



WHL Energy Ltd

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30 SEPTEMBER 2016 QUARTERLY ACTIVITIES REPORT

WHL Energy Limited (**ASX: WHN**) ("**WHL Energy**" or "**the Company**") provides the following report on its activities and operations for the quarter ended 30 September 2016.

Corporate

As previously reported, the Company has been actively seeking potential new project opportunities.

On 12 September 2016, the Company announced that it had signed a merger implementation agreement ("**MIA**") with Quantify Technology Limited ("**Quantify**") with a view to making separate off market takeover offers to acquire all of Quantify's fully paid, ordinary shares (**Share Offer**) and main class of options (**Option Offer**) and to acquire all other Quantify securities by private agreement ("**Transaction**").

The Share Offer will be subject to typical conditions precedent, including:

- WHL Energy shareholders approve the resolutions necessary to give effect to the Transaction, including a change in nature and scale of activities for the purposes of ASX Listing Rule 11.1.3, a consolidation of WHL Energy's securities on a 1:83 basis (**Consolidation**) and a change in name to Quantify Technology Holdings Limited;
- a 90% minimum acceptance condition, which (at any time prior to WHL Energy receiving acceptances representing 80% of Quantify Shares) can only be waived with the consent of Quantify;
- at least \$3.5 million (with a maximum of \$5 million) being raised through the issue of WHL Energy Shares at an issue price of \$0.06 per WHL Energy Share (on a post Consolidation basis) under a prospectus (**Capital Raising**);
- ASX granting conditional approval for WHL Energy to be re-admitted to quotation on the ASX following completion of the Transaction;
- no prescribed occurrence or material adverse change (as defined in the MIA) occurring in relation to Quantify;
- no material acquisitions, disposals or new commitments being undertaken by Quantify;

- WHL Energy becomes entitled to acquire all other Quantify securities on issue; and
- other customary conditions as set out in the MIA, including no regulatory intervention which (among other things) restrains or prohibits the Share Offer.

The Share Offer will offer Quantify ordinary shareholders a sum of \$22,200,000 to be satisfied, assuming 100% acceptance of the Share Offer, through the issue of a total of 250,000,000 WHL Energy Shares (calculated on a post-Consolidation basis and a deemed issue price of \$0.06 each) and 120,000,000 WHL Energy Performance Shares (calculated on a post-Consolidation basis) to be issued to each Quantify Ordinary Shareholder who accepts the Share Offer as follows:

- 1.0189 WHL Energy Shares (on a post-Share Consolidation basis) for each Quantify Ordinary Share held; and
- 0.4891 WHL Energy Performance Shares (on a post-Share Consolidation basis) for each Quantify Ordinary Share held. The WHL Energy Performance Shares vest and are convertible into WHL Energy Shares based on achievement of milestones as set out in Part A of Schedule 4 of the MIA.

The Option Offer consideration is, assuming 100% acceptance of the Option Offer and Quantify having a total of 61,150,000 Quantify Ordinary Options on issue on completion of the Transaction, a total of 62,604,402 WHL Energy Options (calculated on a post-Consolidation basis, exercisable at \$0.075 each, expiring 30 September 2019) to be issued to each Quantify Ordinary Optionholder who accepts the WHL Energy Option Offer on the basis of 1.0238 WHL Energy Options (on a post-Share Consolidation basis) for each Quantify Ordinary Option held.

For further detail refer *ASX Announcements dated 12 September 2016* titled “WHL Energy to acquire IoT company Quantify Technology Ltd” and “Merger Implementation Agreement”.

Quantify is an Australian-based pioneer of ‘Truly Intelligent Buildings’ which provides the building blocks and products needed to enable strong market participation in the IoT space.

Quantify’s patented technology, the Q Device, is a unique device in the IoT market and has applications across energy management, real-time environmental monitoring, retirement living, Big Data Analytics and ultimately paving the way towards “Quantify Truly Intelligent Buildings”™.

The Q Device is the result of more than 4 years’ research and development, with certified and tested prototypes completed.

With the Q Device’s production model undergoing testing, Quantify is targeting having the final product commercially launched in the second half of 2017, with first commercial contracts already signed and additional contracts subject to negotiation.

This proposed acquisition will provide Quantify with the funds to accelerate its roll- out strategy across Australia and the Asia Pacific region and progress plans for its entry into the United States, European, Middle East and African markets

On announcement of the transaction the Company’s securities suspended from official quotation and will remain suspended until the Company has complied with Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3.

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 has lodged a further 12 month Suspension and Extension Application for year 3 expenditure with the National Offshore Petroleum Titles Administrator. The application remains under consideration.

The Company is actively seeking potential sale or farm out opportunities for this asset.

Ends

FURTHER INFORMATION

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Tenement Summary – 30 September 2016

1. TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
VIC/P67	Australia	Operator	100%	100%

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

3. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Nil				

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