ABN 98 117 085 748

28 March 2012 ASX/AIM Code: WHE

WILDHORSE ENERGY LIMITED

383MT JORC INFERRED RESOURCE AND COMPLETION OF PRELIMINARY FEASIBILITY STUDY CONFIRMING TECHNICAL & ECONOMIC VIABILITY OF FLAGSHIP MECSEK HILLS UCG PROJECT

Wildhorse Energy Limited ('WHE' or 'the Company'), the AIM and ASX listed company focussed on developing underground coal gasification ('UCG') and uranium projects in Central and Eastern Europe ('CEE'), is delighted to announce the completion of its Preliminary Feasibility Study ('PFS' or 'the Study') and an updated JORC Inferred coal resource of 383 million tonnes ('Mt') at the Company's Mecsek Hills UCG Project ('Mecsek Hills' or 'the Project') in southern Hungary.

Highlights

- **PFS confirms findings of preliminary PFS announcement dated 1 June 2011 indicating attractive economic and technical potential of supplying syngas as a gas feedstock for power stations**
- **The Study is of a ≥400 MWt Project consisting of two distinct phases - a commercial demonstration phase followed by a large scale commercial phase:**
  - **Phase I – Commercial Demonstration Plant - designed to have a capacity of approximately 130MWt of syngas which will be used to supply an up to 61MWe (gross) Combined Cycle Gas Turbine (CCGT) power plant, with both the UCG and CCGT facilities expected to be in operation in Q4 2014**
  - **Phase II – Large Scale Commercial Plant - designed to have a capacity of approximately 280 MWt of syngas, with the UCG facility to supply syngas to a potential 130 MWe (gross) power plant. The development of this phase will commence after the commissioning of Phase I**
- **A total JORC Inferred resource of 383 Mt published following highly positive results from a total of five diamond core holes completed across three target areas**
- **Drilling verifies historical data and facilitates the selection of the first UCG site at the Váralja target area – reportable 185 Mt JORC Inferred resource, only 22Mt is estimated to be required for Phases I and II over a 25 year project life**
- **WHE is at the forefront of the Central and Eastern European UCG industry, providing it with 'first‑mover' advantage - Europe offers a highly supportive energy dynamic and positive pricing environment due to the heavy gas import reliance**

- **Team of world class strategic affiliates in place to assist with the project development**
- **Bankable Feasibility Study ('BFS') focused on the development of Phase I to be initiated in April 2012**
- **Positive conclusion of the PFS supports the Company's broader strategy to seek to develop further projects in selected markets in CEE**

WHE Managing Director Matt Swinney said, "I am delighted to provide the resource update together with the results of our PFS, which indicates the positive fundamentals of our Mecsek Hills UCG Project as we seek to progress development towards the first commissioning of syngas in late 2014. Notably, this resource update demonstrates that we have sufficient coal to construct a ≥400 MWt UCG project[1] but more importantly, we have successfully identified a number of UCG suitable coal seams at Váralja which we will focus on further over the coming months.

"This is a landmark development in the advancement of UCG application in CEE against the backdrop of the extremely positive pricing environment for energy production in the region, due to the historic reliance on gas imports. This PFS confirms WHE's position as a first-mover in the regional alternative energy sector and provides WHE with further access and leverage in the sector, at a crucial time when Central and Eastern European governments are increasingly looking for long-term sustainable solutions to generate domestic energy.

"The successful PFS findings support the Company's roll out strategy to develop further projects in selected markets in CEE and enhance the value of our wider portfolio and expansion strategy. Our focus is to develop our flagship Mecsek Hills UCG Project to the BFS stage and towards the commissioning of syngas, whilst simultaneously rapidly developing our wider portfolio of stranded coal assets in order to become a leading provider of fuel in the region.

"We are excited about starting the BFS and the Measured Resource exploration programme for Phase I which are due to be completed in early 2013; thus allowing construction to be completed with a target operational date of Q4, 2014. The BFS stage will primarily focus on refinement of the PFS with regards to resource delineation, technical designs, permitting, costings, finalisation of the commercial structure and involvement of strategic partners and other stakeholders into the project."

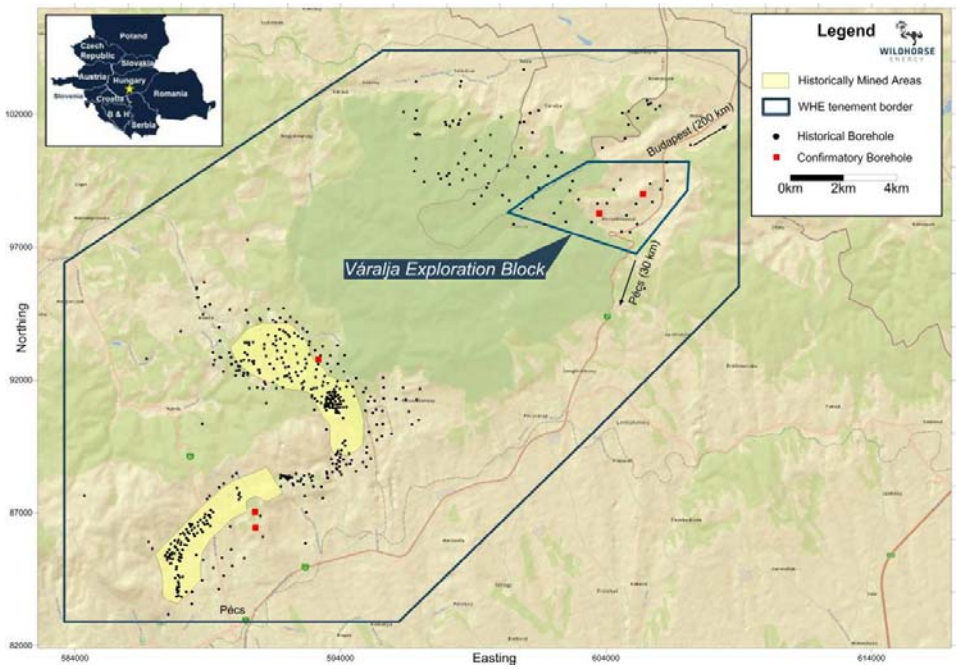
[1] The Company believes that adequate and suitable UCG extractable coal exists as part of the 184.5 Mt JORC Inferred resource. However, the Company assumes that additional resource evaluation drilling will be required with the aim of defining Measured resources and to confirm the existence of suitable UCG extractable coal panels.

Main Features of the PFS

Project Background

The PFS focuses on utilising UCG technology and processes to develop a ≥400 MWt UCG project on the Company's coal and CBM licence area in southern Hungary. The Mecsek Hills UCG Project is the Company's most advanced asset. The Mecsek project was recognised as having significant exploration potential with an Exploration Target of 1-1.25 billion tonnes ('Bt'), with an energy content of 18.8 to 29.3GJ/t[2]. WHE has defined approximately 383 Mt of Inferred coal Resources within the exploration target area. With the completion of its confirmation drilling programme and PFS, the Company intends to immediately commence its BFS.

Figure 1: Locality Map of the Mecsek Hills Project Showing Historic and WHE Drill Holes



Source: Wildhorse Energy

[2] The potential quantity and grade is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

PFS Project Team

For the completion of the PFS, the Company assembled a project team consisting of specialists recognised as leaders in their respective disciplines. In tandem with the Company's in-house industry professionals, the team included CDE Process ('CDE') for above ground technical designs, Aqua Alpha ('AA') for below ground UCG design, Golder and Associates ('Golder') for hydrogeological studies, CSA Global ('CSA') for resources verification and planning, Professional Cost Consultants ('PCC') for above ground cost estimates, KPMG for financial and economic modelling, WorleyParsons ('WP') for above ground technical design review and ERBE and Olajterv for permitting of the above and underground facilities.

Project Overview

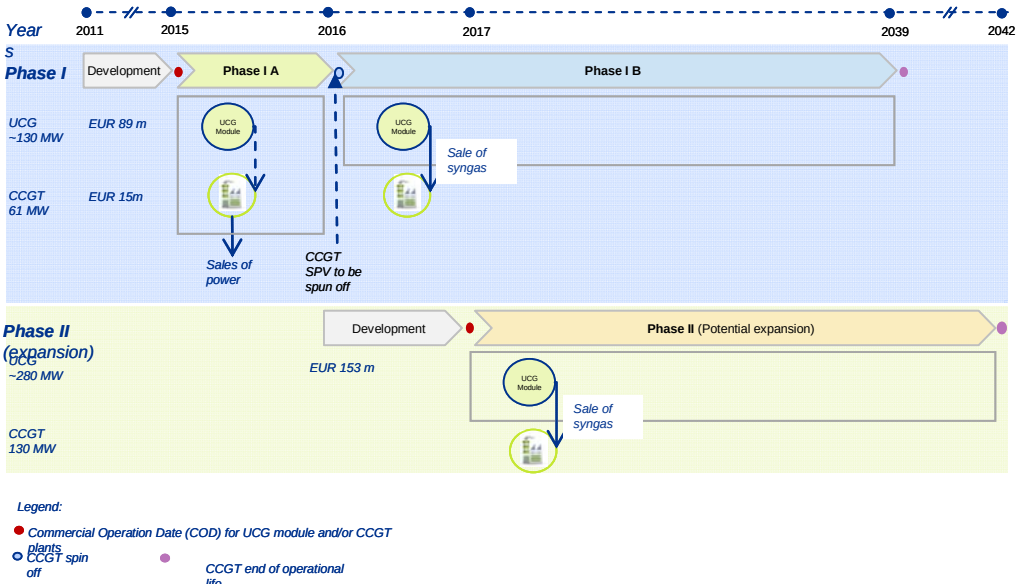
The ≥400 MWt Project will be developed in two phases:

- Phase I – Commercial Demonstration Plant - designed to have a capacity of approximately 130MWt of syngas which will be used to supply up to a 61MWe (gross) Combined Cycle Gas Turbine (CCGT) power plant. It is assumed that the Company initially owns and operates both the UCG and CCGT business units; however, following the intended demonstration of reliable syngas generation and operation of the related CCGT power plant for a period of 6 to 12 months (Phase IA), it is assumed that the CCGT business unit is sold to a strategic partner. From this point on the Company will supply the strategic partner with syngas delivered in accordance with a long term gas sales agreement (Phase IB);
- Phase II – Large Scale Commercial Plant - designed to have a capacity of approximately 280 MWt of syngas, with the UCG facility to supply syngas to a potential 130 MWe (gross) power plant. The development of this phase will commence after the commissioning of Phase I.

The first phase of the Project has been 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 the Company 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.

As announced in June 2011, KPMG undertook the PFS's financial modelling which indicates that the Project produces positive financial returns and as the gas production capacity increases so does the projected rate of return, i.e. Phase II produces a significantly greater projected rate of return than Phase I. Because the Company has to date established only JORC Inferred Resources and not JORC Indicated Resources, in line with Australian Securities and Investment Commission reporting guidelines, it is unable to publish Internal Rate of Return and Net Present Value projections.

Figure 2. Proposed Project Timeline

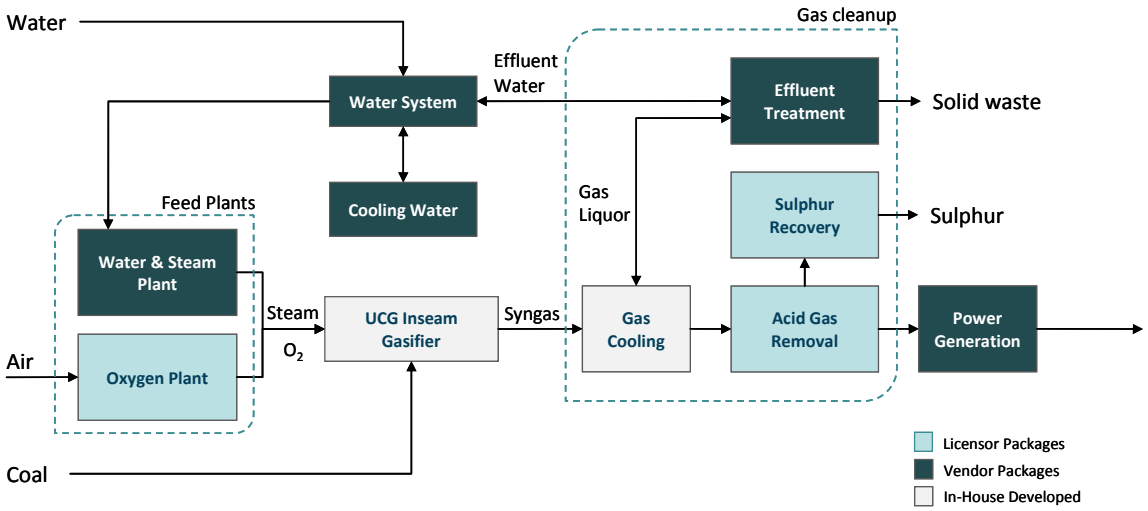


Source: Wildhorse Energy

Typical UCG Process

The UCG process unlocks the energy potential of stranded coal through its in-situ conversion to Synthesis Gas, or 'syngas', which is a fuel feedstock for power generation through the injection of oxidants delivered via an injection well.

Figure 3. UCG Process Diagram



Source: Wildhorse Energy

The main difference between the well established surface coal gasification method and UCG is that WHE will gasify the coal in-situ. This in-situ gasification 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 mining and energy projects. In addition, 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. Concerns regarding perceived risks associated with water contamination, subsidence and uncontrollable fire are also being allayed as the market increasingly understands the depths of operation, the technology and the process associated with UCG. With this in mind, the potential for UCG to play an important role in the future fuel generation of Central and Eastern Europe is evident.

Technical Design and Independent Engineer Review

The Company prepared conceptual technical designs for the Project which consisted of:

- Conceptual designs of below ground UCG coal mining panels prepared by AA based upon the geological characteristics of the Mecsek Hills coal formation; and
- Conceptual designs of the above ground processing facilities prepared by CDE. CDE's Conceptual Design Proposal along with the relating Block Flow Diagrams for the above ground facilities of the plant were based upon WHE investment, technical and environmental criteria.

As announced on 19 March 2012, WP completed an independent review of CDE's designs and concluded that the engineering work undertaken by CDE is comprehensive and addresses all reasonably required aspects for a PFS stage development.[3]

Capital Costs

PCC estimated the total capital requirements for Phase I and II to be €104 million and €153 million respectively. The accuracy of the estimates is in the range of +30% to -15% for the underground elements and power plant, while a +25% to -15% accuracy level was applied in case of all other above ground components. An overall contingency of approximately 14% was applied to all cost estimates, with the exception of an allowance of 10% being applied for the second hand gas turbine. As part of the independent technical review, WP also

[3] The review was prepared pursuant to a scope of work provided by WHE and is based upon information made available to WorleyParsons by WHE. The review is for WHE's benefit to assist WHE in concluding its PFS by validating that the engineering process and methodology used in the PFS maintains good engineering practices and design standards and rolls over into appropriate cost estimation for the capital project. The report is not intended to be relied upon by any third party other than WHE and WorleyParsons accepts no third party liability with respect to the report. For more information visit www.worleyparsons.com.

confirmed that the cost estimates seem sufficiently accurate for such a project in its current stage of development.[4]

The following table summarises the structure of the Project's capital costs.

Project CAPEX break-down (€, million)	Phase I	Phase II
UCG facility		
Above ground facilities		
Gas cooling	4.9	9.7
Gas purification	15.0	20.7
Steam and electricity generation	16.8	33.6
Gas supply	2.0	3.9
Water systems	6.7	12.2
Flaring and venting	1.2	2.5
Infrastructure	4.3	2.6
Indirect costs and EPCM	19.2	37.8
Underground facilities	18.6	30.2
Total UCG CAPEX	88.7	153.2
Power generation		
Steam and electricity generation	13.1	-
Indirect costs and EPCM	1.8	-
Total CCGT CAPEX	14.9	-
Total Project CAPEX	103.6	153.2

**It is assumed that at the completion of 6 to 12 months the CCGT is sold to the utility for a minimum of the capital costs originally necessary for its purchase and installation.*

Source: Professional Cost Consultants Report dated 05 May 2011

Market Environment

The PFS assesses the Hungarian gas and electricity markets and concludes that the existing market dynamics provide an attractive environment for supplying syngas as a feedstock for power stations.

[4] The review was prepared pursuant to a scope of work provided by WHE and is based upon information made available to WorleyParsons by WHE. The review is for WHE's benefit to assist WHE in concluding its PFS by validating that the engineering process and methodology used in the PFS maintains good engineering practices and design standards and rolls over into appropriate cost estimation for the capital project. The report is not intended to be relied upon by any third party other than WHE and WorleyParsons accepts no third party liability with respect to the report. For more information visit www.worleyparsons.com.

The development of UCG as a clean coal technology is consistent with the recently approved Hungarian Energy Strategy, which is in support of developing an efficient, clean and domestic energy supply.

As per the Hungarian Energy Strategy, new gas-fired power capacity of approximately 2,000-3,000 MWe is expected to be installed in the country within the following 20-30 years, supplying 37%-52% of the national power demand depending on the selected scenario.[5] The operation of these plants will require an annual supply of 3-5 billion cubic metres of natural gas. This suggests that imported gas could potentially be substituted with domestically produced syngas through the utilisation of UCG technology.

In addition, a study on the market environment prepared by KPMG found that Hungary imports approximately 78% of Hungary's domestic natural gas requirements, predominantly from Russia, while surrounding countries have similar gas import profiles. This provides a sound basis for the Company's Project development strategy and future expansion into markets that have attractive gas market fundamentals, particularly a reliance on Russian gas imports and consequently where energy security is a major factor for governments and large scale industrial consumers of natural gas, and also where prices are correspondingly high.

Mineral Resource Estimates

The Company's Mecsek Hills licence areas in southern Hungary contain an Exploration Target of 1-1.25Bt of bituminous coal, with coal qualities in the range of 18-29MJ/kg[6]. The Company has completed resource evaluation drilling within the Exploration Target areas at Váralja, Komló and Pécs. Based on the Company's drilling and the large historic data base CSA Global has estimated Inferred Coal resources at each target area. The resource estimations are summarised in Table 1.

The recent drilling at Váralja has enabled an Inferred Resource to be defined. Five of the fourteen seam groups modelled met the minimum requirement for Coal Resource Estimation purposes. Seam groups 41, 40, 36 and 35 are the most widely distributed and economically significant with drill defined coal average thicknesses ranging from 0.2m to 4.06m. A number of the other coal seam groups such as groups 33, 34 and 37 have significant tonnages of coal but could not be assigned a resource category due to lack of coal

[5] As per the Hungarian National Energy Strategy 2030, installed capacity of natural gas based power plants is expected to rise from current 4,800 MW to 6,000 MW total by 2030 and 11,700 MW total by 2050

[6] The potential quantity and grade is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

quality data in the historic drilling. With more drilling it is likely significant additional tonnage would be able to be included in the resource inventory.

For implementation of both phases of the Project, a maximum coal consumption of approximately 880,000 tonnes of coal per annum is estimated – relating to 240,000 tonnes per annum for Phase I and 640,000 tonnes per annum for Phase II. Over an assumed 25 year project life this equates to approximately 22 million tonnes – 6Mt for Phase I and 16 Mt for Phase II.

A number of coal seams suitable for UCG have been identified in the Váralja Resource model. The best seam groups for UCG in this resource estimate occur in seam packages 35 and 40. There are multiple seams with average thicknesses greater than 2.5m with continuity and large tonnages. The best seams appear to be seam 35-1 and 40-2, the former has an average thickness of 2.8m and is estimated to contain 15Mt and the latter is 4.1m thick with an estimated 22Mt. With additional drilling it is likely other significant seams from seam groups 33, 34 and 37 would be upgraded to a resource category.

These coal areas will be the subject of the further exploration and analysis to be conducted during the BFS, the aim of future exploration is to define Measured resources.

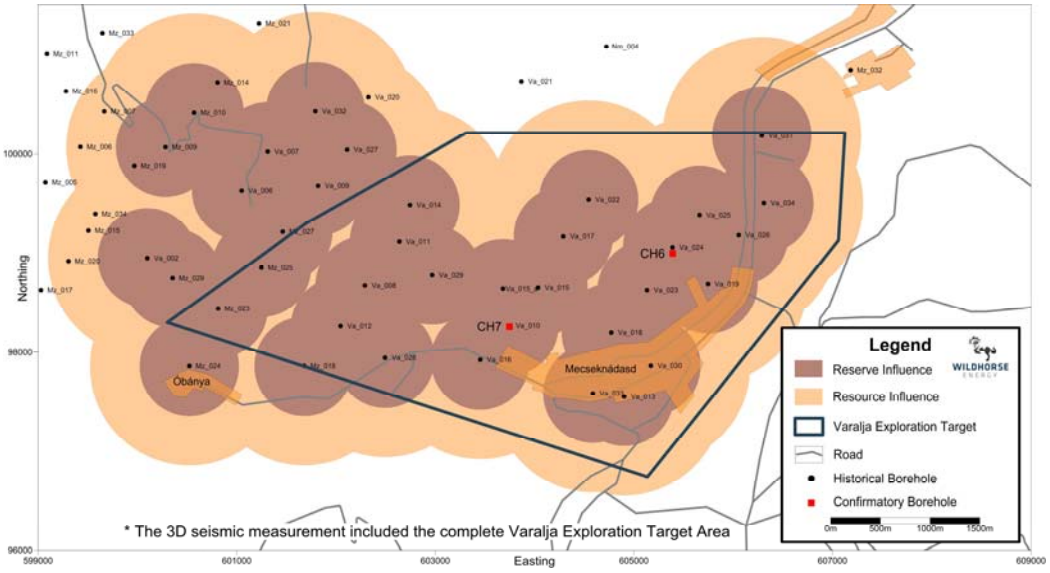
Based on data collected from WHE's drill holes CH6 and CH7, and the historic drill hole database for Mecsek coalfield, CSA Global estimates an Inferred Resource of 184.5Mt of coal occurs within a 2km radius of drill holes CH6 and CH7 (Figure 5). The Váralja Inferred coal resource has been classified and reported in accordance with The 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Resource classification is based on confidence in the mapping, geological interpretation, drill spacing, confirmation drilling and geostatistical analysis of all drill hole data. The entire resource report has been made available on the Company website.

Table 1. Mineral Resource Estimates for the Mecsek Hills Target Areas

	Tonnage (JORC Inferred Mt)	Gross Calorific Value (MJ/kg)
Váralja	184.5	22.4
Komló	80.6	31.0
Pécs	117.9	32.3
Total	383	

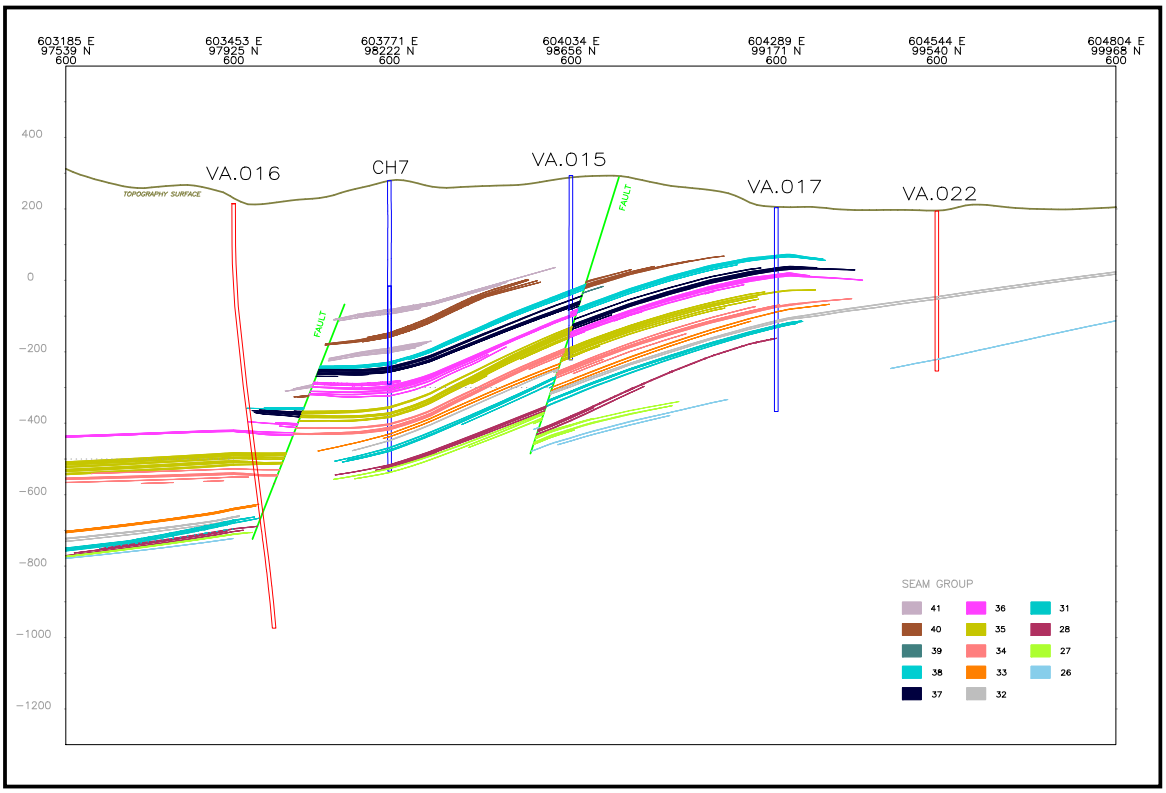
Note: All resources reported have a minimum coal seam thickness cut off of 1m

Figure 5. Drill hole location plan showing WHE and historic drilling and areas of influence for resource estimation for the Váralja Target Area.



Source: Wildhorse Energy

Figure 6. Cross Section of Coal Seams at the Váralja Target Area



Source: CSA Global 22 March 2012

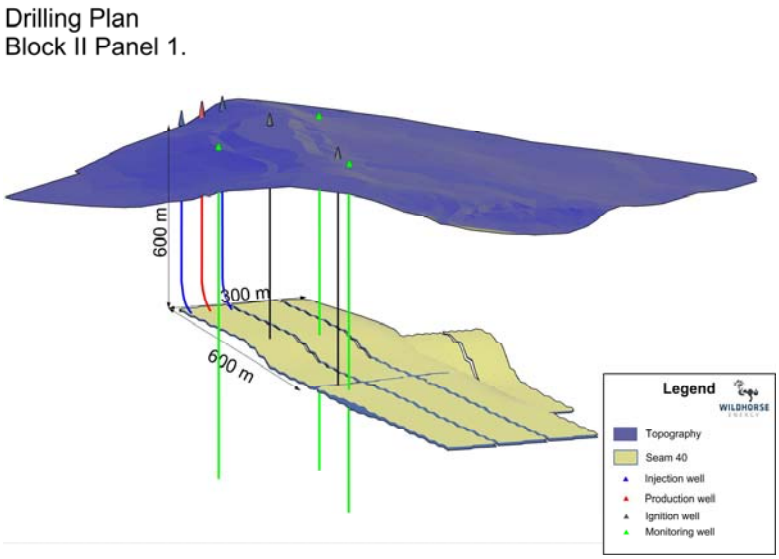
Further technical resource information is provided at the back of the document in Schedule 1

Site Selection

The coal deposit selected for the Project is in the Váralja target area, which contains an Inferred Resource of 184.5 Mt. This area was selected due to the suitability of the coal for UCG mining extraction methods, the availability of suitable infrastructure and the existence of both coal and CBM (Coal Bed Methane) licences.

The Company conducted site selection analysis over the Váralja target area. In addition to the drilling to confirm the accuracy of geological data (based upon historic information), the Company also completed a 3D seismic imaging programme, vertical seismic profile measurements, rock mechanical analysis and hydrogeological testing of the target coal packages and surrounding rock formations.

Figure 7. Proposed UCG Panel Layout



Source: Wildhorse Energy

Processing Facilities Site Selection

The preferred above ground sites were selected through an assessment process of several potential locations within the Váralja target area in terms of their potential suitability for the above ground facility. The site selection included consideration of many factors, including: surface restrictions, metrological restrictions, supporting infrastructure, such as proximity to power lines, proximity to UCG panels, proximity to local dwellings, water access, permitting

and licensing considerations and other factors. Following this assessment, several sites were identified to be potentially suitable.

Figure 8. Proposed Processing Facility (to be optimised during the BFS)

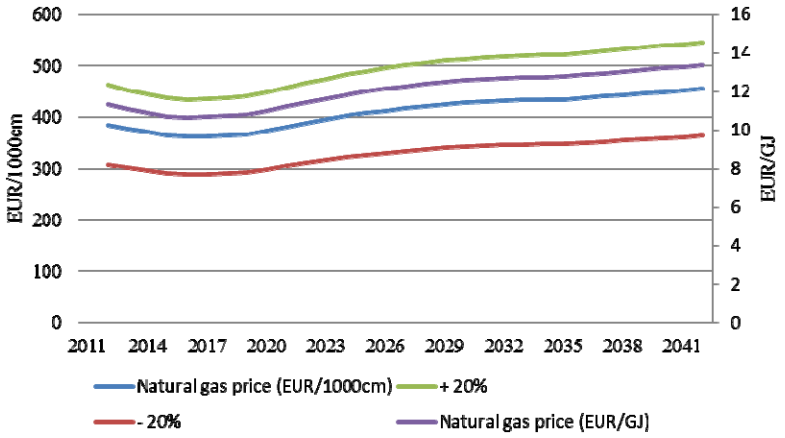
Source: Wildhorse Energy

Market Assumptions – Gas, Electricity and CO_2

The PFS considered future gas, electricity and CO_2 prices based upon independent analysis undertaken by KPMG (Global Power and Utility Centre of Excellence). The natural gas price forecast was prepared by KPMG based on long-term European contract formulae (85% oil dependent, 15% spot natural gas price).

Natural gas price forecast:

Figure 9. Natural gas price forecast – May 2011

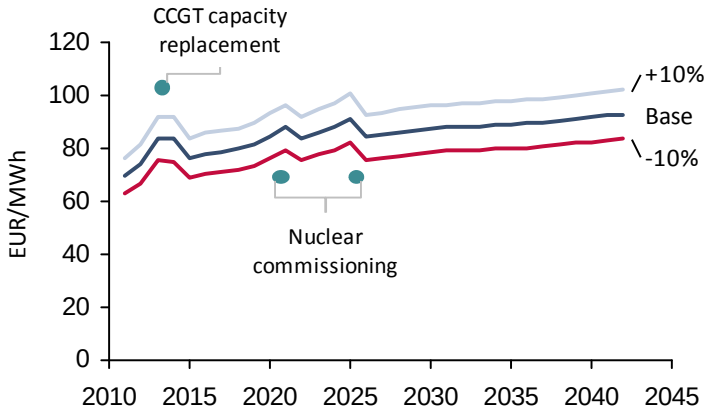


Source: KPMG Analysis

The electricity price forecast was prepared by KPMG and based on a merit order price model. In Hungary base load power demand is supplied with nuclear and lignite, while peak load is covered with CCGT capacities.

Electricity price forecast:

Figure 10. Electricity price forecast – May 2011

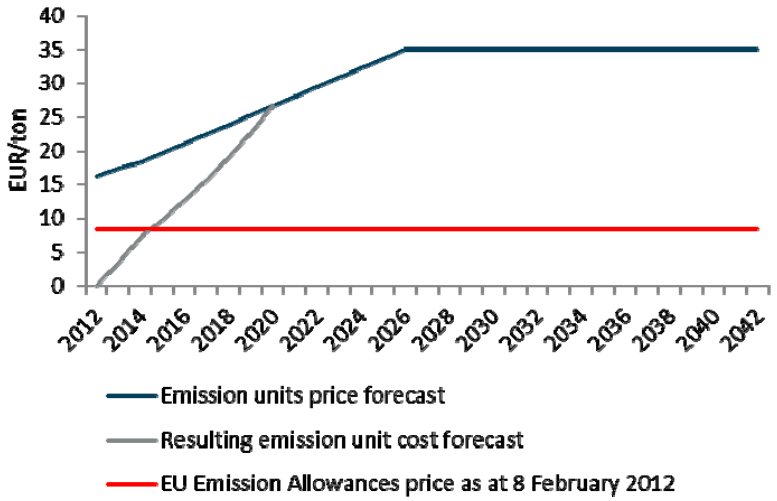


Source: KPMG Analysis

Forecast of emission prices takes into account gradual introduction of emission costs to take place in the period starting in 2013 through to 2020 in Hungary.

CO_2 price forecast:

Figure 11. CO_2 price forecast – May 2011



Source: KPMG Analysis

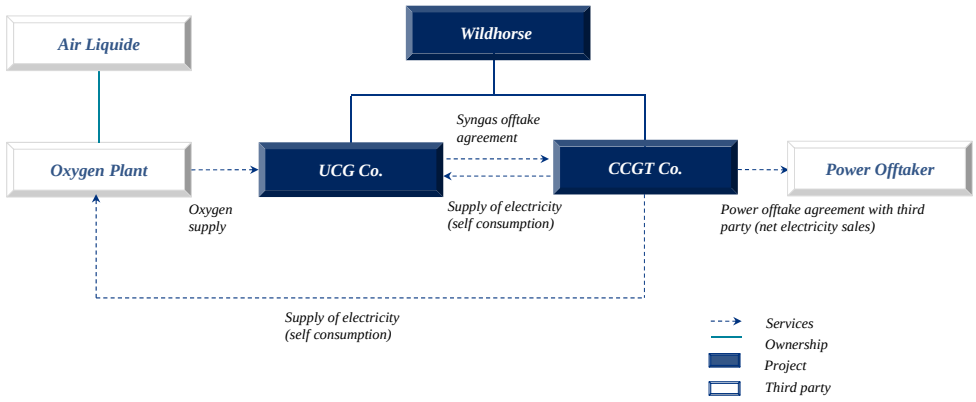
Other Key Assumptions – Finance, Commercial and Technical

Project Financing: It has been assumed that the development of Phase I of the Project is to be financed with equity and that once operations are proven for 6-12 months of continuous operation, the CCGT unit will be sold at cost and that 60% of the capital costs will be re-financed with debt financing. It should be noted that the Company has initiated discussions with potential non-equity funding sources such as development bank funding which to the extent it is successful will reduce the equity funding requirement.

Following successful realisation of Phase I, it is intended that Phase II of the Project shall be a bankable large commercial project in its own right. Therefore, debt financing has been assumed in the financing structure of the development and construction stage. Leverage is assumed at debt to equity ratio of 60:40.

Commercial Assumptions:

Figure 12. Proposed Project Structure



Source: Wildhorse Energy

Phase I

- The Project will be developed, financed and constructed by the Company and may include active participation from strategic investors, such as oil and gas or power and utilities companies. Such investors may potentially be involved through a direct participation in WHE and may also enter into a long term syngas off-take agreement
- Consists of a second hand but fully refurbished CCGT unit and all associated infrastructure necessary for an independent power plant project
- Receives the syngas at market prices minus the additional CO_2 cost associated with syngas - as compared to natural gas - and an additional discount which shall enable the CCGT SPV to sell electricity into the base load market
- The CCGT business unit will be divested after operating successfully for a 6-12 month period and may be owned fully or partly by a potential strategic investor. From this point on the Company will supply syngas to the CCGT in accordance with the terms of the long term off take agreement; and
- Provide a suitable level of return to the CCGT business unit investor

Phase II

- Upon successful commercial demonstration of Phase I, the Company plans to become a fuel provider supplying syngas to large CCGT power plants that would otherwise be fuelled by natural gas
- Assumptions include sales of 260 MWt of syngas per hour based on a long term gas contract with a strategic partner at normal natural gas prices adjusted for additional tonnes of CO_2 emissions due to the higher CO_2 content of syngas feedstock as compared to natural gas

- The ultimate capacity of Phase II will be determined at a later stage in accordance with syngas customer requirements, further analysis of the benefits of economies of scale, return on investment, further geological evaluation, etc. It is possible that Phase II may be of a greater capacity that what is contemplated in the PFS

It should also be noted that the associated power plant would have a direct pipeline connection to WHE's UCG facility and thus would be able to bypass all related Hungarian transportation tariffs – providing an approximate 4-6% lower fuel cost base as compared to all other gas power plants in Hungary.

Technical Assumptions (Phase I to be reviewed and optimised in the BFS):

Assumptions	Phase 1 A (electricity)	Phase 1 B (syngas)	Phase II
Installed Capacity	61MWe	134MWt	282MWt
Hourly Syngas Production	482 GJ/hr	482 GJ/hr	1015 GJ/hr
Energy for self-Consumption	7.6MWe 9.0MWt	7.6We 9.0MWt	22.0MWe 22.0MWt
Net energy available for sale	53.4MWe	125.0MWt	260.0MWt
Electrical efficiency	49%	N/A	N/A
CO_2 emissions	52.9 t/h	3.4 t/h	7 t/h

Note: These are not production forecasts by the Company but are assumptions used in the PFS. It is uncertain if further exploration will result in sufficient resources and a suitable site for UCG site development purposes to meet the assumptions used in the PFS.

UCG Regulatory Framework

The Company commissioned Dr. Peter Eszto (former Head of the Committee that prepared the current Mining Law in Hungary and former Chairman of the Hungarian Office of Mining and Geology) to review UCG legislation recently implemented in other countries (i.e. the United Kingdom, the United States, Poland, Canada, Australia) and its applicability to the current Hungarian mining law. Dr. Eszto's study concluded that UCG falls within the same category as coal mining and that the current legal framework provides sufficient guidelines for the authorities to license UCG.

Discussions with various Hungarian State Authorities have commenced, including a review of the international UCG legislation and its applicability to the Hungarian mining law, while the

Company is also working with the relevant local mining associations with the aim of generating industry-wide support for the application of UCG in Hungary.

Pre-Feasibility Study (PFS) Risks

PFS estimates contain economic and other assumptions concerning assets or the future performance of assets, which may, or may not prove to be correct. Whilst every care has been made in the preparation of the study, WHE believes it is important to outline some the key risks for the Project identified in the study:

- The Company has defined a maiden JORC – reportable Inferred Coal Resource of 184.5 Mt for the Váralja Target Area – which forms part of the 1 - 1.25 Bt Exploration Target[7] for the whole Mecsek Project. Further resource evaluation drilling is being implemented to determine if a JORC-classified Indicated and Measured resource, with sufficient coal suitable for UCG exploitation, exists within the Project area. This work is expected to be completed in early 2013 as part of the Phase 1 Bankable Feasibility Study.

- As the Company has not yet a JORC compliant Indicated resource, the economic modelling and product option evaluations conducted were based upon several site options within Wildhorse's Project Area. The PFS takes into consideration the substantial geological and analytical database as well as factors relevant to UCG, Hungary, the region, local energy markets and the licence area. No claim or production forecasts are made for specific sites.

- Preferred sites for the potential development and construction of the proposed UCG site have been identified. Successful implementation of the proposed project shall require the Company to obtain use of that land for the required construction purposes.

- Energy prices are based upon independent expert long range forecasts but may not be achieved.

- The concept of UCG and its utilisation is not a recent development. However, the technology has not been commercially demonstrated in Australia or Europe, and as yet has had limited commercial demonstration elsewhere where detailed project information is in the public domain.

[7] The potential quantity and grade is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

- No specific legislation governing UCG applications has been developed by the Hungarian Government. The Company has conducted its drilling within the existing regulatory frameworks applied to Coal and Coal Bed Methane exploitation. UCG specific regulatory requirements are yet to be legislated by the Hungarian Government and the timing of approvals within such a framework may cause project delays.

- Capital and operating costs are based upon estimates as deemed appropriate by PCC a reputable consultant quantity surveyor, but actual capital requirements may exceed or be lower than these estimates.

Competent Persons Statement

The information in this report that relates to Coal Resources is based on information compiled by Adrian Nurcahyo M AusIMM. Mr Nurcahyo has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves".

****ENDS****

For further information please visit www.wildhorse.com.au or contact:

Matt Swinney	Wildhorse Energy Limited	Tel: +44 (0)207 292 9110
Daniela Amihood	Grant Thornton UK LLP	Tel: +44 (0)207 383 5100
Richard Greenfield	GMP Securities Europe LLP	Tel: +44 (0)207 647 2800
Clayton Bush	Liberum Capital Limited	Tel: +44 (0)203 100 2222
Elisabeth Cowell	St Brides Media & Finance Ltd	Tel: +44 (0)207 236 1177

Schedule 1 - Resource Estimation

A total of seventeen holes were used to model the quality of coal resources. A total of two thousand five hundred and sixty four (2,564) coal and non-coal sample analyses were used in the coal quality model.

The standard analytical suite comprised:

- Total Moisture (TM % ar),
- Inherent Moisture (IM % adb),
- Ash Content (Ash % ar, adb),
- Volatile Matter (VM % ar, adb),
- Total Sulphur (TS % ar, adb),
- Calorific Value (CV cal/g ar, abd, daf),
- Relative Density

All coal quality data has been modelled on an as received ("ar") basis. The coal quality was modelled on a ply by ply basis and then combined into seam composites.

The coal seams were modelled based on a 0.5m cut off and included non-coal partings up to 1m in thickness. Although modelled at 0.5m the resource quoted is based on a minimum of 1m thick seams.

The coal quality model was interpolated using the Inverse Power Distance (ID2) method, Search ellipses of 1km radius were centred on a validated drill hole. Search ellipses were orientated to the overall geometry of sedimentation for the coal seams deposit.

Assigned in situ Relative Density (RD) tonnage factor of 1.4 t/m³ was assigned for all seam groups. The assigned in situ density value reflects the historic data measurements and measurements taken by WHE. Down hole density measurements were taken in both of the new holes (CH6 and CH7) but generated anomalously high values that were in conflict with historic data and measurements made at SGS labs as part of this program. Given the early stage of the resource estimation it was decided to uses a conservative average figure based on the historic data.

Drill holes were classified as valid points of observation for determining resource status if the following criteria were met:

- The entire seam was cored;
- Core recovery for the seam was ≥95%;
- The drill hole was geophysically logged.

Cut off parameters used to estimate resources are summarised in Table 2.

Table 2. WHE Varalja cut off parameters

No.	Cut Off Parameter	CSA
1	Minimum Coal Thickness	1m
2	Minimum Thickness of parting include in Coal seam	0.2m
3	Maximum Thickness of parting include in Coal seam	1m
4	Assigned *in situ* Relative Density (RD)	1.4 t/m3
5	Extrapolation Distance (m)	Geological model is limited to a 1km radius from a "point observation"

The WHE Varalja resources have been classified and reported in accordance with the 2004 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). Resource classification is based on confidence in the geological domain, drill spacing and geostatistical measures.

A range of criteria has been considered in determining the classification including:

- Geological continuity;
- Data quality;
- Drill hole spacing;
- Modelling technique;
- Estimation parameters including search strategy, number of samples, average distance to samples;
- A minimum of 2 points of observation within the search radius were required to classify coal resources.

Due to the broad drill spacing, the dominance of historic drilling data, the complexity of geology and the relatively limited new data collected by WHE, the Varalja Resource has been classified as an Inferred Coal Resource of 184.5 Mt of coal (Table 7).

CSA has based the resource on 1m cut off which represents a minimum level that is likely to be extractable using UCG methods. The resource is reported for coal present in a 2km radius from drill hole CH6 and CH7 within the extent of the geological model (limited to 1km radius from a point of observation (Figure 5).

Table 3. Inferred Coal Resource summary for the Varalja Target

Inferred Resources (k tonnes)	Coal Quality (Weighted Average)					
	Ash ar (%)	TM ar (%)	CV ar (MJ/Kg)	CV adb (MJ/Kg)	CV daf (MJ/Kg)	Rd (t/m^3)
184,500	**47.34**	**5.66**	**10.1**	**11.0**	**22.4**	**1.4**

Notes: TM – total moisture, CV – Calorific value, IM – Inherent moisture, RD – Relative density (Assigned in situ RD), ASH – Ash content, VM – Volatile matter, adb – air dried basis, laboratory report, FC – Fixed carbon, ar – as received, calculation, ar = [(100-TM)/(100-IM)] x CVadb , TS – Total sulphur, daf – dry ash free, calculation, daf = [100/(100-IM-ASH)] x CVadb

Glossary

Exploration Target	a conceptual target of the potential quality and grade of a deposit where there has been insufficient exploration or

	there is insufficient data to define a JORC compliant Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource;
GJ/t	gigajoules per tonne
JORC	the Joint Ore Reserves Committee which administers the JORC Code and sets the regulatory enforceable standards for The Code of Practice for Public Reports to the ASX
JORC Code	the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 which sets out the minimum standards, recommendations and guidelines for the public reporting of exploration results, Mineral Resources and ore reserves in Australasia;
Inferred Resource	that part of a resource for which tonnage, grade and mineral content can be estimated with a low level of confidence;
Mecsek Hills UCG Project	the Company's UCG project located in the Mecsek coal formation in the Pécs region in southern Hungary, further details of which are in Section 1.3(a);
MJ/kg	megajoules per kilogram;
Mt	metric tonne;

Further Information on Wildhorse:

Wildhorse Business Model

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

Business Strategy

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