

White Energy Company Limited

Status: Exited

White Energy is a diversified coal company listed on the ASX. White Energy holds the exclusive global rights to a patented coal upgrading technology and is evolving into an owner and operator of world class coal assets

Diversified Coal Company

Technology Asset

- Acquired the exclusive global marketing rights to a patented coal upgrading process
- Economic and environmental arbitrage by accessing low rank coals and upgrading to high value thermal quality

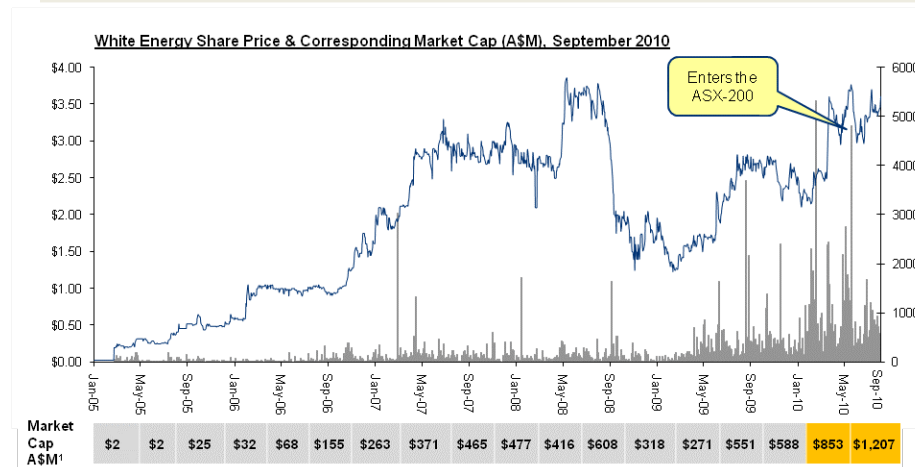
Coal Asset

- Arthur Phillip Identified the opportunity associated with coal asset acquisition and originated the merger with the South Australian Coal Ltd
- Future growth platform established – acquisitive strategy

Private Asset Backed into Public Company

- Identified the patented technology and through industry relationships, strategically backed the asset it into a public company, attracted cornerstone investors
- Utilised capital market experience and managerial skills to engage cornerstone shareholders and build a vision for WECL
- Developed and maintained an overseas centric share register that understood the 'story' and value proposition
- Shaped the capital structure and corporate strategy responsible for growing the business to an ASX-200, established platform for growth

Significant Value Creation



Rationale for Investment

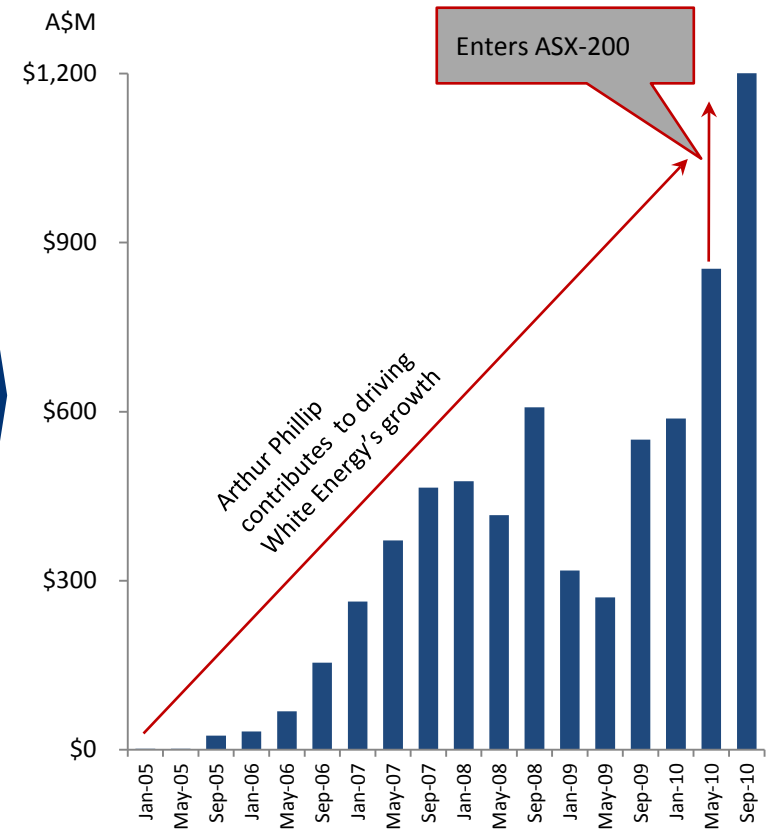
- ✓ Proprietary technology with clear first mover advantage
- ✓ Opportunity identified through Australian resource industry network
- ✓ Positively aligned to long term global energy demand dynamics. Ability to deliver economic and environmental arbitrage
- ✓ Ability to control the board and occupy key management positions
- ✓ Identify the need to introduce operating specialist and leading management team at relevant time for a transition that drives value
- ✓ Clear exit strategy via capital markets

White Energy Company Limited (cont'd)

White Energy has grown into a global business through the deployment of its patented technology in core coal markets and the development of a diversified coal strategy. White Energy was an ASX-200 company with a market capitalization of approximately A\$1.0 billion at the time of Arthur Phillip's exit.

2005	Acquisition of the BCB Technology and initial capital raising
2006	Joint venture with Bayan Resources to produce 15 mtpa of upgraded coal
2007	Secured funding via convertible note from BHP Billiton & US and Asian investors
2008	WEC North America established and JV entered into with Peabody Energy (20 mtpa) & partnership with Buckskin (8 mtpa)
2008	Joint Venture with Cargill subsidiary – Black River – to commercialise the opportunity in Africa
2009	Successfully raised A\$155 million during the global financial crisis
2009	Constructed and commissioned the first 1 mtpa coal upgrading facility
2010	Initiated strategic acquisition of SACL and accompanying >A\$150 million share placement

White Energy Market Cap. (A\$M)



White Energy Company Limited (cont'd)

White Energy adopted a 3 phase growth strategy. After successfully implementing Phases 1 and 2 White Energy had in place a world class management team, A\$235M in cash, and the ownership of a unique coal upgrading technology and large coal resource

	Phase 1	Phase 2	Phase 3
Initiative	<i>Commercialise core business</i>	<i>Match technology with sub-bituminous coal assets</i>	<i>Acquire coal assets</i>
Description	<ul style="list-style-type: none"> • Drive commercialisation of technology in core markets • Focus management and operations team on delivering results • Communicate to capital markets to maintain shareholder support 	<ul style="list-style-type: none"> • Acquire an Australian sub-bituminous coal asset to exert greater control over a project • Access the economic and environmental arbitrage in Australia 	<ul style="list-style-type: none"> • Target coal assets in varying stages of development • Pursue an aggressive M&A strategy that leverages WEC's strong balance sheet
Role of Arthur Phillip (as advisors)	<ul style="list-style-type: none"> • Joint ventures with leading coal industry partners – Bayan, Peabody, Kiewit, • Provided strong balance sheet support, raising A\$350M 	<ul style="list-style-type: none"> • Identified the opportunity in owning a greater portion of the coal upgrading value chain • Identified and lead the SACL acquisition 	<ul style="list-style-type: none"> • Helped deliver a management team skilled in coal operations • M&A negotiations and asset identification
Impact	<ul style="list-style-type: none"> • Entry into the ASX-200 	<ul style="list-style-type: none"> • Delivers the ex-Felix Resources Board & Management team 	<ul style="list-style-type: none"> • A vision to be a leading independent Australian coal company