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21 February, 2013

WHITEHAVEN APPOINTS NEW MANAGING DIRECTOR

Whitehaven Coal Limited's (ASX:WHC) Board of Directors is pleased to announce that it has appointed Mr Paul Flynn as Managing Director and Chief Executive Officer of the company, effective from 25 March 2013.

Mr Flynn will replace Mr Tony Haggarty, who has led Whitehaven as Managing Director and Chief Executive Officer since October 2008.

Mr Haggarty will remain as a Non-Executive Director of Whitehaven following his retirement from the Managing Director's role. He will also be available to assist with the management transition, particularly in regard to Whitehaven's key customer, joint venture and investor relationships.

Mr Flynn has been a Non-Executive Director of Whitehaven since the merger with Aston in May 2012, prior to which he was Managing Director of Tinkler Group Holdings from April 2011.

Before joining Tinkler Group, Mr Flynn spent eighteen years with Ernst & Young, culminating in his appointment as Managing Partner of Ernst & Young's Sydney business, the largest in the Oceania region. During this time, Paul gained wide experience at senior management level in the resources sector, advising clients including Xstrata, Peabody Energy, Worley Parsons and Downer EDI. He also performed the role of Chief Financial Officer for AGL Energy on secondment from Ernst & Young.

"As advised at the Annual General Meeting in November, a succession planning process has been underway for some time, and has become more focussed following the organisational restructure implemented after the merger between Whitehaven and Aston resources," Whitehaven Chairman the Hon. Mark Vaile AO said.

"A thorough executive search process has been carried out, with consideration of a number of candidates. During the process it became clear that Paul's combination of resources industry experience, financial acumen and executive leadership skills form a highly attractive combination with our recently-expanded senior management team," Mr Vaile said.

"Obviously Paul is extremely well known to the rest of the board and this appointment is one that makes compelling sense on a number of levels.

"Our succession planning process has not been limited to the MD and CEO role. As we have been saying since the merger, the board is highly aware of the need to develop its management capabilities in line with its growth trajectory and the associated increase in complexity and size.

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“This has culminated in the recent appointment of Jamie Frankcombe as EGM – Operations, joining our existing senior team as outlined in our organisational chart.

“Paul’s appointment completes this process and delivers us a very experienced, well-qualified, balanced and capable team to manage Whitehaven’s growth and deliver ongoing value for shareholders.

“The transition in the size and diversity of our business as we move towards our target of producing 25 Mtpa requires strategic planning, disciplined cost control and excellence in leadership skills, all of which Paul is extremely well credentialed to provide.” The summary details of Mr Flynn’s contract are attached.

“On behalf of the Board I would also like to express deep appreciation to Tony for his role in leading our business during the past four and a half years. We are thrilled he will remain on the Board,” Mr Vaile said.

“Tony indicated publicly at the time of the merger that he would be continuing as Managing Director of the merged entity, but not indefinitely, and this position was reaffirmed at the company’s AGM in November 2012.

“As one of Australia’s most successful and respected mining company executives, Tony’s contribution and commitment to the growth and development of Whitehaven and its operations has been outstanding.

“His reputation both within and outside our business is exemplary and we look forward to his ongoing significant contribution to our business as a director as we continue to deliver our growth plans.”

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Attachments:

Organisational chart

Summary of key terms of Mr Paul Flynn’s employment agreement

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Summary of the key terms of the employment agreement appointing Mr Paul Flynn as Managing Director and Chief Executive Officer of Whitehaven

Commencement date: 25 March 2013

Term: Ongoing, subject to twelve months' notice of termination by Whitehaven or six months' notice of termination by Mr Flynn.

Whitehaven may terminate without notice in certain circumstances, including serious misconduct or negligence in the performance of duties. Mr Flynn may terminate immediately in the case of fundamental change to his role (i.e. there is a substantial diminution to his responsibilities).

Total Fixed Remuneration (TFR): \$1,300,000 per annum, reviewed annually from 1 July 2014 onwards.

Short term incentive: Mr Flynn is eligible to participate in Whitehaven's annual short term incentive (**STI**) plan, with a target opportunity of 50% of TFR (up to 75% of TFR for stretch performance) dependent on a mix of group financial and personal performance objectives. Currently, the STI plan provides that 30% of any STI award will be delivered in the form of deferred equity, which will vest in two equal tranches over a further 12 and 24 month period.

Long term incentive: Eligible to participate in Whitehaven's long term incentive (**LTI**) plan, subject to any required or appropriate shareholder approvals. The initial LTI grant will be in the form of Whitehaven share performance rights with a face value equal to 100% of TFR (80% representing his FY2014 LTI opportunity and 20% representing a pro rata portion of the FY2013 LTI opportunity), and will vest based on achievement of performance hurdles set at the time of grant. If there is a change of control of Whitehaven in the first 12 months of Mr Flynn's employment, unvested incentive awards will vest on a basis consistent with target performance.

Payments on termination: If Mr Flynn's employment is terminated, Whitehaven may make payments in lieu of part of all of the applicable notice period. Where Mr Flynn's employment ends due to fundamental change to his role, Whitehaven will pay a lump sum amount equal to 12 months' TFR (which includes any amount paid in lieu of notice).