

**Dow Jones Newswires**

**White Energy Strikes Clean Coal Plant Deal with Peabody**

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**By Alex Wilson**

MELBOURNE (Dow Jones)--Clean coal technology group White Energy Co. (WEC.AU) said Thursday it signed a deal with coal major Peabody Energy Corp. (BTU) to pursue the development of a coal upgrading plant in the Powder River Basin in Montana and Wyoming.

White Energy Chief Executive John Atkinson said the deal with Peabody is a big step forward in the company's drive to commercialize its patented coal briquetting technology, which increases coal's energy content by 35% and results in a cleaner burning product and lower carbon emissions.

"Today's agreement with Peabody complements projects we have done in other key coal markets around the world and represents another important step for White Energy in positioning itself as one of the world's leading providers of clean coal solutions," he said in a statement.

Peabody and White Energy will now carry out engineering design and permitting for the plant, expected to take up to 24 months, followed by a first phase development producing more than 1 million metric tons of upgraded coal a year, with subsequent phases potentially lifting output beyond 20 million tons.

"We view this technology as a way to unlock further value in our reserves in the Powder River Basin and at other locations to create new marketing opportunities for U.S. or export customers," Peabody President Richard Navarre said in a statement.

The terms of the deal also give Peabody the first right to participate in new coal upgrading development projects with White Energy in North America and China and gives the coal miner the right to acquire a 15% stake in the Australian group.