

ASX RELEASE

The Manager
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Australian Securities Exchange

Agreement to sell Mountainside Coal Company assets

28 January 2026 - White Energy Company Limited (ASX: WEC, OTC: WECFF) ("White Energy" or "the Company") announces wholly owned subsidiary, Binderless Coal Briquetting Company Pty Limited ("BCBC" or "Seller"), has entered into an Asset Purchase and Sale Agreement ("APA") for the sale of certain assets reacquired following a Chapter 7 auction process for the sale Mountainside Coal Company Inc.'s ("MCC") Kentucky-based assets.

Asset Purchase Agreement

The APA entered into is for the sale of a coal wash plant, coal permit ("permit") and land lease assets to Kentucky based miner, Blue Gem Poplar Creek, LLC ("Buyer") for a cash consideration of USD 3.8 million (approx. \$5.4 million), the proceeds of which are to be shared with joint venture partner, Proterra Investments Partners ("Proterra") after allowing for recoverable holding and selling costs paid by BCBC. The final amount to be received by BCBC will be announced to the market once all amounts are determined.

Closing of the sale is expected to take place no later than 16 February 2026, and is subject to the following key terms and conditions of the APA for the Buyer:

- Wire transfer of cash consideration;
- Lodgement by the Buyer of a bond for the permit of approximately USD 0.5 million with the Kentucky Government;
- An executed lease assignment and consent agreement with the landlord and Seller;
- An executed Permit Operating Agreement by the Buyer with the Seller, that requires the Buyer at Closing to submit all documentation to the Kentucky Government necessary to be designated "operator" on the permit, and upon execution of this Permit Operating Agreement, the Buyer assumes responsibility for all matters pertaining to the permit.

The Buyer is required to submit to the Kentucky Government a Permit Transfer Application within fourteen days of Closing. The Buyer also has an obligation to withhold and place in escrow a portion of the purchase price in accordance with the *Foreign Investment in Real Property Tax Act of 1980*, USA. Any over-withholding in escrowed funds is permitted to be recovered when BCBC's USA income tax filing obligations are completed post the Closing.

The APA allows for the reversal of the Agreement should the permit transfer be denied or if there is a continuing lease default, which would result in a re-transfer to the Seller of the assets. Upon a permit



transfer denial, the Seller retains USD 600,000 (approx. \$0.9 million), and for a continuing lease default the Seller retains USD 1.2 million (approx. \$1.7 million) from the purchase price as liquidated damages.

Background on recovery of Mountainside Coal Company Inc. debt

White Energy is pursuing recovery of the \$2.5 million (USD 1.74 million) owed from the sale of former subsidiary MCC in 2021. The Group, together with Proterra, held security over the assets of MCC. MCC filed for Chapter 11 Bankruptcy in March 2024 and due to its inability to come up with a viable plan to trade out of its bankruptcy, the Chapter 11 bankruptcy was converted by the Court into a Chapter 7 Trustee liquidation. The Trustee convened an auction process for the sale of the principal MCC assets, including the coal wash plant, coal permit and land lease. An auction was held on 20 December 2024, at which Proterra, through its subsidiary, used its indebtedness to credit bid for the wash plant and plant lease for USD 5 million. This sale was confirmed by the Court and closed when the Sales Order was entered on 1 August 2025. Separately, the Group signed an agreement with Proterra for the assignment of the wash plant, coal permit and land lease to BCBC, which occurred on closing.

If completion occurs, the proceeds from the APA would represent a significant partial recovery of the outstanding debt.

Due diligence and use of funds

Blue Gem Poplar Creek LLC is a recently incorporated Kentucky company.

The Company has undertaken preliminary due diligence of the Buyer, including:

- Obtaining a certificate of good standing of the company in Kentucky;
- Confirming the company is not in Chapter 11, Chapter 7, or receivership;
- Performing litigation and credit checks;
- Having received information and representations provided by the Buyer's directors confirming that a financing line is in place to fund the cash consideration and operation of the assets in accordance with the Permit Operating Agreement. The Company has not in the time available been able to independently verify the availability or terms of that financing, and accordingly the Company does not have the means or information to provide a high level of assurance that the Buyer will be able to complete the transaction.

Performance of the APA is subject to receipt of cash consideration and other APA key terms and conditions described above.

The funds expected for the sale are intended to be applied primarily to further mineral exploration activities, to pay Proterra's share of sale proceeds after allowing for recoverable holding and selling costs, and for general corporate purposes.

Announcement authorised by:

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Company Profile

White Energy Company Limited (ASX: WEC, OTC: WECFF) is a global resource company, harnessing emerging technologies in mineral exploration through the application of specialised lithospheric-scale imaging and ionic geochemistry, and coal beneficiation using binderless coal briquetting (BCB) technology under an exclusive global agency agreement.

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.