



11 July 2022

The Manager
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
Sydney NSW 2000

By electronic lodgement

Dear Manager

White Energy Company Limited (ASX:WEC)
Cleansing notice under section 708AA of the Corporations Act

This notice is provided by White Energy Company Limited ACN 071 527 083 (**Company**) in connection with the Company's proposal to undertake a renounceable pro rata entitlement offer (**Entitlement Offer**) to existing shareholders with a registered address in Australia or New Zealand and those shareholders that the Company has otherwise determined are eligible to participate in the Entitlement Offer, including certain institutional shareholders in the United Kingdom (**Eligible Shareholders**). Eligible Shareholders who have exercised their full Entitlement may also subscribe for additional shares in excess of their Entitlement (**Additional Shares**) from a pool of those Entitlements not taken up by other Shareholders of the Company (**Shortfall Facility**).

The Company gives this notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and states the following:

- 1) the Shares to be issued under the Entitlement Offer will be issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- 2) as at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - b. section 674 of the Corporations Act,
- 3) as at the date of this notice, there is no excluded information for the purposes of sections 708AA(8) and 708AA(9) of the Corporations Act; and
- 4) the potential effect the Entitlement Offer will have on the control of the Company, and the consequences of the 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 control of the Company. The potential effect on control is summarised below:

- if all Eligible Shareholders take up their Entitlements under the Entitlement Offer, and all rights attaching to Entitlements held by shareholders who are not Eligible Shareholders are taken up by other new shareholders, then the Entitlement Offer will have no significant effect on the control of the Company;
- 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;
- 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;
- 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;
- presently, and assuming that each of the Company's Top 3 shareholders (being M&G, Gaffwick Pty Ltd and Ilwella Pty Ltd) subscribed for their full Entitlement in the previous rights issue in 2020, these shareholders collectively hold 60.04% of the issued share capital. On the basis that M&G will not go above 19.90% following completion of the Entitlement Offer, the following table provides the projected voting power for each of the Top 3 Shareholders under various levels of aggregate subscriptions for Offer Shares and Additional Shares:

Shareholder	Voting Power based on total % of Offer Share and Additional Share Subscriptions					
	60.04%*	55%	65%	75%	85%	100%
M&G Plc	19.90%	19.90%	19.90%	19.90%	19.90%	19.84%
Gaffwick Pty Ltd	25.62%	26.45%	24.85%	23.43%	22.16%	20.50%
Ilwella Pty Ltd (Mr Brian Flannery)	24.62%	25.42%	23.88%	22.52%	21.30%	19.70%
Other Shareholders	29.86%	28.23%	31.37%	34.15%	36.64%	39.96%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*This scenario assumes that only the Top 3 Shareholders subscribe for their full Entitlement, with M&G limited to a maximum of 19.90%. Given this analysis limits M&G to a maximum of 19.90%, the remainder of its Entitlement is therefore allocated on the basis that "Other Shareholders" will subscribe for those Offer Shares.



Related Parties (which includes Directors of the Company) are not entitled to subscribe for Additional Shares. M&G Plc has previously advised the Company that under its investment mandate it cannot hold more than 19.90% of the Company's issued share capital. As such, at completion of the Entitlement Offer and subject to its Acceptance of their Entitlement, the Company will only issue Offer Shares to M&G (and its Associated Entities) up to a maximum of 19.90% of the Company's issued share capital. For clarity, the Company is making an offer to M&G Plc for its full Entitlement under the Entitlement Offer. Other Eligible Shareholders can subscribe for Additional Shares under the Shortfall Facility, which will assist in reducing any potential effect on control.

- f. The Associated Entities of Mr Brian Flannery, Director of the Company, collectively hold 19.70% of the issued share capital. The following table assumes that the Associated Entities of Mr Flannery subscribe for their full Entitlement, noting that Related Parties cannot subscribe for Additional Shares:

Shareholder	Voting Power based on total % of Offer Share and Additional Share Subscriptions						
	19.70%	60.04%*	55%	65%	75%	85%	100%
M&G	16.57%	19.90%	19.90%	19.90%	19.90%	19.90%	19.84%
Gaffwick Pty Ltd	17.12%	25.62%	26.45%	24.85%	23.43%	22.16%	20.50%
Ilwella Pty Ltd (Mr Brian Flannery)	32.93%	24.62%	25.42%	23.88%	22.52%	21.30%	19.70%
Other Shareholders	33.38%	29.86%	28.23%	31.37%	34.15%	36.64%	39.96%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* The Top 3 Shareholders (M&G, Gaffwick and Ilwella) collectively hold 60.04% of the issued share capital; therefore, this scenario assumes that only the Top 3 Shareholders subscribe for their full Entitlement, with M&G limited to a maximum of 19.90% at completion of the Entitlement Offer. "Other Shareholders" take up the balance to get to the overall total % uptake of the maximum entitlement.

- g. the Company also has 10,000,000 options on issue to Mr Brian Flannery (**Options**). It is noted that the exercise price of these Options is set at the higher of \$0.19363 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 Top 3 Shareholders is as follows:



Shareholder	Voting Power based on total % of Offer Share and Additional Share Subscriptions			
	60.04%*	60.04%**	19.70%***	19.70%****
M&G	19.90%	19.74%	16.57%	16.40%
Gaffwick Pty Ltd	25.62%	25.41%	17.12%	16.94%
Ilwella Pty Ltd (Mr Brian Flannery)	24.62%	25.23%	32.93%	33.64%
Other Shareholders	29.86%	29.62%	33.38%	33.02%
TOTAL	100.00%	100.00%	100.00%	100.00%

* The Top 3 Shareholders of the Company (M&G, Gaffwick and Ilwella) collectively hold 60.04% of the issued capital; therefore, this scenario assumes that only the Top 3 Shareholders subscribe for their full Entitlement, with M&G limited to a maximum of 19.90%. Other shareholders take up the balance to get to the overall total % uptake of the maximum entitlement. This is where Mr Flannery does not exercise his options.

** The Top 3 Shareholders of the Company (M&G, Gaffwick and Ilwella) collectively hold 60.04% of the issued capital; therefore, this scenario assumes that only the Top 3 Shareholders subscribe for their full Entitlement, with M&G limited to a maximum of 19.90%. Other shareholders take up the balance to get to the overall total % uptake of the maximum entitlement. This is where Mr Flannery does exercise his options.

*** The entities related with Mr Flannery collectively hold 19.70% of the issued capital; therefore, this scenario assumes that only entities related with Mr Flannery subscribe for their full Entitlement. This is where Mr Flannery does not exercise his options.

**** The entities related with Mr Flannery collectively hold 19.70% of the issued capital; therefore, this scenario assumes that only entities related with Mr Flannery subscribe for their full Entitlement. This is where Mr Flannery does exercise his options.

Yours sincerely

David Franks
Company Secretary
White Energy Company Limited