



15 December 2014

Dear Optionholder

Wildhorse Energy Limited - pro-rata renounceable rights issue

As announced on 29 August 2014, Wildhorse Energy Limited (ACN 117 085 748) (**Wildhorse** or the **Company**) is undertaking a 5:1 pro rata renounceable rights issue (**Rights Issue** or **Offer**) of approximately 75,668,830 fully paid ordinary shares (**New Share**) to raise approximately \$3,783,441. The price of New Shares under the Offer is \$0.05 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 15 December 2014.

The proposed use of funds for the Rights Issue is set out in the table below.

Description of Cash Outflows	Amount (A\$)
Exploration activities on current project and any new projects acquired – Year 1	296,000
Exploration activities on current project and any new projects acquired – Year 2	735,000
Identification of new business opportunities and projects (including due diligence costs, legal costs, travel costs and consultant fees)	1,000,000
Corporate and administrative costs – Year 1	210,000
Corporate and administrative costs – Year 2	357,000
Costs of the Offer	160,000
Working capital	1,025,441
Total funds raised under the Offer	3,783,441

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (WST) on 22 December 2014, whose registered address is in Australia, New Zealand or the United Kingdom.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Assuming all entitlements are accepted, following completion of the Offer, the Company will have issued approximately 75,668,830 New Shares resulting in total Shares on issue of approximately 90,802,596.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be entered on the Company's register of members on or before at 5.00pm (WST) on 22 December 2014 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the attention of Sam Cordin, Company Secretary, Wildhorse Energy Limited at Level 9, 28 The Esplanade, Perth WA 6000:

- (a) A notice of exercise of options (attached to this letter);
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Wildhorse Energy Limited".

To ensure that your new shares are allotted prior to the Record Date, the above must be received by Wildhorse Energy Limited **no later than** 22 December 2014. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Sam Cordin, Wildhorse's Company Secretary on +61 8 9322 6322.

Yours sincerely



Sam Cordin
Company Secretary