



**WHL Energy Ltd**

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## 31 DECEMBER 2016 QUARTERLY ACTIVITIES REPORT

WHL Energy Limited (**ASX: WHN**) ("**WHL Energy**" or "**the Company**") provides the following report on its activities and operations for the quarter ended 31 December 2016.

### Corporate

As previously reported, on 12 September 2016, the Company announced that it had signed a merger implementation agreement ("**MIA**") with Quantify Technology Limited ("**Quantify**") with a view to making separate off market takeover offers to acquire all of Quantify's fully paid, ordinary shares (**Share Offer**) and main class of options (**Option Offer**) and to acquire all other Quantify securities by private agreement ("**Transaction**").

The Share Offer will be subject to typical conditions precedent, including:

- WHL Energy shareholders approve the resolutions necessary to give effect to the Transaction, including a change in nature and scale of activities for the purposes of ASX Listing Rule 11.1.3, a consolidation of WHL Energy's securities on a 1:83 basis (**Consolidation**) and a change in name to Quantify Technology Holdings Limited;
- a 90% minimum acceptance condition, which (at any time prior to WHL Energy receiving acceptances representing 80% of Quantify Shares) can only be waived with the consent of Quantify;
- at least \$3.5 million (with a maximum of \$5 million) being raised through the issue of WHL Energy Shares at an issue price of \$0.06 per WHL Energy Share (on a post Consolidation basis) under a prospectus (**Capital Raising**);
- ASX granting conditional approval for WHL Energy to be re-admitted to quotation on the ASX following completion of the Transaction;
- no prescribed occurrence or material adverse change (as defined in the MIA) occurring in relation to Quantify;
- no material acquisitions, disposals or new commitments being undertaken by Quantify;
- WHL Energy becomes entitled to acquire all other Quantify securities on issue; and
- other customary conditions as set out in the MIA, including no regulatory intervention which (among other things) restrains or prohibits the Share Offer.

At the date of this report:

1. WHL Energy shareholders have approved the resolutions necessary to give effect to the Transaction;
2. The 90% minimum acceptance condition has been satisfied; and
3. A prospectus was lodged on 23 December 2016, for the purpose of satisfying the minimum capital raising condition. The capital raising is scheduled to close on 15 February 2017.

For further detail refer *ASX Announcements dated 12 September 2016* titled “WHL Energy to acquire IoT company Quantify Technology Ltd” and “Merger Implementation Agreement”.

Quantify is an Australian-based pioneer of ‘Truly Intelligent Buildings’ which provides the building blocks and products needed to enable strong market participation in the IoT space.

Quantify’s patented technology, the Q Device, is a unique device in the IoT market and has applications across energy management, real-time environmental monitoring, retirement living, Big Data Analytics and ultimately paving the way towards “Quantify Truly Intelligent Buildings”™.

The Q Device is the result of more than 4 years’ research and development, with certified and tested prototypes completed.

With the Q Device’s production model undergoing testing, Quantify is targeting having the final product commercially launched in the second half of 2017, with first commercial contracts already signed and additional contracts subject to negotiation.

This proposed acquisition will provide Quantify with the funds to accelerate its roll- out strategy across Australia and the Asia Pacific region and progress plans for its entry into the United States, European, Middle East and African markets

#### **Australia – VIC/P67 (La Bella) Permit (WHN- 100% Operator)**

On 3 November 2016, the Company entered into a conditional Sale and Purchase Deed with Austral Exploration Pty Ltd for the disposal of the Company’s interest in Exploration Permit Vic/P67.

The disposal is conditional on satisfaction of the following conditions precedent:

1. WHL obtaining shareholder approval to the disposal, if required by 31 March 2017;
2. Relevant authority approvals including, approval and registration of the Sale and Purchase Deed and associated transfer of title, and approval of a suspension and extension application under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*; (OPGGSA).

As consideration for the sale, a royalty comprising 1% of the sales gas revenue to a maximum of A\$7.5 million will be granted to WHL under a Royalty Deed entered into by WHL and Austral.

Due to the proposed change of focus for the Company, the sale of the company’s final oil and gas asset was deemed the best outcome for the Company and its’ shareholders.

-Ends-

## Tenement Summary – 31 December 2016

<b>1. TENEMENTS HELD</b>				
<b>Tenement Reference</b>	<b>Location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
VIC/P67	Australia	Operator	100%	100% #

# Disposal subject to conditional Sale and Purchase Deed.

<b>2. TENEMENTS ACQUIRED/DISPOSED</b>				
<b>Tenement Reference</b>	<b>Location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
<b>ACQUIRED</b> Nil				
<b>DISPOSED</b> Nil				

<b>3. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS</b>				
<b>Tenement Reference</b>	<b>Location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
Nil				

<b>4. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS ACQUIRED OR DISPOSED</b>				
<b>Tenement Reference</b>	<b>Location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
<b>ACQUIRED</b> Nil				
<b>DISPOSED</b> Nil				