



**WHL Energy Ltd**

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## **DECEMBER 2015 QUARTERLY ACTIVITIES REPORT**

Australian energy company WHL Energy Limited (**ASX: WHN**) ("**WHL Energy**" or "**the Company**") provides the following report on its activities and operations for the quarter ended 31 December 2015.

### **Seychelles**

As advised to the ASX on 14 January 2016, in accordance with the provisions of the farm-out agreement between Ophir Seychelles (Areas 1, 2 and 3) Limited ("**Ophir**"), PetroQuest International Incorporated and WHL Energy Limited dated 4 March 2014 ("**FOA**"), Ophir elected to exercise its exit option thereunder.

In reference to the Deed of Novation, Amendment and Restatement Agreement dated 14 April 2014 between the Government of the Republic of Seychelles (the "**Government**"), PetroSeychelles Limited ("**PetroSeychelles**"), Petroquest International Incorporated ("**PQI**") and Ophir (the "**Petroleum Agreement**") relating to Blocks 5B/1, 5B/2 and 5B/3 (the "**Blocks**"), Ophir, in accordance with the terms of the Petroleum Agreement, has elected to exercise its exit option thereunder.

Under the terms of the Petroleum Agreement, the Blocks revert back to the Seychelles Government. PetroSeychelles have formally notified PQI that the Petroleum Agreement dated 14 April 2014 relating to Blocks 5B/1, 5B/2 and 5B/3 is terminated.

WHL Energy continues to work closely with the Seychelles government in assessing the forward strategy for this prospect.

### **Australia – VIC/P67 (La Bella) Permit (WHN- 100% Operator)**

As announced previously, Commonwealth-Victoria Offshore Petroleum Joint Authority approved 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.

The Company is continuing to seek potential farm out opportunities for this asset.

## Corporate

The Company lodged a rights issue prospectus on 14 August 2015 for a non – renounceable entitlement issue of one (1) Share for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Share together with (1) New Option (exercisable at \$0.002 each on or before 30 June 2018) for every four (4) Shares issued at an issue price of \$0.001 per New Option to raise approximately \$3,040,017 (based on the number of shares on issue as at the date of the Prospectus).

The directors of the Company reserved the right to issue the Shortfall Securities, being 2,280,581,019 shares and 570,145,321 options to raise a further \$2,850,726 before costs at their absolute discretion.

The shortfall was successfully completed in the December 2015 quarter.

The directors continue to assess opportunities in all business sectors for its shareholders.

The Company had \$2.52m in cash reserves at the end of the quarter.

Ends

## FURTHER INFORMATION

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### **About WHL Energy Limited**

ASX-listed WHL Energy Ltd (ASX: WHN) is an oil and gas exploration Company focussed on East Africa and Australia.

WHL Energy holds 100% equity in Exploration Permit VIC/P67 in the offshore Otway Basin, approximately 200 km WSW of Melbourne off the Victorian coastline. VIC/P67 contains the undeveloped La Bella gas field in proximity to the Victorian gas market, and several nearby exploration prospects. The La Bella 3D seismic survey was acquired in late 2013 to appraise the La Bella field and also firm up the exploration prospects. Initial results of the 3D seismic survey are encouraging and have identified structurally conformable amplitude anomalies associated with several of the key prospects.

## Tenement Summary – 31 December 2015

<b>1. TENEMENTS HELD</b>				
<b>Tenement Reference</b>	<b>Location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
VIC/P67	Australia	Operator	100%	100%
Seychelles Joint Venture	Seychelles	Non-Operator	25%	25%

<b>2. TENEMENTS ACQUIRED/DISPOSED</b>				
<b>Tenement Reference</b>	<b>Location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
<b>ACQUIRED</b> Nil				
<b>DISPOSED</b> Nil				

<b>3. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS</b>				
<b>Tenement Reference</b>	<b>Location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
Seychelles Joint Venture	Seychelles	Non-operator	25%	25%

<b>4. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS ACQUIRED OR DISPOSED</b>				
<b>Tenement Reference</b>	<b>Location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
<b>ACQUIRED</b> Nil				
<b>DISPOSED</b> Nil				

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

WHL Energy Limited

ABN

25 113 326 524

Quarter ended ("current quarter")

31 December 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(350)	(591)
	(b) development	-	-
	(c) production	-	-
	(d) administration*	(292)	(710)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	(52)
	<b>Net Operating Cash Flows</b>	<b>(640)</b>	<b>(1,349)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) (i) equity investments	-	-
	(b) (ii) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (stamp duty)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(640)</b>	<b>(1,349)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(640)	(1,349)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	2,816	3,084
1.15	Oversubscriptions	-	141
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(15)
1.18	Dividends paid	-	-
1.19	Repayment of oversubscriptions	-	(277)
1.20	Other (share issue costs)	(288)	(288)
	<b>Net financing cash flows</b>	2,528	2,645
	<b>Net increase (decrease) in cash held</b>	1,888	1,296
1.20	Cash at beginning of quarter/year to date	638	1,230
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,526	2,526

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	43
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Director Fees	

### Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	n/a
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	n/a

### Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available \$A'000	Amount used \$A'000
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+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	-
4.3	Production	-
4.4	Administration	100
<b>Total</b>		<b>200</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	2,526	638
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>2,526</b>	<b>638</b>

+ See chapter 19 for defined terms.

## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>*Ordinary securities</b>	5,545,483,246	5,545,483,246	Fully Paid Ordinary
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	a) 2,962,036,933	a) 2,962,036,933	Fully Paid Ordinary
7.5	<b>*Convertible debt securities</b> (description)	Nil		

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	3,638,715 19,300,000 350,000,000 608,361,121	- - - 608,361,121	<b>Exercise Price</b> \$0.018 \$0.014 \$0.004 \$0.002	<b>Expiry Date</b> 30/11/2016 3/12/2017 31/7/2018 30/6/2018
7.8	Issued during quarter	570,507,990	570,507,990	\$0.002	30/6/2018
7.9	Exercised during quarter	4,964		\$0.002	30/6/2018
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /~~does not~~\* (~~delete one~~) give a true and fair view of the matters disclosed.

29 January 2016

Sign here: .....  
(Director/Company secretary)  
Steven Wood

Date: .....

Print name: .....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the

+ See chapter 19 for defined terms.



change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3      **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4      The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5      **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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