
WHITE ENERGY COMPANY LIMITED

ACN 071 527 083

NOTICE OF GENERAL MEETING

TIME: 10.00 am (AEDT)

DATE: 18 December 2009

PLACE: The Theatre
Portside Centre
Level 5
207 Kent Street
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 9419 2966.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00 am (AEDT) on 18 December 2009 at:

The Theatre
Portside Centre
Level 5
207 Kent Street
Sydney NSW 2000

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to White Energy Company limited, c/- Franks & Associates Pty Ltd, Suite 206 The Bentleigh, 1 Katherine Street, CHATSWOOD NSW 2067, or
- (b) facsimile to the Company on facsimile number (+61 2) 9419 2944,

so that it is received not later than 10.00 am (AEDT) on 16 December 2009.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 10.00 am (AEDT) on 18 December 2009 at The Theatre, Portside Centre, Level 5, 207 Kent Street Sydney, NSW, 2000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 7.00pm (AEDT) on 16 December 2009.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 28,800,000, Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – PLACEMENT – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 12,870,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ADOPTION OF INCENTIVE OPTION SCHEME

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.2 (Exception 9) of the ASX Listing Rules and for all other purposes, approval is given for the Company to adopt an incentive option scheme (**Scheme**), a summary of which is set out in the Explanatory Statement accompanying this Notice of Meeting.”

Short Explanation: The Scheme is designed to be an incentive to key people who assist in the successful development and operation of the Company. Please refer to the Explanatory Statement for further details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by the Directors (except those who are ineligible to participate in the Scheme), and any of their associates.

**DATED: 13 NOVEMBER 2009
BY ORDER OF THE BOARD**



**DAVID FRANKS
COMPANY SECRETARY
WHITE ENERGY COMPANY LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 10.00 am (AEDT) on 18 December 2009 at The Theatre, Portside Centre, Level 5, 207 Kent Street Sydney, NSW, 2000.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. GENERAL

On 11 November 2009, the Company announced that it had successfully completed a placement through Southern Cross Equities Limited of 41,670,000 Shares at an issue price of \$2.40 per Share to raise a total of \$100,008,000 (**Placement**).

The Placement was conducted in two tranches:

- (a) 28,800,000 Shares, at an issue price of \$2.40 per Share to raise a total of \$69,120,000, were issued under the Company's 15% capacity in accordance with ASX Listing Rule 7.1 (**Tranche One Shares**); and
- (b) 12,870,000 Shares, at an issue price of \$2.40 per Share to raise a total of \$30,888,000, are to be issued upon Shareholder approval being obtained in accordance with ASX Listing Rule 7.1 (**Tranche Two Shares**).

Resolution 1 seeks to ratify the issue of the Tranche One Shares pursuant to ASX Listing Rule 7.4 whilst Resolution 2 seeks Shareholder approval for the issue of the Tranche Two Shares pursuant to ASX Listing Rule 7.1.

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – SHARES

2.1 General

As set out above, on or about 19 November 2009, the Company issued the Tranche One Shares and raised a total of \$69,120,000.

The subscribers pursuant to this issue were not related parties of the Company.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 28,800,000 Shares were allotted;
- (b) the issue price was \$2.40 per Share to raise a total \$69,120,000;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to clients of Southern Cross Equities Limited; and
- (e) the funds raised from this issue were used and will be used to provide the necessary funding to underpin the Company's business development initiatives, particularly in the North American market with respect to the planned development at Buckskin and Peabody plants in the Powder River Basin, and for general working capital.

3. RESOLUTION 2 – PLACEMENT - SHARES

3.1 General

As set out above, on 11 November 2009, the Company agreed to issue the Tranche Two Shares subject to obtaining Shareholder approval. The issue of the Tranche Two Shares will raise a total of \$30,888,000.

Resolution 2 seeks Shareholder approval for the allotment and issue of 12,870,000 Shares at an issue price of \$2.40 per Share (**Share Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 2 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 12,870,000;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

- (c) the issue price will be \$2.40 per Share to raise a total of \$30,888,000;
- (d) the Shares will be allotted and issued to clients of Southern Cross Equities Limited;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Share Placement towards providing the necessary funding to underpin the Company's business development initiatives, particularly in the North American market with respect to the planned development at Buckskin and Peabody plants in the Powder River Basin, and for general working capital.

4. RESOLUTION 3 – ADOPTION OF INCENTIVE OPTION SCHEME

4.1 General

Resolution 3 seeks the approval of Shareholders for the adoption of an incentive option scheme (**Scheme**). Resolution 3 is placed before Shareholders in accordance with Exception 9 of Listing Rule 7.2. If Resolution 3 is passed, the Company will be able to issue options under the Scheme without impacting on the Company's ability to issue up to 15% of its total ordinary securities without shareholder approval in any 12 month period.

Shareholders approved a similar scheme on 28 June 2006. Under Listing Rule 7.2 Exemption 9, for the exemption to apply, shareholders must have approved the scheme under which the options are issued within 3 years from the date of issue. Therefore the prior scheme approval ceased under Listing Rule 7.2 Exemption 9 on 28 June 2009. The Directors are seeking shareholder approval for adoption of shareholders of a replacement scheme.

Shareholders should note that the following options have previously been issued under the prior scheme.

Grant Date	Number of Options	Exercise Price	Expiry Date	Vesting Conditions
29/1/07	2,730,000	\$1.20	30/08/2010	Vested
6/2/07	210,000	\$1.20	30/08/2010	Vested
2/5/08	2,911,000	\$3.50	30/11/2011	Yes – Note 1
2/5/08	400,000	\$3.50	30/11/2011	Vested
2/4/09	2,850,000	\$3.50	30/11/2011	Yes – Note 1
	9,101,000			

Note 1 : The Options vest in equal portions under the following conditions:

- (i) upon the weighted average share price exceeding 120% of the 30 day Volume Weighted Average Price at 5 October 2007 (being \$3.456) for a period of 30 days between 30 November 2007 and 29 November 2008 (Tranche A). It is noted that these options have vested;
- (ii) upon the weighted average share price exceeding 125% of the 30 day Volume Weighted Average Price at 5 October 2007 (being

\$3.600) for a period of 30 days between 30 November 2008 and 29 November 2009 (Tranche B); and

- (iii) upon the weighted average share price exceeding 130% of the 30 day Volume Weighted Average Price at 5 October 2007 (being \$3.744) for a period of 30 days between 30 November 2009 and 29 November 2010 (Tranche C);

The objective of the prior scheme and this proposed Scheme is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the Scheme and the future grant of options under the Scheme will provide selected employees with the opportunity to participate in the future growth of the Company.

A summary of the terms and conditions of the Scheme is set out below:

Introduction

The Scheme is designed to provide eligible participants with an ownership interest in the Company and to provide additional incentives for eligible participants to increase profitability and returns to Shareholders.

The summary of the Scheme is set out below for the information of potential investors in the Company. The detailed terms and conditions of the Scheme may be obtained free of charge by contacting the Company.

General

The Board may from time to time, in its absolute discretion, offer to grant options to eligible participants under the Scheme.

Each option will be issued for no consideration and will carry the right in favour of the option holder to subscribe for one (1) Share in the capital of the Company.

The Board may determine the exercise price of the options in its absolute discretion. Subject to the Listing Rules, the exercise price may be nil but to the extent the Listing Rules specify or require a minimum price, the exercise price in respect of an offer made following the day on which Shares are first quoted on the Official List must not be less than any minimum price specified in the Listing Rules.

Eligible Participants

Full time employees, part time employees and consultants of the Company or an associated body corporate (the **Group**) are eligible to participate in the Scheme. Directors are not eligible participants.

Lapse of Options

Unless the Board in its absolute discretion determines otherwise, options shall lapse immediately if:

- (a) the eligible participant ceases to be an employee of, or to render services to, a member of the Group for any reason whatsoever and the conditions of exercise of the options (**Exercise Conditions**) have not been met;
- (b) the Exercise Conditions of the options are unable to be met;

- (c) the date which is 2 years after the date of the grant of the options, or such other expiry date as the Board determines in its discretion at the time of grant of the option (**Lapsing Date**) has passed; or
- (d) the expiry of 60 days after the eligible participant ceases to be an employee or director of, or to render services to, a member of the Group for any reason whatsoever prior to the Lapsing Date where the Exercise Conditions have been met,

whichever is earlier.

Participation in Future Issues

There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.

If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the exercise price of the options shall be reduced in accordance with the formula in the Listing Rules.

In the event of a bonus issue of Shares being made pro-rata to Shareholders (other than an issue in lieu of dividends), the number of Shares issued on exercise of each option will include the number of bonus Shares that would have been issued if the option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the option.

Reorganisation

The terms upon which options will be granted will not prevent them being reorganised as required by the Listing Rules on the reorganisation of the capital of the Company.

Trigger Events

Upon the occurrence of certain trigger events (for example the receipt by the Company of a bidder's statement in respect of the Company), the Directors may determine:

- (a) that the options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in any change of control arising from a trigger event, provided that the Directors will forthwith advise in writing each holder of such determination. Thereafter, the options shall lapse to the extent they have not been exercised; or
- (b) to use their reasonable endeavours to procure that an offer is made to holders of options on like terms (having regard to the nature and value of the options) to the terms proposed under the trigger event in which case the Directors shall determine an appropriate period during which the

holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

5. ENQUIRIES

Shareholders are required to contact David Franks on (+ 61 2) 9419 2966 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time, Sydney, New South Wales.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means White Energy Company limited (ACN 071 527 083).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

PROXY FORM

APPOINTMENT OF PROXY
WHITE ENERGY COMPANY LIMITED
ACN 071 527 083

GENERAL MEETING

I/We

of

being a member of White Energy Company Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 10.00 am (AEDT), on 18 December 2009 at The Theatre, Portside Centre, Level 5, 207 Kent Street Sydney, NSW 2000, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 1 to 3** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 3 and that votes cast by the Chair of the General Meeting for Resolutions 1 to 3 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 1 to 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 3.

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Ratification of Prior Issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Placement – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Adoption of Incentive Option Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

WHITE ENERGY COMPANY LIMITED
ACN 071 527 083

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to White Energy Company limited
c/- Franks & Associates Pty Ltd, Suite 206 The Bentleigh, 1 Katherine Street,
CHATSWOOD NSW 2067, or
 - (b) facsimile to the Company on facsimile number +61 2 9419 2944,so that it is received not later than 10.00 am (AEDT) on 16 December 2009.

Proxy forms received later than this time will be invalid.