



White Energy Company Limited

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28 May 2009

White Energy Announces Share Purchase Plan Details

HIGHLIGHTS:

- White Energy Company Limited (**WEC** or **Company**) to proceed with a Share Purchase Plan to allow all shareholders to subscribe for an additional \$4,999.50 worth of shares at an issue price of \$1.50 per share.
 - The Share Purchase Plan was first noted in an ASX release on 21 May 2009.
 - The issue price of the shares under the Share Purchase Plan represents a **discount of 3.8%** to the last ASX traded price of WEC shares on 27 May 2009 (\$1.56), or a **discount of 9.6%** to the average closing market price over the 5 days prior to today's announcement (\$1.66).
 - Funds raised from the Share Purchase Plan, in conjunction with the capital raising placement announced on 21 May 2009, will be used to provide the necessary funding to underpin WEC's business development initiatives, particularly in the North American market with respect to the planned development at the Buckskin and Peabody plants in the Powder River Basin, and for general working capital needs.
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Invitation to Participate in Shareholder Share Purchase Plan

The Board of Directors of WEC have approved the introduction of the WEC Shareholder Share Purchase Plan (**Plan**) to raise funds, in conjunction with the capital raising placement announced on 21 May 2009, to provide the necessary funding to underpin WEC's business development initiatives, particularly in the North American market with respect to the planned development at the Buckskin and Peabody plants in the Powder River Basin, and for general working capital needs.

Shareholders Eligible to Participate in the Plan

The right to participate in the Plan is available exclusively to shareholders who are registered as holders of fully paid ordinary shares in the capital of WEC (**Shares**) at 7pm (EST) on the Record Date of 29 May 2009 and whose registered address is in Australia (**Eligible Shareholders**).

Share Purchase Plan

The Board is pleased to offer to all Eligible Shareholders an opportunity to participate in the Plan. Details of the offer are set out in this letter and the enclosed Terms and Conditions together with an Entitlement and Acceptance Form.

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to 3,333 Shares, being an investment of \$4,999.50 at an issue price of \$1.50 per share (**Offer**). In determining the issue price of the shares, the Directors elected to proceed with a price that represents a discount to the recent trading price of the shares on ASX.

The average closing market price of the Shares on Australian Securities Exchange (**ASX**) during the 5 trading days immediately prior to the announcement date of this Offer was (\$1.66).

Option and Convertible Note Holders in WEC

WEC currently has the following options and convertible notes on issue:

OPTIONS (collectively “Options”)

Number	Terms
203,967	\$1.40 options, expiring 30 August 2009
1,250,000	\$2.50 options, expiring 12 October 2010
2,000,000	\$3.65 options, expiring 7 October 2013
6,535,948	Options totalling US\$12.5m assuming A\$2.55 floor conversion at exchange rate of 0.75, expiring 4 Yrs from the Agreement
2,800,000	\$1.20 options, expiring 30 Aug 2010 (Shareholder approved Director options)
2,800,000	\$3.50 options, expiring 30 Nov 2011 (Shareholder approved Director options)
1,210,000	\$1.20 options, expiring 30 Aug 2010 (ESOP)
400,000	\$1.20 options, expiring 30 Nov 2011 (ESOP)
5,761,000	\$3.50 options, expiring 30 Nov 2011 (ESOP)

CONVERTIBLE NOTES (collectively “Convertible Notes”)

Number	Terms
180	\$250,000 face value, 7.90% coupon, convertible at \$3.44 per share, maturing 12/10/2012

Should any Option or Convertible Note holder, who is not already a shareholder and would qualify as an Eligible Shareholder, wish to participate in the Share Purchase plan, they need to exercise their Options or convert their Convertible Notes prior to the record date. The holders of such Options or Convertible Notes are required to complete these requirements as outlined in the terms and conditions to the Options or Convertible Notes.

Current Projects and Use of Funds

Details of the Company's current activities are set out in the announcements made by WEC to the ASX and are available from the ASX.

The funds raised under the Plan, in conjunction with the capital raising placement announced on 21 May 2009, will be used to provide the necessary funding to underpin WEC's business development initiatives, particularly in the North American market with respect to the planned development at the Buckskin and Peabody plants in the Powder River Basin, and for general working capital needs.

Subscription and Application Procedure

A copy of this Share Purchase Plan documentation, along with a personalised Entitlement and Acceptance Form, will be posted to Eligible Shareholders on or around 3 June 2009.

If you would like to participate in the Offer, please return your completed Entitlement and Acceptance Form, together with your cheque for the subscription monies for the Shares you wish to acquire to Computershare Investor Services Pty Limited in the enclosed reply paid envelope, on or before the **Closing Date of 5pm (EST) on 26 June 2009**. No late applications will be accepted.

Please note the maximum investment per Eligible Shareholder is 3,333 Shares, being an investment of \$4,999.50 at \$1.50 per Share, and the minimum investment per Eligible Shareholder is 1,333 Shares, being an investment of \$1,999.50 at \$1.50 per Share.

The maximum investment any shareholder may apply for will remain at 3,333 Shares even if an Eligible Shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding).

Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject any application over \$5,000. Shares allotted under the Plan will be issued no later than 5 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum number of Shares that may be issued pursuant to this Offer without shareholder approval is 10,000,000 being a total capital raising of \$15,000,000. In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back all applications on a pro-rata basis or seek shareholder approval for the issue of the additional shares. The Directors have chosen this maximum level to try to ensure the availability of shares should all shareholders take up their entitlements under the Share Purchase Plan.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

On the trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$1.56. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are allotted to you as a result of your acceptance of this Offer. This means that the subscription price you pay for the Shares may exceed the market price of the Shares at the date of allotment of Shares under this Offer. The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

Shortfall Placement

In the event that less than 10,000,000 Shares are applied for pursuant to this Offer, the shortfall may be placed at the discretion of the directors. However in this instance, it is unlikely, at the date of this announcement, that the Company will implement this discretion.

Indicative Timetable

Announcement Date of Plan (initial)	21 May 2009
Announcement Date of Plan (full details)	28 May 2009
Record Date (7.00pm EST)	29 May 2009
Date of posting to Eligible Shareholders (Est)	3 June 2009
Opening Date of Offer	4 June 2009
Closing Date of Offer	26 June 2009
Issue of Shares under the Plan	3 July 2009
Dispatch date for holding statements	6 July 2009
Quotation of Shares on ASX	6 July 2009

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Company Secretary, Mr David Franks, on (02) 9419 2966.

Yours faithfully

Mr John Atkinson
Managing Director
White Energy Company Limited



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WHITE ENERGY COMPANY LIMITED

ABN 62 071 527 083

**Shareholder Share Purchase Plan - Terms
and Conditions**

Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**) is to offer shareholders of White Energy Company Limited (**WEC** or **Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**WEC Shares**) up to a maximum of A\$5,000 in any 12 month period at, potentially, a discount to the market price of WEC Shares on the financial market operated by ASX Limited (**ASX**) without the need to pay brokerage costs and without the need for WEC to issue a Prospectus, upon such terms and conditions as the board of directors of WEC, in its absolute discretion, sees fit.

Shareholders eligible to participate

Eligible shareholders of WEC Shares that are registered with an Australian address at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are non-renounceable (i.e. eligible shareholders may not transfer their rights to any WEC Shares offered under the Plan).

An offer may, at the discretion of the directors of WEC, be made under the Plan once a year. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is A\$5,000. The directors of WEC may also determine in their discretion the minimum amount for participation, the multiple of WEC Shares to be offered under the Plan and the period the offer is available to eligible shareholders.

Price of WEC Shares

The price of WEC Shares to be issued under the Plan will be \$1.50 per share. Accordingly, the maximum number of WEC Shares that each shareholder may apply for is 3,333 for a total consideration of \$4,999.50.

Applications and Notices

At the discretion of the directors of the Company, WEC will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for WEC Shares under the Plan, and accompanied by the terms and conditions of the Plan and an entitlement & acceptance form. Applications will not be accepted after the closing date of an offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by WEC to participants may be given in any manner prescribed by its Constitution.

Underwriting

An Offer may be underwritten and the underwriters and/or sub-underwriters may be issued with Shares pursuant to the Plan where one or more of the eligible shareholders fail to subscribe for the maximum number of shares available to them under the Offer. The Directors may pay a broker's fee to Underwriters.

Issue of WEC Shares

WEC Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of WEC in the relevant offer.

WEC Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in WEC from the date of issue.

Shareholding statements or CHESSE notification will be issued in respect of all WEC Shares issued under the Plan. The Company will, promptly after the issue of WEC Shares under the Plan, make application for those WEC Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

WEC may modify or terminate the Plan at any time.

WEC will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, WEC may issue to any person fewer WEC Shares than the person applied for under the Plan if the issue of the WEC Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Dispute Resolution

WEC may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or WEC Shares. The decision of WEC in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

WEC reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of WEC under these conditions may be exercised by the directors of WEC or any delegate of the directors of WEC.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Company Secretary, Mr David Franks on (02) 9419 2966.