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WHL ENERGY FORMALLY AWARDED VIC/P67 “LA BELLA” EXPLORATION PERMIT

Highlights:

- The Company sees significant value for the recently awarded V11-2 acreage release block now titled VIC/P67
- Immediate booking of 2C Contingent Resource of 158 PJ gas and 1.2 mmbbls condensate
- La Bella gas field estimated to have a NPV10 of \$75 million at a gas price of \$6 per gigajoule with significant upside at higher gas prices
- Significant additional exploration potential with total 2C contingent plus prospective resources of 668 PJ gas and 4.9 mmbbls condensate
- Gas demand in eastern Australia is expected to triple over the next five years
- Gas sales deals at oil linked pricing now being done on the east coast
- WHL Energy to hold 100% equity in high profile block with strong industry interest already received.

WHL Energy Ltd (ASX: **WHN**) (“**WHL Energy**” or “**the Company**”) is pleased to provide this update on Exploration Permit VIC/P67 (“VIC/P67”) awarded to the Company by the Commonwealth – Victoria Offshore Petroleum Joint Authority, which contains the La Bella gas field and several offset gas Prospects and Leads.

The now gazetted VIC/P67 (previously 2011 Australian Acreage Release block V11-2) lies in the offshore Otway Basin, approximately 200 km WSW of Melbourne off the Victorian coastline. WHL Energy holds 100% equity in the Exploration Permit.

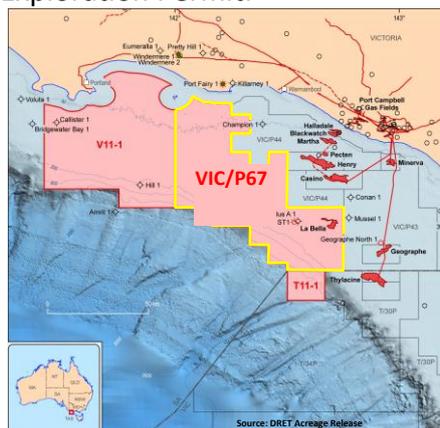


Figure 1: VIC/P67 location.

Industry identifies significant east coast gas demand upside

WHL Energy identified and targeted VIC/P67 on the back of its known reserves and upside potential and an identified window of opportunity in the Australian east coast gas market. The Company's position on future east coast gas pricing is supported by large industry players. WHL Energy notes that recent public briefings by Santos, Origin and Beach Energy expect gas demand to increase significantly with pricing forecast to triple to a price range of \$6 to \$9 per gigajoule and are expected to trend to the equivalent of oil price parity.

On 2 May 2012, Origin Energy announced a deal to supply gas to the Santos led Gladstone LNG project in Queensland through the supply of 350 PJ over 10 years starting in 2015.

Commenting on the deal announced by Origin Energy, WHL Energy Managing Director Steve Noske said: "importantly, the deal by Origin to supply gas to Santos was agreed at oil linked prices confirming the Company's view that gas pricing for firm-supply delivered around 2016 will be significantly higher than current levels. Oil-linked gas prices would cost the buyer around \$7 a gigajoule when international oil prices were at US\$100 a barrel."

Value of the La Bella gas field

WHL Energy has run a number of economic models and sensitivities as part of its internal analysis of the bid for VIC/P67. The Company's review has confirmed a 2C Contingent Resource of 158 PJ and 1.2 mmbbls of condensate. Additionally, the acreage also has been assessed to potentially hold over 500 PJ and 3.7 mmbbls of exploration upside.

WHL Energy's economic analysis of the La Bella gas field as a standalone development concluded that the development project is robust, with an NPV10 at a \$6/GJ gas price of \$75 million. Importantly at an \$8/GJ if gas scenario the value of the La Bella resource grows to over \$140 million.

Mr Noske commented: "the industry and WHL Energy is in agreement that gas pricing will increase. With East coast gas deals now being completed at oil linked pricing we have confidence that we can realise the significant value in our VIC/P67 acreage that includes La Bella, a ready to develop gas field."

Mr Noske added: "the Company is aware of the considerable interest to the oil and gas industry of the VIC/P67 given its proximity to existing development infrastructure, including the Santos operated Casino development, the Origin operated Otway gas project, the BHPB operated Minerva development and TRU Energy Iona gas plant. However, the Company's priority continues to be the finalisation of a partnership in the Seychelles and capturing further African portfolio growth in the near future. Whilst VIC/P67 is not WHL Energy's first priority the Company remains buoyed by the industry's interest in the project."

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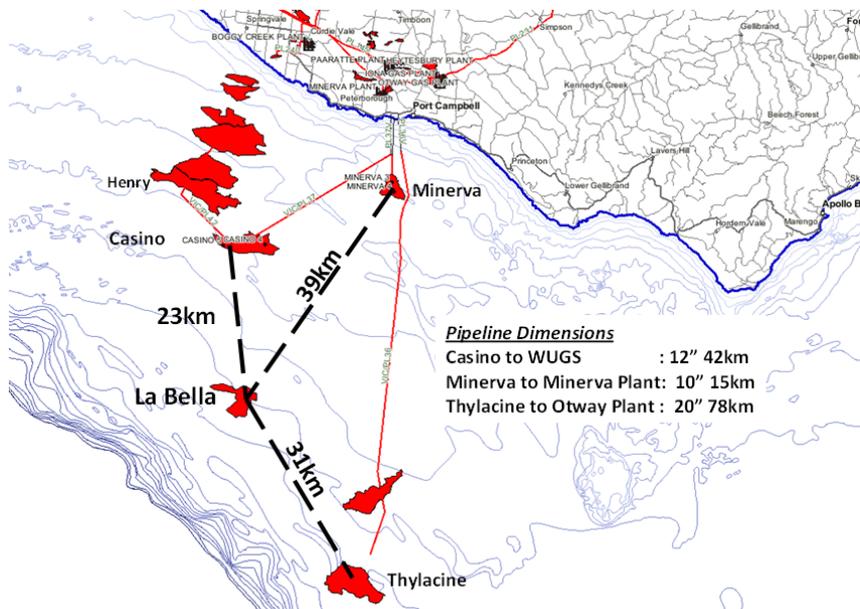


Figure 2: La Bella gas field and adjacent gas projects.

Exploration Upside will add significant value on success

VIC/P67 also contains a number of exploration Leads, with relatively low risk prospects present at Highlander and West La Bella providing additional tie-back opportunities to a potential La Bella development. Larger potential Leads, albeit at higher risk, are also present within the La Bella area, including the Lowlander Leads, and they offer significant additional upside potential.

A total unrisked mean/mid case Prospective Resource and 2C Contingent Resource of 668 PJ and 4.9 mmbbls of condensate are mapped in the vicinity of La Bella.

In addition to the La Bella area Prospects and Leads, a large area of VIC/P67 has only been lightly explored and offers further exploration potential beyond the La Bella/Lowlander area, such as the Mussel – Tartwaup fault zone.

WHL Energy is confident the exploration potential of VIC/P67 offers considerable upside to the undeveloped resource of La Bella gas field.

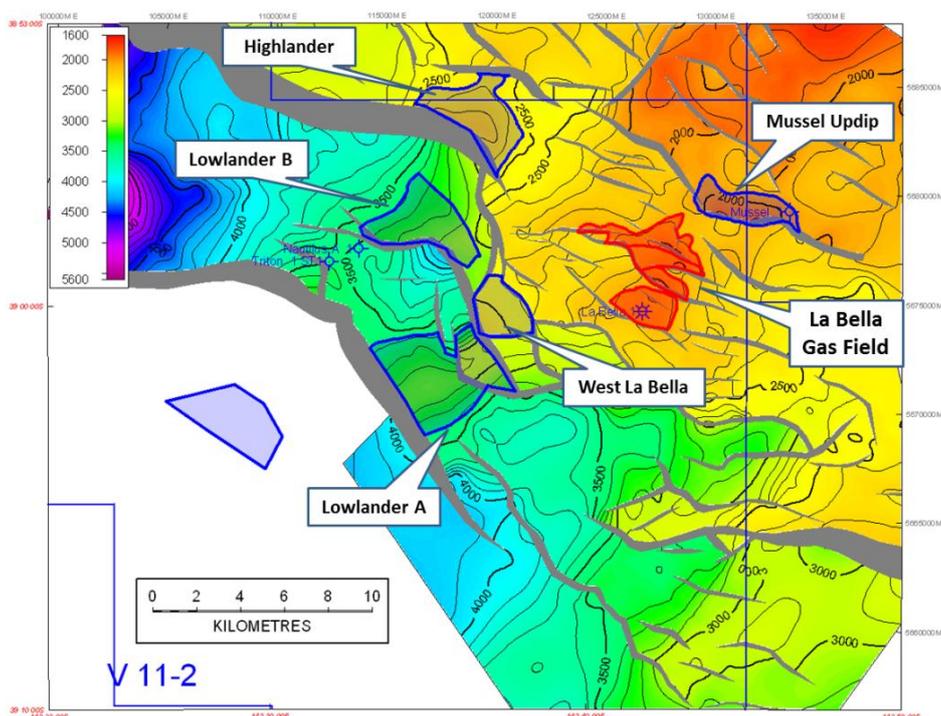


Figure 3: Near Top Waare Sandstone Depth Structure showing La Bella Gas field and adjacent Prospects and Leads.

2C Contingent Resource			
	Gas (PJ)	Condensate (MMstb)	
La Bella	158	1.2	
Exploration Leads			
	Prospective Resource (PJ)		
Highlander (V11-2)	78	0.8	(mean)
Lowlander A	145	1.2	(mean)
Mussel Updip (V11-2)	21	0.1	(mean)
Lowlander B	215	1.3	(deterministic mid-case)
West La Bella	51	0.3	(deterministic mid-case)
Unrisked Exploration	510	3.7	
	Gas (PJ)	Condensate (MMstb)	
Unrisked Total	668	4.9	

Table 1: WHL Energy assessment: 2C Contingent Resources and Prospective Resources La Bella gas field and adjacent Prospects and Leads.

Ends

FURTHER INFORMATION

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

About WHL Energy Limited

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

The Company's "flagship" project is its 21,426 km² exploration area offshore Seychelles, owned 100% by WHL Energy. A highly material exploration portfolio and new exploration concepts are being matured in the acreage based on new seismic data and an exploration drilling program is expected in the second half of 2013.

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

The Company also holds 33.33% equity in exploration permit WA-460-P, in the offshore Southern Carnarvon Basin, which contains an extension of the very large Palta Prospect. A Shell led Joint Venture is expected to be drill Palta-1 in the adjacent block, during the second half of 2012.

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

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