

**WHL ENERGY LIMITED
(TO BE RENAMED “QUANTIFY TECHNOLOGY HOLDINGS
LIMITED”)
ACN 113 326 524**

REPLACEMENT PROSPECTUS

This Prospectus contains an offer to issue a minimum of 58,333,333 New Shares and up to a maximum of 83,333,333 New Shares at an issue price of \$0.06 per New Share to raise between \$3,500,000 and \$5,000,000 (**Equity Offer**).

This Prospectus also contains:

- an offer to issue up to 6,910,543 EOP Options to Quantify EOP Optionholders in consideration for those Quantify EOP Optionholders transferring their Quantify EOP Options to WHL (**EOP Option Offer**). Refer to Section 3.1.2 of this Prospectus for further details of the EOP Option Offer; and
- an offer of up to 5,000,000 Broker Options to Westar (or its nominees) as part consideration for broker services performed in relation to the Equity Offer (**Broker Option Offer**). Refer to Section 3.1.3 of this Prospectus for further details of the Broker Option Offer.

Completion of the Offers is conditional on WHL's Share Takeover Offer for Quantify Ordinary Shares becoming or being declared free of all conditions (see Sections 2.1 and 3.2 of this Prospectus).

The Offers are scheduled to close at 5.00pm (WST) on 15 February 2017 unless closed early, extended or withdrawn. Applications must be received before that time to be valid.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities.

Lead Manager to the Equity Offer: Westar Capital Limited

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay. **The Securities offered by this Prospectus should be considered highly speculative.**

This is a replacement prospectus dated 23 December 2016. It replaces a prospectus dated 16 December 2016 lodged by WHL Energy Limited (ACN 113 326 524) with ASIC (Original Prospectus).

CONTENTS

1.	INVESTMENT OVERVIEW	7
2.	TRANSACTION OVERVIEW	18
3.	DETAILS OF THE OFFERS.....	24
4.	COMPANY, QUANTIFY AND MERGED ENTITY OVERVIEW	33
5.	INDUSTRY OVERVIEW	46
6.	INTELLECTUAL PROPERTY REPORT.....	48
7.	FINANCIAL INFORMATION.....	91
8.	INVESTIGATING ACCOUNTANT'S REPORT	92
9.	RISK FACTORS	127
10.	KEY PEOPLE, INTERESTS AND BENEFITS	138
11.	ADDITIONAL INFORMATION	148
12.	GLOSSARY AND INTERPRETATION.....	176

CORPORATE DIRECTORY

Directors

Neville Bassett – Non-Executive Director^
Gary Castledine – Non-Executive Director^
Faldi Ismail – Non-Executive Director^

Proposed Directors

Mark Lapins – Managing Director
Aidan Montague – Executive Chairman
Alex Paior – Non-Executive Director

Company Secretary:

Neville Bassett

Current ASX Code:

WHN

Proposed ASX Code:

QFY

Lead Manager to the Equity Offer

Westar Capital Limited
Level 4, 216 St Georges Terrace,
Perth, WA 6000

Investigating Accountant

HLB Mann Judd
Level 4, 130 Stirling Street,
Perth, WA 6000

Patent Attorneys

Wrays
56 Ord Street,
West Perth, WA 6005

Registered Office

Ground Floor, 22 Delhi Street,
West Perth, WA, 6005

Telephone: +61 8 6500 0271
Facsimile: +61 8 9321 5212
Website: www.whlenergy.com.au

Share Registry*

Automatic Registry Services
Level 2, 267 St Georges Terrace
Perth, WA 6000

Phone: +61 8 9324 2099

Legal Advisers to WHL

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Legal Advisers to Quantify

Dentons Australia
7/150 St Georges Terrace
Perth WA 6000

Auditor to WHL

HLB Mann Judd
Level 4
130 Stirling Street
PERTH WA 6000

Auditor to Quantify

RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

^ Retiring upon completion of the Merger. Neville Bassett will remain in his role as Company Secretary upon completion of the Merger.

* These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

IMPORTANT NOTICES

General

This replacement prospectus (**Prospectus**) is dated 23 December 2016 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or to make any representation in connection with the Offers, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by WHL Energy Limited (**WHL or the Company**) in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Summary of Replacement Prospectus

Following discussions with ASIC, this Prospectus amends the Original Prospectus in the following respects:

- (a) it provides clarification of the purpose and closing date of the Cleansing Offer at Section 3.1.4;
- (b) it includes additional historical audited financial information for Quantify and the Company in the Investigating Accountant's Report;
- (c) it includes reference to the conclusion by the Independent Expert that the Company's acquisition of Quantify is deemed not fair, but reasonable to the non-associated WHL Shareholders;
- (d) it expands the Chairman's Letter to include risks ASIC considers should be given prominence; and
- (e) it includes a minor amendment to the Use of Funds table contained at Section 3.4.

It also reflects that Shareholders approved the Essential

Resolutions at the reconvened Annual General Meeting on 22 December 2016.

Re-compliance Prospectus

This Prospectus is a re-compliance Prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities. ASX and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Number of Securities - Post Consolidation

The Company completed a 1 for 83 consolidation of its securities on 12 December 2016 as a condition of its merger with Quantify (**Consolidation**). As such, all references in this Prospectus to the Company's securities are on a post Consolidation basis.

Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

Expiry Date

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of the Original Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of past and present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of

this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of WHL, its Directors and management.

Although WHL believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of WHL, its Directors or officers, or any person named in this Prospectus, can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will prove to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

Except to the extent required by law, WHL has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

The forward looking statements contained in this Prospectus are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in WHL are set out in Section 9 of this Prospectus.

Privacy statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to WHL, the Share Registry, the Lead Manager and other brokers involved in the Equity Offer, Quantify and related bodies

corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise WHL to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offer, including processing your acceptance of the Offer and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Public Authority.

If you do not provide the information required in the Application Form, WHL may not be able to accept or process your acceptance of the Offer.

If the Offer is successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your New Shares or New Options in the context of takeovers, Public Authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any Public Authority, Personal Information collected from you will be passed on to third parties strictly in

accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, WHL does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory at the beginning of this Prospectus. A fee may be charged for access.

Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of WHL at <http://www.whlenergy.com.au>.

There is no facility for any of the Offers to be accepted electronically or by applying online. Securities will not be issued under the electronic version of the Prospectus. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies a complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting WHL.

WHL reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement

Prospectus or any of those documents were incomplete or altered.

Foreign offer restrictions

This Prospectus may not be distributed, and the Securities may not be offered, outside Australia, Hong Kong and Singapore. For further information, see Section 3.7.

Defined terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12 of this Prospectus.

Time

All references to time in this Prospectus are references to Western Standard Time.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses the Prospectus or its contents or that the assets shown in them are owned by WHL. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay.

Should you have any questions about the Offers or how to accept the Offers, please call the Company Secretary on +61 8 6268 2622.

NON-EXECUTIVE DIRECTOR'S LETTER

Dear Investor

On behalf of the Directors of WHL Energy Limited (to be renamed Quantify Technology Holdings Limited) (**WHL or the Company**), I am pleased to present you with this opportunity to become a shareholder in WHL.

WHL is an ASX listed company which on 12 September 2016 announced it had signed a merger implementation agreement under which it agreed to a merger with Quantify Technology Ltd (**Quantify**) (**Transaction**).

Quantify is an unlisted Australian public company which has pioneered a unique and disruptive Internet of Things (**IoT**) technology.

Quantify is a first mover in the Internet of Things market, with a focus on intelligent building technology. It is primarily a developer of hardware and software devices that enable the monitoring and management of the next generation of internet enabled devices (such as lighting, power, heating and cooling systems) installed in buildings (the **Quantify Business**).

Quantify's patented flagship product, the Q Device, provides real-time evaluation of environmental and risk factors for building occupants, as well as proactively managing services and utilities to ensure the highest levels of efficiency are achieved – for example, maximum energy efficiency - to create truly intelligent buildings.

Quantify's products are designed to be retrofittable, cost effective, simple, scalable, extensible, autonomous and secure, and aim to allow IoT solutions to become part of the fabric of buildings - redefining the industry standard with a view to making Quantify's solution the platform of choice.

The Q Device is subject to final compliance and certification, and has not been produced/commercialised. While Quantify's Q Device is expected to be completed in the first quarter calendar 2017, with Quantify able to deliver product in the near term for sale, there are no historic sales of the Q Device and Quantify does not currently have any revenue. There are no assurances that Quantify will achieve commercial viability and, until Quantify is able to realise value from its technology, is it likely to incur operating losses.

Quantify was incorporated in 2012 by experienced technology entrepreneur, Mark Lapins. It is headquartered in Perth and is currently planning its commercialisation strategy across the Asia Pacific region having already made key hires in that area.

Quantify has developed a strong board and management team with specialised expertise. It is proposed that Mark Lapins, Aidan Montague and Alex Paor will join the Board of WHL upon completion of the Transaction and the existing Directors of WHL will resign.

Given the Transaction will result in a material change in the nature and scale of WHL's activities, the purpose of this Prospectus is to re-comply with Chapters 1 and 2 of the ASX Listing Rules and to provide WHL with funding to pursue the commercialisation strategy for the Quantify Business post Transaction.

Under this Prospectus, WHL is seeking to raise up to \$5,000,000 by the issue of up to 83,333,333 fully paid ordinary shares in the capital of WHL (**New Shares**) at an issue price of \$0.06 per New Share, with a minimum subscription of \$3,500,000 (**Equity Offer**).

This Prospectus contains information about WHL, Quantify, the Equity Offer and the Transaction. It also contains information about the potential risks of investing in WHL.

I encourage you to read this Prospectus carefully and consult with your professional advisers.

On behalf of the Board of WHL, I commend this opportunity to you and look forward to welcoming you as a shareholder.

Yours sincerely

Neville Bassett
Non-Executive Director

KEY OFFER INFORMATION

Indicative timetable*

Lodgement of original prospectus with ASIC	16 December 2016
Reconvened AGM to approve the Transaction	22 December 2016
Close of Takeover Offers^	31 January 2017
Offer Period closes	15 February 2017
Completion of Merger and Issue of Securities	21 February 2017
Re-quotation of Shares (including New Shares) and Broker Options) on ASX	3 March 2017

**The above dates are indicative only and may change without notice. WHL, in consultation with the Lead Manager, and subject to its obligations under the Merger Implementation Agreement, reserves the right to extend or shorten the Offer Period or close the Offers in its absolute discretion and without prior notice. WHL also reserves the right not to proceed with all or part of the Offers at any time before the issue of Securities to applicants.*

^ This date is a good faith estimate by the Directors and may have to be extended.

Key Equity Offer statistics	Minimum Subscription	Maximum Subscription
Equity Offer issue price per New Share ¹	\$0.06	\$0.06
Total number of New Shares offered	58,333,333	83,333,333
Cash proceeds to be received under the Equity Offer	\$3,500,000	\$5,000,000
Number of Shares offered to Quantify Ordinary Shareholders under Share Takeover Offer	250,000,000	250,000,000
Number of Shares being issued to Quantify Class C Shareholders and Quantify Convertible Loan Holders ²	22,660,120	22,660,120
Total number of Ordinary Shares on issue at re-listing ²	398,043,526	423,043,526
Ownership of new investors post completion of the Transaction ²	14.7%	19.7%
Ownership of new investors post completion of the Transaction (on a fully diluted basis) ³	8.9%	12.3%

¹ Shares may not trade at the Equity Offer issue price upon re-listing

² Assumes a maximum of \$650,000 worth of Quantify Convertible Loans (including accrued interest) are converted. As at the date of this Prospectus, no Quantify Convertible Loans with third parties have been entered into.

³ Assumes exercise of all currently issued Options, WHL Bid Options, EOP Options, Advisor Options and Broker Options and conversion of all Performance Shares, Founder Performance Shares and Performance Rights.

1. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	WHL Energy Limited (ACN 113 326 524) (ASX: WHN).	
Who is WHL?	WHL is a public company listed on the Official List (ASX code: WHN) with its principal focus being oil and gas exploration. WHL was incorporated on 10 March 2005 and was admitted to the Official List on 6 September 2007. On 12 September 2016, WHL announced it had signed a merger implementation agreement (MIA) under which it agreed to acquire all of the issued securities of the unlisted Australian public company Quantify Technology Ltd (Merger), which holds an attractive portfolio of patented technology that enables the monitoring and management of internet enabled devices to create truly intelligent buildings. Following successful completion of the Merger, WHL intends to focus on the development and marketing of the Quantify Business. WHL proposes to change its name to “Quantify Technology Holdings Limited”, which in its opinion will be better suited to its new direction.	Section 4.1
Who is Quantify?	Quantify was incorporated on 17 September 2012 as an Australian proprietary limited company and converted to an unlisted Australian public company on 25 May 2016. Quantify is a first mover in the Internet of Things market, with a focus on intelligent building technology. It is primarily a developer of hardware and software devices that enable the monitoring and management of the next generation of internet enabled devices (such as lighting, power, heating and cooling systems) installed in buildings (the Quantify Business). Quantify currently owns intellectual property summarised in the Intellectual Property Report at Section 6, with its flagship product being the Q Device.	Sections 4.5, 4.6 and 6
What is the Q Device?	The Q Device replaces AC light switches/dimmers and power outlets with intelligent devices to provide real-time evaluation of environmental and risk factors for building occupants, as well as proactively managing services and utilities to achieve the highest levels of	Sections 4.7 and 6

Item	Summary	Further information
	efficiency are achieved – for example, maximum energy efficiency - to create truly intelligent buildings.	
What is the Transaction?	On 12 September 2016, WHL announced its intention to merge with Quantify. The transaction is a backdoor listing of Quantify as Quantify Ordinary Shareholders will, on completion of the Transaction, control (as a group) more than 50% of WHL's Shares. The Merger will be implemented via separate off-market takeover bids by WHL for all Quantify Ordinary Shares and Quantify Ordinary Options, and private agreements to acquire Quantify's other issued securities. The Share Takeover Offer is subject to a number of defeating conditions, including that WHL raises at least \$3.5m under the Equity Offer made under this Prospectus. The reconvened annual general meeting of WHL shareholders, which was held 22 December 2016, considered a number of resolutions to give effect to the Transaction, each of which was duly passed. Refer to Section 2.4 for a summary of the resolutions. The Option Takeover Offer is conditional on the Share Takeover Offer becoming unconditional. The Takeover Offers currently close on 31 January 2017 (unless extended). As at the date of this Prospectus, WHL has received acceptances for 72.9% of Quantify Ordinary Shares and 65.5% of Quantify Ordinary Options. It is a condition of the Offers under this Prospectus that the Share Takeover Offer becomes or is declared unconditional. It is intended that the Takeover Offers and the Offers under this Prospectus are completed on the same date (being 5 Business Days after all conditions to the Takeover Offers are satisfied or waived and the Takeover Offers have closed) (Effective Date).	Section 2
How is the acquisition valued?	The valuation, number of the Company's securities to be issued and final purchase price for Quantify was determined through arm's length negotiations that took place over a number of months between the directors of Quantify and the Directors. These negotiations took into account, among other qualitative factors, the following considerations: (a) the last prices at which Quantify raised equity funding from third party investors; (b) the paid up capital of Quantify at the time negotiations were being undertaken; (c) third party transactions in the "Internet of Things and Technology" space;	

Item	Summary	Further information
	(d) Quantify's future prospects based on the status of its technology portfolio and potential interest from third parties; and (e) representations from the Quantify directors as to the price at which a takeover offer for Quantify would be likely to succeed. Based on the above negotiations, the Company and Quantify agreed to attribute a value to Quantify (on an undiluted basis) of between \$15,000,000 and \$22,200,000. The maximum value assumed all agreed performance milestones were achieved, while the minimum value assumed none of the agreed milestones were achieved. The Company commissioned RSM Corporate Australia Pty Ltd (RSM Corporate), an independent expert, to provide an opinion on the fairness and reasonableness of the Transaction to the non-associated shareholders of the Company as part of the shareholder approval process for the Annual General Meeting held 22 December 2016. RSM Corporate concluded that the Transaction is not fair, but reasonable to the non-associated shareholders in the Company. A copy of the report prepared by RSM Corporate (Independent Expert Report) was announced by the Company on 12 December 2016 and is available from the Company's ASX website.	
B. Business Model		
What industry will WHL operate in after the Transaction?	If the Transaction is completed, WHL will largely operate within the Internet of Things industry. The Internet of Things is the connection by electronic means such as internet, Bluetooth, Wi-Fi etc., of physical devices such as appliances, plant and equipment, vehicles, buildings including factories and residential dwellings and other "smart devices" embedded with electronics, software, sensors, actuators, and network connectivity that enable them to collect and exchange data. Internet of Things allows objects to be sensed and/or controlled remotely across existing network infrastructure resulting in improved efficiency, accuracy and economic benefit. The Internet of Things (IoT) industry is a large and rapidly growing industry. The burgeoning IoT market is being adopted by consumers, businesses and Enterprises with the expectation that connected devices will scale from millions to billions over the coming years. The Big Data Analytics market, an industry linked with the growth of the IoT, is also expected to rapidly	Section 5

Item	Summary	Further information
	expand as a result of the massive increase in IoT devices transmitting (big) data. The Q Device provides a valuable entry point for the company to secure a market share in the IoT and BDA industries, which will lay the foundation for the company to implement its commercialisation strategy.	
How will WHL generate income post Transaction?	Following the completion of the Transaction, WHL will predominantly generate revenue through the distribution of products utilising the Quantify technology. Quantify is currently increasing its sales and marketing efforts with a view to deriving revenue from the following revenue streams: (a) the sale of products both direct to consumers and through channel partners, commencing with the Q Device; (b) ongoing subscription revenue from consumers for use of Quantify's advanced features available in its planned advanced application and future retirement living platform, which will leverage the existing Q Device technology with additional sensors and features in the fascia and more advanced software; (c) training and certification program revenues; (d) ongoing fascia and feature card replacement/upgrades by existing users; and (e) potential sale and/or interpretation of big data.	Section 4.7(c)
What is Quantify's commercialisation strategy?	Quantify has a staged commercialisation strategy targeting four distinct markets, which the company aims to target in the following priority. Each of the markets are natural progressions of the Q devices development: (a) energy management: the company's first feature set offering potential savings to consumers in the form of power savings and delivering the required wall mounted autonomous computer power required for future product and solution delivery; (b) behavioural and environmental sensor networks: this builds on the energy management platform by adding sensors and features with improved software analytics via interchangeable components, key to Quantify's modular design; (c) retirement living market: this uses the additional sensors, features and improved software with further developed algorithms and functionality to aid retirees living at home and in facilities by providing risk assessment,	Section 4.7(d)

Item	Summary	Further information
	lifestyle reporting and other assistive living functionality; and (d) the Truly Intelligent Buildings market: this uses additional and ongoing upgrades of user features and functions to deliver a flexible, upgradable, autonomously intelligent building.	
C. Key Risks		
What are the key risks of an investment in WHL	The key risks in an investment in WHL include the following, non-exhaustive list of risks: Development and commercialisation of the Quantify technology The success of the Merged Group post completion of the Merger will depend upon Quantify's ability to develop and commercialise the Quantify technology and Quantify Intellectual Property. A failure to successfully develop and commercialise the Quantify technology could lead to a loss of opportunities and adversely impact on the Merged Group's operating results and financial position. The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns. There is a risk that, if the Quantify technology is not accepted by the market, Quantify will not be able to commercialise its Internet of Things products, which could adversely impact the Merged Group's operations. Quantify could experience delays in completing the development and introduction of its Products. Problems in the design or quality of Quantify's Products may also have an adverse effect on Quantify's business, financial condition, and operating results. If Product introductions are delayed or not successful, Quantify may not be able to achieve an acceptable return, if any, on its research and development efforts, and Quantify's business may be adversely affected. Expenditure on research and development may not produce the intended results. Additionally, investments in new technologies, processes and products may not produce returns for the Company above the cost of development of those technologies, products and processes. Intellectual property Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value from the development of Quantify's technology. Competition in retaining and	Section 9

sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome. The granting of a patent does not guarantee that the rights of others are not infringed nor that competitors will not develop competing intellectual property that circumvents such patents. Quantify's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

Competition risk

There is significant competition in the Internet of Things industry generally, with companies offering a variety of competitive products and services. Competition in the Internet of Things industry is expected to intensify in the future as new and existing competitors introduce new or enhanced products that are potentially more competitive than Quantify's products. The Internet of Things industry has a multitude of participants, including many large, broad-based consumer electronic companies that compete in Quantify's market. There is no assurance that competitors will not succeed in developing products that are more effective or economic than the products developed by Quantify, or which would render the products obsolete and/or otherwise uncompetitive.

Capital and Funding Requirements

Given its initial focus on growing its market share, Quantify has negative operating cashflow and, at present, it does not currently have any revenue. No assurance can be given that Quantify will achieve commercial viability through its existing technology or otherwise. Until Quantify is able to realise value from its technology, it is likely to incur ongoing operating losses. It is intended that the Capital Raising will provide for Quantify's funding in the immediate term. However, depending on how successfully Quantify times and executes its monetisation and depending on the opportunities that arise for business development, Quantify may require further resources to achieve its aims going forward. Its ability to raise further capital and the terms on which it does so may depend on macro-economic conditions, the performance of Quantify and of the broader Internet of Things technology industry at the time, and the risks associated with the intended use of the funds. If Quantify is unable to access these funds, or is unable to do so on acceptable terms, this could adversely affect WHL's position.

Refer to Section 9 of this Prospectus for a non-exhaustive list of potential risks associated with an investment in WHL.

Item	Summary	Further information																																
D. Directors and Key Management Personnel																																		
Who are the directors of the Company?	The current Directors of the Company, who will resign on completion of Transaction, are Mr Neville Bassett, Mr Gary Castledine and Mr Faldi Ismail (each Non-Executive Directors). Upon successful completion of the Transaction, the directors of the Company will be: • Mr Mark Lapins – Managing Director; • Mr Aidan Montague – Executive Chairman; and • Mr Alex Paor – Non-Executive Director. The profiles of each of these individuals are set out in Section 10.1. Details of the personal interests of each of the above individuals are set out in Section 10.3.	Sections 10.1 and 10.3																																
What will the interest of Directors be in the Company post completion of the Transaction?	Current Directors On completion of the Transaction, the Directors and Proposed Directors will have the following direct and indirect interests in the securities of the Company: <table><tr><th>Director¹</th><th>Shares</th><th>Options</th></tr><tr><td>Neville Bassett^{2,3 & 4}</td><td>4,032,624</td><td>22,591</td></tr><tr><td>Gary Castledine^{3 & 4}</td><td>4,544,672</td><td>Nil</td></tr><tr><td>Faldi Ismail</td><td>4,218</td><td>Nil</td></tr></table> Note 1: Pursuant to the Shareholder approval obtained at the Annual General Meeting, each Director may participate in the Equity Offer under this Prospectus by subscribing for up to 833,333 Shares each, being \$50,000 worth of Shares each. The above table assumes that no Shares are subscribed for under the Equity Offer. Note 2: Pursuant to the Shareholder approval obtained at the Annual General Meeting, Westar (an entity controlled by director Neville Bassett) is entitled to be issued one Broker Option for every dollar it raises under the Equity Offer. Westar is also entitled, subject to any necessary Shareholder approval, to be issued WHL Shares in satisfaction of a 10% commission payable on certain sales of Quantify products to buyers introduced by Westar. Note 3: Neville Bassett and Gary Castledine hold an indirect interest in 3,869,160 Quantify Shares (Class C) held by Mintaka, an entity which they control. WHL has entered into a transfer deed with Mintaka pursuant to which it has agreed to issue 3,942,262 Shares to Mintaka in consideration for the acquisition of 3,869,160 Quantify Shares (Class C). Note 4: Westar is entitled, subject to any necessary WHL Shareholder approval, to be issued WHL Shares in satisfaction of a 10% commission payable on certain sales of Quantify products to buyers introduced by Westar. The issue price will be based on a 30 day VWAP for WHL Shares. WHL intends to seek Shareholder approval for the issue of these Shares after the Merger is completed, including under Chapter 2E of the Corporations Act if necessary. Proposed Directors <table><tr><th>Director</th><th>Shares</th><th>Options</th><th>Performance Shares</th><th>Performance Rights</th></tr><tr><td>Mark Lapins</td><td>112,079,001</td><td>5,119,000</td><td>83,801,000¹</td><td>6,250,000</td></tr><tr><td>Aidan Montague</td><td>17,321,300</td><td>2,047,600</td><td>8,412,520</td><td>6,250,000</td></tr><tr><td>Alex Paor</td><td>Nil</td><td>19,429,910</td><td>Nil</td><td>Nil</td></tr></table>	Director ¹	Shares	Options	Neville Bassett ^{2,3 & 4}	4,032,624	22,591	Gary Castledine ^{3 & 4}	4,544,672	Nil	Faldi Ismail	4,218	Nil	Director	Shares	Options	Performance Shares	Performance Rights	Mark Lapins	112,079,001	5,119,000	83,801,000 ¹	6,250,000	Aidan Montague	17,321,300	2,047,600	8,412,520	6,250,000	Alex Paor	Nil	19,429,910	Nil	Nil	Section 10.3.1
Director ¹	Shares	Options																																
Neville Bassett ^{2,3 & 4}	4,032,624	22,591																																
Gary Castledine ^{3 & 4}	4,544,672	Nil																																
Faldi Ismail	4,218	Nil																																
Director	Shares	Options	Performance Shares	Performance Rights																														
Mark Lapins	112,079,001	5,119,000	83,801,000 ¹	6,250,000																														
Aidan Montague	17,321,300	2,047,600	8,412,520	6,250,000																														
Alex Paor	Nil	19,429,910	Nil	Nil																														

Item	Summary	Further information
	Notes: 1. Comprising 53,801,000 WHL Performance Shares and 15,000,000 WHL Founder Performance Shares. 2. Copper Coast Investments Pty Ltd (Copper Coast), of which Alex Paor is a director, has an agreement with Quantify under which Quantify has agreed to procure that WHL will grant Copper Coast up to 12.5 million Options on the same terms as the WHL Bid Options upon notification by Copper Coast following WHL being re-admitted to the Official List and commencement of construction of the Wallaroo Shores development. These Options have not been included in the above table. Refer to Section 10.3.1 for full details of each Director and Proposed Directors' interests in the Company.	
E. Key Financial Information		
What is the key financial information?	The reviewed statement of financial position of each of Quantify and the merged entity upon completion of the Transaction as at 30 June 2016 is set out in the Investigating Accountant's Report in Section 8 (IAR). The historical audited accounts of WHL and Quantify for the financial years ending 30 June 2014, 2015 and 2016 are also provided in the IAR.	Section 8
What is the financial outlook for WHL?	The operations of WHL and Quantify are inherently uncertain. Post completion of the Transaction, WHL's financial performance is dependent on the Company's ability to execute the commercialisation strategy detailed in Section 4.7(d). As such, the Directors believe that they do not have a reasonable basis to forecast future earnings. The Directors have provided an indication as to how they will deploy proceeds received under the Equity Offer in Section 3.4.	Section 3.4
What is the Company's dividend policy?	Post completion of the Transaction, the Company currently does not expect to pay a dividend and funds raised will be allocated to the growth and development of the business. The Board of WHL will review the dividend policy on a regular basis. Any future payment of dividends will be at the discretion of the Board.	Section 7.3
How has Quantify historically performed?	Historically, Quantify has generated losses because it has been in the product development phase of its business life cycle. It is anticipated that Quantify will continue to have significant expenditure on research and development moving forward, but there will be a greater focus on the commercialisation of Quantify's existing products than there has been historically. While the Company is not in a position to make any forecasts in relation to revenue or net profit due to the inherent uncertain nature of these items, a medium term goal of the Company is to deliver net profits on an annual basis. The ability to achieve this goal is	Section 8

Item	Summary	Further information
	subject to a number of risks and these are highlighted in Section 9 of this Prospectus. An overview of Quantify's historical financials is provided in the Investigating Accountant's Report in Section 8.	
F. Key Offer Information		
What is being offered and who may participate?	Equity Offer WHL is inviting applications to issue a minimum of 58,333,333 New Shares and up to a maximum of 83,333,333 New Shares at an issue price of \$0.06 per New Share to raise between \$3,500,000 and \$5,000,000 respectively. The Equity Offer is not underwritten. Only residents of Australia and certain specified investors in Hong Kong and Singapore may participate in the Equity Offer. Other Offers This Prospectus also contains specific offers of Securities in which only Quantify EOP Optionholders and Westar (or their respective broker nominees) are eligible to participate. You should not complete an acceptance form in relation to the EOP Option Offer or the Broker Option Offer unless specifically directed to do so by the Company, Quantify or Westar.	Section 3.1
What are the conditions of the Offers?	Completion of the Offers is conditional upon WHL's off-market takeover bid for all Quantify Ordinary Shares becoming or being declared free of all defeating conditions (see Section 2.1 of this Prospectus)(Condition). If this Condition is not satisfied, the Offers will not proceed.	Sections 2.1, 2.4, 2.5 and 3.2
How will the proceeds of the Equity Offer be used?	A summary of how the Equity Offer proceeds will be used is provided in Section 3.4. The summary of the use of proceeds is a statement of current intentions as of the date of this document. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis. Actual expenditure may differ significantly from the stated estimates due to a change in market conditions, the development of new opportunities and other factors	Section 3.4.
What will WHL's capital structure look like post completion of the Offers and	The Company's capital structure on completion of the Offer and the Transaction is set out at Section 4.11.	Section 4.11

Item	Summary	Further information
the Transaction		
Will I be guaranteed a minimum allocation under the Equity Offer?	No, the Company is not in a position to guarantee a minimum allocation of New Shares under the Equity Offer.	Section 3.4.3
What are the terms of the Securities being offered under this Prospectus?	A summary of the material rights and liabilities attaching to the New Shares is set out in Section 11.6. The EOP Options are being issued on the terms and conditions of the WHL Employee Option Plan, a summary of which is set out in Section 11.7. The Broker Options are being issued on the terms and conditions contained at Section 11.8.	Sections 11.6, 11.7 and 11.8.
Will any Securities be subject to escrow?	New Shares issued pursuant to the Equity Offer will not be subject to any escrow requirement by the ASX. Recipients of the New Options issued pursuant to the EOP Option Offer and Broker Options Offer under this Prospectus may be required to enter into restriction agreements and the New Options and any Shares issued on conversion of the New Options may be subject to escrow.	Section 11.19
When will the New Shares and New Options be quoted?	Application for quotation of all New Shares and Broker Options issued under the Equity Offer and Broker Option Offer will be made to ASX no later than 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares or Broker Options until WHL has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List (see Section 2.5). Broker Options may also be subject to escrow as noted above. As such, the New Shares and Broker Options may not be able to be traded for some time after the close of the Offer. The Company will not apply for EOP Options to be quoted.	Key Offer Information
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in the Key Offer Information.	Key Offer Information
G. Additional information		
Is there any brokerage, commission or duty payable by applicants	No brokerage, commission or duty is payable by applicants on acquisition of Securities under the Offers.	

Item	Summary	Further information
under the Offers?		
What are the tax implications of investing in Securities?	Securityholders may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Securities subscribed for under this Prospectus.	Section 3.5
Where can I find more information?	Additional information can be obtained through the following methods: • Speaking to your Broker, solicitor, accountant or other independent professional adviser • Reviewing WHL's public announcements, which are accessible from ASX's website at www.asx.com.au under the code "WHN" • By visiting WHL's website at www.whnenergy.com.au • By contacting WHL's Company Secretary on +61 8 6268 2622 • By contacting WHL's Share Registry on +61 8 9324 2099	

2. TRANSACTION OVERVIEW

2.1 Overview

On 12 September 2016, WHL announced its intention to merge with unlisted Australian public company, Quantify Technology Ltd. The transaction is a backdoor listing of Quantify as Quantify Ordinary Shareholders will, on completion of the Transaction, control (as a group) more than 50% of WHL's Shares.

Details of Quantify's business operations and financial position are provided in Sections 4 and 7 of this Prospectus.

The Merger is being effected by means of separate off-market takeover bids by WHL for all of Quantify's ordinary shares (**Quantify Ordinary Shares**) and all of the main class of options on issue (**Quantify Ordinary Options**) (**Takeover Offers**), as well as private agreements for the acquisition of all other Quantify securities on issue.

WHL is offering 1.0189 WHL Shares and 0.4891 WHL Performance Shares for every 1 Quantify Ordinary Share under the Share Takeover Offer, and 1.0238 WHL Bid Options for every 1 Quantify Ordinary Option under the Option Takeover Offer.

The Share Takeover Offer is subject to a number of defeating conditions, including that WHL raises at least \$3.5m under the Equity Offer made under this Prospectus. Refer to Section 2.2 for a summary of the defeating conditions.

The Option Takeover Offer is conditional on the Share Takeover Offer becoming unconditional.

The reconvened annual general meeting of WHL shareholders considered a number of resolutions to give effect to the Transaction, each of which were passed. Refer to Section 2.4 for a summary of the resolutions.

The Takeover Offers currently close on 31 January 2017 (unless extended). As at the date of this Prospectus, WHL has received acceptances for 72.9% of Quantify Ordinary Shares and 65.5% of Quantify Ordinary Options as at the date of this Prospectus.

It is a condition of the Offers under this Prospectus that the Share Takeover Offer becomes or is declared unconditional (refer to Section 3.2 of this Prospectus). It is intended that the Takeover Offers and the Offers under this Prospectus are completed on the same date.

Details of the private agreements that have been or are intended to be entered to acquire Quantify's other issues securities are provided in Section 2.7.

2.2 Takeover Offers

The Share Takeover Offer is subject to a number of defeating conditions, including the following which may not be waived by WHL without the prior written consent of Quantify:

- (a) 90% minimum acceptance of the Takeover (provided WHL does not hold at least 80% acceptances under the Takeover Offer, upon which WHL may waive this minimum acceptance condition without Quantify's consent);

- (b) the Equity Offer under this Prospectus having raised a minimum of \$3.5 million; and
- (c) WHL having received written confirmation from ASX that WHL will be re-admitted to the Official List and that suspension of WHL Shares from Official Quotation will be lifted (subject to such conditions as may be prescribed by ASX, if any),

WHL may free the Share Takeover Offer from any other defeating conditions at any time, in any manner permitted by the Corporations Act.

A complete list of defeating conditions to the Share Takeover Offer, including their full terms, is set out in Sections 1.8 and 2.8 of Annexure A of the Bidder's Statement, which is available via WHL's website at <http://www.whlenergy.com.au> or WHL's ASX announcements platform on www.asx.com.au.

2.3 Transaction Valuation

(a) Share Takeover Offer

The agreed total consideration provided to Quantify Ordinary Shareholders under the Share Takeover Offer is \$22,200,000. This assumes each WHL Share and Performance Share has a value of \$0.06 each. The actual value of a Performance Share, for the purposes of the Share Takeover Offer, may be valued between nil and \$0.06 each. If valued at nil, the total consideration provided to Quantify Ordinary Shareholders under the Share Takeover Offer is \$15,000,000 (assuming each WHL Share has a value of \$0.06).

Under the terms of the Share Takeover Offer, Quantify Ordinary Shareholders who accept the Share Takeover Offer will receive 1.0189 WHL Shares and 0.4891 Performance Shares for every 1 Quantify Ordinary Share held.

(b) Option Takeover Offer

Quantify currently has 59,900,002 Quantify Ordinary Options on issue (7.5 cent exercise price expiring 31 May 2017) with a Black & Scholes valuation of approximately 1.56 cents per Quantify Ordinary Option.

The 61,325,622 WHL Bid Options offered under the Option Takeover Offer in consideration for the Quantify Ordinary Options have an exercise price of 7.5 cents expiring 30 September 2019 and a Black & Scholes valuation of approximately 2.53 cents per WHL Bid Option.

This represents a premium of approximately 64%.

This premium, the valuation and the number of the WHL Bid Options to be issued in consideration for the acquisition of the Quantify Ordinary Options was determined by the Directors through arm's length negotiations with the Quantify board of directors. This premium was considered appropriate to secure acceptances from unrelated Quantify Ordinary Optionholders who are not Quantify Ordinary Shareholders.

By way of comparison, the Share Takeover Offer represents a premium of approximately 51% based on Quantify Ordinary Shares and WHL Ordinary Shares being valued at 6 cents and the Share Takeover offering WHL Shares and WHL Performance Shares with a total value of 9.05 cents. WHL

does not consider that the premium offered under the Option Takeover Offer constitutes an unacceptable net collateral benefit.

(c) **Independent Expert's Report**

The Company commissioned RSM Corporate Australia Pty Ltd (**RSM Corporate**), an independent expert, to provide an opinion on the fairness and reasonableness of the Transaction to the non-associated shareholders of the Company as part of the shareholder approval process for the Annual General Meeting held 22 December 2016. RSM Corporate concluded that the Transaction is **not fair, but reasonable** to the non-associated shareholders in the Company.

A copy of the IER was announced by the Company on 12 December 2016 and is available on the Company's ASX website.

2.4 Shareholder Approval of Transaction

At the Company's reconvened the Annual General Meeting held on 22 December 2016, the Company obtained, amongst other things, each of the shareholder approvals essential for the Transaction being, in summary:

- (a) as the Company is currently an oil and gas exploration company, the Merger with Quantify, if successfully completed, will represent a significant change in the nature and scale of the Company's operations to the development of Internet of Things technology and consumer products, for which Shareholder approval is required under ASX Listing Rule 11.1.2;
- (b) the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules and, to achieve this, must undertake a capital raising by issuing a maximum of 83,333,333 Shares (to raise up to \$5 million) at an issue price of \$0.06 per Share (being the Equity Offer under this Prospectus);
- (c) the creation of a new class of shares, being the Performance Shares, which are being offered as consideration pursuant to the Share Takeover Offer;
- (d) the creation of a new class of shares, being the Founder Performance Shares;
- (e) the issue of 30,000,000 Founder Performance Shares to the Major Shareholder on completion of the Merger, which are being offered as consideration for the transfer of Quantify Performance Shares from the Major Shareholder to WHL;
- (f) the adoption of an employee incentive option plan to allow the issue of up to 6,910,543 EOP Options to Quantify EOP Optionholders (or their nominees) on completion of the Transaction in consideration for the transfer of up to 6,750,000 Quantify EOP Options to the Company to be subject to materially the same terms and conditions as apply to their Quantify EOP Options (being the EOP Option Offer, offered under this Prospectus);
- (g) the adoption of an employee incentive share plan to allow Shares issued to Quantify employees under the Share Takeover Offer in consideration

for the acquisition of their Quantify ESS Shares to be subject to materially the same terms and conditions as apply to their Quantify ESS Shares;

- (h) the issue of up to 11,826,787 Shares to the Quantify Class C Shareholders, which are being offered as consideration for the transfer of their Quantify Class C Shares to WHL, including to one related party, Mintaka Nominees Pty Ltd (which is a related party by virtue of being controlled by Mr Neville Bassett and Mr Gary Castledine);
- (i) the change of the Company's name to Quantify Technology Holdings Limited on completion of the Transaction;
- (j) the appointment of three directors nominated by Quantify to the Board on completion of the Transaction;
- (k) the issue of up to 10,833,333 Shares to the Quantify Convertible Loan holders on conversion of the Quantify Convertible Loans on completion of the Transaction;
- (l) the adoption of an employee incentive performance rights plan (**Performance Rights Plan**); and
- (m) the issue of 6,250,000 Performance Rights to Proposed Director Mark Lapins (or his nominee) and 6,250,000 Performance Rights to Proposed Director Aidan Montague (or his nominee) under the Performance Rights Plan,

(the Essential Resolutions).

Further details of the approved resolutions are contained in the notice of meeting issued by WHL on 31 October 2016 and the addendum to the notice of meeting and IER issued by WHL on 12 December 2016 (**Notice of Meeting**).

2.5 Suspension and Re-admission to ASX

As WHL is currently an oil and gas exploration company, the merger with Quantify, if successfully completed, will represent a significant change in the nature and scale of WHL's operations to the development of Internet of Things technology and consumer products.

ASX has indicated that this change in the nature and scale of WHL's activities will require:

- (a) the approval of WHL's Shareholders; and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

In accordance with ASX guidelines, the Company's Shares were suspended from trading on announcement of the Transaction, and will remain suspended until such time as the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders;

- (b) the Company must satisfy the “assets test” as set out in Listing Rule 1.3; and
- (c) the issue price of Shares must be at least 20 cents and the exercise price of options must be at least 20 cents (subject to a waiver granted to the Company, as described in Section 11.19).

It is expected that the conduct of the Equity Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements.

Applicants should be aware that ASX will not re-admit or admit any Shares (including the New Shares) to Official Quotation until WHL re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List.

In the event that WHL does not receive conditional approval for re-admission to the Official List, the Takeover Offers and the Offers under this Prospectus will be withdrawn and WHL will not proceed with the Offers under this Prospectus and will repay all application monies received by it in connection with this Prospectus (without interest).

2.6 Change of Name

The Company will change its name to ‘Quantify Technology Holdings Limited’ following the successful completion of the Transaction.

2.7 Other Quantify Securities

Quantify currently has a number of other securities on issue, all of which will need to be acquired by the Company as a condition to completing the Takeover Offers. The Company will acquire these securities in the manner set out below.

Refer to Section 4.11 for further details in respect to the Company’s capital structure following completion of the Transaction, which includes securities to be issued by the Company in order to deal with the following securities on issue in Quantify.

(a) Quantify EOP Options

In accordance with the Merger Implementation Agreement, WHL and Quantify have entered into agreements with existing Quantify EOP Optionholders to replace their existing 6,750,000 Quantify EOP Options with a total of 6,910,543 EOP Options in the Company upon successful completion of the Takeover Offers. These EOP Options are to be granted, subject to necessary regulatory approvals, on materially the same terms as the Quantify EOP Options currently held by Quantify EOP Optionholders. Refer to Section 11.7 for further details.

(b) Quantify Class C Shares

In accordance with the Merger Implementation Agreement, WHL and Quantify have agreed that Quantify may issue up to 11,607,480 Quantify Class C Shares to advisers, on the condition that the advisers agree to transfer those Quantify Class C Shares to the Company in consideration for up to 11,826,787 WHL Shares on a pro-rata basis, at completion of the Transaction.

(c) **WHL Founder Performance Shares**

Under the Merger Implementation Agreement, WHL and Quantify have agreed to enter into an arrangement with Lapins Holdings Pty Ltd <Lapins Family Account> (**Lapins**) for the transfer of all Quantify Class A and B Performance Shares held by Lapins, to the Company, in exchange for 30,000,000 Founder Performance Shares on completion of the Transaction.

(d) **Quantify Convertible Loans**

Under the MIA, while the Merger is being completed, WHL agreed to fund Quantify up to an amount of \$850,000 by way of convertible loans, convertible into Quantify Shares at \$0.06 each at WHL's discretion, with an interest rate of 10% per annum payable monthly in arrears, repayable within 6 months if the MIA is terminated. Quantify and WHL entered into a convertible loan agreement reflecting these terms on 24 October 2016. A total of \$850,000 has been advanced under this agreement as at 22 December 2016.

Under the MIA, the parties have agreed that, should Quantify need to raise additional working capital, Quantify may raise up to \$650,000 by way of convertible loans, with WHL having a first right of refusal (**Quantify Convertible Loans**). If WHL declines to provide additional funding, Quantify Convertible Loans entered into with unrelated third parties:

- (i) will, pursuant to the WHL Shareholder approval obtained at the Annual General Meeting, automatically convert into Shares, on completion of the Merger at a deemed conversion price of \$0.06 per Share; and
- (ii) will accrue interest at a rate of 10% per annum payable and will automatically convert into Shares on completion of the Merger at a deemed conversion price of \$0.06 per Share.

As at the date of this Prospectus, Quantify has not entered into any Quantify Convertible Loans but anticipates it will need to do so before completion of the Merger.

3. DETAILS OF THE OFFERS

3.1 The Offers

3.1.1 Equity Offer

The Company is inviting applications under the Equity Offer for a minimum of 58,333,333 New Shares and a maximum of 83,333,333 New Shares at an issue price of \$0.06 per New Share, to raise up to \$5,000,000.

All New Shares issued under this Prospectus, and all Shares issued on exercise of the New Options, will be fully paid and will rank equally with all other Shares then currently on issue. A high-level summary of the material rights and liabilities attaching to Shares (including the New Shares) is set out in Section 11.6.

(a) *Minimum subscription*

The Equity Offer is subject to a minimum subscription of 58,333,333 New Shares at an issue price of \$0.06 per New Share to raise \$3,500,000 (**Minimum Subscription**).

If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

(b) *Oversubscriptions*

No oversubscriptions will be accepted by the Company.

(c) *Not underwritten*

The Equity Offer is not underwritten.

(d) *Minimum Application Amount*

Applications under the Equity Offer must be for a minimum of \$2,000 worth of New Shares (33,334 New Shares) and thereafter, in multiples of \$1,000 worth of New Shares (16,667 New Shares).

(e) *Eligible participants*

To participate in the Equity Offer, you must be a resident of Australia, Singapore or Hong Kong. See further Section 3.7.

3.1.2 EOP Option Offer

The EOP Option Offer is a specific offer made to Quantify EOP Optionholders.

Under the Merger Implementation Agreement, it is a condition to the Share Takeover Offer that WHL enters into agreements to grant EOP Options to holders of existing Quantify EOP Options in consideration for those Quantify EOP Optionholders transferring those Quantify EOP Options to WHL.

WHL has entered into agreements to issue to EOP Optionholders 6,910,543 EOP Options (pro rata to their holdings of Quantify EOP Options) in consideration for the transfer of the 6,750,000 Quantify EOP Options to WHL.

WHL, in this Prospectus, is making offers of EOP Options to Quantify EOP Optionholders who have agreed to transfer their Quantify EOP Options to WHL. Accordingly, Quantify EOP Optionholders will be entitled to apply for their entitlement to EOP Options under this Prospectus for nil cash consideration.

Only Quantify EOP Optionholders (or their nominees) who have agreed to the transfer of their Quantify EOP Options may accept the EOP Option Offer. A personalised Application Form in relation to the EOP Option Offer will be issued to each Quantify EOP Optionholder together with a copy of this Prospectus.

The EOP Options are being issued under the WHL EOP, a summary of which is set out at Section 11.7. The EOP Options are exercisable at \$0.075 each, expire on 30 September 2019 and are otherwise on materially the same terms and vesting conditions as the Quantify EOP Options they replace. Shares issued on conversion of the EOP Options will be fully paid and will rank equally with all other Shares then currently on issue.

3.1.3 Broker Option Offer

The Company has entered into a mandate agreement with Westar under which the Company has appointed Westar as Lead Manager in relation to the Equity Offer (**Mandate**).

Under the terms of the Mandate, the Company has agreed to issue Westar (or its nominee), one Broker Option for each dollar raised by it or other brokers that participate in the Equity Offer. Accordingly, this Prospectus includes a separate offer of up to 5,000,000 Broker Options to Westar (or its nominee).

The material terms and conditions of the Mandate are summarised at Section 11.1.6 of this Prospectus.

Only Westar (or its nominee) may accept the Broker Option Offer. A personalised Application Form in relation to the Broker Option Offer will be issued to Westar together with a copy of this Prospectus.

All Broker Options issued under the Broker Option Offer will be issued as restricted securities and will be restricted from trading for a period of 24 months after the date of quotation of the Broker Options in accordance with the ASX Listing Rules. Shares issued on conversion of the Broker Options will be fully paid and will rank equally with all other Shares then currently on issue.

3.1.4 Cleansing Offer

This Prospectus also includes an offer of one Share, which shall close no later than seven (7) days after completion of the Transaction (and prior to the Company's re-admission to the Official List) (**Cleansing Offer**).

The purpose of the Cleansing Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that may be issued by the Company between the date of this Prospectus and the date that it is re-admitted to the Official List. In particular, it is intended to cleanse Shares issued on completion of the Transaction to holders of Quantify Class C Shares and holders of Quantify Convertible Loans, as noted in the capital structure at Section 4.11 of this Prospectus.

3.2 Conditions of the Offers

Completion of the Offers is conditional on WHL's Share Takeover Offer becoming or being declared free of all conditions (see Section 2.1) (**Condition**).

In the event that the Condition is not satisfied, the Offers will not proceed and no Securities will be issued pursuant to this Prospectus. If this occurs, applicants will be reimbursed their application monies (without interest).

3.3 Purpose of the Offers and the Prospectus

The primary purpose of the Equity Offer under this Prospectus is to enable the Company, after completion of the Merger, to raise funds to commercialise the Quantify Business.

WHL is aiming to apply the funds raised under the Equity Offer in the manner detailed in the Section 3.4 below. The Board believes that the funds raised from the Equity Offer, combined with existing funds will provide WHL with sufficient working capital at anticipated expenditure levels to achieve the objectives as shown in the table in Section 3.4 below.

This Prospectus has also been issued to:

- (a) assist WHL to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (eg. Shareholder spread) (see Section 2.5); and
- (b) to remove the need for an additional disclosure document to be issued upon the sale of any Securities that are issued under the EOP Option Offer or Broker Option Offer to, and/or the exercise of any such New Options by, retail investors.

3.4 Use of Funds

WHL intends to apply funds raised from the Equity Offer, together with the cash on hand of WHL and Quantify (which, as at 30 November 2016, is approximately \$1,320,000), interest and anticipated income from R&D refundable tax offset and Export Market Development Grants (outlined below) in the next two years following re-admission to the Official List of the ASX (for the purpose of satisfying ASX's requirements for re-listing following a significant change to the nature and scale of the Company's activities) in the manner set out below.

Minimum Subscription

	Minimum Subscription - \$3.5million		
	Year 1	Year 2	Total
Existing funds	1,320,000		1,320,000
Revenue & Other Income ¹	1,240,000	310,000	1,550,000
Equity Offer	3,500,000		3,500,000
Total funds raised add existing funds	6,060,000	310,000	6,370,000

Add cash balance from Year 1		<u>1,945,000</u>	
		2,255,000	
Sales, Marketing and Business Development Costs ²	955,000	780,000	1,735,000
Research, Development and Engineering costs	1,310,000	395,000	1,705,000
Administration costs, working capital and other expenses	498,470	433,333	931,803
Employment costs ³	595,000	480,000	1,075,000
Offer and Acquisition Costs ⁴	573,197		573,197
Reimbursement of past expenditure to Cuda ⁵	333,333	166,667	500,000
Less costs of the Offer already paid	(150,000)		(150,000)
Total Expenditure	4,115,000	2,255,000	6,370,000
Cash at end of Year Minimum Subscription	1,945,000	-	

Maximum Subscription

	Maximum Subscription - \$5 million		
	Year 1	Year 2	Total
Existing funds	1,320,000		1,320,000
Revenue & Other Income ⁶	1,325,000	455,000	1,780,000
Equity Offer	5,000,000		5,000,000
Total Funds Raised and cash at bank	7,645,000	455,000	8,100,000
Add cash balance from Year 1		<u>2,845,000</u>	
		3,300,000	
Sales and Business Development Costs ²	1,160,000	1,230,000	2,390,000
Research, Development and Engineering costs	1,570,000	740,000	2,310,000
Administration costs, working capital and other expenses	533,470	453,333	986,803

Employment costs ³	680,000	710,000	1,390,000
Offer and Acquisition Costs ⁴	673,197		673,197
Reimbursement of past expenditure to Cuda ⁵	333,333	166,667	500,000
Less costs of the Offer already paid	(150,000)		(150,000)
Total Expenditure	4,800,000	3,300,000	8,100,000
Cash at end of Year Maximum Subscription	2,845,000	-	

The above table is a statement of current intentions as at the date of this document. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 9).

Notes:

1. Revenue and other income in year 1 is made up of estimated interest (\$0.01 million), estimated first tranche payment from Export Market Development Grant (\$0.04 million) for an application that has been lodged with the Australian Trade and Investment Commission and estimates based on Quantify's previous and future estimated Research and Development (R&D) expenditure on eligible activities in each financial year under the research and development tax incentive program run by the Australian Taxation Office (ATO).

Refundable tax offsets are payable by the ATO based on a self-assessment basis. The Company has assessed that it is likely to continue to be eligible for a 45% refundable tax offset for years 1 and 2 and the projected revenues receivable from the ATO pursuant to the R&D incentive program are as follows:

- (a) estimated rebate of \$0.49 million for financial year 2015/16 (45% rebate payable by the ATO based on approximately \$1.097 million worth of eligible R&D expenditure for the financial year ending 30 June 16); and
- (b) estimated rebate of \$0.70 million for Financial year 2016/17 (45% rebate payable by the ATO based on an estimated amount of \$1.56 million on eligible R&D expenditure for the financial year ending 30 June 17).

Year 2 includes an estimated amount of interest (\$0.01 million) and an estimated \$0.3 million of R&D rebates for financial year 2017/18 (45% rebate payable by the ATO based on an estimated amount of \$0.65 million on eligible R&D expenditure for the financial year ending 30 June 18).

2. Sales and business development costs includes sales and business development salaries.
3. Employment costs includes executive and administration salaries.
4. Costs of raising, broker commissions listing costs including prospectus, legal and printing.
5. Refer to Section 4.10 of this Prospectus.
6. Revenue for the Maximum Subscription Raise, year 1 budget is made up of estimated interest (\$0.03 million), estimated first tranche payment from Export Market Development Grant (\$0.04 million) for an application that has been lodged with the Australian Trade and Investment Commission and R&D rebate estimates made up of:

- (a) estimated rebate of \$0.49 million for financial year 2015/16 (as mentioned above in note 1); and
- (b) estimated rebate of \$0.76 million for financial year 2016/17 (45% rebate payable by the ATO based on approximately \$1.7 million worth of eligible R&D expenditure for the financial year ending 30 June 17).

Year 2 includes an estimated amount of interest (\$0.01 million) and an estimated \$0.44 million of R&D rebates for financial year 2017/2018 (45% rebate payable by the ATO based on an estimated amount of \$0.97 million on eligible R&D expenditure for the financial year ending 30 June 18).

3.4.1 Applications

Applications for Securities under the Offer must be made using the relevant Application Form. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms and accompanying cheques, made payable to **"WHL Energy Limited"** and crossed **"Not Negotiable"**, must be mailed or delivered to the address set out on the Application Form with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**.

Applications must be accompanied by payment in full in Australia currency.

The Company reserves the right to close the Equity Offer early.

3.4.2 ASX listing

Application for Official Quotation by ASX of the New Shares and Broker Options offered pursuant to this Prospectus was made within 7 days after the date of the Original Prospectus.

If the New Shares and Broker Options are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of the Original Prospectus, or such period as varied by the ASIC, the Company will not issue any New Shares or Broker Options and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the New Shares and Broker Options is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.4.3 Issue

Subject to the Condition being achieved, the Minimum Subscription to the Equity Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official List, issue of the Securities offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the New Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued New Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer New Shares than the number applied for. Where the number of New Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

3.5 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor, the particular circumstances relating to his/her holding of securities and the taxation laws applicable. Investors who are in doubt as to their taxation position should seek professional advice. It is solely the responsibility of the applicant to inform himself or herself of his or her taxation position resulting from the participation in the Offers.

3.6 Clearing House Electronic Sub-Register System and Issuer Sponsorship

WHL participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by WHL.

Electronic sub-registers mean that WHL will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of shares or options can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in WHL during the preceding month. Securityholders may request a holding statement at any other time, however a charge may be made for such additional statements.

3.7 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Securities in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the New Shares or EOP Options the subject of this Prospectus in any jurisdiction outside Australia. As detailed below, the New Shares may be issued to certain types of investors in Singapore and/or Hong Kong. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only.

This Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

3.8 Enquiries

If you have any queries in relation to the Offers, please contact the Company Secretary on +61 8 6268 2622 or WHL's website at <http://www.whlenergy.com.au>.

4. COMPANY, QUANTIFY AND MERGED ENTITY OVERVIEW

4.1 WHL Energy Limited

WHL was incorporated on 10 March 2005 under the name Wind Hydrogen Limited, with its principal focus being oil and gas exploration. The Company was admitted to the official list of the ASX on 6 September 2007.

The Company has three subsidiaries, PetroQuest International Seychelles Limited, PetroQuest International Incorporated and Indian Ocean Petroleum Holdings Pty Limited. WHL holds a 100% equity interest 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.

As announced on 3 November 2016, WHL has entered into an agreement with Austral Exploration Pty Ltd (**Austral**) for the sale of WHL's interest in Exploration Permit Vic/P67 (**Disposal**).

The Disposal is conditional on the satisfaction of the following conditions precedent:

- (a) WHL obtaining shareholder approval for the Disposal (if required) by 31 March 2017; and
- (b) WHL obtaining relevant authority approvals including:
 - (i) the approval and registration of the sale and purchase deed and associated transfer of title; and
 - (ii) approval of the Suspension and Extension Application under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

As announced in WHL's 2016 Annual Financial Report, an application for an Above Work Program Variation and Suspension and Extension was made by WHL to the National Offshore Petroleum Titles Administrator (**NOPTA**) in May 2015 and was awarded on 19 August 2015, extending the end period for Permit Year 3 of Exploration Permit VIC/P67 for 12 months.

Subsequent to the permit year-end on 3 August 2016, WHL lodged a further 12 month Suspension and Extension Application for year 3 expenditure with NOPTA. The application remains under consideration.

As consideration for the Disposal, a royalty comprising 1% of the sales gas revenue to a maximum of \$7,500,000 will be granted to WHL under a royalty deed entered into by WHL and Austral.

The Company has been actively seeking to identify and evaluate new opportunities in related or non-related industries that may increase shareholder value. The proposed merger with Quantify is consistent with this strategy and has been unanimously recommended by the Board of WHL.

Further information on WHL's current operations is available on WHL's website, <http://www.whlenergy.com.au>.

4.2 Directors of WHL

Details of the responsibilities and experience of the WHL Directors are set out in WHL's 2016 Annual Financial Report, a copy of which is available on request or from WHL's website www.whlenergy.com.

A brief summary of the WHL Board is set out below.

Mr Faldi Ismail – Non-Executive Director

Mr Ismail is an experienced corporate advisor who specialises in the restructure and recapitalisation of a wide range of ASX-listed companies. He has many years of investment banking experience and has advised on numerous cross border transactions including capital raisings, structuring of acquisitions and joint ventures overseas. Mr Ismail is also the founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers & acquisitions, capital raisings and initial public offerings.

Other current directorships:

- Asiamet Resources Limited (previously Kalimantan Gold Corporation Limited) (TSX.V: ARS) (Appointed 12 September 2009).
- Ookami Limited (previously Advanced Engine Components) (ASX:OOK) (Appointed 5 June 2015).
- Cre8tek Limited (ASX:CR8) – Appointed 28 October 2015.
- Dotz Nano (ASX:DTZ)

Mr Ismail has agreed to step down from his role as a Director upon successful completion of the Takeover Offers.

Mr Gary Castledine – Non-Executive Director

Mr Castledine has over 20 years' experience in stockbroking and capital markets. He was previously a founding director and the Head of Corporate with a Perth, Western Australia based specialist boutique securities dealer and corporate advisory firm. Mr Castledine is currently specialising in corporate finance with boutique investment banking and corporate advisory firm Westar Capital Ltd. Mr Castledine's experience has enabled him to gather an extensive suite of clients in a corporate advisory role which has seen him involved in many capital raisings and initial public offerings across a spectrum of industries. He is currently a member of the Stockbrokers Association of Australia.

Other current directorships:

- Non-executive chairman of Vector Resources Ltd since 24 February 2009
- Non-executive director of The Gruden Group Limited since 20 August 2014

Mr Castledine has agreed to step down from his role as a Director upon successful completion of the Takeover Offers.

Mr Neville Bassett – Non-Executive Director

Mr Bassett is a Chartered Accountant operating his own corporate consulting business, specialising in the area of corporate, financial and management advisory services. Mr Bassett has been involved with numerous public company listings and capital raisings. His involvement in the corporate arena has also taken in mergers and acquisitions, and includes significant knowledge and exposure to the Australian financial markets. Mr Bassett has experience in matters pertaining to the Corporations Act, ASX listing requirements, corporate taxation and finance. He is a director or company secretary of a number of public and private companies.

Other current directorships:

- Non-executive chairman of Ram Resources Ltd since 22 March 2004
- Non-executive director of Meteoric Resources NL since 29 November 2012
- Non-executive director of Vector Resources Ltd since 22 April 2010
- Non-executive director of Laconia Resources Ltd since 8 May 2015
- Non-executive director of Pointerra Ltd since 30 June 2016

Mr Bassett has agreed to step down from his role as a Director upon successful completion of the Takeover Offers but will remain as Company Secretary.

4.3 WHL securities

As at the date of this Prospectus, WHL has on issue (on a post-Consolidation basis):

- (a) 67,050,073 WHL Shares; and
- (b) 11,799,409 WHL Existing Options comprising:

Type	Number of Options	Exercise Price	Expiry
Listed Options (WHNOA)	7,329,965	\$0.166	30/06/2018
Unlisted Options	232,539	\$11.62	03/12/2017
Unlisted Options	4,216,905	\$0.33	31/07/2018
Total	11,779,409		

4.4 Shareholders of WHL

As at the date of Prospectus the top 20 Shareholders of WHL are:

Rank	WHL Shareholder	Number of WHL Shares	% of WHL issued share capital ¹
1	ZERO NOMINEES PTY LTD	2,409,639	3.59
2	GREYWOOD HOLDINGS PTY LTD	1,843,374	2.75
3	JETMAX TRADING PTY LTD	1,786,273	2.66

4	ZERRIN INVESTMENTS PTY LTD	1,686,747	2.52
5	PETERLYN PTY LTD as trustee for the RPC Salmon Super Fund Account	1,445,784	2.16
6	WESTVIEW INVESTMENTS PTY LTD	1,385,543	2.07
7	AH SUPER PTY LTD as trustee for the AH Super Fund Account	1,204,820	1.80
8	JETMAX ASSETS PTY LTD	1,204,820	1.80
9	RICHSHAM NOMINEES PTY LTD	1,204,820	1.80
10	ALITIME NOMINEES PTY LTD as trustee for the Honeyham Family Account	1,204,820	1.80
11	CHELSEA INVESTMENTS (WA) PTY LTD	1,204,820	1.80
12	SCINTILLA STRATEGIC INVESTMENTS LTD	843,374	1.26
13	MR RODNEY WELLSTEAD	782,229	1.17
14	MR ASHLEY POLWART	776,853	1.16
15	BOBSTAN INVESTMENTS PTY LTD as trustee for the Bobstan Investments Account	722,892	1.08
16	LAPJ NOMINEES PTY LTD	674,699	1.01
17	MOLTONI SUPER PTY LTD as trustee for the Moltoni Super Fund Account	674,699	1.01
18	MR KEITH BOWKER & MRS NYSSA BOWKER as trustee for the Bowker Investment Account	602,410	0.90
19	KOBIA HOLDINGS PTY LTD	602,410	0.90
20	PULNER PTY LTD as trustee for the Satobe Account	602,410	0.90
	TOTAL TOP 20 SHAREHOLDERS	22,863,436	34.14

Notes:

1. Actual voting power may differ from that shown above as there is no obligation to publicly disclose changes in voting power of less than 1%.

As at the date of this Prospectus, the top 20 Shareholders hold 22,863,436 WHL Shares, representing approximately 34.14% of WHL.

The Directors of WHL currently have a relevant interest in 696,990 WHL Shares, being approximately 1.04% of the total number of WHL Shares on issue. The individual relevant interests held by each Director are as set out in Section 10.3.1.

4.5 Overview of Quantify Technology Ltd

Quantify was incorporated on 17 September 2012 as an Australian proprietary limited company.

In February 2015, Quantify acquired certain intellectual property rights from Mr Mark Lapins (the current Managing Director of Quantify), Lapins Holdings and Cuda Development Corporation Pty Ltd, a company associated with Mark Lapins, and commenced its current business.

In the four years prior to Quantify acquiring this intellectual property, Mark Lapins, Lapins Holdings and Cuda incurred expenses developing the hardware and software that has resulted in the Q Device, and associated intellectual property. During this period these development efforts did not constitute carrying on a business.

Quantify currently owns various intellectual property as summarised in the Intellectual Property Report at Section 6 (**Quantify Intellectual Property**).

Quantify is a first mover in the Internet of Things market, with a focus on intelligent building technology. It is primarily a developer of hardware and software devices that enable the monitoring and management of the next generation of internet enabled devices (such as lighting, power, heating and cooling systems) installed in buildings (the **Quantify Business**).

Quantify's patented flagship product, the Q Device, provides real-time evaluation of environmental and risk factors for building occupants, as well as proactively managing services and utilities to ensure the highest levels of efficiency are achieved – for example, maximum energy efficiency - to create truly intelligent buildings.

Quantify's products are designed to be retrofittable, cost effective, simple, scalable, extensible, autonomous and secure, and aim to allow IoT solutions to become part of the fabric of buildings - redefining the industry standard with a view to making Quantify's solution the platform of choice.

Quantify converted to an unlisted Australian public company on 25 May 2016.

4.6 Quantify Board of Directors

As at the date of this Prospectus, the directors of Quantify are:

- (a) Mr Mark Lapins – Managing Director;
- (b) Mr Aidan Montague – Executive Chairman; and
- (c) Mr Alex Paior – Non-Executive Director.

Messrs Mark Lapins, Aiden Montague and Alex Paior will each become a director of WHL on successful completion of the Transaction. Further details in respect of the Proposed Directors are set out in Section 10.1. The Proposed Directors do not have an interest in any existing WHL securities on issue.

4.7 Overview of the Quantify Business

(a) The Q Device

The Q Device consists of hardware and software that provide a modular hardware architecture for Internet Protocol (IP) network connected AC end points. This creates an innovative and intelligent IoT solution addressing a growing global requirement for energy consumption, management and a distribution platform for advanced IoT applications.

It is able to efficiently monitor, manipulate and manage the power network of a building to enable seamless, effective and efficient power network monitoring, usage analysis, policy management and power manipulation on an electrical device/power outlet level basis. Its connected IoT architecture allows the creation, distribution, application

and enforcement of AC power policy from a central management platform.

The Q Device replaces light switches/dimmers and power outlets with intelligent devices to provide consumers with the power to control and manage power consumption in a building, at a device and circuit level. Power management is the first feature set of the Q Device and empowers users to potentially make savings in power and money by managing power consumption and limiting power wastage.

The technology incorporates “over the air” firmware update and upgrade capabilities, so that AC modules should not require replacement subsequent to their installation for the foreseeable future while consumers continue to rely on AC power. The end-user application is planned to be run from users' Android or iOS devices such as smart phones and tablets for the domestic consumer market and from on-premises control devices for enterprise installations.

Each of the Q Devices within a building are able to communicate with each other via a range of wireless communications protocols and have the capability to communicate consumption data with a secure cloud database. Diverse wireless communication protocols allow flexibility and consumer choice.

Quantify's platform development model aims to avoid dependence on any one operating system or device and is designed to be modular and replaceable, so that where technology changes are required or mandated, the Quantify platform can be rapidly adapted.

The three modules of the Q Device are:

- (i) the user replaceable fascia, which allows upgrades and additional features - available in any size, shape, colour, form and function including distribution of IoT sensing applications, audio, video and other technologies over time;
- (ii) the user replaceable feature card, which is the primary wireless communication device connection and allows local application processing power and other features such as additional memory or processing capabilities as required to support local autonomous device functionality; and
- (iii) the fixed AC module (to be installed in the wall by a licensed electrician where required by local laws), which controls, manages and reports on AC power usage on a per channel (device/circuit) basis.

The Q Device shown on the left below will be used in place of traditional light switches. The Q Device on the right will be used in place of traditional general power outlets.



Figure 1 - Device - 3 channel dimmer fascia included



Figure 2 - General Power Outlet



Above device can have fascia replaced by users to a range of different fascias. Example above includes audio and video capabilities (bottom) and varying size, shape and colour (top)



Consumer application

(b) Competitive Advantages

Quantify believes that its Q Device has a number of advantages over competitor products:

- (i) **It is easily and inexpensively retrofittable:** It can be installed in almost any building without additional network cabling or changes to the existing power cable plant and can be retrofitted onto the two most common devices found in almost every room in almost every household worldwide: light switches and power outlets. Existing solutions are very expensive to retrofit, requiring large costs in rewiring, network cabling and infrastructure changes.
- (ii) **Modular design:** The modular design means that, subsequent to the initial installation by an electrician, all upgrades of form, features and functions are relatively inexpensive feature card and fascia upgrades that can be completed by the user. This also addresses the major issue facing technology companies -

mitigating technological obsolescence. Quantify is confident that the AC module will not need to be changed in the foreseeable future while populations are dependent on AC power.

- (iii) **Patented, modern technology:** Quantify has patents in Australia and Singapore and has patent applications pending in another 23 countries and an application with the European Patent Office under the European Patent Convention which, if successful, provides protection in up to an additional 38 countries. By comparison, competitors predominantly use outdated technology bundled together with newer technologies in an inefficient and expensive manner to deliver only limited functionality and energy savings. Competitors in this space almost always introduce a single point of failure in their solutions which renders the installation ineffective if this single device fails. Furthermore, most solutions don't have the capacity to scale economically for large scale installations.

(c) **Business Model**

Quantify is currently increasing its sales and marketing efforts with a view to deriving revenue from the following revenue streams:

- (i) the sale of products both direct to consumers and through channel partners, commencing with the Q Device;
- (ii) ongoing subscription revenue from consumers for use of Quantify's advanced features available in its planned advanced application and future retirement living platform, which will leverage the existing Q Device technology with additional sensors and features in the fascia and more advanced software;
- (iii) training and certification program revenues;
- (iv) ongoing fascia and feature card replacement/upgrades by existing users; and
- (v) potential sale and/or interpretation of big data¹.

(d) **Commercialisation Strategy**

Quantify has a staged commercialisation strategy targeting four distinct markets, which the company aims to target in the following priority. Each of the markets are natural progressions of the Q devices development:

- (i) **energy management:** the company's first feature set offering potential savings to consumers in the form of power savings and delivering the required wall mounted autonomous computer power required for future product and solution delivery;

¹ Big Data and IoT are intimately connected with billions of internet-connected 'things' generating massive amounts of data. Big Data Analytics is the process of examining large data sets (**big data**) containing a variety of data types to uncover unknown correlations, market trends, useful business information, customer preferences. These findings can be used to drive more effective marketing, additional revenue opportunities, competitive advantages over rivals as well as many other unconceived uses

- (ii) **behavioural and environmental sensor networks:** this builds on the energy management platform by adding sensors and features with improved software analytics via interchangeable components, key to Quantify's modular design;
- (iii) **retirement living market:** this uses the additional sensors, features and improved software with further developed algorithms and functionality to aid retirees living at home and in facilities by providing risk assessment, lifestyle reporting and other assistive living functionality; and
- (iv) **the Truly Intelligent Buildings market:** this uses additional and ongoing upgrades of user features and functions to deliver a flexible, upgradable, autonomously intelligent building.

(e) **Commercialisation Status**

The user interchangeable fascias and user interchangeable feature card for the Q Device have been tooled and are ready for mass production, subject to final compliance and certification.

With respect to the two mechanical formats of AC module:

- (i) the format that replaces traditional light switches has been tooled and is ready for mass production, subject to final compliance and certification; and
- (ii) the format that replaces traditional general power outlets is undergoing pre-production testing and is expected to be released to production first quarter calendar 2017.

Quantify is currently manufacturing small runs of the Q Device for testing, demonstration and pilot installations from its production tooling, with hardware currently undergoing embedded software and hardware testing.

The Q Device is currently undergoing assessment by a contracted specialist electronic engineering firm against the Australian certifications required for sale.

Quantify aims to have the AC modules certified to the AS/NZS CISPR15 standard, which is the Australian and New Zealand standard for "Limits and methods of measurement of radio disturbance characteristics of electrical lighting and similar equipment", in the first quarter of calendar year 2017.

Quantify has entered discussions with a tier 1, large volume overseas manufacturer, with a view to manufacturing Quantify's Q Device in high volumes once Quantify has built a sufficient sales pipeline to warrant such high-volume manufacture.

While Quantify's Q Device is expected to be completed in the first quarter calendar 2017, with Quantify able to deliver product in the near term for sale, Quantify's strategy is to build sales pipeline to enable high-volume, cost efficient manufacture to maximise profitability (ie the starting point is to sell to customers who will order large volumes of product).

Quantify is in the process of aggressively accelerating its sales effort to build a sales pipeline focusing on the sale of its products and software into new construction, iconic commercial and enterprise projects with delivery of the Q Device to these projects aiming for the second half of 2017.

Quantify is also in discussions with parties looking to form strategic partnerships with systems integrators and channels to the Australian domestic consumer market. Research and development (**R&D**) work is ongoing and will continue in line with the company's commercialisation strategy. Further planned complementary products in the Quantify product range, with the potential to generate additional revenue, are currently undergoing R&D. Ongoing R&D is important and potentially valuable to the company, and, owing to the modular, upgradable design of the Q Device, future evolutions of the product are more easily achievable than if the company were producing single function, point solutions.

4.8 Quantify Capital Structure

As at the date of this Prospectus, Quantify has a total of 77 Quantify Ordinary Shareholders and 61 Quantify Optionholders.

Quantify's capital structure as at the date of this Prospectus is as set out below:

- (a) 245,364,169 Quantify Ordinary Shares (including 15,500,000 Quantify Ordinary Shares issued under the Quantify ESS (**Quantify ESS Shares**));
- (b) 1,000 Class A Performance Shares and 1,000 Class B Performance Shares each entitling the holder to receive 40,000 Quantify Ordinary Shares if certain performance hurdles are met, held by the Major Shareholder;
- (c) 59,900,002 Quantify Ordinary Options exercisable at \$0.075 each, expiring 31 May 2017; and
- (d) 6,750,000 Quantify EOP Options granted pursuant to the terms of the Quantify EOP exercisable at \$0.075 each, expiring 31 May 2017.

Quantify has issued a total of 11,607,480 Quantify Class C Shares, comprising 3,869,160 Quantify Class C Shares to each of Accelerated Investment Group Pty Ltd <Accelerated Investment A/C>, Mintaka Nominees Pty Ltd (an entity controlled by Neville Bassett and Gary Castledine) and J Stimpson Pty Ltd <Hoek A/C> or their nominees. These Quantify Class C Shares were issued in consideration for amounts owed for services provided to Quantify.

4.9 Intellectual property

The patents and trademarks of Quantify are set out in the Intellectual Property Report at Section 6.

4.10 Reimbursement to Cuda

As set out in Section 11.1.1(h)(ii), under the MIA, subject to the production of documentary evidence to the satisfaction of WHL acting reasonably and any necessary shareholder or regulatory approvals, including ASX approval, WHL has agreed to reimburse Cuda, a company associated with Mark Lapins, the amount of \$500,000 in past expenditure incurred in developing Quantify's intellectual property as follows:

- (a) \$166,666 on WHL being reinstated to official quotation on ASX;
- (b) \$166,667 on the date that is 6 months after the date that WHL is reinstated to official quotation on ASX; and
- (c) \$166,667 on the date that is 12 months after the date that WHL is reinstated to official quotation on ASX.

ASX confirmed it would be likely to consider that it will grant its approval for the Company to make this payment in cash on 8 December 2016. The Company may elect to pay the \$500,000 as one payment on the Effective Date.

4.11 Capital Structure post Merger

The effect of the Offers (and the Takeover Offers) on the capital of WHL is set out below, assuming no WHL Shares are issued other than as contemplated under the Transaction.

	Minimum Subscription under Capital Raising (\$3,500,000)	Maximum Subscription under Capital Raising (\$5,000,000)
Shares		
Current issued capital	67,050,073	67,050,073
Share Takeover Offer Consideration ¹	250,000,000	250,000,000
Equity Offer	58,333,333	83,333,333
Issue of Shares to holders of Quantify Class C Shares ²	11,826,787	11,826,787
Issue of Shares upon conversion of Quantify Convertible Loans ³	10,833,333	10,833,333
Total Post Merger & Capital Raising	398,043,526	423,043,526

Notes:

1. This assumes that all securities convertible into Quantify Ordinary Shares are dealt with in the manner set out in Sections 2.7(a) to 2.7(c) and that 100% of Quantify Ordinary Shares are acquired under the Share Takeover Offer or via compulsory acquisition.
2. Quantify has issued 11,607,480 Quantify Class C Shares to certain advisors in satisfaction of amounts owed for services (**Quantify Class C Shareholders**). Under the MIA, WHL has agreed to issue up to 11,826,787 Shares to Quantify Class C Shareholders in consideration for the acquisition of their Quantify Class C Shares on a pro rata basis on completion of the Merger.
3. Convertible loans held by the Convertible Loan Holders (if any are entered into) will incur interest at a rate of 10% per annum. As such, the total Shares to be issued to any Convertible Loan Holders will change depending on the date that the Merger completes. The table assumes that up to \$650,000 worth of Quantify Convertible Loans (including accrued interest) are converted. As at the date of this Prospectus there are no Convertible Loan Holders.

Options		Exercise Price	Expiry Date
Options (WHNOA) ¹	7,329,965	\$0.17	30/06/2018
Unlisted Options	232,539	\$11.62	03/12/2017
Unlisted Options	4,216,905	\$0.33	31/07/2018
WHL Bid Options ²	61,325,622	\$0.075	30/09/2019
EOP Options ³	6,910,543	\$0.075	30/09/2019
Advisor Options ⁴	8,747,626	\$0.09	30/09/2019
Broker Options ⁵	5,000,000	\$0.075	30/09/2019
Total⁵	93,763,200		

Notes:

1. The Company does not intend to apply for re-quotation of its existing classes of listed Options, being WHNOA.
2. The full terms and conditions of the WHL Bid Options are set out in Section 11.8. This assumes 100% of Quantify Ordinary Options are under the Option Takeover Offer or via compulsory acquisition.
3. The EOP Options are subject to the terms and conditions of the WHL EOP, a summary of which is set out at Section 11.7.
4. The full terms and conditions of the Advisor Options are set out in Section 11.11.
5. The Broker Options are on the same terms and conditions as the WHL Bid Options as set out in Section 11.8. This assumes \$5m is raised under the Equity Offer.
6. Under the Wallaroo Project Agreement, Quantify has agreed to procure that WHL, subject to compliance with the ASX Listing Rules, will grant Copper Coast up to 12.5 million WHL Options on the same terms as the WHL Bid Options upon notification by Copper Coast following WHL being re-admitted to the Official List and commencement of construction of the Wallaroo Shores development.

WHL Performance Shares	
Existing Performance Shares	Nil
WHL Performance Shares ¹	120,000,000
WHL Founder Performance Shares ²	30,000,000
Total	150,000,000

Notes:

1. The terms and conditions of the Performance Shares (including the Milestones for conversion) are set out in Section 11.9. Each is convertible into one Share on satisfaction of applicable Milestones.
2. The terms and conditions of the WHL Founder Performance Shares (including the milestones for conversion) are set out in Section 11.10. Each is convertible into one Share on satisfaction of applicable milestones.

Performance Rights	
Existing Performance Rights	Nil
Issue of Performance Rights to Mr Lapins ¹	6,250,000
Issue of Performance Rights to Mr Montague ¹	6,250,000
Total	12,500,000

Notes:

1. Under the MIA, the Company has agreed to grant Performance Rights to Messrs Lapins and Montague, who are Proposed Directors, pursuant to the Performance Rights Plan (a summary of which is set out in Section 11.14). Each Performance Right is exercisable, on vesting, into one Share.

4.12 Substantial Shareholders

As at the date of this Prospectus, there are no substantial holders of WHL Shares. Those Shareholders holding 5% or more of the Shares on issue on completion of the Transaction (assuming a Minimum Subscription) are set out in the table below.

On completion of the Transaction

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Lapins Holdings Pty Ltd <Lapins Family A/C> ²	112,079,001	5,119,000 ³	28.16%	31.67% ⁴

Notes:

1. This table has been prepared on the basis that \$3,500,000 is raised under the Equity Offer and has been drafted on the basis of a number of assumptions that may or may not eventuate. As such the actual Shareholdings of the parties on completion of the Takeover Offers and Equity Offer may vary.
2. This entity is controlled by Mark Lapins, a Proposed Director.
3. Comprising WHL Bid Options.
4. Assuming all Performance Shares, Founder Performance Shares and Performance Rights convert to Shares, and all Options are exercised.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

5. INDUSTRY OVERVIEW

Following completion of the Transaction the Company will participate in the Internet of Things industry.

The Internet of Things is the development of the internet whereby everyday objects have connectivity, allowing them to receive and send data. US research firm Gartner Inc defines the Internet of Things as “the network of physical objects that contain embedded technology to communicate and sense or interact with their internal states or the external environment”.

The Internet of Things allows objects to be sensed and controlled remotely across existing network infrastructure, creating opportunities for more direct integration between the physical world and computer-based systems, and resulting in improved efficiency, accuracy and economic benefit. Each thing is uniquely identifiable through its embedded computing system but is able to interoperate within the existing internet infrastructure.

The IoT market is expected to experience significant growth over the coming years with enterprises expected to lead IoT adoption driven by revenue growth opportunities including; data monetization, core IoT networks and low power devices, platforms as a service, and investment in IoT startups. The development and growth of the Internet of Things sector is expected to provide substantial economic benefits to consumers over time.

Market sentiment towards the adoption of IoT devices and technology is showing signs of becoming more positive with a 2016 survey by CompTIA: “Internet of Things insights and opportunities,” estimating that approximately 75% of organizations have a more positive view of IoT today compared to a year ago.

Spending on IoT devices is projected to grow strongly with research firm International Data Corporation (IDC) estimating in its “Worldwide Semiannual Internet of Things Spending Guide” that global spending on IoT devices and services was almost US\$700 billion in 2015. The future growth fuelled by growing demand and adoption of IoT devices and their derived data represents significant potential for this high growth industry.

With such high growth in the number of IoT devices incorporating attached or embedded sensors connected to the internet, the amount of data being communicated by these devices is expected to increase substantially, with billions of internet-connected things generating massive amounts of data (Big Data).

Big Data Analytics is the process of examining large data sets with the intention of uncovering patterns, unknown correlations, customer preferences, market trends and other business information to offer some form of valuable insight (Big Data Analytics).

IDC research estimated worldwide revenues for data and business analytics was US\$122 billion in 2015.

Amid this expected strong growth, Quantify’s flagship product, the Q Device, has a first-mover advantage and makes the application of the IoT sufficiently economical to target mass market adoption.

The Q Device can monitor, assess and manage objects in the physical world electronically and will automatically optimise the performance of systems and processes, improving efficiencies and quality of life.

Current solutions existing in the energy management and building automation industry (which is the initial target market and the first step in Quantify's phased commercialisation strategy) mean Quantify's perceived competitors (for example, C-BUS, Insteon, Dynalite or iControl) face a number of limitations, including:

- Old technology
- Limited functionality
- Difficult and expensive to commission
- Requires specialised technicians
- Time consuming and labor intensive
- Ongoing expense of re-configuration and additions
- Economics do not scale for smaller size installations
- Limited personalisation solutions

The Q Device is considered to have several advantages over existing technology including:

- Lower cost of installation
- Completely retrofittable
- Doesn't require speciality engineer or custom cabling for installation
- Policy-based management and control
- Doesn't require additional sensors
- Allow dimming and lighting control
- Programmable lighting timetables
- Automatically adjusts to changing environment stimuli
- The devices communicate with each other and user via Wi-Fi

The Q Device has applications across several areas including: energy efficiency, retirement living and Big Data Analytics. Quantify's long-term goal is to provide the world's first Truly Intelligent Building Platform that is retrofittable, cost effective, simple, scalable, extensible, autonomous, secure and that redefines the industry standard, making Quantify Technology the platform of choice. The Company is well placed to do this by providing the tools and technology to allow IoT solutions to become part of the fabric of buildings at low cost and high efficiency.

Contact: Adrian Huber
Principals: Marie Wong/Chris Juhasz

15 December 2016

The Board of Directors
WHL Energy Ltd
C/- Westar Capital Ltd
Level 4
216 St Georges Terrace
Perth WA 6000

Dear Sirs

Intellectual Property Report
Quantify Technology Ltd
Our ref: 701599

We, Wrays Lawyers Pty Ltd and Wrays Pty Ltd (together **Wrays**), provide hereunder our Report concerning the intellectual property portfolio of Quantify Technology Ltd (ACN 160 392 898).

Quantify Technology Ltd (hereinafter "Quantify") was previously known as Quantify Technology Pty Ltd.

We understand that all or part of this Report will be included in a prospectus to be issued by WHL Energy Ltd for a capital raising relating to the off-market takeover by WHL Energy Ltd (a listed public company) of Quantify (a non-listed public company).

Contents

1.0 Executive Summary

- Section 2.0 sets out a brief overview of the intellectual property portfolio and the basis of the summary of the patents, patent applications, trade mark registrations, trade mark applications, and domain name registrations given in this Report.
- Section 3.0 provides general comments on patent protection, patent procedures, and requirements for patentability.
- Section 4.0 provides general comments regarding potential limitations of patent protection.

Sydney
Level 32 Northpoint, 100 Miller St,
North Sydney, NSW 2060

PO Box 1445
North Sydney, NSW 2059

T: +61 2 8415 6500
F: +61 2 8415 6599

Melbourne
Level 15, 330 Collins St, Melbourne,
Vic 3000

GPO Box 2484
Melbourne, Vic 3001

T: +61 3 8538 5800
F: +61 3 8538 5899

Perth
56 Ord Street, West Perth,
WA 6005

PO Box Z5466
St Georges Terrace, Perth, WA 6831

T: +61 8 9216 5100
F: +61 8 9216 5199

www.wrays.com.au
wrays@wrays.com.au

- Section 5.0 describes the patents and patent applications.
- Section 6.0 provides general comments on trade mark protection, trade mark procedures, and requirements for registered trade mark protection.
- Section 7.0 describes the trade mark applications and registrations.
- Section 8.0 provides general comments on domain names and procedures for their registration.
- Section 9.0 describes the domain name registrations.
- Section 10.0 provides a disclaimer and describes limitations of this Report.
- Section 11.0 provides a statement of independence regarding preparation of this Report.

2.0 Overview

We understand that Quantify has a portfolio of patents, patent applications, trade mark registrations, trade mark applications, and domain name registrations to protect aspects of its business.

This Report has been prepared by Wrays. The status summary of the patents, patent applications, trade mark registrations, trade mark applications, and domain name registrations provided in this Report is correct to the best of our knowledge at the date of this Report.

Patent Applications

Quantify is the owner of a family, (hereinafter, the “Patent Family”) of granted patents and pending patent applications pursuant to an Agreement for Sale of Intellectual Property made on 28 January 2015 between Lapins Holdings Pty Ltd as trustee for the Lapins Family Trust, Quantify Technology Pty Ltd and Mark Lapins.

Quantify’s ownership of the granted Australian and Singaporean patents of the Family has been recorded with IP Australia and the Intellectual Property Office of Singapore, respectively, although its change of name from Quantify Technology Pty Ltd is still to be recorded in respect of patent rights.

The other members of the Patent Family are in the name of the previous owner, being Lapins Holdings Pty Ltd as Trustee for the Lapins Family Trust for all patent applications of the Patent Family except for the New Zealand patent application, for which it is Lapins Holdings Pty Ltd. We have instructions to record Quantify’s ownership of the other members of the

Patent Family with the relevant Intellectual Property Offices. A Deed of Assignment of Intellectual Property Rights between Lapins Holdings Pty Ltd as Trustee for the Lapins Family Trust and Quantify Technology Pty Ltd has been prepared and executed in February 2016 and will be used to support recording of the transfer of ownership.

Typically speaking, in most jurisdictions, the process of recording the details of the new owner of a granted patent or patent application following an assignment is an administrative one carried out by reference to the assignment documentation filed by the assignee.

A family, in the context used in this Report, is a set of patents/applications describing the same invention having effect in various countries. Such a family arises when a first patent application for the invention is then extended to other countries.

Broadly speaking, the invention (hereinafter “Invention”) the subject of the Patent Family relates to technology for controlling an operation. The technology is particularly suited to controlling an operation comprising a switching or signalling action or event for an electrical or electronic circuit, although it is not limited in this respect, and may be used in respect of additional or alternative operations.

Subject to our comments in Section 5, we are aware of material that has been raised as being relevant to the patentability of the Invention. We have reviewed this material, and believe there are arguments for distinguishing the Invention from it.

Trade Mark Registrations and Applications

We have been informed that Quantify is the owner of a number of Australian trade mark registrations and applications directed to trade marks used in the business.

According to IP Australia’s records, several trade mark registrations are still in the name of their previous owner. The relevant marks have been assigned to Quantify, pursuant to deeds of assignment executed in August 2016 (and having effect from May 2014) and in February 2016 (and having effect from January 2015), respectively. These assignments are in the process of being recorded in respect of each of those marks.

In addition, the recent name change to “Quantify Technology Ltd” is still to be recorded in respect of several marks currently in the name of “Quantify Technology Pty Ltd”.

Domain Name Registrations

Quantify has registered a number of domain names relating to jurisdictions of interest to its business.

According to WHOIS records, a large number of domain names identify the registrant as “Quantify Technology”, which is not a legal entity. We are informed by Quantify that these domain names will be updated to reflect the proper legal name of the registrant.

Also according to WHOIS records, the registrant of two domain names is still listed as their previous owner. We are instructed that the WHOIS records for these domain names are in the process of being updated to reflect Quantify as the registrant, who we are informed is their new owner.

In addition, the recent name change to Quantify Technology Ltd is still to be recorded in respect of several domain names currently in the name of “Quantify Technology Pty Ltd”.

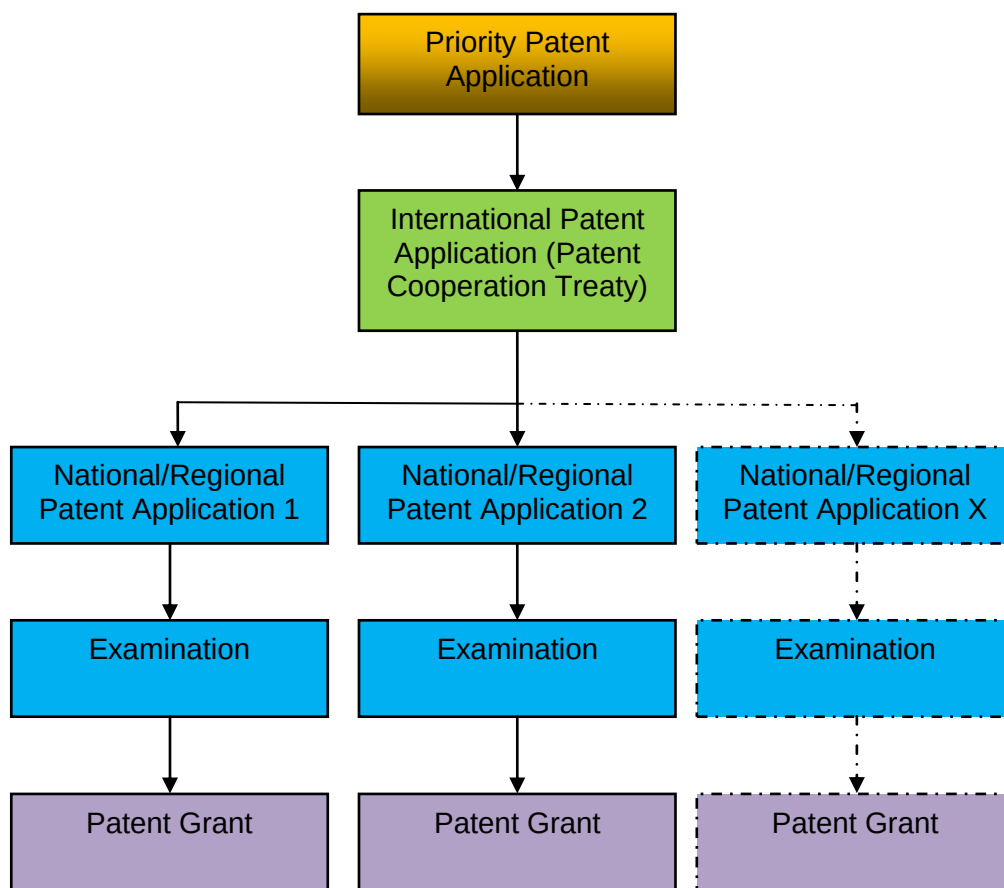
3.0 Patent Protection, Patent Procedures and Requirements for Patentability

Patent rights constitute an important component of intellectual property, and provide a statutory monopoly for new (novel), non-obvious (inventive) and useful inventions for a limited period. Patents may be granted in respect of new or improved products, compositions and processes in almost all areas of current scientific, commercial and industrial activities.

Patent rights are essentially national rather than trans-national and a patent must be obtained in each country where protection of an invention is required. A fundamental requirement of most modern patent systems is that an invention be ‘new’ at the time of lodging a patent application. Newness in this sense is judged in relation to what was publicly known or used at the date of the application. Another generally universal requirement is for a distinct inventive advance over what was previously known. This means that valid patent protection cannot be obtained for trivial or obvious developments. A further requirement is that the invention must be suitable subject matter for a patent. For example, patent protection for computer implemented and so called “business method” inventions may be difficult to obtain.

Pursuant to the Paris Convention, the filing of an initial patent application in, for example, Australia establishes a priority date for the invention in Australia, which is recognised by all other countries that are a party to this Convention, including countries such as the United States, Canada, New Zealand, Europe and Japan.

The below flow chart generally sets out the major steps involved in obtaining a patent in Australia and other countries in respect of an invention. The patents and patent applications of the Patent Family have been filed according to a patenting strategy generally following these steps.



The usual steps towards obtaining a patent in Australia and other countries in respect of an invention begin by the filing of a priority patent application accompanied by a patent specification. The filing of a priority patent application establishes a priority date in respect of the invention disclosed in the accompanying specification.

Typically, for Australian inventions, the priority patent application is a *provisional* patent application accompanied by a provisional patent specification.

Within twelve months from the date of the filing of the provisional patent application, a *complete* patent application must be lodged otherwise the provisional patent application, which remains pending for only one year, lapses, along with the priority date set thereby. Thus, if no complete patent application is filed within one year of the provisional patent application, the priority date is no longer valid. The complete patent application is accompanied by a complete patent specification including a set of claims defining the invention and the scope of protection being sought.

Within the one year pendency of the provisional patent application, in order to obtain patent protection in other countries, the applicant may file separate national complete patent applications in each of the countries in which protection is required. Alternatively, or additionally, the applicant may file a single International patent application under the provisions of the Patent Cooperation Treaty (generally referred to as a 'PCT' application or an 'International' application) in which it is possible to designate countries or regions where patent protection is required. The International application itself does not mature into a worldwide patent, but at the end of the international phase, generally 30 or 31 months from the claimed priority date, steps can be taken to file the application in any or all of the countries or regions designated in the original International application.

Regional patent applications, such as a European regional application, may also be filed. A European application may designate any or all countries that are a party to the European Patent Convention (EPC). A European patent application may also be extended to certain other jurisdictions including those that are not full signatories to the EPC. The European patent application is processed centrally and in a single language and, if ultimately successful, can mature into a granted European patent, which must then be *validated* in each country where protection is sought, some of which require translation into that country's native language. The term 'European patent' may therefore constitute a bundle of national patent rights (depending on the validations made), each of which can be enforced separately through the relevant national Court.

In most countries, a patent application is subjected to examination for novelty and obviousness, and other requirements, before a patent is granted. Typically, during the examination stage an Examiner will conduct a search for prior art documents to assess the novelty and inventive step of an invention the subject of the application and raise objections as deemed appropriate on the basis of the search results. An opportunity is provided to

applicants to overcome any objections raised by the Examiner, typically by filing arguments and/or allowable amendments to the claims of the specification.

An examination stage also occurs as part of the international phase of an International (PCT) application, resulting in an opinion on whether the subject invention is patentable (according to the PCT patentability criteria). Whilst the opinion is non-binding, it is used by the Patent Offices of most countries as a guide during subsequent examination of the corresponding national/regional phase patent applications.

In Australia and most other countries, patent rights may be kept in force for a period of up to 20 years from the date of filing of the complete application on which the patent is granted, upon payment of regular renewal fees, and while the patent is in force the owner has the exclusive right to exploit the invention.

4.0 Potential Limitations of Patent Protection

There can be no assurance that each of the patent applications set out in Section 5.0 will result in the grant of a patent, or that the scope of protection provided by any granted patent will be identical to the scope of the application as originally filed or currently pending. Furthermore, the scope of protection provided by a granted patent in one jurisdiction may differ from that provided by a granted patent in another jurisdiction, due to differences in legislation, examination and the scope of available protection.

Additionally, in many countries, an opportunity is provided for third parties to oppose the grant of a patent application either prior to it proceeding to grant or shortly thereafter.

It should be noted that the grant of a patent does not guarantee validity of that patent since it may be revoked on the grounds of invalidity (which differ between jurisdictions) at any time during its life. If none of the claims of a granted patent are valid then the patent is unenforceable. For example, relevant prior disclosures may be discovered that were not raised during examination, which may limit the scope of patent protection sought, perhaps to a very narrow field.

Further, it should also be noted that the granting of a patent does not guarantee that the patentee has freedom to operate the invention claimed in the patent. It may be that working of a patented invention is prevented by the existence of another earlier patent.

5.0 The Quantify Patent Portfolio

5.1 Background

This Report summarises the status of the patents and patent applications of the Patent Family.

In compiling this Report, the filing particulars have been confirmed and the current status ascertained. The patents and patent applications set out in this Section are currently in force, although they are subject to required actions and the payment of periodic (mainly annual) fees in order to maintain them in force.

We have been informed that Quantify has bought and is the owner of the patents and patent applications, pursuant to an Agreement for Sale of Intellectual Property made on 28 January 2015 between Lapins Holdings Pty Ltd as trustee for the Lapins Family Trust, Quantify Technology Pty Ltd and Mark Lapins.

Quantify's ownership of the granted Australian and Singaporean patents has been recorded with IP Australia and the Intellectual Property Office of Singapore, respectively, although its change of name from Quantify Technology Pty Ltd is still to be recorded in respect of them.

The other members of the Patent Family are in the name of the previous owner, being Lapins Holdings Pty Ltd as Trustee for the Lapins Family Trust for all patent applications of the Patent Family except for the New Zealand patent application, for which it is Lapins Holdings Pty Ltd. Action is being taken to record Quantify's ownership of the other members of the Patent Family with the relevant Intellectual Property Offices.

We provide the details for the patents and patent applications, coloured corresponding to their step in the patent procedure flow chart presented in Section 3 above.

For convenience, we also set out below aspects of the Invention the subject of the Patent Family corresponding to the 'independent' claims as are present at this time in each patent/application. An 'independent' claim is a claim that is not dependent upon another. Such claims are generally considered to be the broadest definition of any invention claimed in a patent specification.

5.2 The Patent Family

Title: Device, System and Method for Controlling An Operation

PCT Number: PCT/AU2013/000924 (hereinafter, the "PCT Application")
Priority Date: 24 August 2012
Inventors: Mark Andrew Lapins, John David Hennessy, Jasen Andrew Hill
Applicant/Patentee:
 Australia Quantify Technology Pty Ltd
 Singapore Quantify Technology Pty Ltd
 New Zealand Lapins Holdings Pty Ltd
 All other members Lapins Holdings Pty Ltd as Trustee for the Lapins Family Trust

Official Number	Country	Status
2012903669	Australia	Lapsed at end of life Priority application
PCT/AU2013/000924	WO (International)	National/regional phase entered
2013204864	Australia	Granted
20150032	Bahrain	Application filed
BR112015003760-7	Brazil	Waiting for Office Action
2,882,510	Canada	Request for examination due
201380051024.3	China	Response to Office Action due
284/2015	Egypt	Waiting for Office Action
13831037.0	Europe	Response filed
15109258.1	Hong Kong	Application filed
1367/DELNP/2015	India	Waiting for Office Action
P00201501129	Indonesia	Waiting for Office Action
237343	Israel	Waiting for Office Action
2015-527739	Japan	Response filed
PI 2015000444	Malaysia	Request for examination due
MX/A/2015/002434	Mexico	Waiting for Office Action
37864	Morocco	Waiting for Office Action
705286	New Zealand	Waiting for Office Action
OM/P2015/00044	Oman	Waiting for Office Action
1-2015-500380	Philippines	Waiting for Office Action
QA/201502/00058	Qatar	Waiting for Office Action
10-2015-7007052	Republic of Korea	Waiting for Office Action
11201501262R	Singapore	Granted

2015/01208	South Africa	Acceptance delayed
1501000984	Thailand	Waiting for Office Action
P246/15	United Arab Emirates	Waiting for Office Action
14/423,655	United States of America	Waiting for Office Action
1-2015-00980	Vietnam	Waiting for Office Action

Please note that, in accordance with the steps described in Section 3.0, Australian Provisional Patent Application 2012903669 has lapsed (twelve months having passed from the date it was filed – 24 August 2012), having served its purpose of establishing a priority date for the subsequent applications in the Patent Family.

Australian Patent 2013204864 was progressed in parallel to International Patent Application PCT/AU2013/000924 (hereinafter, the “PCT Application”), and was filed as a standard patent application claiming priority from Australian Provisional Patent Application 2012903669 (rather than as a national phase entry of the PCT Application).

The PCT Application claims priority from both Australian Provisional Patent Application 2012903669 and Australian Patent 2013204864 (which was a pending application at the time priority was claimed).

The other members of the Patent Family were filed at the end of the international phase of the PCT Application as national/regional phase entry patent applications therefrom.

International Patent Application PCT/AU2013/000924) - the PCT Application

Outline of the Technology

One aspect of the Invention is directed to a device for controlling an operation. Independent claim 1 corresponding to this aspect as amended during the international phase of the PCT Application and published in the International Preliminary Report on Patentability (IPRP)¹ issued in respect thereof, reads as follows:

A device for controlling an operation, the device comprising:

¹ The IPRP is the final opinion (mentioned in Section 3) on whether the subject invention is patentable according to the PCT patentability criteria.

a controller;

a storage means for storing electronic program instructions for controlling the controller; and

a first removable input means attachable to the device for controlling an operation;

wherein the controller is operable, under control of the electronic program instructions, to:

receive at least a first instruction via the first removable input means, the at least a first instruction comprising a command associated with the operation; and

implement the operation according to the command;

wherein the first removable input means is adapted to be replaced with a second removable input means attachable to the device for controlling an operation; and

wherein the second removable input means is adapted to provide a at least a second instruction to the controller, the second instruction comprises a second command associated with a second operation; and

implement the second operation according to the second command.

Claims 2 to 23 are dependent claims, introducing additional features further defining the device of claim 1.

Another aspect of the Invention is directed to a method for controlling an operation. Independent claim 24 corresponding to this aspect as amended during the international phase of the PCT Application and published in the IPRP, reads as follows:

A method for controlling an operation, the method comprising:

storing electronic program instructions for controlling a controller; and

controlling the controller via the electronic program instructions, to:

receive at least one first instruction via a removable input means, the at least one first instruction comprising a command associated with the operation; and

implement the operation according to the command;

wherein the first removable input means is adapted to be replaced with a second removable input means attachable to the device for controlling an operation; and

wherein the second removable input means is adapted to provide a at least a second instruction to the controller, the second instruction comprises a second command associated with a second operation; and

implement the second operation according to the second command.

A further aspect of the Invention is directed to a computer-readable storage medium. Claim 25 corresponding to this aspect as amended during the international phase of the PCT Application and published in the IPRP, reads as follows:

A computer-readable storage medium on which is stored instructions that, when executed by a computing means, causes the computing means to perform the method according to claim 24.

Another aspect of the Invention is directed to a computing means. Claim 26 corresponding to this aspect as amended during the international phase the PCT Application and published in the IPRP, reads as follows:

A computing means programmed to carry out the method according to claim 25.

A further aspect of the Invention is directed to a data signal. Claim 27 corresponding to this aspect as amended during the international phase of the PCT Application and published in the IPRP, reads as follows:

A data signal including at least one instruction being capable of being received and interpreted by a computing system, wherein the instruction implements the method according to claim 26.

Another aspect of the Invention is also directed to a system. Claim 28 corresponding to this aspect as amended during the international phase of the PCT Application and published in the IPRP, reads as follows:

A system for controlling an operation comprising a device according to any one of claims 1 to 23.

The following patent publications were cited as prior art during the international examination phase of the PCT Application.:

D1: CA 2633200 C (ROSEN)

D2: US 6,127,941 A (VAN RYZIN)

D3: US 6,140,987 A (STEIN et al)

D4: US 6,933,686 B1 (BISHEL)

D5: US 6,989,763 B2 (WALL et al)

D6: EP 1471717 B1 (INNOVISION RESEARCH & TECHNOLOGY PLC)

D7: US 6,752,946

The claims as published in the IPRP were found by the Examining Officer ("the Examiner") during the international phase to be distinguishable from the prior art.

Particularly, the Examiner found the claimed invention to meet the requirements for novelty on the basis that documents D1 – D7 do not disclose *a first removable input means adapted to be replaced with a second removable input means attachable to the device for controlling an operation.*

The Examiner found the claimed invention to meet the requirements for an inventive step on the basis that documents D1-D7 do not obviously suggest to a person skilled in the art *a first removable input means, adapted to provide a first instruction comprising a first command associated with an operation to a controller, whereby the first removable input means is adapted to be replaced with a second removable input means attachable to the device for*

controlling an operation; and wherein the second removable input means is adapted to provide at least a second instruction to the controller, the second instruction comprises a second command associated with a second operation; and implement the second operation according to the second command.

In regard to the requirement of Industrial Applicability of the invention claimed, there was a positive finding in the IPRP that all claims of the PCT Application met that requirement.

Prior art searching conducted by the relevant Intellectual Property Offices in respect of the patent applications in China, Europe, and Japan has resulted in additional prior art documents being cited in respect of those applications, which is referred to in the relevant sections below.

Australian Patent 2013204864

There are slight differences between the claims as granted in respect of Australian Patent 2013204864 and as published in the IPRP of the PCT Application. The substance of these differences served to correct antecedent issues identified in Australian Patent Application 2013204864 and to retain omnibus claims (allowable under the legislation applicable to the application).

No additional prior art was cited during examination of Australian Patent 2013204864.

Outline of the Technology

One aspect of the Invention is directed to a device for controlling an operation. Independent claim 1 of Australian Patent 2013204864 corresponding to this aspect reads as follows:

A device for controlling an operation, the device comprising:

a controller;

a storage means for storing electronic program instructions for controlling the controller; and

a first removable input means attachable to the device for controlling an operation;

wherein the controller is operable, under control of the electronic program instructions, to:

receive at least a first instruction via the first removable input means, the first instruction comprising a command associated with the operation; and

implement the operation according to the command;

wherein the first removable input means is adapted to be replaced with a second removable input means attachable to the device for controlling an operation; and

wherein the second removable input means is adapted to provide at least a second instruction to the controller, the second instruction comprising a second command associated with a second operation; and

implement the second operation according to the second command.

Claims 2 to 23 are dependent claims, introducing additional features further defining the device of claim 1.

Another aspect of the Invention is directed to a method for controlling an operation. Independent claim 24 of Australian Patent 2013204864 corresponding to this aspect reads as follows:

A method for controlling an operation, the method comprising:

storing electronic program instructions for controlling a controller; and

controlling the controller via the electronic program instructions, to:

receive at least a first instruction via a removable input means, the first instruction comprising a command associated with the operation; and

implement the operation according to the command;

wherein the first removable input means is adapted to be replaced with a second removable input means attachable to the device for controlling an operation; and

wherein the second removable input means is adapted to provide at least a second instruction to the controller, the second instruction comprising a second command associated with a second operation; and

implement the second operation according to the second command.

A further aspect of the Invention is directed to a computer-readable storage medium. Claim 25 of Australian Patent 2013204864 corresponding to this aspect reads as follows:

A computer-readable storage medium on which is stored instructions that, when executed by a computing means, causes the computing means to perform the method according to claim 24.

Another aspect of the Invention is directed to a computing means. Claim 26 of Australian Patent 2013204864 corresponding to this aspect reads as follows:

A computing means programmed to carry out the method according to claim 25.

A further aspect of the Invention is directed to a data signal. Claim 27 of Australian Patent 2013204864 corresponding to this aspect reads as follows:

A data signal including at least one instruction being capable of being received and interpreted by a computing system, wherein the instruction implements the method according to claim 26.

Another aspect of the Invention is also directed to a system. Claim 28 of Australian Patent 2013204864 corresponding to this aspect reads as follows:

A system for controlling an operation comprising a device according to any one of claims 1 to 23.

Claims 29 and 30 are “omnibus claims”, respectively directed to a device for controlling an operation, and a method for controlling an operation, *substantially as hereinbefore described with reference to the accompanying drawings*.

Bahrain Patent Application 20150032

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

The filing formalities have been attended to and we are presently waiting further Official Action in respect of the application.

Brazilian Patent Application BR112015003760-7

Amendments to the claims as published in the IPRP of the PCT Application have been filed to align them with those granted in respect of Australian Patent 2013204864, taking into account Brazilian patent law and practice, and to delete omnibus claims 29 and 30 (which are not allowed in Brazil).

Examination of the application has been requested and we are presently waiting further Official Action in respect of it.

Canadian Patent Application 2,882,510

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

A request for examination of the application is due to be filed by the deadline of **20 August 2018**.

Chinese Patent Application 201380051024.3

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

A First Office Action has issued in respect of the application from the Chinese State Intellectual Property Office (SIPO) following substantive examination of the application.

In the First Office Action, the Chinese Examiner has expressed the opinion that the claims lack novelty or an inventive step in view of cited prior art document D8 (US 2005/0026643 A1).

D8 appears to be part of the same patent family as the main prior art citation in an Office Action issued in respect of corresponding Japanese Patent Application of the family (discussed in further detail below).

The issue date of the First Office Action sets a deadline of **30 January 2017** for responding to it.

We have been instructed to respond to the First Office Action and are presently preparing draft instructions to our Chinese associate for doing so.

Egyptian Patent Application 284/2015

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

Examination of the application has been requested and we are presently waiting further Official Action in respect of it.

European Patent Application 13831037.0

An extended European search report has issued in respect of this application from the European Patent Office (EPO).

In the extended European search report, the European Examiner expressed the opinion (in respect of the claims as published in the IPRP of the PCT Application) that cited prior art document D9 (Hewlett-Packard Company ET AL: "Universal Serial Bus 3.0 Specification. Revision 1.0) was particularly relevant to the novelty and inventive step of claims 1-14 and 24-28 and of background interest only to claims 15-23.

The European Examiner also expressed the opinion that there was a lack of clarity and lack of disclosure in the claims under European patent law.

A response to the extended European search report was timely filed. In the response, amendments to the claims were filed, along with supporting submissions, seeking to address the issues raised by the European Examiner, and also taking into account the prior art cited in the Office Action issued in respect of corresponding Japanese Patent Application of the family (discussed in further detail below).

We are presently waiting further Official Action in respect of the application following lodgement of the response in reply to the extended European search report.

Hong Kong Patent Application 15109258.1

Registration in Hong Kong is achieved based on a published patent application in China, Europe, or the United Kingdom. One effectively “extends” a patent application in China, Europe, or the United Kingdom to cover Hong Kong as well, via a two stage procedure (respectively corresponding to the publication of the patent application serving as the basis for the extension, and the granting of it).

Patent protection to Hong Kong has been extended based on corresponding Chinese Patent Application 201380051024.3.

The first stage of the procedure for extending protection to Hong Kong has been completed.

The deadline for the second stage of the procedure for extending protection to Hong Kong will be set once corresponding Chinese Patent Application 201380051024.3 proceeds to grant.

Indian Patent Application 1367/DELNP/2015

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

Examination of the application has been requested and we are presently waiting further Official Action in respect of it.

Indonesian Patent Application P00201501129

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

Examination of the application has been requested and we are presently waiting further Official Action in respect of it.

Israeli Patent Application 237343

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

The filing formalities have been attended to and we are presently waiting further Official Action in respect of the application.

Japanese Patent Application 2015-527739

A First Office Action has issued in respect of the application from the Japanese Patent Office (JPO).

In the First Office Action, the Japanese Examiner expressed the opinion (in respect of the claims as published in the IPRP of the PCT Application that the invention as defined in each of claims 1 to 28 is rejected for lack of inventive step. In particular, the Japanese Examiner expressed the opinion that: the invention as defined in each of claims 1-15, 21, 22 and 24-28 is rejected as being obvious in the light of cited prior art document D10 (JP 2004-530380); the invention as defined in claim 16 is rejected as being obvious in the light of D10 and further in view of D11 (JP H07-010776U); the invention as defined in claims 17-20 is rejected as being obvious in the light of D12 (JP H09-331588) and D13 (WO 2011/065293); and the invention as defined in claim 23 is rejected as being obvious in the light of D14 (US 2008/0144262).

The Japanese Examiner also expressed the opinion that claims 1, 3, 4, 8, 15 and 25-28 lacked clarity (indefiniteness) and rejected claim 27 for lack of statutory subject matter.

A response to the First Office Action was timely filed. In the response, amendments to the claims were filed, along with supporting submissions, seeking to address the issues raised by the Japanese Examiner.

We are presently waiting further Official Action in respect of the application following lodgement of the response in reply to the First Office Action.

Malaysian Patent Application PI 2015000444

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

A request for examination of the application is due to be filed by the deadline of **20 August 2017**.

Mexican Patent Application MX/A/2015/002434

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application, with claims 25-28 eliminated to avoid a future rejection to them under Mexican patent law and practice.

The filing formalities have been attended to and we are presently waiting further Official Action in respect of the application.

Moroccan Patent Application 37864

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

A Preliminary Search Report and Written Opinion (Opinion) has issued in respect of the application from the Moroccan Patent Office (JPO).

In the Opinion, the Moroccan Examiner expressed the view (in respect of the claims as published in the IPRP of the PCT Application) that claims 1-16, 19, and 21-28 lack novelty, and that all claims lack inventive step, in view of the following prior art documents, all cited during the international phase of Application PCT/AU2013/000924: D1 (CA 2633200), D5 (US 6,989,763); D6 (EP 1471717); and D7 (US 6,752,946).

A response to the Opinion was timely filed. In the response, argumentation in favour of the pending claims was submitted similar to that deployed during the International phase of the PCT Application and which successfully resulted in a favourable final IPRP.

We are presently waiting further Official Action in respect of the application following the lodgement of the response in reply to the Opinion.

New Zealand Patent Application 705286

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

Examination of the application has been requested and we are presently waiting further Official Action in respect of it.

Omani Patent Application OM/P2015/00044

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

The filing formalities have been attended to and we are presently waiting further Official Action in respect of the application.

Filipino Patent Application 1-2015-500380

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

Examination of the application has been requested and we are presently waiting further Official Action in respect of it.

Qatari Patent Application QA/201502/00058

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

The filing formalities have been attended to and we are presently waiting further Official Action in respect of the application.

Republic of Korea Patent Application 10-2015-7007052

A Notice of Preliminary Rejection has issued in respect of the application from the Korean Intellectual Property Office (KIPO).

In the Notice of Preliminary Rejection, the Korean Examiner expressed the opinion (in respect of the claims as published in the IPRP of the PCT Application that particular claims failed to comply with claim description requirements and lacked clarity.

A response to the Notice of Preliminary Rejection was timely filed. In the response, amendments to the claims were filed seeking to address the issues raised by the Korean Examiner.

We are presently waiting further Official Action in respect of the application following lodgement of the response in reply to the Notice of Preliminary Rejection.

Singaporean Patent 11201501262R

The claims of this patent conform with those granted in respect of Australian Patent 2013204864, with omnibus claims 29 and 30 being deleted (such claims not being allowed in Singapore).

South African Patent Application 2015/01208

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

The application is in condition for acceptance. Acceptance has been delayed until 23 May 2017 pending developments in corresponding patent applications in other countries.

Thai Patent Application 1501000984

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

A request for examination of the application is due to be filed by the deadline of **8 June 2021**.

UAE Patent Application P246/15

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application.

Examination of the application has been requested and we are presently waiting further Official Action in respect of it.

United States of America Patent Application 14/423,655

The claims presently on file for this application correspond to those as published in the IPRP of the PCT Application, amended to take into account US patent law and practice.

The filing formalities have been attended to and we are presently waiting further Official Action in respect of the application.

Vietnamese Patent Application 1-2015-00980

An Office Action has issued in respect of the application from the Vietnamese National Office of Intellectual Property (NOIP) raising a number of formality issues needing address.

In the Office Action, the Vietnamese Examiner expressed the opinion (in respect of the claims as published in the IPRP of Application PCT/AU2013/000924) that claim 26 was unclear and that claim 27 was unpatentable.

A response to the formality matters raised in the Office Action was timely filed. In the response, amendments to the claims were filed seeking to address the issues of formality raised by the Vietnamese Examiner.

Substantive examination of the application has been requested and we are presently waiting further Official Action in respect of it.

6.0 Trade Mark Protection, Procedures, and Requirements

A trade mark is a badge of origin that is used to distinguish the goods and/or services of one trader from the goods and services of other traders. Trade marks are a tradable property right that are particularly important and valuable once a product or a process enters the market. A trade mark may be, for example, a word, phrase, letter, number, sound, smell, shape, logo, picture, aspect of packaging or a combination of these used to denote the trade source of goods and/or services.

The exclusive right of trade mark owners serves the function of consumer protection as well as protection of interests of traders in both the goodwill associated with their trade marks and the value of a registered trade mark as a property right. An Australian registered trade mark gives the owner the legal right to use, license or sell it within Australia (subject to any other conflicting laws or rights of third parties under common law – for example, superior reputational claims giving rise to confusion) for the goods and services for which it is registered. A registered trade mark gives the owner the right to prevent others from using an identical or deceptively similar mark as a badge of origin in respect of the same or closely related goods or services.

In Australia, trade marks are registered in relation to particular goods or services. These goods and services are categorised into one or more of 45 available international classes.

After lodgement, an Australian trade mark application is examined by IP Australia (the Australian Trade Marks Office).

If there are grounds for objecting to the application, an examination report will issue.

The most common grounds for objecting to a trade mark application are:

- (a) that the trade mark is descriptive of the goods or services claimed; and
- (b) that the trade mark is substantially identical with or deceptively similar to an earlier lodged trade mark application or registration, which claims the same or similar goods and/or services.

An initial 15 month period (which can be extended under certain circumstances) is provided for responding to the examination report and overcoming any objections raised.

Upon overcoming all objections the trade mark application will be accepted. Acceptance of the trade mark application will be advertised and the application will be open to opposition by a third party. If no opposition is lodged or if the opposition is unsuccessful, the trade mark will be registered (subject to the payment of a registration fee, if the application was made before 10 October 2016, when IP Australia introduced changes to its fee structure).

The registration will then be in force for a period of 10 years from the date of application.

Renewal of the registration is required every 10 years, commencing from the date the application was initially filed, in order to keep the registration active. A trade mark can have infinite life as long as it is renewed every 10 years. However, if a trade mark has not been used (in Australia) in relation to the claimed goods or services for three or more continuous years, it can be removed from the register upon application from a third party.

7.0 The Quantify Trade Marks

7.1 Background

We have been informed that Quantify's trade mark portfolio consists of 12 Australian trade mark applications/registrations. We have not been instructed to file, and are otherwise unaware of, any trade mark applications/registrations owned by Quantify outside Australia.

In compiling this Report, the filing particulars have been confirmed and the current status ascertained. The trade marks set out in this Section are either pending registration or currently in force. For those marks that remain pending, we set out a summary of their current status.

7.2 The Quantify Trade Mark Applications and Registrations

We have been informed that Quantify is the owner of the following trade mark applications and registrations.

Mark 1: QUANTIFY

Owner: Quantify Technology Pty Ltd (Name change to Quantify Technology Ltd to be recorded)

Country	Number	Classes	Status
Australia	1752488	9, 42	Pending - application filed on 24 February 2016 Examination report issued on 14 March 2016

The current specification of goods and services for the trade mark application is as follows:

Class	Description
9	Electrical switching apparatus; Light switches; Sensor switches; Apparatus and instruments for regulating electricity; Power regulating apparatus; Electronic instruments for controlling systems associated with buildings; Apparatus and instruments for controlling electricity; Apparatus for controlling lighting; Electronic instruments for monitoring systems in buildings; Electrical instruments for monitoring light; Electrical instruments for monitoring sound; Apparatus designed to monitor the performance of apparatus; Apparatus for signalling; Instruments for signalling; Checking (supervision) apparatus and instruments; Life saving instruments; Life saving apparatus and equipment; Apparatus for the reproduction of sound or images; Apparatus for the transmission of sound or images; Data processing equipment; Computers; Computer software
42	Design and development of computer software (for others)

Mark 2: PLATFORM FOR LIFE

Owner: Quantify Technology Pty Ltd (Name change to Quantify Technology Ltd to be recorded)

Country	Number	Classes	Status
Australia	1752489	9, 42	Registered/protected from 18 February 2016

The specification of goods and services for the trade mark registration is as follows:

Class	Description
9	Electrical switching apparatus; Light switches; Sensor switches; Apparatus and instruments for regulating electricity; Power regulating apparatus; Electronic instruments for controlling systems in buildings; Apparatus and instruments for controlling electricity; Apparatus for controlling lighting; Electronic instruments for monitoring systems in buildings; Electrical instruments for monitoring light; Electrical instruments for monitoring sound; Apparatus designed to monitor the performance of apparatus; Apparatus for signalling; Instruments for signalling; Checking (supervision) apparatus and instruments; Life saving instruments; Life saving apparatus and equipment; Apparatus for the reproduction of sound or images; Apparatus for the transmission of sound or images; Data processing

	equipment; Computers; Computer software
42	Design and development of computer software (for others)

Mark 3: QUANTIFY TRULY INTELLIGENT BUILDINGS

Owner: Quantify Technology Pty Ltd (Name change to Quantify Technology Ltd to be recorded)

Country	Number	Classes	Status
Australia	1752490	9, 42	Pending - Opposed

This mark was accepted for registration and advertised for opposition purposes by IP Australia on 21 July 2016. On 22 July 2016, Avontus Software Corporation (Avontus) filed a Notice of Intention to Oppose Mark 3. On 23 August 2016, Avontus filed its Statement of Grounds and Particulars which details the grounds upon which it seeks to oppose Mark 3. Quantify lodged a Notice of Intention to Defend the opposition on 14 September 2016. The next step in the opposition proceedings is for Avontus to file its Evidence in Support of the Opposition by 20 December 2016. Quantify will then have 3 months from the date of receiving notification of the filing of Avontus' Evidence in Support to file its Evidence in Answer to the Opposition. Avontus will then have 2 months from the date of receiving notification of the filing of the Evidence in Answer to file any Evidence in Reply. Thereafter, IP Australia will invite the parties to request a hearing of the opposition. If no hearing is requested, IP Australia will make a decision based on properly filed evidence and submissions.

The current specification of goods and services for the trade mark application is as follows:

Class	Description
9	Electrical switching apparatus; Light switches; Sensor switches; Apparatus and instruments for regulating electricity; Power regulating apparatus; Electronic instruments for controlling systems in buildings; Apparatus and instruments for controlling electricity; Apparatus for controlling lighting; Electronic instruments for monitoring systems in buildings; Electrical instruments for monitoring light; Electrical instruments for monitoring sound; Apparatus designed to monitor the performance of apparatus; Apparatus for signalling; Instruments for signalling; Checking (supervision) apparatus and instruments; Life saving instruments; Life saving apparatus and equipment; Apparatus for the reproduction of sound or images; Apparatus for the transmission of sound or images; Data processing

	equipment; Computers; Computer software
42	Design and development of computer software (for others)

**Mark 4:**

Owner: Quantify Technology Pty Ltd (Name change to Quantify Technology Ltd to be recorded)

Country	Number	Classes	Status
Australia	1752491	9, 42	Registered/Protected from 18 February 2016

The specification of goods and services for the trade mark registration is as follows:

Class	Description
9	Electrical switching apparatus; Light switches; Sensor switches; Apparatus and instruments for regulating electricity; Power regulating apparatus; Electronic instruments for controlling systems in buildings; Apparatus and instruments for controlling electricity; Apparatus for controlling lighting; Electronic instruments for monitoring systems in buildings; Electrical instruments for monitoring light; Electrical instruments for monitoring sound; Apparatus designed to monitor the performance of apparatus; Apparatus for signalling; Instruments for signalling; Checking (supervision) apparatus and instruments; Life saving instruments; Life saving apparatus and equipment; Apparatus for the reproduction of sound or images; Apparatus for the transmission of sound or images; Data processing equipment; Computers; Computer software
42	Design and development of computer software (for others)

Mark 5: QUANTIFY ENERGY SAVER HOME LOAN

Owner: Quantify Technology Pty Ltd (Name change to Quantify Technology Ltd to be recorded)

Country	Number	Classes	Status
Australia	1772088	36	Pending - accepted for registration on 1 July 2016

			Advertised for opposition on 27 October 2016
--	--	--	--

The 2-month opposition period for this mark ends on 27 December 2016. Provided no oppositions are filed during this time (and no extension of time to file an opposition is applied for and granted), Mark 5 should be registered shortly thereafter.

The current specification of services for the trade mark application is as follows:

Class	Description
36	Advisory services relating to mortgages; Mortgage advice; Mortgage financing services; Mortgage lending; Mortgage loan services; Mortgage loans; Mortgage services; Provision of information relating to mortgages; Provision of mortgage loans; Provision of mortgages; Financing of home loans; Provision of home loans; Provision of loans; Provision of real estate loans; Advisory services relating to loan services; Financial services; Loan services; Loan services for property investment; Loan financing

Mark 6: QUMULUS

Owner: Quantify Technology Ltd

Country	Number	Classes	Status
Australia	1803443	9, 42	Pending - application filed on 27 October 2016 Examination report issued on 11 November 2016

Quantify now has until 11 February 2018 to address the issues raised in the examination report otherwise the application will lapse.

The specification of goods and services for the trade mark application is as follows:

Class	Description
9	Electrical switching apparatus; Light switches; Sensor switches; Apparatus and instruments for regulating electricity; Power regulating apparatus; Electronic instruments for controlling systems in buildings; Apparatus and instruments for controlling electricity; Apparatus for controlling lighting; Electronic instruments for monitoring systems in buildings; Electrical instruments for monitoring light; Electrical instruments for monitoring sound;

Class	Description
	Apparatus designed to monitor the performance of apparatus; Apparatus for signalling; Instruments for signalling; Checking (supervision) apparatus and instruments; Life saving instruments; Life saving apparatus and equipment; Apparatus for the reproduction of sound or images; Apparatus for the transmission of sound or images; Data processing equipment; Computers; Computer software
42	Design and development of computer software (for others)

Mark 7: IoT Fabric Extension

Owner: Quantify Technology Ltd

Country	Number	Classes	Status
Australia	1803444	9, 42	Pending - application filed on 7 November 2016 Examination report issued on 22 November 2016

Quantify now has until 22 February 2018 to address the issues raised in the examination report otherwise the application will lapse.

The specification of goods and services for the trade mark application is as follows:

Class	Description
9	Electrical switching apparatus; Light switches; Sensor switches; Apparatus and instruments for regulating electricity; Power regulating apparatus; Electronic instruments for controlling systems in buildings; Apparatus and instruments for controlling electricity; Apparatus for controlling lighting; Electronic instruments for monitoring systems in buildings; Electrical instruments for monitoring light; Electrical instruments for monitoring sound; Apparatus designed to monitor the performance of apparatus; Apparatus for signalling; Instruments for signalling; Checking (supervision) apparatus and instruments; Life saving instruments; Life saving apparatus and equipment; Apparatus for the reproduction of sound or images; Apparatus for the transmission of sound or images; Data processing equipment; Computers; Computer software
42	Design and development of computer software (for others)

Mark 8: IQ SWITCH

Owner: Ambient Group Limited (Assignment to Quantify Technology Ltd being recorded)

Country	Number	Classes	Status
Australia	1488785	9	Registered/Protected from 2 May 2012

The specification of goods for the trade mark registration is as follows:

Class	Description
9	Apparatus (including automatically operating apparatus) for conducting, switching, regulating and controlling light and power, in wireless and wired forms

**Mark 9:**

Owner: Ambient Group Limited (Assignment to Quantify Technology Ltd being recorded)

Country	Number	Classes	Status
Australia	1488786	9, 38, 42, 45	Registered/Protected from 2 May 2012

The specification of goods and services for the trade mark registration is as follows:

Class	Description
9	Apparatus for conducting, switching, regulating and controlling light and power, in wireless and wired forms; apparatus and instruments for monitoring, signalling, checking (supervision) and life-saving; apparatus for transmission or reproduction of images or sound; data processing equipment; computers; computer software
38	Telecommunications
42	Design and development of customised computer software to operate and support power and lighting apparatus, telecommunications and security and monitoring services

Class	Description
45	Security and monitoring services for the protection of property and individuals

Mark 10: AMBIENT COMPANION

Owner: Ambient Group Limited (Assignment to Quantify Technology Ltd being recorded)

Country	Number	Classes	Status
Australia	1488787	9, 42, 45	Registered/Protected from 2 May 2012

The specification of goods and services for the trade mark registration is as follows:

Class	Description
9	Apparatus for conducting, switching, regulating and controlling power, in wireless and wired forms; apparatus and instruments for monitoring, signalling, checking (supervision) and life-saving
42	Design and development of customised computer software to operate and support power and lighting apparatus, telecommunications and security and monitoring services
45	Security and monitoring services for the protection of property and individuals

**Mark 11:**

Owner: Ambient Group Limited (Assignment to Quantify Technology Ltd being recorded)

Country	Number	Classes	Status
Australia	1488789	9, 38, 42, 45	Registered/Protected from 2 May 2012

The specification of goods and services for the trade mark registration is as follows:

Class	Description
9	Apparatus for conducting, switching, regulating and controlling light and power, in wireless and wired forms; apparatus and instruments for monitoring,

Class	Description
	signalling, checking (supervision) and life-saving; apparatus for transmission or reproduction of images or sound; data processing equipment; computers; computer software
38	Telecommunications
42	Design and development of customised computer software to operate and support power and lighting apparatus, telecommunications and security and monitoring services
45	Security and monitoring services for the protection of property and individuals

Mark 12: AMBIENT IQ

Owner: Ambient Group Limited (Assignment to Quantify Technology Ltd being recorded)

Country	Number	Classes	Status
Australia	1488790	9, 38, 42, 45	Registered/Protected from 2 May 2012

The specification of goods and services for the trade mark registration is as follows:

Class	Description
9	Apparatus for conducting, switching, regulating and controlling light and power, in wireless and wired forms; apparatus and instruments for monitoring, signalling, checking (supervision) and life-saving; apparatus for transmission or reproduction of images or sound; data processing equipment; computers; computer software
38	Telecommunications
42	Design and development of customised computer software to operate and support power and lighting apparatus, telecommunications and security and monitoring services
45	Security and monitoring services for the protection of property and individuals

7.3 Trade Mark Observations

We make the following observations about Quantify's trade marks:

- (a) the listed owner of Marks 1-5 is “Quantify Technology Pty Ltd”. According to ASIC records, Quantify Technology Pty Ltd converted to a public company (and became Quantify Technology Ltd) in or about April 2016. We are informed by Quantify that the owner’s name will be updated for each of these marks to reflect the correct legal name;
- (b) the listed owner of Marks 8-12 is Ambient Group Limited. These marks were assigned from Ambient Group Pty Ltd (formerly Ambient Group Limited) ultimately to Quantify Technology Pty Ltd (now known as Quantify Technology Ltd) under a deed dated 1 August 2016 between Ambient Group Pty Ltd and Lapins Holdings Pty Ltd as trustee for the Lapins Family Trust effective 5 May 2014 and then by a further deed made on 25 February 2016 effective 28 January 2015. An application to record the assignment of Marks 8-12 has been filed with IP Australia so that Quantify Technology Ltd will be reflected as the current owner of these marks.

8.0 Domain Name Registration, Procedures and Requirements

Domain Names are an important tool in the e-commerce environment.

When a person registers a domain name, they acquire a license to use the domain name for a specified period of time, under the terms and conditions of the domain name registrar from which the domain name license is acquired. The registrant does not “own” the domain name. Domain name registration must be renewed periodically, and the renewal period varies between different domain names and registrars.

Domain name registrations are allocated on a first come first serve basis, provided that the relevant eligibility rules have been satisfied. A domain name registration does not provide its registrant with any proprietary or exclusive rights to the name in question.

The domain name suffix such as “.com” or “.com.au” is referred to as the Top Level Domain (TLD). TLDs can be generic, such as “.com”, country specific, such as “.com.au”, or industry specific such as “.legal”. Anyone can generally register a generic TLD. In order to register a country specific TLD, it may be necessary to demonstrate a connection with that specific country. For example, in order to be eligible to register a .com.au domain, the registrant must be an Australian registered company, trading under a registered business name in Australia, an Australian partnership or sole trader, an owner or applicant of an Australian Registered Trade Mark, an association incorporated in Australia or an Australian commercial statutory body.

Domain names can usually be registered by any individual, and unlike registered trade marks, there is usually no mechanism to *prevent* the registration of a domain name that is similar to your brand by a third party (although there are mechanisms to have such registered domain names transferred or cancelled in certain circumstances).

This means that it is possible for a third party to register a domain name which is similar to your brand which may:

- (a) seek to trade off the reputation of your brand; or
- (b) acquire a domain name incorporating your brand with the intention of selling the domain name back to you.

Accordingly, a pragmatic brand protection strategy is to acquire all domain names relating to the jurisdictions of interest to your business first, prior to others acquiring the domain name.

If a domain name which is similar to your brand or registered trade mark has been registered by a third party in bad faith, it is possible to commence an administrative proceeding known as the Uniform Dispute Resolution Policy complaint (**UDRP**) against the registrant to have the domain name in question transferred to you. In most instances, entitlement to a domain name registered by a third party must be supported by relevant registered rights (through a trade mark) or reputation in the name.

9.0 The Quantify Domain Names

According to a list of domain names provided us by Quantify, it is the registrant of the domain names listed in the **Schedule 1**

Upon review of the WHOIS records identifying domain name registrants, we make the following observations about Quantify's domain names:

- (a) the "Registrant Organisation" of domain names 2 and 3 is listed as "Ambient Group Pty Ltd". Relevantly, we are informed by Quantify that it acquired these two domains from their previous owner, Lapins Holdings Pty Ltd as trustee for the Lapins Family Trust who earlier acquired them from Ambient Group Pty Ltd;
- (b) the "Registrant Organisation" of domain names 4-7, 9-14 and 16-17 is listed as "Quantify Technology" which is not an accurate reflection of the correct legal entity.

The correct legal entity is Quantify Technology Ltd;

- (c) the “Registrant Organisation” of domain names 1,8 and 15 is listed as “Quantify Technology Pty Ltd” which is no longer the correct legal entity for Quantify following the change of its status to a public company.

We understand that WHL Energy has now:

- (a) requested Quantify amend the WHOIS records for domain names 2 and 3 to reflect Quantify as the registrant of the domains;
- (b) requested Quantify amend the WHOIS records for domain names in the name of “Quantify Technology” to reflect the proper legal name of the registrant, “Quantify Technology Ltd”;
- (c) requested Quantify amend the WHOIS records for domain names in the name of “Quantify Technology Pty Ltd” to reflect the proper legal name of the registrant, “Quantify Technology Ltd”.

10.0 Disclaimer and Limitations

The Report is not to be construed as a legal opinion as to the registrability of patent applications or trade mark applications. It should also be appreciated that the Report is not a validity opinion. No conclusions regarding validity based on the Report should be made. Moreover, the Report does not provide any guarantee that the subject invention may be commercially exploited or any trade mark used without risk of infringement of earlier rights. The Report has been provided on the basis of public registry searches and our instructions from WHL Energy and information provided by Quantify (including the review of relevant contracts provided to us) which we are instructed are complete and accurate. However, while all due care has been taken to ascertain that Quantify is the owner of intellectual property referred to in this report, we assume no responsibility for any conclusions which are subsequently found to be inaccurate due to the provision of incomplete instructions to us by Quantify or the existence of material facts which have not been made known to us at this time.

10.1 Patent Disclaimer

Examination Reports in One Country Not Binding In Other Countries

In most countries, patent applications undergo an independent search and examination by the local Patent Office, the results of which are not binding in other jurisdictions. Similarly, international PCT search and examination reports are not binding on national patent applications during subsequent examination in the national phase. Such reports should therefore be regarded as indicative only and not determinative of patentability. It should also be appreciated that the grant of a patent in one country provides no guarantee that patents will be granted in other jurisdictions.

Scope of Claims May Vary during Examination

It is often necessary during the examination of a patent application to define the invention more specifically by amendment of the claims, so as to distinguish relevant prior art. As a result of this process, there may be variations in the claims between countries, reflecting in part the different examination procedures and threshold requirements for patentability, according to national laws. Whilst this is a relatively standard procedure, in certain circumstances, such amendments may affect the scope and hence the commercial significance of the resultant patent protection.

Grant of Patent Provide No Guarantee of Validity

A granted patent provides no guarantee of validity. In most jurisdictions, a patent application undergoes a substantive examination process before proceeding to grant which confers an initial presumption of validity. However, the validity of a patent may be challenged at any time after grant, by way of revocation proceedings filed in a Court of competent jurisdiction.

Grant of Patent Provides No Guarantee of Non-Infringement

The grant of a patent provides no guarantee that the patentee is entitled to commercially exploit the patented invention, since the working of an invention, even if validly patented, may infringe an earlier patent or other intellectual property rights.

10.2 Trade Mark Disclaimer

This Report is based upon the Australian Trade Marks Office records of registered, published and pending trade marks. Our searches included only those trade mark applications and registrations that had been filed, indexed, and made available online at the date of our search in the name of Quantify. There may be a delay of a day or two (but occasionally more) between the date on which an application is filed and the date on which it first becomes available online. Accordingly, it is possible that relevant applications filed shortly before our search was conducted remain undetected. In addition, details of trade mark applications are not entered on the database records strictly in accordance with their order of receipt by the Trade Marks Office. Hence it is possible that records covered by our search do not include some trade mark applications that were filed shortly before our search was conducted. It is also possible that a relevant application that was not filed until after the search was conducted may (under the Paris Convention for the Protection of Industrial Property) claim a priority date of up to six months earlier from a trade mark application filed in another country, and that therefore would not have been located in our search. We also point out that the Trade Marks Office does not guarantee the accuracy of its computer records.

10.3 Domain Name Disclaimer

This Report is based upon the WHOIS records of the list of domain names provided to us by Quantify. Hence it is possible that records covered by our search do not include domains that are owned Quantify but for which we were not notified. We also point out that the various registrars do not guarantee the accuracy of the data contained in the WHOIS record.

11.0 Statement of Independence

Wrays, established in 1920, is a national patent and trade mark attorney practice, proudly representing a significant number of Australia's largest businesses, in addition to numerous international and multinational clients. Neither Wrays Pty Ltd, Wrays Lawyers Pty Ltd, Wrays Patent and Trade Mark Attorneys, nor any of its partners or principals, has any entitlement to any securities in WHL Energy Ltd or Quantify Technology Ltd or has any other interest in the promotion of that entity. Furthermore, the payment of fees to Wrays for the preparation of this Report is not contingent upon the outcome of the Prospectus.

We have given our consent to the issue of the Prospectus with this Report appearing therein.

Yours sincerely
WRAYS



Marie Wong
Principal

Marie.Wong@wrays.com.au
(08) 9216 5132



Adrian Huber
Consultant

Adrian.Huber@wrays.com.au
(08) 9216 5161

SCHEDULE 1 – LIST OF QUANTIFY DOMAIN NAMES

No.	Domain Name	Expiry Date	Registrant Name	Registrant Organization
1	ambientcompanion.com	2 December 2016	Mark Lapins	Quantify Technology Pty Ltd
2	ambientcompanion.com.au	2 December 2016 *	-	Ambient Group Pty Ltd
3	ambientcompanion.net.au	2 December 2016 *	-	Ambient Group Pty Ltd
4	platformforlife.info	15 May 2017	Mark Lapins	Quantify Technology
5	quantify.technology	16 April 2018	Mark Lapins	Quantify Technology
6	quantify.tv	1 September 2017	Mark Lapins	Quantify Technology
7	quantifytechnology.com	16 April 2018	Mark Lapins	Quantify Technology
8	quantifytechnology.com.au	16 April 2018 *	-	Quantify Technology Pty Ltd
9	quantifytechnology.net	16 April 2018	Mark Lapins	Quantify Technology
10	quantifytv.com	2 September 2017	Mark Lapins	Quantify Technology
11	quantifytv.net	2 September 2017	Mark Lapins	Quantify Technology

12	trulyintelligentbuilding.com	15 May 2017	Mark Lapins	Quantify Technology
13	trulyintelligentbuilding.net	15 May 2017	Mark Lapins	Quantify Technology
14	trulyintelligentbuildings.com	15 May 2017	Mark Lapins	Quantify Technology
15	trulyintelligentbuildings.com.au	15 May 2017 *	-	Quantify Technology Pty Ltd
16	trulyintelligentbuildings.info	15 May 2017	Mark Lapins	Quantify Technology
17	trulyintelligentbuildings.net	15 May 2017	Mark Lapins	Quantify Technology

* Expiry dates provided by Quantify Technology Ltd since these are not freely available on the public record

7. FINANCIAL INFORMATION

7.1 Historical financial information

The Investigating Accountant's Report contained in Section 8 of this Prospectus sets out:

- (a) the audited Statements of Financial Position, Comprehensive Income and Changes in Equity for the financial years ending 30 June 2014, 2015 and 2016 for WHL and Quantify; and
- (b) the unaudited pro-forma Statement Financial Position of WHL (after completion of the Transaction) as at 30 June 2016.

Investors are urged to read the Investigating Accountant's Report in full.

The full audited financial statements for WHL for its financial years ended 30 June 2014, 2015 and 2016, which include the notes to the financial statements, can be found on WHL's website: www.whlenergy.com.au or WHL's ASX announcements platform on www.asx.com.au.

The full audited financial statements for Quantify for its financial years ended 30 June 2014, 2015 and 2016, which include the notes to the financial statements, be found on WHL's website: www.whlenergy.com.au.

7.2 Forecast financial information

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of WHL and Quantify are inherently uncertain. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.3 Dividend Policy

It is anticipated, post completion of the Transaction, WHL will focus on the development and commercialisation of the Quantify Business. WHL does not expect to declare any dividends during this period.

Any future determination as to the payment of dividends by WHL will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of WHL, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by WHL.

8. INVESTIGATING ACCOUNTANT'S REPORT

23 December 2016

The Directors
WHL Energy Limited
C/- Westar Capital Limited
Level 4, 216 St Georges Terrace
PERTH WA 6000

Dear Sirs

**INVESTIGATING ACCOUNTANT'S REPORT - WHL ENERGY LIMITED
(TO BE RENAMED QUANTIFY TECHNOLOGY HOLDINGS LIMITED)**

Introduction

This Investigating Accountant's Report ("Report") has been prepared for inclusion within a replacement prospectus ("Prospectus") to be dated on or about 23 December 2016 for the issue by WHL Energy Limited ("WHL" or the "Company") of up to 83,333,333 post-consolidation ordinary shares at \$0.06 each to raise a minimum of \$3,500,000 and a maximum of \$5,000,000 before expenses of the issue. The Prospectus is issued as a replacement to the prospectus issued by the Company on 16 December 2016.

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of WHL. All shares and options have been quoted on a post-consolidation basis.

Structure of Report

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Financial information;
4. Subsequent events;
5. Statements; and
6. Declaration.

1. Background Information

WHL Energy Limited is an Australian public company listed on the official list of the ASX (ASX code WHN) with its principal focus being oil and gas exploration. The Company was

incorporated on 10 March 2005 and was admitted to the official list of the ASX on 6 September 2007.

The Company has been actively seeking farmout opportunities for its offshore Victoria oil and gas permit, VIC/P67. On 3 November 2016, the Company announced it had entered into a conditional sale and purchase deed for the disposal of the Company's interest in VIC/P67 subject to any required shareholder approval and relevant authority approvals in exchange for a royalty of 1% of sales gas revenue to a maximum of \$7.5m.

On 12 September 2016, WHL announced that it had entered into a merger implementation agreement ("MIA") under which it agreed to acquire unlisted Australian public company Quantify Technology Limited ("Quantify"). Under the MIA, WHL will seek to acquire 100% of Quantify's ordinary fully paid shares and Quantify's main class of options by means of separate takeover offers and, in relation to Quantify's other issued securities that are not subject to the takeover offers, by private agreement.

The Company held a general meeting of shareholders on 30 November 2016 at which a share consolidation on an 83:1 basis was approved.

At the reconvened annual general meeting of shareholders of the Company held on 22 December 2016, resolutions giving effect to the following were put to shareholders and approved:

1. A change in nature and scale of activities via the acquisition of 100% of the issued securities in Quantify Technology Limited through separate off-market takeover offers for all of Quantify's ordinary fully paid shares and main class of options and by private agreements in respect of all other Quantify securities. Full details of Quantify are contained in the Notice of Annual General Meeting released to ASX on 31 October 2016 (AGM Notice and the addendum to the AGM Notice and Independent Expert's Report announced to the ASX on 12 December 2016;
2. A capital raising being the issue of up to 83,333,333 ordinary shares at \$0.06 each to raise a minimum of \$3,500,000 and a maximum of \$5,000,000 before expenses of the issue;
3. The election of Messrs Mark Lapins, Aidan Montague and Alex Paior as directors of the Company;
4. Approval given to the aforementioned new directors and existing directors to participate in the capital raising;
5. The creation of new classes of securities in the Company comprising Performance Shares and Founder Performance Shares to facilitate the Company replacing those classes of securities in Quantify as part of the MIA;
6. Adoption of an employee option plan and an employee share plan to facilitate the Company replacing those classes of securities in Quantify as part of the MIA;
7. The issue of up to 30,000,000 Founder Performance shares on a post-consolidation basis to Mr Mark Lapins or his nominee;

8. The issue of 3,942,262 shares on a post-consolidation basis to advisers to replace existing Quantify Class C shareholdings for advisory services provided to Quantify;
9. A change of company name to Quantify Technology Holdings Limited;
10. The issue of up to 10,833,333 ordinary shares at a deemed issue price of \$0.06 per share on a post-consolidation basis in satisfaction of convertible notes issued by Quantify;
11. The adoption of an employee performance rights plan;
12. The issue of 6,250,000 performance rights each on a post-consolidation basis to Messrs Mark Lapins and Aidan Montague or their nominees;
13. The issue of up to 8,747,626 options to Quantify corporate advisers or their nominees at an issue price of \$0.001 each with an exercise price of \$0.09 each on a post-consolidation basis and expiring 30 September 2019; and
14. The issue of up to 5,000,000 options to brokers or their nominees as part of consideration for services in relation to the capital raising with an exercise price of \$0.075 each on a post-consolidation basis and expiring 30 September 2019.

As at 30 June 2016 the issued share capital of the Company was 5,564,983,246 ordinary fully paid shares on a pre-consolidation basis. There have been no share issues by the Company subsequent to 30 June 2016 to the date of this Report.

The Company announced on 3 November 2016 a proposed share consolidation which reduced the issued capital of the Company on an 83:1 basis to 67,050,073 ordinary fully paid shares. The consolidation of capital was completed on 7 December 2016. All references to ordinary shares in this Report refer to a post-consolidation basis.

The Company's main objectives on completion of the Offer are set out in Section 4.7 of the Prospectus.

2. *Scope of Report*

You have requested HLB Mann Judd ("HLB") to prepare this Report presenting the following information:

- a) the historical audited financial information of Quantify, comprising the historical Statement of Financial Position as at 30 June 2016 and the historical Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended as set out in Appendix 1 to this Report; and
- b) the proforma financial information of the Company, comprising the proforma Statement of Financial Position as at 30 June 2016 and the proforma Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended.

This information is presented under the following two scenarios:

- \$3,500,000 capital raising (minimum); and
- \$5,000,000 capital raising (maximum).

For accounting purposes, the acquisition of Quantify by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 *"Business Combinations"*, notwithstanding that the Company is the legal parent of the group. At acquisition date the net assets of Quantify are recorded at their book value and the net assets of the Company are recorded at fair value.

Consequently the historical financial information presented in this Report is the historical financial information of Quantify as at 30 June 2016 which has been subject to audit.

The proforma financial information presented in this Report is the historical financial information of Quantify for the year ended 30 June 2016, assuming that the acquisition of Quantify by the Company and the other proposed transactions set out in Section 3(b) of this Report had been completed as at that date.

The Directors have prepared and are responsible for the historical and proforma financial information. We disclaim any responsibility for any reliance on this Report or on the financial information to which it relates for any purposes other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus.

We performed a review of the historical audited financial information of Quantify as at and for the year ended 30 June 2016 and the proforma unaudited financial information of Quantify and the Company as at and for the year ended 30 June 2016 in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements.

Our review of the historical financial information and the proforma financial information of the Company was carried out in accordance with Standard on Assurance Engagements ASAE 3450 *"Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information"* and included such enquiries and procedures which we considered necessary for the purposes of this Report.

The review procedures undertaken by HLB in our role as Investigating Accountants were substantially less in scope than that of an audit examination conducted in accordance with generally accepted auditing standards. Our review was limited primarily to an examination of the historical financial information and the proforma information, analytical review procedures and discussions with senior management. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical financial information and proforma financial information included in this Report or elsewhere in the Prospectus.

Our engagement did not involve updating or re-issuing any previously issued audit report or review report on any financial information used as a source of the financial information.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed;
- b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and
- c) the going concern basis of accounting has been adopted.

3. Financial Information

Set out in Appendix 1 (attached) are:

- a) The Statement of Financial Position of Quantify as at 30 June 2016, and the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended (audited).
- b) The proforma Statement of Financial Position of the Company as at 30 June 2016, and the proforma Statement of Comprehensive Income and proforma Statement of Changes in Equity for the year then ended as they would appear after incorporating the following actual or proposed significant events and transactions by the Company subsequent to 30 June 2016:
 - (i) the consolidation of the share capital and options on issue of the Company on an 83:1 basis;
 - (ii) the receipt of funds by Quantify in relation to unpaid allocated shares at balance date of \$360,000;
 - (iii) the completion of a capital raising by Quantify via the issue of 3,149,999 ordinary shares at \$0.06 per share to raise \$189,000 for working capital purposes;
 - (iv) the issue of 2,596,669 Quantify ordinary shares in lieu of fees by Quantify to the value of \$148,800 to advisers;
 - (v) the issue by Quantify of 2,000,000 shares and 500,000 options exercisable at 7.5 cents on or before 31 May 2017 to Quantify employees;
 - (vi) the receipt of \$650,000 worth of convertible loans at 10% interest by Quantify convertible into 10,833,333 WHL shares at \$0.06 each from external parties;
 - (vii) the issue by WHL of 11,826,787 WHL ordinary shares to advisors for facilitation and introduction services;
 - (viii) the issue by WHL of 8,747,626 options exercisable at \$0.09 on or before 30 September 2019 to Quantify corporate advisers;
 - (ix) the issue of 3,500,000 options under the minimum subscription scenario or 5,000,000 options under the maximum subscription scenario exercisable at \$0.075 on or before 30 September 2019 to brokers in relation to the issue;

- (x) the issue of 58,333,333 ordinary shares at \$0.06 each to raise \$3.5 million under the minimum subscription scenario and 83,333,333 ordinary shares at \$0.06 each to raise \$5 million under the maximum subscription scenario;
 - (xi) the payment of costs of the issue being an estimated \$573,197 if the minimum amount is raised or \$673,197 if the maximum amount is raised;
 - (xii) the settlement of \$166,667 of vendor finance to Cuda Development Corporation Pty Ltd ("Cuda") for past expenditure in developing intellectual property. \$333,333 will remain owing to Cuda pursuant to the vendor finance subsequent to this payment. This may be either paid at the same time or else in two tranches over the 12 months following re-listing of WHL;
 - (xiii) the conversion of \$650,000 in Quantify convertible loans from external parties into 10,833,333 WHL shares at a conversion price of \$0.06 each;
 - (xiv) working capital and other movements of Quantify subsequent to balance date of approximately \$1,040,000; and
 - (xv) the issue of the following securities as consideration for the acquisition of Quantify:
 - 250,000,000 WHL shares at a deemed issue price of \$0.06 each together with 120,000,000 WHL performance shares in consideration for the acquisition of 245,364,169 Quantify ordinary shares;
 - 30,000,000 WHL Founder Performance Shares will be issued to the major shareholder in replacement of 1,000 Class A and 1,000 Class B performance shares on issue in Quantify held by the major shareholder; and
 - 61,325,622 bid options exercisable at \$0.075 on or before 30 September 2019 in consideration for the acquisition of 59,900,002 Quantify ordinary options.
- c) Notes to the historical financial information and proforma financial information.

In addition to the proforma transactions as outlined above, the following transactions as outlined within the Prospectus will also occur which do not form part of the consideration:

- (i) 6,910,543 Employee Option Plan Options (on a post-consolidation basis) will be issued to Quantify EOP Optionholders (or their nominees) on completion of the transaction in replacement of 6,750,000 Quantify EOP options;
- (ii) 6,250,000 Performance Rights to proposed director Mr Mark Lapins (or his nominee) and 6,250,000 Performance Rights to proposed director Mr Aidan Montague (or his nominee) (on a post-consolidation basis) under the Performance Rights Plan; and
- (iii) 12,500,000 Options (post-consolidation) to Copper Coast upon notification by Copper Coast subsequent to the Company being readmitted to the Official List and subsequent to compliance with the ASX Listing Rules.

Historical audited financial information for the years ended 30 June 2016, 2015 and 2014 is included within Appendix 2 for the Company and Appendix 3 for Quantify.

4. Subsequent Events

In our opinion, other than the following matters, there have been no material items, transactions or events subsequent to 30 June 2016 not otherwise disclosed in the Prospectus that have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

On 3 November 2016, the Company announced a proposed consolidation of capital on an 83:1 basis. The consolidation of capital was completed on 7 December 2016.

On 3 November 2016, the Company announced that it had entered into a conditional sale and purchase deed for the disposal of the Company's interest in VIC/P67 subject to any required shareholder approval and relevant authority approvals in exchange for a royalty of 1% of sales gas revenue to a maximum of \$7.5m.

On 8 November 2016, the Company announced that it had lodged its Bidder's Statement with ASIC on 7 November 2016. On 9 November 2016, the Company disclosed that Quantify had lodged its Target's Statement with ASIC on that date.

On 30 November 2016, the Company announced the results of the general meeting held on that date.

On 16 December 2016, the Company announced it had lodged with ASIC a supplementary bidder's statement on that date.

On 16 December 2016, the Company issued a prospectus containing an offer to issue a minimum of 58,333,333 shares and up to a maximum of 83,333,333 shares at an issue price of \$0.06 per share to raise between \$3,500,000 and \$5,000,000. The prospectus also contained:

- an offer to issue up to 6,910,543 EOP options to Quantify EOP optionholders in consideration for those Quantify EOP optionholders transferring their Quantify EOP options to WHL; and
- an offer of up to 5,000,000 broker options to Westar (or its nominees) as part consideration for broker services performed in relation to the equity offer.

On 21 December 2016, the Company announced that Quantify had lodged with ASIC a supplementary target's statement on that date.

On 22 December 2016, the Company announced the results of the adjourned general meeting held on that date.

5. Statements

Based on our review, which was not an audit, we have not become aware of any matter that causes us to believe that:

- a) the historical audited financial information of Quantify as at 30 June 2016 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia and its performance as represented by the results of its operations for the year then ended; and
- b) the proforma financial information of WHL as at 30 June 2016 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia and its performance as represented by its results of its operations for the period then ended. As noted in Section 2 of this Report, the proforma financial information presented in this Report is the historical financial information of Quantify for the year ended 30 June 2016, assuming that the acquisition of Quantify by the Company and the other proposed transactions set out in Section 3(b) of this Report had been completed as at that date.

6. Declaration

- a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the financial information, at our normal professional rates (expected to be \$17,500).
- b) Apart from the above fees, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, in connection with the preparation of this Report.
- c) Neither HLB, nor any of its employees or associated persons has any interest in WHL or the promotion of the Company. HLB is the appointed auditor of the Company.
- d) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus.
- e) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears. The inclusion of this Report should not be taken as an endorsement of the Company or a recommendation by HLB of any participation in the Company by an intending subscriber.

Yours faithfully
HLB MANN JUDD



M R W OHM
Partner

APPENDIX 1

WHL ENERGY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Quantify Audited 30/6/16 ⁽ⁱ⁾ \$	Proforma \$3.5M Raising ⁽ⁱⁱ⁾ \$	Proforma \$5M Raising ⁽ⁱⁱ⁾ \$
Other income		13,407	13,407	13,407
Administration and corporate		(1,152,943)	(1,951,177)	(1,951,177)
Employee benefits		(1,254,309)	(1,254,309)	(1,254,309)
Marketing expenses		(436,446)	(436,446)	(436,446)
Occupancy costs		(107,058)	(107,058)	(107,058)
Other expenses		(11,098)	(11,098)	(11,098)
Share-based payments	9	-	(1,140,007)	(1,140,007)
Travel costs		(158,675)	(158,675)	(158,675)
Listing premium on acquisition		-	(5,433,201)	(5,433,201)
Loss from ordinary activities		(3,107,122)	(10,478,564)	(10,478,564)
Income tax expense		-	-	-
Loss from ordinary activities after taxation		(3,107,122)	(10,478,564)	(10,478,564)
Other comprehensive income				
Other comprehensive income		-	-	-
Other comprehensive income, net of tax		-	-	-
Total comprehensive loss		(3,107,122)	(10,478,564)	(10,478,564)

- (i) This represents the audited Statement of Comprehensive Income of Quantify for the year ended 30 June 2016.
- (ii) The proforma financial information is based on a continuation of the Quantify Statement of Comprehensive Income for the year ended 30 June 2016, together with the proforma adjustments noted in Section 3(b) of this Report, using the reverse acquisition principles explained in Section 2 of this Report.

This statement should be read in conjunction with the accompanying notes.

WHL ENERGY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	Quantify Audited 30/6/16 ⁽ⁱ⁾ \$	Proforma \$3.5M Raising ⁽ⁱⁱ⁾ \$	Proforma \$5M Raising ⁽ⁱⁱ⁾ \$
Current assets				
Cash and cash equivalents	2	950,977	5,973,740	7,373,740
Receivables	3	377,249	51,512	51,512
Total current assets		1,328,226	6,025,252	7,425,252
Non-current assets				
Receivables		28,409	28,409	28,409
Inventories		-	71,913	71,913
Plant and equipment		72,763	84,346	84,346
Intangible assets	4	6,298,007	6,563,130	6,563,130
Total non-current assets		6,399,179	6,747,798	6,747,798
Total assets		7,727,405	12,773,050	14,173,050
Current liabilities				
Trade and other payables	5	513,240	776,933	776,933
Other liabilities		74,418	107,431	107,431
Borrowings	6	-	-	-
Total current liabilities		587,658	884,364	884,364
Non-current liabilities				
Borrowings	6	526,042	359,375	359,375
Total non-current liabilities		526,042	359,375	359,375
Total liabilities		1,113,700	1,243,739	1,243,739
Net assets		6,613,705	11,529,311	12,929,311
Equity				
Issued capital	7	9,592,781	21,365,429	22,702,429
Share based payments reserve	8	190,587	704,987	767,987
Accumulated losses	9	(3,169,663)	(10,541,105)	(10,541,105)
Total equity		6,613,705	11,529,311	12,929,311

(i) This represents the audited Statement of Financial Position of Quantify as at 30 June 2016.

(ii) The proforma financial information is based on a continuation of the Quantify Statement of Financial Position as at 30 June 2016, together with the proforma adjustments noted in Section 3(b) of this Report, using the reverse acquisition principles explained in Section 2 of this Report.

This statement should be read in conjunction with the accompanying notes.

WHL ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Period ended 30 June 2016 - Quantify ⁽ⁱ⁾ (audited):				
Balance at 30 June 2016	9,592,781	190,587	(3,169,663)	6,613,705
Proforma adjustments:				
\$3.5M raising				
Issue of Quantify shares for working capital	189,000	-	-	189,000
Issue of Quantify shares to corporate advisers	148,800	-	(63,000)	85,800
Issue of WHL shares to advisers for facilitation services	709,607		(709,607)	-
Issue of WHL options to corporate advisers	-	367,400	(367,400)	-
Issue of options to brokers	(147,000)	147,000	-	-
Shares issued pursuant to Prospectus	3,500,000	-	-	3,500,000
Share issue costs	(573,197)	-	-	(573,197)
Conversion of convertible notes	650,000	-	-	650,000
Listing premium on acquisition	-	-	(5,433,201)	(5,433,201)
Working capital movements subsequent to balance date	-	-	(798,234)	(798,234)
Shares issued as part of reverse acquisition	7,295,438	-	-	7,295,438
\$3.5M raising Proforma total ⁽ⁱⁱ⁾	21,365,429	704,987	(10,541,105)	11,529,311
Additional \$1,500,000 raising (for a total raising of \$5M)				
Additional shares issued pursuant to Prospectus	1,500,000	-	-	1,500,000
Additional share issue costs	(100,000)	-	-	(100,000)
Additional broker options	(63,000)	63,000	-	-
\$5M raising Proforma total ⁽ⁱⁱ⁾	22,702,429	767,987	(10,541,105)	12,929,311

(i) This represents the audited Statement of Changes in Equity of Quantify as at 30 June 2016.

(ii) The proforma financial information is based on a continuation of the Quantify Statement of Changes in Equity for the period ended 30 June 2016, together with the proforma adjustments noted in Section 3(b) of this Report, using the reverse acquisition principles explained in Section 2 of this Report.

This statement should be read in conjunction with the accompanying notes.

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the historical and proforma financial information by WHL Energy Limited ("WHL" or the "Company") reported under Australian Equivalents to International Financial Reporting Standards ("AIFRS") are shown below.

(a) Basis of preparation

The financial statements have been prepared in accordance with the measurement requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia using the accrual basis of accounting, including the historical cost convention.

Compliance with IFRS

The financial information complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial information, comprising the financial statements and notes thereto, comply with measurement requirements but not all of the disclosure requirements of International Financial Reporting Standards.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to insignificant risks of changes in value.

(c) Trade and other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(d) Financial Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Transaction costs on the issue of equity

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

(e) Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless that asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying value does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Borrowing Costs

Borrowing costs are recognised as an expense when incurred, except for borrowing costs relating to qualifying assets when the interest is capitalised to the qualifying assets.

(g) Trade and Other Payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except when the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Provisions and Employee Leave Benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying value is the present value of those cashflows. Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, for example under an insurance contract, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(j) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the Company. All other leases are classified as operating leases.

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Finance leases are capitalised, recording an asset and a liability equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

(k) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(l) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued.

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of WHL Energy Limited.

(m) Share-based payment transactions

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of WHL Energy Limited (market conditions) if applicable.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable,

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount.

(o) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of assets or liabilities (other than as a result of a business combination) which affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference arises from the initial recognition of goodwill; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which the deductible temporary differences or unused tax losses and tax offsets can be utilised, except:

- when the deductible temporary difference giving rise to the asset arises from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither accounting profit nor taxable income; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when they relate to the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(p) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (collectively referred to as "the Group"). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties, rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

(q) Reverse acquisition accounting

The acquisition of Quantify by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "*Business Combinations*", notwithstanding the Company being the legal parent of the group. Consequently the historical financial information presented in this Report for the year ended 30 June 2016 is the audited historical financial information of Quantify.

The acquisition of Quantify by the Company is outside the scope of AASB 3 as the accounting acquiree does not constitute a business as defined by this Standard. In this instance, the principles of reverse acquisition accounting are applied to determine the accounting acquirer but the transactions are accounted for as share-based payments by the accounting acquirer for the net identifiable assets of the accounting acquiree in accordance with AASB 2 "*Share-based Payment*".

The legal structure of the group subsequent to the acquisition of Quantify will be that the Company will remain as the legal parent entity. However, the principles of reverse acquisition accounting are applicable where the owners of the acquired entity (in this case, Quantify) obtain control of the acquiring entity (in this case, the Company) as a result of the businesses' combination.

Under reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (the Company) but are a continuation of the financial statements of the legal subsidiary (Quantify), with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values.

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Critical accounting judgements and key sources of estimation uncertainty

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model.

Impairment of non-financial assets other than goodwill and other indefinite life intangibles

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular assets that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or fair value calculations which incorporate a number of key estimates and assumptions.

(s) Proforma transactions

The proforma Statement of Financial Position of the Company as at 30 June 2016, and the proforma Statement of Comprehensive Income and proforma Statement of Changes in Equity for the year then ended as they would appear after incorporating the following actual or proposed significant events and transactions by the Company subsequent to 30 June 2016:

- (i) the consolidation of the share capital and options on issue of the Company on an 83:1 basis;
- (ii) the receipt of funds by Quantify in relation to unpaid allocated shares at balance date of \$360,000;
- (iii) the completion of a capital raising by Quantify via the issue of 3,149,999 shares at \$0.06 per share to raise \$189,000 for working capital purposes;
- (iv) the issue of 2,596,669 Quantify ordinary shares in lieu of fees by Quantify to the value of \$148,800 to advisers;
- (v) the issue by Quantify of 2,000,000 shares and 500,000 options exercisable at 7.5 cents on or before 31 May 2017 to employees;

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- (vi) the receipt of \$650,000 worth of convertible loans at 10% interest by Quantify convertible into 10,833,333 WHL shares at \$0.06 each from external parties;
- (vii) the issue by WHL of 11,826,787 WHL shares to advisors for facilitation and introduction services;
- (viii) the issue by WHL of 8,747,626 options exercisable at \$0.09 on or before 30 September 2019 to Quantify corporate advisers;
- (ix) the issue of 3,500,000 options under the minimum subscription scenario or 5,000,000 options under the maximum subscription scenario exercisable at \$0.075 on or before 30 September 2019 to brokers in relation to the issue;
- (x) the issue of 58,333,333 shares at \$0.06 each to raise \$3.5 million under the minimum subscription scenario and 83,333,333 shares at \$0.06 each to raise \$5 million under the maximum subscription scenario;
- (xi) the payment of costs of the issue being an estimated \$573,197 if the minimum amount is raised or \$673,197 if the maximum amount is raised;
- (xii) the settlement of \$166,667 of vendor finance to Cuda Development Corporation Pty Ltd ("Cuda") for past expenditure in developing intellectual property. \$333,333 will remain owing to Cuda pursuant to the vendor finance subsequent to this payment. This may be either paid at the same time or else in two tranches over the 12 months following re-listing of WHL;
- (xiii) the conversion of \$650,000 in Quantify convertible loans from external parties into 10,833,333 WHL shares at a conversion price of \$0.06 each;
- (xiv) working capital and other movements of Quantify subsequent to balance date of approximately \$1,040,000; and
- (xv) the issue of the following securities as consideration for the acquisition of Quantify:
 - 250,000,000 WHL shares at a deemed issue price of \$0.06 each together with 120,000,000 WHL performance shares in consideration for the acquisition of 245,364,169 Quantify ordinary shares;
 - 30,000,000 WHL Founder Performance Shares will be issued to the major shareholder in replacement of 1,000 Class A and 1,000 Class B performance shares on issue in Quantify held by the major shareholder; and
 - 61,325,622 bid options exercisable at \$0.075 on or before 30 September 2019 in consideration for the acquisition of 59,900,002 Quantify ordinary options.

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In addition to the proforma transactions as outlined above, the following transactions as outlined within the Prospectus will also occur which do not form part of the consideration:

- (i) 6,910,543 Employee Option Plan Options (on a post-consolidation basis) will be issued to Quantify EOP Optionholders (or their nominees) on completion of the transaction in replacement of 6,750,000 Quantify EOP options;
- (ii) 6,250,000 Performance Rights to proposed director Mr Mark Lapins (or his nominee) and 6,250,000 Performance Rights to proposed director Mr Aidan Montague (or his nominee) (on a post-consolidation basis) under the Performance Rights Plan; and
- (iii) 12,500,000 Options (post-consolidation) to Copper Coast upon notification by Copper Coast subsequent to the Company being readmitted to the Official List and subsequent to compliance with the ASX Listing Rules.

2. CASH AND CASH EQUIVALENTS

	Historical Quantify 30/6/16 \$	Proforma \$3.5M raising \$	Proforma \$5M raising \$
Balance	950,977	950,977	950,977
Cash balance of WHL acquired	-	2,104,361	2,104,361
Receipt of funds on unpaid shares	-	360,000	360,000
Proceeds from capital raising for working capital	-	189,000	189,000
Proceeds from convertible notes	-	650,000	650,000
Proceeds from re-compliance capital raising	-	3,500,000	5,000,000
Payment of costs of the issue	-	(573,197)	(673,197)
Partial settlement of intellectual property fee to related party	-	(166,667)	(166,667)
Quantify working capital movements	-	(1,040,734)	(1,040,734)
	950,977	5,973,740	7,373,740

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

3. TRADE AND OTHER RECEIVABLES

	Historical Quantify 30/6/16 \$	Proforma \$3.5M raising \$	Proforma \$5M raising \$
Balance	377,249	377,249	377,249
Receipt of funds on unpaid shares	-	(360,000)	(360,000)
WHL receivables acquired	-	51,512	51,512
Quantify working capital movements	-	(17,249)	(17,249)
	377,249	51,512	51,512

4. INTANGIBLE ASSETS

Balance	6,298,007	6,298,007	6,298,007
Expenditure on intellectual property	-	265,123	265,123
	6,298,007	6,563,130	6,563,130

5. TRADE AND OTHER PAYABLES

Balance	513,240	513,240	513,240
WHL trade payables acquired	-	293,636	293,636
Settlement of payables via issue of shares	-	(85,800)	(85,800)
Working capital movements		55,857	55,857
	513,240	776,933	776,933

6. BORROWINGS

<u>Current</u>			
Balance	-	-	-
Issue of convertible note	-	650,000	650,000
Conversion of convertible note	-	(650,000)	(650,000)
	-	-	-

<u>Non-Current</u>			
Balance	526,042	526,042	526,042
Partial settlement of intellectual property fee to related party	-	(166,667)	(166,667)
	526,042	359,375	359,375

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

7. ISSUED CAPITAL

	Number	\$3.5M raising \$	Number	\$5M raising \$
Quantify balance at 30 June 2016	239,617,501	9,592,781	239,617,501	9,592,781
Quantify share issue for working capital	3,149,999	189,000	3,149,999	189,000
Quantify share-based payments to advisers	2,596,669	148,800	2,596,669	148,800
Existing post-consolidation WHL shares	67,050,073	67,907,710	67,050,073	67,907,710
Elimination of historical value of WHN	-	(67,907,710)	-	(67,907,710)
Elimination of historical number of Quantify shares	(245,364,169)	-	(245,364,169)	-
Shares issued to acquire Quantify	250,000,000	7,295,438	250,000,000	7,295,438
Shares issued pursuant to this Prospectus	58,333,333	3,500,000	83,333,333	5,000,000
Shares issued for facilitation and introduction services	11,826,787	709,607	11,826,787	709,607
Conversion of convertible notes	10,833,333	650,000	10,833,333	650,000
Share issue costs pursuant to prospectus	-	(573,197)	-	(673,197)
Option issue to brokers for issue costs	-	(147,000)	-	(210,000)
	398,043,526	21,365,429	423,043,526	22,702,429

8. SHARE BASED PAYMENTS RESERVE

	Historical Quantify 30/6/16 \$	Proforma \$3.5M raising \$	Proforma \$5M raising \$
Balance	190,587	190,587	190,587
Option issue to brokers for issue costs (ii)	-	147,000	210,000
Option issue to corporate advisors (iii)	-	367,400	367,400
	190,587	704,987	767,987

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

8. SHARE BASED PAYMENTS RESERVE (CONT'D)

- (i) A total of 500,000 options exercisable at \$0.075 each on or before 31 May 2017 were issued to employees subsequent to balance date.
- (ii) A total of 3,500,000 options (minimum subscription) or 5,000,000 options (maximum subscription) exercisable at \$0.075 each on or before 30 September 2019 to be issued to brokers in relation to the re-compliance capital raising.
- (iii) A total of 8,747,626 options exercisable at \$0.09 each on or before 30 September 2019 to corporate advisers.

Assuming the successful completion of all events anticipated in the pro forma transactions, the following options shall be on issue:

	Number
WHL listed options on issue	7,329,965
WHL unlisted options on issue	86,433,235
Total options on issue	<u>93,763,200</u>

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black & Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

	Employee options	Broker options	Corporate advisor options
Expected volatility (%)	100%	100%	100%
Risk-free interest rate (%)	2.0%	2.0%	2.0%
Expected life of options	Expiry 31 May 2017	Expiry 30 Sept 2019	Expiry 30 Sept 2019
Exercise price (cents) – Broker and employee options	7.5 cents	7.5 cents	9 cents
Grant date share price (assumed as the issue price of shares under this Prospectus)	6 cents	6 cents	6 cents

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

9. ACCUMULATED LOSSES

	Historical Quantify 30/6/16 \$	Proforma \$3.5M raising \$	Proforma \$5M raising \$
Balance	3,169,663	3,169,663	3,169,663
Quantify share-based payments to advisers	-	63,000	63,000
Shares issued for facilitation services	-	709,607	709,607
Option issue to corporate advisers	-	367,400	367,400
Quantify working capital movements	-	798,234	798,234
Listing premium on acquisition	-	5,433,201	5,433,201
	3,169,663	10,541,105	10,541,105

10. REVERSE ACQUISITION

As disclosed in Note 1(q), the transaction involving the Company acquiring all the issued capital of Quantify Technology Limited has been accounted for under the principles of reverse acquisitions included in AASB 3 "Business Combinations".

As part of the acquisition consideration for the acquisition of Quantify Technology Limited, the Company has agreed to issue the following:

- 250,000,000 WHL shares at a deemed issue price of \$0.06 each together with 120,000,000 WHL performance shares (refer Note 11) in consideration for the acquisition of 245,364,169 Quantify ordinary shares;
- 30,000,000 WHL Founder Performance Shares (refer Note 11) will be issued to the major shareholder in replacement of 1,000 Class A and 1,000 Class B performance shares on issue in Quantify held by the major shareholder; and
- 61,325,622 bid options exercisable at \$0.075 on or before 30 September 2019 in consideration for the acquisition of 59,900,002 Quantify ordinary options.

Following are details of the pre-combination carrying amounts of the assets and liabilities of the Company:

	\$
Cash and cash equivalents	2,104,361
Trade and other receivables	51,512
Total assets	<u>2,155,873</u>

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

10. REVERSE ACQUISITION (CONT'D)

	\$
Trade and other payables	293,636
Total liabilities	<u>293,636</u>
Net assets	<u>1,862,237</u>
Issued capital	67,907,710
Reserves	7,082,852
Accumulated losses	<u>(73,128,325)</u>
Total equity	<u>1,862,237</u>

11. PERFORMANCE SHARES

As part of the acquisition consideration for the acquisition of Quantify Technology Limited, the Company has agreed to issue 120,000,000 Performance Shares and 30,000,000 Founder Performance Shares will be issued. The vesting conditions attached to the Performance Shares and Founder Performance Shares are as follows:

Performance Shares

Tranche	Number	Vesting Conditions
A	30,000,000	- Certification by a testing facility of the retrofit switch; and - Committed orders for \$3m total within 18 months of listing
B	30,000,000	- Certification by a testing facility of the wireless card; and - Committed orders for \$5m total within 30 months of listing
C	30,000,000	- Committed orders for \$10m total within 42 months of listing (released escrow pro rata for every \$1m revenue for the first \$5m of committed orders)
D	30,000,000	- Committed orders for \$15m total within 54 months of listing (released escrow pro rata for every \$1m revenue for the first \$10m of committed orders)

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

11. PERFORMANCE SHARES (CONT'D)

Founder Performance Shares

Tranche	Number	Vesting Conditions
A	15,000,000	- Certification by a testing facility of the retrofit switch
B	15,000,000	- Certification by a testing facility of the wireless card

The performance shares and founder performance shares are subject to terms and conditions as outlined in Section 11 of the Prospectus.

12. PERFORMANCE RIGHTS

The Company has agreed to issue 6,250,000 performance rights each to Messrs Mark Lapins and Aidan Montague under the Merger Implementation Agreement on the following basis:

	Tranche 1	Tranche 2	Total
Mark Lapins	4,166,667	2,083,333	6,250,000
Aidan Montague	4,166,667	2,083,333	6,250,000
Total	8,333,334	4,167,666	12,500,000

The performance rights are subject to the terms and conditions of the WHL performance rights plan as outlined in Section 11 of the Prospectus.

The first tranche of performance rights will vest immediately upon the 20 day volume weighted average price increasing to \$0.12 per share within 24 months of quotation date.

The second tranche of performance rights will vest immediately upon the 20 day volume weighted average price increasing to \$0.24 per share within 36 months of quotation date.

13. SUBSEQUENT EVENTS

In our opinion, other than the following matters, there have been no material items, transactions or events subsequent to 30 June 2016 not otherwise disclosed in the Prospectus that have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

On 3 November 2016, the Company announced a proposed consolidation of capital on an 83:1 basis. The consolidation of capital was completed on 7 December 2016.

WHL ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

12. SUBSEQUENT EVENTS (CONT'D)

On 3 November 2016, the Company announced that it had entered into a conditional sale and purchase deed for the disposal of the Company's interest in VIC/P67 subject to any required shareholder approval and relevant authority approvals in exchange for a royalty of 1% of sales gas revenue to a maximum of \$7.5m.

On 8 November 2016, the Company announced that it had lodged its Bidder's Statement with ASIC on 7 November 2016. On 9 November 2016, the Company disclosed that Quantify had lodged its Target's Statement with ASIC on that date.

On 30 November 2016, the Company announced the results of the general meeting held on that date.

On 16 December 2016, the Company announced it had lodged with ASIC a supplementary bidder's statement on that date.

On 16 December 2016, the Company issued a prospectus containing an offer to issue a minimum of 58,333,333 new shares and up to a maximum of 83,333,333 shares at an issue price of \$0.06 per share to raise between \$3,500,000 and \$5,000,000. The prospectus also contained:

- an offer to issue up to 6,910,543 EOP options to Quantify EOP optionholders in consideration for those Quantify EOP optionholders transferring their Quantify EOP options to WHL; and
- an offer of up to 5,000,000 broker options to Westar (or its nominees) as part consideration for broker services performed in relation to the equity offer.

On 21 December 2016, the Company announced that Quantify had lodged with ASIC a supplementary target's statement on that date.

On 22 December 2016, the Company announced the results of the adjourned general meeting held on that date.

14. CONTINGENCIES AND COMMITMENTS

There are no contingent liabilities or material expenditure commitments at the date of this Report.

Details of planned use of funds are outlined in Section 3.4 of the Prospectus to be issued on or around 23 December 2016.

15. RELATED PARTY TRANSACTIONS

Details of Directors' and Proposed Directors' interests in the Company's issued capital and transactions with the Company are included in Section 10 of the Prospectus.

APPENDIX 2

WHL ENERGY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

Consolidated	Audited Year ended 30/6/16 \$	Audited Year ended 30/6/15 \$	Audited Year ended 30/6/14 \$
Revenue	43,896	1,071,067	797,187
Operating expenses	(5,496,258)	(2,711,229)	(5,777,975)
Finance costs	(1,134,866)	(1,540,856)	(298,113)
Loss from ordinary activities	(6,587,228)	(3,181,018)	(5,278,901)
Income tax expense	-	-	(241,949)
Loss after tax from continuing operations	(6,587,228)	(3,181,018)	(5,520,850)
Loss from discontinued operations	(23,885,029)	-	-
Net loss for the year	(30,472,257)	(3,181,018)	(5,520,850)
Other comprehensive income, net of tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations	(221,327)	2,959,940	(492,076)
Other comprehensive income, net of tax	(221,327)	2,959,940	(492,076)
Total comprehensive loss	(30,693,584)	(221,078)	(6,012,926)

WHL ENERGY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

Consolidated	Audited 30/6/16 \$	Audited 30/6/15 \$	Audited 30/6/14 \$
Current assets			
Cash and cash equivalents	2,104,361	1,230,069	3,833,381
Trade and other receivables	51,512	355,833	3,920,734
Total current assets	2,155,873	1,585,902	7,754,115
Non-current assets			
Plant and equipment	-	146,426	189,203
Deferred exploration expenditure	-	27,757,099	23,057,576
Total non-current assets	-	27,903,525	23,246,779
Total assets	2,155,873	29,489,427	31,000,894
Current liabilities			
Trade and other payables	293,636	1,084,602	1,295,530
Borrowings	-	2,009,367	3,680,000
Current tax liabilities	-	303,376	247,706
Deferred revenue	-	-	140,199
Provisions	-	83,976	97,805
Total current liabilities	293,636	3,481,321	5,461,240
Non-current liabilities	-	-	-
Total non-current liabilities	-	-	-
Total liabilities	293,636	3,481,321	5,461,240
Net assets	1,862,237	26,008,106	25,539,654
Equity			
Issued capital	67,907,710	63,178,063	62,118,536
Reserves	7,082,852	5,486,111	6,359,148
Accumulated losses	(73,128,325)	(42,656,068)	(42,938,030)
Total equity	1,862,237	26,008,106	25,539,654

WHL ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2016

Consolidated	Audited					Total
	Issued capital	Accumulated losses	Foreign Currency Translation Reserve	Equity Based Payment Reserve	Option Reserve	
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013	59,727,589	(38,228,302)	1,482,561	1,684,799	3,326,386	27,993,033
Loss for the year	-	(5,520,850)	-	-	-	(5,520,850)
Other comprehensive income	-	-	(492,076)	-	-	(492,076)
Total comprehensive loss for the year	-	(5,520,850)	(492,076)	-	-	(6,012,926)
Options and performance rights exercised	703,400	-	-	(703,400)	-	-
Equity issued during the year	712,700	-	-	-	-	712,700
Equity issued for services	378,000	-	-	-	-	378,000
Equity issued for conversion of borrowings	939,814	-	-	-	-	939,814
Equity issue costs	(342,967)	-	-	-	-	(342,967)
Equity-based payments for employees	-	-	-	433,517	-	433,517
Equity-based payments for services	-	-	-	1,438,483	-	1,438,483
Transfer to accumulated losses on expiry	-	811,122	-	(811,122)	-	-
Balance at 30 June 2014	62,118,536	(42,938,030)	990,485	2,042,277	3,326,386	25,539,654
Balance at 1 July 2014	62,118,536	(42,938,030)	990,485	2,042,277	3,326,386	25,539,654
Loss for the year	-	(3,181,018)	-	-	-	(3,181,018)
Other comprehensive income	-	-	2,959,940	-	-	2,959,940
Total comprehensive loss for the year	-	(3,181,018)	2,959,940	-	-	(221,078)
Options and performance rights exercised	467,310	-	-	(467,200)	-	110
Equity issued during the year	548,619	-	-	-	97,203	645,822
Equity issued for services	106,181	-	-	-	-	106,181
Equity issue costs	(62,583)	-	-	-	-	(62,583)
Transfer to accumulated losses on expiry	-	3,462,980	-	(136,594)	(3,326,386)	-
Balance 30 June 2015	63,178,063	(42,656,068)	3,950,425	1,438,483	97,203	26,008,106

WHL ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2016

Consolidated	Audited					Total
	Issued capital \$	Accumulated losses \$	Foreign Currency Translation Reserve \$	Equity Based Payment Reserve \$	Option Reserve \$	
Balance at 1 July 2015	63,178,063	(42,656,068)	3,950,425	1,438,483	97,203	26,008,106
Loss for the year	-	(30,472,257)	-	-	-	(30,472,257)
Other comprehensive income	-	-	(221,327)	-	-	(221,327)
Total comprehensive loss for the year	-	(30,472,257)	(221,327)	-	-	(30,693,584)
Equity issued during the year	6,856,556	-	-	-	-	6,856,556
Options issued	-	-	-	-	1,818,068	1,818,068
Equity issue costs	(2,126,909)	-	-	-	-	(2,126,909)
Balance at 30 June 2016	67,907,710	(73,128,325)	3,729,098	1,438,483	1,915,271	1,862,237

APPENDIX 3

QUANTIFY TECHNOLOGY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Audited Year ended 30/6/16 \$	Audited Year ended 30/6/15 \$	Audited Year ended 30/6/14 \$
Other income	13,407	54	-
Administration and corporate	(1,152,943)	(34,376)	-
Employee benefits	(1,254,309)	-	-
Marketing expenses	(436,446)	(25,865)	-
Occupancy costs	(107,058)	-	-
Travel expenses	(158,675)	(2,354)	-
Depreciation	(11,098)	-	-
Loss from ordinary activities	(3,107,122)	(62,541)	-
Income tax expense	-	-	-
Net loss for the year	(3,107,122)	(62,541)	-
Other comprehensive income, net of tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Other comprehensive income	-	-	-
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss	(3,107,122)	(62,541)	-

QUANTIFY TECHNOLOGY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Audited 30/6/16 \$	Audited 30/6/15 \$	Audited 30/6/14 \$
Current assets			
Cash and cash equivalents	950,977	299,309	1
Trade and other receivables	377,249	6,941	-
Total current assets	1,328,226	306,250	1
Non-current assets			
Plant and equipment	28,409	-	-
Deferred exploration expenditure	72,763	2,097	-
Intangible assets	6,298,007	5,604,490	-
Total non-current assets	6,399,179	5,606,587	-
Total assets	7,727,405	5,912,837	-
Current liabilities			
Trade and other payables	513,240	426,498	-
Employee provisions	74,418	-	-
Total current liabilities	587,658	426,498	-
Non-current liabilities			
Borrowings	526,042	598,799	-
Total non-current liabilities	526,042	598,799	-
Total liabilities	1,113,700	1,025,297	-
Net assets	6,613,705	4,887,540	1
Equity			
Issued capital	9,592,781	4,950,081	1
Reserves	190,587	-	-
Accumulated losses	(3,169,663)	(62,541)	-
Total equity	6,613,705	4,887,540	1

QUANTIFY TECHNOLOGY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Audited			
	Issued capital \$	Share-based payment Reserve \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2013	1	-	-	1
Loss after income tax expense for the period	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-
Shares issued during the year	-	-	-	-
Balance at 30 June 2014	1	-	-	1
Balance at 1 July 2014	1	-	-	1
Loss after income tax expense for the year	-	-	(62,541)	(62,541)
Total comprehensive income (loss) for the year	-	-	(62,541)	(62,541)
Shares issued during the year	4,950,080	-	-	4,950,080
Balance at 30 June 2015	4,950,081	-	(62,541)	4,887,540
Balance at 1 July 2015	4,950,081	-	(62,541)	4,887,540
Loss after income tax expense for the year	-	-	(3,107,122)	(3,107,122)
Total comprehensive income (loss) for the year	-	-	(3,107,122)	(3,107,122)
Shares issued during the year	4,642,700	-	-	4,642,700
Share-based payments	-	190,587	-	190,587
Balance at 30 June 2016	9,592,781	190,587	(3,169,663)	6,613,705

9. RISK FACTORS

9.1 Introduction

The securities offered under this Prospectus are considered highly speculative. An investment in WHL is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for securities and to consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

This Section identifies circumstances that the Directors regard as the major risks associated with an investment in WHL and which may have a material adverse impact on the financial performance of WHL and the market price of the Shares if they were to arise.

There are specific risks associated with the contemplated Transaction (Section 9.2) and the business, assets and operations of Quantify (Section 9.3), as well as other general investment risks (Section 9.4), many of which are largely beyond the control of the Company and the Directors.

The following risk factors are not intended to be an exhaustive list of the risk factors to which WHL is exposed and this Section has been prepared without taking into account applicants' individual financial objectives, financial situation and particular needs. Applicants should seek professional investment advice if they have any queries in relation to making an investment in WHL.

9.2 Risks relating to the Change in Nature and Scale of Activities

(a) Contractual Risk

In order for WHL to be able to achieve its objectives and complete the Merger, WHL is reliant on Quantify complying with its respective contractual obligations under the MIA. Should Quantify fail to comply with the terms of the MIA, the Merger may not complete meaning WHL will not acquire an interest in Quantify. Further, if a party defaults in the performance of its contractual obligations it may be necessary for WHL to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms. There can be no guarantee that the Merger will be completed.

(b) Conditions of the Merger and Re-Quotation of Securities on ASX

The Merger is dependent upon the satisfaction of a number of conditions, which include (but are not limited to) completion of the Equity Offer. As the Merger constitutes a significant change in the nature and scale of WHL's activities, WHL is also required to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Trading in WHL's securities has been suspended following the date of WHL's announcement of the Merger and will continue to be suspended until WHL satisfies the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. There is a risk that WHL may not be able to meet the requirements of the ASX for re-quotation of its securities on the ASX. Should this occur, the securities will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders would then be prevented from trading their

securities should WHL be suspended until such time as it does re-comply with the ASX Listing Rules.

(c) **Dilution Risk**

WHL currently has 67,050,073 Shares on issue. In addition to the Shares to be issued under the Equity Offer, on completion of the Merger, WHL proposes to issue:

- (i) up to 250,000,000 Shares and 120,000,000 Performance Shares under the Share Takeover Offer;
- (ii) 11,826,787 Shares to acquire all Quantify Class C Shares; and
- (iii) up to 10,833,333 Shares to Quantify Convertible Loan Holders.

Assuming a Minimum Subscription of \$3.5 million under the Equity Offer, no exercise of Options and no conversion of Performance Shares or Founder Performance Shares, the existing Shareholders will retain approximately 16.8% of the issued capital of WHL (i.e. they will be diluted by approximately 83.2%), with the holders of Quantify Ordinary Shares holding 62.8% and investors under the Equity Offer holding 14.7% of the issued capital of WHL respectively.

Assuming the Maximum Subscription of \$5 million under the Equity Offer, the existing Shareholders will retain approximately 15.8% of the issued capital of WHL (i.e. they will be diluted by approximately 84.2%), with the holders of Quantify Ordinary Shares holding 59.1% and investors under the Equity Offer holding 19.7% of the issued capital of WHL respectively.

Assuming a Minimum Subscription, if all the WHL Bid Options are exercised, and all of the Performance Shares, Founder Performance Shares and Performance Rights vest and are converted into Shares, a further 223,825,622 Shares will be issued and the existing Shareholders will retain approximately 10.8% of the issued capital of WHL (i.e. they will be diluted by approximately 89.2%), with the holders of Quantify Ordinary Shares and Quantify Ordinary Options holding 76% and investors under the Equity Offer holding 9.4% of the issued capital of WHL.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of Quantify's business.

(d) **Liquidity Risk**

On the Effective Date, WHL proposes to issue up to 250,000,000 Shares to the holders of Quantify Ordinary Shares, up to 11,826,787 Shares to Quantify Class C Shareholders and up to 10,833,333 Shares to Quantify Convertible Loan Holders.

These Shares may be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. This could result in an increased liquidity risk as a substantial portion of issued capital may not be able to be traded freely for a period of time.

9.3 Risks in respect of Quantify's current operations

(a) Capital and Funding Requirements

Given its initial focus on growing its market share, Quantify has negative operating cashflow and, at present, it does not currently have any revenue. No assurance can be given that Quantify will achieve commercial viability through its existing technology or otherwise. Until Quantify is able to realise value from its technology, it is likely to incur ongoing operating losses. It is intended that the Capital Raising will provide for Quantify's funding in the immediate term. However, depending on how successfully Quantify times and executes its monetisation and depending on the opportunities that arise for business development, Quantify may require further resources to achieve its aims going forward. Beyond its regular operating expenses, additional funding may also be deemed necessary to take advantage of Merger, promotional or other business opportunities. These funds may come in the form of further investments or loans. While the Directors and Proposed Directors believe that Quantify represents an exciting and attractive investment opportunity, WHL may not be able to secure funding on acceptable terms. Its ability to raise further capital and the terms on which it does so may depend on macro-economic conditions, the performance of Quantify and of the broader Internet of Things technology industry at the time, and the risks associated with the intended use of the funds. If Quantify is unable to access these funds, or is unable to do so on acceptable terms, this could adversely affect WHL's position.

(b) Development and commercialisation of the Quantify technology

The success of the Merged Group post completion of the Merger will depend upon Quantify's ability to develop and commercialise the Quantify technology and Quantify Intellectual Property. A failure to successfully develop and commercialise the Quantify technology could lead to a loss of opportunities and adversely impact on the Merged Group's operating results and financial position. The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns. There is a risk that, if the Quantify technology is not accepted by the market, Quantify will not be able to commercialise its Internet of Things products, which could adversely impact the Merged Group's operations.

The market for "Internet of Things" is still relatively new. It is uncertain whether "Internet of Things" devices will achieve wide market acceptance. Quantify's success will depend to a substantial extent on the willingness of consumers to widely adopt these devices. In part, adoption of Quantify's Products will depend on the increasing prevalence of "Internet of Things" devices and the profile of the market as a whole. Furthermore, some consumers may be unwilling to use "Internet of Things" devices because they have concerns regarding data privacy and security. If consumers do not perceive the benefits of "Internet of Things" devices or choose not to adopt them, the market may develop more slowly than expected which would adversely affect Quantify's business, financial condition and operating results.

Quantify could experience delays in completing the development and introduction of its Products. Problems in the design or quality of Quantify's Products may also have an adverse effect on Quantify's business, financial condition, and operating results. If Product introductions are delayed or not successful, Quantify may not be able to achieve an acceptable return, if any, on its research and development efforts, and Quantify's business may be adversely affected. Expenditure on research and development may not produce the intended results. Additionally, investments in new technologies, processes and products may not produce returns for the Company above the cost of development of those technologies, products and processes.

(c) **Redundancy, Upgradability and Scalability Risk**

There is a risk that industry standards might change in relation to standard communication protocols (for example wifi, zigbee protocols becoming obsolete) and that Quantify's current communication architecture base may become redundant or no longer supported.

Quantify believes that it is well placed to address this risk owing to its modular design. Quantify will ensure that its current technology choices and architecture use industry standard development frameworks and monitors these industry standards.

(d) **Intellectual property**

Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value from the development of Quantify's technology. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome. The granting of a patent does not guarantee that the rights of others are not infringed nor that competitors will not develop competing intellectual property that circumvents such patents. Quantify's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

The Intellectual Property Report at Section 6 of this Prospectus sets out Quantify's current patents, patent applications and trade mark rights currently held. As some of these patents have not yet been granted, without the priority date for some of its intellectual property there is a risk of third parties lodging patents in the same field with an earlier priority date, as well as the publication of similar methods to those envisioned in the Quantify patents which would invalidate any future Quantify patent claims.

There is also a risk of third parties claiming involvement in technological developments, and if any disputes arise, they could adversely affect Quantify's business. Except as disclosed below, Quantify is not aware of any third party interests in relation to the intellectual property rights of the Quantify technology, there has not been any external analysis of patents to determine whether the Quantify technology infringes any existing patents. This provides for the potential risk of claims being made at a later point which may incur costs for Quantify through the need for licensing of further patents. The Merged Group's prospects may also depend on Quantify's ability to licence third party proprietary technology necessary for the development of the Quantify technology. Breach of any licence

agreements, or infringement of the licensed intellectual property by third parties, may have an adverse impact on Quantify's ability to develop its technology.

(e) Lack of patent protection in some jurisdictions

An integral part of Quantify's business will be its ability to obtain and sustain patents, maintain trade secret protection and operate without infringing proprietary rights of third parties. The granting of protection, such as a registered patent, does not guarantee that the rights of others are not infringed, that competitors will not develop technology to avoid the patent or that third parties will not claim an interest in the intellectual property with a view to seeking a commercial benefit from Quantify or its partners. In this regard, based on the perceived cost versus benefit of doing so, Quantify has decided not to pursue patent filing in certain jurisdictions. This may allow competitors in such jurisdictions to develop products functionally identical to Quantify Products and Quantify may not be able to seek injunctive or financial relief against those companies by virtue of not having registered interests in those jurisdictions. No guarantee can be given that the patents will give Quantify commercially significant protection of its intellectual property.

Quantify has notified a third party that it may be developing a product that might fall within the scope of Quantify's Australian patent (Application number 2013204864), and has invited the party to engage at a commercial level to discuss a beneficial way forward. Quantify may not be able to reach agreement with the party that is potentially in breach and at such stage, will have to evaluate what course of action it should take in relation to the breach.

(f) Trade Marks

Quantify is the applicant of pending trade mark applications. Objections have been raised by the relevant examiner in a case to the wording of the services claimed and, in the case of one of the Quantify trademarks, on the basis of allegedly similar trade marks on the Trade Marks register. There is a risk that this and any other potential future objections may not be able to be overcome, and accordingly a risk that the trade mark application may not be accepted, and subsequently registered. While this may not prevent Quantify from continuing to trade under the relevant brands, it may limit Quantify's ability to prevent a competing product from being made available by another party using the same or similar branding.

(g) Sales risk

In order to commercialise the Quantify technology, the Merged Group will need to develop a successful sales model for delivery of the Quantify technology to customers. Potential sales models include the reseller strategy and direct sales model. The reseller model provides significant advantages to a smaller business by increasing its reach to the customer. However, risk lies in the ability or motivation of the reseller achieving agreed sales volumes not being under the direct control of the Merged Group. This can only be mitigated through the reseller agreements providing clauses in relation to non-performance of meeting mutually agreed sales targets. The direct sales model has the benefit of the Merged Group retaining control of the sales process. However, the sale of technically complex products requires additional financial resources

and specialized sales staff. There is a risk that the Merged Group may lack the financial and technical capacity to implement successful sales channels across borders and to different geographical regions. The inability of the Merged Group to implement a successful sales model will have an adverse impact on the future success and profitability of the Merged Group.

(h) **Global Market Risk**

Quantify's future aim is to take the Q Device into global markets, thus Quantify's continued growth is dependent on it entering new markets. Any expansion into new markets could expose Quantify to a number of risks including different regulatory systems, difficulties managing foreign operations, exchange rate fluctuations, differences in consumer behaviour, potential political and economic instability and potential difficulties in enforcing contracts and intellectual property rights. Any of these factors could materially affect Quantify's business, financial performance and operations.

(i) **Competition risk**

There is significant competition in the Internet of Things industry generally, with companies offering a variety of competitive products and services. Competition in the Internet of Things industry is expected to intensify in the future as new and existing competitors introduce new or enhanced products that are potentially more competitive than Quantify's products. The Internet of Things industry has a multitude of participants, including many large, broad-based consumer electronic companies that compete in Quantify's market.

There is no assurance that competitors will not succeed in developing products that are more effective or economic than the products developed by Quantify, or which would render the products obsolete and/or otherwise uncompetitive.

The large number of market participants can complicate customers' discrimination between competitors, increasing the difficulty of achieving market share and revenue. Quantify may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share. Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect the Merged Group's future business, operating results and financial position.

There is also the potential for significant consolidation in Quantify's targeted market, resulting in a fewer number of competitors each having greater financial and other resources. Any such consolidation before the commercialisation of Quantify's technology could also adversely affect Quantify's ability to gain market share and commercialise its technology.

(j) **Staffing and reliance on key management**

Quantify will rely heavily on the experience and knowledge of Mark Lapins and Aidan Montague. In the event that any of these persons or any other key personnel that Quantify subsequently leaves Quantify and Quantify is unable to recruit suitable replacements, such loss could have a materially adverse effect on Quantify.

The responsibility of successfully implementing Quantify's development and commercialisation strategy depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Merged Group if one or more of these employees cease their employment with Quantify. There is also a risk to the business where there is a turnover of development staff that have knowledge of the technology and business. This loss of knowledge could result in leakage or misappropriation of confidential information. Whilst Quantify aims to mitigate this risk by imposing contractual restraints on use and ownership of Quantify's confidential information, there could also be increased costs for Quantify in having to replace the implicit knowledge and skills of departing employees.

(k) Dependence on the Internet and telecommunications infrastructure

The success of Quantify and its products will depend to some extent on the availability and stability of telecommunications infrastructure, and in particular the infrastructure over which devices directly communicate with each other and the internet. The utility of both connectivity and the internet for carrying communications between devices can be adversely impacted upon as a result of the rapidly increasing demands for bandwidth, data security, reliability, cost, accessibility and quality of service. Delays in the development or adoption of new standards and protocols to handle these increased demands may impact on the adoption of Quantify and ultimately the success of Quantify's business. The performance of the internet has been harmed by "viruses," "worms" and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. Importantly, Quantify's Q device is agnostic of the transmission technology used. A wide range of wireless as well as wireline options can be used and would be dependent upon the application and development resources. This is a decision made by the manufacturer on what best suits the needs of their customers. Note that Quantify's platform does not rely on access to the internet for basic functionality.

(l) Hacker risk, Technology, disruption, corruption, systems failure

Security concerns and the possibility of data corruption and data manipulation are particular concerns with most wireless technology. Where consumers perceive that Quantify is insecure and open to being hacked then the adoption of Quantify's technology may be impacted. This may ultimately impact on the success of Quantify's business. Whilst Quantify have sought as part of the design of their technology to incorporate enterprise grade security aspects, at the present time this security design is still being investigated and no assurance can be given at this time that Quantify's technology will be immune from the usual range of IoT technology risks. To mitigate any risks associated with this security, Quantify will be implementing changes to the hardware design to include an AES encryption engine.

(m) Third Party Reliance Risk

There is a risk that the technology used by Quantify in the development of its solution may subsequently require payment for upgrade or the payment of royalties to proprietors of that technology. This applies both to hardware components and software platforms comprising Quantify's IoT Solution.

Quantify's current strategy seeks to avoid the risk of dependence on proprietary third party technology by using technology with standardised open source or royalty free tools and libraries where possible. Quantify is of the view that if the technology it currently uses becomes proprietary in the future, or existing proprietary technology currently in use by Quantify becomes subject to commercial terms that are not acceptable to Quantify, there are existing alternate and often open source technologies which are available. However, the Company cannot guarantee that such alternatives will remain available at all times or at a commercially feasible cost.

Quantify currently uses third party tools and components in the development of its technology and as such faces a risk that those tools and components contain limitations and imperfections such as bugs or errors which may adversely affect the operation of the Quantify Solution. This problem can occur with any third party tools or technologies in use by Quantify. Quantify seeks to mitigate this risk by ensuring that it maintains an agile development process involved with patching and updates of both hardware and software where these problems are publicly identified. Additionally, Quantify testing and quality assurance seeks to reduce the potential risks caused by the incorporation of third party component and software library updates.

(n) **Relationships with suppliers**

Quantify will rely on sourcing chips, sensors and other componentry (**Components**) from various suppliers and any material adverse change in Quantify's relationships with its suppliers, its terms of trade, or the ability of key suppliers to meet orders could have a negative impact on its operations. Quantify's business model revolves largely around the supply of hardware and this target revenue stream relies heavily upon the supply of these Components for hardware manufacture. Quantify is in discussions with various Components suppliers to mitigate the risk of availability and other supplier problems.

(o) **Regulatory risks**

Currently there are few IoT-specific laws and regulations. However in Australia, IoT-based technologies may be impacted by informational privacy laws. Such laws differ from jurisdiction to jurisdiction. In Australia, the collection, use, storage and disclosure of "personal information" is principally regulated by the Privacy Act 1988 (Cth) (**Privacy Act**). The Privacy Act does not prohibit IoT-based technologies but it could in certain circumstances impose additional compliance obligations on businesses who use or commercialise those technologies. If Quantify's technology collects data which falls within the definition of "personal information", or the data aggregated with other datasets which together could be considered personal information, then the compliance regime under the Privacy Act will apply to Quantify in respect of the collection, use, storage and disclosure of that "personal information". Quantify will take steps to ensure compliance with any applicable requirements of the Privacy Act. There is the risk that increased regulation may be imposed on IoT-based technologies and therefore Quantify's business may incur additional regulatory compliance costs, potentially effecting Quantify's business, financial performance and operations.

9.4 General Risks Relating to the Merged Group

(a) Management of growth

There is a risk that management of the Merged Group will not be able to implement the Merged Group's growth strategy after completion of the Merger. The capacity of the new management to properly implement and manage the strategic direction of the Merged Group may affect the Merged Group's financial performance.

Since incorporation, Quantify's business has expanded rapidly as it has retained key management, sales, development and operational staff. Consequently, Quantify's operating results and financial condition could be adversely affected if it is unable to appropriately manage this recent expansion and the increased scale of the business together with the planned commercialisation of various products.

(b) Risk of High Volume of Sale of Securities in WHL

If the Merger is successfully completed, WHL will have issued a significant number of new Shares to various parties. Some of the Quantify Securityholders and others that receive Shares as a result of the Merger may not intend to continue to hold those Shares and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Shares may adversely impact on the market price of securities.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, investors may, upon selling their Shares, receive a market price for their securities that is less than the price offered under this Prospectus.

(c) Acquisition of less than 90% of Quantify Ordinary Shares

It is possible that WHL could acquire a relevant interest of less than 90% of all Quantify Ordinary Shares on issue under the Share Takeover Offer (in the event that WHL waives, with the prior written consent of Quantify, the 90% minimum acceptance condition). The existence of third party minority interests in Quantify Ordinary Shares may have an impact on the operations of Quantify as Quantify would not, in those circumstances, be a wholly owned subsidiary of WHL. However, this impact will depend upon the ultimate level of WHL ownership in Quantify.

(d) Trading Price of Shares

WHL's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the performance of the Australian dollar and United States dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse

range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that WHL's market performance will not be adversely affected by any such market fluctuations or factors.

(e) **Additional Requirements for Capital**

The capital requirements of the Merged Group will depend on numerous factors. Depending on the ability of the Merged Group to generate income from its operations, the Merged Group may require further financing in addition to amounts raised under the Capital Raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Merged Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(f) **Market risk**

Share market conditions may affect the value of the Merged Group's quoted securities regardless of the Merged Group's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism and other hostilities.

(g) **Acquisitions**

As part of its business strategy, the Merged Group may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to Quantify's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

(h) **Litigation Risks**

The Merged Group is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Merged Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on

the Merged Group's operations, financial performance and financial position. Neither WHL nor Quantify is currently engaged in any litigation.

(i) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by WHL, the Merged Group or by investors in WHL. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Merged Group and the value of the Merged Group's securities.

10. KEY PEOPLE, INTERESTS AND BENEFITS

10.1 Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Mr Neville Bassett – Non-Executive Director;
- (b) Mr Gary Castledine – Non-Executive Director; and
- (c) Mr Faldi Ismail – Non-Executive Director.

Upon successful completion of the Transaction, the existing directors of WHL are to resign and the Board will be reconstituted.

Resolutions for the election of the following nominees of Quantify were passed by WHL shareholders at the Annual General Meeting:

- (a) Mr Mark Lapins – Managing Director;
- (b) Mr Aidan Montague – Executive Chairman; and
- (c) Mr Alex Paior – Non-Executive Director.

The resolutions are subject to and take effect upon successful completion of the Transaction.

The three individuals above (**Proposed Directors**) are currently directors of Quantify.

The profiles of each of the Proposed Directors are provided below:

Mark Lapins – Managing Director

Mark is a leading innovator in the field of Internet Protocol and large scale network communications technology and solutions. He has extensive business acumen and experience in the sector, having successfully built up and sold two technology companies previously, one of which was acquired by global company Schneider Electric in 2008.

Mark was a non-executive director of Ambient Group Pty Ltd (ACN 152 156 486), an IT start-up company, at the time it was placed into voluntary administration (in February 2014) due to an inability to source ongoing funding. Mark was not involved in day to day operations or raising of funds. Ambient owned certain trademarks that Lapins Holdings acquired following Ambient being recapitalised under a deed of company arrangement and which have now been sold to Quantify.

Aidan Montague - Chairman and Executive Director

With more than 25 years' experience of sales and marketing in the technology and internet space, Aidan has been fundamental in driving high growth technology companies on the world stage. Aidan was instrumental in the growth of the Australian arm of internet / communications global giant Cisco Systems and has held senior roles with Cisco internationally.

Alex Paior - Non-Executive Director

Alex is a lawyer with expertise in corporate governance and extensive business experience. He started his own legal practice in Adelaide in 1975 and operated exclusively in corporate and commercial areas of the law for nearly 30 years serving as managing partner of major South Australian and National Law firms. Alex is a partner of the Adelaide-based legal practice Paior Law and Executive Director of property developer Monopoly Property Group Pty Ltd. He also brings a wealth of experience having served on boards of ASX-listed companies.

10.2 Interests of advisers

Quantify and WHL have engaged the following advisers in relation to the Offer:

- (a) Westar Capital Limited has acted as Lead Manager to the Equity Offer. WHL estimates it will pay Westar a total of up to \$300,000 (excluding GST) for these services, in accordance with the agreed fees noted at Section 11.1.6 of this Prospectus. During the 24 months preceding lodgement of this Prospectus with ASIC, Westar has not received any other fees.
- (b) HLB Mann Judd have acted as Investigating Accountant of WHL and have prepared the Investigating Accountant's Report which is included in Section 8 of this Prospectus. WHL estimates it will pay HLB Mann Judd a total of \$17,500 (excluding GST) for these services. It is also anticipated that HLB Mann Judd will be paid a further \$9,000 in relation to due diligence and other services provided in relation to the Takeover Offers. During the 24 months preceding lodgement of this Prospectus with ASIC, HLB Mann Judd has received \$122,150 for audit and other services.
- (c) Steinepreis Paganin has acted as the solicitors to WHL in relation to the Offer. WHL estimates it will pay Steinepreis Paganin \$50,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin has received fees of \$120,000 (excluding GST) from WHL for legal services.
- (d) Dentons Australia has acted as the solicitors to Quantify in relation to the Offer. Quantify estimates it will pay Dentons Australia \$5,000 (excluding GST and disbursements) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Dentons Australia has received fees of approximately \$190,000 (excluding GST) from Quantify for legal services.
- (e) Wrays Lawyers Pty Ltd and Wrays Pty Ltd (together **Wrays**) has acted as the patent attorney for Quantify in relation to preparing the Intellectual Property Report which is included at Section 6 of this Prospectus. Quantify estimates it will pay Wrays approximately \$18,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Wrays received fees of approximately \$340,000 (excluding GST) from Quantify for their services.

10.3 Directors' and Proposed Directors' interests and remuneration

10.3.1 Directors' and Proposed Directors' interests in WHL

Directors are not required under WHL's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors and

Proposed Directors have relevant interests in Shares and Options as set out in the table below:

Director	Shares	Options
Neville Bassett	90,362 ¹	22,591 ²
Gary Castledine	602,410 ³	Nil
Faldi Ismail	4,218 ⁴	Nil
Proposed Director	Shares	Options
Mark Lapins	Nil	Nil
Aidan Montague	Nil	Nil
Alex Paor	Nil	Nil

Notes:

1. Held indirectly through Mandevilla Pty Ltd of which Mr Bassett is a director and shareholder.
2. Exercisable at \$0.166 or before 30 June 2018.
3. Held indirectly through Perizia Investments Pty Ltd of which Mr Castledine is a director and shareholder.
4. Comprising 3856 Shares held by Mr Faldi Ismail and Mrs Roumelia Rozanna Ismail <The Ismail Super Fund A/C> of which Mr Ismail is a trustee and beneficiary and 362 Shares held by Romfal Sifat Pty Ltd <the Fizmail Family A/C> of which Mr Ismail is a director and beneficiary.

Following the successful completion of the Transaction, the Directors and Proposed Directors will have relevant interests in securities in the Company as set out in the table below:

Director	Shares	Options	Performance Shares	Founder Performance Shares	Performance Rights
Neville Bassett	4,032,624 ¹	22,591 ^{2 & 3}	Nil	Nil	Nil
Gary Castledine	4,544,672 ⁴	Nil	Nil	Nil	Nil
Faldi Ismail	4,218 ⁵	Nil	Nil	Nil	Nil
Proposed Director	Shares	Options	Performance Shares	Founder Performance Shares	Performance Rights
Mark Lapins	112,079,001 ⁶	5,119,000 ⁶	53,801,000 ⁶	30,000,000 ⁶	6,250,000
Aidan Montague	17,321,300 ⁷	2,047,600 ⁷	8,412,520 ⁷	Nil	6,250,000
Alex Paor	Nil	19,429,910 ^{8, 9}	Nil	Nil	Nil

Notes:

1. Mintaka Nominees Pty Ltd (**Mintaka**), an entity controlled by Neville Bassett and Gary Castledine, holds 3,869,160 Quantify Class C Shares and has entered into a share transfer deed pursuant to which the Company has agreed subject to Shareholder approval (which was obtained at the Annual General Meeting), to issue 3,942,262 WHL Shares to Mintaka in consideration for the acquisition of 3,869,160 Quantify Class C Shares. Mr Bassett's interest therefore comprises:
 - (a) 90,362 Shares held indirectly through Mandevilla Pty Ltd of which Mr Bassett is a director and shareholder; and
 - (b) 3,942,262 Shares proposed to be issued to Mintaka.
2. Exercisable at \$0.166 on or before 30 June 2018.
3. Pursuant to the shareholder approval obtained at the Annual General Meeting, Westar (an entity controlled by director Neville Bassett) is entitled to be issued one Broker Option for every dollar it raises under the Equity Offer. Westar is also entitled, subject to any necessary Shareholder approval, to be issued WHL Shares in satisfaction of a 10% commission payable on certain sales of Quantify products to buyers introduced by Westar.
4. Comprising 3,942,262 Shares proposed to be issued to Mintaka and 602,410 held indirectly through Perizia Investments Pty Ltd of which Mr Castledine is a director and shareholder.
5. Comprising 3,856 Shares held by Mr Faldi Ismail and Mrs Roumelia Rozanna Ismail <The Ismail Super Fund A/C> of which Mr Ismail is a trustee and beneficiary and 362 Shares held by Romfal Sifat Pty Ltd <the Fizmail Family A/C> of which Mr Ismail is a director and beneficiary.
6. Held indirectly through Lapins Holdings Pty Ltd as trustee for the Lapins Family Trust, an entity controlled by Mark Lapins.
7. Held indirectly by Globevista Pty Ltd, an entity controlled by Aidan Montague.
8. Comprising 16,752,279 Options held directly by Alex Paior and 2,677,631 Options held by Saddlehorn Investments Pty Ltd, an entity controlled by Alex Paior and his spouse.
9. Copper Coast, of which Proposed Director Alex Paior is a director, has an agreement with Quantify relating to the sale and installation of Quantify's products at Copper Coast's proposed Wallaroo development project (Wallaroo Project Agreement). Under the Wallaroo Project Agreement, Quantify has agreed to procure that WHL, subject to compliance with the ASX Listing Rules, will grant Copper Coast up to 12.5 million WHL Options on the same terms as the WHL Bid Options upon notification by Copper Coast following WHL being re-admitted to the Official List and commencement of construction of the Wallaroo Shores development. These Options have not been included in the above table. Refer to the Quantify Target's Statement for further details.

10.3.2 Directors' remuneration

Post completion of the Transaction, the proposed Managing Director of WHL, Mark Lapins, will receive a total base salary of \$365,000 per annum (excluding superannuation). Mr Lapins will also receive director's fees of \$4,000 per month, Performance Rights (as disclosed at section 2.4(m)) and, subject to Company performance and financial position will be eligible for performance based bonuses at the discretion of the Board.

Post completion of the Transaction, the proposed Executive Chairman of WHL, Aidan Montague, will receive a fixed base salary of \$260,000 per annum (excluding superannuation). Mr Montague will also receive director's fees of \$4,000 per month, Performance Rights (as disclosed at section 2.4(m)) and, subject to Company performance and financial position will be eligible for performance based bonuses at the discretion of the Board.

Post completion of the Transaction, proposed Non-Executive Director of WHL, Alex Paior, will receive director fees of \$4,000 per month.

WHL's Constitution provides that the remuneration of non-executive directors will be not more than the aggregate fixed sum of \$350,000 per annum or as otherwise determined by a general meeting. As at the date of this Prospectus, the aggregate remuneration for non-executive directors shall be no more than \$350,000.

The remuneration (including superannuation) of existing Directors for the past two financial years and proposed for this financial year are as follows:

	2015 Financial Year	2016 Financial Year	2017 Financial Year (Proposed annual remuneration) ¹
Neville Bassett	Nil ²	\$17,500	\$42,000
Gary Castledine	Nil ³	\$17,500	\$42,000
Faldi Ismail	\$58,754	\$42,000	\$42,000

Notes:

1. It is proposed that Messrs Bassett, Castledine and Ismail will resign from the WHL Board upon successful completion of the Transaction.
2. Mr Bassett was appointed to the Board on 5 February 2016 and therefore did not receive any remuneration in the financial year ending 30 June 2015.
3. Mr Castledine was appointed to the Board on 5 February 2016 and therefore did not receive any remuneration in the financial year ending 30 June 2015.

10.4 Agreements with Proposed Directors

10.4.1 Executive Director Engagements

The Company intends to enter into executive service agreements with Mark Lapins and Aidan Montague, which will commence upon the completion of the Merger. The material terms of these executive agreements are set out below.

Mark Lapins – Managing Director

- **Term:** Mr Lapins will be employed as the Managing Director of the Company for a fixed term of three (3) years, commencing on the Effective Date.
- **Remuneration:** Mr Lapins will be paid a base salary of \$365,000 per annum (exclusive of superannuation), which will be reviewed after an initial six month period following completion of the Merger, and thereafter in accordance with the policy of the Company for the annual review of salaries (**Salary**).
- **Directors Fees:** In addition to his Salary, Mr Lapins will receive director's fees from the Company during such period as he serves as a director of the Company as determined by the Board.
- **Performance Rights:** Subject to Shareholder approval (which was sought and obtained at the Annual General Meeting), on completion of the Merger, Mr Lapins will receive 6,250,000 Performance Rights under the Company's Performance Rights Plan, the terms and conditions of which are contained in the Company's Notice of Meeting.

- **Performance Based Bonuses:** In addition to the above, the Company may pay to Mr Lapins a performance based bonus at any time during his employment, over and above his Salary, to be based on key performance indicators as set by the Company from time to time.
- **Termination:**
 - The Company may terminate Mr Lapins' employment without reason by giving six months' written notice, or by giving one (1) month's written notice (and in some cases summarily without notice) for a number of reasons contained in the executive service agreement.
 - Mr Lapins may terminate his employment without reason by giving six months' written notice or, where the Company has committed a serious, un-remedied breach of the executive service agreement, within 28 days of notice of that breach to the Company.

Aidan Montague – Executive Chairman

- **Term:** Mr Montague will be employed as the Executive Chairman of the Company for a fixed term of three (3) years, commencing on the Effective Date.
- **Remuneration:** Mr Montague will be paid a base salary of \$260,000 per annum (exclusive of superannuation), which will be reviewed after an initial six month period following completion of the Merger, and thereafter in accordance with the policy of the Company for the annual review of salaries (**Salary**).
- **Directors Fees:** In addition to his Salary, Mr Montague will receive director's fees from the Company during such period as he serves as a director of the Company as determined by the Board.
- **Performance Rights:** Subject to Shareholder approval (which was sought and obtained at the Annual General Meeting), on completion of the Merger, Mr Montague will receive 6,250,000 Performance Rights under the Company's Performance Rights Plan, the terms and conditions of which are contained in the Company's Notice of Meeting.
- **Performance Based Bonuses:** In addition to the above, the company may pay to Mr Montague a performance based bonus at any time during his employment, over and above his Salary, to be based on key performance indicators as set by the Company from time to time.
- **Termination:**
 - The Company may terminate Mr Montague's employment without reason by giving six months' written notice, or by giving one (1) month's written notice (and in some cases summarily without notice) for a number of reasons contained in the executive service agreement.
 - Mr Montague may terminate his employment without reason by giving six months' written notice or, where the Company has committed a serious, un-remedied breach of the executive

service agreement, within 28 days of notice of that breach to the Company.

10.4.2 Deeds of indemnity, insurance and access

WHL has entered into a deed of indemnity, insurance and access with each of its Directors and will enter into deeds of indemnity, insurance and access on the same terms with each of the Proposed Directors upon their appointment. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect Board papers in certain circumstances.

The Company anticipates entering into Deeds of Release with each of the existing directors on customary terms at the time of handover to the Proposed Directors.

10.5 Corporate Governance

10.5.1 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website (www.whlenergy.com.au).

10.5.2 Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) leading and setting the strategic direction and objectives of the Company;
- (b) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of Executives and the Company Secretary;
- (c) overseeing the Executive's implementation of the Company's strategic objectives and performance generally;
- (d) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (e) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (f) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (g) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (h) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

10.5.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto:

- (a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives of the Company.

The Board currently consists of three directors (all of whom are non-executive Directors) and all are considered independent. The Board considers the current balance of skills and expertise is appropriate for the Company for its currently planned level of activity. Following completion of the Transaction, the Board is proposed to consist of three members, none of whom will be independent.

To assist the Board in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board will maintain a Board Skills Matrix.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity, and enable new Directors to gain an understanding of the Company's policies and procedures.

10.5.4 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

10.5.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

10.5.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

10.5.7 Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$350,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for

reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

10.5.8 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its directors, officers, employees and contractors. The policy generally provides that for directors, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

10.5.9 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

10.5.10 Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

10.5.11 Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's departures from the Recommendations will also be announced prior to re-admission to the official list of the ASX.

11. ADDITIONAL INFORMATION

11.1 Material Contracts

11.1.1 Merger Implementation Agreement

On 12 September 2016, the Company announced that it had entered into a merger implementation agreement with Quantify, which outlines the terms and conditions upon which the Company will acquire 100% of the issued capital in Quantify by means of a takeover offer and, in relation to Quantify's other issued securities that are not subject to the Takeover Offers, by private agreement.

The material terms of the MIA are as follows:

(a) **(Takeover Offers):** The Company has agreed to:

- (i) offer to purchase each Quantify Ordinary Share on issue or issued prior to the close of the offer in exchange for 1.0189 WHL Shares and 0.4891 WHL Performance Shares per Quantify Ordinary Share; and
- (ii) effect the above offer such that it will also be offered to holders of Quantify ESS Shares (being a total of 15,500,000 Quantify Ordinary Shares issued to a number of employees under an employee incentive share plan). The Company has agreed to adopt an employee share plan (**WHL ESS**) on materially the same terms as the Quantify incentive share plan (**Quantify ESS**) so that Shares issued to these employees in consideration for the acquisition of their Quantify ESS Shares will be subject to materially the same terms and conditions as apply to their Quantify ESS Shares,

(the **Share Takeover Offer**), subject to the Share Takeover Offer conditions contained in the MIA and as set out in Section 1.8 of Annexure A to the Bidder's Statement; and

- (iii) offer to purchase each Quantify Ordinary Option on issue or issued prior to the close of the offer in exchange for 1.0238 WHL Bid Options, subject to the Share Takeover Offer becoming unconditional as set out in Section 1.8 of Annexure A to the Bidder's Statement (**Option Takeover Offer**).

(b) **(Other Quantify Securities):**

- (i) **(Quantify EOP Options):** The Company has agreed to enter into arrangements with each holder of a Quantify EOP Option under which the EOP Optionholders will transfer to the Company a total of 6,750,000 Quantify EOP Options, in consideration for the Company issuing 6,910,543 EOP Options, allocated to EOP Optionholders on a pro rata basis, on materially the same terms and vesting conditions as the Quantify EOP Options;
- (ii) **(Quantify Class C Shares):** the parties have agreed that Quantify may issue up to 11,607,480 Quantify Class C Shares to advisers, on the condition that the advisers agree to transfer those Quantify Class C Shares to the Company in consideration for up to 11,826,787 WHL Shares on a pro-rata basis, at completion of the Merger;

- (iii) **(WHL Founder Performance Shares):** the parties have agreed to enter into an arrangement with Lapins Holdings Pty Ltd <Lapins Family Account> (**Lapins**) for the transfer of all Quantify Class A and B Performance Shares held by Lapins, to the Company, in exchange for 30,000,000 WHL Founder Performance Shares on completion of the Merger.
- (c) **(Capital Raising):**
 - (i) the Company has agreed to issue a prospectus for a capital raising at \$0.06 per WHL Share in compliance with Chapters 1 and 2 of the ASX Listing Rules in order to have the Company reinstated to trading on the ASX (being this Prospectus); and
 - (ii) to appoint Westar Capital Limited (ABN 28 009 372 838) as the lead manager for a fee of 2% of the gross funds raised under the Capital Raising and 4% of the funds raised by Westar.
- (d) **(Convertible Loans):** The parties have agreed, subject to certain conditions, that where Quantify needs to raise additional working capital, the Company will fund Quantify by way of convertible loans, up to an amount of \$850,000, convertible into Quantify Shares at \$0.06 each at WHL's discretion, with an interest rate of 10% per annum payable monthly in arrears, repayable within 6 months if the MIA is terminated. Quantify and WHL entered into a convertible loan agreement reflecting these terms on 24 October 2016. A total of \$850,000 has been advanced under this agreement as at 16 December 2016.

The parties have agreed that, should Quantify need to raise additional working capital, Quantify may raise up to \$650,000 by way of convertible loans, with WHL having a first right of refusal (**Quantify Convertible Loans**). If WHL declines to provide additional funding, Quantify Convertible Loans entered into with unrelated third parties will, subject to WHL Shareholder approval (which was obtained at the Annual General Meeting),:

 - (i) automatically convert into Shares on completion of the Merger at a deemed conversion price of \$0.06 per Share; and
 - (ii) accrue interest at a rate of 10% per annum and will automatically convert into Shares on completion of the Merger at a deemed conversion price of \$0.06 per Share.
- (e) **(Further WHL Issues):** the parties have agreed that the Company may issue the following further securities:
 - (i) 8,747,626 Advisor Options to Quantify's corporate advisors; and
 - (ii) between 3,500,000 and 5,000,000 Broker Options to WHL brokers in consideration for services provided in connection with the Equity Offer.
- (f) **(Board Composition):** On completion of the Merger, the Company has agreed that all of the Company's current Directors will resign and three new directors nominated by Quantify (including Mr Mark Lapins and Mr Aidan Montague, subject to their consent) will be appointed to the Board.

- (g) **(Name Change):** On completion of the Merger, the Company will change its name to “*Quantify Technology Holdings Limited*.”
- (h) **(Fees):**
 - (i) on signing the MIA, the Company paid \$100,000 to Quantify as a contribution towards the due diligence costs associated with the Merger; and
 - (ii) subject to documentary evidence, on completion of the Merger, the Company will reimburse Cuda Development Corporation Pty Ltd, a company associated with Mr Mark Lapins (a Proposed Director), \$500,000 in past expenditure incurred in development of Quantify intellectual property, in three equal repayments.
- (i) **(Termination):** the MIA contains standard termination rights and specifically provides the following individual rights to each party:
 - (i) the Company may terminate the MIA where:
 - (A) any director of Quantify does not recommend or withdraws or adversely modifies their recommendation that Quantify security holders accept the WHL Offers;
 - (B) a third party obtains a relevant interest in 20% or more of Quantify Ordinary Shares; or
 - (C) a material adverse change or certain prescribed occurrences occur with regards to Quantify.
 - (ii) Quantify may terminate the MIA where:
 - (A) a material adverse change occurs with regards to the Company prior to the lodgement of the prospectus for the Capital Raising with ASIC;
 - (B) the Conditions are not satisfied or waived by 28 February 2017 (unless otherwise agreed between the parties and excluding where failure to satisfy such conditions is due to acts or omissions of Quantify); or
 - (C) Quantify reasonably determines that the Company will not have a cash balance of \$2,000,000 (less any amounts advanced by WHL to Quantify, and in costs reasonably incurred by WHL in implementing the transactions envisaged by the MIA and agreed by the parties, acting reasonably) following completion of the Merger.

The MIA otherwise contains confidentiality provision and warranties considered standard for an agreement of this nature.

11.1.2 EOP Option Transfer Deed

WHL has entered into separate option transfer deeds with each of the Quantify EOP Optionholders under which WHL will issue up to 6,910,543 EOP Options, allocated on a pro rata basis to the Quantify EOP Optionholders, in consideration for the transfer to WHL of all 6,750,000 Quantify EOP Options on the Effective Date.

Until the Effective Date, the Quantify EOP Optionholders are not permitted to exercise, transfer, dispose of or otherwise deal with their Quantify EOP Options without the prior written consent of WHL, which WHL may give or withhold in its absolute discretion.

The EOP Options to be issued to the Quantify EOP Optionholders will be exercisable at \$0.075 each and expire on 30 September 2019. They will be subject to equivalent vesting conditions as the Quantify EOP Options they replace and otherwise be subject to the terms of the WHL EOP.

11.1.3 Founder Performance Shares Transfer Deed

Lapins Holdings Pty Ltd (ACN 067 117 506) as trustee for the Lapins Family Account (**Lapins Holdings**), a related party and associate of Mr Mark Lapins, the Managing Director of Quantify, and proposed new Managing Director of WHL, has entered into a performance share transfer deed with WHL whereby Lapins Holdings will be issued 30,000,000 WHL Founder Performance Shares in consideration for the transfer of its 1,000 Class A Quantify Performance Shares and 1,000 Class B Quantify Performance Shares to WHL on the Effective Date.

Until the earlier of the Effective Date or 28 February 2017, Lapins Holdings is not permitted to transfer, dispose of or otherwise deal with its Quantify Performance Shares without the prior written consent of WHL, which WHL may give or withhold in its absolute discretion.

The full terms and conditions of the WHL Founder Performance Shares to be issued to Lapins Holdings are set out in Section 11.10 of this Prospectus.

11.1.4 Quantify Shares (Class C) Transfer Deed

WHL has entered into separate share transfer deeds with each of the holders of Quantify (Class C) Shares under which WHL will issue up to 11,826,787 Shares, allocated on a pro rata basis to the Quantify Class C Shareholders in consideration for the acquisition of their 11,607,480 Quantify Class C Shares on the Effective Date.

Until the earlier of the Effective Date or 28 February 2017, the Quantify Class C Shareholders are not permitted to transfer, dispose of or otherwise deal with their Quantify Class C Shares without the prior written consent of WHL, which WHL may give or withhold in its absolute discretion.

Mintaka Nominees Pty Ltd (**Mintaka**), an entity controlled by Neville Bassett and Gary Castledine, holds 3,869,160 Quantify Class C Shares and has entered into a share transfer deed pursuant to which the Company has agreed to issue 3,942,262 WHL Shares to Mintaka in consideration for the acquisition of 3,869,160 Quantify Class C Shares.

Shareholder approval under ASX Listing Rule 10.11 for the issue of WHL Shares to Mintaka was sought and obtained at the Annual General Meeting.

11.1.5 Quantify ESS Shareholders

WHL intends entering into arrangements with each of the Quantify employees holding Quantify ESS Shares under which those employees agree to accept the Share Takeover Offer and that any WHL Shares and WHL Performance Shares (including WHL Shares issued upon conversion of the WHL Performance Shares) issued to them as consideration under the Share Takeover Offer shall be subject

to the same vesting conditions (if any) as apply to their Quantify ESS Shares and subject to the terms of the WHL ESS.

11.1.6 Westar Mandate

On 12 September 2016, Quantify, the Company and Westar Capital Limited (ABN 28 009 372 838) (**Westar**) entered into a corporate advisory mandate (**Mandate**) pursuant to which Westar agreed to be appointed as Quantify's corporate advisor in relation to the Equity Offer.

Under the Mandate, Westar will be paid the following fees, exclusive of GST:

- (a) a management fee of 2% of the gross amount raised by the issue of WHL Shares under the Equity Offer;
- (b) a placement fee of 4% of the amounts raised by Westar under the Equity Offer. If other brokers participate in the Equity Offer, they will receive a fee agreed between Westar and the other brokers that is to be paid by Westar;
- (c) issued with one option for each dollar raised by it or other brokers that participate in the Equity Offer. These options will be on the same terms as the WHL Bid Options;
- (d) a monthly fee of A\$10,000 for corporate advisory services, from the date of the Mandate;
- (e) a commission fee of 10% payable on the value of the first 12 months' purchase orders accepted by Quantify from parties that are introduced by Westar to Quantify, where Westar is an active participant in the forming of a working business arrangement between Quantify and those parties introduced by Westar. The commission fee is to be satisfied by the issue of WHL Shares, subject to any necessary WHL Shareholder approval, as follows:
 - (i) quarterly receipt of revenue will be calculated resulting from the purchase orders provided that receipt of such revenue is within 12 months of the original purchase order; and
 - (ii) WHL Shares will be issued within 30 days of each quarter on the value of the receipt of revenue for such quarter with the value of the WHL Shares calculated based on the previous 30-day VWAP of WHL Shares on the date that the purchase order/s that resulted in the relevant quarter's revenues are received.

The Mandate otherwise contains terms and conditions which are considered standard for an agreement of this nature, including those relating to confidentiality, representations and warranties.

11.1.7 Convertible Loan Agreement

On 24 October 2016, Quantify and WHL entered into a convertible loan agreement (**Convertible Loan Agreement**) pursuant to which WHL agreed to fund Quantify up to an amount of \$850,000. The loan is convertible into Quantify Ordinary Shares at a deemed issue price of \$0.06 per Quantify Ordinary Share at WHL's discretion, with an interest rate of 10% per annum payable monthly in arrears, repayable within 6 months if the MIA is terminated. A total of \$850,000 has been drawn down under this agreement as at the date of this Prospectus.

Additionally, subject to receipt of approval from WHL's shareholders, WHL has agreed by letter agreement dated 15 December 2016 that, if it is not readmitted to quotation on the official list of the ASX by 15 February 2017, it will lend up to an additional \$200,000 to Quantify on the same terms as the Convertible Loan Agreement (**Additional Funds**). The Additional Funds will be made available from 15 February 2017 to the earlier of 28 February 2017 or the date of re-quotation of WHL.

11.2 Copper Coast Agreement

On 1 June 2015, Quantify entered into an agreement with Copper Coast (**Copper Coast Agreement**), which owns land at Wallaroo, South Australia, on which it is undertaking the Wallaroo Shores development. Under this agreement, Copper Coast agreed to exclusively promote and procure the purchase and installation of Quantify's products in buildings erected at Wallaroo Shores by, among other things, incorporating a requirement into land management agreements and community title rules that the owners use Quantify's products for dwellings erected at Wallaroo Shores. In consideration for this, Quantify has agreed to pay Copper Coast 20% (plus GST) of all gross revenue received by it from the sale of goods and services relating to the Quantify products in building developments at Wallaroo Shores.

Quantify also agreed that, upon becoming listed on the ASX, Quantify would procure that Copper Coast be granted a three year option to acquire up to 5% of the issued ordinary shares in the listed entity at a price equal to the market price less 10% (**Option Obligation**). Quantify and Copper Coast subsequently entered into a variation to the Copper Coast Agreement, pursuant to which Copper Coast agreed to accept 12,500,000 Options in the Company on the same terms as the WHL Bid Options, in full satisfaction of Quantify's obligations under the Option Obligation, upon notification by Copper Coast following WHL being re-admitted to the Official List and commencement of construction of the Wallaroo Shores development.

11.3 Agreement for Sale of Intellectual Property

On 28 February 2015, Quantify entered into an agreement with Cuda and Mark Lapins, pursuant to which Quantify agreed to acquire intellectual property from Cuda for consideration of \$500,000 (plus GST), which was unpaid at the time of purchase and instead deemed to be an interest bearing loan from Cuda to Quantify (**Vendor Finance**).

A total of \$500,000 in Vendor Finance remains outstanding as at the date of this Prospectus. The Company and Quantify have agreed in the MIA that the Vendor Finance will be paid by the Company to Cuda in three equal instalments in accordance with the dates noted in Section 4.10. The Company may elect to pay the entire amount to Cuda on completion of the Merger.

11.4 Security Deed

On 28 February 2016, Quantify entered into a security deed with Cuda (**Security Deed**), pursuant to which Quantify granted to Cuda a first ranking charge over all present and after-acquired personal and real property of Quantify (**Collateral**) as security for the repayment of the Vendor Finance and any other amounts owing or payable from time to time by Quantify to Cuda. The Security Deed contains standard default clauses and if Quantify defaults under this deed, Cuda may, among other things, take possession of and sell and deal with the Collateral. This security will be discharged upon the Company paying the Vendor Finance to Cuda.

11.5 Litigation

As at the date of this Prospectus, neither WHL nor Quantify is currently engaged in any litigation and neither the Directors nor the Proposed Directors are aware of any legal proceedings pending or threatened against WHL or Quantify.

11.6 Rights and liabilities attaching to WHL Shares (including New Shares)

The WHL Shares offered under this Prospectus are fully paid ordinary shares in the capital of WHL, and from the date of their issue will rank equally with all then existing WHL Shares and will have the same rights and liabilities attaching to them.

The rights and liabilities attaching to WHL Shares are governed by the Constitution of WHL, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

Under Section 140(1) of the Corporations Act, the Constitution of WHL has effect as a contract between WHL and each member and between a member of WHL and each other member. Accordingly, if you subscribe for New Shares under the Equity Offer, you will have agreed to accept the WHL Shares which you have subscribed for and are issued, and as a result, will become liable to comply with the Constitution.

The following is a summary of the more significant rights and liabilities attaching to WHL Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of WHL Shareholders. To obtain such a statement, persons should seek independent legal advice.

Further details of the rights and liabilities attaching to WHL Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

WHL Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

WHL Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is

appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference WHL Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the WHL Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the WHL Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

If and to the extent authorised by resolution of the Company in general meeting, the Directors may establish a plan under which WHL Shareholders may elect to reinvest cash dividends paid by the Company by subscribing for Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the WHL Shareholders in kind the whole or any part of the property of the Company, and may for that purpose determine how the division is to be carried out as between the WHL Shareholders or different classes of WHL Shareholders, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of WHL Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated by special resolution of the Company and either the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of WHL Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11.7 Summary of Employee Option Plan

The EOP Options are being offered on terms consistent with the WHL Employee Option Plan, which was adopted by Shareholders at the Annual General Meeting. The material terms of the Employee Option Plan (**Plan** or **Rules**) are as follows:

- (a) **Eligibility:** Eligible Persons in the Plan may be Directors, full-time and part-time employees of the Company selected by the Board (**Eligible Persons**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Eligible Persons will be offered options under the Plan.
- (c) **Powers:** The Board shall have the power, in its sole discretion, to determine the terms and conditions of any offer including:
 - (i) the number of options the subject of the offer;
 - (ii) the purchase price for those options (which may be nil);
 - (iii) the vesting, disposal and forfeiture restrictions applying to those options; and
 - (iv) the manner in which the offer may be accepted.

The Board also has the power to amend any offer relating to any option and to determine appropriate procedures, regulations and guidelines for the administration of the Plan.

- (d) **Vesting Events:** If the vesting conditions are not specified in an offer, the vesting events will include the following:
 - (i) the Eligible Person remains employed with a Group Company for a period of twelve (12) months from the date of commencement of their employment (with time employed by Quantify being counted towards this period);
 - (ii) The Company re-lists on the ASX or another recognised stock exchange within four (4) months from the date of the Plan or such later date as determined by the board (**Listing**).
- (e) **Exercise:** An Optionholder may exercise an outstanding option during the exercise period by giving the Company a signed exercise notice and paying the exercise price multiplied by the number of options being exercised.
- (f) **Leavers:** If an Optionholder ceases to be employed or contracted by a Group Company (**Leaver**), the board may, in its absolute discretion:
 - (i) serve a notice on the Leaver advising that some or all of his or her unvested options have lapsed on the date specified in the notice;
 - (ii) serve a notice on the Leaver requiring the Leaver to sell some or all of his or her options to any person nominated by the Board; or
 - (iii) allow the Leaver to retain some or all of his options or any combination of the above as the board determines at its sole discretion.
- (g) **Disposals:** Disposal of an option is permitted in the event of a permitted transfer due to death of an optionholder, transfer of to a nominee or trustee, consent has been obtained or any other sale or transfer that is otherwise permitted under the Rules.
- (h) **Issue of Shares on Exercise:** If an Optionholder exercises his or her options, the Company must issue the number of ordinary shares (**Shares**) which correspond with the number of options exercised, issue the optionholder or a trustee or nominee to hold on bare trust for that Optionholder a share certificate for those Shares and enter the Optionholder into the Company's share register and lodge with ASIC the relevant forms to reflect the issue of the relevant number of option shares.
- (i) **Status:** All option shares issued will be fully paid, free from any security interest and rank equally in all respects with the other Shares on issue in the Company as at the date of issue and be subject to the terms of the Constitution.
- (j) **Reorganisation:** The Plan continues to apply in full force and effect despite any reorganisation of the Company or reconstruction. If a reorganisation occurs (distribution of cash or securities by way of a return of capital, bonus issues, share split or consolidation or any other reorganisation, recapitalisation or reclassification), the Optionholders

agree that the Board may vary the terms of the Plan in such a way as determined in their absolute discretion, which neither advantages nor disadvantages the Optionholders to account for the effect of the reorganisation.

- (k) **Employment relationship:** The Plan does not form any part of any contract of employment, consultancy or directorship between the Company and an Eligible Person.
- (l) **Optionholder rights:** An option does not grant on an Eligible Person or an Optionholder:
 - (i) any voting rights in respect of Shares or in respect of any other equity securities of the Company;
 - (ii) the right to participate in new issues of Shares or other equity securities of the Company;
 - (iii) the right to attend or vote at any general meeting or other meeting of holders of any Shares or other equity securities of the Company;
 - (iv) the right to receive any dividends or other distributions or to receive or otherwise participate in any returns of capital from the Company; or
 - (v) the right to participate in a liquidation or winding up of the Company.
- (m) **Tax Deferral Scheme:** the Plan is a tax-deferred scheme.

11.8 Terms and Conditions of WHL Bid Options and Broker Options

The WHL Bid Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each WHL Bid Option gives the WHL Bid Optionholder the right to subscribe for one Share upon exercise of the WHL Bid Option.
- (b) Each WHL Bid Option will expire at 5.00pm (WST) on 30 September 2019 (**Expiry Date**). A WHL Bid Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (k), the amount payable upon exercise of each WHL Bid Option will be \$0.075 (**Exercise Price**).
- (d) The WHL Bid Options held by each WHL Bid Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) A WHL Bid Optionholder may exercise their WHL Bid Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of WHL Bid Options specifying the number of WHL Bid Options being exercised; and

- (ii) cash, a bank cheque or telegraphic or other electronic means of transfer of cleared funds for the Exercise Price for the number of WHL Bid Options being exercised;

(Exercise Notice).

- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of WHL Bid Options specified in the Exercise Notice.
- (h) The WHL Bid Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- (i) All Shares allotted upon the exercise of WHL Bid Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of the WHL Bid Options on ASX. If admitted to the Official List at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the WHL Bid Options.
- (k) If at any time the issued capital of the Company is reorganised or reconstructed, all rights of a WHL Bid Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation or reconstruction.
- (l) There are no participating rights or entitlements inherent in the WHL Bid Options. The WHL Bid Optionholder cannot participate in any new issues of the Company without exercising the WHL Bid Option.
- (m) A WHL Bid Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the WHL Bid Option can be exercised.

11.9 Rights and liabilities attaching to Performance Shares

The term and conditions of the Performance Shares to be issued under the Share Takeover Offer are set out below:

- (a) **(General meetings)** The WHL Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of Shares. Holders have the right to attend general meetings of Shareholders of the Company.
- (b) **(No voting rights)** The WHL Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (c) **(No dividend rights)** The WHL Performance Shares do not entitle the Holder to any dividends.

- (d) **(No rights to return of capital)** The WHL Performance Shares do not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (e) **(Rights on winding up)** Upon the winding up of the Company, the WHL Performance Shares may not participate in the surplus profits or assets of the Company.
- (f) **(Transfer of WHL Performance Shares)** The WHL Performance Shares are not transferable.
- (g) **(Reorganisation of capital)** In the event that issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation.
- (h) **(No quotation)** The WHL Performance Shares will not be quoted on ASX. However if the Company is listed on the ASX, at the time of conversion of the WHL Performance Shares into Shares in accordance with these terms, the Company will within seven (7) days after the later of conversion and any escrow period ending, apply for the official quotation of the Shares arising from the conversion on ASX.
- (i) **(Participation in entitlements and bonus issues)** Holders of WHL Performance Shares will not be entitled (in their capacity as a Holder of a Performance Share) to participate in new issues of capital offered to holders of the Shares such as bonus issues and entitlement issues.
- (j) **(No other rights)** The WHL Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the WHL Performance Shares – performance hurdles

Each WHL Performance Share in the relevant Tranche will convert into one (1) Share upon achievement of the following performance hurdles (**Milestones**):

- (a) **Tranche A:** one-quarter of the WHL Performance Shares initially issued to a Holder will be convertible into Shares upon:
 - (i) certification by a recognised and accredited Australian testing facility (such as TUV Rheinland Australia) of Quantify's retrofittable wall switch and power outlet known as the "Retrofit Switch" which is, as a minimum, able to switch 220-230V AC Power where such certification is:
 - (A) for installation in an applicable Australian Standards based wall box powered by the wiring in place; and
 - (B) to CISPR15 Standards; and
 - (ii) Quantify receiving Committed Orders for \$3 million within 18 months of the Quotation Date;
- (b) **Tranche B:** one-quarter of the WHL Performance Shares initially issued to a Holder will be convertible into Shares upon:

- (i) certification by a recognised and accredited Australian testing facility, (such as TUV Rheinland Australia) for the wireless communication module installed in Quantify's retrofittable wall switch and power outlet known as the "Wireless Card", which wireless module is capable of providing wireless communication based on the 802.11 wireless standard or the 802.15 Zigbee Standard, where such certification is to AS/NZS4268 Standards, and
 - (ii) Quantify receiving Committed Orders for \$5 million (in total) within 30 months of the Quotation Date;
- (c) **Tranche C:** one-quarter of the WHL Performance Shares initially issued to a Holder will be convertible into Shares upon Quantify receiving Committed Orders for \$10 million (in total) within 42 months of the Quotation Date, at which time the resulting Shares will be placed in voluntary escrow with release from escrow pro rata for every \$1 million of revenue received in respect of the first \$5 million of Committed Orders received; and
- (d) **Tranche D:** one-quarter of the WHL Performance Shares initially issued to a Holder will be convertible into Shares upon Quantify receiving Committed Orders for \$15 million (in total) within 54 months of the Quotation Date at which time the resulting Shares must be placed in voluntary escrow with release from escrow pro rata for every \$1 million of revenue received in respect of the first \$10 million of Committed Orders received.

Conversion – other matters

- (a) **(Redemption)** WHL Performance Shares in a particular tranche will be redeemed for 0.00001 cents per WHL Performance Share if the performance hurdle for that tranche is not met, or not met by any relevant date for satisfaction of that performance hurdle. WHL Performance Shares will not be redeemed if a failure to meet the relevant performance hurdle was only due to a shortfall of Committed Orders, and the level of Committed Orders in respect of Tranche D was subsequently satisfied by the time specified in Tranche D. If the performance hurdle regarding Committed Orders is satisfied in respect of Tranche D, all earlier WHL Performance Shares which failed to convert because of a shortfall of Committed Orders will be convertible into Shares (subject in the case of Tranche C to escrow requirements), regardless as to whether the earlier performance hurdle regarding Committed Orders was satisfied. Failure to satisfy the performance hurdle in respect of one tranche of WHL Performance Shares does not prejudice subsequent conversion of other tranches.
- (b) **(Cancellation)** The Company and the Holder will take such steps as are necessary to cancel any Shares that are still the subject of voluntary escrow 6 years after the Quotation Date.
- (c) **(Takeover Provisions)** If the conversion of WHL Performance Shares would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each WHL Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).

- (d) **(Notice by Performance Shareholders)** Holders of WHL Performance Shares must give notification to the Company in writing if they consider that the conversion of WHL Performance Shares may result in the contravention of section 606(1), failing which the Company shall assume that the conversion of WHL Performance Shares will not result in any person being in contravention of section 606(1).
- (e) **(After conversion)** The Shares issued on conversion of the WHL Performance Shares will, as and from 5.00 pm (WST) on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (f) **(Conversion procedure)** The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the WHL Performance Shares into the Shares.
- (g) **(Ranking of Shares)** The Shares into which the WHL Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.

11.10 Terms and Conditions of Founder Performance Shares

A Founder Performance Share is a share in the capital of the Company which will convert into a fully paid ordinary share in accordance with these terms and conditions:

- (a) **(General meetings)** The Founder Performance Shares shall confer on the holder ("**Holder**") the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of Shares ("**Shareholders**"). Holders have the right to attend general meetings of Shareholders of the Company.
- (b) **(No voting rights)** The Founder Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (c) **(No dividend rights)** The Founder Performance Shares do not entitle the Holder to any dividends.
- (d) **(No rights to return of capital)** The Founder Performance Shares do not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (e) **(Rights on winding up)** Upon the winding up of the Company, the Founder Performance Shares may not participate in the surplus profits or assets of the Company.
- (f) **(Transfer of Founder Performance Shares)** The Founder Performance Shares are not transferable.
- (g) **(Reorganisation of capital)** In the event that issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation.

- (h) **(No quotation)** The Founder Performance Shares will not be quoted on ASX. However if the Company is listed on the ASX, at the time of conversion of the Founder Performance Shares into Shares in accordance with these terms, the Company will within seven (7) days after the later of conversion and any escrow period ending, apply for the official quotation of the Shares arising from the conversion on ASX.
- (i) **(Participation in entitlements and bonus issues)** Holders of Founder Performance Shares will not be entitled (in their capacity as a Holder of a Performance Share) to participate in new issues of capital offered to holders of the Shares such as bonus issues and entitlement issues.
- (j) **(No other rights)** The Founder Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Founder Performance Shares – performance hurdles

Each Founder Performance Share in the relevant Tranche will convert into one (1) Share upon achievement of the following performance hurdles:

- (a) **Tranche A:** one half of the Founder Performance Shares initially issued to a Holder will be convertible into Shares upon certification by a recognised and accredited Australian testing facility (such as TUV Rheinland Australia) of Quantify's retrofittable wall switch and power outlet known as the "Retrofit Switch" which is, as a minimum, able to switch 220-230V AC Power where such certification is:
 - (i) for installation in an applicable Australian Standards based wall box powered by the wiring in place; and
 - (ii) to CISPR15 Standards.
- (b) **Tranche B:** one half of the Founder Performance Shares initially issued to a Holder will be convertible into Shares upon certification by a recognised and accredited Australian testing facility, (such as TUV Rheinland Australia) for the wireless communication module installed in Quantify's retrofittable wall switch and power outlet known as the "Wireless Card", which wireless module is capable of providing wireless communication based on the 802.11 wireless standard or the 802.15 Zigbee Standard, where such certification is to AS/NZS4268 Standards.

Conversion – other matters

- (a) **(Redemption)** Founder Performance Shares in a particular tranche will be redeemed for 0.00001 cents per Performance Share if the performance hurdle for that tranche is not met, or not met by any relevant date for satisfaction of that performance hurdle. Failure to satisfy the performance hurdle in respect of one tranche of Founder Performance Shares does not prejudice subsequent conversion of other tranches.
- (b) **(Cancellation)** The Company will take such steps as are necessary to cancel any Shares that are still the subject of escrow 6 years after the Quotation Date.
- (c) **(Takeover Provisions)** If the conversion of Founder Performance Shares would result in any person being in contravention of section 606(1) of the

Corporations Act, then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).

- (d) **(Notice by Performance Shareholders)** Holders of Founder Performance Shares must give notification to the Company in writing if they consider that the conversion of Founder Performance Shares may result in the contravention of section 606(1), failing which the Company shall assume that the conversion of Founder Performance Shares will not result in any person being in contravention of section 606(1).
- (e) **(After conversion)** The Shares issued on conversion of the Founder Performance Shares will, as and from 5.00 pm (WST) on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (f) **(Conversion procedure)** The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Founder Performance Shares into the Shares.
- (g) **(Ranking of Shares)** The Shares into which the Founder Performance Shares will convert will rank *pari passu* in all respects with the Shares on issue at the date of conversion.

11.11 Advisor Options

The material terms of the Advisor Options are as follows:

- (a) **Entitlement**
Each Advisor Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**
Subject to paragraph (j), the amount payable upon exercise of each Advisor Option will be \$0.09 (**Exercise Price**).
- (c) **Expiry Date**
Each Advisor Option will expire at 5:00 pm (WST) on 30 September 2019 (**Expiry Date**). An Advisor Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
The Advisor Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
The Advisor Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Advisor Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Advisor Option being exercised in Australian currency by

electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Advisor Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Advisor Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Advisor Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Advisor Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Advisor Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Advisor Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Advisor Options without exercising the Advisor Options.

(l) **Change in exercise price**

An Advisor Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Advisor Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Advisor Options on ASX.

(n) **Transferability**

The Advisor Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

11.12 Adoption of employee incentive plans

If the Takeover Offers are successful, WHL plans to adopt and implement a number of employee incentive plans on terms that mirror (where possible) the existing Quantify employee incentive plans.

These plans include an employee option plan with terms and conditions summarised in Section 11.7 above (**WHL EOP**) and an employee share plan with terms and conditions summarised at Section 11.13 below (**WHL ESS**).

WHL also intends to adopt a performance rights plan with terms and conditions summarised at Section 11.14 below.

11.13 WHL Employee Share Plan

The key terms of the Employee Share Plan (**WHL ESS** or **Rules**) are as follows:

- (a) **Eligibility:** Eligible Persons in the WHL ESS may be Directors, employees or contractors (or prospective Directors, employees or contractors) of the Company selected by the Board (**Eligible Persons**).
- (b) **Administration of WHL ESS:** The Board is responsible for the operation of the WHL ESS and has sole discretion to determine which Eligible Persons will be offered Shares under the WHL ESS.
- (c) **Powers:** The Board shall have the power, in its sole discretion, to determine the terms and conditions of any offer including:
 - (i) the number of Shares the subject of the offer;
 - (ii) the purchase price for those Shares (which may be nil);
 - (iii) the vesting, disposal and forfeiture restrictions applying to those Shares; and
 - (iv) the manner in which the offer may be accepted.

The Board also has the power to amend any offer relating to any Share and to determine appropriate procedures, regulations and guidelines for the administration of the WHL ESS.

- (d) **Vesting Events:** If the vesting conditions are not specified in an offer, the vesting events will include the following:
 - (i) the Eligible Person remains employed with the Company for a period of twelve (12) months from the date of commencement of their employment (with time employed by Quantify being counted towards this period);
 - (ii) the Company re-lists on the ASX or another recognised stock exchange within twenty-four (24) months from the date of the WHL ESS or such later date as determined by the Board.
- (e) **Leavers:** If a Shareholder ceases to be employed or contracted by the Company (**Leaver**), the Board may, in its absolute discretion:
 - (i) serve a notice on the Leaver requiring the Leaver to sell some or all of his or her unvested Shares to any person nominated by the Board; or
 - (ii) allow the Leaver to retain some or all of his Shares or any combination of the above as the Board determines at its sole discretion.
- (f) **Disposals:** Disposal of a Share is permitted in the event of a permitted transfer due to death of a Shareholder, transfer of to a nominee or trustee, consent has been obtained or any other sale or transfer that is otherwise permitted under the Rules.
- (g) **Status:** All vested Shares issued will be fully paid and rank equally in all respects with the other Shares on issue in the Company as at the date of issue and be subject to the terms of the Constitution.
- (h) **Reorganisation:** The WHL ESS continues to apply in full force and effect despite any reorganisation of the Company or reconstruction. If a reorganisation occurs (distribution of cash or securities by way of a return of capital, bonus issues, share split or consolidation or any other reorganisation, recapitalisation or reclassification), the Shareholders agree that the Board may vary the terms of the WHL ESS in such a way as determined in their absolute discretion, which neither advantages nor disadvantages the Shareholders to account for the effect of the reorganisation.
- (i) **Employment relationship:** The WHL ESS does not form any part of any contract of employment, consultancy or directorship between the Company and an Eligible Person.
- (j) **Unvested Shareholder rights:** An unvested Share (**Unvested Share**) grants an Eligible Person or a holder of an Unvested Share:
 - (i) voting rights in respect of Shares or in respect of any other equity securities of the Company;
 - (ii) the right to participate in new issues of Shares or other equity securities of the Company;

- (iii) the right to attend or vote at any general meeting or other meeting of holders of any Shares or other equity securities of the Company;
 - (iv) the right to receive any dividends or other distributions or to receive or otherwise participate in any returns of capital from the Company; or
 - (v) the right to participate in a liquidation or winding up of the Company.
- (k) **Tax Deferral Scheme:** the WHL ESS is a tax-deferred scheme.

11.14 WHL Performance Rights Plan

The key terms of the Performance Rights Plan are as follows:

- (a) **Eligibility:** Participants in the Performance Rights Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii) or (iii) above,
- who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).
- (b) **Performance Rights:** Performance Rights offered under the Performance Rights Plan means, at the Board's discretion, an entitlement to a Share or a Cash Payment (defined below), subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the Share or the Cash Payment (at the Board's discretion), in the manner set out in the Performance Rights Plan and any Offer.
- (c) **Cash Payment:** Eligible Participants under the Performance Rights Plan may be offered a cash amount equal to the market value of a single Share as at the date the Performance Right is exercised, as determined by the Board (acting reasonably) and in accordance with the terms of any applicable Offer.
- (d) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines.

- (e) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (f) **Issue price:** Performance Rights issued under the Performance Rights Plan will be issued for nil cash consideration.
- (g) **Vesting Conditions:** A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right.
- (h) **Vesting:** The Board may in its absolute discretion by written notice to a Participant (being an Eligible Participant to whom Performance Rights have been granted under the Performance Rights Plan or their nominee where the Performance Rights have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Performance Rights due to:
- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Performance Rights, being:
 - (i) a Relevant Person ceasing to be an Eligible Participant due to:
 - (A) death or Total or Permanent Disability of a Relevant Person; or
 - (B) Retirement or Redundancy of a Relevant Person;
 - (ii) a Relevant Person suffering Severe Financial Hardship;
 - (iii) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
 - (iv) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
 - (v) a Change of Control occurring; or
 - (vi) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (j) **Lapse of a Performance right:** A Performance Right will lapse upon the earlier to occur of:
 - (i) an unauthorised dealing in the Performance Right;

- (ii) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Performance Right in the circumstances set out in paragraph (j) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Performance Rights only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (j) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Performance Rights only, a relevant person ceases to be an Eligible Participant and the Performance Right granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Performance Right;
 - (vii) the expiry date of the Performance Right.
- (k) **Exercise of Performance Rights:** Subject to the Corporations Act, the ASX Listing Rules, the Performance Rights Plan and the terms of any Offer, within 10 Business Days of receipt of a valid notice of exercise for Performance Rights, the Board must, in its absolute discretion, either:
- (i) pay the Eligible Participant or his or her personal representative (as the case may be) a Cash Payment for each Performance Right exercised; or
 - (ii) issue or transfer one (1) Share, free of encumbrances, to the Eligible Participant or his or her personal representative (as the case may be) for each Performance Right exercised, and despatch a share certificate or enter the Shares in the Eligible Participant's uncertificated holding, as the case may be, upon the terms set out in the Offer, the acceptance form and the Performance Rights Plan and upon such additional terms and conditions as the Board determines.
- (l) **Shares:** Shares resulting from the exercise of the Performance Rights shall, subject to any Sale Restrictions (refer paragraph (m)) from the date of issue, rank on equal terms with all other Shares on issue.
- (m) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible

nominee) on exercise of those Performance Rights up to a maximum of seven (7) years from the grant date of the Performance Rights. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

- (n) **No Participation Rights:** There are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (o) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Performance Rights and subject to compliance with the ASX Listing Rules, a Performance Right does not confer the right to a change in exercise price or in the number of underlying Shares over which the Performance Right can be exercised.
- (p) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (q) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Performance Rights, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Performance Rights Plan to effect the establishment of such a trust and the appointment of such a trustee.

11.15 Consents

Chapter 6 of the Corporations Act imposes a liability regime on WHL, the Directors, the persons named in the Prospectus with their consent as Proposed Directors, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although WHL bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 11.15:

- (a) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 11.15; and
- (b) has not caused or authorised the issue of this Prospectus.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- (a) Steinepreis Paganin has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as lawyers to WHL in relation to the Offers.
- (b) HLB Mann Judd has given its written consent to being named as auditor of the Company in this Prospectus and to the inclusion of the audited financial information on WHL in the Investigating Accountant's Report in Section 8 of this Prospectus in the form and context in which the information is included. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (c) RSM has given its written consent to being named as auditor of Quantify in this Prospectus and to the inclusion of the audited financial information on Quantify in the Investigating Accountant's Report in Section 8 of this Prospectus in the form and context in which the information is included. RSM has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (d) HLB Mann Judd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 8 of this Prospectus in the form and context in which the information and reports are included. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (e) Westar Capital Limited has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as Lead Manager to the Equity Offer in the form and context in which it is named.
- (f) Wrays has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named as the patent attorney in this Prospectus and to the inclusion of the Intellectual Property Report in Section 6 in the form and context in which it is named.
- (g) Dentons Australia has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as lawyers to Quantify in relation to the Offers.
- (h) RSM Corporate has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the Independent Expert and to the inclusion of the Independent Experts opinion in this Prospectus, in the form and context in which it appears.

11.16 Expenses of the Offers

The total expenses of the Offers (excluding GST) are estimated to be approximately \$342,850 for the minimum \$3.5 million equity raising and \$442,850 for the maximum \$5 million equity raising. Details of the expenses are expected to be as follows in the table below:

Item of Expenditure	\$3,500,000 Subscription under Equity Offer (\$)	\$5,000,000 Subscription under Equity Offer (\$)
ASIC fees	2,350	2,350
ASX fees	37,000	47,000
Capital raising fees	210,000	300,000
Legal fees	50,000	50,000
Investigating Accountant's Fees	17,500	17,500
Patent Attorney's Fees	18,500	18,500
Printing, Distribution and Miscellaneous	7,500	7,500
Total	\$342,850	\$442,850

The fees outlined in this table are for the Prospectus only and are in addition to the costs of issue contained in the Bidders Statement.

Additional costs estimated for the Bidders Statement totalled \$230,347. The total expenses of the offer including the Bidders Statement are estimated to be approximately \$573,197 for the minimum \$3.5 million equity raising and \$673,197 for the maximum \$5 million equity raising.

11.17 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will continue to be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s shares

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, WHL will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

11.18 Modifications of the Corporations Act

WHL has not obtained any modifications of, or exemptions from, the Corporations Act in connection with the Offers. WHL has however relied on instruments issued by ASIC which provide modifications and exemptions that apply generally to all persons (including WHL).

11.19 Modifications of the ASX Listing Rules

Waiver from Escrow Provisions

The Shares, WHL Bid Options and Performance Shares issued under the Takeover Offers to accepting Quantify Securityholders will be issued in consideration for the acquisition of a classified asset. Quantify Ordinary Shareholders and Quantify Ordinary Optionholders may be required under the ASX Listing Rules to enter into

restriction agreements under which they will be restricted from trading the Shares, WHL Bid Options and Performance Shares issued to them as consideration for periods of between 12 and 24 months.

Recipients of New Shares issued pursuant to the Equity Offer under this Prospectus will not be required to enter into restriction agreements and the New Shares issued to them will not be subject to escrow (and will all be free trading).

Recipients of the EOP Options issued pursuant to the EOP Option Offer and the Broker Options issued pursuant to the Broker Option Offer under this Prospectus may be required to enter into restriction agreements and the EOP Options, Broker Options and any Shares issued on conversion of those Options may be subject to escrow.

The Company will apply to the ASX for a waiver from the certain restriction requirements on the basis that a majority of Quantify Ordinary Shareholders paid cash for their Quantify Ordinary Shares upon issue by Quantify and have held their Quantify Ordinary Shares for a substantial period of time prior to WHL making the Takeover Offers.

If granted in respect of the majority of Quantify Ordinary Shares, the waiver of the escrow provisions may not apply to the extent that Quantify has issued securities to related parties, in consideration for services provided to Quantify or for the acquisition of assets from vendors.

Shares and Options issued at less than \$0.20

The Company has obtained a waiver from ASX from:

- (a) ASX Listing Rule 2.1 condition 2 to the extent necessary for the issue price of the Shares issued under this Prospectus not to be at least 20 cents; and
- (b) ASX Listing Rule 1.1 condition 11 to the extent necessary for the exercise price of the WHL Bid Options, the EOP Options, the Advisor Options and the Broker Options not to be at least 20 cents.

Other than as summarised in this Section 11.19, WHL has not obtained any modifications of, or exemptions from, the ASX Listing Rules in connection with the Offers.

11.20 Governing law

Each of the Offers and the contracts formed on return of an Acceptance Form are governed by the laws applicable in Western Australia. Each person who applies for Securities pursuant to this Prospectus submits to the non-exclusive jurisdiction of the courts of Western Australia, and the relevant appellate courts.

11.21 Directors' Authorisation

This Prospectus is issued by WHL and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with ASIC.

Neville Bassett
Director
For and on behalf of
WHL ENERGY LIMITED

12. GLOSSARY AND INTERPRETATION

12.1 Definitions

Unless the context requires otherwise, where the following terms are used in this Prospectus, they have the following meanings:

\$ means an Australian dollar.

Advisor Options means 8,747,626 Options to be issued to Quantify's corporate advisers, on the terms and conditions set out at Section 11.11.

Annual General Meeting or **Meeting** means the general meeting of WHL held on 30 November 2016 that was adjourned, reconvened and held on 22 December 2016 which sought and obtained Shareholder approval for the matters set out in the Notice of Meeting (including the Essential Resolutions).

Application Form means an application form attached to or accompanying this Prospectus relating to an Offer.

Application Monies means the amount accompanying an Application Form submitted by the applicant.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Corporation means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Operating Rules means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

Bidder's Statement means the Bidder's Statement issued by WHL in connection with the Takeover Offers and lodged with ASIC on 8 November 2016 as varied by a supplementary bidder's statement dated 16 December 2016.

Board means the Board of Directors as constituted from time to time.

Broker Options means Options to be issued to the Company's brokers for services provided in connection with the Equity Offer, on the terms and conditions set out at Section 11.8.

Broker Option Offer means the offer of Broker Options to Westar Capital in accordance with the Mandate.

Capital Raising means the capital raising pursuant to the Equity Offer under this Prospectus.

Closing Date means the closing date of the Offers as set out in the indicative timetable in the Key Offer information section of this Prospectus (subject to WHL, in consultation with the Lead Manager reserving the right to extend the Closing Date or close the Offers early).

Committed Orders means any of the following in respect of Quantify hardware, software or services:

- (a) the price specified in firm, legally binding purchase orders for supply of Quantify hardware, software or services;
- (b) the anticipated total price (determined by the Company acting reasonably) for Quantify hardware, software or services to be supplied to a construction project where:
 - (i) Quantify has entered into a binding contract for the supply of Quantify hardware, software or services to that project; and
 - (ii) the project has funding in place to enable completion; and
 - (iii) the value of Quantify hardware, software or services to be supplied can be estimated with a high degree of certainty; and
- (c) the revenue anticipated (determined by the Company acting reasonably) in the first three years from any licensing or services agreement relating to Quantify Intellectual Property that Quantify has entered into, where the agreement is unconditional and the licensee has binding obligations with third parties to use the Quantify services or install products which utilise the Quantify Intellectual Property.

Company or **WHL** means WHL Energy Limited (ACN 113 326 524) or the Merged Group as the context requires.

Condition means the condition of the Offers as detailed in Section 3.2.

Constitution means the constitution of WHL.

Copper Coast means Copper Coast Investments Pty Ltd, an entity of which Mr Alex Paor is a director.

Corporations Act means the Corporations Act 2001 (Cth).

Cuda means Cuda Development Corporation Pty Ltd.

Directors mean the directors of WHL as at the date of this Prospectus or as the context requires, directors of WHL from time to time.

Effective Date means the date on which the Transaction is completed, being 5 Business Days after all conditions to the Takeover Offers are satisfied or waived and the Takeover Offer periods have closed, or such other date as agreed by the parties.

EOP Option means an Option to be issued to Quantify EOP Optionholders in accordance with the EOP Option Offer.

EOP Option Offer means the offer of EOP Options to Quantify EOP Optionholders in consideration for the transfer of existing Quantify EOP Options to the Company.

Equity Offer means the offer of New Shares under this Offer.

Essential Bid Conditions means the conditions in Section 2.1 required to complete the Transaction unless waived by WHL following the written consent of Quantify, where required.

Essential Resolutions means those Shareholder resolutions referred to in Section 2.4 of this Prospectus which were considered and passed at the reconvened Annual General Meeting, as described in further detail in the Notice of Meeting.

Founder Performance Shares the performance shares in the capital of the Company offered as consideration for the acquisition of the Quantify Performance Shares under the Founder Performance Shares Transfer Deed, on the terms set out in Section 11.1.3, as detailed in Section 2.7(c).

Founder Performance Shares Transfer Deed means the deed referred to in Section 11.1.3.

Independent Expert means RSM Corporate Australia Pty Ltd.

Independent Expert Report means the independent expert report prepared by RSM Corporate Australia Pty Ltd, announced by the Company on 12 December 2016 and which is available on the Company's ASX website..

Investigating Accountant means HLB Mann Judd.

Lead Manager means Westar Capital Limited (ACN 009 372 838).

Major Shareholder means Lapins Holdings Pty Ltd (ACN 067 117 506) as trustee for the Lapins Family Account, a major shareholder of Quantify.

Maximum Subscription means WHL receiving Valid Applications for 83,333,333 New Shares under the Equity Offer to raise up to \$5,000,000.

Merged Group means WHL and its subsidiaries after successful completion of the Takeover Offer, including without limitation Quantify.

Merger means the merger of WHL and Quantify upon successful completion of the Transaction.

Merger Implementation Agreement or **MIA** means the agreement between WHL and Quantify dated 12 September 2016 in respect to the Transaction.

Minimum Subscription means WHL receiving Valid Applications for 58,333,333 New Shares under the Equity Offer to raise \$3,500,000.

New Option means an Option issued pursuant to this Prospectus.

New Share means a Share issued pursuant to this Prospectus.

Notice of Meeting means the Notice of Annual General Meeting and Explanatory Statement of WHL in relation to the Annual General Meeting, dated 31 October 2016 and the addendum to the notice of meeting and independent expert's report issued by WHL on 12 December 2016.

Offers means, collectively, the Equity Offer and the EOP Option Offer, and **Offer** means either of them, as the case requires.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Officers means members of the Board including the Company Secretary.

Option or **WHL Option** means an option to acquire one Share.

Optionholder means a holder of one or more Options.

Option Takeover Offer means the specific offer made under the Bidder's Statement to holders of existing Quantify Ordinary Options in consideration for existing Quantify Ordinary Options.

Original Prospectus means the prospectus dated 16 December 2016 lodged by the Company with ASIC on that date.

Performance Rights means the 12,500,000 performance rights in the capital of the Company to be issued to Mark Lapins and Aidan Montague on the terms and conditions contained in the Performance Rights Plan, a summary of which is contained at Section 11.14 of this Prospectus.

Performance Rights Plan means the performance rights plan adopted by the Company at the Annual General Meeting, a summary of which is contained in Section 11.14 of this Prospectus.

Performance Share or **WHL Performance Share** means a performance share issued by WHL under the Share Takeover Offer, on the terms and conditions set out in Section 11.7.

Proposed Directors means Messrs Mark Lapins, Aidan Montague and Alex Paor.

Prospectus means this replacement prospectus.

Public Authority means any government or governmental, semi-governmental, administrative, statutory, fiscal, or judicial body, entity, authority, agency, tribunal, department, commission, office, instrumentality, agency or organisation (including any minister or delegate of any of the foregoing), any self-regulatory organisation established under statute and any recognised securities exchange (including without limitation ASX), in each case whether in Australia or elsewhere.

Quantify means Quantify Technology Ltd (ACN 160 392 898).

Quantify Board means the Board of directors of Quantify as at the date of this Prospectus.

Quantify Business has the meaning given in Section 4.2.

Quantify Class C Shares means the 11,607,480 Class C shares in Quantify.

Quantify Class C Shareholders means a holder of a Quantify Class C Share.

Quantify Convertible Loans or **Convertible Loans** means convertible loan agreements entered into by Quantify and unrelated third parties.

Quantify Convertible Loan Holders means holders of a convertible loan in Quantify as detailed in Section 2.7(d) on the terms and conditions contained in Section 11.1.7.

Quantify EOP means Quantify's existing employee option plan.

Quantify EOP Option means an option to acquire a Quantify Ordinary Share issued under the Quantify EOP.

Quantify ESS Shares means 15,500,000 Quantify Ordinary Shares which were issued to a number of employees under an employee incentive share plan.

Quantify Ordinary Option an option (of the main class of ordinary options) to acquire a Quantify Ordinary Share.

Quantify Ordinary Optionholder means all persons who hold Quantify Ordinary Options.

Quantify Ordinary Share means a fully paid ordinary share in the issued capital of Quantify.

Quantify Ordinary Shareholder means a holder of one or more Quantify Ordinary Shares.

Quantify Performance Shares means the 1000 Class A performance shares and 1000 Class B performance shares on issue in Quantify.

Quantify Securityholder means the holder of a Quantify Ordinary Share, Quantify ESS Share, Quantify Class C Share, Quantify Ordinary Option, Quantify EOP Option, or Quantify Performance Share.

Quotation Date means the date that WHL Shares are quoted on the ASX.

Section means a section of this Prospectus.

Securities means the New Shares and New Options offered pursuant to this Prospectus.

Share or **WHL Share** means a fully paid ordinary share in the capital of WHL.

Share Takeover Offer means the off market takeover offer by WHL to acquire all Quantify Ordinary Shares (including all rights attaching to them) in consideration for 1.0189 Shares and 0.4891 Performance Shares for every 1 Quantify Ordinary Share.

Shareholder means a holder of one or more Shares.

Share Registry means Automic Registry Services.

Takeover or **Takeover Offers** means the off-market takeover offer made by WHL for all Quantify Ordinary Shares and Quantify Ordinary Options pursuant to the Bidder's Statement.

Transaction means the acquisition by the Company of Quantify.

Valid Application means a valid and complete application to subscribe for New Shares and/or New Options under this Prospectus, accompanied by the appropriate application money in full.

Wallaroo Project Agreement means the agreement between Copper Coast and Quantify relating to the sale and installation of Quantify's products at Copper Coast's proposed Wallaroo Shores development project.

Wallaroo Shores means the development of land at Wallaroo into approximately 450 dwellings (detached, medium density apartments), a retirement village of 120 units, tourist accommodation with 100 2 bedroom units and 3,200 square metres

of commercial developments including a petrol station, restaurant complex and medical clinic.

Westar means the Lead Manager, Westar Capital Limited (ACN 009 372 838).

WHL means WHL Energy Limited (ACN 113 326 524) or the Merged Group as the context requires.

WHL Bid Option means the Options to be issued to Quantify Ordinary Optionholders under the Option Takeover Offer in consideration for the acquisition of all Quantify Ordinary Options by WHL, which are on the terms and conditions set out in Section 11.8.

WHL EOP means the employee option plan proposed to be adopted by the Company, as detailed in Section 11.7.

WHL ESS means the employee share plan proposed to be adopted by the Company, the material terms of which are set out at Section 11.13.

WST means Western Standard Time as observed in Perth, Western Australia.

12.2 Interpretation

Unless the contrary intention appears, the following rules apply in interpreting this Prospectus:

- (a) words or phrases defined in the Corporations Act have the same meaning in this Prospectus;
- (b) a reference to legislation, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word “person” includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency;
- (e) a reference to Australian dollars, AUD, \$ or dollars is to the lawful currency of the Commonwealth of Australia; and
- (f) a reference to time is to WST.