WHITE ENERGY ACQUIRES MOUNTAINSIDE COAL COMPANY

7 October 2013 – White Energy Company Limited (ASX: WEC; OTCQX:WECFY) (“White Energy” or “the Company”) is pleased to announce that it has completed the purchase of Mountainside Coal Company, Inc (“Mountainside Coal”), which operates several coal mines in Kentucky, USA, which collectively produce approximately 400,000 tonnes of coal per annum.

On 4 October 2013, the Company successfully purchased 100% of the capital stock of Mountainside Coal for US$20 million, inclusive of all mine infrastructure, plant, equipment, permits and unsold coal stocks with minor adjustments as agreed with the seller, less the US$0.7 million paid for previous options fees. US$2 million of the purchase price is held in an escrow account as security for the payment of certain indemnification obligations of the seller. The amount held in escrow is to be released over a period agreed between the Company and the seller.

The Company is required to pay approximately US$0.7 million to replace current reclamation bonds over Kentucky permits.

The purchase of Mountainside Coal will provide White Energy with a revenue stream, as well as providing an opportunity to showcase its binderless coal briquetting (BCB) technology in the US.

It is White Energy’s intention to expand the Mountainside Coal business in a stepped process, including the installation of a coal preparation plant and a BCB plant.

Low ash sized coal products produced from Mountainside Coal and other nearby operations are sold into specialty industrial markets in USA and Canada. The general power station market in the US consumes significant quantities of coal but selling prices have been much lower in recent times due to competition with surplus gas produced from the large shale gas exploration programs.

Test work conducted at White Energy’s Cessnock Demonstration Plant has shown that the fine coal remaining after screening out the sized coal from Mountainside Coal’s production, can be processed into a stable briquette similar to the sized coal.
White Energy Managing Director, Brian Flannery, said, “The Mountainside Coal acquisition will give White Energy the opportunity to introduce our BCB technology into the North American coal industry, and at the same time add value to Mountainside Coal by selling the majority of the production to the specialty markets”.

“In addition to the Mountainside Coal acquisition, we will continue to work with certain Powder River Basin producers in Western USA in progressing the business case for upgrading their sub-bituminous coals again using our BCB process”.

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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.