WILDHORSE ENERGY

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CO-OPERATION AGREEMENT WITH HUNGARIAN STATE OWNED ENTITIES TO ENABLE FUTURE DEVELOPMENT OF 77Mlbs U_3O_8 MECSEK HILLS URANIUM PROJECT

Highlights:

- New Co-operation Agreement signed for the exclusive partnership with Hungarian State owned Mecsek-Öko and Mecsekérc aimed at development and ultimately uranium mining at the Mecsek Hills Uranium Project in Hungary
- Agreement includes a proposed joint venture combining Wildhorse's Pécs uranium licence and Mecsek-Öko's adjoining MML-E uranium licence
- Total project JORC Inferred Resource of 48.3Mt at 0.072% uranium ('U_3O_8') for 77Mlbs and an Exploration Target[1] of an additional 55-90Mlbs of U_3O_8 with a grade range of 0.075-0.10% U_3O_8 – one of the largest uranium deposits in Europe
- Wildhorse's immediate focus is now to use its in-country relationships and knowledge to finalise a joint venture with Mecsek-Öko and Mecsekérc to facilitate the development of this strategically important uranium deposit
- Agreement further highlights Hungarian Government's positive stance on nuclear power – where nuclear already provides approximately 40% of domestic power production and two new nuclear reactors are planned
- Following the completion of the joint venture, the Board will actively review all options with regards to developing the asset and to maximising the value for all stakeholders

Wildhorse Energy Limited ('WHE' or 'the Company') has signed a new non-binding Co-Operation Agreement ('the Agreement') with Mecsek-Öko and Mecsekérc, the state-owned corporations responsible for the development and rehabilitation of the Hungarian uranium sector. The Agreement is designed to develop a joint venture company to re-start uranium mining at the Mecsek Hills Uranium Project ('the Project') in southern Hungary, comprising the 42.9 sq km Pécs uranium licence, owned by WHE, and the 19.6 sq km MML-E licence, owned by Mecsek-Öko. Jointly, the Project has a JORC compliant Inferred resource of

[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.

48.3Mt at 0.072% U_3O_8 for 77Mlbs of U3O8 and a total JORC Exploration Target[1] of a further 55-90Mlbs of U_3O_8 with a grade range of 0.075-0.10% ('U_3O_8'). This Project will be advanced in tandem with the Company's existing underground coal gasification ('UCG') portfolio, where the PFS for the flagship Mecsek Hills UCG Project is nearing completion.

WHE Managing Director Matt Swinney said, "This is an exciting large scale uranium project with a proven resource in a uranium friendly jurisdiction. With the support of these government owned development partners and a stronger current uranium price of c. US$55 per pound compared with a price of US$10 to US$15 per pound at the time of the mine's closure in 1997, we look forward to evaluating all options to maximise the value of this significant asset.

"Whilst we remain focused on developing our UCG portfolio, we are highly excited about the opportunity that this partnership offers and the potential value uplift that this strategic uranium project provides for our shareholders. With a revival in nuclear energy as central European governments look to establish new energy supplies to lessen the reliance on imported gas, interest in the Mecsek Hills Uranium Project, as one of Europe's largest uranium projects, is gaining traction. Notably, nuclear power already provides approximately 40% of Hungary's energy requirements and the government plans to build two further new reactors.

"We have a highly attractive portfolio which consists of a number of high value UCG projects, which importantly do not use fracking, as well as uranium, which remains not only important in Europe but globally, as highlighted by the Chinese company CGNPC-URC taking over AIM-listed Kalahari Minerals. This dual focus provides us with exposure to two distinct, but both strongly growing sectors with material valuation upside."

Co-operation Agreement with Mecsek-Öko and Mecsekérc

The Agreement was signed to further strengthen and extend the existing Cooperation Agreement between Mecsekérc, Mecsek-Öko and WHE ('the Parties'). The Agreement is aimed at developing a joint venture company to re-start uranium mining at the Mecsek Hills Uranium Project. Under the terms of the Agreement, the Parties will jointly execute various tasks relating to the preparation of technical, business, and communication plans, permitting for mine development and execution of development and joint venture agreements. It will also see the sharing of knowledge, experiences and measurement data. WHE will contribute uranium exploration licence areas Pécs and Abaliget to a joint venture company, whilst Mecsek-Öko will contribute the MML-E licence.

Mecsek Hills Uranium Project Area

The Mecsek Hills Uranium Project is a project which spans WHE's 42.9 sq km Pécs licence area and Mecsek-Öko's neighbouring estimated 19.6 sq km MML-E licence located in the western Mecsek Mountains of southern Hungary. The Project has a current total Inferred Resource of 48.3Mt at 0.072% U_3O_8 for 77Mlbs of

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U_3O_8 and an Exploration Target[1] of an additional 55-90Mlbs of contained U_3O_8 with a grade range of 0.075-0.10% U_3O_8.

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

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

Note: Figures have been rounded

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

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

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

Mecsek-Öko and Mecsekérc

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

Nuclear Energy Dynamics

Many countries in Central and Eastern Europe rely heavily on nuclear power to supply a significant share of their electricity generation need. Much of the current installed capacity is of older Russian technology, which was installed during the Soviet era. The nuclear fuel need is also supplied from Russia, which is usually sold

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as a package with technology. As the current nuclear plants are approaching their end to useful economic life (usually 30 years for older reactor models), many governments are looking to find ways of replacing this capacity. Most countries have been upgrading the reactors in order to extend their useful life for another 10-20 years, as it is the case with Hungary.

Nuclear power is also very important for these countries as all of them are heavily reliant on Russian gas. More than 70% of their gas imports are from Russia, which makes them vulnerable to natural gas as fuel for both domestic use and power generation. As a result, nuclear power is perceived as a very significant means of ensuring sovereign security of supply. In addition, most of these countries are EU members and as a result they are affected by EU CO2 targets and costs. In light of this, many countries have brought nuclear power high onto their political agendas and have expressed open support for the construction of their nuclear fleet.

****ENDS****

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Further Information on Wildhorse:

Wildhorse Business Model

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

Business Strategy

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

Competent Persons Statement

The information in the report to which this statement is attached that relates to the Mecsek Hills Uranium Project Mineral Resource is based on information compiled by Mr Lauritz Barnes and Mr Neil Inwood who are both Members of The Australasian Institute of Mining and Metallurgy. Mr Barnes is an independent consultant and Mr Inwood is employed by Coffey Mining.

Mr Barnes is the Competent Person responsible for the database, modelling, estimation methodology and Classification. Mr Inwood has reviewed the resource estimate and consents to take dual responsibility for the estimation methodology and Classification.

Both Messrs Barnes and Inwood and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"