



WHL Energy Ltd

ABN: 25 113 326 524

Level 2, 22 Delhi Street
West Perth, WA 6005

P.O. Box 1042, West Perth
Western Australia 6872

T: +61 8 6500 0271

F: +61 8 9321 5212

www.whlenergy.com

ASX RELEASE 3 April 2013

WHL ENERGY COMMENCES “LA BELLA” GAS MARKETING AS STUDIES FIRM UP RESOURCE AND CONFIRM ROBUST DEVELOPMENT OPTIONS

Highlights:

- **WHL continues to progress commercialisation of proven La Bella gas field**
- **Detailed re-mapping of the seismic dataset has enabled improved definition of La Bella and highlighted a number of near-field exploration prospects**
- **Development Concept Identification engineering studies, market analysis and economic analysis completed and indicate significant value in La Bella and the nearby exploration prospects**
- **Marketing discussions underway with potential gas buyers**
- **Farm-out data room open**

Australian oil and gas company WHL Energy Limited (**ASX: WHN**) (“**WHL Energy**” or “**the Company**”) is pleased to provide an update on activities related to its high-value La Bella gas and condensate asset in its 100%-owned VIC/P67 permit in the Otway Basin off the Victorian coast.

The Company reports that a detailed review of the available seismic and geological data has enabled a more thorough understanding of the La Bella field and surrounding exploration prospects. Additionally the Company has completed a detailed analysis of potential development concepts which has demonstrated significant value in the La Bella field and the exploration prospects in VIC/P67.

The La Bella gas and condensate field has been assessed by WHL Energy to contain 2C Contingent Resources of 114 Petajoules (PJ) gas along with an inventory of exploration prospects with total Prospective Resources (mean) of some 670 PJ gas and 8 million standard barrels (MMstb) condensate. The total mean Contingent and Prospective Resources in the La Bella area amounts to some to 786 PJ gas and 10 MMstb condensate. The current 2C Contingent Resources and Prospective Resources for the Permit are summarised in Table 1.

The exploration portfolio contains a number of low risk prospects adjacent to the La Bella field, such as Ferrier and La Bella North, which provide valuable tie-back potential to a La Bella development. The portfolio also contains the moderate risk 194 PJ Highlander prospect, that is also located within easy tie-back distance, being just 10km North West of the La Bella field.

Volumes in the La Bella North fault block were formerly included in the La Bella Contingent Resources but have been re-categorised to Prospective Resources (La Bella North Prospect) resulting in an apparent reduction in La Bella field volumes. However, the total mean La Bella field Contingent Resources and La Bella North Prospect Prospective Resources have increased from the previous 158 PJ to 201 PJ.

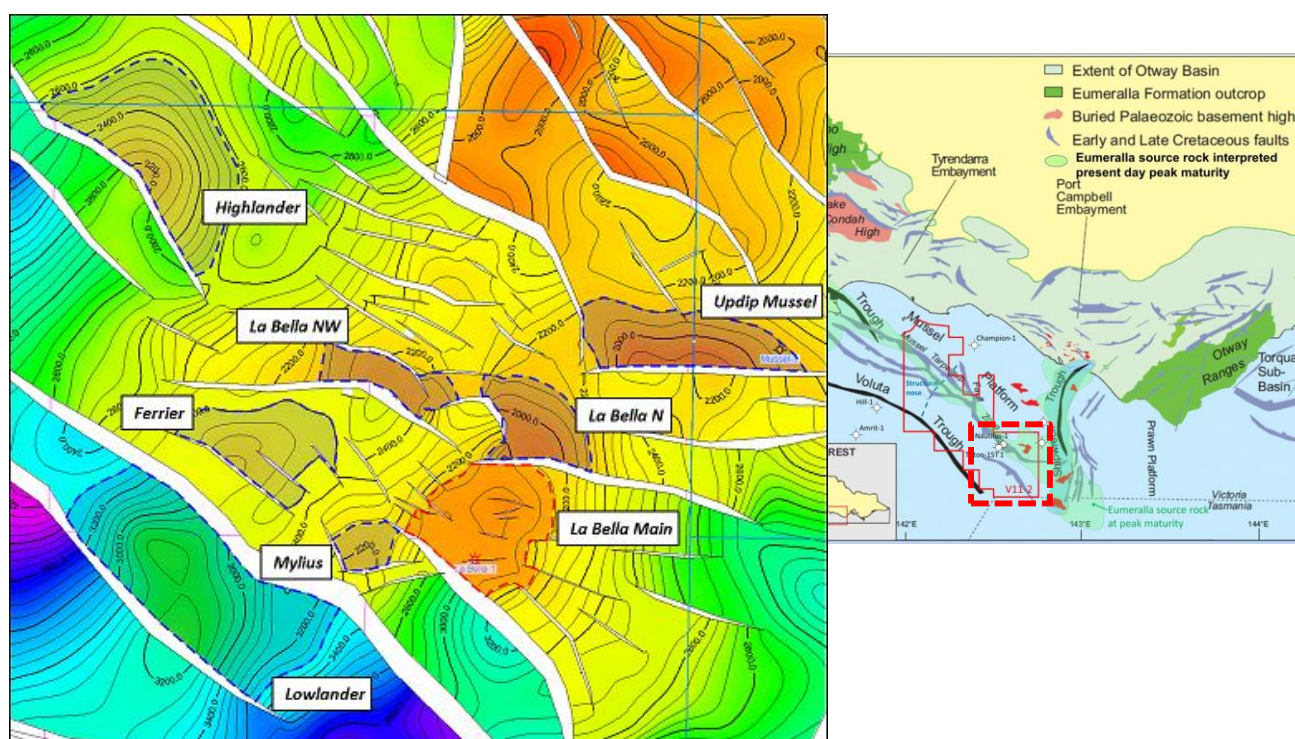


Table 1

Contingent Resources	1C (PJ)	2C (PJ)	3C (PJ)	Mean (PJ)
La Bella	86	114	151	116
Prospective Resources	P90 (PJ)	P50 (PJ)	P10 (PJ)	
LB North + North West	113	153	207	157
Highlander	80	178	326	194
Ferrier	26	56	121	67
Lowlander	49	137	378	186
Updip Mussel	20	46	102	55
Mylius	3	7	18	10
Total				786

WHL Energy has also recently completed detailed Development Concept Identification studies with leading international consultants Wood Group Kenny that have generated cost and schedule estimates for a range of development options. These include tie-backs to the existing infrastructure of:

- Casino, operated by Santos;
- Minerva, operated by BHPBilliton; and
- Thylacine Geographe, operated by Origin.

In addition, WHL Energy has been monitoring and reviewing the continued strong East Coast energy demand and associated upward pressure on gas prices.

The Company has also commenced marketing discussions with potential buyers.

Economic analysis indicates this development is robust over a range of gas price scenarios. The economics for (i) a single well La Bella field development via Casino; (ii) a La Bella plus La Bella North exploration success, with a two well development; and (iii) an upside scenario which includes exploration success with Highlander, are summarised in Table 2.

Table 2

	2C+ Prospective Resource (PJ)	Cost (A\$M)	NPV10% (A\$M)	IRR (%)
La Bella	114	256	85	21.9
La Bella + LB North	194	316	174	24.8
La Bella + LB North + Highlander	374	424	294	22.2

Importantly a 114 PJ La Bella Field development generates revenues in excess of \$150m p.a. over a period of 5 – 7 years and total project revenues in excess of \$1 billion with a gas price of \$7.50 GJ. The economics also indicate that La Bella gas is currently cost advantaged over competitor supplies of gas such as shale gas from the Cooper Basin.

As advised in previous updates, the upcoming 3D seismic survey has the objectives of further refining mapping of the La Bella field and the surrounding prospects, along with developing drilling targets. Acquisition of this survey is on track for November/December 2013, with drilling planned for Q4 2014 – Q1 2015.

In addition to the 3D seismic acquisition, WHL Energy will evaluate the exploration potential of the remainder of VIC/P67 and continue to develop the less mature exploration leads such as the Lowlander concept. The La Bella area only covers 30% of VIC/P67 with further exploration potential identified along trend to the west.

Mr Steve Noske, WHL Energy’s Managing Director, said “the result of the integrated technical work programme, coupled with the forecast for strong East Coast energy demand, continues to strengthen the commercial attractiveness of La Bella.”

“WHL Energy is pleased with the progress of the La Bella project and is excited by the results of the recent work that confirms the economic attractiveness of the La Bella development and demonstrates the value of the exploration potential in the VIC/P67 permit.

“To this end, we are proceeding with the commercialisation of the resource and have updated the data room with the latest detailed technical work. WHL Energy is seeking companies to participate in the upcoming 3D seismic and exploration drilling campaign.”

Mr Noske said “a decision on what form a farm-out agreement may take and how much equity WHL Energy may retain; will be finalised during the farm-out negotiation process.”

Background VIC/P67 – 100% (La Bella), Otway Basin, Offshore South East Australia

WHL Energy was formally awarded Exploration Permit VIC/P67 by the Commonwealth – Victoria Offshore Petroleum Joint Authority in March 2012. VIC/P67 contains the La Bella gas and condensate discovery and a number of nearby gas prospects and leads.

Located approximately 200km WSW of Melbourne, VIC/P67 benefits from its proximity to existing development infrastructure.

Mr Noske said “the VIC/P67 resources are rapidly growing in value.”

“WHL Energy, its industry peers and Australian energy analysts, have repeatedly stated that there is a strong likelihood of a significant gas shortage in the near to mid-term on the east coast of Australia,” Mr Noske said.

“An industry forum in Sydney was recently told by the chief executive of one of Australia’s biggest gas producers that eastern States gas prices have already increased significantly and are likely to at least double and possibly triple as demand grows and more and more gas is exported via LNG projects.

“We have already seen this reflected in our very early marketing discussions on the La Bella gas.”

End.

FURTHER INFORMATION

Shareholders/Investors:

David Rowbottam

WHL Energy Ltd

T: +61 8 6500 0271

E: contact@whlenergy.com

Media contact:

Colin Hay

Professional Public Relations

T: +61 8 9388 0944

E: colin.hay@ppr.com.au

The summary information contained in this ASX release relating to VIC/P67 has been compiled by the WHL Energy Limited full time Exploration Manager Mr Matt Fittall. Mr Fittall is a Geologist (BSc (Hons) Geology) with more than 28 years, practicing in Petroleum Geology. Mr Fittall has consented in writing to the inclusion of the information in the form and context in which it appears.

About WHL Energy Limited

ASX-listed WHL Energy Ltd (ASX: WHN) is an oil and gas exploration Company focussed on East Africa.

The Company’s “flagship” project is its 17,345 km² exploration area offshore Seychelles, owned 100% by WHL Energy. A highly material exploration portfolio and new exploration concepts are being matured in the acreage based on new seismic data. The Company is progressing a farmin proposal from a Global Fortune 500 Company before reviewing the timing of the planned exploration drilling program

WHL Energy also holds 100% equity in Exploration Permit VIC/P67 in the offshore Otway Basin, approximately 200 km WSW of Melbourne off the Victorian coastline. VIC/P67 contains the undeveloped La Bella gas field in proximity to the Victorian gas market, and several nearby exploration prospects.

The Company in addition holds 33.33% equity in exploration permit WA-460-P, in the offshore Southern Carnarvon Basin, which contains an extension of the very large Palta Prospect. A Shell led Joint Venture has commenced drilling the Palta-1 well in the adjacent block, with an expected completion in Q2 2013.

The Company is also actively investigating growth opportunities in the wider East African region.