



WHITE ENERGY AND BAYAN RESOURCES COMPLETE CONSTRUCTION OF THE WORLD'S LARGEST CLEAN COAL PLANT

Highlights

- **White Energy's first clean coal upgrading modular completed**
- **Commissioning of plant now underway – production to be ramped up over a six month period to 1MTPA in capacity**
- **Early cash flows from upgraded coal expected during first six month period**
- **Significant increase in proposed scope of joint venture with Bayan Resources from 5MTPA to 15MTPA**
- **Focus on building the largest clean coal facility in the world at a time when environmentally improved coal is a priority to power utilities and governments alike**

Sydney, Monday 27 April 2009 – White Energy Company Limited (White Energy (ASX: WEC)) today announced the completion of construction of the first one million tonne per annum (MTPA) clean coal upgrading modular plant at Bayan's Tabang mine in East Kalimantan. The plant utilises WEC's exclusively licensed Binderless Coal Briquetting ("BCB") clean coal upgrading technology.

As a result of the successful construction of the first plant at Tabang combined with the modular nature of the plant design, White Energy is confident that the proposed future plants at the Tabang mine can be easily expanded on a timely basis to meet the production goals of the parties.

The commissioning process is now well underway and production at the plant is expected to ramp up to full capacity over the next six months with export sales of the more valuable and environmentally friendly BCB coal taking place during that period.

Through the joint venture company, PT Kaltim Supacoal (KSC), the project allows White Energy to capitalize on the price spread that exists between low energy, high moisture sub-bituminous coals and the much higher energy value bituminous coals.

The estimated average cost of production of upgraded BCB coal is lower than the mining costs for most global thermal coal producers. This positions KSC as a low cost producer of thermal grade coal that is cleaner to transport, handle and combust with less residual waste than traditional bituminous thermal coal.



White Energy estimates that the upgraded coal will be marketable with a similar or premium price to conventional high rank thermal coals, due to the similar energy yield, lower pollution profile, and general handling characteristics. Based upon the current and forecasted coal prices for the low rank feedstock and high rank bituminous coals, as well as the estimated capital and operating costs of the BCB technology, the BCB coal upgrading process is expected to enjoy a favourable long-term coal upgrading price arbitrage.

White Energy and Bayan have recently commenced formal discussions with a short-list of external bankers with the objective of negotiating debt facilities to assist with the accelerated rollout of additional plants in the near term. This process will focus on the re-financing of a portion of the equity contributed by both partners on the first plant.

In addition, both parties have agreed to significantly expand the capacity of the existing joint venture in Indonesia from 5 MTPA in production capacity to 15 MTPA in production capacity. As part of this expanded arrangement White Energy and Bayan have agreed that the expanded capacity will be constructed in priority to any other BCB plants to be built by White Energy in Indonesia.

White Energy CEO John Atkinson said, “Whereas White Energy has successfully built and operated other BCB plants at various locations, the significance of this project is the fact it will be our first full commercial production, large scale operating plant, providing the first steady revenue stream to White Energy.

“Bayan’s desire to expand our joint venture to 15 million tonnes per annum is an endorsement of our technology and demonstrates the economic opportunity it creates.

“Our joint venture company, PT Kaltim Supacoal, can now focus its efforts on building the largest clean coal facility in the world at a time when environmentally improved coal is a priority to power utilities and governments alike.”

PT Bayan Resources Tbk. CEO Eddie Chin said, “The joint venture, PT Kaltim Supacoal, has taken another significant step in maintaining its leading position in supplying premium value, environmentally friendly upgraded briquettes into the Asian market.

“We are confident that this will unlock material additional value from our significant reserve of low sulfur sub-bituminous coal.”



About White Energy

White Energy is a technology enabled natural resources company and is a recognized leader in the development of clean coal. It has built and operated a number of clean coal demonstration plants over the last 15 years. White Energy's business model includes the development of BCB coal upgrading facilities in 1,000,000 ton per annum modules at mine-site or other strategic locations, individually or by way of joint venture, incorporating long-term feedstock coal supply agreements with owners of significant low rank coal deposits. In addition to the 15 MPTA joint venture with Bayan, White Energy, through its subsidiary companies, has entered into various agreements to develop, construct and operate coal upgrading facilities around the world, including:

- an agreement to construct and operate all Asia-Pacific facilities with mining contractor Theiss, a wholly owned subsidiary of Leighton Industries, one of the largest publicly traded engineering, procurement and construction companies in Australia;
- an agreement with Buckskin Mining Company (an indirect wholly owned subsidiary of Kiewit Corporation) for the development of an initial 1 million ton per annum coal upgrading facility



in the Powder River Basin near Gillette, Wyoming, with planned increases in annual production capacity of up to 8 million tonnes;

- a letter of intent with Datang International Power Company Ltd, the second largest power generation company in China, for development of a production facility on Datang-owned sub-bituminous deposit in Inner Mongolia of up to 10 million tonnes per annum;
- a joint venture agreement with Black River Asset Management (a subsidiary of Cargill Corporation) whereby Black River will own a 49% equity interest in consideration for contributing up to \$70 million in funding for the exploitation of the BCBC coal upgrading technology in Africa;
- a development agreement with Mongolyn Alt Corporation, one of the largest miners in Mongolia and IB Daiwa Corporation, a Japanese investment firm, under which the parties are undertaking feasibility work into the development of BCB coal upgrading plants at MAK's lignite deposit at Aduunchuluun, Mongolia; and
- White Energy has entered into a Share Exchange Agreement with US listed company, Asia Special Situation Acquisition Corporation (ASSAC). Under the terms of the transaction, ASSAC has agreed to acquire from White Energy through an exchange of shares, 100% of the share capital of White Energy's wholly owned subsidiary, White Energy Technology Limited. Upon completion of the transaction, White Energy will control ASSAC. If consummated, the merger will provide White Energy with access to approximately US\$100 million to assist the company to successfully roll-out its BCB technology worldwide. The completion of the transaction is conditional upon the shareholder approval of both White Energy and ASSAC.

The BCB coal upgrading process was developed by Commonwealth Scientific and Industrial Research Organisation (CSIRO), K.R Komarek Inc, TraDet Inc and The Griffin Coal Mining Company Pty Ltd. White Energy has the exclusive worldwide license to the patented BCB coal upgrading technology.

White Energy Company Limited has offices in Australia, USA, Indonesia and China. For more information please go to www.whiteenergyco.com

About Bayan Resources

PT Bayan Resources Tbk and subsidiaries (Bayan Group) are one of the largest coal producing groups in Indonesia with integrated coal mining, processing and logistics operations. The Bayan Group is engaged in the business of surface open cut mining of thermal coal and are one of the few large coal producing groups in Indonesia that mine and sell high calorific value coal. The Company also produces other grades of coal including environmentally-friendly, low sulfur sub-bituminous coal and semi-soft coking coal.

The Bayan Group own and operate one of the largest coal terminals in Indonesia in Balikpapan, East Kalimantan with a handling throughput capacity of 15.0 million tonnes per annum. The Group currently also owns and operates a floating transfer station with the capability to load capsized vessels and utilize magnetic separators and an automated sampling system.



The Bayan Group currently exports the majority of the coal it produces to utility companies, steel mills, internationally known commodity trading companies and other industrial end-users in countries such as Italy, Japan, Taiwan, Korea, the Philippines, India, Malaysia and China. It also sells coal into the domestic market.

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