



white energy company

Morgan Stanley Conference Presentation

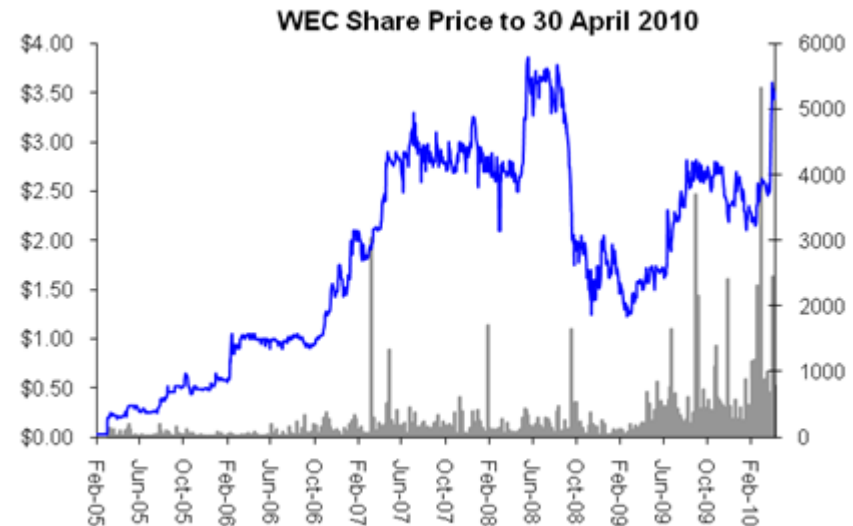
May 2010

White Energy



A diversified coal company listed on the ASX with significant global growth opportunities

- White Energy is exclusive worldwide licensee of a patented technology which upgrades high moisture low value sub-bituminous and lignite coals through a low cost process of dehydration and compaction
- White Energy has recently made a takeover offer to acquire its own significant sub-bituminous coal resource – South Australian Coal Limited
- White Energy is traded on the ASX and on the OTCQX in the United States
 - ASX: WEC / USA-OTCQX: WECFY
 - Shares: 235.8 M / Options: 15.2M / Fully diluted: 251.0M
 - Share price @ 30 April 2010: ASX A\$3.45 /USA-OTCQX US\$15.25
 - 52 week range: ASX A\$1.55 - A\$3.55
 - Equity market capitalisation: A\$866.0M (US\$806.1) on fully diluted basis



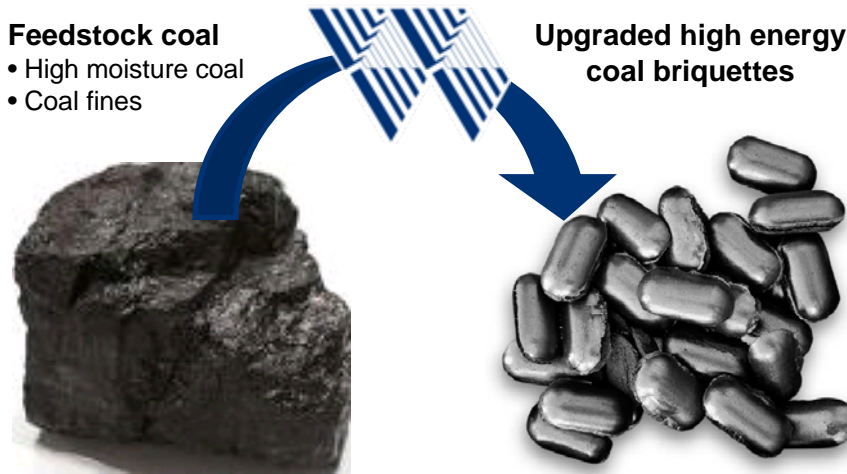
Notes: (1) Assumes A\$45M notes are not converted. If all notes are converted, market cap is A\$912.7M (US\$849.6M)
(2) Exchange Rate A\$1.00 = US\$0.9308

White Energy Upgraded Coal



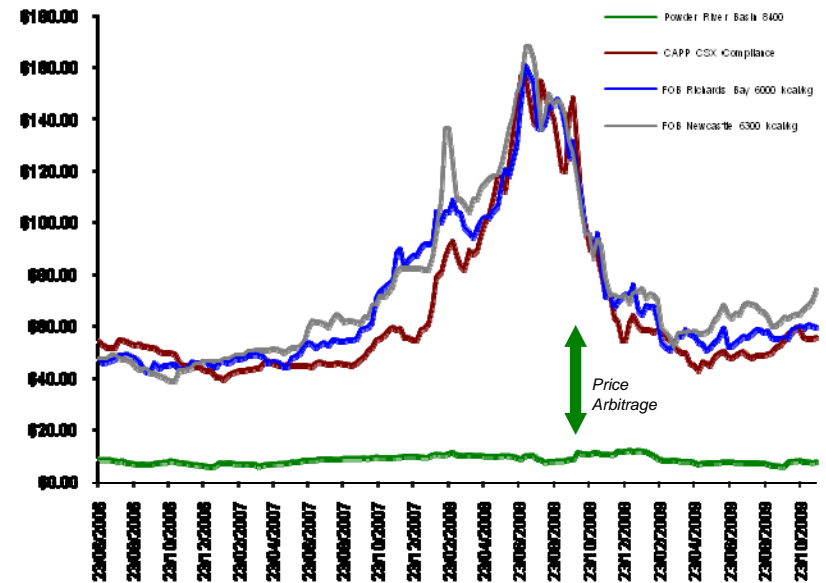
Value proposition – access low cost / low rank coals and upgrade into higher energy coal

Product Upgrade



Historical Price Arbitrage

Historical Coal Prices, US\$ 2006-09



Sub-bituminous coal example

Approx. 4,500 kcal → Approx. 6,200 kcal
Approx. US\$10 → Approx. US\$90

Source: Ventyx

Benefits of White Energy Upgraded Coal

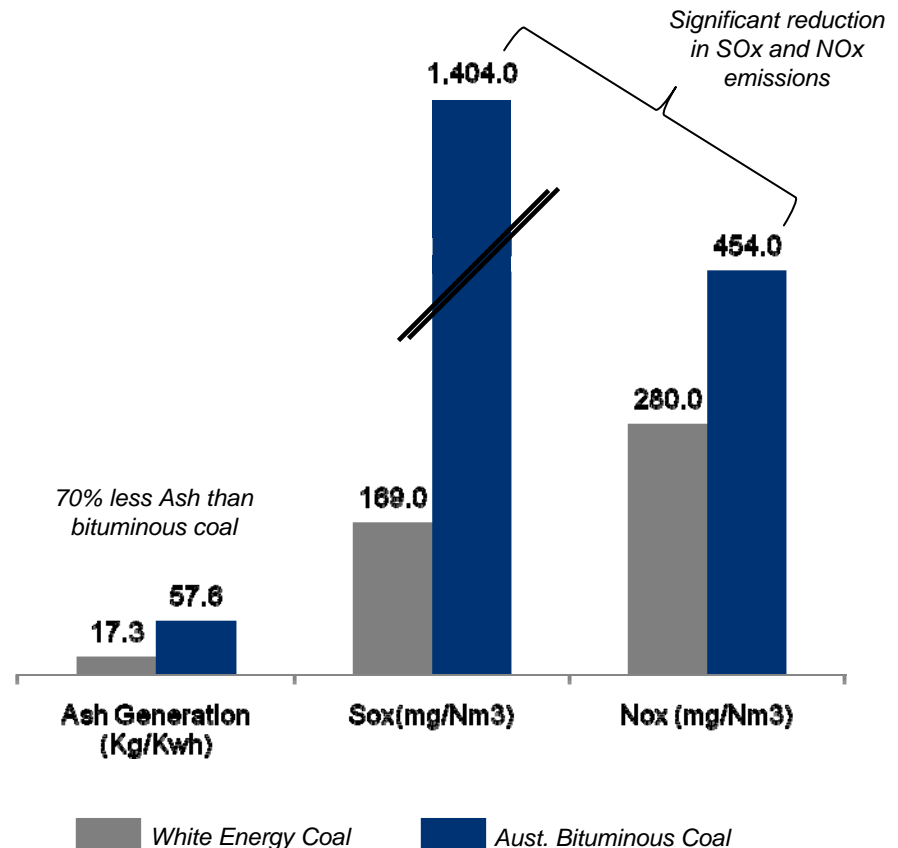


Upgraded White Energy coal has a higher energy content with enhanced efficiency and an improved pollution profile

Appeal of White Energy coal

- Higher energy content
- Reduced CO₂ emissions
- Reduced pollutants
- Lower risk of combustion
- Improved performance at power stations
- Enhanced transport efficiency

Superior environmental performance as compared to Australian thermal coal



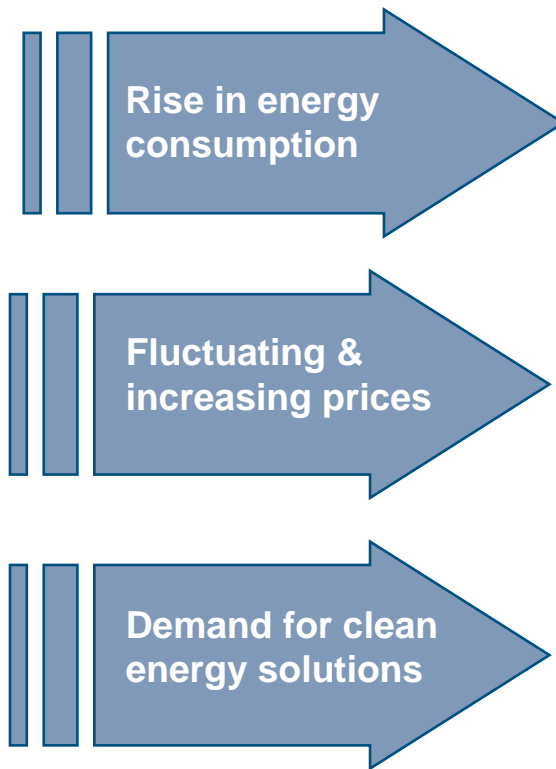
Source: BHP Evaluation Test Report

Playing in the Industry 'Sweet-Spot'



A technology based solution that answers the global demand for a more energy efficient coal fuel

Trends in Energy Sector



White Energy Solution

Leverage under-utilised resource

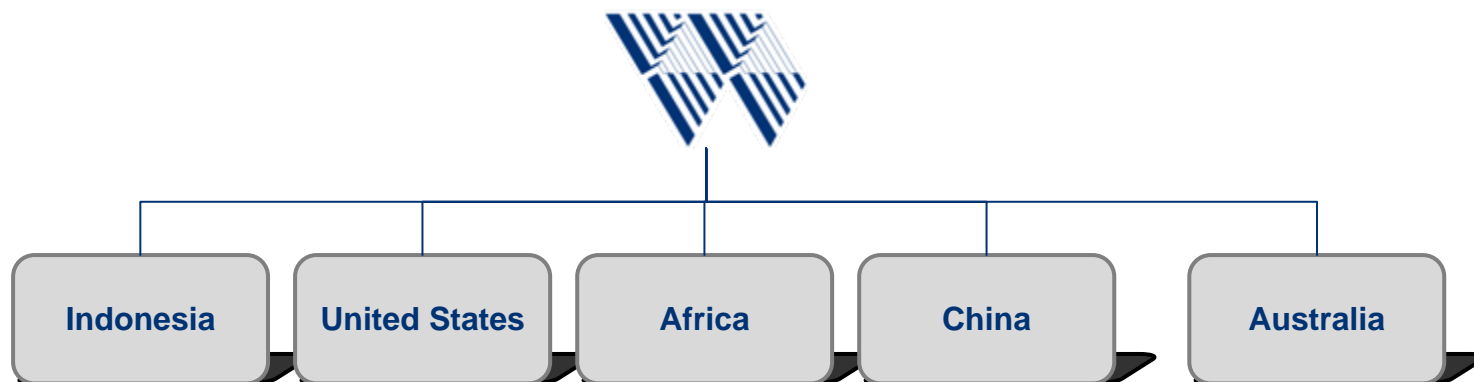
Energy independence for high volume consumers

Improved efficiencies & reduced emissions

Growth Platform for White Energy Upgraded Coal



Significant progress has been made in our prioritised coal markets



Key Partners

- Bayan Resources

- Peabody Energy
- Buckskin

- Black River

- In discussion

- South Australian Coal Limited

CY 2010 Target Milestones

- Commence construction of subsequent modules

- Receive Wyoming Air-Permits
- Complete 'Americianisation' of plant design

- Refine coal fines proposition
- Commercial partnership with African miner

- Commercial partnership with Chinese miner/utility
- Identify financial partner

- Evaluate the SACL resource for BCB Process

Note: White Energy's African business is primarily focused on the upgrading and briquetting of discarded coal fines

Update on KSC's Tabang Plant



KSC has completed the construction of the Tabang plant and is ramping-up production

- Although the core BCB Process continues to work well, production rates have been hampered by:
 - Coal injection system
 - Dust extraction system
- Practical engineering solutions have been put in place to address these challenges and increase production rates
- The Plant is currently producing upgraded coal with an energy content of approximately 5,800 kcals/kg (target 6,100+ kcal/kg)
- Emphasis is now on improving production rates and production quality

Takeover of South Australian Coal Limited



The proposed SACL acquisition will create significant value through the merger of the BCB Technology and a large sub-bituminous coal field in South Australia

Attractive portfolio of coal assets

- Industry leading coal upgrading technology
- A large deposit of sub-bituminous coal

Value creative strategy for all shareholders

- Game changing transaction for White Energy shareholders
- Significant increase in size, scope and diversity of operations

Industry leading management team

- Industry leading Board and management team
- First rate reputation, proven record, acquisitive & organic growth

Mid-tier coal company positioned for growth

- Participate in coal industry consolidation
- Attractive platform for growth

Transaction Mechanics



The off market takeover will occur via a mainly scrip offer (with a minimum cash alternative), and include a mix of upfront consideration and performance shares

Offer Terms

- Mainly scrip consideration, with SACL Shareholders receiving WEC shares based on valuation of SACL's coal resource
- Consideration to include Performance Entitlements issued to SACL Shareholders based on proven increases in resources

Structure

- To be implemented by a takeover bid
- Unanimously recommended by WEC board and SACL board
- Consummation of the transaction to be accompanied by a capital raising, with ex-Felix Board and management team to participate in the capital raising

White Energy Conditions

- WEC to acquire a relevant interest in at least 90% of SACL shares
- All regulatory approvals or consents are granted
- At all times SACL maintains a minimum cash balance of \$9.5 million
- No material adverse change impacting on the business or assets of SACL

Acquisition Cost

- WEC's mainly scrip offer (with a limited cash alternative) is for an upfront consideration valued at \$39.3 million for 100% of SACL which will result in SACL shareholders receiving up to 15.7 million WEC shares (based on a price of \$2.50 per WEC ordinary share)
- In addition, SACL shareholders could receive an additional 17 million WEC ordinary shares (based on a \$2.80 and \$3.10 price per WEC ordinary share), subject to future positive coal exploration results

Indicative Timetable

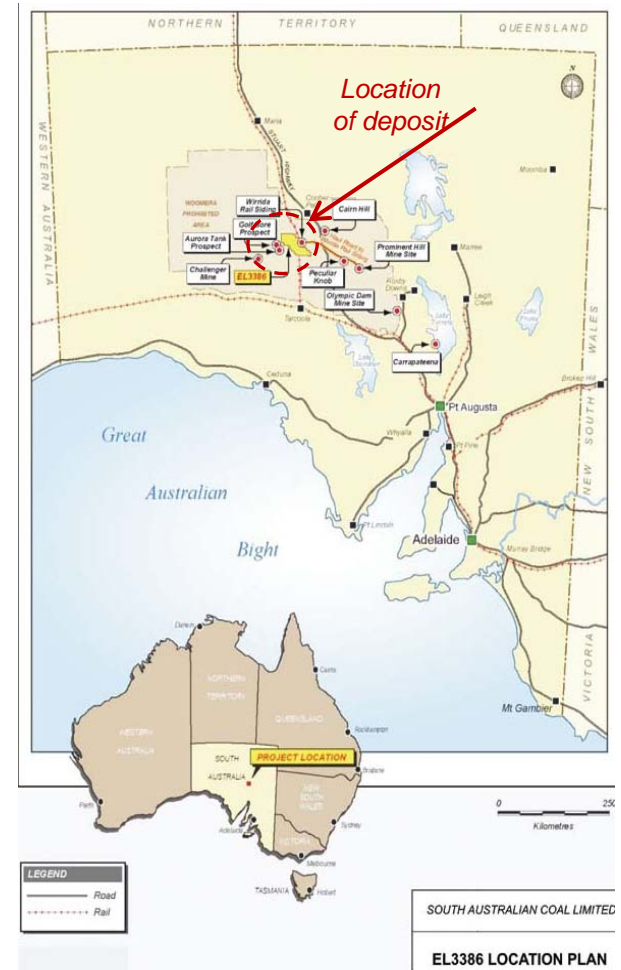
- Announce transaction – 19 April 2010
- Bidders statement and Target statement sent to respective shareholders – June 2010
- White Energy shareholders vote – June 2010
- Complete transaction and related capital raising – July 2010

South Australian Coal Limited



SACL owns a large reserve of sub-bituminous coal. SACL is an unlisted public company that is controlled by the ex-Felix Resources board and management team

- SACL owns Exploration Licence 3386 containing the Lake Phillipson Coal Deposit with an inferred and indicated sub-bituminous coal resource of 515 million tonnes.
- SACL's sub-bituminous coal has the potential to be upgraded by White Energy's BCB technology, this may lead to a positive revaluation of the coal reserves due to the matching of White Energy's technology with an appropriate feedstock coal source
- In the Australian context, SACL has infrastructure advantages. It is located very close to an existing under-utilised railway that could transport upgraded product to Port Augusta, Adelaide or Darwin for export.
- The likely size of the SACL resource provides additional commercialisation opportunities, namely coal gasification and coal to liquids opportunities.
- In addition, the EL is within the Gawler Craton a major mineral province in South Australia which is host to the Olympic Dam iron-oxide-gold-uranium deposit as well as the Prominent Hill site.



Note: White Energy's African business is primarily focused on the upgrading and briquetting of discarded coal fines

Potential Uses of the Lake Phillipson Deposit



Lake Phillipson Coal Deposit

Upgrade coal via BCB Technology

- The high moisture coal is an ideal feedstock for BCB Process
- Produce high energy briquettes suitable for export market
- Positive transport dynamics to Asia from Darwin or South Australian ports
- Opportunity to develop an Australian centric project

Sell high moisture coal domestically

- South Australia needs new base load capacity
- Port Augusta Power Station currently uses high moisture, lower energy coal from Leigh Creek (similar)
- Lake Phillipson is an alternate coal source for Port Augusta
- Opportunity to use the more efficient, upgraded BCB coal

Identify new coal technologies

- As an owner of a coal asset, WEC may wish to test/pursue other coal technologies
- Size of the reserve may present opportunities associated with gasification and coal to liquids

Gawler Craton

Develop minerals and base metals

- The Gawler Craton is located next to Olympic Dam
- Initial exploration results has indicated a promising mix of minerals and base metals
- Opportunity to develop a more diversified portfolio of assets outside of coal

Merged Entity



The merger is a 'game-changing' transaction for WEC – it matches ownership of a significant coal resource with our unique upgrading technology

White Energy today

A technology enabled, natural resource company, commercialising its' patented technology through a joint venture development strategy

The 'New' White Energy

- Owner/developer of low cost Australian coal deposit
- WEC and SACL shareholders to benefit from uplift in value by matching coal supply with relevant technology
- White Energy would have the inhouse management skills to own and develop coal assets anywhere
- WECL to continue the development of JV partnerships to deploy the BCB technology in target markets

Owner of a highly complimentary set of assets

White Energy

- Indonesian operating company (KSC)
- US operation (Peabody/Buckskin)
- African operation (River Energy)

South Australian Coal

- 500M – 1.5B tonnes plus of sub-bit coal reserve suitable for upgrading by BCB technology

Coal Industry Specialist Board



A highly regarded board and management team with an industry wide reputation for delivery and execution of major coal projects

- Highly experienced Board and management team
- Ex-Felix Resources Chairman, Travers Duncan, to become Chairman of White Energy
- Brian Flannery, CEO of Felix Resources, to assume the role of CEO of White Energy and join the Board as an executive director
- Former Felix Resources Board members Hans Mende and John Kinghorn to join the Board as non-executive directors
- John Atkinson (current CEO), John McGuigan (current Chairman), and Graham Cubbin will remain as non-executive directors

Post Acquisition Board of Directors and CEO

Travers Duncan	Chairman
Brian Flannery	Executive Director / CEO
John McGuigan	Director
John Atkinson	Director
Hans Mende	Director
John Kinghorn	Director
Graham Cubbin	Director

Strong Platform for Growth



WEC's acquisition of SACL and accompanying capital raising provides a strong platform for growth and allows for participation in future coal sector opportunities

- The addition of the ex-Felix Resources Board and management team further demonstrates the confidence in the BCB technology and White Energy's core business of upgrading sub-bituminous coals
- The new management team will help drive the roll out of White Energy's coal upgrading plants in the core markets of Indonesia, Australia, the United States, China and Africa
- In conjunction with the SACL acquisition, the new Board members are investing close to \$100 million of their own money into White Energy to drive its expansion. As part of the deal, potentially another \$45 million will be raised from SACL shareholders
- This will result in White Energy having a very strong balance sheet with cash reserves between \$200 to \$250 million
- This capital base will provide White Energy with a platform to pursue new opportunities in the coal sector and evolve into a more diversified Australian coal company

Competent Person Statement



The information in this presentation which relates to the potential acquisition of South Australian Coal Limited by White Energy, and relates to the Exploration Results, Mineral Resources or Ore Reserves at EL 3386 is based on information compiled by Jonathan Barber, who is a member of the Australasian Institute of Mining and Metallurgy. Jonathan Barber is employed as a consultant to South Australian Coal Limited. Jonathan Barber has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Jonathan Barber consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Forward Looking Statements



Except for the historical information contained herein, the matters discussed in this presentation contain forward-looking statements, including statements, containing the words “planned”, “expects”, “believes”, “strategy”, “opportunity”, “anticipates”, and similar words. Such forward-looking statements are subject to known and unknown risks, uncertainties, or other factors that may cause the company’s actual results to be materially different from historical results or any results expressed or implied by such forward-looking statements. We assume no obligation to update any forward-looking statements to reflect events or circumstances arising after the date hereof. In addition where comparisons are made between White Energy Company and other companies, we have made best efforts to properly interpret publicly made information by these companies but cannot be certain that such comparisons are completely accurate.

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