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WHL ENERGY SIGNS FARM-OUT AGREEMENT WITH AWE LIMITED ON VIC/P67 (LA BELLA)

Highlights

- **AWE farms in to Vic/P67 and will fund the majority of the La Bella 3D seismic survey**
- **Introduces a proven exploration and production operator to Vic/P67 with financial strength**
- **Discussions with additional potential farm-in partners are ongoing**
- **Contract negotiations with a seismic contractor for a November – December 2013 La Bella 3D seismic survey continue to progress**

WHL Energy (ASX Code: WHN) (WHL or "the Company") is pleased to announce that the Company has executed a binding farm-out agreement for exploration permit Vic/P67, which contains the La Bella gas discovery, with a wholly owned subsidiary of AWE Limited (AWE).

Under the terms of the farm-out agreement, AWE has the ability to earn up to 60% equity in Vic/ P67 by funding 75% of the cost of the La Bella 3D seismic survey up to a cost cap of US$9.0m. Any costs that may exceed this cost cap will be borne by each company at their participating interest in Vic/P67. AWE will have the right following the 3D seismic phase to assign part or all of its equity back to WHL and to take over operatorship should it remain a participant in the permit. WHL will continue to operate during the seismic acquisition phase.

The farm-in by AWE, along with the acceptance of the Environment Plan by NOPSEMA, enables the acquisition of the La Bella 3D seismic survey in November/December 2013. WHL has tendered the seismic survey and has commenced negotiations with a preferred seismic contractor for this survey.

The farm-in by AWE is an important milestone for the La Bella project. AWE brings a strong project execution capability for a La Bella development project, as well as being a proven exploration and production operator. AWE has significant local gas pipeline and processing infrastructure in the Otway Basin, and holds a 25% interests in both the Casino and Henry Gas projects, that are located near Vic/P67.

The participation of AWE in the exploration and development of the La Bella Gas project will enable the development of the gas resources in Vic/P67 in an efficient and timely manner.

Executive Director David Rowbottam said; "The farm-out of Vic/P67 is an important milestone for the Company as it allows WHL to progress the La Bella project through the acquisition of the La Bella 3D seismic survey and towards eventual production. The Farm-Out Agreement with AWE creates a strategic partnership for WHL with a proven developer and producer with strong local knowledge and existing infrastructure in the Otway Basin, and enables WHL to preserve its cash and fund its other ongoing activities without the need to fund the full seismic acquisition program. WHL is looking forward to analysing the results of the La Bella 3D seismic survey in 2014. The La Bella 3D will firm-up the definition of La Bella gas field and importantly will also provide coverage of key nearby prospects that could provide a significant upside exploration potential in the permit."

Ends

FURTHER INFORMATION

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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 holds 17,345 km^2 of exploration area in 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 and an exploration drilling programme.

In-depth work by WHL Energy has to date identified an initial inventory containing ten, approximately 200 million barrel plus potential targets, which is being expanded to quantify the potential in emerging concept areas.

Further work to develop the leads and targets may include 3D seismic acquisition and geological studies.

Most structures identified to date are in < 50 m water with targets at < 2000m, allowing for conventional drilling with a jack up rig.

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 late 2012.

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