

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

WHL ENERGY LIMITED

ABN

25 113 326 524

Quarter ended ("current quarter")

31 December 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	51	97
1.2 Payments for (a) exploration & evaluation	(150)	*(675)
(b) development	-	-
(c) production	-	-
(d) administration	(256)	*(609)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(346)	(1,179)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) investments	(9)	(9)
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	36
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(3,355)	(3,355)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	1	1
Net investing cash flows	(3,363)	(3,327)
1.13 Total operating and investing cash flows (carried forward)	(3,709)	(4,506)

* Reclassification of exploration expenditure of 244k in prior quarter as administration expenditure in year to date figures.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,709)	(4,506)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	6,476	7,530
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(22)
1.18	Dividends paid	-	-
1.19	Share Issue Costs	(263)	(324)
1.20	Other	-	-
Net financing cash flows		6,213	7,184
Net increase (decrease) in cash held		2,504	2,678
1.20	Cash at beginning of quarter/year to date	323	154
1.21	Exchange rate adjustments to item 1.20	2	(3)
1.22	Cash at end of quarter	2,829	2,829

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
1.23	Aggregate amount of payments to the parties included in item 1.2	85
1.24	Aggregate amount of loans to the parties included in item 1.10	3,355

1.25 Explanation necessary for an understanding of the transactions

Payments to Executive Directors, Non-Executive Directors. (Item 1.02) The breakdown of the amount is as follows:

	Amount \$000
Director Fees	10
Salary – Executive Director	75
Superannuation	-
	<u>85</u>

Payments to Seyco (Item 1.10)

On 26 October the Company signed an Agreement with SEYCO Energy Pty Ltd ('SEYCO') to acquire 100 percent of the shares in SEYCO. The acquisition is subject to the following conditions precedent:

- SEYCO completing the acquisition of an entity that holds the exploration blocks ;
- Completion of due diligence by WHL Energy on SEYCO and the exploration blocks; and
- Approval from WHL Energy shareholders in a general meeting.

Pending the completion of the due diligence and shareholders' approval, the Company has advanced \$3.355m to SEYCO, to complete the acquisition of the entity and contracted payments for the seismic acquisition program. This advance is secured by a registered charge over the assets of SEYCO.

+ See chapter 19 for defined terms.

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

N/A

- 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

N/A

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	2,400
4.2 Development	-
4.3 Production	-
4.4 Administration	280
Total	2,680

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	148	323
5.2 Deposits at call	2,681	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,829	323

+ See chapter 19 for defined terms.

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	None			
6.2	Interests in mining tenements acquired or increased	None			

+ See chapter 19 for defined terms.

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>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 *Ordinary securities	292,303,142	292,303,142	Not required	Not required
7.4 Changes during quarter (a) Increases through issues b) Increases through securities converted (c) Decreases through returns of capital, buy-backs	22,727,273 217,391,304 166,666,667 Nil	22,727,273 217,391,304 166,666,667 Nil	2.2 cents 2.3 cents 1.2 cents	500,000 5,000,000 2,000,000
7.5 *Convertible debt securities <i>(description)</i>	87,892,083		Convertible at 1.2 cents subject to Shareholder approval	1,054,705
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities converted	78,774,584 (166,666,667)		Convertible at 1.2 cents Converted at 1.2 cents	945,295 2,000,000
7.7 Options <i>(description and conversion factor)</i>	9,808,346 1,000,000	9,808,346	<i>Exercise price 7,5 cents</i> <i>Exercise price 5,5 cents</i>	<i>Expiry date 30 June 2012</i> <i>Expiry date 31 August 2012</i>
7.8 Issued during quarter	30,000,000	30,000,000	<i>Exercise price 7,5 cents</i>	<i>Expiry date 30 June 2012</i>
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 28 January 2011
(Chief Executive Officer)

Print name: David Rowbottam.....

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

== == == == ==