

# **White Energy Company Limited**

**ABN 62 071 527 083**

**Interim Financial Report - 31 December 2023**

## White Energy Company Limited

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31 December 2023

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### General information

These financial statements are for the group consisting of White Energy Company Limited and its subsidiaries. These financial statements are presented in Australian dollars, which is White Energy Company Limited's functional and presentation currency.

White Energy Company Limited is a company limited by shares, incorporated and domiciled in Australia. Its shares are listed on the Australian Securities Exchange (WEC) and also traded on the US based OTC exchange (WECFF). Its registered office and principal place of business are:

#### Registered office

Level 5, 126 Phillip Street  
Sydney  
NSW 2000

#### Principal place of business

Lobby 1, Level 2, 76 Skyring Terrace  
Newstead  
QLD 4006

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by White Energy Company Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**White Energy Company Limited**  
**Directors' report**  
**31 December 2023**

Your Directors present their report on the consolidated entity (the Group) consisting of White Energy Company Limited (the Company or White Energy) and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

**Directors**

The following persons were Directors of White Energy Company Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Brian Flannery  
Vincent O'Rourke  
Keith Whitehouse  
Michael Chapman

**Operating and financial review**

**Coal technology**

White Energy is the exclusive worldwide licensee of a 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. 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.

White Energy has demonstration and pilot plants at Cessnock (NSW, Australia) for testing and training facilities. In previous years, 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.

White Energy through its 49% joint venture partner in the River Energy JV (River Energy), Proterra Investment Partners (Proterra), is in discussion with a number of South African coal miners interested in the Group's BCB technology, and are pursuing opportunities on mine sites in South Africa to secure access to fine coal to support BCB projects.

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. This not only allows for reduction or rehabilitation of the reject tailings, but the briquettes can also be used to provide economical fuel with lower emissions for the local power industry, which would otherwise require coal to be mined and railed over considerable distances due to the depletion of nearby coal resources.

White Energy is assisting Proterra with a small BCB pilot plant in Johannesburg to facilitate coal briquetting trials in South Africa by providing a briquetting machine and engineering supervision. A South African coal producer has agreed to provide coal fines from one of their mines for briquetting trials at the plant that is being commissioned during March 2024.

White Energy is also assisting Proterra in the design of a small commercial scale demonstration plant to facilitate trials in South Africa.

**Mining exploration**

White Energy creates growth opportunities through a pipeline of minerals exploration projects in Australia with Tier 1 potential across copper, zinc, gold, cobalt and other critical minerals that can be used to build and maintain a lower carbon economy. The Company's point of difference acquired with Fiddler's Creek Mining Company Pty Ltd (Fiddler's Creek) prior to the half-year in May 2023, is its breakthrough integration of advanced exploration sciences using deep structural analysis coupled with ionic geochemistry to identify and explore its projects.

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The Fiddler's Creek projects acquired comprised the Tindal copper- zinc- iron oxide- copper- gold (IOCG) project near Katherine in the Northern Territory, and the Maranoa copper- gold- cobalt project near Texas in Queensland. Both projects exhibit the key structural attributes required for mineral systems hosting new economy minerals. This aligns with the Company's continuing interest in projects that include potential to host IOCG-style of mineralisation, such as the 100% owned Robin Rise project in South Australia, with a broader focus on the burgeoning new economy minerals space. Major supply and demand imbalances for these commodities have already become, and are forecast to be, critical over the coming years.

As many of these mineral deposits are under cover with no outcrop, these projects are being explored through the application of technologically advanced lithospheric-scale structural geophysical analysis integrated with ionic geochemistry. The Company is confident exploration outcomes will be improved by utilising state-of-the-art geophysical techniques and expertise for analysing the structure of the deep crust and upper mantle to define areas with enhanced potential to host large mineral systems. These mineral fairways can then be targeted using advanced interpretation of ionic geochemistry samples to identify subtle indicators of the circulation of hydrothermal, mineralising fluids together with other geophysical and geological techniques in order to define drill targets.

During May 2023 and July 2023, White Energy signed two Research Agreements with INRS (the National Institute for Scientific Research), an applied research university in Quebec, Canada. White Energy is funding research to establish the lithospheric-scale architecture of tenements and surrounds and its controls on mineralisation and the analysis of geochemical data.

**Fiddler's Creek Projects**

Fiddler's Creek is the owner of the Tindal and Maranoa projects.

*(i) Tindal Project, Northern Territory (100% White Energy)*

The Tindal Project comprises 22 contiguous tenements totalling 11,629 km<sup>2</sup> approximately 80 km south of Katherine in the Northern Territory. Tindal lies along the regionally significant Mallapunyah and Daly Waters Fault Zones within the under explored central area of the McArthur Basin. Located within and adjacent to the Beetaloo Sub-basin, a major petroleum province, are historic drillholes that have intersected base metal sulphides, copper and zinc in Tindal's project area.

Work was completed during the half-year with INRS to analyse the lithospheric-scale architecture of Tindal tenements using seismic tomographic and other geophysical data. This has enabled improved mapping of Precambrian lithospheric boundaries and the identification of additional geophysical targets which were the targets of ionic sampling programs that have been undertaken. Final results from the extensive ionic survey of the project conducted during the 2023 field season were received after the end of the half-year. All results are currently undergoing statistical analysis.

Subsequent analysis will use advanced interpretation of the ionic geochemistry samples integrated with geophysical data to define drill targets for each area of interest.

*(ii) Maranoa Project, Queensland (100% White Energy)*

The Maranoa Project's three tenements are located near Texas in South East Queensland, an area with a number of historical mines and many commodity metal occurrences that has had very limited modern exploration. Along with a number of new economy mineral occurrences, the Texas area is very structurally complex, with recent company research suggesting it is prospective for porphyry-style copper-gold mineralisation, cobalt and other new economy metals mineralisation.

Initial stream sediment sampling that took place in June 2023 indicated potential for copper, gold, silver, base metal, cobalt and arsenic mineralisation. During the half-year, more work was undertaken to better understand the significance of the results. In particular, the data was integrated with an analysis of the lithospheric-scale architecture of South East Queensland, conducted by our research partners INRS, using seismic tomographic and other geophysical data. This work has highlighted regional lithospheric features which elsewhere are associated with major mineralisation. A number of these features cross the Maranoa tenements and appear to correlate with observed areas of elemental anomalism observed in the stream sediment sampling program. Field work is being planned to follow up the observed correlations.

**Robin Rise Project, South Australia**

The EL6566 exploration licence (100% white Energy) lies entirely within the Olympic Dam G9 Structural Corridor. Age dating and basement geology has identified that the geology in the area is similar in age to the mineralisation in the Prominent Hill and Olympic Dam Mines, and gravity and magnetic surveys have identified promising structural features. Previous activity has focused on exploration for iron oxide-copper-gold-uranium style of mineralisation (Robin Rise project), and coal (Lake Phillipson project), which a study by Lurgi GmbH confirmed is suitable for gasification. The tenement also has exploration potential for rare earth elements.

An ionic geochemical survey in the magnetic corridor of the Hilga Mineral Field was completed in the period to August 2023. Analysis of 356 samples have been received and the results analysed. These initial results appear encouraging for an IOCG-style of mineralisation. A further ionic geochemical survey in the magnetic corridor of the Hilga Mineral Field and a biochemical leaf survey were conducted in November 2023. Analysis of 362 ionic samples and 42 biochemical samples have been received and are currently being reviewed.

Ionic sampling programs will continue to further define areas of interest and assess the geochemical response of additional geophysical targets and to finalise inconclusive calcrete results in the wider EL6566 tenement. The Company is applying the advanced exploration approach used by Fiddler's Creek in this project area.

Work continued during the half-year examining coal gasification and emerging hydrogen opportunities from coal resources within EL6566, and the adjacent PELA674 that is considered to have potential for coal gasification.

**Specimen Hill Project, Queensland**

The Company was extremely pleased to announce on 7 February 2024 the entering into the Farm In Agreement by wholly owned subsidiary Amerod Resources Pty Limited with Aquis listed Tectonic Gold Plc (Acquis: TTAU) and its local subsidiary Signature Gold Pty Ltd in respect of four tenements in the Biloela area of Central Queensland which are highly prospective for copper and gold. This agreement is part of the Group's strategy to develop high grade copper resources to feed the increasing demand for minerals required for the World's transition to renewable energy.

Due diligence work by Fiddler's Creek has identified several areas of outcropping high grade copper mineralisation which are coincident with magnetic highs and geochemical anomalies. Further sampling and other exploration work is being conducted to finalise initial drill targets.

Refer to the "Events occurring after the reporting period" section below for more details.

**Legal dispute**

White Energy's wholly owned subsidiaries, Binderless Coal Briquetting Company Pty Limited (BCBC) and BCBC Singapore Pte Ltd (BCBCS), were engaged in legal proceedings against PT Bayan Resources Tbk (BR) and Bayan International Pte Ltd (BI) (collectively, Bayan) in the Singapore International Commercial Court (SICC). The proceedings related to various disputed matters arising in connection with the company PT Kaltim Supacoal (KSC), which was jointly owned by BCBCS and Bayan, which owned and operated the Tabang coal upgrade plant located at Bayan's Tabang mine in East Kalimantan, Indonesia.

The trial for the third tranche of the proceedings concluded in January 2021, with the only issues remaining to be determined by the SICC relating to the damages which may be payable to BCBCS. The claim for damages comprised of the following:

- BCBCS claimed for wasted expenditure, being expenses incurred by BCBCS which were rendered futile by reason of Bayan's breach and repudiation of the joint venture;
- Further, BCBCS claimed for loss of the chance of expanding the capacity of the joint venture to at least 3 million tonnes per annum; and
- Interest on any damages award and costs.

The SICC released its decision on 7 February 2022 in relation to the third tranche of the proceedings. The SICC found in favour of BCBCS on the majority of the issues for determination. The SICC found in BCBCS' favour on all of the preliminary legal issues including in relation to remoteness and reflective loss.

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The SICC also concluded that the technology underlying the BCB process would have worked and that the Tabang Plant would have achieved nameplate capacity of 1 million tonnes per annum by June 2012, and that the upgraded coal produced at Tabang would have been a saleable product.

Notwithstanding the above findings, the SICC dismissed BCBCS' claim for damages for wasted expenditure. The SICC concluded that Bayan would have been able to take steps to put KSC into liquidation, thereby bringing the joint venture to an end before the joint venture had sufficient cash flows from which BCBCS could recoup its wasted expenditure.

In relation to BCBCS' claim for loss of chance to expand the project, the SICC took the view that there did not exist a real and substantial chance that Bayan would have agreed to expand the capacity of the Tabang project.

On 7 March 2022, BCBCS filed a notice of appeal in the Singapore Court of Appeal (the Court) in order to appeal certain of the findings made by the SICC in the third tranche of the proceedings. The appeal hearing was held on 17 October 2022.

The Court delivered its judgement on 10 February 2023 and dismissed the appeal. The Court held that Bayan would have been able to call upon its shareholder loans as an unpaid creditor to bring the joint venture to an end, even in circumstances where it had clearly breached the agreement.

The Court noted that BCBCS was successful in the first and second tranches of the proceedings, in establishing that Bayan acted in breach of its coal supply obligations under the joint venture deed. The Court found that BCBCS was not able to prove that it suffered substantial damages as a consequence. The Court further found that this did not detract from BCBCS' success in establishing Bayan's liability for breach of contract and the Court awarded BCBCS SGD1,000 in nominal damages.

In relation to the costs of the appeal, the Court decided on 4 April 2023 that SGD131,120 was payable by BCBCS based on submissions made by the parties. BCBCS paid this costs order.

On 19 December 2022, the SICC issued its judgement in relation to the costs to be awarded following the three tranches of the proceedings. The SICC noted that the Plaintiffs had succeeded on practically all issues of liability while Bayan only prevailed at the end due to narrow points of causation of loss and quantum. The SICC held that Bayan are entitled to recover from the Plaintiffs costs of SGD2,761,787 and disbursements of SGD1,932,846, totalling SGD4,694,633.

On 23 October 2023, the Court delivered its judgement in relation to the appeal of the SICC's costs determination. Whilst the Court allowed the appeal, it did not agree with the Appellants' argument that BCBCS be awarded costs up to the late stage of the proceedings at which Bayan first raised the narrow point of causation which ultimately prevented BCBCS from recovering any damages. That said, the Court found that the discount of 40% awarded to the Respondents was insufficient and instead awarded a greater discount of 70%. The Court also held that BCBC should not be jointly and severally liable for costs. The Court made the following orders:

- (a) BCBCS is liable to BR for certain costs subject to a 10% discount for the Respondents' lack of particularisation, and a further 70% discount, with the amount determined in (b) below to also be deducted. BCBCS estimates the cost order to be approximately SGD3.3 million.
- (b) BCBC is liable to BI for certain limited costs, in so far as these are solely attributable to BCBC's withdrawn claim in the proceedings, subject to a discount of 10%. The Court has ordered the parties to attempt to agree the quantum of such costs and if unable to do so, to write to Court within 14 days of the judgement to indicate their respective positions in relation to quantum.

BCBC has paid agreed costs of SGD45,000.

As a result of the judgement, the directors of BCBCS resolved on 24 October 2023 to appoint KPMG Singapore as the provisional liquidator to BCBCS.

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As at 31 December 2023, BCBCS has assets of approximately SGD1.8 million and unsecured liabilities of approximately SGD152.7 million. Unsecured liabilities include the intercompany loan from BCBC to BCBCS of approximately SGD150.9 million, and liabilities to Bayan and others as a result of the judgement and for the freezing order proceedings (see below) being approximately SGD1.8 million. The intercompany loan from BCBC to BCBCS is fully eliminated on consolidation and therefore there would be no impact from any further write down of the loan on the financial results of the Group resulting from the liquidation.

The Group is not presently aware of any claims for recourse to the Group or other subsidiaries as a result of the appointment of the liquidator to BCBCS.

The information on liabilities provided above are estimates only, and are subject to quantification and finalisation by the liquidator. It is further noted that the above estimates include liquidation costs to date, such as liquidator fees, which are not yet known.

In 2012, the Supreme Court of Western Australia (Supreme Court) made freezing orders in favour of BCBCS in respect of Bayan's 56% shareholding in Kangaroo Resources Limited, a publicly listed Australian company (freezing order). The Supreme Court has made orders discharging the freezing order and for the \$2 million security bond paid by BCBCS to remain in place with Bayan to file any application for an inquiry as to damages on the undertaking within 6 weeks of resolution of the Singapore costs appeal.

Bayan filed a summons in the Supreme Court seeking costs in relation to the freezing order proceedings. At a directions hearing on 27 May 2022, the Supreme Court ordered that parties file submissions in relation to costs following the SICC's determination in relation to costs. Following the parties' submissions, the Supreme Court has ordered that special costs should be awarded to Bayan, with the quantum of costs to be determined by taxation, if not agreed by the parties.

On 18 December 2023, Bayan filed a chamber summons seeking an inquiry into damages as a result of the freezing order being in place. Bayan are claiming damages from BCBCS of approximately \$900,000. BCBCS was to file its response by 13 March 2024 and Bayan has to file its reply by 27 March 2024; however, the parties are in the process of agreeing an extension to this timeframe. The matter has been listed for a directions hearing on 10 April 2024. The liquidators of BCBCS, KPMG, are in discussions with BCBC and Bayan, as the creditors of BCBCS, to agree a settlement amount to be paid out of the \$2 million security bond.

**General corporate**

In July 2023, the Company undertook an Entitlement Offer that raised proceeds of \$2.4 million. The Company undertook a further Entitlement Offer in December 2023 that raised proceeds of \$2.9 million, and the funds are being used by the Company to fund the legal proceedings against PT Bayan Resources Tbk and Bayan International Pte Ltd, for general corporate purposes, additional working capital and loans totalling \$1.0 million provided by Brian Flannery, a director and substantial shareholder of the Company, have been repaid.

Proceeds from the Group's sale of former subsidiary Mountainside Coal Company Inc. (MCC) are being progressively received. Further instalments of \$2.6 million are due and payable now. These payments have been delayed due to the new owner completing their finance arrangements. The Group has been in negotiation with the new owner to enter into a new payment plan, but this has not eventuated. The Group is working with its joint venture partner on the issuing of a default notice and the commencement of foreclosure proceedings in a Kentucky court. Collateral has been provided by the new owner by a mortgage over certain plant and equipment of MCC, and by a guarantee from a parent company of the new owner.

The Chairman and all Non-executive Directors maintained the significant reductions in the cash component of their remuneration from 2016/2017 as part of the Company's ongoing commitment to cost reduction.

The Group has no secured corporate debt. Limited-recourse shareholder loans provided to the Group's 51% owned operations in the UK and Mauritius by both White Energy and the minority shareholders in proportion to their ownership interests are repayable in January 2027. Recourse to the shareholders is limited to the assets of subsidiaries that are subject to joint venture agreements, with joint shareholder consent customarily given to extend the loans' due dates as required.

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**Financial position and results for the half-year**

The Group had cash reserves as at 31 December 2023 of \$2.6 million (30 June 2023: \$0.8 million) excluding restricted cash of \$2.0 million (30 June 2023: \$2.0 million).

The total assets balance increased to \$12.0 million as at 31 December 2023 from \$10.2 million as at 30 June 2023, largely as a result of the Entitlement Offer proceeds raised, partly offset by losses derived by the Group and repayment of loans advanced by a director.

The increase in liabilities to \$54.7 million as at 31 December 2023 from \$54.1 million as at 30 June 2023 predominantly reflects the increase in other payables owing for the KSC legal dispute and the accrued interest on shareholder loans, partly offset by the decrease in the value of shareholder loans due to the strengthening of the Australian dollar against the US dollar.

The Consolidated Entity's loss before tax for the half-year ended 31 December 2023 was \$5.8 million (2022: \$3.6 million). The Company's adjusted normalised EBITDA loss for the half-year ended 31 December 2023 was \$1.5 million (2022: \$1.3 million). The increase in normalised EBITDA loss from the comparative period in 2022 is primarily due to higher external advisory fees.

The normalised EBITDA loss has been determined as follows:

	31 December 2023 \$'000	31 December 2022 \$'000
<b>Consolidated entity net loss for the year before income tax</b>	<b>(5,776)</b>	<b>(3,609)</b>
<i>Non-cash expenses / (income):</i>		
Depreciation / amortisation	1,036	1,049
Impairment reversal	(229)	-
Share-based payments	-	2
Other	82	(119)
<b>Sub-total – non-cash expenses</b>	<b>889</b>	<b>924</b>
<i>Other significant items:</i>		
Finance costs	1,009	982
Legal costs – litigation	2,347	381
<b>Sub-total – other significant items</b>	<b>3,356</b>	<b>1,363</b>
<b>Consolidated entity adjusted normalised EBITDA</b>	<b>(1,531)</b>	<b>(1,322)</b>
Non-controlling interests share of normalised EBITDA	38	37
<b>White Energy adjusted normalised EBITDA</b>	<b>(1,493)</b>	<b>(1,285)</b>

Normalised EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the loss under AIFRS adjusted for specific significant items. The table above summarises key items between statutory loss before income tax and normalised EBITDA. The Directors use normalised EBITDA to assess the performance of the Company. The Consolidated Entity's adjusted normalised EBITDA (\$1.5 million) reconciles to the segment information EBITDA result for the year (\$3.9 million) disclosed on page 19, after adding back litigation costs (\$2.3 million) which are included in the segment expenses within the EBITDA line item and allowing for rounding.

Normalised EBITDA has not been subject to any specific review procedures by our auditor but has been extracted from the accompanying interim financial report.



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**Going concern**

The Group recorded a total comprehensive loss for the half-year ended 31 December 2023 of \$4,029,000 (2022: \$4,411,000), had net cash outflows from operations of \$2,152,000 (2022: \$2,251,000) and a cash balance excluding restricted cash of \$2,561,000 (30 June 2023: \$772,000). The Group has net liabilities of \$42,697,000 (30 June 2023: \$43,874,000). In this regard, it should be noted that the Group's external debt comprised limited-recourse shareholder loans (recourse is limited to the assets of subsidiaries that are subject to joint venture agreements, with joint shareholder consent customarily given to extend the loans' due dates as required), trade and other payables and provisions incurred in the ordinary course of business. The Group strengthened its financial position during the half-year by raising \$2.9 million from the Entitlement Offer in December 2023. The Group has prepared a cash flow forecast to 31 March 2025, which demonstrates the need to raise additional funding to meet the Group's forecast expenditure for the period.

The Directors are considering a number of actions for raising additional funds, including from one or more of the following sources:

1. Asset sales: Proceeds from the Group's sale of its interest in Mountainside Coal Company (MCC) are being progressively received; further instalments of \$2.6 million are due and payable now; these proceeds have been delayed due to the Purchaser completing their finance arrangements; the Group has been in negotiation with the Purchaser to enter into a new payment plan, but this has not eventuated; and the Group is working with its joint venture partner on the issuing of a default notice and the commencement of foreclosure proceedings in a Kentucky court as permitted by a mortgage the Group has over certain MCC assets;
2. Additional equity funds: As previously foreshadowed, the Company plans to raise additional equity funds for the ongoing activities of the Group, as required. The Company has been successful in raising equity funds through the issue of new shares recently and in the past;
3. Debt funding for capital projects: The Directors believe, based on past experience, that they can raise third party debt financing to part fund any future project capital expenditure requirements;
4. Loans from minority shareholders: The Group's 51% owned subsidiaries, River Energy JV Limited and River Energy JV UK Limited continue to have access to funds from their 49% minority shareholder under existing shareholder loan agreements (in conjunction with WEC's 51% contributions) to enable them to meet their debts as and when they fall due.

As the funding actions are yet to be completed, these conditions give rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The Directors believe that the Group will be successful in raising funds through one or more of the above actions and that the Group will be able to realise its assets and settle its debts as and when they fall due and payable in the normal course of business, and accordingly have prepared the financial statements on a going concern basis.

The Group's independent auditor's review report for the half-year ended 31 December 2023 contains a material uncertainty regarding going concern paragraph drawing members' attention to the contents of Note 1 of the accompanying financial statements which deals with the Group's going concern assumptions and the basis upon which those financial statements have been prepared. A copy of the independent auditor's review report is included with the accompanying financial statements for the half-year ended 31 December 2023.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Group during the financial half-year.

### **Events occurring after the reporting period**

#### **(a) Farm In Agreement**

The Group entered into a Farm in Agreement (FIA) on 6 February 2024 with Aquis listed Tectonic Gold Plc (Acquis: TTAU) and its local subsidiary Signature Gold Pty Ltd (Signature) in respect of four tenements in the Biloela area of central Queensland which are highly prospective for gold and copper.

A summary of the transaction is set out below.

The Company's subsidiary, Amerod Resources Pty Limited (Amerod), acquires an ongoing interest in the tenements and the Specimen Hill Project in three stages:

- **First Earn In** - Amerod acquires a 51% interest in the tenements, mineral rights and mining information (the Project) for exploration expenditure of \$1 million up to the 3<sup>rd</sup> anniversary of the commencement date of the FIA (the date both parties have executed the agreement);
- **Second Earn In** - Amerod acquires a further 25% interest for a further exploration expenditure of \$1 million, up to the 4<sup>th</sup> anniversary of the commencement date of the FIA – taking Amerod's interest to 76% of the Project;
- **An option** to acquire the remaining 24% of the Project by paying Signature \$2 million within 1 year of giving a notice to exercise the option after the Second Earn In, at which time:
  - (i) Signature's remaining 24% interest converts to a Net Smelter Royalty (Royalty) of 3% of commercial production from the tenements; and
  - (ii) Amerod acquires 100% interest in the Project, and Signature's interest in the Project is extinguished save for its interest in the ongoing Royalty.
- Should Signature wish to dispose of the Royalty, Amerod is given a right of first refusal of any proposed sale of the Royalty by Signature giving Amerod notice of such disposal and including a Royalty Sale Price (RSP), together with a detailed description as to how the RSP was arrived at including supporting evidence as to how the RSP was calculated; Amerod then has 60 days in which to exercise an option to acquire the Royalty at the RSP and thus extinguish it; and
- If Amerod does not exercise the option to acquire the Royalty, then Signature may sell the Royalty to a bona fide third party not being an affiliate of Signature.

#### **(b) Consideration receivables – Mountainside Coal Company Inc. (MCC)**

The Group is working with its joint venture partner, Proterra, on foreclosure proceedings in a Kentucky court in relation to the Collateral provided by the new owner of MCC by way of a mortgage over certain plant and equipment of MCC, and by a guarantee from a parent company of the new owner. On 26 January 2024, MCC was served with a Summons and a Complaint by Proterra, and the Group joined this action as a defendant by filing its Answer, Counter Claim and Crossclaim on 2 February 2024. Further foreclosure proceedings were stayed when MCC and the guarantor parent company filed two Chapter 11 bankruptcy petitions in a US Federal Court on 1 March 2024.

#### **(c) Contingencies - KSC legal dispute**

Refer to the review of operations section for other details regarding the KSC legal dispute occurring after the reporting period.

#### **(d) Sublease of Brisbane office**

The Company signed a sublease agreement with the Chairman Brian Flannery's private company KTQ Developments Pty Ltd for the new Brisbane office location. The lease commenced from 1 January 2024 for a period of five years. This arrangement is based on normal commercial terms and conditions and at the prevailing market rate.

No other significant matters or circumstance have arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**White Energy Company Limited**  
**Directors' report**  
**31 December 2023**

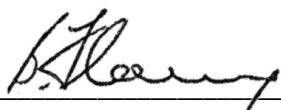
**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

**Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.



\_\_\_\_\_  
Brian Flannery  
Director

14 March 2024  
Brisbane



PKF(NS) Audit & Assurance Limited Partnership

ABN 91 850 861 839

755 Hunter Street, Newcastle West NSW 2302

Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245

Sydney T: +61 2 8346 6000 F: +61 2 8346 6099

info@pkf.com.au

www.pkf.com.au

## Auditors' Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of White Energy Company Limited

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

PKF

PKF

A handwritten signature in black ink that reads 'STobutt'.

SCOTT TOBUTT  
PARTNER

14 MARCH 2024  
SYDNEY, NSW

**White Energy Company Limited**  
**Consolidated statement of comprehensive income**  
**For the half-year ended 31 December 2023**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Continuing operations</b>			
Other income	3	70	54
Total revenue		<u>70</u>	<u>54</u>
Other (net losses) / gains	4	(82)	119
Employee benefits expense		(896)	(796)
Depreciation and amortisation expense	4	(1,036)	(1,041)
Impairment of financial assets reversal		229	-
External advisory fees	4	(2,679)	(510)
Occupancy expenses		(22)	(25)
Travel expenses		(1)	(3)
Plant operating costs		(34)	(23)
Accounting, tax and audit fees		(40)	(21)
Other expenses		(276)	(381)
Finance costs		<u>(1,009)</u>	<u>(982)</u>
<b>Loss before income tax</b>		(5,776)	(3,609)
Income tax		<u>-</u>	<u>-</u>
<b>Loss for the half-year</b>		(5,776)	(3,609)
<b>Other comprehensive loss</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		<u>1,747</u>	<u>(802)</u>
<b>Other comprehensive income /(loss) for the half-year</b>		<u>1,747</u>	<u>(802)</u>
<b>Total comprehensive loss for the half-year</b>		<u><u>(4,029)</u></u>	<u><u>(4,411)</u></u>
<b>Loss for the half-year is attributable to:</b>			
Non-controlling interests		(981)	(960)
Owners of White Energy Company Limited		<u>(4,795)</u>	<u>(2,649)</u>
<b>Total loss for the half -year</b>		<u><u>(5,776)</u></u>	<u><u>(3,609)</u></u>
<b>Total comprehensive loss for the half-year is attributable to:</b>			
Non-controlling interests		226	(1,652)
Owners of White Energy Company Limited		<u>(4,255)</u>	<u>(2,759)</u>
<b>Total comprehensive loss for the half-year</b>		<u><u>(4,029)</u></u>	<u><u>(4,411)</u></u>

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes*

**White Energy Company Limited**  
**Consolidated statement of comprehensive income**  
**For the half-year ended 31 December 2023**

	<b>2023</b>	<b>2022</b>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for loss attributable to the ordinary equity holders of White Energy Company Limited</b>		
Basic earnings per share	(6.9)	(7.1)
Diluted earnings per share	(6.9)	(7.1)

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes*

**White Energy Company Limited**  
**Consolidated balance sheet**  
**As at 31 December 2023**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December</b>	<b>30 June 2023</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,561	772
Trade and other receivables	5	1,290	1,132
Restricted cash	7	2,000	-
Other assets	6	324	343
<b>Total current assets</b>		<u>6,175</u>	<u>2,247</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	9	37
Intangibles	9	220	1,218
Exploration assets	10	5,557	4,698
Restricted cash	11	-	2,000
<b>Total non-current assets</b>		<u>5,786</u>	<u>7,953</u>
<b>Total assets</b>		<u>11,961</u>	<u>10,200</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	2,306	1,077
Provisions	13	454	480
<b>Total current liabilities</b>		<u>2,760</u>	<u>1,557</u>
<b>Non-current liabilities</b>			
Other payables	14	51,575	52,203
Provisions	15	323	314
<b>Total non-current liabilities</b>		<u>51,898</u>	<u>52,517</u>
<b>Total liabilities</b>		<u>54,658</u>	<u>54,074</u>
<b>Net liabilities</b>		<u>(42,697)</u>	<u>(43,874)</u>
<b>Equity</b>			
Contributed equity	16	531,403	526,197
Reserves	17	(9,348)	(9,888)
Accumulated losses		(526,070)	(521,275)
Equity attributable to the ordinary equity holders of White Energy Company Limited		(4,015)	(4,966)
Non-controlling interests		(38,682)	(38,908)
<b>Total equity</b>		<u>(42,697)</u>	<u>(43,874)</u>

*The above consolidated balance sheet should be read in conjunction with the accompanying notes*

**White Energy Company Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2023**

<b>Consolidated</b>	<b>Contributed equity \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2022	521,337	(9,621)	(515,060)	(35,341)	(38,685)
Loss for the half-year	-	-	(2,649)	(960)	(3,609)
Other comprehensive loss for the half-year	-	(110)	-	(692)	(802)
Total comprehensive loss for the half-year	-	(110)	(2,649)	(1,652)	(4,411)
<i>Transactions with ordinary equity holders in their capacity as owners and other movements:</i>					
Contributions of equity, net of transaction costs	4,333	-	-	-	4,333
Share-based payments	-	2	-	-	2
Balance at 31 December 2022	<u>525,670</u>	<u>(9,729)</u>	<u>(517,709)</u>	<u>(36,993)</u>	<u>(38,761)</u>
<b>Consolidated</b>	<b>Contributed equity \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2023	526,197	(9,888)	(521,275)	(38,908)	(43,874)
Loss for the half-year	-	-	(4,795)	(981)	(5,776)
Other comprehensive income for the half-year	-	540	-	1,207	1,747
Total comprehensive income / (loss) for the half-year	-	540	(4,795)	226	(4,029)
<i>Transactions with ordinary equity holders in their capacity as owners and other movements:</i>					
Contributions of equity, net of transaction costs (Note 16)	5,206	-	-	-	5,206
Balance at 31 December 2023	<u>531,403</u>	<u>(9,348)</u>	<u>(526,070)</u>	<u>(38,682)</u>	<u>(42,697)</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*



**White Energy Company Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2023**

	Note	Consolidated	
		2023	2022
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		173	73
Payments to suppliers and employees (inclusive of goods and services tax)		(2,344)	(2,345)
		(2,171)	(2,272)
Interest received		19	21
<b>Net cash outflow from operating activities</b>		<u>(2,152)</u>	<u>(2,251)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(4)	-
Payments for exploration assets		(777)	(58)
Disposal of discontinued operation		-	45
<b>Net cash outflow from investing activities</b>		<u>(781)</u>	<u>(13)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	16	5,298	4,425
Proceeds from shareholder loans		24	60
Proceeds from related party loans		500	250
Cost of equity issue		(146)	(92)
Repayment of loans		(1,000)	(500)
Repayment of lease liabilities		(33)	(35)
Finance charges paid		(17)	(24)
<b>Net cash inflow from financing activities</b>		<u>4,626</u>	<u>4,084</u>
Net increase in cash and cash equivalents		1,693	1,820
Cash and cash equivalents at the beginning of the financial half-year		772	434
Effects of exchange rate changes on cash and cash equivalents		96	5
<b>Cash and cash equivalents at the end of the financial half-year</b>		<u><u>2,561</u></u>	<u><u>2,259</u></u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 1. Going concern**

The Group recorded a total comprehensive loss for the half-year ended 31 December 2023 of \$4,029,000 (2022: \$4,411,000), had net cash outflows from operations of \$2,152,000 (2022: \$2,251,000) and a cash balance excluding restricted cash of \$2,561,000 (30 June 2023: \$772,000). The Group has net liabilities of \$42,697,000 (30 June 2023: \$43,874,000). In this regard, it should be noted that the Group's external debt comprised limited-recourse shareholder loans (recourse is limited to the assets of subsidiaries that are subject to joint venture agreements, with joint shareholder consent customarily given to extend the loans' due dates as required), trade and other payables and provisions incurred in the ordinary course of business. The Group strengthened its financial position during the half-year by raising \$2.9 million from the Entitlement Offer in December 2023. The Group has prepared a cash flow forecast to 31 March 2025, which demonstrates the need to raise additional funding to meet the Group's forecast expenditure for the period.

The Directors are considering a number of actions for raising additional funds, including from one or more of the following sources:

1. Asset sales: Proceeds from the Group's sale of its interest in Mountainside Coal Company (MCC) are being progressively received; further instalments of \$2.6 million are due and payable now; these proceeds have been delayed due to the Purchaser completing their finance arrangements; the Group has been in negotiation with the Purchaser to enter into a new payment plan, but this has not eventuated; and the Group is working with its joint venture partner on the issuing of a default notice and the commencement of foreclosure proceedings in a Kentucky court as permitted by a mortgage the Group has over certain MCC assets;
2. Additional equity funds: As previously foreshadowed, the Company plans to raise additional equity funds for the ongoing activities of the Group, as required. The Company has been successful in raising equity funds through the issue of new shares recently and in the past;
3. Debt funding for capital projects: The Directors believe, based on past experience, that they can raise third party debt financing to part fund any future project capital expenditure requirements;
4. Loans from minority shareholders: The Group's 51% owned subsidiaries, River Energy JV Ltd and River Energy JV UK Limited continue to have access to funds from their 49% minority shareholder under existing shareholder loan agreements (in conjunction with WEC's 51% contributions) to enable them to meet their debts as and when they fall due.

As the funding actions are yet to be completed, these conditions give rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The Directors believe that the Group will be successful in raising funds through one or more of the above actions and that the Group will be able to realise its assets and settle its debts as and when they fall due and payable in the normal course of business, and accordingly have prepared the financial statements on a going concern basis.

**Note 2. Segment information**

**(a) Description of segments**

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from both a business line and a geographic perspective and has identified two reportable business line segments: coal technology and mining exploration.

The coal technology segment has a licence to BCB technology developed by the consortia led by CSIRO which processes relatively poor quality coal into a higher quality product.

The mining exploration segment holds tenements near Coober Pedy, South Australia, Texas Queensland; and Daly Waters, Northern Territory. The segment also has tenements near Biloela, Queensland, that are explored by arrangement with the tenement holder.

The Group's business sectors operate in four main geographical areas:

- (i) Australia: The home country of the main operating entity. The areas of operation are the coal technology and mining exploration business lines.
- (ii) Asia: Comprises operations carried on in Indonesia, China and Singapore. The area of operation is the coal technology business line.
- (iii) South Africa and Mauritius (South Africa): The area of operation is the coal technology business line in the South African market. The Group's partner in River Energy JV Limited, Proterra Investment Partners, is currently undertaking marketing activities and feasibility studies.
- (iv) United Kingdom (UK): An investment holding company that operates in the area of the coal technology business line.

The Board of Directors regularly reviews the financial performance of the Group for the reportable segments below. The Board does not review assets and liabilities of each segment.

**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 2. Segment information (continued)**

**(b) Segment information provided to the Board of Directors**

*Half-year 2023*

**Segment information by business line**

<b>Consolidated - 2023</b>	<b>Coal technology \$'000</b>	<b>Mining exploration \$'000</b>	<b>Inter- segment \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>				
Sales to external customers	1,713	-	(1,713)	-
Other income	51	-	-	51
Interest income	19	-	-	19
<b>Total revenue</b>	<b>1,783</b>	<b>-</b>	<b>(1,713)</b>	<b>70</b>
<b>EBITDA (*)</b>				
Depreciation	(6)	-	-	(6)
Amortisation	(1,030)	-	-	(1,030)
Interest expense	(1,935)	-	926	(1,009)
Other non-cash losses	(1)	-	-	(1)
Foreign exchange losses	(81)	-	-	(81)
Impairment of financial assets reversal	229	-	-	229
<b>Loss before income tax</b>	<b>(4,994)</b>	<b>(9)</b>	<b>(773)</b>	<b>(5,776)</b>
Income tax	-	-	-	-
<b>Loss for the half-year</b>	<b>(4,994)</b>	<b>(9)</b>	<b>(773)</b>	<b>(5,776)</b>

The segment information above can be further disaggregated by geographical area as outlined below:

<b>Consolidated - 2023</b>	<b>Australia \$'000</b>	<b>Asia \$'000</b>	<b>South Africa \$'000</b>	<b>UK \$'000</b>	<b>Inter- segment \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>						
Inter-segment revenue	1,713	-	-	-	(1,713)	-
Other income	51	-	-	-	-	51
Interest income	19	-	-	-	-	19
<b>Total revenue</b>	<b>1,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,713)</b>	<b>70</b>
<b>EBITDA (*)</b>						
Depreciation	(6)	-	-	-	-	(6)
Amortisation	(1,030)	-	(209)	-	209	(1,030)
Interest expense	(12)	-	(691)	(1,232)	926	(1,009)
Other non-cash expenses	(1)	-	-	-	-	(1)
Foreign exchange losses	(80)	-	-	(1)	-	(81)
Impairment of financial assets reversal	229	-	-	-	-	229
<b>Loss before income tax</b>	<b>(904)</b>	<b>(2,098)</b>	<b>(941)</b>	<b>(1,269)</b>	<b>(564)</b>	<b>(5,776)</b>
Income tax	-	-	-	-	-	-
<b>Loss for the half-year</b>	<b>(904)</b>	<b>(2,098)</b>	<b>(941)</b>	<b>(1,269)</b>	<b>(564)</b>	<b>(5,776)</b>

\* EBITDA represents ordinary earnings before interest, tax, depreciation, amortisation, other non-cash expenses and foreign exchange gains and losses.  
EBITDA and loss for the half-year includes White Energy's share of the income and expenses from minority owned subsidiaries.

**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 2. Segment information (continued)**

*Half-year 2022*

**Segment information by business line**

	<b>Coal technology \$'000</b>	<b>Mining exploration \$'000</b>	<b>Inter- segment \$'000</b>	<b>Total \$'000</b>
<b>Consolidated - 2022</b>				
<b>Revenue</b>				
Intersegment -revenue	1,684	-	(1,684)	-
Other income	33	-	-	33
Interest income	21	-	-	21
<b>Total revenue</b>	<b>1,738</b>	<b>-</b>	<b>(1,684)</b>	<b>54</b>
<b>EBITDA (*)</b>				
Depreciation	(5)	-	-	(5)
Amortisation	(1,281)	-	245	(1,036)
Interest expense	(1,878)	-	896	(982)
Other non-cash gains	67	-	-	67
Foreign exchange gains	50	-	-	50
<b>Loss before income tax</b>	<b>(3,079)</b>	<b>(1)</b>	<b>(529)</b>	<b>(3,609)</b>
Income tax	-	-	-	-
<b>Loss for the half-year</b>	<b>(3,079)</b>	<b>(1)</b>	<b>(529)</b>	<b>(3,609)</b>

The segment information above can be further disaggregated by geographical area as outlined below:

	<b>Australia \$'000</b>	<b>Asia \$'000</b>	<b>South Africa \$'000</b>	<b>UK \$'000</b>	<b>Inter- segment \$'000</b>	<b>Total \$'000</b>
<b>Consolidated - 2022</b>						
<b>Revenue</b>						
Inter-segment revenue	1,684	-	-	-	(1,684)	-
Other income	33	-	-	-	-	33
Interest Income	21	-	-	-	-	21
<b>Total revenue</b>	<b>1,738</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,684)</b>	<b>54</b>
<b>EBITDA (*)</b>						
Depreciation	(5)	-	-	-	-	(5)
Amortisation	(1,036)	-	(203)	-	(42)	(1,036)
Interest expense	(15)	-	(669)	-	(1,194)	(982)
Other non-cash expenses	67	-	-	-	-	67
Foreign exchange gains	51	-	-	-	(1)	50
<b>Loss before income tax</b>	<b>(889)</b>	<b>(8)</b>	<b>(910)</b>	<b>-</b>	<b>(1,273)</b>	<b>(3,609)</b>
Income tax	-	-	-	-	-	-
<b>Loss for the half-year</b>	<b>(889)</b>	<b>(8)</b>	<b>(910)</b>	<b>-</b>	<b>(1,273)</b>	<b>(3,609)</b>

\* EBITDA represents ordinary earnings before interest, tax, depreciation, amortisation, other non-cash expenses and foreign exchange gains and losses.  
EBITDA and loss for the half-year includes White Energy's share of the income and expenses from minority owned subsidiaries.

**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 3. Other income**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income calculated using the effective interest rate method	19	21
Other items	51	33
	<hr/>	<hr/>
Other income	70	54
	<hr/> <hr/>	<hr/> <hr/>

**Note 4. Material profit or loss items**

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Loss before income tax includes the following specific expenses:</b>		
<i>Depreciation and amortisation expense</i>		
Depreciation expense- Property, plant and equipment	6	5
Amortisation expense - Right-of-use assets - Buildings	32	38
Amortisation expense - Intangible assets	998	998
	<hr/>	<hr/>
Total depreciation and amortisation expense	1,036	1,041
	<hr/>	<hr/>
<i>External advisory fees</i>		
Consulting, external management and professional fees	333	129
Litigation costs	2,347	381
	<hr/>	<hr/>
Total external advisory fees	2,680	510
	<hr/>	<hr/>
<b>(b) Other (net losses) / gains</b>		
Foreign exchange (losses) / gains	(81)	50
Net gain on finance lease liabilities	-	224
Net loss on finance lease receivables	-	(22)
Net loss on disposal of property, plant and equipment	(1)	(133)
	<hr/>	<hr/>
Total other (net losses) / gains	(82)	119
	<hr/>	<hr/>

**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 5. Current assets - Trade and other receivables**

	<b>Consolidated</b>	
	<b>31 December</b>	
	<b>2023</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	62	52
Less: Allowance for expected credit losses	(47)	(47)
	<u>15</u>	<u>5</u>
Consideration receivables <sup>(a)</sup>	2,545	2,626
Less: Allowance for expected credit losses <sup>(b)</sup>	(1,270)	(1,499)
	<u>1,275</u>	<u>1,127</u>
	<u>1,290</u>	<u>1,132</u>

**(a) Consideration receivables**

Consideration for the sale of subsidiary Mountainside Coal Company Inc. (MCC) on the 15th of April 2021 is being progressively received. The remaining consideration receivables of \$2,545,000 (USD1,741,000) are due and payable now. These payments have been delayed due to the Purchaser of MCC completing their finance arrangements. The Group has been in negotiation with the new owner to enter into a new payment plan, but this has not eventuated. The Group is working with its joint venture partner on the issuing of a default notice and the commencement of foreclosure proceedings in a Kentucky court. Collateral has been provided by the Purchaser by a mortgage over certain plant and equipment of MCC, and by a guarantee from a parent company of the Purchaser.

**(b) Allowance for expected credit losses - Consideration receivables**

Consideration receivables at amortised cost are due and payable. The Group considers there to have been a significant increase in credit risk since initial recognition in April 2021. An allowance for expected losses of \$1,270,000 has been recognised (30 June 2023: \$1,499,000), and this reduces the carrying value of consideration receivables. The loss allowance is based on the expected loss rate of 100% (30 June 2023: 100%), and the difference between the instalments due in accordance with the contract to sell subsidiary Mountainside Coal Company Inc. and all the cash flows that the Group expects to receive, and this includes cash flows from the sale of collateral held. The expected loss rate of 100% is because the consideration receivables are credit impaired.

**Note 6. Current assets - Other assets**

	<b>Consolidated</b>	
	<b>31 December</b>	
	<b>2023</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Prepayments	304	323
Deposits	20	20
	<u>324</u>	<u>343</u>

**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 7. Current assets - Restricted cash**

	<b>Consolidated</b>	
	<b>31 December</b>	
	<b>2023</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Security bond <sup>(a)</sup>	2,000	-

**(a) Security bond**

The Supreme Court of Western Australia holds a \$2,000,000 security bond from the Company, on behalf of its subsidiary BCBC Singapore Pte Ltd, in support of freezing orders made against Bayan Resources Tbk's shareholding in Kangaroo Resources Limited. The security bond was classified as non-current in the prior reporting period.

**Note 8. Non-current assets - Property, plant and equipment**

	<b>Consolidated</b>	
	<b>31 December</b>	
	<b>2023</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Leasehold improvements - at cost or fair value	-	154
Less: Accumulated depreciation and impairment	-	(154)
	-	-
Plant and equipment - at cost or fair value	15,631	15,972
Less: Accumulated depreciation and impairment	(15,622)	(15,960)
	9	12
Right-of-use assets - buildings - at cost <sup>(a)</sup>	-	100
Less: Accumulated depreciation	-	(75)
	-	25
	9	37

*Reconciliations*

Reconciliations of the net book values at the beginning and end of the half-year ended 31 December 2023 are set out below:

<b>Consolidated</b>	<b>Plant and equipment \$'000</b>	<b>Leasehold improvements \$'000</b>	<b>Right-of-use assets - buildings <sup>(a)</sup> \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2023	12	-	25	37
Additions	4	-	7	11
Disposals	(1)	-	-	(1)
Amortisation expense	-	-	(32)	(32)
Depreciation expense	(6)	-	-	(6)
Balance at 31 December 2023	9	-	-	9



**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 8. Non-current assets - Property, plant and equipment (continued)**

**(a) Leases**

This note provides information for leases where the Group is a lessee. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

*(i) Right-of-use assets*

On 1 July 2022, the Group signed a building sub-lease with the Managing Director, Brian Flannery's private company KTQ Developments Pty Ltd for the office space that was previously leased by the Group from a non-related party. The agreement was for a period of 16 months and expired on 31 October 2023, but was extended for another month. Leased assets may not be used as security for borrowing purposes.

The right-of-use assets were included in the same line item as where the corresponding underlying assets would be presented if they were owned.

*(ii) Lease liabilities*

Lease liabilities are presented in the balance sheet as follows:

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2023</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Current (refer to Note 12)	-	27

From 1 July 2022, the sub-lease agreement did not contain any covenants or security. The undiscounted maturity analysis of lease liabilities relating to buildings at 31 December 2023 is as follows:

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2023</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Less than one year	-	27

*(iii) Lease payments not recognised as a liability*

The Group does not recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expenses relating to payments not included in the lease liabilities are as follows:

	<b>Consolidated</b>	
	<b>6 months to</b>	<b>6 months to</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term leases (included in plant operating costs)	36	10
Leases of low-value assets (included in other expenses)	2	2
	<u>38</u>	<u>12</u>

**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 8. Non-current assets - Property, plant and equipment (continued)**

*(iv) Profit or loss and cash flow information*

The interest expense in relation to leasing liabilities included in finance costs for the half-year was \$1,000 (2022: \$4,000).

The total cash outflow for leases in the half-year was \$72,000 (2022: \$50,000).

There have been no sale and leaseback transactions in the half-year.

**Note 9. Non-current assets - Intangibles**

	Consolidated	
	31 December 2023 \$'000	30 June 2023 \$'000
Coal technology licence - at cost	55,983	55,983
Less: Accumulated amortisation and impairment	<u>(55,763)</u>	<u>(54,765)</u>
	<u>220</u>	<u>1,218</u>

*Reconciliations*

Reconciliation of the net book values at the beginning and end of the half-year ended 31 December 2023 are set out below:

Consolidated	Coal technology licence \$'000
Balance at 1 July 2023	1,218
Amortisation expense <sup>(a)</sup>	<u>(998)</u>
Balance at 31 December 2023	<u>220</u>

**(a) Amortisation expense**

The coal technology licence for BCB technology has a finite life and is amortised over its useful life of 17.6 years.

**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 10. Non-current assets - Exploration assets**

*Reconciliations*

Reconciliations of exploration assets carrying amounts at the beginning and end of the half-year ended 31 December 2023 are set out below:

<b>Consolidated</b>	<b>Cooper Pedy, SA EL6566 Exploration tenement \$'000</b>	<b>Cooper Pedy, SA EL6566 Exploration rights \$'000</b>	<b>Cooper Pedy, SA PELA674 Exploration tenement \$'000</b>	<b>Daly Waters, NT Exploration tenements and rights \$'000</b>	<b>Texas, QLD Exploration tenements and rights \$'000</b>	<b>Biloela, QLD Exploration tenements \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2023	800	2,690	4	1,127	77	-	4,698
Additional expenditure	100	-	-	497	79	183	859
Balance at 31 December 2023	<u>900</u>	<u>2,690</u>	<u>4</u>	<u>1,624</u>	<u>156</u>	<u>183</u>	<u>5,557</u>

**Note 11. Non-current assets - Restricted cash**

	<b>Consolidated</b>	
	<b>31 December 2023 \$'000</b>	<b>30 June 2023 \$'000</b>
Security bond <sup>(a)</sup>	-	<u>2,000</u>

**(a) Security bond**

The Supreme Court of Western Australia holds a \$2,000,000 security bond from the Company, on behalf of its subsidiary BCBC Singapore Pte Ltd, in support of freezing orders made against Bayan Resources Tbk's shareholding in Kangaroo Resources Limited. The security bond is classified as current for this half-year reporting period.

**Note 12. Current liabilities - Trade and other payables**

	<b>Consolidated</b>	
	<b>31 December 2023 \$'000</b>	<b>30 June 2023 \$'000</b>
Trade payables	115	358
Lease liabilities <sup>(a)</sup>	-	27
Loans from related parties <sup>(b)</sup>	-	500
Other payables <sup>(c)</sup>	<u>2,191</u>	<u>192</u>
	<u>2,306</u>	<u>1,077</u>

**(a) Lease Liabilities**

For information on the Group's leasing activities refer to Note 8(a).

**(b) Loans from related parties**

Key management person Brian Flannery, the Chairman and former Chief Executive Officer of White Energy, had loaned to the Company \$500,000 as at 30 June 2023 through his private company Ilwella Pty Ltd. The loans were not secured. The loan's agreements were based on normal terms and bore interest at a market rate.

**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 12. Current liabilities - Trade and other payables (continued)**

**(c) Other payables**

Other payables includes liabilities for litigation costs of \$2,052,000 (30 June 2023: \$57,000). Refer to Note 19 for further details.

**Note 13. Current liabilities - Provisions**

	Consolidated	
	31 December	
	2023	30 June 2023
	\$'000	\$'000
Employee provisions	454	480

**Movements in provisions during the half-year ended 31 December 2023 are set out below:**

Consolidated - 2023	Employee \$'000
Carrying amount at the start of the half-year	480
Additional provisions recognised	78
Amounts transferred to non-current (refer to Note 15)	(9)
Amounts used	(95)
Carrying amount at the end of the half-year	454

**Note 14. Non-current liabilities - Other payables**

	Consolidated	
	31 December	
	2023	30 June 2023
	\$'000	\$'000
Loans from shareholders - Black River <sup>(a)</sup>	32,806	33,821
Accrued interest on shareholder loans - Black River <sup>(a)</sup>	18,769	18,382
	51,575	52,203

**(a) Loans from shareholders**

White Energy and the 49% minority shareholder in its River Energy operations have jointly funded these two businesses through shareholder loans. The amounts disclosed in the Group's financial statements as loans from shareholders are the amounts contributed by the 49% minority shareholder which attract interest and are due for repayment by the relevant Group subsidiary at future dates in accordance with the terms of the relevant shareholder loan agreements. The loans are not secured, with recourse to the minority shareholder limited to 49% of the assets of the relevant Group subsidiary, and with joint shareholder consent customarily given to extend the loans' due dates as required.

**White Energy Company Limited**  
**Notes to the consolidated financial statements**  
**31 December 2023**

**Note 15. Non-current liabilities - Provisions**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2023</b>
	<b>2023</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Employee provisions	323	314

**Movements in provisions during the half-year ended 31 December 2023 are set out below:**

<b>Consolidated - 2023</b>	<b>Employee</b>
	<b>\$'000</b>
Carrying amount at the start of the half-year	314
Amounts transferred from current (refer to Note 13)	9
Carrying amount at the end of the half-year	323

**Note 16. Equity - Contributed equity**

	<b>Consolidated</b>			
	<b>31 December</b>	<b>30 June 2023</b>	<b>31 December</b>	<b>30 June 2023</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
Ordinary shares - fully paid	113,235,335	44,569,291	531,403	526,197

**Movements in ordinary share capital**

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$'000</b>
Balance	1 July 2023	44,569,291		526,197
Share issue under Entitlement Offer	18 July 2023	23,836,891	\$0.100	2,384
Share issue under Entitlement Offer	19 December 2023	44,829,153	\$0.065	2,914
Less: Transaction costs arising on share issues		-	\$0.000	(92)
Balance	31 December 2023	<u>113,235,335</u>		<u>531,403</u>

**Note 17. Equity - Reserves**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2023</b>
	<b>2023</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Foreign currency translation reserve	(16,515)	(17,055)
Share based payment reserve	7,167	7,167
	<u>(9,348)</u>	<u>(9,888)</u>

**Note 18. Equity - Dividends**

No amounts have been paid or declared by way of dividend during the half-year ended 31 December 2023 (2022: \$Nil).

**Note 19. Contingencies**

**KSC legal dispute**

White Energy's wholly owned subsidiaries, Binderless Coal Briquetting Company Pty Limited (BCBC) and BCBC Singapore Pte Ltd (BCBCS), were engaged in legal proceedings against PT Bayan Resources Tbk (BR) and Bayan International Pte Ltd (BI) (collectively, Bayan) in the Singapore International Commercial Court (SICC). The proceedings related to various disputed matters arising in connection with the company PT Kaltim Supacoal (KSC), which was jointly owned by BCBCS and Bayan, which owned and operated the Tabang coal upgrade plant located at Bayan's Tabang mine in East Kalimantan, Indonesia.

The trial for the third tranche of the proceedings concluded in January 2021, with the only issues remaining to be determined by the SICC relating to the damages which may be payable to BCBCS. The claim for damages comprised of the following:

- BCBCS claimed for wasted expenditure, being expenses incurred by BCBCS which were rendered futile by reason of Bayan's breach and repudiation of the joint venture;
- further, BCBCS claimed for loss of the chance of expanding the capacity of the joint venture to at least 3 million tonnes per annum; and
- interest on any damages and costs.

The SICC released its decision on 7 February 2022 in relation to the third tranche of the proceedings. The SICC found in favour of BCBCS on the majority of the issues for determination. The SICC found in BCBCS' favour on all of the preliminary legal issues including in relation to remoteness and reflective loss.

The SICC also concluded that the technology underlying the BCB process would have worked and that the Tabang Plant would have achieved nameplate capacity of 1 million tonnes per annum by June 2012, and that the upgraded coal produced at Tabang would have been a saleable product.

Notwithstanding the above findings, the SICC dismissed BCBCS' claim for damages for wasted expenditure. The SICC concluded that Bayan would have been able to take steps to put KSC into liquidation, thereby bringing the joint venture to an end before the joint venture had sufficient cash flows from which BCBCS could recoup its wasted expenditure.

In relation to BCBCS' claim for loss of chance to expand the project, the SICC took the view that there did not exist a real and substantial chance that Bayan would have agreed to expand the capacity of the Tabang project.

On 7 March 2022, BCBCS filed a notice of appeal in the Singapore Court of Appeal (the Court) in order to appeal certain of the findings made by the SICC in the third tranche of the proceedings. The appeal hearing was held on 17 October 2022.

The Court delivered its judgement on 10 February 2023 and dismissed the appeal. The Court held that Bayan would have been able to call upon its shareholder loans as an unpaid creditor to bring the joint venture to an end, even in circumstances where it had clearly breached the agreement.

The Court noted that BCBCS was successful in the first and second tranches of the proceedings, in establishing that Bayan acted in breach of its coal supply obligations under the joint venture deed. The Court found that BCBCS was not able to prove that it suffered substantial damages as a consequence. The Court further found that this did not detract from BCBCS' success in establishing Bayan's liability for breach of contract and the Court awarded BCBCS SGD1,000 in nominal damages.

In relation to the costs of the appeal, the Court decided on 4 April 2023 that SGD131,120 was payable by BCBCS based on submissions made by the parties. BCBCS paid this costs order.

**Note 19. Contingencies (continued)**

On 19 December 2022, the SICC issued its judgement in relation to the costs to be awarded following the three tranches of the proceedings. The SICC noted that the Plaintiffs had succeeded on practically all issues of liability while Bayan only prevailed at the end due to narrow points of causation of loss and quantum. The SICC held that Bayan are entitled to recover from the Plaintiffs costs of SGD2,761,787 and disbursements of SGD1,932,846, totalling SGD4,694,633.

On 23 October 2023, the Court delivered its judgement in relation to the appeal of the SICC's costs determination. Whilst the Court allowed the appeal, it did not agree with the Appellants' argument that BCBCS be awarded costs up to the late stage of the proceedings at which Bayan first raised the narrow point of causation which ultimately prevented BCBCS from recovering any damages. That said, the Court found that the discount of 40% awarded to the Respondents was insufficient and instead awarded a greater discount of 70%. The Court also held that BCBC should not be jointly and severally liable for costs. The Court made the following orders:

- (a) BCBCS is liable to BR for certain costs subject to a 10% discount for the Respondents' lack of particularisation, and a further 70% discount, with the amount determined in (b) below to also be deducted. BCBCS estimates the cost order to be approximately SGD3.3 million.
- (b) BCBC is liable to BI for certain limited costs, in so far as these are solely attributable to BCBC's withdrawn claim in the proceedings, subject to a discount of 10%. The Court has ordered the parties to attempt to agree the quantum of such costs and if unable to do so, to write to Court within 14 days of the judgement to indicate their respective positions in relation to quantum.

BCBC has paid agreed costs of SGD45,000.

As a result of the judgement, the directors of BCBCS resolved on 24 October 2023 to appoint KPMG Singapore as the provisional liquidator to BCBCS.

As at 31 December 2023, BCBCS has assets of approximately SGD1.8 million and unsecured liabilities of approximately SGD152.7 million. Unsecured liabilities include the intercompany loan from BCBC to BCBCS of approximately SGD150.9 million, and liabilities to Bayan and others as a result of the judgement and for the freezing order proceedings (see below) being approximately SGD1.8 million (refer to Note 12 other payables amount of approximately \$2.2 million that includes the liabilities to Bayan and others of approximately \$2.1 million; the \$2.1 million value is also included in litigation costs within the external advisory fees line item of the statement of comprehensive income). The intercompany loan from BCBC to BCBCS is fully eliminated on consolidation and therefore there would be no impact from any further write down of the loan on the financial results of the Group resulting from the liquidation.

The Group is not presently aware of any claims for recourse to the Group or other subsidiaries as a result of the appointment of the liquidator to BCBCS.

The information on liabilities provided above are estimates only, and are subject to quantification and finalisation by the liquidator. It is further noted that the above estimates include liquidation costs to date, such as liquidator fees, which are not yet known.

In 2012, the Supreme Court of Western Australia (Supreme Court) made freezing orders in favour of BCBCS in respect of Bayan's 56% shareholding in Kangaroo Resources Limited, a publicly listed Australian company (freezing order). The Supreme Court has made orders discharging the freezing order and for the \$2 million security bond paid by BCBCS to remain in place with Bayan to file any application for an inquiry as to damages on the undertaking within 6 weeks of resolution of the Singapore costs appeal.

Bayan filed a summons in the Supreme Court seeking costs in relation to the freezing order proceedings. At a directions hearing on 27 May 2022, the Supreme Court ordered that parties file submissions in relation to costs following the SICC's determination in relation to costs. Following the parties' submissions, the Supreme Court has ordered that special costs should be awarded to Bayan, with the quantum of costs to be determined by taxation, if not agreed by the parties.

**Note 19. Contingencies (continued)**

On 18 December 2023, Bayan filed a chamber summons seeking an inquiry into damages as a result of the freezing order being in place. Bayan are claiming damages from BCBCS of approximately \$900,000. BCBCS was to file its response by 13 March 2024 and Bayan has to file its reply by 27 March 2024; however, the parties are in the process of agreeing an extension to this timeframe. The matter has been listed for a directions hearing on 10 April 2024. The liquidators of BCBCS, KPMG, are in discussions with BCBC and Bayan, as the creditors of BCBCS, to agree a settlement amount to be paid out of the \$2 million security bond.

**Note 20. Events occurring after the reporting period**

**(a) Farm In Agreement**

The Group entered into a Farm in Agreement (FIA) on 6 February 2024 with Aquis listed Tectonic Gold Plc (Acquis: TTAU) and its local subsidiary Signature Gold Pty Ltd (Signature) in respect of four tenements in the Biloela area of central Queensland which are highly prospective for gold and copper.

A summary of the transaction is set out below.

The Company's subsidiary, Amerod Resources Pty Limited (Amerod), acquires an ongoing interest in the tenements and the Specimen Hill Project in three stages:

- **First Earn In** - Amerod acquires a 51% interest in the tenements, mineral rights and mining information (the Project) for exploration expenditure of \$1 million up to the 3<sup>rd</sup> anniversary of the commencement date of the FIA (the date both parties have executed the agreement);
- **Second Earn In** - Amerod acquires a further 25% interest for a further exploration expenditure of \$1 million, up to the 4<sup>th</sup> anniversary of the commencement date of the FIA – taking Amerod's interest to 76% of the Project;
- **An option** to acquire the remaining 24% of the Project by paying Signature \$2 million within 1 year of giving a notice to exercise the option after the Second Earn In, at which time:
  - (i) Signature's remaining 24% interest converts to a Net Smelter Royalty (Royalty) of 3% of commercial production from the tenements; and
  - (ii) Amerod acquires 100% interest in the Project, and Signature's interest in the Project is extinguished save for its interest in the ongoing Royalty.
- Should Signature wish to dispose of the Royalty, Amerod is given a right of first refusal of any proposed sale of the Royalty by Signature giving Amerod notice of such disposal and including a Royalty Sale Price (RSP), together with a detailed description as to how the RSP was arrived at including supporting evidence as to how the RSP was calculated; Amerod then has 60 days in which to exercise an option to acquire the Royalty at the RSP and thus extinguish it; and
- If Amerod does not exercise the option to acquire the Royalty, then Signature may sell the Royalty to a bona fide third party not being an affiliate of Signature.

**(b) Consideration receivables – Mountainside Coal Company Inc. (MCC)**

The Group is working with its joint venture partner, Proterra, on foreclosure proceedings in a Kentucky court in relation to the Collateral provided by the new owner of MCC by way of a mortgage over certain plant and equipment of MCC, and by a guarantee from a parent company of the new owner. On 26 January 2024, MCC was served with a Summons and a Complaint by Proterra, and the Group joined this action as a defendant by filing its Answer, Counter Claim and Crossclaim on 2 February 2024. Further foreclosure proceedings were stayed when MCC and the guarantor parent company filed two Chapter 11 bankruptcy petitions in a US Federal Court on 1 March 2024.

**(c) Contingencies - KSC legal dispute**

Refer to Note 19 for other details regarding the KSC legal dispute occurring after the reporting period.



**Note 20. Events occurring after the reporting period (continued)**

**(d) Sublease of Brisbane office**

The Company signed a sublease agreement with the Chairman Brian Flannery's private company KTQ Developments Pty Ltd for the new Brisbane office location. The lease commenced from 1 January 2024 for a period of five years. This arrangement is based on normal commercial terms and conditions and at the prevailing market rate.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Note 21. Basis of preparation of half-year report**

This consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by White Energy during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**(a) New and amended standards and interpretations adopted by the Group**

The Group has applied the following new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the reporting period commencing 1 July 2023:

- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates*
- *Disclosure of accounting policies (Amendments to AASB 101, AASB 7, AASB 134 and AASB Practice Statement 2)*
- *Definition of accounting estimates (Amendments to AASB 108)*
- *AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112).*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b) Impact of standards issued but not yet applied by the Group**

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. The Group's preliminary assessment is that the new standards and interpretation will not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

*Historical cost convention*

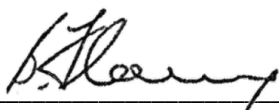
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and certain classes of property, plant and equipment.

**White Energy Company Limited**  
**Directors' declaration**  
**31 December 2023**

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 32 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.



Brian Flannery  
Director

14 March 2024  
Brisbane

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF WHITE ENERGY COMPANY LIMITED

#### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of White Energy Company Limited (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of White Energy Company Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the half-year financial report, which describes management's assessment of the consolidated entity's ability to continue as a going concern. The consolidated entity incurred a net loss after tax of \$5,776,000 and had net operating cash outflows of \$2,152,000 for the half year ended 31 December 2023 and had net liabilities of \$42,697,000 at that date. These conditions, along with the matters described in Note 1 indicate a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors of the consolidated entity a written Auditor's Independence Declaration.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



## Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of White Energy Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF

PKF

STobutt

SCOTT TOBUTT  
PARTNER

14 MARCH 2024  
SYDNEY, NSW