2012
ANNUAL REPORT

CONTENTS

The annual report covers Wildhorse Energy Limited as the consolidated entity consisting of Wildhorse Energy Limited and its subsidiaries. The financial report is presented in Australian dollars.

The annual report was authorised for issue by the Directors on 28 September 2012.

CORPORATE DIRECTORY

DIRECTORS

Mark Hohnen (Chairman)
Matt Swinney (Managing Director)
Brett Mitchell (Non-Executive Director)
Ian Middlemas (Non-Executive Director)
Johan Brand (Technical Director)
James Strauss (Non-Executive Director)
Dr Konrad Wetzker (Non-Executive Director)

COMPANY SECRETARY

Sophie Raven

REGISTERED AND CORPORATE OFFICE AUSTRALIA

Level 21, Allendale Square
77 St Georges Terrace
Perth WA 6000
Tel: +61 8 9389 2000
Fax: +61 8 9389 2099
Website: www.wildhorse.com.au

HUNGARY OFFICE – HEAD OFFICE

MOM Park D Building – 4th Floor
Alkotás u. 53
1123 Budapest
Hungary
Tel +36 1 472 3100
Fax +36 1 472 3109

LONDON OFFICE

94 Jermyn Street
London SW1Y 6JE
Tel: +44 (0) 207 7766 7507

SOLICITORS TO THE COMPANY IN AUSTRALIA

Hardy Bowen
Level 1, 28 Ord Street
West Perth WA 6005

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Tel: +61 8 9323 2000
Fax: +61 8 9323 2033

AUDITOR

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

NOMINATED ADVISOR

Grant Thornton UK LLP
30 Finsbury Square
London, EC2P 2YU
United Kingdom

BROKERS

GMP Securities Europe LLP
Stratton House
5 Stratton Street
London, W1J 8LA
United Kingdom

Liberum Capital Limited
Ropemaker Place
Level 12, 25 Ropemaker Street
London, EC2Y 9LY
United Kingdom

SOLICITORS TO THE COMPANY IN THE UK

Watson, Farley & Williams LLP
15 Appold Street
London, EC2A 2HB
United Kingdom

ATTORNEYS TO THE COMPANY IN HUNGARY

Szecskay Attorneys at Law
H-1055 Budapest,
Kossuth Square. 16-17. III.
Hungary

UK DEPOSITORY

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
United Kingdom

ASX & AIM CODE

WHE

"WHE's strong proposition is focussed on developing the Company to become a leading provider of fuel in Central and Eastern Europe and with this in mind, we have been highly active and have met key milestones on an operational level at both our UCG and uranium assets in Hungary."

CHAIRMAN'S STATEMENT

Dear Shareholders,

Wildhorse Energy has made significant progress over the course of the year, enhancing the attributable and actual value of its underground coal gasification and uranium assets. In particular, the achievement of key objectives, including the finalisation of a Preliminary Feasibility Study ('PFS') at our flagship Mecsek Hills UCG Project, and the formal endorsement to discuss the development of a joint venture to advance our uranium interests, has advanced the Company into its next phase of development. This progress, combined with the ever-more favourable operating environment of Hungary, where the government is supportive of the development of domestic fuel sources, has furthered WHE's strategy of becoming a leading energy supplier in Central and Eastern Europe.

Support for the development of UCG projects continues to grow worldwide as increasing numbers of governments and companies acknowledge the benefits that this proven technology can deliver by unlocking the energy value of stranded coal assets and turning coal fields into highly valuable gas fields. The evolution of unconventional gas production has dramatically reshaped the US energy market over recent years and has the potential to have a similar impact in Europe. However, unlike shale gas extraction methods, UCG does not apply hydraulic fracturing (fracking) technologies which have been the subject of controversy due to the associated environmental risks. Importantly, global developments continue to demonstrate the compelling environmental and economic fundamentals which UCG can deliver with projects being advanced in several countries including Australia, Canada, New Zealand, South Africa and China. We are confident that this pattern is set to continue, and we are committed to using our first-mover advantage in Hungary and Central and Eastern Europe ('CEE') to establish ourselves as UCG leaders in the region.

Our focus on CEE stems from several key factors which underpin the region's potential for the successful application of UCG technology. Primary factors which influenced our decision to focus on this area was the large amount of unexploited coal resources in the region and its high level of reliance on gas imports, especially from Russia, which has created strong domestic demand fundamentals. Issues regarding energy security and high gas prices are a high priority to regional governments and utility providers, and as such, this provides WHE with a market opportunity to be a supplier of syngas as a feedstock to power stations. The progression of this opportunity was formalised post period end in July 2012 through the signing of a cooperation agreement with the Hungarian Geological and Geophysical Institute and the Faculty of Earth Science and Engineering of University of Miskolc to set out the legislative and regulatory framework required to develop UCG projects in Hungary. All parties believe that this could provide Hungary with an instrumental opportunity to develop its extensive stranded coal reserves and potentially provide the blue print for UCG project development across Europe as governments seek to develop their own resources and establish energy independence.

As with UCG, uranium production provides Hungary with the potential to reduce its reliance on imported energy sources through the diversification of its fuel generation capabilities. In line with this, our strong relationship with the Hungarian Government extends through to our uranium interests. This materialised in June in the form of cabinet approval for the development of a joint venture and a special purpose vehicle in joint venture between the Company, Hungarian state owned Mecsek-Öko ("MO") and Mecsekérc ("ME"), and Hungarian Electricity Ltd ("MVM") owner of Paks Nuclear Power Plant ("Paks NPP"). This provides formal endorsement to evaluate the necessary conditions of a potential JV to develop the Mecsek Hills Uranium Project, a highly important historically producing 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 compelling energy dynamics in this region are well understood by UK investors, a factor which played a significant role in our decision to dual list WHE on London's AIM market. This came into fruition on 2 August 2011 and the Company is now dual-listed on both the AIM and ASX exchanges trading under the symbol 'WHE'. This was intended to increase the Company's exposure to European investment funds and communicate the Company's significant value uplift potential through the development and expansion of its highly prospective European UCG and uranium assets.

Looking ahead, we are at a transformational point in WHE's evolution, with our primary focus on the UCG side being the securing of a joint venture partner to fund the completion of the BFS at the Mecsek Hills UCG Project. During the period we raised a total of £7.52 million of which a portion will be spent on the BFS whilst we simultaneously identify a strategic partner to facilitate the study's completion. The Company is taking prudent measures to preserve funds during the strategic partner search and has postponed key costs associated with the BFS, including its UCG drilling and above ground engineering program, until a strategic UCG partner is successfully obtained.

As previously mentioned, our ambitions for UCG development are not limited to Mecsek Hills, and we are actively seeking to expand our acreage across Central and Eastern Europe. In line with this, UCG licence applications are in progress in Poland, and early stage project development activities are underway in the Ukraine.

With regards to our uranium interests, we look forward to finalising an agreement with the Hungarian state owned uranium entities, which includes the creation of a joint venture company to be joined by all parties, subject to positive results from our evaluation.

I look forward to providing further details of our operational and corporate progress over the year to come, when I am satisfied that the foundation that we have built will prove to be the basis for more value accretion moving forward.

Mark Hohnen
Chairman

REVIEW OF OPERATIONS

Wildhorse Energy's strong proposition is focussed on developing the Company to become a leading provider of fuel in Central and Eastern Europe and with this in mind, we have been highly active and have met key milestones on an operational level at both our UCG and uranium assets in Hungary.

UCG

Essentially, UCG is a process which unlocks the energy potential of stranded deep coal reserves through its in-situ conversion to Synthesis Gas, or 'syngas', which is a fuel feedstock for power generation through the injection of oxygen delivered via an injection well. The main difference between this well-established coal gasification method (which has been used as far back as the early 1900s to convert gas from coal to power street lighting in many countries in the world) is that UCG companies gasify the coal in-situ, rather than extract and gasify it at the surface. This method utilises directional drilling techniques proven in the oil and gas industry, has numerous environmental, safety and financial benefits, and requires very little of the infrastructure associated with large scale energy projects. In addition, as described in the Chairman's Statement, compared with shale gas extraction, UCG does not use "hydraulic fracking", a method which creates fractures in the shale formation to increase gas flow rates, and has caused concerns particularly in continental Europe.

Our most advanced project is the Mecsek Hills UCG Project located in the region of Pécs in Hungary. This site fits our rigid acquisition criteria, not only geologically, but also by being close to infrastructure. In March we were delighted to announce the completion of a PFS which was a transformational step for the Company, and demonstrated the attractive economic and technical potential of supplying syngas as a gas feedstock for power stations.

The PFS was based on a ≥400 MWt Project consisting of two distinct phases. The first phase of the project is specifically designed to be a small scale commercial demonstration facility that exhibits all commercial and technical aspects of UCG and the above ground value chain. Successful demonstration of Phase I will enable WHE to expand the project and then further achieve the benefits of greater economies of scale, market recognition of the technology and expansion into other geographic markets.

In tandem with the PFS results, we also published an updated JORC Inferred coal resource of 185 million tonnes ('Mt') at the Váralja target area. This area will be the location of the Company's first UCG site called the Mecsek Hills UCG Project and notably, with only 22Mt estimated to be required for Phases I and II over a 25 year project life, this JORC statement demonstrated that we have more than enough coal to construct a long term project of this size subject to further exploration.

The completion of our PFS was a defining step in the Company's overall development, not only on a project level, but also on a corporate one, supporting the Company's broader strategy to seek to develop further projects in selected markets in CEE. The Board remains focussed on expanding our UCG portfolio through the identification and evaluation of additional UCG sites, in order to maximise our first mover advantage in Central Europe. We have made detailed assessments of a range of targets in different countries, and particularly in Poland due to its advanced legislation for alternative energy project, their heavy reliance on gas imports from Russia and large stranded coal resources.

Importantly, WHE is not alone in its recognition of the potential of UCG in Europe. In August 2011, the Company secured a Memorandum of Understanding with Air Liquide, the world leader in gases for industry, health and the environment, which sets out the terms for exclusive negotiations and cooperation between them and WHE. Under the terms of the MOU, Air Liquide will evaluate the technical and commercial conditions for installation of a new state-of-the-art air separation unit with the capacity to supply all the oxygen needs for WHE's UCG Project in Mecsek Hills, Hungary and shall develop its final proposal for oxygen supply to WHE based upon this evaluation.

We have initiated a range of activities including 3D seismic reinterpretation analysis and integration of the latest vertical seismic profile information for the coal resources of the project area and preparatory work with regards to licencing the UCG and Combined Cycle Gas Turbine plants ('CCGT').

Our highly experienced team is reviewing the optimal capacity for the project. The Company is exploring the potential for a small scale UCG to CCGT facility of approximately 50 MWe ("megawatt electrical") Gross (100 MWt LHV ("megawatt thermal low heat value") fuel input) in order to enhance potential returns through lower initial capital requirements and less stringent design and permitting requirements. We will also be reviewing potential options to reduce upfront capital expenditure for the project through a phased approach. Expediting the below ground portion of the facility will enable us to demonstrate the critical aspects of UCG prior to committing all the required capital for the project. This approach aims to assist the de-risking of the project from a capital, and permitting point of view.

Additionally, the Company remains focussed on securing a strategic partner to fund the completion of the BFS and once secured the Company will initiate a drilling programme to upgrade its current JORC compliant Inferred resource to the Indicated and Measured categories which will be required prior to the completion of the BFS Phase.

Uranium

Sentiment surrounding the development of the Mecsek Hills Uranium Project is highly positive, both from the government and the local community. The project is comprised of WHE's 42.9 sq km Pécs-Abaliget uranium licence and Mecsek-Öko's adjoining 19.6 sq km MML-E uranium licence. With a total project JORC Inferred Resource of 48.3Mt at 0.072% U3O8 for 77Mlbs of U3O8 and an Exploration Target [1] of an additional 55-90Mlbs of U3O8 with a grade range of 0.075-0.10% U3O8, this is one of the largest deposits in Europe.

A crucial moment in the development of this strategically important asset was the Hungarian government's formal pledge of its support for the development of a JV between WHE, Hungarian state owned Mecsek-Öko and Mecsekérc, and MVM which is the owner of Paks nuclear power plant.

On the back of the Hungarian cabinet approval, we have commenced evaluation of the necessary conditions to restart uranium mining in the Mecsek Hills. Subject to positive results of our evaluation, we will create a joint venture company which will be joined by all parties, with the ultimate aim being the recommencement of uranium mining at the Mecsek Hills Uranium Project.

Outlook

This has been a highly active time for the Company, during which we have highlighted the commercial potential of our UCG project in Hungary, strengthening our expansion opportunities across Central and Eastern Europe and advanced the development of our uranium interests with the formal endorsement of the government.

In summary we have a significant opportunity for building value both on a project and corporate level and with this in mind, we look forward to providing regular operational and corporate updates concerning both our UCG and uranium assets. Over the coming months we anticipate making substantial progress with regards to our strategic partner search, uranium joint venture negotiations, and portfolio expansion, all of which I am confident will culminate in another year of strong progression for WHE.

I would like to take this opportunity to thank our shareholders, our highly experienced and dedicated team and advisers for their continued enthusiasm and support over the period.

Matt Swinney
Managing Director

28 September 2012

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.*

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Wildhorse Energy Limited and its controlled entities for the year ended 30 June 2012.

All Directors have held office for the whole financial year unless otherwise stated.

1. Directors' profiles

Mr Mark Hohnen | *Chairman*

Appointed 19 February 2010

Experience and expertise:

Mr Hohnen has been involved in the mineral business since the late 1970s. He has had extensive international business experience in a wide range of industries including mining and exploration, property, investment, software and agriculture. He has held a number of directorships in both public and private companies and was founding Chairman of Cape Mentelle and Cloudy Bay wines, as well as the oil and coal company Anglo Pacific Resources Plc. During the three year period to the end of the financial year, Mr Hohnen has been a Director of the publicly listed company, Frankland River Olive Company (Jul 2006 - Mar 2009). Mr Hohnen is a member of the Company's Remuneration Committee.

Mr Matt Swinney, BBus | *Managing Director*

Appointed 19 February 2010

Experience and expertise:

Mr Swinney has over 20 years' experience in business and project development, project finance and business start-up situations across a number of industries, including the development of greenfield energy projects in emerging markets. During the three year period to the end of the financial year, Mr Swinney has held no directorships in publicly listed companies.

Mr Brett Mitchell, B Ec | *Non-Executive Director*

Appointed 22 April 2009; Executive Director to 31 December 2011; Non-Executive Director from 1 January 2012 to present

Experience and expertise:

Mr Mitchell has worked for both private and publicly listed entities for the past 20 years as a corporate finance executive. Mr Mitchell holds a Bachelor of Economics degree from the University of Western Australia and has specific experience in the financial markets and resources sectors and is a member of the Australian Institute of Company Directors (ACID). Mr Mitchell is currently Director of Tamaska Oil and Gas (August 2011 – present), Citation Resources Ltd (November 2011 – present), Transerv Energy Limited (July 2006 - present), Wildhorse Energy Limited (April 2009 – present) and Quest Petroleum NL (May 2007 - present). Previously in the past three years Mr Mitchell has been a Director of ASX listed company XState Resources Limited (Aug 2009 – April 2011) and Acacia Coal Limited (Oct 2009 – November 2010).

Mr Ian Middlemas, B.Com, CA | *Non-Executive Director*

Appointed 21 January 2010

Experience and expertise:

Mr Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director of the Company on 14 September 2009. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Berkeley Resources Limited (April 2012 – present), Prairie Downs Metals Limited (August 2011 – present), Papillon Resources Limited (May 2011 – present), Pacific Ore Limited (April 2010 – present), Wildhorse Energy Limited (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Sovereign Metals Limited (July 2006 – present), Sierra Mining Limited (January 2006 – present), Odyssey Energy Limited (September 2005 – present), Global Petroleum Limited (April 2007 – December 2011), Coalspur Mines Limited (March 2007 – October 2011), Mantra Resources Limited (September 2005 – June 2011), Aguia Resources Limited (September 2008 – August 2010), Pacific Energy Limited (June 2006 – August 2010), Indo Mines Limited (December 2006 – June 2010) and Neon Energy Limited (November 1995 – June 2010).

Mr Johan Brand , B.Eng, Pr.Eng, MBA | *Technical Director*
Appointed 23 November 2010

Experience and expertise:
Mr Brand was previously an employee of Sasol Limited (Sasol) for 13 years and between the years of 2006 and 2009 held the position of UCG Business Manager. He was responsible for the establishment and management of UCG as a Sasol business unit to supply syngas to the coal to liquids facility. He has extensive coal mining and coal gasification experience and is an internationally recognised leader in the field of UCG. Mr Brand has a degree in mechanical engineering from the University of Pretoria and an MBA from North West University, both in South Africa and is the sponsor for the Hungarian UCG operations. During the three year period to the end of the financial year, Mr Brand has held no directorships in publicly listed companies, and has been appointed as a trustee of the UCG Association in London that functions as the global custodian of UCG providing a worldwide alliance of knowledge, networking, information and legislation for UCG.

Mr James Strauss | *Non-Executive Director*
Appointed 26 August 2010

Experience and expertise:
Mr Jamie Strauss has worked for 26 years as a stockbroker in the city of London, specialising in the corporate resource arena. Having left BMO Capital Markets as Managing Director of the UK branch in 2009, Mr Strauss is currently a Director of a mining finance boutique, Strauss Partners Ltd as well as a Director of Gold Standard Venture and Altius Minerals. Mr Strauss has raised in excess of $1bn in recent years for projects spanning the globe in both the energy and mineral world from leading institutions in North America, Australia and Europe. Mr Strauss has been a committee member of the Association of Mining Analysts from 2007 through to 2011. Mr Strauss is a member of the Company's Remuneration Committee.

Dr. Konrad Wetzker | *Non-Executive Director*
Appointed 1 March 2011

Prof. Dr. Konrad Wetzker has an exceptionally strong understanding of, and network within, the Central European government and corporate arena with an emphasis on energy. Prof. Dr. Wetzker spent 20 years as Partner and Senior Partner of the Boston Consulting Group ('BCG'), a leading international management consultancy, and became Regional Head of Energy for BCG in Central and Eastern Europe and subsequently the founding Chairman of BCG in Hungary. During his time at BCG, Prof. Dr. Wetzker worked with multiple international companies in the region including E.ON, RWE, GDF/Suez, EDF Energy and the Hungarian Regulator. He is currently a Professor at the Corvinus University in Budapest and Chairman of the Corvinus School of Management as well as a member of a number of different boards and supervisory boards. Prof. Dr. Wetzker has strong academic and business expertise which has been reflected in almost 100 publications including the Financial Times and he has lectured at leading universities such as Harvard, Cambridge, ESSEC & Mannheim. During the three year period to the end of the financial year, Dr. Konrad Wetzker has been a member of the supervisory board of Hungarian Telekom Communications Plc since 2011 and has been a director of E-Star Alternative Plc, a company listed on the Budapest Stock Exchange, from March 2011 to April 2012.

2. Company Secretary's profile

Up until 9 August 2011, Mr Brett Mitchell (see above for profile) was the Company Secretary of the Company.

Ms Sophie Raven | *Company Secretary*
Appointed 9 August 2011

Experience and expertise:
Ms Sophie Raven has practised corporate law for over 20 years in Australia, Chile and the Cayman Islands. Upon graduating in 1991 from the University of Western Australia with a Bachelor of Laws degree, Ms. Raven joined Freehills, one of the largest law firms in Australia, and was admitted to practice law as a solicitor and barrister in 1993.

Ms. Raven moved to Chile in 1995 where she worked at Montt y Cia S.A., a medium-sized law firm, as the firm's foreign legal associate from 1995 to 1997 and as a partner from 1997 to 2001. Ms. Raven moved to the Cayman Islands in 2001 where she practised until early 2005 as a corporate attorney at a local law firm, specializing in the structuring of different types of investment funds and other investment vehicles, and generally advising and acting for investment fund managers, fund administrators and instructing law firms. In June 2006, Ms. Raven joined Superfund Group Monaco SAM as legal counsel, and since January 2007 has been a Non-Executive Director and company secretary for many of the Superfund group of investment companies' offshore funds. In addition to the Company, Ms. Raven is currently also the Company Secretary for Transerv Energy Limited, Citation Resources Ltd, and Sunbird Energy Limited, all ASX listed companies.

3. Management profiles

Mr Chris Dinsdale | *Chief Financial Officer*

Experience and expertise:
Prior to joining Wildhorse Energy, Mr. Dinsdale was a key member of the KPMG Global Power & Utilities Centre which was based in Budapest, Hungary. While at KPMG, Mr. Dinsdale has worked in numerous large scale energy projects in both the power generation and gas sectors throughout the Central and Eastern European region and beyond. Mr. Dinsdale is highly experienced in the European energy market specialising in regulation, strategy, financial feasibility, commercial structuring and M&A.

4. Principal activities

The principal activities of the consolidated entity during the course of the financial year were the evaluation of underground coal and gasification projects, and uranium deposits in Europe.

5. Company particulars

Wildhorse Energy Limited, incorporated and domiciled in Australia, is a public company limited by shares (ASX: WHE). The Company is also listed and the Company's ordinary shares are admitted to trading on the AIM market of the London Stock Exchange's international market for smaller growing companies (AIM: WHE).

The address of the registered office is:

Level 21, Allendale Square
77 St Georges Terrace
Perth, WA 6000

6. Results and dividends

The Consolidated Entity reported a loss for the period of $11,901,389 (2011: $10,374,610). There was no income tax expense in either year. As at 30 June 2012 the Consolidated Entity has $10,804,818 (2011: $13,494,340) cash at bank. A detailed operational review is set out in the Directors' Report and Review of Operations in this Annual Report.

7. Events subsequent to reporting date

UCG Cooperation Agreement

In July 2012, the Company signed a Cooperation Agreement with the Geological Institute of Hungary and the University of Miskolc to examine and formalise the legislative and regulatory framework to facilitate the development of UCG projects in Hungary. Both the Hungarian Institute for Geology and Geophysics and the Technical Geology Faculty of the Miskolc University will be working with the Company in collecting information with regards to the technical feasibility, environmental protection, licensing and the introduction of the technology in Central and Eastern Europe.

Other than the above, no material matters or circumstances have arisen since the end of the financial year which have significantly affected or may affect the operations, results or state of affairs or the consolidated entity.

8. Future developments

The consolidated entity will continue to pursue its principal activities. It is not expected that the results in future years will be adversely affected by the continuation of these operations.

9. Environmental regulations

The consolidated entity's operations are subject to significant environmental regulation under international legislation in relation to its conduct of evaluation of coal and uranium deposits. The directors are of the opinion that sufficient procedures and reporting processes have been established to enable the consolidated entity to meet its responsibilities and that the consolidated entity's other business segment operations are not subject to any significant environmental regulations under Australian Law and International Environmental Legislation where applicable.

10. Dividends

No dividends have been paid or declared by the Company during the financial period ended 30 June 2012.

11. Directors' meetings

The number of meetings of the Company's board of Directors held during the period ended 30 June 2012, and the number of meetings attended by each Director were:

Directors' Meetings	Eligible to Attend	Attended
Mr Mark Hohnen	6	6
Mr Matt Swinney	6	6
Mr Brett Mitchell	6	3
Mr Ian Middlemas	6	4
Mr Johan Brand	6	5
Mr James Strauss	6	6
Dr Konrad Wetzker	6	5

A Remuneration Committee (comprising Mark Hohnen, James Strauss and Ian Middlemas) was formed by the Company on 4 October 2010.

The number of meetings of the Remuneration Committee held during the period ended 30 June 2012, and the number of meetings attended by each Director were:

Directors' Meetings	Eligible to Attend	Attended
Mr Mark Hohnen	4	4
Mr Ian Middlemas	4	3
Mr James Strauss	4	4

12. Audit Committee

During the year there were no formal meetings of the audit committee. However, the board as a whole approved the Company's audited annual financial statements and the appropriate members of the Company's management have met with the Company's auditors to discuss all significant matters relating to the audit.

13. Remuneration report (Audited)

This information provided in this remuneration report has been audited as a requirement of section 308(3C) of the Corporations Act 2001.

This remuneration report sets out remuneration information for the Company's Non-Executive Directors, executive directors, other key management personnel and the five highest remunerated executives of the group and the company.

Details of Directors and Key Management Personnel

Directors

Mr Mark Hohnen	Chairman
Mr Matt Swinney	Managing Director
Mr Brett Mitchell	Non-Executive Director (Executive Director to 31 December 2011)
Mr Ian Middlemas	Non-Executive Director
Mr Johan Brand	Technical Director
Mr James Strauss	Non-Executive Director
Dr Konrad Wetzker	Non-Executive Director

Key Management Personnel – Executives

Mr Chris Dinsdale	Chief Financial Officer
Ms Sophie Raven	Company Secretary

Compensation of Key Management Personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's key management personnel reward framework is to ensure reward for performance is competitive and appropriate to attract and retain experienced Directors and key management personnel. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. As a result of the evaluation and development nature of the Company's activities, the overall level of compensation does not focus on the earnings of the Company.

Compensation is provided by the Company to its key management personnel by way of base salary, short-term bonus, performance shares, granting employee options, superannuation and health benefits. Non-Executive Directors are remunerated by way of fees, granting options and statutory superannuation. The Chairman is also eligible to receive performance shares.

Given the nature of the Company's business it continues to review and redesign the overall compensation plan for all employees.

Directors' Fees

The annual fees payable are $70,000 per annum for the Chairman and $36,000 per annum for other Non-Executive Directors, with an additional fee component for services provided.

Key Management Personnel Pay

The key management personnel pay and reward framework has three components:

- Base pay and benefits, including superannuation and health;
- Short-term bonus; and
- Long-term incentives through participation in the Company Employee Option Plan and the Company's Employee Performance Rights Plan.

The combination of these components comprises each executive's total remuneration.

Base Pay

Structured as a total employment cost package which is delivered as a combination of cash and superannuation.

A competitive base pay is calculated on a total cost basis and includes any fringe benefits tax (FBT) charges related to employee benefits, which comprises the fixed component of pay and rewards, necessary to attract and retain talented, qualified and effective executives.

Base pay is determined in accordance with both market standards and on the advice of external consultants such as Patterson and Associates, London when considered appropriate.

Use of remuneration consultants

The Company's remuneration committee employed the services of Patterson and Associates ("Patterson") to review its existing remuneration policies and to provide recommendations in respect of both executive short-term and long-term incentive plan design.

These recommendations also covered the Wildhorse's key management personnel. Under the terms of the engagement, Patterson provided remuneration recommendations as defined in section 9B of the Corporations Act 2001 and was paid £3,757.50 for these services.

Patterson has confirmed that the above recommendations have been made free from undue influence by members of the group's key management personnel.

The following arrangements were made to ensure that the remuneration recommendations were free from undue influence:

- Patterson engaged by, and reported directly to, the chair of the remuneration committee. The agreement for the provision of remuneration consulting services was executed by the chair of the remuneration committee under delegated authority on behalf of the board.
- The report containing the remuneration recommendations was provided by Paterson directly to the chair of the remuneration committee; and
- Paterson was permitted to speak to management throughout the engagement to understand company processes, practices and other business issues to obtain management prospective. However, Paterson was not permitted to provide any member of management with a copy of their draft or final report that contained the remuneration recommendations.

As a consequence, the board is satisfied that the recommendations were made free from undue influence from any members of the key management personnel.

Performance- linked compensation

The consolidated entity currently has no fixed formula for the cash component of performance based remuneration built into Director or key management personnel remuneration packages. Compensation levels are reviewed by the Board through a process that considers individual and overall performance of the consolidated entity. There is no direct link between shareholder wealth and performance linked compensation.

The Remuneration Committee of the Company is responsible for setting the remuneration packages of individual Directors. This includes agreeing, with the Board, the framework for remuneration of all executive Directors, the Company Secretary and such other members of the executive management of the Company as it is designated to consider.

The Remuneration Committee is, furthermore, responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and share options.

Short-term incentives

Certain key management personnel have the opportunity to earn an annual short-term incentive if predefined targets are achieved.

The Company's Remuneration Committee resolved to pay the following bonuses during the 2011/2012 financial year:

a. It was agreed by the Remuneration Committee at its meeting held on 10 November 2011 that the Managing Director, Mr Matt Swinney, be awarded a bonus equivalent to 50% of his salary on the basis of achievement of certain key milestones.

b. It was agreed by the Remuneration Committee at its meeting held on 16 August 2011 that the Technical Director, Mr Johan Brand, be awarded a bonus of AUD 190,939, with 50% being paid in October 2011 and the remaining 50% payable post completion of a specified key milestone, which was paid in May 2012.

c. It was agreed by the Remuneration Committee at its meeting held on 18 October 2011 that Mr Brett Mitchell be paid a $20,000 bonus on the completion of certain key milestones and was paid in April 2012.

Company Employee Option Plan and Company Employee Performance Rights Plan

The consolidated entity believes encouraging its executives and other employees to become shareholders is a significant method of aligning their interests with those of shareholders. Equity participation is accomplished through the Company's Employee Option Plan and the Company's Employee Performance Rights Plan.

Under the Company's Employee Option Plan options are granted to employees taking into account a number of factors including the amount and term of options previously granted, base salary, performance and competitive factors Employee Option Plan and the Company's Employee Performance Rights Plan.

There is no specific performance criteria required to be met to issue options. The issue of options is at the discretion of the Remuneration Committee and Board.

There are no performance criteria, other than continued employment, required to be met to exercise options.

The consolidated entity does not currently have a policy to limit risk associated with the option holdings or other short term incentives of key management personnel.

During the financial year, no options were issued to Directors or any other key management personnel.

Consequences of performance on shareholder wealth

In considering the consolidated entity's performance and benefits for shareholders wealth, the Directors regard the following indicators in respect of the current financial year and previous financial years:

	2012	2011	2010	2009
	$	$	$	$
Company loss	(11,901,389)	(10,374,610)	(10,785,560)	(9,092,087)
Dividend	-	-	-	-
Change in share price	(0.23)	0.08	(0.05)	(0.10)

Market capitalisation and increase/decrease in share price are monitored by the Director, and they also form targets in setting short term incentives and long term incentives. The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and Executives. Currently, this is facilitated through the issue of options to Directors and executives to encourage the alignment of personal and shareholder interests.

The reduction in share price and associated decline in capitalisation are due primarily to market factors associated with the global economic conditions and uranium industry which are outside the direct control of management.

Voting and Comments made at the Company's 2011 Annual General Meeting

The Company received more than 85% of "yes" votes on its remuneration report for the 2011 financial year. The Company did not receive any specific feedback at the Annual General Meeting held in 2011 or throughout the year on its remuneration practices.

i. Details of remuneration

Compensation of Key Management Personnel for the year ended 30 June 2012

	Short-Term Benefits			Post Employment		Share Based Payment	Total	
	Salary and fees	Cash Bonus	Non monetary benefits	Superannuation	Termination	Options		% Share Based
Directors	AUD	AUD	AUD	AUD	AUD	AUD	AUD	Payment
Mark Hohnen [3]	70,000	-	-	-	-	153,000	223,000	69%
Matt Swinney [3]	304,303	150,000	-	22,887	-	177,777	654,967	27%
Brett Mitchell [1]	164,800 [5]	20,000	-	-	-	-	184,800	-
Ian Middlemas	36,000	-	-	-	-	-	36,000	-
James Strauss [3]	36,000	-	-	-	-	106,717	142,717	75%
Johan Brand [3]	231,338 [4]	190,939	-	-	-	252,250	674,527	37%
Konrad Wetzker [3]	63,416	-	-	-	-	203,954	267,370	76%
Key Management Personnel								
Chris Dinsdale	188,423 [4]	-	-	-	-	-	188,423	-
Sophie Raven [2]	44,310	-	-	-	-	-	44,310	-
Total	1,138,590	360,939	-	22,887	-	893,698	2,416,114	

1 *Brett Mitchell was Executive Director to 31 December 2011, and Non-Executive Director from 1 January 2012 to present.*
2 *Sophie Raven was appointed on 9th August 2011.*
3 *Listed options and rights values are related to current year amortization of stock options issued in previous years, detailed information is included in Note 27 and under Analysis of options and rights in Director's Report onpage 19.*
4 *Salaries contracted in foreign currency have been translated by using the prevailing FX rates defined in the Accounting Policy.*
5 *$5,000 has been prepaid for services due in July/August.*

Compensation of Key Management Personnel for the year ended 30 June 2011

	Short-Term Benefits			Post Employment		Share Based Payment	Total	
	Salary and fees	Cash Bonus	Non monetary benefits	Superannuation	Termination	Options		% Share Based
Directors	AUD	AUD	AUD	AUD	AUD	AUD	AUD	Payment
Mark Hohnen	70,000	-	-	-	-	634,333	704,333	90%
Matt Swinney	250,000	-	-	22,500	-	737,222	1,009,722	73%
Brett Mitchell	120,000	-	-	-	-	-	120,000	-
Ian Middlemas	36,000	-	-	-	-	-	36,000	-
James Strauss	30,000	-	-	-	-	272,783	302,783	90%
Johan Brand	249,077	97,603	-	-	-	521,667	868,347	60%
Konrad Wetzker	23,000	-	-	5,149	-	99,388	127,537	78%
János Csák [1]	12,000	-	-	-	-	392,089	404,089	97%
Richard Pearce [2]	9,000	-	-	-	-	-	9,000	-
Key Management Personnel								
Chris Dinsdale [3]	-	-	-	-	-	-	-	-
Tim Horgan	145,107	-	-	-	-	-	145,107	-
Malcolm Shannon [4]	76,103	-	-	-	-	-	76,103	-
David Le Clair [5]	184,613	-	-	-	-	-	184,613	-
Andràs Barabàs [6]	50,205	-	-	-	-	-	50,205	
Total	1,255,105	97,603	-	27,649	-	2,657,482	4,037,839	

ii. Contracts for Services

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the terms, including compensation, relevant to the office of the Director.

Remuneration and other terms of employment for the Executive Directors and other key management personnel are also formalised in service agreements. Each of these agreements provide for the provision of bonuses, other benefits including health and superannuation, and participation in the Company Employee Option Plan and Company Employee Performance Rights Plan. Other major provisions of the agreement relating to remuneration are set out below (expressed in AUD unless otherwise stated).

1 *János Csák was appointed on 26 August 2010 and resigned on 21 January 2011.*
2 *Richard Pearce was appointed on 10 November 2005 and resigned on 26 August 2010.*
3 *Chris Dinsdale was engaged by the Company on 15 June 2011.*
4 *Malcolm Shannon changed from being an employee to consultant of the Company on 1 November 2010.*
5 *David Le Clair ceased employment with the Company as of 31 December 2011.*
6 *Andràs Barabàs resigned on 31 December 2010.*

Contracts for services (continued)

Directors and Key Personnel	Terms of contract	Period	Amount per Annum
Mark Hohnen Chairman	-No fixed term, subject to re-election as required by constitution -No termination benefit is specified in the agreement	1 July 11 - 30 June 12	$70,000
Matt Swinney Managing Director	-Base salary inclusive of superannuation and travel allowance -Termination benefit 3 months Executive Remuneration Package	1 July 11 - 30 June 12	$327,000
Ian Middlemas Non-Executive Director	-No fixed term, subject to re-election as required by constitution -No termination benefit is specified in the agreement	1 July 11 - 30 June 12	$36,000
Brett Mitchell Executive Director to 31 December 2011; Non-Executive Director from 1 March 2012 to present	-No fixed term, subject to re-election as required by constitution -No termination benefit is specified in the agreement	1 July 11 - 29 February 12 (Executive Director) 1 March 12 – 30 June 12 Non-Executive Director)	$120,000 $36,000
Johan Brand Technical Director	-Base Salary plus Employee Benefits -Termination benefit 6 months Executive Remuneration Package	1 July 11 - 30 June 12	€255,000
James Strauss Non-Executive Director	-No fixed term, subject to re-election as required by constitution -No termination benefit is specified in the agreement	1 July 11 - 30 June 12	$36,000
Konrad Wetzker Non-Executive Director	-No fixed term, subject to re-election as required by constitution -No termination benefit is specified in the agreement	1 July 11 - 30 June 12	$36,000
Chris Dinsdale Chief Financial Officer	-On going contract -Current base salary inclusive of medical, dental plan and pension Scheme -Three month termination benefit is specified in the agreement	1 July 11 - 30 June 12	€148,000
Sophie Raven Company Secretary	-On going contract -No termination benefit is specified in the agreement	9 August 11 – 30 June 12	$45,000

iii. Analysis of options and rights over equity instruments granted as compensation to key management personnel

	Number of options	Year granted	Vested %	Forfeited %	Financial years in which options may vest
Directors					
Mark Hohnen	3,000,000	2010	100%	-	2010, 2011, 2012
	1,500,000	2010	100%	-	2010, 2011, 2012
	1,500,000	2010	100%	-	2010, 2011, 2012
Matt Swinney	3,000,000	2010	100%	-	2010, 2011, 2012
	2,000,000	2010	100%	-	2010, 2011, 2012
	2,000,000	2010	100%	-	2010, 2011, 2012
Brett Mitchell	1,000,000	2010	100%	-	2010
	500,000	2010	100%	-	2010
	500,000	2010	100%	-	2010
Johan Brand	1,000,000	2010	100%	-	2010
	2,000,000	2010	100%	-	2010
	2,000,000	2010	100%	-	2011
	4,000,000	2010	88.88%	-	2012
James Strauss	666,666	2010	66.67%	-	2011, 2012, 2013
	666,667	2010	66.67%	-	2011, 2012, 2013
	666,667	2010	66.67%	-	2011, 2012, 2013
Konrad Wetzker	666,667	2011	75%	-	2011, 2012, 2013
	666,667	2011	75%	-	2011, 2012, 2013
	666,666	2011	75%	-	2011, 2012, 2013

** No options for key management personnel that were either previously issued or that vested during the year were exercised.*

iv. Options and rights over equity instruments granted as compensation

No options or rights over equity instruments were granted as compensation to Directors or other Key Management Personnel during the period 1 July 2011 to 30 June 2012.

v. Analysis of movements in share options

Name	Grant Date	Number of options vested during the year	Value of options granted during the year $ (A)	Value of options exercised during the year $ (B)	Number of options lapsed during the year	Value of options lapsed in the year $(C)
Directors						
Mark Hohnen	26/02/2010	2,000,000	-	-	-	-
Matt Swinney	26/02/2010	2,333,334	-	-	-	-
Johan Brand	1/06/2010	2,000,000	-	-	-	-
James Strauss	22/11/2010	666,666	-	-	-	-
Konrad Wetzker	08/06/2011	1,000,001	-	-	-	-
Total		**8,000,001**	**-**	**-**	**-**	**-**

Further details relating to options are set out below.

A = The value of options granted in the year is the fair value of the options calculated at grant date using the Black Scholes option pricing model. The value of the options granted is included in the above table. This amount is allocated to remuneration over the period.

B = The rate of options exercised during the year is allocated as the market price of shares of the Company as at close of trading on the date the options were exercised after deducting the price paid to exercise the option.

C = The value of the options that lapsed during the year represents the benefit foregone and is calculated at the date of the option lapsed using the Black Scholes option-pricing model assuming the performance criteria had been achieved.

vi. Shareholdings of Key Management Personnel (Consolidated Entity)

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

Shares held in Wildhorse Energy Ltd

30 June 2012	Balance 1 July 2011	Granted as Remuneration	On Exercise of Options	Net Other Changes	Balance 30 June 2012
Directors					
Mark Hohnen [1]	666,667	-	-	329,914	996,581
Matt Swinney [2]	66,667	-	-	647,668	714,335
Brett Mitchell	-	-	-	-	-
Ian Middlemas [3]	5,100,000	-	-	-	5,100,000
Johan Brand [4]	735,294	-	-	-	735,294
James Strauss [5]	-	-	-	259,067	259,067
Total	**6,568,628**			**1,236,649**	**7,805,277**

1 *Held by Vynben Pty Ltd.*
2 *Held by Bluesail Holdings Pty Ltd.*
3 *Held by Arredo Pty Ltd*
4 *Held by Joint Blast Extractive Metallurgy (Pty) Ltd .*
5 *Held by Hargreave Hale Nominees Ltd.*

vii. Options Holdings of Key Management Personnel (Consolidated Entity)

Details of options and rights held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

30 June 2012	Balance at beginning of year 1 July 2011	Granted as Remuneration	Net Other Changes	Balance at end of year 30 June 2012	Total	Not Exercisable**
Directors						
Mark Hohnen	6,000,000	-	-	6,000,000	6,000,000	-
Matt Swinney	7,000,000	-	-	7,000,000	7,000,000	-
Brett Mitchell	2,000,000	-	-	2,000,000	2,000,000	-
Johan Brand	9,000,000	-	-	9,000,000	9,000,000	2,000,000
James Strauss	2,000,000	-	-	2,000,000	2,000,000	-
Konrad Wetzker	2,000,000	-	-	2,000,000	2,000,000	499,998
Total	**28,000,000**	**-**	**-**	**28,000,000**	**28,000,000**	**2,499,998**

*** As at the date of this Report.*

End of Audited Remuneration Report

14. Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant Date	Exercise price (A$)	Expiry date	Number of options
23-Jun-11	$0.31	20-Jun-13	377,957
23-Jun-11	$0.372	20-Jun-13	377,957
23-Jun-11	$0.434	20-Jun-13	377,957
26-Feb-10	$0.50	26-Feb-14	8,333,332
26-Feb-10	$0.60	26-Feb-14	8,633,332
26-Feb-10	$0.70	26-Feb-14	4,000,000
26-Feb-10	$0.60	16-Feb-14	666,666
26-Feb-10	$0.90	16-Feb-14	333,333
26-Feb-10	$1.20	16-Feb-14	333,333
26-Feb-10	$1.50	16-Feb-14	333,333
12-Apr-12	$0.077	12-Apr-14	604,819
12-Apr-12	$0.0924	12-Apr-14	604,820
12-Apr-12	$0.1078	12-Apr-14	604,820
01-Jun-10	$0.50	01-Jun-14	2,200,000
01-Jun-10	$0.60	01-Jun-14	2,200,000
01-Jun-10	$0.70	01-Jun-14	4,600,000
30-Jun-10	$0.225	30-Jun-14	2,000,000
22-Nov-10	$0.30	22-Nov-14	1,333,333
22-Nov-10	$0.40	22-Nov-14	1,333,334
22-Nov-10	$0.50	22-Nov-14	333,340
22-Nov-10	$0.60	22-Nov-14	1,666,663
22-Nov-10	$0.70	22-Nov-14	333,330
8-Jun-11	$0.50	30-Jun-15	666,667
8-Jun-11	$0.60	30-Jun-15	666,667
8-Jun-11	$0.70	30-Jun-15	666,666
21-May-12	$0.0802	21-May-14	1,416,598
21-May-12	$0.0963	21-May-14	1,416,598
21-May-12	$0.1123	21-May-14	1,416,600
Total			**47,831,455**

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity. During the year, no options were exercised (2011: 13,235).

Insurance of officers

During the year the Company paid $47,370 premium to insure Directors and officers of the Company and its subsidiaries.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

15. Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) or associated entities for non- audit services are provided below.

The Board of Directors has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Directors to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*.

During the year BDO Corporate Finance and BDO LLP received a fee of $11,433 for the provision of tax services and AIM listing advisory services.

Auditors' independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 25.

16. Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

The Directors' Report is made in accordance with a resolution of the Board.

Signed in accordance with a resolution of the Directors:

Matt Swinney
Managing Director

Dated this 28th day of September 2012

AUDITOR'S INDEPENDENCE DECLARATION

Tel: +8 6382 4600
Fax: +8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

28 September 2012

The Board of Directors
Wildhorse Energy Limited
L 21 Allendale Sq
77 St Georges Terrace
Western Australia
Perth, 6000

Dear Sirs,

DECLARATION OF INDEPENDENCE BY WAYNE BASFORD TO THE DIRECTORS OF WILDHORSE ENERGY LIMITED

As lead auditor of Wildhorse Energy Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Wildhorse Energy Limited and the entities it controlled during the period.

Wayne Basford
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

DIRECTORS' DECLARATION

In the opinion of the Directors of Wildhorse Energy Limited:

a. The consolidated financial statements and notes set out on pages 27 to 78, are in accordance with the Corporations Act 2001 and:

   i. give a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance, for the financial year ended on that date, and

   ii. complying with Accounting Standards and the Corporations Regulations 2001.

b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c. The remuneration disclosures included in the Directors' report (as part of the audited Remuneration Report); for the year ended 30 June 2012, comply with section 300A of the Corporations Act 2001.

d. The Directors have been given the declarations required to be made in accordance with Section 295A of the Corporations Act 2001.

e. The consolidated entity has included in the notes to the financial statement an explicitly and unreserved statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Matt Swinney
Managing Director

Dated this 28th day of September 2012

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

		CONSOLIDATED ENTITY	
		30-Jun-12	**30-Jun-11**
	Notes	**AUD**	**AUD**
Revenue from continued operations	6	333,238	812,519
Other income	7	252,991	7,077
Employee benefits	10	(3,451,676)	(4,249,624)
Professional costs	9	(2,113,571)	(1,598,702)
Premises		(312,178)	(358,127)
Travel		(535,706)	(258,719)
Depreciation and amortisation		(460,174)	(518,693)
Other costs	8	(1,000,382)	(558,196)
Other taxes		(2,151)	-
Impairment of exploration expenses	19	(97,782)	(3,597,852)
Impairment of non-current asset held for sale	16	(4,086,815)	-
Impairment of other assets		(56,216)	(79,341)
Net financial income/(expense)	11	(370,967)	25,048
Net profit/(loss) before tax		(11,901,389)	(10,374,610)
Tax expense	12	-	-
Profit/(loss) from continuing operations		(11,901,389)	(10,374,610)
Loss attributable to:			
Members of the parent entity		(11,856,798)	(10,294,311)
Non-controlling interest		(44,591)	(80,299)
		(11,901,389)	(10,374,610)
Other comprehensive income/(loss)			
Foreign currency translation [1]		(4,678,459)	(1,629,127)
Other comprehensive loss for the period, net of income tax		(4,678,459)	(1,629,127)
Total Comprehensive loss for the period		(16,579,848)	(12,003,737)
Total Comprehensive loss attributable to:			
Owners of the parent entity		(16,535,257)	(11,923,438)
Non-controlling interest		(44,591)	(80,299)
		(16,579,848)	(12,003,737)
Basic and diluted loss per share for loss from continuing operations attributable to the ordinary equity holders of the company (cents per share)	5	(4.4)	(4.5)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

1 *Exploration and evaluation assest are kept in local currencies mainly in HUF. The HUF/AUD exchange rate has changed about 20% since the last Annual Report resulting a 15 % decrease in the exploration and evaluation asset value.*

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Notes	CONSOLIDATED ENTITY 30-Jun-12 AUD	30-Jun-11 AUD
CURRENT ASSETS			
Cash and cash equivalents	13	10,804,818	13,494,340
Sundry debtors and other receivables	15	1,009,397	1,483,617
Non-Current Assets held for sale	16	512,997	5,367,266
TOTAL CURRENT ASSETS		12,327,212	20,345,223
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	19	31,071,591	29,539,025
Property, plant and equipment	17	133,756	131,458
Intangible assets	18	378,816	878,572
Deposit held	14	1,303,943	1,235,610
TOTAL NON-CURRENT ASSETS		32,888,106	31,784,665
TOTAL ASSETS		45,215,318	52,129,888
CURRENT LIABILITIES			
Trade and other payables	20	718,437	3,312,044
Derivative liabilities	21	48,111	-
Provisions	22	67,694	56,270
TOTAL CURRENT LIABILITIES		834,242	3,368,314
NON-CURRENT LIABILITIES			
Deferred tax liability	12	1,716,595	2,091,574
TOTAL NON-CURRENT LIABILITIES		1,716,595	2,091,574
TOTAL LIABILITIES		2,550,837	5,459,888
NET ASSETS		42,664,481	46,670,000
EQUITY			
Contributed equity	23	92,293,343	80,896,849
Reserves	24	6,138,369	9,638,993
Accumulated losses		(55,722,640)	(43,865,842)
TOTAL EQUITY ATTIBUTABLE TO SHAREHOLDERS OF THE COMPANY		42,709,072	46,670,000
Non-controlling interest		(44,591)	-
TOTAL EQUITY		42,664,481	46,670,000

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

CONSOLIDATED	Contributed equity AUD	Foreign currency translation reserve AUD	Share based payments reserves AUD	Accumulated losses AUD	Non Controlling Interest AUD	Total equity AUD
At 1 July 2011	80,896,849	(1,047,767)	10,686,760	(43,865,842)	-	46,670,000
Comprehensive loss for the period						-
Loss for period	-	-	-	(11,856,798)	(44,591)	(11,901,389)
Other comprehensive income/(loss)	-	-	-	-	-	-
Foreign currency translation reserve	-	(4,678,459)	-	-	-	(4,678,459)
Total other comprehensive income/(loss)	-	(4,678,459)	-	-	-	(4,678,459)
Total comprehensive loss for period	-	(4,678,459)	-	(11,856,798)	(44,591)	(16,579,848)
Transactions with equity holders in their capacity as equity holders						
Issue of share capital net of transaction costs	11,396,494	-	-	-	-	11,396,494
Share based payments	-	-	1,177,835	-	-	1,177,835
Total contribution by and distributions to owners	11,396,494	-	1,177,835	-	-	12,574,329
At 30 June 2012	92,293,343	(5,726,226)	11,864,595	(55,722,640)	(44,591)	42,664,481

CONSOLIDATED	Contributed equity AUD	Foreign currency translation reserve AUD	Share based payments reserves AUD	Accumulated losses AUD	Non Controlling Interest AUD	Total equity AUD
At 1 July 2010	74,064,858	581,360	7,509,222	(36,095,597)	2,604,365	48,664,208
Comprehensive loss for the period						-
Loss for period	-	-	-	(10,294,311)	(80,299)	(10,374,610)
Other comprehensive income/(loss)						
Foreign currency translation reserve	-	(1,629,127)	-	-	-	(1,629,127)
Total other comprehensive income/(loss)	-	(1,629,127)	-	-	-	(1,629,127)
Total comprehensive loss for period	-	(1,629,127)	-	(10,294,311)	(80,299)	(12,003,737)
Transactions with equity holders in their capacity as equity holders						
Acquisition of non-controlling interest without a change in control	-	-	-	2,524,066	(2,524,066)	-
Issue of share capital net of transaction costs	6,831,991	-	-	-	-	6,831,991
Share based payments	-	-	3,177,538			3,177,538
Total contribution by and distributions to owners	6,831,991	-	3,177,538	2,524,066	(2,524,066)	10,009,529
At 30 June 2011	80,896,849	(1,047,767)	10,686,760	(43,865,842)	-	46,670,000

The above statements of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	30-Jun-12 AUD	30-Jun-11 AUD
Cash flows from operating activities			
Cash paid to suppliers and employees		(4,826,002)	(2,589,886)
Cash paid to exploration suppliers and employees		(3,959,004)	-
Interest received		330,867	994,291
Net cash used in operating activities	25	(8,454,139)	(1,595,595)
Cash flows from investing activities			
Payments for plant and equipment		(89,706)	(75,769)
Payments for exploration and evaluation		(6,330,556)	(10,694,879)
Proceeds from sale of plant and equipments		-	40,439
Proceeds from sale of prospects		1,151,963	-
Net cash provided by/used in investing activities		(5,268,299)	(10,730,209)
Cash flows from financing activities			
Proceeds from issue of shares		11,567,012	7,034,500
Payments for share issues		(79,423)	(38,061)
Net cash provided by financing activities		11,487,589	6,996,439
Net (decrease) / increase in cash and cash equivalents		(2,234,850)	(5,329,365)
Foreign exchange movement on cash		(454,672)	11,285
Cash and cash equivalents at the beginning of the year		13,494,340	18,812,420
Cash and cash equivalents at the end of the year	13	10,804,818	13,494,340

The above statement of cash flow should be read in conjunction with the accompanying notes

1. Summary of significant accounting policies

Wildhorse Energy Limited is a company domiciled in Australia.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statement report includes Wildhorse Energy Limited and its subsidiaries as the consolidated entity. Separate financial statements for Wildhorse Energy Limited, as an individual entity, are no longer required as a consequence of a change to the Corporations Act. Financial information for Wildhorse Energy Limited as an individual entity is included in Note 29.

a. Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian equivalents to International Financial Reporting Standards as adapted in Australia, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

Compliance with IFRSs

Compliance with International Financial Reporting Standards as adopted in Australia ensures that the financial statements and notes of Wildhorse Energy Limited comply with International Financial Reporting Standards (IFRSs).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity accounting policies (note 3).

b. Principles of Consolidation Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Wildhorse Energy Limited (Company) as at 30 June 2012 and the results of all subsidiaries for the year then ended. Wildhorse Energy Limited and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and statement of financial position respectively.

c. **Business Combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the consolidated entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the consolidated entity takes into consideration potential voting rights that currently are exercisable.

Acquisitions on or after 1 July 2009

For acquisitions on or after 1 July 2009, the consolidated entity measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the consolidated entity incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, than all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

d. **Segment Reporting**

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entity's other components. All operating segments operating results are viewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. The consolidated entity's segments are reportable in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which has been identified as Hungary Coal, Hungary Uranium, United States of America and Central Europe.

Segment results that are reported to the Managing Director, who is the chief operating decision maker, include items directly attributed to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly, head office expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, exploration and evaluation expenditure, and intangible assets other than goodwill.

e. **Foreign Currency Translation**

Functional and presentation currency

Items included in the financial statements of the consolidated entity are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Wildhorse Energy Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Consolidated entity companies

The results and financial position of the consolidated entity (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings repaid a proportionate share of such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

f. **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and tax paid. Revenue is recognised for the major business activities as follows:

Interest Income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the consolidated entity reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Services Income

Services income relates to income generated from office sharing arrangements in both Australia and Hungary. Services income is recognised in the accounting period in which the services are rendered.

g. **Income Tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changed in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probably that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a new basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, respectively. In this case, the tax is also recognised in after the comprehensive income, or directly in equity respectively.

Wildhorse Energy Limited and its wholly-owned Australian controlled entities have not implemented the tax consolidation legislation.

h. **Leases**

The leases of property, plant and equipment where the consolidated entity has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

i. **Acquisition of Assets**

The purchase method of accounting is used to account for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the entity's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Company's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

j. **Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k. **Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 60 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive statement.

l. **Investments and Other Financial Assets**

The Company's classification of its investments depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position.

Purchases and sales of investments are recognised on trade-date, the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques, instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

m. **Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the consolidated entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

n. **Plant and Equipment**

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on plant and equipment assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Plant and equipment *2 - 6 years*

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

o. **Exploration and Evaluation Expenditure**

Exploration, evaluation and development expenditure incurred may be accumulated in respect of each identifiable area of interest.

These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which: such costs are expected to be recouped through successful development and exploitation or from sale of the area; or

i. exploration and evaluation activities in the area have not, at balance date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation expenditure in relation to an area may still be written off if considered appropriate to do so.

p. **Intangible Assets**

Intellectual Property
Intellectual property having a finite life is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of intellectual property over the estimated useful life which is three years.

q. **Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

r. **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

s. **Employee Benefits**

Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Share-based payments
Share-based compensation benefits are provided to employees via the Wildhorse Energy Limited Employee Option Plan and the Wildhorse Energy Employee Performance Rights Plan. Information regarding this scheme is set out in note 28.

In relation to the Employee Option Plan, the fair value at grant date is independently determined using the binomial or black scholes method of valuing of options that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

t. **Bonus plans**

The consolidated entity recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation, or as otherwise agreed by the Board of Directors.

u. **Dividends**

Dividends are recognised as distributions within equity upon approval of company's shareholders.

v. **Earnings per Share**

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

w. **Goods and Services Tax (GST) and Value Added Tax (VAT)**

Revenues, expenses and assets are recognised net of the amount of associated GST and VAT, unless the GST or VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the net asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST and VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

x. **New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2011, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the consolidated entity, except for AASB 9 Financial Instruments, which becomes mandatory for the consolidated entity's 2014 consolidated financial statements and could change the classification and measurement of financial assets. The consolidated entity does not plan to adopt this standard early and the extent of the impact has not been determined.

AASB reference	Title and Affected Standard(s):	Nature of Change:	Application date:	Impact on Initial Application:
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available – for sale and held – to –maturity categories of financial assets in AASB 139 have been eliminated. AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Periods beginning on or after 1 January 2015	Adoption AASB 9 is only mandatory for the year ending 30 June 2016 The entity has not yet made an assessment of the impact of these amendments.
AASB 10 (issued August 2011)	Consolidated Financial Statements	Introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present: Power over investee (whether or not power used in practice) Exposure, or rights, to variable returns from investee Ability to use power over investee to affect the entity's returns from investee.	Annual periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity does not have any special purpose entities. The 'Entity' does not have 'defacto' control of any entities with less than 50% ownership interest in an entity.
AASB 11 (issued August 2011)	Joint Arrangements	Joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement).	Annual periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity has not entered into any joint arrangements.

AASB reference	Title and Affected Standard(s):	Nature of Change:	Application date:	Impact on Initial Application:
AASB 12 (issued August 2011)	Disclosure of Interests in Other Entities	Combines existing disclosures from AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. Introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.	Annual periods commencing on or after 1 January 2013	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.
AASB 13 (issued September 2011)	Fair Value Measurement	AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements.	Annual periods commencing on or after 1 January 2013	
AASB 13 (issued September 2011)	Fair Value Measurement	Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements. Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments, e.g. land and buildings, investment properties etc.	Annual periods commencing on or after 1 January 2013	When this standard is adopted for the first time on 1 July 2013, additional disclosures will be required about fair values.
AASB 119 (reissued September 2011)	Employee Benefits	Employee benefits expected to be settled (as opposed to due to settled under current standard) wholly within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used wholly within 12 months of end of reporting period will in future be discounted when calculating leave liability.	Annual periods commencing on or after 1 January 2013	When this standard if first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012 as long-term benefits because they are not expected to be settled wholly within 12 month after the end of the reporting period. This will result in a reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.

AASB reference	Title and Affected Standard(s):	Nature of Change:	Application date:	Impact on Initial Application:
AASB 2010-8	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (AASB 112)	1 July 2013 the year ended 30 June 2014 the (Entity) will show reduced disclosures under Key Management Personnel note to the financial statements.	Periods commencing on or after 1 January 2012	The entity does not have any investment property measured using the fair value model There will therefore be no impact on the financial statements when these amendments are first adopted.
AASB 2011-4 (issued July 2011)	Amendments to Australian Accounting standards to Remove Individual Key Management Personnel Disclosure Requirements	Amendments to remove individual key management personnel (KMP) disclosure requirements from AASB 124 to eliminate duplicated information required under the Corporation Act 2001.	Annual periods commencing on or after 1 January 2013	The consolidated entity does not have a defined benefit scheme. The amendment will have no impact on the consolidated entity's financial statements.
AASB 2011-9 (issued September 2011)	Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	Amendments to align the presentation of items of other comprehensive income (OCI) with US GAAP. Various name changes of statements in AASB 101 as follows: 1 statement of comprehensive income – to be referred to as 'statement of profit or loss and other comprehensive income' 2 statements – to be referred to as 'statement of profit or loss' and 'statement of comprehensive income'. OCI items must be grouped together into two sections: those that could subsequently be reclassified into profit or loss and those that cannot.	Annual periods commencing on or after 1 January 2012	When this standard is first adopted for the year ended 30 June 2013, there will be no impact on amounts recognised for transactions and balances for 30 June 2013 (and comparatives).

AASB reference	Title and Affected Standard(s):	Nature of Change:	Application date:	Impact on Initial Application:
Interpretation 20 (issued November 2011)	Shipping Costs in the Production Phase of a Surface Mine	Clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 102 Inventories if the benefits from stripping activity is realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current, stripping activity asset if certain recognition criteria are met.	Annual periods commencing on or after 1 January 2013	The [Entity] does not operate a surface mine. There will therefore be no impact on the financial statements when this interpretation is first adopted.
AASB 2012-5 (issued June 2012)	Annual Improvements to Australian Accounting Standards 2009-2011 Cycle	Non-urgent but necessary changes to IFRSs (IAS1, IAS 16 & IAS 32)	Periods commencing on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2013, there will be no material impact
IFRS (issued December 2011)	Mandatory Effective Date of IFRS 9 and Transition Disclosures	Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	Annual reporting periods commencing on or after 1 January 2015	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.

2. Financial risk management

The consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not engage in any hedging or derivative financial instruments. The consolidated entity uses sensitivity analysis to measure foreign exchange risks and aging analysis for credit risk assessment. Risk management is carried out by the Board of Directors.

The consolidated entity holds the following financial instruments.

Carrying value of the financial instruments

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
FINANCIAL ASSETS		
Current financial assets		
Cash and cash equivalents	10,804,818	13,494,340
Sundry debtors and other receivables	223,231	328,072
Deposits held	1,303,943	1,235,610
	12,331,992	15,058,022
FINANCIAL LIABILITIES		
Current financial liabilities		
Trade and other payables	718,437	3,312,044
Derivative financial instruments	48,111	-
	766,548	3,312,044

a. Market risk

Foreign Exchange Risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Great British Pound and Euro.

Foreign exchange risk arises from future commercial transactions related to recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured by using sensitivity analysis and cash flow forecasting.

The consolidated entity has not entered into any derivative financial instruments to hedge anticipated future cash flows denominated in a foreign currency. The Board manages the purchase of foreign currency to meet operational requirements.

.

The consolidated entity's exposure to foreign currency risk at the reporting date was as follows:

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Sundry debtors and other receivables in denomination currency:		
Sundry debtors and receivables – HUF	-	134,775
Trade payables in denomination currency:		
Trade payables – USD	-	(80,161)
Trade payables – HUF	-	(681,375)
Trade payables – CZK	-	(1,482)
Trade payables – EUR	(72,885)	(1,521,070)
Trade payables – GBP	(160,554)	(82,406)
Trade payables – ZAR	-	(191,971)
Deposits held in denomination currency:		
Deposits held – USD	-	57,941
Deposits held – HUF	-	1,135,201
Deposits held – EUR	57,930	35,966
Deposits held – CZK	-	180

Consolidated entity sensitivity

Exchange rates per AUD as at 30 June 2012:

	REPORTING DATE SPOT RATE	
	30-Jun-12	30-Jun-11
USD	1.0160	1.0597
HUF	237.092	194.5860
CZK	21.0387	17.8203
EUR	0.8078	0.73643
GBP	0.6506	0.6616
ZAR	8.4116	7.2537

A 10% increase or decrease in the value of Australian dollar against the above currencies at 30 June 2012 would have the following effect:

	CONSOLIDATED		CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD	30-Jun-12 AUD	30-Jun-11 AUD
	Profit/(loss)	**Profit/(loss)**	**Profit/(loss)**	**Profit/(loss)**
	10 % increase	10% increase	10% decrease	10% decrease
USD	-	2,020	-	(2,469)
HUF	-	(53,425)	-	65,297
CZK	-	118	-	(145)
EUR	2,325	135,010	(482)	(165,012)
GBP	14,596	7,491	(17,839)	(9,156)
ZAR	-	17,452	-	(21,330)
Total	16,921	108,666	(18,321)	(132,815)

Price risk

The consolidated entity and Company have no exposure to equity securities price risk as there are no financial assets. Neither the consolidated entity nor the Company are exposed to commodity price risk.

Cash flow and fair value interest rate risk

The consolidated entity does not have any long-term borrowing, which would expose it to significant cash flow interest rate risk. The only interest rate risk arises from fluctuating interest rates for cash and cash equivalents held.

b. **Credit Risk**

Credit risk is managed on a consolidated entity basis. Credit risk arises from, cash and cash equivalents, deposits with bank as well as credit exposures related to outstanding receivables and committed transactions.

All cash balances are held at internationally recognised institutions with the majority of cash being held with an A rated Australian Bank. Credit risk of receivables is identified by credit quality assessment, taking into account past experience, financial position and other factors.

c. **Liquidity Risk**

Liquidity risk arises from the management of cash and cash equivalent resources. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and ensures the availability of funding through an adequate amount of committed credit facilities. The consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

At reporting date the consolidated entity had sufficient cash reserves to meet its requirements. The consolidated entity therefore had no credit standby facilities or arrangement for further funding in place.

Financial assets contractual cash flows equal their carrying value.

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Cash and cash equivalents		
3 months	10,804,818	13,494,340
Sundry debtors and other receivables		
3 months	223,231	328,072
	11,028,049	13,822,412

The financial liabilities to be covered by financial assets at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and due within the normal 30 days terms of creditor payments and the contractual cashflows equals their carrying value.

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Trade and other payables - due within:		
2 months	718,437	3,312,044
	718,437	3,312,044

d. **Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for disclosure purposes. The fair value of financial instruments that are not traded in an active market such as unlisted investments is determined using valuation techniques where applicable. Where this is unable to be done they are held at cost.

The carrying value less impairment provision of trade and other receivables and payables are assumed to approximate their fair values due to their short term nature.

3. Critical accounting estimates

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Key Estimates – Impairment

The consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Exploration and evaluation expenditure

The consolidated entity's accounting policy for exploration and evaluation expenditure is set out in Note 1(o). The application of this policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found.

Any such estimates and assumptions may change due to future events and circumstances. If, after having capitalised expenditure under this policy, the consolidated entity concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

As at 30 June 2012, $97,987 of exploration and evaluation expenditure was impaired and is recognised in the comprehensive statement of income (refer to Note 19 Exploration and evaluation expenditure).

Share based payments

The consolidated entity's accounting policy for share based payments is set out in Note 1(s). The application of this policy requires certain assumptions to be made in relation to the value of options. Further details are included in Note 28.

Non-current assets held for sale

Included in note 16 is an amount relating to the groups US uranium assets, reallocated from exploration assets last year. Based on fair value assessment an impairment charge of $4,086,815 has been recorded in the statement of comprehensive income during the current year. The remaining assets have been recorded at the lower of cost or net realisable value.

4. Segment information

Management has determined that the operating segments are based on reports reviewed by the chief operating decision maker, the Managing Director, which are used to monitor performance and make strategic decisions. The business is considered from both a geographic and functional perspective and has identified four reportable segments: Hungary Coal and Hungary Uranium, United States and Central Europe.

Management assesses the performance of the operating segments based on a measure of contribution. This measure excludes items such as the effects of equity settled share based payments, and unrealised gains and losses on financial instruments. Interest income, corporate expenses, as well as other centralised expenses not attributable to segments.

Segment Report – 2012

	Hungary Coal 30-Jun-12 AUD	Hungary Uranium 30-Jun-12 AUD	United States of America 30-Jun-12 AUD	Central Europe 30-Jun-12 AUD	Total Segment 30-Jun-12 AUD	Unallocated/ Eliminations and Corporate 30-Jun-12 AUD	Consolidated 30-Jun-12 AUD
Results							
Segment Result	(1,269,701)	(789,714)	(4,422,804)	(244 ,373)	(6,726,593)	(5,174,796)	(11,901,389)
Loss for the period	(1,269,701)	(789,714)	(4,422,804)	(244, 373)	(6,726,593)	(5,174,796)	(11,901,389)
Comprehensive loss for the period	(3,694,354)	(1 ,295,890)	(4,712,843)	(151,542)	(9,854,629)	(6,725,220)	(16,579,848)
Segment assets	30,239,584	2,875,383	793,561	348,917	34,257,445	10,957,873	45,215,318
Total assets	30,239,584	2,875,383	793,561	348,917	34,257,445	10,957,873	45,215,318
Liabilities							
Segment liabilities	11,828,166	3 ,098 ,168	13,152,750	1,239,363	29,318,447	(26,767,611)	2,550,837
Total liabilities	11,828,166	3 ,098,168	13,152,750	1,239,363	29,318,447	(26,767,611)	2,550,837
Other Segment Information							
Depreciation and amortisation	36,505	17,128	1,172	-	54,805	405,369	460,174
Impairment or exploration	-	97,782	-	-	97,782	--	97,782

Segment Report - 2011

	Hungary Coal 30-Jun-11 AUD	Hungary Uranium 30-Jun-11 AUD	United States of America 30-Jun-11 AUD	Central Europe 30-Jun11 AUD	Total Segment 30-Jun-11 AUD	Unallocated/ Eliminations and Corporate 30-Jun11 AUD	Consolidated 30-Jun-11 AUD
Results							
Segment Result	(507,709)	(183,226)	(3,875,757)	54,316	(4,512,376)	(5,862,234)	(10,374,610)
Loss for the period	(507,709)	(183,226)	(3,875,757)	54,316	(4,512,376)	(5,8,62,234)	(10,374,610)
Comprehensive loss for the period	(305,526)	(182,006)	(2,961,652)	40,837	(3,408,347)	(8,595,390)	(12,003,737)
Segment assets	20,162,907	3,112,915	5,854,727	283,118	29,413,667	22,716,221	52,129,888
Total assets	20,162,907	3,112,915	5,854,727	283,118	29,413,667	22,716,221	52,129,888
Liabilities							
Segment liabilities	13,186,321	2,851,031	13,491,947	1,032,047	30,561,346	(25,101,458)	5,459,888
Total liabilities	13,186,321	2,851,031	13,491,947	1,032,047	30,561,346	(25,101,458)	5,459,888
Other Segment Information							
Depreciation and amortisation	31,640	20,231	2,874	230	54,975	463,718	518,693
Impairment or exploration	-	248	3,597,604	-	3,597,852	-	3,597,852

5. Earnings per share

a. Basic earnings per share

Basic earnings per share are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

b. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Diluted earnings per share are the same as basic earnings per share in 2012 and 2011 as the Consolidated Entity is in a loss position.

The following reflects the income and share data used in the basic and diluted earnings per share computations

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Loss attributable to ordinary equity holders of the Parent from continuing operations	(11,856,798)	(10,294,311)
Loss attributable to Non-controlling interest	(44,591)	(80,299)
	(11,901,389)	(10,374,610)

	NUMBER OF SHARES	
	30-Jun-12	30-Jun-11
Weighted average number of ordinary shares (excluding reserved shares) for basic earnings per share	270,845,084	227,751,061
Basic and diluted earnings per share (cents) –continuing operations	(4.4)	(4.5)

As earning per share (EPS) is a loss per share, any potential ordinary share would be anti-dilutive. As a result per share is identical for basic and diluted EPS calculation.

6. Revenue from continuing operations

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Interest Income	333,238	812,519
	333,238	812,519

7. Other income

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun11 AUD
Fee Income	-	6,816
Other Income	252,991	261
	252,991	7,077

8. Other costs

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun11 AUD
Corporate costs	117,699	69,208
Other operating expenses	806,432	436,696
Lease expenses	76,251	52,292
	1,000,382	558,196

9. Professional costs

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Audit fees	80,979	80,367
Taxation advice	10,019	41,193
Legal Fees	461,360	426,628
Other professional fees	1,561,213	1,050,514
	2,113,571	1,598,702

Auditor's remuneration

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Audit services		
Auditors of the Company - BDO		
Audit (WA) Pty Ltd		
Audit of the financial report	54,298	60,195
Other services		
Auditors of the Company -		
BDO Corporate and International Tax (WA) Pty Ltd & BDO LLP Tax services		7,606
AIM Listing advisory services	11,433	59,201
	11,433	66,807
Other audit firms		
Other BDO audit and assurance services	11,435	
Other non BDO audit and assurance services	15,246	20,172
	26,681	20,172

10. Employee benefits

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Wages and salaries	1,981,453	976,818
Superannuation	27,961	102,831
Share-based payments	1,177,835	3,013,093
Other employee benefits	264,427	156,882
	3,451,676	4,249,624

11. Net financial income/(expense)

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Interest Expense	-	(5,794)
Realised FX Gain/(Loss)	(282,680)	(10,702)
Unrealised FX Gain/(Loss)	(88,287)	41,544
Net financial ncome/(expense)	(370,967)	25,048

12. Income tax expense

		CONSOLIDATED	
		30-Jun-12 AUD	30-Jun-11 AUD
a	**Income tax expense**		
	Deferred income tax asset	-	-
	Deferred income tax liability	-	-
		-	-
b	**Numerical reconciliation of income tax expense to prima facie tax payable**		
	Profit / (Loss) from continuing operations before income tax expense	(11,901,389)	(10,374,610)
	Tax at the Australian tax rate of 30%	(3,570,417)	(3,112,383)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
	Share Based Payments	353,350	903,928
	Impairments	1,242,909	23,878
	Other non-deductable	12,534	1,088,119
	Differences in tax rate	288,776	133,549
	Unused tax losses and temporary differences not recognised as deferred tax assets	1,672,848	962,909
		-	-
Effective tax rate %		-	-
c	**Unused tax losses and credits**		
	Opening balance	7,358,497	6,395,588
	Movement	1,672,848	962,909
	Closing balance	9,031,345	7,358,497
d	**Deferred tax balances**		
	Deferred tax assets recognised	1,716,595	2,091,574
	Deferred tax liabilities*	(1,716,595)	(2,091,574)
		-	-
e	**Unrecognised deferred tax assets arising on timing differences and losses**		
	Timing differences	193,715	73,778
	Tax losses - revenue	9,031,345	7,358,497
Offset against deferred tax liabilities recognised		1,716,595	2,091,574
Deferred tax assets not brought to account		7,508,465	5,340,701

** Movement in deferred tax liabilities is due to foreign currency translation, provision movements and other timing differences.*

The Company has estimated income tax losses of $9,225,060 (2011: $7,432,275) available to be offset against future taxable income. A deferred tax asset in relation to the losses has not been recognised by the consolidated entity on the basis that it is not probable that there will be future taxable income available against which the tax losses can be utilised.

Current year's unused tax losses for which no deferred tax asset has been recognised in the balance sheet comprises of the followings:

Country	Amount	Description
Australia	1,326,219	Unused tax losses can be carried forward for indefinite period
USA	46,493	Unused tax losses can be carried forward for 20 years
Hungary	147,987	Unused tax losses can be carried forward for indefinite period
Poland	226	Unused tax losses can be carried forward for 5 years
Czech Republic	57,378	Unused tax losses can be carried forward for 5 years
South Africa	111,445	Unused tax losses can be carried forward for indefinite period
Hong Kong	2,611	Unused tax losses can be carried forward for indefinite period

Summarizing the above schedule AUD 57,604 unused tax losses can be carried forward for 5 years, AUD 46,493 for 20 years and AUD 1,588,262 for an indefinite period.

The Company has not consolidated for tax purposes.

The tax rate in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared to the previous reporting period.

13. Cash and cash equivalents

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Cash on hand	3,377	4,020
Cash at bank	8,697,078	9,602,044
Deposits at call	2,104,363	3,888,276
	10,804,818	13,494,340

Cash at Bank and on Hand

Of the cash at bank and on hand, $8,460,157 (2011: $1,924,240) is non-interest bearing. Of the cash at bank, $2,344,661 (2011: $11,570,104) is interest bearing at a floating interest rates of between 1.35% and 5.4 % (2011: between 3.0% and 6.25%).

Deposits at Call

The deposits have a weighted average interest rate 4.96% (2011: 6.03%). These deposits have an average period to repricing of 45 days (2011: 60 days).

14. Deposits held

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Mining deposits held	1,221,804	1,235,610
	1,221,804	1,235,610

The mining deposits are held with banks for the Hungarian tenements.

15. Sundry debtors and other receivables

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Sundry debtors	195,318	299,593
Prepayments	145,927	157,108
GST & VAT receivable	642,600	998,436
Accrued income	25,552	28,480
	1,009,397	1,483,617

Sundry debtors and other receivables

Sundry debtors and other receivables arise from transactions outside the usual operating activities of the consolidated entity. The credit quality of sundry debtors and other receivables is assessed to be good.

Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables as mentioned above. More information on the risk management policy of the consolidated entity is provided in note 2.

16. Assets held for sale

Exploration assets in the consolidated entity's U.S. operation are presented as assets held for sale. During the previous financial year, equipment from the U.S. operation was classified as held for sale. During the current financial year these assets have been impaired, resulting in an impairment charge of $4,086,815. The Sweet Water Uranium assets were sold and settled in March 2012. The sale price was 1.2 million US dollars, which was equal to the asset's book value. In August 2012 the Bison Basin Uranium assets were sold for 25,000 US dollars. The difference between the book value and realisable market value has been impaired as a subsequent event.

	30-Jun-12 AUD	30-Jun-11 AUD
Assets classified as held for sale - carrying value		
Exploration and evaluation assets - US operations	512,997	5,367,266
	512,997	5,367,266

	30-Jun-12 AUD	30-Jun-11 AUD
Assets classified as held for sale - movement		
At 1 July 2011	5,367,266	78,442
At cost	-	-
Accumulated depreciation	-	-
Disposal	(1,155,820)	-
Transferred from exploration assets	-	5,367,266
Additions	181,961	-
Written off during the year	(4,086,815)	(74,436)
Foreign currency movement	206,405	(4,006)
At 30 June 2012	512,997	5,367,266

17. Property, plant and equipment & Intangible assets

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Property, plant and equipment - at cost	373,068	353,903
Property, plant and equipment - accumulated depreciation	(239,312)	(222,445)
	133,756	131,458

Reconciliation of movement in property, plant and equipment

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Movement in Property, plant and equipment		
Fixed assets - at cost		
At 1 July 2011	313,679	276,386
Additions	49,203	63,450
Disposals	(8,254)	(18,766)
Movement to assets held for sale	-	-
Movement from Fixed assets accumulated depreciation	417	-
Foreign currency movement	(52,539)	(2,192)
At 30 June 2012	302,506	318,878
Fixed assets - accumulated depreciation		
At 1 July 2011	(191,829)	(137,063)
Depreciation	(50,892)	(52,558)
Disposals	4,543	(1,261)
Movement to assets held for sale	-	-
Movement to Fixed assets at cost	(417)	-
Foreign currency movement	32,183	(6,142)
At 30 June 2012	(206,412)	(197,024)
	96,094	121,854
Intellectual property - at cost		
At 1 July 2011	40,223	21,519
Additions	41,707	12,319
Disposals	(1,130)	-
Foreign currency movement	(10,238)	1,187
At 30 June 2012	70,562	35,025
Intellectual property - accumulated depreciation		
At 1 July 2011	(30,616)	(15,552)
Amortisation	(9,237)	(8,891)
Disposals	748	-
Foreign currency movement	6,205	(978)
At 30 June 2012	(32,900)	(25,421)
	37,662	9,604
Carrying value at 1 July 2011	131,458	145,290
Carrying value at 30 June 2012	133,756	131,458

18. Intangible assets

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Intangible asset – at cost	1,136,448	1,335,815
Intangible asset accumulated amortisation	(757,632)	(457,243)
	378,816	878,572

Reconciliation of movement in intangible assets

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Intangible assets - at cost		
At 1 July 2011	1,335,815	1,460,423
Additions	-	-
Foreign currency movement	(199,367)	(124,608)
At 30 June 2012	1,136,448	1,335,815
Intangible asset – accumulated amortisation		
At 1 July 2011	(457,243)	-
Amortisation	(398,016)	(457,243)
Foreign currency movement	97,627	-
At 30 June 2012	(757,632)	(457,243)
Carrying value at 1 July 2011	878,572	1,460,423
Carrying value at 30 June 2012	378,816	878,572

The intangible asset classified above is the at cost value attributed to the acquisition from African Carbon Energy Pty Ltd of a specialist UCG technology intellectual property that is expected to significantly reduce the cost and time value to Wildhorse's design, planning and feasibility requirements for developing the Mecsek Hill Gas (UCG) Project and fast-track its development schedule. The intangible asset is amortised over a period of three years.

19. Exploration and evaluation expenditure

Reconciliation of movement in Exploration and evaluation expenditure

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Exploration and evaluation expenditure	31,071,591	29,539,025
Movement in Exploration and evaluation expenditure		
At 1 July 2011	29,539,025	29,339,853
Acquisition	-	-
Additions during the period	5,942,190	10,695,050
Transferred to non-current assets held for sale	-	(5,367,266)
Impaired during the year – US Uranium Assets	-	(3,597,852)
Written off – Hungarian Uranium Assets	(97,987)	-
Foreign currency movement	(4,311,637)	(1,530,760)
At 30 June 2012	31,071,591	29,539,025

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, the sale of the respective areas of interest.

20. Trade and other payables

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Trade creditors	523,321	2,441,847
Other payables and accruals	195,116	870,197
	718,437	3,312,044

All payables are interest free and expected to be settled within the next 12 months. The group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 2.

21. Derivative liabilities

On 12 April 2012 and 21 May 2012 the Company issued 1,814,459 and 4,249,796 Wildhorse share options, which had varying exercise prices denominated on Pounds Sterling (£). The terms attached to the options are summarised as follows:

Options	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Number	604,819	604,820	604,820	1,416,598	1,416,598	1,416,600
Grant date	12-Apr-12	12-Apr-12	12-Apr-12	21-May-2012	21-May-12	21-May-12
Excersice price (£)	0.05	0.06	0.07	0.05	0.06	0.07
Expiry date	14-Apr-14	14-Apr-14	14-Apr-14	21-May-14	21-May-14	21-May-14
Expiration period (Years)	2,00	2,00	2,00	2,00	2,00	2,00
Vesting date	12-Apr-12	12-Apr-12	12-Apr-12	21-May-12	21-May-12	21-May-12

The issued options have been accounted for as a derivative liability and not an equity instrument. The derivative arises because the exercise price of the options is in £, with Wildhorse shares being trade in A$ and hence the varibility in the £/A$ exchange rate gives rise to a derivative. There will be remeasured at each reporting date with any movement in fair value included profit and loss until exercised.

The fair value at grant date is independently determined using the binomial option pricing model of valuing options that takes into account the exercise price, price on grant date of the underlying share; life of the derivative; volatility of the underlying share; volatility of the £/A$ currency exchange rate; correlation between the fluctuations in the Wildhorse share price and £/A$ exchange rate; dividends expected on the shares (if appropriate); and risk free interest rate in the local and foreign currency.

The following table lists the inputs to the model used for the year ended 30 June 2012:

	7.7c Options	9.24c Options	10.78c Options
Valuation date	12-Apr-12	12-Apr-12	12-Apr-12
AUD/GBP exchange rate	0.6472	0.6472	0.6472
Exercise price (£)	0.05	0.06	0.07
Wildhorse share price (A$)	0.083	0.083	0.083
Wildhorse share price (£)	0.054	0.054	0.054
Risk free rate - RBA 2 yr bond rate	3.35%	3.35%	3.35%
Risk free rate - BoE 5 yr zero coupon bond rate	1.064%	1.064%	1.064%
Wildhorse share price volatility	80%	80%	80%
AUD/GBP volatility	3.07%	3.07%	3.07%
AUD/GBP vs share price correlation	9.01%	9.01%	9.01%
Maximum life (days)	730	730	730

	8.02c Options	9.63c Options	11.23c Options
Valuation date	21-May-12	21-May-12	21-May-12
AUD/GBP exchange rate	0.6214	0.6214	0.6214
Exercise price (£)	0.05	0.06	0.07
Wildhorse share price (A$)	0.087	0.087	0.087
Wildhorse share price (£)	0.054	0.054	0.054
Risk free rate - RBA 2 yr bond rate	2.49%	2.49%	2.49%
Risk free rate - BoE 5 yr zero coupon bond rate	0.904%	0.904%	0.904%
Wildhorse share price volatility	95%	95%	95%
AUD/GBP volatility	3.01%	3.01%	3.01%
AUD/GBP vs share price correlation	6.58%	6.58%	6.58%
Maximum life (days)	730	730	730

Based on the methodology and assumptions set out above, the valuations of the options at inception and 30 June 2012 are summarised in the table below:

Assumption	Tranche 1		Tranche 2		Tranche 3	
	Inception	30-Jun-12	Inception	30-Jun-12	Inception	30-Jun-12
Valuation date	12-Apr-12	30-Jun-12	12-Apr-12	30-Jun-12	12-Apr-12	30-Jun-12
Number of Options	604,819	604,819	604,820	604,820	604,820	604,820
Value per option (A$)	0.0153	0.0086	0.0136	0.0077	0.0121	0.0068
Total value (A$)	**9,524**	**5,201**	**8,226**	**4,657**	**7,318**	**4,113**

Assumption	Tranche 4		Tranche 5		Tranche 6	
	Inception	30-Jun-12	Inception	30-Jun-12	Inception	30-Jun-12
Valuation date	21-May-12	30-Jun-12	21-May-12	30-Jun-12	21-May-12	30-Jun-12
Number of Options	1,416,598	1,416,598	1,416,598	1,416,598	1,416,600	1,416,600
Value per option (A$)	0.0170	0.0089	0.0155	0.0080	0.0143	0.0072
Total value (A$)	**24,082**	**12,608**	**21,957**	**11,333**	**20,257**	**10,200**

The total fair value of options at inception date:

- for the options granted on 12 April 2012 was $24,798
- for the options granted 21 May 2012 was $66,297

Fair value revaluation as at 30 June 2012 resulted $42,984 gain for the Company which has been accounted as other income.

The fair value of derivative financial instruments was $48,111 as at 30 June 2012.

22. Provisions

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Statutory employee entitlements	67,694	56,270

Annual leave provision, entitles are expected to be paid within in the next 12 months.

23. Contributed equity

	NUMBER OF SHARES		AMOUNT ($)	
	30-Jun-12	30-Jun-11	30-Jun-12	30-Jun-11
Ordinary Shares on Issue	403,058,774	250,928,627	96,262,162	84,183,582
Cost of Capital raising	-	-	(3,968,819)	(3,286,733)
	403,058,774	250,928,627	(92,293,343)	80,896,849

Movement in ordinary share capital

2012	Date	Number	Issue price	Value
Opening balance	1-Jul-11	250,928,627		84,183,582
Options converted to shares	-	-	-	-
Share issue pursuant to share placement	12-Apr-12	30,877,370	0.080	2,460,617
Share issue to pursuant to share placement and share purchase plan	21-May-12	121,252,777	0.079	9,617,963
				96,262,162
Less Costs of issue				
Opening cost of issue				(3,286,732)
Current year costs				(682,087)
		403,058,774		(3,968,819)

2011	Date	Number	Issue price	Value
Opening balance	1-Jul-10	227,104,100		76,797,581
Options converted to shares	14-Mar-11	13,235	0.34	4,500
Share issue to and sophisticated private investors	20-Jun-11	22,677,421	0.31	7,030,001
Share issue to GMP Securities Europe Nominees	23-Jun-11	1,133,871	0.31	351,500
				84,183,582
Less Costs of issue				
Opening cost of issue				(2,732,723)
Current year costs				(554,010)
		250,928,627		80,896,849

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of issued shares.

Capital risk management

The consolidated entity's and Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity shown in the statement of financial position plus net debt. As the Company is currently in the exploration and development phase, the gearing ratio has been maintained at 0% throughout the year.

Options on issue

As at 30 June 2012, the Company has 47,831,455 (2011: 48,856,528) options over ordinary shares on issue, details of which are disclosed in the table below. Information on the Employee Share Option Plan is set out in Note 28 - Share Based Payments. Options have no dividend rights or voting rights at shareholders meetings.

Options on issue as at 30 June 2012:

Grant Date	Exercise price (A$)	Expiry date	Number of options
23-Jun-11	$0.31	20-Jun-13	377,957
23-Jun-11	$0.372	20-Jun-13	377,957
23-Jun-11	$0.434	20-Jun-13	377,957
26-Feb-10	$0.50	26-Feb-14	8,333,332
26-Feb-10	$0.60	26-Feb-14	8,633,332
26-Feb-10	$0.70	26-Feb-14	4,000,000
26-Feb-10	$0.60	16-Feb-14	666,666
26-Feb-10	$0.90	16-Feb-14	333,333
26-Feb-10	$1.20	16-Feb-14	333,333
26-Feb-10	$1.50	16-Feb-14	333,333
12-Apr-12	$0.077	12-Apr-14	604,819
12-Apr-12	$0.0924	12-Apr-14	604,820
12-Apr-12	$0.1078	12-Apr-14	604,820
01-Jun-10	$0.50	01-Jun-14	2,200,000
01-Jun-10	$0.60	01-Jun-14	2,200,000
01-Jun-10	$0.70	01-Jun-14	4,600,000
30-Jun-10	$0.225	30-Jun-14	2,000,000
22-Nov-10	$0.30	22-Nov-14	1,333,333
22-Nov-10	$0.40	22-Nov-14	1,333,334
22-Nov-10	$0.50	22-Nov-14	333,340
22-Nov-10	$0.60	22-Nov-14	1,666,663
22-Nov-10	$0.70	22-Nov-14	333,330
8-Jun-11	$0.50	30-Jun-15	666,667
8-Jun-11	$0.60	30-Jun-15	666,667
8-Jun-11	$0.70	30-Jun-15	666,666
21-May-12	$0.0802	21-May-14	1,416,598
21-May-12	$0.0963	21-May-14	1,416,596
21-May-12	$0.1123	21-May-14	1,416,600
Total			**47,831,453**

Options on issue as at 30 June 2011:

Grant Date	Exercise price (A$)	Expiry date	Number of options
2-Jun-08	$0.90	30-May-12	562,630
18-Feb-10	$0.60	31-Dec-11	3,333,336
26-Feb-10	$0.50	26-Feb-14	1,000,000
26-Feb-10	$0.60	26-Feb-14	500,000
26-Feb-10	$0.70	26-Feb-14	500,000
26-Feb-10	$0.50	26-Feb-14	7,333,332
26-Feb-10	$0.60	26-Feb-14	8,133,332
26-Feb-10	$0.70	26-Feb-14	3,500,000
26-Feb-10	$0.60	16-Feb-14	666,666
26-Feb-10	$0.90	16-Feb-14	333,333
26-Feb-10	$1.20	16-Feb-14	333,333
26-Feb-10	$1.50	16-Feb-14	333,333
1-Jun-10	$0.50	1-Jun-14	2,200,000
1-Jun-10	$0.60	1-Jun-14	2,200,000
1-Jun-10	$0.70	1-Jun-14	4,600,000
1-Jun-10	$0.34	1-Jun-12	3,193,362
30-Jun-10	$0.23	30-Jun-14	2,000,000
22-Nov-10	$0.30	22-Nov-14	1,333,333
22-Nov-10	$0.40	22-Nov-14	1,333,334
22-Nov-10	$0.50	22-Nov-14	333,340
22-Nov-10	$0.60	22-Nov-14	1,666,663
22-Nov-10	$0.70	22-Nov-14	333,330
8-Jun-11	$0.50	30-Jun-15	666,667
8-Jun-11	$0.60	30-Jun-15	666,667
8-Jun-11	$0.70	30-Jun-15	666,666
23-Jun-11	$0.31	20-Jun-13	377,957
23-Jun-11	$0.37	20-Jun-13	377,957
23-Jun-11	$0.43	20-Jun-13	377,957
Total			**48,856,528**

Movement in the options on issue during the year

At 1 July 2011	Granted during the year	Exercise price (A$)	Expiry Date	Exercised during the year	Lapsed during the year	At 30 June 2012
562,630		$0.90	30-May-12	-	(562,630)	-
3,333,336		$0.60	31-Dec-11	-	(3,333,336)	-
8,333,332		$0.50	26-Feb-14	-	-	8,333,332
8,633,332		$0.60	26-Feb-14	-	-	8,633,332
4,000,000		$0.70	26-Feb-14	-	-	4,000,000
666,666		$0.60	16-Feb-14	-	-	666,666
333,333		$0.90	16-Feb-14	-	-	333,333
333,333		$1.20	16-Feb-14	-	-	333,333
333,333		$1.50	16-Feb-14	-	-	333,333
3,193,362		$0.34	1-Jun-12		(3,193,362)	-
2,200,000		$0.50	1-Jun-14	-	-	2,200,000
2,200,000		$0.60	1-Jun-14	-	-	2,200,000
4,600,000		$0.70	1-Jun-14	-	-	4,600,000
2,000,000		$0.23	30-Jun-14	-	-	2,000,000
1,333,333		$0.30	22-Nov-14	-	-	1,333,333
1,333,334		$0.40	22-Nov-14	-	-	1,333,334
333,340		$0.50	22-Nov-14	-	-	333,340
1,666,663		$0.60	22-Nov-14	-	-	1,666,663
333,330		$0.70	22-Nov-14	-	-	333,330
666,667		$0.50	30-Jun-15	-	-	666,667
666,667		$0.60	30-Jun-15	-	-	666,667
666,666		$0.70	30-Jun-15	-	-	666,666
377,957		$0.31	20-Jun-13	-	-	377,957
377,957		$0.37	20-Jun-13	-	-	377,957
377,957		$0.43	20-Jun-13	-	-	377,957
	604,819	$0.077	12-Apr-14	-	-	604,819
	604,820	$0.0924	12-Apr-14	-	-	604,820
	604,820	$0.1078	12-Apr-14	-	-	604,820
	1,416,598	$0.0802	21-May-14	-	-	1,416,598
	1,416,596	$0.0963	21-May-14	-	-	1,416,596
	1,416,600	$0.1123	21-May-14	-	-	1,416,600
48,856,528	**6,064,253**				**(7,089,328)**	**47,831,453**

At 1 July 2010	Granted during the year	Exercise price (A$)	Expiry Date	Exercised during the year	Lapsed during the year	At 30 June 2011
3,650,000		$1.78	2-Feb-11	-	(3,650,000)	-
310,000		$1.88	7-May-11	-	(310,000)	-
1,039,000		$1.97	2-Jul-11	-	(1,039,000)	-
562,630		$0.90	20-May-11	-	-	562,630
3,333,336		$0.60	31-Dec-11	-	-	3,333,336
8,333,332		$0.50	26-Feb-14	-	-	8,333,332
8,633,332		$0.60	26-Feb-14	-	-	8,633,332
4,000,000		$0.70	26-Feb-14	-	-	4,000,000
666,666		$0.60	16-Feb-14	-	-	666,666
333,333		$0.90	16-Feb-14	-	-	333,333
333,333		$1.20	16-Feb-14	-	-	333,333
333,333		$1.50	16-Feb-14	-	-	333,333
3,206,597		$0.34	1-Jun-12	(13,235)	-	3,193,362
2,200,000		$0.50	1-Jun-14	-	-	2,200,000
2,200,000		$0.60	1-Jun-14	-	-	2,200,000
4,600,000		$0.70	1-Jun-14	-	-	4,600,000
2,000,000		$0.23	30-Jun-14	-	-	2,000,000
-	333,340	$0.50	22-Nov-14	-	-	333,340
-	333,330	$0.60	22-Nov-14	-	-	333,330
-	333,330	$0.70	22-Nov-14	-	-	333,330
-	377,957	$0.31	20-Jun-13	-	-	377,957
-	377,957	$0.37	20-Jun-13	-	-	377,957
-	377,957	$0.43	20-Jun-13	-	-	377,957
-	666,667	$0.30	22-Nov-14	-	-	666,667
-	666,667	$0.40	22-Nov-14	-	-	666,667
-	666,666	$0.60	22-Nov-14	-	-	666,666
-	666,666	$0.30	22-Nov-14	-	-	666,666
-	666,667	$0.40	22-Nov-14	-	-	666,667
-	666,667	$0.60	22-Nov-14	-	-	666,667
-	666,667	$0.50	30-Jun-15	-	-	666,667
-	666,667	$0.60	30-Jun-15	-	-	666,667
45,734,892	**8,133,871**			**(13,235)**	**(4,999,000)**	**48,856,528**

24. Reserves

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Share-based payments reserve		
At 1 July 2011	10,686,760	7,509,222
Movement	1,177,835	3,177,538
At 30 June 2012	11,864,595	10,686,760
Foreign currency translation reserve		
At 1 July 2011	(1,047,767)	581,360
Movement	(4,678,459)	(1,629,127)
At 30 June 2012	(5,726,226)	(1,047,767)
	6,138,369	9,638,993
Reserves		
Share-based payments reserve	11,864,595	10,686,760
Foreign currency translation reserve	(5,726,226)	(1,047,767)
	6,138,369	9,638,993

Nature and purpose of reserves

i. Share-based payments reserve
The share based payments reserve is used to recognise the fair value of options issued to Directors, employees, consultants and other service providers but not exercised.

ii. Foreign Currency Translation Reserve
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 1(e). The reserve is recognised in profit and loss when the net investment is disposed of.

25. Reconciliation of loss after income tax to net cash used in operating activities

For the purposes of the cash flow statements, cash and cash equivalents consist of cash on hand, cash at bank and net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statements are reconciled to the related items in the statement of financial position as follows:

	30-Jun-12 AUD	30-Jun-11 AUD
Loss after income tax	(11,901,389)	(10,374,610)
Depreciation and amortisation	460,174	518,693
Unrealised foreign exchange gains/(losses)	88,287	(41,544)
Share based payments	1,177,835	3,013,093
Impairment expense	4,240,813	3,677,193
Gain /(loss) on disposal of property, plant and equipment, prospects	(6,936)	(20,178)
	(5,941,216)	(3,227,353)
Changes in Assets and Liabilities		
(Increase)/Decrease in receivables	474,220	(998,723)
(Increase)/Decrease in deposit held	(68,333)	-
Increase/(Decrease) in payables	(2,603,366)	2,287,868
Increase/(Decrease) in provisions	11,424	42,613
Increase/(Decrease) in other liabilities	(326,868)	-
Net cash used in operating activities	(8,454,139)	(1,595,595)

Non-Cash Financing Activities

GAs part of the share placement Wildhorse issued 6,064,255 share options to GMP Securities Europe LLP, Liberum Capital Limited and Azure Capital Investments Pty Ltd as part of their commission on the share placement. These share options' fair value was $91,095 at grant date.

There were no other non-cash financing activities during the period ended 30 June 2012 or the period ending 30 June 2011.

26. Related parties

Directors and Specified Executives

Disclosures relating to Directors and Key Management Personnel are set out in the Directors' Report under the section entitled Remuneration Report and Note 25.

Wholly Owned Group

The wholly owned Group consists of the Company and its wholly owned controlled entities as set out below:

	Country of incorporation	ORDINARY CAPITAL HELD 30-Jun-12 %	30-Jun-11 %
Ultimate parent entity:			
Wildhorse Energy Ltd	Australia		
Subsidiaries of Wildhorse Energy Ltd			
Peak Coal Pty Ltd	Australia	100	100
Wildhorse Energy South Africa	South Africa	100	100
Wildhorse Energy CZ, s.r.o	Czech Republic	95	100
Wildhorse Energy KFT	Hungary	100	100
Wildhorse Resources KFT	Hungary	100	100
Wildhorse Energy Holdings USA Inc	USA	100	100
Wildhorse Energy Australia Pty Ltd	Australia	100	100
Wildhorse Energy Exploration SA [1]	Ecuador	100	100
Wildhorse Energy Poland	Poland	100	100
Subsidiaries of Peak Coal Pty Ltd			
White Coal Pty Ltd	Australia	100	100
Subsidiaries of White Coal Pty Ltd			
White Coal Holding Ltd [1]	Hong Kong	100	100
Subsidiaries of White Coal Holding Ltd			
White Coal Energy Ltd [1]	Hong Kong	100	100
Subsidiaries of White Coal Ltd			
Wildhorse Energy UCG KFT	Hungary	100	100
Wildhorse Development KFT	Hungary	100	100
Subsidiaries of Wildhorse Energy Holdings USA Inc			
Wildhorse Resources Inc	USA	100	100
Wildhorse Energy Inc	USA	100	100
Subsidiaries of Wildhorse Energy Australia Pty Ltd			
Wildhorse GE Holdings Inc	USA	100	100
Subsidiaries of Wildhorse GE Holdings Inc			
Golden Eagle uranium LLC	USA	80	80
Subsidiaries of Wildhorse (BVI) Inc			
Wildhorse Energy S.A. [1]	Paraguay	1.4	1.4

1 These entities are in the process of being wound up.

Other related parties

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

The aggregate amounts paid during the year relating to key management personnel and their related parties were as follows:

		TRANSACTIONS VALUE FOR THE YEAR ENDED		RECEIVABLE FROM THE RELATED PARTY AS AT	
Related party		30-Jun-12	30-Jun-11	30-Jun-12	30-Jun-11
Citation Resources Ltd.	(i)	41,256	-	-	-
Quest Petroleum Ltd	(ii)	-	44,846	-	31,460
Transerv Energy Ltd	(iii)	-	101,367	-	17,257
Pearl Mining & Metals Pty Ltd	(iv)	-	1,758	-	1,931
Tamaska Oil & Gas Ltd.	(v)	63,029	-	-	-

		TRANSACTIONS VALUE FOR THE YEAR ENDED		PAYABLE TO THE RELATED PARTY AS AT	
Related party		30-Jun-12	30-Jun-11	30-Jun-12	30-Jun-11
Quest Petroleum Ltd	(ii)	-	41,855	-	40,348
Kalahari Minerals Plc	(ivi)	110,045	92,727	-	-
CDE Process (Pty) Ltd	(vii)	82,943	907,564	-	189,696
Aqua Alpha	(viii)	445,647	115,926	-	-

i. Citation Resources Ltd (formally Clean Global Energy Ltd) (CTR) is a company associated with Mr Brett Mitchell, who is currently a Director of CTR (The company became related party in FY 2012). These transactions were reimbursement by Citation for corporate administration costs to the Company.

ii. Quest Petroleum Ltd (QPN) is a company which was associated with Mr Brett Mitchell in FY 2011, who is currently a Director of QPN. The transactions were reimbursement from QPN for some corporate administration costs incurred during the office that the Company operates from, including overhead and wage costs incurred in the ordinary course of business.

iii. Transerv Energy Ltd (TSV) is a company which was associated with Mr Brett Mitchell in FY 2011, who is currently a Director of TSV. The transactions were reimbursement from TSV for some corporate administration costs incurred during the office that the Company operates from, including overhead and wage costs incurred in the ordinary course of business.

iv. Pearl Mining & Metals Pty Ltd is a company associated with Mr Richard Pearce. The charges to Pearl Mining & Metals were for reimbursement for travel and overhead costs incurred in the ordinary course of business. However, Richard Pearce is no longer a Director of Wildhorse Energy, having resigned on 26 August 2010.

v. Tamaska Oil & Gas Ltd. (TMK) is a company associated with Mr Brett Mitchell, who is currently a Director of TMK (The company became related party in FY 2012). These transactions were reimbursement by Citation for corporate administration costs to the Company.

vi. Kalahari Minerals P/L a company associated with Mr Mark Hohnen, who is currently a Director of Kalahari Minerals P/L. The transactions were reimbursement to Kalahari Minerals for shared corporate administration and travel costs incurred in the ordinary course of business.

vii. CDE Process (Pty) Ltd is a company associated with Mr Johan Brand, who is currently a significant shareholder of CDE. The transactions related to costs of pre-feasibility study were invoiced by CDE.

viii. AQUA Alpha Drilling SA (Pty) Ltd is a company associated with Mr Johan Brand, who is currently a significant shareholder of Aqua Alpha. The transactions related to drilling costs and consultancy fees were invoiced by Aqua Alpha.

The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arms-length basis.

27. Key management personnel disclosures

a. **Key Management Personnel Compensation**

	CONSOLIDATED	
	2012 AUD	2011 AUD
Short-term employee benefits	1,499,529	1,352,708
Post Employment	22,887	27,649
Share-based payments	893,698	2,657,482
	2,416,114	4,037,839

Further information regarding the identity of key management personnel and their compensation can be found in the Audited Remuneration Report contained in the Directors' report on pages 8 to 24 of this financial report.

b. **Options Holdings of Key Management Personnel (Consolidated Entity)**

Details of options and rights held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

30 June 2012	Balance at beginning of year 1 July 2011	Granted as Remuneration	Net Other Changes	Balance at end of year 30 June 2012	Total	Not Exercisable
Directors						
Mark Hohnen	6,000,000	-	-	6,000,000	6,000,000	-
Matt Swinney	7,000,000	-	-	7,000,000	7,000,000	-
Brett Mitchell	2,000,000	-	-	2,000,000	2,000,000	-
Johan Brand	9,000,000	-	-	9,000,000	9,000,000	2,000,000
James Strauss	2,000,000	-	-	2,000,000	2,000,000	-
Konrad Wetzker	2,000,000	-	-	2,000,000	2,000,000	499,998
Total	28,000,000	-	-	28,000,000	28,000,000	2,499,998

30 June 2011	Balance at beginning of year 1 July 2010	Granted as Remuneration	Net Other Changes	Balance at end of year 30 June 2011	Total	Not Exercisable
Directors						
Mark Hohnen	6,333,333	-	(333,333)	6,000,000	6,000,000	2,000,000
Matt Swinney	8,500,000	-	(1,500,000)	7,000,000	7,000,000	2,333,334
Brett Mitchell	2,000,000	-	-	2,000,000	2,000,000	-
Johan Brand	9,000,000	-	-	9,000,000	9,000,000	4,000,000
James Strauss	-	2,000,000	-	2,000,000	2,000,000	666,666
Konrad Wetzker	-	2,000,000	-	2,000,000	2,000,000	1,499,999
János Csák (resigned) [1]	-	5,000,000	(5,000,000)	-	-	-
Richard Pearce (resigned) [2]	-	-	-	-	-	-
Key Management Personnel						
András Barabás [3]	562,500	-	(500,000)	62,500	62,500	-
Malcolm Shannon [4]	1,100,000	-	(1,100,000)	-	-	-
	27,495,833	9,000,000	(8,433,333)	28,062.50	28,062,500	10,499,999

Details of options provided as remuneration can be found in the Remuneration Report contained in the Directors' Report designated as audited.

1 *Resigned 21 January 2011 and holding removed from Report as János Csák no longer a Director of the Company.*
2 *Resigned 26 August 2010, therefore holding is excluded from Remuneration Report as Richard Pearce is no longer a Director of the Company*
3 *Not considered Key Management Personnel for the financial year ended 30 June 2011.*
4 *Not considered Key Management Personnel for the financial year ended 30 June 2011.*

c. Shareholdings of Key Management Personnel (Consolidated Entity)

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

Shares held in Wildhorse Energy Ltd (number)

30 June 2012	Balance 1 July 2011	Granted as Remuneration	On Exercise of Options	Net Other Changes	Balance 30 June 2012
Directors					
Mark Hohnen [1]	666,667	-	-	329,914	996,581
Matt Swinney [2]	66,667	-	-	647,668	714,335
Ian Middlemas [3]	5,100,000	-	-	-	5,100,000
Johan Brand	735,294	-	-	-	735,294
James Strauss	-	-	-	259,067	259,067
Total	6,568,628			1,236,649	7,805,277

1 *Held by Vynben Pty Ltd.*
2 *Held by Bluesail Holdings Pty Ltd.*
3 *Held by Arredo Pty Ltd.*
4 *Held by Joint Blast Extractive Metallurgy (Pty) Ltd.*
5 *Held by Hargreave Hale Nominees Ltd.*

No other key management personnel held shares during the year ended 30 June 2011

30 June 2011	Balance 1 July 2010	Granted as Remuneration	On Exercise of Options	Net Other Changes	Balance 30 June 2011
Directors					
Mark Hohnen [1]	666,667	-	-	-	666,667
Matt Swinney [2]	66,667	-	-	-	66,667
Brett Mitchell	-	-	-	-	-
Ian Middlemas [3]	5,100,000	-	-	-	5,100,000
Johan Brand	-	-	-	735,294	735,294
James Strauss	-	-	-	-	-
Konrad Wetzker	-	-	-	-	-
János Csák [4]	-	-	-	-	-
Richard Pearce [5]	4,196,375	-	-	(4,196,375)	-
Craig Burton	5,566,250	-	-	(5,566,250)	-
Henry Neugebauer	7,939,750	-	-	(7,939,750)	-
Key Management Personnel					
Malcolm Shannon Jr	20,000	-	-	(20,000)	-
	23,555,709	-	-	(16,987,081)	6,568,628

1 *Held by Vynben Pty Ltd.*
2 *Held by Bluesail Holdings Pty Ltd.*
3 *Held by Arredo Pty Ltd*
4 *Resigned 26 August 2010, therefore holding removed from Report as Richard Pearce no longer a Director of the Company.*

28. Share-based payments

Options are granted under the Company Employee Share Incentive Option Plan which was approved by the Directors on 11 September 2006. All staff are eligible to participate in the plan.

Options are granted under the plan for no consideration. Options are granted for a three year period and 100 per cent of each new tranche becomes exercisable after one year of the date of grant. Entitlements to the options are vested as soon as they become exercisable and performance conditions have been met. There are no cash settlement alternatives. Options granted under the plan carry no dividend or voting rights.

Performance rights may also be granted under the Company's Employee Performance Rights Plan, which was approved by Shareholders at the General Meeting held on 1 June 2010. To date, no performance rights have been issued pursuant to the Company's Employee Performance Rights Plan.

The expense recognised in the statement of comprehensive income in relation to share-based payments is disclosed in Note 10.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of any movements in share options issued during the year:

	No 2012	WAEP 2012	No 2011	WAEP 2011
Outstanding at the beginning of the year	48,856,528	$0.56	45,734,892	$0.71
Granted during the year	6,064,255		8,133,871	-
Forfeited during the year	(7,089,328)		(4,999,000)	-
Exercised during the year	-		(13,235)	-
Outstanding at the end of the year	47,831,455	$0.51	48,856,528	$0.56

Options exercisable as at 30 June 2012 was 47,831,455 (2011: 48,856,528)

The outstanding balance of options over ordinary shares as at 30 June 2012 represented by:

Grant Date	Exercisable	Expiry date	Exercise price	Number of options
26-Feb-10	26-Feb-10 to 26-Feb-12	26-Feb-14	$0.50	8,333,332
26-Feb-10	26-Feb-10 to 26-Feb-12	26-Feb-14	$0.50	8,333,332
26-Feb-10	26-Feb-10 to 26-Feb-14	26-Feb-14	$0.70	4,000,000
26-Feb-10	26-Feb-10	16-Feb-14	$0.60	666,666
26-Feb-10	26-Feb-10	16-Feb-14	$0.90	333,333
26-Feb-10	26-Feb-10	16-Feb-14	$1.20	333,333
26-Feb-10	26-Feb-10	16-Feb-14	$1.50	333,333
1-Jun-10	01-Jun-10 to 01-Jun 14	1-Jun-14	$0.50	2,200,000
1-Jun-10	01-Jun-10 to01-Jun 14	1-Jun-14	$0.60	2,200,000
1-Jun-10	01-Jun-10 to 01-Jun 14	1-Jun-14	$0.70	4,600,000
30-Jun-10	30-Jun-10	30-Jun-14	$0.23	2,000,000
22-Nov-10	26-Feb-11 to 26-Aug-12	22-Nov-14	$0.30	1,333,333
22-Nov-10	26-Feb-11 to26-Aug-12	22-Nov-14	$0.40	1,333,334
22-Nov-10	22-Nov-10 to 17-Jul-14	22-Nov-14	$0.50	333,340
22-Nov-10	22-Nov-10 to 17-Jul-14	22-Nov-14	$0.60	1,666,663
22-Nov-10	22-Nov-10 to 17-Jul-14	22-Nov-14	$0.70	333,330
8-Jun-11	08-Jun-11 to 08-Jun-13	30-Jun-15	$0.50	666,667
8-Jun-11	08-Jun-11 to08-Jun-13	30-Jun-15	$0.60	666,667
8-Jun-11	08-Jun-11 to 08-Jun-13	30-Jun-15	$0.70	666,666
23-Jun-11	23-Jun-11	20-Jun-13	$0.31	377,957
23-Jun-11	23-Jun-11	20-Jun-13	$0.37	377,957
23-Jun-11	23-Jun-11	20-Jun-13	$0.43	377,957
12-Apr-12	12-Apr-12	12-Apr-14	$0.077	604,819
12-Apr-12	12-Apr-12	12-Apr-14	$0.0924	604,820
12-Apr-12	12-Apr-12	12-Apr-14	$0.1078	604,820
21-May-12	21-May-21	21-May-14	$0.0802	1,416,598
21-May-12	21-May-21	21-May-14	$0.0963	1,416,596
21-May-12	21-May-21	21-May-14	$0.1123	1,416,600
Total				47,831,453

The outstanding balance of options over ordinary shares as at 30 June 2011 represented by:

Grant Date	Exercisable	Expiry date	Exercise price	Number of options
2-Jun-08	20-May-11	30-May-15	$0.90	562,630
18-Feb-10	31-Dec-11	31-Dec-11	$0.60	3,333,336
26-Feb-10	26-Feb-10 to 26-Feb-12	26-Feb-14	$0.50	1,000,000
26-Feb-10	26-Feb-10 to 26-Feb-13	26-Feb-14	$0.60	500,000
26-Feb-10	26-Feb-10 to 26-Feb-14	26-Feb-14	$0.70	500,000
26-Feb-10	26-Feb-10 to 26-Feb-12	26-Feb-14	$0.50	7,333,332
26-Feb-10	26-Feb-10 to 26-Feb-13	26-Feb-14	$0.60	8,133,332
26-Feb-10	26-Feb-10 to 26-Feb-14	26-Feb-14	$0.70	3,500,000
26-Feb-10	26-Feb-10	16-Feb-14	$0.60	666,666
26-Feb-10	26-Feb-10	16-Feb-14	$0.90	333,333
26-Feb-10	26-Feb-10	16-Feb-14	$1.20	333,333
26-Feb-10	26-Feb-10	16-Feb-14	$1.50	333,333
1-Jun-10	01-Jun-10 to 01-Jun 14	1-Jun-14	$0.50	2,200,000
1-Jun-10	01-Jun-10 to 01-Jun 14	1-Jun-14	$0.60	2,200,000
1-Jun-10	01-Jun-10 to 01-Jun 14	1-Jun-14	$0.70	4,600,000
1-Jun-10	1-Jun-10	1-Jun-12	$0.34	3,193,362
30-Jun-10	30-Jun-10	30-Jun-14	$0.23	2,000,000
22-Nov-10	26-Feb-11 to 26-Aug-12	22-Nov-14	$0.30	1,333,333
22-Nov-10	26-Feb-11 to 26-Aug-12	22-Nov-14	$0.40	1,333,334
22-Nov-10	22-Nov-10 to 17-Jul-14	22-Nov-14	$0.50	333,340
22-Nov-10	22-Nov-10 to 17-Jul-14	22-Nov-14	$0.60	1,666,663
22-Nov-10	22-Nov-10 to 17-Jul-14	22-Nov-14	$0.70	333,330
8-Jun-11	08-Jun-11 to 08-Jun-13	30-Jun-15	$0.50	666,667
8-Jun-11	08-Jun-11 to 08-Jun-13	30-Jun-15	$0.60	666,667
8-Jun-11	08-Jun-11 to 08-Jun-13	30-Jun-15	$0.70	666,666
23-Jun-11	23-Jun-11	20-Jun-13	$0.31	377,957
23-Jun-11	23-Jun-11	20-Jun-13	$0.37	377,957
23-Jun-11	23-Jun-11	20-Jun-13	$0.43	377,957
Total				48,856,528

T he weighted average remaining contractual life for the share options outstanding as at 30 June 2012 is 1,86 years. The range of exercise prices for options outstanding at the end of the year was A$0.077 – A$1.50 (2011: A$0.225 – A$1.50)

29. Parent Disclosures

	30-Jun-12 AUD	30-Jun-11 AUD
Current Assets	10,822,656	11,734,913
Non-Current Assets	31,561,138	38,513,511
Total Assets	42,383,794	50,248,424
Current Liabilities	460,191	766,709
Total Liabilities	460,191	766,709
Contributed equity	92,293,343	80,896,849
Reserves	11,864,595	10,686,759
Accumulated losses	(62,234,335)	(42,101,893)
Total Equity	41,923,603	49,481,715

	30-Jun-12 AUD	30-Jun-11 AUD
Loss for the year	(20,132,442)	(9,157,643)
Total Comprehensive loss for the period	(20,132,442)	(9,157,643)

The parent entity does not have any commitments or contingent liabilities.

30. Commitments

a. Lease Commitments

The Company has leasing agreements for motor vehicles expiring within 5 year period.

Future lease commitments at the reporting date but not recognised as liabilities are as follows:

	CONSOLIDATED	
	30-Jun-12 AUD	30-Jun-11 AUD
Lease Commitments		
Payable:		
Within one year	61,013	282,469
Later than one year but not later than five years	168,594	543,993
	229,607	826,462

b. Bank Guarantees

As at 30 June 2012 the consolidated entity had bank guarantees issued to the Hungarian Hydrocarbon mining tenement in an amount of $843,554 (2011: $1,235,610) secured by cash and in relation to the corporate visa card for $105,754 (2011: $92,508).

31. Acquisition of non-controlling interests

In October 2010, the group acquired an additional 25% interest in White Coal Energy Limited Group for a nominal consideration increasing the group's ownership in these companies from 75% to 100%. The carrying amount of the assets of these companies at the acquisition was $10.1 million. The group recognised a decrease in non-controlling interest of $2.5 million. This movement has been recognised directly in equity.

32. Contingencies

There are no known contingent liabilities or assets as at report date.

33. Subsequent events

Other than the events disclosed above in the Directors' Report, no other matters or circumstance have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

The Company sold its Bison Basin Uranium asset on 22nd of August for USD 25,000. The difference between the book value and the market value has been impaired.

Tel: +8 6382 4600
Fax: +8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WILDHORSE ENERGY LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Wildhorse Energy Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Wildhorse Energy Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

BDO

Opinion

In our opinion:

(a) the financial report of Wildhorse Energy Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Wildhorse Energy Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Wayne Basford
Director

Perth, Western Australia
Dated this 28th day of September 2012

CORPORATE GOVERNANCE STATEMENT

OVERVIEW

In March 2003, the Australian Securities Exchange (ASX) Corporate Governance Council published its Principles of Good Corporate Governance and Best Practice Recommendations ("Recommendations").

In August 2007, the ASX Corporate Governance Council published a revised Principles and Recommendations (2nd Edition).

In 2010, the ASX Corporate Governance Council published a further revised Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) to ensure that these remain relevant to the Australian business and investment communities. The Company's Corporate Governance Statement is structured below with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition). The Company's Board of Directors has reviewed the recommendations. In many cases the Company was already achieving the standard required. In a limited number of instances, the Company has determined not to comply with the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a Company of this size. Recommendations which the Company does not comply with are highlighted in this report.

Further information on the Company's corporate governance policies is located on the website: www.wildhorse.com.au

1. PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1. Companies should establish and disclose the respective roles and responsibilities of Board and management.

- **Recommendation 1.1:** Companies should establish the functions reserved to the Board and those delegated to Senior Executives and disclose those functions.
- **Recommendation 1.2:** Companies should disclose the process for evaluating the performance of Senior Executives.
- **Recommendation 1.3:** Companies should provide the information indicated in the Guide to reporting on Principle 1.

1.2. The Company's practice:

The Board considers that the essential responsibility of Directors is to oversee the Company's activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value. Responsibility for management of the Company's business is delegated to the Managing Director, who is accountable to the Board.

Further, the Board takes specific responsibility for:-

- Contributing to the development of and approving corporate strategy;
- Appointing, assessing the performance of and, if necessary removing the Executive Director;
- Reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- Overseeing and monitoring:
  - Organizational performance and the achievement of strategic goals and objectives
  - Compliance with the Company's code of conduct
  - Progress of major capital expenditures and other corporate projects including acquisitions, mergers and divestments;
- Monitoring financial performance including approval of the annual, half yearly and quarterly reports and liaison with the auditor;

- Ensuring there are effective management processes in place, including reviewing and ratifying systems of risk identification and management, ensuring appropriate and adequate internal control processes, and that monitoring and reporting procedures for these systems are effective;
- Enhancing and protecting the Company's reputation;
- Approving major capital expenditure, capital management, acquisitions and divestments;
- Reporting to shareholders;
- Appointment of Directors; and
- Any other matter considered desirable and in the interest of the Company

The Board is responsible for the overall Corporate Governance of the Company including the strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Company has a formal Board Charter which is on the Company's website and summarised above. In broad terms, the Board is accountable to the shareholders and must ensure that the Company is properly managed to protect and enhance shareholders' wealth and other interests. The Board Charter sets out the role and responsibilities of the Board within the governance structure of the Company and its related bodies corporate (as defined in the Corporations Act).

Senior executives are responsible for the ongoing management of the Company's operations and report to the Board. They are accountable for all functions that are necessary to the operations of the Company and not specifically reserved to the Board. Senior Executives performance is reviewed on a regular basis by the Board.

Based on the above information the Company believes it is fully compliant with Recommendations 1.1, 1.2 and 1.3.

2. PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

2.1. Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

- **Recommendation 2.1:** A majority of the board should be independent Directors
- **Recommendation 2.2:** The chair should be an independent Director.
- **Recommendation 2.3:** The roles of chair and Chief Executive Officer should not be exercised by the same individual.
- **Recommendation 2.4:** The Board should establish a nomination committee.
- **Recommendation 2.5:** Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors.
- **Recommendation 2.6:** Companies should provide the information indicated in the Guide to reporting on Principle 2.

2.2. The Company's practice:

Independence

Corporate Governance Council Recommendation 2.1 requires a majority of the Board to be independent Directors. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement. In accordance with this definition, the Company has five (5) independent Directors, with the Board comprising of a non-executive Chairman, a Managing Director, a Technical Director and four Non-Executive Directors.

Composition

The Directors have been chosen for their particular expertise to provide the company with a competent and well-rounded decision-making body and which will assist the company and shareholders in meeting their objectives.

The term in office held by each Director in office at the date of this report is as follows and details of the professional skills and expertise of each of the Directors are set out in the Directors' Report.

Name	Position	Term in Office
Mr Mark Hohnen	Non-Executive Chairman	2½ years
Mr Matt Swinney	Managing Director	2½ years
Mr Brett Mitchell	Non-Executive Director	3½ years
Mr Ian Middlemas	Non-Executive Director	2½ years
Mr Johan Brand	Technical Director	22 months
Mr James Strauss	Non-Executive Director	2 months
Dr Konrad Wetzker	Non-Executive Director	18 months

The Directors meet frequently, both formally and informally, so that they maintain a mutual, thorough understanding of the Company's business and to ensure that the Company's policies of corporate governance are adhered to.

Education

The Company has a formal process to educate new Directors about the nature of the business, current issues, the corporate strategy and the Company's expectations concerning the performance of Directors. Directors are given access to and encouraged to participate in continuing education opportunities to update and enhance their skills and knowledge.

Independent professional advice and access to company information

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the consolidated entity's expense. The Director must consult with an advisor suitably qualified in the relevant field and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other board members.

Nomination committee

The Company does not currently have a separate nomination committee and as such has not complied with Recommendation 2.4. The duties and responsibilities typically delegated to such a committee are considered to be the responsibility of the full board, given the size and nature of the Company's activities and as such, the Board does not believe that any marked efficiencies or enhancements would be achieved by the creation of a separate nomination committee.

Monitoring of Board Performance

The performance of all Directors is reviewed by the Chairman on an ongoing basis and any Director whose performance is considered unsatisfactory is asked to retire. The Chairman's performance is reviewed by the other Board members.

The Company has established firm guidelines to identify the measurable and qualitative indicators of the Director's performance during the course of the year. Those guidelines include:

- Attendance at all Board meetings. Missing more than three consecutive meetings without reasonable excuse will result in that Director's position being reviewed,
- Attendance at the Company's Shareholder Meetings. Non-attendance without reasonable excuse will result in that Director's position being reviewed.

Based on the above information the Company believes it is fully compliant with Recommendations 2.1, 2.2, 2.3, 2.5 and 2.6. The Company is not compliant with Recommendation 2.4 as outlined.

3. PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

3.1. Companies should actively promote ethical and responsible decision-making.

- **Recommendation 3.1:** Companies should establish a code of conduct and disclose the code or a summary of the code as to:
  - the practices necessary to maintain confidence in the Company's integrity
  - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders
  - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices
- **Recommendation 3.2:** Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.
- **Recommendation 3.3:** Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.
- **Recommendation 3.4:** Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.
- **Recommendation 3.5:** Companies should provide the information indicated in the Guide to reporting on Principle 3.

3.2. The Company's practice:

Ethical Standards

The Company has a formal Code of Conduct as per Recommendation 3.1. This code outlines how Directors and employees of the Company and its related bodies corporate are to behave when conducting business. A full copy of this Code of Conduct is available on the Company's website.

The Company is committed to the highest level of integrity and ethical standards in all business practices. Directors and employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all legislation. In addition, the Board subscribes to the Statement of Ethical Standards as published by the Australian Institute of Company Directors.

All Directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Diversity Policy

The Board has adopted a Diversity Policy as per Recommendation 3.2. The Diversity Policy addresses equal opportunities in the hiring, training and career advancement of Directors, officers and employees. The Diversity Policy outlines the processes by which the Board will set measurable objectives to achieve the aims of its Diversity Policy, with particular focus on gender diversity within the Company.

The Company is committed to ensuring a diverse mix of skills and talent exists amongst its Directors, officers and employees and is utilised to enhance the Company's performance.

The Board is responsible for monitoring Company performance in meeting the Diversity Policy requirements, including the achievement of diversity objectives.

Gender Diversity

As a priority, the Company is focusing on the participation of women on its Board and within senior management. The Board is in the process of determining appropriate measurable objectives for achieving gender diversity.

Women Employees, Executives and Board Members
The Company and its consolidated entities have fifteen (15) female employees and/or executives, including:

- its Company Secretary, located in Australia;
- its Financial Controller, located in Hungary;
- an Executive Assistant, located in London; and
- twelve (12) fulltime employees, located in Hungary,

which represent approximately 41% of the total employees, executives and/or board members of the Company and its consolidated entities. There are currently no female members of the Board of the Company.

Based on the above information the Company believes it is fully compliant with Recommendations 3.1, 3.2, 3.3, 3.4 and 3.5.

4. PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1. Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.

- **Recommendation 4.1:** The Board should establish an audit committee.
- **Recommendation 4.2**: The Audit Committee should be structured so that it:
    - consists only of Non-Executive Directors
    - consists of a majority of independent Directors
    - is chaired by an independent chair, who is not chair of the board
    - has at least three members.
- **Recommendation 4.3:** The Audit Committee should have a formal charter.
- **Recommendation 4.4:** Companies should provide the information indicated in the Guide to reporting on Principle 4.

4.2. The Company's practice:

Audit Committee
The Board has created a separate audit committee and therefore has complied with Recommendation 4.1, except to the extent that, due to the size and current operations of the Company, the audit committee currently only has two members (both of which are independent Directors) for which reason the Company is not compliant with all of Recommendation 4.2. The duties and responsibilities delegated to the audit committee include:

- reviewing internal control and recommending enhancements;
- monitoring compliance with Corporations Act 2001, Securities Exchange Listing Rules, matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investment Commission and financial institutions;
- improving the quality of the accounting function, personnel and processes;
- reviewing external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- liaising with the external auditors and ensuring that the annual audit and half-year review are conducted in an effective manner; and
- reviewing the performance of the external auditors on an annual basis.

Audit and Compliance Policy

The Board imposes stringent policies and standards to ensure compliance with all corporate financial and accounting standards. Where considered appropriate, the Company's external auditors, professional advisors and management are invited to advise the Board on these issues and the Board meets quarterly to consider audit matters prior to statutory reporting.

The Company requires that its auditors must not carry out any other major area of service to the Company and should have expert knowledge of both Australian and international jurisdictions.

The Board assumes responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information. The Board maintains responsibility for a framework of internal control and ethical standards for the management of the consolidated entity.

The board, consisting of members with financial expertise and detailed knowledge and experience of the mineral exploration and evaluation business, advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. The Managing Director declared in writing to the Board that the Company's financial reports for the year ended 30 June 2012 present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This statement is required annually.

Based on the above information the Company believes it is fully compliant with Recommendations 4.1, 4.3 and 4.4. The Company is not compliant with all of Recommendation 4.2 as outlined above.

5. PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1. Companies should promote timely and balanced disclosure of all material matters concerning the Company.

- **Recommendation 5.1:** Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.
- **Recommendation 5.2:** Companies should provide the information indicated in the Guide to reporting on Principle 5.

5.2. The Company's practice:

Continuous Disclosure Policy

The Company has a formal Continuous Disclosure Policy as required by Recommendation 5.1. This policy was introduced to ensure the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules and ensuring The Company and individual officers do not contravene the Corporations Act or ASX Listing Rules. A full copy of this policy can be found on the Company's website.

The Company is required to immediately tell the ASX once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

Therefore to meet this obligation the Company undertakes to:

a. Notify the ASX immediately it becomes aware of any information that a reasonable person would expect to have a material effect on the price and value of the companies securities, unless that information is not required to be disclosed under the listing rules;

b. Disclose notifications to the ASX on the Company website following confirmation of the publishing of the information by the ASX; and

Not respond to market speculation or rumour unless the ASX considers it necessary due to there being, or likely to be, a false market in the Company's securities.

The Managing Director and the Company Secretary are responsible for co-ordinating the disclosure requirements. To ensure appropriate procedure all Directors, officers and employees of the Company coordinate disclosures through the Company Secretary, including:

a. Media releases;

b. Analyst briefings and presentations; and

c. The release of reports and operational results.

Based on the above information the Company believes it is fully compliant with Recommendations 5.1 and 5.2.

6. PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

6.1. Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

- **Recommendation 6.1:** Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.
- **Recommendation 6.2:** Companies should provide the information indicated in the Guide to reporting on Principle 6.

6.2. The Company's practice:

Shareholder Communication

It is the policy of the Company to communicate effectively with its shareholders by giving them ready access to balanced and understandable information about the Company and making it easier for them to participate in general meetings.

The Board encourages full shareholder participation at the Annual General Meeting as it provides shareholders an opportunity to review the Company's annual performance. Shareholder attendance also ensures a high level of accountability and identification with the Company's strategy and goals.

The shareholders are responsible for voting on the appointment of Directors, approval of the maximum amount of Directors' fees and the granting of options and shares to Directors. Important issues are presented to the shareholders as single resolutions.

The Company's auditor is required to be present, and be available to shareholders, at the Annual General Meeting.

Information is communicated to shareholders through:-

- the Annual Report which is distributed to all shareholders;
- Half-Yearly Reports, Quarterly Reports, and all Australian Securities Exchange announcements which are posted on the Company's website;
- the Annual General Meeting and other meetings so called to obtain approval for Board action as appropriate; and
- compliance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules.

The Company's full policy on shareholder communication can be found on our website.

Based on the above information the Company believes it is fully compliant with Recommendations 6.1 and 6.2.

7. PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1. Companies should establish a sound system of risk oversight and management and internal control.

- **Recommendation 7.1:** Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.
- **Recommendation 7.2:** The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.
- **Recommendation 7.3:** The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
- **Recommendation 7.4:** Companies should provide the information indicated in the Guide to reporting on Principle 7.

7.2. The Company's practice:

RISK MANAGEMENT

Recognise and Manage Risk

Risk oversight, management and internal control are dealt with on a continuous basis by management and the Board, with differing degrees of involvement from various Directors and management, depending upon the nature and materiality of the matter.

The Board has established a formal policy to effectively recognise and manage risk as required by Recommendation 7.1. The Company's policy is to achieve levels of operation that balance risk and reward with the ultimate aim of optimising shareholder value. The Risk Management and Internal Control policy is detailed in full on our website.

Oversight of the risk management system

The Board takes a proactive approach to risk management. The Board is responsible for oversight of the processes whereby the risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. This oversight encompasses operational, financial reporting and compliance risks.

The Company believes that it is crucial for all Board members to be a part of the process, and as such the Board has not established a separate risk management committee.

The Board oversees the establishment, implementation and annual review of the Company's risk management policies as part of the Board approval process for the strategic plan, which encompasses the Company's vision and strategy, designed to meet stakeholder's needs and manage business risks.

The Managing Director has declared, in writing to the Board and in accordance with section 295A of the Corporations Act, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year and the period up to the signing of the annual financial report for all material operations in the Company.

Internal control framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognizes that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that deals with:

- Financial reporting - there is a comprehensive budgeting system with an annual budget, updated on a regular basis approved by the Board. Monthly actual results are reported against these budgets.
- Investment appraisal - the Company has clearly defined guidelines for capital expenditure including annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses or assets are being acquired or divested.
- Quality and integrity of personnel - the Company's policies are detailed in an approved induction manual. Formal appraisals are conducted annually for all employees.

Based on the above information the Company believes it is fully compliant with Recommendations 7.1, 7.2, 7.3 and 7.4.

8. PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1. Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

- **Recommendation 8.1:** The Board should establish a Remuneration Committee.
- **Recommendation 8.2:** The Remuneration Committee should be structured so that it:
  - consists of a majority of independent Directors
  - is chaired by an independent chair
  - has at least three members
- **Recommendation 8.3:** Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of Executive Directors and Senior Executives.
- **Recommendation 8.4:** Companies should provide the information indicated in the Guide to reporting on Principle 8.

8.2. The Company's practice:

Remuneration committee
The Company has created a separate Remuneration Committee, which consists of three members, the majority of which are independent Directors and is chaired by an independent chair, and as such has complied with Recommendation 8.1 and Recommendation 8.2.

Remuneration policies
Remuneration of Directors are formalised in service agreements. The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the Directors themselves, the Executive Directors and the Executive team.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and senior executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of executive Directors' and Senior Executives' emoluments to the Company's financial and operational performance. The expected outcomes of the remuneration structure are:

1. Retention and Motivation of Senior Executives
2. Attraction of quality management to the Company
3. Performance incentives which allow Executives to share the rewards of the success of the Company

Remuneration of Non-Executive Directors is determined by the Board with reference to comparable industry levels and, specifically for Directors' fees, within the maximum amount approved by shareholders. There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

For details on the amount of remuneration and all monetary and non-monetary components for all Directors refer to the Remuneration Report on pages 10 to 22 of the Financial Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of the Company and the performance of the individual during the period.

Based on the above information the Company believes it is fully compliant with Recommendations 8.1, 8.2, 8.3 and 8.4.

CORPORATE GOVERNANCE INDEX

Principle	Reference in the Company's Corporate Governance Statement
Principle 1 – Lay solid foundations for Management and oversight Companies should establish and disclose the respective roles and responsibilities of Board and Management. • **Recommendation 1.1:** Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions. • **Recommendation 1.2:** Companies should disclose the process for evaluating the performance of senior executives. • **Recommendation 1.3:** Companies should provide the information indicated in the Guide to reporting on Principle 1.	*See pg 81 -82*
Principle 2 - Structure the Board to add value Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties. • **Recommendation 2.1:** A majority of the Board should be independent directors. • **Recommendation 2.2:** The chair should be an independent director. • **Recommendation 2.3:** The roles of chair and chief executive officer should not be exercised by the same individual. • **Recommendation 2.4:** The Board should establish a nomination committee. • **Recommendation 2.5:** Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors. • **Recommendation 2.6:** Companies should provide the information indicated in the Guide to reporting on Principle 2.	*See pg 82-83*

Principle 3 - Promote ethical and responsible decision-making
Companies should actively promote ethical and responsible decision-making
• **Recommendation 3.1:** Companies should establish a code of conduct and disclose the code or a summary of the code as to:
  • the practices necessary to maintain confidence in the Company's integrity
  • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders
  • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices
• **Recommendation 3.2:** Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.
• **Recommendation 3.3:** Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.
• **Recommendation 3.4:** Companies should dislose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.
• **Recommendation 3.5:** Companies should provide the information indicated in the Guide to reporting on Principle 3.
	See pg 84-85

Principle 4 - Safeguard integrity in financial reporting
Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.
• **Recommendation 4.1:** The Board should establish an audit committee.
• **Recommendation 4.2:** The audit committee should be structured so that it:
  • consists only of non-executive directors
  • consists of a majority of independent directors
  • is chaired by an independent chair, who is not chair of the board
  • has at least three members.
• **Recommendation 4.3:** The audit committee should have a formal charter.
• **Recommendation 4.4:** Companies should provide the information indicated in the Guide to reporting on Principle 4.
	See pg 85-86

CORPORATE GOVERNANCE INDEX

Principle	Reference in the Company's Corporate Governance Statement
Principle 5 - Make timely and balanced disclosure Companies should promote timely and balanced disclosure of all material matters concerning the Company. • **Recommendation 5.1:** Companies should establish written policies design ed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies. • **Recommendation 5.2:** Companies should provide the information indicated in the Guide to reporting on Principle 5.	*See pg 86-87*
Principle 6 - Respect the rights of shareholders Companies should respect the rights of shareholders and facilitate the effective exercise of those rights. • **Recommendation 6.1:** Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy. • **Recommendation 6.2:** Companies should provide the information indicated in the Guide to reporting on Principle 6.	*See pg 87*
Principle 7 - Recognise and manage risk Companies should establish a sound system of risk oversight and management and internal control. • **Recommendation 7.1:** Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies. • **Recommendation 7.2:** The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks. • **Recommendation 7.3:** The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. • **Recommendation 7.4:** Companies should provide the information indicated in the Guide to reporting on Principle 7.	*See pg 88*
Principle 8 - Remunerate fairly and responsibly Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear. • **Recommendation 8.1:** The Board should establish a remuneration committee. • **Recommendation 8.2:** The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members. • **Recommendation 8.3:** Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. • **Recommendation 8.4:** Companies should provide the information indicated in the Guide to reporting on Principle 8.	*See pg 89*

SHAREHOLDER INFORMATION

EXCHANGE LISTING

Wildhorse Energy Ltd shares are listed on the Australian Securities Exchange (ASX) and the Alternative Investment Market (AIM). The Company's ASX and AIM code is WHE.

SUBSTANTIAL SHAREHOLDERS (HOLDING NOT LESS THAN 5%) AS AT 21 September 2012

Name of Shareholder	Total Number of Voting Share in Wildhorse Energy Ltd in which the Substantial Shareholders and its Associates Hold Relevant Interests	Percentage of Total Number of Voting Shares (%)
Computershare Clearing Pty Ltd <CCNL DI A/C>	89,349,985	22.31
Citicorp Nominees Pty Ltd	44,566,898	11.13
National Nominees Limited	42,999,289	10.73
HSBC Custody Nominees (Australia) Limited	42,423,062	10.59
JP Morgan Nominees Australia Limited <Cash Income A/C>	42,423,062	3.70

CLASS OF SHARES AND VOTING RIGHTS

At 21 September 2012 there were 2,528 holders of 403,058,774 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

a. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;

b. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and

c. on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited)."

DISTRIBUTION OF SHAREHOLDERS

Range	Number of Shareholders
1 - 1,000	214
1,001 - 5,000	569
5,001 - 10,000	407
10,001 - 100,000	1,054
100,001 - 999,999,999	281
1,000,000,000 - 9,999,999,999	0
Total	**2,525**

The number of shareholders holding less than a marketable parcel is 8772.

UNLISTED OPTIONS

Securities	Number of Securities on issue	Number of Holders	Name of Holders holding more than 20%	Number Held
Options exercisable at $0.50 on or before 26 February 2014	1,000,000	1	Brett Mitchell and Michelle Mitchell <Mitchell Spring Family A/C>	1,000,000
Options exercisable at $0.60 on or before 26 February 2014	500,000	1	Brett Mitchell and Michelle Mitchell <Mitchell Spring Family A/C>	500,000
Options exercisable at $0.70 on or before 26 February 2014	500,000	1	Brett Mitchell and Michelle Mitchell <Mitchell Spring Family A/C>	500,000
Options exercisable at $0.50 on or before 1 June 2014	2,200,000	2	Johan Francois Brand	2,000,000
Options exercisable at $0.60 on or before 1 June 2014	2,200,000	2	Johan Francois Brand	2,000,000
Options exercisable at $0.70 on or before 1 June 2014	4,600,000	2	Johan Francois Brand	4,000,000
Options exercisable at $0.225 on or before 30 June 2014	2,000,000	2	Johan Francois Brand Elphus Oki Monkoe	1,000,000 1,000,000
Options exercisable at $0.30 on or before 22 November 2014	1,333,333	2	MobilNet KFT James Strauss	666,667 666,666
Options exercisable at $0.40 on or before 22 November 2014	1,333,334	2	MobilNet KFT James Strauss	666,667 666,667
Options exercisable at $0.50 on or before 22 November 2014	333,340	1	Andries du Plooy	333,340
Options exercisable at $0.60 on or before 22 November 2014	1,666,663	3	MobilNet KFT James Strauss	666,666 666,667
Options exercisable at $0.70 on or before 22 November 2014	333,330	1	Andries du Plooy	333,330
Options exercisable at $0.50 on or before 30 June 2015	666,667	1	Konrad Wetzker	666,667
Options exercisable at $0.60 on or before 30 June 2015	666,667	1	Konrad Wetzker	666,667
Options exercisable at $0.70 on or before 30 June 2015	666,666	1	Konrad Wetzker	666,666
Options exercisable at $0.31 on or before 20 June 2013	666,667	1	GMP Securities Europe Nominees	377,957
Options exercisable at $0.372 on or before 20 June 2013	666,667	1	GMP Securities Europe Nominees	377,957
Options exercisable at $0.434 on or before 20 June 2013	666,666	1	GMP Securities Europe Nominees	377,957

SHAREHOLDER INFORMATION

Securities	Number of Securities on issue	Number of Holders	Name of Holders holding more than 20%	Number Held
Options exercisable at $0.60 on or before 16 February 2014	666,666	1	UCG Engineering Limited	666,666
Options exercisable at $0.90 on or before 16 February 2014	333,333	1	UCG Engineering Limited	333,333
Options exercisable at $1.20 on or before 16 February 2014	333,333	1	UCG Engineering Limited	333,333
Options exercisable at $1.50 on or before 16 February 2014	333,333	1	UCG Engineering Limited	333,333
Options exercisable at $0.50 on or before 26 February 2014	7,333,332	4	Bluesail Holdings Pty Ltd	3,000,000
			Vynben Pty Ltd	3,000,000
Options exercisable at $0.60 on or before 26 February 2014	8,133,332	8	Bluesail Holdings Pty Ltd	2,000,000
			Kieran Flockton	1,500,000
			Liam Flockton	1,500,000
Options exercisable at $0.70 on or before 26 February 2014	3,500,000	2	Bluesail Holdings Pty Ltd	2,000,000
			Vynben Pty Ltd	1,500,000
Options exercisable at £0.05 (approx. $0.077) on or before 12 April 2014	604,819	3	GMP Securities Europe LLP	347,637
			Liberum Capital Limited	205,720
			Azure Capital Investments Pty Ltd	51,462
Options exercisable at £0.06 (approx. $0.0924) on or before 12 April 2014	604,820	3	GMP Securities Europe LLP	347,638
			Liberum Capital Limited	205,720
			Azure Capital Investments Pty Ltd	51,462
Options exercisable at £0.07 (approx. $0.1078) on or before 12 April 2014	604,820	3	GMP Securities Europe LLP	347,638
			Liberum Capital Limited	205,720
			Azure Capital Investments Pty Ltd	51,462
Options exercisable at £0.05 (approx. $0.077) on or before 12 April 2014	1,416,598	4	GMP Securities Europe LLP	756,578
			Liberum Capital Limited	447,717
			Azure Capital Investments Pty Ltd	132,303
			Ragnar Capital Partners LLP	80,000
Options exercisable at £0.06 (approx. $0.0924) on or before 12 April 2014	1,416,596	4	GMP Securities Europe LLP	756,578
			Liberum Capital Limited	447,717
			Azure Capital Investments Pty Ltd	132,303
			Ragnar Capital Partners LLP	80,000
Options exercisable at £0.07 (approx. $0.1078) on or before 12 April 2014	1,416,600	4	GMP Securities Europe LLP	756,579
			Liberum Capital Limited	447,718
			Azure Capital Investments Pty Ltd	132,303
			Ragnar Capital Partners LLP	80.000

20 LARGEST SHAREHOLDERS AS AT 21 SEPTEMBER 2012

Rank	Name	Units at 30 Sep 2011	% of Units
1.	COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	89,349,985	22.31
2.	CITICORP NOMINEES PTY LTD	44,566,898	11.13
3.	NATIONAL NOMINEES LIMITED	42,999,289	10.73
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	42,423,062	10.59
5.	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	14,838,760	3.70
6.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	9,254,108	2.31
7.	CS FOURTH NOMINEES PTY LTD	9,000,000	2.25
8.	NEFCO NOMINEES PTY LTD	7,425,747	1.85
9.	ARREDO PTY LTD	5,100,000	1.27
10.	AWJ FAMILY PTY LTD <ANGUS W JOHNSON FAMILY A/C>	4,884,914	1.22
11.	MR PETER MOORE	4,000,000	1.00
12.	PERSHING AUSTRALIA NOMINEES PTY LTD <ARGONAUT ACCOUNT>	2,464,957	0.62
13.	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,165,850	0.54
14.	MR RICHARD JOHN PEARCE	2,150,000	0.54
15.	SUN HUNG KAI INVESTMENT SERVICES LTD <CLIENTS A/C>	2,000,000	0.50
16.	MR KIERAN FLOCKTON	1,850,833	0.46
17.	BNP PARIBAS NOMS PTY LTD <DRP>	1,579,957	0.39
18.	MR DAVID KEITH EDWARDS + MRS ROBERTA MAY EDWARDS <EDWARDS SUPER FUND A/C>	1,500,000	0.37
19.	JOINT BLAST EXTRACTIVE METALLURGY (PTY) LTD	1,470,588	0.37
20.	SURFBOARD PTY LTD <ARW SUPER FUND NO 1 A/C>	1,359,070	0.34
Totals:	Top 20 holders of ORDINARY SHARES	290,384,018	72.49%

ESCROWED SECURITIES

The Company does not have any securities on issue that are subject to escrow restrictions.

SCHEDULE OF TENEMENTS

SUMMARY OF MINING TENEMENTS AS AT 30 JUNE 2012

The following claims were held by the consolidated entity in Hungary at year end.

Resolution Number	Name of the territory	Resolution date
HUNGARY		
VBK. 2065/5/2010	Dorog	18-May-10
VBK/3317-6/2010	Ajka	12-Apr-11
PBK/3337-4/2010	Cikó	02-Aug-10
PBK. 989/1/2006	Bátaszék	9-Feb-06
PBK. 6947/3/2006	Pécs	12-Jul-06
PBK. 10218/2/2006	Abaliget	9-Oct-06
PBK. 990/1/2006	Dinnyeberki	9-Feb-06
PBK. 9840/2003/3	Mecsek - CBM	20-Apr-04
PBK 359/3/2008	Mecsek-Komló - HC	23-Jan-08
PBK 5306/2/2007	Kelet- Mecsek Coal	17-Oct-07

WILDHORSE
ENERGY

ABN 98 117 085 748

Level 21 Allendale Square
77 St Georges Terrace
Perth WA 6000 Australia

PO BOX Z5446
St Georges Terrace
Perth WA 6831

TELEPHONE 08 9389 2000
FACSIMILE 08 9389 2099

WWW.**WILDHORSE**.COM.AU