

WHL Energy Limited

ABN 25 113 326 524

ANNUAL REPORT

**FOR THE FINANCIAL YEAR ENDED
30 June 2015**

WHL ENERGY LIMITED
and its controlled entities

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WHL ENERGY LIMITED
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CORPORATE INFORMATION

ABN: 25 113 326 524

Directors:

Mr Stuart Brown – Chairman
Mr Graham Durtanovich – Non-Executive Director
Mr Faldi Ismail – Non-Executive Director

Company Secretary:

Mr Steven Wood

Registered office:

Level 2, 22 Delhi Street, West Perth WA 6005

Principal place of business:

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Postal Address:

PO Box 1042, West Perth WA 6872

Share registry:

Link Market Services
Level 4, Central Park, 152 St Georges Terrace, Perth WA 6000
Phone: 1300 554 474

Solicitors:

Corrs Chambers Westgarth
Level 5, Woodside Plaza, Perth WA 6000
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DLA Piper Australia
Level 31, Central Park, 152-158 St Georges Terrace,
Perth WA 6000
Phone: +61 8 9211 3600 Fax: +61 8 9211 3690

Bankers:

Westpac
Level 6, 109 St Georges Terrace, Perth WA 6000

Auditors:

HLB Mann Judd
Level 4, 130 Stirling Street, Perth WA 6000

Securities Exchange Listing:

WHL Energy Ltd shares are listed on the Australian Securities Exchange (ASX: WHN)

WHL ENERGY LIMITED **and its controlled entities**

DIRECTORS' REPORT

Your Directors submit the annual financial report of the Consolidated Entity consisting of WHL Energy Limited and its controlled entities ("**the Group**") for the financial year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of directors who held office during or since the end of the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Stuart Brown, B.Sc Honours (Geology)

Independent Chairman (Appointed 2 June 2015)

Independent Non-Executive Director (Appointed 6 December 2013)

Mr Brown has a proven and successful track record in the oil and gas industry with extensive experience at technical, managerial, executive and Board levels. Mr Brown has been involved in all areas of the upstream oil and gas industry with demonstrated success in strategic, business, technical and human resource management.

Mr Brown is currently the Managing Director of International Oil and Gas Strategies Pty Limited. Previously he held the position of Vice President Strategic Planning with Woodside Energy Limited and his career spans more than 30 years of international experience with both Woodside and Shell International.

In the 3 years immediately before the end of the financial year, Mr Brown also served as a Non-Executive Director of the following listed companies:

- Empire Oil and Gas N.L (ASX: EGO) (Appointed 21 January 2014)
- Galicia Energy Corporation Limited (ASX: GAL) (31 January 2014 – 18 February 2015)
- Cue Energy Resources Limited (ASX: CUE) (Appointed 24 July 2014)

Interests in WHL Energy Limited:

678,125 Ordinary shares

129,375 Options

Mr Faldi Ismail, B.Bus

Independent Non-Executive Director (Appointed 2 June 2015)

Independent Non-Executive Chairman (Appointed 24 September 2013, Resigned 2 June 2015)

Mr Ismail is an experienced corporate advisor who specialises in the restructure and recapitalisation of a wide range of ASX-listed companies. He has many years of investment banking experience and has advised on numerous cross border transactions including capital raisings, structuring of acquisitions and joint ventures overseas.

Mr Ismail is also the founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers & acquisitions, capital raisings and Initial Public Offerings.

In the 3 years immediately before the end of the financial year, Mr Ismail also served as a director of the following listed companies:

- Advanced Engine Components (ASX:ACE) (Appointed 5 June 2015)
- Galicia Energy Corporation (ASX:GAL) (Appointed 15 May 2015)
- BGD Corporation Limited (ASX:BGD) (Appointed 10 May 2014)
- Style Limited (ASX: SYP) (Appointed 3 May 2013 – Resigned 10 August 2015)
- Emergent Resources Limited (ASX: EMG) (Appointed 31 May 2014)
- Kalimantan Gold Corporation Limited (TSX.V: KLG) (Appointed 12 September 2009)
- Coventry Resources Inc (ASX: CYY) (Appointed 28 May 2009 – Resigned 8 January 2013)
- Ascot Resources Limited (ASX: AZQ) (Appointed 24 September 2010 – Resigned 27 March 2013)
- Minbos Resources Limited (ASX: MNB) (Appointed 17 December 2009 – Resigned 1 January 2012)

Interests in WHL Energy Limited:

350,000 Ordinary shares

20,000 Options

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Mr Graham Durtanovich, BEc, GradDipAppFin, MBA
Independent Non-Executive Director (Appointed 2 June 2015)

Mr Durtanovich brings extensive Financial Management experience from large private enterprise. He previously held the role of Chief Financial Officer within that company and was responsible for the financial administration, strategic planning, risk analysis and Corporate Governance.

In the 3 years immediately before the end of the financial year, Mr Durtanovich held no other directorship in listed companies.

Interests in WHL Energy Limited: NIL

Mr David Rowbottam, B.Bus
Managing Director (Appointed 1 October 2013) (Resigned 31 May 2015)
Finance Director (Appointed 6 June 2011)

Mr Rowbottam was previously the founding Managing Director of Exoma Energy Limited; an ASX listed US focused oil and gas exploration company from July 2007 through to March 2010. In this role Mr Rowbottam led the management team and was responsible for overseeing the company's ASX listing and its management of offshore assets. Prior to that Mr Rowbottam worked as a senior financial executive with international and Australian experience as Chief Financial Officer, Financial Controller, and in Senior Management positions with businesses including Antares Energy Limited, the Alinta Group and BHP.

As Manager of Corporate Investments at Alinta Group he worked closely with the General Manager for Business Development and was involved in the financial assessment of project investments, construction accounting, cost management services, corporate financial planning and modelling. In his subsequent role as Financial Controller he was involved in the operation of five power stations and had a further two Cogeneration Power Stations under construction.

In the 3 years immediately before the end of the financial year, Mr Rowbottam held no other directorship in listed companies:

Interests in WHL Energy Limited at date of resignation:
1,355,000 Ordinary shares
66,666 Options

Mr Jeffrey Schrull, M.S. Geophysics
Independent Non-Executive Director (Appointed 15 April 2014) (Resigned 18 August 2014)

Mr Schrull is a Senior Executive with over 25 years' experience as an oil and gas professional in the upstream exploration and production business. In recent years, Mr Schrull held the position of Managing Director at Rialto Energy Limited (now Azonto Petroleum Limited), focussed on West Africa, following his successful role as General Manager Exploration at Addax Petroleum. Mr Schrull spent over 18 years working internationally with Chevron in E&P roles of increasing responsibility.

His experience, together with his strong technical and commercial background in both exploration and developmental projects, provided WHL Energy with further strength for future growth in terms of executive technical and commercial resources at a Board level.

In the 3 years immediately before the end of the financial year, Mr Schrull served as the Managing Director of the following listed company:

- Azonto Petroleum Limited (formerly Rialto Energy Limited) (ASX: EGO) (Appointed 21 July 2010 – Resigned 20 December 2012)

Interests in WHL Energy Limited (at date of resignation): NIL

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Company Secretary

Mr Ian Hobson, B. Bus, FCA, ACIS, MAICD
Company Secretary (Appointed 23 August 2013) (Resigned 26 August 2015)

Mr Hobson is a Fellow Chartered Accountant in Australia and Chartered Secretary. Mr Hobson is a sole practitioner with over 25 years' experience in the profession. Mr Hobson provides company secretarial, finance and administration services to listed public companies and a number of private/ benevolent organisations.

Interests in WHL Energy Limited: NIL

Mr Steven Wood, B. Comm, CA
Company Secretary (Appointed 26 August 2015)

Mr Wood is a Chartered Accountant and specialises in corporate advisory, company secretarial and financial management services. Mr Wood has previously been involved in various private and seed capital raisings as well as successful ASX listings, whilst also providing company secretarial and financial management services to both ASX and unlisted public and private companies.

Interests in WHL Energy Limited: NIL

Directors' interests in the shares options and performance rights of the Company and related bodies corporate

The following relevant interests in the shares of the Company or a related body corporate were held by the Directors as at the date of this report.

Directors	Shares	Listed options	Unlisted options and performance rights
	No.	No.	No.
Mr Brown	678,125	129,375	-
Mr Durtanovich	-	-	-
Mr Ismail	350,000	20,000	-

Ordinary shares issued as a result of options and performance rights issued

Details of ordinary shares issued by the Company during or since the end of the financial year as a result of the exercise of options and performance rights are:

Interest exercised	Shares No.	Paid per share \$
Performance rights and options*	2,040,000	0.0000

*Post consolidation

Unlisted Options and performance rights that have lapsed

Details of options and performance rights of the Company that have lapsed during or since the end of the financial year are:

Lapsed	Shares No.	Exercise price \$
WHNAI (Series 5)*	340,000	0.0000
WHNAS*	1,640,000	0.0000

*Post consolidation

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in the Remuneration Report of this Directors' Report, on pages 12 to 23. The Remuneration Report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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Unissued ordinary shares under option by KMP

At the date of this report there are no unissued ordinary shares of the Company under option held by the Directors and other members of KMP.

Share under options

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price \$	Shares under option No.
Listed options		
30/11/2016*	0.18	3,638,715
30/06/2018	0.002	37,858,095
		41,496,810
Unlisted options		
03/12/2017	0.014	19,300,000
31/07/2018	0.004	350,000,000
		369,300,000

*Post consolidation

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2015. No dividends have been paid or declared during the financial year.

Principal activities

The principal activities of the entities within the Group during the year were oil and gas exploration. WHL Energy is an Australian based exploration company with projects both within the Republic of Seychelles and Australia. The Group's asset portfolio is comprised of conventional oil and gas projects, focusing specifically on opportunities within Africa and offshore Australia.

Review of operations

During the 2015 financial year, the Group continued to progress the exploration of its existing projects and seek opportunities to grow its asset portfolio. This information outlined below has been previously released in announcements to the ASX during the financial period.

VIC/P67 - La Bella

(WHN: 100% Operator), Offshore Otway Basin, Victoria, SE Australia.

VIC/P67 contains the La Bella gas discovery and a substantial portfolio of attractive exploration prospects. The area is located close to existing development infrastructure, including the Santos operated Casino facility, the Origin operated Otway gas project and the BHPB operated Minerva development.

The Company's objective in VIC/P67 is to commercialise the substantial gas potential within the block through successful exploration drilling and the development of the La Bella field.

Activities in VIC/P67 during the year concentrated on the maturation of drilling targets for the Year 3 wells and the preparations for drilling. The PreSTM processing of the La Bella 3D seismic survey was completed in July 2014. A further Simultaneous Inversion processing of a 215 km² subset of the La Bella 3D seismic survey was also undertaken during the third quarter in support of the prospect characterisation.

The company, on behalf of the Joint Venture during Peedamullah Petroleum's ("AWE") involvement, carried out an extensive interpretation of the La Bella 3D seismic data to define the prospect inventory for the block, from which the Year 3 commitment wells could be selected. A portfolio of some 14 prospects and leads were mapped with total best estimate prospective resources of some 1044 bcf gas and 31.2 MMbbls of condensate and LPG, announced in September 2014.

A group of prospects have been mapped on the Ferrier Terrace immediately west of the La Bella Field, which are characterised by stacked structurally conforming amplitude anomalies (Mylius, Mylius West, Ferrier and Ferrier South). These prospects have low geological risk and Best Estimate Prospective Resources* total 196 Bcf sales gas and 6.2 MMbbls of condensate and LPG. This is in addition to the La Bella discovery, with a 2C Contingent Resource of 74 Bcf sales gas and 2.4 MMbbls of condensate and LPG. These low risk prospects, in combination with the La Bella field, could form a core gas development in VIC/P67 in the case of successful exploration drilling.

The highest potential prospect in the block is the Lowlander structure which has a best estimate Prospective Resources of 135 bcf gas and upside (P10) Prospective Resources of 279 bcf gas. The seismic data over western half of this feature suffers from ray path distortion and multiples and a further specialised PreSDM and de-multiple

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processing of the data is required to mature this prospect for drilling. Additional upside potential lies in the Highlander structure, particularly in Waarre C reservoirs within closure on the eastern flank, and the Alexandra structure.

Further development concept selection engineering studies and commercial evaluations were also undertaken and extensive preparations for the drilling of the Year 3 wells were also made.

During the year, AWE, which previously held 60% equity in the block, withdrew from the Joint Venture (19 December 2014) under a right of withdrawal in the farm-in agreement. AWE had already funded the majority of the costs of the La Bella 3D seismic survey acquisition and processing.

In September 2013 TAP Oil Limited ("TAP") had entered into a Farm in option agreement to earn between 10 and 15% by funding up to \$3m of the La Bella 3D seismic survey. On 12 February 2015, TAP elected not to exercise their option to farm-in. Consequently WHL Energy again holds 100% equity in VIC/P67.

While it is disappointing that AWE withdrew from the VIC/P67 permit, and TAP elected not to exercise their option to participate in the drilling phase, the company's ongoing development of the potential in the permit continues to reinforce the value of this acreage.

A further farm-out campaign was undertaken in late 2014. Unfortunately this coincided with the recent collapse in oil price which has placed many companies under financial pressure and forced others to review their business plans. This had a negative impact on the interest in the farm-out campaign.

An application for an Above Work Program Variation and Suspension and Extension was made to the National Offshore Petroleum Titles Administrator (NOPTA) in May 2015 and was awarded on 19 August 2015. The above work program variation acknowledges the Simultaneous Inversion processing already completed and the requirement for PreSDM reprocessing, while the 12 month Suspension and Extension to Year 3 will provide time for completion of the PreSDM reprocessing, interpretation and well planning for drilling.

Seychelles

(WHN: 25% Non-Operator)

The Company retains a 25% equity position in a 12,856km² high potential, frontier exploration area offshore Seychelles, which is operated by Ophir Energy Plc following a farm-out by WHL Energy in early 2014. Significant progress continued to be made on the Seychelles project during the year, with the acquisition, processing and ongoing interpretation of the Junon 3D seismic survey. This data and its evaluation will be pivotal to the decision by Ophir on whether to enter the drilling phase of their farm-in.

The Junon 3D seismic survey was acquired under WHL Energy's farm-out to Ophir, in which WHL Energy was fully carried through the costs of the acquisition of 1500 km² of 3D seismic data up to a cost cap of US\$17million. Acquisition of the 1,528km² Junon 3D seismic survey was completed at the end of July with no reportable environmental or safety incidents, within budget, and with no cost exposure to WHL Energy.

A preliminary PreSTM processed volume was received in November 2014 and the final PreSDM volume in May 2015. Interpretation of a preliminary PreSTM volume of the Junon 3D seismic data by WHL Energy confirmed a number of key prospects in the Junon area that were initially identified by the previous regional 2D seismic survey. Interpretation of the PreSDM data by Ophir has commenced, to re-evaluate these prospects on the final processed data.

Under Ophir's farm-in agreement, on or before 31 December 2015, Ophir may either withdraw or exercise the option to (i) fully fund the acquisition of a further 1,000km² of 3D seismic, up to a total amount of US\$12 million; and (ii) fund 90% of the costs of the first exploration well, up to a total amount of US\$30 million. Additionally, upon exercising the option to retain its interests, Ophir will pay WHL Energy a further US\$2 million in cash. The company looks forward to the results of the final interpretation and Ophir's decision.

WA 460-P (Palta)

(WHN: 33.33% Non-Operator), Carnarvon Basin, Western Australia

The Company previously held 33.33% equity in WA 460-P located 70km west of Cape Range. During the year the company successfully exited this permit.

Following a submission to Joint Authority, WHL Energy was advised in May 2015 that the Company qualified to enter into a Good Standing Arrangement ("GSA") with respect to the cancellation of Petroleum Exploration Permit WA-460-P. The GSA with the Joint Authority is subject to terms and conditions in accordance with the Exploration Permit Guidelines. This includes an obligation to expend an amount of A\$277,409 in a qualifying permit obtained through successful bidding on re-release area in the Australian Governments annual Offshore Petroleum Acreage Release.

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New Business Development

During the course of the year the company evaluated a number of new asset opportunities which were complementary to the company's existing portfolio, at both the open acreage bid rounds and asset acquisition levels. The company was an under-bidder in an Australian acreage release block and the company made substantial progress with a potential near term production opportunity in Africa, however discussions were subsequently suspended due to commercial and financial risks.

*Best Estimate Prospective Resources

1. *Prospective Resources; The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially moveable hydrocarbons.*
2. *The reported best estimate Prospective Resources are 100% gross deterministic best estimates. WHL Energy's net equity interest in these estimates is 100% in VIC/P67.*

These Prospective Resource estimates were initially reported to the ASX on 8 September 2014.

Operating results for the year

The net loss after income tax of the Group for the year ended 30 June 2015 totalled \$3,181,018 (year ended 30 June 2014: loss \$5,520,850). This is equivalent to a loss of 1.91 cents per share (year ended 30 June 2014: loss of 3.69 cents per share).

Operating results for the year	30 June 2015	30 June 2014
	\$	\$
Net loss after tax from continuing operations	3,181,018	5,520,850
Overall net loss after tax	3,181,018	5,520,850

Shareholder returns

The table below shows the financial performance against shareholder returns as measured by the closing share price at 30 June 2015:

Shareholder returns	30 June 2015	30 June 2014
Net loss after tax (\$)	3,181,018	5,520,850
Basic loss per share (cents)*	1.91	3.69
Closing period end share price (cents)	0.6	1.2

*Based on post consolidation number of shares.

Review of financial conditions

The net assets of the Group have increased to \$26,008,106 at 30 June 2015 (2014: \$25,539,654). The increase is attributable to the movement in foreign exchange and a decrease in the operating expenditure as a result of cost management strategies that were entered into during the year.

The Group's cash position at 30 June 2015 is \$1,230,069 (30 June 2014: \$3,833,381).

Cash of \$645,930 generated from the non-renounceable pro-rata entitlement offer before costs has been used to fund exploration and development expenditure and working capital. Significant costs were incurred as a result of debt financing activities set out in detail below.

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Significant changes in the state of affairs

Board of Directors

There were several changes to the Board during the year. On 18 August 2014, Mr Schrull tendered his resignation, as he was no longer in a position to actively participate as a Director after relocating to the Eastern States for business purposes.

In conjunction with the Company's proposed re-capitalisation, Mr Rowbottam departed the Company on 31 May 2015. Mr Brown assumed the role of Chairman of the board while Mr Ismail was joined in the role of Non-Executive Director by Mr Durtanovich on 2 June 2015. The Board assumed management of the Company's affairs. A replacement for Mr Rowbottam has not yet been sought. With the focus on further cost reduction measures, the board will continue to manage the Company's day-to-day activities while fully reviewing the Managing Director role.

Farm-in activities

On 19 December 2014, the Company received notification from Peedamullah Petroleum that AWE had elected not to proceed as part of the VIC/P67 Joint Venture.

On 12 February 2015, TAP advised that it had elected not to proceed with an option to acquire an initial 10% interest in the WHL Energy-operated VIC/P67 permit off the coast of Victoria. Payment of their final seismic cost amounting to US\$2,778,887 was received on 31 March 2015 and TAP have no further obligation or liability in respect of permit VIC/P67.

Capital raising and financing facilities

The Company undertook a non-renounceable pro-rata entitlement offer on 22 September 2014 on the basis of 3 Shares for every 10 Shares held, together with 2 free attaching New Listed Options (WHNO) for every 3 Shares subscribed for, at an issue price of \$0.01 per Share. The Entitlement Offer was undertaken through a prospectus and was not underwritten. The entitlement offer closed on Friday, 31 October 2014 with subscriptions for 54,501,148 ordinary shares raising a total of \$545,011.48. The total shortfall under the Shareholder Entitlement Offer was 88.8% of the total offering.

Following shareholder approval at the AGM in November 2014, the Company undertook a consolidation of its share capital on the basis of one (1) share post consolidation for every existing ten (10) shares before consolidation. The process was completed in accordance with the prescribed ASX timetable and was completed on 9 December 2014.

The US\$2,778,887 received on 31 March 2015 from TAP was used to repay the short term finance agreement of \$3,680,000 from Argonaut Equity partners.

As a result of the shortfall in the non-renounceable offer and the inability to conclude farm-outs of the Company's exploration assets the Company entered into 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 a convertible loan facility entered into with Magna Equities II, LLC (Magna) 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. 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 Energy Capital Partners Pty Ltd (ECP). The Company subsequently entered into agreements with ECP to facilitate the recapitalisation of the Company.

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

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shareholders could continue to participate in the upside associated with the Company's Seychelles and VIC/P67 assets.

The recapitalisation proposal comprised the issue of convertible notes (Convertible Notes) secured over the Company's assets to the value of \$2 million, converting into ordinary fully paid shares in the Company at \$0.001 (subject to shareholder approval). Subject to the satisfaction of certain conditions precedent, ECP subscribed for, or procured the subscription for, the Convertible Notes in two tranches of \$1 million during June 2015. Shareholder approval was obtained for the conversion of the Convertible Notes at a General Meeting on 31 July 2015, and 2,000,000,000 new ordinary shares in the Company were issued. In consideration for ECP procuring the subscription for Convertible Notes, the Company agreed to issue ECP 20,000,000 shares at an issue price of \$0.00001 and 350,000,000 options at an issue price of \$0.00001 in the Company. ECP was also paid fees of 15% of the amount raised through the issue of Convertible Notes.

The funds received were used to repay monies owed by the Company under the Richter Loan, the Magna facility, ECP fees in connection with the issue of the Convertible Notes and for budgeted expenditure agreed between the Company and ECP.

The Controlled Placement Agreement ("CPA") entered into in September 2013 with Acuity Capital was terminated.

On 25 June 2015, the Company announced a proposed non-renounceable pro rata offer to Eligible Shareholders ("Rights Issue").

Vesting of performance rights, options and issue of shares

All remaining performance rights were voluntarily forfeited by the Directors on 29 June 2015 and there are no further performance rights or performance options on issue at the date of this report.

Significant events after the balance date

VIC/P67

On 19 August 2015, the Company received approval from the Commonwealth-Victoria Offshore Petroleum Joint Authority for an above-commitment variation of the Permit Year 3 work program, and a 12 month suspension of the Permit Year 3 work program commitments, with a corresponding 12 month extension of the permit term. As a result, Permit Year 3 will end on 3 August 2016 and the permit term will end on 3 August 2019.

Conversion of convertible note

Shareholder approval was obtained for the conversion of the Convertible Notes at a General Meeting on 31 July 2015, and 2,000,000,000 new ordinary shares in the Company were issued. In consideration for ECP procuring the subscription for Convertible Notes, the Company agreed to issue ECP shares and options in the Company and pay fees on the terms set out in the Schedule to the announcement of 2 June 2015.

Issue of Equity

The following equity issues have been completed subsequent to 30 June 2015:

Date	Type of Security Issued	Number of Securities Issued	Price per Security	Funds raised	Note
2 July 2015	Ord	20,000,000	\$0.000001	\$200	In accordance with terms of Recapitalisation Deed
24 July 2015	Ord	18,384,572	\$0.0042	\$77,871	To fund working capital
31 July 2015	Ord	2,222,160,000	\$0.001	\$2,222,160	Conversion of convertible note and in lieu of amounts owed
31 July 2015	ULO	350,000,000			\$0.004, 31 July 2018
10 September 2015	Ord	151,432,647	\$0.001	\$151,432.65	Rights Issue
10 September 2015	Listed Options (\$0.002, 30 June 2018)	37,858,095	\$0.001	\$37,858.09	Rights Issue

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Shareholder Meeting

A meeting of the Company's shareholders was held on 31 July 2015. The following resolutions were put to and approved by the shareholders of the Company:

Resolution 1—Approval for Issue of Shares On Conversion Of Convertible Notes
Resolution 2—Ratification of Prior Issue of Shares To Energy Capital Partners Pty Ltd
Resolution 3— Approval for Issue of Options To Energy Capital Partners Pty Ltd
Resolution 4 – Approval for Issue of Shares To Mr Robert Richter QC
Resolution 5 – Approval for Issue of Shares To Mr Alan Matthew Fittall
Resolution 6 – Approval for Issue of Shares To Pac Partners Pty Ltd

Capital Raising

On 25 June 2015, the Company announced a proposed non-renounceable pro rata offer to Eligible Shareholders ("Rights Issue"). The Prospectus was lodged on 13 August 2015 and the Rights Issue, if fully subscribed, will raise up to approximately \$3,040,017. There are 2,432,013,666 New Shares on offer at an issue price of \$0.001 per New Share and 608,003,416 New Listed Options at an issue price of \$0.001 per New Option on offer. The capital raised will be directed to ongoing operations, financing exploration and evaluation of new projects and working capital. The Prospectus was not underwritten and was despatched to shareholders on 25 August 2015. The Rights Issue closed at 5.00pm WAT on Thursday 3 September 2015 in accordance with the timetable for the Rights Issue, and raised \$189,290.74. The shortfall of the Rights Issue will be allotted at the Directors Discretion.

Reassessment of US Tax Liability

The Company reviewed the 31 December 2014 tax return of its 100% owned subsidiary PetroQuest International Inc. prior to lodgement of the return in mid-September 2015 and in conjunction with discussions with the Company's tax accountants amended the estimated return to more accurately reflect the operations of the subsidiary. As a result it was deemed that the estimated tax liability of \$303,376 that was previously recorded and included at note 4 was not correct and this amount is not a liability to the Company.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

Likely developments and expected results

Other than the matters included in this Directors Report or elsewhere in the Annual Financial Report, future developments, business strategies and prospects of the Company and the expected results of those operations have not been disclosed, as the Directors believe that their inclusion would most likely result in unreasonable prejudice to the Company.

Environmental legislation

The operations of the Company are subject to a range of statutory environmental regulations relating to oil and gas exploration in Australia and the Seychelles. There is legislation that governs the general requirements for managing environmental impact and specific environmental authorities with conditions for each area of operation.

The Board of Directors in its ongoing monitoring of compliance with environmental regulations has not become aware of any significant breach of the regulations governing the Company's operations during the period covered by this report.

Corporate Governance Statement

Under ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be found at page 75 of this Annual Report.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for the KMP of the Group for the financial year ended 30 June 2015. The information provided in this Remuneration Report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The Remuneration Report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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DIRECTORS' REPORT

Key management personnel

Directors

Mr Brown	Chairman	Appointed 2 June 2015
	Non-Executive Director	Resigned 2 June 2015
		Appointed 24 September 2013
Mr Durtanovich	Non-Executive Director	Appointed 2 June 2015
Mr Ismail	Non-Executive Director	Appointed 2 June 2015
	Chairman	Resigned 2 June 2015
		Appointed 24 September 2013
Mr Schrull	Non-Executive Director	Resigned 18 August 2014
		Appointed 15 April 2014
Mr Rowbottam	Managing Director	Resigned 31 May 2015
		Appointed 6 June 2011

Senior Executives

Mr Fittall	Exploration Manager	Resigned 31 July 2015
		Appointed 6 June 2011

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration committee

The Nomination and Remuneration Committee is responsible for determining and reviewing compensation arrangements for the Executive Directors. The remuneration for Non-Executive Directors is set out in the constitution of the Company and the aggregate remuneration was approved in the annual general meeting held in November 2011. The Executive Director's contract applicable during the financial year was approved by the Chairman.

The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit for the retention of a high quality Board and executive team.

During the year under review there was not a separate Nomination and Remuneration committee. As such, the responsibilities that traditionally fall to the Nomination and Remuneration Committee were undertaken by the full Board.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of Non-Executive Directors and Executive Directors remuneration is separate and distinct.

Non-Executive Director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Board considers advice from external stakeholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company inclusive of additional fees paid for each Board committee on which a director sits.

The remuneration of Non-Executive Directors for the period ended 30 June 2015 is detailed within this report in the Table of Remuneration of Key Management Personnel.

Senior Executive remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Remuneration for the Executive Directors is subject to ongoing review by the Nomination and Remuneration Committee. Senior Executive remuneration is subject to review by the Board.

WHL ENERGY LIMITED and its controlled entities

DIRECTORS' REPORT

Fixed remuneration

Fixed remuneration is reviewed annually. The process consists of a review of relevant comparative remuneration both within the market and internally and, where appropriate, external advice on policies and practices. The Nomination and Remuneration Committee has access to external, independent advice where necessary.

Senior Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and other. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component of the KMP of the Company is detailed in the Remuneration of Key Management Personnel Table in this report.

Variable remuneration

The objective of the short term incentive programme is to link the achievement of the Company's operational targets with the remuneration received by the executives and senior management charged with meeting those targets. The total potential short term incentive available is set at a level so as to provide sufficient incentive to achieve the operational targets such that the cost to the Company is reasonable in the circumstances.

Actual payments granted depend on the extent to which specific operating targets are met. The aggregate of annual payments available for Senior Executives across the Company is subject to the approval of the Board. There was no variable remuneration granted during the year under review.

The Company makes long term incentive awards to Senior Executives in a manner that aligns this element of remuneration with the creation of shareholder wealth. The details of these awards are included in the employee share option plans.

Employment contracts

Non-Executive Directors

The Company had entered into terms of engagement with Mr Ismail, Mr Brown, Mr Schrull and Mr Durtanovich whereby they were appointed either as Chairman or Non-Executive Directors of the Company. The terms of the appointment are determined in accordance with the Company's constitution and are subject to the provisions of the Constitution dealing with retirement, re-election and removal of directors of the Company.

The terms of the engagement provide that the Company will maintain an appropriate level of directors' and officers' insurance and provide access to the Company's records in accordance with the terms of indemnity, insurance and access entered into between the Company and each Non-Executive Director.

The remuneration payable to the Chairman is \$72,750 per annum exclusive of superannuation from the respective dates of appointment. The remuneration payable to the Non-Executives is \$48,000 per annum exclusive of superannuation, from the respective dates of appointment. The Non- Executives have agreed to forgo their remuneration until such time as the Company's financial position has improved.

Executive Directors

At the date of this report there was no Executive Director and the Board have assumed this role until the recapitalisation proposal is completed.

The executive employment agreement for Mr Rowbottam was reviewed by the Nomination and Remuneration Committee. Mr Rowbottam's remuneration was a total fixed cost remuneration of \$394,000 inclusive of superannuation. Mr Rowbottam resigned on 31 May 2015 as a result of the Recapitalisation proposal.

The executive employment agreement for 2015 did not provide for a short-term cash incentive bonus. Mr Rowbottam was granted 1,000,000* performance rights as part of a long term incentive in November 2012 and a further 800,000* performance rights were granted on 28 March 2014. The purpose of the performance rights granted was to provide a retention incentive component to the remuneration to motivate the performance in his role as Managing Director. On 1 July 2014, 720,000* performance rights vested and were exercised.

Other than the terms of office, the Managing Director employment agreement terms were not changed from his original employment agreement. Under the terms of the employment agreement the Executive may terminate by giving 2 months' notice in writing, or such shorter period as may be agreed. Except for the Company's right to terminate without notice in prescribed circumstances, the Company may terminate the executive director's employment as follows:

- by giving Mr Rowbottam 6 months' written notice (or payment in lieu); or
- by providing either 1 month's written notice, if by reason of any illness, injury or incapacity, Mr Rowbottam is unable to perform his duties for a total of two months in any period of 12 months.

WHL ENERGY LIMITED
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DIRECTORS' REPORT

In terms of a Deed of Separation entered into on 31 May 2015 Mr Rowbottom agreed to a payment of \$101,963 in lieu of notice and forfeited 680,000 performance rights.

The terms of the engagement provide that the Company maintain an appropriate level of directors' and officers' insurance and provide access to the Company's records in accordance with the terms of indemnity, insurance and access entered into between the Company and each executive director.

Senior Executives

Mr Fittall was appointed as Exploration Manager under an executive employment agreement on 6 June 2011. Mr Fittall's fixed cost remuneration was \$450,000 inclusive of superannuation and remains unchanged from the 2014 financial year.

The executive employment agreement for 2015 did not provide for a short-term incentives bonus. The executive employment agreement provided for a long term incentive bonus of 1,200,000* zero priced options as part of a long term incentive granted on 17 December 2012. On 1 July 2014, 480,000* of the remaining zero priced options vested, and were exercised.

Under the terms of the employment agreement the senior executive may terminate his executive employment by giving 3 months' notice in writing, or such shorter period as may be agreed. Except for the Company's right to terminate without notice in prescribed circumstances, the Company may terminate the executive's employment as follows:

- by giving Mr Fittall 6 months' written notice (or payment in lieu); or
- in the event of redundancy or defined change in circumstances entitled to severance pay of 6 months' salary.

In terms of a Deed of Separation entered into on 31 May 2015 Mr Fittall agreed to a payment of \$112,499 in lieu of notice and forfeited 240,000 zero priced options.

WHL ENERGY LIMITED
and its controlled entities

CORPORATE INFORMATION

Remuneration of key management personnel for the year ended 30 June 2015

KMP		Short-term employee benefits				Post-employment benefits		Equity Equity based payments	Total	Performance related
		Salary & fees	Bonuses	Termination benefits	Other	Super- annuation	Other			
		\$	\$	\$	\$	\$	\$	\$	\$	%
Directors										
Mr Benson	2015	-	-	-	-	-	-	-	-	Nil
	2014	18,188	-	-	40,000	1,682	-	-	59,870	Nil
Mr Brown	2015	34,000	-	-	-	3,877	-	-	37,877	Nil
	2014	27,261	-	-	-	1,891	-	40,010	69,162	Nil
Mr Durtanovich	2015	-	-	-	-	-	-	-	-	Nil
	2014	-	-	-	-	-	-	-	-	Nil
Mr Ismail	2015	51,531	-	-	-	7,223	-	-	58,754	Nil
	2014	55,681	-	-	-	2,884	-	43,929	102,494	Nil
Mr King	2015	-	-	-	-	-	-	-	-	Nil
	2014	24,076	-	-	-	-	-	-	24,076	Nil
Mr Noske	2015	-	-	-	-	-	-	-	-	Nil
	2014	87,034	-	90,498	2,753	4,444	-	-	184,729	Nil
Mr Rowbottam	2015	318,320	-	101,962	8,293	18,783	-	-	447,358	Nil
	2014	361,064	-	-	7,719	17,775	-	146,619	533,177	Nil
Mr Schrull	2015	4,714	-	-	-	448	-	-	5,162	Nil
	2014	7,661	-	-	-	709	-	-	8,370	Nil
Total Directors	2015	408,565	-	101,962	8,293	30,331	-	-	549,151	Nil
Remuneration	2014	580,965	-	90,498	50,472	29,385	-	230,558	981,878	Nil
Senior Executives										
Mr Fittall	2015	394,620	-	112,500	-	18,783	-	-	525,903	Nil
	2014	432,722	-	-	-	17,775	-	142,415	592,912	Nil
Total Senior Executives	2015	394,620	-	112,500	-	18,783	-	-	525,903	Nil
Remuneration	2014	432,722	-	-	-	17,775	-	142,415	592,912	Nil

WHL ENERGY LIMITED
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DIRECTORS' REPORT

Unlisted performance rights and option plans in existence during the financial year relating to KMP

Performance rights and options granted to KMP were as remuneration unless otherwise noted. On 29 June 2015, all the WHNAI Series 5 options and WHNAS performance rights were forfeited either as a result of resignation or voluntary forfeiture by KMP.

	Grant date	Expiry date	Fair value at grant date \$	During the financial year	Vesting date
Performance Rights series					
WHNAS	17/12/2012	01/07/2015	0.032	40% vested	Conditional on continuous employment 40% on 1 July 2013 40% on 1 July 2014 20% on 1 July 2015
WHNAS	04/04/2013	01/07/2016	0.001	40% vested	Conditional on continuous employment 40% on 1 July 2014 40% on 1 July 2015 20% on 1 July 2016
Option series					
WHNAI (Series 5)	17/12/2012	01/07/2015	0.035	40% vested	Conditional on continuous employment 40% on 1 July 2013 40% on 1 July 2014 20% on 1 July 2015

There were no unlisted performance rights and options in existence at 30 June 2015.

Unlisted performance rights granted

There were no performance rights over ordinary shares granted to KMP during the financial year.

A total of 1,360,000* performance rights vested on 1 July 2014 (2014: 1,280,000*) and 1,640,000 performance rights were forfeited (2014: 1,320,000*) during the financial year.

*Post consolidation

Unlisted options granted

There were no options granted to KMP during the financial year.

A total of 480,000* options vested on 1 July 2014 (2014: 480,000*) and 240,000 options were forfeited (2013: Nil) during the financial year

*Post consolidation

WHL ENERGY LIMITED
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CORPORATE INFORMATION

Details of Employee Share Option Plans

The Company believes that the best way to encourage employees is to align their interests with those of shareholders. On 31 May 2011 at a General Meeting, shareholders approved the adoption of the ESOP.

Retention Incentive

1. Employee Share Options

There were no options granted to KMP during the year under the ESOP (2014: Nil).

In November 2012 the Company had issued unlisted zero priced options under ESOP (Series 5) (WHNAI) to KMP other than directors. Conditional on continuous employment the automatic vesting of these options is as follows:

- 40% vested on 1 July 2013;
- 40% will vest on 1 July 2014; and
- 20% will vest on 1 July 2015.

During the year under review 480,000* options vested on 1 July 2014 and were exercised by KMP and a further 340,000 options were forfeited.

*Post consolidation

2. Performance Rights

There were no performance rights granted to Directors during the year under the ESOP (2014: 2,400,000).

In April 2014 the shareholders voted to issue performance rights (WHNAS) to all the Directors. Conditional on continuous employment and the automatic vesting of these performance rights is as follows:

- 40% vested on 1 July 2014;
- 40% will vest on 1 July 2015; and
- 20% will vest on 1 July 2016.

At the AGM on 22 November 2012, shareholders voted to issue performance rights (WHNAS) to the Executive Directors, Mr Noske and Mr Rowbottam. Conditional on continuous employment the automatic vesting of these performance rights is as follows:

- 40% vested on 1 July 2013;
- 40% will vest on 1 July 2014; and
- 20% will vest on 1 July 2015.

During the year under review 1,360,000* performance rights vested on 1 July 2014 and were exercised by KMP and a further 1,640,000 options were forfeited.

*Post consolidation

Performance Incentive

As part of the policy to retain KMP, options are available to be issued under the ESOP. No options were issued to KMP during the year as a performance incentive.

Equity-based compensation granted to KMP during the current financial year

There was no equity based compensation granted to KMP as part of compensation during the year.

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DIRECTORS' REPORT

Performance rights and options exercised by KMP during the current financial year.

During the year the following KMP exercised options and performance rights that were granted as part of compensation in prior years.

Name	Option/performance rights exercised No.	Ordinary shares of WHL Energy Limited issued No.	Amount paid \$
Directors			
Performance rights			
Mr Brown	320,000	320,000	-
Mr Durtanovich	-	-	-
Mr Ismail	320,000	320,000	-
Mr Schrull	-	-	-
Mr Rowbottam	720,000	720,000	-
Senior Executives			
Options			
Mr Fittall	480,000	480,000	-

*The number reflected is post consolidation

Performance rights and options granted, exercised or lapsed during the year to KMP

The following table summarises the value of performance rights and options granted, exercised or lapsed during the year.

Name	Value of options granted at the grant date (i) \$	Value of options exercised at the exercise date (ii) \$	Value of options lapsed at the date of lapse (iii) \$
Directors			
Performance rights			
Mr Brown	-	3,200	2,880
Mr Durtanovich	-	-	-
Mr Ismail	-	3,200	2,880
Mr Schrull	-	-	-
Mr Rowbottam	-	7,200	20,400
Senior Executives			
Options			
Mr Fittall	-	4,800	7,200

(i) The value of options granted during the financial year is calculated as at the date of grant. This grant date value is allocated to remuneration of KMP on a straight line basis over the period from grant date to vesting date.

(ii) The value of options exercised during the financial year is calculated as at the exercise date based on post-consolidation number of shares.

(iii) The value of options lapsed during the financial year due to failure to satisfy a vesting condition is calculated as at the date the options lapsed (but assuming that the condition was satisfied).

Bonuses

KMP's did not have a short term incentive component linked to defined performance measures as part of their remuneration for the year ended 30 June 2015.

WHL ENERGY LIMITED
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DIRECTORS' REPORT

Key Management personnel equity holdings

Fully paid ordinary shares of WHL Energy Limited held by KMP

The number of ordinary shares in WHL Energy Limited held during the financial year ended 30 June 2015 by KMP of the Group including their personally related parties, are set out below:

	Balance at beginning of year No.	Received on exercise of options No.	Granted as compensation No.	Net change other ¹ No.	Balance at end of year No.	Balance held nominally No.
30 June 2015						
Directors						
Mr Brown	-	320,000	-	30,000	350,000	350,000
Mr Durtanovich	-	-	-	-	-	-
Mr Ismail	-	320,000	-	30,000	350,000	350,000
Mr Schrull ²	-	-	-	-	-	-
Mr Rowbottom ²	490,909	720,000	-	(1,335,000)	-	-
Senior Executives						
Mr Fittall ⁴	643,443	480,000	-	85,033	1,208,476	1,208,476
30 June 2014						
Directors						
Mr Benson ³	-	-	-	-	-	-
Mr Brown	-	-	-	-	-	-
Mr King ³	45,000	-	-	(45,000)	-	-
Mr Ismail	350,000	880,000	-	(1,230,000)	-	-
Mr Schrull ²	-	-	-	-	-	-
Mr Noske ³	-	-	-	-	-	-
Mr Rowbottom ²	-	400,000	-	90,909	-	490,909
Senior Executives						
Mr Fittall ²	63,434	480,000	-	100,000	643,434	643,443

1. Net change other includes balances held at the time of appointment, balances at time of termination, forfeitures and transactions that do not involve the Company.
2. These KMP resigned during the year to 30 June 2015
3. These KMP resigned during the year to 30 June 2014
4. KMP resigned post balance date on 31 July 2015
5. The number of shares is based on post consolidation.

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DIRECTORS' REPORT

Listed options of WHL Energy Limited

The number of listed options in WHL Energy Limited held during the financial year ended 30 June 2015 by each KMP of the Group, including their personally related parties are set out below:

	Balance at beginning of year No.	Received on exercise of options No.	Granted as compensation No.	Net change other ¹ No.	Balance at end of year No.	Balance held nominally No.
30 June 2015						
Directors						
Mr Brown	-	-	-	20,000	20,000	20,000
Mr Durtanovich	-	-	-	-	-	-
Mr Ismail	-	-	-	20,000	20,000	20,000
Mr Schrull ²	-	-	-	-	-	-
Mr Rowbottam ²	-	-	-	(66,666)	-	-
Senior Executives						
Mr Fittall ⁴	140,861	-	-	(84,173)	56,688	56,688
30 June 2014						
Directors						
Mr Benson ³	-	-	-	-	-	-
Mr Brown	-	-	-	-	-	-
Mr King ³	-	-	-	-	-	-
Mr Noske ³	-	-	-	(875,000)	-	-
Mr Schrull ²	-	-	-	-	-	-
Mr Rowbottam	-	-	-	-	-	-
Senior Executives						
Mr Fittall	-	-	-	140,861	140,861	140,861

1. Net change other includes balances held at the time of appointment, balances at time of termination, forfeitures and transactions that do not involve the Company.
2. These KMP resigned during the year to 30 June 2015
3. These KMP resigned during the year to 30 June 2014
4. KMP resigned post balance date on 31 July 2015.
5. The number of shares is based on post consolidation.

All equity transactions with KMP other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

WHL ENERGY LIMITED
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DIRECTORS' REPORT

Unlisted options of WHL Energy Limited

The unlisted options over ordinary shares in the WHL Energy Limited held during the financial year ended 30 June 2015 by KMP of the Group, including their personally related parties, is set out below.

	Balance at beginning of year	Granted as remune- ration	Options exercised	Net change other ¹	Balance at end of year	Vested as at end of the year		
	No.	No.	No.	No.	No.	Total	Exercisable	Not exercisable
30 June 2015								
Directors								
Mr Brown	-	-	-	-	-	-	-	-
Mr Durtanovich	-	-	-	-	-	-	-	-
Mr Ismail	-	-	-	-	-	-	-	-
Mr Rowbottom ²	-	-	-	-	-	-	-	-
Mr Schrull ²	-	-	-	-	-	-	-	-
Senior Executives								
Mr Fittall ⁴	720,000	-	(480,000)	(240,000)	-	-	-	-
30 June 2014								
Directors								
Mr Benson ³	-	-	-	-	-	-	-	-
Mr Brown	-	-	-	-	-	-	-	-
Mr King ³	-	-	-	-	-	-	-	-
Mr Noske ³	1,500,000	-	-	(1,500,000)	-	-	-	-
Mr Rowbottom ²	1,000,000	-	-	(1,000,000)	-	-	-	-
Senior Executives								
Mr Fittall ²	2,200,000	-	(480,000)	(1,000,000)	720,000	-	-	-

1. Net change other includes balances held at the time of appointment, balances at time of termination, forfeitures and transactions that do not involve the Company.
2. These KMP resigned during the year to 30 June 2015.
3. These KMP resigned during the year to 30 June 2014.
4. KMP resigned post balance date on 31 July 2015.
5. The number of options reflected is post consolidation.

During the financial year, 480,000* options (2014: 480,000*) were exercised by KMP at a nil exercise price per option for 480,000* ordinary shares in WHL Energy Limited (2014: 480,000*). At 30 June 2015 no amounts remain unpaid on the options exercised during the financial year.

*Post consolidation

WHL ENERGY LIMITED and its controlled entities

DIRECTORS' REPORT

Performance Rights of WHL Energy Limited

The unlisted performance rights over ordinary shares in WHL Energy Limited held during the financial year ended 30 June 2015 by KMP of the Group including their personally related parties, is set out below. All performance rights were forfeited during the year as a result of resignation or voluntary forfeiture by KMP.

	Balance at beginning of year	Granted as remuneration	Options exercised	Net change other ¹	Balance at end of year	Vested at balance date		
	No.	No.	No.	No.	No.	Total	Exercisable	Not exercisable
30 June 2015								
Directors								
Mr Brown	800,000	-	320,000	(480,000)	-	-	-	-
Mr Durtanovich	-	-	-	-	-	-	-	-
Mr Ismail	800,000	-	320,000	(480,000)	-	-	-	-
Mr Rowbottom ²	1,400,000	-	720,000	(680,000)	-	-	-	-
Mr Schrull ²	-	-	-	-	-	-	-	-
30 June 2014								
Directors								
Mr Benson ³	-	-	-	-	-	-	-	-
Mr Brown	-	800,000	-	-	800,000	-	-	-
Mr Ismail	-	800,000	-	-	800,000	-	-	-
Mr King ³	-	-	-	-	-	-	-	-
Mr Noske ³	2,200,000	-	(880,000)	(1,320,000)	-	-	-	-
Mr Rowbottom ²	1,000,000	800,000	(400,000)	-	1,400,000	-	-	-
Mr Schrull ²	-	-	-	-	-	-	-	-

1. Net change other includes balances held at the time of appointment, balances at time of termination, forfeitures and transactions that do not involve the Company.
2. These KMP resigned during the year to 30 June 2015.
3. These KMP resigned during the year to 30 June 2015.
4. The number of shares is post consolidation.

During the financial year, 1,360,000* performance rights (2014: 1,280,000*) were exercised by KMP at a nil exercise price for 1,360,000* ordinary shares in WHL Energy Limited (2014: 1,280,000*). At 30 June 2015 no amounts remain unpaid on the performance rights exercised during the financial year.

*Post consolidation

End of Remuneration Report.

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the numbers of meetings attended by each director were as follows:

	Eligible to attend	Board meetings
	No.	No.
Meetings held	11	11
Meetings attended		
Mr Brown	11	11
Mr Durtanovich ¹	-	-
Mr Ismail	11	11
Mr Rowbottom ²	10	10
Mr Schrull ³	-	-

1. Mr Durtanovich was appointed as Non-Executive Director on 2 June 2015.
2. Mr Rowbottom resigned as Managing Director on 31 May 2014.
3. Mr Schrull resigned on 18 August 2014.

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DIRECTORS' REPORT

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of the proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium of \$19,050 in respect of a contract insuring the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability.

Auditor independence and non-audit services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 25 and forms part of this directors' report for the year ended 30 June 2015.

Non-Audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 23 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence, as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Signed in accordance with a resolution of the Directors.



Stuart Brown
Non-Executive Chairman
Perth, 29 September 2015

**WHL ENERGY LIMITED
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AUDITORS' INDEPENDENCE DECLARATION



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of WHL Energy Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Norman G. Neill'.

**Perth, Western Australia
29 September 2015**

**N G Neill
Partner**

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Consolidated 2015 \$	Consolidated 2014 \$
Revenue	2	1,071,067	797,187
Operating expenses	3	(2,711,229)	(5,777,975)
Finance costs	3	(1,540,856)	(298,113)
Loss before income tax expense		(3,181,018)	(5,278,901)
Income tax expense	4	-	(241,949)
Loss for the year		(3,181,018)	(5,520,850)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Exchange differences on translating foreign operations		2,959,940	(492,076)
Other comprehensive income/(loss)		2,959,940	(492,076)
Total comprehensive loss for the year		(221,078)	(6,012,926)
Loss attributable to:			
Owners of parent		(221,078)	(6,012,926)
Total comprehensive loss for the year		(221,078)	(6,012,926)
		Cents	Cents
Loss per share			
Basic loss per share (cents per share)	6	1.91	3.69

The accompanying notes form part of these financial statements

WHL ENERGY LIMITED
and its controlled entities

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	Consolidated 2015 \$	Consolidated 2014 \$
Current assets			
Cash and cash equivalents	7	1,230,069	3,833,381
Trade and other receivables	8	355,833	3,920,734
Total current assets		1,585,902	7,754,115
Non-current assets			
Plant and equipment	9	146,426	189,203
Deferred exploration expenditure	11	27,757,099	23,057,576
Total non-current assets		27,903,525	23,246,779
Total assets		29,489,427	31,000,894
Current liabilities			
Trade and other payables	12	1,084,602	1,295,530
Borrowings*	13	2,009,367	3,680,000
Current tax liabilities	4	303,376	247,706
Deferred revenue	14	-	140,199
Provisions	15	83,976	97,805
Total current liabilities		3,481,321	5,461,240
Total liabilities		3,481,321	5,461,240
Net assets		26,008,106	25,539,654
Equity			
Issued capital	16	63,178,063	62,118,536
Reserves	18	5,486,111	6,359,148
Accumulated losses	18	(42,656,068)	(42,938,030)
Total equity		26,008,106	25,539,654

* On 31 July 2015 the Borrowings converted into ordinary shares.

The accompanying notes form part of these financial statements

WHL ENERGY LIMITED
and its controlled entities

STATEMENTS OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Consolidated 2015 \$	Consolidated 2014 \$
Cash flows from operating activities			
Receipts from other		239,748	431,746
Payments to suppliers and employees		(670,354)	(2,698,854)
Cash generated from operations		(430,606)	(2,267,108)
Interest paid		(182,484)	(141,150)
Income tax paid		-	-
Net cash used in operating activities	7	(613,090)	(2,408,258)
Cash flows from investing activities			
Payment for plant and equipment		-	(30,955)
Proceeds from sale of plant and equipment		-	767
Payment for deferred exploration expenditure		(1,656,149)	(6,007,815)
Net recovery of past exploration expenditure		-	3,072,263
Interest received		26,883	58,396
Net cash used in investing activities		(1,629,266)	(2,907,344)
Cash flows from financing activities			
Proceeds from borrowings		2,500,000	6,200,000
Repayment of borrowings		(4,170,633)	(3,079,814)
Payment for borrowing costs		-	(255,106)
Proceeds from issue of shares		645,930	712,700
Payments for issue costs		(62,585)	(116,973)
Net cash (used in)/provided by finance activities		(1,087,288)	3,460,807
Net increase/(decrease) in cash and cash equivalents		(3,329,644)	(1,854,795)
Cash and cash equivalents at beginning of year		3,833,381	5,723,344
Effect of exchange rate fluctuations on cash held		726,332	(35,168)
Cash and cash equivalents at end of year		1,230,069	3,833,381

The accompanying notes form part of these financial statements

WHL ENERGY LIMITED
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

Consolidated	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Equity Based Payment Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013	59,727,589	(38,228,302)	1,482,561	1,684,799	3,326,386	27,993,033
Loss for the year	-	(5,520,850)	-	-	-	(5,520,850)
Other comprehensive income	-	-	(492,076)	-	-	(492,076)
Total comprehensive loss for the year	-	(5,520,850)	(492,076)	-	-	(6,012,926)
Equity issued for options and performance rights exercised	703,400	-	-	(703,400)	-	-
Equity issued during the year	712,700	-	-	-	-	712,700
Equity issued for services	378,000	-	-	-	-	378,000
Equity issued for conversion of borrowings	939,814	-	-	-	-	939,814
Equity issue costs	(342,967)	-	-	-	-	(342,967)
Recognition of equity-based payments for employees	-	-	-	433,517	-	433,517
Recognition of equity-based payments for services	-	-	-	1,438,483	-	1,438,483
Lapsed options transferred to accumulated losses	-	811,122	-	(811,122)	-	-
Balance at 30 June 2014	62,118,536	(42,938,030)	990,485	2,042,277	3,326,386	25,539,654
Balance at 1 July 2014	62,118,536	(42,938,030)	990,485	2,042,277	3,326,386	25,539,654
Loss for the year	-	(3,181,018)	-	-	-	(3,181,018)
Other comprehensive income	-	-	2,959,940	-	-	2,959,940
Total comprehensive loss for the year	-	(3,181,018)	2,959,940	-	-	(221,078)
Equity issued for options and performance rights exercised	467,310	-	-	(467,200)	-	110
Equity issued during the year	548,619	-	-	-	97,203	645,822
Equity issued for services	106,181	-	-	-	-	106,181
Equity issue costs	(62,583)	-	-	-	-	(62,583)
Lapsed options transferred to accumulated losses	-	3,462,980	-	(136,594)	(3,326,386)	-
Balance at 30 June 2015	63,178,063	(42,656,068)	3,950,425	1,438,483	97,203	26,008,106

WHL ENERGY LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of WHL Energy Limited and its subsidiaries.

The financial report has also been prepared on a historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period as set out in the accounting policies. Historical cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars, which is the Company's functional currency unless otherwise stated.

The Company is a listed public company, incorporated in Australia and operating in Australia and the Republic of Seychelles. The entity's principal activities are oil and gas exploration.

(b) Application of new and revised Accounting Standards

Amendments to AASBs and the new Interpretations that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to AASB's and new Interpretations issued by the Australian Accounting Standards Board ("**AASB**") that are mandatorily effective for the accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

AASB 2012-3 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the consolidated financial statements. The amendments have been applied retrospectively.

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)

The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below.

- The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share based payment transactions for which the grant date is on or after 1 July 2014.

- The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

WHL ENERGY LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(b) Application of new and revised Accounting Standards (continued)

AASB 2014-1 'Amendments to Australian Accounting Standards'(Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)

The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The Annual Improvements 2011-2013 has made number of amendments to various AASBs, which are summarised below.

- The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.
- The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.

The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Interpretation 21 'Levies'

Interpretation 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. Interpretation 21 has been applied retrospectively. The application of this Interpretation does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C:Materiality)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

WHL ENERGY LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(b) Application of new and revised Accounting Standards (continued)

Standards and Interpretations in issue not yet adopted

A number of Australian Accounting Standards or Interpretations are in issue but are not effective for the current year end. The Directors have reviewed all the new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and therefore, no change is necessary to the Group accounting policies. Adoption may, however, result in changes to information currently disclosed in the financial statements. These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement.

(c) Statement of compliance

The financial report was authorised for issue on 29 September 2015.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

(d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of WHL Energy Limited ("the Company" or "Parent Entity") as at 30 June 2015 and the results of all subsidiaries for the year then ended. WHL Energy Limited and its subsidiaries are referred to in this financial report as the Group or the Consolidated Entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Entity, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. Control exists where the Company has; power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the control elements.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

WHL ENERGY LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Basis of consolidation (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(e) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group does not generate revenue to fund operations and ongoing investments in deferred exploration activities. The ability of the Group to continue as a going concern is dependent on the ability to raise additional equity or equity finance and to conclude farm-in arrangements in the exploration assets. Notwithstanding this fact, the Directors are of the opinion that the Group is a going concern for the following reasons.

The Directors anticipate that further equity raising will be required and will be completed in 2015 and 2016. This will be used to meet the ongoing working capital and exploration commitment requirements of the Group. The Directors also anticipate that other corporate actions and arrangements will be contemplated. Should the equity raising not be completed or other sources of funding accessed, there is a material uncertainty that may cast significant doubt as to whether the Group will be available to realise its assets and extinguish its liabilities in the normal course of business.

(f) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the Directors of the Company are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimation that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Classification of VIC/P67 as a joint operation until 19 December when ceased to be a joint operation

The Directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of AASB 11. The Directors concluded that the farm-in with AWE is a joint operation under AASB 11 and the disclosure arrangements under AASB 12 in respect of joint operations.

Equity-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using Black and Scholes.

The Group measures the cost of cash-settled equity-based payments at fair value at the grant date using the market value, Black and Scholes model and a binomial model depending on the terms and conditions upon which the instruments were granted, as discussed in Note 19.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Critical accounting judgements and key sources of estimation uncertainty (continued)

Exploration and evaluation costs carried forward

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the Directors. In conducting the review, the recoverable amount has been assessed by reference to the higher of "fair value less costs to sell" and "value in use". The exploration and evaluation of the mineral resources has not reached a stage at which there is sufficient information to estimate future cash flows for determining value in use.

The Directors have decided that until there is sufficient data to determine technical feasibility and commercial viability, the exploration asset will not be assessed for impairment by reference to value in use. However, when such information becomes available or other fact and circumstances suggest that the asset may be impaired, the exploration asset will be assessed for impairment which in turn could impact future financial results.

Classification of converting loan

A financial liability can be classified as equity if the substance of the transaction is equity but it must fall within the scope and definitions as defined in AASB 132. The ECP recapitalisation proposal was entered into for sole intention of providing equity to the Company. However the Company did not meet the ASX Listing capacity rules to issue the quantum of equity required under the proposal and a converting loan was entered into subject to shareholders approval. Despite the substance of the transaction, the terms of converting loan did not meet all the requirements of AASB 132 to be classified as equity. The Converting loan has been disclosed as a liability in Note 13.

Fair value measurements

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 20.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The ability of the Group to continue as a going concern is dependent on the ability to raise additional equity or equity finance and to conclude farm-in arrangements in the exploration assets.

Taxation

The calculation of the taxation liability remains to be confirmed by the relevant taxation authorities.

(g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

(h) Foreign currency translation

Both the functional and presentation currency of the Company and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

WHL ENERGY LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Foreign currency translation (continued)

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the balance date and their statements of comprehensive income are translated at the average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

(i) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

Rendering of services

Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and indirect expenses are incurred.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Premium income

Premium income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Premium income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(j) Borrowing costs

Borrowing costs are capitalised when they are directly attributable to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. In respect of exploration and evaluation, borrowing costs are capitalised as part of the cost of the related asset only when at the reporting date, the exploration and evaluation activities have reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and it is probable that they will result in the entity obtaining future economic benefits.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(l) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

WHL ENERGY LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Income tax (continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated financial statements. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

WHL ENERGY LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) Impairment of assets

The Directors assess at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Cash and cash equivalents

Cash comprises cash at bank and in hand.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(p) Trade and other receivables

Trade and other receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade and other receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade and other receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms.

WHL ENERGY LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Trade and other receivables (continued)

Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(q) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

• **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

• **Financial assets at FVTPL**

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Financial instruments (continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

• **Loans and receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

• **Impairment of financial assets**

The Company assesses at each balance date whether a financial asset or group of financial assets other than those at FVTPL is impaired. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets that are carried at cost if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods. The amount of the loss is recognised in profit or loss.

For financial assets that are carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment. For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

• **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Financial instruments (continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

• **Other financial liabilities**

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

• **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

• **Derivative financial instruments**

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(r) Interest in a jointly controlled operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Interest in a jointly controlled operation (continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation. The Group has certain contractual arrangements with other ventures to engage in joint venture activities that do not give rise to a jointly controlled entity. These arrangements involve the joint ownership of assets dedicated to the purposes of the joint venture. The assets are used to derive benefits for the ventures.

The interests of the Parent Entity and Group in the unincorporated joint ventures are brought to account by recognising in the financial statements under the Group's proportionate share of joint venture revenues expenses, assets and liabilities.

(s) Plant and equipment

Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. The residual value, useful life and depreciation method applied to an asset are reassessed at least annually.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Plant and equipment – over 3 to 15 years.

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been re-valued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is reclassified to development.

(u) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(w) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Borrowings (continued)

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(x) Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled.

Termination benefit

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(y) Equity-based payment transactions

Equity settled transactions

Share-based payments made to employees and others that grant rights over the shares of the Company are accounted for as equity-settled share-based payment transactions when the rights over the shares are granted. As the Company does not require reimbursement for the cost of the grant, amounts relating to the grant are deemed a contribution by the Company in its capacity as owner.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is determined by an internal valuation using Black and Scholes, Binomial models or market value. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of WHL Energy Limited (market conditions) if applicable

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest.

There are currently no equity instruments on issue under the one ESOP (approved at a General meeting on 31 May 2011) which provides benefits to directors, senior executives and employees.

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects:

- the extent to which the vesting period has expired; and
- the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(aa) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the financial year.

Contingently issuable shares are treated as outstanding and included in the calculation from the date when all the necessary conditions are satisfied.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Potential ordinary shares are treated as dilutive when and only when their conversion into ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

(bb) Parent Entity financial information

The financial information for the Parent Entity, WHL Energy Limited, disclosed in Note 22 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries are accounted for at cost in the financial statements of WHL Energy Limited.

NOTE 2: REVENUE

	Consolidated 2015 \$	Consolidated 2014 \$
Revenue from operations:		
Interest income	26,883	54,242
Premium fee income	180,976	129,054
Other	-	767
Overhead recovery	58,772	431,746
Unrealised foreign exchange gain from joint operations	-	181,378
Unrealised foreign exchange gain	585,141	-
Realised exchange gain	219,295	-
	1,071,067	797,187

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 3: OPERATING EXPENSES

	Consolidated 2015 \$	Consolidated 2014 \$
Expenses and losses from operations:		
Depreciation	40,758	56,294
Employee benefit		
Equity based payments	-	433,517
Wages and salaries	1,017,456	1,207,519
Other	97,625	163,413
Total employee benefits	1,115,081	1,804,449
Finance costs		
Establishment fees	1,037,330	71,972
Interest	12,484	174,875
Premium fees	491,042	51,266
Total finance costs	1,540,856	298,113
Other expenses		
Accounting, audit and compliance	226,108	289,818
Consultants	169,650	327,397
Exploration expenditures	221,785	285,190
Fair value adjustments	237,359	1,879,149
Foreign exchange losses	44,904	209,433
General and administrative expenses	160,481	240,035
Impairment	23,110	92,902
Legal expenses	185,118	305,816
Occupancy costs	263,105	254,377
Travel and accommodation	23,770	33,115
Total other expenses	1,555,390	3,917,232

NOTE 4: INCOME TAX EXPENSE

	Consolidated 2015 \$	Consolidated 2014 \$
Numerical reconciliation between tax expense and pre-tax net loss		
Loss before tax	3,181,018	(5,278,902)
Income tax using the domestic corporation tax rate 30%	(954,305)	(1,583,671)
Increase/(decrease) in income tax expense due to:		
Non-deductible expenses	149,645	293,168
Gain on disposal of Seychelles acreage	-	241,949
Other deferred tax assets and tax liabilities not recognised	(346,195)	(9,324)
Tax assets relating to losses not recognised	1,150,855	1,299,827
Income tax expense	-	241,949
Deferred tax assets have not been recognised in respect of the following:		
Taxable temporary differences (net)	(931,270)	49,125
Tax losses	2,466,989	5,705,925
Net deferred tax assets	1,535,719	5,755,050

The taxable temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits from.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4: INCOME TAX EXPENSE (CONTINUED)

Income tax recognised in other comprehensive income

	Consolidated 2015 \$	Consolidated 2014 \$
Current tax		
Other	-	241,949
Total income tax recognised in other comprehensive income	-	241,949

	Consolidated 2015 \$	Consolidated 2014 \$
Current tax liabilities		
Other	303,376	247,706

The current income tax liability was attributable to the US subsidiary PetroQuest International Inc. at 30 June 2015. The Company has received advice subsequent to 30 June 2015 that this amount is not due and payable. Please refer subsequent event note 27 for further details in respect of this liability.

NOTE 5: SEGMENT REPORTING

The operating segments have been identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of performance focused on operating oil and gas exploration, and the corporate administration entity.

The segment information for the corporate entity focused on the administration costs and the minimisation thereof as assessment of performance. The exploration activities were reviewed as a whole and the assessment of performance focused on exploration expenditure and cost minimisation. The monthly operating entity's performance was assessed based on cashflow information. A consolidated position was not used to assess the performance of the operating segments. This information prepared in the tables below reconciles to the Annual Financial Statements for the year.

There are no accounting policy differences between the reportable segments.

Information regarding the Group's reportable segments is presented below.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 5: SEGMENT REPORTING (CONTINUED)

Segment information

The following table presents revenue and profit information and certain asset and liability information regarding business segments for the year ended 30 June 2015.

Year ended 30 June 2015	Oil and Gas Exploration Australia \$	Oil and Gas Exploration Seychelles \$	Corporate Entity \$	Consolidation Entry \$	Total \$
Revenue					
Interest received	-	-	26,883	-	26,883
Other revenue	524,689	850,673	1,937,820	(2,268,998)	1,044,184
Total segment revenue	524,689	850,673	1,964,703	(2,268,998)	1,071,067
Operating expenses	(1,560,790)	(65,646)	(2,691,295)	65,646	(4,252,085)
Segment net operating loss before taxation	(1,036,101)	785,027	(726,592)	(2,203,352)	(3,181,018)
Taxation	-	-	-	-	-
Segment net operating loss	(1,036,101)	785,027	(726,592)	(2,203,352)	(3,181,018)
Segment assets					
Cash and cash equivalents	-	-	1,230,069	-	1,230,069
Other receivables	-	-	355,833	-	355,833
Loans subsidiaries	-	-	22,308,535	(22,308,535)	-
Investment subsidiaries	-	-	10,962,208	(10,962,208)	-
Deferred exploration expenditure	3,580,054	17,299,665	-	6,877,380	27,757,099
Plant and equipment	-	-	146,426	-	146,426
Total segment assets	3,580,054	17,299,665	35,003,071	(26,393,363)	29,489,427
Segment liabilities					
Trade and other payables	34,685	211,870	838,047	-	1,084,602
Borrowings	-	-	2,009,367	-	2,009,367
Provisions	-	-	83,976	-	83,976
Tax liability	-	303,376	-	-	303,376
Deferred revenue	-	-	-	-	-
Loan from parent entity	-	22,308,535	-	(22,308,535)	-
Total segment liabilities	34,685	22,823,781	2,931,390	(22,308,535)	3,481,321

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NOTES TO FINANCIAL STATEMENTS
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NOTE 5: SEGMENT REPORTING (CONTINUED)

Segment information

The following table presents revenue and profit information and certain asset and liability information regarding business segments for the year ended 30 June 2014.

Year ended 30 June 2014	Oil and Gas Exploration Australia \$	Oil and Gas Exploration Seychelles \$	Corporate Entity \$	Consolidation Entry \$	Total \$
Revenue					
Interest received	-	-	54,242	-	54,242
Other revenue	742,178	558,059	767	(558,059)	742,945
Total segment revenue	742,178	558,059	55,009	(558,059)	797,187
Operating expenses	(2,574,102)	(528,436)	(4,977,951)	2,004,401	(6,076,088)
Segment net operating loss before taxation	(1,831,924)	29,623	(4,922,942)	1,446,342	(5,278,901)
Taxation	-	(241,949)	-	-	(241,949)
Segment net operating loss	(1,831,924)	(212,326)	(4,922,942)	1,446,342	(5,520,850)
Segment assets					
Cash and cash equivalents	818,188	-	3,015,193	-	3,833,381
Other receivables	3,830,211	-	90,523	-	3,920,734
Loans subsidiaries	-	-	19,207,694	(19,207,694)	-
Investment subsidiaries	-	-	10,962,208	(10,962,208)	-
Deferred exploration expenditure	2,929,755	13,250,441	-	6,877,380	23,057,576
Plant and equipment	-	-	189,203	-	189,203
Total segment assets	7,578,154	13,250,441	33,464,821	(23,292,522)	31,000,894
Segment liabilities					
Trade and other payables	931,357	24,477	339,696	-	1,295,530
Borrowings	3,680,000	-	-	-	3,680,000
Provisions	-	-	97,805	-	97,805
Tax liability	-	247,706	-	-	247,706
Deferred revenue	140,199	-	-	-	140,199
Loan from parent entity	-	19,207,694	-	(19,207,694)	-
Total segment liabilities	4,751,556	19,479,877	437,501	(19,207,694)	5,461,240

Segment net operating loss after tax reconciliation to the statement of comprehensive income

	Consolidated 2015 \$	Consolidated 2014 \$
Reconciliation of segment net operating loss after tax to net loss before tax		
Segment net operating loss after tax	(221,078)	(6,012,926)
Income tax	-	241,949
Translation differences on translating foreign operations	(2,959,940)	492,076
Total operating loss per the statement of comprehensive income	(3,181,018)	(5,278,901)

Segment assets reconciliation to the statement of financial position

	Consolidated 2015 \$	Consolidated 2014 \$
Cash and cash equivalents	1,230,069	3,833,381
Other receivables	355,833	3,920,734
Plant and equipment	146,426	189,203
Deferred exploration expenditure	27,757,099	23,057,576
Total assets per the statement of financial position	29,489,427	31,000,894

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NOTE 5: SEGMENT REPORTING (CONTINUED)

Segment liabilities reconciliation to the statement of financial position

Segment liabilities include trade and other payables and debt. The Group has a centralised finance function that is responsible for raising debt and capital for the entire operations. Each entity or business uses this central function to invest excess cash or obtain funding for its operations.

Reconciliation of segment operating liabilities to the statement of financial position

	Consolidated 2015 \$	Consolidated 2014 \$
Trade and other payables	1,084,602	1,295,530
Borrowings	2,009,367	3,680,000
Provisions	83,976	97,805
Tax liability	303,376	247,706
Deferred revenue	-	140,199
Total liabilities per the statement of financial position	3,481,321	5,461,240

NOTE 6: EARNINGS PER SHARE

	Consolidated 2015 Cents per share	Consolidated 2014 Cents per share
Total basic loss per share	1.91	3.69

Diluted earnings per share

There is no dilution of shares due to options as the potential ordinary shares are not dilutive and are therefore not included in the calculation of diluted loss per share.

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	\$	\$
Loss for the year	(3,181,018)	(5,520,850)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share.	166,615,262	1,497,080,154

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated 2015 \$	Consolidated 2014 \$
Cash at bank and on hand	1,117,649	2,473,014
Short-term deposits	112,420	1,360,367
Total cash and cash equivalents	1,230,069	3,833,381

Cash at bank earns interest at floating rates on daily deposit rates.

Short-term deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash balances available for restricted use

The cash at bank includes \$206,000 to be refunded in respect of over subscription of the Convertible Note.

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NOTE 7: CASH AND CASH EQUIVALENTS (CONTINUED)

Reconciliation to cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Reconciliation of loss for the year to net cash flows used in operating activities

	Consolidated 2015 \$	Consolidated 2014 \$
Loss from operations	(3,181,014)	(5,520,850)
Items classified as investing/financing activities		
Interest received	26,883	(58,396)
Borrowing costs	-	255,106
Non-cash items		
Depreciation	40,758	56,294
Unrealised foreign exchange (gain)/ loss	(759,536)	94,855
Unrealised foreign exchange (gain) from joint operation		(181,378)
Disposal of property, plant and equipment	2,019	-
Impairment of oil and gas exploration assets	23,110	92,902
Share based payments relating to the financing facility		1,879,149
Equity Base payment	106,181	885,762
Provision for employee entitlements		(34,365)
Change in assets and liabilities		
Receivables	3,564,901	(1,021,578)
Trade and other payables affecting operating activities	(382,626)	1,144,241
Net cash used in operating activities	(613,090)	(2,408,258)

During the current year, the Group entered into the following non- cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

- Share based payment in respect of interest on a borrowing facility of \$32,308; and
- Shares based payments were made in respect of commitment fees for a borrowing facility \$73,873.

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated 2015 \$	Consolidated 2014 \$
GST recoverable	12,745	46,665
Other receivables	909	3,936
Seismic option funding receivable	-	2,756,772
Advanced financing costs	291,176	428,734
Prepaid expenses	51,003	684,627
Total trade and other receivables	355,833	3,920,734

Seismic option funding receivable

On 28 October 2013, WHL Energy entered into a Seismic Option and Farmout Agreement with TAP. Under the terms of this agreement TAP repaid US\$2.778m to the Company on 31 March 2015. Included in this funding arrangement was a premium of US\$272,500 and this accrued over the term of the arrangement, refer Note 14.

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NOTE 10: JOINT CONTROLLED OPERATIONS AND ASSETS

VIC/P67

In December 2014 the Joint Operator elected to exit from the joint operation under the terms of the joint operation agreement. The Group has a 100% interest in the tenement in VIC/P67 (2014: 60%). The Group was entitled to a proportionate share of the income and expenses of the joint operations until the joint operation ceased. AASB 11 requires that an investor in a joint operation account for its share of assets and liabilities attributable to it. In terms of IFRS requirements the Group has no legal right of offset. The Company had adopted the gross presentation of the joint arrangement when presenting the cash, receivables and trade payables. The Group's interests in the assets are detailed below and are included in the consolidated financial report in their respective classes:

	Consolidated 2015 \$	Consolidated 2014 \$
Current assets		
Cash	-	818,156
Other receivables	-	42,236
	-	860,392
Non-current assets		
Deferred exploration expenditure	-	1,066,474
	-	1,066,474
Current Liabilities		
Trade and other payables	-	799,355
Amount owing to farminee	-	106,993
	-	906,348

WA 460P

In April 2014 the Group relinquished the interest in the tenement in WA 460P (2013: 33.33%). In The Group's interests in the assets are detailed below and are included in the consolidated financial report in their respective classes:

	Consolidated 2015 \$	Consolidated 2014 \$
Current assets		
Cash	-	32
Other receivables	-	520
	-	552
Non-current assets		
Deferred exploration expenditure	-	70,412
Impairment of asset	-	(70,412)
	-	-
Current Liabilities		
Trade and other payables	-	404
	-	404

At 30 June 2014 WA 460P was impaired, refer Note 11.

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NOTE 11: DEFERRED EXPLORATION EXPENDITURE

	Consolidated 2015 \$	Consolidated 2014 \$
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	23,057,576	24,006,052
Expenditure incurred	1,673,819	2,355,373
Net partial cost recovery	-	(2,746,540)
Impairment	(23,110)	(92,902)
Foreign currency exchange differences	3,048,814	(464,407)
Balance at end of financial year	27,757,099	23,057,576

Ultimate recoupment of this expenditure is dependent upon the Group's right to tenure of the area of interest and the discovery of commercially viable oil and gas reserves, their successful development and exploitation, or alternatively, the sale of the respective areas of interest at an amount at least equal to book value.

Impairment losses are provided when the carrying amounts exceed the recoverable amounts. During the year \$23,110 was impaired (2014: \$92,902)

Exploration expenditure is written off for any related impairment losses when the permits are relinquished or disposed of.

Interest in petroleum tenements

Tenure description	Location	Operator	Expiry date	2015 Interest %	2014 Interest %
Seychelles exploration blocks as defined in the Petroleum Agreement	Seychelles	Ophir Energy plc.	31/01/2040	25	25
WA 460P	WA Australia	Strike Energy Limited	08/11/2017	-	33
VIC/P67	VIC Australia	WHL Energy Limited	04/05/2018	100	40

Seychelles

In April 2014 the Group concluded a farm-in with Ophir reducing the Group's interest to 25% (2014: 25%). Ophir assumed operatorship of the Seychelles areas under the farm-in agreement. Following the acquisition and evaluation of the initial seismic, and on or before 31 December 2015, Ophir may either withdraw from the farm-in or exercise the option to:

- fully fund the acquisition of a further 1,000km² of 3D seismic, up to a total amount of US\$12m; and
- fund 90% of the costs of the first exploration well, up to a total amount of US\$30m.

Upon exercising the option to retain its interests, Ophir will also pay the Group a further US\$2m in cash for further partial recovery of back costs.

The Company's participating interest in Seychelles has been pledged under a General Security Deed in favour of the borrowing facility, refer Note 13.

VIC/P67

In September 2013 under the terms of a farm-in agreement, AWE earned 60% equity by funding 75% of the cost of the La Bella 3D Seismic Survey up to a cost cap of US\$9m (net AWE share). AWE retained the right to assign part or all of its equity back to WHL Energy following the 3D seismic phase. On 19 December 2014 elected to assign all of the equity interest back to the Company.

In September 2013, the Company entered into a further agreement with TAP, where TAP agreed to pay up to US\$2.778m for an option to acquire a 10% interest in VIC/P67, refer Note 8. On 12 February 2015 TAP elected not to exercise the option.

The Company's participating interest in VIC/P67 has been pledged under a General Security Deed in favour of the borrowing facility, refer Note 13.

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NOTE 11: DEFERRED EXPLORATION EXPENDITURE (CONTINUED)

WA 460P

During the year the Company applied for the cancellation of the interest in WA 460P. On 24 April 2015 the Company was granted a good standing arrangement by the Commonwealth – Western Australia Offshore Petroleum Joint Authority and the agreed monetary amount to be expended by the Company in relation to the outstanding guaranteed work is \$277,409., Refer Note 21.

NOTE 12: TRADE AND OTHER PAYABLES

	Consolidated 2015 \$	Consolidated 2014 \$
Trade and other payables	1,084,602	1,295,530

Trade payables are non-interest bearing and are normally settled on 30-day terms.
For terms and conditions relating to related party payables, refer Note 25.

Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in Note 20.

NOTE 13: BORROWINGS

On 2 June 2015, the Company entered into an agreement with Energy Capital Partners Pty Ltd to facilitate the recapitalisation of the Company subject to shareholders approval on 31 July 2015.

The recapitalisation proposal involved facilitation of subscriptions for convertible notes to raise a total of \$2,000,000. The Convertible Notes mature on 31 July 2015 and interest 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.

In addition to the first ranking charge associated with an extinguished 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. 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 ordinary fully paid shares at \$0.001 per share subject to Shareholder approval. Refer Note 27.

In terms of AASB 132 a financial instrument must be classified on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument. A financial instrument may only be classified if and only if, it falls within the scope and definitions of AASB132.

The ECP Converting loan was entered into with the intention that it would, subject to shareholders approval, convert to equity. Despite the substance of the transaction it would appear that the converting loan did not meet all the requirements of AASB 132 to be classified as Equity.

Secured Borrowings

	Consolidated 2015 \$	Consolidated 2014 \$
Financing Facility	-	3,680,000
Convertible Note	2,009,367	-
Secured borrowings	2,009,367	3,680,000

The recapitalisation proposal involved facilitation of subscriptions for convertible notes to raise a total of \$2,000,000. 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. The Convertible Notes mature on 31 July 2015.

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NOTE 13: BORROWINGS (CONTINUED)

On 27 May 2014, the Company had entered into a financing facility of \$3,200,000 to finance the seismic operation in VIC/P67. The facility was repaid in full on 2 April 2015. Under the terms of this agreement a premium of 15% of the facility (being \$480,000) was payable on 2 April 2015.

Facility	Consolidated 2015 \$	Consolidated 2014 \$
Facility used at balance date	2,000,000	3,200,000
Facility unused at balance date	-	-
Total Facility	2,000,000	3,200,000

Assets pledged as security	Consolidated 2015 \$	Consolidated 2014 \$
Current		
Receivables	-	3,200,000
	-	3,200,000
Non-Current		
Deferred exploration expenditure	27,903,525	2,929,754
	27,903,525	2,929,754
Total assets pledged as security	27,903,525	6,129,754

Fair value of the Group's borrowings are set out in Note 20.

NOTE 14: DEFERRED REVENUE

	Consolidated 2015 \$	Consolidated 2014 \$
Deferred Revenue	-	140,199

The deferred revenue was in respect of the Seismic Option and Farmout Agreement, refer Note 8.

NOTE 15: PROVISIONS

Employee benefits	Consolidated 2015 \$	Consolidated 2014 \$
Balance at beginning of year	97,805	132,170
Arising during the year	96,090	116,338
Utilised	(109,919)	(150,703)
Balance at end of financial year	83,976	97,805

NOTE 16: ISSUED CAPITAL

	Consolidated 2015 No.*	Consolidated 2015 \$	Consolidated 2014 No.	Consolidated 2014 \$
Ordinary shares issued and fully paid	171,469,094	63,178,063	1,596,683,641	62,118,536

*Post-consolidation

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

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NOTE 16: ISSUED CAPITAL (CONTINUED)

Movement in ordinary shares on issue

	2015 No.	2015 \$	2014 No.	2014 \$
Balance at beginning of financial year	1,596,836,414	62,118,536	1,407,063,386	59,727,589
Issue of shares:				
Options exercised on 1 July	6,800,000	240,000	8,335,294	293,800
Performance rights exercised on 1 July	13,600,000	227,200	12,800,000	409,600
Equity issues pursuant to Controlled Placement Facility	7,011,970	100,000	-	-
Equity issued pursuant to Rights Issue	54,582,148	448,619	-	-
Options exercised	2,750	110	-	-
Equity issued pursuant to a financing facility arrangement	-	-	42,000,000	378,000
Equity issued pursuant to Share Purchase plan	-	-	64,790,827	712,700
Equity issued pursuant to part interest payment and part principal repayment for a financing facility	-	-	61,846,907	939,814
Consolidation of shares 26 November 2014	(1,510,950,349)	-	-	-
Equity issued pursuant to a financing facility arrangement post consolidation	3,586,161	106,181	-	-
Share issue costs	-	(62,583)	-	(342,967)
Balance at end of financial year	171,469,094	63,178,063	1,596,836,414	62,118,536

Subsequent to balance date the following equity was issued pursuant to the recapitalisation proposal (Refer Note 13 and Note 27):

- On 2 July 2015, 20,000,000 ordinary shares at a deemed issue price of \$0.00001 per share as part of the fees paid to ECP;
- On 24 July 2015 18,384,572 ordinary shares were issued for working capital;
- On 31 July 2015 following shareholder approval, 2,000,000,000 ordinary shares issued on conversion of the convertible note;
- On 31 July 2015 following shareholder approval, 170,000,000 ordinary shares issued to Robert Richter at a deemed issue price of \$0.001;
- On 31 July 2015 following shareholder approval, 20,000,000 ordinary shares issued to PAC Partners Pty Ltd for services provided in respect of corporate advisory and management fees at a deemed issue price of \$0.001 per share;
- On 31 July 2015 following shareholder approval, 17,160,000 ordinary shares issued to Churchill Services for services provided in respect of company secretarial fees at a deemed issue price of \$0.001 per share;
- On 31 July 2015 following shareholder approval, 15,000,000 ordinary shares issued to Mr Fittall as part settlement of his deed of separation; and
- On 10 September 2015, 151,432,647 ordinary shares issued pursuant to the rights issue.

NOTE 17: LISTED OPTION RESERVE

	Consolidated 2015 No.*	2015 \$	Consolidated 2014 No.*	2014 \$
Listed options issued and fully paid	3,638,715	97,203	401,734,157	3,326,386
	2015 No.	2015 \$	2014 No.	2014 \$
Balance at beginning of financial year	401,734,157	3,326,386	401,734,157	3,326,386
Issue of options	36,388,023	97,203	-	-
Options exercised	(2,750)	-	-	-
Options lapsed	(401,731,407)	(3,326,386)	-	-
Consolidation of options 26 November 2014	(32,749,308)	-	-	-
Balance at end of financial year	3,638,715	97,203	401,734,157	3,326,386

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NOTE 17: LISTED OPTION RESERVE (CONTINUED)

Subsequent to balance date the following equity was issued:

- Pursuant to the Rights Issue, 37,858,095 listed options (\$0.002, 30 June 2018) were issued on 10 September 2015 (Refer Note 13 and Note 27).

NOTE 18: ACCUMULATED LOSSES AND RESERVES

Accumulated losses

Movements in accumulated losses were as follows:

	Consolidated 2015 \$	Consolidated 2014 \$
Balance at beginning of financial year	42,938,030	38,228,302
Net loss for the year	3,181,018	5,520,850
Transfer of lapsed options from option reserve	(3,462,980)	(811,122)
Balance at end of financial year	42,656,068	42,938,030

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

Equity based payments reserve

This reserve is used to record the value of equity benefits provided to:

- employees and directors as part of their remuneration, refer to Note 18;
- as part of the consideration to acquire controlled subsidiaries; and
- as part consideration for services.

Share options granted under the Company's employee share option plan

The Company has an ESOP under which options to subscribe for the Company's shares have been granted to certain executives and other employees. During the year under review, executives and employees held options over ordinary shares. On 1 July 2014, 680,000* vested and were exercised. On 31 May 2015 240,000* lapsed following a deed of settlement and on 8 June 2015 100,000* were voluntarily forfeited. There were no options under ESOP, over ordinary shares of the Company at 30 June 2015.

Share options granted under the Company's ESOP carry no right to dividends and no voting rights. Further details of the ESOP are provided in Note 19.

* Post consolidation

Performance Rights granted to directors

At 30 June 2015 there were no performance rights over ordinary shares of the Company on issues. On 1 July 2015 1,360,000* performance rights vested and were exercised. On 31 May 2015 680,000* lapsed and on 8 June 2015 960,000* were voluntarily forfeited. There were no performance rights, over ordinary shares of the Company at 30 June 2015.

Performance rights granted carry no right to dividends and no voting rights, further details are provided in Note 19.

* Post consolidation

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NOTE 18: ACCUMULATED LOSSES AND RESERVES (CONTINUED)

Unlisted options on issue

At 30 June 2015, the Company has 19,300,000* unlisted share options on issue (2014: 20,300,000*), exercisable on a 1:1 basis for 19,300,000* ordinary shares of the Company (2014: 20,300,000*). The options exercise price is set out below:

Expiry date	Exercise price \$	Shares under option No*.
03/12/2017	0.014	19,300,000

* Post consolidation

Subsequent to balance date following shareholder approval 350,000,000 options were issued to ECP as part of the fees for the recapitalisation at a deemed issue price of \$0.000001. (Refer Note 13 and Note 27)

Performance rights on issue

At 30 June 2015, the Company has no performance rights on issue (2014: 3,000,000*) to directors.

* Post consolidation

Option reserve

The option reserve is used to record options issued and exercisable on a 1:1 basis for ordinary shares of the Company. The option reserve can be transferred to equity on exercise of options. Refer to Note 17 for details of the movement in the listed options during the year.

Movements in reserves were as follows:

	Equity based payment reserve \$	Foreign currency translation reserve \$	Option reserve \$	Total \$
Year ended 30 June 2015				
Balance at the beginning of the year	2,042,277	990,485	3,326,386	6,359,148
Equity based payments to employees	-	-	-	-
Equity based payments to suppliers	-	-	-	-
Currency translation differences	-	2,959,940	-	2,959,940
Options exercised	(467,200)	-	-	(467,200)
Net equity raised	-	-	97,203	97,203
Lapsed options transferred to accumulated losses	(136,594)	-	(3,326,386)	(3,462,980)
Balance at end of the financial year	1,438,483	3,950,425	97,203	5,486,111
Year ended 30 June 2014				
Balance at the beginning of the year	1,684,799	1,482,561	3,326,386	6,493,746
Equity based payments to employees	433,517	-	-	433,517
Equity based payments to suppliers	1,438,483	-	-	1,438,483
Currency translation differences	-	(492,076)	-	(492,076)
Options exercised	(703,400)	-	-	(703,400)
Net equity raised	-	-	-	-
Lapsed options transferred to accumulated losses	(811,122)	-	-	(811,122)
Balance at end of the financial year	2,042,277	990,485	3,326,386	6,359,148

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NOTE 19: EQUITY BASED PAYMENTS

Employee share option plan

The Group believes that the way to encourage employees is to align their interests with those of shareholders. There is currently an ESOP approved by shareholders, which provides benefits to directors, senior executives and employees. At 30 June 2015 there were no incentives under issue of ESOP.

The following incentives are provided for under the ESOP. Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither right to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Retention Incentive

As part of the policy to retain staff, other than directors and senior executives, options are available to be issued under the ESOP. Vesting of the options issued to employees will occur in accordance with milestones prescribed with the various options issued. During the year the following options were on issue as a retention incentive:

ESOP WHNAI (Series 5)

- 40% of the options vested on 1 July 2013 after continuous employment;
- 40% of the options vesting on 1 July 2014 after continuous employment; and
- 20% of the options vesting on 1 July 2015 after continuous employment.

Performance Incentive

As part of the policy to retain executive directors and senior executives, options are available to be issued under the ESOP. Vesting of any options issued to executive directors and senior executives will occur in accordance with the milestones prescribed with the options issued. During the year the following options were on issue as a performance incentive:

During the year no options were granted under the WHL Energy Limited ESOP plan. On the 31 May 2015, 240,000* options lapsed under the ESOP plan and the fair value of these options was \$7,200. On the 8 June 2015 100,000* options were forfeited under the ESOP plan and the fair value of these options was \$600. The fair value of options recognised in the statement of comprehensive income for the year was nil (2014: \$202,960). During the year, 680,000* options granted in December 2012 vested and were exercised, the fair value of these options was \$6,800.

* Post consolidation

Performance rights

At the General Meeting of shareholders on 28 March 2014 shareholders approved the issue of 8,000,000 performance rights to Mr Brown, Mr Ismail and Mr Rowbottom respectively with a zero exercise price. Vesting of the performance rights to occur in accordance with milestones set out below:

- 40% of the options vesting on 1 July 2014 after continuous employment;
- 40% of the options vesting on 1 July 2015 after continuous employment; and
- 20% of the options vesting on 1 July 2016 after continuous employment.

The fair value of the performance rights recognised in the statement of comprehensive income was nil (2014: \$230,557). During the year, 1,360,000* performance rights granted in December 2012 vested and were exercised and the fair value of these performance rights was \$13,600. On 31 May 2015 680,000* performance rights lapsed and on 8 June 2015 960,000* were forfeited the fair value of these performance rights is \$26,160.

The expense recognised in the statement of comprehensive income in relation to the employee equity based payments is nil (2014: \$433,517) is disclosed in Note 3.

* Post consolidation

Equity based payments for services

Options

During the year under review no options were issued as equity based payments (2014: \$1,438,483).

Subsequent to balance date following shareholder approval 350,000,000 options were issued to ECP as part of the fees for the recapitalisation at a deemed issue price of \$0.000001. (Refer Note 13 and Note 27).

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: EQUITY BASED PAYMENTS (CONTINUED)

Shares

During the year the following shares were issued in respect of the fee payable for financing facility

- On 8 April 2015, 1,153,846 shares were issued pursuant to part interest payment. The market value of the shares on the date of issue was \$0.028; and
- On 19 April 2015, 2,432,315 shares were issued pursuant to a financing facility for USD 60,0000. The market value of the shares on the date of issue was \$0.028.

Subsequent to balance date the following shares was issued pursuant to the recapitalisation proposal (Refer Note 13 and Note 27):

- On 2 July 2015, 20,000,000 ordinary shares at a deemed issue price of \$0.00001 per share as part of the fees paid to ECP;
- On 31 July 2015 following shareholder approval, 170,000,000 ordinary shares issued to Robert Richter at a deemed issue price of \$0.001;
- On 31 July 2015 following shareholder approval, 17,160,000 ordinary shares issued to Churchill Services for services provided in respect of company secretarial fees at a deemed issue price of \$0.001 per share;
- On 31 July 2015 following shareholder approval, 20,000,000 ordinary shares issued to PAC Partners Pty Ltd for services provided in respect of corporate advisory and management fees at a deemed issue price of \$0.001 per share; and
- On 31 July 2015 following shareholder approval, 15,000,000 ordinary shares issued to Mr Fittall as part settlement of his deed of separation.

Options and performance rights

The following equity-based payment arrangements were in place during the current year:

	Number*	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting date
Option series						
Employee Share Option Plan-WHNAI (Series 5) ¹	1,020,000	17/12/2012	01/07/2015	0.0000	360,000	Vests on continuous employment ¹
Equity based payments for services-WHNAP	9,800,000	16/12/2013	03/12/2017	0.0140	509,600	Vests at the date of grant
Equity based payments for services-WHNAP	3,000,000	21/03/2014	03/12/2017	0.0140	418,815	Vests at the date of grant
Equity based payments for services-WHNAP	4,000,000	23/05/2014	03/12/2017	0.0140	225,995	Vests at the date of grant
Equity based payments for services-WHNAP	2,500,000	30/05/2014	03/12/2017	0.0140	284,074	Vests at the date of grant
Performance rights						
Directors Performance Rights WHNAS ¹	600,000	10/12/2012	01/07/2015	0.0000	192,000	Vests on continuous employment ¹
Directors Performance Rights WHNAS ²	1,440,000	10/12/2012	01/07/2016	0.0000	148,800	Vests on continuous employment ²

* Post consolidation

- 40% of the options and performance rights vested on 1 July 2013 and 1 July 2014 respectively, and 20% of the options and performance rights were due to vest on 1 July 2015 provided in continuous employment. At 30 June 2015 there were no options and performance rights on issue.
- 40% of the performance rights vested on 1 July 2014 and 40% vesting on 1 July 2015 and 20% were due to vest on 1 July 2015 provided in continuous employment. At 30 June 2015 there were no performance rights on issue.

Fair value of options granted in the year

During the year there were no options and granted.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: EQUITY BASED PAYMENTS (CONTINUED)

Fair value of options

ESOP (WHNAI Series 5)

The fair value of the equity-settled share options granted under ESOP (WHNAI Series 5) is estimated at the grant date, using the market value at the date of grant taking into account the terms and conditions upon which the options were granted. The options were granted for nil consideration and the exercise price of each of the options is nil and automatically vest into one share. The options vested in three tranches as set out above.

Vesting conditions, other than market conditions, attached to equity instruments granted are not taken into account when estimating the fair value at measurement date. The number of equity instruments included in the measurement is adjusted to reflect the number of equity instruments expected to vest. This is revised based on subsequent information.

WHNAP

The fair value of the equity-settled options granted under WHNAP is estimated at the grant date, using the market value at the date of grant taking into account the terms and conditions upon which the options were granted. The options were priced using Binomial and Black and Scholes models. Vesting conditions, other than market conditions, attached to equity instruments granted are not taken into account when estimating the fair value at measurement date. Expected volatility is based on the historical share price volatility over the past 12 months based on the assumption that it is indicative of future trends, which may also not necessarily be the actual outcome. The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns. No other features of the options granted were incorporated into the measurement of fair value.

Movement in unlisted options during the year

The following table illustrates the number and weighted average exercise prices of and movements in unlisted options during the year.

	2015	2015	2014	2014
	No.	Weighted average exercise price \$	No.	Weighted average exercise price \$
Outstanding at the beginning of the year	203,200,000	0.0133	322,550,000	0.0091
Exercised 1 July 2014	(6,800,000)	0.0000	(7,600,000)	0.0000
Consolidation 26 November 2014	(176,760,000)	-	-	-
Granted during the year	-	-	193,000,000	0.0140
Forfeited/ lapsed during the year	(340,000)	0.0000	(1,200,000)	0.0000
Expired during the year	-	-	(303,550,000)	0.0611
Outstanding at the end of the year	19,300,000	0.0140	203,200,000	0.0133
Exercisable at the end of the year	19,300,000*		19,300,000*	

* Post consolidation

Share options exercised during the year

	Options exercised No.*	Exercise date	Share price at exercise date \$
Granted 17 December 2012	680,000	01/07/2014	0.013
	680,000		

On 1 July 2013 7,600,000* options were exercised and the share price at exercise date was \$0.022.

* Pre-consolidation

Unlisted options outstanding at the end of the year

Option Series	Options No.*	Exercise price \$
Equity based payments for services - WHNAP	19,300,000	0.014

The weighted average remaining contractual life for the share options outstanding at 30 June 2015 is 887 days (2014: 1,195 days). The exercise price for options outstanding at the end of the year is \$0.014 (2014: range from \$0.000 - \$0.0014).

* Post consolidation

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NOTES TO FINANCIAL STATEMENTS
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NOTE 19: EQUITY BASED PAYMENTS (CONTINUED)

Performance rights

During the year there was no performance rights granted.

Fair value of performance rights

The fair value of the equity-settled performance rights granted under WHNAS is measured at the grant date based on the market value at the date of grant taking into account the terms and conditions upon which the performance rights were granted. The performance rights were granted for nil consideration and the exercise price of each of the performance rights is nil and they automatically vest into one share. The performance rights vest in three tranches as set out above.

Vesting conditions, other than market conditions, attached to equity instruments granted are not taken into account when estimating the fair value at measurement date. Instead, the number of equity instruments included in the measurement shall be adjusted to reflect the number of equity instruments expected to vest. This is revised based on subsequent information.

Movement in unlisted performance rights during the year

The following table illustrates the number and weighted average exercise prices of and movements in performance rights issued during the year.

	2015	2015	2014	2014
	No.	Weighted average exercise price	No.	Weighted average exercise price
Outstanding at the beginning of the year	30,000,000	0.000	32,000,000	0.000
Exercised during the year	(13,600,000)	0.000	(12,800,000)	0.000
Consolidation 26 November 2014	(14,760,000)	-	-	-
Granted during the year	-	-	24,000,000	0.000
Forfeited/ lapsed during the year	(1,640,000)	0.000	(13,200,000)	0.000
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	0.000	30,000,000	0.000
Exercisable at the end of the year	-	-	-	-

Performance rights exercised during the year

	Performance right exercised No.	Exercise date	Share price at exercise date \$
Granted 10 December 2012	13,600,000	01/07/2013	0.013

On 1 July 2014, 13,600,000 performance rights were exercised and the share price at exercise date was \$0.022.

Fair value of shares granted during the year

The fair value of the shares granted as equity based payments was determined by the listed market price at the measurement date. No dividends or other features were incorporated into the fair value measurement.

NOTE 20: FINANCIAL INSTRUMENTS

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets.

The Group's overall strategy remains unchanged from 2014.

None of the Group's entities are subject to externally imposed capital requirements.

WHL ENERGY LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments

	Consolidated 2015 \$	Consolidated 2014 \$
Financial assets		
Loans and receivables	12,745	2,807,373
Cash and cash equivalents	1,230,069	3,833,381
Financial liabilities		
Trade and other payables	3,397,345	5,363,435

Financial risk management objectives

The Group is exposed to market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and fair value interest rate risk. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk including foreign exchange forward contracts to hedge the exchange rate.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts where applicable.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date in Australian dollars are as follows:

	Liabilities 2015 \$	Liabilities 2014 \$	Assets 2015 \$	Assets 2014 \$
US dollars	515,246	722,516	53,636	3,887,089
GBP	23,154	-	-	-

The Group is exposed to US Dollar (USD currency fluctuations).

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	USD Consolidated 2015 \$	USD Consolidated 2014 \$	GBP Consolidated 2015 \$	GBP Consolidated 2014 \$
Profit or loss	(35,482)	(297,913)	(2,105)	(-)
Other equity	35,482	297,913	2,105	-

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to only cover specific foreign currency payments. During the current year no forward exchange contracts were entered into.

There were no forward foreign currency contracts outstanding as at balance date.

At balance date, the aggregate amount of unrealised losses under forward foreign exchange contracts charged to the statement of comprehensive income is the exposure on these anticipated future transactions, which is \$Nil (2014: \$Nil).

Interest rate risk management

The Group is subject to interest rate exposure through its cash and cash equivalents. The Group is currently not exposed to interest rate risk on borrowings as the borrowings have no variable interest rate attached.

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At balance date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit or loss will be impacted as follows:

	Consolidated 2015 \$	Consolidated 2014 \$
Profit or Loss	731	3,342
Equity	731	3,342

The Group's exposure to interest rate risk is minimal as it has no borrowings with variable interest rates. The risk is attributable to the Group's exposure to interest rates on its variable rate deposits.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is reviewed and approved by managers on a continuous basis.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

The following table details the Group's expected maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month \$	1 – 3 months \$	3 months – 1 year \$	1-5 years \$	Total \$
30 June 2015						
Financial assets						
Non-interest bearing		67,089	-	-	-	67,089
Variable interest rate instruments	1.08	1,063,305	-	-	-	1,063,305
Fixed interest rate instruments	2.77	112,420	-	-	-	112,420
		1,242,814	-	-	-	1,242,814
Financial Liabilities						
Non-interest bearing		1,084,602	-	-	-	1,084,602
Fixed interest rate instruments	9.08	2,312,743	-	-	-	2,312,743
		3,397,345	-	-	-	3,397,345
30 June 2014						
Financial assets						
Non-interest bearing		1,182,781	1,653	2,756,772	-	3,941,206
Variable interest rate instruments	1.90	1,339,181	-	-	-	1,339,181
Fixed interest rate instruments	3.00	1,250,000	60,367	50,000	-	1,360,367
		3,771,962	62,020	2,806,772	-	6,640,754
Financial Liabilities						
Non-interest bearing		1,435,729	-	3,927,706	-	5,363,435
		1,435,729	-	3,927,706	-	5,363,435

Subsequent to balance date on 31 July 2015 the convertible note of \$2,000,000 included in the fixed rate instruments was converted to ordinary shares, refer Note 27.

NOTE 21: COMMITMENTS AND CONTINGENCIES

Work programme commitments

The Group has obligations to carry out certain work programme commitments on exploration in tenement areas. The work programmes are not defined in terms of annual commitments but in terms of periods which include more than one financial year. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operation of the Group. Expenditures are contingent upon successful raising of the required capital and/or farm-in partner arrangements and failure to make these expenditures may result in the forfeiture of the associated project rights or a reduction in working interest revenue until a multiple of capital costs are earned.

Commitments contracted for at balance date but not recognised as liabilities are as follows:

	Consolidated 2015 \$	Consolidated 2014 \$
Within one year	1,070,538	27,477,245
After one year but not more than five years	53,947,545	41,522,064
Total work programme commitments	55,018,083	68,999,309

The capital commitment is based on the Group's current equity interests. Included in the expenditure after one year but more than five is \$43,888,506 which becomes guaranteed on the commencement of the fourth year permit on a year by year basis.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 21: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Capital expenditure commitments

The Company has no capital expenditure commitments at 30 June 2015 (2014: Nil)

Other expenditure commitments

The Group has non-cancellable operating leases for the following:

- Office Premises: the parent entity entered into a lease in August 2011. The lease expires on 11 August 2016 and the Company does not have an option to purchase the leased property at the expiry of the leased period; and
- Other operating contracts with varying terms from 3 months to 10 months.

Commitments contracted for at the balance date but not recognised as liabilities are as follows:

	Consolidated 2015 \$	Consolidated 2014 \$
Within one year	274,653	2,074,170
After one year but not more than five years	29,749	296,582
Longer than five years	-	-
Total other expenditure commitments	304,402	2,370,752

Operating lease arrangements included in other expenditure commitments

Payments recognised as an expense

	Consolidated 2015 \$	Consolidated 2014 \$
Minimum lease payments	269,854	279,057
Total operating lease payments	269,854	279,057

Non-cancellable operating lease commitments included in other expenditure commitments

	Consolidated 2014 \$	Consolidated 2013 \$
Within one year	263,215	254,092
After one year but not more than five years	29,749	293,722
Longer than five years	-	-
Total operating lease commitments	292,964	547,814

Guarantee entered into in relation to the operating lease

The Company lodged a deposit of \$60,367 as surety for a bank guarantee in respect of the operating lease for the West Perth office.

Legal claim

During the year the Company had initiated a dispute for restitution for an overpayment in respect of a financing facility for US\$230K. In response the counter party alleged a different interpretation of the repayment clause and raised a number of cross claims if proceedings were commenced for restitution. At the date of this report a formal claim has not been lodged in regard to this dispute. The Company continues to review its legal option to commence litigation for a recovery of the overpayment.

At balance date the Company was aware of a dispute involving a claim of \$33,000 for consulting fees in respect of a mandate to assist with a potential merger. The Company received formal notification of a claim post balance date and disputes the validity of the claim and intends to defend this claim.

Contingent liabilities

Subject to commercial production commencing there are overriding royalty interests on the production of oil, gas and other associated hydrocarbons produced under the Seychelles Petroleum Agreement.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 21: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Securities granted over assets

The Company granted a security interest to the Convertible Note holders over all its present and after-acquired property including:

- a) The Company's assets and undertakings and its Unpaid Capital;
 - b) anything in respect of which the Company has a sufficient right or interest to grant a Security Interest under the PPSA or any other law; and
 - c) anything else in which the Grantor has a sufficient right to be able to grant a Security Interest;
- and any Proceeds of, or in respect of, any collateral (including the Proceeds of Proceeds.)

NOTE 22: PARENT ENTITY DISCLOSURE

Financial position	2015	2014
	\$	\$
Assets		
Current assets	1,585,602	7,788,089
Non-current assets	25,829,995	22,957,202
Total assets	27,415,597	30,745,291
Liabilities		
Current liabilities	2,966,075	5,225,418
Total liabilities	2,966,075	5,225,418
Net Assets	24,449,522	25,519,873
Equity		
Issued capital	63,178,063	62,118,536
Option reserves	97,203	3,326,386
Equity based payment reserve	1,438,483	2,042,277
Retained earnings	(40,264,227)	(41,967,326)
Total equity	24,449,522	25,519,873
Financial performance	2015	2014
	\$	\$
Loss for the year	(1,759,879)	(6,029,172)
Other comprehensive income	-	-
Total comprehensive income	(1,759,879)	(6,029,172)

NOTE 23: AUDITOR'S REMUNERATION

The auditor of WHL Energy Limited is HLB Mann Judd.

	Consolidated	Consolidated
	2015	2014
	\$	\$
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the entity and any other entity in the Group	49,000	47,450
Other- sundry accounting advice	-	1,500
Tax compliance	16,805	13,315
	65,805	62,265

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 24: DIRECTORS AND SENIOR EXECUTIVES DISCLOSURES

Details of key management personnel

Directors

Mr Brown	Director (Non-Executive) – Appointed 6 December 2013
Mr Durtanovich	Director (Non-Executive) – Appointed 2 June 2015
Mr Ismail	Director (Non-Executive) – Appointed 24 September 2013
Mr Rowbottom	Managing Director – Resigned 31 May 2015
Mr Schrull	Director (Non-Executive) – Appointed 15 April 2014

Senior Executives

Mr Fittall	Exploration Manager – Resigned 31 July 2015
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Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Information regarding the individual directors and executives compensation is provided in the Remuneration Report as set out on page 12.

The aggregate compensation made to key management personnel of the Group is set out below:

	Consolidated 2015 \$	Consolidated 2014 \$
Short-term employee benefits	1,025,939	1,154,657
Post-employee benefits	49,115	47,160
Equity based payments	-	372,973
Total	1,075,054	1,574,790

The short term employee benefits include termination payments of \$214,462 (2014: \$90,498).

NOTE 25: RELATED PARTY TRANSACTIONS

Controlled entities

WHL Energy Limited is a public company, which was incorporated in Australia on 10 March 2005 and listed on the ASX on 10 September 2007.

The consolidated financial statements include the financial statements of WHL Energy Limited and its subsidiaries as outlined in Note 26.

WHL Energy Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Key management personnel

The following table provides the total amount of transactions that were entered into with key management personnel for the relevant financial year.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 25: RELATED PARTY TRANSACTIONS (CONTINUED)

Key management personnel		Fees to related parties	Amounts owed by related parties	Amounts owed to KMP	Amounts owed to related parties
		\$	\$	\$	\$
Mr Brown	2015	9,500	-	-	-
	2014	-	-	6,815	-
Mr Durtanovich	2015	-	-	-	-
	2014	-	-	-	-
Mr Ismail	2015	-	-	-	-
	2014	-	-	24,500	-
Mr Rowbottam	2015	-	-	101,963	-
	2014	-	-	-	-
Mr Fittall	2015	-	-	112,500	-
	2014	-	-	-	-

At balance date there were amounts owing to KMP as part of the deeds of settlements entered into on 31 May 2015 of \$214,463 (2014: \$31,315 related to unpaid directors fees), refer Note 8.

NOTE 26: SUBSIDIARIES

Name	Country of Incorporation	Equity Interest and voting power held by the Company 2015 %	Equity Interest and voting power held by the Company 2014 %
PetroQuest International Seychelles Limited	Seychelles	100	100
PetroQuest International Incorporated	USA	100	100
Indian Ocean Petroleum Holdings Pty Limited (formerly Seyco Energy Proprietary Limited)	Australia	100	100

Composition of the group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal Activity	Country of Incorporation	Country of operation	Number of wholly owned subsidiaries 2015	Number of wholly owned subsidiaries 2014
Exploration	Australia	Australia	1	1
Exploration	Australia	Australia	1	1
Exploration	USA	Seychelles	-	-
Exploration	Seychelles	Seychelles	-	-

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NOTES TO FINANCIAL STATEMENTS
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NOTE 27: EVENTS AFTER THE BALANCE DATE

VIC/P67

On 19 August 2015, the Company received approval from the Commonwealth-Victoria Offshore Petroleum Joint Authority for an above-commitment variation of the Permit Year 3 work program, and a 12 month suspension of the Permit Year 3 work program commitments, with a corresponding 12 month extension of the permit term. As a result, Permit Year 3 will end on 3 August 2016 and the permit term will end on 3 August 2019.

Shareholder Meeting

A meeting of the Company's shareholders was held on 31 July 2015. The following resolutions were put to and approved by the shareholders of the Company:

Resolution 1—Approval for Issue of Shares On Conversion Of Convertible Notes
Resolution 2—Ratification of Prior Issue of Shares To Energy Capital Partners Pty Ltd
Resolution 3— Approval for Issue of Options To Energy Capital Partners Pty Ltd
Resolution 4 – Approval for Issue of Shares To Mr Robert Richter QC
Resolution 5 – Approval for Issue of Shares To Mr Alan Matthew Fittall
Resolution 6 – Approval for Issue of Shares To Pac Partners Pty Ltd

Conversion of convertible note

Shareholder approval was obtained for the conversion of the Convertible Notes at a General Meeting on 31 July 2015, and 2,000,000,000 new ordinary shares in the Company were issued. In consideration for ECP procuring the subscription for Convertible Notes, the Company agreed to issue ECP shares and options in the Company and pay fees on the terms set out in the Schedule to the announcement of 2 June 2015.

Issue of Equity

Subsequent to balance date the following equity was issued:

- On 2 July 2015, 20,000,000 ordinary shares at a deemed issue price of \$0.00001 per share as part of the fees paid to ECP pursuant to the recapitalisation proposal (Refer Note 13 and Note 27);
- On 24 July 2015 18,384,572 Ordinary shares were issued for working capital;
- On 31 July 2015 following shareholder approval, 2,000,000,000 ordinary shares issued on conversion of the convertible note pursuant to the recapitalisation proposal (Refer Note 13 and Note 27);
- On 31 July 2015 following shareholder approval, 170,000,000 ordinary shares issued to Robert Richter at a deemed issue price of \$0.001;
- On 31 July 2015 following shareholder approval, 20,000,000 ordinary shares issued to PAC Partners Pty Ltd for services provided in respect of corporate advisory and management fees at a deemed issue price of \$0.001 per share;
- On 31 July 2015 following shareholder approval, 17,160,000 ordinary shares issued to Churchill Services for services provided in respect of company secretarial fees at a deemed issue price of \$0.001 per share;
- On 31 July 2015 following shareholder approval, 15,000,000 ordinary shares issued to Mr Fittall as part settlement of his deed of separation;
- On 31 July 2015 following shareholder approval 350,000,000 options were issued to ECP as part of the fees for the recapitalisation at a deemed issue price of \$0.000001. (Refer Note 13 and Note 27);
- On 10 September 2015, 151,432,647 ordinary shares issued pursuant to the Rights Issue and
- On 10 September 2015, 37,858,095 listed options (\$0.002, 30 June 2018) were issued pursuant to the Rights Issue.

Capital Raising

On 25 June 2015, the Company announced a proposed non-renounceable pro rata offer to Eligible Shareholders ("Rights Issue"). The Prospectus was lodged on 13 August 2015 and the Rights Issue, if fully subscribed, will raise up to approximately \$3,040,017. There are 2,432,013,666 New Shares on offer at an issue price of \$0.001 per New Share and 608,003,416 New Listed Options at an issue price of \$0.001 per New Option on offer. The capital raised will be directed to ongoing operations, financing exploration and evaluation of new projects and working capital. The Prospectus was not underwritten and was despatched to shareholders on 25 August 2015. The Rights Issue closed at 5.00pm WAT on Thursday 3 September 2015 in accordance with the timetable for the Rights Issue, and raised \$189,290.74. The shortfall of the Rights Issue will be allotted at the Directors Discretion.

WHL ENERGY LIMITED
and its controlled entities

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Reassessment of US Tax Liability

The Company reviewed the 31 December 2014 tax return of its 100% owned subsidiary PetroQuest International Inc. prior to lodgement of the return in mid-September 2015 and in conjunction with discussions with the Company's tax accountants amended the estimated return to more accurately reflect the operations of the subsidiary. As a result it was deemed that the estimated tax liability of \$303,376 that was previously recorded and included at note 4 was not correct and this amount is not a liability to the Company.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

WHL ENERGY LIMITED
and its controlled entities

DIRECTORS' DECLARATION

1. In the opinion of the directors of WHL Energy Limited ("the Company"):
 - a. the accompanying financial statements, notes and the additional disclosures are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

This declaration is signed in accordance with a resolution of the Board of Directors.



Stuart Brown
Non-Executive Chairman
Perth, 29 September 2015

**WHL ENERGY LIMITED
and its controlled entities**

INDEPENDENT AUDITOR'S REPORT



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of WHL Energy Limited

Report on the Financial Report

We have audited the accompanying financial report of WHL Energy Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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HLB Mann Judd (WA Partnership) is a member of  HLB International, a worldwide organisation of accounting firms and business advisers.

**WHL ENERGY LIMITED
and its controlled entities**

INDEPENDENT AUDITOR'S REPORT



Accountants | Business and Financial Advisers

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of WHL Energy Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(e) in the financial report, which indicates that the company will need to seek additional funding in the coming year. Should these equity raisings not be completed or other sources of funding accessed, there is a material uncertainty that may cast significant doubt as to whether the company will be able to realize its assets and extinguish its liabilities in the normal course of business

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of WHL Energy Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd
Chartered Accountants**

**Perth, Western Australia
29 September 2015**

A handwritten signature in blue ink that reads 'N G Neill'.

**N G Neill
Partner**

WHL ENERGY LIMITED
and its controlled entities

CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

The Board of Directors of WHL Energy Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

This Corporate Governance Statement is current as at 30 June 2015 and has been approved by the Board. Further information on the Company's corporate governance policies and practices can be found on the Company's website at <http://whlenergy.com/>.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.

Recommendation 1.1: *A listed entity should disclose:*

- (a) *The respective roles and responsibilities of its board and management; and*
- (b) *Those matters expressly reserved to the board and those delegated to management.*

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is responsible for oversight of management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of those goals, monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The responsibility for the operation and administration of the Company was previously delegated by the Board to the Managing Director and management team. The Board ensured that both the Managing Director and the management team are appropriately qualified and experienced to discharge their responsibilities and have procedures in place to monitor and assess their performance. The management team were responsible for supporting and assisting the Managing Director to conduct the general operations and financial business of the Company in accordance with the delegated authority of the Board and to progress the strategic direction provided by the Board. As a result of the current structure of the Company, the Board has assumed all roles and responsibilities previously delegated to management.

WHL ENERGY LIMITED
and its controlled entities

CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

Recommendation 1.2: *A listed entity should:*

- (a) *Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and*
- (b) *Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Company is currently not of a relevant size that justifies the formation of a separate Remuneration and Nomination Committee. Matters typically dealt with by such a Committee are dealt with by the Board of Directors. The Board is responsible for conducting the appropriate checks prior to the appointment of a person as a director of the Company or prior to putting forward to security holders a new candidate for election as a director. Checks undertaken may include checks as to the person's character, experience, education, criminal record and bankruptcy history.

Material information relevant to a decision on whether or not to elect or re-elect a director is provided to security holders in all Notices of Meeting which contain director election or re-election resolutions.

Recommendation 1.3: *A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

Appointment terms of the Company's Directors and senior executives are summarised in written agreements.

Recommendation 1.4: *The company secretary of a listed entity should be accountable to the board through the chair, on all matters to do with the proper functioning of the board.*

The Company's Secretary is accountable to the Company's Board through the chair, ensuring the Company's Board receives adequate support to function properly.

WHL ENERGY LIMITED
and its controlled entities

CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

Recommendation 1.5: *A listed entity should:*

- (a) *Have a diversity policy in place which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- (b) *Disclose that policy or a summary of it; and*
- (c) *Disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:*
 - (1) *The respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes; or*
 - (2) *If the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators," as defined in and published under that Act.*

The Company has adopted a diversity policy which can be viewed on its website. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity.

The Diversity Policy outlines the requirements for the Board to develop objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. To assist in fostering diversity, the policy includes the requirement for the Company to take diversity of background into account (in addition to candidates' skills and experience in a variety of the specified fields) when selecting new Directors, senior management and employees.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements and achieving these objectives in the future as director and senior executive positions become vacant and appropriately qualified candidates become available.

Other than as described above, the Company has not yet set measurable objectives for achieving gender diversity. The Company is currently not of a size that justifies the establishment of measurable diversity objectives, and currently is not looking to appoint any new employees to the Company or Directors to the Board. As the Company develops, the Board will seek to develop a reporting framework in the future to report the Company's progress against the objectives and strategies for achieving a diverse workplace which can be used as a guide to be used by the Company to identify new Directors, senior executives and employees.

Full details of the Company's Diversity Policy can be found on the Corporate Governance page of the Company's website.

WHL ENERGY LIMITED
and its controlled entities

CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

Recommendation 1.6: *A listed entity should:*

- (a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual Directors; and*
- (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board has developed an informal process for performance evaluation whereby the performance of all Directors is reviewed regularly by the Chair. The Board as a whole may then hold a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board as a whole. The Chair of the Board may also meet individually with each Board member to discuss their performance. Non-executive Directors may also meet to discuss the performance of the Chair. Directors whose performance is consistently unsatisfactory may be asked to retire.

No formal performance evaluations for the Board or its Directors was undertaken during the reporting period. Going forward however, it is the Company's intention that all Directors will receive annual individual performance evaluations in accordance with the Board Charter and Performance Evaluation Policy.

Full details of the Company's Performance Evaluation Policy can be found on the Corporate Governance page of the Company's website.

Recommendation 1.7: *A listed entity should:*

- (a) Have and disclose a process for periodically evaluating the performance of its senior executives; and*
- (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

An informal assessment of progress is carried out throughout the year. The Board as a whole may then hold a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board as a whole. The Chair of the Board may also meet individually with each Executive Director to discuss their performance. Executive Directors whose performance is consistently unsatisfactory may be asked to retire.

No formal performance evaluations for Executive Directors were undertaken during the reporting period. Going forward however, it is the Company's intention that all Directors will receive annual individual performance evaluations in accordance with the Board Charter and Performance Evaluation Policy. There are currently no executives within the Company.

Full details of the Company's Performance Evaluation Policy can be found on the Corporate Governance page of the Company's website.

WHL ENERGY LIMITED
and its controlled entities

CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

Recommendation 2.1: *The board of a listed entity should:*

- (a) *Have a nomination committee which:*
 - (1) *Has at least three members, a majority of whom are independent Directors; and*
 - (2) *Is chaired by an independent director, and disclose:*
 - (3) *The charter of the committee;*
 - (4) *The members of the committee; and*
 - (5) *As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

The Board is currently not of a relevant size that justifies the formation of a separate Nomination Committee. Matters typically dealt with by such a committee detailed in a separate charter which describes its role, composition, functions and responsibilities, are dealt with by the Board of Directors. A copy of the charter is set out on the Company website.

The Board oversees the appointment and induction process for Directors and the selection, appointment and succession planning process of the Company's Managing Director, where relevant. When a vacancy exists or there is a need for a particular skill, the Board, determines the selection criteria that will be applied. The Board will then identify suitable candidates, with assistance from an external consultant if required, and will interview and assess the selected candidates. Directors are initially appointed by the Board and must stand for re-election at the Company's next Annual General Meeting of shareholders. Directors must then retire from office and nominate for re-election at least once every three years with the exception of the Managing Director.

Recommendation 2.2: *A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

Given the current size and stage of development of the Company the Board has not yet established a formal board skills matrix. Gaps in the collective skills of the Board are regularly reviewed by the Board as a whole, with the Board proposing candidates for directorships having regard to the desired skills and experience required by the Company as well as the proposed candidates' diversity of background.

WHL ENERGY LIMITED
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CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

Recommendation 2.3: *A listed entity should disclose:*

- (a) *The names of the Directors considered by the board to be Independent Directors;*
- (b) *If a Director has an interest, position, association or relationship that might cause doubts about their independence as a director but the board is of the opinion that their independence isn't compromised, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and*
- (c) *The length of service of each Director.*

The current Board composition includes 1 non-executive Chair and 2 Non-executive Directors, all of which are considered independent. The Board has considered the guidance to Principle 2 and in particular the relationships affecting independent status. In its assessment of independence, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when evaluating independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or another Company member other than as a Director.

Details of each Director's backgrounds including experience, knowledge and skills are set out in the Directors Report of this Annual Report.

Recommendation 2.4: *A majority of the board of a listed entity should be Independent Directors.*

The Board does comprise of a majority of independent Directors. The current Board composition, based on a total of 3 members, includes 1 Non-Executive Chair and 2 Non-Executive Directors.

Recommendation 2.5: *The chair of the board of a listed entity should be an Independent Director and, in particular, should not be the same person as the CEO of the entity.*

The Company does not have a Chief Executive Officer. Due to the limited size and complexity of the Company's operations, the Board does not deem it necessary to appoint a Chief Executive Officer at the current time.

The Chairman, Mr Stuart Brown is independent.

WHL ENERGY LIMITED
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CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

Recommendation 2.6: *A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.*

The Board is responsible for conducting new Director inductions. The process for this is outlined in 2.1 above. Professional development opportunities are considered on an individual Director basis, with opportunities provided to individual Directors where appropriate.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

A listed entity should act ethically and responsibly.

Recommendation 3.1: *A listed entity should:*

- (a) *Have a code of conduct for its Directors, senior executives and employees; and*
- (b) *Disclose that code or a summary of it.*

The Company recognises the importance of establishing and maintaining high ethical standards and decision making in conducting its business and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers and employees are expected to act with the utmost integrity, honesty and objectivity, striving at all times to enhance the reputation and performance of the Company.

The Company has established a Code of Conduct which can be viewed on its website. Unethical practices, including fraud, legal and regulatory breaches and policy breaches are required to be reported on a timely basis to management.

WHL ENERGY LIMITED
and its controlled entities

CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

Recommendation 4.1: *The board of a listed entity should:*

- (a) Have an audit committee which:*
 - (1) Has at least three members, all of whom are Non-executive Directors and a majority of whom are Independent Directors; and*
 - (2) Is chaired by an Independent Director, who is not the chair of the board, and disclose:*
 - (3) The charter of the committee;*
 - (4) The relevant qualifications and experience of the members of the committee; and*
 - (5) In relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Directors do not view that the size of the Company warrants a separate Audit Committee. The whole of the Board assumes the responsibility of the audit committee, and takes the appropriate measures to safeguard the integrity of its corporate reporting, including regular external audit. The rotation of the audit engagement partner is completed when required.

All matters that might properly be dealt with by the Audit & Risk Committee are dealt with by the full Board. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional Directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.

As the operations of the Company develop, the Board will reassess the formation of an Audit Committee.

The Company's Corporate Governance Plan includes an Audit and Risk Committee Charter, which discloses its specific responsibilities, and processes for safeguarding the integrity of its corporate reporting. The Charter for this committee is disclosed on the Company's website.

WHL ENERGY LIMITED
and its controlled entities

CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

Recommendation 4.2: *The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

In accordance with Recommendation 4.2 and Section 295A of the *Corporations Act 2001* the Board has previously received a signed declaration from the CEO and CFO prior to the approval of the Company's financial statements. As a result of the current structure of the Board, this declaration has been signed by the non-executive director and company secretary, who are currently undertaking these duties.

Recommendation 4.3: *A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer any questions from security holders relevant to the audit.*

The Company welcomes the attendance of its auditor at its Annual General Meeting.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Recommendation 5.1: *A listed entity should:*

- (a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
- (b) Disclose that policy or a summary of it.*

The Company has established policies and procedures to ensure timely disclosure of all material matters and ensure that investors have access to information on financial performance. This ensures the Company is compliant with the information disclosure requirements under the ASX Listing Rules. The policies and procedures include a Continuous Disclosure Policy that includes identification of matters that may have a material impact on the price of the Company's securities, notifying them to the ASX, posting relevant information on the Company's website and issuing media releases.

Matters involving potential market sensitive information must first be reported to the Managing Director (or in the absence of a Managing Director, the Chair) either directly or via the Company Secretary. The Managing Director/Chair will advise the Board if the issue is important enough and if necessary seek external advice. In all cases the appropriate action must be determined and carried out in a timely manner in order for the Company to comply with the Information Disclosure requirements of the ASX.

Once the appropriate course of action has been agreed upon, either the Managing Director/Chair or Company Secretary will disclose the information to the relevant authorities, being the only authorised officers of the Company who are able to disclose such information. Board approval is required for market sensitive information such as financial results and material transactions.

A copy of the Continuous Disclosure Policy is available on the Company's website. The Board receives regular reports on the status of the Company's activities and any new proposed activities. Disclosure is reviewed as a routine agenda item at Board meetings.

Corporate Governance Statement

For the year ended 30 June 2015

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

Recommendation 6.1: *A listed entity should provide information about itself and its governance to investors via its website.*

WHL ENERGY LIMITED
and its controlled entities

CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

In line with adherence to the continuous disclosure requirements of the ASX all shareholders are kept informed of major developments affecting the Company. This disclosure is through regular shareholder communications including the Annual Report, Half Yearly Report, the Company website and the distributions of specific releases covering major transactions and events or other price sensitive information.

The Company values its relationship with shareholders and understands the importance of communication with them in accordance with the requirements of the ASX. To keep shareholders informed, the Company maintains a website at <http://whlenergy.com/>.

Recommendation 6.2: *A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

The Company has formulated a Security Holder Communication Policy which can be viewed on the Company's website.

Recommendation 6.3: *A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

The Company's Security Holder Communication Policy addresses security holder attendance at Security Holder Meetings.

WHL ENERGY LIMITED
and its controlled entities

CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

Recommendation 6.4: *A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The Company encourages the use of electronic communication and offers Security Holders the option to receive and send electronic communication to the Company and its share registry where possible.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

Recommendation 7.1: *The board of a listed entity should:*

- (a) *Have a committee or committees to oversee risk, each of which:*
 - (1) *Has at least three members, a majority of whom are Independent Directors; and*
 - (2) *Is chaired by an Independent Director, and disclose:*
 - (3) *The charter of the committee;*
 - (4) *The members of the committee; and*
 - (5) *As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Directors do not view that the size of the Company warrants a separate Risk Committee. All matters that might properly be dealt with by the Risk Committee are dealt with by the full Board. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional Directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive.

The Board is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems.

Major risk categories reported include operational risk, environmental risk, sustainability, statutory reporting and compliance, financial risks (including financial reporting, treasury, information technology and taxation), and market related risks. The Company's Corporate Governance Plan includes a Risk Management Policy. This can be viewed on the Company website.

Corporate Governance Statement

For the year ended 30 June 2015

Recommendation 7.2: *The board or a committee of the board should:*

- (a) *Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*
- (b) *Disclose, in relation to each reporting period, whether such a review has taken place.*

The Boards responsible for reviewing the Company's risk management framework. Risk framework reviews may occur more or less frequently than annually as necessitated by changes in the Company and its operating environment.

A risk framework review has not taken place during the transitional financial year ended 30 June 2015.

WHL ENERGY LIMITED
and its controlled entities

CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

A risk framework review is expected to be performed during the Company's financial year ending 30 June 2016.

Recommendation 7.3: *A listed entity should disclose:*

- (a) If it has an internal audit function, how the function is structured and what role it performs; or*
- (b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk and internal control processes.*

Given the Company's size and current stage of development it does not have an internal audit function.

As set out in Recommendation 7.1, the Board is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems.

Recommendation 7.4: *A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Audit and Risk Committee Charter requires the Audit and Risk Committee (or in its absence the Board) to assist management to determine whether the Company has any material exposure to economic, environmental and social sustainability risks, and, if it does, how it manages or intends to manage those risks. The Company discloses this information in its Annual Report.

WHL ENERGY LIMITED
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CORPORATE GOVERNANCE

Corporate Governance Statement

For the year ended 30 June 2015

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

A listed entity should pay director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

Recommendation 8.1: *The board of a listed entity should:*

- (a) *Have a remuneration committee which:*
 - (1) *Has at least three members, a majority of whom are Independent Directors; and*
 - (2) *Is chaired by an Independent Director, and disclose:*
 - (3) *The charter of the committee;*
 - (4) *The members of the committee; and*
 - (5) *As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- (b) *If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

As previously stated in Principle 2, the Board is currently not of a relevant size that justifies the formation of a separate Remuneration & Nomination Committee. Matters typically dealt with by such a committee detailed in a separate charter including the processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive, are dealt with by the Board of Directors. A copy of the charter is set out on the Company website.

Recommendation 8.2: *A listed entity should separately disclose its policies and practices regarding the remuneration of Non-executive Directors and the remuneration of Executive Directors and other senior executives.*

The Company's policies and practices regarding the remuneration of executive and Non-executive Directors and other senior executives are disclosed in the Company's Annual Report.

Recommendation 8.3: *A listed entity which has an equity-based compensation remuneration scheme should:*

- (a) *Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- (b) *Disclose that policy or a summary of it.*

The Company has no equity based compensation schemes.

WHL ENERGY LIMITED
and its controlled entities

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below. The information is current as at 29 September 2015.

a) Twenty largest shareholders

(i) The names of the twenty largest holders of ordinary shares are:

	Number of shares	% of ordinary shares
MR ROBERT RICHTER	171,519,364	6.64
BARCLAY WELLS LTD	130,000,000	5.03
MR ANDREW MURRAY GREGOR	75,000,000	2.90
MR BRIAN PETER BYASS	60,000,000	2.32
RICHSHAM NOMINEES PTY LTD	60,000,000	2.32
ALITIME NOMINEES PTY LTD	60,000,000	2.32
GUINA NOMINEES PTY LTD	60,000,000	2.32
MR KEITH DOUGLAS BOWKER & MRS NYSSA LOUISE BOWKER	50,000,000	1.94
WAYNE ENGLAND	50,000,000	1.94
SCINTILLA STRATEGIC INVESTMENTS LTD	50,000,000	1.94
KOBIA HOLDINGS PTY LTD	50,000,000	1.94
BLU BONE PTY LTD	50,000,000	1.94
BARQUE INVESTMENTS PTY LTD	50,000,000	1.94
ACP INVESTMENTS PTY LTD	40,000,000	1.55
LAPJ NOMINEES PTY LTD	40,000,000	1.55
AUSTRALIAN TRADE ACCESS PTY LTD	40,000,000	1.55
MOLTONI SUPER PTY LTD	40,000,000	1.55
MR GRANT ANTHONY MURPHY	30,000,000	1.16
RISING FAST HOLDINGS PTY LTD	25,000,000	0.97
MR JOHN ROBERT TYRRELL & MS CLAIRE KATHERINE TYRRELL	25,000,000	0.97
TOTAL	1,156,519,364	44.77
Balance of Register	1,426,923,949	55.23
Total Issued Capital	2,583,443,313	100.00

WHL ENERGY LIMITED
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ASX ADDITIONAL INFORMATION

(ii) The names of the twenty largest holders of WHNO Listed Options (\$0.18, 30/11/2016) are:

	Number of options	% of options
MR ANTHONY PLOSE	186,108	5.11
MR SHANE LESLIE MCKENZIE	178,750	4.91
MR JAN MARACH & MRS RENATA MARACH	133,333	3.66
MR DO SHIK HONG & MRS CHUN SOOK HONG	132,500	3.64
MR CARL DILENA	120,000	3.30
HEADLAND CAPITAL PTY LIMITED	100,000	2.75
NEFCO NOMINEES PTY LTD	80,000	2.20
NETWEALTH INVESTMENTS LIMITED	78,666	2.16
MR DAVID PAUL ROWBOTTAM	66,666	1.83
MR SIMON JOHN BOWN	66,666	1.83
THOMPSON HORTICULTURAL SERVICES PTY LTD	60,000	1.65
ALAN MATTHEW FITTALL & CARRIEJUNE FITTALL	56,688	1.56
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	50,000	1.37
MR RICHARD KAIRUZ & MRS WADAD KAIRUZ	47,685	1.31
SAUNDERS SUPER PTY LTD	43,030	1.18
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	43,000	1.18
MR LINLEY TEDDY NGAN KIT	42,000	1.15
MISS KIMBERLEE MARI	40,000	1.10
YENISLEY HOLDINGS PTY LTD	40,000	1.10
SIMREEF PTY LTD	38,381	1.05
TOTAL	1,603,473	44.04
Balance of Register	2,035,242	55.96
Total WHNO	3,638,715	100.00

(iii) The names of the twenty largest holders of WHNOA Listed Options (\$0.002, 30/06/2018) are:

	Number of options	% of options
MR KEITH DOUGLAS BOWKER & MRS NYSSA LOUISE BOWKER	6,250,000	16.51
AUSTRALIAN TRADE ACCESS PTY LTD	5,000,000	13.21
ACP INVESTMENTS PTY LTD	5,000,000	13.21
ZERRIN INVESTMENTS PTY LTD	2,500,000	6.60
CHELSEA INVESTMENTS (WA) PTY LTD	2,500,000	6.60
MR DOUGLAS JENDRY & MRS JULIE JENDRY	2,500,000	6.60
PETERLYN PTY LTD	2,500,000	6.60
PETERLYN PTY LTD	1,250,000	3.30
MR NICHOLAS JOHN DELLA BOSCA	1,250,000	3.30
MR PAUL NATOLI & MRS RENAE NATOLI	1,250,000	3.30
RNA NARAYAN INVESTMENTS PTY LTD	1,000,000	2.64
MR DHIRENDRA SORAL	500,000	1.32
MR KENNETH MOORE	389,416	1.03
MS TRACEY LEANNE MARSHALL	387,840	1.02
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	306,515	0.81
MR GREGORY JAMES SPENCER	252,500	0.67
MR JOSEPH ANTHONY PAINO	250,000	0.66
MRS MIRJAM ELISABETH JAEGER	200,000	0.53
MR ALLAN BURGE & MRS CORINE ANGELA BURGE	162,728	0.43
MR JOSEPH XIRIHA & MS MILALUNA XIRIHA	162,500	0.43
TOTAL	33,611,499	88.78
Balance of Register	4,246,596	11.22
Total WHNOA	37,858,095	100.00

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ASX ADDITIONAL INFORMATION

b) Distribution of equity securities

(i) Listed securities

As at 29 September 2015 there were 3,745 holders of ordinary voting shares, 495 WHNO option holders and 431 WHNOA option holders, distributed as follows:

	Ordinary voting shares		WHNO Options		WHNOA Options	
	Number of holders	Number of ordinary shares	Number of holders	Number of options	Number of holders	Number of options
1 to 1,000	99	67,539	147	82,372	85	44,967
1,001 to 5,000	704	2,310,575	222	559,422	179	484,429
5,001 to 10,000	836	6,958,279	57	431,044	62	456,121
10,001 to 100,000	1,569	50,676,010	64	1,815,186	77	2,254,073
100,001 and over	537	2,523,433,910	5	750,691	28	34,618,505
Total	3,745	2,583,446,313	495	3,638,715	431	37,858,095
Holdings less than a marketable parcel	3,437	104,785,453	482	2,329,338	419	6,358,095

(ii) Unlisted securities

Unlisted Options

As at 29 September 2015 there were 18 holders of the WHAP unlisted options (\$0.14, 03/12/2017), distributed as follows:

	Unlisted Options WHNAP	
	Number of holders	Number of ordinary shares
1 to 1,000	0	0
1,001 to 5,000	0	0
5,001 to 10,000	3	28,300
10,001 to 100,000	5	188,000
100,001 and over	10	19,083,700
Total	18	19,300,000

Name of holders of greater than 20%	% Held	Number of options held
Name of holder of greater than 20% of WHNAP		
Bergen Global Opportunity Fund V LLC	50.78%	9,800,000

c) Substantial shareholders of ordinary shares

Name	% Held	Number of shares held
MR ROBERT RICHTER	6.64	171,519,364
BARCLAY WELLS LTD	5.03	130,000,000

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ASX ADDITIONAL INFORMATION

d) Class of shares and voting rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion which the amount paid up bears to the issue price for the share.

No other class of equity security carries any voting rights.

e) Home exchange

The Company is listed on the Australian Securities Exchange. The Home Exchange is Perth. The Company's securities are not quoted on any other stock exchange.

f) Buy back

Nil.

g) Restricted securities

There were no securities restricted by the ASX at the date of this report or the year ended 30 June 2015.

WHL ENERGY LIMITED
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ASX ADDITIONAL INFORMATION

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets it had acquired at the time of admission and for the period ended 30 June 2015 in a way that is consistent with its business objective and strategy.

Interest in mining tenements

(i) Australian oil and gas interests

VIC/P67 - 100%

Hamilton (SJ54) Map Sheet

Block Number	Block Number	Block Number	Block Number	Block Number
2137 (part)	2138 (part)	2139 (part)	2209	2210
2211	2212	2281	2282	2283
2353	2354	2355	2356	2358
2425	2426	2427	2428	2429
2430	2497	2498	2499	2500
2501	5202	2571	2572	2573
2574	2575	2576	2577	2645
2646	2647	2648	2649	2718
2719	2720	2721	2791 (part)	2792 (part)
2793 (part)				

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ASX ADDITIONAL INFORMATION

(ii) Seychelles exploration blocks - 25%

Block Number	Block Number	Block Number	Block Number	Block Number
B38/81	B40/141	B51/23	B51/71	B51/118
B38/82	B40/142	B51/24	B51/72	B51/119
B38/83	B50/4	B51/25	B51/77	B51/120
B38/84	B50/5	B51/26	B51/78	B51/125
B38/93	B50/6	B51/33	B51/79	B51/126
B38/94	B50/7	B51/34	B51/80	B51/127
B38/95	B50/8	B51/35	B51/81	B51/128
B38/96	B50/9	B51/36	B51/82	B51/129
B38/103	B50/10	B51/38	B51/83	B51/130
B38/104	B50/11	B51/45	B51/84	B51/131
B38/105	B50/12	B51/46	B51/89	B51/132
B38/106	B50/17	B51/47	B51/90	B51/137
B38/107	B50/18	B51/48	B51/91	B51/138
B38/108	B50/19	B51/51	B51/92	B51/139
B38/115	B50/20	B51/52	B51/93	B51/140
B38/116	B50/21	B51/53	B51/94	B51/141
B38/117	B50/22	B51/54	B51/95	B51/142
B38/118	B50/23	B51/55	B51/96	B51/143
B38/119	B50/24	B51/56	B51/101	B51/144
B38/120	B50/35	B51/57	B51/102	B52/25
B38/128	B50/36	B51/58	B51/103	B52/26
B38/129	B51/1	B51/59	B51/104	B52/37
B38/130	B51/2	B51/60	B51/105	B52/38
B38/131	B51/9	B51/63	B51/106	B52/49
B38/132	B51/10	B51/64	B51/107	B52/50
B39/97	B51/11	B51/65	B51/108	B52/61
B39/109	B51/12	B51/66	B51/113	B52/62
B39/121	B51/13	B51/67	B51/114	
B39/136	B51/14	B51/68	B51/115	
B40/129	B51/21	B51/69	B51/116	
B40/130	B51/22	B51/70	B51/117	