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Review of investment in Mountainside Coal

28 April 2017 - White Energy Company Limited (ASX: WEC; OTCQX:WECFY) ("White Energy" or "the Company") is currently reviewing its investment in its Mountainside Coal mining operations in Kentucky USA, and while considering other alternatives will seek the interest of potential acquirers of its 51% interest in the mining permits, plant and equipment.

Mountainside Coal Company Inc (MCC) holds several coal production and exploration permits in Kentucky, USA. A new wash plant was commissioned in 2015 and production activities have targeted the high-quality low ash coals in the region that are sought-after by silicon and ferro-silicon manufacturers. Coal sales from the permits have averaged 250,000 tons per year over the 2015 and 2016 financial years.

White Energy's investment in MCC was predicated on a strategy of increasing yields of the specialty low-ash Blue Gem coal using its proprietary Binderless Coal Briquetting (BCB) technology to make a stoker-sized coal briquette from the lower-value coal fines. Recent test results of the coal fines at the Company's BCB demonstration plant in Cessnock however indicated that commercial production rates would be difficult to attain at current prices due to the specific characteristics of the coal fines from the Blue Gem seam.

"As these operations now fall outside of our original BCB strategy, we will actively seek interest from parties who would be interested in acquiring these assets", said White Energy's CEO and Managing Director, Brian Flannery.

MCC currently has additional permits in Kentucky in various stages of approval and many acres containing low ash Blue Gem coal resources that are in the initial permitting phase. Production from the mines was suspended in September 2016 while infill drilling, exploration and mine planning activities were undertaken. As the data from that drilling and exploration program is analysed, MCC will finalize the permitting process for additional permits.

For Further Information Call:

Brian Flannery
Managing Director & CEO
White Energy Company Limited
+ 61 7 3229 9035



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.