

WHL Energy Limited

ABN 25 113 326 524

Interim Financial Statements

31 December 2015

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Corporate Directory

ABN: 25 113 326 524

Directors:

Mr Faldi Ismail – Non-Executive Director

Mr Doug Jendry – Non-Executive Director (appointed 17 November 2015, resigned 5 February 2016)

Mr Graham Durtanovich – Non-Executive Director (resigned 5 February 2016)

Mr Neville Bassett – Non-Executive Director (appointed 5 February 2016)

Mr Gary Castledine – Non-Executive Director (appointed 5 February 2016)

Mr Stuart Brown – Non-Executive Chairman (appointed 17 September 2015, resigned 17 November 2015)

Company Secretary:

Mr Steven Wood (appointed 26 August 2015)

Mr Ian Hobson (resigned 26 August 2015)

Registered Office:

Ground floor, 22 Delhi Street, West Perth WA 6005

PO Box 1042, West Perth WA 6872

Principal Place of Business

Ground floor, 22 Delhi Street, West Perth WA 6005

PO Box 1042, West Perth WA 6872

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Email: contact@whlenergy.com

Web: www.whlenergy.com

Share Registry:

Automic Registry Services

Level 1, 7 Ventnor Avenue

West Perth WA 6005

Phone: 1300 288 664

Solicitors:

Corrs Chambers Westgarth

Level 5, Woodside Plaza

240 St Georges Terrace, Perth WA 6000

Phone: +61 8 9460 1666 Fax: +61 8 9460 1667

DLA Piper Australia

Level 31, Central Park

152-158 St Georges Terrace, Perth WA 6000

Phone: +61 8 8467 6000 Fax: +61 8 6467 6001

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)

DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated entity of WHL Energy Limited ("**WHL**" or "**the Company**") and its controlled entities (collectively "**the Group**") for the half-year ended 31 December 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 interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Mr Faldi Ismail	Non-Executive Director
Mr Doug Jendry	Non-Executive Director (appointed 17 November 2015, resigned 5 February 2016)
Mr Graham Durtanovich	Non-Executive Director (resigned 5 February 2016)
Mr Stuart Brown	Non-Executive Director (appointed 17 September 2015, resigned 17 November 2015)
Mr Neville Bassett	Non-Executive Director (appointed 5 February 2016)
Mr Gary Castledine	Non-Executive Director (appointed 5 February 2016)

REVIEW OF OPERATIONS

The principal activities of the Group during the half-year were oil and gas exploration.

EXPLORATION ACTIVITIES

Seychelles (WHN: 25% Non-Operator)

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. The associated expenditure has been written off in full.

Australia

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

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. Permit Year 3 will end on 3 August 2016 and the permit term will end on 3 August 2019.

WHL has re-initiated discussions with a number of 3rd parties who may be interested in a potential farm-in to the VIC/P67 Permit and the La Bella gas discovery.

CORPORATE ACTIVITIES

During the period the Company completed a placement to raise \$77,781 in working capital, and received shareholder approval on 31 July 2015 for the issue of 2,000,000,000 fully paid ordinary shares upon the conversion of the convertible notes, the issue of 350,000,000 listed options and the issue of shares to satisfy certain existing liabilities.

DIRECTORS' REPORT (continued)**CORPORATE ACTIVITIES (continued)**

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 one (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.

The rights issue closed on Thursday 3 September 2015. Total applications for 151,432,647 New Shares and 37,858,095 New Options raising gross proceeds of \$189,290.74 were received. The Directors of the Company reserved the right at that point in time to issue the Shortfall Securities, being 2,280,581,019 shares and 570,145,321 options to raise up to \$2,850,726 before costs at their absolute discretion.

The shortfall placement was subsequently completed during the period.

Financial Summary

The Group recorded a loss for the half-year ended 31 December 2015 of \$28,745,679 compared to a loss of \$1,483,356 for the corresponding period in the prior year.

The Group's result for the reporting period includes:

- Finance costs of \$1,469,485 (2014: \$688,500) reflecting the costs attributable to borrowing facilities to finance the Tap seismic option; and
- Exploration written off of \$25,333,712 reflecting the write off of the Seychelles deferred exploration assets.

As at 31 December 2015, the Group had \$2,522,302 cash on hand.

Risk management and corporate governance

The Group's risk management and corporate governance statements were included in the 2015 annual report. These statements remain current.

Board of Directors

Mr Stuart Brown resigned from the Board of Directors on 17 November 2015. Mr Doug Jendry and Mr Graham Durtanovich resigned from the Board of Directors subsequent to balance date. Their valuable contribution to the Board was much appreciated. The following directors have since been appointed. Mr Faldi Ismail remains on the Board.

Mr Neville Bassett	Non-Executive Director (appointed 5 February 2016)
Mr Gary Castledine	Non-Executive Director (appointed 5 February 2016)

SUBSEQUENT EVENTS

Subsequent to 31 December 2015, directors Mr Doug Jendry and Mr Graham Durtanovich resigned from their positions as Non-Executive Directors on the board.

On 14 January 2016, Ophir Seychelles Limited elected to exercise its exit option relating to blocks 5B/1, 5B/2 & 5B/3. The Company is currently in discussions with the Seychelles Government to continue its participation in the blocks.

On 5 February 2016, Mr Neville Bassett & Mr Gary Castledine were appointed Non-Executive Directors.

No other subsequent events of a material nature occurred.

AUDITOR'S INDEPENDENCE DECLARATION

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 review of the interim financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Mr Gary Castledine
Non-Executive Director
15 March 2016

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of WHL Energy Limited for the half-year ended 31 December 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 review; and
- b) any applicable code of professional conduct in relation to the review.

**Perth, Western Australia
15 March 2016**



**M R W Ohm
Partner**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	Consolidated	
		6 months to 31 December 2015 \$	6 months to 31 December 2014 \$
Continuing operations			
Revenue		12,371	715,402
Expenses			
Depreciation and amortisation expense		(14,015)	(20,552)
Consultants		(1,051,268)	(178,576)
Employee expenses		(184,921)	(553,265)
Equity based payments		(435,000)	(87,744)
Exploration expenditure written off		(3,155)	(106,675)
Fair value adjustment		-	(100,452)
Finance costs		(1,469,685)	(688,500)
Foreign exchange (gain)/loss		2,551	(15,607)
General and administrative expenses		(461,579)	(294,733)
Impairment		-	(23,110)
Occupancy costs		(129,768)	(129,544)
Loss before income tax	4	(3,734,469)	(1,483,356)
Income tax expense		-	-
Loss after tax from continuing operations		(3,734,469)	(1,483,356)
Loss from discontinued operations	3	(25,011,210)	-
Loss after tax from discontinuing operations		(28,745,679)	(1,483,356)
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations		606,442	2,008,175
Total other comprehensive income/(loss) for the period		606,442	2,008,175
Total comprehensive income/(loss) for the period		(28,139,237)	524,819
Basic and diluted loss per share (cents) (weighted average)		(2.57)	(0.9)
Basic and diluted loss per share (cents) from continuing operations		(0.33)	(0.9)

The accompanying notes form part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		Consolidated	
	Notes	31 December 2015 \$	30 June 2015 \$
Assets			
Current assets			
Cash and cash equivalents		2,522,302	1,230,069
Trade and other receivables		58,727	355,833
Total current assets		2,581,029	1,585,902
Non-current assets			
Plant and equipment		-	146,426
Deferred exploration and evaluation expenditure	5	3,597,252	27,757,099
Total non-current assets		3,597,252	27,903,325
Total assets		6,178,281	29,489,427
Liabilities			
Current liabilities			
Trade and other payables		455,197	1,084,602
Borrowings		-	2,009,367
Current tax liabilities		-	303,376
Provisions		-	83,976
Total current liabilities		455,197	3,481,321
Total Liabilities		455,197	3,481,321
Net assets		5,723,084	26,008,106
Equity			
Issued capital		68,869,630	63,178,063
Reserves		8,255,201	5,486,111
Accumulated losses		(71,401,747)	(42,656,068)
Total equity		5,723,084	26,008,106

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

Consolidated	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Equity Based Payment Reserve	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014	62,118,536	(42,938,030)	3,326,386	990,485	2,042,277	25,539,654
Loss for the period	-	(1,483,356)	-	-	-	(1,483,356)
Exchange differences arising on translation of foreign operations	-	-	-	2,008,175	-	2,008,175
Total comprehensive loss for the period	-	(1,483,356)	-	2,008,175	-	524,819
Recognition of equity based payments	-	-	-	-	87,744	87,744
Options exercised during the half-year	467,310	-	-	-	(467,200)	110
Equity issued during the half-year	548,619	-	97,203	-	-	645,822
Cost of issue of equity	(62,587)	-	-	-	-	(62,587)
Lapsed options transferred to accumulated losses	-	3,326,386	(3,326,386)	-	-	-
Balance at 31 December 2014	63,071,878	(41,095,000)	97,203	2,998,660	1,662,821	26,735,562
Balance at 1 July 2015	63,178,063	(42,656,068)	97,203	3,950,425	1,438,483	26,008,106
Loss for the period	-	(28,745,679)	-	-	-	(28,745,679)
Exchange differences arising on translation of foreign operations	-	-	-	606,442	-	606,442
Total comprehensive loss for the period	-	(28,745,679)	-	606,442	-	(28,139,237)
Recognition of equity based payments	-	-	608,366	-	1,554,282	2,162,648
Options exercised during the half-year	10	-	-	-	-	10
Equity issued during the half-year	7,177,046	-	-	-	-	7,177,046
Cost of issue of equity	(1,485,489)	-	-	-	-	(1,485,489)
Balance at 31 December 2015	68,869,630	(71,401,747)	705,569	4,556,867	2,992,765	5,723,084

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Consolidated	
	6 months to 31 December 2015 \$	6 months to 31 December 2014 \$
Cash flows from operating activities		
Receipts from customers	8,338	59,630
Payments to suppliers and employees	(446,829)	(1,543,764)
Interest received	4,033	24,072
Finance costs	-	(3,101)
Net cash outflow from operating activities	(434,458)	(1,463,163)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(129,998)	(1,325,771)
Net cash outflow from investing activities	(129,998)	(1,325,771)
Cash flows from financing activities		
Proceeds from issue of shares and options	2,511,246	645,929
Payments for capital raising costs	(275,783)	(62,585)
Net cash inflow from financing activities	2,235,463	583,344
Net increase/(decrease) in cash held	1,671,007	(2,205,590)
Cash and cash equivalents at the beginning of the period	1,230,069	3,833,381
Effects of exchange rate fluctuations on cash held	(378,774)	169,222
Cash and cash equivalents at the end of the period	2,522,302	1,797,013

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by WHL Energy Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Basis of preparation

The interim financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except for the following, in preparing this interim financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2015.

Deferred exploration and evaluation expenditure

As announced on 14 January 2016, Ophir Seychelles (Areas 1, 2, and 3) Limited has elected to execute its exit option under the farm-out agreement and the Deed of Novation, Amendment and Restatement Agreements between the Government of the Republic of the Seychelles and various parties including WHL. Under the terms of the Petroleum Agreement, the blocks have reverted back to the Seychelles government.

As WHL can no longer demonstrate title under AASB 6, the associated capitalised exploration of \$25,333,712 has been written off in full.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

In the half-year ended 31 December 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 July 2015.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations to the Company and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 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 the Company and, therefore, no change is necessary to Group accounting policies.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the operations and effective for the current half-year.

Going concern

The Directors are of the opinion that the Group is a going concern and will be available to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

NOTE 2: 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 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 an assessment of performance. The exploration activities were reviewed as a whole and the assessment of performance focused on exploration expenditure and cost minimisation. The 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 financial statements.

There are no accounting policy differences between the reportable segments.

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

The following table present revenue and profit information and certain asset and liability information regarding business segments for the period ended 31 December 2015:

Period ended 31 December 2015	Continuing Operations		Discontinued Operation	Total \$
	Oil and Gas Exploration Australia \$	Corporate Entity \$	Oil and Gas Exploration Seychelles \$	
Revenue				
Interest received	-	4,033	-	4,033
Other revenue	-	8,338	-	8,338
Total segment revenue	-	12,371	-	12,371
Operating expenses	(59)	(3,746,781)	(25,011,210)	(28,758,050)
Segment net operating loss	(59)	(3,734,410)	(25,011,210)	(28,745,679)
Segment assets	3,597,252	2,581,029	-	6,178,281
Segment liabilities	-	163,964	291,233	455,197

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 2: SEGMENT REPORTING (continued)

Segment information

The following table present revenue and profit information and certain asset and liability information regarding business segments for the period ended 31 December 2014:

Period ended 31 December 2014	Continuing Operations		Discontinued Operation	Total
	Oil and Gas Exploration Australia \$	Corporate Entity \$	Oil and Gas Exploration Seychelles \$	
Revenue				
Interest received	-	21,224	-	21,224
Other revenue	694,178	-	-	694,178
Total segment revenue	694,178	21,224	-	715,402
Operating expenses	(816,929)	(1,381,829)	-	(2,198,758)
Segment net operating loss	(122,751)	(1,360,605)	-	(1,483,356)
Segment assets	7,958,336	1,387,740	22,624,099	31,970,175
Segment liabilities	4,424,518	497,006	313,089	5,234,613

NOTE 3: DISCONTINUED OPERATION

On 14 January 2016, the Group lost title to its Seychelles interest as blocks reverted to the Seychelles government (refer Note 1). The project is accounted for as a discontinued operation as it constitutes a separate major geographical area or operation.

Financial performance and cash flow information

The financial performance presented is for the six months ended 31 December 2015.

	31 December 2015 \$	31 December 2014 \$
<i>Financial performance from discontinued operation</i>		
Revenue	-	-
Exploration written off	(25,333,712)	-
Loss before tax from discontinued operations	(25,333,712)	-
Income tax benefit	322,502	-
Loss for the year from discontinued operations	(25,011,210)	-
Loss attributable to owners of the parent relates to:		
Loss from continuing operations	(3,734,469)	-
Loss from discontinued operations	(25,011,210)	(1,483,356)
	(28,745,679)	(1,483,356)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 4: LOSS BEFORE INCOME TAX EXPENSE

	Consolidated	
	6 months to 31 December 2015 \$	6 months to 31 December 2014 \$
The following expense items are relevant in explaining the financial performance for the half-year:		
Revenue from continuing operations		
Interest income	4,033	21,224
Foreign exchange gains	-	513,614
Other	8,338	180,564
Expenses from continuing operations		
Exploration expenditure written off	3,155	106,675
Employee benefit expense	184,921	553,265
Equity based payment	435,000	87,744
Finance costs	1,469,685	688,500
Foreign exchange (gain)/loss	(2,551)	15,607

NOTE 5: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	31 December 2015 \$	30 June 2015 \$
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Opening balance at the beginning of the period	27,757,099	23,057,576
Additions	87,614	1,673,819
Impairment	(25,333,712)	(23,110)
Foreign currency exchange movement	1,086,251	3,048,814
Closing balance at end of the period	3,597,252	27,757,099

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the success development and commercial exploitation or sale of the respective areas

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 6: ISSUED CAPITAL

	Consolidated			
	31 December 2015 \$	30 June 2015 \$		
<i>Issued Capital</i>				
Ordinary shares	68,869,630	63,178,063		
	6 months to 31 December 2015 No.	6 months to 31 December 2015 \$	Year to 30 June 2015 No.	Year to 30 June 2015 \$
<i>Movements in ordinary shares on issue</i>				
Balance at beginning of period	171,469,094	63,178,063	1,596,836,414	62,118,536
Issue of shares:				
Options exercised	4,964	10	6,802,750	240,110
Performance rights exercised	-	-	13,600,000	227,200
Equity issues pursuant to Controlled Placement Facility	-	-	7,011,970	100,000
Equity issued pursuant to Rights Issue Options exercise	-	-	54,582,148	448,619
Consolidation of shares	-	-	(1,510,950,349)	-
Equity issued pursuant to a financing facility arrangement post consolidation	-	-	3,586,161	106,181
Conversion of convertible note	2,000,000,000	2,000,000	-	-
Equity issued for services on financing arrangement	20,000,000	160,000	-	-
Share based payments	902,160,000	2,505,800	-	-
Rights Issue Allotment and shortfall allotment	2,451,848,858	2,511,246	-	-
Cost of shares issued	-	(1,485,489)	-	(62,583)
Balance at end of period	5,545,483,246	68,869,630	171,469,094	63,178,063

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 7: OPTION RESERVE

	Consolidated	
	31 December 2015 \$	30 June 2015 \$
<i>Option Reserve</i>		
Listed options	705,569	97,203
	705,569	97,203

	6 months to 31 December 2015	6 months to 31 December 2015	Year to 30 June 2015	Year to 30 June 2015
	No.	\$	No.	\$
<i>Movements in listed options</i>				
Balance at beginning of period	3,638,715	97,203	401,734,157	3,326,386
Issue of options	608,366,085	608,366	36,388,023	97,203
Options exercised	(4,964)	-	(2,750)	-
Options lapsed	-	-	(401,731,407)	(3,326,386)
Consolidation of options	-	-	(32,749,308)	-
Balance at end of period	611,999,836	705,569	3,638,715	97,203

NOTE 8: FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

NOTE 9: RELATED PARTY TRANSACTIONS

Other than ongoing director remuneration there were no other transactions with key management personnel in the half year ended 31 December 2015.

NOTE 10: CONTINGENT LIABILITIES AND COMMITMENTS

There has been no other change in contingent liabilities and capital commitments since the last annual reporting date.

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to 31 December 2015, directors Mr Doug Jendry & Mr Graham Durtanovich resigned from their positions as Non-Executive Directors on the board.

On 14 January 2016, Ophir Seychelles Limited elected to exercise its exit option relating to blocks 5B/1, 5B/2 & 5B/3. The Company is currently in discussions with the Seychelles Government to continue its participation in the blocks.

On 5th February 2016, Mr Neville Bassett & Mr Gary Castledine were appointed Non-Executive Directors.

No other subsequent events of a material nature occurred.

DIRECTORS' DECLARATION

In the opinion of the Directors of WHL Energy Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year then ended.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Mr Gary Castledine
Non-executive Director

15 March 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of WHL Energy Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of WHL Energy Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of WHL Energy Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants



M R W Ohm
Partner

Perth, Western Australia
15 March 2016