WENTWORTH
RESOURCES LIMITED

Annual Report 2013

Exploration and Gas Monetisation in East Africa

Wentworth Resources Limited is an independent energy company with gas production and a committed oil and gas exploration programme in the Rovuma Basin of southern Tanzania and northern Mozambique. The Company and its concession partners are exploring over 14,000km^2 of the prolific Rovuma Basin. Wentworth Resources and its partners own two producing natural gas fields; a gas processing plant; a gas receiving plant; and a 27km pipeline system. Wentworth Resources is publicly-traded on the Oslo Stock Exchange (OSX: WRL) and the Alternative Investment Market of the London Stock Exchange (AIM: WRL).

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Executive Chairman’s message

2013 has been an extremely significant and rewarding year in the development of Wentworth and the company is now in a very strong position both from a financial and resource perspective. Near the end of 2013 Wentworth successfully completed an equity raise of US $46 million at 40p (3.82 NOK) per share on both the London AIM and Oslo Exchanges. This raise has put the company in an enviable position with a fully funded 2014 East Africa exploration program.

The following is a summary of the past years operational activities and what your company is looking forward to in 2014 and beyond.

Mnazi Bay Concession, Tanzania

Exploration and Development
Wentworth and its partners completed the acquisition and processing of a 248km 3D offshore seismic program and is currently completing a 330km onshore 2D seismic program. Interpretation of the current program is estimated to be completed during Q3 2014.

To date the company has four wells ready for production and has identified six additional drillable prospects within the concession. Once the current 2D seismic program is complete, it is expected that the drilling of one exploration and one development well will possibly commence during Q4 2014.

Production
The Mnazi Bay to Dar es Salaam 36” pipeline is currently under construction and making good progress. Wentworth expects and is planning to deliver first gas into the pipeline early in the first quarter of 2015. The initial delivery rate from the Mnazi Bay concession will be 80mmcf/day and, upon completion of a planned development program, will rise to the contract volume of 130mmcf/day. Wentworth has a net 31.94% working interest in the PSA.

Wentworth and its partners are currently finalizing a Gas Sales Agreement with TPDC where all commercial issues have been agreed and final signature is expected to occur during Q2 2014.

Cash flow generated from gas sales to the new pipeline in 2015 will fund the ongoing Mnazi Bay exploration and development programs with all future costs that are incurred in the concession being added to the existing cost recovery pools.

Onshore Rovuma, Mozambique

Exploration
The Onshore Rovuma License, where your company holds an 11.59% net participation interest, will see an exciting drilling program in 2014. As reported last year, the company completed the acquisition and interpretation of a 1,016km seismic program. The partners have agreed on two well locations with the first well scheduled to spud around June 1, 2014 and is expected to take 65 days to complete. The second well will follow immediately after and a third optional well will possibly follow with the location to be determined upon the evaluation of the drilling results of the first two wells.

The first well, Tembo 1, is considered both a gas and oil prospect and has a planned depth of 4,000mtrs. This well will test both the Jurassic, which to date has not been tested in the Ruvuma Basin, and the Cretaceous where there has been evidence of oil in two previous wells in the region.

The second well, Kifaru, will target the Tertiary reservoirs similar to those encountered in some of the adjacent offshore discoveries. This well has the added benefit to Wentworth of allowing the company to obtain geological information which can be applied to the Mnazi Bay Tanzania block as it is located immediately south across the Rovuma river and is in a similar geological environment.

The directors and staff of Wentworth is a totally committed group which brings a wide range of knowledge and experience to the company. The benefit derived is hard to quantify, but the success to date in advancing the company to where it is today is a testament in itself. Thank you everyone.

In closing I would like to thank all those who participated in the successful financing in November 2013 and a special welcome to those who are new to the Wentworth investor group.

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For year ended December 31, 2013

2013 HIGHLIGHTS

Corporate

- Successfully completed a Private Placement and significantly oversubscribed Subsequent Offering, issuing a total of 70,950,427 new common shares for gross proceeds of $46 million.
- Secured a new long-term loan facility at 6% interest per annum and no principal repayments due until the loan matures on December 31, 2017. A principal balance of $6.0 million remains outstanding at year end. In conjunction with the new loan facility, the lender was issued 5,000,000 share purchase warrants each exercisable into one common share of the Company at $0.648 per warrant on or before December 31, 2015.

Financial

- Revenues from continuing operations of $0.96 million, up 17% from 2012.
- Net loss of USD 9.99 million compared to a profit of USD 24.94 million in 2012 which includes a gain on sale of oil and gas assets of USD 29.80 million.
- Exploration capital expenditures of $6.05 million compared to $11.25 million in 2012.
- Cash and cash equivalents on hand and short-term deposits at December 31, 2013 totalled $37.68 million compared to $9.35 million on hand at December 31, 2012.
- Working capital at December 31, 2013 of $38.37 million versus $16.61 million at December 31, 2012.

Operational and Geological

Mnazi Bay Block, Tanzania

- Continued consultations with the Government of Tanzania to conclude a Gas Sales Agreement ("GSA") for the supply of natural gas to the Mtwara to Dar es Salaam pipeline, which is under construction and expected to be completed and commissioned during Q1 2015.
- Completed acquisition and processing with interpretation ongoing of 248kms^2 of offshore 3D seismic.
- During the fourth quarter of 2013 commenced the acquisition of a combined 330km conventional and high resolution 2D seismic program.

Rovuma Onshore Block, Mozambique

- Completed the acquisition, processing and interpretation of 1,016km of onshore 2D seismic over the northern section of the Block.
- Commenced pre-drilling planning activities including the procurement of long lead items, site preparation and well planning in advance of the fully funded 2014 exploration drilling campaign.

Resource Assessment

- Results of an independent resource assessment by RPS Energy ("RPS") of the Company's Mozambique and Tanzania assets were announced during Q3 2013. Certain key extracts from RPS' Competent Person's Report ("CPR") follow and the complete updated CPR is available for download on the Company's website at www.wentworthresources.com:

Figures quoted are Wentworth's working interest share	**P90**	**P50**	**Mean**	**P10**
Rovuma Onshore, Mozambique (GAS CASE)				
GIIP	551 Bscf	831 Bscf	901 Bscf	1,340 Bscf
Prospective Resources (Unrisked)[1]	330 Bscf	504 Bscf	550 Bscf	825 Bscf
Rovuma Onshore, Mozambique (OIL CASE)				
GIIP	425 Bscf	594 Bscf	618 Bscf	834 Bscf
OIIP	12 MMstb	88 MMstb	140 MMstb	325 MMstb
Prospective Resources – gas (Unrisked)[1]	254 Bscf	359 Bscf	375 Bscf	513 Bscf
Prospective Resources – oil (Unrisked)[1]	3 MMstb	22 MMstb	32 MMstb	90 MMstb

(1) Stochastic aggregation assuming all prospects are successful. The probability of this occurring is the product of the individual GPoS of all prospects and is extremely small. The individual prospect GPoS estimates are included in the CPR.

RPS considers that the prospects' hydrocarbons are more likely to be gas than oil. However, there is some possibility that the Tembo prospect may contain oil (estimated by RPS to be about 30% - 40%), referred to above as "OIL CASE".

Figures quoted are Wentworth's working interest share	P90	P50	Mean	P10
Mnazi Bay, Tanzania				
GIIP - contingent	117 Bscf	285 Bscf	355 Bscf	676 Bscf
Contingent Resources (Unrisked) (1)(2)	87 Bscf	213 Bscf	266 Bscf	509 Bscf
GIIP - prospective	672 Bscf	958 Bscf	993 Bscf	1,357 Bscf
Prospective Resources (Unrisked) (1)	425 Bscf	614 Bscf	637 Bscf	879 Bscf

(1) Stochastic aggregation assuming all prospects are successful. The probability of this occurring is the product of the individual GPoS of all prospects and is extremely small. The individual prospect GPoS estimates are included in the CPR.
(2) Contingent resource estimates are for raw gas.

Financial and Operating Results

Financial *(Figures $000's, except per share data)*	Year ended **December 2013**	December 2012	Change %
Gas revenue	**955**	820	17
Loss from operating activities	**(9,445)**	20,216	(147)
Net (loss)/income before discontinued operations	**(9,989)**	21,986	(145)
Net income from discontinued operations	**-**	2,957	(100)
Net (loss)/income	**(9,989)**	24,943	(140)
Basic net (loss)/income per share ($ per share)	**(0.11)**	0.31	(135)
Diluted net (loss)/income per share ($ per share)	**(0.11)**	0.29	(138)
Net cash used in operating activities	**7,819**	17,244	55
Capital expenditures	**7,020**	27,301	74

(Figures 000's)	As at year end **December 2013**	December 2012	Change %
Total assets	**$139,649**	$111,713	25
Cash and cash equivalents	**$14,501**	$9,352	55
Short-term investments	**$23,176**	-	100
Long term receivable (including current portion)	**$29,319**	$23,808	23
Long-term loan (principal balance)	**$6,000**	$6,166	(3)
Outstanding shares, options and warrants			
Common shares	**153,873**	82,504	87
Options	6,450	6,600	(2)
Warrants	5,000	-	100

Operating	Year ended **December 2013**	December 2012	Change %
Gas sales (MMBtu) (net to Wentworth)	**178,242**	152,263	*17*
Price per MMBtu	**$5.36**	$5.36	-

Wentworth successfully raised $45.8 million which provided the financing necessary to fulfill planned exploration and operational activities for the remainder of 2013 and 2014 within our East African concessions in Tanzania and Mozambique. Our partners in the onshore Mozambique asset are committed to exploring for oil and gas and the current budget is for the drilling of two high impact exploration wells during 2014. In addition, during Q4 2013 a combination conventional and high resolution 330 km 2D onshore seismic program commenced in the Mnazi Bay Concession over our two discovered natural gas fields and over the prospective southern section where limited seismic data exists. Processing and interpretation of this new seismic data during 2014 is expected to support future appraisal/development and exploration drilling which is anticipated to commence in Q4 2014 or Q1 2015.

Recent world class gas discoveries in the Rovuma Basin of southern Tanzania and northern Mozambique, where the Company's assets are situated, has attracted interest from major international oil and gas companies seeking to invest in a basin projected to become one of the world's main natural gas producing regions. In addition to significant exploration potential, Wentworth has discovered natural gas resources in Tanzania capable, with minor additional field development capital, of immediately delivering gas to the 36" natural gas pipeline extending from Mtwara to Dar es Salaam ("Gas Pipeline Project"). This pipeline is well under construction by a Chinese contractor on behalf of the Tanzanian government and is scheduled to be completed and commissioned during Q1 2015. Wentworth's assets, supplemented by an experienced board and management with a proven track record of successfully implementing large scale downstream petrochemical projects, clearly gives the Company a competitive advantage in a region growing in stature and awareness. The near-term catalyst of finalizing a gas sales agreement to supply gas to the Gas Pipeline Project and successful exploration drilling operations in 2014 could transform the Company into a significant player in the region.

The Company has the funds available to meet its currently planned capital commitments for the year 2014 including acquiring onshore 2D seismic in Tanzania, pre-drilling planning of one exploration or development well in Tanzania and two firm plus one optional exploration well in the Rovuma Onshore Block in Mozambique. Should exploration and development activity take place in addition to the currently planned programs for 2014, additional funding may be necessary.

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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 February 25, 2014. This MD&A should be read in conjunction with the Company's audited annual consolidated financial statements, and notes thereto, for the year ended December 31, 2013. These 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

Exploration

During the Q4 of 2013 acquisition of a combined conventional and high resolution 2D seismic program commenced. The high resolution data acquisition, approximately 55km, is focused on the existing Mnazi Bay and Msimbati gas fields and is expected to be completed during Q1 2014. The remaining approximately 275km of conventional 2D seismic is targeted over the southern and western sections of the Mnazi Bay Concession. The total current cost estimate of the acquisition and processing is $18.6 million of which Wentworth's share is $7.4 million.

Results from the interpretation of the new onshore 2D data, which are anticipated during Q3 2014, combined with results from the ongoing interpretation of the 248km^2 of 3D seismic data over the offshore area of the bloc, and are expected to support future exploration and development drilling operations. Depending on the results of the interpretation, the Mnazi Bay Concession partners plan to establish an exploration drilling campaign as early as Q4 2014 or Q1 2015.

Development

Mtwara to Dar es Salaam Gas Pipeline Project

During 2012 the Governments of China and Tanzania entered into a construction and financing agreement whereby the China National Petroleum Corporation will build a natural gas transmission line ("Gas Pipeline Project") connecting the Company's two discovered Mnazi Bay gas fields to Dar es Salaam, the commercial capital city of Tanzania. The Gas Pipeline Project is projected to cost an estimated $1.2 billion and is being financed by China Exim Bank. The Gas Pipeline Project is approximately 500 km long with a 36" main line and one 24" spur line tying the Songo gas fields into the main pipeline. A government owned gas processing facility is being constructed at Madimba within the Mnazi Bay Concession area near the Company's existing gas facilities and is expected to be capable of processing 210mmscf/day of gas. This is a very significant project for the country and, on completion, will allow the Mnazi Bay Concession partners to transport natural gas to existing and future (currently under construction) large-scale electricity producers, other industrial users and major population centers in Tanzania.

The inauguration of the Gas Pipeline Project and the laying of the foundation stone at the Kinyerezi Gas Receiving Station occurred during 2012. Front end engineering and design activities for both the pipeline and the two central processing facilities took place throughout 2013 while activity accelerated during the second quarter of 2013 with surveying and right of way clearances, both of which are approximately 98% complete. Approximately 95% of the pipe is now in Tanzania with greater than 50% or 270km of the pipe strung, welded and tested on location. Completion of the detailed engineering and design of the Madimba Central Processing Facility ("Madimba CPF") is expected during Q1 2014. Construction of the Madimba CPF commenced during Q4 2013 with site preparation activities including ground leveling, foundation preparation for the Madimba CPF, contractor camp site construction and procurement of project equipment. Initially the Madimba CPF will be designed to process a maximum 210 mmcf/d. The Gas Pipeline Project is well underway, progressing in line with Tanzanian government representations and is scheduled to be completed and commissioned in Q1 2015.

Delivery of first gas from the Mnazi Bay Concession to the pipeline is expected during the first quarter of 2015. Initial gross gas volumes expected to be delivered to the pipeline from the existing Mnazi Bay and Msimbati gas fields are 80mmcf/d, with the potential to increase delivery volumes to 130mmcf/d, subject to available existing contingent gas resources. Deliveries could escalate up to 270mmcf/d within five years from first gas delivery should exploration success occur within the Mnazi Bay Concession. The Company expects its existing four wells, three of which are currently shut-in, are capable of delivering an initial supply of 80mmcf/d of gas, in aggregate.

Following completion of the work-over of three existing shut-in wells during Q3 2012, the Company and its partners have placed significant emphasis on communicating and coordinating with the Tanzanian government, in particular Tanzania Petroleum Development Corporation ("TPDC"), and the third party Chinese construction contractor to determine field requirements including infrastructure, compression, metering and gas specifications including temperature and sulphur content. Project interface meetings are held on a regular basis which provided a forum for communication and issue identification and resolution.

Gas Sales Agreement

The Mnazi Bay Concession partners continue to be engaged with the government of Tanzania on concluding a gas sales agreement to deliver gas to the Gas Pipeline Project. Initially, Wentworth will be one of the main suppliers of gas to the pipeline and one of only three suppliers capable of supplying gas currently in Tanzania. The Government is fully engaged in the process. Complex agreements such as the GSA inevitably take longer to execute in developing countries, especially as our GSA is one of the first such agreements of this nature in Tanzania. Wentworth hesitates to provide a definitive time frame for concluding and signing the GSA. The GSA will include guarantees over the timeliness and security of future gas receivable settlements which is critical for the Company to commit to future exploration and development in Tanzania. Further steps to the finalization of the GSA are in progress including government departmental review. Conclusion and signing of a GSA is anticipated to be the next significant milestone for the Company.

Future Development Capital Expenditures

Upon finalization and execution of the GSA, the Company plans construction and installation of the additional field infrastructure in the Mnazi Bay Concession required to supply gas to the Gas Pipeline Project. The extent of additional development capital and related cost estimates are expected to be defined in conjunction with concluding the GSA. It is currently estimated that the additional field infrastructure will include the tie-in of existing wells plus one future well, two dehydration vessels, pipelines, flow lines and equipment. The total current estimated cost of the additions is $21.0 million of which Wentworth's share is $6.7 million.

In addition to the existing four wells within the Mnazi Bay gas fields, the partners may consider drilling a development well during Q4 2104 and Q1 2015 prior to the commencement of gas delivery to the proposed pipeline. The additional well is expected to provide certainty of the delivery of the minimum contracted volumes during the initial six to twelve months of full operations while production testing and reservoir performance is analyzed and evaluated.

Resource Estimates

During Q3 2013, the Company engaged RPS to re-evaluate the Mnazi Bay Concession prospectivity which resulted in estimated net P_{50} contingent and prospective (unrisked) recoverable resources of 213Bscf and 614Bscf, respectively, from 213Bscf and 778Bscf, previously. The reduced estimate of net prospective resources is predominately due to the results of the onshore Ziwani-1 exploration well drilled in Q2 2012 that failed to encounter commercial quantities of hydrocarbons. The Company anticipates that the ongoing acquisition of onshore 2D seismic during 2014 will help to identify new prospects and high grade existing prospects over this under explored area of the Mnazi Bay Concession.

Figures quoted are net to Wentworth	**P90**	**P50**	**Mean**	**P10**
GIIP (contingent)	117 Bscf	285 Bscf	355 Bscf	676 Bscf
Contingent Resources (Unrisked)[(1)(2)]	87 Bscf	213 Bscf	266 Bscf	509 Bscf
GIIP (prospective)	672 Bscf	958 Bscf	993 Bscf	1,357 Bscf
Prospective Resources (Unrisked)[(1)]	425 Bscf	614 Bscf	637 Bscf	879 Bscf

(1) Stochastic aggregation assuming all prospects are successful. The probability of this occurring is the product of the individual GPoS of all prospects and is extremely small. The individual prospect GPoS estimates are included in the CPR.
(2) Contingent resource estimates are for raw gas.

Participation Interest

The Mnazi Bay Concession covers approximately 756kms^2 and has five wells that have been drilled to date, all encountering hydrocarbons. One well is currently producing approximately 2.0mmcf/d of natural gas which is being delivered to an 18MW gas-fired power plant located in Mtwara, one well has been connected to the production facilities to ensure reliability but is not producing, two wells were completed and shut-in and one well has been plugged and abandoned. Current field production is limited to the gas demand from the 18MW gas-fired power plant. Field operations also encompass natural gas field infrastructure including two gas processing plants and a 27km pipeline. During Q3 2012 the Company increased its participation interest in development and production operations from 25.4% to 31.94%.

At December 31, 2013 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

Acquisition of 1,016kms of 2D seismic data was completed in February 2013 covering the north central and north-eastern portion of the Rovuma Onshore Block which is adjacent to the Mnazi Bay Concession in Tanzania. Processing was completed in Q1 2013 and interpretation of the data was completed in Q3 2013. After interpretation of the available data, seven prospects and a number of leads have been identified within the Miocene, Oligocene, Eocene, Paleocene and Cretaceous formations.

During the second half of 2013, exploration operations under the Rovuma Onshore Block consisted primarily of pre-drilling planning activities including the procurement of long lead items and well

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planning. The Company and its partners have agreed to drill two exploration wells in 2014. Drilling of the first well is expected to commence in May 2014, the Tembo prospect located in the middle of the block. Following completion of drilling of Tembo the drilling rig is planned to immediately mobilize to the Kifaru prospect located in the northeastern section of the block. The partners have secured a drill rig for the planned two well program plus an optional third well. The drilling rig is expected to arrive in a Mozambique port in Q2 and be mobilized to the Tembo site during May.

Drilling of the first well will meet the minimum work obligations of the second phase exploration program, which is due to expire on August 31, 2014. The drilling of the second well will meet work program commitments of the third phase exploration program, which the partners anticipate entering into. The third phase exploration program has been amended to cover 12 months in duration commencing September 1, 2014, but has not yet been committed to.

Resource Estimates

During the third quarter of 2013 the Company engaged RPS to re-evaluate the Rovuma Onshore Block prospectivity under two scenarios: (i) the case where all prospects contain gas; and (ii) the case where the Tembo prospect contains oil and all other prospects contain gas.

Under All Prospects as Gas Scenario
- An increase in net P_{50} prospective (unrisked) gas resources from 154Bscf to 504Bscf, an increase of 227%

RPS estimates a 30% to 40% probability that the Tembo prospect may, if successful, be oil bearing as opposed to gas bearing.

Under Tembo Prospect Oil Scenario
- Tembo prospect identified as potentially oil-bearing and scheduled to be the first prospect to be drilled in Mozambique
- An increase in net P_{50} prospective (unrisked) gas resources from 154Bscf to 359Bscf plus 22MMstb oil

Figures quoted are net to Wentworth	P_{90}	P_{50}	**Mean**	P_{10}
GAS CASE				
GIIP	551 Bscf	831 Bscf	901 Bscf	1,340 Bscf
Prospective Resources (Unrisked)[1]	330 Bscf	504 Bscf	550 Bscf	825 Bscf
OIL CASE				
GIIP	425 Bscf	594 Bscf	618 Bscf	834 Bscf
OIP	12 MMstb	88 MMstb	140 MMstb	325 MMstb
Prospective Resources - gas (Unrisked)[1]	254 Bscf	359 Bscf	375 Bscf	513 Bscf
Prospective Resources - oil (Unrisked)[1]	3 MMstb	22 MMstb	32 MMstb	90 MMstb

[1] Stochastic aggregation assuming all prospects are successful. The probability of this occurring is the product of the individual GPoS of all prospects and is extremely small. The individual prospect GPoS estimates are included in the CPR.

Participation Interest

The Rovuma Onshore Block in northern Mozambique covers approximately 13,500 square kilometers, the majority of which is onshore and encompasses the Rovuma Basin. Two wells have been drilled on the block to date, both of which encountered hydrocarbons. At December 31, 2013 effective participation interests in production operations and exploration operations, respectively, in the Rovuma Onshore Block at 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 throughexploration operations)	15.00	-

Financial and Operating Discussion

Revenue

Revenues represent Wentworth's share of natural gas production generated from the Mnazi Bay Concession in Tanzania. The current market for Mnazi Bay gas is limited to natural gas sales to an 18MW gas-fired power plant in Mtwara, Tanzania. Natural gas is currently produced from a single well and is limited by the demand capacity of the power plant. At full production rates, the four existing wells in the Mnazi Bay Concession are expected to be able to produce a combined total of 80mmcf/d. Actual production of natural gas during the year averaged 1.88mmcf/d (2012 - 1.75mmcf/d) while the gas price remained unchanged at a fixed $5.36/MMBtu. Higher production volumes during year 2013 compared to year 2012 related to the higher demand as a result of lower downtime experienced at the 18MW gas-fired power plant. Revenues have increased 17% in 2013 compared to the same period in 2012 primarily resulting from the Company increasing its participation interest in the Mnazi Bay Concession to 31.94% from 25.40% effective July 2012.

Production and operating expense

Operating expenses are costs associated with the production of natural gas from the Mnazi Bay Concession and include oversight of field infrastructure and operations as well as the cost of the operator's administration and overhead required to manage ongoing operations in Tanzania. Production costs are substantially fixed in nature and are generally consistent from year to year given the existing restricted field production levels. In preparation for delivery of Mnazi Bay gas to the Gas Pipeline Project in Q1 2015 it is anticipated that operating costs will increase in advance of testing and producing the existing wells at unrestricted flow rates into the pipeline. Variable operating costs include such items as maintenance, repairs, equipment testing and allocations of operator overhead. The Company records its share of operating expenses based on the joint interest billing. A total of $1.66 million was incurred during the year 2013 compared to $1.40 million during year 2012, an 18% increase due primarily to the Company increasing its' participation interest in the Mnazi Bay Concession to 31.94% from 25.40% effective July 2012.

General and administrative expense

Total general and administrative expenses for the year 2013 are consistent (1.3% higher) with 2012.

(in $000's)	**December 2013**	Year ended December 2012
Employee salaries and benefits	**2,899**	2,916
Contractors and consultants	**997**	1,197
Travel and accommodation	**922**	801
Professional, legal and advisory	**1,060**	1,222
Office and administration	**1,341**	976
Corporate and public company costs	**712**	717
	7,931	7,829

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, Nomad for our AIM listing).

The Company also considers it essential to maintain a strong presence in Tanzania where the Company has its largest of the two non-operating oil and gas assets and where we expect to generate significant cash flow commencing in 2015. A local presence supports the advancement of key initiatives with our partners and the Tanzanian government, such as negotiations of the GSA, and allows Wentworth to maneuver effectively and efficiently through a challenging and evolving operating environment.

Office and administrative expenses were 37% higher during year 2013 compared to year 2012 due to withholding tax expense in Tanzania of $0.17 million while during 2012 a credit of $0.62 million was recorded relating to a reduction in the onerous office contract provision due to additional anticipated future sublease revenue making the contract less onerous. With the exception of employee compensation and travel, other general and administrative expenses are lower in year 2013 compared to year 2012.

The Company endeavors to be competitive in the market in terms of fixed and discretionary staff compensation. Where practical and possible, third party contractors and consultants are engaged to support Wentworth's activities thereby allowing flexibility in managing the administrative cost structure.

Share based compensation

During the year ended December 31, 2013 the Company recognized $0.36 million (2012 - $0.68 million) as share based compensation expense. During the year 2013 600,000 share options were granted, 418,333 were exercised and 331,667 were forfeited. A total of 6,450,000 stock options were outstanding at December 31, 2013 with 4,950,000 being exercisable with an average exercise price per share of NOK 3.99 ($0.65).

Depreciation and depletion

Depreciation and depletion of $0.45 million (2012 – $0.49 million) was recorded during the year ended December 31, 2013. At December 31, 2013 the net book value of natural gas property, plant and equipment was $18.25 million and the net book value of office assets totalled $0.25 million.

Gain on derivative financial liability

In connection with executing a $10.0 million long-term loan facility with Vitol entered into during Q2 2013, the Company issued 5,000,000 warrants denominated in US dollars and entitling Vitol to receive, on the exercise of each individual warrant, one fully paid common share of the Company at a price US$1.24 per

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warrant. On October 31, 2013 the exercise price of was adjusted to US$0.648 per warrant which is the equivalent to the price per share of the new common shares issued pursuant to the private placement completed on October 25, 2013.

Initially the warrants were accounted for as a derivative financial liability and recorded at fair value at each reporting date until the warrant exercise price was fixed. The fair value of the financial derivative liability on the grant date of June 19, 2013 was $2.29 million which was recorded as a financing cost associated with the Vitol long-term loan facility. At the time the warrant exercise price was fixed, the fair value was determined to be $1.68 million and therefore $0.61 million was recorded as a gain in the income statement and the $1.68 million was charged to equity reserve.

Finance income and costs

A significant majority of the items included in finance income 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 related to the long-term loan from Vitol totalled $0.44 million of which $0.22 million was the cash expense and interest expense related to the long-term loan from TIB totalled $0.34 million (2012 - $0.64).

During the year ended December 31, 2013 non-cash accretion of the TPDC receivable of $4.89 million (2012 - $3.58 million) was recorded in finance income. The Company revised the accounting estimates used to determine the expected amounts and timing of future revenue streams that will be used to repay the TPDC receivable. This resulted in a $4.26 million charge to finance costs during 2013 (2012 - $2.37 million).

The Company determined that discounting of a Tanzanian government receivable (Umoja/power) was necessary to reflect the anticipated delay in receiving a settlement. A charge to the income statement of $0.62 million (2012 – $nil) was recorded during the year.

Short-term investments

Excess cash on hand at December 31, 2013 resulting from the proceeds received from the private placement and repair offering which closed during Q4 2013. The Company has invested these funds with an investment bank in the United Kingdom in various amounts all maturing during 2014 and earning interest between 0.3% and 1.0% per annum. A total of $23.18 million held in term deposits will mature Q2 to Q4 2014.

Receivables from Tanzania Electricity Supply Company Limited ("TANESCO")

During the year 2013, the Company settled discontinued Power Operations segment related receivable of $4,167 (2012 - $1,294) and settled discontinued Power Operations segment related payables of $2,055 (2012 – 41,050). There are no further assets or liability outstanding with respect to the power plant sale transaction of Q1 2012.

The Company's ongoing exposure to receivables from TANESCO is connected with the gas sales from the Mnazi Bay Concession to the power plant located in Mtwara, Tanzania. At December 31, 2013 the Mnazi Bay Concession partners were owed ten months of gas sales, with $1.50 million net owing to Wentworth.

The Company is committed to the growth and development of the energy industry in Tanzania and to working with TANESCO and the government through the difficult financial times they are facing. The Company has received assurances from the new management of TANESCO and from the Ministry of Energy and Mining ("MEM") that, as TANESCO's financial health is restored and strengthened through various initiatives being pursued, all arrears will be cleared. The Company understands that TANESCO is working with the World Bank in efforts to secure loans to settle past obligations. Following these efforts, construction of the Gas Pipeline Project will provide an opportunity for TANESCO to operate less expensively and to meet the increasing demand for electrical power. This is anticipated to help strengthen TANESCO's balance sheet allowing them to return to normal payment terms over time. As a result the Company expects to receive full recovery of current and future receivables from TANESCO.

Long-term receivable - TPDC

The Company has a receivable from TPDC 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 its proportionate share of TPDC's share of Mnazi Bay Concession development and operating costs incurred subsequent to June 30, 2009, the value of which have been added to the TPDC receivable balance. The Company will recover this receivable from the retention of 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, 2013 is $35.02 million. Due to its long-term nature, the TPDC receivable has been discounted to $24.13 million (December 2012 - $23.81 million). The receivable attracts an interest rate of LIBOR plus two percent. The TPDC receivable is initially recorded at fair value. 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 an accelerated recovery of the receivable from anticipated sales to the planned Mtwara to Dar es Salaam gas pipeline in Tanzania, the carrying amount of the TPDC receivable is accreted up to the face value.

Progress on the construction of the Gas Pipeline Project has a significant positive impact on the ultimate recovery of the TPDC receivable as gas sales to the pipeline draws nearer. Internal Company estimates project that the $35.02 million face value of this receivable is expected to be fully recovered within 18 - 24 months from delivery of first gas. At December 31, 2013 the undiscounted face value of the receivable represented approximately 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)

An agreement has been reached with the Government of Tanzania (TANESCO, TPDC and MEM) to reimburse 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 incurred by the Company was completed in November 2012 and costs of approximately $8.12 million were verified. Management is working with the Government of Tanzania to agree on a reimbursement method for the T&D costs and anticipates progress on this issue to be made following conclusion of the GSA to supply Mnazi Bay gas to the Gas Pipeline Project. Settlement of the $8.12 million verified costs will be made inclusive of the remaining credits associated with the MEP which total $1.61 million at December 31, 2013. The undiscounted face value of the Tanzanian government receivable (Umoja/power) at December 31, 2013 is $6.51 million while the discounted value, taking into consideration the anticipated delay in the time of collection, is $5.19 million.

Advances for a partner's share of exploration operations

Following receipt of approval in September 2013 from the Government of Mozambique assigning a 3.71% participate interest in the Rovuma Onshore Block to M&P with effect from 2009, during Q4, 2014 the partners to the Rovuma Onshore Block approved the assignment and the legal documentation was executed. The accumulated balance of $1.94 million representing cumulative cash calls paid by the Company on behalf of the 3.71% participation interest was paid in full to the Company by M&P.

Capital expenditures

During the year ended December, 2013 capital spending totaling $7.02 million was primarily funding the completion of an offshore 3D seismic program and commencement of the acquisition of a new 330km onshore 2D seismic program, both in Tanzania, completion of acquisition, processing and interpretation of 1,016km of onshore 2D seismic in Mozambique and the commencement of pre-drilling planning activities and acquisition of long lead items for a two to three well exploration drilling program in Mozambique planned for 2014.

	Year ended December 2013
Exploration and evaluation assets	
Tanzania	
3D Seismic acquisition	1,268
2D Seismic acquisition	2,731
Seismic processing and interpretation	65
	4,064
Mozambique	
2D Seismic acquisition	1,137
Seismic processing and interpretation	90
Geological and geophysical studies	184
Operator and indirect overhead	289
Exploration drilling planning	281
	1,981
Property, plant and equipment	
Tanzania	
Development capital	683
Operator and indirect overhead	181
IT and office assets	18
Canada	
IT and office assets	93
	975
	7,020

Long-term loans

Vitol

On June 19, 2013 Vitol extended the Company a long-term loan of facility of $10.0 million that matures on December 31, 2017. The loan bears interest of 6% per annum with interest only payments prior to maturity. The loan is 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 extending the loan facility, the Company issued 5,000,000 share purchase warrants to Vitol with an estimated fair value of $2.29 million. Transaction costs incurred in relation to completing the loan agreement were $0.11 million. During the year 2013 the Company incurred interest expense of $0.44 million of which $0.22 million was settled in cash and $0.22 million is the accretion of financing costs.

The Company initially drew $4.0 million on the $10.0 million long-term loan facility during Q2 2013, subsequently in Q3 2013 the Company drew the remaining $6.0 million of the loan and used $5.45 million to repay the TIB loan in full.

Provisions of the loan facility with Vitol require a one-time repayment prior to maturity of up to $4.0 million should the gross proceeds from a private placement and subsequent offering be in excess of $10.0 million. During Q4 the Company completed a private placement issuance of common shares of the Company for gross cash consideration of $40.0 million, therefore triggering the one-time repayment. The repayment of $4.0 million was made on November 8, 2013.

Annual financial report
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TIB

On August 23, 2013 the outstanding principle loan amounting to Tsh 8,757,273,000, equivalent to $5.45 million was repaid in full and the security was released. During the year 2013 the Company incurred interest expense of $0.34 million (2012 - $0.64 million).

Shares, share capital, dividends

The Company had 153,872,700 shares issued and outstanding as at December 31, 2013, 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.

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 2013, the Board of Directors did not propose dividends to be paid for the year ended December 31, 2013. Proposals for dividend distribution in future years will be subject to assessments of business performance, operating environment, and growth opportunities in determining the appropriate level in any specific year.

On October 25, 2013 the Company closed a private placement issuance of 61,696,024 new common shares, for cash consideration of GBP0.40 (US$0.648, NOK 3.82) per share for total gross proceeds of GBP24.68 ($40 million, NOK 235.78 million).

On November 28, 2013 the Company closed a subsequent offering, relating to the private placement described above, for the issuance of 9,254,403 new common shares, for cash consideration of NOK 3.82 (US$0.627) per share for total gross proceeds of NOK 35.35 million ($5.8 million).

Expenses incurred in relation to the private placement and subsequent offering were $3.88 million.

Financial Condition and Liquidity

At December 31, 2013 Wentworth had $37.68 million of cash and cash equivalents and short-term investments, an increase of $28.33 million from December 31, 2012. At December 31, 2013 current assets exceed current liabilities by $38.37 million.

The Company significantly improved its financial position with the issuance of new shares in a private Placement and subsequent offering raising $46 million. The net proceeds from the private Placement are expected to be used to provide the Company with sufficient capital to carry out certain planned exploration and operational activities in Tanzania and Mozambique until the end of 2014 and for working capital purposes.

During the year ended December 31, 2013 the Company incurred capital expenditures in Tanzania and Mozambique of $7.02 million (2012 - $27.30 million) relating primarily to completion of seismic acquisition programs in both countries of operation. The Company used $7.82 million (2012 - $17.24 million) during the year to fund operating activities including working capital requirements.

Near term capital commitments include funding the Company's share of operations in both Tanzania and Mozambique which are expected to include seismic acquisition, processing and interpretation, operator overhead and the drilling of two to three exploration wells.

Going Concern

The December 31, 2013 financial statements have been prepared on a going concern basis which is considered appropriate by the Board. Notwithstanding the above, the ability of the Company to continue as a going concern is dependent on the Company's ability to obtain financing to fund ongoing operations and the exploration and development program. There is no certainty that the Company will be able to obtain the financing required to continue operations and meet its commitments for the exploration and development program. During the year, the Company completed a private placement and a subsequent offering issuing new share capital of the Company for gross proceeds of $46 million. The proceeds will be used to fund the currently planned 2013 and 2014 exploration capital programs. Should exploration and development activity take place in addition to the planned programs for 2013 and 2014, additional funding may be necessary and securing debt and equity financing alternatives will be considered.

Outlook

The success of the placement of Company shares in Q4 2013 provided the capital required to fulfill an exciting 2014 work program. Drilling in Mozambique of two exploration wells back-to-back with the possibility of drilling a third well is expected to generate increased interest in our assets and operations during 2014. The first well to be drilled is the Tembo Cretaceous prospect located in the middle of our Rovuma Onshore Block. There is a possibility that, if resources are encountered, oil may be present in this well and the Company is optimistic as to the potential for success and ultimate monetization. The second prospect, Kifaru, is located in the north eastern section of the block adjacent to our Mnazi Bay Concession. Drilling preparations including site preparation and road construction are ongoing with the first well anticipated to spud during May 2014.

The Company, as well as many investors, continue to be patient and wait for the GSA to be signed in Tanzania. The construction of the Mtwara to Dar es Salaam pipeline is progressing well and the Company expects to begin selling gas into this pipeline in Q1 2015. This will help transform Wentworth from a predominantly exploration focused company to one with substantial production and cash flow that will enable the Company to continue to explore and develop its existing assets and look for opportunities to become a major player in the region.

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. We recognize these risks and manage our operations to minimize our exposures 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.

Cost recovery audits

Under the terms of the production sharing agreement in Tanzania and 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 ending December 31, 2012 is ongoing.

Measurement uncertainty and use of estimates and judgements

The preparation of 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 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.

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, 2013 the Company adopted new standards with respect to consolidations (IFRS 10), joint arrangements (IFRS 11), disclosure of interests in other entities (IFRS 12), fair value measurements (IFRS 13) and amendments to financial instrument disclosures (IFRS 7) as well as amendments related to investments in associates and joint ventures (IAS 28). The adoption of these amendments and standards had no impact on the amounts recorded in the consolidated financial statements as at January 1, 2013 or on the comparative periods.

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
IAS 19 (amendments)	Employee Contributions	July 1, 2014
IAS 32 (amendments)	Offsetting Financial Assets and Liabilities	January 1, 2014
IFRIC 21	Liability for Levies	January 1, 2014

The Company intends to adopt the interpretation in its financial statements for the annual period beginning on January 1, 2014. The Company does not expect the interpretation to have a material impact on the financial statements.

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Notes and Glossary

The terms 'Discovered and Undiscovered Oil or Gas Initially-in-Place' are used in accordance with the SPE Petroleum Resources Management System classification of 2007. Previously reported Contingent and Prospective Gas Initially-in-Place numbers are equivalent to the Discovered and Undiscovered GIIP classification.

The Competent Person's Report has been prepared using the Standard of SPE/WPC/AAPG/SPEE Petroleum Resource Management System 2007.

Bscf	Billion standard cubic feet
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
GPoS	Geological probability of success
GIIP	Gas Initially In Place
MMstb	million barrels
OIIP	Oil Initially in Place
Prospective Resources	Deposits that are estimated, on a given date, to be potentially recoverable from accumulations yet to be discovered
PSA	Production sharing agreement
P90, P50, Mean and P10	The extent to which an event is likely to occur, measured by the ratio of the favorable cases to the whole number of cases possible (probability of 90%, 50%, arithmetic average and 10%, respectively)

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. We also implement corporate governance guidelines beneficial to our 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 our 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. We encourage use of the hotline by anyone who has concerns relating to compliance with laws and regulations, breaches of our code of conduct, fair treatment, or any other matter. Concerns can also be raised directly with the corporate secretary or any Board member.

February 25, 2014

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

Responsibility Statement

We confirm that, to the best of our knowledge, the audited annual consolidated financial statements for the year ended December 31, 2013, 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 information under Norwegian Securities Trading Act sections 5-6 fourth paragraph.

February 25, 2014

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

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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 analyses made by management in light of experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe 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 report

For the year ended 31 December 2013

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; their 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
February 25, 2014

Independent auditor's report

For the year ended 31 December 2013

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, 2013 and December 31, 2012, the consolidated statements of comprehensive income/(loss), changes in shareholders' 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, 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 and International 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, 2013 and December 31, 2012, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying 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

February 25, 2014
Calgary, Canada

Consolidated statement of financial position

United States dollars $000s, unless otherwise stated

	Note	**December 31, 2013**	December 31, 2012
ASSETS			
Current assets			
Cash and cash equivalents		**14,501**	9,352
Short-term investments		**23,176**	-
Trade and other receivables		**1,845**	2,376
Prepayments, deposits and advances to partners		**1,674**	2,028
Current portion of long-term receivables	9	**658**	657
Other receivables – power	6,9	**-**	11,584
		41,854	25,997
Non-current assets			
Long-term receivables	9	**28,661**	23,151
Exploration and evaluation assets	10	**50,636**	44,591
Property, plant and equipment	11	**18,498**	17,974
		97,795	85,716
Total assets		**139,649**	111,713
LIABILITIES			
Current liabilities			
Trade and other payables		**3,487**	3,074
Current portion of long-term loans	13	**-**	2,498
Other liabilities – power	6,9	**-**	3,819
		3,487	9,391
Non-current liabilities			
Long-term loans	13	**3,816**	3,668
Other long-term liabilities	15	**2,836**	3,470
Decommissioning provision	12	**685**	600
		7,337	7,738
EQUITY			
Share capital	18	**403,998**	361,675
Equity reserve		**23,903**	21,996
Accumulated deficit		**(299,076)**	(289,087)
		128,825	94,584
Total liabilities and equity		**139,649**	111,713

Going concern (Note 2)
Commitments (Note 23)

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

Approved on behalf of the Board

(Signed) "Cameron Barton"
Director

(Signed) "Neil Kelly"
Director

Consolidated statement of comprehensive income (loss)

United States dollars $000s, unless otherwise stated

	Note	Year ended December 31, 2013	2012
Continuing operations			
Total revenue		**955**	820
Operating expenses			
Production and operating		**(1,656)**	(1,404)
General and administrative		**(7,931)**	(7,829)
Share based compensation	17	**(362)**	(682)
Depreciation and depletion	11	**(451)**	(488)
Gain from sale of oil and gas assets	7	**-**	29,799
(Loss)/income from operating activities		**(9,445)**	20,216
Gain on derivative financial liability	14	**610**	1,298
Finance income	16	**5,266**	3,718
Finance costs	16	**(6,420)**	(3,246)
Net (loss)/income before discontinued operations		**(9,989)**	21,986
Discontinued operations			
Income from discontinued operations	6	**-**	2,957
Net (loss)/income and comprehensive (loss)/income		**(9,989)**	24,943
Net (loss)/income and comprehensive (loss)/income attributable to:			
Equity holders of the parent		**(9,989)**	24,739
Non-controlling interest	8	**-**	204
		(9,989)	24,943
Net (loss)/income per ordinary share – continuing operations			
Basic (US$/share)	19	**(0.11)**	0.27
Diluted (US$/share)	19	**(0.11)**	0.25
Net income per ordinary share – discontinued operations			
Basic and diluted (US$/share)	19	**-**	0.04
Net (loss)/income per ordinary share			
Basic diluted (US$/share)	19	**(0.11)**	0.31
Diluted (US$/share)	19	**(0.11)**	0.29

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 $	Equity attributable to shareholders $	Non-controlling interest (Note 8) $	Total equity $
Balance at January 1, 2012		80,469,940	360,250	17,057	(313,826)	63,481	5,685	69,166
Net income and comprehensive income		-	-	-	24,739	24,739	204	24,943
Share based compensation	17	-	-	682	-	682	-	682
Issue of share capital on exercise of share options	17	34,000	31	(10)	-	21	-	21
Issue of share capital	18	2,000,000	1,394	-	-	1,394	-	1,394
Acquisition of non-controlling interest	8	-	-	4,267	-	4,267	(5,889)	(1,622)
Balance at December 31, 2012		82,503,940	361,675	21,996	(289,087)	94,584	-	94,584
Balance at January 1, 2013		**82,503,940**	**361,675**	**21,996**	**(289,087)**	**94,584**	**-**	**94,584**
Net loss and comprehensive loss		**-**	**-**	**-**	**(9,989)**	**(9,989)**	**-**	**(9,989)**
Reclassification of warrants	14	**-**	**-**	**1,678**	**-**	**1,678**	**-**	**1,678**
Share based compensation	17	**-**	**-**	**362**	**-**	**362**	**-**	**362**
Issue of share capital on exercise of share options	17	**418,333**	**400**	**(133)**	**-**	**267**	**-**	**267**
Issue of share capital on private placement and subsequent offering	18	**70,950,427**	**45,800**	**-**	**-**	**45,800**	**-**	**45,800**
Share issue costs	18	**-**	**(3,877)**	**-**	**-**	**(3,877)**	**-**	**(3,877)**
Balance at December 31, 2013		**153,872,700**	**403,998**	**23,903**	**(299,076)**	**128,825**	**-**	**128,825**

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, 2013	2012
Operating activities			
Net (loss)/income for the year		**(9,989)**	24,943
Adjustments for:			
Share based compensation	17	**362**	682
Depreciation and depletion	11	**451**	622
Finance cost/(income)		**679**	(580)
Gain on derivative financial liability	14	**(610)**	(1,298)
Gain from sale of oil and gas assets	7	**-**	(29,799)
Gain on sale of discontinued operations	6	**-**	(3,041)
Unrealized foreign exchange		**18**	(183)
Change in non-cash working capital	22	**1,270**	(8,590)
Cash used in operating activities		**(7,819)**	(17,244)
Investing activities			
Additions to evaluation and exploration assets	10	**(6,045)**	(11,252)
Additions to property, plant and equipment	11	**(975)**	(403)
Proceeds from sale of oil and gas assets	7	**-**	18,860
Proceeds from sale of discontinued operations	6	**-**	13,500
Increase in short-term investments		**(23,176)**	-
Interest income received		**70**	60
Net reduction/(increase) in long-term receivable		**301**	(1,117)
Acquisition of non-controlling interest	8	**-**	(1,622)
Change in non-cash working capital	22	**1,958**	2,175
Cash (used in)/provided by investing activities		**(27,867)**	20,201
Financing activities			
Issue of share capital, net of share issue costs	18	**41,923**	-
Issue of share capital on exercise of share options	18	**267**	21
Proceeds from long-term loan, net of costs	13	**9,887**	-
Repayment of long-term loans	13	**(10,036)**	(1,232)
Interest paid	13	**(561)**	(634)
Repayment of other long-term liabilities		**(645)**	(833)
Cash provided by/(used in) financing activities		**40,835**	(2,678)
Net change in cash and cash equivalents		**5,149**	279
Cash and cash equivalents, beginning of the year		**9,352**	9,073
Cash and cash equivalents, end of the year		**14,501**	9,352

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, including Methanol, Ammonia and Urea. 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.

During the fourth quarter of 2014, the Company completed private placement offerings issuing new share capital of the Company for gross proceeds of $45.8 million. The proceeds will be used to fund the currently planned 2014 exploration and evaluation capital programs. Should exploration and development activity take place in addition to the planned programs for 2014, additional funding may be necessary.

The 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 February 25, 2014.

Functional and presentation currency

These consolidated financial statements are presented in US dollars which is the functional currency of the parent company and all of Wentworth's 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 over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. 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

3. Summary of accounting policies (continued)

Legal Entity	Registered	Holdings at December 31, 2013	Functional Currency
Wentworth Resources Limited	Canada	Ultimate Parent Company	US dollar
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 Mtwara (Jersey) Limited[(2)]	Jersey	100%	US dollar
Wentworth Power (Jersey) Limited[(2)]	Jersey	100%	US dollar
Umoja Light Company (Jersey) Limited[(2)]	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 Power Limited[(1)]	Tanzania	-	-
Umoja Light Company Limited[(1)]	Tanzania	-	-
Tanzania Generation Company Limited[(1)]	Tanzania	-	-
Wentworth Development Limited[(1)]	Tanzania	-	-
Wentworth Energy (Tanzania) Limited[(1)]	Tanzania	-	-

(1) Subsidiary dissolved during 2013
(2) Inactive subsidiary – formal process of dissolution commence

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

New accounting policies adopted in 2013

On January 1, 2013, the Group adopted new standards with respect to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosures of Interests in Other Entities, as well as the consequential amendments to IAS 28 Investments in Associates and Joint Ventures (2011), IFRS 13 Fair Value Measurement and IFRS 7 Amendments to Financial Instrument Disclosures. The adoption of these standards had no impact on the amounts recorded in the financial statements.

The Group proportionately consolidates 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.

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 judgements used in the preparation of these consolidated financial statements include the valuation of E&E and PPE, value of contingent

Notes to consolidated financial statements

Continued

payments, decommissioning obligations, collectability of long-term receivables and determination of joint arrangements.

Details of the Company's significant accounting judgements and critical accounting estimates are set out in these financial statements and include:

Carrying value of exploration and evaluation assets and PP&E

Intangible 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 assets 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. Key assumptions to determine the recoverable amount relate to prices that are based on forward curves, long-term assumptions and discount rates that are risked to reflect conditions specific to individual assets.

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 continent payments is based on estimates and assumptions of the quantities and timing of future gas production volume quantities from the Mnazi Bay Concession and estimating a discount rate.

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 tax, 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. The Group has several insurance policies that may protect against certain claims against the Group however, not all claims can be covered through insurance and the amount of coverage may not be sufficient to mitigate the exposure.

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 9).

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.

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

Notes to consolidated financial statements
Continued

3. Summary of accounting policies (continued)

Initial recognition
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 instrument valued at amortized cost is reported on the statement of comprehensive 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.

Inventory

Inventories of consumable materials are measured at the lower of cost and net realizable value. Cost is determined using the first in, first out (FIFO) method.

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

Notes to consolidated financial statements
Continued

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.

Costs incurred prior to the legal award 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. 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, in which case 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.

Notes to consolidated financial statements
Continued

3. Summary of accounting policies (continued)

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.

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 "cash generating unit" or "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. Recoverable amount is generally determined by reference to the value in use or 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.

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 "cash generating unit" or "CGU"). The aggregate carrying value will be compared against the expected recoverable amount of the CGU, generally by reference to the present value of the future net cash flows expected to be derived from the 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 indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, 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, which is determined by the Board of Directors of the Company and is generally based on the trading price of the shares at the time an agreement to issue shares has been reached.

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.

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 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.

Notes to consolidated financial statements
continued

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 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.

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 the profit or loss.

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

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**
IAS 19 (amendments)	Employee Contributions	July 1, 2014
IAS 32 (amendments)	Offsetting Financial Assets and Liabilities	January 1, 2014
IFRIC 21	Liability for Levies	January 1, 2014

Notes to consolidated financial statements
continued

3. Summary of accounting policies (continued)

The Company intends to adopt the interpretation in its financial statements for the annual period beginning on January 1, 2014. 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, 2013, 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, 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.

During 2013, the Company received funds from the Government owned power company in Tanzania, Tanzania Electricity Supply Company Limited ("TANESCO") settling all amounts owed related to the sale of the power plant in 2012 and natural gas sales to TANESCO for the period up to February 28, 2013. At December 31, 2013 the receivable from TANESCO relates to the Company's share of natural gas deliveries from the Mnazi Bay Concession to a power plant owned by TANESCO.

At December 31, 2013 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 the 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

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that the cost reimbursement method may not be in cash, but rather in a long term recovery from other sources.

A long-term receivable 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 made once gas deliveries to the pipeline commence and reserves are assigned to the Mnazi Bay gas fields.

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 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, 2013	Balance at December 31, 2012
Trade and other receivables	**1,845**	2,376
Long-term receivables (Note 9)	**29,319**	23,808
Assets of discontinued operations	**-**	11,584
Short-term investments	**23,176**	-
Cash and cash equivalents	**14,501**	9,352
	68,841	47,120

Aged trade and other receivables

	Current 1-30 days	31-60 days	61-90 days	>90 days	Total
Balance at December 31, 2013					
Trade receivables	**-**	**437**	**429**	**631**	**1,497**
Other receivables	**15**	**-**	**333**	**-**	**348**
	15	**437**	**762**	**631**	**1,845**
Balance at December 31, 2012					
Trade receivables	153	149	149	1,210	1,661
Other receivables	103	16	-	596	715
	169	149	149	1,909	2,376

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.

	Less than 1 year	**1 to 2 years**	**2 to 5 years**	**Total**
Balance at December 31, 2013				
Trade and other payables	**3,487**	**-**	**-**	**3,487**
Long-term loan	**360**	**360**	**6,720**	**7,440**
	3,847	**360**	**6,720**	**10,927**
Balance at December 31, 2012				
Trade and other payables	3,074	-	-	3,074
Liabilities of discontinued operations	3,819	-	-	3,819
Long-term loan	2,498	1,233	2,435	6,166
	9,391	1,233	2,435	13,059

Notes to consolidated financial statements
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4. Risk management (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, 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.

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 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, is at fixed rates and therefore there is no interest rate risk related to these instruments. 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 US dollar at period end exchange rates):

	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**

	Canadian Dollar	**Tanzanian Shilling**	**Other currency**	**Total**
Balance at December 31, 2012				
Cash and cash equivalents	53	56	1	110
Trade and other receivables	16	553	43	612
Assets of discontinued operations	-	595	-	595
Trade and other payables	(671)	(42)	-	(713)
Liabilities of discontinued operations	-	(1,764)	-	(1,764)
Other long-term liabilities	(688)	-	-	(688)
Long-term loan	-	(6,166)	-	(6,166)
	(1,290)	(6,768)	44	(8,014)

A 10% increase/decrease of the Canadian dollar against the US dollar would result in a change in net income before tax of approximately $53 (2012 - $134). 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 $7 (2012 – $677).

Notes to consolidated financial statements

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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 asset 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.

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. The Company discontinued its Power Operations segment during 2012 (Note 6).

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. The consolidated total in the following tables represents activities from both continuing and discontinued operations.

Net loss by segment 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 expense	**(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

Notes to consolidated financial statements
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5. Segment information (continued)

Net (loss)/income for the year ended December 31, 2012

	Tanzania Operations	Mozambique Operations	Power Operations (Discontinued)	Corporate	Consolidated
Natural gas sales	820	-	-	-	820
Power sales	-	-	1,705	-	1,705
	820	-	1,705	-	2,525
Production and operating	(1,404)	-	(1,622)	-	(3,026)
General and administrative	(3,929)	(870)	(141)	(3,030)	(7,970)
Depreciation and depletion	(464)	-	(134)	(24)	(622)
Gain on disposal of property, plant and equipment	-	-	3,041	-	3,041
Gain on sale of oil and gas assets	-	29,799	-	-	29,799
Gain on derivative financial liability	-	-	-	1,298	1,298
Other income/(expense)	480	4	108	(694)	(102)
Total segment (expense)/income	(5,317)	28,933	1,252	(2,450)	22,418
Net (loss)/income	(4,497)	28,933	2,957	(2,450)	24,943

Selected balance at December 31, 2012

	Tanzania Operations	Mozambique Operations	Power Operations (Discontinued)	Corporate	Consolidated
Segment current assets	4,113	874	11,584	9,426	25,997
Long-term receivable	23,151	-	-	-	23,151
Exploration and evaluation assets	35,753	8,838	-	-	44,591
Property, plant and equipment Assets	17,682	-	-	292	17,974
Segment current liabilities	4,309	277	3,819	986	9,391
Segment non-current liabilities	4,268	-	-	3,470	7,738

Selected Cash Flows for the year ended December 31, 2012

Net additions to exploration and evaluation assets	23,826	2,714	-	-	26,540
Net additions to property, plant and equipment assets	390	-	27	344	761

Notes to consolidated financial statements
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Reconciliation of reportable segment revenues and (loss)/income

	Year ended December 31, **2013**	2012
Revenue		
Total revenue for reportable segments	**955**	2,525
Elimination of discontinued operations	**-**	(1,705)
Total revenue	**955**	820
(Loss)/Income		
Total (loss)/income from reportable segments	**(9,989)**	24,943
Elimination of discontinued operations	**-**	84
Elimination of gain on sale of discontinued operations	**-**	(3,041)
Net (loss)/income from continuing operations	**(9,989)**	21,986

6. Discontinued operations

On January 27, 2012 the Board of Directors approved the proposed sale of the Company's 18MW gas-fired power plant and associated assets located in Mtwara, Tanzania held in the Tanzania Power Operations segment to TANESCO. The transfer of ownership of assets and transition of staff to TANESCO was completed on March 31, 2012. An agreement has been reached with the Government of Tanzania to reimburse all of the project development costs associated with T&D assets at cost (Note 9).

	For the year ended December 31, 2012
Results from discontinued operations	
Revenues	1,705
Production and operating	(1,622)
General and administrative	(141)
Depreciation	(134)
Results from operating activities	(192)
Finance income and costs	108
	(84)
Gain on sale of discontinued operations	3,041
Profit/(loss) from discontinued operations	2,957
Basic and diluted profit/(loss) per share – discontinued operations	0.03

Notes to consolidated financial statements
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6. Discontinued operations (continued)

	2012
Effect of power plant disposal on financial position of the Company	
Property, plant and equipment (net book value)	(10,459)
Inventories	(584)
Total assets disposed	(11,043)
Cash consideration received	13,500
Accounts receivable	584
Total consideration	14,084
Gain on sale of power plant	3,041

	Balance at December 31, 2012
Assets of discontinued operations	
T&D assets (carrying amount) (Note 9)	7,417
Materials and supplies inventories	584
Sale of electrical power	2,664
VAT receivable for Umoja operations	919
Current receivables – power	11,584
Liabilities of discontinued operations	
Tariff Equalization Fund liability (Note 9)	(1,169)
VAT on Tariff Equalization expenditures (Note 9)	(595)
Purchases of natural gas	(1,297)
Withholding tax payable from power operations	(203)
Withholding tax for Umoja operations	(555)
Current liabilities - power	(3,819)

During the fourth quarter of 2013 and for the year, the Company settled discontinued Power Operations segment related receivables of $185 (2012 – $675) and $4,167 (2012 – $1,294), and settled discontinued Power Operations segment related payables of $nil (2012 – $123) and $2,055 (2012 – $1,050).

	2013	2012
Cash flows of discontinued operations		
Net cash used in by operating activities	**1,943**	(1,613)
Net cash provided by/(used in) investing activities	**-**	13,500
Net cash flows for the year	**1,943**	11,887

Notes to consolidated financial statements
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7. Asset acquisition and disposition

On July 26, 2012 ("Close Date"), the Company completed the acquisition of Cove Energy PLC's ("Cove Energy") 16.38% participation interest in the production operations (20.475% participation interest in exploration operations) of the Mnazi Bay Concession in Tanzania which was held by Cove Energy's 100% owned subsidiary Cove Energy Tanzania Mnazi Bay Limited ("CETMBL"). The acquisition by the Company of all of the outstanding share capital of CETMBL was effective September 30, 2011 ("Effective Date").

The consideration paid for the acquisition included the Company's termination of its 4.95% royalty interest in the net profits of Cove Energy's 8.5% working interest in the Offshore Rovuma Area 1 Concession in Mozambique, two million of Wentworth's common shares issued to Cove, and contingent payments to Cove Energy of up to $8,500 (Note 15), should certain future natural gas production thresholds from Mnazi Bay be reached (collectively, the "Swap Transaction").

Concurrently with the completion of the Swap Transaction, the Company completed the sale of 60.075% of the share capital of CETMBL to Maurel & Prom ("M&P") for cash consideration of $18,860 ("M&P Transaction"). As part of the M&P Transaction, M&P assumed 60.075% or up to $5,106 of the contingent payments due to Cove Energy and, from the Effective Date, M&P is responsible for its share of costs incurred.

	Swap Transaction	M&P Transaction	Net
Consideration:			
Value of the royalty interest out of net profits (i)	(30,000)	-	(30,000)
Two million shares of the Company	(1,394)	-	(1,394)
Fair value of contingent payments	(6,968)	4,186	(2,782)
Capital additions from Effective Date	(7,746)	4,654	(3,092)
Transaction costs	(884)	(453)	(1,337)
Cash received	-	18,860	18,860
	(46,992)	27,247	(19,745)
Net asset acquired/(disposed):			
Exploration and evaluation assets	45,866	(26,570)	19,296
Accounts receivable	342	(206)	136
Long-term receivable	790	(475)	315
Accounts payable	(6)	4	(2)
	46,992	(27,247)	19,745

(i) At the Close Date, the carrying amount of the 4.95% royalty interest in the net profits from Cove Energy's 8.5% working interest in the Offshore Rovuma Area 1 Concession in Mozambique was $201. The Company realized a gain on the disposition of the royalty interest of $29,799.

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8. Non-controlling interest

On April 20, 2012 the Company, through its wholly owned subsidiary Wentworth Holdings (Jersey) Limited ("WHJL"), acquired 29,835 class A common shares of Wentworth Tanzania (Jersey) Limited ("WTJL") from the non-controlling interest partner for cash consideration of $1,622. Following the acquisition, WHJL owns 100% of the issued share capital of WTJL.

	Non-controlling interest
Non-controlling partner investment to class A common shares of WTJL	29,835
Share of cumulative loss at December 31, 2011	(24,150)
	5,685
Share of income of WTJL	204
	5,889
Cash consideration for the remaining non-controlling interest in WTJL	(1,622)
Acquisition of accumulated equity of non-controlling interest	(4,267)
Balance at December 31, 2012	-

9. Long-term receivables

	Balance at December 31, 2013	Balance at December 31, 2012
TPDC receivable (i)	**24,128**	23,808
Tanzanian government receivable (Umoja/power) (ii)	**5,191**	-
	29,319	23,808
Current portion of long-term receivables		
TPDC receivable (i)	**658**	657
Long-term portion		
TPDC receivable (i)	**23,470**	23,151
Tanzanian government receivable (Umoja/power) (ii)	**5,191**	-
	28,661	23,151

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 that 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 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. This long-term receivable is being accreted over the expected term of the asset based on future expected cash flows from the Mnazi Bay Concession with the accretion included in finance income.

Notes to consolidated financial statements
continued

9. Long-term receivables (continued)

As at December 31, 2013 the undiscounted receivable from TPDC is $35,015 (2012 - $35,028).

	TPDC receivable
Balance at January 1, 2012	21,163
Accretion (Note 16)	3,581
Change in accounting estimates (Note 16)	(2,370)
Retained gas revenue to offset receivable	(755)
Fair value of the share of TPDC Mnazi Bay Concession costs paid by the Company	2,189
Balance at December 31, 2012	23,808
Accretion (Note 16)	**4,885**
Change in accounting estimates (Note 16)	**(4,264)**
Retained gas revenue to offset receivable	**(794)**
Fair value of the share of TPDC Mnazi Bay Concession costs paid by the Company	**493**
Balance at December 31, 2013	**24,128**

ii. Tanzanian government receivable (Umoja/power)

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

	Balance at December 31, 2013	Balance at December 31, 2012
Tanzanian government receivable (Umoja/power)	**5,191**	-
T&D assets (carrying amount)	-	7,417
Tariff Equalization Fund liability	-	(1,169)
VAT on Tariff Equalization expenditures	-	(595)
Current liabilities - power	-	(1,764)

An agreement has been reached with the Government of Tanzania (TANESCO, TPDC and the MEM) to reimburse 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 incurred by the Company was completed in November 2012 and costs of approximately $8,121 were verified. Management is working with the Government of Tanzania to agree on reimbursement method for the T&D costs. Settlement of the $8,121 verified costs will be made inclusive of the remaining credits associated with the MEP which total $1,610 at December 31, 2013. At 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 Company determined the fair value of this receivable to be approximately $5,191 at December 31, 2013 and as a result, a charge to the income statement of $616 was made to reflect the discounting of the Tanzanian government receivable (Umoja/power).

Notes to consolidated financial statements
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10. Exploration and evaluation assets ("E&E")

	Exploration and evaluation assets
Cost	
Balance at January 1, 2012	81,297
Additions	7,445
Acquisition	19,296
Disposition	(201)
Asset transfer	869
Balance at December 31, 2012	108,706
Additions	**6,045**
Disposal of assets[1]	**(1,403)**
Balance at December 31, 2013	**113,348**
Accumulated impairment	
Balance at January 1 and December 31, 2012	(64,115)
Disposal of assets[1]	**1,403**
Balance at December 31, 2013	**(62,712)**
Carrying amounts	
December 31, 2012	44,591
December 31, 2013	**50,636**

[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.

Notes to consolidated financial statements
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11. Property, plant and equipment ("PP&E")

	Natural gas properties	Office and other equipment	Total
Cost			
Balance at January 1, 2012	95,391	6,398	101,789
Additions	390	344	734
Dispositions	-	(1,104)	(1,104)
Asset transfers	(1,969)	1,116	(853)
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**
Accumulated depreciation, depletion and impairment			
Balance at January 1, 2012	(76,683)	(5,421)	(82,104)
Depreciation and depletion	(436)	(52)	(488)
Asset transfers	988	(988)	-
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)**
Carrying amounts			
December 31, 2012	17,681	293	17,974
December 31, 2013	**18,251**	**247**	**18,498**

[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.

Notes to consolidated financial statements
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12. 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, 2013, the Company estimates the total undiscounted inflation-adjusted amount of cash flows 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% (2012 – 14.2%) was used to calculate the fair value of the decommissioning obligations.

A reconciliation of the decommissioning obligations is provided below:

	2013	2012
Balance at January 1	**600**	119
Additions	**-**	526
Accretion	**85**	78
Disposition – discontinue operations	**-**	(123)
Balance at December 31	**685**	600

13. Long-term loan

i) Loan from Vitol Energy (Bermuda) Limited

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 matures on December 31, 2017. The loan bears interest of 6% per annum with interest only payments prior to maturity. The loan is 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**
Financing cost – transaction costs	**(113)**
Financing cost – fair value of warrants (Note 14)	**(2,288)**
Accretion of financing costs during 2013	**217**
Net financing costs at December 31, 2013	**(2,184)**
Balance at December 31, 2013 – long-term	**3,816**

During 2013 the Company incurred interest expense of $436 of which $219 was settled in cash.

At December 31, 2013, the carrying amount of the Vitol loan approximates its fair value as the loan bears interest which approximates rates that are available to the Company at prevailing market rates for such types of loans.

ii) Loan from Tanzania Investment Bank ("TIB")

During 2009, Tanzania Investment Bank Limited ("TIB") extended a Tanzanian Shilling ("Tsh") denominated long-term loan of a maximum of 10 billion Tsh (approximately $7,000) to Wentworth Gas Limited, a subsidiary of the Company, for its operating requirements and the repayment of an inter-company debt to its parent company. During 2013, principal repayments of $599 (2012 - $1,232) were made and the Company recorded gains of $130 (2012 – $77) related to foreign exchange revaluation of the Tsh denominated loan converted to US dollars which were included in finance income.

On August 23, 2013 the outstanding principle loan amounting to Tsh 8,757,273,000, equivalent to $5,437 was repaid in full and the security released by TIB.

	December 31, 2012 Tsh (000's)	December 31, 2012 $
Principal balance	9,730,303	6,166
Current portion of the loan	(3,946,061)	(2,498)
Long-term portion	5,784,242	3,668

Notes to consolidated financial statements
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During the year ended December 31, 2013 the Company incurred interest expense of $342 (2012 - $634).

14. Warrants

On June 19, 2013, in relation to the long-term loan from Vitol, the Company issued 5,000,000 warrants denominated in US dollars and entitling the holder to receive, on the exercise of each individual warrant, one fully paid common share of the Company at a price of US$1.24 per warrant. On October 25, 2013 in accordance with the warrant agreement the exercise price of each of the 5,000,000 issued and outstanding warrants has been adjusted to US$0.648 per warrant which is the equivalent to the price per share of the new common shares issued pursuant to the private placement completed at that time. All other terms of the warrants remain unchanged and the terms of the warrant agreement do not provide for future adjustment of the exercise price.

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 (Note 13).

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

	2013
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)**
	-

A summary of the warrant balances are as follows:

	Number of Warrants	Exercise price US$/warrant
Issued during the period	5,000,000	0.648
Outstanding at December 31, 2013	5,000,000	0.648

The warrants outstanding as at December 31, 2013 expire on December 31, 2015.

The Company used the Black-Scholes option pricing model to determine the fair value of the warrants. The Company estimated the probability that the warrant exercise price will be different than the US$0.648 and used the following assumptions in determining the value at October 25, 2013:

Exercise price (US$/warrant)	**0.648**
Expected interest rate (%)	**1.47**
Expected volatility (%)	**74.1**
Expected life (in years)	**2.18**
Expected dividends (US$)	**Nil**

15. Other long-term liabilities

	Balance at- December 31, 2013	Balance at December 31, 2012
Fair value of contingent payments (Note 7)	**2,836**	2,782
Office lease provision	**-**	569
Rent deposit	**-**	119
	2,836	3,470

Other long-term liabilities are initially recognized at their fair values and the carrying values approximate their fair values.

Notes to consolidated financial statements
continued

16. Finance income and finance costs

	Year ended December 31,	
	2013	2012
Finance income		
Accretion – TPDC receivable (Note 9)	**4,885**	3,581
Foreign exchange revaluation – TIB long-term loan	**130**	77
Change in accounting estimate – long-term contingent liability	**166**	-
Interest income	**85**	60
Decommissioning obligation – discontinued operations	**-**	123
	5,266	3,841

	Year ended December 31,	
	2013	2012
Finance costs		
Change in accounting estimate – TPDC receivable (Note 9)	**(4,264)**	(2,370)
Discount of Tanzanian government receivable (Umoja/power) (Note 9)	**(616)**	-
Interest expense on long-term loans (Note 13)	**(778)**	(641)
Accretion – long-term contingent liability	**(220)**	-
Accretion – decommissioning provision	**(85)**	(78)
Net foreign exchange (loss)/gain – continuing operations	**(457)**	(157)
Net foreign exchange (loss)/gain – discontinued operations	**-**	(15)
	(6,420)	(3,261)

17. Share based payments

Options granted pursuant to the Company's Share Option (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 aggregate number of Plan share options that may be reserved for issuance under the Plan is ten percent of the number of Common Shares outstanding on a non-dilutive basis. Options vest over the length of service as follows: 1/3 after one year, 1/3 after two years and 1/3 after three years.

Notes to consolidated financial statements
continued

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

	2013		2012	
	Number of options	Weighted average exercise price US$ (i)	Number of options	Weighted average exercise price US$
Outstanding at January 1	**6,600,000**	**0.67**	6,200,000	0.74
Granted	**600,000**	**0.75**	500,000	0.63
Forfeited	**(331,667)**	**0.69**	(66,000)	0.64
Exercised	**(418,333)**	**0.63**	(34,000)	0.64
Outstanding at December 31	**6,450,000**	**0.68**	6,600,000	0.73

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**

(i) 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.

Notes to consolidated financial statements
continued

17. Share based payments (continued)

The following table summarizes share options outstanding and exercisable at December 31, 2012:

		Outstanding		Exercisable
Exercise Price (NOK)	Exercise Price ($) (i)	Number of options	Weighted average remaining life (years)	Number of options
3.15	0.56	1,000,000	7.8	670,000
3.52	0.63	500,000	9.0	-
3.60	0.64	3,150,000	7.8	2,099,999
4.90	0.88	350,000	8.5	116,666
5.57	1.00	1,600,000	8.3	533,332
		6,600,000	8.3	3,419,997

(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, 2012 of 1 NOK = 0.17897 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 2013:

	2013	2012
Fair value per option on grant date (US$)	**0.53**	0.29
Expected annual interest rate (%)	**0.82**	2.46
Expected volatility (%)	**75.1**	73.0
Expected life (in years)	**6**	3
Expected forfeiture rate (%)	**7.86**	7.86
Expected dividends (US$)	**Nil**	Nil

During the year ended December 31, 2013 a total of $362 (2012 - $682) in share based compensation was expensed with an offsetting charge to equity reserve.

Notes to consolidated financial statements
continued

18. Share capital and reserves

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

B) Issued common shares

2013

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.

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).

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).

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

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.

2012

In connection with the stock option plan, on August 1, 2012 the Company issued 34,000 common shares of no par value at an exercise price of NOK 3.60 (US$0.60) per share.

On August 9, 2012 the Company issued 2,000,000 new common shares of no par value to Cove Energy, at GBP 0.435 (US$0.70, NOK 4.23) per share being the price of share on the day of closing of the transaction.

19. (Loss)/Income per share

Basic and diluted (loss)/income per share

The calculation of loss per share for 2013 is based on a loss attributable to shareholders of the Company of $9,989 (2012 – income of $24,739).

	2013	2012		
	Total	Continuing operations	Discontinued operations	Total
(Loss)/income attributable to shareholders	**(9,989)**	21,782	2,957	24,739
Non-controlling interest	**-**	204	-	204
(Loss)/income for the year	**(9,989)**	21,986	2,957	24,943

Notes to consolidated financial statements
continued

19. (Loss)/Income per share (continued)

Share options and other equity instruments such as warrants were antidilutive for year ended December 31, 2013. For the year ended December 31, 2013, 1,025,303 share options and 810,343 warrants were excluded from the diluted weighted average number of ordinary shares as their effect would have been anti-dilutive. For the year ended December 31, 2012 share options and other equity instruments were dilutive. 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	2012
Weighted average number of shares outstanding	**94,238,385**	81,352,820
Dilutive weighted average number of shares outstanding	**94,238,385**	82,350,220

20. Income taxes

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

	2013	2012
Non-capital losses	**66,345**	63,679
Property and equipment	**355**	153
Share issue costs	**936**	160
Asset retirement obligations	**206**	-
	67,842	63,992

The tax pools associated with non-capital losses are $244.2 million (2012 – $217.1 million) of which $70.6 million (2012 - $34.6 million) are in Canada, $151.9 million (2012 - $168.7 million) are in Tanzania and $21.7 million (2012 - $13.9 million) are in Mozambique.

The unrecognized non-capital losses in Canada expire in the years 2014 – 2033, in Tanzania have an indefinite life and in Mozambique expire in the years 2014 – 2018.

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

	2013	2012
(Loss)/Income before income taxes	**(9,989)**	24,943
Expected income tax (recovery) expense at combined Canadian federal and provincial rate of 25.0% (2012 – 25.0%)	**(2,497)**	6,236
Rate differentials	**319**	(93)
Financial derivative liablity and share based compensation	**(62)**	(174)
Movement in deferred tax assets not recognized for tax and other	**2,240**	(5,969)
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.

21. 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,	
	2013	2012
Directors fees	**370**	422
Share based compensation	**159**	301
	529	723

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

	For the year ended December 31,	
	2013	2012
Salaries and benefits	**1,505**	1,378
Share based compensation	**165**	350
	1,670	1,728

Notes to consolidated financial statements
continued

22. Supplemental cash flow information

Non-cash working capital components

	For the year ended December 31, 2013	2012
Net change in non-cash working capital related to operating activities:		
Trade and other receivables	**546**	(2,342)
Prepayments, deposits and advances to partners	**354**	(2,755)
Trade and other payables	**370**	(3,493)
	1,270	(8,590)
Net change in non-cash working capital related to investing activities:		
Trade and other receivables	**4,167**	(561)
Prepayments, deposits and advances to partners	**-**	1,363
Inventories	**-**	534
Trade and other payables	**(2,209)**	839
	1,958	2,175

23. 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, 2013 are as follows:

Total future minimum lease payments	
2014	853
2015	119
2016	121
2017	40
	1,133

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, 2013 operations are in the second exploration phase of the EPCC which expires on August 31, 2014. During this period the work program commitment includes the acquisition of 400km of 2D seismic and drilling of one exploration well with a combined minimum expenditure of gross $21,500, a guarantee of which has been provided to the government by the operator of the Rovuma Onshore Block. The 2D seismic acquisition commitment obligation was fulfilled upon completion of a 1,016 kilometer 2D seismic acquisition completed in February 2013. Drilling of the one exploration well is planned to occur before September 1, 2014.

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 23, 2012 (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 28, 2013, 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 23 October 2012 (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, 2013 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 2013 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. Therev 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 2013.

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 no later than 15 months after holding the last preceding Annual Meeting. During 2013, the Corporation's Annual Meeting was held in June at which the calendar year 2012 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 the 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. 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.

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 25, 2013. According the Corporation's By-Laws, the Board may between Annual Meetings, appoint one or more additional

Statement of corporate governance
continued

directors to serve until the next Annual Meeting, 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 a 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 2013 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 2013. 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 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 Thomson Reuters 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 2013, is appointed by resolution of the shareholders at the Annual Meeting held on June 25, 2013. 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 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, 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 Meeting,
Tuesday, June 10, 2014 in
London, United Kingdom

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Canada

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Calgary, Alberta T2P 5H1
Canada

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