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## **WHL ENERGY MARCH 2015 QUARTERLY ACTIVITIES REPORT**

### **Highlights:**

- **Junon 3D results lead to an increased resource estimates for the Seychelles**
- **Receipt of payment from deferred Vic/P67 option**
- **Ongoing cost control and reduction in expenditure**

Australian energy company WHL Energy Limited (**ASX: WHN**) ("**WHL Energy**" or "**the Company**") is pleased to report on its activities and operations for the quarter ended 31 March, 2015.

### **Seychelles (WHN: 25% Non-Operator)**

#### **Seychelles seismic processing**

The focus of the successful acquisition of the 1,528km<sup>2</sup> Junon 3D seismic survey has now moved to processing and interpreting the data received. The Junon 3D seismic survey was designed to mature a number of prospects for drilling on the Junon trend in the east of Ophir Energy plc's ("**Ophir**")/WHL Energy Seychelles acreage (Junon South, Junon East and Junon Central), an area high graded by WHL Energy's previous geological studies.

During the quarter WHL Energy provided an update on the Prospective Resources for the Ophir/WHL Energy Seychelles acreage, following interpretation of a preliminary PreSTM volume of the Junon 3D seismic survey.

The detailed interpretation of the Junon PreSTM 3D data by WHL Energy has firmed up key prospects in the Junon area that were initially identified in the previous regional 2D seismic survey, enabling a revision to Prospective Resources for these prospects.

Four key structures have been high-graded within the Junon 3D area, being the Junon South East, Junon Central, Junon South and Junon West prospects. Prospective Resources\* for these Junon 3D prospects have been tabulated below, along with key leads outside the Junon 3D seismic survey area.

Following on from the 3D seismic interpretation, the Junon Central and Junon South East prospects have developed into more clearly defined and very substantial opportunities.

The Company's ASX announcement on 26 February 2015 did not include extracts from the detailed maps used by WHL Energy to compile the estimates, as the Operator had not completed their own review.

<b>Junon 3D Seismic Prospects</b>	
	<b>Best Estimate Prospective Resources</b>
Prospects	MMbbl
Junon South East	214
Junon Central	209
Junon South East	55
Junon West	53

<b>2D Seismic Prospects and Leads</b>	
	<b>Best Estimate Prospective Resources</b>
Prospects/Lead	MMbbl
Junon NW	141
Junon NE	518
Beau Vallon Central	451
Beau Vallon South	207
Beau Vallon East	225
Lead C	178
Lead L	84

### ***Seychelles Best Estimate Prospective Resources***

The Joint Venture is currently undertaking PreSDM processing of the Junon 3D seismic data set to provide optimum data quality. This data set is expected to be received in May 2015.

Commenting as part of the February update, WHL Energy Managing Director, Mr David Rowbottam said: "It is pleasing to report continued strong progress with our Seychelles asset. Our in-depth work has confirmed Junon Central and Junon South East as both being highly material opportunities with best estimate Prospective Resources in excess of 200 MMbbl, along with follow-up potential at Junon South.

"It is also encouraging that prospects and leads which were initially identified on the regional 2D seismic grid have developed into potentially substantial prospects with the 3D seismic acquisition. This provides confidence that the high upside potential identified in the Beau Vallon structure and the Junon North trend prospects, which are currently only defined on 2D seismic, will potentially develop into valuable prospects with further 3D seismic acquisition. Provided our JV partner Ophir Energy plc elects to continue to the drilling phase under its farm-in agreement, then these are likely targets for future seismic acquisition," Mr Rowbottam said.

The Joint Venture plans on holding further meetings with the regulator PetroSeychelles during Q2 2015 to discuss the seismic interpretation results and potential drilling options. Additionally, work will commence during Q2 2015 on the Environmental Baseline Study as part of the current agreed work programme.

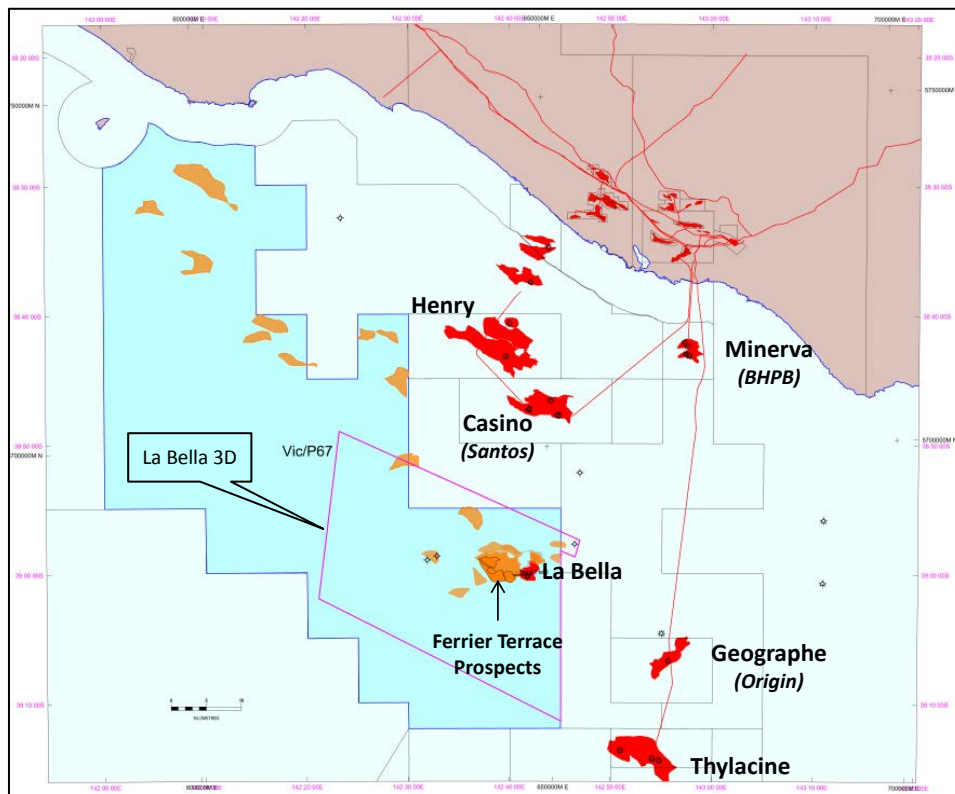
## **AUSTRALIA**

### **Victoria - VIC/P67 (La Bella) Permit (WHN: 100% Operator)**

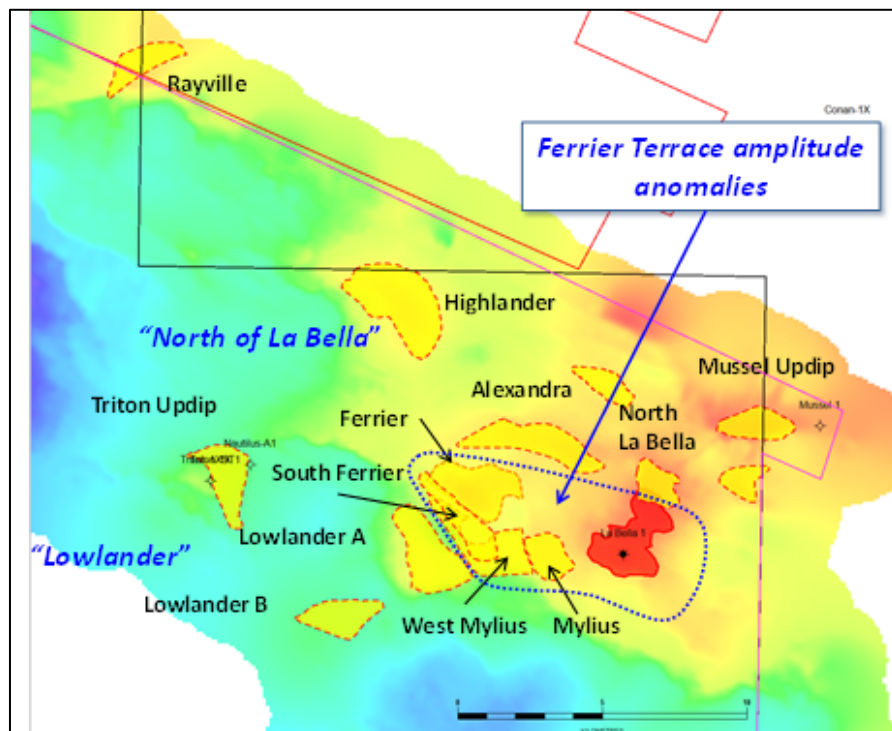
The company had started the farmout campaign for VIC/P67 with the aim of securing a carry through the exploration drilling phase, while retaining meaningful exposure to the permit. To date a total of approximately A\$18m has been invested in the project since WHL Energy was awarded the permit, including the investment in the 3D seismic acquisition and interpretation. The ability to manage the farmout campaign improved with the Company resuming full ownership of the asset following the withdrawal of Tap Oil Limited (**ASX:TAP**)("Tap") in January 2015.

It has been reported in the financial press that the Operators of the two adjoining infrastructure facilities are under pressure to reduce capital expenditure and this has had a direct impact on the farmout campaign. The Company continues to prepare additional work aimed at reducing the risk

for a future drilling campaign. The completion of this work is likely to result in an application for a further extension from the Regulator as it was not in the original work programme.



**VIC P67 Location Map showing Prospects and Leads**



**VIC P67 Prospects and Leads**

The Company continues to seek future production/development opportunities for the asset based upon the potential from the Best Estimate Prospective Resources. To date an inventory of 14 prospects with total best estimate Prospective Resources\* of 1,044 Bcf of gas and 31.2 MMbbls of condensate and LPGs have been mapped on the PreSTM of the La Bella 3D seismic data set. The

prospect inventory for the VIC/P67 will be further updated following the interpretation of the inversion volume.

	<i>Best Estimate Prospective Resources</i>			
	Sales Gas	Condensate	LPG	
Prospects	bcf	MMbbl	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	
North La Bella	58	0.6	1.0	Less mature prospects and leads
Mussel Updip	46	0.4	0.8	
East La Bella	30	0.3	0.5	
Rayville	50	1.0	0.6	
Total Exploration	1043	12.3	19.0	
	<i>2C Contingent Resources</i>			
La Bella Field	74	0.9	1.5	

**Table 1: Best Estimate Prospect Resources, VIC/P67**

## Western Australia – WA-460-P Permit (WHN: 33.3% Non-Operator)

An application to surrender WA-460-P was made to the National Offshore Petroleum Titles Administrator (NOPTA). NOPTA has notified the Company of its intention to cancel the permit. The company has applied for a Good Standing Arrangement in relation to its share of the WA-460-P committed work program. The Company expects this arrangement to be formally agreed during Q2 2015.

## CORPORATE

## Company Cash Position

The Company had A\$4.495 million cash on hand at the end of the quarter. The initiatives to conserve cash accelerated during the quarter, including substantial reductions in the fees and salaries for directors and staff and the suspension of all contract staff, continued through the quarter. This has led to a reduction in discretionary exploration activity and administration expenditure by the Company.

The payment of US\$2.778 million was received from Tap on 31 March 2015. Following the receipt of this payment Tap has no further obligation or liability in respect of permit VIC/P67.

## Business Development

The Company continues to actively examine new near-term production opportunities in Africa, as it seeks to move the Company to a more sustainable financial basis. This activity has increased during the quarter as the Company progressed a specific opportunity with a specialist consultant.

## Subsequent Events

The Company has subsequently repaid the outstanding balance of the short term finance facility provided by Argonaut of A\$3.680 million. A further short term facility of \$A0.500m was entered into in preparation for the potential payment of a deposit and initial costs surrounding the Business Development opportunity.

This provides the Company with the ability to secure additional project funding to complete the potential Business Development opportunity should the Company secure the asset before a farmout on either the VIC/P67 or Seychelles assets is completed.

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 Resources:** The prospective resource estimates in Seychelles Areas 5B/1, 5B/2 and 5B/3 quoted in this release were prepared as at 27th February 2015 and are based on the interpretation of the Junon 3D seismic survey, offset well data and other geologic information.

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 is not aware of any new information or data that materially affects the resource estimates and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

## 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 km<sup>2</sup> 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 of the Block.

The high graded Junon leads will be matured for drilling with a 1,500 km<sup>2</sup> 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 100% 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 is also actively investigating growth opportunities in the wider African region.