby	**2019**	**180,000**	**-**	**-**	**17,100**	**197,100**
	2018	*167,500*	-	-	*15,913*	*183,413*
Tony Haggarty[1]	**2019**	**63,768**	**-**	**-**	**6,058**	**69,826**
	2018	*200,000*	-	-	*19,000*	*219,000*
Fiona Robertson	**2019**	**199,663**	**-**	**-**	**18,956**	**218,619**
	2018	*67,500*	-	-	*6,412*	*73,912*
Lindsay Ward[2]	**2019**	**68,250**	**-**	**-**	**6,484**	**74,734**
	2018	-	-	-	-	-
Raymond Zage[3]	**2019**	**-**	**-**	**-**	**-**	**-**
	2018	-	-	-	-	-
Total	**2019**	**1,149,181**	**-**	**-**	**89,660**	**1,238,841**
	2018	*1,072,500*	-	-	*81,423*	*1,153,923*

1 Mr Haggarty retired on 25 October 2018

2 Mr Ward commenced on 15 February 2019

3 Mr Zage elected not to receive any Board & Committee fees in FY2019 and FY2018

7. Executive KMP statutory tables and additional disclosures

7.1 Executive KMP statutory remuneration table

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

	FY	Salary & fees	Non-Monetary Benefits	Super-annuation Benefits	STI	Termination Benefits	Share-based payments: Shares	Share-based payments: Rights and options	Total Remun-eration	Perfor-mance related
			(A)		(B)			(C)		%
Executive Directors										
Paul Flynn	**2019**	**1,475,000**	**12,500**	**25,000**	**1,212,423**	**-**	**-**	**146,859**	**2,871,782**	**47%**
	2018	*1,327,520*	*12,660*	*25,000*	*1,248,639*	-	-	*2,033,472*	*4,647,291*	*71%*
Other Executive KMP										
Kevin Ball	**2019**	**675,000**	**-**	**25,000**	**377,924**	**-**	**-**	**43,462**	**1,121,386**	**38%**
	2018	*587,000*	-	*25,000*	*401,275*	-	-	*738,135*	*1,751,410*	*65%*
Timothy Burt	**2019**	**575,000**	**12,500**	**25,000**	**335,010**	**-**	**-**	**37,367**	**984,877**	**38%**
	2018	*508,377*	*12,660*	*11,823*	*339,554*	-	-	*632,604*	*1,505,018*	*65%*
Brian Cole	**2019**	**665,000**	**10,432**	**25,000**	**380,929**	**-**	**-**	**40,950**	**1,122,311**	**38%**
	2018	*651,260*	*635*	*25,000*	*440,583*	-	-	*822,393*	*1,939,871*	*65%*
Jamie Frankcombe	**2019**	**975,000**	**12,500**	**25,000**	**623,628**	**-**	**-**	**79,389**	**1,715,517**	**41%**
	2018	*885,350*	*12,660*	*25,000*	*677,136*	-	-	*1,237,869*	*2,838,015*	*67%*
Scott Knights	**2019**	**600,000**	**-**	**25,000**	**346,615**	**-**	**-**	**38,721**	**1,010,336**	**38%**
	2018	*500,000*	-	*25,000*	*343,275*	-	-	*602,005*	*1,470,280*	*64%*
Michael van Maanen*	**2019**	**350,000**	**-**	**25,000**	**152,720**	**-**	**-**	**31,775**	**559,495**	**33%**
	2018	*33,750*	-	*2,558*	-	-	-	-	*36,308*	-
Total	**2019**	**5,315,000**	**47,932**	**175,000**	**3,429,249**	**-**	**-**	**418,523**	**9,385,704**	
	2018	*4,493,257*	*38,615*	*139,381*	*3,450,462*	-	-	*6,066,478*	*14,188,193*	

* Commenced 28 May 2018.

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

(B) Comprises the cash component of current year STI (Refer to section 3.3 and section 4.1 for details) and the fair value at each grant date of STI deferred rights expensed over the relevant period for the service vesting conditions. The fair value for STI grants is based on the volume weighted average price of Whitehaven shares over the 20 trading day period commencing 10 trading days prior to 30 June of each respective grant.

(C) The fair value for LTI performance rights granted to the KMP is based on the fair value at each grant date expensed over the vesting period. The FY2019 amount includes the reversal of AASB 2 share-based payments expense due to lapse outcomes of cost hurdle LTI rights and options. The factors and assumptions used in determining the fair value are set out in note 5.5 to the financial statements.

7.2 Movement in options and rights held by Executive KMP

The movement during the reporting period, by number and value of equity instruments in the Company held by each Executive KMP is detailed below.

Executive KMP	Instrument	Balance as at 1 July 2018 (number)	Granted (number)	Granted (value)	Vested during the year (number)	Exercised (number)	Exercised (value)	Lapsed (number)	Lapsed (year of grant)	Balance as at 30 June 2019 (number)	Vested and exercisable at 30 June 2019
			(A)	(B) $			(C) $		(D)		
Paul Flynn	Performance Rights (LTI)	2,180,249	315,790	1,285,265	829,002	829,002	457,935	82,232	2015	1,584,805	-
	Options (LTI)	2,608,430	-	-	-	-	-	-	-	2,608,430	-
	Deferred Rights (STI)	367,267	111,752	636,983	231,488	-	-	-	-	479,019	231,488
Kevin Ball	Performance Rights (LTI)	797,289	98,246	399,861	308,149	308,149	172,891	29,767	2015	557,619	-
	Options (LTI)	944,229	-	-	-	-	-	-	-	944,229	-
	Deferred Rights (STI)	127,779	35,397	201,760	84,790	-	-	-	-	163,176	84,790
Timothy Burt	Performance Rights (LTI)	698,243	84,211	342,739	282,475	282,475	165,122	25,302	2015	474,677	-
	Options (LTI)	802,595	-	-	-	-	-	-	-	802,595	-
	Deferred Rights (STI)	107,702	30,088	171,496	72,344	-	-	-	-	137,790	72,344
Brian Cole	Performance Rights (LTI)	907,744	96,843	394,151	367,245	367,245	214,683	32,893	2015	604,449	-
	Options (LTI)	1,043,373	-	-	-	-	-	-	-	1,043,373	-
	Deferred Rights (STI)	136,817	39,145	223,122	90,476	-	-	-	-	175,962	90,476
Jamie Frankcombe	Performance Rights (LTI)	1,344,699	175,439	714,037	526,156	526,156	298,594	49,814	2015	944,168	-
	Options (LTI)	1,580,107	-	-	-	-	-	-	-	1,580,107	-
	Deferred Rights (STI)	208,713	60,174	342,991	136,719	-	-	-	-	268,887	136,719
Scott Knights	Performance Rights (LTI)	677,503	87,720	357,020	264,497	264,497	151,717	24,558	2015	476,168	-
	Options (LTI)	810,001	-	-	-	-	-	-	-	810,001	-
	Deferred Rights (STI)	108,104	30,365	173,078	71,210	-	-	-	-	138,469	71,210
Michael van Maanen	Performance Rights (LTI)	-	52,632	214,212	-	-	-	-	-	52,632	-

(A) The number of rights granted during FY2019 includes:

a. The FY2018 LTI awards. Further details are provided in section 4.2; and

b. The deferred rights component of the FY2018 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 30 June 2018. The granting of rights occurred on 27 October 2018.

(B) The value of LTI performance rights granted in the year is the fair value of the performance rights at grant date.

The value of deferred STI rights granted in the year 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 30 June 2018 of $5.70.

Unvested LTI and STI awards have a minimum value of zero if they do not meet the relevant performance or service conditions.

The maximum value of unvested LTI and STI awards is the sale price of the Company's shares at the date of vesting, or where applicable, exercise (plus the value of any dividend equivalent payment attaching to the award on vesting or, where applicable exercise).

(C) The 2014 LTI Rights TSR Hurdle Tranche 2 fully vested during the year. The remaining 50% of the satisfied 2014 LTI Rights Costs Target Hurdle vested during the year. The 2015 LTI Rights TSR Hurdle Tranche 1 fully vested during the year. The 2015 LTI Costs Target Hurdle vested at a rate of 80%. 50% of this hurdle vested during the year with the remaining 50% subject to a further 12 month service condition to vest in FY2020. The value of LTI performance rights vested in the year is the fair value of the performance rights at grant date.

Tranche 1 of the FY2017 STI deferred rights vested during the period. The vested value of rights exercised 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 1 July 2017.

Tranche 2 of the FY2016 STI deferred rights 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 1 July 2016.

(D) The year in which the lapsed performance rights, options or deferred shares were granted. 20% of the 2015 LTI Rights Costs Target Hurdle Tranche 1 award lapsed due to the performance conditions not being met.

7. Executive KMP statutory tables and additional disclosures *(cont.)*

7.3 Movement in ordinary shares held by KMP

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

No. of shares	Held at 1 July 2018	Received on vesting and exercise of STI/LTI	Received as remuneration	Other net change	Held at 30 June 2019
Non-Executive Directors					
Mark Vaile	2,049,882	-	-	(540,565)	1,509,317
John Conde	888,620	-	-	(180,000)	708,620
Dr Julie Beeby	55,000	-	-	-	55,000
Tony Haggarty[1]	1,000,000	-	-	N/A	N/A
Raymond Zage	-	-	-	-	-
Fiona Robertson	10,000	-	-	11,560	21,560
Lindsay Ward[2]	-	-	-	-	-
Executive KMP					
Paul Flynn	1,241,391	858,311	-	(645,375)	1,454,327
Kevin Ball	375,722	319,045	-	(156,000)	538,767
Timothy Burt	370,144	292,463	-	(187,865)	474,742
Brian Cole	501,790	380,229	-	-	882,019
Jamie Frankcombe	500,000	544,760	-	-	1,044,760
Scott Knights	-	273,850	-	(273,850)	-
Michael van Maanen	-	-	-	-	-

1 Mr Tony Haggarty retired as a Non-executive Director on 25 October 2018.
2 Mr Lindsay Ward was appointed as a Non-executive Director effective 15 February 2019.

7.4 Related party transactions and additional disclosures

Loans with Executive KMP and Non-executive Directors

There were no loans outstanding to any Executive KMP or any Non-executive Director or their related parties, at any time in the current or prior reporting periods.

Other KMP transactions

Apart from the details disclosed in this report, no Executive KMP or Non-executive Director or their related parties have entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving those people's interests existing at year end.

Signed in accordance with a resolution of the Directors:

The Hon. Mark Vaile AO
Chairman

Dated at Sydney this 15th day of August 2019

Paul Flynn
Managing Director

Dated at Sydney this 15th day of August 2019

Auditor's independence declaration

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

As lead auditor for the audit of the financial report of Whitehaven Coal Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, that there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
15 August 2019

Financial Report

For the year ended 30 June 2019

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Notes to the consolidated financial statements index

Consolidated statement of comprehensive income

For the year ended 30 June 2019

	Note	2019 $'000	2018 $'000 Restated[1]
Revenue	2.1	2,487,944	2,257,446
Other income		3,930	6,767
Operating expenses		(734,858)	(592,151)
Coal purchases		(210,678)	(175,069)
Selling and distribution expenses		(324,131)	(287,294)
Royalties		(184,754)	(169,941)
Depreciation and amortisation		(224,459)	(203,132)
Administrative expenses		(26,185)	(22,033)
Corporate development costs		-	(9,701)
Share-based payments expense	5.5(a)	(7,684)	(9,927)
Foreign exchange gain/(loss)		(2,356)	4,141
Profit before net financial expense		**776,769**	**799,106**
Financial income		2,092	1,600
Financial expenses		(42,993)	(41,817)
Net financial expense	5.2	**(40,901)**	**(40,217)**
Profit before tax		735,868	758,889
Income tax expense	2.3(a)	(207,970)	(234,379)
Net profit for the year		**527,898**	**524,510**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement on cash flow hedges	5.2	(4,287)	(372)
Income tax effect	2.3(b)	1,286	112
Other comprehensive income for the period, net of tax	5.2	**(3,001)**	**(260)**
Total comprehensive income for the period, net of tax		**524,897**	**524,250**
Net profit for the period attributable to:			
Owners of the parent		527,898	524,510
Non-controlling interests		-	-
Comprehensive income for the period, net of tax attributable to:			
Owners of the parent		524,897	524,250
Non-controlling interests		-	-
Earnings per share:			
Basic earnings per share (cents per share)	2.4	53.5	53.1
Diluted earnings per share (cents per share)	2.4	52.4	52.1

1 The comparative statement for the year ended 30 June 2018 has been restated to give effect to the change in accounting policies. See note 1.5 for further details.

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

Consolidated statement of financial position

As at 30 June 2019

	Note	2019 $'000	2018 $'000 Restated[1]
Assets			
Cash and cash equivalents		119,535	111,777
Trade and other receivables	*3.1*	155,745	97,698
Inventories	*3.2*	148,939	124,567
Derivative financial instruments	*5.3(d)*	47	2,595
Total current assets		**424,266**	**336,637**
Trade and other receivables	*3.1*	10,518	11,732
Investments		37	37
Property, plant and equipment[3]	*4.1*	3,841,872	3,746,758
Exploration and evaluation	*4.2*	547,089	508,552
Intangible assets	*4.3*	21,350	22,200
Total non-current assets		**4,420,866**	**4,289,279**
Total assets		**4,845,132**	**4,625,916**
Liabilities			
Trade and other payables	*3.3*	197,731	223,984
Loans and borrowings[2]	*5.1*	81,728	105,453
Employee benefits	*7.1*	26,510	22,560
Provisions	*4.4*	29,985	6,136
Income tax payable	*2.3(c)*	288	-
Derivative financial instruments	*5.3(d)*	2,874	1,136
Total current liabilities		**339,116**	**359,269**
Non-current liabilities			
Loans and borrowings[2]	*5.1*	333,529	482,641
Deferred tax liability	*2.3(c)*	390,068	198,993
Provisions	*4.4*	260,219	102,201
Total non-current liabilities		**983,816**	**783,835**
Total liabilities		**1,322,932**	**1,143,104**
Net assets		**3,522,200**	**3,482,812**
Equity			
Issued capital	*5.4(a)*	2,980,933	2,993,458
Share-based payments reserve		16,909	13,948
Hedge reserve		(1,979)	1,022
Retained earnings		526,337	474,384
Total equity		**3,522,200**	**3,482,812**

1 The comparative statement for the year ended 30 June 2018 has been restated to give effect to the change in accounting policies. See note 1.5 for further details.

2 Included within loans and borrowings are lease liabilities recognised for the first time upon adoption of *AASB 16 Leases* of $134,111,000 (2018: $205,874,000)

3 Included within property, plant and equipment are right-of-use assets recognised for the first time upon adoption of *AASB 16 Leases* of $124,680,000 (2018: $195,868,000)

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

Consolidated statement of changes in equity

For the year ended 30 June 2019

	Note	Issued Capital	Share-based Payment Reserve	Hedge Reserve	Retained Earnings	Total equity
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2017		**3,136,941**	**7,827**	**1,282**	**146,246**	**3,292,296**
Impact of change in accounting policy		-	-	-	(5,938)	(5,938)
Balance as at 1 July 2017 (restated)		**3,136,941**	**7,827**	**1,282**	**140,308**	**3,286,358**
Profit for the period (restated)		-	-	-	524,510	524,510
Other comprehensive income		-	-	(260)	-	(260)
Total comprehensive income for the year		**-**	**-**	**(260)**	**524,510**	**524,250**
Transactions with owners in their capacity as owners:						
Dividends paid		-	-	-	(188,052)	(188,052)
Capital return		(138,884)	-	-	-	(138,884)
Share-based payments	*5.5(a)*	-	9,927	-	-	9,927
Transfer on exercise of share-based payments		6,188	(3,474)	-	(2,714)	-
Transfer on lapse of share-based payments		-	(332)	-	332	-
Purchase of shares through employee share plan	*5.4(a)*	(10,787)	-	-	-	(10,787)
Closing balance at 30 June 2018		**2,993,458**	**13,948**	**1,022**	**474,384**	**3,482,812**
Opening balance at 1 July 2018		**2,993,458**	**13,948**	**1,022**	**474,384**	**3,482,812**
Profit for the period		-	-	-	527,898	527,898
Other comprehensive income		-	-	(3,001)	-	(3,001)
Total comprehensive income for the year		**-**	**-**	**(3,001)**	**527,898**	**524,897**
Transactions with owners in their capacity as owners:						
Dividends paid		-	-	-	(464,854)	(464,854)
Share-based payments	*5.5(a)*	-	7,684	-	-	7,684
Transfer on exercise of share-based payments		15,814	(4,621)	-	(11,193)	-
Transfer on lapse of share-based payments		-	(102)	-	102	-
Purchase of shares through employee share plan	*5.4(a)*	(28,339)	-	-	-	(28,339)
Closing balance at 30 June 2019		**2,980,933**	**16,909**	**(1,979)**	**526,337**	**3,522,200**

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

Consolidated statement of cash flows

For the year ended 30 June 2019

	Note	2019 $'000	2018 $'000 Restated[1]
Cash flows from operating activities			
Cash receipts from customers		2,442,211	2,274,205
Cash paid to suppliers and employees		(1,478,153)	(1,348,280)
Cash generated from operations		964,058	925,925
Interest paid		(34,371)	(35,458)
Interest received		2,088	1,596
Income taxes paid		(15,321)	-
Net cash from operating activities	*3.4*	**916,454**	**892,063**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,195	804
Purchase of property, plant and equipment		(92,847)	(78,370)
Expenditure on projects		(32,725)	(9,589)
Acquisition of Joint Venture interest, net of cash acquired	*6.1*	(4,803)	(20,214)
Acquisition of Winchester South		(64,618)	(277,564)
Net cash used in investing activities		**(193,798)**	**(384,933)**
Cash flows from financing activities			
Payment of finance facility upfront costs		(1,681)	(8,695)
Purchase of shares		(28,339)	(10,787)
Proceeds from borrowings		410,000	415,000
Repayment of borrowings		(536,908)	(476,907)
Payment of lease liabilities		(93,116)	(74,166)
Payment of capital return to shareholders		-	(138,884)
Payment of dividends		(464,854)	(188,052)
Net cash used in financing activities		**(714,898)**	**(482,491)**
Net change in cash and cash equivalents		7,758	24,639
Cash and cash equivalents at 1 July		111,777	87,138
Cash and cash equivalents at 30 June		**119,535**	**111,777**

1 The comparative statement for the year ended 30 June 2018 has been restated to give effect to the change in accounting policies. See note 1.5 for further details.

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

Notes to the consolidated financial statements

For the year ended 30 June 2019

1. About this report

1.1 Reporting entity

Whitehaven Coal Limited ('Whitehaven' or 'Company') is a for-profit entity, and the principal activity of Whitehaven and its controlled entities (referred to as the 'Group') is the development and operation of coal mines in New South Wales and Queensland. The consolidated general purpose financial report of the Group for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 15 August 2019. 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.

1.2 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 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).

The financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value (refer to note 5.3).

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and dated 24 March 2016 and in accordance with that Class Order, all financial information has been presented in Australian dollars and rounded to the nearest thousand dollars unless otherwise stated.

1.3 Significant accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Judgements and estimates which are material to the financial report are found in the following notes:

2.3 Taxes	page 78
4.1 Property, plant and equipment	page 85
4.2 Exploration and evaluation	page 86
4.4 Provisions	page 88
6.3 Interest in joint operations	page 105

1.4 Summary of other significant accounting policies

The accounting policies set out below, and in the notes, have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all subsidiaries in the Group. Other significant accounting policies are contained in the notes to the consolidated financial statements to which they relate.

(i) Basis of consolidation

The consolidated financial report of the Company for the financial year ended 30 June 2019 comprises the Company and its subsidiaries and the Group's interest in joint operations (together referred to as the 'Group').

(ii) 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 consolidated statement of comprehensive income.

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

(iii) Goods and services tax

Revenues, expenses and assets (excluding receivables) 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 consolidated statement of financial position.

Cash flows are included in the consolidated 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.

(iv) Notes to the consolidated financial statements

The notes to these consolidated financial statements have been organised into logical groupings to present more meaningful and dynamic information to users. To the extent possible the relevant accounting policies and numbers have been provided in the same note. The Group has also reviewed the notes for materiality and relevance and provided additional information where considered material and relevant to the operations, financial position and performance of the Group.

1.5 New standards, interpretations and amendments adopted by the Group

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 2018. The Group has early adopted AASB 16 Leases effective from 1 July 2018. Other than AASB 16 Leases, the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, AASB 16 Leases, AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments. The nature and effect of these changes is described below.

Several other amendments and interpretations apply for the first time in the current year. However, they do not impact the consolidated financial statements of the Group.

a) AASB 16 *Leases*

The Group has elected to adopt AASB 16 Leases from 1 July 2018 using the full retrospective method and therefore the comparative information has been restated to reflect this change in accounting policy.

AASB 16 supersedes AASB 117 and its associated interpretative guidance and provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Under AASB 16, a lessee is required to recognise, at the commencement date of the lease, the present value of non-cancellable lease payments as a lease liability on the statement of financial position with a corresponding right-of-use asset. The unwind of the financial charge on the lease liability and the amortisation of the leased asset are recognised in the statement of comprehensive income based on the implied interest rate and contract term respectively.

Impact on the Group:

The effect of adopting AASB 16 on the Group's consolidated financial statements is as follows. Only line items that have been restated have been included below.

(i) Impact on the consolidated statement of financial position

As at 30 June 2018:

Right-of-use asset and Lease liability

Upon adoption of AASB 16 the present value of the non-cancellable lease payments relating to all contracts within the Group with an identified lease was recognised as a lease liability with a corresponding right-of-use asset, as if AASB 16 had always been applied. As the lease liability and right-of-use asset do not unwind at the same rate, the difference between the right-of-use asset and lease liability upon initial adoption was adjusted in retained earnings.

The statement of financial position as at 30 June 2018 was restated resulting in recognition of a right-of-use asset (included in Property, plant and equipment) for $195,868,000, a Lease liability (included in Loans and borrowings) for $205,874,000, a Deferred tax asset for $3,002,000 and a Retained earnings adjustment for $7,004,000.

1. About this report *(cont.)*

1.5 New standards, interpretations and amendments adopted by the Group *(cont.)*

a) AASB 16 *Leases* *(cont.)*

(i) Impact on the consolidated statement of financial position *(cont.)*

	As previously reported $'000	AASB 16 impact $'000	Restated $'000
Assets			
Property, plant & equipment	3,550,890	195,868	3,746,758
Total assets	4,430,048	195,868	4,625,916
Liabilities			
Interest bearing loans and borrowings (current)	(35,137)	(70,316)	(105,453)
Interest bearing loans and borrowings (non-current)	(347,083)	(135,558)	(482,641)
Deferred tax liabilities	(201,995)	3,002	(198,993)
Total liabilities	(940,232)	(202,872)	(1,143,104)
Net assets	**3,489,816**	**(7,004)**	**3,482,812**
Equity			
Retained earnings	(481,388)	7,004	(474,384)
Total equity	**(3,489,816)**	**7,004**	**(3,482,812)**

As at 30 June 2017:

	As previously reported $'000	AASB 16 impact $'000	Restated $'000
Assets			
Property, plant & equipment	3,442,467	228,283	3,670,750
Deferred tax assets	32,729	2,545	35,274
Total assets	3,967,040	230,828	4,197,868
Liabilities			
Interest bearing loans and borrowings (current)	(23,560)	(54,991)	(78,551)
Interest bearing loans and borrowings (non-current)	(374,715)	(181,775)	(556,490)
Total liabilities	(674,744)	(236,766)	(911,510)
Net assets	**3,292,296**	**(5,938)**	**3,286,358**
Equity			
Retained earnings	(146,246)	5,938	(140,308)
Total equity	**(3,292,296)**	**5,938**	**(3,286,358)**

(ii) Impact on the consolidated statement of comprehensive income as at 30 June 2018:

Operating expenses, Depreciation and Amortisation and Financial Expenses

Prior to the adoption of AASB 16 the Group recognised operating leases in the form of mining equipment and other infrastructure commitments in Operating expenses in the statement of comprehensive income.

Upon adoption of AASB 16 the unwind of the lease liability is charged to the statement of comprehensive income in Financial expenses, unwinding using the effective interest method, and amortisation of the right-of-use asset is charged to the statement of comprehensive income in Depreciation and amortisation or allocated as part of the inventory costs in the statement of financial position, depreciating the leased assets straight line over the contract term.

The consolidated statement of comprehensive income for the year ended 30 June 2018 was restated resulting in an increase in Depreciation and amortisation and Financial expenses amounting to $62,108,000 and $11,326,000 respectively. Subsequently, Operating expenses was restated resulting in a decrease amounting to $71,911,000.

	As previously reported	AASB 16 impact	Restated
	$'000	$'000	$'000
Operating expenses	(664,062)	71,911	(592,151)
Depreciation and amortisation	(141,024)	(62,108)	(203,132)
Financial expenses	(30,491)	(11,326)	(41,817)
Income tax expense	(234,836)	457	(234,379)
Net profit for the period	**525,576**	**(1,066)**	**524,510**
Attributable to:			
Owners of the parent	525,576	(1,066)	524,510
Non-controlling interest	-	-	-

(iii) Impact on the consolidated statement of cash flows as at 30 June 2018:

Cash flows

Prior to the adoption of AASB 16 the Group classified cash flows from operating leases within operating activities.

Upon adoption of AASB 16 the Group classifies the principal portion of lease payments within financing activities and the interest portion within operating activities. The consolidated statement of cash flows was restated resulting in an increase to Net cash from operating activities amounting to $60,585,000 and an increase in Net cash used in financing activities amounting to $60,585,000.

	As previously reported	AASB 16 impact	Restated
	$'000	$'000	$'000
Cash paid to suppliers and employees	(1,420,191)	71,911	(1,348,280)
Interest paid	(24,132)	(11,326)	(35,458)
Net cash from operating activities	**831,478**	**60,585**	**892,063**
Payment of lease liabilities	(13,581)	(60,585)	(74,166)
Net cash used in financing activities	**(421,906)**	**(60,585)**	**(482,491)**

There is no material impact on the basic and diluted EPS.

1. About this report *(cont.)*

1.5 New standards, interpretations and amendments adopted by the Group *(cont.)*

b) AASB 15 *Revenue from Contracts with Customers*

The Group has adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018 using the modified retrospective method, applying the completed contracts exemption at 1 July 2018 and comparatives are not restated. AASB 15 supersedes AASB 118 Revenue and AASB 111 Construction Contracts and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are within the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. The core principle of AASB 15 is that an entity recognises revenue related to the transfer of promised goods or services when control of the goods or services passes to the customer. The amount of revenue recognised should reflect the consideration to which an entity expects to be entitled in exchange for transferring those goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Impact on the Group:

As the Group's revenue is derived from the sale of coal on a free on board basis in which the transfer of the risks and rewards coincides with the fulfilment of performance obligations and transfer of control as defined by AASB 15, there was no quantitative change in respect of the timing and amount of revenue the Group currently recognises.

c) AASB 9 Financial Instruments

The Group has adopted AASB 9 Financial Instruments from 1 July 2018. With the exception of hedge accounting, which the Group has applied prospectively, the Group has applied AASB 9 retrospectively. AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

Impact on the Group:

The accounting for the Group's financial assets, financial liabilities and hedge accounting remains largely the same as under AASB 139 and as a result, there has been no quantitative impact on the Group as a result of adopting AASB 9, and no comparative balances have been restated. A more detailed analysis of the impact on the Group of the main components of AASB 9 is as per the below:

Classification and measurement of financial assets: AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") and Fair Value Through Profit or Loss ("FVTPL"). This is based on the concept that financial assets should be classified and measured at fair value, with changes in fair value recognised in profit or loss as they arise (FVTPL), unless restrictive criteria are met for classifying and measuring the asset at either amortised cost or FVOCI. The classification is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Group has reviewed and assessed its existing financial assets as at 1 July 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of AASB 9 has had no material impact on the Group's financial assets in regards to their classification and measurement. Classification and measurement of financial assets remains the same under AASB 9.

Impairment: in relation to the impairment of financial assets, AASB 9 introduces a new forward-looking expected credit loss approach, replacing AASB 139's incurred loss approach whereby the Group needs to record an allowance for expected credit loss upon initial recognition of the financial instrument. For Trade and other receivables, the Group has elected to measure the loss allowance with respect to the 12 month expected credit loss. The Group has assessed the historical credit loss experience, and adjusted it for forward looking factors specific to the debtors and economic environment. Based on this assessment, the initial application of the impairment requirements of AASB 9 has had no material impact on the Group's financial statements.

Hedge accounting: The Group applied hedge accounting prospectively. At the date of the initial application, all of the Group's existing hedge relationships were eligible to be treated as continuing hedge relationships. Consistent with prior periods, the Group has continued to designate the change in fair value of the entire forward contract in the Group's cash flow hedge relationships and, as such, the adoption of the hedge accounting requirements of AASB 9 has had no material impact on the Group's financial statements.

2. Group performance

2.1 Segment reporting

Identification of reportable segments

The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources. The performance of operating segments is evaluated at least monthly based on revenues and profit before taxes and is measured in accordance with the Group's accounting policies.

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

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

The Group's financing (including finance costs and finance income), depreciation and income taxes are managed on a group basis and are not allocated to reportable segments.

The following table represents revenue, profit and capital expenditure information for reportable segments:

Year ended 30 Jun 2019	Open Cut Operations $'000	Underground Operations $'000	Unallocated Operations $'000	Total $'000
Revenue				
Sales to external customers	1,696,424	567,994	223,526	2,487,944
Revenue by product type:				
Metallurgical coal	433,074	101,011	-	534,085
Thermal coal	1,263,350	466,983	223,526	1,953,859
Total revenue from contracts with customers	1,696,424	567,994	223,526	2,487,944
Result				
Segment EBITDA result	777,967	247,531	16,186	1,041,684
Depreciation and amortisation				(224,459)
Income tax expense				(207,970)
Net finance expense				(40,901)
Significant items before income tax and depreciation (see note 2.2)				(40,456)
Net profit after tax per consolidated statement of comprehensive income				**527,898**
Capital expenditure				
Segment expenditure	30,898	62,945	31,729	125,572

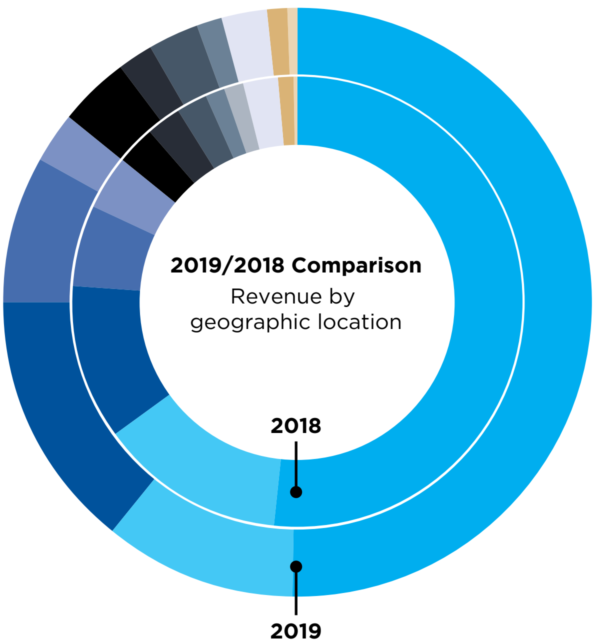
2. Group performance *(cont.)*

2.1 Segment reporting *(cont.)*

Year ended 30 Jun 2018	Open Cut Operations $'000	Underground Operations $'000	Unallocated Operations $'000	Total $'000
Revenue				
Sales to external customers	1,582,505	507,199	167,742	2,257,446
Revenue by product type:				
Metallurgical coal	354,210	79,517	-	433,727
Thermal coal	1,228,295	427,682	167,742	1,823,719
Total revenue from contracts with customers	1,582,505	507,199	167,742	2,257,446
Result				
Segment EBITDA result (restated)	773,387	224,242	4,609	1,002,238
Depreciation and amortisation				(203,132)
Income tax expense				(234,379)
Net finance expense				(40,217)
Net profit after tax per consolidated statement of comprehensive income				**524,510**
Capital expenditure				
Segment expenditure	23,411	56,873	7,675	87,959

Other segment information

Revenue from external customers is attributed to geographic location based on final shipping destination.



Revenue by geographic location	2019 $'000	2018 $'000
Japan	1,255,751	1,168,965
Taiwan	262,015	302,279
Korea	351,328	252,039
India	201,637	128,540
China	66,541	87,184
Malaysia	100,267	63,352
Indonesia	48,755	60,410
Vietnam	67,861	47,323
Philippines	35,933	30,836
Chile	-	30,410
Other	60,952	56,192
New Caledonia	26,128	24,618
Domestic	10,776	5,298
Total revenue	**2,487,944**	**2,257,446**

Major customers

The Group has three major customers which account for 29.4% (2018: 27.4%) of external revenue.

Recognition and measurement:

The Group recognises sales revenue related to the transfer of promised goods or services when control of the goods or services is transferred to the customer. The amount of revenue recognised reflects the consideration to which the Group is or expects to be entitled in exchange for those goods or services.

Sales revenue is recognised on individual sales when control transfers to the customer. The title, risks and rewards, and fulfilment of performance obligation occurs when the product is loaded onto the vessel for delivery to the customer.

The Group sells its products on Free on Board terms where the Group has no responsibility for freight or insurance once control of the goods has passed at the loading port. Under these terms there is only one performance obligation, being the provision of goods at the point when control passes to the customer.

The Group's products are sold to customers under contracts which vary in tenure and pricing mechanisms, primarily being monthly or quarterly indexes. Certain sales may be provisionally priced at the date revenue is recognised, however substantially all coal sales are reflected at final prices by the end of the reporting period. The final selling price is based on the price for the quotational period stipulated in the contract.

2.2 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.

Included within the balances presented on the face of the consolidated statement of comprehensive income:	Note	2019 $'000	2018 $'000
Operating expenses:			
Rehabilitation expense[1]	*4.4*	(40,456)	-
Depreciation and amortisation:			
Accelerated depreciation at Narrabri[2]		(12,330)	
Significant items before tax		**(52,786)**	**-**
Applicable income tax benefit		15,836	-
Significant items after tax		**(36,950)**	**-**

1 The Group calculates its rehabilitation provisions based on a combination of its own estimates and rehabilitation cost calculators provided by resource regulators. Rehabilitation cost calculators are issued by resource regulators for rehabilitation bonding purposes. During the year ended 30 June 2019, the Group transitioned its rehabilitation provision calculations for most sites to the latest rehabilitation cost calculator available from resource regulators. This resulted in an increase in the rehabilitation provisions within the Group of $138.5 million. The rehabilitation provisions will be reassessed at each reporting date using updated survey results and will incorporate the rehabilitation work undertaken during the period. The increase in the rehabilitation provision at 30 June 2019 for the mines currently in rehabilitation, or approaching rehabilitation was recognised as an 'Operating expense' within the Consolidated Statement of Comprehensive Income. The increase in the provision for mines that remain in operation was recognised as an addition to 'Property, Plant & Equipment' within the Consolidated Statement of Financial Position.

2 During the year ended 30 June 2019, the Group ordered higher capacity hydraulic cylinders for the longwall roof supports. The new hydraulic cylinders will replace the existing hydraulic cylinders following the change-out of the next longwall panel. As a result, the Group recognised an accelerated depreciation expense in respect of the existing hydraulic cylinders.

2. Group performance *(cont.)*

2.3 Taxes

a) Income tax expense

	2019 $'000	2018 $'000 Restated
Current tax expense		
Current period	(186,774)	(204,368)
Deferred tax expense		
Origination and reversal of temporary differences	(27,438)	(30,011)
Adjustments for prior periods	6,242	-
Income tax expense reported in the consolidated statement of comprehensive income	(207,970)	(234,379)
Reconciliation between tax expense and profit before tax		
Profit before tax	735,868	758,889
Income tax expense using the Company's domestic tax rate of 30% (2018: 30%)	(220,760)	(227,667)
Non-deductible expenses:		
Share-based payments	(2,305)	(2,978)
Other non-deductible expenses	350	(3,734)
On-market share purchases by Employee Share Scheme Trust reimbursed by the Group	8,503	-
Over provided in prior periods	6,242	-
Total income tax expense	(207,970)	(234,379)

b) Income tax recognised directly in other comprehensive income

	2019 $'000	2018 $'000 Restated
Deferred income tax related to items charged directly to equity		
Derivatives	1,286	112
Income tax expense recorded in equity	1,286	112

c) Recognised tax assets and liabilities

	2019	2019	2018	2018
	Current income tax payable	Deferred income tax	Current income tax payable	Deferred income tax
	$'000	$'000	$'000 Restated	$'000 Restated
Opening balance	-	(198,993)	-	35,274
Charged to income – corporate tax	(186,774)	(27,438)	(204,368)	(30,011)
Charged to equity	-	1,286	-	112
(Utilisation)/recognition of deferred tax asset on current year losses	171,165	(171,165)	204,368	(204,368)
Adjustment for prior periods	-	6,242	-	-
Payments	15,321	-	-	-
Closing balance	(288)	(390,068)	-	(198,993)

Deferred income tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2019	2018	2019	2018
	$'000	$'000 Restated	$'000	$'000 Restated
Property, plant and equipment	-	-	(460,817)	(343,115)
Exploration and evaluation	-	7,954	(30,580)	-
Receivables	-	-	(6,920)	(1,275)
Investments	307	358	-	-
Right-of-use assets and liabilities (net)	632	3,002	-	-
Deferred stripping	-	-	(9,954)	(6,430)
Deferred foreign exchange gain	120	-	-	(833)
Provisions	80,908	37,093	-	-
Tax losses	33,273	100,361	-	-
Other items	2,963	3,892	-	-
Tax assets/(liabilities)	118,203	152,660	(508,271)	(351,653)
Set off of tax (liabilities)/assets	(118,203)	(152,660)	118,203	152,660
Net tax assets/(liabilities)	-	-	(390,068)	(198,993)

d) Unrecognised deferred tax assets

There were no unrecognised income tax losses at 30 June 2019 (2018: nil).

2. Group performance *(cont.)*

2.3 Taxes *(cont.)*

Recognition and measurement:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax relating to items recognised directly in other comprehensive income is recognised in other comprehensive income and not in the net profit or loss for the year.

Current tax

Current tax assets and liabilities 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 tax

Deferred tax expense is the movement in the temporary differences between the carrying amount of an asset or liability in the consolidated statement of financial position and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets, including unused tax losses, are recognised in relation to deductible temporary differences and carried forward income tax losses only to the extent that it is probable that sufficient future taxable profits will be available to utilise them. Deferred tax assets and liabilities are not recognised for taxable temporary differences that arise from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither accounting profit nor the taxable profit.

The carrying amount of deferred 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 tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates and laws that have been enacted or substantively enacted at the balance date.

Offsetting deferred tax balances

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 taxation authority on the same taxable entity.

Tax consolidation

Whitehaven Coal Limited and its wholly owned Australian resident subsidiaries have formed a tax consolidated group with effect from 29 May 2007 and are therefore taxed as a single entity from that date. Whitehaven Coal Limited is the head entity of the tax consolidated group. The entities within the tax consolidated group have entered into a tax sharing arrangement which provides for 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.

The entities within the tax consolidated group have also entered into a tax funding agreement. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. Under the terms of the tax funding arrangement Whitehaven Coal Limited and each of the entities in the tax consolidated group have agreed to pay (or receive) a tax equivalent payment to (or from) the head entity, based on the current tax liability or current tax asset of the entity.

Whitehaven Coal Limited and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The amounts are measured as if each entity in the tax consolidated group continues to be a standalone tax payer in its own right. The current tax balances are then transferred to Whitehaven Coal Limited via intercompany balances.

Significant accounting judgements, estimates and assumptions

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.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, rehabilitation 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 consolidated statement of financial position and the amount of other tax losses and temporary differences not yet recognised which may require adjustment, resulting in a corresponding credit or charge to the consolidated statement of comprehensive income.

2.4 Earnings per share

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the year calculated as follows:

	2019	2018 Restated
Profit attributable to ordinary shareholders		
Net profit attributable to ordinary shareholders ($'000)	527,898	524,510
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July (000's)	992,026	992,026
Effect of shares acquired during the year (000's)	(4,480)	(3,667)
Weighted average number of ordinary shares at 30 June (000's)	**987,546**	**988,359**
Basic earnings per share attributable to ordinary shareholders (cents)	**53.5**	**53.1**

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit 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:

	2019	2018 Restated
Profit attributable to ordinary shareholders (diluted)		
Net profit attributable to ordinary shareholders (diluted) ($'000)	527,898	524,510
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares (basic) (000's)	987,546	988,359
Effect of share options/performance rights on issue (000's)	19,853	17,604
Weighted average number of ordinary shares (diluted) (000's)	**1,007,399**	**1,005,963**
Diluted earnings per share attributable to ordinary shareholders (cents)	**52.4**	**52.1**

3. Working capital and cash flows

3.1 Trade and other receivables

	2019	2018
	$'000	$'000
Current		
Trade receivables	113,441	57,835
Other receivables and prepayments	34,347	26,267
Receivables due from joint operations	7,957	13,596
	155,745	**97,698**
Non-current		
Other receivables and prepayments	**10,518**	**11,732**

Recognition and measurement:

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 any allowance for impairment. Recoverability of trade receivables is reviewed on an ongoing basis.

3.2 Inventories

	2019	2018
	$'000	$'000
Coal stocks[1]	114,036	99,435
Consumables and stores	34,903	25,132
	148,939	**124,567**

1 Coal stocks include run of mine and product coal.

Recognition and measurement:

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. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the tonnes of contained coal are based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

3.3 Trade and other payables

	2019 $'000	2018 $'000
Current		
Trade payables	63,157	47,295
Other payables and accruals	134,574	176,689
	197,731	**223,984**

Recognition and measurement:

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost when goods and services are received, whether or not billed to the Group, prior to the end of the reporting period. Due to their short-term nature they are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

3.4 Reconciliation of cash flows from operating activities

		2019 $'000	2018 $'000 Restated
Profit for the period		527,898	524,510
Adjustments for:			
Depreciation and amortisation		224,459	203,132
Amortisation of deferred development costs	*4.1*	57,946	37,835
Development costs deferred	*4.1*	(110,239)	(102,238)
Write-off of finance facility upfront costs		-	841
Amortisation of finance facility upfront costs		6,446	2,082
Non cash interest (expense)/income accruals		(56)	1,365
Foreign exchange losses/(gain) unrealised		2,969	(5,206)
Unwinding of discounts on provisions	*4.4*	2,343	2,182
Share-based compensation payments	*5.5(a)*	7,684	9,927
Gain on sale of non-current assets		(1,769)	(315)
Subtotal		**717,681**	**674,115**
Change in trade and other receivables		(45,855)	15,828
Change in inventories and deferred stripping		(23,984)	(32,004)
Change in trade and other payables		29,120	(5,873)
Change in provisions and employee benefits		46,844	5,538
Change in tax payable		288	-
Change in deferred taxes		192,360	234,459
Cash flows from operating activities		**916,454**	**892,063**

Recognition and measurement:

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. For the purpose of the consolidated statement of cash flows, cash and cash equivalents is equal to the balance disclosed in the consolidated statement of financial position.

4. Resource assets and liabilities

4.1 Property, plant and equipment

Year ended 30 June 2019	Freehold land	Plant and equipment	Leased plant and equipment	Mining property and development	Subtotal	Deferred development	Deferred stripping	Subtotal	Total
	Total	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost									
Balance at 1 July 2018	109,960	877,001	474,449	2,994,501	**4,455,911**	296,106	1,672,090	**1,968,196**	**6,424,107**
Additions	964	59,258	58,687	168,225	**287,134**	110,239	396,865	**507,104**	**794,238**
Transfers	-	1,192	-	(1,192)	**-**	-	-	**-**	**-**
PPE acquired as part of Tarrawonga acquisition	-	-	-	4,803	**4,803**	-	-	**-**	**4,803**
Disposals	(3,435)	(3,997)	(32,364)	-	**(39,796)**	-	-	**-**	**(39,796)**
Balance at 30 June 2019	107,489	933,454	500,772	3,166,337	**4,708,052**	406,345	2,068,955	**2,475,300**	**7,183,352**
Accumulated depreciation									
Balance at 1 July 2018	-	(322,488)	(177,956)	(421,176)	**(921,620)**	(105,072)	(1,650,657)	**(1,755,729)**	**(2,677,349)**
Depreciation charge for the year	-	(56,030)	(89,009)	(91,552)	**(236,591)**	(57,946)	(385,119)	**(443,065)**	**(679,656)**
Disposals	-	3,975	11,550	-	**15,525**	-	-	**-**	**15,525**
Transfers	-	(1,192)	-	1,192	**-**	-	-	**-**	**-**
Balance at 30 June 2019	-	(375,735)	(255,415)	(511,536)	**(1,142,686)**	(163,018)	(2,035,776)	**(2,198,794)**	**(3,341,480)**
Carrying amount at 30 June 2019	107,489	557,719	245,357	2,654,801	**3,565,366**	243,327	33,179	**276,506**	**3,841,872**

	Note	Freehold land	Plant and equipment	Leased plant and equipment	Mining property and development	Subtotal	Deferred development	Deferred Stripping	Subtotal	Total
Year ended 30 June 2018		**Total**	**$'000**	**$'000 Restated**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost										
Balance at 1 July 2017		171,921	850,732	90,019	2,857,382	**3,970,054**	404,777	1,107,888	**1,512,665**	**5,482,719**
Impact of change in accounting policy		-	-	311,309	-	311,309	-	-	**-**	311,309
Balance at 1 July 2017 (restated)		171,921	850,732	401,328	2,857,382	**4,281,363**	404,777	1,107,888	**1,512,665**	**5,794,028**
Additions (restated)		10,306	36,243	103,463	36,243	**186,255**	102,238	415,188	**517,426**	**703,681**
Transfers		(72,267)	-	-	72,267	**-**	-	-	**-**	**-**
PPE acquired as part of Tarrawonga acquisition		-	2,115	-	28,609	**30,724**	-	149,014	**149,014**	**179,738**
Disposals/mined out panels		-	(12,089)	(30,342)	-	**(42,431)**	(210,909)	-	**(210,909)**	**(253,340)**
Balance at 30 June 2018		109,960	877,001	474,449	2,994,501	**4,455,911**	296,106	1,672,090	**1,968,196**	**6,424,107**
Accumulated depreciation										
Balance at 1 July 2017		-	(289,315)	(44,837)	(327,728)	**(661,880)**	(278,146)	(1,100,226)	**(1,378,372)**	**(2,040,252)**
Impact of change in accounting policy		-	-	(83,027)	-	**(83,027)**	-	-	**-**	**(83,027)**
Balance at 1 July 2017 (restated)		-	(289,315)	(127,864)	(327,728)	**(744,907)**	(278,146)	(1,100,226)	**(1,378,372)**	**(2,123,279)**
Depreciation charge for the year		-	(43,048)	(71,843)	(87,514)	**(202,405)**	(37,835)	(401,417)	**(439,252)**	**(641,657)**
Disposals/mined out panels		-	11,580	21,751	-	**33,331**	210,909	-	**210,909**	**244,240**
PPE acquired as part of Tarrawonga acquisition		-	(1,705)	-	(5,934)	**(7,639)**	-	(149,014)	**(149,014)**	**(156,653)**
Balance at 30 June 2018		-	(322,488)	(177,956)	(421,176)	**(921,620)**	(105,072)	(1,650,657)	**(1,755,729)**	**(2,677,349)**
Carrying amount at 30 June 2018		109,960	554,513	296,493	2,573,325	**3,534,291**	191,034	21,433	**212,467**	**3,746,758**

4. Resource assets and liabilities *(cont.)*

4.1 Property, plant and equipment *(cont.)*

Leased Plant & Equipment disclosures

All right-of-use assets recognised as 'Leased plant and equipment' above in note 4.1 relate to the plant and equipment classification.

The cost relating to variable lease payments that do not depend on an index or a rate amounted to $34,243,000 in the year ended 30 June 2019 (2018: $39,790,000).

The cost relating to leases with a contract term of less than twelve months amounted to $9,124,000 for the year ended 30 June 2019 (2018: $7,072,000).

A maturity analysis of lease liabilities is shown in Note 5.3(c).

For future payments payable under leases which are in place at the reporting date, refer to Note 7.3(b).

Recognition and measurement:

Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing assets into use. Subsequent expenditure is capitalised when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation and amortisation is charged to the consolidated statement of comprehensive income on a straight line basis at the rates indicated below. Depreciation commences on assets when it is deemed they are capable of operating in the manner intended by management:

– freehold land	not depreciated
– plant and equipment	2%–50%
– leased plant and equipment	3%–20%
– mining property and development, deferred development and deferred stripping	units of production

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

When an asset is surplus to requirements or no longer has an economic value, the carrying amount of the asset is written down to its recoverable amount.

Mining property and development

Mine 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. After transfer, all subsequent mine development expenditure is similarly capitalised, to the extent that commercial viability conditions continued to be satisfied.

Costs of dismantling and site rehabilitation are capitalised, if the recognition criteria is met and included within Mining Property and Development.

Biodiversity assets are included within Mining Property and Development and relate to land acquired and managed to fulfil the biodiversity obligations associated with mine approval. The cost of the land is capitalised as a mining property and development asset which is subsequently depreciated via the units of production method.

Leased plant and equipment

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to use or control the use of an identified asset for a period of time, in exchange for consideration.

At the commencement date of the lease, the Group recognises a lease liability and a corresponding right-of-use asset. The lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset.

The right-of-use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight line method and is recognised in the statement of comprehensive income in Depreciation and amortisation.

The unwind of the financial charge on the lease liability is recognised in the statement of comprehensive income in Net Financial Expenses based on the implied interest rate or, if used, the Group's incremental borrowing rate.

The Group does not recognise leases that have a lease term of 12 months or less or are of low value as a right-of-use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the consolidated statement of comprehensive income in Operating expenses on a straight line basis over the lease term.

Deferred development

Deferred development mainly comprises capitalised costs (deferred development expenditure) related to underground mining incurred to expand the capacity of an underground mine and to maintain production.

Deferred stripping

Expenditure incurred to remove overburden or waste material during the production phase of an open cut 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. The stripping activity asset is subsequently depreciated on a units of production basis over the life of the identified component of the ore body that became more accessible as a result of the stripping activity.

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

Impairment

The carrying amounts of the Group's non-financial 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.

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'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal ('FVLCD'). In assessing FVLCD, 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.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. 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.

Significant accounting judgements, estimates and assumptions

Recoverable amount of assets

The Group assesses at the end of each period, whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

The recoverable amounts of cash-generating units and individual assets are determined based on the higher of value-in-use calculations and FVLCD. These calculations require the use of estimates and assumptions.

Expected future cash flows used to determine the FVLCD of 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, stripping ratio, production rates and future capital expenditure. It is reasonably possible that these assumptions may change which may then impact the estimated life of mine which could result in a material adjustment to the carrying value of tangible assets.

The determination of FVLCD for a CGU is considered to be a Level 3 fair value measurement, as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

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 Group is required to determine and report Reserves and Resources under the Australian Code for Reporting Mineral Resources and Ore Reserves December 2012 (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.

4. Resource assets and liabilities *(cont.)*

4.2 Exploration and evaluation

Exploration and evaluation assets	**$'000**
Balance at 1 July 2018	508,552
Exploration and evaluation expenditure	38,537
Balance at 30 June 2019	**547,089**
Balance at 1 July 2017	156,781
Exploration and evaluation expenditure	9,589
Acquisition of Winchester South	342,182
Balance at 30 June 2018	**508,552**

During the year ended 30 June 2018, the Group acquired a 100% interest in the Winchester South coking coal project for total consideration of US$262.5 million (US$212.5 million paid on completion in June 2018 and US$50 million paid 12 months post completion in June 2019).

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.

Recognition and measurement:

Exploration and evaluation assets, including the costs of acquiring licences, are capitalised on an area of interest basis and only after the Company has obtained the legal rights to explore the area.

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

i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

ii) 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:

i) sufficient data exists to determine technical feasibility and commercial viability, and

ii) 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.

Where a potential impairment is indicated, an assessment is performed for each area of interest or at the CGU level, in line with the assessment disclosed at note 4.1. To the extent that capitalised expenditure is not expected to be recovered it is charged to the consolidated statement of comprehensive income. 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 to mining property and development assets within property, plant and equipment.

Significant accounting judgements, estimates and assumptions

The application of the Group'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 indicating that the recovery of expenditure is unlikely, the amount capitalised is written off in the consolidated statement of comprehensive income in the period when the new information becomes available. 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.

4.3 Intangible assets

	Water access rights	Rail access rights[1]	Total
	$'000	$'000	$'000
Balance at 1 July 2018	11,082	11,118	22,200
Additions	323	-	323
Disposals	(1,173)	-	(1,173)
Balance at 30 June 2019	**10,232**	**11,118**	**21,350**
Balance at 1 July 2017	11,082	11,118	22,200
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June 2018	**11,082**	**11,118**	**22,200**

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.

Recognition and measurement:

Water access rights

The Group 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.

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. Rail access rights are amortised over the access agreement.

4.4 Provisions

Movement in Mine rehabilitation and Biodiversity obligations provisions	$'000
Balance at 1 July 2018	108,337
Change in cost estimates[1]	179,524
Expenditure on closure, rehabilitation and biodiversity activities	-
Unwinding of discount	2,343
Balance at 30 June 2019	**290,204**

	2019	2018
	$'000	$'000
Current	29,985	6,136
Non-current	260,219	102,201
Balance at 30 June	**290,204**	**108,337**

1 The Group calculates its mine rehabilitation and closure provisions based on a combination of its own estimates and rehabilitation cost calculators provided by resource regulators. During the year ended 30 June 2019, the Group transitioned its rehabilitation provisions calculations to the latest rehabilitation cost calculator available from resource regulators which resulted in an increase to rehabilitation provisions across the Group. The resulting increase to the rehabilitation provision of $40,456,000 for the mines currently in rehabilitation, or approaching rehabilitation in the near future was recognised as an 'Operating expense' within the Consolidated Statement of Comprehensive Income. The resulting increase to the rehabilitation provision for the operating sites was recognised as an addition to 'Property, Plant & Equipment' within the Consolidated Statement of Financial Position. In the current year, the Group has also recognised a provision for biodiversity obligations which includes the estimated costs of certain activities that the Group has committed to perform under the terms of certain mining licences. The resulting increase to the provisions was recognised as an addition to 'Property, Plant & Equipment' within the Consolidated Statement of Financial Position.

4. Resource assets and liabilities *(cont.)*

4.4 Provisions *(cont.)*

Recognition and measurement:

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of a past event;
- it is probable that resources will be expended to settle the obligation; and
- the amount of the provision can be measured reliably.

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. The nature of rehabilitation activities includes dismantling and removing operating facilities, re-contouring and top soiling the mine, and restoration, reclamation and revegetation of affected areas. 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 cash flows.

The obligation to rehabilitate arises at the commencement of the mining project and/or when the environment is disturbed at the mining location. At this point, the provision is recognised as a liability with a corresponding asset included in mining property and development assets. Additional disturbances or changes in the rehabilitation costs are reflected in the present value of the rehabilitation provision, with a corresponding change in the cost of the associated asset. In the event the restoration provision is reduced, the cost of the related asset is reduced by an amount not exceeding its carrying value.

The unwinding of the effect of discounting the provision is recorded as a finance cost in the consolidated statement of comprehensive income. The carrying amount capitalised as a part of mining property and development assets is depreciated over the useful life of the related asset.

For closed mines, changes to estimated costs are recognised immediately in the consolidated statement of comprehensive income.

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

Biodiversity obligations

The Group has, under the terms of certain mining licenses, obligations to perform works to establish or upgrade biodiversity offset areas and to set aside and maintain those areas. Provisions are made for the estimated cost of the Group's biodiversity obligations based on current estimates of certain activities that the Group has committed to perform. These costs are discounted to their present value based on expected future cash flows. The provision is recognised as a liability with a corresponding asset included in mining property and development assets. The unwinding of the effect of discounting the provision is recorded as a finance cost in the consolidated statement of comprehensive income. The carrying amount capitalised as a part of mining property and development is depreciated via the units of production method.

Significant accounting judgements, estimates and assumptions

Significant estimates and assumptions are made in determining the provision for mine rehabilitation and biodiversity as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities and biodiversity, 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 and biodiversity costs required.

5. Capital structure and financing

5.1 Loans and borrowings

	2019 $'000	2018 $'000 Restated
Current liabilities		
Lease liabilities	21,969	29,359
Lease liabilities associated with right-of-use assets	54,563	70,316
Secured loans – ECA facility	11,908	11,908
Capitalised borrowing costs	(6,712)	(6,130)
	81,728	**105,453**
Non-current liabilities		
Senior bank facility	160,000	275,000
Lease liabilities	85,444	56,982
Lease liabilities associated with right-of-use assets	79,548	135,558
Secured loans – ECA facility	16,444	28,353
Capitalised borrowing costs	(7,907)	(13,252)
	333,529	**482,641**
	415,257	**588,094**
Financing facilities	1,269,876	1,332,476
Facilities utilised at reporting date	429,876	607,476
Facilities not utilised at reporting date	840,000	725,000

Financing activities during the financial year

During the current period $525 million of debt drawn under the senior bank facility was repaid (30 June 2018: $465 million) and $410 million was redrawn (30 June 2018: $415 million). The Group repaid $11.9 million of the ECA facility during the period (30 June 2018: $11.9 million). The senior bank facility and the ECA facility are secured via a fixed and floating charge over the majority of the Group's assets.

The prior comparative period was restated for the impact of adopting AASB 16 Leases. This increased the lease liabilities by $205,874,000 as at 30 June 2018. Lease liabilities are secured over the leased assets to which they relate.

The fair values of loans and borrowings materially approximate their respective carrying values as at 30 June 2019 and 30 June 2018.

Recognition and measurement:

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.

Refer to note 4.1 for the recognition and measurement policy for lease liabilities.

5. Capital structure and financing *(cont.)*

5.2 Finance income and expense

	2019	2018
Recognised in the statement of comprehensive income	**$'000**	**$'000 Restated**
Interest income	2,092	1,600
Financial income	**2,092**	**1,600**
Interest expense on lease liabilities	(12,901)	(13,269)
Interest on drawn debt facility	(8,620)	(6,696)
Other financing costs	(13,434)	(14,699)
Interest and financing costs	(34,955)	(34,664)
Net interest expense	(32,863)	(33,064)
Unwinding of discounts on provisions	(2,343)	(2,182)
Amortisation of finance facility upfront costs	(5,695)	(4,971)
Other financial expenses	(8,038)	(7,153)
Net financial expense	**(40,901)**	**(40,217)**
Recognised directly in equity		
Net change in cash flow hedges	(4,287)	(372)
Income tax effect	1,286	112
Financial income recognised directly in other comprehensive income, net of tax	**(3,001)**	**(260)**

Recognition and measurement:

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses in relation to finance leases, 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 the statement of comprehensive income 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.

5.3 Financial risk management objectives and policies

a) Overview

The Group's overall risk management program seeks to mitigate risks and reduce the volatility of the Group's financial performance. Financial risk management is carried out centrally by Group Treasury and monitored by the Group's Audit and Risk Management Committee under policies approved by the Board of Directors. The Committee reports regularly to the Board on its activities and also reviews policies and systems regularly to reflect changes in market conditions and the Group's activities.

The Group's principal financial risks are associated with:

- market risk
- credit risk
- liquidity risk

b) 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 Group defines capital as total shareholders' equity and debt. The Board manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

There were no changes in the Group'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.

	2019 $'000	2018 $'000 Restated
Interest-bearing loans and borrowings	415,257	588,094
Less: cash and cash equivalents	(119,531)	(111,777)
Net debt	**295,726**	**476,317**
Equity	3,522,200	3,482,812
Equity and net debt	**3,817,926**	**3,959,129**
Gearing ratio	8%	12%

c) Risk exposures and responses

Market Risk – Foreign currency risk

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

The Group may use forward exchange contracts (FECs) to hedge its currency risk in relation to contracted sales where both volume and US dollar price are fixed.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group 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.

During the current year ended 30 June 2019, a net foreign exchange loss of $2.4m was recognised (2018: net foreign exchange gain of $4.1m).

The Group designates its forward exchange contracts in cash flow hedges and measures them at fair value.

The fair value of forward exchange contracts used as hedges at 30 June 2019 was $2.7m (2018: $1.7m), comprising assets and liabilities that were recognised as derivatives.

5. Capital structure and financing *(cont.)*

5.3 Financial risk management objectives and policies *(cont.)*

c) Risk exposures and responses *(cont.)*

At 30 June 2019, the Group had the following financial instruments that were not designated in cash flow hedges that were exposed to foreign currency risk:

	2019	2018
	$'000 USD	$'000 USD
Cash and cash equivalents	53,521	23,254
Trade and other receivables	13,062	20,189
Trade and other payables	(9,394)	(10,010)
Net statement of financial position exposure	57,189	33,433

The following exchange rates applied during the year:

	Average rate		Reporting date spot rate	
Fixed rate instruments	**2019**	**2018**	**2019**	**2018**
USD	0.7156	0.7753	0.7013	0.7391

Market Risk – Foreign currency risk

Sensitivity analysis

A change in 10 per cent 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 2018.

	Equity	Profit or (loss)
	$'000	$'000
30 June 2019		
AUD:USD strengthening by 10 per cent	(6,161)	(7,692)
AUD:USD weakening by 10 per cent	7,528	9,401
30 June 2018		
AUD:USD strengthening by 10 per cent	(1,940)	(4,112)
AUD:USD weakening by 10 per cent	2,368	5,026

Market Risk – Interest rate risk

The Group's borrowings comprise both variable and fixed rate instruments. The variable rate borrowings expose the Group to a risk of changes in cash flows due to the changes in interest rates.

Management analyses interest rate exposure on an ongoing basis and uses interest rate swaps to mitigate interest rate risk.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2019	**2018**
	$'000	**$'000 Restated**
Fixed rate instruments		
Lease liabilities	(241,524)	(292,215)
	(241,524)	**(292,215)**
Variable rate instruments		
Financial assets	119,531	111,777
Financial liabilities	(188,352)	(315,261)
	(68,821)	**(203,484)**
Net exposure	(310,345)	(495,699)

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 2018.

	Equity	Profit or (loss)
	$'000	**$'000**
30 June 2019		
100bp increase	21	(688)
100bp decrease	(22)	688
30 June 2018		
100bp increase	122	(2,035)
100bp decrease	(125)	2,035

5. Capital structure and financing *(cont.)*

5.3 Financial risk management objectives and policies *(cont.)*

c) Risk exposures and responses *(cont.)*

Market Risk – Commodity price risk

The Group's major commodity price exposure is to the price of coal. The Group has chosen not to hedge against the movement in coal prices.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade receivables, available for sale financial assets, derivative financial instruments and the granting of financial guarantees. The Group'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 Group's maximum exposure to credit risk at the reporting date was:

		Carrying amount	
		2019	2018
	Note	$'000	$'000
Cash and cash equivalents		119,531	111,777
Trade and other receivables	*3.1*	113,441	57,835
Derivative financial instruments	*5.3(d)*	47	2,595
Investments		37	37
		233,056	172,244

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

Asia	87,411	45,169
Europe	21,867	11,528
Australia	4,163	1,138
	113,441	57,835

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group'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 29.4% of the Group's revenue is attributable to sales transactions with three customers (2018: 27.4% with three customers).

The Group trades only with recognised, creditworthy third parties and generally does not require collateral in respect of trade receivables.

Receivable balances are monitored on an ongoing basis and as a result the exposure to bad debts is not significant.

The Group recognised an impairment loss for trade receivables of $nil during the year ended 30 June 2019 (2018: $nil).

The aging of the Group's trade receivables at the reporting date was:

	Gross 2019 $'000	Gross 2018 $'000
Not past due	110,938	50,464
Past due 0–30 days	2,492	4,105
Past due 31–120 days	11	3,266
Past due 121 days to one year	-	-
More than one year	-	-
	113,441	57,835

Guarantees

The policy of the Group is to provide bank guarantees for bonding requirements associated with the mining operations, infrastructure assets and other purposes such as security of leased premises. Guarantees are provided under the senior secured bank facility, secured bilateral bank guarantee facilities, as well as unsecured bank facilities. Details of outstanding guarantees are provided in note 7.4.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation.

Typically, the Group 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:

	30 June 2019						
	Carrying amount $'000	Contractual cash flows $'000	6 mths or less $'000	6–12 mths $'000	1–2 years $'000	2–5 years $'000	More than 5 years $'000
Financial liabilities							
Lease liabilities	241,524	285,649	46,477	39,831	63,036	90,389	45,916
Senior bank facility	160,000	160,000	-	-	-	160,000	-
Secured loans	28,352	30,849	6,512	6,373	4,190	10,238	3,536
Trade and other payables	197,731	197,731	197,731	-	-	-	-
Forward exchange contracts:							
Outflow	198,117	197,267	173,407	23,860	-	-	-
Inflow	(195,430)	(196,280)	(172,295)	(23,985)	-	-	-
	630,294	675,216	251,832	46,079	67,226	260,627	49,452

5. Capital structure and financing *(cont.)*

5.3 Financial risk management objectives and policies *(cont.)*

c) Risk exposures and responses *(cont.)*

	30 June 2018						
	Carrying amount	Contractual cash flows	6 mths or less	6–12 mths	1–2 years	2–5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities							
Lease liabilities (restated)	292,215	343,328	65,001	45,686	79,312	85,260	68,069
Senior bank facility	275,000	275,000	-	-	-	275,000	-
Secured loans	40,261	44,282	6,788	6,645	12,885	11,227	6,737
Trade and other payables	223,984	223,984	223,984	-	-	-	-
Forward exchange contracts:							
Outflow	(16,138)	112,086	44,564	67,522	-	-	-
Inflow	14,429	(108,289)	(43,671)	(64,618)	-	-	-
	829,751	890,391	296,666	55,235	92,197	371,487	74,806

d) Net fair values

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2019 and 30 June 2018.

- 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 consolidated statement of financial position:

	30 June 2019	Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts – receivable	47	-	47	-
	84	-	47	37
Liabilities measured at fair value				
Forward exchange contracts – payable	(2,734)	-	(2,734)	-
Interest rate swaps – payable	(140)	-	(140)	-
	(2,874)	-	(2,874)	-

	30 June 2018	Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts – receivable	2,595	-	2,595	-
	2,632	-	2,595	37
Liabilities measured at fair value				
Forward exchange contracts – payable	(888)	-	(888)	-
Interest rate swaps – payable	(248)	-	(248)	-
	(1,136)	-	(1,136)	-

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 consolidated statement of financial position are the fair values and are classified under level 2 in the fair value measurement hierarchy. During the period the Group entered into forward exchange contracts to hedge foreign exchange risk. A number of these contracts remained open at 30 June 2019.

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 3.1, 3.3 and 5.1 to the financial statements.

e) Financial assets and liabilities by categories

		2019		2018	
		Amortised cost	Other[1]	Amortised cost	Other[1]
	Note	$'000	$'000	$'000	$'000
Financial assets					
Cash and cash equivalents		119,531	-	111,777	-
Trade and other receivables	*3.1*	166,263	-	109,430	-
Investments		-	37	-	37
Other financial assets[1]	*5.3(d)*	-	47	-	2,595
Total financial assets		**285,794**	**84**	**221,207**	**2,632**

1 Other financial assets include $0.1 million (2018: $2.6 million) relating to derivatives in designated hedges.

		2019		2018	
		Amortised cost[1]	Other[2]	Amortised cost[1]	Other[2]
	Note	$'000	$'000	$'000	$'000
Financial liabilities					
Trade and other payables	*3.3*	197,731	-	223,984	-
Loans and borrowings (restated)	*5.1*	415,257	-	588,094	-
Other financial liabilities[2]	*5.3(d)*	-	2,874	-	1,136
Total financial liabilities		**612,988**	**2,874**	**812,078**	**1,136**

1 Loans at amortised cost are non-derivatives with fixed or determinable payments and are not quoted on an active market. Loans and payables are valued at amortised cost.

2 Other financial liabilities include $2.9 million (2018: $1.1 million) relating to derivatives in designated hedges.

5. Capital structure and financing *(cont.)*

5.3 Financial risk management objectives and policies *(cont.)*

f) Changes in liabilities arising from financing activities

	30 June 2019 $'000	30 June 2018 $'000 Restated
As at 1 July	607,476	648,971
Outflows from secured loans	(11,908)	(11,908)
Outflows from lease liabilities	(93,116)	(74,166)
Outflows from senior bank facility	(115,000)	(50,000)
Increase in lease liabilities	42,424	94,579
As at 30 June	**429,876**	**607,476**
Consisting of:		
Current Loans and Borrowings[1]	**88,440**	**111,583**
Non-Current Loans and Borrowings[2]	**341,436**	**495,893**

1 Current Loans and Borrowings does not include capitalised borrowing costs of $6,712,000 (2018: $6,130,000)
2 Non-Current Loans and Borrowings does not include capitalised borrowing costs of $7,907,000 (2018: $13,252,000).

The Group classifies interest paid as cash flows from operating activities.

Recognition and measurement:

Financial assets:

Classification and measurement

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through OCI, or profit or loss) and those to be held at amortised cost. Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Group measures a financial asset at its fair value.

Financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments.

All financial liabilities are recognised initially at fair value.

The Group's financial liabilities include trade and other payables and loans and borrowings.

Derivatives and hedge accounting:

The Group uses derivative financial instruments to hedge its risks associated with foreign currency and interest rate fluctuations arising from operating activities. Such derivative financial instruments are initially recognised at fair value as at the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedges:

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss. Amounts taken to other comprehensive income are transferred out of other comprehensive income and included in the measurement of the hedged transaction when the forecast transaction occurs. When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction occurs.

5.4 Share capital and reserves

a) Share capital

	2019		2018	
	No. of shares	$'000	No. of shares	$'000
Fully paid ordinary share capital	1,026,045,885	2,980,933	1,026,045,885	2,993,458
Ordinary share capital at the beginning of the period	1,026,045,885	2,993,458	1,026,045,885	3,136,941
Transfer of shares by share plan	-	15,814	-	6,188
Shares purchased by share plan	-	(28,339)	-	(10,787)
Capital return	-	-	-	(138,884)
Ordinary share capital at the end of the period	**1,026,045,885**	**2,980,933**	**1,026,045,885**	**2,993,458**

At 30 June 2019, a trust on behalf of the Company held 5,337,876 (30 June 2018: 3,916,379) ordinary fully paid shares in the Company. These were purchased during the year for the purpose of allowing the Group to satisfy performance rights to certain management of the Group. Refer to Note 5.5 for further details on the performance rights plan.

Terms and conditions of issued capital

Ordinary shares are classified as equity. 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.

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

b) Nature and purpose of reserves

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.

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 5.5 for further details of these plans.

c) Dividends

Dividends of $464,854,000 were paid to shareholders during the year ended 30 June 2019 (2018: distribution of $326,936,000 comprising a dividend of $188,052,000 and a capital return of $138,884,000).

On 15 August 2019 the Directors declared a dividend of 30 cents per share totalling $298 million to be paid on 19 September 2019 and be comprised of an ordinary dividend of 13 cents, franked to fifty percent and a special dividend of 17 cents, unfranked. The financial effect of this dividend has not been brought to account in the financial statements for this period.

Dividend franking account

As at 30 June 2019 there were franking credits of $15.1 million available to shareholders of Whitehaven Coal Limited (2018: nil).

5. Capital structure and financing *(cont.)*

5.5 Share-based payments

a) Recognised share-based payment expenses

	2019	2018
Employee expenses	**$'000**	**$'000**
Share options and performance rights – senior employees	7,684	9,927

Recognition and measurement:

The grant date fair value of options and performance rights 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 equity instruments. The amount recognised is adjusted to reflect the actual number of instruments that vest, except for those that fail to vest due to market conditions not being met. Once the instruments have vested, no further expenses are recognised nor reserves reversed in respect to costs already charged. However, where the share rights or options have lapsed after vesting the Group transfers the equivalent amount of the cumulative cost for the lapsed awards from the share-based payments reserve to another component of equity.

b) Types of share-based payment plans

Performance right and option grant to CEO and senior employees

The Company issued performance rights and options to the CEO and senior employees under the Company's medium and long term incentive programs in FY2018 and FY2019. The terms and conditions of the grant are as follows.

	2019		2018	
Performance Rights	**Number of instruments**	**Vesting date**	**Number of instruments**	**Vesting date**
MTI	397,596	30 June 2021	742,121	30 June 2020
LTI tranche 1	337,300	30 June 2021	371,147	30 June 2020
LTI tranche 2	337,294	30 June 2022	371,139	30 June 2021
LTI tranche 3	674,571	30 June 2021/22[1]	742,275	30 June 2020/21[1]
Total	1,746,761		2,226,682	

	2019		2018	
Options	**Number of instruments**	**Vesting date**	**Number of instruments**	**Vesting date**
LTI tranche 1	-	-	587,009	30 June 2020
LTI tranche 2	-	-	587,006	30 June 2021
LTI tranche 3	-	-	1,174,013	30 June 2020/21[1]
Total	-		2,348,028	

1 To the extent that the Costs Hurdle Award is satisfied at the end of the year of testing, 50% of the Awards will vest and become exercisable immediately and the remaining 50% will continue on foot, subject to a further one year service condition.

The performance rights and options are subject to a performance measure linked to relative total shareholder return (TSR) and a costs hurdle. The TSR 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 costs hurdle performance measure relates to the Company achieving a cost per tonne target. Detailed disclosures of LTI outcomes against the target are provided in the Remuneration Report.

The table below details the outcomes of MTI awards that were tested in FY2019 (or for which the test period concluded on 30 June 2019) and the results of the relevant test.

		Outcomes		
MTI Year	**Test Type**	**Performance**	**Vested**	**Lapsed**
2016	Relative TSR	1st in 21	100%	0%
2016	Costs Target Hurdle	$67/tonne	0%	100%

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	Number of options/rights	Weighted average exercise price	Number of options/rights
	2019	**2019**	**2018**	**2018**
Outstanding at beginning of period	$0.58	22,952,635	$0.30	22,067,094
Exercised during the period	$0.00	(4,041,556)	$0.00	(4,542,478)
Granted during the period	$0.00	2,183,658[1]	$1.10	6,086,682[2]
Forfeited during the period	$0.00	(89,819)	$0.00	(132,440)
Lapsed during the period	$0.00	(358,586)	$0.00	(526,223)
Outstanding at 30 June	$0.64	20,646,332	$0.58	22,952,635
Exercisable at 30 June	$0.00	882,319	$0.00	328,083

1 Includes 436,897 performance rights granted during the year under the FY2018 STI scheme.

2 Includes 1,011,972 performance rights granted during the year under the FY2017 STI scheme.

The outstanding balance as at 30 June 2019 is represented by:

i) 5,440,707 options over ordinary shares having an exercise price of $1.21, exercisable between 30 June 2019 and 31 August 2021

ii) 2,348,028 options over ordinary shares having an exercise price of $2.85, exercisable between 30 June 2020 and 27 October 2022

iii) 2,209,740 performance rights over ordinary shares having an exercise price of nil, exercisable between 15 August 2019 and 13 August 2025

iv) 4,899,574 performance rights over ordinary shares having an exercise price of nil, exercisable between 15 August 2019 and 31 August 2026

v) 3,584,802 performance rights over ordinary shares having an exercise price of nil, exercisable between 15 August 2019 and 27 October 2027

vi) 2,163,481 performance rights over ordinary shares having an exercise price of nil, exercisable between 15 August 2019 and 27 October 2028

No share options were exercised during the year ended 30 June 2019 (2018: nil).

The weighted average remaining contractual life of share options and performance rights outstanding at 30 June 2019 is 5.7 years (2018: 4.6 years).

5. Capital structure and financing *(cont.)*

5.5 Share-based payments *(cont.)*

d) Option pricing models

The fair value of performance rights granted under the incentive programs with a TSR performance hurdle is measured using a Monte Carlo Simulation model incorporating the probability of the performance hurdles being met. The fair value of performance rights with the non-market performance hurdle (costs target) is measured using the Black-Scholes option pricing formula.

The fair value of options with a TSR performance hurdle and non-market performance hurdle is measured using a combination of the Monte Carlo Simulation model and Binomial Option Pricing methods.

The following table lists the inputs to the models used for the years ended 30 June 2019 and 30 June 2018:

	Rights					
2019	**MTI**	**MTI**	**LTI**	**LTI**	**LTI**	**LTI**
Performance hurdle	TSR	Cost	TSR	TSR	Cost	Cost
Grant date	27 Oct 18	27 Oct 18	27 Oct 18	27 Oct 18	27 Oct 18	27 Oct 18
Vesting date	30 Jun 21	30 Jun 21	30 Jun 21	30 Jun 22	30 Jun 21	30 Jun 22
Fair value at grant date	$2.98	$5.07	$2.99	$3.15	$5.07	$5.07
Share price	$4.81	$4.81	$4.81	$4.81	$4.81	$4.81
Expected volatility	30%	30%	30%	30%	30%	30%
Performance Right life	10 years	10 years	10 years	10 years	10 years	10 years
Risk-free interest rate	2.0%	2.0%	2.0%	2.1%	2.0%	2.1%

	Rights						**Options**			
2018	**MTI**	**MTI**	**LTI**	**LTI**	**LTI**	**LTI**	**LTI**	**LTI**	**LTI**	**LTI**
Performance hurdle	TSR	Cost	TSR	TSR	Cost	Cost	TSR	TSR	Cost	Cost
Grant date	27 Oct 17	27 Oct 17	27 Oct 17	27 Oct 17	27 Oct 17	27 Oct 17	27 Oct 17	27 Oct 17	27 Oct 17	27 Oct 17
Vesting date	30 Jun 20	30 Jun 20	30 Jun 20	30 Jun 21	30 Jun 20	30 Jun 21	30 Jun 20	30 Jun 21	30 Jun 20	30 Jun 21
Fair value at grant date	$2.43	$3.65	$2.43	$2.50	$3.65	$3.65	$0.61	$0.61	$0.72	$0.69
Share price	$3.65	$3.65	$3.65	$3.65	$3.65	$3.65	$3.65	$3.65	$3.65	$3.65
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2.85	$2.85	$2.85	$2.85
Expected volatility	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Performance Right life	10 years	10 years	10 years	10 years	10 years	10 years	4 years	5 years	4 years	5 years
Expected dividends	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%	8.34%
Risk-free interest rate	2.0%	2.0%	2.0%	2.1%	2.0%	2.1%	2.0%	2.1%	2.0%	2.1%

All shared-based payments are equity settled.

6. Group structure

6.1 Acquisition of business

Acquisitions in the year ended 30 June 2019

There were no business combinations or acquisitions of non-controlling interests in the current year.

Acquisitions in the year ended 30 June 2018

On 30 April 2018, the Group acquired a 30% interest in the Tarrawonga Coal Project Joint Venture from Idemitsu, of which the Group already owned 70%. Details of the purchase consideration, the net assets acquired and the impact of the acquisition on the Group are as follows:

a) Purchase consideration:	$'000
Cash consideration[1]	26,315
Total consideration	**26,315**
Less: cash acquired as part of the acquisition	(1,298)
Net cash flow on acquisition	**25,017**

1 Cash consideration includes $4,803,000 paid in the year ended 30 June 2019.

b) Assets acquired and liabilities assumed:

The fair values of the identifiable assets and liabilities of the 30% share in the Tarrawonga Coal Project Joint Venture at the date of acquisition were as follows:

	Fair value recognised on acquisition $'000
Assets	
Cash and cash equivalents	1,298
Trade and other receivables	3,147
Inventory	7,921
Property, plant and equipment	27,888
	40,254
Liabilities	
Trade and other payables	(5,173)
Provision for decommissioning costs	(8,766)
	(13,939)
Total identifiable net assets at fair value	**26,315**

6. Group structure *(cont.)*

6.2 Group's subsidiaries

The below is a list of the Group's subsidiaries, all of which are incorporated in Australia, unless otherwise noted:

	Ownership interest			Ownership interest	
	2019	**2018**		**2019**	**2018**
Parent entity Whitehaven Coal Limited					
Subsidiaries					
Whitehaven Coal Mining Limited[1]	100%	100%	Boardwalk Resources Limited[1]	100%	100%
Namoi Mining Pty Ltd[1]	100%	100%	Boardwalk Coal Management Pty Ltd[1]	100%	100%
Namoi Agriculture & Mining Pty Ltd	100%	100%	Boardwalk Coal Marketing Pty Ltd[1]	100%	100%
Betalpha Pty Ltd[1]	100%	100%	Boardwalk Sienna Pty Ltd[1]	100%	100%
Betalpha Unit Trust	100%	100%	Boardwalk Monto Pty Ltd[1]	100%	100%
Tarrawonga Coal Pty Ltd[1]	100%	100%	Boardwalk Dingo Pty Ltd[1]	100%	100%
Whitehaven Coal Holdings Pty Ltd[1]	100%	100%	Boardwalk Ferndale Pty Ltd[1]	100%	100%
Whitehaven Coal Infrastructure Pty Ltd[1]	100%	100%	Coalworks Limited[1]	100%	100%
Narrabri Coal Pty Ltd[1]	100%	100%	Yarrawa Coal Pty Ltd[1]	100%	100%
Narrabri Coal Operations Pty Ltd[1]	100%	100%	Loyal Coal Pty Ltd	92.5%	92.5%
Narrabri Coal Sales Pty Ltd[1]	100%	100%	Ferndale Coal Pty Ltd	92.5%	92.5%
Creek Resources Pty Ltd[1]	100%	100%	Coalworks (Oaklands North) Pty Ltd[1]	100%	100%
Werris Creek Coal Sales Pty Ltd[1]	100%	100%	CWK Nominees Pty Ltd[1]	100%	100%
Werris Creek Coal Pty Ltd[1]	100%	100%	Oaklands Land Pty Ltd[1]	100%	100%
WC Contract Hauling Pty Ltd[1]	100%	100%	Coalworks (Vickery South) Pty Ltd[1]	100%	100%
Whitehaven Blackjack Pty Ltd[1]	100%	100%	Coalworks Vickery South Operations Pty Ltd[1]	100%	100%
Whitehaven Project Pty Ltd[1]	100%	100%	Vickery South Marketing Pty Ltd[1]	100%	100%
Whitehaven Employee Share Plan Pty Ltd[1]	100%	100%	Vickery South Operations Pty Ltd[1]	100%	100%
Aston Resources Limited[1]	100%	100%	Vickery Pty Ltd[1]	100%	100%
Aston Coal 2 Pty Ltd[1]	100%	100%	Winchester South WS Pty Ltd	100%	100%
Aston Coal 3 Pty Ltd[1]	100%	100%	Winchester South Coal Operations Pty Ltd	100%	100%
Maules Creek Coal Pty Ltd[1]	100%	100%			

1 These subsidiaries entered into a Class Instrument 2016/785 dated 28 September 2016 and related deed of cross guarantee with Whitehaven Coal Limited. Refer to Note 6.5 for further information.

Recognition and measurement:

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until that control ceases. All intercompany balances and transactions have been eliminated in preparing the consolidated financial statements.

6.3 Interest in joint operations

The Group has interests in the following joint operations which are proportionately consolidated in the consolidated financial statements:

	Country of incorporation	Ownership interest and voting rights 2019	Ownership interest and voting rights 2018
Tarrawonga Coal Project Joint Venture[2]		100%	100%[1]
Narrabri Coal Joint Venture[2]		70%	70%
Maules Creek Joint Venture[2]		75%	75%
Dingo Joint Venture[2]		70%	70%
Ferndale Joint Venture[2]		92.5%	92.5%
Boggabri-Maules Creek Rail Spur Joint Venture[2]		39%	39%
Tarrawonga Coal Sales Pty Ltd[1,3]	Australia	100%	100%
Maules Creek Marketing Pty Ltd[3]	Australia	75%	75%
Boggabri-Maules Creek Rail Pty Ltd[3]	Australia	39%	39%

1 During the financial year ended 30 June 2018 the Group acquired Idemitsu's 30% interest in the Tarrawonga Coal project Joint Venture. Refer to note 6.1.

2 These entities have been classified as joint operations under AASB 11 *Joint Arrangements*, as these joint arrangements are not structured through separate vehicles.

3 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. The Group recognises its share of assets, liabilities, revenues and expenses of the above entities as joint operations under AASB 11 *Joint Arrangements*.

Recognition and measurement:

Joint arrangements are arrangements in which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about relevant strategic and/or key operating decisions require unanimous consent of the parties sharing control. The Group recognises its interest in jointly controlled operations by recognising its share in the assets and liabilities of the joint operation. The Group 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 operation.

Significant accounting judgements, estimates and assumptions

The Group assesses whether it has the power to direct the relevant activities of the investee by considering the rights it holds with respect to the work programme and budget approval, investment decision approval, voting rights in joint operating committees and changes to joint arrangement participant holdings. Where the Group has joint control, judgement is also required to assess whether the arrangement is a joint operation or a joint venture.

6.4 Parent entity information

	Company 2019	Company 2018
Information relating to Whitehaven Coal Limited:	**$'000**	**$'000**
Current assets	692,782	359,623
Total assets	**3,744,008**	**3,484,062**
Current liabilities	-	-
Total liabilities	**-**	**-**
Issued capital	3,136,412	3,136,412
Retained earnings	590,687	333,702
Share-based payments reserve	16,909	13,948
Total shareholders' equity	**3,744,008**	**3,484,062**
Profit of the parent entity	734,328	391,780
Total comprehensive income of the parent entity	734,328	391,780

6. Group structure *(cont.)*

6.5 Deed of Cross Guarantee

Pursuant to ASIC Corporations Instrument 2016/785 dated 28 September 2016, the wholly-owned subsidiaries listed in Note 6.2 (refer footnote 1) 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 'Deed'). 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 Corporations Act 2001, 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 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 following consolidated statement of comprehensive income and statement of financial position comprises the Company and its controlled entities which are party to the Deed of Cross Guarantee (the 'Closed Group') after eliminating all transactions between parties to the Deed.

	Closed group	
	2019	**2018**
Statement of comprehensive income	**$'000**	**$'000 Restated**
Profit before tax	735,868	758,889
Income tax expense	(207,970)	(234,379)
Profit after tax	**527,898**	**524,510**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Net movement on cash flow hedges	(4,287)	(372)
Income tax effect	1,286	112
Other comprehensive income for the period, net of tax	**(3,001)**	**(260)**
Total comprehensive income for the period, net of tax	**524,897**	**524,250**
Statement of financial position		
Assets		
Cash and cash equivalents	119,407	111,653
Trade and other receivables	518,183	377,173
Inventories	148,939	124,567
Derivative financial instruments	47	2,595
Total current assets	**786,576**	**615,988**
Trade and other receivables	10,518	11,732
Investments	37	37
Property, plant and equipment	3,841,575	3,746,461
Exploration and evaluation	186,427	166,331
Intangible assets	21,350	22,200
Total non-current assets	**4,059,907**	**3,946,761**
Total assets	**4,846,483**	**4,562,749**

Statement of financial position	Closed group 2019 $'000	2018 $'000 Restated
Liabilities		
Trade and other payables	196,028	157,763
Interest bearing loans and borrowings	81,728	105,453
Employee benefits	26,510	22,560
Income tax payable	288	-
Provisions	29,985	6,136
Derivative financial instruments	2,874	1,136
Total current liabilities	**337,413**	**293,048**
Non-current liabilities		
Interest bearing loans and borrowings	333,529	482,641
Deferred tax liabilities	390,068	198,993
Provisions	260,219	102,201
Total non-current liabilities	**983,816**	**783,835**
Total liabilities	**1,321,229**	**1,076,883**
Net assets	**3,525,254**	**3,485,866**
Issued capital	2,978,429	2,990,954
Share-based payments reserve	16,909	13,948
Hedge reserve	(1,979)	1,022
Retained earnings	531,895	479,942
Equity	**3,525,254**	**3,485,866**

6.6 Related parties

Compensation to Executive KMP and Non-executive Directors of the Group	2019 $'000	2018 $'000
Short term employee benefits	6,444	7,479
Contributions to superannuation plans	258	233
Share-based compensation payments	3,848	7,767
Total compensation	**10,550**	**15,479**

7. Other notes

7.1 Employee benefits

	2019	2018
Consolidated Statement of Comprehensive Income	**$'000**	**$'000**
Wages and salaries	169,971	153,966
Contributions to superannuation plans	10,947	10,019
Other associated personnel expenses	6,228	6,251
Increase in liability for annual leave	2,365	1,713
Increase in liability for long service leave	436	162
Share-based compensation payments[1]	7,684	9,927
	197,631	**182,038**

1 Disclosed in "Other expenses" in the Statement of Comprehensive Income.

	2019	2018
Consolidated Statement of Financial Position	**$'000**	**$'000**
Salaries and wages accrued	8,156	7,007
Liability for long service leave	867	431
Liability for annual leave	17,487	15,122
	26,510	**22,560**

Recognition and measurement:

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.

Long-term service benefits

Liabilities for long-service leave and other long term benefits are recognised and measured at the present value of the estimated future cash outflows resulting from employees' services provided up to the reporting date. Long term benefits not expected to be settled within twelve months are discounted using the rates attached to the high quality corporate bonds at the reporting date, which most closely match the maturity dates of the related liability.

Defined contribution superannuation funds

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

7.2 Auditors' Remuneration

	2019	2018
Auditors of the Company – Ernst & Young	$	$
Assurance services:		
Audit and review of statutory financial statements current year	571,625	551,000
Audit of joint operations	283,375	314,000
	855,000	**865,000**
Other assurance services:		
Non-statutory assurance services	-	98,954
Review of National Greenhouse Energy Reporting Act requirements	62,629	58,568
	62,629	**157,522**
Total assurance services	**917,629**	**1,022,522**

Non audit services:		
Auditors of the Company – Ernst & Young		
Taxation compliance services	125,000	63,978
Due diligence services	-	836,881
Other non-audit services	69,790	71,226
	194,790	**972,085**

7. Other notes *(cont.)*

7.3 Commitments

a) Capital expenditure commitments	2019 $'000	2018 $'000
Plant and equipment and intangibles		
Contracted for but not provided for and payable:		
Within one year[1]	**83,663**	**13,081**

1 There were no commitments for capital expenditure beyond one year.

b) Lease commitments

Leases relate to property, plant and equipment with lease terms of between one to five years as well as leases recognised for the first time in accordance with AASB 16 *Leases*. As a result, 30 June 2018 balances have been restated. Refer to Note 1.5 for more details.

	2019 $'000	2018 $'000 Restated
Within one year	86,308	110,698
Between one and five years	153,425	164,572
More than five years	45,916	68,070
Minimum lease payments	**285,649**	**343,340**
Future finance charges	(44,125)	(51,125)
Total lease liabilities	**241,524**	**292,215**
Included in the financial statements in note 5.1 as:		
Current borrowings	76,532	99,675
Non-current borrowings	164,992	192,540
	241,524	**292,215**

7.4 Contingencies

a) Bank guarantees	2019	2018
The Group provided bank guarantees to	$'000	$'000
(i) Government departments as a condition of continuation of mining and exploration licences	235,826	153,297
(ii) Rail capacity providers	27,936	30,503
(iii) Port capacity providers	115,941	104,240
(iv) Electricity network access supplier	23,534	24,522
(vi) Other	2,072	2,629
	405,309	**315,191**

b) Other

During the current period, the Group was served with a Statement of Claim commencing representative proceedings against the Group in the Supreme Court of Queensland. The proceedings were commenced by Nathan Tinkler, who claimed to be trustee of the Boardwalk Resources Trust, and were purportedly brought on behalf of Nathan Tinkler and a number of parties who were issued with Milestone Shares (subject to restrictions on voting and transfer until various development milestones are met) in Whitehaven Coal Limited in May 2012.

On 7 May 2019, the Supreme Court of Queensland ordered that the proceedings be transferred to the Equity Division of the Supreme Court of New South Wales. On 12 July 2019, Nathan Tinkler was given leave to file an amended claim and amended statement of claim removing Nathan Tinkler, and joining and substituting Les & Zelda Investments Pty Ltd (ACN 148 907 573) as Trustee for the Les & Zelda Family Trust, as representative plaintiff. The pleadings make various allegations against the Group concerning an alleged breach of contract and misleading or deceptive conduct in connection with the Milestone Shares.

With effect from 26 July 2019, the proceedings have been stayed due to the representative plaintiff failing to provide security for the Group's costs as ordered.

Other than the above, 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 the above matters, a provision has not been made for any potential adverse outcome. The Group will vigorously defend these matters, and believes that any adverse outcome would not be material based on information currently available to the Group.

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

Subsequent to the end of the financial period, the Directors have proposed a 30 cent per share dividend to be paid on 19 September 2019 and be comprised of an ordinary dividend of 13 cents, franked to fifty percent and a special dividend of 17 cents, unfranked.

Directors' declaration

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 2019 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 1; 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 2019.

(e) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 6.5 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

The Hon. Mark Vaile AO
Chairman

Paul Flynn
Managing Director and
Chief Executive Officer

Sydney
15th August 2019

Independent Auditor’s report

For the year ended 30 June 2019

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Independent Auditor’s Report to the Members of Whitehaven Coal Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Whitehaven Coal Limited (‘the Company’) and its subsidiaries (collectively ‘the Group’), which comprises the consolidated statement of financial position as at 30 June 2019, 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 to the financial report, including a summary of significant accounting policies, and the Directors’ declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act* 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Impairment assessment of Property, Plant & Equipment

Why significant	How our audit addressed the key audit matter
At 30 June 2019, the Group's consolidated statement of financial position included $3,842m of property, plant and equipment relating to operating mines. As disclosed in Note 4.1 of the financial report, the Directors' assess property, plant and equipment for indicators of impairment at each balance date. This involves an assessment of any potential indicators of impairment of the property, plant and equipment assets, including (but not limited to) assessing significant changes to the geological, economic or legal environment in which Whitehaven operates. In addition, an assessment is performed to consider changes in the key valuation drivers including discount rate, coal prices, operating costs and foreign exchange rates, and the Group's market capitalisation compared with the carrying amount of its net assets. Consideration is also given to any expected future changes to operating conditions. This assessment determines whether a full impairment assessment is required. We focused on this area due to the magnitude of the balance in the consolidated statement of financial position relative to total assets, and the significant judgments and assumptions involved in the assessment of indicators of impairment.	Our audit procedures included the following: ▸ Determined whether the impairment indicator assessment conducted by the Directors met the requirements of Australian Accounting Standards. ▸ Considered the appropriateness of the Group's identification of its cash generating unit. ▸ Assessed the Group's analysis for indicators of impairment. This included consideration of whether any movements in valuation drivers indicated potential impairment, by comparing them to historical results and observable market inputs and forecasts. ▸ Considered whether the disclosures included in the financial report relating to impairment, including those specific to judgments and estimates, met the requirements of Australian Accounting Standards.

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Mine rehabilitation, closure and biodiversity provisions

Why significant	How our audit addressed the key audit matter
At 30 June 2019, the consolidated statement of financial position included $290.2m of mine rehabilitation, closure and biodiversity provisions. As a consequence of its operations, the Group incurs obligations to restore, rehabilitate and maintain the environment. Rehabilitation and biodiversity activities are governed by a combination of legislative requirements and Group policies. Estimating the costs associated with these future activities requires considerable judgement in relation to factors such as when the rehabilitation will take place, the time period required for the rehabilitation to be effective, the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, the extent of ongoing maintenance following the completion of rehabilitation activities and changes in economic assumptions including discount rate. This was considered to be a key audit matter due to the significant judgments and assumptions involved in the calculation of these mine rehabilitation, closure and biodiversity provisions. The Group has disclosed these judgements, estimates and assumptions in note 4.4 of the financial report.	Our audit procedures included the following: ▸ Assessment of the process applied in quantification, review and approval of the rehabilitation, closure and biodiversity provisions. ▸ Agreement of the forecast disturbed areas included in rehabilitation models to surveys completed over areas requiring rehabilitation. ▸ Consideration of cost rates applied in deriving the provisions relative to government specified cost and bonding rates and historical cost rates with involvement from our rehabilitation specialists. ▸ Consideration of the qualifications, competence and objectivity of experts, both internal and external to the Group, who were involved in the derivation and review of the rehabilitation and biodiversity models. ▸ Testing the mathematical accuracy of the rehabilitation models to support the provision balance. ▸ Consideration of the discount rates applied by the Group. ▸ Evaluation of the appropriateness of accounting treatments applied to changes in the mine rehabilitation, closure and biodiversity provisions. ▸ Evaluation of whether the judgments and estimates disclosures relating to mine rehabilitation, closure and biodiversity provisions met the requirements of Australian Accounting standards.

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Transition to AASB 16 *Leases*

Why significant	How our audit addressed the key audit matter
The Group has elected to early adopt the new Australian Accounting standard *AASB 16 Leases*. In doing so, the Group has elected to fully retrospectively apply *AASB 16*. The new standard requires the Group to recognise its lease commitments as liabilities in the statement of financial position, along with an associated right of use asset. Effective on the date of initial adoption, being 1 July 2017, a $196m right of use asset and a $206m lease liability were recognised, with an after-tax adjustment of $7m impacting retained earnings. At 30 June 2019, the consolidated statement of financial position included $245m of Right of Use Assets presented within Property Plant and Equipment and $242m Lease liabilities presented within Loans and Borrowings. The key inputs used in derivation of the lease liability and right of use asset are: • Lease term; • Lease components including payments, terminal values, termination clauses and asset substitution rights; • Consideration of embedded leases; and • Discount rates. This was considered to be a key audit matter due to the significant judgments and assumptions involved in the calculation of these right of use assets and associated lease liabilities and the magnitude of the lease liabilities in the consolidated statement of financial position relative to total liabilities.	Our audit procedures included the following: • Assessment of the Group's process relating to the recording, recognition and measurement of leases. • Review of the Group's assessment as to whether material contracts meet the definition of a lease under *AASB 16*. • Assessment of the key inputs and assumptions applicable to each material lease contract modelled at adoption date, in addition to prior and current year balance dates. • Agreement of transition and balance date adjustments derived by the modelling to the transitional adjustments, comparative and current year balances in the Group's financial report. • Consideration of the discount rates applied by the Group. • Testing the mathematical accuracy of models used to generate the lease calculations. • Evaluated whether the judgments and estimates disclosures relating to Leases met the requirements of Australian Accounting standards.

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Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 37 to 60 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Whitehaven Coal Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Ernst & Young

Ryan Fisk
Partner
Sydney
15 August 2019

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	14.23%	146,007,208	23 Nov 2017
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
Lazard Asset Management Pacific Co	8.80%	90,304,489	6 Aug 2019
Prudential Plc	5.12%	52,580,134	26 Apr 2019

* 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 5.4 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	3,572
1,001–5,000	4,209
5,001–10,000	1,498
10,001–100,000	1,304
100,001 and over	122
	10,705

There are 6 holders of options over ordinary shares. Refer to section 7.2 of the Remuneration Report.

The number of shareholders holding less than a marketable parcel of ordinary shares is 533.

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
HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	273,348,989	26.64
CITICORP NOMINEES PTY LTD	247,932,405	24.16
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	147,107,702	14.34
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	144,191,217	14.05
AET SFS PTY LTD <BOARDWALK RES INV P/C>	26,678,979	2.60
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	26,001,481	2.53
NATIONAL NOMINEES LIMITED	16,065,851	1.57
BNP PARIBAS NOMS PTY LTD <DRP>	8,366,933	0.82
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,496,214	0.63
WOODROSS NOMINEES PTY LTD	5,835,610	0.57
WHITEHAVEN EMPLOYEE SHARE PLAN PTY LIMITED <EQUITY INCENTIVE PLAN A/C>	5,337,876	0.52
VESADE PTY LTD	5,306,152	0.52
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED GSCO ECA	4,409,572	0.43
BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>	3,177,272	0.31
INVIA CUSTODIAN PTY LIMITED <ABEX LIMITED A/C>	2,025,000	0.20
AMP LIFE LIMITED	1,968,986	0.19
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,856,059	0.18
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,833,835	0.18
MR LEENDERT HOEKSEMA + MRS AALTJE HOEKSEMA	1,760,000	0.17
WENDMAR PTY LIMITED <MARK VAILE FAMILY A/C>	1,450,000	0.14
	931,150,133	**90.75**

This information is current as at 12 August 2019

Glossary

ARTC	Australian Rail Track Corporation
ASEAN	Association of Southeast Asian Nations
CHPP	Coal Handling and Processing Plant
EBITDA	earnings before interest, taxation, depreciation and amortisation
ECA	Export Credit Agency
FEC	forward exchange contract
FOB	Free on Board
FVLCD	fair value less costs of disposal
GW	gigawatt
HELE	high-efficiency, low-emissions
JORC	Joint Ore Resources Committee
KMP	key management personnel
KPI	key performance indicator
kt	thousand tonnes
LTI	long term incentive
LW	longwall
m	million
MRRT	Minerals Resource Rent Tax
Mt	million tonnes
MTI	medium term incentive
Mtpa	million tonnes per annum
NCIG	Newcastle Coal Infrastructure Group
NPAT	net profit after tax
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 AO
Chairman

John Conde AO
Deputy Chairman

Dr Julie Beeby
Non-executive Director

Paul Flynn
Managing Director and CEO

Lindsay Ward
Non-executive Director

Fiona Robertson
Non-executive Director

Raymond Zage
Non-executive Director

Company Secretary

Timothy Burt

Registered and Principal Administrative Office

Level 28, 259 George Street
Sydney NSW 2000

P +61 2 8222 1100
F +61 2 8222 1101

Australian Business Number

ABN 68 124 425 396

Stock Exchange Listing

Australian Securities Exchange Limited
ASX Code: WHC

Auditor

Ernst & Young
Ernst & Young Centre
200 George Street,
Sydney NSW 2000

P +61 2 9248 5555
F +61 2 9248 5199

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975 Melbourne
Victoria 3001 Australia

P 1300 855 080
(or +61 3 9415 4000)

Country of Incorporation

Australia

Web address

www.whitehavencoal.com.au

Whitehaven Coal

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Sydney NSW 2000
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ASX Code: WHC

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