



white energy company

ASX Release

The Manager
Company Announcements Office
Australian Stock Exchange

ADDITIONAL COAL RESOURCES IDENTIFIED AT SAC'S LAKE PHILLIPSON DEPOSIT

HIGHLIGHTS

- Overall coal exploration target at SAC's Lake Phillipson deposit estimated to be in the range of 4 to 4.5 billion tonnes
- JORC coal resource estimate increased to over 1.1 billion tonnes at a 10:1 cut-off strip ratio
- Additional 446 million tonnes of JORC coal resources identified for the conversion of 2011 Performance Shares into White Energy ordinary shares
- Conceptual mine plans for EL4534 in the process of being developed
- Currently analysing options for the commercialisation of the coal resource, including mining for domestic power markets, coal to gas opportunities and coal upgrading

23 March 2012 - White Energy Company Limited (ASX:WEC; OTCQX:WECFY) ("White Energy" or "The Company") is pleased to announce the results of the 2011 drilling program conducted by White Energy's wholly owned subsidiary, South Australian Coal Limited (SAC), at its Lake Phillipson coal deposit (EL 4534) located in northern South Australia.

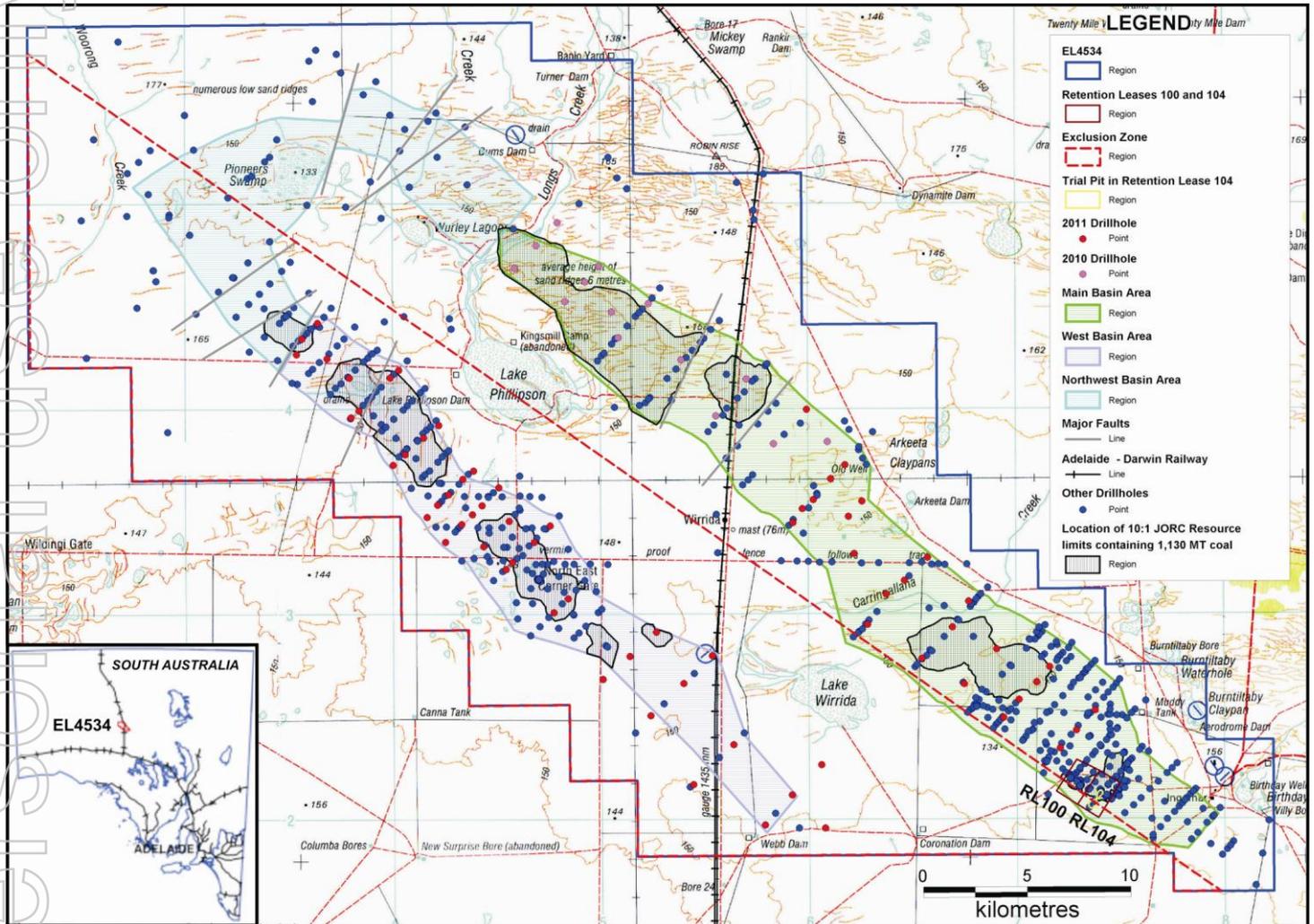
Overall Coal Exploration Target

Based on exploration activity carried out by the Company in the 2010 and 2011 drilling programs, and previous coal exploration work undertaken at the site, SAC's Lake Phillipson deposit has the potential to host a coal exploration target in the range of 4 to 4.5 billion tonnes. The previous coal exploration target estimate at Lake Phillipson was completed by Utah Development in 1982. The current estimate is around 90% of the Utah Development estimate, as outlined in the table below:

Lake Phillipson Basin – Overall Coal Exploration Target Estimates				
	Mt	Mt	Mt	Mt
Estimate	Main Basin	West Basin	North-West Area	Total
Utah Development	2,289	1,520	730	4,539
JMBC – Dec 2011	2,098	1,375	655 (1)	4,128
Ratio	92%	90%	90%	91%

Note (1): The North-West area exploration targets have not been estimated in 2011. 90% of the Utah estimate is adopted.

It should be noted that the potential quantities as outlined in the above coal exploration target estimates are conceptual in nature, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.



JORC Resource Update

Following the 2011 drilling program, the total JORC coal resources are now estimated at 1,130.4 million tonnes, representing an increase of 446.2 million tonnes on the previous JORC coal resource estimate of 684.2 million tonnes, as certified in March 2011. This represents an increase of 65% in the available coal resource.

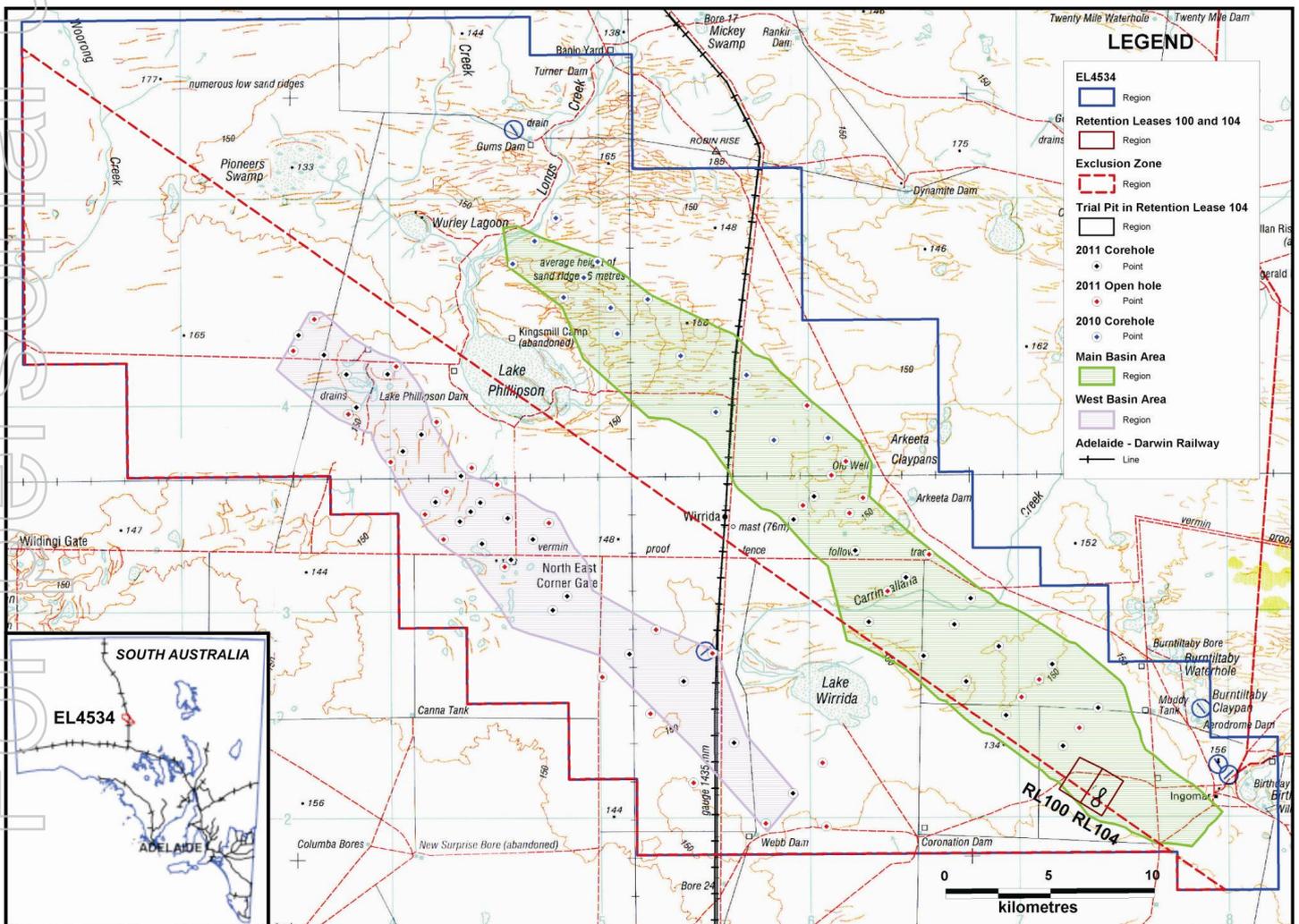
The following table compares the current and previous estimates of JORC coal resources at EL4534 (formerly EL3386):

Area	JORC Resources Estimate - 31 December 2010				JORC Resources Estimate – 31 December 2011			
	Measured	Indicated	Inferred	Total	Measured	Indicated	Inferred	Total
	Mt	Mt	Mt	Mt	Mt	Mt	Mt	Mt
Main Basin	14.7	73.5	308.8	397.0	11.5	155.6	583.0	750.1
West Basin	0.0	124.9	162.3	287.2	0.0	189.2	191.2	380.3
Total	14.7	198.4	471.1	684.2	11.5	344.8	774.2	1,130.4

The JORC resource estimates as outlined above are limited to a 10:1 strip ratio shell and a 0.5 metre seam thickness cut-off. As a result of the 2011 exploration the main basin resource has increased by 89% and the west basin resource has increased by 32%. In both basins the deep exploration has for many seams increased the resource classification from unclassified to inferred or from inferred to indicated. The tonnage of measured resource has dropped slightly, which reflects an increase in strip ratio as opposed to a reduced classification.

The 2011 drilling program consisted of an additional sixty eight (68) drill holes in the Lake Phillipson coal deposit. Twenty five (25) holes were drilled in the main basin and forty three (43) were drilled in the west basin. Department of Defence access restrictions had limited 2010 drilling to the north of the main basin. This restriction was lifted for the 2011 exploration period, facilitating drilling in both areas.

The 2010 and 2011 drillhole locations are shown in the diagram below:





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2011 Performance Shares

As part of the consideration on the takeover of SAC by White Energy in 2010, SAC shareholders who validly accepted the offer in accordance with the terms of the takeover offer and who elected to receive the Share Alternative, were issued with 2010 Performance Shares and 2011 Performance Shares. As shareholders will be aware, the 2010 Performance Shares were consolidated and converted into approximately 2.7 million ordinary shares in White Energy on 31 March 2011.

The quantum of ordinary shares to be issued in connection with the 2011 Performance Shares is determined by reference to the total JORC Coal resources estimate as at 31 December 2011 and as described in section 3.7 of the Bidder's Statement issued by White Energy on 7 June 2010.

Based on the JORC resource estimate as at 31 December 2011, approximately 6.9 million additional ordinary shares in White Energy will be issued by the end of March 2012. Holding Statements will be sent to relevant shareholders following the issue of such ordinary shares.

Conceptual Mining Plans

Following completion of the 2011 drilling program and the corresponding JORC resource update as outline above, the Company is in the process of developing conceptual mine plans on two of the most prospective coal areas within EL4534, which will enable it to commence preparation of feasibility studies for future development options.

One of the main advantages of the Lake Phillipson coal resource is that an under-utilised railway line is located within the deposit, which can be used to transport product to Adelaide.

Options for Development of Lake Phillipson Coal Areas

White Energy is currently in the process of analysing the various available options for commercialisation of the Lake Phillipson resource. These include the following:

- *Mining and selling the coal to domestic power stations:* the Company is in discussion with a major local power utility with respect to the supply of Lake Phillipson coal for use in its power station. The Lake Phillipson coal is of a similar quality to the coal currently being used by the power utility in question;
- *Coal gasification opportunities in the South Australian market:* coal samples from the 2010 drilling program were analysed by Lurgi GmbH in Germany during 2011. The results of this testing indicated that the Lake Phillipson coal is suitable for their coal to gas process.
- *Upgrading and export of the coal using the BCB technology:* the Company is in the process of preparing samples of Lake Phillipson coal for shipment to its Cessnock Production Plant for briquetting trials in the coming months, once it completes test work currently being undertaken on coal fines samples sourced from a number of South African coal producers.



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Deed of Access

As previously advised to shareholders, the Company was granted an extension by the Department of Defence (DOD) until February 2012 to complete its 2011 drilling program. White Energy has commenced discussions with the DOD for the purposes of having an access agreement that will apply to further activities of the company on EL4534.

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Competent Persons Statement

The information in this announcement which relates to Exploration Results, Mineral Resources or Ore Reserves at EL 4534, 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 an employee of Jon Barber Mining Consultants Pty Ltd and is engaged 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 announcement of the matters based on his information in the form and context in which it appears.

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.