



The Manager
Company Announcements Office
Australian Stock Exchange

White Energy and Cascade Coal Agree Mutual Termination of Acquisition of Cascade Coal

12 April, 2011 – As previously announced **White Energy Company (ASX:WEC; OTCQX:WECFY) (White Energy)** has a conditional sale agreement with the shareholders of the unlisted company Cascade Coal Pty Ltd (Cascade) to acquire the company and its two coal exploration licences in New South Wales.

Cascade has proven up substantial open cut coal resources and reserves at its Mt Penny deposit and has been granted Director General's requirements from the Department of Planning to proceed with the detailed assessment of the project as a prerequisite to development consent.

Various expert consultants have been appointed and are active in the field assessing matters such as hydrology, cultural heritage, transportation, social impact, agricultural land and other key matters required by the Department.

There has been significant comment in the local area on the effects of mining in the Bylong valley and the results of the above expert reports will be relevant in determining the extent of future mining activities in the area. Until these reports are further advanced there remains a degree of uncertainty.

In light of the risks associated with this uncertainty, the Independent Board Committee of White Energy and the Cascade shareholders have been seeking additional clarity in relation to these matters and negotiating amendments to address these risks in the sale agreement. White Energy has been unable to reach agreement on these matters with certain non-White Energy related shareholders of Cascade.

In these circumstances the Committee believes it is appropriate and in the best interests of White Energy shareholders to wait until there is greater certainty in relation to the above issues and by mutual consent White Energy and the Cascade shareholders have agreed to cease negotiations on the transaction and to terminate the agreement.

Both parties acknowledge the goodwill and efforts that have been applied to reach this mutual decision. A decision to re-visit a transaction once development consent is achieved may be available in the future, on terms and conditions relevant at that time.

White Energy has a pipeline of other opportunities at various stages of assessment to add to its existing portfolio of technology and coal assets.



white energy company

12 April 2011

ASX Release

For Further Information Call:

Brian Flannery
Managing Director & CEO
White Energy Company Limited
+ 61 2 9959 0000

Ivan Maras
Chief Financial Officer
White Energy Company Limited
+ 61 2 9959 0000

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.