WILDHORSE ENERGY

ABN 98 117 085 748

Condensed consolidated interim financial report for the six months ended

31 December 2012

Directors' Report

CONTENTS

	Page
Directors' report	3
Auditor's independence declaration	7
Condensed consolidated statement of comprehensive income	8
Condensed consolidated statement of financial position	9
Condensed consolidated statement of changes in equity	10
Condensed consolidated statement of cash flows	12
Condensed notes to the consolidated interim financial statements	13
Directors' declaration	20
Independent auditor's review report to members	21

Directors' Report

The Directors of Wildhorse Energy Limited present their report together with the consolidated interim financial report for the six months ended 31 December 2012 and the independent auditor's review report thereon.

Directors

The Directors of the Company at any time during or since the end of the half-year to the date of this report are:

Mark Hohnen	Non-Executive Chairman
Matthew Swinney	Managing Director
Brett Mitchell	Non-Executive Director
Johan Brand	Technical Director, Non-Executive
Ian Middlemas	Non-Executive Director
James Strauss	Non-Executive Director
Konrad Wetzker	Non-Executive Director

Directors have been in office since the start of the half year to the date of this report.

Review of operations – Half-year ended 31 December 2012

During the half year ended 31 December 2012, the Company's activities were as follows:

- Successful completion and positive findings delivered from Cooperation Agreement study ('the Study') with the Hungarian Geological and Geophysical Institute and the University of Miskolc' Faculty of Earth Science and Engineering
  - Expansive potential for UCG in Hungary demonstrated in the Study – considerable relevance to the national energy strategy due to its positive impact on energy security of supply and endorsing domestic clean coal technologies
  - The Study has demonstrated that only minor amendments are needed to be incorporated into the legislative and regulatory framework to develop UCG projects – facilitating the development of UCG in Hungary by WHE and providing a model for replication in additional countries
- Coal licence applications advancing in Central and Eastern Europe in line with roll-out strategy to become a leading provider of fuel in the region
- Solid progress advancing strategic partner selection with discussions underway with several parties to evaluate the potential to WHE's initial commercial demonstration project ('CDP') in Hungary
  - Non-binding Memorandum of understanding ('MOU') concluded with E.ON Hungária ZRt ('E.ON Hungária'), to examine and evaluate the feasibility of constructing a ~100MWt syngas, 50MWe UCG CDP within E.ON Hungária's distribution area in Hungary
- Positive progress made with engineering re-design studies to refine the UCG project model in order to lower initial capital requirements and provide the ability to apply simplified licencing procedures
- Completion of Hungarian Government due diligence evaluation and encouraging findings reported relating to the feasibility of recommencing uranium mining at the Mecsek Hills Uranium Project, one of the largest uranium deposits in Europe

Managing Director's Report

The WHE team has been primarily focussed on forging of relationships with key strategic partners during the period under review, in addition to establishing the necessary legislative and regulatory requirements relating to the facilitation of development of its UCG portfolio.

Significant advancements on both a commercial and operational front across WHE's UCG and uranium portfolio have underpinned the Board's conviction that the future for alternative and nuclear energy development in CEE is an area of enormous potential, and one which is increasingly gaining recognition from policy decision makers and investors alike. When considering the increasing importance being attached to energy security the urgent need to develop sustainable domestic sources of fuel is evident. Importantly, this stance is increasingly being adopted by governments and utilities companies in the region, which positions WHE strongly to capitalise on its first mover advantage and advanced applications in CEE.

Directors' Report

UCG Portfolio

Cooperation Agreement – Regulation of UCG in Hungary

The period under review has been marked by the development and completion of WHE's technical and risk assessment study relating to the Cooperation Agreement with the Hungarian Geological and Geophysical Institute and the Faculty of Earth Science and Engineering of the University of Miskolc, and the associated development of the legislative and regulatory framework required to develop UCG projects in Hungary.

This study, which was completed and delivered in February, yielded highly positive results demonstrating the significant potential for UCG implementation in Hungary, underpinning our confidence that Hungary represents a good location for our initial commercial demonstration project ('CDP'). It was concluded that UCG is an exploitation technology, which falls within the same category as conventional coal mining and that the current, valid legal framework provides sufficient guidelines for the authorities to licence UCG, with minor modifications to ensure better management of environmental risks.

With the objective of efficiently formulating and implementing the appropriate regulatory modifications highlighted in our evaluation of the current framework, WHE continues to work actively with all parties and I look forward to providing further updates to this process in due course.

Strategic Partner Selection

As shareholders will be aware, the Board has been advancing negotiations with several potential strategic partners to fund the completion of the Bankable Feasibility Study ('BFS') for WHE's flagship Mecsek Hills UCG Project.

A great deal of progress has been in made in this process and in this vein, WHE announced a non-binding Memorandum of Understanding with E.ON Hungária. Under the terms of the MOU, E.ON Hungária, together with WHE, will examine and evaluate the feasibility of constructing a UCG CDP within E.ON Hungária's distribution area in Hungary and of a size of approximately 100 MWt syngas, 50 MWe.

The 100% WHE-owned Mecsek Hills UCG Project is WHE's most advanced UCG project and having successfully demonstrated the attractive economic and technical potential of supplying syngas as a gas feedstock for a dedicated power station through its Pre-Feasibility Study in Q1 2012, the Company has since been evaluating a range of strategic partners to enable it to fund the completion of the BFS. Once secured, the Company intends to recommence the BFS and initiate a drilling programme to upgrade its current JORC compliant Inferred resource of 185 Mt to the Indicated and Measured categories.

E.ON Hungária is the Hungarian regional unit of the associated E.ON group of companies that comprises one of the largest privately owned power and gas companies in the world with sales of just under €113 billion in 2011. The Hungarian unit, as one of the largest companies in the country with over 3 million customers, is primarily engaged in power wholesale and power and gas distribution and retail.

Mecsek Hills UCG Project Engineering Studies & Work Programme

On an operational front, WHE has concentrated on the advancement of engineering re-design studies with the objective of reducing initial capital requirements and simplifying licencing procedures through the adoption of a phased development approach.

As part of the phased approach, the Company is focusing its engineering redesign works on developing the CDP in two phases, the first phase being the development of the underground gas production facility and the second phase, the above ground gas processing, gas clean up and gas turbine facilities. This approach will enable the Company to demonstrate critical aspects of UCG, such as gas quality and flow rates, prior to obtaining all the required capital for the complete project, which includes both phases. The Company will also demonstrate these qualities and the safety features of the project to the appropriate regulators. The Company believes this approach will substantially reduce the initial capital requirement to demonstrate successfully the de-risking of UCG gas production rates and quality and will therefore assist with future capital requirements. The required funding for the above ground facilities and equipment, components of the second phase of development, represents the most significant portion of the required project funds.

Directors' Report

WHE has also progressed works to enhance environmental and resource definition and comprehension of its project target coal areas at the Mecsek Hills UCG Project. This work includes 3D seismic re-processing and interpretation, in consultation with the Hungarian Geophysical and Geological Association, MFGI, to develop a three dimensional model of the target project coal resource including geological discontinuities and stratigraphical horizons. A high resolution two dimensional seismic measurement and historical borehole logging is also being undertaken to further de-risk the project and define project target coal packages and coal mining panel selection in the site selection process. The WHE team, in conjunction with Golder and Associates, are also investigating environmental studies and baseline water monitoring to assist in building a database to understand the effect of seasonality on water quality and the water quality prior to any gasification operations.

A preliminary rock mechanical model to determine near and far field geotechnical behaviour associated with the gasification process will be completed in Q2 2013 and will address issues such as subsidence and mining panel geometry.

Central and Eastern European UCG Roll Out

As part of Wildhorse's regional UCG roll out strategy, Wildhorse has previously initiated coal exploration applications in five areas in the Czech Republic and a further six areas in Poland. These exploration areas contain significant coal resources that are believed to be suitable for the development of large scale UCG projects and thus form an important part of Wildhorse's corporate strategy.

Steady progress continues with these applications, with several Polish applications expected to be concluded during the coming half year.

Uranium Interests

Mecsek Hills Uranium Project

Turning to WHE's uranium interests, which consists of the Mecsek Hills Uranium Project, combining WHE's 42.9 sq km Pécs-Abaliget uranium licence and Hungarian state-owned Mecsek-Öko's ('MO') adjoining 19.6 sq km MML-E uranium licence. The project has a total JORC Inferred Resource of 48.3Mt at 0.072% U3O8 for 77Mlbs of U3O8 and an Exploration Target of an additional 55-90Mlbs of U3O8 with a grade range of 0.075-0.10% U3O8, making it one of the largest uranium deposits in Europe.

Development has focussed on a Hungarian Government required due diligence evaluation with the objective of assessing the viability of recommencing uranium mining at the Mecsek Hills Uranium Project. The evaluation, which delivered positive findings during the period, examined the environmental, water protection, health and safety, mining design, public support and regulatory aspects of recommencing uranium mining at the Mecsek Hills Uranium Project.

This due diligence evaluation follows the formal pledge of support during the period from the Hungarian Government for the development of a Joint Venture ('JV') between the Company, MO and Mecsekérc, and Hungarian Electricity Ltd ('MVM'), the owner of Paks Nuclear Power Plant to evaluate the necessary conditions to restart uranium mining.

Financial position

The consolidated entity had cash and cash equivalents balances on hand at 31 December 2012 of $7,186,223 (30 June 2012: $10,804,818).

A net loss of $4,235,984is reportable for the six months ended 31 December 2012 (31 December 2011: $7,684,980 loss), with a basic loss per share of 1.1 cents (31 December 2011: 3.1 cents loss per share).

Directors' Report

Going concern

The interim financial statements of Wildhorse Energy Limited have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The consolidated entity incurred a loss of $4,235,984 during the six months ended 31 December 2012 bringing the accumulated loss for the consolidated entity to $59,953,058. Included in the loss for the period is an impairment of exploration expenditure of $1,278,171. As at 31 December 2012 the consolidated entity had current assets of $8,277,592 and sufficient cash and liquid securities to pay its debts and to fund near term anticipated activities.

Equity

As at 31 December 2012, the Company had 403,058,774 ordinary shares on issue. The number of unlisted options on issue was 47,831,455.

Lead Auditor's Independence Declaration under section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 7 and forms part of the Directors' report for the half-year ended 31 December 2012.

Dated at Subiaco this 14th day of March 2013.

Signed in accordance with a resolution of the Directors:

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Matthew Swinney
Managing Director

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Wildhorse Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2012 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG.

KPMG

R Gambitta
Partner

Perth

14 March 2013

Condensed consolidated interim statement of comprehensive income

For the six months ended 31 December 2012

		CONSOLIDATED	
	Notes	**31-Dec-12 AUD**	**31-Dec-11 Restated* AUD**
Revenue		-	244,285
Other income		652	14,700
Employee benefits	6	(1,244,499)	(1,844,942)
Professional costs		(708,122)	(975,612)
Premises		(108,517)	(178,237)
Travel		(203,932)	(261,384)
Depreciation and amortization		(215,264)	(237,804)
Other costs		(467,565)	(538,926)
Other taxes		(290)	-
Impairment of exploration costs	9	(1,278,171)	-
Impairment of asset held for sale		-	(3,790,309)
Impairment of other assets		(69,049)	-
Financial income		102,296	-
Financial expense		(43,523)	(116,751)
Loss before tax		(4,235,984)	(7,684,980)
Tax expense		-	-
Loss from continuing operations		(4,235,984)	(7,684,980)
Loss attributable to:			
Members of the parent entity		(4,230,418)	(7,684,980)
Non-controlling interest		(5,566)	-
		(4,235,984)	(7,684,980)
Other comprehensive income/(loss)			
Foreign currency translation		1,121,246	(5,972,730)
Other comprehensive loss for the period, net of income tax		1,121,246	(5,972,730)
Total comprehensive loss for the period		(3,114,738)	(13,657,710)
Total comprehensive loss attributable to:			
Owners of the parent entity		(3,109,172)	(13,657,710)
Non-controlling interest		(5,566)	-
		(3,114,738)	(13,657,710)
Basic and diluted loss per share attributable to the ordinary equity holders of the company (cents per share)		(1.1)	(3.1)

**See note 4*

The condensed consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated interim financial statements.

Condensed consolidated interim statement of financial position

As at 31 December 2012

	Notes	CONSOLIDATED 31-Dec-12 AUD	30-Jun-12 Restated* AUD
CURRENT ASSETS			
Cash and cash equivalents		7,186,223	10,804,818
Sundry debtors and other receivables		598,903	1,009,397
Non-current assets held for sale	7	492,466	512,997
TOTAL CURRENT ASSETS		8,277,592	12,327,212
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	9	29,919,219	28,731,585
Property, plant and equipment	8	79,241	133,756
Intangible assets	10	253,766	378,816
Deposit held		1,327,186	1,303,943
TOTAL NON-CURRENT ASSETS		31,579,412	30,548,100
TOTAL ASSETS		39,857,004	42,875,312
CURRENT LIABILITIES			
Trade and other payables		515,812	718,437
Derivative liabilities		-	48,111
Provisions		40,109	67,694
TOTAL CURRENT LIABILITIES		555,921	834,242
NON-CURRENT LIABILITIES			
Deferred tax liability		1,783,757	1,716,595
TOTAL NON-CURRENT LIABILITIES		1,783,757	1,716,595
TOTAL LIABILITIES		2,339,678	2,550,837
NET ASSETS		37,517,326	40,324,475
EQUITY			
Contributed equity	13	92,293,343	92,293,343
Reserves		5,227,198	3,798,363
Accumulated losses		(59,953,058)	(55,722,640)
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		37,567,483	40,369,066
Non-controlling interest		(50,157)	(44,591)
TOTAL EQUITY		37,517,326	40,324,475

**See note 4*

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated interim financial statements.

Condensed consolidated interim statement of Changes in equity

For the six months ended 31 December 2012

CONSOLIDATED	Contributed equity AUD	Foreign currency translation reserve AUD	Share-based payment reserves AUD	Accumulated losses AUD	Non-controlling interest AUD	Total equity AUD
At 1 July 2012	92,293,343	(5,726,226)	11,864,595	(55,722,640)	(44,591)	42,664,481
Restatement	-	(2,340,006)	-	-	-	(2,340,006)
At 1 July 2012 - Restated	92,293,343	(8,066,232)	11,864,595	(55,722,640)	(44,591)	40,324,475
Comprehensive income for the period						
Loss for period	-	-	-	(4,230,418)	(5,566)	(4,235,984)
Other comprehensive income/(loss)						
Foreign currency translation reserve	-	1,121,246	-	-	-	1,121,246
Total other comprehensive income	-	1,121,246	-	-	-	1,121,246
Total comprehensive loss for the period	-	1,121,246	-	(4,230,418)	(5,566)	(3,114,738)
Transactions with equity holders in their capacity as equity holders						
Acquisition of non-controlling interest	-	-	-	-	-	-
Issue of share capital net of transaction costs						
Share based payments	-	-	307,589	-	-	307,589
Total contribution by and distributions to owners	-	-	307,589	-	-	307,589
Balance at 31 December 2012	92,293,343	(6,944,986)	12,172,184	(59,953,058)	(50,157)	37,517,326

Condensed consolidated interim statement of Changes in equity

For the six months ended 31 December 2011

CONSOLIDATED	Contributed equity AUD	Foreign currency translation reserve AUD	Share-based payment reserves AUD	Accumulated losses AUD	Non-controlling interest AUD	Total equity AUD
At 1 July 2011	80,896,849	9,638,993	-	(43,865,842)	-	46,670,000
Restatement	-	(1,363,916)	-	-	-	(1,363,916)
At 1 July 2011 - Restated	80,896,849	8,275,077	-	(43,865,842)	-	45,306,084
Comprehensive income for the period						-
Loss for period	-	-	-	(7,684,980)		(7,684,980)
Other comprehensive income/(loss)						
Foreign currency translation reserve	-	(5,972,730)	-	-	-	(5,972,730)
Total other comprehensive income	-	(5,972,730)	-	-	-	(5,972,730)
Total comprehensive loss for the period	-	(5,972,730)	-	(7,684,980)		(13,657,710)
Transactions with equity holders in their capacity as equity holders						
Acquisition of non-controlling interest	-	-	-	-	-	-
Issue of share capital net of transaction costs	-	-	-	-	-	-
Share based payments	-	-	732,501	-	-	732,501
Total contribution by and distributions to owners	-	-	732,501	-	-	732,501
Balance at 31 December 2011 - Restated	80,896,849	2,302,346	732,501	(51,550,822)		32,380,874

The condensed consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated `interim financial statements.

Condensed consolidated interim statement of cash flows

For the six months ended 31 December 2012

		CONSOLIDATED ENTITY	
	Notes	**31-Dec-12 AUD**	**31-Dec-11 AUD**
Cash flows from operating activities			
Cash paid to suppliers and employees		(1,701,497)	(2,707,835)
Cash paid to exploration suppliers and employees		(669,366)	(2,425,806)
Interest received		72,048	206,628
Net cash used in operating activities		(2,298,815)	(4,927,013)
Cash flows from investing activities			
Payments for plant and equipment	8	(12,294)	(82,910)
Payments for intangible assets	10	(43,807)	-
Payments for exploration and evaluation	9	(1,371,569)	(3,053,950)
Proceeds from sale of prospects		24,215	-
Net cash used in investing activities		(1,403,455)	(3,136,860)
Cash flows from financing activities			
Net cash provided by/(used in) financing activities		**-**	-
Net decrease in cash and cash equivalents		(3,702,270)	(8,063,873)
Foreign exchange movement on cash		83,674	(125,896)
Cash and cash equivalents at 1 July		10,804,818	13,494,340
Cash and cash equivalents at 31 December		7,186,223	5,304,571

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes to the consolidated interim financial statements.

Condensed notes to the consolidated interim financial statements

1. Reporting entity

Wildhorse Energy Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is 283 Rokeby Road, Subiaco WA 6008. The consolidated interim financial report of the consolidated entity for the six months ended 31 December 2012 comprises the Company and its subsidiaries (together referred to as the consolidated entity).

This consolidated interim financial report was approved by the Board of Directors on 14th March 2013.

2. Basis of preparation

Statement of compliance
These interim consolidated financial statements are for the six months ended 31 December 2012. They have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the consolidated financial report of the consolidated entity for the year ended 30 June 2012, and any public announcements made by Wildhorse Energy Limited during the interim accounting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Significant accounting policies
These consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 June 2012.

The accounting policies have been applied consistently throughout the consolidated entity for the purposes of preparation of these consolidated interim financial statements unless otherwise stated.

Going concern
The interim financial statements of Wildhorse Energy Limited have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The consolidated entity incurred a loss of $4,235,984 during the six months ended 31 December 2012. Included in the loss for the period is an impairment of exploration expenditure of $1,278,171. As at 31 December 2012, the consolidated entity had current assets of $8,277,592 and sufficient cash and liquid securities to pay its debts and to fund near term anticipated activities.

Condensed notes to the consolidated interim financial statements

3. Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2012.

4. Prior period restatement

Following a review of capitalised exploration and evaluation expenditure with regards to the March 2010 acquisition of Peak Coal, prompted by the change in auditors, the Company determined that a certain component of capitalised exploration and evaluation expenditure had not been fully converted from the functional currency (HUF) of the relevant subsidiary to the reporting currency (AUD). In accordance with Australian accounting standards the amount of the currency variation between the time of the acquisition and the reporting date has to be recorded as an adjustment. It is the opinion of the Board that this does not affect the future potential of the assets due to the fact that it is only owing to the relative FX valuation of the HUF compared to the AUD.

The impact of the restatement on the statement of financial position is the following:

	30-Jun- 2012 (cumulative impact on prior period closing balances)	1-Jul- 2011 (cumulative impact on prior period opening balances)
	AUD	AUD
Exploration and evaluation expenditure	(2,340,006)	(1,363,916)
Reserves (Foreign currency translation reserve)	(2,340,006)	(1,363,916)

The impact of the restatement on the statement of comprehensive income is the following:

	31-Dec-2011
	AUD
Other comprehensive loss for the period (Foreign currency translation)	(1,124,405)

Condensed notes to the consolidated interim financial statements

5. Segment reporting

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, which are not attributable to segments.

For six months ended 31 December 2012

	HUNGARY COAL 31-Dec-12 AUD	HUNGARY URANIUM 31-Dec-12 AUD	UNITED STATES OF AMERICA 31-Dec-12 AUD	CENTRAL EUROPE 31-Dec-12 AUD	TOTAL SEGMENT 31-Dec-12 AUD
Interest income	21,275	400	5	6	21,686
Total Interest income	21,275	400	5	6	21,686
Results					
Segment Result	(1,826,197)	(354,672)	(9,569)	(60,583)	(2,251,021)
Loss for the period	(1,826,197)	(354,672)	(9,569)	(60,583)	(2,251,021)
Segment Assets					
The major changes in segment assets related to:					
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	46,694	7,419	-	-	**54,113**

For six months ended 31 December 2011

	HUNGARY COAL 31-Dec-11 AUD	HUNGARY URANIUM 31-Dec-11 AUD	UNITED STATES OF AMERICA 31-Dec-11 AUD	CENTRAL EUROPE 31-Dec-11 AUD	TOTAL SEGMENT 31-Dec-11 AUD
Interest income	43,440	-	10	3	43,453
Total Interest income	43,440	-	10	3	43,453
Results					
Segment Result	(932,006)	(411,347)	(3,845,004)	(74,936)	(5,263,293)
Loss for the period	(932,006)	(411,347)	(3,845,004)	(74,936)	(5,263,293)
Segment Assets					
The major changes in segment assets related to:					
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	2,741,225	122,687	169,001	13,479	**3,046,392**

Condensed notes to the consolidated interim financial statements

The below schedule contains the income and losses of Wildhorse Energy Ltd. and the reconciliation of reportable segment loss:

	31-Dec-12 AUD	31-Dec-11 AUD
Reconciliation of reportable segment loss		
Total loss for reportable segments	(2,251,021)	(5,263,293)
Less corporate revenues/(expenses)*		
Other income	441	-
Interest income	26,916	217,328
Employee benefits	(825,914)	(1,587,447)
Professional costs	(585,622)	(631,986)
Other costs	(1,003,140)	(701,268)
Eliminate inter segment income/(expenses)	402,356	281,686
Consolidated loss before income tax	(4,235,984)	(7,684,980)

* Including Wildhorse Energy Limited and Wildhorse Energy South Africa

6. Employee benefits

	CONSOLIDATED	
	31-Dec-12 AUD	31-Dec-11 AUD
Salaries, wages and other costs	1,028,006	1,112,441
Share based payments	216,494	732,501
	1,244,499	1,844,942

7. Non-current assets held for sale

	CONSOLIDATED	
	31-Dec-2012 AUD	30-Jun-2012 AUD
Balance at 1 Jul 12/1 Jul 11	512,997	5,367,266
Additions	14,106	181,961
Disposal (i)	(24,606)	(1,155,820)
Written off during the period	-	(4,086,815)
Foreign currency movements	(10,031)	206,405
Balance at 31 Dec 12/30 Jun 12	492,466	512,997

(i) In August 2012 the Company sold US Bison Basin Uranium assets for 25,000 US dollars (24,215 Australian dollars).

Condensed notes to the consolidated interim financial statements

8. Plant, property and equipment

	CONSOLIDATED	
	31-Dec-2012 AUD	30-Jun-2012 AUD
Carrying amount at 1 Jul 12/1 Jul 11	133,756	131,458
Additions	12,294	90,910
Reallocated to Intangible assets	(37,663)	-
Disposals	(10,063)	(4,093)
Depreciation and amortisation	(22,189)	(60,129)
Foreign currency movement	3,106	(24,389)
Carrying amount at 31 Dec 12/30 Jun 12	79,241	133,756

9. Exploration and evaluation expenditure

Movement in exploration and evaluation expenditure

	CONSOLIDATED		
	31-Dec-12 AUD	30-Jun-12 AUD	30-Jun-12 Restated AUD
Carrying amount at 1 Jul 12/1 Jul 11	28,731,585	29,539,025	**28,175,109**
Additions during the period	1,371,569	5,942,190	**5,942,190**
Written off (ii)	(1,278,171)	(97,987)	**(97,987)**
Foreign currency movement	1,094,236	(4,311,637)	**(5,287,727)**
Balance at 31 Dec 12/30 Jun 12	29,919,219	31,071,591	**28,731,585**

(ii) 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. During the period the directors decided to relinquish Mecsek-Komló Hydrocarbon and Ajka projects based on the performed exploration and evaluation work. As a result an impairment charge of $1,278,171 has been recorded in the statement of comprehensive income ($1,248,318 for Mecsek-Komló Hydrocarbon project and $29,853 for Ajka project).

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

Condensed notes to the consolidated interim financial statements

10. Intangible assets

Movement in intangible assets

	CONSOLIDATED	
	31-Dec-12 AUD	30-Jun-12 AUD
Carrying amount at 1 Jul 12/1 Jul 11	378,816	878,572
Reallocated from Plant property and equipment	37,663	-
Additions	43,807	-
Amortisation `	(193,075)	(398,016)
Foreign currency movement	(13,445)	(101,740)
Balance at 31 Dec 12/30 Jun 12	253,766	378,816

11. Commitments

There has been no change in leasing agreements and bank guarantees since the last annual reporting date, 30 June 2012.

12. Contingencies

There has been no change in contingent liabilities since the last annual reporting date, 30 June 2012.

13. Issued capital

The consolidated entity recorded the following amounts within shareholder's equity as a result of the issuance of ordinary shares:

Movement in ordinary shares capital for six months ended 31 December 2012

	Date	Number	$
Opening balance at 1 July 2012	01-Jul-12	403,058,774	92,293,343
Less Costs of issue			
Current year costs		-	-
Balance at 31 December 2012		403,058,774	92,293,343

Movement in ordinary shares capital for six months ended 31 December 2011

	Date	Number	$
Opening balance at 1 July 2011	01-Jul-11	250,928,627	80,896,849
Less Costs of issue			
Current year costs		-	-
Balance at 31 December 2011		250,928,627	80,896,849

Condensed notes to the consolidated interim financial statements

Movement in share options for the six months ended 31 December 2012

	Date	Number of options
Opening balance at 1 July 2012	01-Jul-12	47,831,455
Issues during the period		-
Closing balance at 31 December 2012		47,831,455

* This represents the average fair value of the grants.

14. Related party transactions

Directors and Specified Executives
Remuneration of Directors and Key management personnel has been set and paid based on the principles set forth in the 30 June 2012 Annual Report.

Other related parties
There has been no change in other related parties since the last annual reporting date, 30 June 2012.

15. Subsequent events

No matters or circumstances have arisen since the end of the financial period which significantly affect or may significantly affect the operations of the consolidated entity, the results of those operations, or state of affairs of the Group in future financial years.

Directors' declaration

In the opinion of the directors of Wildhorse Energy Limited ("the Company"):

1. the interim financial statements comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes set out on pages 13 to 19, are in accordance with the Corporations Act 2001 including:

    1. giving a true and fair view of the financial position of the consolidated entity as at 31 December 2012 and of its performance and cash flows for the six months ended on that date; and

    2. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

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

Dated at Subiaco this 14th day of March 2013.

Signed in accordance with a resolution of directors:

____
Matthew Swinney
Managing Director

Independent auditor's review report to the members of Wildhorse Energy Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Wildhorse Energy Limited, which comprises the condensed consolidated interim statement of financial position as at 31 December 2012, condensed consolidated interim statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date, notes 1 to 15 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 half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Wildhorse Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Wildhorse Energy Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Other Matter

The interim financial report of Wildhorse Energy Limited for the period ended 31 December 2011 was reviewed by another auditor who expressed an unmodified conclusion on that interim financial report on 15 March 2012.

KPMG.

KPMG

R Gambitta
Partner

Perth

14 March 2013