



Wentworth Resources Limited
Condensed Consolidated Interim
Financial Statements

For the second quarter and six months ended June 30, 2015
Unaudited

WENTWORTH RESOURCES LIMITED

Unaudited Condensed Consolidated Interim Statement of Financial Position

United States \$000s, unless otherwise stated

	Note	June 30, 2015	December 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents	13	2,224	5,487
Trade and other receivables		1,576	2,613
Prepayments, deposits and advances to partners		426	1,418
Current portion of long-term receivables	5	16,369	14,530
		<u>20,595</u>	<u>24,048</u>
Non-current assets			
Long-term receivables	5	20,647	19,472
Exploration and evaluation assets	6	43,052	33,762
Property, plant and equipment	7	94,502	85,035
		<u>158,201</u>	<u>138,269</u>
Total assets		<u>178,796</u>	<u>162,317</u>
LIABILITIES			
Current liabilities			
Trade and other payables		13,825	8,204
Current portion of long-term loans	8	1,000	-
		<u>14,825</u>	<u>8,204</u>
Non-current liabilities			
Long-term loans	8	19,597	5,718
Contingent liability		2,175	2,271
Decommissioning provision		927	782
		<u>22,699</u>	<u>8,771</u>
EQUITY			
Share capital		404,225	404,225
Equity reserve		25,374	24,916
Accumulated deficit		(288,327)	(283,799)
		<u>141,272</u>	<u>145,342</u>
Total liabilities and equity		<u>178,796</u>	<u>162,317</u>

Going concern (Note 2)

Private placement offering (Note 13)

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

Approved by the Board of Directors and Management

Robert P. McBean
Chairman of the Board

John W.S. Bentley
Deputy Chairman

Cameron Barton
Non-Executive Director

Neil Kelly
Non-Executive Director

Richard Schmitt
Non-Executive Director

Geoff Bury
Managing Director

WENTWORTH RESOURCES LIMITED

Unaudited Condensed Consolidated Interim Statement of Comprehensive Loss

United States \$000s, unless otherwise stated

		Quarter ended		Six months ended	
		June 30,		June 30,	
	Note	2015	2014	2015	2014
Total revenue		292	253	564	489
Operating expenses					
Production and operating	12	(1,389)	(800)	(1,893)	(1,172)
General and administrative		(1,356)	(1,490)	(2,853)	(3,299)
Share based compensation	10	(152)	(323)	(458)	(477)
Depreciation and depletion	7	(122)	(156)	(228)	(291)
Gain from sale of office assets		-	32	-	55
Loss from operating activities		(2,727)	(2,484)	(4,868)	(4,695)
Finance income	9	1,387	1,411	2,694	3,051
Finance costs	9	(472)	(282)	(2,354)	(556)
Net loss and comprehensive loss		(1,812)	(1,355)	(4,528)	(2,200)
Net loss per ordinary share					
Basic and diluted (US\$/share)	11	(0.01)	(0.01)	(0.03)	(0.01)

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

WENTWORTH RESOURCES LIMITED

Unaudited Condensed Consolidated Interim Statement of Changes in Equity

United States \$000s, unless otherwise stated

	Note	Number of shares	Share capital \$	Equity reserve \$	Accumulated deficit \$	Total equity \$
Balance at December 31, 2013		153,872,700	403,998	23,903	(299,076)	128,825
Net loss and comprehensive loss		-	-	-	(2,200)	(2,200)
Share based compensation	10	-	-	477	-	477
Issue of share capital		250,000	227	(77)	-	150
Balance at June 30, 2014		<u>154,122,700</u>	<u>404,225</u>	<u>24,303</u>	<u>(301,276)</u>	<u>127,252</u>
Balance at December 31, 2014		154,122,700	404,225	24,916	(283,799)	145,342
Net loss and comprehensive loss		-	-	-	(4,528)	(4,528)
Share based compensation	10	-	-	458	-	458
Balance at June 30, 2015		<u>154,122,700</u>	<u>404,225</u>	<u>25,374</u>	<u>(288,327)</u>	<u>141,272</u>

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

WENTWORTH RESOURCES LIMITED

Unaudited Condensed Consolidated Interim Statement of Cash Flows

United States \$000s, unless otherwise stated

	Note	Quarter ended June 30, 2015	Quarter ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Operating activities					
Net loss for the period		(1,812)	(1,355)	(4,528)	(2,200)
Adjustments for:					
Share based compensation	10	152	323	458	477
Depreciation and depletion	7	122	156	228	291
Finance loss, net		(915)	(1,129)	(340)	(2,495)
Gain from sale of assets		-	(32)	-	(55)
Change in non-cash working capital		2,448	(3,898)	2,378	(3,916)
Cash used in operating activities		(5)	(5,935)	(1,804)	(7,898)
Investing activities					
Additions to evaluation and exploration assets	6	(2,306)	(3,690)	(9,290)	(8,471)
Additions to property, plant and equipment	7	(7,042)	(295)	(9,612)	(776)
Net (increase)/reduction of long-term receivable		(1,411)	91	(1,953)	192
Conversion of term deposits to cash		-	8,838	-	19,163
Interest income		-	35	-	75
Change in non-cash working capital		4,437	-	4,799	-
Cash (used in)/provided by investing activities		(6,322)	4,979	(16,056)	10,183
Financing activities					
Issue of share capital		-	150	-	150
Proceeds from long-term loans	8	4,359	-	14,839	-
Interest paid		(242)	(89)	(242)	(178)
Proceeds from sale of office assets		-	32	-	55
Cash provided by financing activities		4,117	93	14,597	27
Net change in cash and cash equivalents		(2,210)	(863)	(3,263)	2,312
Cash and cash equivalents, beginning of the period		4,434	17,676	5,487	14,501
Cash and cash equivalents, end of the period		2,224	16,813	2,224	16,813

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

WENTWORTH RESOURCES LIMITED

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

1. Nature of business

Wentworth Resources Limited (“Wentworth” or the “Company”) is an East Africa-focused upstream oil and natural gas company. These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries (collectively referred to as “Wentworth Group of Companies” or the “Group”). The Company is actively involved in oil and gas exploration, development and production operations. 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 future exploration and development programs. 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 June 30, 2015, the Company has cash and cash equivalents of \$2,224 and \$5,161 available to draw on an existing credit facility. On July 1, 2015, the Company completed a private placement issuing new share capital for gross proceeds of \$7,639. These funds will be used to meet exploration, development, and production operations and corporate activities prior to the commissioning of the new Mtwara to Dar es Salaam gas pipeline in Tanzania which is expected during Q3 2015. In addition, the Company continues to work with the government electric utility company, Tanzania Electricity Supply Company Limited (“TANESCO”) on settling long outstanding receivable balances. Should additional exploration and development activity take place prior to generating sufficient cash flow from gas sales to the new pipeline in Tanzania or should the receipt of cash flow from the sales of natural gas to the new government pipeline be delayed beyond Q4 2015, additional funding 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 condensed consolidated interim financial statements have been prepared by management in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2014.

WENTWORTH RESOURCES LIMITED

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

3. Summary of accounting policies (continued)

The condensed consolidated interim financial statements have been prepared following the same accounting policies as the annual audited consolidated financial statements for the year ended December 31, 2014 and should be read in conjunction with the annual audited consolidated financial statements and the notes thereto.

These condensed consolidated interim financial statements were approved by the Board of Directors on August 12, 2015. The disclosures provided below are incremental to those included in the annual consolidated financial statements.

Recent accounting pronouncements

The following standards and amendments applicable to the Company are issued 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, 2018
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
IFRS 9	Financial Instruments	January 1, 2018
IAS 27 (Amendments)	Equity Method in Separate Financial Statements	January 1, 2016
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016

The Company intends to adopt these amendment to IFRS interpretation in its financial statements for the annual period beginning on January 1, 2016. The Company does not expect the interpretation amendments to have a material impact on the financial statements.

Credit risk

Wentworth's maximum credit risk is equal to the carrying value of its cash and cash equivalents, 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.

At June 30, 2015, an undiscounted long-term receivable of \$36,221 is due from Tanzania Petroleum Development Company ("TPDC"), which is a partner in the Mnazi Bay Concession. The Company currently receives, directly from the operator of the Mnazi Bay Concession, a significant portion of TPDC's and the government's share of gas sales from the Mnazi Bay Concession to reduce the receivable from TPDC. 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 may be made.

At June 30, 2015, an undiscounted long-term 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. On February 6, 2012, the Company, TANESCO, TPDC and the Ministry of Energy and Minerals ("MEM") reached an 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.

WENTWORTH RESOURCES LIMITED

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

3. Summary of accounting policies (continued)

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 rate, 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 assets or liabilities that are not based on observable market data.

The Company's long-term receivables, long-term loans and other long-term liabilities are considered Level 2 measurements. The Company does not have any fair value measurements considered as Level 3.

4. Segment information

Net loss for the quarter ended June 30, 2015

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	292	-	-	292
Production and operating	(1,389)	-	-	(1,389)
General and administrative	(646)	(103)	(607)	(1,356)
Depreciation and depletion	(77)	-	(45)	(122)
Other	940	-	(177)	761
Total segment	(1,172)	(103)	(829)	(2,104)
Net loss	(880)	(103)	(829)	(1,812)

Selected Cash Flows for the quarter ended June 30, 2015

Net additions to exploration and evaluation assets	2	2,304	-	2,306
Net additions to property, plant and equipment assets	7,013	-	29	7,042

WENTWORTH RESOURCES LIMITED

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

4. Segment information (continued)

Net income/(loss) for the quarter ended June 30, 2014

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	253	-	-	253
Production and operating	(800)	-	-	(800)
General and administrative	(588)	(162)	(740)	(1,490)
Depreciation and depletion	(114)	-	(42)	(156)
Other	1,313	(2)	(473)	838
Total segment	(189)	(164)	(1,255)	(1,608)
Net income/(loss)	64	(164)	(1,255)	(1,355)

Selected Cash Flows for the quarter ended June 30, 2014

Net additions to exploration and evaluation assets	86	3,604	-	3,690
Net additions to property, plant and equipment assets	267	-	28	295

Net loss for the six months ended June 30, 2015

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	564	-	-	564
Production and operating	(1,893)	-	-	(1,893)
General and administrative	(1,376)	(217)	(1,260)	(2,853)
Depreciation and depletion	(143)	-	(85)	(228)
Other	276	-	(394)	(118)
Total	(3,136)	(217)	(1,739)	(5,092)
Net loss	(2,572)	(217)	(1,739)	(4,528)

Selected balances at June 30, 2015

Current assets	19,746	166	683	20,595
Long-term receivables	20,647	-	-	20,647
Exploration and evaluation assets	8,086	34,966	-	43,052
Property, plant and equipment assets	94,421	-	81	94,502
Current liabilities	11,725	2,760	340	14,825
Non-current liabilities	22,699	-	-	22,699

Selected Cash Flows for the six months June 30, 2015

Net additions to exploration and evaluation assets	151	9,139	-	9,290
Net additions to property, plant and equipment assets	9,581	-	31	9,612

WENTWORTH RESOURCES LIMITED

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

4. Segment information (continued)

Net income/(loss) for the six months ended June 30, 2014

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	489	-	-	489
Production and operating	(1,172)	-	-	(1,172)
General and administrative	(1,250)	(328)	(1,721)	(3,299)
Depreciation and depletion	(212)	-	(79)	(291)
Other	2,891	(4)	(814)	2,073
Total segment	257	(332)	(2,614)	(2,689)
Net income/(loss)	746	(332)	(2,614)	(2,200)

Selected balances at June 30, 2014

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Segment current assets	8,960	1,877	20,532	31,369
Long-term receivables	26,640	-	-	26,640
Exploration and evaluation assets	44,289	14,818	-	59,107
Property, plant and equipment assets	18,778	-	205	18,983
Segment current liabilities	516	51	918	1,485
Segment non-current liabilities	3,682	-	3,680	7,362

Selected Cash Flows for the six months ended June 30, 2014

Net additions to exploration and evaluation assets	4,472	3,999	-	8,471
Net additions to property, plant and equipment assets	739	-	37	776

5. Long-term receivables

	Balance at June 30, 2015	Balance at December 31, 2014
TPDC receivable (i)	31,827	28,914
Tanzanian government receivable (Transmission & Distribution) (ii)	5,189	5,088
	37,016	34,002
Current portion		
TPDC receivable (i)	16,369	14,530
Long-term portion		
TPDC receivable (i)	15,458	14,384
Tanzanian government receivable (Transmission & Distribution) (ii)	5,189	5,088
	20,647	19,472

WENTWORTH RESOURCES LIMITED

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

5. Long-term receivables (continued)

The new government owned Mtwara to Dar es Salaam gas pipeline is expected to be completed and commissioned in Q3 2015. The current portion of TPDC receivable as at June 30, 2015 represents those amounts that are expected to be collected within the next twelve months.

i) TPDC receivable

As at June 30, 2015, the undiscounted receivable from TPDC is \$36,221 (\$33,518 at December 31, 2014).

Balance at December 31, 2014	28,914
Accretion	2,355
Change in accounting estimates	(1,395)
Payments received	(469)
Share of TPDC Mnazi Bay Concession costs paid by the Company	2,422
Balance at June 30, 2015	31,827

ii) Tanzanian government receivable

As at June 30, 2015 the undiscounted Tanzanian government receivable is \$6,511 (December 31, 2014 - \$6,511).

Balance at December 31, 2014	5,088
Accretion	238
Change in accounting estimates	(137)
Balance at June 30, 2015	5,189

These receivables are considered financial instruments and are initially recorded at fair value based on discounted cash flows and at each reporting date are accreted using the effective interest method over the expected life of the receivable.

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

Cost

Balance at December 31, 2014	33,762
Additions	9,290
Balance at June 30, 2015	43,052

Carrying amounts

December 31, 2014	33,762
June 30, 2015	43,052

WENTWORTH RESOURCES LIMITED

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

7. Property, plant and equipment (“PP&E”)

	Natural gas properties	Office and other equipment	Total
Cost			
Balance at December 31, 2014	88,002	489	88,491
Additions (i)	9,664	31	9,695
Balance at June 30, 2015	97,666	520	98,186
Accumulated depreciation and depletion			
Balance at December 31, 2014	(3,102)	(354)	(3,456)
Depreciation and depletion	(143)	(85)	(228)
Balance at June 30, 2015	(3,245)	(439)	(3,684)
Carrying amounts			
December 31, 2014	84,900	135	85,035
June 30, 2015	94,421	81	94,502

(i) Additions totalling \$83 (2014 - \$nil) relate to the decommissioning obligation for existing PP&E assets.

8. Long-term loans

Credit facilities from Tanzania based banks

Total credit facilities	26,000
Undrawn balance of credit facilities at June 30, 2015	5,161
Principal balance drawn on credit facilities at December 31, 2014	6,000
Drawn during the period	14,839
Principal balance drawn on credit facilities at June 30, 2015	20,839
Carrying amount of long-term loans at June 30, 2015	20,597
Current	1,000
Non-current	19,597
	20,597

During the quarter and six months ended June 30, 2015, the Company incurred interest expense, inclusive of the accretion of financing costs, of \$366 and \$606 respectively (2014 - \$Nil) on credit facilities from Tanzania based banks. A total of \$242 was settled in cash during the Q2 2015 (\$Nil during Q1 2015).

At June 30, 2015, the carrying amount of the credit facilities approximates its fair value as the loan's effective interest rate approximates market rates.

WENTWORTH RESOURCES LIMITED

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

9. Finance income and finance costs

	Quarter ended		Six months ended	
	2015	June 30, 2014	2015	June 30, 2014
Finance income				
Accretion - TPDC receivable (Note 5)	1,271	1,253	2,355	2,726
Accretion – Tanzanian government receivable (Note 5)	116	123	238	246
Change in estimates – contingent liability	-	-	101	-
Interest income	-	35	-	75
Foreign exchange gain	-	-	-	4
	1,387	1,411	2,694	3,051
Finance costs				
Change in estimates – TPDC receivable (Note 5)	-	-	(1,395)	-
Change in estimates – Tanzanian government receivable (Note 5)	-	-	(137)	-
Interest expense – Tanzania based banks	(366)	-	(606)	-
Interest expense – Vitol loan	-	(199)	-	(396)
Accretion – contingent liability	(61)	(56)	(122)	(112)
Accretion – decommissioning provision	(34)	(24)	(61)	(48)
Foreign exchange loss	(11)	(3)	(33)	-
	(472)	(282)	(2,354)	(556)

10. Share based payments

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

	Number of options	Weighted average exercise price at June 30, 2015
Outstanding at December 31, 2014 and June 30, 2015	9,950,000	0.58

The following table summarizes share options outstanding and exercisable at June 30, 2015:

Exercise Price (NOK)	Exercise Price (US\$) (i)	Outstanding		Exercisable
		Number of options	Weighted average remaining life (years)	Number of options
3.15	0.40	1,000,000	5.3	1,000,000
3.52	0.45	500,000	6.5	500,000
3.60	0.46	2,400,000	5.3	2,400,000
4.08	0.52	250,000	7.8	166,667
4.64	0.59	150,000	8.9	50,000
4.70	0.60	200,000	8.9	66,667
4.90	0.62	350,000	7.1	266,667
5.18	0.66	3,500,000	8.6	1,199,993
5.75	0.73	1,600,000	5.8	1,600,000
		9,950,000	6.9	7,249,994

(1) The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at June 30, 2015 is 0.12670.

WENTWORTH RESOURCES LIMITED

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

10. Share based payments (continued)

The weighted average exercise price of options that have vested and are exercisable at June 30, 2015 is US\$0.55 (NOK 4.34).

Share based payment charge

No options were granted during the quarter and six months ended June 30, 2015 (2014 - 350,000 and 3,750,000 options were granted during the quarter and six months respectively).

During the quarter and six months ended June 30, 2015 a total of \$152 and \$458 respectively (2014 - \$323 and \$477 respectively) in share based compensation was expensed with an offsetting charge to equity reserve.

11. Loss Income per share

Basic and diluted loss per share

The calculation of loss per share for the quarter and six months ended June 30, 2015 is based on a loss attributable to shareholders of the Company of \$1,812 and \$4,528 respectively (2014 – \$1,355 and \$2,200 respectively). Share options and other equity instruments such as warrants were anti-dilutive for both periods.

	Quarter ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Weighted average number of shares outstanding	154,122,700	153,924,898	154,122,700	153,898,943
Dilutive weighted average number of shares outstanding	154,122,700	153,924,898	154,122,700	153,898,943

12. Tax assessments – Tanzanian operations

i. Gas operations

In 2014 the Tanzanian Revenue Agency (TRA) issued tax assessment certificates totalling Tsh7.02 billion for the period 2008-2012 for alleged unpaid payroll taxes and withholding taxes on imported services, certain accounting transactions and late penalty interest. At December 31, 2014, the Company accrued an estimate of the tax liability of Tsh478 million (equivalent to \$0.28 million at the December 31, 2014 exchange rate of 1Tsh=0.00058 US\$) which management determined was likely due and payable. The amount was recorded as production and operating cost.

On June 18, 2015, the TRA issued amended tax assessment certificates indicating a total liability of Tsh 282 million (equivalent to \$0.14 million at the June 30, 2015 exchange rate of 1Tsh=0.00049 US\$), inclusive of late penalty interest. As a result, the Company recorded a credit adjustment, inclusive of a foreign exchange gain, of Tsh196 million (\$0.14 million) during Q2 2015 reducing the accrued liability to the agreed tax liability.

12. Tax assessments – Tanzanian operations (continued)

ii. Discontinued transmission and distribution operations

During the second quarter of 2015 the TRA conducted a tax audit for the period 2009–2012 on a discontinued, dissolved subsidiary of the Company. The TRA has issued a notification to the Company that tax assessment certificates will be issued for Tsh 1.46 billion (equivalent to \$0.74 million at the June 30, 2015 exchange rate of 1Tsh=0.00049 US\$) for alleged unpaid withholding taxes and payroll taxes inclusive of penalty interest and Tsh 1.21 billion (equivalent to \$0.61 million at the June 30, 2015 exchange rate of 1Tsh=0.00049 US\$) for alleged unpaid VAT inclusive of accrued penalty interest.

A liability for estimated withholding and payroll taxes, plus late interest charges, of Tsh1.46 billion (equivalent to \$0.74 million) has been recorded as production and operating cost in the financial statements during Q2 2015.

The Company believes it has a strong case against the VAT tax issues raised and accordingly has not recorded a provision at June 30, 2015.

13. Subsequent event

Private placement offering

On July 1, 2015, the Company completed a private placement and issued 15,412,269 new common shares, for cash consideration of \$0.50 (GBP0.32 or NOK3.88) per share for total gross proceeds of \$7.639 million (GBP4.9 million or NOK59.7 million). Following the private placement offering the Company had 169,534,969 common shares outstanding.



KPMG LLP
205 - 5th Avenue SW
Suite 3100, Bow Valley Square 2
Calgary AB
T2P 4B9

Telephone (403) 691-8000
Fax (403) 691-8008
www.kpmg.ca

Independent Auditors' Report on Review of Interim Financial Statements

To the shareholders of Wentworth Resources Ltd.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Wentworth Resources Ltd. as at June 30, 2015, the condensed consolidated interim statements of comprehensive loss and cash flows for the three and six-month periods ended June 30, 2015 and 2014, changes in equity for the six-month periods ended June 30, 2015 and 2014, and notes to the condensed consolidated interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at June 30, 2015, are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2 in the condensed consolidated interim financial statements, which describes that there is no certainty that Wentworth Resources Limited will be able to obtain the financing required to meet its ongoing commitments for exploration and development programs. This condition, as described in Note 2, indicates the existence of a material uncertainty that may cast significant doubt about Wentworth Resources Limited's ability to continue as a going concern.

KPMG LLP

Chartered Accountants

August 12, 2015
Calgary, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

KPMG Confidential