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VIC/P67 UPDATE

Highlights:

- **AWE elects not to proceed further in VIC/P67**
- **Farm-out campaign ongoing**

Australian energy company WHL Energy Limited (**ASX: WHN**) (“**WHL Energy**” or “**the Company**”) advises that the Company has received notification from Peedamullah Petroleum (“**AWE**”) that AWE has elected not to proceed as part of the VIC/P67 Joint Venture.

WHL Energy previously identified 14 prospects with total best estimate Prospective Resources* of 1,044 Bcf of gas and 31.2 MMbbls of condensate and LPGs.

	<i>Best Estimate Prospective Resources</i>			
	Sales Gas bcf	Condensa MMbbl	LPG MMbbl	
West Mylius	57	0.7	1.2	Amplitude supported prospects, low geological risk
Mylius	44	0.5	0.9	
Ferrier	53	1.1	0.6	
Ferrier South	41	0.5	0.8	
Ferrier 200/250	134	1.5	2.8	Higher potential prospects, moderate risk
Lowlander A	136	1.6	2.7	
Alexandra	72	1.0	1.7	
Highlander	129	1.5	2.6	
Lowlander B	100	0.5	0.9	
Triton Updip	93	1.1	1.9	Less mature prospects and leads
North La Bella	58	0.6	1.0	
Mussel Updip	46	0.4	0.8	
East La Bella	30	0.3	0.5	
Rayville	50	1.0	0.6	
Total Exploration	1044	12.2	19.0	
	<i>2C Contingent Resources</i>			
La Bella Field	74	0.9	1.5	

Table 1: Best Estimate Prospect Resources, VIC/P67

During October 2014, WHL Energy Limited commenced a farm-out process for VIC/P67 to seek a carry through the exploration drilling phase while retaining meaningful exposure to the permit. A data room was opened and strong interest was received from several pre-qualified companies, with the process expected to extend through the first quarter of 2015. WHL Energy remains engaged

with a number of these companies. WHL Energy's position remains that the strong demand for domestic gas on the east coast of Australia due to the growth in LNG exports together with the conventional VIC/P67 Prospective Resources could provide a cost competitive gas supply to these markets.

David Rowbottam commented: "While it is disappointing that AWE has elected to withdraw at this time. WHL Energy understands that many companies in the industry have reviewed their capital expenditure plans given current commodity pricing. The Company is confident that the VIC/P67 asset has significant value and that as a result of our higher equity position the ability to retain value is enhanced. The Company also notes that any future joint venture arrangement or asset transaction will be simplified as an outcome of this decision and that AWE does not have any further claim against potential recovered costs."

Under the terms of a separate farmout agreement executed with Tap Oil Limited ("**Tap**") (see ASX announcement 18 September 2013), Tap has an option to acquire an initial 10% interest in VIC/P67. While Tap is not required to exercise the seismic option until 10 days after AWE's confirmed decision, the payment of up to US\$2.95 million remains a firm commitment.

Ends

FURTHER INFORMATION

Shareholders/Investors:

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Prospective Resource Estimates Cautionary Statement: With respect to the prospective resource estimates contained within this report, it should be noted that the estimated quantities of Petroleum that may potentially be recovered by the future application of a development project may relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbon.

***Prospective and Contingent Resources:** The prospective and contingent resource estimates regarding VIC/P67 quoted in this release are prepared as at 8th September 2013. (Reference: WHN ASX release of 8 September 2014). The estimates have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2007 approved by the Society of Petroleum Engineer and are 100% interest deterministic Best Estimates. WHL Energy holds a net 40% interest in VIC/P67.

Competent Person Statement: All Petroleum Reserves, Contingent Resources and Prospective Resources information relating to the oil and gas projects in this report are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of, WHL Energy's Limited full time Exploration Manager Mr Matt Fittall. He is a Geologist [BSc(hons)Geology] with more than 30 years' experience, practicing in Petroleum Geology. Mr Fittall is a member of the Petroleum Exploration Society of Australia (PESA). Mr Fittall has consented in writing to the inclusion of the information in the form and context in which it appears.

About WHL Energy Limited

ASX-listed WHL Energy Ltd (ASX: WHN) is an oil and gas exploration Company focused 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.

The high graded Junon leads will be matured for drilling with a 1,500 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 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 Energy has lodged an application to seeking to relinquish its interest in WA-460-P following a review of the Palta-1 well data.

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