

ASX RELEASE

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TAKEOVER OF COALWORKS LIMITED: IN-SPECIE DISTRIBUTION OF ORPHEUS ENERGY LIMITED SHARES

Whitehaven Coal Limited is pleased to confirm arrangements for the in specie distribution of the shares held by Coalworks Limited (**Coalworks**) in Orpheus Energy Limited (ASX:OEG) (**Orpheus**) by way of two special unfranked dividends.

As foreshadowed in the Supplementary Target's Statement released by Coalworks on 21 June 2012, the \$2.2 million in Convertible Notes and accrued interest held by Coalworks has now been converted into Orpheus shares, pursuant to a resolution approved by shareholders at the Orpheus Annual General Meeting on Friday 14 September 2012. Coalworks now holds a total of 56,477,447 shares in Orpheus.

Of the total 56,477,447 shares available for distribution to Coalworks shareholders at the Record Date of 26 June 2012 (**Record Date**), 12,363,880 Orpheus shares remain subject to ASX-imposed escrow until August 2013.

In order to effect the in-specie distribution, Coalworks will pay two special, unfranked dividends to all Coalworks shareholders at the Record Date as follows:

- Tranche One will be payable on or about 27 September 2012, and will entail the in-specie
 distribution of all unescrowed shares in Orpheus Energy Limited held by Coalworks on this date.
 The ratio will be 0.2399 Orpheus shares for each Coalworks share held at the Record Date
 (rounded down to the nearest whole number of shares);
- 2. Tranche Two will be payable upon the expiry of ASX-imposed escrow in August 2013, and will entail the in-specie distribution of all remaining shares in Orpheus Energy Limited held by Coalworks. The ratio will be 0.0672 Orpheus shares for each Coalworks share held at the Record Date (rounded down to the nearest whole number of shares).

The total ratio to be declared as a special unfranked dividend for the in-specie distribution of Orpheus shares will be 0.3071 Orpheus Energy shares for each Coalworks share held at the Record Date.

Given the in-specie distribution will be treated as an unfranked dividend, recipients may become liable for a tax liability in respect of the dividend. Recipients will need to seek their own tax advice as to the treatment of the dividend in the context of their individual circumstances.

For further information, please contact:

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