



## Chairman's Address

Welcome to the 2008 Annual General Meeting of White Energy Company Limited. The general meeting materials provide an overview of the activities undertaken by your company during the year to 30<sup>th</sup> June 2008. I would like to take this opportunity to update shareholders.

The world's financial markets and the forecast economic conditions in the major economies have deteriorated substantially since the publication of the Annual Report. While these changed circumstances create additional challenges for all companies, your Board is of the opinion that the opportunities arising out of the implementation of your company's strategy continue to be real and growing. In this regard we are delighted to have announced the proposed joint venture arrangement with Black River Asset Management LLC ("Black River"), an independently managed subsidiary of the Cargill Group under which White Energy and Black River will jointly develop and commercialise White Energy's coal upgrading technology throughout Africa. John Atkinson, the company's Managing Director will update you on these developments and those in our other markets during his presentation.

The progress made during the course of the year has been critical to underpin your Company's long term success. The aggregation of the achievements in Indonesia, China, South Africa and the United States in putting together a platform of investments with significant industry players provides a solid base to support the creation of a large and profitable business. We are fortunate that our technology is genuinely relevant to current energy market conditions. Coal will continue to play a critical role in the energy equation. Our upgrading technology is seen by us and other key stakeholders in the energy sector, whether coal producers or power utilities, as the leader in an elite class of workable coal upgrading technologies which has the capacity to significantly enhance both the economics and the environmental positioning of the coal supply equation.

The focus of your Company has been and continues to be on the following:

- build plant capacity and execute operationally on a commercial scale – the Tabang joint venture in Indonesia is the initial project;
- secure certainty of coal supplies in the major markets which have an abundance of coal reserves to which the White Technology process can be applied;
- secure relationships with credible and respected industry players in each of Indonesia, China, United States and South Africa. The examples of these relationships being Bayan Resources, the Adaro Group, Itochu Corporation, Datang International Power, Kiewit Mining (the Buckskin Mining Company) and Black River / Cargill Group;
- obtain third party endorsement of the White Technology such as that obtained from BHP Billiton and also the other parties with whom we are forging relationships;
- continue to develop the White Technology and invest in the Production Plant at Cessnock so that we can showcase and refine our technology;
- build relationships in the financial and capital markets and establish a structure which will facilitate future funding;
- develop our people resources to ensure we can execute operationally in each of the markets in which we are currently developing the business;



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- ensure our intellectual property is protected and enhanced; and
- present the White Energy strategy and its position in the broader energy sector to the market so that potential partners, investors and capital providers understand both the nature of and the scale of the opportunity.

I believe this represents a sound approach and much has been achieved with a relatively limited capital base. In this regard, our capital resources are sufficient to fund our share of the monies required to complete the Tabang Project. In relation to the capital required to meet our medium term investment opportunities we are, of course, aware of the significant changes which have taken place in the global financial markets. As a result we are very focussed on ensuring that we always have access to significant capital to underpin the Company's growth.

In 2008 we enhanced our capital base through a very successful convertible note issue and a strategic financing arrangement with BHP Billiton. As regards our future needs, a significant part of our approach to increasing our capital base is evidenced by the transaction just announced with Black River. We are in the process of creating regional holding companies and we will take minority investments in those companies from strategic investors. In the Black River example we have joint ventured a market, Africa, with a respected industry player who will shoulder a substantial amount of the capital required to exploit that market. In addition we will continue to evaluate the more traditional options of:

- debt financing at a project level – we hope that over the next several months access to debt finance in the international financial markets will improve. Our projects structured with appropriate coal offtake agreements are well positioned to secure project finance;
- the issue of equity at the White Energy Company level as and when market conditions make it appropriate to do so.

As foreshadowed in the Annual Report, 2009 will be a significant year in your Company's development with substantial progress to be made in Indonesia in relation to the commissioning of the first phase of the commercial plant at the Tabang coal mine. In addition, we will be aggressively pushing ahead with further opportunities in Indonesia and developments in North America, Africa and China.

The opportunities in North America are particularly significant. We have established an operation in that market and have put in place a highly credible team. We are optimistic that we will see some very significant developments in the North America market in the near term.

I would like to acknowledge the commitment of all those working with the company for their efforts in advancing our business during the past year. Finally I would like to thank all shareholders for your support. Many shareholders are long term supporters of the Company and the management team and we are most appreciative of your continued involvement.

I would now like to call on John Atkinson, the Company's Managing Director to provide an operational update.

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