



1 September 2016

Suspension of USA coal production

White Energy Company Limited (ASX:WEC; OTCQX:WECFY) will suspend production from its (51% owned) Mountainside Coal Company operations in Kentucky, and place all operations into “market deferment” status while the company undertakes additional resource definition activities and permitting of Blue Gem silicon reductant grade coal resources within its leased tenement areas.

Coal production at Mountainside’s Flat Creek mine will cease this week as the mineable coal resource in that location has been fully depleted. Production at the Flat Creek mine has suffered from low yields of stoker coal in recent months after encountering adverse geological conditions, and the recoverable coal resource was impacted by previously unmapped old workings within the mine area. The combination of these issues has reduced the mineable resource at Flat Creek by more than 50%.

Mountainside currently has additional permits in place and a large number of acres of mineable low ash Blue Gem resources under lease in Kentucky that are in the initial permitting phase. In the coming months, Mountainside will undertake additional infill drilling, exploration, and mine planning activities so as to reduce the risk of similar conditions effecting future mining and production. Once proven, Mountainside will finalize the permitting process for the additional operations.

A decision on when production will recommence will be made once sufficient confidence has been obtained from the resource definition program, which is expected to take several months to complete.

About White Energy

White Energy Company Limited is a globally diverse ASX-listed company and is the exclusive worldwide licensee of a patented technology for Binderless Coal Briquetting, which enables coal fines and sub-bituminous coal to be formed into low-moisture, high energy coal briquettes. White Energy also has coal production assets in the USA and coal exploration interests in Australia.

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Forward Looking Statements

This press release contains forward-looking statements that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. In some cases, you may identify forward-looking statements by words such as "may," "should," "plan," "intend," "potential," "continue," "believe," "expect," "predict," "anticipate" and "estimate," the negative of these words or other comparable words. These statements are only predictions. One should not place undue reliance on these forward-looking statements. The forward-looking statements are qualified by their terms and/or important factors, many of which are outside the Company's control, involve a number of risks, uncertainties and other factors that could cause actual results and events to differ materially from the statements made. The forward-looking statements are based on the Company's beliefs, assumptions and expectations of our future performance, taking into account information currently available to the Company. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to the Company. Neither the Company nor any other person assumes responsibility for the accuracy or completeness of these statements. The Company will update the information in this press release only to the extent required under applicable securities laws. If a change occurs, the Company's business, financial condition, liquidity and results of operations may vary materially from those expressed in the aforementioned forward-looking statements.