



31 July 2014

AIM/ASX Code: WHE

**WILDHORSE ENERGY LIMITED**  
**JUNE 2014 QUARTERLY REPORT**

Wildhorse Energy ('WHE' or 'the Company'), the AIM and ASX listed company focussed on developing underground coal gasification and uranium projects in Central and Eastern Europe, announces its Quarterly Report for the three months to 30 June 2014.

**Non-Renounceable Rights Issue**

During the June quarter, the Company announced a pro-rata non-renounceable rights issue to raise up to approximately A\$1,435,000 (before costs), with funds raised to be used as general working capital to further the Company's existing projects and also to identify and evaluate additional uranium and other resource projects.

The offer to shareholders is one (1) fully paid ordinary share in the capital of the Company for every two (2) shares held by shareholders resident in Australia, New Zealand and the United Kingdom who were registered at 7 July 2014 at an issue price of A\$0.007 per share.

Subsequent to the end of the June quarter, the Board of Directors of the Company agreed to extend the closing date to 13 August 2014.

**Underground Coal Gasification (UCG)**

Until the Company is certain that the sale to Linc Energy Limited ('Linc Energy') will proceed and the project is funded, the Company is now reducing all costs on site. If the sale to Linc Energy does not proceed, the licence will not be current and will be at risk of termination.

**Heads of Agreement with Linc Energy Limited**

As announced on 21 February 2014, the Company executed a Heads of Agreement ('HOA') and associated Funding Agreement with Singapore Exchange listed Linc Energy regarding the sale of the Company's Hungarian coal assets for a consideration of the equivalent of A\$4.04 million in shares in Linc Energy. Under the associated Funding Agreement, Linc Energy agreed to provide A\$400,000 in four equal tranches of A\$100,000 payable at the beginning of March 2014 and the three subsequent months thereafter as a contribution towards the Company's costs associated with the operations of the UCG entities. With the final payment made at the

beginning of June 2014, Linc Energy completed all four payments.

Subsequent to the June quarter, the HOA stated expiry date of midnight on 21 July 2014 was reached without being formally extended by mutual agreement, and the Company announced to the market that discussions are continuing between the parties in the hope that the transaction can be completed.

### **Mecsek Hills Uranium Portfolio**

WHE continues to examine all scenarios regarding the development of the Mecsek Hills Uranium Project which combines WHE's 13.7km<sup>2</sup> Pécs uranium licence and Hungarian state owned Mecsekérc ('ME') adjoining 19.6km<sup>2</sup> MML-E uranium licence. The project has a total JORC Inferred Resource of 48.3Mt at 0.072% U<sub>3</sub>O<sub>8</sub> for 77Mlbs of U<sub>3</sub>O<sub>8</sub> and an Exploration Target of an additional 55-90Mlbs of U<sub>3</sub>O<sub>8</sub> with a grade range of 0.075-0.10% U<sub>3</sub>O<sub>8</sub>, making it one of the largest uranium deposits in Europe.

To date we have received the Hungarian Government's support for the development of a Joint Venture ('JV') between the Company, Mecsekérc, and Hungarian Electricity Ltd ('MVM'), the owner of Paks Nuclear Power Plant ('Paks NPP'), to evaluate the necessary conditions to restart uranium mining.

A Special Purpose Vehicle ('SPV') uranium entity was established in September 2012. In Q2 2013 all parties, namely ME, MVM and Kővágószőlős Municipality, joined the uranium administrative SPV and signed agreements to acquire an initial nominal shareholding in the SPV. The main objective of the SPV, in accordance with the Government Resolution of June 2012, is to conduct due diligence to assess the feasibility of the property ('the Study').

### **Tenement Summary**

As at 30 June 2014, the Company holds the following interests in tenements:

<b>Country</b>	<b>Project</b>	<b>Tenement Number</b>	<b>Percentage Interest</b>
Hungary	Pécs	PBK/6947/3/2006	100%
Hungary	Kelet-Mecsek-Coal	PBK/5306/2/2007	100%

During the June 2014 quarter, the Company's interests in the following tenements were relinquished:

<b>Country</b>	<b>Project</b>	<b>Tenement Number</b>	<b>Percentage Interest as at 1 April 2014</b>	<b>Percentage Interest as at 30 June 2014</b>
Hungary	Cikó	PBK/3337-4/2010	100%	0%
Hungary	Bátaszék	PBK/989/1/2006	100%	0%
Hungary	Mecsek-CBM	PBK/9840/2003/3	100%	0%

### **Competent Persons Statement**

The information in the report that relates to the Mecsek Hills Uranium Project Mineral Resource was estimated in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2004 JORC Code). There have been no material changes to the Mineral Resources since the public report titled "Uranium Resource of 77Mlbs Confirmed Through Execution of Co-operation Agreement with Hungarian State Owned

Entities” was issued by the Company on 19 January 2011. The estimate was based on information compiled by Mr Lauritz Barnes and Mr Neil Inwood who are both Members of The Australasian Institute of Mining and Metallurgy. Mr Barnes is an independent consultant and, at the time of the announcement in 2011, Mr Inwood was employed by Coffey Mining. Mr Barnes is the Competent Person responsible for the database, modelling, estimation methodology and Classification. Mr Inwood has reviewed the resource estimate and consents to take dual responsibility for the estimation methodology and Classification. Both Messrs Barnes and Inwood have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Messrs Barnes and Inwood approve and consent to the inclusion in the report of the matters and defined Mineral Resources information in the form and context in which it appears.

The geological modelling and estimation of the Exploration Target for the Mecsek Hills Uranium Project of 55 to 90 Mlbs of  $U_3O_8$  with a grade range of 0.075 to 0.10%  $U_3O_8$  was also compiled by Mr Barnes and Mr Inwood. There have been no material changes to the Exploration Target since the public report titled “New Exploration Target<sup>1</sup> of 55 to 90 Mlbs Significantly Increases the Total Resource Potential for the Mecsek Hills Uranium Project” was issued by the Company on 31 January 2011.

The size and grade of the Exploration Target is conceptual in nature and it is uncertain if further exploration will result in the determination of a mineral resource. There is currently insufficient data to define a JORC compliant Mineral Resource for the Exploration Target. Mr Lauritz Barnes and Mr Neil Inwood, independent consultants (Competent Persons) have reviewed the historical data available for the Mecsek Hills Uranium Project and both made site visits to the area. The Competent Persons consider the Exploration Target to be reasonable based on the data available. Mr Barnes has furthermore confirmed that there was no change to the Exploration Target following the relinquishment of the Abaliget license during the March 2014 quarter.

**\*\*ENDS\*\***

For further information please visit [www.wildhorse.com.au](http://www.wildhorse.com.au) or contact:

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# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Wildhorse Energy Limited

ABN

98 117 085 748

Quarter ended ("current quarter")

30 June 2014

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(145)   (386)	(2,711)   (3,009)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(1)	(3)
1.7 Payments associated with AIM Listing	(12)	(15)
<b>Net Operating Cash Flows</b>	<b>(543)</b>	<b>(5,713)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - (6)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Deposit released by the authority	43	223
<b>Net investing cash flows</b>	<b>43</b>	<b>217</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(500)</b>	<b>(5,496)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	<b>Total operating and investing cash flows (brought forward)</b>		
		<b>(500)</b>	<b>(5,496)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Cost of share issue	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs	-	-
1.20	Non-refundable funds received from Linc Energy Limited, pursuant to Heads of Agreement	300	400
	<b>Net financing cash flows</b>	<b>300</b>	<b>400</b>
	<b>Net increase (decrease) in cash held</b>	<b>(200)</b>	<b>(5,096)</b>
1.21	Cash at beginning of quarter/year to date	614	5,418
1.22	Exchange rate adjustments to item 1.21	(10)	82
1.23	<b>Cash at end of quarter</b>	<b>404</b>	<b>404</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	-
1.25	Aggregate amount of loans to the parties included in item 1.10	Nil

1.26 Explanation necessary for an understanding of the transactions

NIL
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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

NIL

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	65
4.2 Development	-
4.3 Production	-
4.4 Administration	190
<b>Total</b>	255

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	393	586
5.2 Deposits at call	11	28
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	404	614

+ See chapter 19 for defined terms.

**Changes in interests in mining tenements**

	Tenement reference and Locations	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Petroleum or mining tenements held at the end of the quarter and their location	<p><b>HUNGARY</b>  <b>Pécs</b>  (PBK/6947/3/2006)  <b>Kelet-Mecsek-Coal</b>  (PBK/5306/2/2007)</p>	<p>Uranium  Exploration right  100%</p> <p>Coal Exploration  right  100%</p>	<p>100%</p> <p>100%</p>
6.2	Petroleum or mining tenements acquired or increased during the quarter and their location	N/A	N/A	N/A
6.3	Petroleum or mining tenements disposed of, relinquished, reduced or lapsed during the quarter and their location	<p><b>HUNGARY</b>  <b>Bátaszék</b>  (PBK/989/1/2006)  <b>Cikó</b>  (PBK/3337-4/2010)  <b>Mecsek-CBM</b>  (PBK/9840/2003/3)</p>	<p>Uranium  Exploration right  100%</p> <p>Coal Exploration  right  100%</p> <p>Coal Exploration  right  100%</p>	<p>0%</p> <p>0%</p> <p>0%</p>
6.4	Beneficial percentage interests held in farm-in or farm-out agreements	N/A	N/A	N/A
6.5	Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of	N/A	N/A	N/A

+ See chapter 19 for defined terms.

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	<b>410,240,284</b>	<b>410,240,284</b>		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,144,325 (issued on conversion of performance rights)	4,144,325 (issued on conversion of performance rights)		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

7.7	<b>Options</b> (description and conversion factor)	<i>Convert on a 1:1 basis</i>	-	<i>Exercise price</i>	<i>Expiry date</i>
		1,333,333		\$0.30	2014.11.22
		1,333,334		\$0.40	2014.11.22
		266,672		\$0.50	2014.11.22
		1,599,997		\$0.60	2014.11.22
		266,664		\$0.70	2014.11.22
		666,667		\$0.50	2015.06.30
		666,667		\$0.60	2015.06.30
		666,666		\$0.70	2015.06.30
		1,721,173		\$0.12	2016.11.30
		1,721,172		\$0.16	2016.11.30
		1,721,169		\$0.20	
		1,000,000		\$0.091	2016.11.30
					2016.11.30
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired or cancelled during quarter	66,668	-	\$0.50	2014.11.22
		66,666		\$0.60	2014.11.22
		66,666		\$0.70	2014.11.22
		257,182		£0.05	2014.04.12
		604,820		£0.06	2014.04.12
		604,820		£0.07	2014.04.12
		1,416,598		£0.05	2014.05.21
		1,416,598		£0.06	2014.05.21
		1,416,600		£0.07	2014.05.21
		2,200,000		\$0.50	2014.06.01
		2,200,000		\$0.60	2014.06.01
		4,600,000		\$0.70	2014.06.01
		2,000,000		\$0.225	2014.06.30
7.11	<b>Performance Rights</b>	-	-	-	-
7.12	Changes during quarter (a) Increases through issues (b) Decreases through conversion to ordinary shares	4,144,325 converted to ordinary shares	-	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.13	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.14	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

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+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does *give* a true and fair view of the matters disclosed.

Sign here:



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Chief Financial Officer

Date: 31 July 2014

Print name:

Timothy Christopher Dinsdale

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.