



WHL Energy Ltd
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WHL ENERGY LIMITED

ABN: 25 113 326 524

OFFER UNDER SECTION 708AA(2) OF THE CORPORATIONS ACT

A NON-RENOUNCEABLE RIGHTS ISSUE TO ALL ELIGIBLE
SHAREHOLDERS

TO RAISE APPROXIMATELY \$2.36 MILLION

FOR EVERY 3 SHARES HELD: 1 NEW SHARE AT 4 CENTS EACH

This document is important and requires your immediate attention. This document is not a prospectus. It does not contain all the information that an investor would find in a prospectus or which an investor would expect to make an informed decision as to whether or not to accept this offer. If you do not understand its content or are in doubt as to the course of action you should follow, you should consult your stockbroker or professional advisor without delay.

No person is authorised to give any information or to make any representation in connection with this offer which is not contained in this document. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with this offer.

TIMETABLE

The timetable for the issue is as follows:

Lodgement of Appendix 3B and Section 708AA Notice with ASX	21 August 2009
“Ex” date from which shares commence trading without entitlement to participate in the Rights Issue	26 August 2009
Record Date to determine entitlement to New Shares	1 September 2009
Offer document and entitlement and acceptance form dispatched to shareholders	7 September 2009
Last day for acceptance and payment in full	18 September 2009
ASX notified of under subscriptions	21 September 2009
Holding Statements dispatched	24 September 2009
Normal trading commences	25 September 2009

All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible.

OFFER STATISTICS

Number of New Shares to be issued and offered to Shareholders	59,013,285
Issue Price	4 cents per New Share

HOW TO ACCEPT ENTITLEMENTS TO NEW SHARES

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

This Offer Document also is available in electronic form on the Internet at www.whlenergy.com. If you wish to obtain a free copy of this Offer Document, please contact the Offer information line on (03) 9415

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IMPORTANT NOTICE

This document is dated 21 August 2009.

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional advisor without delay.

This offer opens on 26 August 2009 and closes at 5:00pm AEST on 18 September 2009

Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

The Company has not made investigation as to the regulatory requirements that may prevail in the countries, outside Australia and New Zealand, in which the Company's Shareholders may reside. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with such restrictions might constitute a violation of applicable securities laws.

It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the Glossary. Money as expressed in this Offer Document is in Australian dollars or else as indicated.

No person named in this Offer Document, nor any other person, guarantees the performance of WHL the repayment of capital or the payment of a return on the New Shares.



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21 August 2009

CHAIRMAN'S LETTER

Dear Shareholder,

On 14 August 2009, WHL Energy Limited (Company) announced a non-renounceable rights issue of fully paid ordinary shares in the capital of the Company (Shares) on the basis of one (1) Share for every three (3) Shares held at the record date of 11 September 2009 (Rights Issue).

The Rights Issue will raise approximately \$2.36 million (before costs) through the issue of 59,013,285 new fully paid ordinary shares in the Company (New Ordinary Shares). The New Ordinary Shares will be issued at a cost of 4 cents per share.

Proceeds from the Rights Issue will be used to acquire a 51% interest in the Jetside Oil and Gas Project announced on 14 August 2009, and to fund further oil and gas interests and for additional working capital requirements.

Full details of the Rights Issue are contained in the Offer Document dated 21 August 2009, which is attached to this letter. Key dates that shareholders should note are as follows:

26 August 2009	Ordinary Shares trade ex-Rights on ASX
1 September 2009	Record Date for determining Rights entitlements
18 September 2009	Closing date for acceptances
24 September 2009	Expected date for allotment of new shares and despatch of holding statements.

The Company has recently decided to emphasise the oil and gas side of its business in order to gain access to the necessary cash flow to maintain Company capital and fund further purchases. The funding of such purchases is the main purpose of this share issue. Joint venture parties or purchasers are being sought for the wind energy side of the business to ensure that costs associated with it are contained.

Yours faithfully

Peter Bartter
Chairman

WHL Energy Limited ABN 25 113 326 524. C/- Websters Level 11, 37 Bligh Street, Sydney NSW 2000
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1. INVESTMENT SUMMARY

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Offer Document.

1.1 The Offer

This Offer Document is for the non-renounceable rights issue of 59,013,285 New Shares at an issue price of 4 cents each, on the basis of One (1) New Share for every three (3) Shares held by Shareholders

Shareholdings are to be determined as at 7pm (AEST) the Record Date of 1 September 2009

The Company has applied for listing of the New Shares on the ASX

1.2 Minimum Subscription

There is no minimum subscription to the Issue

1.3 New Share Terms

Each New Share will rank equally with all existing Shares then on issue and will have the same rights as attached to existing shares

1.4 Acceptance of Entitlement to New Shares

The number of New Shares to which each Shareholder is entitled is shown on the Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

1.5 Purpose of the Issue

The Directors intend to apply the proceeds from the issue for the following purposes:

Acquisition of Jetside Oil and Gas Interest	1,000,000
Acquisition of other Oil and Gas interests and provision of additional working capital	1,199,091
Underwriters and sub-underwriters fees (estimated)	155,760
Printing and mail out and accountancy fees	5,500

Total	\$2,360,351
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However, in the event that circumstances change or other opportunities arise, the Directors reserve the right to vary the proposed use to maximise the benefit to Shareholders.

1.6 Underwriting

This rights issue is underwritten by CPS Securities Pty Ltd (CPS). Pursuant to the terms of the Underwriting Agreement the Company will pay CPS an underwriting fee of 6.6% of the amount raised by the Underwriter inclusive of GST. Amounts introduced the Underwriter by way of sub-underwriting agreements will attract a fee payable to such sub-underwriters of 2.2% of the amount sub-underwritten. The approximate amount payable to the Underwriter and sub-underwriters will be \$155,760 inclusive of GST. A summary of the material terms of the Underwriting Agreement including rights of termination is set out in Section 4.7. Any share issue made to the underwriter as a result of any shortfall in subscription by shareholders for this rights issue must be taken up and the relevant shares issued to the underwriter within 15 business days after the close of the offer

2. DETAILS OF THE OFFER

2.1 Offer to Shareholders

The Directors of WHL have approved a non-renounceable rights issue of approximately 59,013,285 New Shares at 4 cents per New Share to raise approximately \$2,202,090 (after expenses associated with the Issue are paid). Shareholders are entitled to subscribe for one (1) New Share for every three Shares held. Only those Shareholders shown on the share register at 7:00pm (AEST) on the Record Date will be entitled to participate in the Issue.

When fractions arise in the calculation of Entitlements, they will be rounded to the nearest whole number of New Shares.

WHL has applied to ASX for official quotation of the New Shares on the ASX. Official quotation of the New Shares is expected to occur on or about 25 September 2009. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares either as principal or agent until official quotation is granted.

2.2 Important Dates

Record Date for the Offer	1 September 2009
Offer Document sent to Shareholders	7 September 2009
Opening Date of Offer	26 August 2009
Closing Date of Offer	18 September 2009
Expected date of despatch of New Share holding statements	24 September 2009

2.3 What to do with your Entitlement

Sections 2.3 and 2.7 inclusive DO NOT apply to Shareholders with registered addresses outside Australia or New Zealand. Such Shareholders should refer to Section 2.12 of this Offer Document.

The number of New Shares to which you are entitled under this Offer Document (Your Entitlement) is shown on the accompanying Entitlement and Acceptance Form.

Acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form), although you may accept for a lesser number of New Shares should you wish to take up only part of your Entitlement. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus application monies will be returned to you.

2.4 No Rights Trading

The rights to New Shares under the Issue are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Issue to any other party. If you do not take up your Entitlement to New Shares under the Issue by the Closing Date, the Offer to you will lapse.

2.5 If your Entitlement is not taken up

If you do nothing, any part of your Entitlement that is not taken up by 18 September 2009 will lapse and the New Shares that would otherwise have been issued pursuant to the taking up of your Entitlement will form part of the shortfall.

2.6 Payment

The number of New Shares to which Shareholders are entitled is shown on the Entitlement and Acceptance Form which accompanies this Offer Document.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Offer Document in accordance with the instructions set out in this Offer Document (refer above) and on the Entitlement and Acceptance Form and forwarding the completed Form together with your cheque or bank draft for the full amount payable so as to reach the Share Registry by no later than 5:00pm (AEST) on the Closing Date.

The issue price of 4 cents per New Share is payable in full on acceptance of part or all of your Entitlement.

Cheques should be in Australian currency and made payable to "WHL Energy Limited – Non-Renounceable Rights Issue" and crossed "not negotiable". Completed forms and accompanying cheques should be lodged at or forwarded to the following address:

WHL Energy Limited
C/- Computershare Investor Services Pty Limited
GPO Box 253
SYDNEY NSW 2001
AUSTRALIA

No brokerage or stamp duty is payable by Applicants in respect of their applications for New Shares under this Offer Document. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Monies will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Share Registrar on behalf of the Applicants. Any interest earned on the Acceptance Monies will be retained by the Company irrespective of whether allotment takes place.

2.7 Allotment and Allocation Policy

WHL will proceed to allocate New Shares as soon as possible after the Closing Date. Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

In the case that there is less than full subscription by Shareholders for their Entitlements under this Offer Document, the Directors reserve the right to issue any Shortfall pursuant to the terms of the underwriting agreement or thereafter at their discretion within three months of the close of the offer at an issue price not less than that at which such shares were offered to shareholders under this rights issue.

In addition, the Directors reserve their rights to reject any Entitlement and Acceptance Form which is not complete in any particular or the processing of which would result in a contravention of any relevant law including, without limitation, any contravention of the takeover provisions set forth in the Corporations Act.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading New Shares. Applicants who sell New Shares before they receive notice of the number of securities allocated to them do so at their own risk. No New Shares will be allotted or issued on the basis of this Offer Document later than 13 months after the date of issue of the Offer Document.

2.8 ASX Listing

WHL has applied for the listing and quotation of the New Shares on the ASX. If granted, quotation and trading of the New Shares will commence as soon as practicable after allotment.

2.9 Investment Risks

Investors should carefully read Risk Factors outlined in Section 5. An investment of this kind involves a number of risks, a number of which are specific to WHL and the industry in which it operates.

2.10 CHESS

WHL will apply to the ASX Settlement and Transfer Corporation Pty Ltd (ASTC) to have the New Shares issued under this Offer Document participate in the Securities Clearing House Electronic Subregister System known as CHESS. After allotment of the New Shares, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESSE statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful Applicant pursuant to this Offer Document. The Statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in WHL during a particular month.

2.11 Minimum Subscription

There is no minimum subscription to the Issue.

2.12 Overseas Shareholders

This Offer Document and accompanying Entitlement and Acceptance Form does not, and is not intended to, constitute an offer of New Shares in any place outside Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document or the Entitlement and Acceptance Form. The distribution of this Offer Document and the accompanying Entitlement and Acceptance Form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under this Offer Document to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the costs of complying with the legal and regulatory requirements in those places. Accordingly, the Issue is not being extended to, and does not qualify for distribution or sale, and no New Shares will be issued to Shareholders having registered addresses outside Australia and New Zealand. This Offer Document is sent to those Shareholders for information purposes only.

2.13 Electronic Offer Document

An electronic version of this Offer Document is available on the internet at www.whlenergy.com.

The Entitlement and Acceptance Form may only be distributed accompanying a complete and unaltered copy of the Offer Document. The company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the Applicant has not received a complete paper copy or electronic copy of the Offer Document or if it has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Issue period the electronic version of the Offer Document will be tampered with or altered in any way, the Company cannot give any absolute assurance that it

will not be the case. Any Applicant in doubt concerning the validity or integrity of an electronic copy of the Offer Document ought to immediately request a paper copy of the Offer Document directly from the Share Registry.

3. WHL OVERVIEW

Company Overview

WHL Energy Limited (WHL) is an ASX-listed energy company.

At the last Annual General Meeting of WHL (28 November 2008) the Company announced its successful diversification into oil and gas projects. Since that date WHL has sought joint venture partners or purchasers in an endeavour to achieve an earlier return on capital expended on its wind energy investments. It is imperative for the continued survival and growth of the Company that cash flow projects are introduced and the Directors believe that oil and gas projects in the USA have the potential to do so.

To this end the Company has already invested in a joint shale gas venture in Kentucky which is producing and the KOS joint venture utilising the Short Radius Stimulation (SRS) technology, which allows fast and cost effective methods to enter existing vertical oil wells and jet lateral channels into known hydrocarbon producing zones via modified coiled tubing units, is also in production. The Company has now announced that it has signed an agreement with Jetside Oil & Gas LLC ("Jetside"). The agreement allows WHL Energy to earn up to a 51% working interest in Jetside's Coal Bed Methane ("CBM") project in southeast Kansas by paying Jetside \$500,000 upon the Company being satisfied that its SRSTM technology is appropriate and thereafter spending a minimum of \$500,000 per year over a three year period. WHL expects that production will commence in September 2009. WHL will be the operator of the project and be employing the Short Radius Stimulation (SRSTM) technology that it has been leveraging successfully in Southern Kentucky/Tennessee with its partner KOS Energy.

The CBM basin project covers mineral leases initially in excess of approximately 45,000+ gross acres in Bourbon and Crawford County, Kansas within the Cherokee Basin, with in excess of 70 existing CBM wells and multiple shallow oil wells. The current target for development is the multiple shallow (500'-1000') coal bed methane gas potential of the area, although the leases are also held for potential development of coal-bed methane and conventional oil and gas reserves. A preliminary reserve estimate for the project has been prepared by Questa Engineering Corporation of Golden, Colorado.

The Cherokee Basin is a well established area with in excess of 100,000 wells drilled there with a tremendous amount of available historical data. According to Department of Energy data, in excess of 2.8 Trillion Cubic Feet may be recoverable. With the recent onset of significant gas infrastructure and stimulation technology, cumulative production of over 90 Bcf of gas has occurred since 1992.

It is to provide capital for the purchase of the interest in the Jetside project that a substantial portion of the funds being raised by this share issue will be applied.

The Directors are also considering other acquisitions of a similar type with a portion of the funds being so raised and shareholders will be advised of such proposals immediately due diligence enquiries have been completed thereon.

4. EFFECT OF RIGHTS ISSUE ON THE COMPANY

4.1 Principal Effects

Assuming the Rights Issue is fully subscribed the principal effects are as follows:

- (a) The Company will issue 59,013,285 New Shares and the total number of Shares on issue will increase to 236,053,142. The New Shares will constitute approximately 25% of the expanded issued Share capital of 236,053,142 Shares.
- (b) The Rights Issue will also increase the Company's cash reserves by approximately \$2,360,351 (before expenses of the Rights Issue) to enable the Company to proceed with proposed acquisition of new businesses and costs associated therewith.

4.2 Capital Structure on Completion of the Rights Issue

The pro-forma capital structure of the Company following the Rights Issue is set out below:

Shares	Number
Existing Shares	179,039,857
Maximum number of New Shares to be issued pursuant to this Offer (assuming no existing Options are exercised)	59,013,285
Total Shares on issue after Rights Issue	236,053,142

4.3 Purpose of the Offer

The purpose of the Offer is to raise \$2,360,351.

The proceeds of the Offer are planned to be used in accordance with the table set out below:

Item	Activity/Purpose	Full subscription
1	Acquisition of a 51% interest in Jetside Oil & Gas and other Oil and Gas interests and additional working Capital requirements	\$2,199,091
2	Expenses of the Offer - Underwriting fees, sub underwriting fees - Printing and Mail Out and accountancy fees	\$155,760 \$5,500
	TOTAL	\$2,360,351

The amounts referred to in the above table are indicative only and are estimates based on the Company's intentions at the date of this Offer Document.

4.4 Effect of the Offer

The principal effect of the Offer, will be to increase the cash reserves of the Company by approximately \$2,199,091 (after deducting the expenses of the Offer) immediately after completion of the Offer.

4.5 Pro-forma Balance Sheet

Set out below is an unaudited pro-forma balance sheet of the Company after the completion of the Rights Issue prepared on the basis of the reviewed accounts of the Company as at 30 June 2009, and adjusted for the following transactions and assumptions:

- A non-renounceable rights issue of approximately 59,013,285 new WHL Shares at an issue price of 4 cents each, on the basis of one (1) New Share for every three (3) Shares held, raising \$2,360,531, before transaction costs of \$161,260
- The acquisition by WHL Energy Limited (“WHL”) of a 51% interest in Jetside Oil and Gas for an initial consideration of \$1,000,000.

The Balance Sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below.

The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Consolidated 30 June 2009 (Unaudited) \$	Consolidated 30 June 2009 Pro Forma \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	215,044	1,414,280
Trade and other receivables	48,309	48,309
Assets classified as held for sale	2,073,516	2,073,516
Other Assets	2,836	2,836
TOTAL CURRENT ASSETS	2,339,705	3,538,941
NON-CURRENT ASSETS		
Property, Plant and Equipment	5,684	5,684
Financial Assets	104,381	104,381
Oil and Gas Assets	2,427,590	3,427,589
TOTAL NON-CURRENT ASSETS	2,537,655	3,537,654

TOTAL ASSETS	4,877,360	7,076,595
CURRENT LIABILITIES		
Trade and other payables	814,305	814,305
TOTAL CURRENT LIABILITIES	814,305	814,305
TOTAL LIABILITITES	814,305	814,305
NET ASSETS	4,063,055	6,262,290
EQUITY		
Contributed Equity	24,803,260	27,002,495
Foreign Currency Translation Reserve	118,907	118,907
Accumulated losses	(20,859,112)	(20,859,112)
TOTAL EQUITY	4,063,055	6,262,290

The Pro-forma balance sheet assumes the following transaction have occurred:

- (i) The allotment of 59,013,285 shares issued at 4 cents per share, pursuant to the rights issue raising A\$2,360,531
- (ii) Rights issue transaction costs totalling A\$161,295
- (iii) The acquisition of an of the initial 25.5% undivided interest Jetside Oil & Gas LLC's ("Jetside") Coal Bed Methane ("CBM") project in southeast Kansas ("the Project"), for a consideration payable as follows:
 - A\$125,000 (US\$100,000) on or before 30 August 2009
 - A\$250,000 (US\$200,000) on or before 30 September 2009
 - A\$250,000 (US\$200,000) on or before 30 October 2009
 - A\$375,000 (US\$300,000) to be spent within the first year of the project

Further Commitment

A further commitment of A\$1,562,500 (US\$1,250,000) to be spent in years 2 and 3 of the project, has not been reflected in the pro-forma balance sheet. This further commitment is subject to a decision by Jetside to proceed with a Secondary Program at the end of the first year and which will provide WHL a further 25.5% undivided interest in the Project.

4.6 Effects of Rights Issue on control of the Company

If all shareholders take up their entitlements under the Issue then the Issue will have no effect on the control of the Company. Because the Rights Issue is non-renounceable and it cannot be known with certainty which shareholders

will take up their rights entitlements the effect on the control of WHL cannot be determined at this time.

Relevant matters which may determine any such effects are:

- (i) The percentage of issued share capital held by the largest shareholders in the Company
- (ii) The number and identity of large shareholders who take up their rights entitlements
- (iii) The equity holdings associated with directors of the Company and whether the relevant rights entitlements are taken up:
(The following directors have declared equity holdings in the Company):

Peter Bartter & Associates	19,978,305 ordinary fully paid shares
David Kahn & Associates	5,000,000
Warwick Davies	Nil

- (iv) The fact that New Shares issued pursuant to this Rights Issue will comprise 25% of the issued Share Capital of the Company after completion of the issue.
- (v) The number of New Shares taken up or placed by the Underwriter and the person/persons to whom such shares are allotted.

Depending on which shareholders take up their rights entitlements, and the distribution of the shortfall by the Underwriter the ability of certain shareholders to control the Company through their voting rights as shareholders may change.

4.7 Underwriting Agreement

Pursuant to an Underwriting Agreement dated 19 August 2009 between the Company and CPS ("Underwriter"), the Underwriter has agreed to underwrite all of the Rights Issue pursuant to this Offer. The Company will pay the Underwriter, for its role as Underwriter, an underwriting fee equal to 6.6% of the amount raised by the Underwriter. It is estimated that 15% of the total monies to be raised will be raised by the Underwriter. In addition, the Company must pay, indemnify and keep indemnified the Underwriter for all costs incurred by the Underwriter in connection with the Rights Issue, including legal fees and disbursements and the reasonable costs of travel and accommodation, marketing and communication costs.

The Company has given warranties and covenants to the Underwriter which are usual in an agreement of this nature.

4.8 Termination of Underwriting Agreement

The underwriting agreement provides that the underwriter may terminate the Underwriting Agreement and its obligations thereunder at any time without

cost or liability to the Underwriter upon the occurrence of any one or more of the termination events. The termination events include that:

- (a) the Australian equity capital market conditions and/or ASX trading conditions being such that they are not, in the bona fide judgement of the Underwriter, conducive to the successful completion of the Underwriting or other events beyond the control of the Underwriter are so material and adverse as to make it impracticable or inadvisable to proceed with the proposed rights issue on the terms and in the manner contemplated herein;
- (b) WHL ordinary fully paid shares finish trading on the ASX on any two consecutive days at a closing price that is less than the issue price of the Rights Issue shares;
- (c) The All Ordinaries Index as published by ASX is for three consecutive trading days after the date of the offer 10% or more below its level as at the close of business on the business day prior to the date of publication of the Offer;
- (d) there is a material adverse effect including any adverse change in the assets, liabilities, financial position or prospects of the Company as disclosed publicly and/or to the Underwriter, other than for the costs incurred by the Company in relation to the proposed Offer;
- (e) there is a false or misleading statement in the material or information supplied to the Underwriter or included in the presentation materials or a material omission in the material supplied to the Underwriter or included in the presentation materials;
- (f) any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any material adverse change occurs in national or international political, financial or economic conditions, in each case the effect of which is that, it is impracticable to market the new issue or to enforce any contract to issue and allot the new shares or that the success of the new issue is likely to be adversely affected;
- (g) there is introduced, or there is a public announcement of a proposal to introduce, into the parliament of Australia or any State of Australia, a new law, or the Reserve Bank of Australia or any Federal or State authority of Australia adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Offer), any of which does or is likely to prohibit or regulate financial institutions or credit providers, capital issues or stock markets;
- (h) ASX gives formal or informal notice that the new shares of the Company will not be admitted to trading on the official list of ASX;
- (i) ASX announces that the fully paid ordinary shares in the Company will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from trading;
- (j) default by the Company of any term of the Underwriting Agreement;
- (k) any of the warranties or representations by the Company in this offer or to the Underwriter are or become materially untrue;
- (l) a director or proposed director of the Company is charged with an indictable offence or any director or proposed director of the Company is disqualified from managing a corporation under the Corporations Act;
- (m) ASIC issues, or threatens to issue, a proceeding, hearing or investigation in relation to the Offer;

(n) any government agency (including ASIC) commences any public action, hearing or investigation against the Company or any of its directors in their capacity as a director of the Company or announces that it intends to take such action;

In the event that the Underwriter terminates the Underwriting Agreement, the Underwriter shall be entitled to retain the Corporate Advisory Fee and be reimbursed any incurred or accrued expenses up to the date of termination

4.9 Rights of Directors and their associates and shareholders to nominate as sub-underwriters to the Underwriter

The Directors of the Company and their associates may nominate to the Underwriter those shareholders and others who have indicated to the Directors their desire to become sub-underwriters to the issue. In the event that the Underwriter accepts any such offer to act as a sub-underwriter to the issue (which it is not bound to do) any such sub-underwriter will be entitled to sub-underwriting fees of 2% of the amount so sub-underwritten in the event that any such sub-underwriter(s) subscribe for a part of the shortfall in the issue as prescribed by the Underwriting Agreement.

The Directors consider that there is a possibility that a significant proportion of the issue may be the subject of sub-underwriting agreements in the event that there is a shortfall in the issue.

4.10 Placement of Shortfall

In the event that there is a shortfall in the issue the directors of the Company or any of them may choose to take up some of the shares forming a part of such shortfall but if any of them do so any such intention must be notified to the underwriter within three days of the close of the offer.

5. RISK FACTORS

5.1 Introduction

Activities of WHL as in any business, are subject to risks which may impact on its future performance. WHL has appropriate actions, systems and safeguards for known risks; however some are outside its control. The principal risk factors are described below.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Offer Document before you decide whether to accept the Offer of New Shares.

5.2 General Risks

An investment in WHL should be considered speculative due to a range of factors. The conduct and management of business operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There can be no assurance that the business objectives of WHL will be achieved.

The New Shares do not carry any guarantee with respect to market value or the payment of dividends or return of capital. As the holding of Shares involves certain risks, persons in doubt as to the course they should follow should consult their stockbroker, solicitor, accountant or other professional advisor.

The WHL Board emphasises that the risk factors set out in this Section may not be the only risk factors that could affect the operations of WHL, its financial position and the value of its securities.

a) Share Price Fluctuations

There are risks associated with any stock market investment. Share prices may rise or fall and the price of shares might trade below or above an issue price. Factors which may affect the market price of shares generally include:

- Movements in Australian and international stock markets;
- Investor sentiment;
- Australian and international economic conditions and outlook;
- Changes in interest rates and the rate of inflation; and
- Changes to government regulation and policies
- Commodity pricing of oil & gas

b) General Economic Conditions

Changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates, oil and labour costs) as well as general trends in the Australian and overseas equity markets may affect WHL operations and particularly the trading price of the Shares on the ASX.

c) Government Policy and Taxation

Changes in relevant taxation laws, interest rates, other legal, legislative and administrative regimes, and government policies in Australia, may have an adverse affect on the assets, operations and ultimately the financial performance of WHL and the market price of the Shares

5.3 Specific Business Risks

An analysis of some of the specific business risks facing WHL is provided below:

a) Management actions

The Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with management), endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities

b) Additional Funding

The future development of WHL may require additional funds to be raised. In particular, the future acquisition of further business investments may require substantial additional funding. The timing and amount of the future capital requirements will depend on many factors. There is no guarantee that WHL will be able to raise the capital required, or that the terms of any future raising will be favourable to existing Shareholders. In the event that WHL fails to obtain adequate additional funding when needed, WHL may be forced to delay or eliminate its future development activities, sell existing assets or reduce its operations.

c) Contractual Risks

WHL must fulfil the terms and conditions of its existing contracts and management agreements. In the event that WHL fails to perform its obligations or breaches any of the terms and conditions of such agreements, WHL may suffer loss and expose itself to legal action. Further, under the terms of the various contracts to which WHL or its subsidiaries are a party, there are certain rights for the other contracting parties to terminate the contracts. The performance of WHL depends on the ability of WHL to preserve its contractual arrangements and any failure to do so may have material adverse impact on WHL operations and its financial position.

d) Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of WHL is concentrated in a small management team. There

can be no assurances that there will be no detrimental impact on WHL if one or a number of these executives cease their employment.

e) Management of Growth

WHL business is expected to grow considerably. No assurance can be given of WHL ability to manage future growth.

6. DEFINITIONS AND GLOSSARY

Terms and abbreviations used in this Offer Document have the following meanings:

Acceptance	An acceptance of Entitlements
Acceptance Monies	The Issue Price multiplied by the number of New Shares accepted
AEST	Australian Eastern Standard Time
Applicant	A person who submits an Entitlement and Acceptance form
ASX	ASX Limited
Board	The board of directors of WHL
Closing Date	The date by which valid acceptances must be received by the Share Registry being 18 September 2009 or such other date determined by the Board
Company or WHL	WHL Energy Limited (ACN 113 326 524)
Corporations Act	Corporations Act 2001 (Cth)
CPS	CPS Securities Pty Ltd
Directors or Board	The board of directors of WHL from time to time
Eligible Shareholder	A shareholder of the Company that holds shares in the Company on the Record Date
Entitlement and Acceptance Form or Form	An entitlement or acceptance form in the form attached to this Offer Document
Entitlements	The entitlement to accept New Shares under this Offer Document
EST	Eastern Standard Time
Existing Optionholders	The holders of Existing Options
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Offer Document
Issue or Offer	The issue of New Shares in accordance with this Offer Document
Issue Price	4 cents for each New Share for which application is made
Listing Rules	The official listing rules of the ASX
Offer	The offer to subscribe for New Shares as provided for under the Offer Document
Offer Document	This Offer Document dated 21 August 2009 and any electronic copy of this Offer Document
Official List	The official list of entities that ASX has admitted and not removed
Official Quotation	Quotation on the Official List
Opening Date	The date of commencement of Offer in respect of New Shares, (26 August 2009)
Option Holders	The holders of the Existing Options
Options	Options on issue in WHL
Record Date	1 September 2009 at 7:00pm (AEST)

Securities	Has the same meaning as in section 92 of the Corporations Act
Share Registry	Computershare Investor Services Pty Limited
Shares	The fully paid ordinary shares on issue in WHL from time to time
Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
Underwriter	CPS Securities Pty Limited

7. CORPORATE DIRECTORY

Directors

Peter Bartter (Chairman and Executive Director)
David Kahn (Director and Chief Executive Officer)
Warwick Davies (Non-Executive Director)

Company Secretary

Ian Mitchell

Registered Office

Websters, Solicitors
Level 11, 37 Bligh Street
SYDNEY NSW 2000

Phone: (02) 9233 2688
Fax: (02) 9233 3828
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Share Registrar

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Abbotsford VIC 3067

Phone: +61 (0)3 9415 4000
Fax: +61 (0)3 9473 2500