



White Energy Company Limited

ACN 071 527 083

Fully Underwritten Pro Rata Renounceable Entitlement Offer Booklet

1 for 2 pro rata renounceable entitlement offer at \$0.06 per Share.

Last date for acceptance and payment: 5.00pm (Sydney time) on 9 April 2020

If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT NOTICES

This Offer Booklet is dated Friday, 13 March 2020. Capitalised terms in this section have the meaning given to them in this Offer Booklet.

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

Not investment advice

This Offer Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision regarding an application for the Offer Shares or Additional Shares offered under the Entitlement Offer. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

If you have any queries or are uncertain about any aspect of the Entitlement Offer, please consult your stockbroker, accountant or other professional advisor. You should also refer to the "Risk factors" Section of this Offer Booklet.

This Offer Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

The Company may make additional announcements after the date of this Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Entitlement Offer.

No party other than the Company has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

By returning an Entitlement and Acceptance Form or otherwise paying for your Offer Shares or Additional Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

Offer in Australia and New Zealand only

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Offer Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States and the Offer Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Offer Booklet is not to be distributed in, and no offer of Offer Shares or Additional Shares is to be made in countries other than Australia and New Zealand and to certain institutional shareholders in the United Kingdom as described below. The distribution of this Offer Booklet (including an electronic copy) in other jurisdictions may be restricted by law and therefore persons who come into

possession of this Offer Booklet should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the Offer Shares, or otherwise permit the public offering of the Offer Shares, in any jurisdiction outside Australia and New Zealand.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for Offer Shares is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your Application Monies.

New Zealand

The Offer Shares are not being offered or sold to the public within New Zealand other than to existing White Energy Company Limited shareholders with registered addresses in New Zealand to whom the offer of Offer Shares is being made in reliance on the provisions of the *Financial Markets Conduct Act 2013 (New Zealand)* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2018 (New Zealand)*.

This Offer Booklet has been prepared in compliance with Australian law and is not an investment statement, prospectus or product disclosure statement under New Zealand Law and has not been registered, filed with or approved by a New Zealand regulatory authority, the *Financial Markets Conduct Act 2013 (New Zealand)* or any other relevant law in New Zealand. This Offer Booklet may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain. It is a term of the Entitlement Offer that the offer of securities to the public in New Zealand is made in compliance with the laws of Australia and any code, rules and requirements relating to the offer of Securities that apply in Australia.

United Kingdom

Neither this document nor any other document relating to the Entitlement Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the Entitlements or the Offer Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the Offer Shares has only been communicated or caused to be communicated and will only be communicated or caused to

be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO)*, (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Definitions, currency and time

Defined terms used in this Offer Booklet are contained in Section 5. All references to currency are to Australian dollars and all references to time are to the time in Sydney, New South Wales, unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving Offer Shares. The Company and the Directors consider that it is not appropriate to give advice regarding the tax consequences of subscribing for Offer Shares and Additional Shares or the subsequent disposal of any Offer Shares or Additional Shares. The Company and the Directors recommend that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

The Company and the Share Registry may have already collected certain personal information from Shareholders. The Company and the Share Registry also collect information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company. If you do not provide the Company with your personal information, your Application may not be able to be processed.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies.

In most cases, you can obtain access to your personal information held by (or on behalf of) the Company or the Share Registry. The Company aims to ensure that the personal information retained about you is accurate,

complete and up to date. To assist the Company with this, please contact the Company if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information the Company has about you, the Company will take steps to correct it. To make a request for access to your personal information held by (or on behalf of) the Company or the Share Registry, please contact the Company through the Share Registry as follows:

Computershare Investor Services Pty Limited

GPO Box 2975

Melbourne VIC 3001

AUSTRALIA

Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Offer Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Offer Booklet may not be relied upon as having been authorised by the Company or any of its officers.

Past performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

Future performance

This Offer Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the management of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Offer Booklet in light of those disclosures.

Risks

Refer to the "Risk factors" Section 4 of this Offer Booklet for a summary of general and specific risk factors that may affect the Company.

Chairman's Letter

13 March 2020

Dear Shareholder,

On behalf of the Directors, I am pleased to invite you to take up your entitlement in a 1 for 2 (1 new Offer Share for every 2 existing Shares) renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company on 13 March 2020 to raise approximately \$15.5 million (subject to rounding and before costs) (**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, being Mr Brian Flannery and myself respectively. Further details of the Underwriters, including a summary of the key terms of the underwriting agreements, are set out in Section 3.3 of this Offer Booklet. The control implications as a result of the underwriting agreements are set at Section 3.4.

As a result of the underwriting agreements, whereby each Underwriter will underwrite 50% of the Entitlement Offer, the Company will raise a minimum of approximately \$15.5 million (subject to rounding and before costs).

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 (being Mr Brian Flannery and myself)¹; and
- to pay the costs of the Entitlement Offer.

The Entitlement Offer provides Eligible Shareholders with the opportunity to increase their investment in the Company. The Entitlement Offer will include a Shortfall Facility under which Eligible Shareholders, excluding Related Parties, who take up their full Entitlement will be invited to apply for Additional Shares from a pool of those Entitlements not taken up by other Shareholders of the Company. There is no guarantee that applicants under this Shortfall Facility will receive all or any Additional Shares applied for under the Shortfall Facility. The Board of the Company reserves its right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at its discretion. For further information on the Shortfall Facility, including the allocation policy, please refer to Section 1.10 of this Offer Booklet.

Each of the Directors who holds Shares, either directly or indirectly, intends to take up their full Entitlement under the Entitlement Offer. Additionally, as disclosed above, the Entitlement Offer is fully underwritten by associated entities of two Directors, being Brian Flannery and myself, which may affect the control of the Company, including the possibility of one or both of the Underwriters having a resulting voting power of greater than 19.9% each in certain circumstances. A summary of the potential control implications is set out in Section 3.4 of this Offer Booklet.

Key information with respect to the Entitlement Offer is set out in this Offer Booklet. Please read the Offer Booklet carefully (in particular the "Risk factors" in Section 4, which describe a number of key risks associated with an

¹ As at the date of the Offer Booklet, the Company has not entered into any unsecured loans with any Director, or their associated entities. However, if the Directors 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 are set out in Section 2.3 of the Offer Booklet.

investment in the Company). If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional adviser.

The number of Offer Shares that you are entitled to subscribe for under the Entitlement Offer is set out in your personalised Entitlement and Acceptance Form accompanying this Offer Booklet. If you are an Eligible Shareholder and you wish to accept your Entitlement, you will need to complete the Entitlement and Acceptance Form and return it together with the appropriate application money to the Company's Share Registry so that it is received by no later than 5.00pm (Sydney time) on Thursday, 9 April 2020 (**Closing Date**).

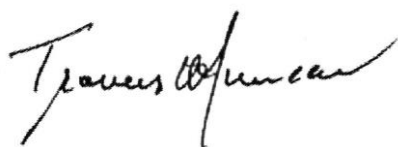
As the Entitlement Offer is renounceable, your right to participate in the Entitlement Offer is transferable. You may trade your Entitlement on ASX or transfer it to another person. Further details of how this may be done are provided in Sections 1.8 and 1.9 of the Offer Booklet. Your Entitlement may have value and it is important that you determine whether to take up, sell or do nothing with your Entitlement.

Eligible Shareholders who do not take up their Entitlement or trade them in accordance with this Offer Booklet will not receive any value for those Entitlements and their proportionate economic interest in the Company will be diluted. All Offer Shares will rank equally with existing Shares in the Company.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 381 065 or 03 9415 4034 or consult your financial or other professional adviser.

On behalf of the Directors, I invite you to consider participating in the Entitlement Offer and thank you for your ongoing support of the Company.

Yours sincerely,



Travers Duncan
Chairman

Summary of the Entitlement Offer

Entitlement Offer	
Ratio	1 Offer Share for every 2 Shares
Issue Price	\$0.06 per Offer Share
Size	Approximately 258,159,299 Offer Shares (subject to rounding up of fractional Entitlements)
Gross proceeds	Approximately \$15.5 million (subject to rounding)

Key dates

Activity	Date
Announcement of the Entitlement	Friday, 13 March 2020
"Ex" Date for Entitlement Offer Entitlement trading commences on a deferred settlement basis	Wednesday, 18 March 2020
Record Date for Entitlement Offer	7 p.m. (AEDT) on Thursday, 19 March 2020
Offer Booklet and Entitlement and Acceptance Form despatched Entitlement Offer opens	Tuesday, 24 March 2020
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 Offer Shares under the Entitlement Offer	Monday, 20 April 2020
Commencement of trading of Offer 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 Directors may vary these dates, subject to the Listing Rules, the Corporations Act, and the underwriting agreement. An extension of the Closing Date will delay the anticipated date for issue of the Offer Shares. The 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 Offer Shares. In that event, the relevant application monies (without interest) will be returned in full to Applicants.

1. Offer details

1.1 The Entitlement Offer

This Entitlement Offer is a renounceable offer of approximately 258,159,299 Offer Shares, subject to rounding, at an issue price of \$0.06 per Offer Share, on the basis of 1 Offer Share for every 2 Shares held as at the Record Date, 7 p.m. (AEDT) on Thursday, 19 March 2020. Fractional entitlements will be rounded up to the nearest whole number. The Entitlement Offer will raise approximately \$15.5 million (before costs).

The issue price of \$0.06 per Offer Share represents a discount of 18.92% to the closing price of the Company's Shares of \$0.074 per Share on Thursday, 12 March 2020, being the last trading day before the Entitlement Offer was announced.

The Directors may at any time decide to withdraw this Offer Booklet and the offer of Offer Shares made under this Offer Booklet, in which case the Company will return all application monies received (without interest).

1.2 Purpose of the 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 (being Mr Brian Flannery and Mr Travers Duncan)²; and
- to pay the costs of the Entitlement Offer.

The below table provides a breakdown of the proposed use of funds:

Description	Use of Funds	%
Legal Costs	\$8,000,000	51.65%
CSIRO	\$3,200,000	20.66%
General Corporate Purposes	\$3,784,551	24.43%
Cost of the Entitlement Offer	\$505,007	3.26%
TOTAL	\$15,489,558	100.00%

² As at the date of the Offer Booklet, the Company has not entered into any unsecured loans with any Director, or their associated entities. However, if the Directors 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 are set out in Section 2.3 of the Offer Booklet.

The following table provides a breakdown of “General Corporate Purposes” from the table above (rounded up in the below table):

Payment	\$
Staff costs	1.8m
Development	0.4m
Administration and other (including property, plant and equipment, and exploration & evaluation)	1.6m
Total payments for “General Corporate Purposes”	3.8m

Should payment of any of the items in the table above be required prior to the allotment of shares under the Entitlement Offer, the relevant Directors will provide unsecured, short-term loans to ensure the Company can make these payments. Any payments of this type would reduce that line item (Description) by the amount lent, and increase the repayment of the unsecured related party loan by the same amount (up to a maximum of \$6m).

Section 2.2 of this Offer Booklet contains information about the current status of the above legal proceedings. Section 2.3 also contains more information about the potential loans which may be provided to the Company by entities associated with Mr Brian Flannery and Mr Travers Duncan, both of whom are Directors.

In the event that circumstances change, or other better opportunities arise, the Directors reserve the right to vary the proposed uses of the Entitlement Offer proceeds to maximise the benefit to Shareholders.

1.3 Directors’ intentions in respect of their Entitlements

Each of the Directors who holds Shares, either directly or indirectly, intends to take up their full Entitlement to Offer Shares.

1.4 Underwriting

The Entitlement Offer is fully underwritten by Ilwella Pty Ltd and Gaffwick Pty Ltd, with each entity underwriting 50% of the Entitlement Offer.

Ilwella Pty Ltd is an Associated Entity of Mr Brian Flannery, a Director of the Company.

Gaffwick Pty Ltd is an Associated Entity of Mr Travers Duncan, a Director of the Company.

The Company notes in section 3.4 of the Offer Booklet that each Underwriter could potentially hold more than 20% of the Company’s total issued capital at completion of the Entitlement Offer. Notwithstanding that any one of the Underwriters is unlikely to be able to control the Company without acting together with one or more of the other two substantial shareholders, the Company understands that the intention of Ilwella Pty Ltd and Gaffwick Pty Ltd, should they obtain a controlling interest in the Company as a result of the Entitlement Offer, to be as follows:

- continue the same business operations of the Company, as notified to the ASX by the Company generally, including the sale of Mountainside Coal Company, continuation of the Tranche 3 litigation against PT Bayan Resources Tbk and Bayan International Pte Ltd and continued promotion and commercialisation of its Binderless Coal Briquetting technology (including investments, joint ventures and other opportunities);
- not immediately change the business of the Company or redeploy the fixed assets of the Company (other than as announced to the ASX in relation to Mountainside Coal Company) or to transfer any property between the Company and Ilwella Pty Ltd and Gaffwick Pty Ltd (other than repayment of the unsecured loans if those loans were needed and as already disclosed in this document); and

- not significantly change the financial or dividend distribution policies of the Company.

These intentions are based on information concerning the Company, its business and the business environment that which is known to Ilwella Pty Ltd and Gaffwick Pty Ltd as at the date of this Offer Booklet.

These present intentions may change as new information becomes available, as circumstances change in light of all material information, facts and circumstance necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.”

A summary of the underwriting agreements entered into with the Underwriters is at Section 3.3 of this Offer Booklet.

1.5 Minimum subscription

There is no minimum subscription for Offer Shares under the Entitlement Offer.

1.6 Eligibility of Shareholders

The Entitlement Offer is an offer to Eligible Shareholders only.

Eligible Shareholders are Shareholders on the Record Date, 7.00 p.m. (AEDT) on Thursday, 19 March 2020, who have a registered address in Australia and New Zealand or who are Shareholders that the Company has otherwise determined are eligible to participate. In particular, this Entitlement Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

1.7 Ineligible Shareholders

Shareholders who are not Eligible Shareholders are Ineligible Shareholders. The Company reserves the right to determine whether a shareholder is an Eligible Shareholder or an Ineligible Shareholder.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of those Shareholders, the relatively low number and value of Shares that they hold, considered against the cost of complying with the applicable regulations in the relevant jurisdictions outside Australia and New Zealand.

The Company has obtained approval from ASIC to appoint Berne No 132 Nominees Pty Ltd ACN 010 413 591 as Nominee for the purposes of section 615 of the Corporations Act to sell Entitlements on behalf of Ineligible Shareholders which would otherwise have been available to Ineligible Shareholders had they been eligible to participate in the Entitlement Offer.

There is no guarantee that the Nominee will be able to sell Entitlements of Ineligible Shareholders on ASX. Even where the Nominee is able to sell Entitlements, Ineligible Shareholders may receive no net proceeds if the costs of the sale are greater than the sale proceeds. Both the Company and the Nominee take no responsibility for the outcome of the sale of such Entitlements or the failure to sell such Entitlements.

The sale of Entitlements may have Australian and overseas tax consequences. Ineligible Shareholders should consult with their tax advisers regarding the taxation treatment of any proceeds they may receive.

1.8 Entitlements trading on ASX

Entitlements are renounceable, which means that all or part of an Eligible Shareholder’s Entitlement, or an Ineligible Shareholder’s Entitlement through the Nominee, may be traded on ASX. If you wish to sell all or part of your Entitlement on ASX, then you should provide instructions to your stockbroker regarding the Entitlement which you wish to sell. You may incur brokerage costs if you sell your Entitlements on ASX. Trading of Entitlements

on a normal settlement basis will commence on ASX from market open on Wednesday, 25 March 2020 and cease on Thursday, 2 April 2020.

There is no guarantee that an Eligible Shareholder, or an Ineligible Shareholder through the Nominee, will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

This Offer Booklet, along with your Entitlement and Acceptance Form, will be dispatched to Eligible Shareholders on Tuesday, 24 March 2020. The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to Eligible Shareholders or Ineligible Shareholders if you trade your Entitlements before the Entitlements are allotted, or before you receive your Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by the Company or otherwise.

A transferee who acquires an Entitlement on ASX will not receive an Offer Booklet or an Entitlement and Acceptance Form. The process in place for the transferee to exercise an Entitlement acquired on ASX is governed by the arrangements in place between the transferee and their stockbroker, and may vary between stockbrokers. The transferee should contact their stockbroker for instructions as to the most appropriate way to participate in the Entitlement Offer and to take up their Entitlement. The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to transferees who acquire Entitlements and fail to take up all or part of that Entitlement.

Any Eligible Shareholder who has not taken up or sold all of their Entitlements by the Closing Date or the date which Entitlement trading Ends (respectively), or an Ineligible Shareholder through the Nominee who has not sold all of their Entitlements by the date which Entitlement trading ends, will automatically have the balance of their Entitlements lapse, with the forfeit of any potential benefit to be gained from taking up or selling that part of their Entitlement (where applicable).

1.9 Selling all or a proportion of your Entitlement other than on ASX

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder were they a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a Shareholder on the Issuer Sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person, other than on ASX, a completed standard renunciation and transfer form (which can be obtained from the Share Registry) must be received by the Share Registry (by post) at the address listed in the Corporate Directory, after the Opening Date and no later than 5.00pm (Sydney time) on Thursday, 9 April 2020, the Closing Date, and accompanied by the applicable transferee's cheque for the Offer Shares they wish to subscribe for in Australian dollars, crossed "Not Negotiable" and made payable to "White Energy Company Ltd".

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister, you must engage your CHESS controlling participant (usually your stockbroker). If the transferees want to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf.

If the Company receives both a completed renunciation form and a completed Entitlement and Acceptance Form in respect of the same Entitlement, the renunciation will be given effect in priority.

The application moneys for Offer Shares that the transferee of the Entitlement wants to acquire must be received by the Share Registry after the Opening Date but no later than 5.00pm (Sydney time) on Thursday, 9 April 2020, the Closing Date, by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "White Energy Company Ltd".

1.10 Eligible Shareholders may apply for Additional Shares

Entitlements not taken up may become available as Additional Shares. Eligible Shareholders who are not Related Parties may, in addition to their Entitlements, apply for Additional Shares over and above their Entitlement at the Issue Price, subject to the takeover prohibition in Chapter 6 of the Corporations Act. Additional Shares will be issued at the same Issue Price (\$0.06) as the Offer Shares, representing an 18.92% discount to the closing price on Thursday, 12 March 2020.

If you wish to subscribe for Additional Shares in addition to your Entitlement, then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement plus the Additional Shares (at A\$0.06 per Offer Share).

There is no guarantee that Eligible Shareholders will receive the number of Additional Shares they apply for, or that they will receive any Additional Shares at all. The Company reserves the right to scale-back any applications for Additional Shares in their absolute discretion and to ensure that no Shareholder will as a consequence of taking up their Entitlement and being issued any Additional Shares breach Chapter 6 of the Corporations Act. However, it is the sole responsibility of the Eligible Shareholder to determine the maximum level of Offer Shares for which they can apply.

The allocation policy for Additional Shares subscribed for pursuant to the Shortfall Facility will be as follows:

- (a) to any Eligible Shareholders who have taken up their full Entitlement and have applied for Additional Shares through the Shortfall Facility by the Closing Date, unless there is an oversubscription for Additional Shares, in which case Additional Shares may be subject to scale-back and Eligible Shareholders will receive Additional Shares on a pro rata basis having regard to the proportion of oversubscription for Additional Shares; and
- (b) thereafter, if any shortfall remains, to the Underwriters.

The Directors reserve their rights to alter this allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion, including for example, as to the multiple of Additional Shares to the shareholder's original holding.

Related Parties, including Directors, are not entitled to subscribe for Additional Shares.

It is an express term of the Offer that applicants for Additional Shares will be bound to accept a lesser number of Additional Shares allocated to them than applied for. If a lesser number is allocated to them, excess Acceptance Money will be refunded (where the amount is \$1.00 or greater) and will be returned to Eligible Shareholders as soon as practicable following the Closing Date, without interest. You will be paid by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). Alternatively, you will be paid by direct deposit where the Registry holds bank account details in respect of your shareholding.

If you make payment by BPAY®:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form; and
- (b) if your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Shares which is covered in full by your Application monies.

If you apply for Additional Shares under the Shortfall Facility and your Application is successful (in whole or in part), your Additional Shares will be issued at the same time as other Offer Shares are issued under the Entitlement Offer.

In addition, no Shares under the Entitlement Offer will be issued to any Eligible Shareholder or the Underwriters if, in the view of the Directors, to do so would result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

1.11 Investment risks

Investors should carefully read the Section on "Risk Factors" outlined in Section 4 of this Offer Booklet. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

1.12 Offer Share terms

Each Offer Share will rank equally with all existing Shares currently on issue. The rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.13 Quotation of Offer Shares

The Company will apply for quotation of the Offer Shares on ASX. It is expected that normal trading of the Offer Shares will commence on or about Tuesday, 21 April 2020.

1.14 How to accept your Entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. They may also apply for Additional Shares under the Shortfall Facility (as set out in Section 1.10 above).

The number of Offer Shares to which Eligible Shareholders are entitled to is shown on the personalised Entitlement and Acceptance Form which accompanies this Offer Booklet.

If an Eligible Shareholder takes no action in respect of their Entitlement, they will not receive any Offer Shares pursuant to the Entitlement Offer. If you do not wish to accept all or any part of your Entitlement, do not take any further action and your Entitlement will lapse.

If you do not take up all of your Entitlement in accordance with the instructions set out above, any Offer Shares that you would have otherwise been entitled to under the Entitlement Offer may be placed by the Directors with other parties, including the Underwriters.

Eligible Shareholders who do not take up all of their Entitlement will have their percentage shareholding in the Company diluted.

(a) Payment by cheque, bank draft or money order

Entitlements to Offer Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form accompanying this Offer Booklet in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed form together with payment for the full amount so it is received by the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date, Thursday, 9 April 2020. Payment may be made by cheque, bank draft or money order. The Issue Price of \$0.06 per Offer Share is payable in full on acceptance of part or all of your Entitlement.

If you wish to take up all of your Entitlement and apply for Additional Shares, complete the Entitlement and Acceptance Form by inserting the total number of Offer Shares you wish to accept under this Offer Booklet plus the number of Additional Shares (being more than your Entitlement as specified on the Entitlement and

Acceptance Form) in accordance with the instructions set out on the form. Please also ensure that your payment of Acceptance Money is sufficient for both the Offer Shares under your Entitlement and any Additional Shares.

Cheques should be in Australian currency and made payable to "White Energy Company Ltd" and crossed "Not Negotiable".

Completed Forms and accompanying cheques should be posted to the following address:

Mailing Address

White Energy Company Limited
c/o Computershare Investor Services Pty Limited
GPO Box 505
Melbourne
VIC 3001

Entitlement and Acceptance Forms will **not** be accepted at the Company's registered office.

(b) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form, which includes the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form, but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Acceptance Money.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00 p.m. (Sydney time) on the Closing Date, Thursday, 9 April 2020. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

(c) Administration of applications for Offer Shares

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for Offer Shares under this Offer Booklet. The amount payable on Acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the Offer Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any Acceptance Money received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded as soon as practicable following the Closing Date, Thursday, 9 April 2020. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

1.15 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding offer to acquire Offer Shares on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for Offer Shares. The Directors' decision on whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Acceptance Money or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue Offer Shares under the Offer;
- (b) you acknowledge that the Offer Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand; and
- (c) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

If you (or any person for whom you are acquiring the Offer Shares) are in the United Kingdom, you (and any such person) are:

- (a) a "qualified investor" within the meaning of section 86(7) of the United Kingdom Financial Services and Markets Act 2000; and
- (b) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

1.16 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Offer Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand, certain institutional shareholders in the United Kingdom as provided in the inside front cover of this booklet under "United Kingdom" and certain shareholders in such other country in which the Company may determine it is lawful and practical to make the Entitlement Offer.

2. The Company and its operations

2.1 Operations

The principal activities of the Company are focused on production of cleaner and more efficient coal.

The Company is the exclusive worldwide licensee of a patented technology for a Binderless Coal Briquetting (BCB) process which is capable of upgrading low cost, low rank coals and coal fines into more valuable, higher energy yielding briquettes. See Section 4 of this Offer Booklet for a discussion of the risks associated with this technology and intellectual property.

The BCB process also provides an attractive solution for coal producers seeking to maximise mine yield and solve the environmental issues posed by discarded coal fines. Discussions continue with several mine owners to recover coal from what is currently a waste material which is considered to be an environmental liability, and convert it to a valuable, low moisture coal product in Australia, China and South Africa.

White Energy operates demonstration and pilot plants at Cessnock (NSW, Australia) as a key testing and training facility. Previously coal samples from mines in Australia, South Africa, North America, India and China have been processed at the Cessnock facility to test for their responsiveness to the BCB process.

Current projects:

Africa – River Energy Joint Venture – White Energy 51%

White Energy's 51%-owned subsidiary, River Energy JV Limited, through Proterra Investment Partners (Proterra, 49%), is in discussion with a number of South African coal miners interested in the Group's Binderless Coal Briquetting (BCB) technology.

Extensive testing by River Energy, including successful briquetting and combustion trials, has previously demonstrated that a saleable export grade coal product can be produced from South African reject tailings. Proterra is pursuing opportunities on mine sites in South Africa to secure access to fine coal to support BCB projects.

The BCB process provides an attractive solution for coal producers seeking to maximise mine yield and facing the environmental challenges posed by reject coal fines. In South Africa alone, it is estimated that there are over 1 billion tonnes of discarded coal in tailings facilities, much of which may eventually need to be reclaimed.

North America – Mountainside Coal Company (MCC) – White Energy 51%

MCC had no coal sales revenue during the December 2019 quarter, with coal production suspended since April 2018.

MCC's management are currently planning for future mining activities.

Reclamation activity continues, with applications being made for bond releases as rehabilitation work in each area is completed.

MCC currently has additional permits in various stages of approval and many acres containing low ash Blue Gem coal resources in Kentucky that are in the initial permitting phase. MCC continues to advance the permitting process and additional leases are being sought as mine plans for new areas are progressed.

White Energy has previously announced that it would sell its 51% interest in MCC. Discussions are continuing with interested parties.

Australia

South Australia – EL5719 and PELA674

During the previous quarter, work continued on examining coal gasification and emerging hydrogen opportunities from coal, and planning for future exploration activities.

BCB

WEC is investigating the implementation of its BCB technology for use in Yankuang Group's coal briquetting business in China. Testing of coals from Shandong and Shanxi Provinces has been successfully conducted at WEC's test facility in Cessnock and two of the Company's briquetting machines were despatched for larger scale tests in China. Design of a BCB plant for a mine site in Shanxi Province is well advanced, and a contract for construction of the plant being finalised that will allow construction to commence that is funded by the customer under White Energy's design and engineering supervision.

Management continues investigations into opportunities to briquette discarded coal fines which currently represent an environmental liability to miners. Application of the BCB technology could provide an opportunity for miners to convert waste coal fines into a saleable product.

General Corporate:

The Company has no significant secured corporate debt. Non-recourse shareholder loans provided to the Group's 51% owned operations in the USA and South Africa by both White Energy and the minority shareholders in proportion to their ownership interests are repayable in January 2021.

During December 2019, a claim made under the Company's Directors' & Officers insurance policy with the insurer Allianz was settled in relation to legal costs incurred for certain Directors and former Directors of the Company that had participated in an ICAC public inquiry (Operation Jasper) during prior periods. Under the terms of the settlement's Deed of Release there are no longer any outstanding claims.

2.2 Legal proceedings against PT Bayan Resources Tbk and Bayan International Pte Ltd

(a) Singapore International Commercial Court

The Company's wholly owned subsidiaries, BCBC Singapore Pte Ltd (**BCBCS**) and Binderless Coal Briquetting Company Pty Limited (BCBC) are involved in ongoing legal proceedings in the Singapore International Commercial Court (**SICC**) against PT Bayan Resources Tbk (**BR**) and Bayan International Pte Ltd in connection with the parties' incorporated Indonesian joint venture company, PT Kaltim Supacoal (**KSC**). See Section 4.15 of this Offer Document for a discussion of the specific risks associated with this litigation.

The legal proceedings were initiated in December 2011, and have involved a number of tranches. The first tranche of the proceedings was heard by the SICC in November 2015, the second tranche was heard in January 2017 and an appeal in relation to the second tranche was heard in February 2018. A discrete issue was remitted back to the SICC and was determined in January 2019 and an appeal in relation to the remitted issue was heard in July 2019.

The outcome of the proceedings thus far has been overwhelmingly in favour of BCBCS. The SICC has conclusively determined that BR has both breached and repudiated the joint venture deed. There are no claims against the Group in these proceedings.

The third tranche of the proceedings will be held in September 2020 to determine the quantum of damages which may be payable to BCBCS.

As such, the total value of BCBCS' claim may be estimated to amount to USD153 million plus interest and costs.

(b) Freezing order against BR's shareholding in Kangaroo Resources Limited

In 2012, the Supreme Court of Western Australia made freezing orders in favour of BCBCS in respect of BR's 56% shareholding in Kangaroo Resources Limited (**KRL**), a publicly listed Australian company (**freezing order**). The orders made by the Supreme Court of Western Australia, amongst other things:

- prohibit BR from further encumbering its shares in KRL;
- prohibit BR from transferring its shares in KRL to a related entity; and
- prohibit BR from disposing of its shares in KRL to an unrelated entity or diminishing the value of those shares, without first giving BCBCS seven clear business days' notice.

On 17 August 2018, KRL issued a market announcement that it had entered into a binding scheme implementation deed with BR in order for BR to acquire the balance of the shares in KRL which it did not already own via a scheme of arrangement. Subsequent to the scheme of arrangement, KRL was delisted and integrated within the BR group which is based in Indonesia.

In view of this, BCBCS filed an application in the Supreme Court of Western Australia, seeking variations to the terms of the freezing order to ensure the purpose of the freezing order is not frustrated as a result of the integration of KRL within the BR group. The Supreme Court of Western Australia found in favour of BCBCS and expanded the terms of the freezing order by amending the existing orders to also provide for the following:

- prohibiting BR from disposing of its shares in KRL to an unrelated entity or diminishing the value of its shares in KRL, without first providing 20 clear business days' notice to BCBCS;
- prohibiting BR, its associates and associated entities from entering into a transaction with KRL or any of KRL's subsidiaries which provides a financial benefit to BR, its associates or its associated entities without first providing 20 clear business days' notice to BCBCS; and
- prohibiting BR, its associates and associated entities from entering into a transaction with KRL by which KRL or KRL's subsidiaries dispose of a substantial asset within the meaning of ASX Listing Rule 10.2 without first providing 20 clear business days' notice to BCBCS.

If BCBCS is successful in the proceedings in Singapore, BCBCS intends to utilise the freezing order to enforce any damages award.

2.3 Potential Unsecured Loans by Directors

As at the date of this Offer Booklet, the Company does not have any unsecured loans.

However, the Company anticipates that it may require funds prior to completion of the Entitlement Offer. In these circumstances, the Company expects to be able to draw funds via unsecured loans from entities associated with two Directors, Mr Brian Flannery (Ilwella Pty Ltd) and Mr Travers Duncan (Gaffwick Pty Ltd), for an aggregate amount of up to \$6 million. The entities that would provide the unsecured loans are also the Underwriters to the Entitlement Offer.

In the event that the Company enters into loan agreements with the above entities, the agreements would be on arm's length commercial terms and appropriately disclosed to the market on ASX.

Only if necessary, the Company will borrow funds of up to \$3,000,000 from each of Ilwella and Gaffwick (each a **Lender**) via unsecured loans (**Loans**) in the event that the proposed Entitlement Offer does not complete by the end of March 2020 and payments of any of the Use of Fund items are required to be made. The amount borrowed can be for a lesser amount based on what is required to be funded by the Company prior to finalisation of the Entitlement Offer. The Lenders will each charge an interest rate of 0.8% per month. The term of the Loans will be no later than one year after the loans are advanced or upon demand by the Lenders. It is intended that the Lenders will demand full repayment upon completion of the Entitlement Offer. The interest rate increases to 1.2% per month if an interest payment is not paid by the due date.

The purpose of the unsecured loans would be to make payments owing to CSIRO of approximately \$3.2 million (as disclosed by the Company on 27 September 2019 in the Full Year Statutory Accounts specifically, Note 19 Current Liabilities – Trade and Other Payables : Accrued license fee and related Interest), pay a tranche of fees in relation to the ongoing legal proceedings (see Section 2.2 for more information on the legal proceedings) and general corporate purposes, including working capital.

The unsecured loans (if any) would be repaid by the Company using funds raised under the Entitlement Offer. As the loans would be provided by the Underwriters, it is anticipated that the loans would be extinguished following completion of the Entitlement Offer via a direct repayment by the Company or an offset to the amount owing to the Company as part of the underwriting agreements.

2.4 Board

The Board of the Company is currently comprised of:

- (a) Travers Duncan, Non-Executive Chairman;
- (b) Brian Flannery, Managing Director;
- (c) Graham Cubbin, Non-Executive Director; and
- (d) Vincent O'Rourke, Non-Executive Director.

3. Control issues arising from the Entitlement Offer

3.1 Present position

As at 12 March 2020, based on notices provided under section 671B of the Corporations Act, there are four substantial holders of the Company's Shares. The relevant holding, and associated voting power, of each Substantial Shareholder is as follows:

Name	Shares*	%**
M&G Plc and its subsidiary companies	102,430,167	19.84%
Gaffwick Pty Ltd and other entities associated with Mr Travers Duncan	79,768,308	15.45%
Ilwella Pty Ltd and other entities associated with Mr Brian Flannery	75,667,806	14.66%
Hans J Mende and other associated entities	32,710,220	6.34%
TOTAL	290,576,501	56.29%

*Based on number of Shares disclosed in each of the most recent Form 604 or Form 603.

** Based on current total issued capital of the Company.

3.2 Capital structure

Given the Entitlement Offer is fully underwritten, the share capital structure of the Company immediately following the Issue is expected to be as follows:

Shares	
Shares on issue at the date of the Offer Booklet	516,318,597
Maximum number of Offer Shares*	258,159,299
Total share capital immediately after Issue*	774,477,896

* subject to rounding

On 6 December 2016, the Company issued 10,000,000 options (**Options**) to Mr Brian Flannery, a Director of the Company, with an exercise price set at the higher of \$0.20 or 170% of the Share price on the date the Options were granted. Each Option entitles Mr Flannery to one Share in the Company on payment of the exercise price. There are no prescribed vesting and performance conditions attached to the Options. Mr Flannery will be able to exercise the Options at any time until the expiry date of 18 November 2022.

On 22 July 2019, the Company issued 3,400,000 incentive rights (**Incentive Rights**) to eligible employees under the terms of the Company's long term incentive plan for a nil issue and exercise price. The vesting of each Incentive Right results in an entitlement to one fully paid share in the Company and will otherwise lapse on 30 June 2022. A holder of Incentive Rights must remain an employee of the Company or its subsidiaries for a continuous three year period starting on 1 July 2019 and ending on 30 June 2022 (**Service Period**). The Company is required to achieve a total shareholder return over the Service Period of at least 120%.

3.3 Underwriting Agreements

The Entitlement Offer is fully underwritten. Each of Ilwella Pty Ltd and Gaffwick Pty Ltd (together, the **Underwriters**) have agreed to underwrite up to \$7,744,779, being half of the total maximum amount which can be raised under the Entitlement Offer.

Ilwella Pty Ltd is an Associated Entity of Mr Brain Flannery who is a Director of the Company.

Gaffwick Pty Ltd is an Associated Entity of Mr Travers Duncan who is a Director of the Company.

As is customary for these types of arrangements, the Underwriters' obligations to underwrite the Offer Shares under the Entitlement Offer which comprises the Shortfall is subject to the satisfaction of certain conditions and usual representations and warranties.

The terms "Underwriter", "underwriting" and any derivation thereof as used in this Offer Booklet are only to be understood within an Australian law context and not with a view or purpose or resale of any securities.

In connection with the underwriting, the Company will pay an underwriting fee of 4% on funds raised under the Entitlement Offer, net of the Entitlements of the Company's top three Substantial Shareholders (representing 49.95% of the Entitlement Offer). Therefore, the total underwriting fee payable to the Underwriters will be calculated based on 50.05% of the Entitlement Offer. For the avoidance of doubt, this equates to an underwriting fee of \$155,071 to each Underwriter, or \$310,142 in total.

Each of the Underwriter's obligation to subscribe for the Shortfall is conditional upon none of the following events occurring by 5.00 pm (AEDT) on the day that is two Business Days after the close of the Entitlement Offer (**Settlement Date**):

- (a) the Entitlement Offer is withdrawn;
- (b) a statement in the Offer Booklet or notice required under section 708AA(2)(f) (**Cleansing Notice**) is or becomes misleading or deceptive or likely to mislead or deceive, or a statement or estimate in the Offer Booklet and/or Cleansing Notice which relates to a future matter is or becomes incapable or unlikely to being met;
- (c) the Cleansing Notice is defective;
- (d) a matter or new circumstance arises that the Underwriter, acting reasonably, considers to be materially adverse, which, if known at the time of issue of the Offer Booklet and/or Cleansing Notice, would have been included in the Offer Booklet and/or Cleansing Notice;
- (e) ASIC:
 - (i) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer, the Offer Booklet or Cleansing Notice under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth), unless it is not made public and is terminated or withdrawn by 8am on the Settlement Date; or
 - (ii) prosecutes or commences proceedings or gives notice of an intention to prosecute or commence proceedings against the Company or any of its officers, employees or agents in relation to the Entitlement Offer, the Offer Booklet or Cleansing Notice;
- (f) the Company is prevented from issuing the Offer Shares within the time required by the Indicative Timetable, the Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;

- (g) the S&P/ASX 200 Index closes on a Business Day during the Offer at a level that is 10% or more below its level as at the close of trading on the Business Day before the date of this agreement;
- (h) the Company fails to lodge an Appendix 3B in relation to the Shares with ASX by the time required by the Indicative Timetable, the ASX Listing Rules or any other regulation;
- (i) an order is made under Section 1324B of the Corporations Act in relation to the Offer Booklet and/or Cleansing Notice;
- (j) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a material adverse effect on the Company or the value of the Shares;
- (k) any authorisation which is material to anything referred to in the Offer Booklet and/or Cleansing Notice is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (l) a Director of the Company is charged with an indictable offence;
- (m) a material contravention by the Company of any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (n) the Company suspends payment of its debts generally;
- (o) litigation, arbitration, administrative or industrial proceedings are after the date of the underwriting agreement commenced against the Company other than those already disclosed in the Offer Booklet, to ASX or to the Underwriter;
- (p) there is a material change in the major or controlling shareholdings of the Company (other than as a result of the Offer or a matter disclosed in the Offer Booklet and/or Cleansing Notice) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Act is publicly announced in relation to the Company;
- (q) a force majeure affecting the Company's business or any obligation under the agreement lasting in excess of 5 Business Days occurs;
- (r) the Company alters its capital structure in any manner not contemplated by the Offer Booklet excluding the issue of any shares upon exercise of options, such options having been disclosed to the ASX as at the date of this agreement;
- (s) any event of insolvency occurs in relation to the Company or any act occurs or any omission is made which may reasonably be expected to result in an event of insolvency occurring in relation to the Company;
- (t) a material adverse change in the financial or operating conditions, outlook of the Company, or structure of the Company; and
- (u) a breach of any of the warranties, representations or undertakings in the underwriting agreement by the Company.

3.4 Potential impact of the Entitlement Offer on control of the Company

The potential effect the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. However, given the structure of the Entitlement Offer, the Entitlement Offer may have a material effect on the dilution and/or control of the Company. The risks associated with dilution are also set out in Section 4.13 of this Offer Booklet.

The potential effect on control is summarised below:

- (a) If all Eligible Shareholders take up their Entitlements under the Entitlement Offer, and all rights attaching to Ineligible Shareholders are taken up by other new shareholders, then the Entitlement Offer will have no significant effect on the control of the Company;
- (b) If some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in the Company will be diluted;
- (c) The proportional interests of shareholders of the Company who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer;
- (d) Eligible Shareholders that apply for Additional Shares under the Shortfall Facility may increase their interests beyond their Entitlement. This could result in the dilution of holdings of those who failed to accept their Entitlements in full;
- (e) The Entitlement Offer is fully underwritten by the Underwriters, who are also Substantial Shareholders of the Company. The Underwriters are associated entities of two Directors, Mr Brian Flannery and Mr Travers Duncan, who have both represented to the Company that they intend to subscribe for their full Entitlement. In addition, the Company's major shareholder, M&G Plc and its subsidiaries (**M&G**), holding 19.84% of the Company's current total issued capital. Collectively, the Underwriters and M&G currently hold 49.95% of the Company's issued capital. Based on the assumption that M&G will subscribe for its full Entitlement, and does not subscribe for any Additional Shares under the Shortfall Facility, the following table provides the projected voting power for each of the Underwriters and M&G under various scenarios:

Shareholder	Voting Power based on total % of Offer Share and Additional Share Subscriptions					
	49.95%*	55%	65%	75%	85%	100%
M&G	19.84%	19.84%	19.84%	19.84%	19.84%	19.84%
Gaffwick Pty Ltd (Mr Travers Duncan)	23.79%	22.95%	21.28%	19.62%	17.95%	15.45%
Ilwella Pty Ltd (Mr Brian Flannery)	23.00%	22.16%	20.49%	18.82%	17.16%	14.66%
Other Shareholders	33.37%	35.05%	38.39%	41.72%	45.05%	50.05%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*The Top 3 Shareholders of the Company (M&G and the Underwriters) collectively hold 49.95% of the issued capital; therefore, this scenario assumes that only the Top 3 Shareholders subscribe for their Entitlement, and the Underwriters subscribe for the Shortfall.

The above table shows that if less than 65% of Shareholders subscribe for their Entitlements, then the Underwriters (and therefore entities associated with the Directors Mr Brian Flannery and Mr Travers Duncan) will each have voting power above 20%. However, if 75% or more of Shareholders subscribe for their Entitlements, then no Shareholder will have voting power of greater than 20%.

Related Parties (which includes Directors of the Company) are not entitled to subscribe for Additional Shares. M&G has represented to the Company that it will not subscribe for Additional Shares. Therefore, no Shareholder will obtain voting power of 20% or more as a result of subscribing for Additional Shares. Other Eligible Shareholders can subscribe for Additional Shares under the Shortfall Facility, which will assist in reducing the amount of Shortfall required to be subscribed for by the Underwriters and therefore assist in reducing any potential effect on control.

- (f) As outlined in Section 3.4(e) of the Offer Booklet, the Company has calculated the voting power based on the Company's major shareholder, M&G, taking up their full entitlement on their holding of 19.84% of the Company's current total issued capital. However, under a scenario where M&G and all other shareholders (except for associated entities of the Underwriters) do not take up any entitlement, the potential maximum voting power for each of the Underwriters (and their associated entities) is as follows:

Shareholder	Voting Power based on total % of Offer Share and Additional Share Subscriptions						
	30.10%*	49.95%**	55%	65%	75%	85%	100%
M&G	13.23%	19.84%	19.84%	19.84%	19.84%	19.84%	19.84%
Gaffwick Pty Ltd (Mr Travers Duncan)	27.10%	23.79%	22.95%	21.28%	19.62%	17.95%	15.45%
Ilwella Pty Ltd (Mr Brian Flannery)	26.30%	23.00%	22.16%	20.49%	18.82%	17.16%	14.66%
Other Shareholders	33.37%	33.37%	35.05%	38.39%	41.72%	45.05%	50.05%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* The entities related with Mr Flannery and Mr Duncan (the Underwriters) collectively hold 30.10% of the issued capital; therefore, this scenario assumes that only the Underwriters subscribe for their Entitlement, and the Underwriters subscribe for the Shortfall.

**The Top 3 Shareholders of the Company (M&G and the Underwriters) collectively hold 49.95% of the issued capital; therefore, this scenario assumes that only the Top 3 Shareholders subscribe for their Entitlement, and the Underwriters subscribe for the Shortfall.

- (g) As outlined in section 3.2 of the Offer Booklet, the Company has 10,000,000 Options on issue to Mr Brian Flannery. It is noted that the exercise price of these Options is set at the higher of \$0.20 or 170% of the share price on the date the Options were granted, and as such, it is not expected that Mr Flannery will exercise these Options prior to the Closing Date. However, should Mr Flannery choose to do so after the Record Date and prior to the Closing Date, the potential maximum voting power for each of the Underwriters (and their associated entities) and M&G is as follows:

Shareholder	Voting Power based on total % of Offer Share and Additional Share Subscriptions			
	49.95%*	49.95%**	30.10%***	30.10%****
M&G	19.84%	19.59%	13.23%	13.06%
Gaffwick Pty Ltd (Mr Travers Duncan)	23.79%	23.49%	27.10%	26.75%
Ilwella Pty Ltd (Mr Brian Flannery)	23.00%	23.98%	26.30%	27.25%
Other Shareholders	33.37%	32.94%	33.37%	32.94%
TOTAL	100.00%	100.00%	100.00%	100.00%

*The Top 3 Shareholders of the Company (M&G and the Underwriters) collectively hold 49.95% of the issued capital; therefore, this scenario assumes that only the Top 3 Shareholders subscribe for their Entitlement, and the Underwriters subscribe for the Shortfall. This is where Mr Flannery does not exercise his options.

**The Top 3 Shareholders of the Company (M&G and the Underwriters) collectively hold 49.95% of the issued capital; therefore, this scenario assumes that only the Top 3 Shareholders subscribe for their Entitlement, and the Underwriters subscribe for the Shortfall. This is where Mr Flannery does exercise his options.

***The Underwriters (and their associated entities) collectively hold 30.10% of the issued capital; therefore, this scenario assumes that only the Underwriters subscribe for their Entitlement, and the Underwriters subscribe for the Shortfall. This is where Mr Flannery does not exercise his options.

****The Underwriters (and their associated entities) collectively hold 30.10% of the issued capital; therefore, this scenario assumes that only the Underwriters subscribe for their Entitlement, and the Underwriters subscribe for the Shortfall. This is where Mr Flannery does exercise his options.

3.5 Potential impact of the Entitlement Offer on Shareholders if they do not take up their Entitlements and the maximum number of Offer Shares are issued

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings will be diluted. Examples of how the dilution may impact Shareholders are detailed in the table below:

Shareholder	Shareholding as at Record Date	% at Record Date	Entitlement	Shareholding if Entitlement not taken up	% post Entitlement Offer
Shareholder 1	100,000	0.02%	50,000	100,000	0.01%
Shareholder 2	500,000	0.10%	250,000	500,000	0.06%
Shareholder 3	1,000,000	0.19%	500,000	1,000,000	0.13%
Shareholder 4	5,000,000	0.97%	2,500,000	5,000,000	0.65%
Shareholder 5	10,000,000	1.94%	5,000,000	10,000,000	1.29%
Shareholder 6	25,000,000	4.84%	12,500,000	25,000,000	3.23%

As the Entitlement Offer is fully underwritten, any Shareholder who does not participate in the Entitlement Offer will have their voting power diluted by approximately 33%.

In the unlikely event that Mr Flannery exercises his Options after the Record Date, but prior to the Closing Date, any Shareholder who does not participate in the Entitlement Offer will have their voting power diluted by approximately 34%.

4. Risk factors

4.1 Introduction

The activities of the Company, as in any business, are subject to risks, some of which are specific to the Company and the coal industry in general, which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks, however, some are outside the control of the Group. The principal risk factors are described below.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Offer Booklet before you decide whether to accept Offer Shares.

4.2 Nature of investment

Potential investors should be aware that subscribing for Offer Shares involves risks. The Offer Shares to be issued pursuant to this Entitlement Offer carry no guarantee with respect to payment of dividends, return on capital or market value of those Offer Shares. An Applicant may not be able to recoup his or her initial investment. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the Offer Shares in future is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the Offer Shares; and
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders would receive none, or only some of their initial investment.

4.3 Securities market

The Offer Shares may trade on the ASX at higher or lower prices than the Issue Price following listing. Investors who decide to sell their Offer Shares after quotation may not receive the entire amount of their original investment.

The Shares are currently listed on the ASX. However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the Offer Shares will increase.

The price at which the Offer Shares trade on the ASX may be affected by the financial performance of the Company or by external factors over which the Directors and the Company have no control. These factors include movements on international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

4.4 Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, foreign exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance including its ability to fund its activities.

4.5 Competition risk

The industry in which the Company is involved is subject to domestic and global competition including from alternative energy sources including gas, solar, uranium, tidal or other energy sources. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

4.6 Potential acquisitions and divestments

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies, products or technologies and may make asset divestments. Any such transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, and any divestment activity could result in realising values less than fair value. Refer to Section 2.1 of this Offer Booklet for details regarding the intended sale of subsidiary company Mountainside Coal Company Inc.

4.7 Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with the management team) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities. This includes risks arising from the Company's reliance on a number of key employees. The Company has in place employment contracts with key employees and has the objective of providing attractive employment conditions to assist in retaining key employees. However, there is no guarantee that the Company can or will retain its key employees.

4.8 Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

4.9 Additional capital requirements

The Directors believe that the Company has sufficient cash reserves to meet its commitments in the near term, however to satisfy forecast expenditure requirements, the Company will require further funding. The Directors believe that a combination of funding sources may be available, including debt funding for specific projects, issues of new equity and asset sales. The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no guarantee that the funds raised through the Entitlement Offer will be sufficient to achieve all of the objectives of the Company's overall business strategy. If the Company is unable to use debt, equity or asset sales to fund the objectives of its business strategy after the substantial exhaustion of the net proceeds from the Entitlement Offer, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional funding on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.

4.10 Regulatory risk, government policy

The Company holds investments in Australia, Africa and North America and conducts business, or seeks to conduct business in these and other countries and is therefore exposed to the laws governing businesses in those countries. Changes in government regulations including taxation, the repatriation of profits, restrictions on

production, export controls, environmental compliance, shifts in the political stability of the country, labour unrest and other adverse political events could adversely affect the Company and its business initiatives in Australia, Africa and North America and other countries.

4.11 Cyber security risks

Cyber-attacks are increasing worldwide in frequency and severity. No information technology environment is impenetrable. The Group maintains appropriate actions, systems and safeguards to protect against data breaches and aims to keep to a low risk the adverse consequences arising from a breach on the Group's business and operations.

4.12 Equity Underwriting

The Company has entered into underwriting agreements under which the Underwriters have agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreements, which are summarised in Section 3.3. Prior to settlement of the Entitlement Offer, there are certain events which, if they were to occur, may affect the Underwriters' obligations to underwrite the Entitlement Offer. If certain conditions are not satisfied or certain events occur under the underwriting agreements, the Underwriters may not be under an obligation to subscribe for the Shortfall, which may require the Company to search for alternative financing. If the Underwriters are not obligated to subscribe for the Shortfall for any reason, then the Company may not receive the full amount of the proceeds expected under the equity raising, its financial position might change, and it might need to take other steps to raise capital.

4.13 Dilution of existing Shareholders in the Company

Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced. Given the Entitlement Offer is fully underwritten, dilution to existing Shareholders who do not take up their Entitlements in full may be material. At completion of the Entitlement Offer, it is anticipated that the Company's share capital will increase from 516,318,597 Shares to approximately 774,477,896 Shares (subject to rounding). For Shareholders who do not participate in the Entitlement Offer, their percentage interest in the Company will be reduced by approximately 33%.

4.14 Specific risks associated with investments in the coal industry

(a) Technology, general project and intellectual property risks

Any project is subject to risk, in particular those that rely on a relatively new technology. Emerging new technologies may render the Group's exclusively licensed and proprietary binderless briquetting technology obsolete, or commercialisation of the technology may take longer than anticipated, which hinder the Group's ability to derive future income. The Group's future financial performance may also be impacted by the failure to protect its intellectual property.

(b) Exploration success

The mineral tenements of which the Company has or may have an interest in are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the project areas, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(c) Operating risks

The future operations of the Company may be affected by various factors that may impact the amount of product produced, increase the cost of production and delay or reduce sales revenue, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction and production costs; adverse weather conditions; natural disasters; industrial and environmental accidents; industrial disputes; transportation delays; workplace, health and safety issues; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(d) Resource estimates

The Company reports resource estimates in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (known as the JORC Code). Resource estimates are expressions of judgement based on knowledge, experience and industry practice. There are risks associated with such estimates, including that the coal mined may be of a different quality, tonnage or strip ratio from those estimates. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

(e) Coal price volatility, gas price volatility and foreign exchange rate risks

The Group's future financial performance will be impacted through the revenue it derives by future traded coal prices, traded gas prices and movements in foreign exchange rates which are determined by factors outside the Group's control.

(f) Environmental risks

The operations and proposed activities of the Group are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company is committed to environmental care and aims to carry out its activities in an environmentally responsible and scientifically-sound way that reduces the environmental impact to a practical minimum and ensures compliance with all environmental laws. The Group holds certificates of deposit for bonds held for security until reclamation of permitted sites in Kentucky and Tennessee in the USA has been suitably completed by the Group.

(g) Title risks and native title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in, tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(h) **Climate change risks**

Climate change is creating risks and opportunities for the Group and its customers. Changes in government regulations in the countries the Group operates in could restrict the use of coal and impact the longer term demand for coal and therefore the Group's proprietary BCB coal technology. The demand for coal could also be impacted by the faster than anticipated adoption of alternative energy sources over the longer term in the transition to a lower carbon economy. Climate change has the potential to increase the intensity and frequency of extreme weather events that may impact the Group's future operations and those of its customers. The Group has advantages from, and resilience to such risks through the BCB coal technology which can improve the carbon emission efficiency of sub-bituminous coals and convert large quantities of discarded fine bituminous coal into a saleable product that may otherwise be considered an environmental liability. The Group's Lake Philipson coal resource has the potential for coal gasification and emerging hydrogen opportunities from coal. Gas is seen as an important energy source in the transition to a lower carbon economy.

4.15 Specific risks associated with litigation

The Company is involved in a lengthy and complex legal dispute with its former Indonesian joint venture partner, BR, and its associated company Bayan International. The final outcome of such proceedings is not known or certain. There may be unexpected scenarios which may affect the Company's position in the proceedings. Further information relating to these legal proceedings is set out in Section 2.2 of this Offer Booklet.

The Company (through its subsidiaries) is seeking damages, interest and costs from BR in the third tranche of proceedings to be heard in September 2020. The recovery of damages, interest and costs is uncertain including as to quantum. In the event that BCBCS is awarded damages, interest and costs in the third tranche of proceedings, BCBCS will register the judgement in Western Australia and seek to utilise the freezing order (as described in Section 2.2(b) of this Offer Booklet) to enforce any damages award. There is a risk that BR may take actions to frustrate the purpose of this order which may affect the ability of BCBCS to utilise the freezing order to enforce a damages award.

In addition to the dispute with BR and Bayan International, the Group is involved in the following matter:

- (a) The Company's wholly owned subsidiary, Mountainside Coal Company Inc. (**MCC**), has been engaged in legal proceedings brought against it in the 2015 financial year related to disputed matters arising from a layoff of an employee that occurred in 2015. MCC may be liable for costs should a court ultimately decide to award costs and damages against MCC. Interrogatories have been provided and there is no fixed trial date.

The Group may be subject to other litigation, claims and disputes in the course of its business including, but not limited to, contractual claims, environmental claims, employment disputes, occupational health and safety claims, regulatory disputes, legal actions from special interest groups, as well as third party damage or losses resulting from mining actions. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could adversely affect the Group's business, operating and financial performance. The Group is not currently involved in any claims and disputes other than those described in this Section 4.15 and is not aware of any circumstances which could give rise to any other claims or disputes.

4.16 Coronavirus disease

The outbreak of coronavirus disease ("COVID-19") is starting to have an effect on global economic markets. The Directors are monitoring the situation closely, have considered the impact on the Company's business and financial performance and presently do not consider there to be a material adverse impact. However, such effects

are creating risks for the Group and its customers and could effect general economic conditions in the short to medium term.

4.17 Investment speculative

The above list of risk factors is not an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Offer Shares offered under this Offer Booklet.

Therefore, the Offer Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Offer Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Offer Shares.

5. Definitions and glossary

Terms and abbreviations used in this Offer Booklet have the following meaning:

Acceptance	means an acceptance of Entitlements.
Acceptance Money	means the Issue Price multiplied by the number of Offer Shares accepted.
Additional Shares	has the meaning given in Section 1.10.
Applicant	means a person who submits an Entitlement and Acceptance Form.
ASIC	Australian Securities and Investments Commission
Associated Entity	has the meaning given to that term in section 50AAA of the Corporations Act.
ASX	means ASX Limited ACN 071 527 083.
Bayan International	means Bayan International Pte Ltd.
BCBCS	means BCBC Singapore Pte Ltd.
Board	means the board of directors of the Company.
BR	means PT Bayan Resources Tbk.
CHESS	means the clearing house electronic subregister system, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
Closing Date	means the date by which valid Acceptances must be received by the Share Registrar being 5.00pm (Sydney time) Thursday, 9 April 2020 or such other date determined by the Board.
Company or White Energy	means White Energy Company Limited ACN 071 527 083.
Constitution	means the Constitution of the Company.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Eligible Shareholder	means a Shareholder of the Company that holds Shares in the Company on the Record Date whose registered address is in Australia or New Zealand or who the Company has otherwise determined is eligible to participate in the Entitlement Offer.
Entitlement	means the number of Offer Shares for which an Eligible Shareholder is entitled to subscribe for under the Entitlement Offer (not including the Shortfall Facility).
Entitlement and Acceptance Form or Form	means an entitlement and acceptance form in the form attached to this Offer Booklet.

Entitlement Offer	means the fully underwritten, pro rata renounceable entitlement offer to Eligible Shareholders to subscribe for 1 Offer Share for every 2 Shares held on the Record Date.
Group	means the Company and its subsidiaries.
Ineligible Shareholder	means a Shareholder of the Company that holds Shares in the Company on the Record Date but is not an Eligible Shareholder.
Issue or Offer	means the offer and issue of Offer Shares in accordance with this Offer Booklet.
Issue Price	is \$0.06 for each Offer Share.
Listing Rules	means the official listing rules of the ASX.
Nominee	means Berne No 132 Nominees Pty Ltd ACN 010 413 591.
Offer Share	means Shares proposed to be issued under the Entitlement Offer.
Opening Date	means the date of commencement of the Entitlement Offer, expected to be Tuesday, 24 March 2020.
Option	means an option to be issued a Share.
Offer Booklet	means this Offer Booklet dated 13 March 2020 as modified or varied by the Company.
Record Date	means 7 p.m. (AEDT) on Thursday, 19 March 2020.
Related Party	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the meaning given to that term in the Corporations Act.
Securities	has the same meaning as in section 92 of the Corporations Act.
Share Registry	means Computershare Investor Services Pty Limited.
Shares	means the ordinary shares on issue in the Company from time to time.
Shareholders	means the holders of Shares from time to time.
Shortfall	means those Offer Shares which are not subject to a valid Entitlement and Acceptance Form.
Substantial Holder	means a person who has a substantial holding (as that term is defined in the Corporations Act).
US Securities Act	means the US Securities Act of 1933, as amended.

Corporate directory

Directors	Solicitors to the Entitlement Offer
Travers Duncan Brian Flannery Graham Cubbin Vincent O'Rourke	Automic Legal Pty Ltd Level 5, 126 Phillip Street Sydney, NSW 2000 AUSTRALIA
Registered Office	Share Registry
c/- Automic Pty Ltd Level 5, 126 Phillip Street Sydney, NSW 2000 AUSTRALIA	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnson Street Abbotsford, Victoria 3067 AUSTRALIA