



White Energy Company Limited

Appendix 5B Mining Exploration Entity Quarterly Report



SUMMARY OF ACTIVITY

A summary of major items of activity for White Energy Company Limited (“WEC”) during the quarter ended **30 September 2010** is outlined below.

COAL UPGRADING OPERATIONS

1. PT KALTIM SUPACOAL (“KSC”) – JOINT VENTURE WITH PT. BAYAN RESOURCES (WEC 51%)

Overview

Further to our previous quarterly update, we are pleased to advise that continued progress has been made over the past quarter at the Tabang coal upgrading plant, in terms of both throughput rates of coal processed as well as ongoing consistency in the quality and energy value of the upgraded coal produced. However, as is outlined in more detail below, further analysis and rectification work needs to be completed in respect to the product cooling and handling systems for the upgraded coal, as well as the length of the coal drying column at the plant.

KSC recommenced operations at the plant in early September 2010, following a shutdown period during which engineering modifications were carried out on the briquetter machine hoods to deal with the issue of dust in the upgraded product. Installation of these briquetter machine hoods was recommended by one of the world’s leading dust extraction specialists from the U.S.A. following their visit to site in June 2010. This approach facilitates the separation of excess dust from the upgraded product at the point of briquetting.

These engineering modifications to the briquetter hoods appear to be working satisfactorily at this stage, enabling KSC to produce good quality briquettes. Refer to the pictures attached at the end of this report which provide examples of the product currently being discharged onto the product conveyor at the plant.

In regard to the coal injection system, as reported in the last quarterly report KSC is consistently achieving throughput rates above the key 50% threshold following some engineering modifications made to this system earlier this year. We continue to monitor performance levels of the coal injection system and at this stage it is performing satisfactorily.

The feedstock coal is now being upgraded consistently from approximately 4,000-4,400 Kcals/kg GAR to over 5,800 Kcals/kg GAR. KSC has also managed to upgrade the product to over 6,000 Kcals/kg GAR for shorter production runs, with a moisture level below 10%.

The next phase of operations is now focused on achieving high quality upgraded product with an energy value of approximately 6,100 Kcals/kg GAR and with consistent moisture of around 8%, for sustained production runs.

Remaining Technical Issues

Work to address the remaining technical issues at the plant is currently underway. The following is a summary of the remaining issues identified as well as the work being performed to address the same:

- **Coal Drying** – the coal dryer is not reducing moisture levels low enough. The raw coal has an inherent moisture of approximately 25% and a total moisture of approximately 35%. The dryer is currently taking the total moisture down to 10% and our end target is 7-8%. In order to address this issue, the drying column may need further lengthening to give the coal more retention time. Calculations and design of this is underway.
- **Briquetting Machines** – there are 16 briquetting machines with a gearbox and motor on each briquetting machine. The couplings between the gearbox and motor have not performed to design and several failures have occurred which has impacted production rates. A new flexible coupling will be installed on each machine. The plant will not need to be shut down to complete these modifications.
- **Product Cooling** – the key challenge is cooling the coal briquettes once they have been discharged onto the product conveyor. With the relatively high ambient temperature and humidity the cooling process is not occurring on the relatively short conveyors currently in place at the plant. This is the main outstanding technical issue that needs to be resolved as the briquettes need to cool in order to strengthen. Handling of hot briquettes has been causing too much breakage to date.
- **Power Station** – the 10MW power station has had some reliability issues with the primary/secondary fans (bearing failures) and steam valves (casting failures). These have resulted in significant downtimes but have now been repaired. Sourcing of better quality bearings and valves is underway. A soot blower has been purchased for installation during the next planned shutdown.

Coal Sales

Since the end of June KSC has recorded a further 16,000 tonnes of upgraded coal sales. Given that KSC is still awaiting receipt of its own export clearances, these coal sales have been made via Bayan Resources, who have blended this product with their own run of mine material and on-sold the blended coal.

Operational Management

Over the past quarter KSC has significantly added to the depth of its management team, which has been necessary in order to meet its stated objective of taking over the site operational management from Thiess by the end of this calendar year.

Mike Chapman, White Energy's Chief Operating Officer (ex-Felix Resources Limited COO), has been seconded to KSC in the role of General Manager KSC on a pro-tem basis and has based himself in Balikpapan/Tabang.

Further, the Tabang operating team has also been boosted through the addition of a number of other experienced ex-pat operators who have previously worked with Mike Chapman on a variety of projects. One of the key tasks of these operators is to train local Indonesian staff to operate the plant, and considerable progress has been made on this initiative in recent months.

2. NORTH AMERICAN OPERATIONS

Kentucky Project

During September 2010, the Company announced that it has been granted final approval from the Louisville Metro Air Pollution Control District to build a coal upgrading facility located in Louisville, Kentucky, to be called the Jefferson Riverport Project (JRP).

In addition, White Energy has been approved by the Kentucky Economic Development Finance Authority (KEDFA) to receive up to \$US8.4 million in economic incentives in the form of tax rebates and credits over a 25-year term under the Commonwealth of Kentucky's Incentives for Energy Independence Act (IEIA) Tax Incentive Program.

Based on the above, final feasibility work is now in the process of being completed.

Peabody

The Company is pleased to announced that the air permit application for the Caballo Grande Project (55% owned joint venture with Peabody Energy) was submitted earlier this month to the Wyoming Department of Environmental Quality. This represents a significant milestone for the Company and signals completion of Best Available Control Technology (BACT) analysis and successful air modelling results sufficient to meet the most stringent of air quality regulations.

Buckskin

Now that the Caballo Grande air permit application has been submitted, our North American team is in the final stages of completion of the application for an air permit for the Buckskin Project (100% White Energy), with plans to submit this application in early November. The Company has already commenced the process to submit other necessary permits for the Buckskin Project, including the Surface Mining Control and Reclamation Act (SMCRA) permit.

3. AFRICA – RIVER ENERGY (WEC 51%)

As outlined in the last quarterly report, White Energy has been working closely with River Energy (51% owned joint venture with Black River/Cargill) in analysing the opportunity in Africa for the upgrading of discarded thermal coal fines into compacted, transportable and useable briquettes with consequential significant increases in energy content and value.

River Energy is currently in discussion with various parties in South Africa relating to the building of an upgrading plant in South Africa to process and upgrade coal fines.

4. OTHER BUSINESS DEVELOPMENT INITIATIVES

During the last quarter we have continued to receive a large number of enquiries regarding potential joint venture opportunities. Markets currently under review include China, Mongolia, Russia, Phillipines, Indonesia, the USA, Thailand and India.

COAL MINING AND EXPLORATION OPERATIONS

1. SOUTH AUSTRALIAN COAL LIMITED ("SAC")

The Company is pleased to report that during October it has commenced a comprehensive drilling program at its Lake Phillipson coal deposit in South Australia.

The commencement of the drilling program follows SAC having recently been granted a new Exploration Licence (EL 4534) over the same area in South Australia that was previously held by SAC as EL 3386 and which EL4534 now replaces. The term of the licence is for the period to 7 August 2013. SAC has entered into a further Deed of Access with the Department of Defence which relates to access to approximately 30% of EL 4534 to enable exploration drilling work to be undertaken. SAC has also obtained the necessary cultural heritage clearances and relevant approval from Primary Industries and Resources SA required for the drilling to commence.

The drilling program is expected to take between six to eight weeks and follows the successful takeover of SAC by White Energy.

2. MINERALS EXPLORATION - BRIDGETOWN

During the quarter White Energy continued to progress permitting to drill geochemical anomalies at the Cosy Creek Mo and BT020 Sn/Ta/Li targets within the Bridgetown Exploration Project.

Environmental consultants MBS Environmental continued correspondence with the Conservation Commission, the Department of Environment and Conservation and the Department of Minerals and Energy in order to finalise all permits necessary to drill test the Cosy Creek at BT020 targets.

Environmental Management Plans and a clearing permit were submitted during the quarter. A DRF fauna survey is planned to be carried out during October/November.

GENERAL CORPORATE

1. COMPLETION SOUTH AUSTRALIAN COAL LIMITED ("SAC") RIGHTS ISSUE

On 27 October the Company announced that it has raised \$57.3 million in connection with the subscription rights issued to former shareholders of SAC who elected to receive the Share Alternative as consideration for the takeover of SAC by White Energy.

The maximum cash amount that could have been raised pursuant to the subscription rights offer was approximately \$58.3 million.

The completion of the subscription offer provides White Energy with a strong balance sheet and cash position to enable the company to fund its obligations associated with the roll out of coal upgrading plants in Indonesia and U.S.A., to facilitate White Energy's participation in coal industry consolidation in Australia and to take advantage of acquisition opportunities in other key coal markets.

2. NEW BOARD APPOINTMENTS

During the quarter the Company announced that a number of new directors have formally been appointed to the White Energy board. Travers Duncan, former Felix Resources ('Felix') Chairman, is the new Chairman of White Energy, and Brian Flannery, former Managing Director of Felix has been appointed as Managing Director and Chief Executive Officer of White Energy and to the board as an executive director. In addition, former Felix board members Hans Mende, John Kinghorn and Vincent O'Rourke have been appointed as non-executive directors, joining existing board members John McGuigan, John Atkinson and Graham Cubbin.

The changes to the composition of the board followed White Energy's takeover of SAC and the related \$75 million capital raising from interests associated with Travers Duncan, Brian Flannery and John Kinghorn. Through AMCI Capital LP, Hans Mende has also invested a further \$19.3 million in the Company as part of the recently completed subscription rights issue.

The enhancement of the White Energy board and management team, the significant increase in its capital reserves as outlined above, and the acquisition of the SAC increases the size, scope and diversity of White Energy's operations and provides greater access to the execution skills required for White Energy to become a mid-tier coal company.

The information in this report, which relates to Exploration Results, Mineral Resources or Ore Reserves in EL 4534 (previously EL 3386), for coal, is based on information compiled by Jonathan Barber, who is a member of the Australasian Institute of Mining and Metallurgy. Jonathan Barber is employed as a consultant to South Australian Coal Limited. Jonathan Barber has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Jonathan Barber consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears in both.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves at the Bridgetown project is based on information compiled by Richard Monti, who is a member of The Australasian Institute of Mining and Metallurgy. Richard Monti is employed as a consultant to the Company. Richard Monti has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Richard Monti consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B**Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

White Energy Company Limited

ABN

62 071 527 083

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(a) (51) (b) (767) (c) (3,987) (d) Nil	(a) (51) (b) (767) (c) (3,987) (d) Nil
1.3 Dividends received	Nil	Nil
1.4 Interest and other items of a similar nature received	1,351	1,351
1.5 Interest and other costs of finance paid	Nil	Nil
1.6 Income taxes paid	Nil	Nil
1.7 Other (provide details if material) Staff costs, legal and accounting, administration	(5,352)	(5,352)
Net Operating Cash Flows	(8,806)	(8,806)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(a) Nil (b) Nil (c) (326)	(a) Nil (b) Nil (c) (326)
1.9 Proceeds from sale of:(a)prospects (b)equity investments (c)other fixed assets	(a) Nil (b) Nil (c) Nil	(a) Nil (b) Nil (c) Nil
1.10 Loans to other entities	Nil	Nil
1.11 Loans repaid by other entities	Nil	Nil
1.12 Other (provide details if material)	Nil	Nil
Net investing cash flows	(326)	(326)
1.13 Total operating and investing cash flows (carried forward)	(9,132)	(9,132)

1.13	Total operating and investing cash flows (brought forward)	(9,132)	(9,132)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	79,332	79,332
1.15	Proceeds from sale of forfeited shares	Nil	Nil
1.16	Proceeds from borrowings	Nil	Nil
1.17	Repayment of borrowings	(2,682)	(2,682)
1.18	Dividends paid	Nil	Nil
1.19	Other (provide details if material) *	(5,889)	(5,889)
	Net financing cash flows	70,761	70,761
	Net increase (decrease) in cash held	61,629	61,629
1.20	Cash at beginning of quarter/year to date	102,752	102,752
1.21	Exchange rate adjustments to item 1.20	33	33
1.22	Cash at end of quarter **	164,414	164,414

* mainly professional fees and duties in relation to the acquisition of South Australian Coal Limited (SAC)

** excludes \$57.3m in cash received on 29/10/10 in respect of the SAC subscription rights offer

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.7	966
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (#)	Nil	14,130
3.2 Credit standby arrangements	Nil	Nil
<i>(#) BHP Finance Facility. Excludes PT Kaltim Supacoal (51% owned Indonesian subsidiary) working capital facility with Standard Chartered Bank.</i>		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	920
4.2 Development	750
4.3 Production	4,000
4.4 Administration	Nil
Total	5,670

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,144	3,408
5.2 Deposits at call	163,270	99,344
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22) *	164,414	102,752

* excludes \$57.3m in cash received on 29/10/10 in respect of the SAC subscription rights offer

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			

6.2 Interests in mining tenements acquired or increased

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	N/A	N/A	N/A	N/A
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
7.3	*Ordinary securities				
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Opening 236,766,184 (a) 13,903,994 (a) 30,000,000 (a) 3,610,000 (b) N/A Closing 284,280,178	Opening 236,766,184. (a) 13,903,994 (a) 30,000,000 (a) 3,610,000 (b) N/A Closing 284,280,178	N/A - SAFL \$2.50 \$1.20 N/A	N/A - SAFL \$2.50 \$1.20 N/A
	*Performance securities 2010				
	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Opening 0 (a) 15,055,452 (b) N/A Closing 15,055,452	Not Listed	N/A - SAFL N/A	N/A - SAFL N/A
	*Performance securities 2011				

	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs Closing 15,055,452	Opening 0 (a) 15,055,452 (b) N/A Closing 15,055,452	Not Listed	N/A - SACL N/A	N/A - SACL N/A
	*Unquoted Subscription Rights				
	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs Closing 35,402,209	Opening 0 (a) 35,402,209 (b) N/A Closing 35,402,209	Not Listed	N/A - SACL N/A	N/A - SACL N/A
7.5	*Convertible debt securities <i>(description)</i>	(a) Unlisted convertible note with face value of \$250,000, 7.90%pa coupon convertible at \$3.22 per share, maturing on 12/10/2012	(a) Not listed	\$250,000	\$250,000
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Opening 180 (a) 0 (b) N/A Closing 180	Opening 0 (a) N/A (b) N/A Closing 0	N/A	N/A

7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
(a) Standard – Closing Nil	(a) Not listed Nil	(a) Not listed Nil	(a) 25 cents	(a) 30/11/08
(b) Performance - Closing Nil	(b) Not listed Nil	(b) Not listed Nil	(b) 25 cents	(b) 30/11/08
(c) Performance - Closing Nil	(c) Not listed Nil	(c) Not listed Nil	(c) 40 cents	(c) 30/11/08
(d) Standard – Closing Nil	(d) Not listed Nil	(d) Not listed Nil	(d) \$1.40	(d) 30/08/09
(e) Standard – Closing NIL	(e) Not listed NIL	(e) Not listed NIL	(e) \$0.01	(e) 7/07/11
(f) Standard – Closing NIL	(f) Not listed NIL	(f) Not listed NIL	(f) \$0.01	(f) 30/08/11
(g) Director /ESOP – Closing Nil	(g) Not listed Nil	(g) Not listed Nil	(g) \$1.20	(g) 30/08/10
(h) Director /ESOP – Closing Nil	(h) Not listed Nil	(h) Not listed Nil	(h) \$1.20	(h) 30/08/10 Vesting 31/8/07
(i) Director /ESOP – Closing Nil	(i) Not listed Nil	(i) Not listed Nil	(i) \$1.20	(i) 30/08/10 Vesting 31/8/08
(j) Director /ESOP – Closing 2,806,666	(j) Not listed 2,806,666	(j) Not listed 2,806,666	(j) \$3.50	(j) 30/11/11 with vesting conditions
(k) Director /ESOP– Closing Nil	(k) Not listed Nil	(k) Not listed Nil	(k) \$3.50	(k) 30/11/11 with vesting conditions
(l) Director /ESOP– Closing 2,806,668	(l) Not listed 2,806,668	(l) Not listed 2,806,668	(l) \$3.50	(l) 30/11/11 with vesting conditions
(m) BHP – Closing Nil	(m) Not listed Nil	(m) Not listed Nil	(m) Aggregate exercise price US\$20m (remaining US\$0m)	(m) Full terms outlined in Annexure A of App 3B lodged 25/1/08

		(n) Standard – Closing Nil	(n) Not Listed Nil	(n) \$2.50	(n) 12/10/10
		(o) ESOP – Closing Nil	(o) ESOP Nil	(o) \$1.20	(o) 30/11/11
		(p) Standard – Closing 2,000,000	(p) Not Listed 2,000,000	(p) \$3.65	(p) 07/10/13
		(q) Standard – Closing 750,000	(q) Not Listed 750,000	(q) \$3.65	(q) 31/10/13
		(r) Director / ESOP – Closing 2,611,667	(r) Not Listing 2,611,667	(r) \$3.50	(r) 31/03/14
7.8	Issued during quarter	(a) Nil	(a) Nil	N/A	N/A
		(b) Nil	(b) Nil		
		(c) Nil	(c) Nil		
		(d) Nil	(d) Nil		
		(e) Nil	(e) Nil		
		(f) Nil	(f) Nil		
		(g) Nil	(g) Nil		
		(h) Nil	(h) Nil		
		(i) Nil	(i) Nil		
		(j) Nil	(j) Nil		
		(k) Nil	(k) Nil		
		(l) Nil	(l) Nil		
		(m) Nil	(m) Nil		
		(n) Nil	(n) Nil		
		(o) Nil	(o) Nil		
		(p) Nil	(p) Nil		
		(q) Nil	(q) Nil		
		(r) 335,000	(r) 335,000		
7.9	Exercised during quarter	(a) Nil	(a) Nil	(a) 25 cents	(a) 30/11/08
		(b) Nil	(b) Nil	(b) 25 cents	(b) 30/11/08
		(c) Nil	(c) Nil	(c) 40 cents	(c) 30/11/08
		(d) Nil	(d) Nil	(d) \$1.40	(d) 30/08/09
		(e) Nil	(e) Nil	(e) \$0.01	(e) 7/07/11
		(f) Nil	(f) Nil	(f) \$0.01	(f) 30/08/11
		(g) 1,200,000	(g) 1,200,000	(g) \$1.20	(g) 30/08/10
		(h) 1,200,000	(h) 1,200,000	(h) \$1.20	(h) 30/08/10
		(i) 1,210,000	(i) 1,210,000	(i) \$1.20	(i) 30/08/10
		(j) Nil	(j) Nil	(j) \$3.50	(j) 30/11/11
		(k) Nil	(k) Nil	(k) \$3.50	(k) 30/11/11
		(l) Nil	(l) Nil	(l) \$3.50	(l) 30/11/11
		(m) Nil	(m) Nil	(m) BHP	(m) Various
		(n) Nil	(n) Nil	(n) \$2.50	(n) 12/10/10
		(o) Nil	(o) Nil	(o) \$1.20	(o) 30/11/11
		(p) Nil	(p) Nil	(p) \$3.65	(p) 07/10/13
		(q) Nil	(q) Nil	(q) \$3.65	(q) 31/10/13
		(r) Nil	(r) Nil	(r) \$3.50	(r) 31/03/14

7.10	Expired during quarter	(a) Nil	(a) Nil	(a) 25 cents	(a) 30/11/08
		(b) Nil	(b) Nil	(b) 25 cents	(b) 30/11/08
		(c) Nil	(c) Nil	(c) 40 cents	(c) 30/11/08
		(d) Nil	(d) Nil	(d) \$1.40	(d) 30/08/09
		(e) Nil	(e) Nil	(e) \$0.01	(e) 7/07/11
		(f) Nil	(f) Nil	(f) \$0.01	(f) 30/08/11
		(g) Nil	(g) Nil	(g) \$1.20	(g) 30/08/10
		(h) Nil	(h) Nil	(h) \$1.20	(h) 30/08/10
		(i) Nil	(i) Nil	(i) \$1.20	(i) 30/08/10
		(j) Nil	(j) Nil	(j) \$3.50	(j) 30/11/11
		(k) Nil	(k) Nil	(k) \$3.50	(k) 30/11/11
		(l) Nil	(l) Nil	(l) \$3.50	(l) 30/11/11
		(m) Nil	(m) Nil	(m) BHP	(m) Various
		(n) Nil	(n) Nil	(n) \$2.50	(n) 12/10/10
		(o) Nil	(o) Nil	(o) \$1.20	(o) 30/11/11
		(p) Nil	(p) Nil	(p) \$3.65	(p) 07/10/13
		(q) Nil	(q) Nil	(q) \$3.65	(q) 31/10/13
		(r) Nil	(r) Nil	(r) \$3.50	(r) 31/03/14
7.11	Debentures <i>(totals only)</i>	N/A	N/A		
7.12	Unsecured notes <i>(totals only)</i>	N/A	N/A		

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29 October 2010
 Managing Director & CEO
 Print name: Brian Flannery

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which

will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

For further information please contact:

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The information in this report, which relates to Exploration Results, Mineral Resources or Ore Reserves in EL 4534 (previously EL 3386), for coal, is based on information compiled by Jonathan Barber, who is a member of the Australasian Institute of Mining and Metallurgy. Jonathan Barber is employed as a consultant to South Australian Coal Limited. Jonathan Barber has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Jonathan Barber consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears in both.

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