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3 September 2009

Manager Announcements
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WILDHORSE TO ACQUIRE LARGE HUNGARIAN COAL ASSET TO COMPLEMENT PÉCS URANIUM PROJECT

The Board of Wildhorse Energy Limited is pleased to announce it has entered an agreement to acquire Peak Coal Limited (Peak), an unlisted Australian company that holds the rights to substantial coal assets in southern Hungary which have recognised potential for underground coal gasification (UCG). This acquisition of Peak enhances Wildhorse's strategy of becoming a substantial energy project developer in central Europe, through a portfolio of diversified assets at various stages of development. Peak's coal assets are located in close proximity to Widhorse's Pécs Uranium Project, in the Mecsek region of Southern Hungary (refer Figure 1).

The acquisition of Peak complements Wildhorse's substantial existing uranium projects in Hungary and provides operational synergies for its growth strategy in the European energy sector by broadening its energy asset base and management expertise. Peak's coal project will add significant upside growth potential for Wildhorse, as well as increasing the diversity of its energy projects in Hungary.

Following the acquisition of Peak, Mr Mark Hohnen, Mr Ian Middlemas and Mr Matt Swinney will be invited to join the board of Wildhorse. Messrs Hohnen and Middlemas have achieved considerable success in their roles as Chairmen of the uranium exploration companies Kalahari Minerals plc and Mantra Resources Limited respectively. Mr Swinney has a demonstrated track record in project management and energy project development.

The acquisition of Peak will be undertaken via Schemes of Arrangement ('Schemes') with Peak's shareholders and option holders. The consideration under the Scheme will comprise 1 fully paid ordinary Wildhorse share for every 3 fully paid Peak shares, valuing Peak at $16 million, based upon the last traded share price of Wildhorse shares as of 1 September 2009 of 44 cents. The same ratio will also apply to Peak options subject to the Schemes. Individual private ('non-Scheme') option offers will also be made to certain option holders for the same consideration as is being offered under the Schemes. These private offers are subject to the completion of the Schemes. The implementation of the Schemes is subject to the satisfaction (or waiver) of a number of conditions and obligations, which are set out in Annexure A attached to this announcement.

Highlights of Peak Coal Acquisition by Wildhorse

Large Existing Coal Asset

- Considerable drilling, exploration and mining activities in relation to coal have historically been undertaken in the Mecsek region. Resource evaluation of historical data on the Peak project areas by independent geologists (CSA Global Pty Ltd) has resulted in an **exploration target of 1 – 1.25 billion**

tonnes of coal. It is expected that following confirmatory drilling a resource estimate can be reported in accordance with the JORC Code.

- Peak holds both coal and coal bed methane (CBM) exploration rights to 306km² of the Mecsek coal formation.

UCG Potential of Peak Coal Projects

- Peak has entered into a UCG technology agreement with **Dr. Michael Green,** a recognised world leader in UCG development, and Director and General Manager of the successful Spanish UCG trial. Dr Green will drive the planning, evaluation and development of this UCG project.

- **Uhde Shedden,** a division of the large international engineering firm Thysen Kryupp, are currently completing a scoping study based upon the potential development of a UCG production facility on Peak's license area. The study will evaluate the key commercial parameters and address several potential syngas based product options including: syngas (cleaned and uncleaned), electricity production, synthetic natural gas and synthetic fuels.

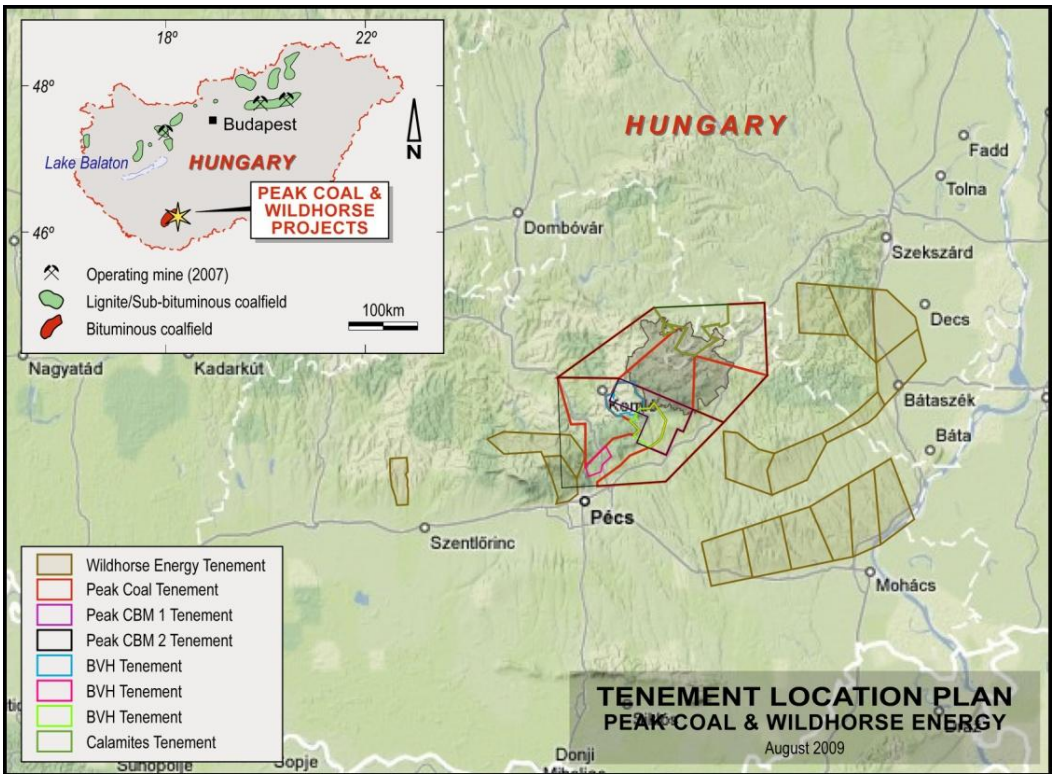
- Peak has entered into a **Memorandum of Understanding with PannonPower Holding Zrt** (a member of the Dalkia group – one of Europe's largest energy groups), which owns a 340MW power station less than 3km from the southern boundary of Peak's exploration licenses, to evaluate the feasibility of supplying syngas as a feedstock to the power station. Should the feasibility process be successful, the end result will be a binding letter of intent leading to a syngas forward sales agreement.

- Hungary **imports nearly 80% of its domestic gas requirements (mainly from Russia)** and is a net importer of electricity and together with nearby countries import 60 – 80% of their gas requirements. **Importantly, wholesale gas prices in Hungary are approximately 3 times higher than they are in Australia**

Operational Synergies

- Due to the close proximity of the project areas, including the **overlap of licenses** near the southern boundary of Peak's exploration licenses, and the stage of development of each project, significant cost savings and operational synergies are expected to be realized for both projects.

Figure 1: Tenement summary plan for Peak Coal and Wildhorse Energy



Transaction Summary

Wildhorse proposes to acquire 100% of Peak's issued capital through the issue of 1 Wildhorse share for every 3 Peak shares. The same ratio will also apply to Peak options. This will result in 36.71m new Wildhorse shares and 23.97m new Wildhorse options being issued to Peak shareholders and option holders.

The total number of Wildhorse shares and options on issue post transaction will be 159.16m and 32.1m respectively, as outlined below:

Wildhorse Securities

	Shares	Options
Currently on Issue	122.45m	8.13m
Issued to acquire Peak	36.71m	23.97m
Total on Issue	**159.16m**	**32.10m**

In accordance with the terms of the agreement between Peak and Wildhorse, Wildhorse will provide Peak with a $500,000 working capital facility to be available to be drawn in advance of completion of the transaction. Should the transaction not complete, then this amount is secured by a deed of change and will be repaid in full to Wildhorse within 90 days.

Wildhorse and Peak have signed a Merger Implementation Agreement (MIA) under which each party has agreed to take the steps necessary to implement the merger.

A summary of the conditions to the merger and certain other key provisions of the MIA are contained in Annexure A attached to this announcement.

Timetable

A Scheme Booklet will be available to Wildhorse shareholders in connection with the proposed merger.

It is expected that a meeting of Wildhorse shareholders will be held in mid November 2009 to vote on the acquisition. If the acquisition is approved, final implementation is likely to occur in late November 2009.

Azure Capital Pty Ltd has acted as corporate advisor to Peak in relation to the transaction with Wildhorse.

Corporate

There are structural changes planned to the Wildhorse Board and management team following completion of the Peak acquisition. It is intended that Mr Mark Hohnen, Mr Matt Swinney and Mr Brett Mitchell will be the key executives of the company and it is proposed that the following options will be issued to them, subject to shareholder approval, for their existing or new roles with the company:

New Wildhorse Director Options

	50 cent exercise	60 cent exercise	70 cent exercise
Mark Hohnen	3,000,000	1,500,000	1,500,000
Matt Swinney	3,000,000	2,000,000	2,000,000
Brett Mitchell	1,000,000	500,000	500,000

The company would also like to advise that Mr Henry Neugebauer has resigned as a non-executive director of Wildhorse Energy Limited. The Wildhorse Directors would like to take this opportunity to thank Mr Neugebauer for his efforts over the past four years, specifically with respect to the company's Sweetwater and Bison Basin projects in Wyoming, USA. Mr Neugebauer will act as a consultant as required on any future negotiations with respect to the company's North American projects.

Enquiries:

Wildhorse Energy Limited		**Peak Coal Limited**	
Executive Director:	Brett Mitchell	Chairman:	Mark Ceglinski
Telephone:	08 9389 2000	Telephone:	08 6436 1804

About Wildhorse Energy Limited

Wildhorse is a uranium project development company with its key uranium assets located in Europe. Wildhorse is focused on the developing its Pécs Uranium Project in Southern Hungary, which has an existing JORC Inferred Resource of 17MT at 0.08% U_3O_8 for 30Mlbs of U_3O_8.

In 2008 the Company entered into a Co-operation Agreement with Mecsek-Oko and Mecsékerc with the aim of restarting uranium mining in the Mecsek Hills, in Southern Hungary. The Mecsek Hills area is historically a major uranium producing centre in the Western Mecsek Mountains. Cumulative production from the former uranium mine was approximately 46 million pounds of uranium metal (20,900 tonnes), prior to its closure in 1997. When mining ceased, significant areas of uranium minerals remained unmined.

The Mecsek Hills comprise Wildhorse's Pécs project area, and the area of the former uranium mine (mining concessions) containing extensive unmined material which adjoins the western boudary of the Pécs permit. Combined, this area exceeds 72 km^2 (18,000 acres) of highly prospective ground with potential for significant expansion beyond Wildhorse's existing JORC Inferred Resources of 17MT at 0.08% U_3O_8 for 30Mlbs of U_3O_8 on the Pécs project. The current exploration target[i] for the total Mecsek Hills project area is 90 to 120mlbs of contained U_3O_8 with a grade range of 0.08-0.12%.

The zones to the west held by Mecsek Oko are shallower, and offer potential access through uranium bearing sandstones on the concessions into Wildhorse's existing area of JORC resources. These uranium bearing sandstones underlay the entire Mecsek Hills project area.

Website: www.wildhorse.com.au

The information in this statement as it relates to Mineral Resources and Exploration Results for the Pécs Uranium Project is based on information compiled by Neil Inwood, a professional geologist who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Inwood is a Specialist Resource Geologist with Coffey Mining Pty Ltd, independent geological and resource consultants engaged by Wildhorse Energy Limited. Mr Inwood has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Inwood consents to the inclusion in this statement of the matters based on his information in the form and context in which it appears.

The Exploration Target covers the Pécs and Mecsek East project areas and is based on WHE's understanding of the geological continuity of the Pécs mineralisation. This understanding is supported by the collation of a large amount of historical data, including drill logs, technical reports and disequilibrium studies, which Wildhorse has access to. This data indicates that uranium is contained in uraninite, coffinite, and pitchblend with mineralisation ranging between 0.03 - 3% U, with an average targeted grade between 0.08 - 0.12% U at a depth of over 500m indicated by historical drilling data. Details of the Exploration Target are discussed in the ASX Press release dated 26th September 2008. The size and grade of the Exploration Target is conceptual in nature and it is uncertain if further exploration will result in the determination of a Mineral Resource. There is currently insufficient data to define a JORC compliant mineral resource for the Exploration Target. Mr Inwood (Competent Person) has extensively reviewed the historical data available for Pécs-Mecsek and made a site visit to the area.

Annexure A

1. Summary of Key Terms of Merger Implementation Agreement

Wildhorse and Peak have signed a Merger Implementation Agreement ('MIA') dated 1 September 2009 that sets out the obligations of both companies in relation to the proposed acquisition.

A summary of the terms and conditions of this agreement are set out below. The full terms and conditions of the MIA will be provided in the Scheme Booklet to be available to Wildhorse Shareholders. **Wildhorse shareholders do not need to take any action at this time**

Pursuant to the MIA, Wildhorse will make offers to acquire all of the issued shares and options in Peak in exchange for the issue of shares and options in Wildhorse.

A number of Peak options (some of which are on issue, and some that are proposed to be issued subject to certain conditions being met) will be dealt with via individual agreements with the relevant Peak option holders and Wildhorse. Completion of the non-scheme option offers will be conditional on completion of the Schemes.

Implementation of the Schemes is subject to a number of conditions including:

- an independent expert concluding that the Schemes are in the best interests of Peak shareholders and option holders;
- satisfactory completion of due diligence by the Boards of both companies;
- Peak shareholder approval and option holder approval being obtained in respect of the Schemes;
- court approval in respect of the Schemes;
- all relevant regulatory approvals; and
- other conditions customary for a public transaction of this nature.

The parties have entered into a separate loan agreement pursuant to which Wildhorse has agreed to advance up to $500,000 to Peak, which is to be used for working capital expenditure in accordance with a budget that has been approved by Wildhorse. The loan will be secured by a fixed and floating charge over all of the assets and undertakings of Peak. Peak must repay the loan to Wildhorse with 90 days if the Schemes do not become effective.

It is envisaged that both companies will be equally represented at Board level and the current executive directors will share responsibilities.

Key steps to be undertaken include:

- lodgement of Scheme documents with the ASIC;
- Wildhorse making the share and options offers under the proposed Schemes;
- Wildhorse making the individual offers to all non-scheme Peak option holders;
- obtaining Court approval to hold the Scheme meetings for Peak shareholders and Peak option holders to vote on the share and option Schemes respectively;
- obtaining Peak shareholder and Peak option holder approval for the Schemes; and
- if Peak shareholders and Peak option holders approve the Schemes, Court ratification of the Schemes.

Annexure B

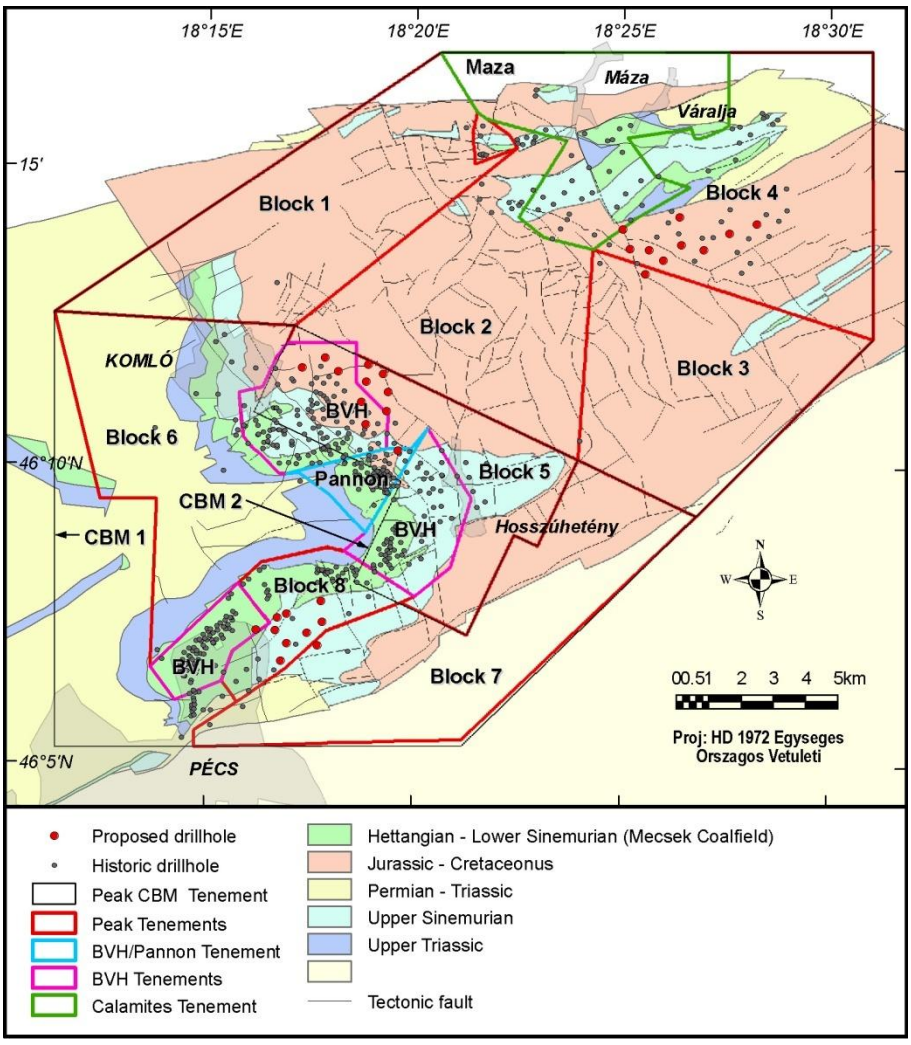
Overview of the Peak Coal Limited UCG Project

Project Location and Tenure – (extracted from an Independent Geologists Report prepared by CSA Global Pty Ltd)

The Mecsek Coalfield is located in south-west Hungary approximately 120km from Budapest on the northern edge of the regional centre of Pécs (see Figure 1). The region is well connected to other parts of Hungary and surrounding countries by national road and rail networks.

Peak holds three exploration licenses in its own right over most of the Mecsek Coalfield: two CBM licenses and one coal exploration license. The coal exploration license is divided into eight blocks (see Figure 2) and together they cover essentially the same piece of ground as the CBM licenses.

Figure 2: Tenement summary plan



Geology and Resources - (extracted from an Independent Geologists Report prepared by CSA Global Pty Ltd)

Peak's UCG target is the coal bearing Mecsek Coal Formation (MCF) which was deposited during the Mesozoic Era from the Upper Triassic (Rhaetic) to Lower Jurassic (Liassic) periods. The Mecsek field is situated in the south-west of the Great Hungarian Plain forming a prominent outcrop of Pre-Tertiary rocks within the Tertiary Age sediments of the Pannonian Basin.

The coalfield is an elongated basin striking south-west to north-east approximately 30km long and 20km wide (see Figure 2). The northern and southern margins are bounded by major structural lineaments and the east and west limits are marked by an erosion surface that has removed the coal. Structurally, the field comprises an easterly-plunging, complex-faulted anticline/syncline fold system comprising Triassic, Jurassic and Cretaceous-age rocks overlain unconformably by Tertiary-age sediments and volcanics. There was a period of igneous activity from the Early Cretaceous to the Miocene with injection of sills and dykes into the sedimentary sequence which in places intrude into the coal seams.

The area has seen significant historic coal production over a period of 140 years; ending in 2004. The total production from the area is estimated at 300Mt from both open cast and underground mining operations. Based on government resource estimates and subsequent investigations by Peak there are significant coal deposits remaining within the tenement area.

Due to the large amount of historic drilling data the independent geological consultancy CSA Global Pty Ltd (CSA) was able to construct a detailed geology model of the main coal seams (>2m thick) using Micromine software for the Mecsek coalfield in areas of historic drilling. The model is based on more than 300 historic drill holes that were completed over a period of 40 years from 1953 to 1993. Where available, the coal quality data and thickness of the coal seams was recorded from the drill logs and used to create a digital database. The resulting model has enabled a reliable estimate of the exploration target size to be made. CSA estimates an Exploration Target of 1-1.25 Bt of coal is present within the historically drilled areas of the Peak tenement holding.

The Exploration Target at Mecsek is based on significant amounts of historic data and recent modelling work completed by CSA. The estimate is conceptual and the quality of the historic drilling data is too variable to classify this resource under the JORC Code 2004. Therefore, at this time there is insufficient reliable exploration data to define a Mineral Resource and it is uncertain whether further exploration will determine one.

However, it should be noted that several open cut and underground mines were developed based on the same historical drilling and these mines produced coal for more than 100 years. It is anticipated that the additional drilling to be conducted by Peak will confirm the historic drilling data and if this occurs it should enable a significant proportion of the exploration target to be classified under the JORC code 2004.

The MCF coals are humic type bituminous coals. Their rank ranges between high volatile bituminous B, (hvBb) to low volatile bituminous (lvb), according to the standard of the American Society for Testing and Materials (ASTM). They are generally high ash (>15%), high sulphur (1-3%), low to high volatile matter (20- >30%) and low to high specific energy or calorific value (18.5-30Mj/kg or 4420–7170 kcal/kg). All coal quality values quoted are on an "as-received" basis.

Underground Coal Gasification

Underground Coal Gasification is the gasification of coal in-situ, which is achieved by drilling boreholes into the coal and injecting water/air or water/oxygen mixtures. It is both an extraction process (like coal mining) and a conversion process (gasification) in one step, producing a high quality, affordable synthetic gas that can be processed to provide fuels for power generation, diesel fuels, jet fuels, hydrogen, fertilisers and chemical feedstocks.

The technique offers many financial and social benefits over traditional extraction methods, most notably lower emissions, as no coal is brought to the surface and the gas can be processed to remove its CO^2 content. It can be used for heating, power generation, hydrogen production, or the manufacturer of key liquid fuels such as diesel fuel or methanol.

Source: UCG Partnership Ltd. For further information on underground coal gasification: www.ucgp.com

Dr. Michael Green and UCG Engineering Ltd

Peak has entered into a consultancy agreement with Dr. Michael Green and UCG Engineering Ltd, a United Kingdom-based company associated with Dr. Green. Dr. Green and UCG Engineering provide consultancy services to Peak relating to the planning, commissioning and successful production of syngas from a UCG trial on the Peak's site in Hungary. The agreement with Dr. Green and UCG Engineering includes payment of a monthly retainer (and reasonable costs) and lump sum payments of cash and a number of Peak options upon the successful completion of critical milestones relating to the UCG trial.

The Hungarian and European Gas Markets

As a country, Hungary is highly dependent on imports – mainly from Russia – as national consumption is significantly greater than indigenous supply (see Figure 3). This is also the case for many other neighbouring countries in the Region (see Table 1). There have been large increases in Hungarian natural gas prices between 2000 and 2007 and this is explained by increases in the Russian natural gas price which increased almost 500% from the beginning of 2000 to the end of 2008 (Index Mundi, 2009). As Hungary imports the majority of its gas from Russia, the Hungarian natural gas price follows trends in the Russian natural gas price. In three years from November 2005 the Hungarian wholesale gas price rose approximately 80%. Because of the fundamentally different supply dynamic, wholesale gas prices in Hungary are at least three times higher than they are in Australia (see Figure 4).

Figure 3: Hungary natural gas production and consumption history
(Energy Information Administration 2007).

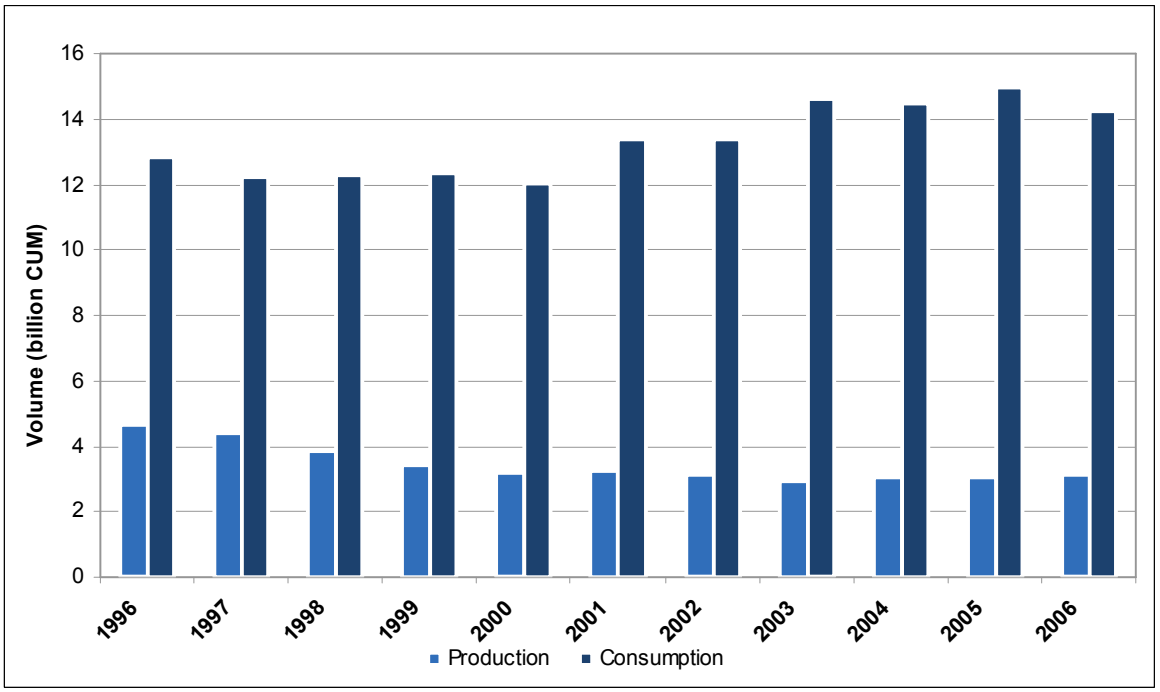
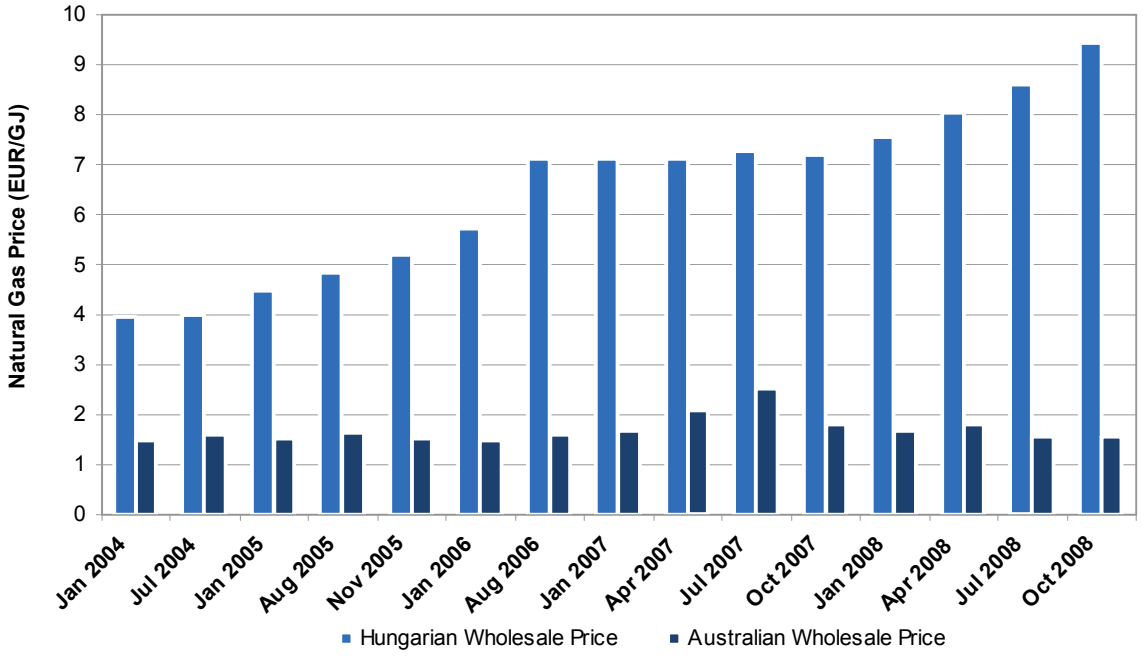


Table 1: Central and Eastern Europe Natural Gas Figures for 2006
(International Energy Agency, 2009)

Central and Eastern Europe Natural Gas Balance 2006 [a]											
Unit: PJ	**Hungary**	**Croatia**	**Serbia**	**Slovenia**	**Austria**	**Slovakia**	**Romania**	**Czech**	**Ukraine**	**Russia**	**Italy**
Production	110.8	103.1	11.0	0.2	72.8	8.2	444.7	6.9	822.9	24463.6	418.3
Imports	443.4	42.8	81.7	41.7	409.7	264.6	222.9	372.5	1959.6	270.6	2948.9
Exports	-5.3	-34.0	0.0	0.0	-105.4	-23.0	0.0	-4.7	-0.2	-7624.1	-14.1
Stock Changes	-15.9	-2.5	0.0	0.0	-30.1	0.4	12.0	-22.6	-72.5	-423.0	-134.3
Domestic Supply [b]	533.0	109.4	92.7	41.8	346.9	250.2	679.5	352.1	2709.9	16687.1	3218.8
Total Final Consumption [c]	344.5	73.1	65.1	35.8	213.0	186.1	392.9	286.0	1578.8	6080.0	1902.6

a – Selected neighbours of Hungary and other major producers/consumers within relevant market
b – Domestic supply is the balance of total national production, imports and exports
c – Total Final Consumption is national consumption once energy sector use and distribution losses are considered.

Figure 4: Historical Hungarian and Australian wholesale natural gas price
(Magyar Energia Hivata, - Tariffs 2009 and VENCORP, 2009).



Note: A fixed 2008 exchange rate has been used to convert AUD to EUR (1€=298.22HUF)

Competent Persons Statement

The geological modelling and estimation of the Exploration Target for Peak Coal Limited's Mecsek UCG Project was completed under the overall supervision and direction of Mr. Alan Millar BSc. MSc. MAusIMM, who is a full time employee of CSA Global Pty Ltd and is a Competent Person as defined by the Australasian Code for the Reporting of Mineral Resources and Ore Reserves (JORC Code) 2004 Edition. Alan Millar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.