

INDONESIA

White Energy completes clean coal plant

White Energy Company Limited has completed construction of the first one million ton per annum (MTPA) clean coal upgrading modular plant at Bayan's Tabang mine in East Kalimantan, the second largest Indonesian province, the company announced on April 27. The plant utilizes 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.



WHITE ENERGY'S CLEAN COAL UPGRADING MODULAR PLANT AT BAYAN'S TABANG MINE IN EAST KALIMANTAN

White Energy and Bayan have begun formal discussions with external bankers in order to negotiate 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. 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.

"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, said White

Energy CEO John Atkinson.

"Bayan's desire to expand our joint venture to 15 million tons 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."