



WHITE ENERGY TO COMMENCE FEASIBILITY STUDY INTO PROJECT WITH ONE OF MONGOLIA'S LARGEST MINERS

Sydney 23 February 2009 – White Energy Company Limited (ASX: WEC) (**White Energy**) today announced that it has entered into a Development Agreement with Mongolyn Alt Corporation (**MAK**), one of the largest independent miners in Mongolia and IB Daiwa Corporation (**IB Daiwa**), a Japanese investment group focusing on natural resources development and investment, to conduct a feasibility study to evaluate the economic, technical and logistical viability of constructing coal upgrading plants in Mongolia.

The three parties will work closely together over the next few months to finalise the feasibility work. It is proposed that the project will utilise White Energy's licensed and patented binderless coal briquetting process to upgrade coal from MAK's lignite deposit at Aduunchuluun, Mongolia, located in Eastern Mongolia near the Mongolian-Chinese border. The Aduunchuluun deposit has 220 million metric tonnes of measured lignite resources, which has the potential to increase to up to over 400 million metric tonnes. White Energy has successfully processed a sample of coal from the Aduunchuluun deposit and MAK is currently preparing to send 500 tonnes of coal from the Aduunchuluun deposit to White Energy for processing at White Energy's 90,000 tpa production plant located at Cessnock, NSW.

The sample work done to date proved that White Energy's coal upgrading process significantly enhanced the energy efficiency of the MAK feedstock coal, creating a higher energy, stable product. This upgraded coal could then be sold domestically or sold into the broader export markets.

The feasibility study will initially focus on one coal upgrading plant with a capacity of one million tonnes per annum. However following the feasibility study process, the parties will examine options to significantly expand the capacity of the project. The parties are currently in negotiations regarding the commercial terms of the venture and envisage coming to agreement on the relevant commercial terms by the time the feasibility work is finished.

John Atkinson, White Energy's Managing Director said, "We are pleased to have signed this development agreement with MAK and IB Daiwa. Mongolia is ideally situated to play a key strategic role in providing coal for the key markets in North Asia, particularly China. MAK has access to significant coal resources in Mongolia, which in preliminary testing has been shown to be ideal for upgrading by White Energy's unique binderless coal briquetting process. We are looking forward to processing the larger 500 tonne sample of coal to be provided by MAK at our Cessnock Plant and completing the feasibility study as soon as we can".



B. Nyamtaishir, MAK's President and CEO said, "We are pleased to be beginning this project with White Energy as we believe that White Energy's coal upgrading process is the most suitable process to maximize the value of our high moisture coal deposits in Mongolia. MAK is committed to the Aduunchuluun project and wishes to explore applying the White Energy technology to even other coal deposits owned by MAK in Mongolia".

Seiki Takahashi, President of IB Daiwa said, "I am pleased to be able to facilitate and co-invest in the preparation of the feasibility study for the project with White Energy and MAK, which will bring greater diversity to the Mongolian energy market".

About White Energy

White Energy is the exclusive worldwide license holder of the Binderless Coal Briquetting process that upgrades lower rank coal to significantly increase its energy efficiency. The process was developed by Commonwealth Scientific Industrial Research Organisation (CSIRO) in conjunction with TraDet Inc, K.R. Komarek Inc and The Griffin Coal Mining Company Pty Ltd. The patented process involves the crushing, drying and briquetting of high moisture coals, resulting in the reduction of the moisture content of the coal and converting the product into a higher energy content, stable product, whilst maintaining the low sulphur, low ash characteristics of the feedstock coal. The advantages of the White Energy process involve creating a higher energy value coal, creating a physically and chemically stable product, significantly enhancing coal transportation efficiencies and creating a higher energy value release. The process has been shown to be cost and operationally superior to competing technologies and represents a first step in building a cleaner coal solution.

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

About Mongolyn Alt Corporation

Mongolyn Alt (MAK) Corporation is a privately owned company incorporated in Mongolia. MAK produces coal and exports to China from three coal pits in Mongolia, two of which are wholly owned by MAK and one which is partly owned under a joint venture with a Chinese enterprise. In addition to its coal production business, MAK also owns Cement & Lime, Copper & Molybdenum Projects with potential economic scales to be developed in Mongolia in the near future.

About IB Daiwa Corporation

IB Daiwa Corporation is a JASDAQ listed company in Japan focusing on natural resource development and investment. IB Daiwa currently holds Oil and Gas assets in the Gulf of Mexico and onshore Louisiana, USA and invests in Uranium projects in Australia. IB Daiwa is also involved in the area of new technology investment related to Energy and Environment.



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