



**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

13 March 2020

Dear Option Holder

## **WHITE ENERGY COMPANY LIMITED PRO RATA RENOUNCEABLE ENTITLEMENT OFFER – LETTER TO OPTION HOLDER**

I am writing to you as a holder of options over ordinary shares in White Energy Company Limited (**Company** or **WEC**) as at the date of this letter.

As announced on 13 March 2020, the Company is undertaking a fully underwritten, pro rata renounceable entitlement offer on the basis of one new fully paid ordinary share in the Company (**Offer Share**) for every two existing ordinary shares in the Company held as at 7.00pm (Sydney time) on Thursday, 19 March 2020 (**Record Date**) for an issue price of \$0.06 per Offer Share (**Issue Price**) to raise approximately \$15.5 million before costs (**Entitlement Offer**).

The Company intends to use the proceeds of the Entitlement Offer as follows:

- to fund the ongoing legal proceedings against PT Bayan Resources Tbk and Bayan International Pte Ltd;
- to make payments owing to CSIRO of approximately \$3.2 million in relation to the Binderless Coal Briquetting Technology payable by 31 March 2020;
- for general corporate purposes, including working capital;
- where the abovementioned uses are needed to be paid or part paid prior to finalisation of the Entitlement Offer, these will be paid through unsecured loans, therefore a use of funds could be to repay or offset any unsecured loans made to the Company by associated entities of two directors of the Company (being Mr Brian Flannery and Mr Travers Duncan)<sup>1</sup>; and
- to pay the costs of the Entitlement Offer.

The Entitlement Offer is fully underwritten by Ilwella Pty Ltd and Gaffwick Pty Ltd (each an **Underwriter**) which are associated entities of two directors of the Company, being Mr Brian Flannery and Mr Travers Duncan respectively. Each Underwriter will underwrite 50% of the Entitlement Offer.

The Entitlement Offer will be available to shareholders who, as at the Record Date, have a registered address in Australia or New Zealand or are shareholders that the Company has otherwise determined are eligible to participate in the Entitlement Offer, including certain institutional shareholders in the United Kingdom (**Eligible Shareholders**). Shareholders who are not Eligible Shareholders are not eligible to participate in the Entitlement Offer (**Ineligible Shareholders**).

<sup>1</sup> As at the date of this letter, the Company has not entered into any unsecured loans with any director of the Company, or their associated entities. However, if the directors of the Company conclude that such loans are required by the Company prior to the close of the Entitlement Offer, any such loan will be disclosed to ASX.



Further details of the Entitlement Offer are contained in an offer document which will be distributed to Eligible Shareholders on 24 March 2020. The offer document has been lodged with Australian Securities Exchange (ASX) and is available on the ASX website at [www.asx.com.au](http://www.asx.com.au).

The purpose of this letter is to give you notice, as an option holder in the Company, that if you wish to participate in the Entitlement Offer in relation to the shares underlying your options, you must exercise your options before the Record Date.

Notice of exercise of your options and payments of the exercise price of the options must be received by the Company on or before 7.00pm (Sydney time) Thursday, 19 March 2020. Any notice of exercise of options received after this date cannot be assured of the allotment of shares by the Record Date.

There is no obligation for you to exercise your options. This letter is intended to inform you of your rights in relation to your options and the Entitlement Offer. If you do not wish to participate in the Entitlement Offer, you do not need to take any action.

### Key dates

The indicative timetable for the Entitlement Offer is as follows:

Activity	Date
Announcement of the Entitlement Offer	Friday, 13 March 2020
"Ex" Date for Entitlement Offer	Wednesday, 18 March 2020
Entitlement trading commences on a deferred settlement basis	
Record Date for Entitlement Offer	7 p.m. (AEDT) on Thursday, 19 March 2020
Offer Booklet and Entitlement and Acceptance Form dispatched	Tuesday, 24 March 2020
Entitlement Offer opens	
Entitlement trading ends	Thursday, 2 April 2020
Shares quoted on a deferred settlement basis	Friday, 3 April 2020
Entitlement Offer closes	5 p.m. (AEST) on Thursday, 9 April 2020
Announcement of results of Entitlement Offer and under-subscriptions	Thursday, 16 April 2020
Issue of New Shares under the Entitlement Offer	Monday, 20 April 2020
Commencement of trading of New Shares	Tuesday, 21 April 2020

#### Notes:

All references to time are to the time in Sydney, New South Wales.

This timetable is indicative only and subject to change. The WEC Directors may vary these dates, subject to the ASX Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The WEC Directors also reserve the right not to proceed with the whole or part of



*the Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.*

For further information, please contact David Franks, Company Secretary, on +61 2 8098 1169, or contact your stockbroker, accountant or other professional adviser.

Yours sincerely,

A handwritten signature in black ink, which appears to read "Travers Duncan".

Travers Duncan  
Chairman  
White Energy Company Limited