

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 note the company's support for the Paris Agreement,¹ and the publication of the International Energy Agency's Net-Zero by 2050 scenario.² Shareholders therefore request the company disclose, in subsequent annual reporting, information that demonstrates how the company's capital expenditure and operations pertaining to coal

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https://whitehavencoal.com.au/wp-content/uploads/2021/08/Whitehaven_Coal_Sustainability_Report_2021.pdf 22

² <https://www.iea.org/reports/net-zero-by-2050>

assets will be managed in a manner consistent with a scenario in which global energy emissions reach net zero by 2050.

This information should include:

- Details of how the company's capital expenditure will facilitate the efficient managing down of coal assets in line with a net zero emissions by 2050 global energy scenario;
- Production guidance for the lifetime of coal assets;
- Plans and capital expenditure requirements for decommissioning and rehabilitating coal asset sites at the end of their lifetimes;
- Plans and provisions for supporting staff to transition to future employment following coal asset closures; and
- Details of how remaining returns from the company's coal assets will be redeployed or returned to investors.

(Whitehaven Coal Limited's Notice of 2022 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. Typically, unless the board permits it, Australian shareholders cannot follow the example of their UK, US, New Zealand or Canadian counterparts 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 some situations the appropriate course of action for shareholders dissatisfied with the conduct or performance of the board is to seek to remove directors individually. However in many situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.

The constitution of WHC is not conducive to the right of shareholders to place resolutions on the agenda of a shareholder meeting. This is contrary to the long-term interests of WHC, its board and shareholders.

Passage of this resolution – to amend the WHC constitution – will simply put WHC 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

WHC claims to support the Paris Agreement on climate change and recognises all its customer countries are signatories to – or have energy policies aligned with – that

agreement.³ Overwhelming scientific evidence demonstrates meeting the Paris climate goals requires no new or expanded coal mines and a rapid phase out of coal power.⁴

Yet WHC expects to grow its portfolio “from a managed level of approximately 21Mt [per year] in 2020 to over 40Mt by 2030”.⁵ This includes pursuing three new or expanded coal mining projects, which the company claims entail a combined \$2.1 billion in investment.⁶ The undiscounted capex cost of these projects – Vickery (~\$890 million),⁷ Winchester South (\$2577 million),⁸ and Narrabri Stage 3 (\$536 million)⁹ – actually totals to approximately \$4 billion.

This resolution is therefore in the best interests of shareholders and the company, as it asks WHC to explain how its capital expenditure and operations will be managed in a way that minimises stranded asset risk as the world moves to meet the climate commitments WHC claims to support.

Markets Disappearing

To “help deliver the goals of the Paris Agreement”, and recognising the unacceptable financial risks posed by global warming, investors with more than US\$61 trillion in assets under management have committed to the goal of net zero greenhouse gas emissions by 2050 or sooner.¹⁰

The rapid transition required to meet this goal presents existential financial risks to our company. The International Energy Agency’s (IEA) seminal Net Zero by 2050 scenario (NZE2050) highlights these risks, projecting steeply declining coal demand.¹¹

NZE2050 models:

- Unabated coal demand falling by over 98% by 2050;
- Unabated coal power phased out in developed economies by 2030 and globally by 2040;

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https://whitehavencoal.com.au/wp-content/uploads/2021/08/Whitehaven_Coal_Sustainability_Report_2021.pdf 22, 23

⁴ <https://www.iea.org/reports/net-zero-by-2050>; <https://productiongap.org/2021report/>;
<https://www.ipcc.ch/assessment-report/ar6/>

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<https://whitehavencoal.com.au/wp-content/uploads/2020/09/Whitehaven-Coal-Annual-Report-2020.pdf> 10

⁶ <https://whitehavencoal.com.au/our-business/our-assets/vickery-extension-project/>;
<https://whitehavencoal.com.au/our-business/our-assets/winchester-south/>;
<https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-10269%2120201023T021209.256%20GMT> 9

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<https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-7480%2120190303T213440.399%20GMT> 14

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<https://eisdocs.dsdip.qld.gov.au/Winchester%20South/Draft%20EIS/appendix-k-economic-assessment.pdf> 16

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<https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-10269%2120201023T021209.256%20GMT> 9

¹⁰ <https://www.netzeroassetmanagers.org/>

¹¹ <https://www.iea.org/reports/net-zero-by-2050>

- “No new coal mines or mine extensions are required”; and
- “Demand for coking coal falls at a *slightly* slower rate than for steam coal, but existing sources of production are sufficient to cover demand through to 2050”.

Any further investment to expand or extend coal production therefore faces stranding under NZE2050.

The likelihood of this stranded asset risk materialising is rapidly increasing, with more than 70 countries representing approximately 76% of global emissions having already set a net zero emissions target.¹² National net zero commitments indicate WHC’s current major export markets are set to rapidly shrink. Representing 76% of FY21 revenue,¹³ Japan, Korea and Taiwan have committed to achieving net zero emissions by 2050.¹⁴

Unrealistic Growth Predictions

WHC predicts future demand to be underpinned by coal-fired power generation across Asia.¹⁵ However, developments in these markets demonstrate this expectation is unrealistic.

Renewable energy is already cheaper than new coal-fired power across Asia and most of the world.¹⁶ In India, China and South Korea, it is also cheaper to produce power from new renewable energy power plants than existing coal-fired power plants and this milestone is predicted to be achieved in Japan this year and ASEAN countries by 2024.¹⁷

The pipeline of proposed coal power capacity in Southeast Asia more than halved from 2015 to 2021.¹⁸ Global coal plant capacity additions fell by 57% over the same period.¹⁹

Japan is planning to close around 100 of its 140 coal-fired power plants by 2030²⁰ and has cancelled plans for any new coal power stations.²¹ South Korea has pledged to end financing for overseas coal projects and reduce emissions by 40% by 2030.²²

Increasing Stranded Asset Risk

¹² <https://www.un.org/en/climatechange/net-zero-coalition>

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https://whitehavencoal.com.au/wp-content/uploads/2021/09/Whitehaven_Coal_Annual_Report_2021.pdf 64

¹⁴ <https://mainichi.jp/english/articles/20210601/p2a/00m/0op/014000c>;
<https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/energy-transition/090221-south-korea-approves-bill-mandating-carbon-neutrality-by-2050>;
https://www.ndc.gov.tw/en/Content_List.aspx?n=B927D0EDB57A7A3A;

¹⁵

https://whitehavencoal.com.au/wp-content/uploads/2021/08/Whitehaven_Coal_Sustainability_Report_2021.pdf 15

¹⁶ <https://carbontracker.org/reports/do-not-revive-coal/>

¹⁷ Ibid

¹⁸

https://globalenergymonitor.org/wp-content/uploads/2022/04/BoomAndBustCoalPlants_2022_English.pdf 21

¹⁹ <https://globalenergymonitor.org/projects/global-coal-plant-tracker/summary-tables/>

²⁰ <https://www.reuters.com/article/us-japan-powerstation-coal-idUSKBN243074>

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<https://www.bloomberg.com/news/articles/2021-04-27/japan-s-coal-pipeline-is-bare-after-last-planned-project-axed>

²² <https://www.climatechangenews.com/2021/06/16/south-korea-proposes-cutting-emissions-40-2030/>

As the global economy accelerates towards net zero emissions by 2050, WHC is planning to waste investor capital on coal developments antithetical to that goal.

The proposed Vickery and Winchester South mines would have a combined run-of-mine (ROM) capacity of up to 27 Mtpa across 25 and 28 year operating lifespans respectively, producing at least 40% thermal coal.²³ Meanwhile, the Narrabri Stage 3 expansion would extend its life to 2045 and increase ROM production to 13 Mtpa.²⁴ With the existing Maules Creek mine approved to operate until 2053,²⁵ approved production at WHC's mines could reach around 50 Mtpa beyond 2040.²⁶

Based on WHC production profiles for existing and proposed new mines,²⁷ the company plans to produce over 520 million tonnes of thermal coal in the period 2022-2050.²⁸ In NZE2050, unabated coal power generation is phased out in the OECD (representing 66% of WHC revenue²⁹) by 2030, and the rest of the world by 2040. This implies 340 Mt of Whitehaven's planned thermal coal production would be without a market under NZE2050. At the company's assumed long-term coal price of ~A\$85/tonne,³⁰ this amounts to A\$29 billion in foregone revenue.

Capital Preservation

WHC is currently enjoying a period of high prices and earnings. This capital must be preserved and returned to shareholders, rather than risked on projects that would become stranded as the world moves to meet the climate commitments WHC claims to support.

Previous periods of low demand and prices provide insight into the long-term risk facing WHC's business. After averaging US\$100/t through FY18-19, the thermal coal price fell to

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<https://eisdocs.dsdip.qld.gov.au/Winchester%20South/Initial%20Advice%20Statement/winchester-south-project-initial-advice-statement.pdf> ES-1;

<https://www.ipcn.nsw.gov.au/resources/pac/media/files/pac/projects/2020/03/vickery-extension-project/determination/vickery-extension-project--statement-of-reasons.pdf> 1

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<https://www.ipcn.nsw.gov.au/resources/pac/media/files/pac/projects/2021/04/narrabri-underground-mine-stage-3-extension-project/draft-gateway-application/1-technical-overview.pdf> 10

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http://epbcnotices.environment.gov.au/_entity/annotation/3796b6ae-2c68-e511-9099-005056ba00a8/a71d58ad-4cba-48b6-8dab-f3091fc31cd5?t=1632094714855

²⁶ https://whitehavencoal.com.au/wp-content/uploads/2021/08/WHC_FY21_Results_Presentation.pdf

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<https://eisdocs.dsdip.qld.gov.au/Winchester%20South/Draft%20EIS/section-two-project-description.pdf> 53;

<https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-7480%2120190303T213412.005%20GMT> 18;

<https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=SSD-10269%2120201023T021126.211%20GMT> 32

²⁸ Where production profiles are not available (Maules Creek and Tarrawonga), equity-weighted reserves of marketable coal have been averaged over the remaining life of the mine.

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https://whitehavencoal.com.au/wp-content/uploads/2021/09/Whitehaven_Coal_Annual_Report_2021.pdf

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<https://eisdocs.dsdip.qld.gov.au/Winchester%20South/Draft%20EIS/appendix-k-economic-assessment.pdf> 14 (2020 real terms)

US\$52/t in May 2020. Largely due to that price volatility, in FY20, WHC's EBITDA dropped 71% year-on-year.³¹

In NZE2050, steam coal import prices are modelled to fall to US\$57/t in Japan by 2030, and continue to fall thereafter.³² While thermal coal prices are currently high, many commentators recognise the sector is in terminal decline.³³

Shareholders are interested in the preservation of capital, maximising future company value, and avoiding reputational risk by ensuring sites of operations are restored and employees supported in the energy transition.

Shareholders are strongly encouraged to support this resolution.

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<https://whitehavencoal.com.au/wp-content/uploads/2020/09/Whitehaven-Coal-Annual-Report-2020.pdf>

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³² <https://www.iea.org/reports/net-zero-by-2050> 51

³³ <https://ieefa.org/ieefa-update-capital-flight-from-thermal-coal-is-accelerating/>