



**Wentworth Resources Limited**  
**Condensed Consolidated Interim**  
**Financial Statements**

*For the third quarter and nine months ended September 30, 2014*  
*Unaudited*

# WENTWORTH RESOURCES LIMITED

## Unaudited Condensed Consolidated Interim Statement of Financial Position

United States \$000s, unless otherwise stated

	September 30, 2014	December 31, 2013
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	14,288	14,501
Short-term investments	-	23,176
Trade and other receivables	2,454	1,845
Prepayments, deposits and advances to partners	904	1,674
Current portion of long-term receivables	5 10,262	658
	<u>27,908</u>	<u>41,854</u>
<b>Non-current assets</b>		
Long-term receivables	5 23,210	28,661
Exploration and evaluation assets	6 67,083	50,636
Property, plant and equipment	7 19,157	18,498
	<u>109,450</u>	<u>97,795</u>
<b>Total assets</b>	<u>137,358</u>	<u>139,649</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	<u>3,928</u>	3,487
	<u>3,928</u>	<u>3,487</u>
<b>Non-current liabilities</b>		
Long-term loan	8 4,146	3,816
Other long-term liabilities	2,284	2,836
Decommissioning provision	758	685
	<u>7,188</u>	<u>7,337</u>
<b>EQUITY</b>		
Share capital	404,225	403,998
Equity reserve	24,611	23,903
Accumulated deficit	(302,594)	(299,076)
<b>Total liabilities and equity</b>	<u>137,358</u>	<u>139,649</u>

Going concern (Note 2)

Contingencies (Note 12)

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

Approved on behalf of the Board

(Signed) "Cameron Barton"  
Director

(Signed) "Neil Kelly"  
Director

# WENTWORTH RESOURCES LIMITED

## Unaudited Condensed Consolidated Interim Statement of Comprehensive Loss

United States \$000s, unless otherwise stated

		Quarter ended September 30,		Nine months ended September 30,	
	Note	2014	2013	2014	2013
<b>Total revenue</b>		<b>270</b>	240	<b>759</b>	691
<b>Operating expenses</b>					
Production and operating		<b>(474)</b>	(409)	<b>(1,646)</b>	(1,163)
General and administrative		<b>(1,767)</b>	(1,847)	<b>(5,066)</b>	(5,786)
Share based compensation	10	<b>(308)</b>	(109)	<b>(785)</b>	(263)
Depreciation and depletion	7	<b>(155)</b>	(140)	<b>(446)</b>	(402)
Gain from sale of office assets	7	<b>5</b>	-	<b>60</b>	-
<b>Loss from operating activities</b>		<b>(2,429)</b>	(2,265)	<b>(7,124)</b>	(6,923)
Finance income	9	<b>1,437</b>	1,454	<b>4,484</b>	4,216
Finance costs	9	<b>(326)</b>	(2,939)	<b>(878)</b>	(3,382)
Gain on derivative financial liability		-	328	-	721
<b>Net loss and comprehensive loss</b>		<b>(1,318)</b>	(3,422)	<b>(3,518)</b>	(5,368)
<b>Net loss per ordinary share</b>					
Basic and diluted (US\$/share)	11	<b>(0.01)</b>	(0.04)	<b>(0.02)</b>	(0.06)

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

# WENTWORTH RESOURCES LIMITED

## Unaudited Condensed Consolidated Interim Statement of Changes in Equity

United States \$000s, unless otherwise stated

	Note	Number of shares	Share capital \$	Equity reserve \$	Accumulated deficit \$	Total equity \$
Balance at December 31, 2012		82,503,940	361,675	21,996	(289,087)	94,584
Net loss and comprehensive loss		-	-	-	(5,368)	(5,368)
Share based compensation	10	-	-	263	-	263
Issue of share capital		85,000	108	(37)	-	71
Balance at September 30, 2013		82,588,940	361,783	22,222	(294,455)	89,550
<b>Balance at December 31, 2013</b>		<b>153,872,700</b>	<b>403,998</b>	<b>23,903</b>	<b>(299,076)</b>	<b>128,825</b>
Net loss and comprehensive loss		-	-	-	(3,518)	(3,518)
Share based compensation	10	-	-	785	-	785
Issue of share capital		250,000	227	(77)	-	150
<b>Balance at September 30, 2014</b>		<b>154,122,700</b>	<b>404,225</b>	<b>24,611</b>	<b>(302,594)</b>	<b>126,242</b>

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

# WENTWORTH RESOURCES LIMITED

## Unaudited Condensed Consolidated Interim Statement of Cash Flows

United States \$000s, unless otherwise stated

	Note	Quarter ended September 30,		Nine months ended September 30,	
		2014	2013	2014	2013
<b>Operating activities</b>					
Net loss for the period		(1,318)	(3,422)	(3,518)	(5,368)
Adjustments for:					
Share based compensation	10	308	109	785	263
Depreciation and depletion	7	155	140	446	402
Finance income, net		(1,111)	1,485	(3,606)	(834)
Gain from sale of office assets		(5)	-	(60)	-
Gain on derivative financial liability		-	(328)	-	(721)
Change in non-cash working capital		3,760	(218)	(156)	(1,465)
<b>Cash provided by (used) in operating activities</b>		<b>1,789</b>	<b>(2,234)</b>	<b>(6,109)</b>	<b>(7,723)</b>
<b>Investing activities</b>					
Additions to evaluation and exploration assets	6	(7,976)	(628)	(16,447)	(3,883)
Additions to property, plant and equipment	7	(331)	(450)	(1,107)	(871)
Conversion of short-term investments to cash		4,013	-	23,176	-
Interest income		21	1	96	20
Net reduction of long-term receivable		43	68	235	195
Change in non-cash working capital		-	397	-	1,772
<b>Cash (used in) / provided by investing activities</b>		<b>(4,230)</b>	<b>(612)</b>	<b>5,953</b>	<b>(2,767)</b>
<b>Financing activities</b>					
Issue of share capital		-	-	150	71
Net proceeds from long-term loan		-	5,965	-	9,887
Repayment of long-term loan		-	(5,437)	-	(6,036)
Interest paid	8	(91)	(175)	(269)	(445)
Proceeds from sale of office assets		7	-	62	-
Decrease of other long-term liabilities		-	(157)	-	(483)
<b>Cash (used in) / provided by financing activities</b>		<b>(84)</b>	<b>196</b>	<b>(57)</b>	<b>2,994</b>
Net change in cash and cash equivalents		(2,525)	(2,650)	(213)	(7,496)
Cash and cash equivalents, beginning of the period		16,813	4,506	14,501	9,352
<b>Cash and cash equivalents, end of the period</b>		<b>14,288</b>	<b>1,856</b>	<b>14,288</b>	<b>1,856</b>

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

**WENTWORTH RESOURCES LIMITED**

**Unaudited Condensed Consolidated Interim Statement of Cash Flows**

United States \$000s, unless otherwise stated

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# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

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### 1. Nature of business

Wentworth Resources Limited (“Wentworth” or the “Company”) is an East Africa-focused oil and natural gas explorer and producer. These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries (collectively referred to as “Wentworth Group of Companies” or the “Group”). 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.

At September 30, 2014, the Company has cash and cash equivalents of \$14,288 to fund its planned exploration and corporate activities prior to the commencement of cash flow from the Mnazi Bay Concession in Tanzania which is expected during Q1 2015. In addition, during Q3 2014 the Company agreed the terms for two credit facilities totaling \$26 million with a Tanzanian bank. Execution of the loan agreements is expected during Q4 2014 pending fulfilling conditions precedent, including the execution of security documentation to the bank's satisfaction. Following the execution of the final credit facility agreements, the Company plans to use the funds to repay an existing \$6 million loan and to fund the Company's share of the field infrastructure and drilling of one development well within the Mnazi Bay Concession. Should additional exploration and development activity take place prior to generating cash flow during Q1 2015 or should the generation of cash flows be delayed beyond Q1 2015, additional funding may be necessary.

The potential need to obtain financing, creates 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.

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

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### 3. Summary of accounting policies

#### **Basis of presentation and statement of compliance**

These condensed consolidated interim financial statements have been prepared by management and prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The condensed consolidated interim financial statements have been prepared following the same accounting policies as the annual audited consolidated financial statements for the year ended December 31, 2013, except as noted below, and should be read in conjunction with the annual audited consolidated financial statements and the notes thereto.

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure based on methods as set out in the December 31, 2013 financial statements. These methods have been applied consistently to all periods presented in these Interim Financial Statements.

#### **New standards adopted in 2014**

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

#### **New Standards and Interpretations not yet adopted**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC and are effective for accounting periods beginning on or after January 1, 2018. These standards have not been applied in preparing these Interim Financial Statements. Those which may be relevant to the Company are described below:

IFRS 9 Financial Instruments (2014) is effective January 1, 2018 with early adoption permitted. IFRS 9 provides guidelines for recognizing and measuring financial assets and liabilities and other contracts to buy or sell non-financial items. The objective is to provide readers with information for the assessment of amounts, timing and probability of the entity's future cash flows. This Standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The Company is currently evaluating the impact that the standard will have on its results of operations and financial position and is assessing when adoption will occur.

The condensed consolidated interim financial statements were approved by the Board of Directors on November 17, 2014. The disclosures provided below are incremental to those included in the annual consolidated financial statements.



# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

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### 3. Summary of accounting policies (continued)

#### Credit risk

Wentworth's maximum credit risk is equal to the carrying value of its cash and cash equivalents, trade, other and long-term receivables. Trade and other receivables are comprised predominantly of amounts due from Tanzanian government departments and entities, tax input credits for Goods and Services Tax (GST) in Canada and Value Added Tax (VAT) in Tanzania and Mozambique. The Company's ongoing exposure to receivables from TANESCO is connected with the gas sales from the Mnazi Bay Concession to the 18 MW power plant located in Mtwara, Tanzania. At September 30, 2014 the Mnazi Bay Concession partners were owed twelve months of gas sales, with \$1,873 owing to Wentworth.

At September 30, 2014, an undiscounted receivable of \$36,209 is due from Tanzania Petroleum Development Company ("TPDC"), which is a partner in the Mnazi Bay Concession. In settlement of this receivable 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.

At September 30, 2014, an undiscounted receivable of \$6,511 related to the Company's disposal of transmission and distribution assets, and the costs associated with the Mtwara Energy Project incurred by a wholly owned subsidiary of Wentworth, continues to be acknowledged as payable by the Tanzanian government. On February 6, 2012, the Company, TANESCO, TPDC and the Ministry of Energy and Minerals ("MEM") reached an agreement that the Company's cost of historical operations in respect of the Mtwara Energy Project should be reimbursed. Wentworth is currently in discussions with TANESCO, TPDC and MEM on agreeing on a method of reimbursement. There is a risk that the cost reimbursement method may not be in cash, but rather in a long-term recovery from other sources.

#### Financial instrument classification and measurement

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

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

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

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

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

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

### 4. Segment information

#### Net loss for the quarter ended September 30, 2014

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	270	-	-	270
Production and operating	(474)	-	-	(474)
General and administrative	(1,011)	(482)	(274)	(1,767)
Depreciation and depletion	(115)	-	(40)	(155)
Other	1,310	-	(502)	808
Total segment expense	(290)	(482)	(816)	(1,588)
Net loss	(20)	(482)	(816)	(1,318)

#### Selected Cash Flows for the quarter ended September 30, 2014

Net additions to exploration and evaluation assets	2,941	5,035	-	7,976
Net additions to property, plant and equipment assets	328	-	3	331

#### Net loss for the quarter ended September 30, 2013

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	240	-	-	240
Production and operating	(409)	-	-	(409)
General and administrative	(635)	(173)	(1,039)	(1,847)
Depreciation and depletion	(101)	-	(39)	(140)
Gain on derivative financial liability	-	-	328	328
Other income	(1,382)	(9)	(203)	(1,594)
Total segment expense	(2,527)	(182)	(953)	(3,662)
Net loss	(2,287)	(182)	(953)	(3,422)

#### Selected Cash Flows for the quarter ended September 30, 2013

Net additions to exploration and evaluation assets	477	151	-	628
Net additions to property, plant and equipment assets	397	-	53	450

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

### 4. Segment information (continued)

#### Net loss for the nine months ended September 30, 2014

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	759	-	-	759
Production and operating	(1,646)	-	-	(1,646)
General and administrative	(2,263)	(810)	(1,993)	(5,066)
Depreciation and depletion	(327)	-	(119)	(446)
Other	4,201	(4)	(1,316)	2,881
Total segment expense	(35)	(814)	(3,428)	(4,277)
Net income/(loss)	724	(814)	(3,428)	(3,518)

#### Selected balances at September 30, 2014

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Segment current assets	14,649	84	13,175	27,908
Long-term receivables	23,210	-	-	23,210
Exploration and evaluation assets	47,230	19,853	-	67,083
Property, plant and equipment assets	18,990	-	167	19,157
Segment current liabilities	2,822	8	1,098	3,928
Segment non-current liabilities	3,763	-	3,425	7,188

#### Selected Cash Flows for the nine months ended September 30, 2014

Net additions to exploration and evaluation assets	7,413	9,034	-	16,447
Net additions to property, plant and equipment assets	1,067	-	40	1,107

#### Net loss for the nine months ended September 30, 2013

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	691	-	-	691
Production and operating	(1,163)	-	-	(1,163)
General and administrative	(2,223)	(480)	(3,083)	(5,786)
Depreciation and depletion	(303)	-	(99)	(402)
Gain on derivative financial liability	-	-	721	721
Other income	1,050	(9)	(470)	571
Total segment expense	(2,639)	(489)	(2,931)	(6,059)
Net loss	(1,948)	(489)	(2,931)	(5,368)

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

### 4. Segment information (continued)

Selected balances at September 30, 2013

	Tanzania Operations	Mozambique Operations	Power Operations (Discontinued)	Corporate	Consolidated
Segment current assets	3,041	3,044	7,602	1,826	15,513
Long-term receivable	24,306	-	-	-	24,306
Exploration and evaluation Assets	37,855	10,619	-	-	48,474
Property, plant and equipment Assets	18,165	-	-	278	18,443
Segment current liabilities	907	365	1,610	5,357	8,239
Segment non-current liabilities	3,446	-	-	5,501	8,947

Selected Cash Flows for the nine months ended September 30, 2013

Net additions to exploration and evaluation assets	2,102	1,781	-	-	3,883
Net additions to property, plant and equipment assets	786	-	-	85	871

### 5. Long-term receivables

	Balance at September 30, 2014	Balance at December 31, 2013
TPDC receivable (i)	27,912	24,128
Tanzanian government receivable (Umoja/power) (ii)	5,560	5,191
	<b>33,472</b>	<b>29,319</b>
<b>Current portion</b>		
TPDC receivable (i)	10,262	658
<b>Long-term portion</b>		
TPDC receivable (i)	17,650	23,470
Tanzanian government receivable (Umoja/power) (ii)	5,560	5,191
	<b>23,210</b>	<b>28,661</b>

The new government owned Mtwara to Dar es Salaam gas pipeline is expected to be commissioned during the first quarter of 2015. The current portion of the TPDC receivable as at September 30, 2014 includes six months of anticipated revenue from the sale of natural gas to the new pipeline.

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

### 5. Long-term receivables (continued)

#### i) TPDC receivable

As at September 30, 2014, the undiscounted receivable from TPDC is \$36,209 (\$35,015 at December 31, 2013).

	<u>TPDC receivable</u>
Balance at December 31, 2013	24,128
Accretion	4,019
Retained gas revenue to offset receivable	(631)
Share of TPDC Mnazi Bay Concession costs paid by the Company	396
<b>Balance at September 30, 2014</b>	<b><u>27,912</u></b>

#### ii) Tanzanian government receivable (Umoja/power)

As at September 30, 2014 the undiscounted Tanzanian government receivable (Umoja/power) is \$6,511 (December 31, 2013 - \$6,511).

	<u>Tanzanian government receivable</u>
Balance at December 31, 2013	5,191
Accretion	369
<b>Balance at September 30, 2014</b>	<b><u>5,560</u></b>

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

	<u>Exploration and evaluation assets</u>
<b>Cost</b>	
Balance at December 31, 2013	113,348
Additions	16,447
<b>Balance at September 30, 2014</b>	<b><u>129,795</u></b>
<b>Accumulated impairment</b>	
<b>Balance at December 31, 2013 and September 30, 2014</b>	<b><u>(62,712)</u></b>
<b>Carrying amounts</b>	
December 31, 2013	50,636
<b>September 30, 2014</b>	<b>67,083</b>

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

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

	Natural gas properties	Office and other equipment	Total
<b>Cost</b>			
Balance at December 31, 2013	93,256	886	94,142
Additions	1,067	40	1,107
Disposal of assets <sup>(1)</sup>	(123)	-	(123)
<b>Balance at September 30, 2014</b>	<b>94,200</b>	<b>926</b>	<b>95,126</b>
<b>Accumulated depreciation, depletion and impairment</b>			
Balance at December 31, 2013	(75,005)	(639)	(75,644)
Depreciation and depletion	(327)	(119)	(446)
Disposal of assets <sup>(1)</sup>	121	-	121
<b>Balance at September 30, 2014</b>	<b>(75,211)</b>	<b>(758)</b>	<b>(75,969)</b>
<b>Carrying amounts</b>			
December 31, 2013	18,251	247	18,498
<b>September 30, 2014</b>	<b>18,989</b>	<b>168</b>	<b>19,157</b>

(1) During 2014 the Company disposed of office assets having a net book value of \$2 for net proceeds of \$62.

### 8. Long-term loan

#### Loan from Vitol Energy (Bermuda) Limited (“Vitol”)

<b>Principal balance at December 31, 2013 and September 30, 2014</b>	<b>6,000</b>
Financing cost - balance at December 31, 2013	(2,184)
Accretion	330
<b>Financing cost - balance at September 30, 2014</b>	<b>(1,854)</b>
<b>Carrying amount of loan at September 30, 2014</b>	<b>4,146</b>

During the third quarter and nine months ended September 30, 2014, the Company incurred interest expense of \$203 and \$599 respectively (2013 - \$200 and \$219 respectively) on the loan from Vitol. A total of \$91 and \$269 respectively (2013 - \$100 and \$103 respectively) was settled in cash during the period.

At September 30, 2014, the carrying amount of the Vitol loan approximates its fair value as the loan’s effective interest rate approximates market rates.

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

### 9. Finance income and finance costs

	Quarter ended		Nine months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
<b>Finance income</b>				
Accretion – TPDC receivable	1,293	1,279	4,019	3,900
Accretion – Tanzanian government receivable	123	-	369	-
Change in accounting estimate – long-term contingent liability	-	166	-	166
Interest income	21	1	96	20
Foreign exchange revaluation – TIB long-term loan	-	8	-	130
	<b>1,437</b>	<b>1,454</b>	<b>4,484</b>	<b>4,216</b>
	Quarter ended		Nine months ended	
	September 30,		September 30,	
	2014	2013	2014	2013
<b>Finance costs</b>				
Change in accounting estimate – TPDC receivable	-	(2,548)	-	(2,548)
Interest expense – Vitol loan	(203)	(200)	(599)	(219)
Interest expense – TIB loan	-	(75)	-	(342)
Accretion – long-term contingent liability	(57)	(56)	(169)	(166)
Accretion – decommissioning provision	(24)	(21)	(72)	(64)
Foreign exchange loss	(42)	(39)	(38)	(43)
	<b>(326)</b>	<b>(2,939)</b>	<b>(878)</b>	<b>(3,382)</b>

### 10. Share based payments

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

	Number of options	Weighted average exercise price
Outstanding at December 31, 2013	6,450,000	0.75
Granted	3,750,000	0.79
Exercised	(250,000)	0.56
<b>Outstanding at September 30, 2014</b>	<b>9,950,000</b>	<b>0.71</b>

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

### 10. Share based payments (continued)

The following table summarizes share options outstanding and exercisable at September 30, 2014:

Exercise Price (NOK)	Exercise Price (US\$) (i)	Outstanding		Exercisable
		Number of options	Weighted average remaining life (years)	Number of options
3.15	0.49	1,000,000	6.0	1,000,000
3.52	0.55	500,000	7.3	333,333
3.60	0.56	2,400,000	6.0	2,400,000
4.08	0.63	250,000	8.6	83,334
4.64	0.72	150,000	9.6	-
4.70	0.73	200,000	9.7	-
4.90	0.76	350,000	8.4	183,333
5.18	0.80	3,500,000	9.5	33,334
5.75	0.89	1,600,000	6.5	1,600,000
		<b>9,950,000</b>	<b>7.6</b>	<b>5,633,334</b>

(i) The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at September 30, 2014 is 0.1549.

#### Share based payment charge

During the nine months of 2014, a total of 3,750,000 options were granted (2013 – 600,000 options), 250,000 options were exercised (2013 - 85,000 options), and no options were forfeited (2013 – 331,667 options).

The following table indicates weighted average grant date fair value and the assumptions used in the determination of the fair value of options granted during the quarter and nine months of 2014:

Grant date fair value per option (US\$)	0.53
Expected annual interest rate (%)	1
Expected volatility (%)	69
Expected life (in years)	6
Expected forfeiture rate (%)	8
Expected dividends (US\$)	Nil

During the third quarter and nine months ended September 30, 2014 a total of \$308 and \$785 (2013 - \$109 and \$263 respectively) in share based compensation was expensed with an offsetting charge to equity reserve.



# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

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### 11. Loss per share

#### Basic and diluted loss per share

The calculation of loss per share for the quarter and nine months ended September 30, 2014 is based on a loss attributable to shareholders of the Company of \$1,318 and \$3,518 respectively (2013 – \$3,422 and \$5,368 respectively).

Share options and other equity instruments such as warrants were anti-dilutive for both periods. For the three and nine months ended September 30, 2014, 872,948 share options and 986,645 share options respectively and 553,252 warrants and 374,617 warrants respectively were not used for diluted EPS calculation as they were antidilutive.

	Quarter ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Basic and dilutive weighted average number of shares outstanding	<b>154,122,700</b>	82,588,940	<b>153,974,348</b>	82,546,596

### 12. Contingencies

On July 4, 2014, Tanzania Revenue Agency (“TRA”) issued tax assessment certificates to a wholly owned subsidiary of the Company, Wentworth Gas Limited, covering the years 2008 to 2012 and demanding payment of unpaid payroll tax on foreign personnel costs and withholding tax on imported services and accounting transactions. A liability for withholding tax, plus late interest charges, of Tsh366 million (\$212) has been recognized in the financial statements in 2014. The Company issued Statements of Appeals to the Tax Revenue Appeals Board on August 18, 2014 covering the remaining assessed amount of Tsh6,650 million (\$3,857) inclusive of interest charges of Tsh3,313 million (\$1,921). The Company believes it has a strong case against the remaining assessed amount and accordingly has not recorded a provision at September 30, 2014. A date has not yet been set by the Tax Revenue Appeals Board to hear the tax appeals.



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## **Independent Auditors' Report on Review of Interim Financial Information**

To the shareholders of Wentworth Resources Limited

### ***Introduction***

We have reviewed the accompanying condensed consolidated interim statement of financial position of Wentworth Resources Limited as at September 30, 2014, the condensed consolidated interim statements of comprehensive loss and cash flows for the three and nine-month periods ended September 30, 2014 and 2013, and condensed consolidated statement of changes in equity for the nine-month periods ended September 30, 2014 and 2013, and notes to the condensed consolidated interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### ***Scope of Review***

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

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at September 30, 2014, are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

### ***Emphasis of Matter***

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

***KPMG LLP***

Chartered Accountants

November 17, 2014

Calgary Canada