



The Manager
Company Announcements Office
Australian Stock Exchange

WHITE ENERGY EXERCISES OPTION TO ACQUIRE MOUNTAINSIDE COAL COMPANY

2 September 2013 – White Energy Company Limited (ASX:WEC; OTCQX:WECFY) (“White Energy” or the “Company”) - Further to its update to shareholders on 26 August 2013 regarding the Company entering into an option agreement to acquire an existing open-cut coal mining operation in the Central Appalachia region, the Company is pleased to announce that it has now exercised the option, effective 30 August 2013.

White Energy will now have 30 days (unless otherwise extended) to enter into formal documentation and complete the purchase of all of the capital stock of the company holding the coal mining asset, Mountainside Coal Company, Inc (“**Mountainside Coal**”). The acquisition of Mountainside Coal by White Energy is subject to certain conditions, including completion of any remaining due diligence by White Energy.

As previously advised to shareholders, the consideration payable for the purchase has been reduced and is expected to be approximately US\$20 million inclusive of all mine infrastructure, plant, equipment and permits, with minor adjustments to be made at settlement.

Mountainside Coal is a family-run coal mining business originally founded as Wash Ridge Coal in 1977 and incorporating as Mountainside Coal in 1997. Mountainside Coal currently operates a series of coal mines in Kentucky and currently holds leases for approximately 15 coal areas in Kentucky and Tennessee, 4 of which are license permitted. Mountainside Coal currently operates 3 separate mines, referred to as Flag Ridge, Jellico Creek and Hatfield Gap.

Mountainside Coal currently produces approximately 400,000 tonnes of coal per annum for sale domestically within the United States. White Energy intends to increase production at the mines with the view to increase sales of the specialty low-ash coal produced by Mountainside Coal, which is sold to niche markets at an attractive premium. White Energy also intends to utilise the BCB technology to process the coal fines currently arising from operations at the mine, which will greatly increase the value of the operations.

White Energy is currently in active discussions with third parties in relation to a potential joint venture investment in Mountainside Coal.

Brian Flannery, White Energy’s Managing Director said, “The acquisition of Mountainside Coal will be a significant milestone for White Energy, and will represent an attractive revenue generating asset for the Company, while at the same time providing an opportunity to show case the BCB technology in the key market of the United States”.



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ASX Release

The Company will keep shareholders informed of its progress over the coming weeks.

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Forward Looking Statements

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, 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.