



white energy company

**Results Presentation
Half Year Ended 31 December 2012**



- **Highlights**

- Financial Summary

Highlights for HY Ended 31 December 2012



White Energy continues to focus on the application of its BCB technology to the upgrading of coal fines, whilst seeking to identify further coal properties for acquisition

Africa

- In active discussions with all major coal producers in the South African Market
- Completed a Detailed Feasibility Study (DFS) for a BCB plant at the Optimum main export washplant - awaiting a decision from Optimum to proceed with the project
- In final stages of a DFS with another major coal producer in South Africa
- Four (4) formal submissions now made for potential projects in South Africa

Australia

- R&D program at Cessnock continues to gather pace, including the processing of sub-bituminous and coal fines samples from a number of international coal mining companies
- Completed the bulk of the modification works at the Demonstration Plant including installation of a new generation briquetting machine

United States

- Submitted "minor source" air permit application in respect of Buckskin project - draft air permit expected in Q2 2013
- Continued to investigate and prioritise a number of opportunities related to the recovery and briquetting of coal fines and coal mining in the North American market
- Due diligence being conducted for proposed acquisition of existing open-cut coal mining operation in the Central Appalachia region

Indonesia

- Continued work to identify coal concession acquisition opportunities in Indonesia – due diligence is currently being conducted on short-listed projects

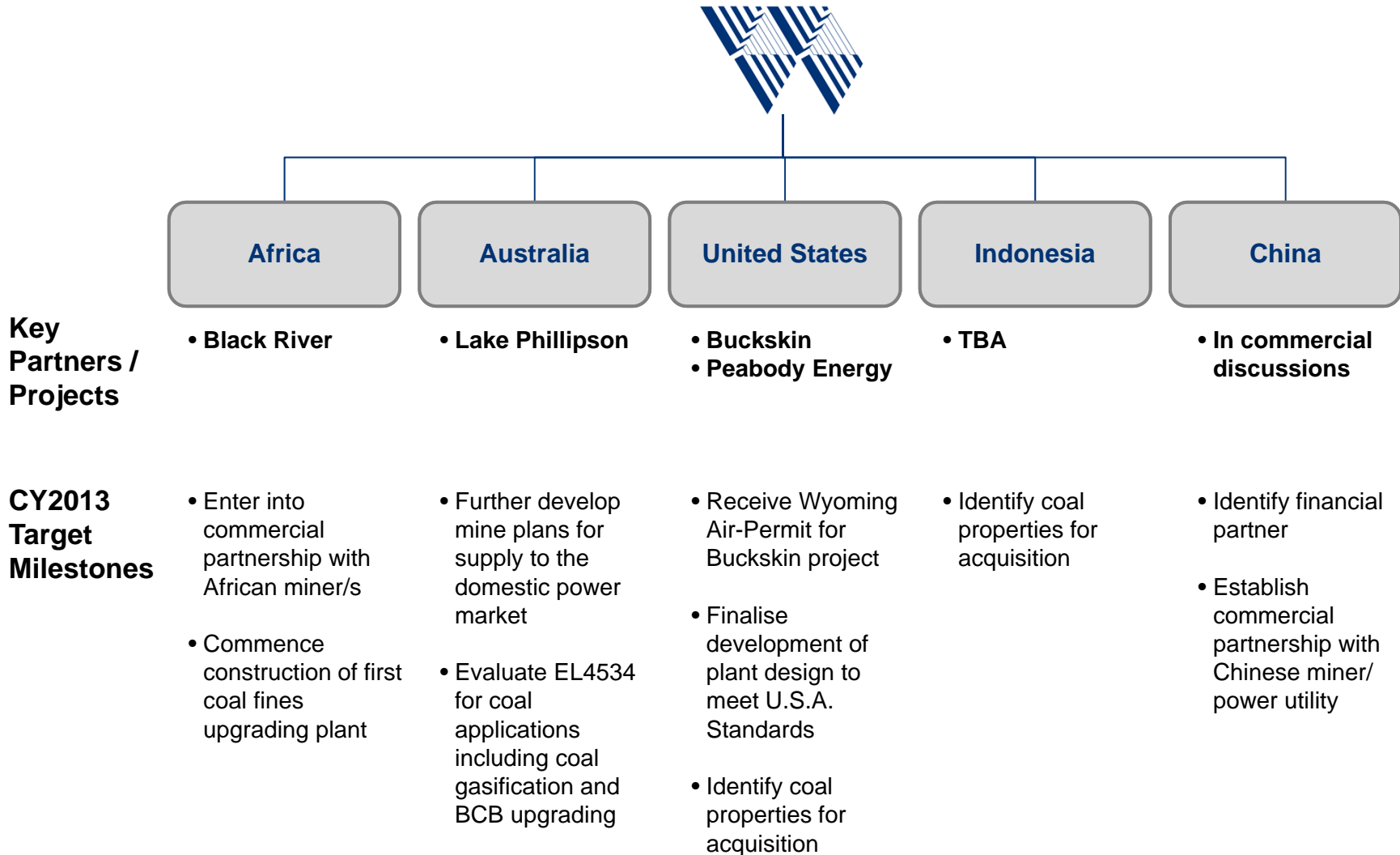
Corporate

- Repaid \$25m convertible notes in October 2012
- Significant cash reserves remain to fund business development initiatives currently underway across key coal producing regions in the world

Target Milestones for the Year Ahead



The Company has identified a number of key areas of focus for Calendar Year 2013





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Results Overview - HY Ended 31 December 2012



Operating results for the 6 months ended 31 December 2012 include an impairment expense recognised in respect of the carrying value of the South Australian Coal assets

- The consolidated entity's net loss for the half year ended 31 December 2012 was \$60.8M (2011: \$134M). This is predominantly attributable to a \$58M impairment expense recognised against the carrying value of SAC assets.
- The "Normalised EBITDA" loss for the half year ended 31 December 2012 was \$8.7M (2011: \$11.7M), after adjusting for the following:
 - net interest revenue, income tax credits and fair value losses - \$9.5M
 - non-cash expenses - depreciation, amortisation, share-based payments, impairment expense, FX losses, write-back on accounting loss on deconsolidation of KSC - \$56.8M
 - one-off legal expenses - \$4.4M
 - minority partner shares of losses (normalised) - \$0.4M.
- Consolidated entity's total revenue for the half year ended 31 December 2012 was \$3.3M (2010: \$7.5M), which mainly includes interest income earned on cash deposits, proceeds from the sale of livestock/wool at Ingomar Station and the recognition of government grant income.

Results Overview - HY Ended 31 December 2012



	Half Year 31 Dec 2012 \$M	Half Year 31 Dec 2011 \$M
Consolidated entity net loss for the half year	(60.8)	(134.0)
Add-back / (subtraction) items:		
• Net interest revenue	(2.1)	(2.1)
• Income tax credit	(7.6)	(0.7)
• Fair value (gain)/loss	0.2	(18.3)
Sub-total	(9.5)	(21.1)
Non-cash expenses:		
• Depreciation / amortisation	2.8	5.9
• Impairment expense	58.7	129.9
• Write-back on accounting loss on deconsolidation of KSC	(5.1)	-
• Share based payments / Foreign exchange losses	0.4	(1.6)
Sub-total	56.8	134.2
One-off expenses:		
• Legal costs	4.4	0.6
Sub-total	4.4	0.6
Consolidated entity EBITDA – normalised	(9.1)	(20.3)
Minority partner share of losses – normalised	0.4	8.6
White Energy EBITDA – normalised	(8.7)	(11.7)

Results Overview - FY Ended 31 December 2012



Consolidated balance sheet

	31/12/2012 \$M	30/6/2012 \$M
Current Assets	106.7	145.6
Total Assets	286.4	384.3
Total Current Liabilities	18.8	49.7
Total Liabilities	50	87
Net Assets	236.4	297.3
Total Equity	236.4	297.3

- Cash on hand as at 31 December 2012 was \$98.8M.

- Decline in assets from \$384.3M to \$286.4M mainly reflects the \$58M impairment expense recognised in respect of the carrying amount of the SAC assets.

- Decrease in liabilities from \$87M to \$50M predominately reflects the repayment of the \$25M convertible notes.

Consolidated statement of cash flows

	Half Year 31 Dec 2012 \$M	Half Year 31 Dec 2011 \$M
Net cash (outflows) from operating activities	(10.8)	(14.9)
Net cash (outflows) from investing activities	(2.2)	(11.1)
Net cash inflows (outflows) from financing activities	(26)	(6.4)
Net increase (decrease) in cash and cash equivalents	(39)	(32.4)
Effects of non cash movements on cash and cash equivalents	-	0.6
Closing Cash & Cash Equivalents	98.8	152.1

- Cash flows from operating activities includes corporate head office costs, partially offset by interest income received of \$3.1M.

- Cash invested during the period includes Exploration Expenditure of \$0.1M and PPE purchases of \$1.8M.

- Cash outflows from financing activities includes the repayment of \$25M convertible notes and interest paid on convertible loan notes of \$1M.

Forward Looking Statements



Except for the historical information contained herein, the matters discussed in this presentation contain forward-looking statements, including statements, containing the words “planned”, “expects”, “believes”, “strategy”, “opportunity”, “anticipates”, and similar words. Such forward-looking statements are subject to known and unknown risks, uncertainties, or other factors that may cause the company’s actual results to be materially different from historical results or any results expressed or implied by such forward-looking statements. We assume no obligation to update any forward-looking statements to reflect events or circumstances arising after the date hereof. In addition where comparisons are made between White Energy Company and other companies, we have made best efforts to properly interpret publicly made information by these companies but cannot be certain that such comparisons are completely accurate.

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