Results Presentation
Half-Year Ended 31 December 2015

A Diversified Coal Company – Coal Technology and Coal Mining

- **Highlights**
- Financial Summary

Highlights – Half-Year Ended 31 December 2015

The Company's main focus during the half-year was on the mining, production and selling of high quality, low ash stoker coal product for the silicon smelting industry in the U.S.

United States	▪ Continued to supply low ash stoker coal product for a major U.S. silicon metal producer for use in their silicon plants located in the U.S.. The stoker coal product was produced using MCC's new coal wash plant which is operating to its design criteria and is performing efficiently. ▪ Continued to devote resources to completing an exploration program to better define resources and reserves at MCC's current operating mines, as well as potential new resources across leased areas. ▪ Continued work on sourcing additional coal areas containing low-ash coal seams which are capable of delivering production of between 1%-2% ash coal for the silicon smelting industry.
Africa	▪ Continued to work with a major South African coal producer on the proposed construction of a BCB plant at the producer's mine in South Africa. The parties have committed to reaching a decision on whether or not to proceed with the project by 31 March 2016. ▪ Worked closely with all of the key parties in the Business Rescue process for the Woestalleen Hub.
Indonesia	▪ Continued to work with several parties to identify coal deposits for acquisition in the Kalimantan region of Indonesia, which include coal upgrading opportunities requiring application of the BCB technology. ▪ Continued to work on the legal dispute with Bayan Resources regarding the terminated KSC JV. The first tranche of the trial was heard by the Singapore International Commercial Court in November 2015.
Australia	▪ Continued to evaluate commercialisation options for the Lake Phillipson coal deposit (EL4534), with a focus on potential coal gasification projects. ▪ Continued testing of MCC, South African and Australian coal fines at the Company's Cessnock Production Plant.
Corporate	▪ Implemented a number of cost saving initiatives across the group in order to preserve cash reserves.

- Highlights
- **Financial Summary**

Results Overview – Half-Year Ended 31 December 2015

white energy company limited
ABN 62 071 527 083

Operating results for the half-year ended 31 December 2015 were impacted by a loss derived from mining operations at MCC and an impairment expense recognised for the half-year period.

- The Consolidated Entity's net loss for the half-year ended 31 December 2015 before income tax was $31.8M (2014: $17.3M), which included a $10M impairment expense recorded against the carrying value of goodwill recognised on acquisition of MCC.
- The "Normalised EBITDA" loss for the half-year ended 31 December 2015 was $6.5M (2014: $6.2M), after adjusting for the following:
    - non-cash expenses: depreciation, amortisation, impairment expense, net fair value movements, share based payment expense and unrealised foreign exchange losses - $17.6M
    - finance costs - $1.4M
    - one-off litigation costs - $2.8M
    - minority partner shares of losses - $3.5M
- MCC generated an EBITDA loss of approximately $6.0M (WEC 51% share $3.1M) for the half year period (2014 EBITDA loss of $3.3M – WEC 51% share $1.7M).
- Following the identification of impairment indicators, the continued deterioration in global coal prices and the trading performance of the coal mining operations, an impairment expense of $10M was recognised against the carrying value of goodwill recognised on acquisition of MCC in 2013.
- The Consolidated Entity's total revenue for the half-year ended 31 December 2015 was $16.5M (2014: $12.1M), which mainly included revenue derived from the sale of coal at MCC, interest income earned on cash deposits, proceeds from the sale of livestock/wool at Ingomar Station and the recognition of government grant income.
- The Consolidated Entity's total expenses for the half-year ended 31 December 2015 were $48.9M (2014: $29.8M), which includes the operating costs associated with MCC coal mining operations and the impairment expense recognised against MCC goodwill as outlined above.

Results Overview – Half-Year Ended 31 December 2015

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Normalised EBITDA

	Half-Year Ended 31 December 2015 A$M	Half-Year Ended 31 December 2014 A$M
Consolidated entity net loss before income tax (*)	**(31.8)**	**(17.3)**
Non-cash expenses:		
• Depreciation / amortisation	6.9	4.2
• Write-offs/impairment expense	10.0	1.2
• Fair value losses/(gains)	(0.6)	(0.3)
• Share based payment expense	0.1	-
• Foreign exchange losses	0.1	0.3
• Other	1.1	0.4
Sub-total	**17.6**	**5.8**
Other significant non-operating expenses:		
• Finance costs	1.4	0.8
• Legal costs – mainly litigation	2.8	1.2
Sub-total	**4.2**	**2.0**
Consolidated entity normalised EBITDA (*)	**(10.0)**	**(9.5)**
Minority partner share of normalised EBITDA	3.5	3.3
White Energy Group normalised EBITDA	**(6.5)**	**(6.2)**

(*) Includes minority interest share

Results Overview – Half-Year Ended 31 December 2015

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Consolidated balance sheet

A$M	31/12/2015	30/6/2015
Current Assets	19.1	34.1
Total Assets	143.4	170.4
Total Current Liabilities	12.8	15.5
Total Liabilities	73.9	69.1
Net Assets	69.5	101.3
Total Equity	**69.5**	**101.3**

- Cash on hand as at 31 December 2015 was $15.4M, excluding $6.3M of security bonds and certificates of deposit in respect of MCC mining rehabilitation bonds.
- Decrease in assets from $170.4M to $143.3M predominately reflects the impairment of MCC goodwill and the decrease in cash held by the Group as outlined in the consolidated statement of cash flows below. This was partly offset by the declining AUD/USD exchange rate when translating U.S. denominated assets.
- Increase in liabilities from $69.1M to $73.9M mainly reflects the additional shareholder loans provided by the Company's joint venture partner and the declining AUD/USD exchange rate when translating U.S. denominated liabilities.

Consolidated statement of cash flows

A$M	HY Dec 2015	HY Dec 2014
Net cash (outflows) from operating activities	(12.0)	(15.3)
Net cash (outflows) from investing activities	(1.7)	(14.7)
Net cash inflows (outflows) from financing activities	3.5	14.7
Net increase (decrease) in cash and cash equivalents	(10.2)	(15.3)
Effects of non cash movements on cash and cash equivalents	0.1	0.2
Closing Cash & Cash Equivalents	**15.4**	**41.3**

- Cash flows from operating activities includes coal sales from MCC ($14.8M), less MCC coal mining costs ($18.8M), corporate head office costs and one-off legal costs.
- Cash invested during the period reflects $1.3M in payments for property, plant and equipment and MCC exploration expenditure ($0.4M).
- Cash inflows from financing activities reflects limited recourse shareholder loans provided by Black River Asset Management ($3.5M).

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Summary information. The information in this presentation does not purport to be complete. It should be read in conjunction with the company's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

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