



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

*For the three months ended March 31, 2015*  
*Unaudited*

# WENTWORTH RESOURCES LIMITED

## Unaudited Condensed Consolidated Interim Statement of Financial Position

United States \$000s, unless otherwise stated

	Note	March 31, 2015	December 31, 2014
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,434	5,487
Trade and other receivables		2,581	2,613
Prepayments, deposits and advances to partners		1,395	1,418
Current portion of long-term receivables	5	11,018	14,530
		<u>19,428</u>	<u>24,048</u>
<b>Non-current assets</b>			
Long-term receivables	5	23,200	19,472
Exploration and evaluation assets	6	40,745	33,762
Property, plant and equipment	7	87,499	85,035
		<u>151,444</u>	<u>138,269</u>
<b>Total assets</b>		<u>170,872</u>	<u>162,317</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		8,451	8,204
		<u>8,451</u>	<u>8,204</u>
<b>Non-current liabilities</b>			
Long-term loans	8	16,221	5,718
Contingent liability		2,458	2,271
Decommissioning provision		810	782
		<u>19,489</u>	<u>8,771</u>
<b>EQUITY</b>			
Share capital		404,225	404,225
Equity reserve		25,222	24,916
Accumulated deficit		(286,515)	(283,799)
		<u>142,932</u>	<u>145,342</u>
<b>Total liabilities and equity</b>		<u>170,872</u>	<u>162,317</u>

Going concern (Note 2)

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

Approved by the Board of Directors and Management

Robert P. McBean  
Chairman of the Board

John W.S. Bentley  
Deputy Chairman

Cameron Barton  
Non-Executive Director

Neil Kelly  
Non-Executive Director

Richard Schmitt  
Non-Executive Director

Geoff Bury  
Managing Director

# WENTWORTH RESOURCES LIMITED

## Unaudited Condensed Consolidated Interim Statement of Comprehensive Loss

United States \$000s, unless otherwise stated

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	<b>Note</b>	<b>Three months ended March 31,</b>	
		<b>2015</b>	<b>2014</b>
<b>Total revenue</b>		<b>272</b>	236
<b>Operating expenses</b>			
Production and operating		<b>(504)</b>	(372)
General and administrative		<b>(1,497)</b>	(1,809)
Share based compensation	10	<b>(306)</b>	(154)
Depreciation and depletion	7	<b>(106)</b>	(135)
Gain from sale of office assets		-	23
<b>Loss from operating activities</b>		<b>(2,141)</b>	(2,211)
Finance income	9	<b>1,307</b>	1,643
Finance costs	9	<b>(1,882)</b>	(277)
<b>Net loss and comprehensive loss</b>		<b>(2,716)</b>	(845)
<b>Net loss per ordinary share</b>			
Basic and diluted (US\$/share)	11	<b>(0.02)</b>	(0.01)

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

# WENTWORTH RESOURCES LIMITED

## Unaudited Condensed Consolidated Interim Statement of Changes in Equity

United States \$000s, unless otherwise stated

	Note	Number of shares	Share capital \$	Equity reserve \$	Accumulated deficit \$	Total equity \$
Balance at December 31, 2013		153,872,700	403,998	23,903	(299,076)	128,825
Net loss and comprehensive loss		-	-	-	(845)	(845)
Share based compensation	10	-	-	154	-	154
Balance at March 31, 2014		<u>153,872,700</u>	<u>403,998</u>	<u>24,057</u>	<u>(299,921)</u>	<u>128,134</u>
Balance at December 31, 2014		154,122,700	404,225	24,916	(283,799)	145,342
Net loss and comprehensive loss		-	-	-	(2,716)	(2,716)
Share based compensation	10	-	-	306	-	306
<b>Balance at March 31, 2015</b>		<u><b>154,122,700</b></u>	<u><b>404,225</b></u>	<u><b>25,222</b></u>	<u><b>(286,515)</b></u>	<u><b>142,932</b></u>

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

# WENTWORTH RESOURCES LIMITED

## Unaudited Condensed Consolidated Interim Statement of Cash Flows

United States \$000s, unless otherwise stated

		Three months ended March 31,	
	Note	2015	2014
<b>Operating activities</b>			
Net loss for the period		(2,716)	(845)
Adjustments for:			
Share based compensation	10	306	154
Depreciation and depletion	7	106	135
Finance income/(loss), net		575	(1,366)
Gain from sale of assets		-	(23)
Change in non-cash working capital		(70)	(18)
<b>Cash used in operating activities</b>		<b>(1,799)</b>	<b>(1,963)</b>
<b>Investing activities</b>			
Additions to evaluation and exploration assets	6	(6,983)	(4,781)
Additions to property, plant and equipment	7	(2,570)	(481)
Net (increase)/reduction of long-term receivable		(542)	101
Conversion of term deposits to cash		-	10,325
Interest income		-	40
Change in non-cash working capital		361	-
<b>Cash (used in)/provided by investing activities</b>		<b>(9,734)</b>	<b>5,204</b>
<b>Financing activities</b>			
Proceeds from long-term loans	8	10,480	-
Interest paid		-	(89)
Proceeds from sale of office assets		-	23
<b>Cash provided by/(used in) financing activities</b>		<b>10,480</b>	<b>(66)</b>
Net change in cash and cash equivalents		(1,053)	3,175
Cash and cash equivalents, beginning of the period		5,487	14,501
<b>Cash and cash equivalents, end of the period</b>		<b>4,434</b>	<b>17,676</b>

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

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

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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 future exploration and development programs. There is no certainty that the Company will be able to obtain the financing required to meet its ongoing commitments for the exploration and development programs.

At March 31, 2015, the Company has cash and cash equivalents of \$4,434 to fund its planned exploration and corporate activities prior to the commissioning of the Mtwara to Dar es Salaam gas pipeline in Tanzania which is expected during Q3 2015. A credit facility is available to fund planned development activity in Tanzania. The Company continues to work with the government electric utility company, Tanzania Electricity Supply Company Limited (“TANESCO”) on settling long outstanding receivable balances which will be used to fund ongoing operating expenses. Should additional exploration and development activity take place prior to generating sufficient cash flow from its gas assets in Tanzania or should the receipt of cash flow from the sales of natural gas to the new government pipeline be delayed beyond Q3 2015, additional funding from debt or equity may be necessary.

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

### 3. Summary of accounting policies

#### Basis of presentation and statement of compliance

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

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

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

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

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

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

The condensed consolidated interim financial statements were approved by the Board of Directors on May 18, 2015. The disclosures provided below are incremental to those included in the annual consolidated financial statements.

#### **Credit risk**

Wentworth's maximum credit risk is equal to the carrying value of its cash and cash equivalents, trade, other and long-term receivables. Trade and other receivables are comprised predominantly of amounts due from government departments in Tanzania, tax input credits for Goods and Services Tax (GST) in Canada and Value Added Tax (VAT) in Tanzania and Mozambique.

At March 31, 2015, an undiscounted receivable of \$34,262 is due from Tanzania Petroleum Development Company ("TPDC"), which is a partner in the Mnazi Bay Concession. The Company currently receives, directly from the operator of the Mnazi Bay Concession, a significant portion of TPDC's and the government's share of gas sales from the Mnazi Bay Concession to reduce the receivable. There is a risk that future production from the Mnazi Bay Concession may not be sufficient to settle the receivable and, should such a determination be made, a provision against the receivable may be made.

At March 31, 2015, 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, 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.

# 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 March 31, 2015

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	272	-	-	272
Production and operating	(504)	-	-	(504)
General and administrative	(730)	(114)	(653)	(1,497)
Depreciation and depletion	(65)	-	(41)	(106)
Other	(665)	-	(216)	(881)
Total	(1,964)	(114)	(910)	(2,988)
Net loss	(1,692)	(114)	(910)	(2,716)

#### Selected balances at March 31, 2015

Current assets	16,453	37	2,938	19,428
Long-term receivables	23,200	-	-	23,200
Exploration and evaluation assets	8,084	32,661	-	40,745
Property, plant and equipment assets	87,403	-	96	87,499
Current liabilities	6,243	2,070	138	8,451
Non-current liabilities	19,489	-	-	19,489

#### Selected Cash Flows for the quarter ended March 31, 2015

Net additions to exploration and evaluation assets	149	6,834	-	6,983
Net additions to property, plant and equipment assets	2,568	-	2	2,570

#### Net income (loss) for the quarter ended March 31, 2014

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	236	-	-	236
Production and operating	(372)	-	-	(372)
General and administrative	(662)	(166)	(981)	(1,809)
Depreciation and depletion	(98)	-	(37)	(135)
Other	1,578	(2)	(341)	1,235
Total	446	(168)	(1,359)	(1,081)
Net income (loss)	682	(168)	(1,359)	(845)



# 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 March 31, 2014

Current assets	6,316	2,459	26,627	35,402
Long-term receivables	30,157	-	-	30,157
Exploration and evaluation assets	44,203	11,214	-	55,417
Property, plant and equipment assets	18,625	-	219	18,844
Current liabilities	3,045	339	777	4,161
Non-current liabilities	3,601	-	3,924	7,525

#### Selected Cash Flows for the quarter ended March 31, 2014

Net additions to exploration and evaluation assets	4,386	395	-	4,781
Net additions to property, plant and equipment assets	472	-	9	481

### 5. Long-term receivables

	Balance at March 31, 2015	Balance at December 31, 2014
TPDC receivable (i)	29,145	28,914
Tanzanian government receivable (Transmission & Distribution) (ii)	5,073	5,088
	<b>34,218</b>	34,002
<b>Current portion</b>		
TPDC receivable (i)	11,018	14,530
<b>Long-term portion</b>		
TPDC receivable (i)	18,127	14,384
Tanzanian government receivable (Transmission & Distribution) (ii)	5,073	5,088
	<b>23,200</b>	19,472

The new government owned Mtwara to Dar es Salaam gas pipeline is expected to be completed and commissioned in Q3 2015. The current portion of TPDC receivable as at March 31, 2015 represents those amounts that are expected to be collected within the next twelve months

#### i) TPDC receivable

As at March 31, 2015, the undiscounted receivable from TPDC is \$34,262 (\$33,518 at December 31, 2014).

Balance at December 31, 2014	28,914
Accretion	1,084
Change in accounting estimates	(1,395)
Payments received	(226)
Share of TPDC Mnazi Bay Concession costs paid by the Company	768
<b>Balance at March 31, 2015</b>	<b>29,145</b>

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

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

#### ii) Tanzanian government receivable

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

Balance at December 31, 2014	5,088
Accretion	122
Change in accounting estimates	(137)
<b>Balance at March 31, 2015</b>	<b><u>5,073</u></b>

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

### 6. Exploration and evaluation assets (“E&E”)

#### Cost

Balance at December 31, 2014	33,762
Additions	6,983
<b>Balance at March 31, 2015</b>	<b><u>40,745</u></b>

#### Carrying amounts

December 31, 2014	33,762
<b>March 31, 2015</b>	<b>40,745</b>

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

	Natural gas properties	Office and other equipment	Total
<b>Cost</b>			
Balance at December 31, 2014	88,002	489	88,491
Additions	2,568	2	2,570
<b>Balance at March 31, 2015</b>	<b><u>90,570</u></b>	<b><u>491</u></b>	<b><u>91,061</u></b>
<b>Accumulated depreciation, depletion and impairment</b>			
Balance at December 31, 2014	(3,102)	(354)	(3,456)
Depreciation and depletion	(65)	(41)	(106)
<b>Balance at March 31, 2015</b>	<b><u>(3,167)</u></b>	<b><u>(395)</u></b>	<b><u>(3,562)</u></b>
<b>Carrying amounts</b>			
December 31, 2014	84,900	135	85,035
<b>March 31, 2015</b>	<b>87,403</b>	<b>96</b>	<b>87,499</b>

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

### 8. Long-term loans

#### Credit facilities from Tanzania based banks

Principal balance at December 31, 2014	6,000
Additions	<u>10,480</u>
<b>Principal balance at March 31, 2015</b>	<b><u>16,480</u></b>
Financing cost - balance at December 31, 2014	(282)
Accretion	<u>23</u>
<b>Financing cost - balance at March 31, 2015</b>	<b><u>(259)</u></b>
<b>Carrying amount of long-term loans at March 31, 2015</b>	<b><u>16,221</u></b>

During the quarter ended March 31, 2015, the Company incurred interest expense, inclusive of the accretion of financing costs, of \$240 (2014 - \$Nil).

At March 31, 2015, the carrying amount of the credit facilities approximates its fair value as the loan's effective interest rate approximates market rates.

### 9. Finance income and finance costs

	Three months ended March 31,	
	2015	2014
<b>Finance income</b>		
Accretion - TPDC receivable (Note 5)	1,084	1,473
Accretion – Tanzanian government receivable (Note 5)	122	123
Change in estimates – contingent liability	101	-
Interest income	-	40
Foreign exchange gain	-	7
	<u>1,307</u>	<u>1,643</u>
<b>Finance costs</b>		
Change in estimates – TPDC receivable (Note 5)	(1,395)	-
Change in estimates – Tanzanian government receivable (Note 5)	(137)	-
Interest expense – Vitol loan	-	(197)
Interest expense – Tanzania based banks	(240)	-
Accretion – contingent liability	(61)	(56)
Accretion – decommissioning provision	(27)	(24)
Foreign exchange loss	(22)	-
	<u>(1,882)</u>	<u>(277)</u>

# WENTWORTH RESOURCES LIMITED

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

United States \$000s unless otherwise stated

### 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, 2014 and March 31, 2015	<b>9,950,000</b>	<b>0.57</b>

The following table summarizes share options outstanding and exercisable at March 31, 2015:

Exercise Price (NOK)	Exercise Price (US\$) (i)	Outstanding		Exercisable
		Number of options	Weighted average remaining life (years)	Number of options
3.15	0.40	1,000,000	5.5	1,000,000
3.52	0.44	500,000	6.8	500,000
3.60	0.45	2,400,000	5.5	2,400,000
4.08	0.51	250,000	8.1	83,334
4.64	0.58	150,000	9.2	-
4.70	0.59	200,000	9.2	-
4.90	0.61	350,000	7.1	266,667
5.18	0.65	3,500,000	8.6	1,166,667
5.75	0.72	1,600,000	6.0	1,600,000
		<b>9,950,000</b>	<b>7.1</b>	<b>7,016,668</b>

(1) The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at March 31, 2015 is 0.12504.

The weighted average exercise price of options outstanding and exercisable at March 31, 2015 is US\$0.54 (NOK 4.34).

#### Share based payment charge

No options were granted in the first quarter of 2015 (2014 – 3,400,000 during first quarter of 2014).

During the quarter ended March 31, 2015 a total of \$306 (2014 - \$154) 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 Income per share

#### Basic and diluted loss per share

The calculation of loss per share for the quarter ended March 31, 2015 is based on a loss attributable to shareholders of the Company of \$2,716 (2014 – \$845). Share options and other equity instruments such as warrants were anti-dilutive for both periods.

	For the three months ended March 31,	
	2015	2014
Weighted average number of shares outstanding	<b>154,122,700</b>	153,872,700
Dilutive weighted average number of shares outstanding	<b>154,122,700</b>	153,872,700



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## **INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

To the shareholders of Wentworth Resources Ltd.

### ***Introduction***

We have reviewed the accompanying condensed consolidated interim statement of financial position of Wentworth Resources Ltd. as at March 31, 2015, the condensed consolidated interim statements of comprehensive loss, changes in equity and cash flows for the three-month periods ended March 31, 2015 and 2014, and notes to the condensed consolidated interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

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

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

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at March 31, 2015, are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

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

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

***KPMG LLP***

Chartered Accountants

May 18, 2015  
Calgary, Canada

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