



ABN 98 117 085 748

31 July 2012

WILDHORSE ENERGY LIMITED
JUNE 2012 QUARTERLY REPORT

Wildhorse Energy ('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 pleased to announce its Quarterly Report for the three months ended 30 June 2012.

Overview:

- Government support received for the formation of a joint venture between WHE and state owned entities to develop the Mecsek Hills Uranium Project through formal Cabinet decree
- Executed a Cooperation Agreement to formalise the legislative and regulatory framework required to develop UCG projects in Hungary
- Successfully raised £7.52 million (A\$11.97 million) via placing and an oversubscribed share purchase plan
- Commenced its Bankable Feasibility Study ('BFS') on the Mecsek Hills UCG Project

WHE Managing Director Matt Swinney said, "Following the completion of our Preliminary Feasibility Study, which highlighted the potentially attractive economic fundamentals of producing syngas at the Mecsek Hills UCG Project, we have focussed on moving the Company into the next phase of its development. Importantly, in April and May we raised a total of £7.52 million and have subsequently commenced a Bankable Feasibility Study for the project while we continue to identify a strategic partner to facilitate the study's completion.

"Additionally the receipt of the Hungarian government's support for our JV to develop the Mecsek Hill's Uranium Project is a key step in its formation and we were delighted at the news. The Hungarian Cabinet decision is a highly significant milestone in the development of the Mecsek Hill's Uranium Project which has been a previously producing asset and is one of Europe's largest uranium projects with a total Inferred Resource of 48.3Mt at 0.072% U₃O₈ for 77Mlbs of U₃O₈.

“Post period end, WHE was pleased to announce that it had signed a Cooperation Agreement with the Hungarian Geological and Geophysical Institute and the Faculty of Earth Science and Engineering of University of Miskolc to formalise the legislative and regulatory framework required to develop UCG projects in Hungary. The parties believe that this could provide Hungary with an opportunity to develop its extensive stranded coal reserves and potentially provide the blue print for UCG project development across Europe as governments seek to develop their own resources and establish energy independence.”

Hungarian Government Issues Formal Decree Pledging Its Support for a Joint Venture Between State Owned Entities and WHE to Develop the Mecsek Hills Uranium Project.

In June 2012, WHE was delighted to announce that the Hungarian government gave formal endorsement to the potential development of a Joint Venture ('JV') between the Company, Hungarian state owned Mecsek-Öko ('MO') and Mecsekérc ('ME'), and Hungarian Electricity Ltd ('MVM') which is the owner of Paks Nuclear Power Plant ('Paks NPP'). This represents a major step in the development of the Mecsek Hills Uranium Project, which combines WHE's 42.9 sq km Pécs-Abaliget uranium licence and MO's adjoining 19.6 sq km MML-E uranium licence, and highlights the potential importance of the project to the national economy, the potential to create employment and its favourable effect on the security of energy supply.

As one of the largest uranium deposits in Europe, the Mecsek Hills Uranium Project is a strategically important asset for Hungary and has a total project JORC Inferred Resource of 48.3Mt at 0.072% uranium ('U₃O₈') for 77Mlbs of U₃O₈ and an Exploration Target¹ of an additional 55-90Mlbs of U₃O₈ with a grade range of 0.075-0.10% U₃O₈.

Hungarian Cooperation Agreement on UCG signed to formalise the legislative and regulatory framework

WHE was pleased to announce that it had signed a Cooperation Agreement with the Hungarian Geological and Geophysical Institute and the Faculty of Earth Science and Engineering of University of Miskolc to formalise the legislative and regulatory framework required to develop UCG projects in Hungary. The parties believe that this could provide Hungary with an opportunity to develop its extensive stranded coal reserves and potentially provide the blue print for UCG project development across Europe as governments seek to develop their own resources and establish energy independence.

In respect to the Cooperation Agreement, the Hungarian Minister of State for Climate and Energy Affairs, Mr. Pál Kovács, said, “The application of UCG has the potential to provide the country with a major new source of domestic fuel, which could revolutionise Hungary and Central and Eastern Europe’s energy demand/supply fundamentals. The Ministry of National Development is committed to decreasing the country’s dependence on external energy sources utilising currently inaccessible, domestic energy sources. It therefore looks forward to this cooperation, which aims to provide an understanding of UCG technology.”

Raised £7.52 Million to Initiate Bankable Feasibility Study at Mecsek Hills UCG Project

During the quarter, WHE was pleased to announce that it has raised a total of £7.52 million via a share placement and a share purchase plan.

UCG Development Update at the Mecsek Hills UCG Project

WHE has commenced a BFS on the Mecsek Hills UCG Project. Progress has been positive and work initiated to date includes 3D seismic re-interpretation analysis and integration of the latest vertical seismic profile information for the coal resources of the project area and preparatory work with regards to licencing the UCG and Combined Cycle Gas Turbine plants ('CCGT').

Work for the BFS shall also review the optimal capacity for the project. The Company is exploring the potential for a small scale UCG to CCGT facility of approximately 50 MWe Gross (100MWt LHV fuel input) in order to enhance potential returns through lower initial capital requirements and less stringent design and permitting requirements. The BFS shall also review potential options to reduce upfront capital expenditure for the project through a phased approach. Expediting the below ground portion of the facility will enable the Company to demonstrate the critical aspects of UCG prior to obtaining all the required capital for the project. This approach aims to assist the de-risking of the project from a capital, permitting and time line point of view.

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

****ENDS****

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

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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 and Eastern Europe. WHE's project development strategy is based primarily upon acquiring strategic UCG sites in key locations in Central and Eastern 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.

Alongside its UCG assets, the Company also has a significant interest in a highly prospective uranium deposit in Hungary, which has a JORC Inferred resource of 48.3Mt at 0.072% uranium U₃O₈ for 77Mlbs of U₃O₈. As announced on 27 June 2012, the government has issued a formal decree in support of the formation of a joint venture ('JV') with state-owned organisations, Mecsek-Öko, and Mecsekérc and Hungarian Electricity Ltd ('MVM') (the owner of Paks Nuclear Power Plant). The JV's initial purpose will be to evaluate the necessary conditions to restart uranium mining in the Mecsek Hills with the ultimate aim of recommencing uranium mining at the Mecsek Hills Uranium Project.

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Wildhorse Energy Limited

ABN

98 117 085 748

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(2,212)	(10,179)
(b) development	-	-
(c) production	-	-
(d) administration	(1,474)	(4,581)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	14	303
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Payments associated with AIM Listing	(17)	(276)
Net Operating Cash Flows	(3,689)	(14,733)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(4)	(90)
1.9 Proceeds from sale of:		
(a) prospects	-	1,152
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Intellectual Property)	-	-
Net investing cash flows	(4)	1,062
1.13 Total operating and investing cash flows (carried forward)	(3,693)	(13,671)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,693)	(13,671)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	12,078	12,078
1.15	Cost of share issue	(591)	(591)
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	11,487	11,487
	Net increase (decrease) in cash held	7,794	(2,184)
1.21	Cash at beginning of quarter/year to date	3,370	13,494
1.22	Exchange rate adjustments to item 1.20	(367)	(513)
1.23	Cash at end of quarter	10,797	10,797

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	426
1.25	Aggregate amount of loans to the parties included in item 1.10	Nil

1.26 Explanation necessary for an understanding of the transactions

Consulting fees, salaries, bonuses and superannuation paid to or on behalf of directors and payments to entities related to directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,332
4.2 Development	-
4.3 Production	-
4.4 Administration	997
Total	2,329

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	8,694	2,267
5.2 Deposits at call	2,103	1,103
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	10,797	3,370

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased			
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	403,058,774	403,058,774	
7.4	Changes during quarter	30,877,370	\$0.077 per share	\$0.077 per share
	(a) Increases through issues	ordinary fully paid shares issued on 12/04/12		
	(b) Decreases through returns of capital, buy-backs	121,252,777	\$0.077 per share	\$0.077 per share
		ordinary fully paid shares issued on 21/05/12		
7.5	*Convertible debt securities			
	<i>(description)</i>			
7.6	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through securities matured, converted			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options (description and conversion factor)	<i>Convert on a 1:1 basis</i>		<i>Exercise price</i>	<i>Expiry date</i>
		377,957		\$0.31	2013.06.20
		377,957		\$0.372	2013.06.20
		377,957		\$0.434	2013.06.20
		8,333,332		\$0.50	2014.02.26
		8,633,332		\$0.60	2014.02.26
		4,000,000		\$0.70	2014.02.26
		666,666		\$0.60	2014.02.16
		333,333		\$0.90	2014.02.16
		333,333		\$1.20	2014.02.16
		333,333		\$1.50	2014.02.16
		604,819		\$0.077	2014.04.12
		604,820		\$0.0924	2014.04.12
		604,820		\$0.1078	2014.04.12
		2,200,000		\$0.50	2014.06.01
		2,200,000		\$0.60	2014.06.01
		4,600,000		\$0.70	2014.06.01
		2,000,000		\$0.225	2014.06.30
		1,333,333		\$0.30	2014.11.22
		1,333,334		\$0.40	2014.11.22
		333,340		\$0.50	2014.11.22
		1,666,663		\$0.60	2014.11.22
		333,330		\$0.70	2014.11.22
		666,667		\$0.50	2015.06.30
		666,667		\$0.60	2015.06.30
		666,666		\$0.70	2015.06.30
		1,416,598		\$0.0802	2014.05.21
		1,416,599		\$0.0963	2014.05.21
		1,416,599		\$0.1123	2014.05.21
7.8	Issued during quarter	604,819	-	£0.05 (approx.A\$0.077)	2014.04.12
		604,820		£0.06 (approx.A\$0.0924)	2014.04.12
		604,820		£0.07 (approx.A\$0.1078)	2014.04.12
		1,416,598		£0.05 (approx.A\$0.0802)	2014.05.21
		1,416,599		£0.06 (approx.A\$0.0963)	2014.05.21
		1,416,599		£0.07 (approx.A\$0.1123)	2014.05.21
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	562,630	-	\$0.09	2012.05.30.
		3,193,362		\$0.34	2012.06.01.
7.11	Debentures (totals only)	0	0		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.12	Unsecured notes (totals only)	0	0
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does *give* a true and fair view of the matters disclosed.



Sign here:
Chief Financial Officer

Date: 30 July 2012

Print name: Timothy Christopher Dinsdale

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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