



**WHL Energy Ltd**

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24 JUNE 2015

Dear fellow Shareholder,

On 2 June, 2015, WHL Energy Limited (**ASX: WHN**) (**WHL Energy** or the **Company**) announced a "Financing and Management Update" on the ASX. In that announcement we informed the market that the Company had entered into agreements with Energy Capital Partners Pty Ltd to facilitate a recapitalisation of the Company (**Recapitalisation**).

Enclosed with this letter is a Notice of General Meeting (**Notice of Meeting**) and related information for the General Meeting of shareholders to be held on 31 July 2015. Shareholders will be asked to consider and, if thought fit, approve resolutions to facilitate the Recapitalisation and certain share issues. The resolutions are explained in detail in the Notice of Meeting and Explanatory Statement.

The decision by the board to proceed with the Recapitalisation was not taken lightly. However, the Recapitalisation was considered by the board to be the only option available to the Company in the time available to ensure that shareholders could continue to participate in the upside associated with the Company's Seychelles and VIC/P67 assets.

The Explanatory Statement accompanying the Notice of Meeting sets out in more detail why the board considered the Recapitalisation necessary in the circumstances and the potential consequences for the Company if the resolutions to facilitate the Recapitalisation are not approved. I encourage all shareholders to read the Notice of Meeting and the Explanatory Statement which provides background to the Company's position leading up to the Recapitalisation agreements, the Recapitalisation itself, and its advantages and disadvantages.

For the reasons set out in the Notice of Meeting, the board unanimously recommends that shareholders approve the Recapitalisation and all of the Resolutions in the attached Notice of Meeting, subject always to their fiduciary duties.

While, consolidating the Company's financial position is the main focus of the board at present, we are also intent on further cost management and attempting to realise value from the Company's two key assets.

Over the last six months we have implemented a number of cost cutting measures, including the minimisation of all contractor staff and contracted services and a reduction of staff salaries with effect from January 2015. Payment of fees to the Company's Non-Executive Directors have also ceased and we will continue to review options to reduce costs.

While the Company has been unsuccessful in recent attempts to realise value from its existing equity in the Seychelles and VIC/P67 acreage in the current investment climate, the board believes that the current investment climate is unlikely to remain indefinitely. The VIC/P67 asset, including the La Bella discovery, contains both discovered and undiscovered gas potential, which could supply increasing Eastern States gas demand. Ophir also continue to evaluate the recently acquired 3D seismic in the Seychelles with a view to making a drilling decision before the end of 2015. A positive decision could provide exposure to a significant frontier exploration well in the emerging East Africa region. Third party interest in both assets will continue to be canvassed to unlock value.

The Company also intends, subject to shareholder approval of the Recapitalisation proposal, to raise further equity in the near term to fund its ongoing activities.

You will also be aware of the management changes we reported in our announcement of 2 June, including the resignation of Managing Director David Rowbottam, and that I would be assuming the role of Chairman for the immediate period.

At this time, we have not yet sought a replacement for Mr Rowbottam and believe that in line with the focus on further cost reduction measures, the board will manage the Company's day-to-day activities while we fully review the Managing Director role. We have a significant range of company management and oil and gas experience within the current board and are determined to direct WHL Energy forward successfully while we carefully review our options.

In closing, I thank you for your support of the Company in the past, and hope you will continue to support us as we continue to build WHL Energy's future.



Stuart Brown  
Chairman

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**WHL ENERGY LIMITED**

**ACN 113 326 524**

**NOTICE OF GENERAL MEETING**

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**TIME:** 1:00 pm (WST)

**DATE:** Friday, 31 July 2015

**PLACE:** CWA House, 1176 Hay Street, West Perth

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6500 0271.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 1:00 pm (WST) on Friday, 31 July 2015 at:  
CWA House, 1176 Hay Street, West Perth

### Your vote is important

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The business of the Meeting affects your shareholding and your vote is important.

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 1:00 pm (WST) on 29 July 2015.

### Voting in person

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To vote in person, attend the Meeting at the time, date and place set out above.

### Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – APPROVAL FOR ISSUE OF SHARES ON CONVERSION OF CONVERTIBLE NOTES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the conversion rights of up to 400 Convertible Notes issued to sophisticated and professional investors which result in the issue of Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ENERGY CAPITAL PARTNERS PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – APPROVAL FOR ISSUE OF OPTIONS TO ENERGY CAPITAL PARTNERS PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 350,000,000 Options to Energy Capital Partners Pty Ltd (or its nominees) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a

person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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4. **RESOLUTION 4 – APPROVAL FOR ISSUE OF SHARES TO MR ROBERT RICHTER QC**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 170,000,000 Shares to Mr Robert Richter QC (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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5. **RESOLUTION 5 – APPROVAL FOR ISSUE OF SHARES TO MR ALAN MATTHEW FITTALL**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 28,124,750 Shares to Mr Alan Matthew Fittall (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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6. **RESOLUTION 6 – APPROVAL FOR ISSUE OF SHARES TO PAC PARTNERS PTY LTD**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 20,000,000 Shares to PAC Partners Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 24 June 2015

By order of the Board

A handwritten signature in blue ink, appearing to read 'I. Hobson'.

Ian Hobson  
Company Secretary



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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. BACKGROUND

As announced to the ASX on 2 June 2015, the Company has accepted a proposal from Energy Capital Partners Pty Ltd (ACN 159 444 318) (**ECP**) to facilitate the recapitalisation of the Company (**Recapitalisation**).

The decision by the Board to proceed with the Recapitalisation was not taken lightly. For the reasons set out below, the Recapitalisation was considered by the Board to be the only option available to the Company in the time available, to ensure that Shareholders could continue to participate in the upside associated with the Company's existing assets, specifically the Seychelles and VIC/P67 assets.

As Shareholders are aware, the Company does not generate any revenue, particularly from an interest in a producing asset, which would provide funds for its ongoing working capital requirements. Accordingly, the Company relies on access to external capital sources and successful third party farmouts to ensure it can meet its commitments. These include its Joint Venture (JV) expenditure obligations related to the Seychelles operations, negotiations with third parties to realise value from its existing assets, and to provide funding to evaluate potential opportunities to acquire an interest in a new producing asset.

In the past, the Company has utilised a number of alternative methods to bridge its financial requirements while it sought to unlock value from its assets. This included a debt facility with Argonaut Equity Partners (see ASX announcement dated 27 May 2014) linked to the value associated with the option agreement entered into with Tap Oil Limited over the VIC/P67 permit. In the interim, this facility enabled the Company to use the value associated with the transaction to fund its ongoing working capital requirements.

Other examples included a Controlled Placement Agreement (CPA) entered into with Acuity Capital up to a value of \$5 million as well as the Bergen Asset Management, LLC financing facility for US\$2.7 million (see ASX announcements dated 30 October 2013 and 5 December 2013).

The Acuity CPA facility relied on a minimum issue price during any placement period and was constrained by the traded volume and volume weighted average price (VWAP). While these restrictions allowed WHL Energy to control the number of shares issued, limited market liquidity and negative share price sentiment restricted the accessibility of this facility and therefore WHL Energy's ability to use this to manage short term cash flow.

The Bergen facility was entered into prior to the Argonaut facility to provide a one off loan to convert the Tap Oil seismic option into cash. This facility was replaced by the Argonaut facility to mitigate the share price impact of partial conversion by Bergen under the terms of the agreement.

The equity market has also been seen as a potential source of external capital. However, as Shareholders would also be aware, the equity capital markets for junior resource companies have become extremely difficult, and this has more recently been exacerbated by the significant decline in global commodity prices. Shareholders will recall the Company's attempt to raise equity through the proposed A\$4.87 million capital raising; a non-renounceable entitlement offer announced in

the last quarter of 2014. This entitlement issue was not broadly supported, and only raised A\$545,822 (excluding costs), representing a shortfall of almost 90%.

It was therefore clear to the Board, based on this experience and subsequent canvassing of the market for share placements, that the Company was unlikely to be able to raise the required level of working capital from existing shareholders or the equity capital markets generally.

As it was apparent that there was little appetite from existing shareholders to fund the Company's ongoing working capital requirements, the Company entered into a A\$500,000 secured short term loan with Mr Robert Richter QC in April 2015 (the **Richter Loan**) to provide funding flexibility while the Company pursued longer term financing arrangements, a farmout of the Seychelles asset and other business development opportunities. The amounts owing under the Richter Loan were secured over the Company's interests in VIC/P67 and the Seychelles exploration blocks.

The Company expected to repay the Richter Loan in full prior to its scheduled repayment date of 31 May 2015 from the proceeds of the convertible loan facility entered into with Magna Equities II, LLC (**Magna**) (ASX announcement dated 13 May 2015) and through any potential proceeds anticipated from the ongoing farm-out negotiations.

While the facility with Magna did provide some short term funding and the ability to access the longer term financing required, it was not possible to secure immediate funds, from drawdown under the facility, to enable the Company to repay the Richter Loan. Furthermore, the anticipated farmout campaigns could not be concluded within the required timeframe to provide the Company with any additional funding with which to ensure repayment of the Richter Loan.

Accordingly, the Company was placed in a position where immediate and decisive action was required to raise sufficient funds to repay the Richter Loan and preserve the assets of the Company for the benefit of all Shareholders.

The Company urgently sought proposals to provide immediate funding which would be sufficient to enable the Company to repay its obligations under the Richter Loan. These included further attempts to expedite farm-out of the Company's existing assets as well as secure alternative financial arrangements. The only proposal received by the Company, which was capable of raising sufficient funds in the timeframe required, was from ECP. This Recapitalisation proposal involved facilitation of subscriptions for convertible notes to raise a total of A\$2,000,000 (prior to payment of fees to ECP), and is the subject of Resolutions 1, 2 and 3 of the attached Notice of Meeting and is described in detail in Section 2 below.

As the terms of the Magna facility restricted the Company from issuing convertible notes to third parties, the Company was required to reach agreement with Magna before proceeding with the Recapitalisation proposal. Consent to the Company entering into the Recapitalisation proposal was received from Magna subject to a number of conditions, which include the Company repaying any amounts drawn down under the facility in full as well as paying the deferred establishment cash fee of US\$18,750 prior to 30 June 2015. Upon satisfaction of these conditions, the Magna facility will automatically terminate.

Negotiations were also entered into between the Board, ECP and with Mr Richter to extend the due date for payment of the Richter Loan and provide the Company sufficient time to complete the issue of the convertible notes under the proposed ECP Recapitalisation and enable the Richter Loan to be repaid. Mr Richter agreed to extend the due date for payment in consideration for the payment of the amounts

owing under the Richter Loan and the issue of A\$170,000 in ordinary fully paid shares in the capital of the Company at a deemed issue price of A\$0.001 per Share (being the subject of Resolution 4 of the attached Notice of Meeting).

In the event that the issue of the ordinary fully paid shares the subject of Resolution 4 is not approved by Shareholders, the sum of A\$170,000 is to be paid in cash no later than 31 July 2015. Mr Richter will discharge his security and release the Company upon receipt of these amounts.

The Recapitalisation proposal was also conditional upon certain changes being made to the Company's executive management team.

To facilitate the Recapitalisation, the Company's Managing Director Mr David Rowbottam and the Company's Exploration Manager Mr Matthew Fittall entered into individual separation agreements with the Company. Under the terms of these agreements both Mr Rowbottam and Mr Fittall may take payment for outstanding entitlements in either cash or shares. These outstanding entitlements include annual leave payments and contractual payments in lieu of notice. Mr Fittall has elected to take, and the Company has agreed to issue, up to 28,124,750 shares in part payment of his outstanding entitlements (being the subject of Resolution 5 of the attached Notice of Meeting).

While the Board acknowledges that the Recapitalisation proposal is highly dilutive to existing Shareholders, for the reasons set out in section 3 below, the Board considers that the Recapitalisation is a superior outcome for Shareholders than what it considered to be the likely alternative of voluntary administration. It believes that this is the best outcome achievable for Shareholders in the circumstances.

Accordingly, and for the reasons set out in more detail in section 3 below, the Board, subject to its fiduciary duties, unanimously recommends that Shareholders approve the Recapitalisation and all of the Resolutions in the attached Notice of Meeting to facilitate the Recapitalisation.

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## 2. THE RECAPITALISATION

Under the terms of the Recapitalisation, ECP must subscribe for, or procure subscriptions for, and the Company must issue, up to 400 convertible notes to sophisticated and professional investors to raise a total of \$2,000,000 (**Convertible Notes**). A summary of the terms of the Convertible Notes is set out in Schedule 1 of this Notice of Meeting.

On or around 17 June 2015, the Company had received in excess of \$1,000,000 (tranche 1) as subscription monies for 400 Convertible Notes with a face value of \$5,000 each. The second tranche of Convertible Notes is scheduled to be issued on or around 19 June 2015.

In addition to the first ranking charge associated with the Richter Loan, the Convertible Notes are secured by a second ranking charge over all of the Company's present and subsequently acquired property under the terms of a general security deed entered into by the Company and ECP as trustee for the Convertible Note holders, dated 2 June 2015. The ECP charge will be extinguished if and when the Convertible Notes are converted into Shares or otherwise repaid in full.

The Convertible Notes are debt securities, which are convertible into Shares at \$0.001 per Share subject to Shareholder approval. The Company is seeking the approval of Shareholders to this conversion pursuant to Resolution 1. If Shareholders approve Resolution 1, the Convertible Notes will convert into ordinary fully paid shares in the capital of the Company in accordance with their terms.

In consideration for ECP procuring the subscription for the Convertible Notes, the Company has agreed to:

- (a) issue to ECP (or its nominees) 20,000,000 Shares at a deemed issue price of \$0.00001 each (**ECP Shares**);
- (b) issue to ECP (or its nominees) 350,000,000 Options at an issue price of \$0.000001 each, to raise up to \$350 (**ECP Options**);
- (c) pay to ECP (or its nominees) a fee equal to 15% of the funds raised through the issue of Convertible Notes, to be paid at the same time as the issue of each tranche of Convertible Notes; and
- (d) pay to third party AFSL holders introduced by ECP a fee equal to 6% of the quantum of the funds raised through the issue of Convertible Notes, to be paid at the same time as the issue of each tranche of Convertible Notes.

The ECP Shares will be issued on or about 22 June 2015 and are the subject of Resolution 2. Resolution 3 seeks Shareholder approval for the issue of the ECP Options.

Funds raised from the issue of the Convertible Notes will be used:

- (a) to repay monies owed by the Company under the Richter Loan referred to in section 1 above;
- (b) to repay monies owed by the Company under the Magna facility;
- (c) to pay any fees owing to ECP in connection with the issue of the Convertible Notes;
- (d) in accordance with a budget agreed between the Company and ECP from time to time.

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### 3. ADVANTAGES AND DISADVANTAGES OF THE RECAPITALISATION

#### Advantages of the Recapitalisation

The Board considers that the ECP Recapitalisation has the following advantages for Shareholders:

- **Repayment of loans:** Funds raised from the issue of the Convertible Notes will be used, amongst other things, to repay the Richter Loan and the Magna facility in full. Without access to the funds made available under the Recapitalisation, the Board considers it highly unlikely that the Company will be able to find funds to repay its existing debts within the available timeframe. If the amounts due under these loans are not repaid on the terms agreed and the security given over the Company's assets is enforced, this risks a situation where these assets could be forfeited and the Company could be forced into voluntary administration.
- **Improved financial position:** Following the receipt of the \$2 million under the Recapitalisation, the payment of all fees associated with the Recapitalisation and the repayment of the Company's existing third party debts (and associated fees), the Company will have removed its current debt burden and ongoing interest charges with a residual cash reserve. This will provide the Company with short term working capital to meet its ongoing commitments, including the continued JV expenditure relating to the Seychelles operations.

- **Potential upside for Shareholders:** The Recapitalisation enables Shareholders to continue to be able to participate in the upside associated with the Company's Seychelles and VIC/P67 assets.
- **Future Funding Options:** Retaining the Seychelles and VIC/P67 assets enables the Company to continue to seek options to realise value for shareholders. These include:
  - **Farm-outs:** While the Company has been unsuccessful in recent attempts to realise value from its existing equity in the Seychelles and VIC/P67 acreage in the current investment climate, the Board believes that the current market conditions are unlikely to remain indefinitely. The VIC/P67 asset, including the La Bella discovery, contains both discovered and undiscovered gas resources, which may have the potential to supply increasing Eastern States gas demand. Ophir also continue to evaluate the recently acquired 3D seismic in the Seychelles with a view to making a decision on whether to enter the drilling phase before the end of 2015. A positive decision to drill could provide exposure to the first frontier exploration well to be drilled on modern 3D data in the Seychelles. Farm-out of interests in both assets will continue to be pursued with third parties.
  - **Capital Raising:** Should Shareholders approve the Recapitalisation proposal, it is the Company's intention to provide shareholders with the opportunity to participate in a proposed Rights Issue on terms to be finalised in due course.

### **Disadvantages of the Recapitalisation**

The Board considers that the primary disadvantage of the Recapitalisation is that it is highly dilutive to existing Shareholders. If Resolution 1 is approved, the Convertible Notes will automatically convert into Shares and assuming no Options are exercised or other Shares issued, existing Shareholders will hold only approximately 9% of the Company's issued share capital. However, for the reasons set out in Section 1 above, your Board considers that such dilution was unavoidable if the Company is to continue as a going concern.

### **Consequences if Recapitalisation not approved by Shareholders**

If Shareholders do not approve Resolutions 1, 2 and 3 set out in the Notice of Meeting, the Company will be in default under the Convertible Note Trust Deed and the Convertible Notes (including any accrued interest) will become repayable at the Trustee's election within 10 business days of the date of the Meeting.

Based on the Company's financial position and the current financial market environment, the Board believes that there is significant uncertainty as to whether the Company would be able to successfully refinance the Convertible Notes by their repayment date if Shareholder approval to their proposed conversion is not forthcoming. Moreover, the Company is unlikely to have sufficient funds to be able to meet its ongoing commitments in respect of its assets. In these circumstances, the Board believes that it is highly likely that the Company will become insolvent. For these reasons, if Shareholders do not approve the Recapitalisation, the Company believes it would need to call an immediate halt to trading in the Company's Shares until such time as there was sufficient certainty that the Company could redeem the Convertible Notes.

Further, if Shareholders do not approve Resolution 4 of the attached Notice of Meeting, the sum of A\$170,000 is to be paid to Mr Richter in cash no later than 31 July 2015.

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#### **4. RESOLUTION 1 – APPROVAL FOR ISSUE OF SHARES ON CONVERSION OF CONVERTIBLE NOTES**

##### **4.1 General**

As noted in section 2 of this Explanatory Statement, prior to the date of this Meeting the Company will issue up to 400 Convertible Notes, each with a face value of \$5,000 to sophisticated and professional investor clients of ECP, to raise \$2,000,000.

Conversion of the Convertible Notes is subject to, and conditional on, the Company obtaining Shareholder approval on or prior to 31 July 2015.

Accordingly, Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the Convertible Notes to be convertible into Shares. If Shareholders do not approve the Resolution, the Company will be in default under the Convertible Note Trust Deed and ECP, as trustee on behalf of the Noteholders, will be entitled to:

- (a) issue redemption notices requiring the repayment of the outstanding amount of the Convertible Notes together with any accrued interest in accordance with the terms and conditions of the Convertible Notes;
- (b) commence proceedings for the winding up of the Company;
- (c) take other action relating to enforcement of the payment of outstanding moneys to the Noteholders; and/or
- (d) prove in any liquidation of the Company.

##### **4.2 Regulatory requirements**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

If Shareholders approve Resolution 1, the Convertible Notes will be convertible into Shares, in accordance with their terms, without using the Company's placement capacity, in relation on the exception in ASX Listing Rule 7.2(4).

##### **4.3 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) at the date of this Meeting the Company will have issued up to a total of 400 Convertible Notes, which are convertible into Shares at an issue price of \$0.001 per Share. The Convertible Notes will convert into a maximum of 2,000,000,000 Shares on conversion of the Convertible Notes;
- (b) the Convertible Notes are intended to be issued prior to the date of this Meeting. The Convertible Notes will be converted as soon as reasonably practicable following approval of Resolution 1 and in any event no later than 5 Business Days following approval of Resolution 1;

- (c) the face value of each Convertible Note is \$5,000;
- (d) the Convertible Notes will be issued on the terms and conditions set out in Schedule 1;
- (e) the Shares issued on conversion of the Convertible Notes will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Convertible Notes will be issued to sophisticated and professional investor clients of ECP pursuant to section 708 of the Corporations Act. None of these subscribers are related parties of the Company; and
- (g) the funds raised from the issue of the Convertible Notes will be used:
  - (i) to repay the Richter Loan;
  - (ii) to repay the Magna facility;
  - (iii) to pay any fees owing to ECP in connection with the issue of the Convertible Notes; and
  - (iv) in accordance with a budget agreed between ECP and the Company from time to time.

#### **4.4 Dilution**

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as set out above are issued, the number of Shares on issue would increase from 191,469,094 (being the number of Shares on issue as at the date of this Notice) to 2,191,469,094 and the shareholding of existing Shareholders would be diluted by 91.26%.

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## **5. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ENERGY CAPITAL PARTNERS PTY LTD**

### **5.1 General**

As detailed in section 2 of this Explanatory Statement, prior to the date of this Meeting the Company will issue 20,000,000 Shares to ECP (or nominees) as part consideration for procuring the subscription for the Convertible Notes.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rule 7.1 is set out in section 4.2 of this Explanatory Statement.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) 20,000,000 Shares are intended to be issued prior to the date of this Meeting;
- (b) the deemed issue price will be \$0.00001 per Share;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued to nominees of Energy Capital Partners Pty Ltd, who are not a related parties of the Company; and
- (e) no funds will be raised from this issue as the Shares are being issued as part consideration for procuring the subscription for the Convertible Notes.

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## 6. RESOLUTION 3 – APPROVAL FOR ISSUE OF OPTIONS TO ENERGY CAPITAL PARTNERS PTY LTD

### 6.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 350,000,000 Options to ECP (or its nominees) at an issue price of \$0.000001 per Option to raise up to \$350 (ECP Options).

A summary of ASX Listing Rule 7.1 is set out in section 4.2 of this Explanatory Statement.

The effect of Resolution 3 will be to allow the Company to issue the ECP Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of Options to be issued is 350,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the issue price will be \$0.000001 per Option;
- (d) the Options will be issue to Energy Capital Partners Pty Ltd (or its nominees). None of these subscribers will be related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) the Company intends to use the funds raised from this issue towards working capital.



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## **7. RESOLUTION 4 – APPROVAL FOR ISSUE OF SHARES TO MR ROBERT RICHTER QC**

### **7.1 General**

Resolution 4 seeks Shareholder approval for the issue of 170,000,000 Shares as part satisfaction of amounts owing to Mr Robert Richter QC under the Richter Loan.

A summary of ASX Listing Rule 7.1 is set out in section 4.2 of this Explanatory Statement.

The effect of Resolution 4 will be to allow the Company to issue the Shares to Mr Robert Richter QC during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **7.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Shares to be issued is 170,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the deemed issue price will be \$0.001 per Share;
- (d) the Shares will be issued to Mr Robert Richter QC, who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from this issue as the Shares are being issued as part satisfaction of amounts owing to Richter under the Richter Loan.

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## **8. RESOLUTION 5 – APPROVAL FOR ISSUE OF SHARES TO MR ALAN MATTHEW FITTALL**

### **8.1 General**

In connection with the Recapitalisation, the Company's Exploration Manager, Mr Alan Matthew Fittall, will resign with effect from the earlier to occur of 31 July 2015 and the date of this Meeting. The Company has agreed to issue up to 28,124,750 Shares to Mr Fittall as part payment in lieu of notice.

A summary of ASX Listing Rule 7.1 is set out in section 4.2 of this Explanatory Statement.

The effect of Resolution 5 will be to allow the Company to issue the Shares to Mr Fittall during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Shares to be issued is 28,124,750;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the deemed issue price will be \$0.001 per Share;
- (d) the Shares will be issued to Mr Alan Matthew Fittall, who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from issue as the Shares are being issued in part satisfaction of outstanding amounts owing to Mr Fittall.

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## 9. RESOLUTION 6 – APPROVAL FOR ISSUE OF SHARES TO PAC PARTNERS PTY LTD

### 9.1 General

The Company engaged PAC Partners Pty Ltd (**PAC**) to provide corporate advisory services in connection with the Company's rights issue completed in November 2014. The Company has agreed to pay PAC \$20,000 in corporate advisory and management fees in full and final satisfaction of all amounts owing in connection with the engagement, such amount to be satisfied by the issue of 20,000,000 Shares to PAC (or its nominee).

A summary of ASX Listing Rule 7.1 is set out in section 4.2 of this Explanatory Statement.

The effect of Resolution 6 will be to allow the Company to issue the Shares to PAC during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 9.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the maximum number of Shares to be issued is 20,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of all the Shares will occur on the same date;
- (c) the deemed issue price will be \$0.001 per Share;
- (d) the Shares will be issued to PAC Partners Pty Ltd (or its nominee), who is not a related party of the Company;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from issue as the Shares are being issued in full and final satisfaction of outstanding amounts owing to PAC.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means WHL Energy Limited (ACN 113 326 524).

**Constitution** means the Company's constitution.

**Convertible Note** has the meaning given to that term in section 2 of the Explanatory Statement.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Noteholder** means a holder of a Convertible Note.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 2.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## SCHEDULE 1 – TERMS AND CONDITIONS OF CONVERTIBLE NOTES

Term	Summary
<i>Maturity Date</i>	<p>The Convertible Notes mature on first to occur of:</p> <ul style="list-style-type: none"> <li>(a) the date of conversion of the Convertible Notes;</li> <li>(b) 31 July 2015; and</li> <li>(c) any earlier date on which the Company repays the Convertible Notes in accordance with their terms, including, but not limited to, upon redemption of the Convertible Notes.</li> </ul>
<i>Interest</i>	Interest on each Convertible Note is payable at a rate of 10% per annum, accruing on a daily basis and compounding monthly, payable in full by cash on the Maturity Date.
<i>Face Value</i>	Each Convertible Note has a face value of \$5,000.
<i>Quotation</i>	The Convertible Notes will not be quoted.
<i>Charge</i>	<p>The repayment of (among other things) each and every amount now or at any time in the future owed or owing to a Noteholder and ECP (as trustee) in respect of the Convertible Notes (including the Noteholders' interest) will be secured by a general security deed entered into by the Company pursuant to which it grants security over all of the Company's present and after acquired property (<b>Charge</b>).</p> <p>Noteholders have an interest in the Charge proportionate to their holding of Convertible Notes secured by the Charge.</p>
<i>Redemption</i>	<p>A Convertible Note will be redeemed on the earlier to occur of:</p> <ul style="list-style-type: none"> <li>(a) upon the exercise by ECP (as trustee) of its rights in the event of a default or upon the Company entering liquidation or by the Noteholder enforcing the performance of any of the provisions of the Convertible Note Trust Deed or the Convertible Notes if ECP has failed to do so; or</li> <li>(b) upon the Noteholder exercising its rights to redeem all of the Convertible Notes held by that Noteholder where a change of control event occurs (as defined below).</li> </ul>
<i>Conversion</i>	<p>Unless and until Shareholder approval is obtained to convert the Convertible Notes into Shares, each Convertible Note will be considered a debt instrument without conversion rights.</p> <p>Upon Shareholder approval being obtained, each Noteholder will be deemed to have delivered a conversion notice to the Company in respect of all of the Convertible Notes held by that Noteholder.</p> <p>Within 5 Business Days of the date a conversion notice is deemed received, the Company will proceed to issue and allot to the Noteholder that number of Shares as calculated in accordance with the Conversion Rate, and will notify ECP (as trustee) accordingly.</p> <p>The issue and allotment of Shares on conversion will be and be</p>

	deemed for all purposes to be in full satisfaction and discharge of the principal amount owing to the Noteholder in respect to all of the Convertible Notes held by that Noteholder, but the conversion will in no way affect any liability of the Company for unpaid fees and interest accrued up to the date of conversion.
<i>Conversion Rate</i>	Subject to a reconstruction, the number of Shares to which a Noteholder will be entitled on conversion of each Convertible Note will be equal to the face value of the Convertible Note divided by the Conversion Price.
<i>Conversion Price</i>	\$0.001 per Share.
<i>Change of Control</i>	<p>If:</p> <ul style="list-style-type: none"> <li>(a) a takeover bid (as defined in the Corporations Act) is made for 50% or more of the Shares and that bidder is successful in acquiring a relevant interest in 50% or more of the Shares;</li> <li>(b) there is a change in control of 50% or more of the Shares; or</li> <li>(c) there is a sale of the main undertaking of the Company that would require approval of the ordinary Shareholders of the Company in accordance with ASX Listing Rule 11.2,</li> </ul> <p>the Noteholder must elect to either redeem or convert their Convertible Notes.</p>
<i>Default</i>	<p>It will be an event of default in respect of the Convertible Notes, where, amongst other things:</p> <ul style="list-style-type: none"> <li>(a) the Shareholder meeting is not held on or prior to 31 July 2015, or not all requisite approvals are obtained;</li> <li>(b) the Company fails to make payment of any outstanding money in respect of the Convertible Notes within 5 Business Days of the relevant date for payment (and has failed to remedy the breach within a further 5 Business days);</li> <li>(c) there is an event of default or unremedied breach of a representation, covenant, condition or obligation imposed by specified documents; or</li> <li>(d) the Company makes a resolution to wind up, enters into liquidation or makes a material change to its Constitution without the consent of ECP.</li> </ul>
<i>Reconstruction</i>	<p>Subject to the law and the ASX Listing Rules, as applicable, if there is a reconstruction (including, consolidation, subdivision, reduction or return) of the issued capital of the Company, the basis for conversion of the Convertible Notes set out in the Conversion Rate will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on the Shareholders of the Company, (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Convertible Notes will remain unchanged.</p> <p>The above adjustments will, subject to the law and the ASX Listing</p>

	Rules (as applicable), be determined by the Company.
<i>Bonus issues</i>	<p>If a bonus share allotment is made by the Company to its ordinary Shareholders, at any time during the period subsequent to the issue of a Convertible Note to a Noteholder and prior to the date of conversion, and if the Noteholder exercises its option to convert all of the Convertible Notes held by the Noteholder into Shares on that date of conversion, the Company will issue and allot to that Noteholder:</p> <p>(a) shares in the capital of the Company of the same class as the shares the subject of the bonus share allotment; and</p> <p>(b) the number of shares so issued will be equal to the number of shares in the capital of the Company to which that Noteholder would have been entitled, if the face value of the Convertible Notes held by that Noteholder in respect of which the Noteholder has exercised its option to convert all of the Convertible Notes held by that Noteholder, had been converted immediately prior to the making of the bonus share allotment,</p> <p>on terms and conditions that are the same as or correspond with or are no more favourable to the Noteholder than the terms and conditions on which such shares are allotted to any ordinary Shareholder of the Company.</p>
<i>Right to attend meetings</i>	A Noteholder is entitled to attend any Shareholder meeting of the Company. A Convertible Note does not carry a right to vote at any Shareholder meeting unless provided for by the ASX Listing Rules or the Corporations Act.
<i>Transferable</i>	The Convertible Notes (in whole but not part) may be transferred or assigned by a Noteholder provided the transfer or assignment is notified to the Company at least 3 Business Days prior to the date of transfer or assignment.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.004 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three (3) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being



ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**(i) Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

**(j) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(k) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(l) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(m) Unquoted**

The Company will not apply for quotation of the Options on ASX.

**(n) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**LODGE YOUR VOTE**

**ONLINE**
[www.whlenergy.com.au](http://www.whlenergy.com.au)

**BY MAIL**

WHL Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**

+61 2 9287 0309


**BY HAND**

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

**ALL ENQUIRIES TO**

Telephone: +61 1300 554 474


**X99999999999**
**PROXY FORM**

I/We being a member(s) of WHL Energy Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**
☐
**the Chairman of the Meeting (mark box)**
**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **1:00pm (WST) on Friday, 31 July 2015 at CWA House, 1176 Hay Street, West Perth, 6005 (the Meeting)** and at any postponement or adjournment of the Meeting.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**
**VOTING DIRECTIONS**
**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**
**Please read the voting instructions overleaf before marking any boxes with an ☒.**
**Resolutions**

	For	Against	Abstain*		For	Against	Abstain*
<b>1</b> Approval for issue of shares on conversion of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>5</b> Approval for issue of shares to Mr Alan Matthew Fittall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2</b> Ratification of prior issue of shares to Energy Capital Partners Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>6</b> Approval for issue of shares to Pac Partners Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3</b> Approval for issue of options to Energy Capital Partners Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
<b>4</b> Approval for issue of shares to Mr Robert Richter QC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **1:00pm (WST) on Wednesday, 29 July 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.whlenergy.com](http://www.whlenergy.com)

On WHL Energy's home page select the button titled 'Lodge your proxy form here' this will direct you to Link's website. Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

WHL Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**