WENTWORTH
RESOURCES LIMITED

Annual Report 2014

Exploration and Gas Monetisation in East Africa

Wentworth Resources Limited is an independent energy company with gas production and a exploration acerage in the Rovuma Basin of southern Tanzania and northern Mozambique. The Company and its concession partners are exploring over 12,700 km^2 of the prolific Rovuma Basin and own two producing natural gas fields in Tanzania. Wentworth Resources is publicly-traded on the Alternative Investment Market of the London Stock Exchange (AIM: WRL) and the Oslo Stock Exchange (OSX: WRL).

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Executive Chairman's message

The past year has seen a significant change in the economic fundamentals of our industry. As we all are well aware, oil pricing has seen a decline of in excess of 50% from its 2014 highs. This, of course, has affected market sentiment and underlying values of the majority of the exploration production companies throughout the world. Fortunately, your company Wentworth Resources Limited has not only been insulated from the value erosion, but in fact has enhanced fundamental core value.

A brief summary for Wentworth's past year activities and what is planned for 2015 is as follows:

Tanzania

During 2014 Wentworth and its partners completed negotiations and executed a Natural Gas Sales Contract with Tanzania Petroleum Development Corporation (TPDC) to deliver gas commencing in 2015. This was a significant milestone for your company and represents the strength of our relationships in Tanzania. The contract is for a fixed gas price indexed against inflation and allows Wentworth to be unaffected by the current worldwide pricing pressures faced by the industry. Initial volumes contemplated under the contract are for a gross 80mmcfd rising to 130mmcfd in the future upon completion of a development drilling program and field production performance. First deliveries of the initial volumes are planned for Q3.

In order to receive these volumes, TPDC has constructed a 500+ km, 36″ diameter pipeline and a gas processing facility which is located on the Mnazi Bay concession area. The gas processing facility is due to be commissioned in the summer of 2015.

Wentworth and its partners are currently completing the tie-in work necessary to bring the existing four producing wells on stream. A fifth development well spud at the end of March 2015. It is expected that once production has begun and the fifth development well has been completed, the drilling of exploration Mnazi Bay prospects which the company has identified will follow.

At present, an approved exploration program has not been finalized but it is expected that this will all come together by the end of 2015. Funding for the ongoing Mnazi Bay exploration and development programs are expected to be sourced entirely from internally generated cash flow.

Mozambique

During 2014 and into 2015, Wentworth and its partners completed two wells onshore Mozambique in the Rovuma Basin. The Tembo-1 well was a discovery and the significance is yet to be determined. The partners continue to analyze the results and the future of the concession will be agreed on by the third quarter 2015.

In summary, Wentworth is now well positioned to be generating substantial cash flow in the coming months and will use this to expand its business in East Africa.

I would like to thank all of the management and staff of Wentworth for its hard work and congratulate them on the success of those endeavours. I would also like to thank shareholders of Wentworth for their continued support as the industry proceeds through very difficult times.

Robert P. McBean
Executive Chairman

Annual financial report

For year ended December 31, 2014

2014 Highlights

Corporate

- Gas Sales Agreement ("GSA") to supply discovered natural gas from the Mnazi Bay Concession at a price of US$3.00 per MMBtu (approximately US$3.07 per mscf) escalating at US CPI annually over a seventeen year term.
- Independent reserves attributed to the Company's Mnazi Bay gas fields for the first time.
- Poised for first production into pipeline and substantial free cash flow in 2015.
- The new (Government owned) Mtwara to Dar es Salaam pipeline and gas processing facilities are nearly complete with delivery of first gas for commissioning anticipated to occur in April 2015. Sales of Mnazi Bay gas to the new pipeline are expected to ramp up to 80 mmscf/day (gross) commencing Q3 2015.

Financial

- Net income in 2014 of $15.28 million ($0.10 per share) compared to a 2013 net loss of $9.99 million (($0.11) per share).
- Recognized a non-recurring, non-cash reversal of $23.80 million of previously impaired oil and gas assets in the Mnazi Bay Concession.
- Revenue of $1.06 million, up 11% from 2013, due to increasing gas sales volumes at a fixed price of $5.36 per MMBtu to an 18 megawatt power plant in Mtwara, Tanzania.
- Exploration and development capital expenditures of $22.87 million and $3.53 million respectively compared to $6.05 million and $0.98 million respectively in 2013.
- Secured credit facilities totaling $26 million, of which $6 million was drawn down in December 2014 and used to repay a $6 million credit facility with Vitol Energy.
- Cash and cash equivalents on hand of $5.49 million at December 31, 2014 compared with $37.68 million on hand, including short-term deposit, at December 31, 2013.
- Working capital at December 31, 2014 of $15.84 million compared to $38.37 million at December 31, 2013.

Operational

Mnazi Bay Block, Tanzania

- Completed acquisition and processing of 315km of conventional 2D seismic over prospective areas in south and southwestern portion of the block.
- Completed acquisition and processing of 58km of high resolution 2D seismic over the Mnazi Bay and Msimbati gas fields.
- Continuing interpretation of seismic and drilling data to support the ongoing development plan and exploration opportunities.
- Commenced design and construction of field infrastructure to connect Mnazi Bay to the new transnational government pipeline project.
- Commenced planning for drilling operations of the fifth (MB-4) development well which is expected to spud in March, complete by June and to initially produce 20mmscf/day (gross).

Rovuma Onshore Block, Mozambique

- The Tembo-1 exploration well reached a total depth of 4,553 meters and was plugged and abandoned in December 2014. A discovery in the Cretaceous indicated 11 meters of natural gas net pay and well results are currently being evaluated to assess the potential commerciality of this discovery.
- The drilling rig was moved from the Tembo-1 location to the Kifaru-1 exploration well location in December and drilling operations at Kifaru-1 commenced in January 2015.
- The Kifaru-1 well was drilled to a total depth of 3,100 metres, failed to find an economic reservoir and was plugged and abandoned on February 23, 2015.
- Licence partners are evaluating all data collected to determine the next steps in the exploration phase of the Onshore Rovuma Block.

Financial and Operating Results

Financial (Figures $000's, except per share data)	Year ended December 31, 2014	2013	% Change
Gas revenue	**1,060**	955	11
Income/(loss) from operating activities	**13,875**	(9,445)	247
Net income/(loss)	**15,277**	(9,989)	253
Basic and diluted net income/(loss) per share ($ per share)	**0.10**	(0.11)	191
Net cash used in operating activities	**9,450**	7,819	21
Capital expenditures	**26,402**	7,020	276

Operating	Year ended December 31, 2014	2013	% Change
Price per mmbtu (US$)	5.36	5.36	-
Gas sales (mmbtu) (net to Wentworth)	197,842	178,242	11
Mnazi Bay Concession gas production (gross mmbtu/day)	2,074	1,868	11

Balance Sheet (Figures 000's)	As at December 31, 2014	2013	% Change
Total assets	**$162,317**	$139,649	16
Cash and cash equivalents	**$5,487**	$14,501	(62)
Short-term investments	**-**	$23,176	(100)
Long-term receivables (including current portion)	**$34,002**	$29,319	16
Long-term loan (principal balance)	**$6,000**	$6,000	-
Outstanding shares, options and warrants			
Common shares	**154,123**	153,873	-
Options	**9,950**	6,450	54
Warrants	**5,000**	5,000	-

Management Discussion and Analysis

This management's discussion and analysis ("MD&A") is provided by management of Wentworth Resources Limited ("Wentworth", the "Company" or "WRL") and is based on information available to March 13, 2015. This MD&A should be read in conjunction with the Company's consolidated financial statements, and notes thereto, for the year ended December 31, 2014. The audited annual consolidated financial statements have been prepared by management, presented in United States (US) dollars, and prepared in accordance with International Financial Reporting Standards (IFRS).

Additional information related to the Company is available on the Company's website at www.wentworthresources.com. Unless otherwise stated, all dollar amounts are expressed in United States dollars, which is the Company's presentation currency.

Overview of Operations

Mnazi Bay Concession, Tanzania

Market for Natural Gas

During 2015, the ambitious Tanzanian Government sponsored Gas Pipeline Project, which was officially inaugurated on July 21, 2012, is planned to be commissioned and fully operational. Wentworth's existing discovered gas and yet to be discovered gas are an integral part of this gas-to-power generation initiative. The Mnazi Bay Concession is currently the only gas concession in Tanzania with significant discovered gas readily available to feed into the new transnational pipeline.

The Mtwara to Dar es Salaam Gas Pipeline Project is of national and strategic importance to Tanzania. Currently, the government electric utility company, Tanzania Electricity Supply Company Limited ("TANESCO"), is faced with having to pay for expensive emergency generation to supply electric power to the national grid and the commercial capital, Dar es Salaam. It is estimated that TANESCO is paying between US$0.35 to US$0.55 per kWh for emergency power while the current retail tariff is approximately US$0.16 per kWh. The Government of Tanzania plans to replace the emergency power generation with existing gas fired power generation facilities utilizing natural gas primarily sourced from the Company's Mnazi Bay Concession. This change is expected to ultimately reduce the cost of power generation to under US$0.10 per kWh. Mnazi Bay Concession natural gas will play a vital role in restoring TANESCO to sustainable and positive cash flows.

The Gas Pipeline Project will provide stable and reliable energy for the Country's population and for future industrial growth. The estimated cost to the Government of Tanzania of constructing two gas processing plants, a 36" pipeline extending ~506km from Mtwara in the south of Tanzania to Dar es Salaam in the north, and the receiving facilities and all other connections to gas supply locations is approximately $1.2 billion. TANESCO plans to add another 1,200MW of electricity to the national grid over the next three years by constructing four power stations at Kinyerezi on the outskirts of Dar es Salaam, and additional plants at Kilwa and Mtwara. As the full cost of this Gas Pipeline Project is the responsibility of the Government, Wentworth finds itself in a fortunate and enviable position where the Company can monetize significant quantities of discovered gas with minimal additional capital infrastructure and cost required.

The current status of the Gas Pipeline Project provided by various government sources indicates that start-up and commissioning are planned to occur in April 2015, with a ramp up to full operations and completion of the project estimated to be in June 2015. The government entity, Tanzania Petroleum Development Corporation ("TPDC"), will be the operator of the Gas Pipeline Project upon its completion.

The key elements of the Gas Pipeline Project that need to be completed prior to Wentworth being able to deliver gas are as follows:

Connection point

Gas from the Mnazi Bay Concession will be sold to TPDC at the fiscal metering station and inlet flange immediately adjacent to the existing Company owned gas infrastructure on the Msimbati Peninsula, Mnazi Bay. At this point ownership of the gas transfers from the Mnazi Bay JV Partners to TPDC. TPDC is responsible for the cost of delivery (i.e. pipeline tariffs) to the end user and the cost of processing the gas at the Madimba Gas Processing Facility ("Madimba GPF"). The connection infrastructure, comprised of the tie-in of the four Mnazi Bay production wells, a gas gathering system including 7kms of 16" pipeline, primary liquid separation and the fiscal metering station, will link the Mnazi Bay gas infrastructure to the Madimba GPF and is on schedule for completion in April 2015.

Madimba Gas Processing Facility

The government's Madimba GPF is being constructed within the Mnazi Bay Concession and is located 11km from Wentworth's existing gas infrastructure, across the Mnazi Bay. At peak capacity, the TPDC owned facility is planned to have a total capacity of 210mmscf/day consisting of three 70mmscf/day trains. Engineering and construction oversight is being provided by Worley Parsons with construction of the facility undertaken by Chinese Petroleum Engineering. Government representatives

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indicate that the Madimba GPF is approximately 94% complete and commissioning of the facility is expected to commence in April 2015. Foundation work for all equipment of the gas plant, mechanical installation of the de-hydration units, condensate storage and construction of treated waste water discharge pipeline are nearing completion.

Main Gas Pipeline

The 36" pipeline which traverses ~506km from Mtwara to Dar es Salaam will have a maximum capacity of ~784mmscf/day. The commissioning of this pipeline creates an instant market for the Company's two discovered gas fields in the Mnazi Bay Concession. The pipeline was financed by EXIM Bank and constructed by China Petroleum Technology & Development Corporation/China Petroleum Engineering Co. ("CPE") and government representatives indicate that the main gas pipeline is now approximately 99% complete. In addition, government representatives indicate that the pipeline welding, trenching, lowering of the pipe and fiber optic cable into the trench, backfilling and hydrostatic pressure testing is 100% complete. The main activity ongoing is pipeline drying.

Kinyerezi Gas Receiving Station

The gas receiving facility at Kinyerezi is located on the outskirts of Dar es Salaam and is the end point of the Gas Pipeline Project. At this location, gas will be distributed to end users including delivery to the Kinyerezi Power Generation Complex located approximately one kilometre from the gas receiving facility. Government representatives indicate that the gas receiving station is 99% complete with only minor civil works, including cement laying, outstanding. The receiving station is scheduled to be commissioned in April 2015.

End users of Mnazi Bay Gas

The majority of gas supplied by Wentworth to the pipeline will be used for power generation, whilst a small percentage may be for industrial use. Currently, due to lack of available fuel gas, the spare capacity at TANESCO owned power plants is in excess of 200MW which equates to gas demand of approximately 50mmscf/day. This current spare capacity presents an immediate demand for Mnazi Bay Concession gas from the Ubongo I and II power plants, the Symbion plant and the Tegeta plant.

The new 150MW Kinyerezi-1 power station within the Kinyerezi Power Generation Complex is under construction and anticipated to be commissioned in June 2015. This power station will add approximately 30mmscf/day of new demand once it becomes fully operational. Additional future gas demand is expected to come from the planned expansion of Kinyerezi-1 by an additional 185MW (adding gas demand of approximately 35mmscf/day) which is expected to be commissioned by July 2016. The construction of Kinyerezi-2, 3 and 4 power stations will add a further 840MW to the Tanzanian grid by the end of 2017; and together with the completion of Kilwa Power station and the Mtwara Power plant in 2018, the total demand for natural gas from the Mtwara to Dar es Salaam pipeline will be approximately 450mmscf/day.

Gas Sales Agreement

A significant milestone of the Company was achieved on September 12, 2014, with the execution of a long-term gas sales agreement with the Government of Tanzania. The Mnazi Bay Concession partners and TPDC, the Government entity aggregating natural gas for the new transnational gas pipeline, executed a long-term gas sales and purchase agreement ("GSA") to supply existing discovered natural gas from the Mnazi Bay and Msimbati gas fields.

Mnazi Bay Concession partners are contracted to supply up to a maximum 80mmscf/day of natural gas during the first eight months after the commercial operations date, with an option to increase over time to a maximum 130mmscf/day of natural gas during the 17-year supply contract period. The GSA is subject to certain conditions, including the Tanzanian Government providing environmental permits and approvals and providing an executed version of payment security agreements prior to delivery of first gas, the form of which is included in the GSA. These payment security arrangements are currently being finalized by TPDC.

The initial delivery of gas contemplated within the GSA is expected to occur prior to April 22, 2015 and is at a fixed price of US$3.00/mmbtu (approximately US$3.07/mscf), escalating annually at the United States CPI Industrial index. The gas will be sold and purchased at the inlet to a 16' pipeline connecting the existing Mnazi Bay gas production facility to the new Government owned Madimba GPF. The Mnazi Bay Concession partners are not responsible for paying a tariff for transporting the gas nor paying third party processing fees and therefore the price of US$3.00/mmbtu is a "netback price".

Initial deliveries of commissioning gas, line fill gas, and line pack gas (collectively the "Initial Gas") are still expected to commence prior to April 22, 2015. The Company is currently awaiting a gas nomination from TPDC which will establish the precise date for the delivery of first gas. Following the delivery of Initial Gas, the Company expects to deliver gas ("Sales Gas") in May which will ultimately be sold to end users by TPDC. Contractual payment terms will apply to Initial Gas and Sales Gas resulting in cash flow for Wentworth anticipated to start in July 2015. The GSA also contains a take or pay provision which takes effect July

31, 2015 in the event that TPDC is unable to take delivery of the available gas.

Gas Production Estimates

The Company's existing four wells within the Mnazi Bay Concession are expected to produce a combined 80mmscf/day and are therefore able to meet the volumes specified within the GSA. During 2012 workovers were performed on three wells (MS-1X, MB-2 and MB-3) allowing for production from multiple zones within these wells. Currently, MB-1 is producing at 2mmcfd (gross) which is limited by the gas demand of an 18MW gas-fired power station located at Mtwara, approximately 27km from the Mnazi Bay gas fields.

In addition, a fifth development well to penetrate the Mnazi Bay and Msimbati gas fields, MB-4, is expected to commence drilling operations in Q1 2015. The well is expected to be completed by June 2015 and initially produce approximately 20mmscf/day. This additional well allows for the flexibility to test reservoir pressure and performance while still being able to supply 80mmscf/day within the first 8 month period of the GSA. In terms of timing, the Company expects that two wells, MB-3 and MS1-X, will be tied-in to the connection point to the new pipeline by March 2015, and that MB-2 will be tied-in by the end of April 2015. The new development well, MB-4 is expected to be tied-in by June 2015. MB-1 is expected to be tied-in by the end of September 2015.

Subject to the deliverability from the existing Mnazi Bay wells and the drilling of additional development wells, the Company anticipates gas sales to the pipeline to increase to 130mmscf/day commencing Q1 2016. Gas deliveries could escalate up to 270mmscf/day within five years from first gas delivery should additional exploration success occur within the Mnazi Bay Concession. Of the 270mmscf/day, 210mmscf/day is expected to be supplied to the Madimba GPF and 60mmscf/day is anticipated to be supplied directly to a power plant planned for construction in the Mtwara region within three to five years.

Mnazi Bay Development Activities

Relative to the Gas Pipeline Project, development activities undertaken by the Mnazi Bay Joint Venture in preparation for delivering gas to the new pipeline is modest in both cost and infrastructure. Executing the GSA in 2014 provided confidence to the Mnazi Bay Partners that monetization of existing discovered gas was imminent. Two key development activities were initiated following the signing of the GSA: 1) engineering, design and construction of field infrastructure necessary to tie-in the Company's existing wells to the Gas Pipeline Project; and 2) planning the drilling of a new development well, MB-4.

The surface infrastructure includes the installation of separation facilities and flow lines. Although the Madimba GPF is fully capable of handling wellhead gas, it is necessary to separate liquids and clean gas ahead of delivery into the sub-marine pipeline leading into the Madimba GPF. The infrastructure design takes into consideration the gas specifications such as temperature, water content, pressure and sulphur content that are defined within the GSA.

Details of the progress to date are as follows:

- the EPC contract has been awarded to TPF Basse from Belgium and they are fully mobilized to site;
- detailed engineering design is complete;
- a 10 meter by-pass pipeline, allowing delivery of natural gas to TPDC in advance of the separation units becoming operational, is expected to be completed by April 2015;
- long lead items have been procured and the separation facilities are expected to be on location and operational during Q3 2015; and
- construction has commenced on tying-in of existing wells and installing flow lines.

During Q1 2014, acquisition of 58km of high resolution 2D seismic was completed over the existing discovered Mnazi Bay and Msimbati gas fields. Processing and interpretation of the acquired data is ongoing and will be used to help determine the location of future development wells. The new infill development well is expected to commence drilling operations in Q1 2015 with well site preparation and civil works having commenced during Q4 2014. The Caroil 2 rig is currently being mobilized to the well site location and drilling operations are expected to be completed by June 2015.

Exploration Opportunities

Acquisition of 315km of conventional 2D seismic was completed during Q3 2014. The conventional seismic acquisition targeted the southern and western areas of the Mnazi Bay Concession where there was previously limited seismic data. Results from the interpretation of the new onshore conventional 2D seismic data, combined with results from the 248km2 of 3D seismic data acquired in 2013 over the offshore area of the block, and information obtained from exploration operations in the Rovuma Onshore Block, Mozambique, which is adjacent to the Mnazi Bay Concession, are expected to provide additional information to support future exploration drilling operations.

Given the immediate access to a market for Mnazi Bay Concession gas and the spare available capacity in the transnational pipeline, the Company expects to initiate an exploration drilling program during H2 2015 and throughout 2016 and beyond.

Participation Interest and Existing Field Infrastructure

The Mnazi Bay Concession covers approximately 756km2 and has five wells that have been drilled to date:

- four wells are capable of producing natural gas from two discovered gas fields;
- one well has been plugged and abandoned.

Field operations also encompass natural gas field infrastructure including two gas processing plants and a 27km pipeline.

In addition, the Company has an extensive seismic database including:

- 328km2 offshore 3D seismic (2013);

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- Over 2,000 km onshore/offshore 2D seismic including 315km new data (2014); and
- 58km new high resolution onshore 2D seismic (2014).

At December 31, 2014 the effective participation interests in production operations and exploration operations in the Mnazi Bay Concession are as follows:

Partner	Percentage Interest in Development and Production	Percentage Interest in Exploration
M&P (operator)	48.06	60.075
Wentworth	31.94	39.925
TPDC	20.00	-

Rovuma Onshore Block, Mozambique

Exploration

During December 2014, drilling operations of the frontier Tembo-1 exploration well, which commenced drilling in June 2014, were completed and a natural gas discovery was made in Cretaceous aged sands. The well took over six months to drill and complete, was drilled to a total depth of 4,553 meters (4,401 meters True Vertical Depth Sub Sea) and reached total depth in Jurassic aged sediments. Petrophysical analysis of the Cretaceous section indicates 11 meters of natural gas net pay. Natural gas and some condensate was recovered by modular formation dynamics testing ("MDT") confirming the petrophysical analysis. The Onshore Rovuma Partners do not plan any further evaluation of the Tembo-1 well but will assess all the data recovered from this well to determine the potential commerciality of the discovery. The Tembo-1 well has been plugged and abandoned and the drilling rig was released from the well location and mobilized to the Kifaru-1 well site. An evaluation of Tembo-1 by the Operator, Anadarko Petroleum Corporation, is anticipated within the next few months. In December 2014, the Tembo-1 gas discovery was registered with National Petroleum Institute (INP), the national petroleum regulatory authority, and maintaining the Block beyond the end of the third exploration phase may require an appraisal program for the gas discovery.

During January 2015, drilling operations of the Kifaru-1 exploration well in the Rovuma Onshore Concession in northern Mozambique commenced. The Kifaru-1 exploration well targeted Miocene, Oligocene and Eocene sands. The Kifaru-1 well was drilled to a total depth of 3,100 metres, failed to find an economic reservoir and was plugged and abandoned on February 23, 2015. The Government of Mozambique has accepted the drilling of Kifaru-1 to the final total depth of 3,100 as fulfillment of the third phase exploration drilling obligations under the terms of the Rovuma Onshore Concession Northern Mozambique. The third exploration phase, which is 12 months in duration, expires on August 28, 2015. The Company has a large database of 2D seismic over the block including 1,016km acquired in 2012 and 2013 over the northern section of the Concession. During 2015, the Rovuma Onshore Block partners plan to analyze data from both the Tembo-1 and Kifaru-1 well in order to determine next steps and an appropriate work program for the remainder of 2015.

Participation Interest

The Rovuma Onshore Block in northern Mozambique covers approximately 11,950km2, the majority of which is onshore and forms part of the Rovuma Basin. Three wells have been drilled on the block to date, two of which (Mecupa-1 and Mocimboa-1) encountered hydrocarbons but were considered non-commercial. The third well, Tembo-1, encountered 11 meters of natural gas net pay and evaluation of this discovery is ongoing.

At December 31, 2014 effective participation interests in production operations and exploration operations, respectively, in the Rovuma Onshore Block are as follows:

Partner	Percentage Interest in Production	Percentage Interest in Exploration
Anadarko Petroleum Corporation ("Anadarko") (operator)	35.70	42.00
M&P	27.71	32.60
Wentworth	11.59	13.64
PTT Exploration and Production Public Company Limited (PTTEP")	10.00	11.76
Empresa Nacional de Hidrocarbonetos de Mocambique ("ENH") (carried through exploration operations)	15.00	-

Financial and Operating Discussion

Revenue

Revenues represent Wentworth's share of natural gas production generated from Tanzania where the Company holds a 31.94% participating interest in the Mnazi Bay Concession. For calendar year 2014, Mnazi Bay gas production was limited to sales to an 18 MW gas-fired power plant in Mtwara, Tanzania. Natural gas is currently produced from a single well and is limited by the demand of the power plant. Actual (gross) production of natural gas during 2014 averaged 2,074 mmbtu/day (2013 – 1,868 mmbtu/day) while the gas price remained unchanged from 2013 at a fixed $5.36/mmbtu. Higher sales volumes during 2014 compared to 2013 resulted from higher demand due to new electricity customers and lower downtime experienced at the 18 MW gas-fired power plant.

Production and Operating Expense

The cost of production of natural gas from the Mnazi Bay Concession comprises the Company's share of field operating costs and operator's administration costs and overhead required to manage production operations. Production costs are substantially fixed in nature. Production and operating expenses during 2014 totalled $2.59 million (2013 - $1.66 million) a 56% increase over 2013. The increase relates primarily to the operator increased field staff and overhead during Q4 2014 in consideration for the ramp up in production operations in 2015. Variable operating costs including such items as maintenance, repairs, equipment testing and allocation of operator overhead increased during Q4 2014 compared to prior quarters. In addition, operating expenses in 2014 included a 2008-2012 tax assessment on employee benefits totalling $0.28 million while 2013 included a credit adjustment received from the operator for over accruals of the prior year.

General and Administrative Expense

General and administrative expenses during 2014 were $1.11 million or 14% lower compared to 2013. Cost saving initiatives implemented throughout 2014, including downsizing office space, streamlining information technology infrastructure and communications, staff reductions and optimization of the corporate organizational structure all have contributed to a reduction in ongoing general and administrative expenses.

(figures in $000's)	Year ended December 31, 2014	Year ended, December 31, 2013
Employee salaries and benefits	**2,619**	2,899
Contractors and consultants	**962**	997
Travel and accommodation	**736**	922
Professional, legal and advisory	**815**	1,060
Office and administration	**1,048**	1,341
Corporate and public company costs	**646**	712
	6,826	7,931

The Company maintains offices in Calgary, Canada and Dar es Salaam, Tanzania and is listed on the public stock exchanges in both Oslo, Norway (Oslo Stock Exchange) and London, UK (AIM). A number of general and administrative expenditures are fixed in nature and include such items as corporate and public company costs (exchange listing, transfer agent and directors' fees), legal fees supporting the compliance with corporate and public obligations (Canada, UK and Norway) and professional advisory (external audit, resources engineer, and Nomad for AIM).

As a non-operator in both of its concession agreements in East Africa, general and administrative costs including technical evaluations, geological and geophysical analysis and attendance at technical committee meetings, are expensed. The Company considers it essential to maintain a strong presence in Tanzania where Wentworth has its largest oil and gas asset and where the Company expects to generate significant cash flow commencing in 2015. A local presence supports the advancement of key initiatives with the Mnazi Bay Concession partners and entities within the Tanzanian Government and allows Wentworth to maneuver effectively through a challenging business environment.

Share Based Compensation

During 2014 the Company recognized $1.09 million (2013 - $0.36 million) as share based compensation expense. The higher expense experienced during 2014 compared to 2013 is due to options granted during 2014 which vest over a three year period with a disproportionally higher expense in the year of a grant.

A total of 3,750,000 share options were granted to directors, officers and employees during the year of 2014 (2013 – 600,000 share options), 250,000 options were exercised (2013 – 418,333 options) and no options were forfeited (2013 – 331,667 options).

A total of 9,950,000 stock options were outstanding at December 31, 2014 with 5,633,334 being exercisable with an average exercise price per share of NOK 4.18 ($0.56).

Depreciation and Depletion

Depreciation and depletion of gas producing assets and office assets of $0.54 million (2013 - $0.45 million) was recorded during the year of 2014. At December 31, 2014 the net book value of natural gas property, plant and equipment was $84.90 million and the net book value of office assets totalled $0.14 million.

The Company changed the estimate of the reserves base for calculating depletion of its Mnazi Bay Concession property, plant and equipment oil and gas assets. Reserves identified in a reserves report prepared by RPS Energy ("RPS") and dated December 31, 2014 were used for the depletion calculation. Given the insignificant production in relation to reserves, the depletion charge remained generally consistent with the prior year.

Reversal of Impairment

At December 31, 2014, there were indicators of impairment reversals in the Company's investment in the Tanzanian assets. In 2014, a market for the Company's discovered natural gas in Tanzania has developed to an advanced stage of certainty. The signing of a long-term gas sales agreement in September 2014 and the significantly advanced pipeline and processing infrastructure provided sufficient support for completion of a reserves report by the Company's independent reserve evaluators. At December 31, 2014, the Company tested this asset for reversal of impairment. The assessment resulted in previously recognized write-downs of E&E assets of $13.38 million and PP&E assets of $10.42 million being reversed in Q4 2014.

Finance Income and Costs

A significant majority of the items included in finance income

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and cost are non-cash in nature. The items that were settled primarily in cash were interest income, interest expense and realized foreign exchange on current transactions.
During the year interest expense, inclusive of the accretion of deferred financing costs of $2.18 million, on the long-term loan from Vitol, totalled $2.53 million (2013 - $0.44 million) of which $0.34 million (2013 - $0.22 million) was the cash expense. Interest expense related to the long-term loan from a Tanzania based bank totalled $0.03 million (2013 - $0.34 million).

During the year ended December 31, 2014 non-cash accretion of the TPDC receivable of $5.32 million (2013 - $4.89 million) was recorded in finance income. The Company revised the accounting estimates used to determine the expected amounts and timing of future revenue streams to determine repayment of the TPDC receivable. This resulted in a $0.90 million charge to finance costs during 2014 (2013 - $4.26 million).

During the year ended December 31, 2014 non-cash accretion of the Tanzanian government receivable (Umoja/power) of $0.49 million was recorded in finance income. Similar to estimating the recoverability of the TPDC receivable, the Company revised the accounting estimates used to determine recoverability of the Tanzania government receivable. This resulted in a $0.60 million charge to finance costs during 2014.

Receivables from TANESCO

The Company's ongoing exposure to receivables from TANESCO is associated with gas sales from the Mnazi Bay Concession to the 18 MW power plant located in Mtwara, Tanzania. At December 31, 2014 the Mnazi Bay Concession partners were owed fifteen months of gas sales, with $2.42 million net owing to Wentworth. Subsequent to December 31, 2014, TANESCO has settled three months of arrears totaling $0.48 million. A provision for doubtful accounts has not been made in respect of the receivable from TANESCO. Construction of the Gas Pipeline Project may provide an opportunity for TANESCO to operate more efficiently, generate positive cash flow and grow its business in order to meet the increasing demand for electrical power. As a result, the Company expects to eventually receive full recovery of current and future receivables from gas sales to TANESCO.

Long-term Receivable - TPDC

The Company has a receivable from TPDC, a 20% participating interest partner in the Mnazi Bay Concession, for TPDC's share of past development and operating costs paid by the Company prior to June 30, 2009 with respect to expenditures incurred on the Mnazi Bay Concession. In addition, the Company has been paying for a proportionate share of TPDC's share of development and operating costs incurred subsequent to June 30, 2009, the value of which has been added to the TPDC receivable balance. The Company will recover this receivable from an agreed percentage of TPDC's share of current and future production revenue from the Mnazi Bay Concession. The undiscounted face value of the TPDC receivable at December 31, 2014 is $33.52 million (2013 - $35.02 million). Due to its long-term nature, the TPDC receivable has been discounted to $28.91 million (December 31, 2013 - $24.13 million). This reported fair value is discounted to reflect the time expected until the receivable is settled in the future. With the passage of time and the move closer to recovery of the receivable, the carrying amount of the TPDC receivable is accreted up to the face value with a corresponding credit to finance income.

The imminent completion of the Gas Pipeline Project in 2015 has a significant positive impact on the ultimate recovery of the TPDC receivable as gas sales to the pipeline draws nearer. Internal Company estimates indicate that the $33.52 million face value of this receivable is expected to be fully recovered within 18 to 24 months from delivery of first gas. At December 31, 2014 the undiscounted face value of the receivable represented in excess of 30% of the market value of the Company and when gas deliveries commence, recovery of the TPDC receivable will provide a significant source of cash flow for the Company.

Long-term Receivable - Tanzanian Government Receivable (Umoja/Power)

The Company has an agreement with the Government of Tanzania (TANESCO, TPDC and the MEM) to be reimbursed for all of the project development costs associated with transmission and distribution ("T&D") expenditures at cost. An audit of the Mtwara Energy Project ("MEP") development expenditures was completed in November 2012 and costs of approximately $8.12 million were verified to be reimbursable. Management is working with the Government of Tanzania to agree on a reimbursement method for the T&D costs. The Company is to receive $6.51 million upon settlement which is the net balance of the verified $8.12 million, less credits of $1.61 million relating to the Tariff Equalization Fund and VAT input associated with MEP. On December 31, 2013, the verified T&D costs inclusive of the credits were reclassified from current to long-term and discounted to reflect the anticipated delay in timing of collections. This receivable is considered a financial instrument and initially recorded at fair value based on discounted cash flows and at each reporting date it is revalued and amortized by accreting the instrument over the expected life of the receivable. The undiscounted face value of the Tanzanian Government receivable (Umoja/power) at December 31, 2014 is $6.51 million (2013 - $6.51 million) while the discounted value, taking into consideration the anticipated time of collection, is $5.09 million (2013 – $5.19 million). Timing of reaching an agreement on the reimbursement procedure is indeterminable but the Company has re-engaged with the Government of Tanzania following the finalization and signing of the GSA in September 2014 and management is working with the Government of Tanzania on agreeing a mechanism to settle the outstanding balance.

Capital expenditures

During 2014 capital spending totaling $26.40 million was primarily to fund the drilling of the Tembo-1 and Kifaru-1 exploration wells in Mozambique; the acquisition of 315km of conventional 2D seismic, the acquisition of 58km high resolution 2D seismic, tie-in of wells to the Mtwara to Dar es Salaam government owned pipeline; and pre-drilling planning activities for the MB-4 development well in Tanzania.

(figures in $000's)	**Year ended December 31, 2014**
Exploration and evaluation assets	
Tanzania	
2D seismic acquisition – conventional and high resolution	**7,862**
	7,862
Mozambique	
Exploration drilling	**14,111**
Operator and indirect overhead	**836**
2D seismic acquisition	**60**
	15,007
Property, plant and equipment	
Tanzania	
MB-4 development well	**443**
Field infrastructure connection to Gas Pipeline Project	**1,106**
Other field development capital	**1,933**
	3,482
Canada	
IT and office assets	**51**
	26,402

Long-term loans

Tanzania based bank

On December 8, 2014, WGL, a subsidiary of the Company, entered into two long-term credit facilities: a) a $20.0 million loan to finance field infrastructure development within the Mnazi Bay Concession in Tanzania and b) a $6.0 million loan to repay and replace an existing medium-term loan. The two loan facilities have similar commercial terms. Each loan is forty eight months in duration commencing on the first drawn down date, bears interest of six months LIBOR rate plus 750 basis points subject to a minimum (floor) of 8% p.a. and a maximum (ceiling) of 9.5% p.a. In addition, principal repayments following the grace period of twelve months following the first draw down date are payable in six semi–annual equal instalments in arrears and have security in the form of a debenture creating first ranking charge over all the assets of the WGL (assets of WGJL include a 25.4 percent participation interest in the Mnazi Bay Concession) and assignment over the TPDC long term receivable. The loan facilities have no external financial covenants.

Vitol Energy (Bermuda) Limited

On December 12, 2014, the outstanding principle loan amounting to $6.0 million was repaid in full and the security released. The balance of deferred financing costs of $2.18 million was expensed to net earnings as a finance cost at the time of repayment.

As at December 31, 2014, 5,000,000 warrants in relation to the fully repaid loan were outstanding and will expire on December 31, 2015.

Prior Year Tax Assessment – Tanzanian Operations

On July 4, 2014, the Tanzanian Revenue Agency (TRA) issued tax assessment certificates totalling Tsh7,016 million comprised of Tsh3,533 million ($2.08 million at the December 31, 2014 exchange rate of 1Tsh=0.000588 US$) of alleged unpaid payroll taxes and withholding taxes on imported services and certain accounting transactions plus late penalty interest totalling Tsh3,483 million ($2.05 million) for the period 2008-2012.

On November 18, 2014, the TRA accepted the Company's objection to a withholding on certain accounting transactions and a tax liability of Tsh1,133 million ($0.67 million), inclusive of late penalty interest, was waived.

In 2014, the Company has recorded a liability Tsh478 million ($0.28 million), inclusive of late penalty interest, which has been included in production and operating expense where the source of the tax basis was initially recorded.

The Company continues to communicate and provide clarification on the remaining assessed amount of Tsh5,405 million ($3.18 million) inclusive of interest charges of Tsh3,006 million ($1.77 million). The Company believes it has a strong case against the remaining assessed amount and accordingly has not recorded a provision at December 31, 2014. A date has not yet been set by the Tax Revenue Appeals Board to hear the tax appeals.

Shares, share capital, dividends

The Company had 154,122,700 shares issued and outstanding as at December 31, 2014, all of which are of the same class and with equal voting and dividend rights. The Company's ordinary shares are listed on the Oslo Stock Exchange (ticker: WRL) and denominated in Norwegian Kroner. The Company's shares are also traded on the Alternative Investment Market of the London Stock Exchange (ticker: WRL) and denominated in British Pound Sterling.

A total of 5,000,000 share purchase warrants, exchangeable on a 1:1 basis at a conversion price of $0.648 per warrant, were outstanding as at December 31, 2014 and expire on December 31, 2015.

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As the Company is in the early stage of its operations, it does not have a formal dividend policy. No dividends have ever been declared or paid by the Company. There are no restrictions on dividend distributions. At the Annual General Meeting in 2014, the Board of Directors did not propose dividends to be paid for the year ended December 31, 2014. Proposals for dividend distribution in future years will be subject to assessment of business performance, operating environment, and growth opportunities in determining the appropriate level in any specific year. At the Annual General Meeting in 2015, The Board of Directors do not plan to propose dividends be paid for the year ended December 31, 2015.

Financial Condition and Liquidity

At December 31, 2014 Wentworth had cash on hand of $5.49 million and receivables, deposits and advances of $18.56 million, the majority of which will be collected once gas sales to the new gas pipeline commence and the accumulated receivable from TPDC starts being repaid. In addition gas sales volumes expected to increase 40-fold from 2mmscf/day to 80mmscf/day by the end of Q2 2015 and field operating costs expected to increase by a relatively modest 50% over 2014. The Company expects to have significant free cash flow starting in Q3 2015. These funds are available for reinvestment in exploration and growth opportunities and potentially dividends at the appropriate time following the establishment of a consistent cash flow.

Current liabilities of $8.20 million relate primarily to amounts due to the operators of the Company's assets in Tanzania and Mozambique. The Company's near term obligations are the partner approved capital programs in Tanzania and Mozambique.

In Tanzania, drilling of the MB-4 development well and construction of field infrastructure connecting the Company's assets to the Gas Pipeline Project are ongoing. The MB-4 development well and field infrastructure are estimated to cost $23.1 million ($9.22 million net cost to Wentworth including the carry of TPDC's share of cost) and $24.6 million ($9.82 million net to Wentworth including the carry of TPDC's share of cost), respectively. This development capital will be funded primarily from the recently executed $20.0 million credit facility with a local Tanzania based bank.

In Mozambique, the Kifaru-1 exploration well commenced drilling operations in January 2015 and operations were completed in February 2015. The gross well cost is budgeted at $42.7 million ($5.8 million net to Wentworth) of which approximately $12.0 million ($1.64 million net to Wentworth) was incurred in 2014.

The Company continues to closely monitor its working capital and engages on a regular basis with TANESCO in order to accelerate the settlement of arrears which totaled approximately $2.42 million at December 31, 2014. Our current expectation is that the Company's financial position is sufficient for its operations based on the expected timetable. Wentworth is nevertheless exploring contingencies for a short-term working capital debt facility to ensure financial strength should first gas be delayed significantly beyond current expectations of timing of receipt of cash flow from gas sales to the new transnational pipeline

Going Concern

The financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the Company's ability to obtain financing to fund the ongoing exploration and development capital programs until such time as cash flow from operations is sufficient to fund its future exploration and development program. There is no certainty that the Company will be able to obtain the financing required to meet its ongoing commitments for the exploration and development programs.

At December 31, 2014, the Company has cash and cash equivalents of $5.49 million to fund its planned exploration and corporate activities prior to the commissioning of the Gas Pipeline Project in Tanzania. During Q4 2014 the Company secured credit facilities totaling $26.0 million which will be used to repay an existing $6.0 million loan facility and fund development capital within its Mnazi Bay Concession in Tanzania. Should additional exploration and development activity take place prior to generating sufficient cash flow from its gas assets in Tanzania or should the generation of cash flow from the sales of natural gas to the new government pipeline be delayed beyond Q2 2015, additional funding obtained from debt or equity may be necessary.

The potential need to obtain financing, may create some doubt about the Company's ability to continue as a going concern. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

Outlook

Wentworth is on the cusp of becoming a significant gas producer in East Africa. Current Tanzanian Government indications show that commissioning of the Gas Pipeline Project is expected to commence in April 2015 with gas deliveries from the Mnazi Bay Concession expected to increase to 80mmscf/day (gross) by the end of Q2 2015. The Company is essentially insulated from commodity price risk as the GSA executed with the government locks in the netback gas price and provides payment security protection. Although the Company has little control over the precise timing of first gas, Management is confident that gas deliveries to the new pipeline are imminent and should delays occur they are limited to weeks rather than months.

In 2015, the Company expects to be in a solid financial position and generating significant cash flow, sufficient to fund both ongoing operations and future growth.

Risk Factors

The Company emphasizes that the information included herein contains certain forward-looking statements that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, many of which are beyond its control and all of which are subject to risks and uncertainties. Wentworth is subject to a significant number of risk factors including but not limited to normal market risks inherent in the oil and gas business such as: operational and technical risks, reserve estimates, risks of operating in a foreign country (including economic, political, social and environmental risks), commodity price fluctuations, and available resources. Wentworth recognizes these risks and manages operations to minimize exposure to the extent practical. As a result of these and other risk factors, actual events and actual results may differ materially from those indicated or implied in such forward-looking statements.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of foreign currency risk, interest rate risk and other price risk, for example, commodity price risk. The objective of market risk management is to manage and control market price exposures within acceptable limits, while maximizing returns.

Credit risk
Wentworth's maximum credit risk is equal to the carrying value of its cash, short term investments, trade, other and long-term receivables. Trade and other receivables are comprised predominantly of amounts due from government departments in Tanzania, tax input credits for Goods and Services Tax (GST) in Canada and Value Added Tax (VAT) in Tanzania and Mozambique. The Company's ongoing exposure to receivables from Tanzania Electricity Supply Company Limited ("TANESCO"), the state power company, is connected with the gas sales from the Mnazi Bay Concession to the 18 megawatt gas-fired power plant located in Mtwara, Tanzania. At December 31, 2014 the Mnazi Bay Concession partners were owed fifteen months of gas sales, with $2,424 owing to Wentworth. Subsequent to December 31, 2014, TANESCO has settled three months of arrears totalling $483.

A long-term undiscounted receivable of $33,518 is due from TPDC which is a partner in the Mnazi Bay Concession. The Company receives a significant portion of TPDC's share of gas production from the Mnazi Bay Concession directly from the operator of the Mnazi Bay Concession before TPDC receives cash from its share of revenue. There is a risk that future production from the Mnazi Bay Concession may not be sufficient to settle the receivable and should such a determination be made, a provision against the receivable will be recorded.

At December 31, 2014 a receivable of $6,511 related to the Company's disposal of transmission and distribution assets and the costs associated with the Mtwara Energy Project incurred by a wholly owned subsidiary of Wentworth continues to be acknowledged as payable by a department of the Tanzanian government. On February 6, 2012, the Company, TANESCO, TPDC and the Ministry of Energy and Minerals ("MEM") reached agreement that the Company's cost of historical operations in respect of the Mtwara Energy Project should be reimbursed. Wentworth is currently in discussions with TANESCO, TPDC and MEM on agreeing on a method of reimbursement. There is a risk that the cost reimbursement method may not be in cash, but rather in a long term recovery from other sources.

Liquidity risk
Liquidity risk is the risk that the Company will not have sufficient funds to meet its liabilities. Other than routine trade and other payables, incurred in the normal course of business, the Company also has a long-term loan.

Cost Recovery Audits

Under the terms of the production sharing agreement in Tanzania and the exploration and production concession contract in Mozambique, costs incurred in respect of exploration, development and operating activities are subject to Government audit. The results of these audits may impact the accumulated cost pools eligible for recovery from future revenues.

An audit of the Tanzanian cost pools for the period from inception of the production sharing agreement in 2004 to the end of 2012 was completed during Q2 2014 and disallowed cost was adjusted on the Cost Recovery Statement during Q4 2014. Of the total accumulated cost pool up to December 31, 2012 of $244 million, the Mnazi Bay partners successfully defended $220 million (90%). Therefore Wentworth's share of the approved cost recovery pool was approximately $72 million at December 31, 2012. An audit of the $22.9 million of cost pool additions during 2013 is ongoing. Wentworth's estimated share of the cost recovery pool at December 31, 2014 is approximately $91 million.

Measurement Uncertainty and Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates, judgements and assumptions that affect the

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reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ materially from these estimates due to changes in general economic conditions, changes in laws and regulations, changes in future operating plans and the inherent imprecision associated with estimates.

The significant accounting judgements and critical accounting estimates used in the preparation of the annual consolidated financial statements are disclosed in the notes to the consolidated financial statements.

Workplace

Wentworth aims to be a workplace with equal opportunities for women and men in all areas. In terms of gender equality within the Company, no Board Members are women but 22% of the executive & senior management team, including the corporate secretary, are women. The Corporation promotes a productive working environment and does not tolerate disrespectful behavior. The Corporation has not experienced any discriminatory treatment of men and women and special measures to promote greater equality has therefore not been considered necessary.

Environmental Impact

Exploration, development and production of oil and gas may cause emissions to the sea and air. Wentworth's operations are in accordance with all regulatory requirements, and there were no breaches of these requirements in 2014. Wentworth did not operate any wells in 2014.

Research and Development

Wentworth, in coordination with the operating companies for its investments in Tanzania and Mozambique, collaborates with external research institutions to increase the understanding of a number of complex challenges within the oil and gas industry's upstream segment. The Company has no particular plans to participate in the commercialization of these efforts.

Exemption

The Company has received an exemption from the requirement to present parent company financial statements on an annual basis.

Accounting Policies

On January 1, 2014, the Group adopted amended standards with respect to Offsetting Financial Assets and Financial Liabilities (amendments to IAS 32), Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) and IFRIC 21 Levies. The adoption of these standards had no impact on the amounts recorded in the financial statements.

Recent Accounting Pronouncements

The following standards, amendments and interpretations applicable to the Company are in issue but not yet effective and have not been early adopted in these consolidated financial statements.

New and Amended Standards		Effective for annual periods beginning on or after
IFRS 15	Revenue from Contracts with Customers	January 1, 2017
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
IFRS 9	Financial Instruments	January 1, 2018

The Company has not yet assessed the impacts of the above on the financial statements.

Annual Statement of Reserves 2014

Wentworth Resources Limited's ("Wentworth") classification of reserves follows the SPE/WPC/AAPG/SPEE Petroleum Resources Management System (SPE-PRMS) published in 2007. The system is a recognized resource classification system in accordance with the Oslo Stock Exchange Circular 1/2013 "Revised listing and disclosure requirements for oil and natural gas companies".

The SPE-PRMS uses "reserves", "contingent resources" and "prospective resources" to classify hydrocarbon resources of varying technical maturity and commercial viability. The maturity within each class is also described to help guide classification of a given asset.

Details of SPE-PRMS can be found at: http://www.spe.org/industry/reserves/prms.php

RESERVES

In this annual statement of reserves (the "ASR"), Wentworth reports the company's reserves, estimated by Wentworth in accordance with the SPE-PRMS standard. Economic limit tests have been performed based on a market forward oil price as at

December 31, 2014 as well as the company's best assumptions of future operating costs.

In addition, Wentworth uses an external company (RPS Energy Consultants Limited) to perform an independent reserves analysis. Both the in-house and the independent reserves estimation follow SPE-PRMS.

As at December 31, 2014, Wentworth has reserves in the Mnazi Bay and Msimbati gas fields in Tanzania. Further information about the reserves, including the independent reserves analysis prepared by RPS, is available on Wentworth's website www.wentworthresources.com.

Wentworth's reserves overview is shown in Tables 1 and 2. The division is as suggested in Oslo Børs Circular 1/2013 Annex III, and the SPE PRMS reserves categories used is shown in brackets.

Table 1: Wentworth reserves by asset

Developed assets (on production) as of December 31, 2014

	1P					2P				
	Liquids (MMstb)	**Gas (Bscf)**	**MMboe**	**Interest %**	**Net MMboe**	**Liquids (MMstb)**	**Gas (Bscf)**	**MMboe**	**Interest %**	**Net MMboe**
Mnazi Bay	-	82.9	13.8	31.94	3.46	-	127.4	21.2	31.94	4.84
Total	**-**	**82.9**	**13.8**	**31.94**	**3.46**	**-**	**127.4**	**21.2**	**31.94**	**4.84**

Under development (approved for development) as of December 31, 2014

	1P					2P				
	Liquids (MMstb)	**Gas (Bscf)**	**MMboe**	**Interest %**	**Net MMboe**	**Liquids (MMstb)**	**Gas (Bscf)**	**MMboe**	**Interest %**	**Net MMboe**
Mnazi Bay	-	196.4	32.7	31.94	7.90	-	315.5	52.6	31.94	11.07
Total	**-**	**196.4**	**32.7**	**31.94**	**7.90**	**-**	**315.5**	**52.6**	**31.94**	**11.07**

Non-developed assets (justified for development) as of December 31, 2014

	1P					2P				
	Liquids (MMstb)	**Gas (Bscf)**	**MMboe**	**Interest %**	**Net MMboe**	**Liquids (MMstb)**	**Gas (Bscf)**	**MMboe**	**Interest %**	**Net MMboe**
Mnazi Bay	-	-	-	31.94	-	-	-	-	31.94	-
Total	**-**	**-**	**-**	**31.94**	**-**	**-**	**-**	**-**	**31.94**	**-**

Total reserves as of December 31, 2014

	1P					2P				
	Liquids (MMstb)	**Gas (Bscf)**	**MMboe**	**Interest %**	**Net MMboe**	**Liquids (MMstb)**	**Gas (Bscf)**	**MMboe**	**Interest %**	**Net MMboe**
Mnazi Bay	-	279.2	46.5	31.94	11.36	-	443.0	73.8	31.94	15.91
Total	**-**	**279.2**	**46.5**	**31.94**	**11.36**	**-**	**443.0**	**73.8**	**31.94**	**15.91**

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Table 2: Wentworth reserves development

	Developed assets (on production)		Under development (approved for development)		Non-developed assets (justified for development)		Total	
	1P Net MMBoe	2P Net MMBoe	1P Net MMBoe	2P Net MMBoe	1P Net MMBoe	2P Net MMBoe	1P Net MMBoe	2P Net MMBoe
Balance as at December 31, 2013	-	-	-	-	-	-	-	-
Production	-	-	-	-	-	-	-	-
Acquisitions/disposals	-	-	-	-	-	-	-	-
Extensions and discoveries	-	-	-	-	-	-	-	-
New developments	3.46	4.84	7.90	11.07	-	-	11.36	15.91
Revisions of previous estimates	-	-	-	-	-	-	-	-
Balance as at December 31, 2014	**3.46**	**4.84**	**7.90**	**11.07**	**-**	**-**	**11.36**	**15.91**

For conversion between gas volumes (scf) and oil equivalents (boe), Wentworth has used 6000 scf equals 1 boe.

Mnazi Bay, operated by Maurel et Prom, Wentworth 31.94%

The reserves for Mnazi Bay and Msimbati are based on detailed reservoir modelling.

CONTINGENT AND PROSPECTIVE RESOURCES

Wentworth's contingent resources are from discoveries in various stages of maturation towards development in the Mnazi Bay concession in Tanzania.

In accordance with guidelines from Oslo Stock Exchange, Wentworth does not quantify contingent resources in this ASR.

For a description and overview of our contingent resources, reference is made to Wentworth's homepage www.wentworthresources.com.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The reported reserve estimates are based on standard industry practices and methodology such as decline analysis, reservoir modelling and geological and geophysical analysis. The evaluations and assessments have been performed by engineers with extensive industry experience, and the methodology and results have been quality controlled as part of the company's internal reserves estimation procedures. The 2P reserves estimate represents the expected outcome for the fields based on the performance observed to date, the company's understanding of the fields, and the planned activities in the licenses.

A third party independent assessment has been performed by RPS Energy Consultants Limited on all of Wentworth's fields categorized as reserves. The assessment is based on input data provided by Wentworth, as well as full access to subsurface data and licence documentation. RPS Energy Consultants Limited performed an independent review of reserves on this basis. The independent review concludes with a reserves estimate that is consistent with Wentworth's overall 2P estimate and hence serves as a verification of the Wentworth reserves estimate.

The information included herein may contain certain forward-looking statements that address activities, events or developments that Wentworth expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by Wentworth, which are beyond its control and are subject to certain additional risks and uncertainties. As a result of these factors, actual events may differ materially from those indicated in or implied by such forward-looking statements. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar vexpressions. Important factors that could cause actual results to differ materially from those expectations include, among others, technical, geological and geotechnical conditions, economic and market conditions in the geographical areas and industries that are or will be major markets for Wentworth, oil prices, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the ASR. Although Wentworth believes that its expectations and this ASR are based upon reasonable assumptions, the company cannot give any assurance that the expectations will be achieved or that the actual results will be as set out in the ASR. None of Wentworth's directors, employees or advisors makes any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of any information contained in the ASR, and no such persons shall have any liability whatsoever arising directly or indirectly from the use of this ASR.

Total net proven reserves (1P) as of December 31, 2014 for Wentworth are estimated at 11.36 million barrels of oil equivalents (boe) and the 2P net reserve estimate for Wentworth's portfolio is 15.91 million barrels of oil equivalents (boe) compared to no reserves for the year end 2013. This increase is the result of the Mnazi Bay Partners entering into a gas sales agreement with Tanzania Petroleum Development Corporation on September 12, 2014 and the anticipated completion of the Madimba to Dar es Salaam pipeline system in 2015.

Geoffrey Bury
Managing Director
Wentworth Resources Limited

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GLOSSARY

Bscf	Billion standard cubic feet
BOE or boe	Barrels of oil equivalent
Contingent Resources	Quantities of petroleum estimated, as at a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies
GIIP	Gas Initially In Place
MMbbl	Million barrels
MMboe	Million barrels of oil equivalent
NPV	Net present value (at a specified discount rate and specified discount date)
PDP	Proved developed producing
1P	Proved Reserves, those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations.
2P	Proved + Probable Reserves, those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves
3P	Proved + Probable + Possible Reserves, those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves.
Prospective Resources	Deposits that are estimated, on a given date, to be potentially recoverable from accumulations yet to be discovered
Reserves	Quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.
TPDC	Tanzania Petroleum Development Corporation
WI	Working interest attributable to Wentworth

Board of Directors and Corporate Governance

The Company's Board of Directors are Robert 'Bob' McBean (Executive Chairman), John Bentley (Deputy Chairman), Cameron Barton, Neil Kelly and Richard 'Rick' Schmitt. The Board has established four subcommittees: an Audit Committee, Compensation Committee, Governance & Nomination Committee and Reserves Committee. The committees act as preparatory bodies for the Board of Directors and assist the Directors in exercising their responsibilities.

The Company is committed to maintaining high standards of corporate governance and believes that effective corporate governance is essential to the success of Wentworth. As a Canadian corporation registered under Alberta corporate law, with its primary listing on the Oslo Børs (the "OSE"), the Company is subject to the rules of the OSE, including its continuing obligations for listed companies. As such, the Company has adopted the Norwegian Code of Practice for Corporate Governance. Wentworth also implements corporate governance guidelines beneficial to the business and which add value to the shareholders. Corporate governance principles are adopted by the Board of Directors and are periodically reviewed. The Company's articles of association, in addition to full versions of the Board of Directors Mandate and Terms of Reference, the board subcommittees' Charters, and Code of Ethics and Business Conduct are available on the Company website at www.wentworthresources.com.

The Company maintains a compliance hotline operated by an external service provider in order to facilitate reporting of any concerns regarding inappropriate business conduct. Wentworth encourages use of the hotline by anyone who has concerns relating to compliance with laws and regulations, breaches of the code of conduct, fair treatment, or any other matter. Concerns can also be raised directly with the corporate secretary or any Board member.

Approved by the Board March 13, 2015

Directors

Robert P. McBean
Executive Chairman

John W.S. Bentley
Deputy Chairman

Cameron Barton
Non-Executive Director

Neil B. Kelly
Non-Executive Director

Richard Schmitt
Non-Executive Director

Executive Management

Geoffrey Bury
Managing Director

Responsibility Statement

We confirm that, to the best of our knowledge, the audited annual consolidated financial statements for the year ended December 31, 2014, which are prepared in accordance with IFRS gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations and the MD&A includes a fair review of the development and performance of the business and the position of the issuer and the group taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved by the Board March 13, 2015

Directors

Robert P. McBean
Executive Chairman

John W.S. Bentley
Deputy Chairman

Cameron Barton
Non-Executive Director

Neil B. Kelly
Non-Executive Director

Richard Schmitt
Non-Executive Director

Executive Management

Geoffrey Bury
Managing Director

Annual financial report
continued

Reporting – Payments to Governments Statement

This country-by-country report has been developed to comply with the legal requirements in the Norwegian Accounting Act (“Regnskapsloven”) § 3-3d and the Norwegian Security Trading Act (“Verdipapirhandelloven”) § 5-5a, valid from 2014. The detailed regulation can be found in the regulation “Forskrift om land-for-land rapportering”. In 2014, the Company was engaged in extracting activities encompassed by the legislation above in the following countries: Tanzania and Mozambique. This report discloses relevant payments to governments for extractive activities in the countries above, in addition to some contextual information as required by the regulation in the “Forskrift om land-for-land rapportering”.

DEFINITIONS

Government
In the context of this report, a government means any national, regional or local authority of a country. It includes a department, agency or undertaking controlled by that authority.

Project
For this reporting a project is defined as an investment in a concession agreement.

Materiality
As per the “Forskrift om land-for-land rapportering” payments made as a single payment, or as a series of connected payments that equal or exceed Norwegian kroner 800.000 ($107,346 at the December exchange rate of 1 Norwegian kroner equals 0.13428 United States Dollars) during the year are disclosed.

Reporting currency
Payments to governments are converted from the functional currency of each legal entity into the presentation currency, United States Dollars (USD). The payments for entities whose functional currencies are other than USD are converted into USD at the foreign exchange rate at the average annual rate.

PAYMENTS TO GOVERNMENTS AND CONTEXTUAL INFORMATION

The consolidated overview below discloses the sum of company’s payments to governments in each individual country where extractive activities are performed, per payment type and country/project.

in USD thousands	Taxes	Revenue & Royalties	Licenses	Contractual infrastructure improvements	Voluntary Infrastructure improvements	Total
Country/Project						
1 - Tanzania/Mnazi Bay Concession	617	265	-	-	-	882
2 - Mozambique/Onshore Rovuma Concession	340	-	-	-	-	340
Total	957	265	-	-	-	1,222

TANZANIA / MNAZI BAY CONCESSION

The Company holds a 31.94 percent participation interest in the onshore Mnazi Bay Concession, with Maurel et Prom (the Operator) holding 48.06 percent and Tanzania Petroleum Development Corporation holding 20 percent (collectively, the “Mnazi Bay JV Partners”. The government issued a Development License to the Concession owners to develop oil and gas and this License expires in 2031.

Tanzania / Mnazi Bay Concession - payments per government

in USD thousands	Taxes	Revenue & Royalties	Licenses	Contractual infrastructure improvements	Voluntary Infrastructure improvements	Total
Government 1 (Federal)	617	-	-	-	-	617
Government 2 (Municipality)	-	-	-	-	-	-
Government 3 (State owned company)	-	265	-	-	-	265
Total	617	265	-	-	-	882

MOZAMBIQUE / ONSHORE ROVUMA CONCESSION

The Company holds a 11.59 percent participation interest in the Rovuma Onshore Block, with Anadarko Petroleum Corporation (the Operator) holding 35.70 percent, Maurel & Prom holding 27.71 percent, PTTEP holding 10% and EHN holding 15 percent (collectively, the "Rovuma JV Partners". The Rovuma Onshore Concession grants the right to explore for oil and gas and it expires on August 31, 2015.

Mozambique / Rovuma Onshore Block - payments per government

in NOK thousands	Taxes	Royalties	Licenses	Contractual infrastructure improvements	Voluntary Infrastructure improvements	Total
Government 1 (Federal)	340	-	-	-	-	340
Government 2 (Municipality)	-	-	-	-	-	-
Government 3 (State owned company)	-	-	-	-	-	-
Total	340	-	-	-	-	340

LEGAL ENTITIES BY COUNTRY

As per the "Forskrift om land-for-land rapportering" it's required that the Company report on certain contextual information at corporate level. This includes information on localization of subsidiary, employees per subsidiary and interests paid to other legal entities within the group.

Jurisdiction	Legal entity	Ownership	Employees	Interests paid to a group legal entity in another jurisdiction
Tanzania	Wentworth Gas Limited	100%	16	Nil
Cyprus	Cyprus Mnazi Bay Limited	39.925%	-	Nil
Mozambique	Wentworth Mocambique Petroleos, Limitada	100%	-	Nil
Total			16	Nil

Responsibility statement

We confirm to the best of our knowledge that the country-by-country report for 2014 has been prepared in accordance with the Norwegian Security Trading Act §5-5a.

Directors

Robert P. McBean
Executive Chairman

John W.S. Bentley
Deputy Chairman

Cameron Barton
Non-Executive Director

Neil B. Kelly
Non-Executive Director

Richard Schmitt
Non-Executive Director

Executive Management

Geoffrey Bury
Managing Director

Annual financial report
continued

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Wentworth Resources Limited is a publicly traded international oil and gas exploration and production company with rights extending over the Rovuma Basin play in southern Tanzania and northern Mozambique. The Company is focused on the exploration and development of oil and natural gas reserves. The Company has producing Tanzania gas assets, oil and gas exploration activities in both Mozambique and Tanzania, and large-scale gas monetization projects in development. The Company's strategy is centered on proving up additional gas resources in its Mnazi Bay Concession in Tanzania to satisfy third party demand for natural gas and to identify significant resources for consumption by future large-scale petrochemical projects to be built. Competitive business environments in both Tanzania and Mozambique combined with the Tanzanian Government working to solve electricity shortages by way of planned large scale gas to power projects and a proposed transnational pipeline connecting Mtwara, Tanzania, the location of the Mnazi Bay Concession, to the commercial capital of Dar es Salaam, may provide Wentworth with an opportunity to monetize its assets in a relatively short period of time.

Wentworth is incorporated in Canada and is listed on the Oslo Stock Exchange (ticker: WRL) and the AIM market of the London Stock Exchange (ticker: WRL). The Company has offices in

Calgary, Canada and Dar es Salaam, Tanzania.

For more information on Wentworth Resources Limited visit www.wentworthresources.com.

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Forward-Looking and Cautionary Statements

Certain statements made herein, other than statements of historical fact relating to Wentworth, are forward-looking statements. These include, but are not limited to, statements with respect to anticipated business activities, planned expenditures, including those relating to the exploration, development and production of its petroleum assets, corporate strategies, participation in projects and financing operations, the outcome of development activities in the exploration for, appraisal of, and development and operations relating to oil and natural gas in Tanzania and Mozambique, technical risks and resource potential of the drilling prospects, and the financing and timing of construction and the field development plan for the Mnazi Bay Concession, and other statements that are not historical facts. When used in this MD&A, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions, are forward-looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements include those described under the heading "Risk Factors" elsewhere in this MD&A. The reader is cautioned not to place undue reliance on forward-looking statements. The Company assumes no obligation to update forward looking statements except to the extent required by applicable securities laws.

All such forward-looking information is based on certain assumptions and analysis made by management in light of experience and perception of historical trends, current conditions and expected future developments, as well as other factors Wentworth believes are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, including, without limitation: the risks associated with foreign operations, foreign exchange fluctuations, commodity prices; equipment and labour shortages and inflationary costs, general economic conditions, industry conditions, changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced, the ability of oil and natural gas companies to raise capital, the existence of operating risks, volatility of oil and natural gas prices, oil and natural gas product supply and demand, risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations, increased competition, stock market volatility, opportunities available to or pursued by the Company and other factors, many of which are beyond the Company's control.

In addition to the foregoing, this MD&A contains forward looking information with respect to estimated resources, the potential size and distribution of fields and recovery factors. Such forward looking information is based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of resource estimates; the uncertainty associated with geological interpretations, the uncertainty of estimates and projections in relation to production, costs and expenses and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, risks associated with the implementation of new technology, risks associated with obtaining, maintaining and the timing of receipt of regulatory approvals, permits, and licenses, uncertainties relating to access to capital markets and the risk of volatile global economic conditions. Statements relating to resources are deemed to be forward looking information, as they involve implied assessment, based on certain estimates and assumptions, that the resources exist in the quantities predicted or estimated. The actual resources discovered may be greater or less than those calculated.

The forward-looking information contained herein is expressly qualified by this cautionary statement.

Management's responsibility for financial reporting

For year ended December 31, 2014

To the Shareholders of Wentworth Resources Limited:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Audit Committee is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Audit Committee fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee is also responsible for recommending the appointment of the Company's external auditors.

KPMG LLP, an independent firm of Chartered Accountants, is appointed by the Board of Directors to audit the consolidated financial statements and report directly to them; heir report follows. The external auditors have full and free access to both the Audit Committee and management to discuss their audit findings.

(Signed) "Robert McBean"
Executive Chairman

(Signed) "Geoffrey Bury"
Managing Director

Calgary, Alberta
March 13, 2015

Independent auditor's report

To the Shareholders of and Directors of Wentworth Resources Limited

We have audited the accompanying consolidated financial statements of Wentworth Resources Limited, which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Wentworth Resources Limited as at December 31, 2014 and December 31, 2013, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the consolidated financial statements which describes that there is no certainty that the Company will be able to obtain the financing required to meet its ongoing commitments for exploration and development programs. This condition, along with other matters as set forth in Note 2, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

KPMG LLP

Chartered Accountants

March 13, 2015
Calgary, Canada

Consolidated statement of financial position

United States dollars $000s, unless otherwise stated

	Note	December 31, 2014	December 31, 2013
ASSETS			
Current assets			
Cash and cash equivalents		**5,487**	14,501
Short-term investments		**-**	23,176
Trade and other receivables		**2,613**	1,845
Prepayments, deposits and advances to partners		**1,418**	1,674
Current portion of long-term receivables	6	**14,530**	658
		24,048	41,854
Non-current assets			
Long-term receivables	6	**19,472**	28,661
Exploration and evaluation assets	7	**33,762**	50,636
Property, plant and equipment	8	**85,035**	18,498
		138,269	97,795
Total assets		**162,317**	139,649
LIABILITIES			
Current liabilities			
Trade and other payables		**8,204**	3,487
		8,204	3,487
Non-current liabilities			
Long-term loans	10	**5,718**	3,816
Contingent long-term liability	11	**2,271**	2,836
Decommissioning provision	9	**782**	685
		8,771	7,337
EQUITY			
Share capital	15	**404,225**	403,998
Equity reserve		**24,916**	23,903
Accumulated deficit		**(283,799)**	(299,076)
		145,342	128,825
Total liabilities and equity		**162,317**	139,649

Going concern (Note 2)
Commitments (Note 20)
Contingencies (Note 21)

The accompanying notes are an integral part of these consolidated financial statements

Approved by the Board of Directors and Management

(Signed) "Robert P. McBean"
Chairman of the Board

(Signed) "John W.S. Bentley"
Deputy Chairman

(Signed) "Cameron Barton"
Non-Executive Director

(Signed) "Neil Kelly"
Non-Executive Director

(Signed) "Richard Schmitt"
Non-Executive Director

(Signed) "Geoffrey Bury"
Managing Director

Consolidated statement of comprehensive income (loss)

United States dollars $000s, unless otherwise stated

		Year ended December 31,	
	Note	**2014**	2013
Revenue		**1,060**	955
Operating expenses			
Production and operating		**(2,592)**	(1,656)
General and administrative		**(6,826)**	(7,931)
Share based compensation	14	**(1,090)**	(362)
Depreciation and depletion	8	**(542)**	(451)
Gain from sale of office assets	8	**60**	-
Reversal of impairment on exploration and evaluation assets	7	**13,384**	-
Reversal of impairment on property, plant and equipment	8	**10,421**	-
Income/(loss) from operating activities		**13,875**	(9,445)
Gain on derivative financial liability	12	**-**	610
Finance income	13	**5,914**	5,266
Finance costs	13	**(4,512)**	(6,420)
Net income/(loss) and comprehensive income/(loss)		**15,277**	(9,989)
Net income/(loss) per ordinary share			
Basic and diluted (US$/share)	16	**0.10**	(0.11)

The accompanying notes are an integral part of these consolidated financial statements

Consolidated statement of changes in equity

United States dollars $000s, unless otherwise stated

	Note	Number of shares	Share capital $	Equity reserve $	Accumulated deficit $	Total equity $
Balance at December 31, 2012		82,503,940	361,675	21,996	(289,087)	94,584
Net loss and comprehensive loss		-	-	-	(9,989)	(9,989)
Reclassification of warrants	12	-	-	1,678	-	1,678
Share based compensation	14	-	-	362	-	362
Issue of share capital	15	71,368,760	46,200	(133)	-	46,067
Share issue costs	15	-	(3,877)	-	-	(3,877)
Balance at December 31, 2013		153,872,700	403,998	23,903	(299,076)	128,825
Balance at December 31, 2013		**153,872,700**	**403,998**	**23,903**	**(299,076)**	**128,825**
Net income and comprehensive income		**-**	**-**	**-**	**15,277**	**15,277**
Share based compensation	14	**-**	**-**	**1,090**	**-**	**1,090**
Issue of share capital	15	**250,000**	**227**	**(77)**	**-**	**150**
Balance at December 31, 2014		**154,122,700**	**404,225**	**24,916**	**(283,799)**	**145,342**

The accompanying notes are an integral part of these consolidated financial statements

Consolidated statement of cash flows

United States dollars $000s, unless otherwise stated

	Note	Year ended December 31, 2014	2013
Operating activities			
Net income/(loss) for the year		**15,277**	(9,989)
Adjustments for:			
Share based compensation	14	**1,090**	362
Depreciation and depletion	8	**542**	451
Finance loss/(income), net		**(1,402)**	679
Reversal of impairment on exploration and evaluation assets	7	**(13,384)**	-
Reversal of impairment on property, plant and equipment	8	**(10,421)**	-
Gain on sale of office assets	8	**(60)**	-
Gain on derivative financial liability		**-**	(610)
Change in non-cash working capital	19	**(1,092)**	1,288
Cash used in operating activities		**(9,450)**	(7,819)
Investing activities			
Additions to evaluation and exploration assets	7	**(22,869)**	(6,045)
Additions to property, plant and equipment	8	**(3,533)**	(975)
Short-term investments		**23,176**	(23,176)
Interest income		**100**	70
Net (reduction)/increase of long-term receivables		**(365)**	301
Proceeds from sale of office assets		**62**	-
Change in non-cash working capital	19	**4,454**	1,958
Cash provided by/(used in) investing activities		**1,025**	(27,867)
Financing activities			
Issue of share capital, net of share issue costs		**150**	42,190
Net proceeds from long-term loan	10	**5,715**	9,887
Repayment of long-term loan	10	**(6,000)**	(10,036)
Interest paid	10	**(341)**	(561)
Repayment of other long-term liability		**(113)**	(645)
Cash (used in)/provided by financing activities		**(589)**	40,835
Net change in cash and cash equivalents		**(9,014)**	5,149
Cash and cash equivalents, beginning of the year		**14,501**	9,352
Cash and cash equivalents, end of the year		**5,487**	14,501

The accompanying notes are an integral part of these consolidated financial statements

Notes to consolidated financial statements

United States dollars $000s, unless otherwise stated

1. Nature of business

Wentworth Resources Limited ("Wentworth" or the "Company") is an East Africa-focused oil and natural gas explorer and producer. These consolidated financial statements include the accounts of the Company and its subsidiaries (collectively referred to as "Wentworth Group of Companies" or the "Group"). Wentworth is actively involved in exploring for oil and gas and in developing commercial opportunities for identified hydrocarbon resources. Wentworth is incorporated in Canada and shares of the Company are widely held and listed on the Oslo Stock Exchange (ticker: WRL) and the AIM Market of the London Stock Exchange (ticker: WRL).

The Company has offices located in Calgary, Canada and Dar es Salaam, Tanzania.

2. Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the Company's ability to obtain financing to fund the ongoing exploration and development capital programs until such time as cash flow from operations is sufficient to fund its future exploration and development program. There is no certainty that the Company will be able to obtain the financing required to meet its ongoing commitments for the exploration and development programs.

At December 31, 2014, the Company has cash and cash equivalents of $5,487 to fund its planned exploration and corporate activities prior to the commissioning of the Mtwara to Dar es Salaam gas pipeline in Tanzania which is expected during Q2 2015. During Q4 2014, the Company secured two credit facilities totaling $26,000 with a Tanzanian bank. An amount of $6,000 was used to repay an existing $6,000 loan facility with the remaining facility amount to be used to fund development capital within its Mnazi Bay Concession in Tanzania. Should additional exploration and development activity take place prior to generating sufficient cash flow from its gas assets in Tanzania or should the generation of cash flow from the sales of natural gas to the new government pipeline be delayed beyond Q2 2015, additional funding obtained from debt or equity may be necessary.

The potential need to obtain financing, may create significant doubt about the Company's ability to continue as a going concern. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

3. Summary of accounting policies

Basis of presentation and statement of compliance

These consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting. The consolidated financial statements are prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements are presented in United States (US) dollars.

The consolidated financial statements were approved by the Board of Directors on March 13, 2015.

Functional and presentation currency

These consolidated financial statements are presented in US dollars which is the functional currency of the parent company and a majority of its subsidiaries.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries (collectively referred to as "Wentworth Group of Companies" or the "Group"). Subsidiaries are entities that the Company controls. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of potential voting rights are considered when assessing whether a company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. The following legal entities are within the Wentworth Group of Companies:

Notes to consolidated financial statements
continued

Legal Entity	Registered	Holdings at December 31, 2014	Functional Currency
Wentworth Resources Limited	Canada	Ultimate Parent Company	US dollar
Wentworth Resources (UK) Limited	United Kingdom	100%	GBP
Wentworth Holdings (Jersey) Limited	Jersey	100%	US dollar
Wentworth Tanzania (Jersey) Limited	Jersey	100%	US dollar
Wentworth Gas (Jersey) Limited	Jersey	100%	US dollar
Wentworth Gas Limited	Tanzania	100%	US dollar
Cyprus Mnazi Bay Limited	Cyprus	39.925%	US dollar
Wentworth Mozambique (Mauritius) Limited	Mauritius	100%	US dollar
Wentworth Mocambique Petroleos, Limitada	Mozambique	100%	US dollar

Wentworth Mtwara (Jersey) Limited, Wentworth Power (Jersey) Limited and Umoja Light Company (Jersey) Limited were dissolved during 2014. These legal entities were wholly owned holding companies with no assets or liabilities.

The Group recognized its share of Cyprus Mnazi Bay Limited ("CMBL") which results in the consolidated financial statements reflecting the Groups 31.94% participation interest in the Mnazi Bay Concession. The Group holds its interest in the Mnazi Bay concession through two subsidiaries. Wentworth Gas Limited, which is a wholly owned subsidiary, owns a 25.40% participation interest and CMBL owns a 16.38% participation interest of which the Group's proportionate share is 6.54% (e.g. based on Wentworth's interest of 39.925% interest in CMBL multiplied by 16.38% participation interest).

CMBL is a jointly controlled entity and under IFRS 11, Joint Arrangements, the Group proportionately consolidates CMBL as the related contractual agreements establish that the parties to the joint arrangement share the rights and obligations of ownership in proportion to their interest in the arrangement.

All inter-company transactions, balances and unrealized gains on transactions between the parent and subsidiary companies are eliminated.

New standards adopted in 2014

The following new standards, interpretations, amendments and improvements to existing standards issued by the International Accounting Standards Board ("IASB") or International Financial Reporting Standards Interpretations Committee ("IFRIC") were adopted as of January 1, 2014 without any material impact to the Company's Financial Statements: IAS 32 Financial Instruments and IFRIC 21 Levies.

Measurement uncertainty and use of estimates and judgements

In applying the Company's accounting policies, which are described in Note 3, the preparation of consolidated financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ materially from these estimates due to changes in general economic conditions, changes in laws and regulations, changes in future operating plans and the inherent imprecision associated with estimates. Significant estimates and judgments used in the preparation of these consolidated financial statements include the valuation of E&E and PP&E, value of contingent payments, decommissioning obligations, collectability of long-term receivables, determination of joint arrangements, and going concern.

The Company's significant accounting judgments and estimates are set out below:

Cash generating units ("CGU's")
Cash generating units ("CGUs") are defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or group of assets. The classification of assets into cash generating units requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures and the way in which management monitors the Company's operations.

Notes to consolidated financial statements

continued

3. Summary of accounting policies (continued)

Carrying value of exploration and evaluation assets and PP&E

Exploration and evaluation assets are inherently judgmental to value and further details on the accounting policy are included in this accounting note. The amounts for exploration and evaluation assets represent active exploration projects. These amounts will be written off to the income statement as exploration costs unless commercial reserves are established or the determination process is not completed and there are no indications of impairment at the reporting date. The outcome of ongoing exploration and evaluation activities, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain.

Management performs impairment tests on the Company's property, plant and equipment if indicators of impairment are present. The assessment of impairment indicators is subjective and considers the various internal and external factors such as the financial performance of individual CGUs, market capitalization and industry trends. In addition, the impairment assessment is impacted by how management determines the composition of CGUs. Management has grouped assets into CGUs based on several factors with a primary focus on assets whose cash flows are interdependent. If impairment indictors are present an impairment test is required to be performed and the CGU is written down to its recoverable amount. In determining the recoverable amount of assets, in the absence of quoted market prices, impairment tests are based on estimate of reserves, production rates, future oil and natural gas prices, future costs, discount rates, market value of land and other relevant assumptions.

Reserve estimates

Oil and natural gas reserves are used in the calculation of depletion, impairment and impairment reversals. Reserve estimates are based on engineering data, estimated future prices and costs, expected future rates of production and the timing of future capital expenditures, all of which are subject to many uncertainties and interpretations. The Company expects that, over time, its reserve estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels and may be affected by changes in commodity prices.

Decommissioning provisions

The costs of decommissioning are reviewed annually and are estimated by reference to information provided by operators and where applicable third party consulting engineers. Provisions for future clean-up and remediation costs is based on current legal and constructive requirements, technology and price levels.

Contingent payments

The estimate of the contingent payments (Note 11) is based on assumptions of the quantities and timing of future gas production volume quantities from the Mnazi Bay Concession and estimating a discount rate.

Taxes

The Group operates in countries where the legal and tax systems are less developed which increase the requirement for management to make estimates and assumptions as to whether certain payments will be required related to matters such as income taxes, value added taxes, other in-direct taxes and legal contingencies. A provision is recognized in the financial statements for such matters if it is considered probable that a future outflow of resources will be required. The provision, if any, is subject to management estimates and judgments with respect to the outcome of the event, the costs to defend, the quantum of the exposure and past practice in the country.

Collectability of long-term receivables

Collectability of the receivable from Tanzania Petroleum Development Corporation ("TPDC") and the Tanzanian government receivable (Umoja/power) involves estimating the quantities and timing of future gas production volume quantities from the Mnazi Bay Concession and estimating a discount rate in addition to assessing credit risk (Note 6).

Joint Arrangements

The analysis of joint arrangements requires management to analyze numerous agreements and the requirements of IFRS 10 and IFRS 11. Several judgments and estimates are made by management including whether joint control exists and the extent of exposure to the underlying assets and liabilities of the joint arrangement. The Company has a joint arrangement through its 39.925% ownership in Cyprus Mnazi Bay Limited.

Financial instruments

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. The Company has classified each financial instrument into one of the following categories: i) fair value through profit and loss, ii) loans and receivables, and iii) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported on the statement of

Notes to consolidated financial statements

continued

financial position when there is a legally enforceable right to offset the recognized amounts and there is an intent to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit and loss

A financial asset or liability classified in this category is recognized at each period at fair value with gains and losses from revaluation being recognized in net income. A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges.

(ii) Loans and receivables

Loans and receivables are initially measured at fair value plus directly attributable transaction costs and are subsequently recorded at amortized cost using the effective interest method.

Long-term receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Long-term receivables are initially recognized at fair value based on the discounted cash flows. The discount rate is based on the credit quality and term of the financial instrument. The financial instrument is subsequently valued at amortized costs by accreting the instrument over the expected life of the assets. The accretion associated with instruments valued at amortized cost is reported on the statement of comprehensive income/(loss) each reporting period.

The fair value of the Company's trade and other receivables approximates their carrying values due to the short-term nature of these instruments.

(iii) Other financial liabilities

Other financial liabilities are initially measured at fair value less directly attributable transaction costs and are subsequently recorded at amortized cost using the effective interest method.

Long-term loans and other long term liabilities are non-derivative financial assets with either fixed or determinable payments or no payment terms and which are not quoted in an active market.

Long term loans are initially recognized at fair value based on the amounts received.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits and short term highly liquid investments with the original term to maturity of three months or less, which are convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of changes in value.

Short-term investments

Short term investments is comprised of term deposits with original maturity of greater than three months and less than a year in a reputable bank in the United Kingdom

Long-term receivables

Long-term receivables plus applicable accrued interest is initially recognized at its fair value based on the discounted cash flows. The discounted cash flows are reviewed at least every year to adjust for variations in the estimated future cash flows. The discount rate is based on the credit quality and term of the financial instrument. The financial instrument is subsequently valued at amortized costs by accreting the instrument over the life of the asset. The accretion is reported in profit or loss.

Exploration and evaluation assets, property, plant and equipment

Exploration and evaluation assets

Exploration and evaluation ("E&E") costs, including costs of licence acquisition, technical services and studies, exploratory drilling whether successful or unsuccessful, and testing and directly attributable overhead, are capitalized as E&E assets according to the nature of the assets acquired. The costs are accumulated in cost centres by well, field or exploration area pending determination of technical feasibility and commercial viability.

E&E assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

The technical feasibility and commercial viability of extracting a mineral resource is generally considered to be determinable when proven and/or probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether it is technically feasible and commercially viable. Upon determination of technical feasibility and commercial viability, intangible E&E assets attributable to those reserves are first tested for impairment and then reclassified from E&E assets to a separate category within tangible assets within property, plant and equipment referred to as oil and gas interests.

Notes to consolidated financial statements
continued

3. Summary of accounting policies (continued)

Costs incurred prior to the legal awarding of petroleum and natural gas licences, concessions and other exploration rights are recognized in profit or loss as incurred.

Property, plant and equipment - crude oil and natural gas properties
Items of property, plant and equipment ("PP&E"), which include oil and gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. PP&E assets include costs incurred in developing commercial reserves and bringing them into production such as drilling of development wells, tangible costs of facilities and infrastructure construction, together with the E&E expenditures incurred in finding the commercial reserves that have been reclassified from E&E assets as outlined above, the projected cost of retiring the assets and any directly attributable general and administrative expenses. Expenditures on developed crude oil and natural gas properties are capitalized to PP&E when it is probable that a future economic benefit will flow to the Company as a result of the expenditure and the cost can be reliably measured. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligations associated with the asset and borrowing costs on qualifying assets. When significant parts of an item of PP&E, including oil and gas interests, have different useful lives, they are accounted for as separate items (major components).

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of PP&E are recognized as oil and gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. Subsequent changes in estimated decommissioning obligation due to changes in timing, amounts, and discount rates are included in the cost of the asset. All other expenditures are recognized in profit or loss as incurred. Such capitalized oil and gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

Depletion
The net carrying amount of development or production assets is depleted on a field by field unit of production method by reference to the ratio of production in the year to the related proven and probable reserves. If the useful life of the asset is less than the reserve life, the asset is depreciated over its estimated useful life using the straight-line method. Future development costs are estimated taking into account the level of development required to produce the proven and probable reserves. These estimates are reviewed by independent reserve engineers. Changes in factors such as estimates of reserves that affect unit-of-production calculations are dealt with on a prospective basis. Capital costs for assets under construction included in development and production assets are excluded from depletion until the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Disposals
Crude oil and natural gas properties are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on derecognition of the asset, including farm out transactions or asset sales or asset swaps, is calculated as the difference between the proceeds on disposal, if any, and the carrying value of the asset, is recognized in profit or loss in the period of derecognition.

Property, plant and equipment - office and other equipment
Office and other equipment are carried at cost less accumulated depreciation and impairment losses. Depreciation is charged so as to write-off the cost of these assets less residual value on a straight-line basis over their estimated useful economic lives of between three and five years.

Decommissioning obligation

Decommissioning obligations are recognized for legal obligations related to the decommissioning of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A liability for decommissioning is recognized in the period in which it is incurred and when a reasonable estimate of the liability can be made with the corresponding decommissioning provision recognized by increasing the carrying amount of the related long-lived asset. The decommissioning provision is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial amount of the liability is accreted, by charges to the profit or loss, to its estimated future value.

Impairment

Non-financial assets
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

Notes to consolidated financial statements
continued

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount and when they are reclassified to PP&E assets. For the purpose of impairment testing, E&E assets are grouped by concession or field with other E&E and PP&E assets belonging to the same CGU. The impairment loss will be calculated as the excess of the carrying value over recoverable amount of the E&E impairment grouping and any resulting impairment loss is recognized in profit or loss. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. 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. In assessing fair value less costs to sell, 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 risk specific to the asset. Fair value less costs to sell is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves.

PP&E assets will be tested for impairment whenever events and circumstances arising during the development and production phase indicate that the carrying amount of a PP&E asset may exceed its recoverable amount. For the purpose of impairment testing, PP&E assets will be grouped into the smallest group of assets that generates cash inflows that are largely independent of cash inflows from other assets or groups of assets (the CGU). The aggregate carrying value will be compared against the expected recoverable amount of the CGU. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimate 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. In assessing fair value less costs to sell, 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 risk specific to the asset. Fair value less costs to sell is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves. CGU's are generally defined by field except where a number of field interests can be grouped because the cash flows generated by the fields are interdependent. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis. Impairment losses recognized in prior years are assessed at each reporting date for any indication that the loss has decreased or no longer exists. Impairments are reversed when events or circumstances give rise to changes in the estimate of the recoverable amount since the period the impairment was recorded. An impairment loss is reversed only to the extent that the CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depletion, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.

Share capital

The proceeds from the exercise of share options and the issuance of shares from treasury are recorded as share capital in the amount for which the option, warrant, or treasury share enabled the holder to purchase a share in the Company.
Share capital issued for non-monetary consideration is recorded at an amount based on fair market value of the shares issued.

Share issuance costs

Commissions paid to underwriters, and other related share issue costs, such as legal, auditing and advisory, on the issue of the Company's shares are charged directly to share capital.

Notes to consolidated financial statements
continued

3. Summary of accounting policies (continued)

Share based payments

The fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and share based compensation is accrued and charged to the statement of comprehensive income/(loss), with an offsetting credit to equity reserve over the vesting periods. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

Capitalization of interest

The Company capitalizes interest expense incurred during the construction phase of the projects, except E&E assets, which were funded by the related financing.

Revenue recognition

Revenue is recognized when services have been performed and collectability of the revenue is probable.
Investment income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value.
Petroleum and natural gas revenues are recognized when the significant risks and rewards of ownership have been transferred, which is when title passes to the purchaser, and payment is reasonably assured.

Income taxes

Tax expense comprises current and deferred tax. Tax is recognized in the consolidated statement of comprehensive income/(loss) except to the extent it relates to items recognized in other comprehensive income ("OCI") or directly in equity.

Current income tax
Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax
Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and their corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred income tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.
Deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are recognized for taxable temporary differences arising on investments in subsidiaries 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 utilized.

Foreign currency translation

Items included in the consolidated financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in profit or loss.

Wentworth Resources (UK) Limited uses the Great British Pound as its functional currency. The asset and liabilities of this company are translated into US dollars at the period-end exchange rate. The income and expenses of the company are translated to US dollar at the average exchange rate for the period. Translation gains and losses are included in other comprehensive income, however, this subsidiary was not active in 2014 so there is no impact to other comprehensive income.

All other foreign exchange gains and losses are recognized in profit or loss.

Notes to consolidated financial statements
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Recent accounting pronouncements

The following standards, amendments and interpretations applicable to the Company are in issue but not yet effective and have not been early adopted in these consolidated financial statements.

New and Amended Standards

		Effective for annual periods beginning on or after
IFRS 15	Revenue from Contracts with Customers	January 1, 2017
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
IFRS 9	Financial Instruments	January 1, 2018

The Company intends to adopt the interpretation in its financial statements for the annual period beginning on January 1, 2015. The Company does not expect the interpretation to have a material impact on the financial statements.

Earnings or loss per share ("EPS")

Basic earnings or loss per share is calculated by dividing profit or loss attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator is calculated by adjusting the shares outstanding at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of all dilutive potential ordinary shares deemed to have been converted at the beginning of the period or if later, the date of issuance. The effects of anti-dilutive potential ordinary shares are ignored in calculating diluted EPS. All options and warrants are considered anti-dilutive when the Company is in a loss position.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to develop its oil and gas properties and maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity as well as cash and long term liabilities.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements or acquire or dispose of assets. Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. The Company has no external debt covenants. The Company's overall strategy remains unchanged from the prior year.

Dividends

The Company's ability to declare and pay a dividend is subject to restrictions contained in the Business Corporations Act (Alberta). Under the Business Corporations Act (Alberta), a corporation cannot declare or pay a dividend if there are reasonable grounds for believing that: (a) the corporation is, or would, after the payment be unable to pay its liabilities as they become due or (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes. There is not a prescriptive calculation under the Business Corporations Act (Alberta) that is required to be met in order for the Company to pay dividends.

The Company is not required under the Business Corporations Act (Alberta) to maintain minimum capital and equity levels nor are there specific restrictions on the level of liquidity that the Company is required to maintain. At December 31, 2014, management believes that the Company could pay a dividend under the Business Corporations Act (Alberta), however, no such dividend is currently planned or contemplated. The Company will use its capital resources to further development of its oil and gas exploration and development assets.

4. Risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Credit risk

Wentworth's maximum credit risk is equal to the carrying value of its cash, trade and other and long-term receivables. Trade and other receivables are comprised predominantly of amounts due from government departments in Tanzania, tax input credits for Goods and Services Tax (GST) in Canada and Value Added Tax (VAT) in Tanzania and Mozambique. The Company's ongoing exposure to receivables from Tanzania Electricity Supply Company Limited ("TANESCO"), the state power company, is connected with the gas sales from the Mnazi Bay Concession to the 18 megawatt gas-fired power plant located in Mtwara, Tanzania. At December 31, 2014 the Mnazi Bay Concession

Notes to consolidated financial statements
continued

4. Risk management (continued)

Credit Risk (continued)

partners were owed fifteen months of gas sales, with $2,424 owing to Wentworth. Subsequent to December 31, 2014, TANESCO has settled three months of arrears totaling $483.

A long-term undiscounted receivable of $33,518 (Note 6) is due from TPDC which is a partner in the Mnazi Bay Concession. The Company receives a significant portion of TPDC's share of gas production from the Mnazi Bay Concession directly from the operator of the Mnazi Bay Concession before TPDC receives cash from its share of revenue. There is a risk that future production from the Mnazi Bay Concession may not be sufficient to settle the receivable and should such a determination be made, a provision against the receivable will be recorded.

At December 31, 2014 a receivable of $6,511 (Note 6) related to the Company's disposal of transmission and distribution assets and the costs associated with the Mtwara Energy Project incurred by a wholly owned subsidiary of Wentworth continues to be acknowledged as payable by a department of the Tanzanian government. On February 6, 2012, the Company, TANESCO, TPDC and the Ministry of Energy and Minerals ("MEM") reached agreement that the Company's cost of historical operations in respect of the Mtwara Energy Project should be reimbursed. Wentworth is currently in discussions with TANESCO, TPDC and MEM on agreeing on a method of reimbursement. There is a risk that the cost reimbursement method may not be in cash, but rather in a long-term recovery from other sources.

Substantially all of the Company's cash and cash equivalents and short-term investments are held at one recognized international financial institution in Canada and an investment bank in the United Kingdom. As a result, the Company was exposed to a concentration of credit risk associated with these institutions. The Company manages its risk on investments by limiting them to guaranteed investment certificates purchased at this financial institution and investing for short periods of time.
The maximum exposure to credit risk as at:

	Balance at December 31, 2014	Balance at December 31, 2013
Trade and other receivables	**2,613**	1,845
Long-term receivables (Note 6)	**34,002**	29,319
Short-term investments	**-**	23,176
Cash and cash equivalents	**5,487**	14,501
	42,102	68,841

Aged trade and other receivables

	Current 1-30 days	31-60 days	61-90 days	>90 days	Total
Balance at December 31, 2014					
Trade receivables	**189**	**181**	**181**	**1,873**	**2,424**
Other receivables	**21**	**-**	**168**	**-**	**189**
	210	**181**	**349**	**1,873**	**2,613**
Balance at December 31, 2013					
Trade receivables	-	437	429	631	1,497
Other receivables	15	-	333	-	348
	15	437	762	631	1,845

The Company's ongoing exposure to receivables from TANESCO is associated with gas sales from the Mnazi Bay Concession to the 18 MW power plant located in Mtwara, Tanzania. At December 31, 2014 the Mnazi Bay Concession partners were owed fifteen months of gas sales, with $2.42 million net owing to Wentworth. Subsequent to December 31, 2014, TANESCO has made two payments settling three months of arrears and totaling $0.48 million. A provision for doubtful accounts has not been made in respect of the receivable from TANESCO. Construction of the Gas Pipeline Project may provide an opportunity for TANESCO to operate more efficiently, generate positive cash flow and grow its business in order to meet the increasing demand for electrical power. As a result, the Company expects to eventually receive full recovery of current and future receivables from gas sales to TANESCO.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its liabilities. Other than routine trade and other payables, incurred in the normal course of business, the Company also has a long-term loan.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments including future interest payments on long-term loans.

	Less than 1 year	**1 to 2 years**	**2 to 5 years**	**Total**
Balance at December 31, 2014				
Trade and other payables	**7,253**	**-**	**-**	**7,253**
Long-term loans	**487**	**2,439**	**4,388**	**7,314**
	7,740	**2,439**	**4,388**	**14,567**
Balance at December 31, 2013				
Trade and other payables	3,487	-	-	3,487
Long-term loans	360	360	6,720	7,440
	3,847	360	6,720	10,927

Notes to consolidated financial statements
continued

The fair value of the Company's trade and other payables approximates their carrying values due to the short term nature of these instruments.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of foreign currency risk, interest rate risk and other price risk (e.g. commodity price risk). The objective of market risk management is to manage and control market price exposures within acceptable limits, while maximizing returns.

Commodity price risk
Commodity price risk is the risk that the Company suffers financial loss as a result of fluctuations in crude oil or natural gas prices. The Company's exposure to commodity price risk is not significant due to the execution of the gas sales and purchase agreement with the Government of Tanzania to supply natural gas from the Mnazi Bay Concession at a price of $3.00/MMBtu, escalating at US CPI annually over a 17 year term, and as it has not yet begun large-scale commercial production.

Interest rate risk
Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's debt, in the form of the long-term loan, has a floating interest rate of six month LIBOR plus 7.5 percentage points with a minimum 8% and maximum 9.5%interest rate per annum. The Company's objective is to minimize its interest rate risk on its cash balances by investing for short periods (less than 1 year) and only in term deposits.

The risk related to interest rates is not material.

Foreign exchange risk
Foreign exchange rate risk is the risk that the Company suffers financial loss as a result of changes in the value of an asset or liability or in the value of future cash flows due to movements in foreign currency exchange rates. Wentworth operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Tanzanian shilling and Canadian dollar against its functional currency of its operating entities, the US dollar. The Company's objective is to minimize its risk by borrowing funds in US dollars as revenues are paid (or indexed) to the US dollar. The Company has not yet begun large-scale commercial production and the Company's existing borrowed funds are denominated in US dollars. In addition, it holds substantially all of its cash and cash equivalents in US dollars, and converts to other currencies only when cash requirements demand such conversion.

The following balances are denominated in foreign currency (stated in $000 US dollars at period end exchange rates):

	Canadian Dollar	Tanzanian Shilling	Other Currency	Total
Balance at December 31, 2014				
Cash and cash equivalents	**28**	**48**	**37**	**113**
Trade and other receivables	**21**	**159**	**-**	**180**
Trade and other payables	**(49)**	**(32)**	**(9)**	**(90)**
	-	**175**	**28**	**203**

	Canadian Dollar	Tanzanian Shilling	Other Currency	Total
Balance at December 31, 2013				
Cash and cash equivalents	202	20	618	840
Trade and other receivables	30	209	50	289
Trade and other payables	(763)	(166)	-	(929)
	(531)	63	668	200

A 10% increase/decrease of the Canadian dollar against the US dollar would result in a change in net income before tax of Nil (2013 - $53). In addition, a 10% increase/decrease of the Tanzanian shilling against the US dollar would result in a change in net income before tax of approximately $18 (2013 – $7).

Financial instrument classification and measurement

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including expected interest rates, share prices, and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuation in this level are those with inputs for the asset or liabilities that are not based on observable market data.

Notes to consolidated financial statements
continued

4. Risk management (continued)

Financial instrument classification and measurement (continued)

The Company's long-term receivables and long-term loans are considered Level 2 measurements. The Company's contingent long-term liability is considered a Level 3 measurement.

5. Segment information

The Company conducts its business through two major operating business segments. Gas operations include the exploration, development, production and transportation of natural gas and other hydrocarbons, and these activities are carried out in two operating segments - Tanzania ("Mnazi Bay Concession") and Mozambique ("Rovuma Onshore Block"). The Corporate segment activities include investment income, interest expense, financing related expenses, share based compensation relating to corporate activities and general corporate expenditures. Inter-segment transfers of products, which are accounted for at market value, are eliminated on consolidation.

Internal management reporting is used to monitor operations on the basis of operational business segments and associated projects. Reporting on operational results and financial reporting of key financial indicators to senior management is on a continuous basis. The Company's highest operative decision maker is the Managing Director, with the support of the executive management team and in some cases the Board of Directors. The Managing Director in conjunction with the Board of Directors assesses the Company's financial position and business activity based on the operational commitments and prospects of the business. This approach has been applied consistently in the current and prior period.

Net income/(loss) for the year ended December 31, 2014

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	**1,060**	**-**	**-**	**1,060**
Production and operating	**(2,592)**	**-**	**-**	**(2,592)**
General and administrative	**(3,702)**	**(558)**	**(2,566)**	**(6,826)**
Depreciation and depletion	**(379)**	**-**	**(163)**	**(542)**
Reversal of impairment losses on non-financial assets	**23,805**	**-**	**-**	**23,805**
Other	**4,001**	**(3)**	**(3,626)**	**372**
Total segment expense	**21,133**	**(561)**	**(6,355)**	**14,217**
Net income/(loss)	**22,193**	**(561)**	**(6,355)**	**15,277**

Selected balances at December 31, 2014

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Segment current assets	**18,880**	**2,029**	**3,139**	**24,048**
Long-term receivables	**19,472**	**-**	**-**	**19,472**
Exploration and evaluation assets	**7,935**	**25,827**	**-**	**33,762**
Property, plant and equipment assets	**84,900**	**-**	**135**	**85,035**
Segment current liabilities	**6,712**	**1,309**	**183**	**8,204**
Segment non-current liabilities	**8,771**	**-**	**-**	**8,771**

Selected Cash Flows for the year ended December 31, 2014

Net additions to exploration and evaluation assets	**7,862**	**15,007**	**-**	**22,869**
Net additions to property, plant and equipment assets	**3,482**	**-**	**51**	**3,533**

Notes to consolidated financial statements
continued

Net (loss) for the year ended December 31, 2013

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	955	-	-	955
Production and operating	(1,656)	-	-	(1,656)
General and administrative	(3,062)	(695)	(4,174)	(7,931)
Depreciation and depletion	(312)	-	(139)	(451)
Gain on derivative financial liability	-	-	610	610
Other income	(316)	(10)	(1,190)	(1,516)
Total segment expense	(5,346)	(705)	(4,893)	(10,944)
Net (loss)	(4,391)	(705)	(4,893)	(9,989)

Selected balances at December 31, 2013

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Segment current assets	6,218	2,874	32,762	41,854
Long-term receivable	28,661	-	-	28,661
Exploration and evaluation assets	39,817	10,819	-	50,636
Property, plant and equipment assets	18,251	-	247	18,498
Segment current liabilities	2,136	332	1,019	3,487
Segment non-current liabilities	3,521	-	3,816	7,337

Selected Cash Flows for the year ended December 31, 2013

Net additions to exploration and evaluation assets	4,064	1,981	-	6,045
Net additions to property, plant and equipment assets	882	-	93	975

6. Long-term receivables

	Balance at December 31, 2014	Balance at December 31, 2013
TPDC receivable (i)	**28,914**	24,128
Tanzanian government receivable (Umoja/power) (ii)	**5,088**	5,191
	34,002	29,319
Current portion		
TPDC receivable (i)	**14,530**	658
Long-term portion		
TPDC receivable (i)	**14,384**	23,470
Tanzanian government receivable (Umoja/power) (ii)	**5,088**	5,191
	19,472	28,661

The new government owned Mtwara to Dar es Salaam gas pipeline is expected to be commissioned in Q2 2015. The current portion of the TPDC receivable as at December 31, 2014 includes recovery of the receivable from nine months of anticipated revenue from the sale of natural gas to the new pipeline.

i) TPDC receivable

On June 30, 2009, the Company and TPDC entered into a Joint Operating Agreement ("JOA") related to the Mnazi Bay Concession in Tanzania. Under the terms of the JOA, TPDC has a 20% participating interest share in the Mnazi Bay Development Area production and will pay the Company for 20% of past costs incurred in respect of the Mnazi Bay Concession from TPDC's share of future production. In addition, the TPDC's share of costs incurred subsequent to June 30, 2009, which are paid by the Company, will be recovered by the Company from TPDC's share of future production. This receivable is subject to an interest charge of one (1) month term LIBOR plus 2% per annum. This receivable from TPDC is considered a financial instrument and initially recorded at fair value based on discounted cash flows and at each reporting date it is revalued and amortized by accreting the instrument over the expected life of the receivable. The accretion over the expected term of the asset is based on future expected cash flows from the Mnazi Bay Concession and the accretion included in finance income.

As at December 31, 2014, the undiscounted receivable from TPDC is $33,518 ($35,015 at December 31, 2013).

Notes to consolidated financial statements
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6. Long-term receivables (continued)

	TPDC receivable
Balance at December 31, 2012	23,808
Accretion	4,885
Change in accounting estimates	(4,264)
Retained gas revenue to offset receivable	(794)
Share of TPDC Mnazi Bay Concession costs paid by the Company	493
Balance at December 31, 2013	24,128
Accretion	**5,321**
Change in accounting estimates	**(900)**
Retained gas revenue to offset receivable	**(882)**
Share of TPDC Mnazi Bay Concession costs paid by the Company	**1,247**
Balance at December 31, 2014	**28,914**

ii) Tanzanian government receivable (Umoja/power)

As at December 31, 2014 the undiscounted Tanzanian government receivable (Umoja/power) is $6,511 (December 31, 2013 - $6,511).

	Tanzanian government receivable
Balance at December 31, 2012	5,807
Discount	(616)
Balance at December 31, 2013	5,191
Accretion	**493**
Change in accounting estimates	**(596)**
Balance at December 31, 2014	**5,088**

The Company has an agreement with the Government of Tanzania (TANESCO, TPDC and the MEM) to be reimbursed for all of the project development costs associated with transmission and distribution ("T&D") expenditures at cost. An audit of the Mtwara Energy Project ("MEP") development expenditures was completed in November 2012 and costs of approximately $8,121 were verified to be reimbursable. Management is working with the Government of Tanzania to agree on a reimbursement method for the T&D costs. Settlement of the $6,511 will be made which is inclusive of $8,121 verified costs and Tariff Equalization Fund and VAT input credits associated with the MEP which total $1,610 at December 31, 2014. On December 31, 2013, the verified T&D costs, inclusive of the credits, were reclassified from current to long-term and discounted to reflect the anticipated delay in timing of collections. This receivable is considered a financial instrument and initially recorded at fair value based on discounted cash flows and at each reporting date it is revalued and amortized by accreting the instrument over the expected life of the receivable.

7. Exploration and evaluation assets ("E&E")

	Exploration and evaluation assets
Cost	
Balance at December 31, 2012	108,706
Additions	6,045
Disposal of assets[1]	(1,403)
Balance at December 31, 2013	113,348
Additions	22,869
Transferred to PP&E [2]	(53,127)
Elimination of impaired assets[3]	(49,328)
Balance at December 31, 2014	**33,762**
Accumulated impairment	
Balance at December 31, 2012	**(64,115)**
Disposal of assets[1]	**1,403**
Balance at December 31, 2013	**(62,712)**
Reversal of impairment loss[3]	**13,384**
Elimination of impaired assets[3]	**49,328**
Balance at December 31, 2014	-
Carrying amounts	
December 31, 2013	50,636
December 31, 2014	**33,762**

[1]During 2013 the Company dispose/d of fully impaired assets, which were no longer in use, relating to operations in Mozambique and Tanzania for $nil proceeds.

[2]During 2014 the Company transferred E&E assets of $53,127 to PP&E which included the cost associated with three existing wells and field infrastructure within the Mnazi Bay Concession in Tanzania which will be utilized in the production of discovered natural gas.

[3]During the years 2008 and 2009, management determined that the carrying amounts of the Tanzanian and Mozambique gas E&E assets exceeded their fair value which resulted in the Company recording a non-cash impairment loss of $62,712.

At December 31, 2014, there were indicators of impairment reversals for the Company's Tanzanian CGU, where previous contingent resources were classified as reserves by the Company's independent reserve evaluators. In 2014, a market for the Company's discovered natural gas has evolved to an advanced stage of certainty in Tanzania. The Company signed a long-term gas sales agreement in September 2014 to deliver

Notes to consolidated financial statements
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natural gas to a government owned transnational pipeline at a fixed price of $3.00/MMBtu escalating annually at US CPI. Accordingly, at December 31, 2014, the Company tested this Tanzanian CGU for reversal of impairment of both its E&E and PP&E assets. The recoverable amount of the Tanzanian CGU is estimated to be in excess of the net book value of PP&E for the CGU after the impairment reversal and reclassification of E&E to PP&E. The recoverable amount was estimated using a fair value less cost to sell calculation based on expected future cash flows generated from proved and probable reserves using an after-tax discount rate of 15%, based on the independent external reserves report dated December 31, 2014. The assessment resulted in previously recognized write-downs of these E&E assets of $13,384 being reversed and included as a separate item in net earnings.

The Company also eliminated the cost and associated accumulated impairment of $49,328 relating to assets that have no future value.

8. Property, plant and equipment ("PP&E")

	Natural gas properties	Office and other equipment	Total
Cost			
Balance at December 31, 2012	93,812	6,754	100,566
Additions	882	93	975
Disposal of assets[1]	(1,438)	(5,961)	(7,399)
Balance at December 31, 2013	93,256	886	94,142
Additions	3,482	51	3,533
Transferred from E&E [2]	53,127	-	53,127
Elimination of impaired assets[3]	(61,740)	-	(61,740)
Disposal of assets[4]	(123)	(448)	(571)
Balance at December 31, 2014	**88,002**	**489**	**88,491**
Accumulated depreciation, depletion and impairment			
Balance at December 31, 2012	(76,131)	(6,461)	(82,592)
Depreciation and depletion	(312)	(139)	(451)
Disposal of assets[1]	1,438	5,961	7,399
Balance at December 31, 2013	(75,005)	(639)	(75,644)
Depreciation and depletion	**(379)**	**(163)**	**(542)**
Reversal of impairment loss[3]	**10,421**	**-**	**10,421**
Elimination of impaired assets[3]	**61,740**	**-**	**61,740**
Disposal of assets[4]	**121**	**448**	**569**
Balance at December 31, 2014	**(3,102)**	**(354)**	**(3,456)**
Carrying amounts			
December 31, 2013	18,251	247	18,498
December 31, 2014	**84,900**	**135**	**85,035**

[1]During 2013 the Company disposed of fully impaired assets, which were no longer in use, relating to operations in Mozambique and Tanzania for $nil proceeds.

[2]During 2014 the Company transferred to PP&E natural gas properties E&E assets of $53,127 which included the cost associated with three existing wells and field infrastructure within the Mnazi Bay Concession in Tanzania which will be utilized in the production of discovered natural gas.

[3]During the years 2008 and 2009, management determined that the carrying amounts of the Tanzanian and Mozambique gas PP&E assets exceeded their fair value which resulted in the Company recording a non-cash impairment loss of $72,161.

[4]At December 31, 2014, there were indicators of impairment reversals for the Company's Tanzanian CGU, where previous contingent resources were classified as reserves by the Company's independent reserve evaluators. In 2014, a market of the Company's discovered natural gas has evolved to an advanced stage of certainty in Tanzania. The Company signed a long-term gas sales agreement in September 2014 to deliver natural gas to a government owned transnational pipeline at a fixed price of $3.00/mmbtu escalating annually at US CPI. Accordingly, at December 31, 2014, the Company tested this Tanzanian CGU for reversal of impairment of both its E&E and PP&E assets. The recoverable amount of the Tanzanian CGU is estimated to be in excess of the net book value of PP&E for the CGU after the impairment reversal. The recoverable amount was estimated using a fair value less cost to sell calculation based on expected future cash flows generated from proved and probable reserves using an after-tax discount rate of 15%, based on the independent external reserves report dated December 31, 2014. The assessment resulted in previously recognized write-downs of these PP&E assets of $10,421 being reversed, net of depletion, and included as a separate item in net earnings.

The Company also eliminated the cost and associated accumulated impairment of $61,740 relating to assets that have no future value.

[5] During 2014 the Company disposed of office assets having a net book value of $2 for net proceeds of $62.

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9. Decommissioning provision

The Company's decommissioning obligations result from net ownership interests in petroleum and natural gas assets including well sites, pipeline gathering systems, and processing facilities in Tanzania. At December 31, 2012, the Company estimates the total undiscounted inflation-adjusted amount of cash flow required to settle its decommissioning obligations to be approximately $7,451. The costs are expected to be incurred in the period between 2030 and 2031. The decommissioning obligations have been estimated using existing technology at current prices and discounted using discount rates that reflect current market assessments of the time value of money and the risks specific to each liability. A credit adjusted risk free rate of 14.2% (2013 – 14.2%) was used to calculate the fair value of the decommissioning obligations.

A reconciliation of the decommissioning obligations is provided below:

	2014	2013
Balance at January 1	**685**	600
Accretion	**97**	85
Balance at December 31	**782**	685

10. Long-term loans

(i) Credit facilities from Tanzania based banks ("Tanzanian Bank Facilities")

On December 8, 2014, Wentworth Gas Limited ("WGL"), a subsidiary of the Company, entered into two long-term credit facilities: a) a $20,000 loan to finance field infrastructure development within the Mnazi Bay Concession in Tanzania and b) a $6,000 loan to repay an existing medium-term loan.

The two loan facilities have similar commercial terms. Each loan is forty eight months in duration commencing on the first draw down date and bears interest of 6 months LIBOR rate plus 750 basis points subject to a minimum (floor) of 8% p.a. and a maximum (ceiling) of 9.5% p.a. Principal repayments are made following the grace period of twelve months after the first draw down date and are payable in six semi–annual equal installments in arrears. Security is in the form of a debenture creating first ranking charge over all the assets of the WGL (assets of WGL include a 25.4% participation interest in the Mnazi Bay Concession), assignment over the TPDC long term receivable and assignment of revenues generated from the Mnazi Bay Concession.

At year end, no amount was drawn on the $20,000 loan facility and the full amount was drawn on the $6,000 loan facility.

Principal balance at January 1, 2014	-
Drawdown of loan facility	**6,000**
Principal balance at December 31, 2014	**6,000**
Financing cost – transaction costs	**(285)**
Accretion	**3**
Net financing costs at December 31, 2014	**(282)**
Carrying amount at December 31, 2014 – long-term	**5,718**

During the year ended December 31, 2014, the Company incurred interest expense of $28.

At December 31, 2014, the carrying amount of the loan facilities approximates their fair value as the loan's effective interest rate approximates market rates. The loan facilities have no external financial covenants.

(ii) Loan from Vitol Energy (Bermuda) Limited ("Vitol")

On June 19, 2013, Vitol Energy (Bermuda) Limited, a Vitol Group company ("Vitol"), extended Wentworth Gas (Jersey) Limited ("WGJL"), a subsidiary of the Company, a long-term loan facility of $10,000 that was scheduled to mature on December 31, 2017. The loan bore interest of 6% per annum with interest only payments prior to maturity. The loan was secured with the entire share capital of WGJL. Assets of WGJL include a 25.4% participation interest in the Mnazi Bay Concession. In connection with executing the loan facility, Vitol was issued 5,000,000 share purchase warrants for the services provided pursuant to the financing arrangement. The fair value of the warrants on the date of the grant was recorded as financing cost.

Principal balance at January 1, 2013	-
Drawdown of loan facility	10,000
Repayment of loan facility	(4,000)
Principal balance at December 31, 2013	6,000
Repayment of loan facility	**(6,000)**
Principal balance at December 31, 2014	-
Financing cost – transaction costs	(113)
Financing cost – fair value of warrants (Note 11)	(2,288)
Accretion	217
Net financing costs at December 31, 2013	(2,184)
Accretion	**2,184**
Net financing costs at December 31, 2014	-

Notes to consolidated financial statements
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On December 12, 2014 the outstanding principle loan amounting to $6,000 was repaid in full and the security released. The balance of deferred financing costs of $2,184 was expensed at the time of repayment.

During the year ended December 31, 2014, the Company incurred interest expense on the loan from Vitol of $2,525 (2013 - $436) of which $2,184 (2013 – $217) related to the accretion of deferred financing costs. A total of $341 (2013 - $219) was settled in cash during the period.

11. Contingent long-term liability

	2014	2013
Balance at January 1	**2,836**	2,782
Accretion	**228**	220
Change in accounting estimate	**68**	(166)
Balance at December 31	**3,132**	2,836
Current portion – included in trade and other payables	**861**	-
Long-term portion	**2,271**	2,836

As a result of an asset purchase and sale transaction in 2012, the Company may be obliged to make payments with a face value of $3,394 should certain future natural gas production thresholds from Mnazi Bay Concession be reached. The contingent long-term liabilities were initially recognized at the fair values and the carrying values at year end approximate the fair value.

12. Warrants

The Company issued 5,000,000 warrants in relation to the long-term loan from Vitol. The warrants were a derivative financial liability and recorded at fair value at each reporting date from the grant date until such time the warrant exercise price was fixed on October 25, 2013. The fair value of the warrants on October 25, 2013 was recorded in equity. The fair value of the warrants on the grant date of June 19, 2013 was $2,288 and was included as a financing cost of the long-term loan.

The following table summarizes fair value of the derivative financial liability:

Fair value at grant date of June 19, 2013	2,288
Change in value during 2013 recorded in the statement of operations	(610)
Fair value at October 25, 2013	1,678
Reclassified to equity reserve	(1,678)
Balance at December 31, 2013	-

A summary of the warrant balances are as follows:

	Number of Warrants	**Exercise Price US$/Warrant**
Issued on June 19, 2013	5,000,000	0.648
Outstanding at December 31, 2013 and 2014	5,000,000	0.648

The warrants expire on December 31, 2015.

13. Finance income and finance costs

	Year ended December 31,	
	2014	2013
Finance income		
Accretion – TPDC receivable (Note 6)	**5,321**	4,885
Accretion – Tanzanian government receivable (Note 6)	**493**	-
Interest income	**100**	85
Change in estimates – long-term contingent liability	**-**	166
Foreign exchange revaluation – long-term loan	**-**	130
	5,914	5,266

	Year ended December 31,	
	2014	2013
Finance costs		
Change in estimates – TPDC receivable (Note 6)	**(900)**	(4,264)
Change in estimates – Tanzanian government receivable (Note 6)	**(596)**	-
Change in estimates – long-term contingent liability	**(68)**	-
Accretion – long-term contingent liability	**(228)**	(220)
Discount of Tanzanian government receivable	**-**	(616)
Interest expense and deferred financing costs – Vitol loan (Note 10)	**(2,525)**	(436)
Interest expense – Tanzanian bank facilities	**(28)**	(342)
Accretion – decommissioning provision	**(97)**	(85)
Foreign exchange loss	**(70)**	(457)
	(4,512)	(6,420)

14. Share based payments

Options granted pursuant to the Company's Share Option Plan (the "Plan") must be exercised no later than ten years from date of grant or such lesser period as determined by the Board of Directors. The exercise price of an option is not less than the closing price on the Oslo Bors on the last trading day preceding the grant date. The maximum number of Plan share options that may be reserved for issuance under the Plan is 10% of the number of Common Shares outstanding on a non-dilutive basis. Options vest over the length of services as follows: 1/3 after one year, 1/3 after two years, and 1/3 after three years.

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14. Share based payments (continued)

Movement in the number of share options outstanding and their related weighted average exercise prices are summarized as follows:

	2014		2013	
	Number of options	Weighted average exercise price (US$) (i)	Number of options	Weighted average exercise price (US$)
Outstanding at January 1	**6,450,000**	**0.68**	6,600,000	0.67
Granted	**3,750,000**	**0.69**	600,000	0.75
Forfeited	**-**	**-**	(331,667)	0.69
Exercised	**(250,000)**	**0.48**	(418,333)	0.63
Outstanding at December 31	**9,950,000**	**0.61**	6,450,000	0.68

The following table summarizes share options outstanding and exercisable at December 31, 2014:

		Outstanding		Exercisable
Exercise Price (NOK)	Exercise Price (US$) [i]	Number of options	Weighted average remaining life (years)	Number of options
3.15	**0.42**	**1,000,000**	**5.8**	**1,000,000**
3.52	**0.47**	**500,000**	**7.0**	**333,333**
3.60	**0.48**	**2,400,000**	**5.8**	**2,400,000**
4.08	**0.55**	**250,000**	**8.3**	**83,334**
4.64	**0.62**	**150,000**	**9.4**	**-**
4.70	**0.63**	**200,000**	**9.4**	**-**
4.90	**0.66**	**350,000**	**7.7**	**183,333**
5.18	**0.70**	**3,500,000**	**9.2**	**33,334**
5.75	**0.77**	**1,600,000**	**6.3**	**1,600,000**
		9,950,000	**7.4**	**5,633,334**

[i] The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at December 31, 2014 is 0.13418.

The following table summarizes share options outstanding and exercisable at December 31, 2013:

		Outstanding		Exercisable
Exercise Price (NOK)	Exercise Price (US$) [i]	Number of options	Weighted average remaining life (years)	Number of options
3.15	0.51	1,000,000	6.8	1,000,000
3.52	0.57	500,000	8.0	166,666
3.60	0.58	2,650,000	6.8	2,650,000
4.08	0.66	250,000	9.3	-
4.90	0.79	350,000	8.7	66,667
5.18	0.84	100,000	9.5	-
5.75	0.93	1,600,000	7.3	1,066,667
		6,450,000	7.2	4,950,000

[ii]The exercise prices and weighted average exercise prices for the share options are denominated in NOK. The US dollar equivalent amounts are converted at the NOK/US dollar exchange rate as at December 31, 2013 of 1 NOK = 0.16209 US dollar.

Share based payment charge

The following table indicates weighted average grant date fair value and the assumptions used in the determination of the fair value of options granted during the year:

	2014	2013
Grant date fair value per option (US$)	**0.53**	0.53
Expected annual interest rate (%)	**1**	1
Expected volatility (%)	**72**	75
Expected life (in years)	**6**	6
Expected forfeiture rate (%)	**8**	8
Expected dividends (US$)	**Nil**	Nil

During the year ended December 31, 2014 a total of $1,090 (2013 - $362) in share based compensation was expensed with an offsetting charge to equity reserve.

15. Share capital

A. Authorised share capital

Unlimited number of common voting shares without nominal or par value.
Unlimited number of non-voting preferred shares to be issued in series, without nominal or par value.

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B. Issued common shares

2014

i. In connection with the stock option plan, on June 16, 2014 the Company issued 250,000 common shares of no par value at an exercise price of NOK 3.60 (US$0.60) per share.

2013

i. In connection with the stock option plan, on May 16, 2013 the Company issued 85,000 common shares of no par value at an exercise price of NOK 4.90 (US$0.84) per share.

ii. On October 25, 2013, the Company closed a private placement issuing 61,696,024 new common shares for cash consideration of GBP 0.40 (US$0.648, NOK 3.82) per share for total gross proceeds of GBP 24.68 million (US$40 million, NOK 235.78 million).

iii. On November 28, 2013, the Company closed a subsequent offering issuing 9,254,403 new common shares for cash consideration of NOK 3.82 (US$0.627) per share for total gross proceeds of NOK 35.4 million ($5.8 million).

iv. Expenses incurred in relation to the (ii) private placement and (iii) subsequent offering were $3,877.

v. In connection with the stock option plan, on December 2, 2013 the Company issued 333,333 common shares of no par value at an exercise price of NOK 3.60 (US$0.59) per share.

16. Income/(Loss) per share

Basic and diluted income/(loss) per share

The calculation of income/(loss) per share for the year ended December 31, 2014 is based on income attributable to shareholders of the Company of $15,277 (2013 – (loss) $9,989).

Share options were dilutive for the year ended December 31, 2014 and were anti-dilutive for the year ended December 31, 2013. The calculation of diluted earnings per share was based on a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. For the year ended December 31, 2013, 1,025,303 options were excluded from the diluted weighted average number of ordinary shares as their effect would have been anti-dilutive.

	Year ended December 31,	
	2014	2013
Weighted average number of shares outstanding	**154,011,741**	94,238,385
Dilutive weighted average number of shares outstanding	**154,861,935**	94,238,385

17. Income taxes

The Company has not recognized deferred income tax assets in respect of deductible temporary differences and unused tax losses of:

	2014	2013
Non-capital losses	**61,740**	66,345
Property and equipment	**398**	355
Share issue costs	**688**	936
Asset retirement obligations	**235**	206
	63,061	67,842

The tax pools associated with non-capital losses are $262,700 (2013 – $244,200) of which $73,100 (2013 - $70,600) are in Canada, $176,500 (2013 - $151,900) are in Tanzania, and $13,100 (2013 - $21,700) are in Mozambique.

The unrecognized non-capital losses in Canada expire in the years 2015 – 2034, in Tanzania they have an indefinite life and in Mozambique they expire in the years 2015 – 2019.

The Company's income tax expense for the year end December 31 is as follows:

	2014	2013
Income/(loss) before income taxes	**15,277**	(9,989)
Expected income tax (recovery) expense at combined Canadian federal and provincial rate of 25.0% (2013 – 25.0%)	**3,819**	(2,497)
Rate differentials	**1,791**	319
Financial derivative liability and share based compensation	**272**	(62)
Movement in deferred tax assets not recognized for tax and other	**(5,882)**	2,240
Income taxes expense	**-**	-

The Company operates in multiple jurisdictions with complex tax laws and regulations, which are evolving over time. The Company has taken certain tax positions in its tax filings and these filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax impact may differ significantly from that estimated and recorded by management.

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18. Related party transactions

Details of transactions between the Company and other related parties are disclosed below.

The Company incurred the following expenses in respect of Directors:

	For the year ended December 31,	
	2014	2013
Directors fees	**340**	370
Share based compensation	**446**	159
	786	529

The Company incurred the following expenses in respect of key management personnel:

	For the year ended December 31,	
	2014	2013
Salaries and benefits	**1,383**	1,505
Share based compensation	**644**	165
	2,027	1,670

19. Supplemental cash flow information

Non-cash working capital components

	For the year ended December 31,	
	2014	2013
Net change in non-cash working capital related to operating activities:		
Trade and other receivables	**(767)**	546
Prepayments, deposits and advances to partners	**1,098**	354
Trade and other payables	**(1,423)**	388
	(1,092)	1,288
Net change in non-cash working capital related to investing activities:		
Trade and other receivables	**1,059**	4,167
Trade and other payables	**3,395**	(2,209)
	4,454	1,958

20. Commitments

i. Lease payments

The Company has office locations in Canada and Tanzania. The future minimum lease payments associated with these office premises as at December 31, 2014 are as follows:

Total future minimum lease payments	
2015	240
2016	214
2017	56
	510

ii. Oil and gas concession commitments

The Company holds an 11.59% participation interest (13.64% paying interest during exploration phases) in the Exploration and Production Concession Contract ("EPCC") for the Rovuma Onshore Block in Mozambique which was signed on April 18, 2007. As at December 31, 2014 operations are in the third exploration phase of the EPCC which expires on August 31, 2015. During this period the work program commitment includes the drilling of one exploration well with a minimum expenditure of gross $16,000 (net $2.128 to Wentworth), a guarantee of which has been provided to the government by the operator of the Rovuma Onshore Block. Drilling of the one exploration well, Kifaru-1, commenced on January 13, 2015.

21. Contingencies

On July 4, 2014 the Tanzanian Revenue Agency (TRA) issued tax assessment certificates totaling Tsh7,016 million comprised of Tsh3,533 million ($2,077 at the December 31, 2014 exchange rate of 1Tsh=0.000588 US$) of alleged unpaid payroll taxes and withholding taxes on imported services and certain accounting transactions plus late penalty interest totaling Tsh3,483 million ($2,048) for the period 2008-2012.

On November 18, 2014, the TRA accepted the Company's objection to a withholding on certain accounting transactions and a tax liability of Tsh1,133 million ($666), inclusive of late penalty interest, was waived.

In 2014, the Company has recorded a liability Tsh478 million ($281), inclusive of late penalty interest, which has been included in production and operating expense where the source of the tax basis was initially recorded.

The Company continues to communicate and provide clarification on the remaining assessed amount of Tsh5,405 million ($3,178) inclusive of interest charges of Tsh3,006 million ($1,768). The Company believes it has a strong case against the remaining assessed amount and accordingly has not recorded a provision at December 31, 2014. A date has not yet been set by the Tax Revenue Appeals Board to hear the tax appeals.

Statement of corporate governance

As a Canadian corporation registered under Alberta corporate law, with its primary listing on the Oslo Børs ("OSE"), Wentworth Resources Limited ("Wentworth" or the "Corporation") is subject to the rules of the OSE, including its continuing obligations for listed companies. According to those rules, the Corporation is required to publish a statement on the Corporation's principles for corporate governance in accordance with Section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance of October 30, 2014 (the "Code of Practice"). According to section 1 of the Code of Practice, the Corporation must provide a corporate governance statement in the Management Discussion & Analysis ("MD&A") being the Director's Report, or in a document that is referred to in the MD&A. The Code of Practice is available at www.nues.no.

Pursuant to the admission of the Corporation's Common Shares for trading on AIM Market of the London Stock Exchange ("AIM") on October 25, 2011, the Corporation is subject to the AIM Rules for Companies. The Board considers it appropriate to comply with the Corporate Governance Guidelines for Smaller Quoted Companies (the "QCA Code") (published by the Quoted Companies Alliance, from time to time) to the extent that it is practical to do so, given the nature and current size of the Corporation. The QCA Code states that companies that wish to demonstrate good corporate governance are advised to publish an annual statement detailing their approach to corporate governance. The Corporation is not required to comply with the AIM listing rules which require companies to implement a higher level of corporate governance reporting than QCA Code. The QCA Code is available at www.theqca.com.

Canadian National Policy 58-201 - *Corporate Governance Guidelines* provides guidance on corporate governance practices for Canadian legal entities. These guidelines, while not mandatory, deal with the constitution of Board of Directors and board committees, their functions, their independence from management and other means of addressing corporate governance practices. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") mandates that an issuer must disclose, on an annual basis, its approach to corporate governance with reference to the form prescribed by NI 58-101. Although the Corporation is not an issuer, the Corporation is choosing to comply with the Canadian guidance and the Corporation's corporate governance practices, in Form 58-101F1, is attached as Schedule "A" to the Information Circular dated May 12, 2014, which has been prepared in connection with the Annual Meeting of the Shareholders and is available on the Corporation's website. Canadian National Policy 58-201 is available at www.albertasecurities.com

This report will explain the Corporation's compliance with the Code of Practice, including any deviations hereto. The numbering below corresponds with the relevant sections in the Code of Practice.

1. Implementation and reporting on corporate governance

Wentworth has adopted the Norwegian Code of Practice for Corporate Governance dated 30 October 2014 (the "Code of Practice").

Wentworth shall be characterized by high ethical standards and sound corporate governance. The Corporation has adopted a Code of Ethics and Business Conduct which is designed to provide guidance on the conduct of the Corporation's business in accordance with all applicable laws, rules and regulations and with the highest ethical standards and integrity.

The Code of Ethics and Business Conduct applies to all directors, officers, employees and consultants ("Personnel") of the Corporation and its subsidiaries. Personnel are each responsible for being aware of, understanding and complying with the Code of Ethics and Business Conduct when making business decisions. Personnel must promptly report any problems or concerns and any actual or potential violation of the Code of Ethics and Business Conduct. To do otherwise, will be viewed as condoning a violation.

Failure to comply with the Code of Ethics and Business Conduct will be considered by the Corporation to be a very serious matter. Depending on the nature and severity of the violation, disciplinary action may be taken by the Corporation, up to and including termination.

Wentworth's Code of Ethics and Business Conduct is available on the Corporation's website at www.wentworthresources.com.

2. Business

Please refer to the Management Discussion and Analysis for the year ended December 31, 2014 for a description of the Corporation's objectives and principal strategies.

Deviations from the Code of Practice: As is customary for companies registered under Alberta corporate laws, the Corporation's business is not defined in its Articles of Incorporation or By-Laws, other than a statement in its Articles of Incorporation that the Corporation's business is not restricted.

Wentworth's Articles of Incorporation and By-laws are available on the Corporation's website.

3. Equity and dividends

Please refer to the 2014 audited financial statements for a description of the Corporation's equity. The Board considers the Corporation's equity level as satisfactory given the Corporation's expressed goals, strategy and risk profile.

Deviations *from the Code of Practice*: As the Corporation is in the early stage of its operations, it does not have a formal dividend policy. No dividends have ever been declared or paid by the Corporation. There are no restrictions on dividend distributions.

There are no outstanding authorizations from the general meeting to the Board to increase the Corporation's share capital or purchase its own shares. However, as is customary for Alberta registered companies, the Board may issue shares out of the Corporation's authorized, but non-issued shares.

4. Equal treatment of shareholders and transactions with close associates

The Corporation is based on a principle of equal treatment of all shareholders. The Corporation has only one class of issued shares, being common shares, and each share entitles the holder to one vote at the Annual Meeting. The Corporation's Articles of Incorporation and By-Laws contain no restrictions regarding the right to vote.

Deviations from the Code of Practice: As is customary for Alberta registered companies, the Corporation's shares do not give the shareholders any pre-emptive rights in the event of share issues. The Board reviews all share issues on a case by case basis to ensure equitable treatment of all shareholders.

The Board's Terms of Reference and the Corporation's Code of Ethics and Business Conduct establish procedures regarding the disclosure by Directors and executive personnel of interests in material transactions, and abstention from voting by that Director. The Board's Terms of Reference set out the role and responsibility of the Board of Directors. The Board's Terms of Reference is available on the Corporation's website.

The Board has established procedures with respect to the approval of material transactions with related parties including shareholders, directors, executive personnel and close associates of any such party. For more information about related party transactions, please refer to the notes to the consolidated financial statements for 2014.

5. Freely negotiable shares

The Corporation's shares are listed on the OSE and AIM and are freely negotiable.

6. General meetings

Under Alberta corporate laws, a corporation's Annual Meeting must be held not later than 15 months after holding the last preceding Annual Meeting. During 2014, the Corporation's Annual Meeting was held in June at which the calendar year 2013 audited consolidated financial statements were tabled.

The Corporation encourages as many shareholders as possible to exercise their rights by participating in the general meetings of the Corporation. No later than 21 days prior to the date of the Annual Meeting, the shareholders receive a detailed notice, proxy and supporting information on the resolutions to be considered at the Annual Meeting. The Board of Directors will ensure that the resolutions and supporting information is sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered in the meeting. The documents are also made available on the Corporation's website no later than 21 days prior to the date of the Annual Meeting. Shareholders do not have to give notice of their intention to attend the Annual Meeting. The Corporation strives to have members of the Board and the Nomination Committee and the auditors present at the Annual Meeting.

Shareholders who are unable to attend can vote by proxy. The Corporation will provide information on the procedure for representation through a proxy and will, to the extent possible, prepare a form for the appointment of a proxy which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

Deviations from the Code of Practice: In accordance with Wentworth's By-laws, the Executive Chairman of the Board of Directors chairs the Annual Meeting and does not make arrangements for an independent chairman. The reason for this deviation is that the Corporation has found this more practical and that Wentworth wishes to ensure that Annual Meeting is chaired by a competent person having proper insight in Wentworth's overall operations.

7. Nomination committee

The Corporation's Governance & Nomination Committee consists of three members, including the Executive Chairman of the Board, who is also a Director, the Deputy Chairman, who is also a Director and one independent Director. The Committee establishes criteria for the Board and committee membership, makes recommendations with respect to the composition of the Board and its committees, and recommends the remuneration to be paid to the members of the Board and committees. As circumstances arise, the Committee also assesses Directors' performance. The Corporation's Governance & Nomination Committee should have contact with shareholders, the Board and the Corporation's executive personnel as part of its work on proposing candidates for election to the Board. Shareholders who wish to propose new board members may do so by following the procedures that are documented on the Corporation's website at www.wentworthresources.com. The Governance & Nomination Committee justifies its recommendations. The Governance & Nomination Committee Charter is available on the Corporation's website at www.wentworthresources.com.

Deviations from the Code of Practice: The Corporation's Governance & Nomination Committee is organized as a Board committee appointed by the Board and it is not an independent committee elected by the shareholders. The provisions in the Corporation's By-Laws addressing the establishment of Committees provide that the Board of Director can create Committees and not excluding a Governance & Nomination Committee. While not compliant with the Code of Practice, this is in line with common practice for Alberta registered companies. Further, the Board is of the view that it is in the best interests of the Corporation and its shareholders that the members of the Governance & Nomination Committee be composed exclusively of members of the Board because of their expertise and familiarity with the affairs of the Corporation.

Statement of corporate governance
continued

8. Board of directors; composition and independence
According to Wentworth's Articles of Incorporation, the Board of Directors shall have from two to ten directors. The Board is currently composed of five directors who are elected for one year terms, or until their successors are duly elected or appointed. The five current directors were elected at the Annual Meeting held on June 10, 2014. According the Corporation's By-Laws, the Board may between Annual Meetings, appoint one or more additional directors to serve until the next Annual Meetings, provided that after such appointment the total number of directors would not be greater than one-third times the number of directors elected at the last Annual Meeting nor greater than the maximum number of ten. A brief presentation of each of the Directors can be found on the Corporation's website. The composition of the Board as a whole represents sufficient diversity of background and expertise to help ensure that the Board carries out its work in a satisfactory manner. The Board members have wide experience from both the oil and gas industry as well as broad financial experience. The Corporation is of the opinion that the composition of its Board of Directors ensures that the Board can attend to the common interests of all shareholders and meets the Corporation's need for expertise, capacity and diversity. It can also function effectively as a collegiate body.

Information on Directors participation in board meetings and any matters which may have an impact on their competence or independence is disclosed in the Corporation's management information circular for the Annual Meeting.

The composition of the Board is in compliance with the independence requirement as at least two of the Directors elected by the shareholders are independent of the executive management, of material business contacts and of the Corporation's larger shareholders. Members of the Board are encouraged to own shares in the Corporation. Currently four Board members, directly or indirectly own Wentworth shares.

Deviations from the Code of Practice: One of the Directors is also member of the Corporation's executive management, being Mr. Robert P. McBean, Executive Chairman. The Executive Chairman is appointed by the Board and is not elected at the Annual Meeting. It is customary for Alberta registered companies to have members of executive management on their boards and to have them appointed by the Board. The Corporation's Audit Committee and Compensation Committee are independent.

9. The work of the board of directors
The Board has approved Terms of Reference and a Mandate for the Board, both of which include provisions for the annual preparation of a strategic plan for the Corporation. The Board has also approved standing agendas that outline a number of topics that are to be on the agendas for regular meetings. Both documents address significant matters where the Executive Chairman is involved, and the procedure for a different Director to lead the discussions. The Terms of Reference and Mandate is available on the Corporation's website at www.wentworthresources.com.

The Board is responsible for the stewardship of the Corporation and is responsible for the governance and management of the Corporation's affairs.

The Board has established four board committees, including an Audit Committee, Compensation Committee, Governance & Nomination Committee and Reserves Committee. The Audit Committee is made up entirely of members who are independent of the Corporation's executive management. A primary role of each committee is to review certain specific matters in detail, and then to make recommendations to the Board. The final decisions are made by the Board. The Board has set out the roles and responsibilities for each committee of the Board.

The Board evaluates its performance and effectiveness annually.

10. Risk management and internal control
The Corporation is of the opinion that it has sound internal controls and systems for risk management that are appropriate in relation to the extent and the nature of the Corporation's activities. The Board is responsible for ensuring that the Corporation has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Corporation's activities. The overall purpose of the Audit Committee is to review and report on the integrity of the consolidated financial statements of the Corporation and to monitor the Corporation's internal control arrangements and its risk evaluation systems. The Board regularly reviews the Corporation's most important areas of exposure to risk and initiatives to manage those risks, and its internal control arrangements.

Contained in the MD&A and 2014 consolidated financial statements, the Board provides an account of the main features of the Corporation's internal control and risk management systems as they relate to the Corporation's financial reporting.

The Corporation has also established a Reporting of Violations Policy that covers all instances of misconduct including illegal or unethical behavior, fraudulent activities and violation of the Corporation's policies with respect to the Code of Ethics and Business Conduct and accounting, internal accounting controls, or auditing matters. The Corporation has engaged a third party provider, Grant Thornton LLP, to oversee and manage the process of receiving, analyzing, monitoring, compiling information and reporting to management and the Audit Committee all complaints received by the Corporation in respect to this policy. The Reporting of Violations Policy is available on the Corporation's website at www.wentworthresources.com.

11. Remuneration of the board of directors

The remuneration of the Directors reflects the Board's responsibility, expertise, time commitment and the complexity of the Corporation's activities. None of the Directors have a pension scheme, or agreements regarding pay after termination of their duties in the Corporation.

Information on all remuneration paid to the each of the Directors will be disclosed in the Corporation's management information circular for the Annual Meeting. This information includes board fees, salaries paid by the Corporation and stock options granted in 2014. The chairs and members of each committee do not receive any additional compensation.

Save for the members of the Board of Directors who are also part of the Corporation's executive management, directors (and/or companies with which they are associated) do not take specific assignments for the Corporation in addition to their appointment as Director of the Board. In the event that such assignments are taken on either by members of the Board of Directors who are also part of the Corporation's executive management, or others members, this is disclosed to the Board in full and the remuneration for such additional duties is approved by the Board.

Deviations from the Code of Practice: As is customary for Alberta registered companies, the remuneration of the Board is reviewed and assessed by the Compensation Committee and set by the Board, not by shareholders at the Annual Meeting. The Directors of the Board have been and may in the future be granted stock options in the Corporation. It is customary for Alberta registered companies to provide stock options to Directors.

12. Remuneration of the executive management

The Compensation Committee recommends approval to the full Board of the compensation of the senior executive management, and grants of stock options to individuals.

The Compensation Committee has prepared guidelines for the remuneration of senior executive management, which set out the main principles applied in determining the salary and other remuneration of senior executive management. Information on the guidelines for the remuneration of the members of the senior executive management and information on all elements of the remuneration of the executive chairman and each member of the senior executive management team are disclosed in the management proxy circular prepared for the Annual Meeting. The management proxy circular is a separate appendix to the agenda of the general meeting. It is also clear in the circular which aspects of the guidelines are advisory and which, if any, are binding. The general meeting should vote separately on each of these aspects of the guidelines.

The Corporation's Stock Option Plan was approved by the Board in 2005, and an amendment of that Plan was approved in 2008. A second amendment was approved in 2011. The granting of options to the senior executive management is tied to the Corporation's performance and is granted at the discretion of the Board. The purpose of the Plan is to incentivize the senior executive management to contribute to the future success and prosperity of the Corporation over time, thus enhancing the value of the Common Shares for the benefit of all shareholders. The relevant details of the Plan are disclosed in the management information circular prepared for the Annual Meeting.

Deviations from the Code of Practice: The Corporation does not have established absolute limits on performance based compensation but rather the Compensation Committee determines remuneration based on industry norms.

13. Information and communications

The Board of Directors has established guidelines for the Corporation's reporting of financial and other information in the Audit Committee Charter and the Disclosure Policy for fulfilling its oversight responsibility to the shareholders.

All important information about the Corporation is published on a continuous basis and based on openness and equal treatment of shareholders. Announcements are released through the NASDAQ OMX reporting channel and in addition to the Corporation's website, they are also posted on the OSE and AIM websites. The Corporation's website also offers subscription to the Corporation's press release service.

On its website, the Corporation publishes a Financial Calendar which is an overview of the dates for publication of its interim and annual reports and the Annual Meeting.

14. Take-overs

The Board concurs with the principles for equal treatment of all shareholders, and will strive to ensure that complete information is provided in all situations affecting the shareholders' interests. The Corporation will follow the law in respect of take-overs and the Board will aim to act in accordance with the relevant principles of the Code of Practice. In the event of a bid situation, the Board will not seek to hinder or obstruct take-over bids for the Corporation's activities or shares unless there are particular reasons to do so. In these situations, the Board will not pass any resolutions with the intention of obstruction the take-over bid.

The Board is responsible for ensuring that the shareholders have sufficient information to consider a bid and where appropriate will obtain a valuation by an independent expert. The Board will evaluate the bid, and will make a statement that includes an evaluation of the bid and a recommendation as to whether an offer should be accepted by the shareholders.

The Board will convene the general meeting in the event a transaction is in effect a disposal of the Corporation's activities.

15. Auditor

The Corporation's external auditor, currently KPMG LLP for calendar year 2014, is appointed by resolution of the shareholders at the Annual Meeting held on June 10, 2014. The Corporation's auditor participates in meetings of the Audit Committee that deal with the financial accounts, and upon special request, the auditor presents to the Audit Committee a plan for the audit activities of the Corporation for their approval. KPMG LLP obtains an understanding of internal controls relevant to the annual consolidated financial statement audit and

Statement of corporate governance
continued

reports weaknesses and proposals for improvement to the Audit Committee.
The Board's Audit Committee handles all reports from the external auditor before they are discussed by the Board. The Audit Committee has opportunities for at every meeting with the external auditor, and for in camera sessions during those meetings at which the members of the executive management are not present.

All non-audit work is required to be submitted to the Audit Committee for its approval prior to the commencement of work.

The remuneration paid to the auditor, including details of any fees paid for other specific assignments, is reported at the Corporation's annual information circular.

Deviations from the Code of Practice: The Board currently does not hold an annual meeting with the external auditor at which members of the executive management are not present although the Board has the ability to request an in-camera meeting with the external auditors at any time.

Corporate information

Board of Directors
Robert P. McBean [234]
Executive Chairman

John W.S. Bentley[123]
Deputy Chairman

Cameron Barton [13]
Non-executive Director

Neil B. Kelly [124]
Non-executive Director

Richard Schmitt [4]
Non-executive Director

1 Member of the Audit Committee
2 Member of the Compensation Committee
3 Member of the Governance and Nomination Committee
4 Member of the Reserves Committee

Corporate officers
Robert P. McBean
Executive Chairman

Geoffrey P. Bury
Managing Director

Lance Mierendorf
Chief Financial Officer

Heather L. Jones
Corporate Secretary

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Annual Meeting
Wentworth Resources Limited
Annual and Special Meeting
Tuesday, June 23, 2015
In Oslo, Norway

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Chartered Accountants
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