



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

9 October 2018

Dear Shareholder

WHITE ENERGY COMPANY LIMITED PRO RATA RENOUNCEABLE ENTITLEMENT OFFER – NOTICE TO INELIGIBLE SHAREHOLDERS

On 8 October 2018, White Energy Company Limited (**Company** or **WEC**) announced a pro rata renounceable entitlement offer on the basis of one new fully paid ordinary share in the Company (**New Share**) for every one existing ordinary share in the Company (**Share**) held as at 7.00pm (Sydney time) on 11 October 2018 (**Record Date**) for an issue price of \$0.07 per New Share (**Issue Price**) to raise up to \$22.99 million before costs (**Entitlement Offer**).

The proceeds of the Entitlement Offer will be used to fund WEC's ongoing legal proceedings against PT Bayan Resources Tbk and Bayan International Pte Ltd, to repay unsecured loans made to WEC by entities associated with two WEC directors (Travers Duncan and Brian Flannery) and for general working capital.

The Entitlement Offer is not underwritten.

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. You are not required to do anything in response to this letter.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as notionally modified by Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

An offer document in relation to the Entitlement Offer will be despatched to Eligible Shareholders on 16 October 2018. Further information in relation to the Entitlement Offer has been disclosed on the Australian Securities Exchange (**ASX**).

Eligibility criteria

The Entitlement Offer is an offer to eligible shareholders only. Eligible Shareholders are WEC shareholders as at the Record Date who have a registered address in Australia and New Zealand or who are shareholders that WEC has otherwise determined are eligible to participate in the Entitlement Offer, including certain institutional shareholders in the United Kingdom.

Under the Entitlement Offer, Eligible Shareholders are entitled to subscribe for one New Share at the Issue Price for every one Share held at the Record Date (**Entitlement**).

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.



The Entitlement Offer is not being extended to Ineligible Shareholders because of the small number of those Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable laws and regulations in jurisdictions outside Australia and New Zealand and to certain institutional shareholders in the United Kingdom. WEC has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the Corporations Act, that it would be unreasonable to make or extend offers to shareholders in certain countries under the Entitlement Offer.

According to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder as stated above and accordingly, the Company wishes to advise that in accordance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, the Entitlement Offer will not be extended to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the offer document relating to the Entitlement Offer.

Nominee

WEC has appointed Bell Potter Securities Limited (ACN 006 390 772) (**Nominee**) to act as nominee for the purposes of section 615 of the Corporations Act and ASX Listing Rule 7.7.1 to sell Entitlements which would otherwise have been available to Ineligible Shareholders had they been eligible to participate in the Entitlement Offer. The Company will arrange for the distribution to Ineligible Shareholders of their proportion of the proceeds of sale (if any), net of expenses.

There is no guarantee that any proceeds will be realised from the sale of Entitlements that would otherwise have been offered to Ineligible Shareholders.

You are not required to do anything in response to this letter.

For further information, please contact David Franks, Company Secretary, on +61 2 9299 9690, or contact your stockbroker, accountant or other professional adviser.

On behalf of the WEC Board and management, thank you for your continued support.

Yours sincerely,

A handwritten signature in blue ink that reads "Travers Duncan".

Travers Duncan
Chairman
White Energy Company Limited