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WILDHORSE ENERGY LIMITED
HUNGARIAN GOVERNMENT ISSUES FORMAL DECREE PLEDGING ITS SUPPORT FOR A JOINT VENTURE BETWEEN STATE OWNED ENTITIES AND WILDHORSE TO DEVELOP THE MECSEK HILLS URANIUM PROJECT

Wildhorse Energy ('WHE' or 'the Company'), the AIM and ASX listed company focussed on developing underground coal gasification ('UCG') and uranium projects in Central and Eastern Europe ('CEE'), is pleased to announce that the Hungarian government has formally pledged its support for the development of a Joint Venture ('JV') between the Company, Hungarian state owned Mecsek-Öko ('MO') and Mecsekérc ('ME'), and Hungarian Electricity Ltd ('MVM') which is the owner of Paks Nuclear Power Plant ('Paks NPP').

Highlights:

- Government resolution is a major step in the development of this strategically important uranium deposit, which combines WHE's 42.9 sq km Pécs-Abaliget uranium licence and MO's adjoining 19.6 sq km MML-E uranium licence.

- Total project JORC Inferred Resource of 48.3Mt at 0.072% U_3O_8 for 77Mlbs of U_3O_8 and an Exploration Target[1] of an additional 55-90Mlbs of U_3O_8 with a grade range of 0.075-0.10% U_3O_8 – one of the largest uranium deposits in Europe

- The government instructs the minister responsible for asset management policy to provide for the participation of Mecsek-Öko, Mecsekérc and MVM (owner of Paks Nuclear Power Plant) within a WHE-established JV Company

- Support for the JV granted due to its potential importance to the national economy, the potential to create employment and its favourable effect on the security of energy supply

- The involvement of MVM demonstrates the continued importance of nuclear in providing energy security in Hungary – Paks currently supplies 40% of Hungary's power and is developing two new nuclear reactors

- WHE's immediate focus is to finalise the JV – following its completion, the Board will actively review all options with regards to developing the asset and to maximising the value for all stakeholders

WHE Managing Director Matt Swinney said, "With the Hungarian Cabinet approval we now have formal government endorsement of a potential JV to develop the Mecsek Hills Uranium Project, a highly important historically producing strategic asset, which is one of Europe's largest uranium projects with a total Inferred Resource of 48.3Mt at 0.072% U_3O_8 for 77Mlbs of U_3O_8.

"The Hungarian nuclear sector continues to grow as the country seeks the means to diversify its fuel generation capabilities and reduce its reliance on imported energy sources. We are now positioned to establish the JV Company, which we hope will be achieved in the near term, so that we can identify the optimal path for development to maximise the benefit for all stakeholders."

Resolution regarding "The restarting of uranium mining in the Mecsek Hills"

In December 2010, ME, MO and WHE signed a cooperation agreement, (which was re-signed in February 2012) where the parties agreed to develop cooperation for the preparatory, licensing and execution tasks related to the opening of the mine, with the purpose of restarting the uranium mining activity in the Mecsek Hills.

This resolution from the Hungarian Government is an important development in the ultimate JV process aimed at restarting uranium mining in the Mecsek Hills. This is of particular importance when considering its impact on the national economy, the potential to create employment and its favourable effect on the security of energy supply.

The Cabinet approval sets out that Wildhorse shall form a Special Purpose Vehicle in JV with MVM, MO and ME in the coming weeks. The JV's initial purpose will be to evaluate the necessary conditions to restart uranium mining in the Mecsek Hills with the ultimate aim of recommencing uranium mining at the Mecsek Hills Uranium Project in Hungary ('the Initiative').

In the event of positive findings from the evaluation the parties shall negotiate comprehensive shareholder agreements and transfer WHE's and MO's Uranium Licences into the JV with the aim of recommencing uranium mining on the Licences.

Further detailed requirements regarding the project company shall be discussed with the Ministry of National Development in the forthcoming weeks.

Mecsek Hills Uranium Project Area

The Mecsek Hills Uranium Project is a project which spans WHE's 42.9 sq km Pécs licence area and Mecsek-Öko's neighbouring estimated 19.6 sq km MML-E licence located in the western Mecsek Mountains of southern Hungary. The Project has a current total Inferred Resource of

48.3Mt at 0.072% U_3O_8 for 77Mlbs of U_3O_8 and an Exploration Target[1] of an additional 55-90Mlbs of contained U_3O_8 with a grade range of 0.075-0.10% U_3O_8.

Table 1
Mecsek Hills Uranium Project - 2010 Resource Estimate
Estimated using Block Ordinary Kriging (2D estimate) using a Parent Block of 100m x 100m.
Reported above 0.04% U_3O_8 using an Insitu Dry Bulk Density of 2.5 t/m^3.

Classification	Region	Tonnes (Mt)	Grade (% U_3O_8)	Contained U_3O_8 (T)	Contained U_3O_8 (M lbs.)
Inferred	Pécs*	38.5	0.076	29,300	65
Inferred	MML-E**	9.8	0.057	5,600	12
Inferred Total		**48.3**	**0.072**	**34,900**	**77**

Note: Figures have been rounded

* Pećs licence wholly owned by Hungarian subsidiary Wildhorse Energy Ltd.

** The MML-E Inferred Resource is located on a licence which is owned by Mecsek-Öko and subject to the co-operation agreement with WHE. WHE does not yet have full rights to this resource.

WHE's project area is immediately adjacent to the MML-E licence that is a former Mecsek uranium mine which was operated by the state-owned Mecsek Ore Mining Company prior to closing in 1997 due to the depressed uranium price. At the time of closure, the spot uranium price was in the range of US$10 to US$15 per pound. The Mecsek Hills is a historical uranium producing region which has undergone exploration and mining, providing the area with existing infrastructure and a skilled workforce. Over a 50 year operation period, the Mecsek mine produced some 46Mlbs of U_3O_8. Wildhorse has knowledge of the area, with an extensive historical drill hole database which includes in excess of 400 holes in the project area. The uranium deposit on the MML-E licence is shallower and offers potential access through uranium bearing sandstones on the concession into WHE's Mecsek Hills Uranium Project.

Mecsek-Öko and Mecsekérc

MO and ME are state owned companies, which comprised the former Mecsek Ore Mining Company, which mined uranium from 1955 to 1997 on the licence area adjacent to WHE's Pećs licence areas. Mecsekérc employs over 100 people involved in the disposal of radioactive waste, environmental remediation and geological, hydrological and mineral resource prospecting. The mining concessions are currently controlled by MO, which is responsible for the environmental remediation, reclamation and monitoring works for the historic uranium mining sites in the Mecsek Hills.

Nuclear Energy Dynamics

[1] The size and grade of the Exploration Target is conceptual in nature and it is uncertain if further exploration will result in the determination of a mineral resource. There is currently insufficient data to define a JORC compliant Mineral Resource for the Exploration Target. Mr Barnes and Mr Inwood (Competent Persons) have reviewed the historical data available for the Mecsek Hills Uranium Project and both made site visits to the area. They consider the Exploration Target to be reasonable based on the data available.

Many countries in Central and Eastern Europe rely heavily on nuclear power to supply a significant share of their electricity generation need. Much of the current installed capacity is of older Russian technology, which was installed during the Soviet era. The nuclear fuel need is also supplied from Russia, which is usually sold as a package with technology. As the current nuclear plants are approaching their end to useful economic life (usually 30 years for older reactor models), many governments are looking to find ways of replacing this capacity. Most countries have been upgrading the reactors in order to extend their useful life for another 10-20 years, as it is the case with Hungary.

Nuclear power is also very important for these countries as all of them are heavily reliant on Russian gas. More than 80% of Hungary's gas imports are from Russia, which makes them vulnerable to natural gas as a fuel for both domestic use and power generation. As a result, nuclear power is perceived as a very significant means of ensuring sovereign security of supply. In addition, most of these countries are EU members and as a result they are affected by EU CO2 targets and costs. In light of this, many countries have brought nuclear power high onto their political agendas and have expressed open support for the construction of their nuclear fleet.

****ENDS****

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Further Information on Wildhorse:

Wildhorse Business Model

The WHE business model is focussed upon applying UCG technology to convert coal into syngas and then selling the syngas to power stations as a gas feedstock. The development and expansion of the UCG portfolio is underpinned by a potentially world class uranium project which the Company is advancing with its Hungarian uranium development partners Mecsek-Öko and Mecsekérc, with the support of the Hungarian Government.

Business Strategy

The Company's business strategy is to become a major supplier of gas feedstock to power stations in Central Europe. WHE's project development strategy is based primarily upon acquiring strategic UCG sites in key locations in Central Europe where gas markets are dominated by Russian gas imports, energy security is a major factor for governments and large scale industrial consumers of gas and gas prices are correspondingly high.

Alongside its UCG assets, the Company also has a significant interest in a highly prospective uranium deposit in Hungary, which has a JORC Inferred resource of 48.3Mt at 0.072% uranium U3O8 for 77Mlbs of U3O8. The Company is currently undertaking negotiations aimed at forming a joint venture with state-owned organisations, Mecsek-Öko and Mecsekérc with the purpose of restarting uranium mining activity in the Mecsek Hills.

Competent Persons Statement

The information in the report to which this statement is attached that relates to the Mecsek Hills Uranium Project Mineral Resources is based on information compiled by Mr. Lauritz Barnes and Mr. Neil Inwood. Mr Barnes is the Competent Person responsible for the database, modelling, estimation methodology and classification. Mr Inwood has reviewed the resource estimate and consented to take dual responsibility for the estimation methodology and classification. The geological modelling and estimation of the Exploration Target for the Mecsek Hills Uranium Project of 55 to 90 Mlbs of U_3O_8 with a grade range of 0.075 to 0.10% U_3O_8 was also compiled by Mr Barnes and Mr Inwood. Mr Barnes and Mr Inwood are a Member and Fellow of The Australasian Institute of Mining and Metallurgy respectively. Mr. Barnes is an independent consultant and Mr. Inwood was employed by Coffey Mining at the time of the original release. Both Messrs Barnes and Inwood and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken for the Mecsek Hills Uranium Project to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Coffey Mining has checked the information in this statement to ensure consistency with previous reports. Mr. Barnes and Coffey Mining for Mr. Inwood consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.