



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

SICC JUDGEMENT TRANCHE 2 : COURT RULES IN FAVOUR OF WHITE ENERGY

26 July 2017 - White Energy Company Limited (ASX: WEC; OTCQX:WECFY) ("White Energy" or "the Company") refers to its previous announcements in relation to the proceedings brought by its subsidiaries, BCBC Singapore Pte Ltd ("**BCBCS**") and Binderless Coal Briquetting Company Pty Limited against PT Bayan Resources Tbk ("**BR**") and Bayan International Pte Ltd in connection with the KSC joint venture.

The second tranche of the trial was heard by the Singapore International Commercial Court ("SICC") in January 2017. The SICC released its judgment in relation to the second tranche of the trial last evening.

The Company is pleased to announce that the SICC found in favour of BCBCS and BCBC (as the Plaintiffs) on substantially all of the issues heard by the SICC. In short, the SICC has found that BR was in breach of its coal supply obligation and had further repudiated the joint venture. A third tranche of the trial will be required to determine issues of causation and damage.

The second tranche of the trial dealt primarily with the following issues:

- Whether BR was under an obligation to ensure the supply of coal to the joint venture;
- If so, whether BR had breached its coal supply obligation;
- Whether BR or BCBCS was in repudiatory breach of the JV Deed; and
- If BR were found to be liable for breach of its coal supply obligation and/or repudiation of the JV Deed, whether as a result of such breach, BCBCS suffered loss.

The Company is still reviewing the judgement however the findings of the SICC include the following:

- BR was under an obligation to ensure that its subsidiaries supplied coal to KSC in accordance with the Coal Supply Agreements;
- BR had breached its coal supply obligation in:
 - (i) instructing its subsidiaries to cease supply of coal to KSC;
 - (ii) conveying to KSC that it would not be performing its obligations when the time for the performance of these obligations arrived; and
 - (iii) conditioning its performance of its coal supply obligation on BCBCS / WEC buying out its 49% stake in KSC for US\$45 million.
- BCBCS did not commit any repudiatory breaches of the JV Deed.
- BR repudiated the JV Deed by breaching its coal supply obligation and wrongfully issuing a Termination Notice.



- The Court held over the issue of causation to Tranche 3, to be determined together with the issue of damages.

White Energy (BCBCS) will now commence preparations for Tranche 3 of the proceedings, seeking damages and costs.

The White Energy group had invested over US\$110 million in the Tabang project in Indonesia up until 2012 when BR repudiated the joint venture.

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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.