

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)
--	--

† 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

1

<https://whitehavencoal.com.au/wp-content/uploads/2022/09/Whitehaven-Coal-Sustainability-Report-2022.pdf> 30

² <https://www.iea.org/reports/world-energy-outlook-2022>

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;
- Details of how the company's planned coal production aligns with projected demand under such a scenario;
- 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.

(WHC's Notice of 2023 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, shareholders of Australian companies cannot follow the example of those in UK, US, New Zealand or Canadian companies 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 an appropriate course of action for shareholders is to formally and publicly alert board members that 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 climate agreement and recognises all its customer countries are signatories to – or have energy policies aligned with – that agreement.³

3

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

Yet WHC plans to significantly grow its coal portfolio, including with three new or expanded mines, which WHC claims entail a combined \$2.1 billion in investment.⁵ The undiscounted capex cost of these projects actually totals \$4.4 billion: Vickery (~\$890 million, including \$150 million on the approved early box cut),⁶ Winchester South (\$2.9 billion),⁷ and Narrabri Stage 3 (\$536 million).⁸ Furthermore, despite the express disapproval of a significant number of shareholders, WHC is reportedly pursuing multi-billion dollar coal mine acquisitions.⁹

Shareholders want capital returned rather than spent on unacceptably risky production growth plans. A recent EMRS survey showed overwhelming investor support for prioritising shareholder returns, with large shareholders clearly unsupportive of increasing borrowing to finance new mines.¹⁰ In 2022, 20.9% of shareholders supported a Capital Protection resolution.

This resolution is in shareholders' best interests, simply requesting WHC disclose how its capital and operations will be managed in a way that aligns with climate goals the company claims to support, thereby avoiding overextension and stranded asset risk.

Markets disappearing

Recognising the unacceptable financial risks posed by global warming, investors managing US\$59 trillion in assets have committed to supporting the goal of net zero emissions by 2050.¹¹

The rapid transition required to meet this goal poses existential risks to our company. The International Energy Agency's (IEA) seminal Net Zero by 2050 scenario (NZE) highlights these risks, projecting steeply declining coal demand.¹² NZE finds "there is no need for new coal mines or mine lifetime extensions", and models:

⁴ <https://www.iea.org/reports/world-energy-outlook-2022>; <https://productiongap.org/2021report/>; <https://www.ipcc.ch/assessment-report/ar6/>

⁵ <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%2120201023T021126.211%20GMT> 17. Dollar values in AUD unless otherwise stated.

⁶

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

https://whitehavencoal.com.au/wp-content/uploads/2023/04/WHC_March_2023_Quarterly_Report.pdf

⁸

⁷

<https://whitehavencoal.com.au/wp-content/uploads/2022/11/18.-Attachment-16-Additional-Information-Economics.pdf> 18

⁸

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

⁹

<https://www.afr.com/street-talk/mystery-whitehaven-investor-in-eleventh-hour-push-to-kill-bhp-coal-bid-20230803-p5dto7>

¹⁰ Ibid

¹¹ <https://www.netzeroassetmanagers.org/>

¹² <https://www.iea.org/reports/world-energy-outlook-2022>

- Unabated coal use falling 99% by 2050;
- Unabated coal power phased out in developed economies by 2035 and globally by 2040; and
- Coking coal production falling 88% by 2050.

Any further capital or new or expanded coal mines therefore risks being wasted under NZE.

The likelihood of this risk materialising is increasing, with 88 countries representing approximately 79% of global emissions having already set a net zero target.¹³

WHC says demand for its coal is underpinned by coal-fired power generation across Asia.¹⁴ However, national net zero commitments indicate WHC's current major export markets are set to rapidly shrink. Japan, Korea and Taiwan – which made up 78% of FY22 revenue¹⁵ – have legislated net zero by 2050 commitments.¹⁶ Japan is planning to close around 100 of its 140 coal-fired power plants by 2030¹⁷ and has cancelled plans for any new coal power stations.¹⁸ South Korea is planning to reduce coal-fired power generation by 40% by 2030.¹⁹

Meanwhile, the pipeline of proposed coal power capacity in Southeast Asia more than halved from 2015 to 2021.²⁰ Most of Vietnam's remaining planned coal capacity was shelved in 2022.²¹ Outside China, more coal power capacity was retired than added in the three years to 2022.²²

No justification for growth plans

Even before considering the rapid decarbonisation required to meet the Paris climate goals WHC claims to support, the company's plans to exponentially grow production do not make financial sense in a business-as-usual (BAU) pathway. Consensus price forecasts for Newcastle thermal coal show a steep decline to an average of \$131/t in 2025.²³ Similarly, base-case price forecasts published by WHC in June show prices at ~\$150/t around the

¹³ <https://www.unep.org/resources/emissions-gap-report-2022> 13

¹⁴ <https://whitehavencoal.com.au/wp-content/uploads/2022/09/Whitehaven-Coal-Sustainability-Report-2022.pdf> 15

¹⁵ https://whitehavencoal.com.au/wp-content/uploads/2022/09/Whitehaven_Coal_Annual_Report_2022.pdf 63

¹⁶ <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://asia.nikkei.com/Spotlight/Environment/Climate-Change/Taiwan-commits-to-net-zero-carbon-emissions-by-2050>

¹⁷ <https://www.reuters.com/article/us-japan-powerstation-coal-idUSKBN243074>

¹⁸ <https://www.bloomberg.com/news/articles/2021-04-27/japan-s-coal-pipeline-is-bare-after-last-planned-project-axed>

¹⁹ <https://energytracker.asia/south-koreas-energy-mix-and-its-10th-basic-energy-plan/>

²⁰ https://globalenergymonitor.org/wp-content/uploads/2022/04/BoomAndBustCoalPlants_2022_English.pdf 21

²¹ <https://globalenergymonitor.org/wp-content/uploads/2023/03/Boom-Bust-Coal-2023.pdf>

²² Ibid

²³

<https://assets.kpmg.com/content/dam/kpmg/au/pdf/2023/coal-price-fx-market-forecast-june-july-2023.pdf>

same time.²⁴ This price trend is running opposite to WHC's production costs, which rose 39% from FY21 to \$103/t in FY23.²⁵ Those cost figures do not include taxes, royalties (which could increase²⁶) or capex on new mines.

With fast-shrinking margins even under BAU conditions, shareholder concerns about WHC's ability to return capital if it pursues growth projects are well justified.

Increasing stranded asset risk

As the global economy accelerates towards net zero emissions by 2050, WHC risks wasting 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.²⁷ Meanwhile, the Narrabri Stage 3 expansion would extend that mine's life to 2045 and increase ROM production to 13 Mtpa.²⁸ With the existing Maules Creek mine's federal approval to operate until 2053,²⁹ approved production at WHC's mines could reach around 50 Mtpa beyond 2040.³⁰

Based on production profiles for existing and proposed new mines,³¹ WHC plans to produce over 520 million tonnes of thermal coal from 2022-2050.³² In NZE, unabated coal power generation is phased out in the OECD (representing 67% of FY22 revenue³³) by 2035, and the rest of the world by 2040. This implies 216 Mt of Whitehaven's planned thermal coal

24

<https://whitehavencoal.com.au/wp-content/uploads/2023/06/External-Thermal-Coal-Price-Forecasts.pdf> 25

25

<https://whitehavencoal.com.au/wp-content/uploads/2023/07/June-2023-Quarter-Production-Report.pdf> 9

²⁶ <https://www.afr.com/companies/mining/nsw-mulls-coal-royalty-revamp-20230726-p5dri5>

27

<https://eisdocs.dsdip.qld.gov.au/Winchester%20South/Revised%20draft%20EIS/additional-information.pdf> 3;

<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

28

<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

29

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

³⁰ https://whitehavencoal.com.au/wp-content/uploads/2021/08/WHC_FY21_Results_Presentation.pdf

40

31

<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

³² 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.

33

https://whitehavencoal.com.au/wp-content/uploads/2022/09/Whitehaven_Coal_Annual_Report_2022.pdf

production would be without a market under NZE. At the company's assumed long-term coal price of ~\$70/tonne,³⁴ this would amount to \$25 billion in foregone revenue.

Capital preservation

With the peak of WHC's period of high prices and earnings now past, its \$2.5 billion net cash position is only set to soften.³⁵ WHC must preserve capital and return it to shareholders, rather than gamble on growth projects that face stranding as the world moves to meet climate commitments WHC claims to support.

We urge shareholders to support this resolution.

³⁴

<https://whitehavencoal.com.au/wp-content/uploads/2022/11/18.-Attachment-16-Additional-Information-Economics.pdf> 16 (2022 real terms, which we escalate at 2.5% annually)

³⁵

https://whitehavencoal.com.au/wp-content/uploads/2023/02/WHC_Half_Year_Results_Presentation.pdf