



**The Manager**  
**Company Announcements Office**  
**Australian Stock Exchange**

**WHITE ENERGY COMPANY LIMITED 2018 ANNUAL GENERAL MEETING**

**23 November 2018 – White Energy Company Limited (ASX: WEC, OTCQX: WECFY) (“White Energy” or “the Company”)** is pleased to provide a copy of the following documents related to the Annual General Meeting of the Company to be held at 9:30am today:

- Chairman’s Address
- Managing Director’s Address

Yours faithfully,

**David Franks**  
Company Secretary



## CHAIRMAN'S ADDRESS

Good morning shareholders and guests,

Welcome to the 2018 White Energy Annual General Meeting. I would like to take this opportunity to thank you for your attendance. In particular, on behalf of White Energy's Board and management team, I would like to thank you for your continuing support of the Company.

As shareholders are aware we have spent several years in litigation with PT Bayan Resources and Bayan International, an Indonesian listed and operating coal mining company. This has been a lengthy and costly exercise in the Singapore International Commercial Court (SICC).

As previously advised to the market, the court judgement handed down in July 2017 was a unanimous three judge decision in favour of White Energy's subsidiary, BCBC Singapore. Bayan appealed this judgement and a separate three judges of the Singapore Court of Appeal unanimously dismissed Bayan's appeal with one discreet matter remitted back to the SICC for determination. Both parties have subsequently made submissions on this one matter in November 2018 and we expect an outcome on this issue in early 2019.

Following successful resolution of that issue, a date will be set for the third tranche of the hearing by the SICC of the quantum of damages and costs payable by Bayan to White Energy's subsidiary. Our damages and legal costs have been substantial.

In the meantime Bayan have made an offer to acquire all of the shares of the Australian listed Kangaroo Resources which holds coal mining tenements in Kalimantan. Bayan already owns some 56% of Kangaroo Resources and the proposed scheme of arrangement values the company at approximately \$500 million.

In 2012, a judgement by the Supreme Court of Western Australia, later upheld by both the Court of Appeal and the High Court of Australia placed a freezing order on Bayan's shareholding in Kangaroo Resources preventing Bayan from, amongst other things, disposing of its shares or diminishing the value of those shares in KRL without notice to BCBC Singapore.

If the proposed scheme of arrangement goes ahead, Bayan intends to delist Kangaroo Resources and integrate it within the Bayan group in Indonesia. There is a risk that such actions may adversely affect the value of Kangaroo Resources. In order to ensure that the purpose of the freezing order is not frustrated in these circumstances, BCBC Singapore sought variations to the terms of the freezing order. The Supreme Court of Western Australia has now delivered its judgement and agrees that the terms of the freezing order should be expanded. The Court ordered parties to confer on the terms of the amended order, however we have been unable to agree, so the form of the amended order will now soon be determined by the Court. We will advise shareholders once this occurs. The company intends to utilise the freezing order to realise a successful damages award.



There has been an enormous amount of evidence heard during the various court proceedings and we are determined to pursue this matter to the end so that the shareholders can be properly compensated for the repudiation and breaches of the contract by Bayan in Indonesia a country where we constructed our first binderless briquette plant and a country which is well known for its high moisture lower quality coals which clearly need upgrading.

In the meantime we are working with a company in China who have shown strong interest in the White Energy briquetting process. Mr Flannery will elaborate on this shortly.

As regards our financial position, the recent rights issue has raised some \$10.4 million. These additional securities have now been issued.

The Directors and senior staff have taken substantial cuts in salaries in 2017 and remained at these levels into 2018 as part of the strategy to reposition the Company.

I would like to thank my fellow Directors for their guidance and efforts during the year and particularly thank the shareholders who continue to support the company as we move to commercialise the briquetting technology and complete our recovery of damages through the court process.

I will now invite Mr Flannery to provide a more detailed update on the Company's operations, before shareholders vote on the resolutions outlined in the Notice of Meeting.

Thank you.



## MANAGING DIRECTOR'S ADDRESS

Thank you Mr Chairman.

Ladies and Gentlemen,

Thank you for your attendance at White Energy's 2018 Annual General Meeting. I am pleased to address you today as your CEO, a position I have held since late 2010.

Mr Duncan has explained the current status of our litigation with Bayan Resources so I do not intend to elaborate further other than to say an inordinate amount of staff time and legal costs has been expended on this case but which is commensurate with the damages incurred by your Company.

In my mining career I have only been involved in two litigation matters and succeeded in both in recovering value for shareholders. I and the Directors are determined to recover what rightfully the WEC shareholders are entitled to in this Bayan litigation matter, even though Bayan have tried to drag this matter out.

While there have been several approaches from other Indonesian coal companies to engage White on the binderless briquetting (bcb) process we are not prepared to expend any further funds in Indonesia until we collect the damages from the Bayan contract repudiation.

Over the past year we have concentrated on a number of opportunities to introduce the bcb technology. Following several meetings in China and Australia we reached agreement with the Shandong based Yankuang Corporation to test one of their Chinese coals at the Cessnock Trial Plant.

The test results were well received and certain plant and equipment has been shipped to China in order to conduct a larger test at Yankuang's plant. We have also signed an MOU with Yankuang to investigate the construction of plants in China with the intention, following further larger scale tests, to introduce the bcb process to several industries that have a need to briquette their fine coal for various applications. WEC will provide design and some machines for the first plant including onsite technical assistance for construction and commissioning. I look forward to updating shareholders on progress during 2019.

As China is the world's largest producer and consumer of coal, I am pleased to have made our first inroads into this potentially important market for the bcb technology.



The other market where we have conducted substantial work on briquetting is in South Africa. Our partner there, Proterra, are continuing to pursue opportunities in both coal processing and coal briquetting. Should they require a bcb plant then we will work with them to introduce our bcb process.

As regards our shares in Mountainside Coal Company, Kentucky, discussions are continuing with interested parties. In the meantime we are in the process of selling surplus mining equipment and recovering bonding monies following completion of reclamation so that the new owner will be able to purchase the substantial coal resources and a modern 300tph coal preparation plant on a basically liability free basis. I expect to finalise this in 2019.

The recent rights issue and capital raising resulted in the raise of an additional \$10.4 million. There is also the ability to place some of the rights issue shortfall which the Board may decide to do in the near future.

I would like to thank the staff and shareholders for their support during the year.

Ladies and Gentlemen, I thank you once again for your attendance at today's Annual General Meeting and I now hand back the meeting to the Chairman.