

2 August 2011

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## COMMENCEMENT OF TRADING ON AIM

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Wildhorse Energy Ltd ('WHE' or 'the Company') is pleased to announce that the ordinary shares of the Company will begin trading today on AIM under the symbol 'WHE'. WHE is now listed on both the AIM and ASX exchanges, and is focussed on developing underground coal gasification ('UCG') and uranium projects in Central Europe. GMP Securities Europe LLP is Broker to the Company and Grant Thornton UK LLP is its Nominated Adviser.

### COMPANY OVERVIEW:

- Objective to become a leading supplier of energy in Central Europe through the development of its UCG and uranium assets
- Dual listing to accelerate the Company's growth strategy and increase visibility within the European investment community
- UCG is a gasification process to unlock the value of stranded coal deposits through partial oxidisation of in-situ coal to form a mixture of gases (syngas) which can be used for power generation or conversion into liquid fuels
- Immediate opportunity to capitalise upon gas import reliance and energy security concerns in Central Europe
- Primary focus to advance the Mecsek Hills Gas Project where a Preliminary Feasibility Study (PFS) is due for completion during H2 2011, and where the Company is conducting a UCG site selection drilling program
- The Mecsek Hills Gas Project has an Exploration Target<sup>1</sup> of 1-1.25 billion tonnes with calorific values in the range 18-29 MJ/kg and includes a JORC Inferred resource of approximately 81 million tonnes (Mt) at the Komló target area, as well as substantial benefits from established local infrastructure, a large amount of historic drilling data and is in close proximity to a power station
- The Company has exceptional roll out potential across Central Europe – actively acquiring a pipeline of strategic, known coal deposits in regions where gas imports are dominant – in particular Poland, the Czech Republic and Germany
- The Company has two additional projects in Hungary that have UCG potential
- World class technical team implementing UCG technology with extensive experience from leading gasification and energy companies Sasol and Eskom
- Interest in a highly prospective Hungarian uranium asset with current resource of 48.3Mt at 0.072% U<sub>3</sub>O<sub>8</sub> for 77Mlbs of U<sub>3</sub>O<sub>8</sub> underpinning the Company's valuation

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<sup>1</sup> The exploration target tonnage and grades are conceptual as insufficient exploration has occurred to define a Mineral Resource, and is not clear if additional exploration will result in defining a Mineral Resource

- Strong cash position of A\$13.5m (~£9.1m) to support onward development of Mecsek Hills Gas Project and additional UCG assets

WHE's Managing Director Matt Swinney said, "WHE offers a compelling investment opportunity, providing exposure to the dynamic and highly lucrative Central European energy market. The completion of our dual listing on AIM represents a key milestone in the Company's corporate strategy as we focus on advancing our underground coal gasification and uranium assets in Hungary to become a leading supplier of energy in Central Europe. We have a world class team with a combination of operational, corporate and regional expertise to deliver on the Company's key objectives. This includes experts in UCG and coal gasification techniques and key individuals with a strong understanding and network within the Central European energy and corporate sectors to enable us to raise the profile of WHE in Central Europe and in key capital markets.

"Underground coal gasification, or 'UCG', is a process which converts coal into syngas which can then be utilised for sale to power stations as a gas feedstock as well as a range of other applications. Although UCG technology has been demonstrated in various countries for over 30 years, developments in directional drilling and the development of conventional gas alternatives over the last decade have contributed to the acceleration in UCG developments worldwide. Corporate entities and governments are beginning to appreciate the full scope of this gas production technology, which has the potential to unlock the energy value of stranded coal assets by turning uneconomic coal fields into highly valuable gas fields. With this in mind, we believe that UCG is now at a tipping point of market recognition as a next generation unconventional gas technology.

"Importantly, unconventional gas production techniques have dramatically reshaped the US energy market over the last 10 years and are increasingly being focussed upon across Europe. However, unlike shale gas extraction methods, UCG does not apply hydraulic fracturing (fracking) technologies which have been the subject of heavy scrutiny over recent months due to the associated environmental risks.

"Central Europe is an attractive focus for the Company due to the large amount of unexploited coal resources and its high level of reliance on gas imports, especially from Russia, which has created strong domestic demand fundamentals in the region. Hungary, our initial focus, currently imports approximately 70% of its gas requirements and other countries such as Poland, Germany and the Czech Republic, which we are targeting for expansion, import similar or greater amounts. Issues regarding energy security and high gas prices are a priority for these countries' governments and as such, the combination of these factors has created a compelling "first-mover" market opportunity for WHE as a supplier of syngas as a feedstock to power stations. With this in mind, we have already developed a portfolio of three strategic coal assets totalling an area of 489.1 sq km in Hungary which demonstrate potential suitability for UCG application, have excellent infrastructure and are in close proximity to established power stations, and are actively evaluating additional assets to build our strategic acreage across Central Europe.

"In addition to our UCG assets, our interest in one of Europe's largest uranium projects in southern Hungary provides an immediate and clearly visible valuation basis for the Company. WHE owns the 42.9 sq km Pécs uranium licence, which combined with state-owned Mecsek-Öko's neighbouring estimated 19.6 sq km MML-E licence, comprises the Mecsek Hills Uranium Project. Jointly, this has a JORC compliant Inferred resource of

48.3Mt at 0.072% uranium  $U_3O_8$  for 77Mlbs of  $U_3O_8$  and a total JORC Exploration Target<sup>2</sup> of a further 55-90Mlbs of  $U_3O_8$  with a grade range of 0.075-0.10%  $U_3O_8$ . Nuclear already provides approximately 40% of Hungary's energy requirements and the Government has recently reaffirmed its plans to build two further new reactors. At the beginning of the year we announced a Co-operation Agreement with the Government entities Mecsek-Öko and Mecsekérc with the express aim of restarting uranium mining at the project and to undertake further negotiations towards the creation of a joint venture company to commercialise our common economic interests in the Mecsek Hill Uranium project. This exciting project provides further uplift potential for WHE as we continue to develop our energy asset portfolio going forward."

For further information and AIM Admission documentation visit [www.wildhorse.com](http://www.wildhorse.com) or contact the following:

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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.

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<sup>2</sup> 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.

## UCG Projects

- Three UCG licence areas with a combined acreage of 490.5 sq km in known coal regions
- The Mecsek Hills Gas Project has a JORC Inferred Resource of 81 Mt (80.6 Mt, see table below)) for the Komló target area and a current Exploration Target<sup>3</sup> of between 1 – 1.25 billion tonnes of coal at 18.8 to 29.3 GJ/t, located in a historical coal mining district in southern Hungary
- The Izabela Gas (UCG) Project is a 46.1 sq km coal licence (containing 160 historic drill holes) located in a historic coal mining district in northern Hungary
- The Amelie Gas Project is a 25 sq km coal exploration licence (containing 84 historic drill holes) located in an historical coal mining district in Western Hungary and 10 km from a power station

Inferred Resources (Tonnes)	Average Coal Quality						
	Ash ar (%)	GCV (Kcal/Kg)	VM (%)	FC (%)	Rd (Ton/m <sup>3</sup> )	TM ar (%)	TS ar (%)
81,000,000	39.1	7403	18.24	38.14	1.47	5.00	2.13

CSA has based the Coal Resource on 1m cut off which represents a minimum level that is likely to be extractable using UCG methods. The Coal Resource is reported for coal likely to be present in a 2km radius of CH2A excluding areas already subjected to underground and open cast mining. The estimate was made using Ordinary Kriging.

## Uranium Project

- The Mecsek Hills Uranium Project in southern Hungary currently has an Inferred Resource of 48.3 Mt at 0.072% U<sub>3</sub>O<sub>8</sub> for 77 Mlbs of U<sub>3</sub>O<sub>8</sub> and an Exploration Target<sup>3</sup> of 55 to 90 Mlbs of U<sub>3</sub>O<sub>8</sub> with a grade range of 0.075 - 0.10% U<sub>3</sub>O<sub>8</sub>. The Project is comprised of the WHE owned Pécs and Abaliget licences and the adjoining Mecsek Mining Lease East ('MML-E') licence owned by Mecsek-Öko.

**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<sub>3</sub>O<sub>8</sub> using an Insitu Dry Bulk Density of 2.5 t/m<sup>3</sup>.

Classification	Region	Tonnes (Mt)	Grade (% U <sub>3</sub> O <sub>8</sub> )	Contained U <sub>3</sub> O <sub>8</sub> (T)	Contained U <sub>3</sub> O <sub>8</sub> (M lbs.)
Inferred	Pécs*	38.5	0.076	29,300	65
Inferred	MML-E**	9.8	0.057	5,600	12
<b>Inferred Total</b>		<b>48.3</b>	<b>0.072</b>	<b>34,900</b>	<b>77</b>

Note: Figures have been rounded

\* Pécs 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.

*For and on behalf of the Board*

<sup>3</sup> 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.

<sup>3</sup> 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.

#### **Competent Persons Statement**

*The geological modelling and estimation of the Exploration Target<sup>1</sup> of 1-1.25 billion tonnes of coal at 18.8 to 29.3GJ/t for Wildhorse Energy Limited's Mecsek UCG Project was completed under the overall supervision and direction of Mr Alan Millar BSc. MSc. MAusIMM, who was a full time employee of CSA Global Pty Ltd and is a Competent Person as defined by the Australasian Code for the Reporting of Mineral Resources and Ore Reserves (JORC Code) 2004 Edition. Alan Millar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Coal Resources is based on information compiled by Adrian Nurcahyo M AusIMM and Dr Bielin Shi MAusIMM, MAIG. Dr Bielin Shi 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". Dr Shi consents to the inclusion of such information in this report in the form and context in which it appears.*

*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. The geological modelling and estimation of the Exploration Target for the Mecsek Hills Uranium Project of 55 to 90 Mlbs of U<sub>3</sub>O<sub>8</sub> with a grade range of 0.075 to 0.10% U<sub>3</sub>O<sub>8</sub> was also compiled by Mr Barnes and Mr Inwood. Messrs Barnes and Inwood 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 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". Mr Barnes and Mr Inwood consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*