



White Energy Company Limited

ABN 62 071 527 083

Level 11, 213 Miller Street
North Sydney NSW 2060

PO Box 422
North Sydney NSW 2059

Telephone: +61 2 9959 0000
Facsimile: +61 2 9959 0099
www.whiteenergyco.com

WHITE ENERGY SIGNIFICANTLY EXPANDS ORIGINAL MERGER WITH US LISTED ASSAC GLOBAL DEVELOPMENT RIGHTS NOW INCLUDED

Highlights

- **The proposed merger with US listed, Asia Special Acquisition Corp, now includes worldwide rights and White Energy can utilise funds from the merger to drive the development of its business in each of its key markets – Indonesia, the United States and Africa**
- **White Energy will now have direct control of up to A\$170 million to bolster the group balance sheet**
- **As part of the new merger arrangements there is a full assignment of all of White Energy's net debt obligations of approximately A\$45 million**
- **White Energy will have direct access to the US capital markets and its subsidiary will trade on the US stock market (AMEX)**
- **White Energy is also in the final stages of completing one of the largest clean coal facilities in the world, based in Indonesia**
- **The completion of the construction of this facility is only a few weeks away with commissioning starting in April and full commercial production is expected by September 2009**

Sydney, 16 March 2009 – White Energy Company Limited (White Energy (ASX:WEC)) today announced a Definitive Share Exchange Agreement as part of its previously announced merger with US listed company, Asia Special Situation Acquisition Corp (“ASSAC”).

The principal changes to the original agreement means the proposed transaction now includes worldwide rights, and White Energy can utilise funds from the merger in all of its core markets enabling it to maximise its opportunities in Indonesia, the US and Africa. White Energy will now have direct control of up to A\$170 million to drive the development of its business worldwide.

As outlined in the Company's announcement dated 18 December 2008, the Company previously entered into a framework agreement (“Framework Agreement”) with Asia Special Situation Acquisition Corp. Under the Framework Agreement, in exchange for a controlling share in ASSAC, the Company agreed to sell ASSAC certain rights to commercialize the BCB clean coal upgrading technology (“BCB Technology”) only in South East Asia.



Managing Director of White Energy, Mr John Atkinson, said the new merger proposal provides White Energy with up to \$170 million in cash to bolster the group balance sheet, and provides capital to fund the building of coal upgrading plants in all key markets.

“Whereas the original merger proposal confined using the proceeds only for the development of our South East Asian business, under this agreement we can deploy the funds as we choose, enabling us to not only grow our Indonesian business but also to develop projects in our other key markets, namely the US and Africa.

“We are seeing strong demand for our clean coal technology throughout the world, particularly in the US, where there is a real drive by the Obama Administration to use a cleaner more efficient coal source to address their energy independence and environmental issues,” Mr Atkinson said.

ASSAC is a special purpose acquisition corporation whose ordinary shares and warrants trade on the NYSE Alternext Exchange (AMEX: CIO and CIOW). In January 2008, ASSAC completed its initial public offering and retains approximately US\$115.0 million in trust funds.

The Board of ASSAC has recognised the opportunity of White Energy’s BCB Technology developed by a consortia led by the CSIRO. The benefits of the upgraded coal products resulting from the BCB technology include:

Higher energy content: increased energy yield from combustion as compared to low rank feedstock coal by between 30% and 200% (depending on the original moisture content of the feedstock coal).

Reduced greenhouse gas emissions: more efficient burning characteristics as compared to low rank feedstock coal due to reduced moisture content resulting in lower CO₂ and other emissions from combustion.

Reduced pollutant emissions: retention of the lower levels of sulphur dioxide, nitrogen oxide and heavy metals typically associated with the low rank feedstock coals which results in lower pollutant emissions from combustion as compared to high rank bituminous thermal coals.

Reduced residual pollution: BCB upgraded coal maintains the natural characteristics of the feedstock coal which typically has ash content of less than 6% as opposed to high rank bituminous thermal coals which typically have residual ash from combustion requiring disposal of 12% to 20% of the gross amount of the consumed coal.

Reduced levels of dust: very low levels of dust as compared with non-upgraded low-rank or high rank bituminous coals.



Lower spontaneous combustion risk: increased physical and chemical stability as compared to low rank feedstock coal, allows that the upgraded coal products can be handled, stored and transported in a similar manner to high rank bituminous thermal coal.

Lower transportation costs: reduced moisture as compared to low rank feedstock coal, resulting in up to 30% decrease in load volumes and associated transportation costs (depending on the original moisture content of the feedstock coal).

Transaction Terms

The Company and ASSAC have entered into a definitive Share Exchange Agreement (the "Agreement"). Under the terms of the Agreement, the Company has agreed to acquire from White Energy, through an exchange of shares, 100% of the share capital of the Company's wholly owned subsidiary White Energy Technology Limited ("WET" and the "WET Shares"). WET has a number of direct and indirect subsidiaries (with WET, the "Constituent Corporations"). Upon completion of the transaction, it is anticipated that, in exchange for the WET Shares, ASSAC will issue to White Energy a controlling percentage of the aggregate number of ordinary shares of ASSAC to be issued and outstanding after giving effect to the share exchange, as shall be determined by the amount by which the "White Energy Market Value" bears to the "Transaction Value". For the purposes of the Transaction, the White Energy Market Value has been fixed at approximately A\$237.8 million, representing the product of the White Energy Diluted Shares and an agreed price of A\$1.5008 per share. The Transaction Value is defined as the sum of the White Energy Market Value and the Adjusted Funds. The term "Adjusted Funds" is defined as the total cash available to ASSAC and the Constituent Corporations as at the closing date of the transaction (including net proceeds of any additional securities sold by ASSAC or WET prior to the closing date), less (i) transaction expenses, (ii) amounts paid or payable in respect of share redemptions that are requested on a timely basis by any ASSAC public shareholders, and (iii) the amount of debt securities, if any, issued by ASSAC or WET between March 12 2009 and the closing date. Accordingly, assuming that the Adjusted Funds are at a minimum A\$150.0 million, the Transaction Value at closing would be A\$387.8 million and White Energy would be entitled to receive in the share exchange an aggregate of 61.32% of the total ASSAC shares to be outstanding, and ASSAC's existing shareholders will retain 38.68% of the total share capital of the newly merged entity (the "Merged Entity"). Under the transaction pricing mechanism within the Agreement, the Company will be entitled on settlement to no more than 72.5% of ASSAC's issues ordinary shares and no less than 51.0% of ASSAC's issues ordinary shares dependant on the final cash made available.

In addition, upon consummation of the share exchange, the Merged Entity will assume the liabilities of the Constituent Corporations (other than obligations to White Energy) and assume or guaranty approximately A\$45.0 million of net indebtedness of White Energy.

Following the closing date, White Energy will be responsible for the day-to-day management of the Merged Entity and its subsidiaries and the current executive officers of ASSAC will resign. In addition,



after the closing date White Energy will have the right to appoint four directors (including a Chairman) to the board of the Merged Entity and the existing shareholders of ASSAC will have the right to appoint two directors to the board of the Merged Entity. Moreover, immediately following the closing date ASSAC will change its corporate name to “White Energy Coal Technology Corporation” or such other name as shall be acceptable to White Energy.

The Agreement also provides for certain Management Performance Shares, to represent up to 10% of the total shares of the Merged Entity to be outstanding at closing after giving effect to the share exchange, that may be issued to members of the management of the Constituent Corporations upon production facilities using the BCB Technology described below achieving targeted production levels of up to 20,000,000 annual tons of upgraded coal production by December 31, 2012.

Consummation of the transactions between ASSAC and White Energy under the Agreement will be subject to certain conditions, including, without limitation (i) completion of a mutually satisfactory due diligence; (ii) obtaining the required approvals of shareholders of both White Energy and ASSAC; (iii) obtaining certain third party consents, and (iv) otherwise complying with the Company’s obligations and requirements as a business combination company. Subject to satisfaction of the aforementioned conditions, the transaction is likely to be completed within approximately 90 days.

White Energy will call an Extraordinary General Meeting (“EGM”) of its shareholders to consider the transaction as soon as practically possible. In this regard, an EGM notice and all related explanatory materials will be distributed to shareholders in the next few weeks.

About White Energy

White Energy is a recognized leader in the development of clean coal. White Energy is the exclusive worldwide licensee of the BCB Technology, developed by the Commonwealth Scientific and Industrial Research Organisation, Tra-Det Inc, K R Komarek and The Griffin Coal Mining Company Pty Limited. White Energy has built and operated a number of demonstration plants over the last 15 years and is now in the final stages of completing one of the largest clean coal facilities in the world, based in Indonesia. The completion of the construction of this facility is only a few weeks away with commissioning starting in April and full commercial production expected by September 2009.

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. Through its Constituent Corporations, White Energy has entered into certain joint venture initiatives to develop, construct and operate coal upgrading facilities, including:

- a joint venture with Bayan Resources, one of Indonesia’s largest coal groups, for the development of an initial 1 million tonne per annum coal upgrading facility in Indonesia, with planned increase in capacity to 5 million tonnes per annum;



- an agreement with Bayan Resources providing for a five year upgraded coal offtake purchase commitment representing over \$200 million in revenue;
- a second proposed Indonesian joint venture with Adaro Group and Itochu Corporation for a proposed initial 1 million tonne per annum coal upgrading facility with planned increased in capacity for up to 8 million tonnes per annum;
- 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 tonne 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; and
- a joint venture agreement with Black River Asset Management (a subsidiary of Cargill Corporation) whereby Black River have a acquired a 49% interest in White Energy's African subsidiary, River Energy, in consideration for contributing up to \$70 million in funding to develop BCB coal upgrading plants in Africa.

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

For Further Information Call:
John Atkinson
Managing Director
White Energy Company Limited
+ 61 2 9959 0000

This press release contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. In some cases, you may identify forward-looking statements by words such as "may," "should," "plan," "intend," "potential," "continue," "believe," "expect," "predict," "anticipate" and "estimate," the negative of these words or other comparable words. These statements are only predictions. One should not place undue reliance on these forward-looking statements. The forward-looking statements are



qualified by their terms and/or important factors, many of which are outside the Company's control, involve a number of risks, uncertainties and other factors that could cause actual results and events to differ materially from the statements made. The forward-looking statements are based on the Company's beliefs, assumptions and expectations of our future performance, taking into account information currently available to the Company. These beliefs, assumptions and expectations can change as a result of many possible events or factors, including those events and factors described in "Risk Factors" in the prospectus, not all of which are known to the Company. Neither the Company nor any other person assumes responsibility for the accuracy or completeness of these statements. The Company will update the information in this press release only to the extent required under applicable securities laws. If a change occurs, the Company's business, financial condition, liquidity and results of operations may vary materially from those expressed in the aforementioned forward-looking statements.