

WHITE ENERGY COMPANY LIMITED

ACN 071 527 083

Pro Rata Renounceable Entitlement Offer Booklet

1 for 1 pro rata renounceable entitlement offer at \$0.04 per Share.

Last date for acceptance and payment: 5:00p.m. (AEST) on 29 May 2024

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

Not for release to US wire services or distribution in the United States



IMPORTANT NOTICES

This Offer Booklet is dated Friday, 3 May 2024. Capitalised terms in this section have the meaning given to them in this Offer Booklet.

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

Not investment advice

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

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

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

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

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

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

International Offer Restrictions

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

This Offer Booklet is not to be distributed in, and no offer of Offer Shares or Additional Shares is to be made in countries other than to Shareholders with registered addresses in Australia and New Zealand. The distribution of this Offer

Booklet (including an electronic copy) in other jurisdictions may be restricted by law and therefore persons who come into possession of this Offer Booklet should seek advice on and observe these restrictions, including set forth below. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

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

New Zealand

The Offer Shares are not being offered or sold to the public within New Zealand other than to existing White Energy Company Limited shareholders with registered addresses in New Zealand to whom the offer of Offer Shares is being made in reliance on the provisions of the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*. The Entitlements are renounceable in favour of members of the public.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Definitions, currency and time

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

Taxation

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

Privacy

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

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application. The



Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies.

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

Automatic

GPO Box 5193, Sydney NSW 2001, AUSTRALIA

Governing law

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

No representations

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

Past performance

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

Future performance

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

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

Risks

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



Chairman's Letter

3 May 2024

Dear Shareholder,

On behalf of the Directors, I am pleased to invite you to take up your entitlement in a 1 for 1 (1 new Offer Share for every 1 existing Share) renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company on 3 May 2024 to raise up to \$4,529,413 (before costs) (**Entitlement Offer**).

The Entitlement Offer is not underwritten.

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

- to fund more advanced stages of mineral exploration as follows:
 - (a) in the Specimen Hill Project in Queensland (the subject of the farm-in agreement notified to the market by ASX release dated 7 February 2024), including flying helicopter magnetic surveys over the most highly prospective areas together with further ionic sampling for the purposes of identifying and confirming likely drill targets and for a drilling campaign;
 - (b) in the Robin Rise project, Coronation prospect area in South Australia, for the purposes of seeking land access for more advanced exploration over the most prospective area of the tenement; and
 - (c) in the Tindal project in Northern Territory, including further infill ionic geochemistry samples and a magnetotelluric survey for the purposes of defining compelling drill targets for each area of interest;
- for general corporate purposes, and additional working capital;
- to pay the costs of the Entitlement Offer; and
- where the abovementioned uses are needed to be paid or part paid prior to finalisation of the Entitlement Offer, these will be paid through unsecured loans, therefore a use of funds could be to repay or offset any unsecured loans made to the Company by the associated entity of a Director (being Mr Brian Flannery)¹.

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

Each of the Directors who hold Shares, either directly or indirectly, intends to take up their full Entitlement (Mr Flannery and Mr O'Rourke) or partial Entitlement (Mr Whitehouse) under the Entitlement Offer. A summary of the potential control implications is set out in Section 3.3 of this Offer Booklet.

¹ The Company may enter into an unsecured loan with an associated entity of a Director, if required, similar to the facility disclosed to the ASX on 9 June 2023. If it does enter into such an arrangement, the facility will be disclosed to the ASX. As at the date of this Offer Booklet, the Company has not entered into, nor drawn down any funds under, such an additional loan facility. Further details are set out in Section 2.3 of the Offer Booklet.



Key information with respect to the Entitlement Offer is set out in this Offer Booklet. Please read the Offer Booklet carefully (in particular the “Risk factors” in Section 4, which describe a number of key risks associated with an investment in the Company). If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional adviser.

The number of Offer Shares that you are entitled to subscribe for under the Entitlement Offer is set out in your personalised Entitlement and Acceptance Form accompanying this Offer Booklet. If you are an Eligible Shareholder and you wish to accept your Entitlement, you will need to complete the Entitlement and Acceptance Form and return it together with the appropriate application money to the Company’s Share Registry so that it is received by no later than 5:00 p.m. (AEST) on Wednesday, 29 May 2024 (**Closing Date**).

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

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

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) or consult your financial or other professional adviser.

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

Yours sincerely,

Mr Brian Flannery
Non-Executive Chairman



Summary of the Entitlement Offer

Entitlement Offer	
Ratio	1 Offer Share for every 1 Share
Issue Price	\$0.04 per Offer Share
Size	113,235,335 Offer Shares
Maximum Gross proceeds	\$4,529,413

Key dates

Activity	Date
Announcement of the Entitlement	Friday, 3 May 2024
“Ex” Date for Entitlement Offer	Tuesday, 7 May 2024
Entitlement trading commences on a deferred settlement basis	
Record Date for Entitlement Offer	7:00 p.m. (AEST) on Wednesday, 8 May 2024
Offer Booklet and Entitlement and Acceptance Form despatched	Friday, 10 May 2024
Entitlement Offer opens	
Entitlement trading ends	Wednesday, 22 May 2024
Shares quoted on a deferred settlement basis	Thursday, 23 May 2024
Last day to extend closing date	Friday, 24 May 2024
Entitlement Offer closes	5:00 p.m. (AEST) on Wednesday, 29 May 2024
Announcement of results of Entitlement Offer and under-subscriptions	Monday, 3 June 2024
Issue of Offer Shares under the Entitlement Offer	Wednesday, 5 June 2024
Commencement of trading of Offer Shares	Thursday, 6 June 2024

Notes:

All references to time are to the time in Sydney, New South Wales. This timetable is indicative only and subject to change. The Directors may vary these dates, subject to the Listing Rules and the Corporations Act. An extension of the Closing Date will delay the anticipated date for issue of the Offer Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the Offer Shares. In that event, the relevant application monies (without interest) will be returned in full to Applicants.



1. Offer details

1.1 The Entitlement Offer

This Entitlement Offer is a renounceable offer of 113,235,335 Offer Shares at an issue price of \$0.04 per Offer Share, on the basis of 1 Offer Share for every 1 Share held as at the Record Date, 7:00 p.m. (AEST) on Wednesday, 8 May 2024. The Entitlement Offer will raise up to a maximum of \$4,529,413 (before costs).

The Issue Price for the Entitlement Offer represents a 12.13% discount to the VWAP of its Shares over the previous 90 calendar day period, a 7.24% discount to the VWAP of its Shares over the previous 60 calendar day period and a 20.07% discount to the VWAP of its Shares over the previous 30 calendar day period. On 2 May 2024, being the last trading day before the date of this Offer Booklet, the closing price of the Shares was \$0.042.

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

1.2 Purpose of the Entitlement Offer

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

- to fund more advanced stages of mineral exploration as follows:
 - (a) in the Specimen Hill Project in Queensland (the subject of the farm-in agreement notified to the market by ASX release dated 7 February 2024), including flying helicopter magnetic surveys over the most highly prospective areas together with further ionic sampling for the purposes of identifying and confirming likely drill targets and for a drilling campaign;
 - (b) in the Robin Rise project, Coronation prospect area in South Australia, for the purposes of seeking land access for more advanced exploration over the most prospective area of the tenement; and
 - (c) in the Tindal project in Northern Territory, including further infill ionic geochemistry samples and a magnetotelluric survey for the purposes of defining compelling drill targets for each area of interest;
- for general corporate purposes, and additional working capital; and
- to pay the costs of the Entitlement Offer.

The below table provides a breakdown of the proposed use of funds and assumes that 75% of Offer Shares will be applied for by Eligible Shareholders:

Description	Use of Funds	%
Exploration & evaluation expenditure	\$1,836,352	54.06%
General Corporate Purposes	\$1,214,063	35.74%
Cost of the Entitlement Offer	\$96,645	2.84%
Additional Working Capital	\$250,000	7.36%
TOTAL	\$3,397,060	100.00%



The following table provides a breakdown of “General Corporate Purposes” from the table above:

Payment	\$
Staff costs	450,513
Development	286,030
Administration and other (including property, plant and equipment)	477,520
Total payments for “General Corporate Purposes”	1,214,063

The Company notes that, where the abovementioned uses are required to be paid or part paid prior to finalisation of the Entitlement Offer, these may be paid through unsecured loans, therefore a use of funds could be to repay or offset any unsecured loans made to the Company by the associated entity of a Director (being Mr Brain Flannery)².

Section 2.2 of this Offer Booklet contains information about the current status of the legal proceedings against PT Bayan Resources Tbk and Bayan International Pte Ltd. At present it is envisaged that any further costs which are required to recover monies from the security bond held with the Supreme Court of Western Australia will be covered by that fund.

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

1.3 Directors’ intentions in respect of their Entitlements

Each of the Directors who hold Shares, either directly or indirectly, intends to take up their full Entitlement (Mr Flannery and Mr O’Rourke) or partial Entitlement (Mr Whitehouse) under the Entitlement Offer

1.4 Underwriting

The Entitlement Offer is not underwritten.

1.5 Minimum subscription

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

1.6 Eligibility of Shareholders

The Entitlement Offer is an offer to Eligible Shareholders only.

Eligible Shareholders are Shareholders on the Record Date, 7:00 p.m. (AEST) on Wednesday, 8 May 2024, who have a registered address in Australia or New Zealand. In particular, this Entitlement Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

²The Company may enter into an additional unsecured loan with an associated entity of a Director, if required, similar to the facility disclosed to the ASX on 9 June 2023. If it does enter into such an arrangement, the facility will be disclosed to the ASX. As at the date of this Offer Booklet, the Company has not entered into, nor drawn down any funds under, such an additional loan facility. Further details are set out in Section 2.3 of the Offer Booklet.



1.7 Ineligible Shareholders

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

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

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

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

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

1.8 Entitlements trading on ASX

Entitlements are renounceable, which means that all or part of an Eligible Shareholder's Entitlement, or an Ineligible Shareholder's Entitlement through the Nominee, may be traded on ASX. If you wish to sell all or part of your Entitlement on ASX, then you should provide instructions to your stockbroker regarding the Entitlement which you wish to sell. You may incur brokerage costs if you sell your Entitlements on ASX. Trading of Entitlements on a normal settlement basis will commence on ASX from market open on Tuesday, 7 May 2024 and cease on Wednesday, 22 May 2024.

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

This Offer Booklet, along with your Entitlement and Acceptance Form, will be despatched to Eligible Shareholders on Friday, 10 May 2024. The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to Eligible Shareholders or Ineligible Shareholders if you trade your Entitlements before the Entitlements are allotted, or before you receive your Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by the Company or otherwise.

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



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

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

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

If you are a Shareholder on the Issuer Sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person, other than on ASX, a completed standard renunciation and transfer form (which can be obtained from the Share Registry) must be received by the Share Registry (by post) at the address listed in the Corporate Directory, after the Opening Date and no later than 5:00 p.m. (AEST) on Wednesday, 29 May 2024, the Closing Date, and accompanied by the applicable transferee's cheque for the Offer Shares they wish to subscribe for in Australian dollars, crossed "Not Negotiable" and made payable to "White Energy Company Ltd".

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

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

The application moneys for Offer Shares that the transferee of the Entitlement wants to acquire must be received by the Share Registry after the Opening Date but no later than 5:00 p.m. (AEST) on Wednesday, 29 May 2024, the Closing Date, by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "White Energy Company Ltd".

1.10 Eligible Shareholders may apply for Additional Shares

Entitlements not taken up may become available as Additional Shares. Eligible Shareholders who are not Related Parties may, in addition to their Entitlements, apply for Additional Shares over and above their Entitlement at the Issue Price, subject to the takeover prohibition in Chapter 6 of the Corporations Act. Additional Shares will be issued at the same Issue Price (\$0.04) as the Offer Shares.

If you wish to subscribe for Additional Shares in addition to your Entitlement, then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement plus the Additional Shares (at \$0.04 per Offer Share).

There is no guarantee that Eligible Shareholders will receive the number of Additional Shares they apply for, or that they will receive any Additional Shares at all. The Company reserves the right to scale-back any applications for Additional Shares in their absolute discretion and to ensure that no Shareholder will as a consequence of taking up their Entitlement and being issued any Additional



Shares breach Chapter 6 of the Corporations Act. However, it is the sole responsibility of the Eligible Shareholder to determine the maximum level of Offer Shares for which they can apply.

The allocation policy for Additional Shares subscribed for pursuant to the Shortfall Facility will be to any Eligible Shareholders who have taken up their full Entitlement and have applied for Additional Shares through the Shortfall Facility by the Closing Date, unless there is an oversubscription for Additional Shares, in which case Additional Shares may be subject to scale-back and Eligible Shareholders will receive Additional Shares on a pro rata basis having regard to the proportion of oversubscription for Additional Shares.

In addition, if any Shortfall remains following completion of the Entitlement Offer (which includes the issue of Additional Shares), the Directors reserve their right to exercise their discretion to issue such remaining Shortfall within 3 months of the Closing Date in accordance with the Corporations Act and ASX Listing Rules.

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

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

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

If you make payment by BPAY® or EFT:

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

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

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

1.11 Investment risks

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



1.12 Offer Share terms

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

1.13 Quotation of Offer Shares

The Company will apply for quotation of the Offer Shares on ASX. It is expected that normal trading of the Offer Shares will commence on or about Thursday, 6 June 2024.

1.14 How to accept your Entitlement

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

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

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

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

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

(a) Payment by BPAY®

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

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

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00 p.m. (AEST) on the Closing Date, Wednesday, 29 May 2024. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

(b) Payment by EFT

For payment by EFT, please follow the instructions on the Entitlement and Acceptance Form, which includes your Unique Reference Number. The Unique Reference Number is used to identify your holding. Eligible Shareholders who have multiple holdings will have multiple Unique Reference



Numbers. You must use the Unique Reference Number shown on each Entitlement and Acceptance Form to pay for each holding separately. Please note that should you choose to pay by EFT:

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

It is your responsibility to ensure that your EFT payment is received by the Share Registry by no later than 5:00 p.m. (AEST) on the Closing Date, Wednesday, 29 May 2024. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payments and you should therefore take this into consideration when making payment.

(c) Administration of applications for Offer Shares

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for Offer Shares under this Offer Booklet. The amount payable on Acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the Offer Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any Acceptance Money received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded as soon as practicable following the Closing Date, Wednesday, 29 May 2024. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

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

1.15 Binding effect of Entitlement and Acceptance Form

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

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

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



1.16 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Offer Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to:

- (a) beneficial holders of Shares in New Zealand; and
- (b) certain Shareholders in such other country in which the Company may determine it is lawful and practical to make the Entitlement Offer.

1.17 Fractional entitlements

Fractional Entitlements will be rounded down to the nearest whole number. For this purpose, holdings in the same name are aggregated for calculation of Entitlements, to the extent permitted by the Listing Rules. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements, to the extent permitted by the Listing Rules.



2. The Company and its operations

2.1 Operations

(a) Company profile

The Company is a global business organised around two business divisions that harness emerging technologies to foster sustainable energy sourced from coal and the exploration for minerals essential for a decarbonised economy:

Coal Technology

The Company is the exclusive worldwide licensee of a technology for a Binderless Coal Briquetting (BCB) process which transforms high moisture, low value sub-bituminous and lignite coals into more valuable, higher energy briquettes. The technology, which can also be used to agglomerate coal fines, uses a low-cost process of dehydration and compaction developed by a consortium led by the CSIRO. The technology enables more efficient coal production and reduced emissions, thereby fostering more sustainable energy sourced from coal whilst other renewable energy sources are phased in.

Mining Exploration

The Company's five minerals exploration projects have potential to host copper, zinc, gold, rare earth elements and battery minerals such as cobalt. Deposit styles are believed to include iron oxide-copper-gold- (IOCG), intrusive related gold deposits (IRGD), intrusive carbonatites and sediment hosted exhalative mineralisation along with intrusive sills and breccia zones; all with potential for Tier 1 deposits. As the World transitions towards sustainable energy sources, often referred to as the "new economy", more of these commodities are essential to buttress critical supply and demand imbalances.

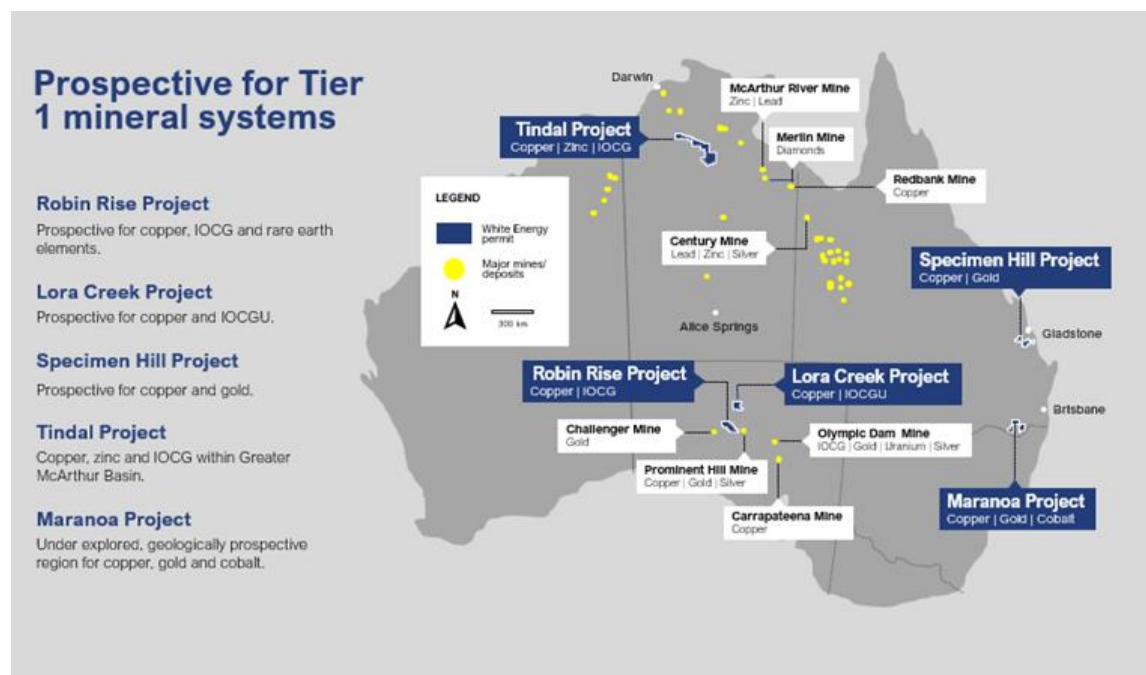


Figure 1: Location of the Company's projects.



The Company's point of difference acquired with Fiddler's Creek Mining Company Pty Ltd (**Fiddler's Creek**) in May 2023, is its breakthrough integration of advanced exploration sciences - deep structural analysis coupled with ionic geochemistry and machine learning.

All of the Company's projects are now being explored using technologically advanced lithospheric-scale structural geophysical analysis integrated with ionic geochemistry aided by machine learning together with other well established geological and geophysical techniques.

The Company is confident exploration outcomes can 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 ionic geochemistry sampling together with other geophysical and geological techniques aided by machine learning. The intention being to identify subtle indicators of the circulation of hydrothermal, mineralising fluids in order to define compelling drill targets. The Company views this bottom-up approach as an important adjunct to the traditional top-down approach of exploring for mineral deposits and considers it is the key to exploration under cover.

To do this, the Company has signed two research agreements with INRS (the National Institute for Scientific Research), an applied research university in Quebec, Canada in relation to separate projects. The first project with Professor Lyal Harris of INRS, is analysing the lithospheric-scale architecture of the Company's projects and other areas using seismic tomographic and other geophysical data. Over the nine months since the agreement was signed, the project has identified project areas of exploration potential, been used to direct field programs and guided the acquisition of additional exploration areas.

The second project with Professor Erwan Gloaguen of INRS is building on previous work which developed machine learning methods to investigate the relationship between geophysical data and mineral deposit locations, to examine results of ionic geochemical sampling, and the potential mineral system type the samples represent. Appropriate training datasets have been sourced and will be used to train the system so that it can be applied to field results. Once developed the approach will then be extended to use other data sources which will be integrated into the system.

The Company's agreements with INRS include provisions for exclusive use of the techniques being developed within Australasia.

(b) Current projects

Australia

Northern Territory (Ownership 100%)

The Tindal copper – zinc – IOCG-style project is located approximately 80 km south of Katherine in the Northern Territory.

Work continues with INRS on the analysis of the lithospheric-scale architecture of Tindal tenements. This has enabled improved mapping of Precambrian lithospheric boundaries and the identification of additional geophysical targets for ionic sampling programs.

Final results from an initial ionic survey of the project conducted during the 2023 field season will be reported following statistical analysis of the results that is currently underway. A number of follow up ionic sampling survey and a magnetotelluric survey will be undertaken to enable a better



understanding of the three dimensional structure of the area, in particular “fingers of god” structures which elsewhere are associated with world class mineral deposits. Subsequent analysis will use advanced interpretation of the ionic geochemistry samples integrated with geophysical data to define compelling drill targets for each area of interest.

South Australia (Ownership 100%)

Robin Rise is a copper – IOCG-style project located approximately 70 km south west of Coober Pedy in South Australia within the same structural corridor which hosts Prominent Hill, Carrapateena and Olympic Dam IOCG deposits. The project lies between the Prominent Hill and Challenger mines, and is located within the same tenement that hosts the Lake Phillipson coal project (EL6566).

The ionic geochemical survey in the magnetic corridor of the Hilga Mineral Field started in the June 2023 quarter was complete in August 2023. Some of the soil samples located in August 2023 were guided by interpreted INRS’ targets. Analysis of 356 samples have been received and the results analysed. A further ionic geochemical survey in the magnetic corridor of the Hilga Mineral Field and a biochemical leaf survey was conducted in November 2023. Analysis of 362 ionic samples and 42 biochemical samples have been received and are currently being reviewed. The initial analysis has confirmed the presence of coincident biochemical and ionic anomaly and appears encouraging for an IOCG-style of mineralisation.

Management is seeking land access for more advanced exploration over the most prospective area of the tenement, known as the Coronation prospect. And it is expected that additional geochemical sampling will also continue in the prospect.

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.

In addition, during the December 2023 quarter, work continued on examining coal gasification and emerging hydrogen opportunities from the coal rights within EL6566 and the adjacent tenement PELA674.

South Australia (Ownership 100%)

The Lora Creek project covers an area of 934 km² located about 100 km northeast of Coober Pedy in South Australia. The tenement was awarded on 10 April 2024 for a term of six years and was selected on the basis of INRS provided data of deep intrusive activity interpretations and its position in the Geoscience Australia Olympic Dam corridor. It is anticipated the tenement will initially be targeted for IOCGU and roll-front uranium mineral systems.

It is intended to undertake a comprehensive technical review of historical data and integrate these results with new satellite geophysical interpretations provided by INRS to further evaluate and determine the most prospective areas of the tenement before the implementation of an on-ground ionic geochemical sampling program.

Queensland (Ownership 100%)

The Maranoa copper – gold – cobalt project is located approximately 50 km north of Texas in Queensland. The project exhibits the key structural attributes required for mineral systems hosting new economy minerals.



Initial stream sediment sampling took place in June 2023 this indicated potential for copper, gold, silver, base metal, cobalt and arsenic mineralisation. During the December 2023 quarter, additional results were received from an ongoing 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 conducted in 2023.

Agreement has been reached with the Queensland Department of Resources and SunWater Queensland in relation to conditions to be applied to tenement application EPM 28794, War Effort, and this tenement is expected to proceed to grant in the coming quarter. On grant initial sampling work will be conducted, this will be integrated with further sampling work to follow up anomalous stream sediment samples from the existing Maranoa tenements.

Queensland – Farm in Agreement with Tectonic (FIA)

On 7 February 2024, the Company announced the Farm in Agreement with Aquis listed Tectonic Gold Plc (Acquis: TTAU) (Tectonic) 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 copper and gold.

The location of this project within a major structural corridor makes this a natural fit to further advance White Energy's use of deep crustal lithospheric analytics, developed through its exclusive research agreement with INRS, to identify mineralisation in areas where deep crustal scale structural corridors provide mineralised fluid migration pathways to surface and subsurface zones.

Tectonic via its local subsidiary, Signature, holds contiguous tenements in the Biloela area in Queensland: EPM 18350, EPM 19506, EPM 28296, and MDL 313, known as the Specimen Hill Project. Tectonic started work on the project in 2014 targeting the Specimen Hill portion of the tenements for intrusion related gold systems. The area is located 60 km southwest of Gladstone, and 31 km northeast of the town of Biloela in Queensland. Access is via well maintained sealed major roads, 2 secondary gravel roads and tracks. The area has good communications and access to support services located at Gladstone, Calliope and Biloela.

The high quality of Tectonic's technical work and the scale opportunity of the asset makes this a standout addition to White Energy's mineral exploration portfolio.

In late 2022, the former owners the Company's subsidiary Fiddler's Creek began discussions with Signature and Tectonic in relation to the Specimen Hill Project and the applicability of ionic sampling to detect mineralisation at depth. Subsequently, an agreement was reached for Fiddler's Creek to conduct a due diligence sampling program to test the viability of using ionic sampling (ALS Method ME-MS23) to identify mineralisation in the project area. During September 2023, ionic sampling surveys were undertaken over the tenement areas. Follow up work in early December 2023, included additional ionic sampling and rock chip sampling. Field observations confirmed a large and complex mineral system with a number of outcropping zones of what appear to be strong copper mineralisation of an IOCG-style.

Helicopter magnetic surveys are planned for the late April 2024, covering the most highly prospective areas of the project. Additional ionic sampling will be undertaken to close off a number



of anomalous areas. Completion of this work is expected to identify and confirm drill targets for a drilling campaign during 2024.

A summary of the farm-in transaction is set out below: The Company's subsidiary, Amerod Resources Pty Limited (**Amerod**), acquires an ongoing interest in the tenements and Project in three stages:

(a) 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 3rd anniversary of the commencement date of the FIA (the date both parties have executed the FIA);

(b) Second Earn In - Amerod acquires a further 25% interest for a further exploration expenditure of \$1 million, up to the 4th anniversary of the commencement date of the FIA – taking Amerod's interest to 76% of the Project;

(c) 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;

(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;

(d) 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;

(e) Amerod then has 60 days in which to exercise an option to acquire the Royalty at the RSP and thus extinguish it; and

(f) 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.

For further details, please refer to Appendix 1 in the ASX Release dated 7 February 2024 titled "White Energy enters into Farm In Agreement with Tectonic Gold Plc subsidiary, Signature Gold Pty Ltd, for the 'Specimen Hill Project'".

BCB

White Energy is the exclusive worldwide licensee of the BCB technology that upgrades coal and coal fines through a relatively simple thermal drying process followed by physical and chemical stabilisation via a novel binderless briquetting process. The BCB technology has been developed over 20 years, by a consortium led by the CSIRO.

The binderless briquettes are held together by the natural bonding mechanisms of coal and do not require any binders that are normally used to briquette coals.

The upgraded coal is able to be used interchangeably with other high ranking, low moisture coals and does not require any technical or engineering alterations at the power stations to allow for coal combustion.



There are opportunities to use this technology to recover material from coal tailings facilities, in turn reducing rehabilitation and waste treatment costs and providing additional efficiencies for coal resources such as mine yield.

The inter-changeability of the Company's BCB coal at the power station allows White Energy to take advantage of the significant opportunity for enhanced value created by the low cost of briquetted feedstock compared to the market price for bituminous coal.

The Company's BCB technology has been shown to be operationally superior to competing processes and enables the commercial exploitation of a large number of low quality and high moisture coal deposits. The BCB coal upgrading process provides a sustainable solution for coal fired power stations and other industrial applications with an opportunity to utilise a cleaner and more efficient fuel with reduced emissions, thereby fostering a more sustainable energy sourced from coal whilst other renewable energy sources are phased in.

Africa – River Energy Joint Venture – White Energy 51%

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

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

White Energy is assisting Proterra with a small BCB pilot plant in Johannesburg to facilitate 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. The briquetting machine was installed during the quarter and is being commissioned during April 2024.

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

On 20 June 2023, Proterra entered into arrangements with its other joint venture partners to sell down their 100% interest in their BCB company, River Energy South Africa Pty Ltd. This was done to introduce a South African Black Economic Empowerment company and two other investors. This transaction is subject to conditions precedent.

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

(c) General Corporate

The Company has no significant secured corporate debt. Limited-recourse shareholder loans provided to the Group's 51% owned operations in the UK and Mauritius by both the Company and the minority shareholders in proportion to their ownership interests are repayable in January 2027.



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.

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. On 19 April 2024, the two bankruptcy proceedings were transferred to the Eastern District of the US Federal bankruptcy court in Kentucky on application by the US bankruptcy administrator, supported by the lawyers for the Group and Proterra.

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

(a) Singapore International Commercial Court (SICC)

The Company'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. See Section 4.15 of this Offer Booklet for a discussion of the specific risks associated with this litigation.

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

In the first and second tranches, the SICC conclusively determined in BCBCS' favour that Bayan had both breached its obligations to supply coal to KSC and had repudiated the joint venture deed.

As a result of the SICC dismissing Bayan's counterclaim against BCBCS and BCBC in April 2016, there is no longer any damages claim against the White Energy Group in these proceedings.

The trial for the third tranche of the proceedings was 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:

- i. 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;



- ii. 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
- iii. Interest on damages award and legal 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 would have 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.

(b) Singapore Court of Appeal (The Court)

BCBCS filed a notice of appeal in the Singapore Court of Appeal in order to appeal certain of the findings made by the SICC in tranche 3 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 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 has paid this costs order.

(c) Costs submissions in the SICC

The SICC in the third tranche judgement stated that it would hear parties in relation to costs. In this regard, both parties filed costs submissions in March 2022 and replies in April 2022. 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 were entitled to recover from the Plaintiffs' costs of SGD2,761,787 and disbursements of SGD1,932,846, totaling SGD4,694,633.

(d) Leave to appeal costs determination in the Singapore Court of Appeal

On 3 January 2023, BCBCS filed an application for leave to appeal the decision of the SICC in relation to the costs determination for tranches one to three. On 17 January 2023, Bayan filed its reply submissions. BCBCS filed further submissions on 17 February 2023 and BR filed its response on 24



February 2023. On 14 March 2023, the Court made its decision in relation to the application for leave and granted leave to BCBCS to appeal against the SICC's costs order. BCBCS filed a notice to appeal on 28 March 2023. The appellant's case was filed on 20 June 2023, with the defendant's case being filed on 18 July 2023 and the appellants to reply by 1 August 2023, with the appeal hearing heard by the Court on 4 September 2023.

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 BCBCBS 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; and
- 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 the 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. 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 estimated liquidation costs to date, such as liquidator fees, which are not yet known.

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

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

- prohibit BR from further encumbering its shares in KRL;



- prohibit BR from transferring its shares in KRL to a related entity; and
- prohibit BR from disposing of its shares in KRL to an unrelated entity or diminishing the value of those shares,

without first giving BCBCS seven clear business days' notice.

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

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

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

The Supreme Court of Western Australia has made orders discharging the freezing order and for the \$2 million security undertaking paid by BCBCS to remain in place with BR to file any application for an inquiry as to damages on the undertaking within 6 weeks of resolution of the Singapore costs appeal.

(f) Costs application in Supreme Court of Western Australia

BR filed a summons in the Supreme Court in Western Australia seeking costs in relation to the freezing order proceedings.

At a directions hearing on 27 May 2022, the Supreme Court in Western Australia has 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 was to file its reply by 27 March 2024; however, the parties are in the process of agreeing an extension to this timeframe. The liquidators of BCBCS, KPMG, are in advanced stages of 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.



2.3 Unsecured Loan

The Company may enter into an unsecured loan facility with an associated entity of a Director, Mr Brian Flannery, if required, similar to the facility disclosed to the ASX on 9 June 2023. If it does enter into such an arrangement, the facility will be disclosed to the ASX. As at the date of this Offer Booklet, the Company has not entered into, nor drawn down any funds under, such a further loan facility.

If required, the loan facility would be an unsecured loan agreement with an entity associated with a Director, Mr Brian Flannery and would be provided on normal commercial terms and conditions and at the prevailing market rate.

2.4 Board

The Board of the Company is currently comprised of:

- (a) Brian Flannery, Non-Executive Chairman;
- (b) Vincent O'Rourke, Non-Executive Director;
- (c) Keith Whitehouse, Non-Executive Director; and
- (d) Michael Chapman, Non-Executive Director.



3. Control issues arising from the Entitlement Offer

3.1 Present position

As at 3 May 2024, based solely on notices provided under section 671B of the Corporations Act unless otherwise noted, there are two Substantial Holders of Shares.

The relevant holding, and associated voting power, of each Substantial Holder based on the issued Share capital as at the date of this Offer Booklet is as follows:

Name	Shares*	%**
Gaffwick Pty Ltd	42,333,076	37.38%
Ilwella Pty Ltd and other Associated Entities of Mr Brian Flannery (collectively Ilwella Pty Ltd)	40,692,876	35.94%
TOTAL	83,025,952	73.32%

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

** Based on total issued capital of the Company as at the date of this Offer Booklet.

As of the date of this document, it is assumed and understood that both Gaffwick Pty Ltd and Ilwella Pty Ltd will subscribe for their full Entitlement.

3.2 Capital structure

The current issued share capital of the Company, and maximum issued share capital of the Company following completion of the Entitlement Offer (assuming each Shareholder applies for their full Entitlement), is expected to be as follows:

Shares	
Shares on issue at the date of the Offer Booklet	113,235,335
Maximum number of Offer Shares	113,235,335
Maximum total share capital immediately after Issue*	226,470,670

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

The potential effect the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. However, given the structure of the Entitlement Offer, the Entitlement Offer may have a material effect on the dilution and/or control of the Company. The risks associated with dilution are also set out in Section 4.12 of this Offer Booklet.

The potential effect on control is summarised below.

- (a) If all Eligible Shareholders take up their Entitlements under the Entitlement Offer, and all rights attaching to Ineligible Shareholders are taken up by other new shareholders, then the Entitlement Offer will have no significant effect on the control of the Company.



- (b) If some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in the Company will be diluted.
- (c) The proportional interests of Shareholders who are not Eligible Shareholders will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.
- (d) Eligible Shareholders that apply for Additional Shares under the Shortfall Facility may increase their interests beyond their Entitlement. This could result in the dilution of holdings of those who failed to accept their Entitlements in full.
- (e) Presently, based on the assumptions outlined in Section 3.1 above, the Top 2 Shareholders (Gaffwick Pty Ltd and Ilwella Pty Ltd) collectively hold 73.32% of the issued Share capital.
- (f) On the basis that:
 - (i) Gaffwick Pty Ltd and Ilwella Pty Ltd each take up their Entitlements in full; and
 - (ii) “Other Shareholders” take up either their Entitlements or Additional Shares such that the aggregate participation of all Shareholders represents 73.32%, 75%, 85%, 95% or 100%,

Table 1 below provides the projected voting power for each of the Top 2 Shareholders under the various aggregate participation rates.

Table 1					
Shareholder	Voting Power based on total % of Offer Share and Additional Share Subscriptions				
	73.32%*	75%**	85%**	95%**	100%**
Gaffwick Pty Ltd	43.14%	42.73%	40.42%	38.34%	37.38%
Ilwella Pty Ltd (Mr Brian Flannery)	41.47%	41.07%	38.85%	36.86%	35.94%
Other Shareholders	15.39%	16.20%	20.73%	24.80%	26.68%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

* This scenario assumes that only Gaffwick Pty Ltd and Ilwella Pty Ltd subscribe for their full Entitlement.

** These scenarios assumes that Gaffwick Pty Ltd and Ilwella Pty Ltd subscribe for their full Entitlement and “Other Shareholders” take up either their Entitlements or Additional Shares to reach the aggregate participation of all Shareholders recorded at the top of the respective column.

Related Parties (which includes Directors of the Company) are not entitled to subscribe for Additional Shares. Other Eligible Shareholders can subscribe for Additional Shares under the Shortfall Facility, which will assist in reducing any potential effect on control.

- (a) Ilwella Pty Ltd and the Associated Entities of Mr Flannery, a Director, collectively hold 35.94% of the issued Share capital. Table 2 below assumes that only Ilwella Pty Ltd and



the Associated Entities of Mr Flannery subscribe for their full Entitlement, noting that Related Parties cannot subscribe for Additional Shares, and provides the projected voting power of the Top 2 Shareholders under the various aggregate participation rates.

Table 2						
Shareholder	Voting Power based on total % of Offer Share and Additional Share Subscriptions					
	35.94%*	73.32%**	75%***	85%***	95%***	100%***
Gaffwick Pty Ltd	27.50%	43.14%	42.73%	40.42%	38.34%	37.38%
Ilwella Pty Ltd (Mr Brian Flannery)	52.87%	41.47%	41.07%	38.85%	36.86%	35.94%
Other Shareholders	19.63%	15.39%	16.20%	20.73%	24.80%	26.68%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* This scenario assumes that only Ilwella Pty Ltd subscribes for their full Entitlement. This is for illustrative purposes only, as Ilwella Pty Ltd is unlikely to reach this level of voting power, since it is assumed and understood that Gaffwick Pty Ltd will subscribe for their full Entitlement (see ** below).

** This scenario assumes that only Gaffwick Pty Ltd and Ilwella Pty Ltd subscribe for their full Entitlement.

*** These scenarios assumes that Gaffwick Pty Ltd and Ilwella Pty Ltd subscribe for their full Entitlement and "Other Shareholders" take up either their Entitlement or Additional Shares to reach the aggregate participation of all Shareholders recorded at the top of the respective column

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

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

Shareholder	Shareholding as at Record Date	% at Record Date	Entitlement	Shareholding if Entitlement not taken up	% post Entitlement Offer
Shareholder 1	5,000	0.004%	5,000	5,000	0.002%
Shareholder 2	10,000	0.009%	10,000	10,000	0.004%
Shareholder 3	50,000	0.044%	50,000	50,000	0.022%
Shareholder 4	100,000	0.088%	100,000	100,000	0.044%
Shareholder 5	500,000	0.442%	500,000	500,000	0.221%
Shareholder 6	1,000,000	0.883%	1,000,000	1,000,000	0.442%
Shareholder 7	10,000,000	8.831%	10,000,000	10,000,000	4.416%

Although the Entitlement Offer is not underwritten, at their discretion, the Directors can place any remaining shortfall. As such, in the above scenario, any Shareholder who does not participate in the Entitlement Offer will have their voting power diluted by up to 50%.



4. Risk factors

4.1 Introduction

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

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

4.2 Nature of investment

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

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

4.3 Securities market

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

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

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

4.4 Economic factors

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



4.5 Competition risk

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

4.6 Potential acquisitions and divestments

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies, products or technologies and may make asset divestments. Any such transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, and any divestment activity could result in realising values less than fair value.

4.7 Management actions

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

4.8 Unforeseen expenses

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

4.9 Additional capital requirements

The Directors believe that the Company has sufficient cash reserves to meet its commitments in the near term, however to satisfy forecast expenditure requirements, the Company will require further funding, likely around December 2024. The Directors believe that a combination of funding sources may be available, including debt funding for specific projects, issues of new equity and asset sales. The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no guarantee that the funds raised through the Entitlement Offer will be sufficient to achieve all of the objectives of the Company's overall business strategy. If the Company is unable to use debt, equity or asset sales to fund the objectives of its business strategy after the substantial exhaustion of the net proceeds from the Entitlement Offer, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional funding on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.



4.10 Regulatory risk, government policy

The Company holds investments in Australia and conducts business, or seeks to conduct business in this and other countries and is therefore exposed to the laws governing businesses in those countries. Changes in government regulations including taxation, the repatriation of profits, restrictions on production, export controls, environmental compliance, shifts in the political stability of the country, labour unrest and other adverse political events could adversely affect the Company and its business initiatives in Australia, Africa, China and other countries.

4.11 Cyber security risks

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

4.12 Dilution of existing Shareholders in the Company

Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced. Dilution to existing Shareholders who do not take up their Entitlements in full may be material. At completion of the Entitlement Offer, the maximum number of Shares that could be issued is 113,235,335 and the maximum number of Shares on issue could be 136,812,364. For Shareholders who do not participate in the Entitlement Offer, and based on the current issued share capital of the Company, their percentage interest in the Company will be reduced by up to 50%.

4.13 Liquidity

The past performance of the Shares on the ASX cannot be treated as indicative of the likely future development of the market and future demand for Offer Shares. The lack of a liquid public market for the Shares on ASX may have a negative effect on the ability of Shareholders to sell their Offer Shares, or adversely affect the price at which the holders are able to sell their Offer Shares. There can be no assurance as to the liquidity of any trading in the Offer Shares, or that the Offer Shares will be actively traded on the ASX in the future.

4.14 Specific risks associated with investments in the coal industry

(a) Technology, general project and intellectual property risks

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

(b) Exploration success

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



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

(c) Operating risks

The future operations of the Company may be affected by various factors that may impact the amount of product produced, increase the cost of production and delay or reduce sales revenue, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction and production costs; adverse weather conditions; natural disasters; industrial and environmental accidents; industrial disputes; transportation delays; workplace, health and safety issues including those arising from the COVID-19 pandemic; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(d) Resource estimates

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

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

The Group's future financial performance will be impacted through the revenue it derives by future traded commodity prices, traded gas prices, traded commodity prices and movements in foreign exchange rates which are determined by factors outside the Group's control. The global economy has been adversely impacted by energy shortages caused by a number of factors, which has been exacerbated by the continuing conflict in Ukraine, and uncertainties remain surrounding future traded coal prices and energy prices generally.

(f) Environmental risks

The operations and proposed activities of the Group are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company is committed to environmental care and aims to carry out its activities in an environmentally responsible and scientifically-sound way that reduces the environmental impact to a practical minimum and ensures compliance with all environmental laws.



(g) Title risks and native title

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

(h) Climate change risks

Climate change is creating risks and opportunities for the Group and its customers. Changes in government regulations in the countries the Group operates in could restrict the use of coal and impact the longer term demand for coal and therefore the Group's proprietary BCB coal technology. The demand for coal could also be impacted by the faster than anticipated adoption of alternative energy sources over the longer term in the transition to a lower carbon economy. Regulatory changes and/or growth of the Group's mining activities may result in additional costs to comply with sustainability reporting standards, and higher operating and capital costs in efforts to reduce carbon emissions. Climate change has the potential to increase the intensity and frequency of extreme weather events that may impact the Group's future operations and those of its customers. Climate change is leading to a growing anti-coal sentiment in the insurance market that may reduce the available insurance cover at affordable premiums that is utilised by the Group to reduce its exposure to operating risks.

The Group has advantages from, and resilience to the above climate change risks through the BCB coal technology which can improve the carbon emission efficiency of sub-bituminous coals and convert large quantities of discarded fine bituminous coal into a saleable product that may otherwise be considered an environmental liability. Joint venture partner, Proterra Investment Partners, are seeking to recover and briquette discarded coal tailings, which, it is believed, would be a good environmental outcome for South Africa. The Group's Lake Philipson coal resource has the potential for coal gasification and emerging hydrogen opportunities from coal. Gas is seen as an important energy source in the transition to a lower carbon economy. The Group creates growth opportunities through a pipeline of gold and new economy minerals exploration projects in Australia that can be used to build and maintain a lower carbon economy.

4.15 Specific risks associated with litigation

The Company's subsidiaries, BCBCS and BCBC, were involved in a legal dispute with BCBCS' former Indonesian joint venture partner, BR, and its associated company Bayan International. The final judgement was delivered on 10 February 2023 that dismissed BCBCS' appeal in the damages proceedings. The outcome of the appeal proceedings relating to the costs order awarded against BCBCS and BCBC was determined on 23 October 2023. Further information relating to these legal proceedings is set out in Section 2.2 of this Offer Booklet.

As a result of the judgement, the directors of BCBCS resolved to appoint KPMG Singapore as the liquidator to BCBCS.

Bayan may attempt to pursue BCBCS for costs and damages in connection with the proceedings in Western Australia.



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

4.16 Investment speculative

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

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



5. Definitions and glossary

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

Acceptance	means an acceptance of Entitlements.
Acceptance Money	means the Issue Price multiplied by the number of Offer Shares accepted.
Additional Shares	has the meaning given in Section 1.10.
Applicant	means a person who submits an Entitlement and Acceptance Form.
ASIC	means the Australian Securities and Investments Commission.
Associated Entity	has the meaning given to that term in section 50AAA of the Corporations Act.
ASX	means ASX Limited ACN 071 527 083.
Bayan International	means Bayan International Pte Ltd.
BCBCS	means BCBC Singapore Pte Ltd.
Board	means the board of directors of the Company.
BR	means PT Bayan Resources Tbk.
CHESS	means the clearing house electronic subregister system, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
Closing Date	means the date by which valid Acceptances must be received by the Share Registry being 5:00 p.m. (AEST) Wednesday, 29 May 2024 or such other date determined by the Board.
Company or White Energy	means White Energy Company Limited ACN 071 527 083.
Constitution	means the Constitution of the Company.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Eligible Shareholder	means a Shareholder of the Company that holds Shares in the Company on the Record Date whose registered address is in Australia or New Zealand.
Entitlement	means the number of Offer Shares for which an Eligible Shareholder is entitled to subscribe for under the Entitlement Offer (not including the Shortfall Facility).
Entitlement and Acceptance Form or Form	means an entitlement and acceptance form in the form attached to this Offer Booklet.
Entitlement Offer	means the pro rata renounceable entitlement offer to Eligible Shareholders to subscribe for 1 Offer Share for every 1 Share held on the Record Date.



Group	means the Company and its subsidiaries.
Ineligible Shareholder	means a Shareholder of the Company that holds Shares in the Company on the Record Date but is not an Eligible Shareholder.
Issue or Offer	means the offer and issue of Offer Shares in accordance with this Offer Booklet.
Issue Price	is \$0.04 for each Offer Share.
Listing Rules	means the official listing rules of the ASX.
Nominee	means Berne No. 132 Nominees Pty Ltd ACN 010 413 591.
Offer Booklet	means this Offer Booklet dated 3 May 2024 as modified or varied by the Company.
Offer Share	means Shares proposed to be issued under the Entitlement Offer.
Opening Date	means the date of commencement of the Entitlement Offer, expected to be Friday, 10 May 2024.
Record Date	means 7:00 p.m. (AEST) on Wednesday, 8 May 2024.
Related Party	has the meaning given to that term in the Corporations Act.
Section	means a section of this Offer Booklet.
Securities	has the same meaning as in section 92 of the Corporations Act.
Shareholders	means the holders of Shares from time to time.
Share Registry	means Automic Pty Ltd.
Shares	means the ordinary shares on issue in the Company from time to time.
Shortfall	means those Offer Shares which are not subject to a valid Entitlement and Acceptance Form.
Shortfall Facility	means the mechanism by which the Company may allocate Additional Shares to Applicants, as described in Section 1.10.
Substantial Holder	means a person who has a substantial holding (as that term is defined in the Corporations Act).
US Securities Act	means the US Securities Act of 1933, as amended.
VWAP	means volume weighted average price.



6. Corporate directory

Directors	Registered Office
Brian Flannery Vincent O'Rourke Keith Whitehouse Michael Chapman	c/- Automic Pty Ltd Level 5, 126 Phillip Street Sydney, NSW 2000 AUSTRALIA
Share Registry	
Automic Pty Ltd Level 5, 126 Phillip Street Sydney, NSW 2000 AUSTRALIA	