

**WHL Energy Ltd**

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www.whlenergy.com**ASX/MEDIA RELEASE 22 SEPTEMBER 2014**

NON-RENOUNCEABLE ENTITLEMENT OFFER

Australian energy company WHL Energy Limited (**ASX: WHN**) ("**WHL Energy**" or "**the Company**") is pleased to announce that the board of directors of the Company have resolved to undertake a non-renounceable pro-rata entitlement offer to raise up to approximately \$4.87 million (before costs).

Eligible Shareholders (as defined below) will be offered the opportunity to acquire three new fully paid ordinary shares in the Company (**New Shares**) for every ten fully paid ordinary shares held at the Record Date at an issue price of \$0.01 per New Share (**Offer**).

Eligible Shareholders who participate in the Offer will also receive two free attaching options for every three New Shares issued to them (**Attaching Options**). Each Attaching Option will have an exercise price of \$0.018 and will be exercisable at any time prior to 5.00pm WST on 30 November 2016. The Company will apply to the ASX for quotation of the Attaching Options.

The issue price for the New Shares, being \$0.010 per New Share, represents a 22.2% discount to the 20 day volume weighted average price (VWAP) of the Company's shares of \$0.0129 and a 16.67% discount to the closing price of \$0.011, for the Company's shares on 19 September 2014, being the last trading day prior to today's date.

Shareholders will be entitled to apply for additional New Shares in excess of their entitlement that are not taken up by other Eligible Shareholders in accordance with the Offer (**Shortfall Offer**).

An Appendix 3B in respect to the Offer is attached to this announcement.

WHL Energy's Managing Director, David Rowbottam, said: "Following the two successful 3D seismic acquisition projects for the VIC/P67 and Seychelles permits respectively and the release of the initial interpretation of the VIC/P67 data, the Company is in a position to progress both these assets with our joint venture partners as well as to embark on an evaluation strategy for new projects that will complement the current portfolio with a focus on prospective African assets with near-term production potential. The capital raising is to enable the Company to be positioned to successfully complete the process of identifying and acquiring strategic new assets"

Prospectus

A prospectus in connection with the Offer and Shortfall Offer is expected to be lodged with the ASX on or about 24 September 2014 (**Prospectus**) and will be mailed to Eligible Shareholders shortly thereafter. A copy of the Prospectus will also be available for review on the ASX's website www.asx.com.au and on WHL Energy's website www.whlenergy.com after it is lodged with the ASX.

Consolidation

The Company also proposes to undertake a consolidation of its share capital on the basis of one (1) share post consolidation for every existing ten (10) shares before consolidation. The consolidation will be subject to shareholder approval, this approval will be sought at the Annual General Meeting of the Company scheduled to be held on or about 26 November 2014. The Offer and the Shortfall Offer will be completed prior to the consolidation. The exercise price of the Attaching Options (and all other existing options of the Company then on issues) will be adjusted in accordance with the Listing Rules.

Further Details of the Offer

The Offer is being made to all shareholders of the Company that are registered on the Company's register of members as at 5.00pm WST on the Record Date as having a registered address in Australia or New Zealand (**Eligible Shareholders**).

The Offer is non-renounceable, meaning the Eligible Shareholders will not be able to transfer their entitlements under the Offer and, if they do not take up their entitlements under the Offer, their holding will be diluted.

As detailed above, Eligible Shareholders will also be able to subscribe for New Shares that are not taken up by other Eligible Shareholders in accordance with the Shortfall Offer. The New Shares under the Shortfall Offer will also be issued with two Attaching Options for every three New Shares. Applications under the Shortfall Offer will only be satisfied to the extent that there is a shortfall under the Offer and will be subject to the terms and conditions detailed in the Prospectus.

There is no minimum subscription amount for the Offer and it will not be underwritten.

The funds raised from the Offer are proposed to be utilised:

- (a) to enable the company to pursue new potential oil and gas investment/project acquisition opportunities;
- (b) to prepare for its proposed AIM or SGX listing;
- (c) to maintain ongoing operations on its current projects, and
- (d) for general working capital expenses.

Full details of the Offer, including details on the rights attaching to New Shares and the Attaching Options, the risks associated with an investment in the Company and information on how to accept the Offer will be set out in the Prospectus. Eligible Shareholders should read the Prospectus in its entirety and consult with their stockbroker, accountant or other professional adviser before making any decision to subscribe for New Shares pursuant to the Offer.

PAC Partners has been appointed as the Lead Manager for the Rights Issue. Further information is available from Sean Kennedy (skennedy@pacpartners.com.au, ph. (03) 8633 9836).

Indicative Timetable

The following is an indicative timetable for the Offer:

Lodgement of Prospectus with ASIC and ASX	24 September 2014
Notice of the Offer sent to Shareholders	25 September 2014
Shares quoted on an "EX" basis	29 September 2014
Record Date for determining Entitlements	5.00pm WST on 1 October 2014
Prospectus and Entitlement and Acceptance Form dispatched to Shareholders	7 October 2014

Opening Date of the Offer	7 October 2014
Closing Date of the Offer	17 October 2014
Securities quoted on a deferred settlement basis	20 October 2014
Notification of shortfall	22 October 2014
Anticipated date for issue of the New Shares and Attaching Options	24 October 2014

This timetable is indicative only and subject to change. Subject to the Listing Rules, the directors of the Company reserve the right to extend the Closing Date for the Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares (and accompanying Attaching Options).

FURTHER INFORMATION

Shareholders/Investors:

David Rowbottam

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About WHL Energy Limited

ASX-listed WHL Energy Ltd (ASX: WHN) is an oil and gas exploration company focussed on East Africa and Australia.

WHL Energy holds a 12,856 km² exploration area offshore Seychelles, at 25% equity. A world class exploration portfolio and new exploration concepts are being matured in the acreage. WHL Energy has mapped a prospect and lead inventory containing at least 18 features. The company farmed in proven East Africa explorer, Ophir Energy plc as operator in April 2014.

The high graded Junon leads will be matured for drilling with a 1500 km² 3D seismic survey completed in July 2014. Additional new play concepts are being developed. Most structures identified to date are in < 50 m water with drilling targets at < 2000m depth, allowing for low cost drilling with a jack-up rig.

WHL Energy also holds 40% equity in Exploration Permit VIC/P67 in the offshore Otway Basin, approximately 200 km WSW of Melbourne off the Victorian coastline. VIC/P67 contains the undeveloped La Bella gas field in proximity to the Victorian gas market, and several nearby exploration prospects. The La Bella 3D seismic survey was acquired in late 2013 to appraise the La Bella field and also firm up the exploration prospects. Initial results of the 3D seismic survey are encouraging and have identified structurally conformable amplitude anomalies associated with several of the key prospects. The Company announced in September an update to the total best estimate Prospective Resources of 1,044 Bcf of gas and 31.2 MMbbls of condensate and LPGs

The Company also holds 33.33% equity in exploration permit WA-460-P, in the offshore Southern Carnarvon Basin, which contains an extension of the very large Palta Prospect. A Shell led Joint Venture has recently drilled the Palta-1 well in the adjacent block which was subsequently relinquished in February 2014. WHL will review the Palta-1 well data and the forward strategy for WA-460-P.

The Company is also actively investigating growth opportunities in the wider African region.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

WHL Energy Ltd

ABN

25 113 326 524

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | <p>(a) Ordinary fully paid shares (Shares)</p> <p>(b) Listed Options (Listed Options)</p> |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>(a) Approximately 487,274,515 Shares</p> <p>(b) Approximately 339,849,670 Listed Options, of which 15,000,000 will be issued to Brokers in respect to the Offer and approximately 324,849,671 will be issued as free attaching Listed Options.</p> <p>The securities are subject to the effects of rounding and the extent to which Eligible Shareholders subscribe for their entitlement under the Offer.</p> |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>(a) Ordinary fully paid shares</p> <p>(b) Options to acquire fully paid ordinary shares having an exercise price of \$0.018 and an expiry date of 30 November 2016.</p> |

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(a) yes</p> <p>(b) Not applicable. However, shares issued on the exercise of the Attaching Options will rank equally in all respects with the existing Shares from the date of issue.</p> <p>(c) Not applicable. However, shares issued on the exercise of the Attaching Options will rank equally in all respects with the existing Shares from the date of issue.</p>
5	Issue price or consideration	<p>(a) \$0.01 per Share</p> <p>(b) Two Listed Options will be issued for three Shares issued pursuant to the Offer</p> <p>(c) 15,000,000 Listed Options will be issued to Brokers in respect to the Offer.</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Non-renounceable pro rata entitlement offer (Offer) and consideration to certain brokers in respect to the Offer.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>22 November 2013</p>

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	15,000,000
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	812,124,185
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>(a) Anticipated 24 October 2014</p> <p>(b) Anticipated 24 October 2014</p> <p>(c) Anticipated 24 October 2014</p>

	Number	+Class
8	2,111,522,899	Fully paid ordinary shares (WHN)
	401,734,157	Listed Options (exercisable at \$0.04 on or before 30 Nov 2014) (WHNOA)
	339,849,670	Listed Options (exercisable at \$0.018 on or before 30 Nov 2016)

	Number	+Class
9	3,400,000	Unlisted options ESOP (SERIES 5) (WHNAI) (automatic vesting 1/7/15)
	2,000,000	Unlisted Performance Rights (WHNAS) (automatic vesting 1/7/15)
	193,000,000	Options exercisable at A\$0.014 per Option into Ordinary Shares on or before 3 Dec 2017 (WHNAP)
	14,400,000	Unlisted Performance Rights (WHNAS) (automatic vesting 9,600,000 1/7/15 and 4,800,000 1/7/16)

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company's dividend policy remains unchanged.
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+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	3 Shares for every 10 Shares, with 2 Attaching Options for every 3 Shares subscribed for under the Offer
14	⁺ Class of ⁺ securities to which the offer relates	Shares and Attaching Options
15	⁺ Record date to determine entitlements	1 October 2014
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Entitlements will be rounded down to the nearest whole number.
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Canada Germany Hong Kong Malaysia Mauritius Papua New Guinea Qatar Seychelles Singapore Switzerland Thailand United Arab Emirates United Kingdom United States
19	Closing date for receipt of acceptances or renunciations	17 October 2014
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable

22	Names of any brokers to the issue	PAC Partners Pty Ltd (PAC)
23	Fee or commission payable to the broker to the issue	Under the Rights Issue Capital Raising Mandate, PAC will receive capital raising fee of 4% of the total value of funds raised from the Offer in Australia excluding existing shareholders, a management fee of 2% of the total value of funds raised from the Offer in Australia and up to 15,000,000 Broker Options
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Nil
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	7 October 2014
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	24 September 2014
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable

+ See chapter 19 for defined terms.

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|----|--|----------------|
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | Not applicable |
| 33 | +Issue date | Not applicable |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



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(Company secretary)

Date: 22 September 2014

Print name: Ian Hobson

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,428,198,680
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	64,790,827 (16 December 2014, SPP) 42,000,000 (EGM 28 March 2014) 20,400,000 (Conversion of performance rights approved at AGM Nov 2012) 487,274,515 (Rights Issue 24 October 2014)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	2,042,664,022

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	306,399,603
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>30,000,000 Options exercisable at A\$0.014 per Options into Ordinary Shares on or before 3 December 2017 (19/03/2014)</p> <p>12,409,049 shares (11 April 2014)</p> <p>24,718,958 shares (30 April 2014)</p> <p>24,718,900 shares (9 May 2014)</p> <p>40,000,000 options (23 May 2014)</p> <p>25,000,000 options (30 May 2014)</p> <p>15,000,000 options (24 October 2014)</p>
“C”	171,846,907
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	306,399,603
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	171,846,907
Total [“A” x 0.15] – “C”	<p>134,552,696</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	2,042,664,022
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	204,266,402
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	7,011,970 shares (13 August 2014)
“E”	7,011,970

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	204,266,402
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	7,011,970
Total [“A” x 0.10] – “E”	197,254,432 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.