

Notice to company pursuant to ss 249N & P of the Corporations Act 2001 (CA)

I/we [name of 'shareholder']

of

..... [address]

identified by the Holder Identification Number (HIN) or Shareholder Reference Number (SRN) [HIN or SRN]

in respect of any holding of the shareholder's Whitehaven Coal Ltd ('WHC' or 'the company') ordinary fully paid shares;

hereby give notice (in accord with sections 249N & P of the CA) to the company of: the following resolutions (1: Amendment to the Constitution, 2: Capital Protection) the shareholder proposes to move at a general meeting of the company; and request (in accordance with section 249P) that the company give to all members each of the Supporting Statements following the resolutions.

SIGNED

..... (Signature of individual Shareholder [†] /company director) (Signature of second shareholder in a joint holding/for a company second director or company secretary)
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† Or sole company director and sole company secretary. JOINT HOLDING: For a holding in more than one name all shareholders must sign)

Resolution 1 – Amendment to the Constitution

To amend the constitution to insert beneath Clause 9 'General meetings' the following new sub-clause: "The company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to a material risk as identified by the company and cannot either advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company."

Resolution 2 – Capital Protection

Shareholders request the company disclose, in subsequent annual reporting, a plan that demonstrates how the company will wind up its coal production assets and operations in a manner consistent with the climate goals of the Paris Agreement.

This plan should include:

- Details of how the company's capital expenditure will facilitate the efficient wind up of coal operations and assets in a timeframe consistent with the Paris goals;
- Production guidance for the lifetime of coal assets that is consistent with the Paris goals;

- Plans for decommissioning and rehabilitating asset sites at the end of their Paris-aligned lifetimes;
- Plans for how employees of the company will be informed of asset closures, and employee transition plans, including any compensation for job losses, training and support in seeking future employment; and
- Details of how remaining capital in the company will be returned to investors.

(Whitehaven Coal Limited's Notice of 2020 Annual General Meeting is to include Resolutions 1 and 2. Shareholders voting by proxy can vote on both resolutions.)

Supporting Statement 1

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. As a matter of practice, typically, unless the board permits it, Australian shareholders cannot follow the example of their UK, US, New Zealand or Canadian cousins in this respect.

A board of Directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In rare situations the appropriate course of action for shareholders dissatisfied with the conduct of board members is to seek to remove them. But in many situations such a personality-focused approach is unproductive and unwarranted. In those situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings such as the AGM to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.

The Constitution of Whitehaven Coal is not conducive to the right of shareholders to place resolutions on the agenda of a shareholder meeting.

In our view, this is contrary to the long-term interests of Whitehaven Coal, the Whitehaven Coal board and all Whitehaven Coal shareholders.

Passage of this resolution – to amend the Whitehaven Coal constitution – will simply put Whitehaven Coal in a similar position in regard to shareholder resolutions as any listed company in the UK, US, Canada or New Zealand.

We encourage shareholders to vote in favour of this resolution.

Supporting statement 2

This resolution is in the best interests of shareholders and the company, given the risk that further capital expenditure on coal development and production projects would be stranded by market and policy shifts to meet the climate goals of the Paris Agreement, resulting in severe financial impacts on our company.

We request disclosure of a plan to limit capital expenditure to only support production that is demonstrably viable in a Paris-aligned scenario, and meet the company's obligations for mine site rehabilitation, employee wage and entitlement payments, and an employee transition plan.

The Paris Agreement on climate change aims to hold global warming to well below 2°C above pre-industrial levels and pursue a 1.5°C limit,¹ and has been ratified by 185 countries. Governments and markets, including those our company supplies, are accelerating climate action to achieve these goals.

Markets disappearing

Whitehaven claims our business is resilient under three International Energy Agency (IEA) scenarios.² However, analysis of a Paris-aligned coal power phase-out scenario demonstrates our major export markets are on a path to complete elimination.

Climate Analytics shows that, in order to meet the Paris goals, coal power must be phased-out globally by 2040, and fall 80% below 2010 levels by 2030.³ The Paris-aligned coal phase-out dates for Whitehaven's key export markets are:

- Japan (50% of FY19 revenue): 2030
- Korea (14% of FY19 revenue): 2030
- Non-OECD Asia (32% of FY19 revenue): 2037⁴

In this scenario, 64% of Whitehaven's current thermal coal market would disappear by 2030, and over 96% by 2037.

Even the IEA's Sustainable Development Scenario (SDS), which gives just a 66% chance of limiting the global average temperature rise to 1.8°C, shows coal demand decreasing to 43Mt (-74%) in Japan, and 140Mt (-67%) in Asia Pacific, excluding China, India, Indonesia and Japan, from 2018 to 2040.⁵ In 2019, Japan accounted for 50% of Whitehaven's revenue, while Asia Pacific (ex China, India, Indonesia and Japan) accounted for a further 34%.⁶

In the SDS, China, India and Indonesia make up 90% of 2040 Asia Pacific coal demand.⁷ These countries are all significant coal producers, and accounted for just 12.7% of Whitehaven's FY19 revenue.⁸

Growth expectations unrealistic

Whitehaven is looking "to take advantage of the substantial growth in coal-fired power generation in Southeast Asia."⁹ However, recent developments in Southeast Asian markets suggest this view is unreasonably optimistic. Falling renewable energy prices, stricter climate change and pollution policies, and the rapid shift in global financial markets away from coal contradict Whitehaven's expectations of Southeast Asian coal demand.¹⁰

¹ https://unfccc.int/sites/default/files/english_paris_agreement.pdf, Article 2(1)(a)

² <https://whitehavencoal.com.au/wp-content/uploads/2019/12/Whitehaven-Coal-Sustainability-Report-2019.pdf>

³ <https://climateanalytics.org/briefings/coal-phase-out/>

⁴ Ibid

⁵ IEA WEO 2019, 224

⁶ <https://whitehavencoal.com.au/wp-content/uploads/2019/12/Whitehaven-Coal-Annual-Report-2019.pdf>, 74

⁷ IEA WEO 2019, 224

⁸ <https://whitehavencoal.com.au/wp-content/uploads/2019/12/Whitehaven-Coal-Annual-Report-2019.pdf>, 74

⁹ Ibid, 3

¹⁰ <https://ieefa.org/the-outlook-for-thermal-coal-in-southeast-asia-and-south-asia/>

The pipeline of proposed new coal power stations in Southeast Asia has halved from 2015 to 2019, while construction starts fell 85% from 2016 to 2019.¹¹ Japan plans to close around 100 of its 140 coal-fired power plants by 2030.¹² Korea is phasing out domestic and overseas coal financing.¹³ Vietnam's latest Power Development Plan will see half of the country's planned coal power plant capacity cancelled or shelved.¹⁴ Bangladesh is reviewing 26 of its 29 planned coal plants, stating the country's intention to "move from coal-based power."¹⁵

Increasing stranded asset risk

Whitehaven's current plans threaten to waste investor capital on projects that are incompatible with a Paris-aligned energy transition, and unrealistic in light of market shifts already underway.

Whitehaven states: "We expect to grow our portfolio from a managed level of approximately 22Mt in 2019 to over 40Mt by 2030."¹⁶ To achieve this, Whitehaven plans to spend a combined AU\$1.9 billion on the Vickery and Winchester South expansion projects. These projects have a combined run-of-mine (ROM) production capacity of 25Mtpa across 25 year lifetimes. With the Maules Creek and Narrabri mines proposed to operate until 2055 and 2045 respectively, Whitehaven's current plans would see the company producing up to 43Mtpa ROM well beyond 2040.

If Whitehaven continues producing 80% thermal and 20% coking coal, and sustains 75% of its planned production capacity from 2030-2050, we are set to produce over 500Mt of thermal coal that could not be sold into our current markets. At current coal prices this represents nearly AU\$40 billion revenue that is expected but cannot be generated.

Capital preservation

With climate action expected to usher in sustained low coal demand and prices, capital in our company must be preserved. Recent periods of low demand and prices, in 2020 due to the COVID-19 pandemic and throughout FY14-17, provide insight into the risk facing Whitehaven's production plans. In 2015, when thermal coal prices averaged around US\$60/t, Whitehaven wrote down AU\$355 million of exploration assets due to the "changed coal market conditions."¹⁷

After averaging US\$100/t through FY18-19, the thermal coal price fell to US\$66/t in December 2019 and US\$52/t in May 2020. An average of the latest major analyst forecasts available in July 2020 (including JP Morgan, UBS, Bofa Securities, and Macquarie, among

¹¹ https://endcoal.org/wp-content/uploads/2020/03/BoomAndBust_2020_English.pdf, 18

¹² <https://www.reuters.com/article/us-japan-powerstation-coal/japan-to-shut-or-mothball-100-ageing-coal-fired-power-plants-yomiuri-idUSKBN243074>

¹³ <https://www.climatechangenews.com/2020/04/16/south-korea-implement-green-new-deal-ruling-party-election-win/>

¹⁴ <https://www.eco-business.com/news/vietnam-considers-scrapping-half-of-coal-power-plant-pipeline-in-favour-of-gas-and-renewables/>

¹⁵ <https://chinadialogue.net/en/energy/bangladesh-may-ditch-planned-coal-power/>

¹⁶ <https://whitehavencoal.com.au/wp-content/uploads/2019/12/Whitehaven-Coal-Annual-Report-2019.pdf>, 11

¹⁷ <https://www.whitehavencoal.com.au/wp-content/uploads/2015/09/150916-Annual-Report-2015-Final.pdf>. 132

others) shows coal prices are expected to remain below US\$75/t out to 2024. Analysts forecast Whitehaven's revenue and EBITDA will remain well below FY19 levels out to 2022.

Many commentators recognise the thermal coal sector is in terminal decline, and is no longer cyclical.¹⁸ Under the SDS, Japan thermal coal import prices are projected to be US\$65/t in 2030 and US\$69/t in 2040.¹⁹ As noted above, a 1.5°C scenario would see global thermal coal demand effectively reach zero by 2040.²⁰ By contrast, Whitehaven's economic assessment for the Vickery Extension Project assumes long term thermal coal prices of US\$85/t and an operating life to at least 2045.²¹

Shareholders are interested in the preservation of capital, maximising future company value, and ensuring sites of operations are restored and employees supported in the energy transition. All shareholders are strongly encouraged to support this resolution.

¹⁸ <https://ieefa.org/ieefa-update-capital-flight-from-thermal-coal-is-accelerating/>

¹⁹ IEA WEO 2019, 756

²⁰ <https://climateanalytics.org/briefings/coal-phase-out/>

²¹ <https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-7480%2120190303T213440.399%20GMT>, 23