

WHITE ENERGY COMPANY LIMITED

ABN 62 071 527 083

Corporate Governance Statement

The Board of directors of White Energy is responsible for the corporate governance of the Company. The Board acknowledges and seeks to embrace the Corporate Governance Principles set by the Australian Securities Exchange (ASX).

The Company has recently reviewed its Corporate Governance policies and procedures and has revised its practices to ensure more consistent compliance with the best practice recommendations of the ASX. The Company complies with all of the ASX Best Practice Recommendations other than as follows:

- The majority of Directors do not meet the ASX test for independence (Recommendation 2.1); and
- The composition of the Audit and Risk Committee does not strictly meet the Best Practice Recommendation (Recommendation 4.2).

The ASX Listing Rules require listed companies to disclose in their Annual Report the extent to which ASX Best Practice Recommendations have not been followed and provide reasons for their decisions.

The table below outlines each Principle, the associated Best Practice Recommendations and the Company's response. A copy of all policies and procedures referred to in the table below are available on the Company's website.

Best Practice Recommendation

Principle / Recommendation	Company's response
<i>Principle 1: Lay solid foundations for management and oversight</i>	
(1.1) Companies should formalise the functions reserved to the board and those delegated to senior executives and disclose those functions	<ul style="list-style-type: none"> ▪ The Company recognises and distinguishes between the respective roles and responsibilities of the Board and senior management. ▪ A Board Charter has been adopted which sets out the respective roles and responsibilities of the Board and senior management. A copy of the Board Charter can be found on the Company's website. ▪ The Board's functions include: <ul style="list-style-type: none"> - overseeing the Company's corporate strategy; - oversight of management; - ensuring effective communication with shareholders and other stakeholders; - oversight of financial and capital management; and - establishing and overseeing the Company's compliance and risk management procedures. ▪ Senior management, led by the Managing Director (who is the Chief Executive Officer) is accountable to the Board for day-to-day management of the Company.
(1.2) Companies should disclose the process for evaluating the performance of senior executives	<ul style="list-style-type: none"> ▪ The Managing Director is responsible for evaluating the performance of senior executives against performance indicators established for senior management. ▪ The Board is responsible for evaluating the performance of the Managing Director against set criteria. ▪ The performance of all senior executives was evaluated during the financial year.

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Corporate Governance Statement (continued)

<i>Principle 2: Structure the Board to Add Value</i>	
(2.1) A majority of the board should be independent directors	<ul style="list-style-type: none"> ▪ Mr McGuigan and Mr Khan are the independent directors on the Board of four directors. ▪ Mr Atkinson and Mr Duncan are not considered to be independent directors. ▪ Therefore half of the Board is independent as opposed to an absolute majority as prescribed by the best practice recommendations. However, under the Constitution of the Company, the independent non executive chairman has a casting vote if required in any 'deadlock' voting scenarios. ▪ The Board is presently seeking the appointment of further independent non executive directors. ▪ The Company recognises the importance of having a Board of appropriate composition, size and diversity particularly in the light of the increased size and scope (including geographic diversity) of the business operations of the Company. The Board believes the individuals on the board have the appropriate skill and composition given the nature and size of the Company.
(2.2) The chairperson should be an independent director	<ul style="list-style-type: none"> ▪ Mr McGuigan as Chair of the Board is independent.
(2.3) The role of the chair and chief executive officer should not be exercised by the same individual	<ul style="list-style-type: none"> ▪ The role of chair and chief executive officer is separated, with Mr McGuigan acting as Chair and Mr Atkinson as Chief Executive Officer.
(2.4) The Board should establish a nomination committee	<ul style="list-style-type: none"> ▪ The Board has established a Nomination and Remuneration Committee. The Nomination and Remuneration committee is comprised of Mr McGuigan (Chair), Mr Khan and Mr Duncan. The Nomination and Remuneration Committee is responsible for the selection and appointment of new directors and oversees the re-election of incumbent directors. The charter of the Nomination and Remuneration committee is on the Company's website.
(2.5) Companies should disclose the process for evaluating the performance of the board, its committee and individual directors	<ul style="list-style-type: none"> ▪ This Annual Report includes detailed information on directors that meet the requirements in "Guide to Reporting on Principle 2", including each individual's skills, experience, expertise and their term of office. ▪ The Board recognises that there are occasions when the Board of Directors believe that it is in their best interest and the interest of the Company to seek independent professional advice. Directors can seek independent professional advice at the Company's expense in furthering their duties. ▪ The Board is responsible for evaluating the performance of each of its committees and of each individual director. The Board is accountable to shareholders for the performance of the Company.

Corporate Governance Statement (continued)

<i>Principle 3: Promote Ethical and Responsible Decision-Making</i>	
<p>(3.1) Companies should establish a code of conduct and disclose the code or a summary as to:</p> <ul style="list-style-type: none"> - (3.1.1) the practices necessary to maintain confidence in the company's integrity; - (3.1.2) the practices necessary to take into account their legal obligations and the expectations of their stakeholders; - (3.1.3) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices 	<ul style="list-style-type: none"> ▪ The Company promotes ethical and responsible decision making and has adopted a Code of Conduct for this purpose. ▪ The Code of Conduct provides that all directors, employees and officers of the Company must act in good faith and in the best interests of the Company. In doing so, all directors, officers and employees must: <ul style="list-style-type: none"> - comply with the law; - maintain the confidentiality of any confidential information received in the performance of duties; - be responsible and accountable for their actions; - observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts; and - report any actual or suspected behaviour which is not in compliance with the Code of Conduct. • A copy of the Code of Conduct is available on the Company's website
<p>(3.2) Companies should establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary</p>	<ul style="list-style-type: none"> ▪ The Company's policy regarding directors, senior executives and employees trading in securities, is set out in the Share Trading Policy, which restricts, directors, senior executives and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflect in the security's prices. ▪ A copy of the Code of Conduct is available on the Company's website. ▪ A copy of the Share Trading Policy is available on the Company's website.
<i>Principle 4: Safeguard Integrity in Financial Reporting</i>	
<p>(4.1) The Board should establish an audit committee</p>	<ul style="list-style-type: none"> ▪ The Company has systems in place to independently verify and safeguard the integrity of the Company's financial reporting. ▪ The Board has established an Audit and Risk Committee which works within the framework of the Audit and Risk Charter.
<p>(4.2) The audit committee should be structured so that it consists only of non-executive directors; consist of a majority of independent directors; is chaired by an independent chair, who is not chair of the board and has at least 3 members</p>	<ul style="list-style-type: none"> ▪ The Committee consists of: <ul style="list-style-type: none"> - John McGuigan (Chair and Independent); - Ilyas Khan (Independent); - Travers Duncan (Non Independent) ▪ The composition of the committee does not meet the best practice guidelines as follows: <ul style="list-style-type: none"> (a) The Audit and Risk Committee does not consist of only non-executive directors. However the overriding premise in determining the composition of the committee is that the committee consists of members with relevant experience and expertise. However the board is presently seeking the appointment of further independent non executive directors which will allow for full non executive director membership at this committee level.

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Corporate Governance Statement (continued)

	<p>(b)The Chair of the Audit and Risk Committee is also the Chair of the Board. This was necessitated due to the geographic locations of the various available committee members. It was considered desirable for the Chairman of the Audit and Risk Committee to be independent, and with the independent Directors being the Chairman of the Board and an overseas based Director, the Chairman of the full Board is also the Chairman of the Committee.</p>
<p>(4.3) The audit committee should have a formal charter</p>	<ul style="list-style-type: none"> ▪ The Audit and Risk Committee works within the framework of the Audit and Risk Committee Charter adopted by the Board. ▪ The Audit and Risk Committee will meet at least twice per year. ▪ The Audit and Risk Committee is responsible for the selection and appointment of the external auditors. ▪ A copy of the Audit and Risk Committee Charter is available on the Company's website.
<p><i>Principle 5: Make timely and balanced disclosures</i></p>	
<p>(5.1) Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary</p>	<ul style="list-style-type: none"> ▪ The Company has a Disclosure and Communication Policy and a Disclosure and Materiality Guideline for Officers and Employees. ▪ These policies ensure timely and balanced disclosure of material matters concerning the Company. ▪ The Disclosure and Communication Policy provides that the Company must immediately disclose to the market any information concerning the company that a reasonable person would expect to have a material effect on the price or value of the Company's securities. Disclosure of any such price sensitive information is not required where: <ul style="list-style-type: none"> - a reasonable person would not expect the information to be disclosed; - the information is confidential and the ASX has not taken a contrary view; - one or more of the following applies: <ul style="list-style-type: none"> - it would be a breach of law to disclose the information; - the information concerns an incomplete proposal or negotiation; - the information comprises matters of supposition or is insufficiently definite; -the information is generated for internal management purposes; - the information is a trade secret. ▪ Senior Management is responsible for monitoring all information regarding the Company's day to day activities and if a potential disclosure obligation arises, senior management is to report to the Managing Director and CFO who will determine whether disclosure to the ASX is required. ▪ A copy of the Disclosure and Communication Policy and the Disclosure and Materiality Guidelines is available on the Company's website.

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Corporate Governance Statement (continued)

<i>Principle 6: Respect the rights of shareholders</i>	
<p>(6.1) Design and disclose a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose a summary of the policy</p>	<ul style="list-style-type: none"> • The Company's Disclosure and Communication Policy outlines the procedures in place to ensure effective communication with Shareholders. • The Company seeks to ensure that shareholders are well informed of the Company's activities. • The Company communicates with shareholders through annual, half yearly and quarterly reports, ASX releases, general meetings and the Company's website. • The Company encourages shareholder participation at general meetings.
<i>Principle 7: Recognise and manage risk</i>	
<p>(7.1) Companies should establish policies on risk management and oversight and disclose a summary of those policies</p>	<ul style="list-style-type: none"> • The Company recognises the importance of risk management and has adopted a Risk Management Policy and Procedure.
<p>(7.2) The board should require management to design, assess, monitor and review the risk management internal control framework in place to manage the company's material business risks. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks and whether the board is satisfied that those risks are being managed in accordance with the Company's risk appetite</p>	<ul style="list-style-type: none"> • The Risk Management Policy adopted by the Board establishes the framework for identifying, assessing, controlling and managing risks. • The Audit and Risk Committee oversees the Company's risk management system. • Senior management of each business unit, such as Finance, Business Development, Operations and Technology, is responsible for monitoring and mitigating all risks within that business unit. • Senior management of each business unit is required to report to the board on whether the material risks associated with that business unit are being managed effectively.
<p>(7.3) The board should disclose whether it has received assurance from the CEO and the CFO that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound framework of risk management and internal control and that the framework is operating effectively in all material respects</p>	<ul style="list-style-type: none"> • The Board requires that the Managing Director and CFO formally confirm that: <ul style="list-style-type: none"> - the statement given in accordance with ASX Best Practice Recommendation R4.1 (the integrity of financial statements) is founded on a system of risk management and internal compliance and control which implements policies adopted by the board; and - the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects. <p>The Board has received such confirmation from the Managing Director and CFO in respect of this financial year.</p>
<i>Principle 8: Remunerate fairly and responsibly</i>	
<p>(8.1) The Board should establish a remuneration committee</p>	<ul style="list-style-type: none"> • The Company aims to remunerate in line with industry benchmarks and the Company's circumstances. <p>The Board has established a Nomination and Remuneration Committee which works within the Nomination and Remuneration Charter.</p>

Corporate Governance Statement (continued)

<p>(8.2) Companies should clearly distinguish the structure of non-executive directors remuneration from that of executive directors and senior executives</p>	<ul style="list-style-type: none">• Remuneration of directors and senior executives is reviewed by the Nomination and Remuneration Committee and the Board generally.• Remuneration of non-executive directors is determined within the maximum amount approved by shareholders from time to time.• The remuneration report contained in the Directors Report of this Annual Report details the remuneration of directors and senior executives.
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