WENTWORTH
RESOURCES LIMITED

Annual Report 2015

Exploration, Development and Gas Monetisation in East Africa

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

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Executive Chairman's message

2015 was a year dominated by the continuation of a drastic structural change in the economics supporting the oil and gas industry worldwide. This phenomena is not new with the industry having experienced similar adjustments on a regular basis since the early 1970's. The industry has however reacted very well. It has survived and prospered and become better by being more efficient, through consolidation and technical innovation.

Your company, Wentworth Resources Limited, has been fortunate in comparison to its peer group during 2015, a year in which the company has not only increased its revenue, but also its 2P reserve base by 20%. A brief summary of the past years' activities and what is planned for the future follows:

TANZANIA

During 2015, Wentworth has accomplished all of the key milestones that it had set out to do during the year. The development well, MB4, which was drilled and completed during the year turned out to be the best well in the field and has provided confirmation that the Mnazi Bay gas field is a quality field which is performing better than expected. Although construction of the government owned and Chinese financed 520 km, 36" diameter pipeline experienced minor technical problems that effected the schedule for operations to commence, these problems were dealt with and by the year end, the pipeline and related receiving and processing facilities were commissioned and operating by Q3. During the year, the Mnazi Bay Concession partners also completed the necessary field work to gather and deliver natural gas to the new TPDC owned and operated pipeline.

The Fixed Price Gas Contract entered into in 2014 by the Mnazi Bay joint venture partners and TPDC has provided a basis for a long-term, consistent revenue stream in Tanzania. During this initial six months of production, the volumes taken by the purchaser have varied somewhat due to the start-up and commissioning issues at new power generation facilities and with some technical issues relating to the necessary conversion from distillate fuel to natural gas at existing, previously idle, power generation facilities. These issues will be less of a factor as all these conversions are completed and tested. All parties to the Gas Sale Agreement continue to honour their obligations in an exemplary manner and the relationships of the parties are such that we do not foresee any conflicts arising in the future. The combination of the TPDC operated pipeline, TANESCO the ultimate user of the natural gas and the Mnazi Bay producing partners are working together in creating a monumental benefit for the people and the economy of Tanzania.

MOZAMBIQUE

In 2015, the exploration period of the Onshore Rovuma Concession expired on August 31, 2015 and Wentworth along with state owned ENH decided to proceed with an appraisal of the Tembo-1 gas discovery. Our technical staff view the gas discovery to be highly prospective and with the knowledge that we gained from the drilling of Tembo-1 exploration well in 2014, we are confident that the key will be found to unlock the mass potential of the area. The company expects to finalise and obtain ministry approval of the agreement with ENH during the first half of 2016 which will include allocation of the participating interests in the block by the relinquishing parties, operatorship, appraisal area and an appraisal plan.

OUTLOOK

Wentworth has positioned itself to begin the process of expansion from within, by managing expenditures from internally generated cash flow. Focus for the next few years will be on East Africa where we are the most comfortable with both political and economic situation. The company has over the years invested both substantial amounts of human resource and financial capital, and the time is now for the company to be rewarded for those investments.

I would like to thank all the management and staff of the Wentworth family, for their hard work and perseverance in getting the company to the strong position which it now enjoys.

Robert P. McBean
Executive Chairman

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For year ended December 31, 2015

2015 Highlights

Corporate

- Independent reserves evaluation attributed Wentworth's share of Proved + Probable (2P) reserves valued at US$179.2 million NPV (10%) after tax at December 31, 2015 to the Company's gas fields in Tanzania.
- Successfully completed a private placement on July 1, 2015 and issued 15,412,269 new common shares for cash consideration of $0.50 (GBP0.315 or NOK3.88) per share for total gross proceeds of $7.64 million.
- During August 2015 the Mnazi Bay Joint Venture partners reached agreement on payment security terms between the gas purchaser in Tanzania, Tanzania Petroleum Development Corporation ("TPDC"), and parties to the Mnazi Bay Concession.

Financial

- Gas sales revenue of $4.64 million, up 337% from 2014 due to the commencement of gas sales to the new Mtwara to Dar es Salaam gas pipeline during Q3 2015.
- Net income of $27.03 million ($0.17 per share) compared to a 2014 net income of $15.28 million ($0.10 per share) during 2014.
- Recognized a non-cash deferred tax asset of $34.34 million during Q4 2015. During Q4 2014 the Company recognized a non-cash impairment reversal of $23.81 million.
- Development and exploration capital expenditures of $11.84 million and $9.38 million, respectively during 2015.
- Cash and cash equivalents on hand of $2.75 million at December 31, 2015 compared with $5.49 million on hand at December 31, 2014.
- Working capital was $11.98 million compared to $15.84 million at December 31, 2014.

Operational

Tanzania

- First gas delivery to the new government owned Mtwara to Dar es Salaam natural gas pipeline commenced on August 20, 2015.
- Experienced an average gross daily gas production of 46 MMscf/d during the fourth quarter and 16 MMscf/d for 2015, with an expected increase up to 70-80 MMscf/d by the end of Q1 2016 as gas turbines at existing and new power generation facilities are commissioned and become fully operational.
- Continued with the construction of field infrastructure connecting the Mnazi Bay gas field infrastructure to the government owned gas pipeline.
- During Q2 2015 completed drilling of the MB-4 development well in the Mnazi Bay Concession. MB-4 was drilled to a total depth of 2,788 meters penetrating the Miocene gas reservoirs with net pay of 24 meters (Upper Mnazi Bay) and 43 meters (Lower Mnazi Bay) for a total net pay of 67 meters.

Mozambique

- Discussions continued with the Mozambican Government regarding the assignment of the relinquishing parties' participation interest to the remaining parties in the Concession, selection and appointment of an operator of the Concession, determining the appraisal acreage for Tembo-1 gas discovery and agreeing to a multi-year appraisal plan.
- During the first quarter of 2015, the Kifaru-1 exploration well reached TD 3,100 meters in Eocene age rocks which contributed to our understanding of the regional geology. The well encountered all targeted zones in the Miocene, Oligocene and Eocene formations but failed to find an economic reservoir and as a result the well was plugged and abandoned.

Financial and Operating Results

Financial (Figures $000's, except per share data)	**Year ended December 31,**		
	2015	2014	*% Change*
Gas revenue	**4,637**	1,060	337
Adjusted EBITDA[1]	**(4,944)**	(8,358)	41
(Loss)/profit from operating activities	**(7,418)**	13,875	(153)
Net profit and comprehensive profit	**27,034**	15,277	77
Basic and diluted net profit per share ($ per share)	**0.17**	0.10	70
Net cash generated from/(used in) operating activities	**(4,769)**	(9,450)	50
Capital expenditures	**21,219**	26,402	(20)

[1]"Adjusted EBITDA" is calculated as revenue less production and operating expense and general and administrative expenses

Operating (Mnazi Bay Concession)	Year ended December 31,		
	2015	2014	% Change
Sales to Mtwara to Dar es Salaam gas pipeline:			
Price per MMbtu (US$)	**3.00**	-	N/A
Gas sales - MMbtu (net to Wentworth)	**1,172,092**	-	N/A
Sales to Mtwara 18MW Power Plant:			
Price per MMbtu (US$)	**5.36**	5.36	-
Gas sales - MMbtu (net to Wentworth)	**209,206**	197,842	6
Production			
Production volumes (MMbtu) – net to Wentworth	**1,381,298**	197,842	598
Production and operating cost per MMbtu (US$)	**2.33**	13.10	(82)
Gross Concession - average daily production (MMscf/d)	**15.7**	2.1	648

	As at year ended		
Balance Sheet (Figures 000's)	**December 2015**	December 2014	% Change
Total assets	**$216,577**	$162,317	33
Cash and cash equivalents	**$2,746**	$5,487	(50)
Long-term receivables (including current portion)	**$37,087**	$34,002	9
Credit facilities (principal balance)	**$26,000**	$6,000	333
Outstanding shares, options and warrants			
Common shares	**169,535**	154,123	10
Options	**11,950**	9,950	20
Warrants	**-**	5,000	(100)

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 24, 2016. This MD&A should be read in conjunction with the Company's consolidated financial statements, and notes thereto, for the year ended December 31, 2015. The audited annual consolidated financial statements have been prepared by management, presented in United States (US) dollars, and prepared in accordance with International Financial Reporting Standards (IFRS).

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

Overview of Operations

Mnazi Bay Concession, Tanzania

Defined Market for Natural Gas

Completion and commissioning the new government owned Mtwara to Dar es Salaam gas pipeline

A significant milestone occurred on August 20, 2015 when the first gas delivery from the Mnazi Bay Concession to the new Mtwara to Dar es Salaam gas pipeline commenced. The Government owned and Chinese constructed pipeline project consists of a 36" gas pipeline extending ~500km from Mtwara in the south of Tanzania to the commercial capital, Dar es Salaam, in the north, two gas processing plants, receiving facilities and all connections to gas supply locations (collectively referred to as the "Pipeline Project"). The pipeline has capacity of ~784 MMscf/d and is owned and operated by state owned Tanzania Petroleum Development Corporation ("TPDC"). The gas pipeline will be utilized to transport gas to a number of power generation facilities thereby improving the stability and reliability of energy for the Country's population and for future industrial growth.

Wentworth's existing discovered gas within the Mnazi Bay Concession is an integral and essential component of the Tanzanian Government's gas-to-power initiative.

End users of Mnazi Bay Gas

The government's electric utility company, Tanzania Electricity Supply Company Limited ("TANESCO"), plans to add an additional 1,155 MW of electricity to the national grid over the next three years by constructing four power stations in addition to the 150 MW Kinyerezi-1 power plant which was completed during Q4 2015 and is currently being commissioned and brought up to full operating capacity. Two 40 MW turbines are yet to be brought on-stream at the plant but are expected to be commissioned by end of Q1 2016. Additional gas fired power plants at Kinyerezi, Kilwa and Mtwara are planned, most of these will be privately owned Independent Power Producers (IPP). The full cost of the gas Pipeline Project has been borne by the Tanzanian Government; therefore, Wentworth finds itself in an advantageous position where the Company can monetize significant quantities of discovered gas with a nominal amount of additional capital infrastructure and cost.

The new gas pipeline is of national and strategic importance to Tanzania. During the past few years, TANESCO has been faced with having to pay for expensive emergency power generation to supply electric power to the national grid and the commercial capital Dar es Salaam. It is estimated that TANESCO's average blended cost of power generation was $0.20 per kWh whilst the retail tariff was on average US$0.16 per kWh. The Government has now implemented plans to replace its higher cost power generation, with existing and new gas-fired power generation, utilizing natural gas fuel sourced from the Mnazi Bay Concession. This change is expected to ultimately reduce the blended cost of thermal power generation to under US$0.10 per kWh. Mnazi Bay natural gas will play a vital role in restoring

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TANESCO to sustainable and positive cash flows over time.

The majority of gas supplied by the Company to the new gas pipeline will be used for power generation, whilst a minor portion is expected to be consumed by industrial customers. During Q4 2015, the Mnazi Bay gas field supplied approximately 46 MMscf/d to Dar es Salaam for power generation at the Kinyerezi-1, Symbion and Ubungo II power generation facilities and also to the 18 MW power plant in Mtwara. Two of the four turbines have been commissioned at Kinyerezi-1 power station with the remaining two expected to be commissioned and fully operational by the end of Q1 2016. At full operating capacity, the Kinyerezi-1 power station, excluding a future planned expansion of the power station, is expected to utilize approximately 30 MMscf/d of natural gas, while demand at the Ubungo II and Symbian power plants is expected to be approximately 50 MMscf/d once the plants are operating at full capacity.

Future gas demand is expected to come from the planned expansion of the Kinyerezi-I power plant, construction of Kinyerezi –II, -III and -IV, the Kilwa Power station, and growth in industrial demand with total estimated demand for natural gas in Tanzania exceeding gas supply by the end of 2018.

Gas Sales Agreement

On September 12, 2014, the Mnazi Bay Concession joint venture partners and TPDC, the Government entity aggregating natural gas for the new transnational gas pipeline, executed a long-term gas sales and purchase agreement ("GSA") to supply existing discovered natural gas from the Mnazi Bay and Msimbati gas fields within the Mnazi Bay Concession.

The Mnazi Bay Concession joint venture partners are contracted to supply up to 80 MMscf/d of natural gas for the first eight months of the contract (that is, after the commercial operations date (COD)), with an option to increase this supply after a period of 8 months, to a maximum of 130 MMscf/d of natural gas. The supply contract is for the next 15 years ending in 2031. The COD is expected to be reached during H1 2016. Payments for gas delivered during October 2015 to January 2016 have been received within the agreed periods.

The gas price is fixed at US$3.00/MMbtu, escalating annually at the United States CPI Industrial index commencing in 2016. The gas is sold and purchased at the metering station located at the inlet to a 16′ pipeline connecting the existing Mnazi Bay gas production facility to the new Government owned Madimba Gas Processing Facility (GPF). The Mnazi Bay Concession joint venture partners are not responsible for paying a tariff for transporting the gas nor paying third party processing fees and, therefore, the price of US$3.00/MMbtu is equivalent to a wellhead "netback price".

Initial volumes of 640 MMscf and 320 MMscf delivered during August 2015 and September 2015 were purchased and used by TPDC to fill and pack the pipeline, commission the GPF, commission the Kinyerezi receiving station and generate power. Commencing in October, volumes delivered to the pipeline were ultimately used by the power plants to generate electricity.

The Mnazi Bay Concession joint venture partners have agreed payment security terms with TPDC and various other parties. The payment security provides the Partners with sufficient assurance that sales of natural gas will be settled in accordance with the agreed payment terms.

Gas Production Estimates – Mnazi Bay Concession

The existing five gas wells within the Mnazi Bay Concession are expected to be able to produce a combined minimum 80 MMscf/d and therefore will be able to meet the initial contracted delivery volumes specified within the GSA. In prior years, workovers were performed on three wells (MS-1X, MB-2 and MB-3) allowing for production from multiple zones within these wells. The MB-4 well, drilled during Q2 2015, was tested and achieved a constrained flow-rate of up to 41 MMscf/d.

MS-1X, MB-2, MB-3 and MB-4 have been tied-in to the connection point of the new pipeline. Q4 2015 production averaged 44mmscf/d which is limited to the current nomination from TPDC.

The fifth well, MB-1, is currently producing approximately 2 MMscf/d which fuels the 18 MW Power Plant in Mtwara, located approximately 27km from the Mnazi Bay gas fields, and which provides the population in the Mtwara and Lindi regions with reliable electric power.

Subject to the deliverability from the existing Mnazi Bay wells and the drilling of additional development wells as deemed necessary, the Company anticipates gas sales to the pipeline to increase to 130 MMscf/d as market demand grows. Gas deliveries could escalate up to 270 MMscf/d should additional exploration success occur within the Mnazi Bay Concession. Of the 270 MMscf/d, 210 MMscf/d is expected to be supplied to the Madimba GPF and 60 MMscf/d is anticipated to be supplied directly to a power plant planned for construction in the Mtwara region or supplied to industrial customers in the region. However, should expansion of the Madimba Processing Facility be required this could be done by adding an additional 70 MMscf/day train.

Mnazi Bay Development Activities

Construction of surface infrastructure included the installation of flow-lines and well control infrastructure at the well site locations. Although the Madimba GPF is fully capable of handling wellhead gas, it is necessary to remove water ahead of delivery because the Mnazi Bay JV Partners own the liquid content of the gas and also to minimise condensation in the sub-marine pipeline leading into the Madimba GPF. The gas specifications contained in the GSA, which stipulate the acceptable conditions for properties such as temperature, water content and pressure, are the responsibility of the Mnazi Bay joint venture and thus the main reason for limited processing of the gas at the Mnazi Bay Gas Processing Facility (GPF).

Exploration Opportunities

Given the immediate access to a market for Mnazi Bay Concession gas and the spare capacity available in the transnational pipeline, the Company will seek to advance an exploration drilling program in 2017. The Company expects the cost of these exploration activities to be fully funded from internally generated cash flow.

Participation Interest and Existing Field Infrastructure

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

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

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

The Company has an extensive seismic database including:

- 328 km2 offshore 3D seismic (2013);
- Over 2,000 km onshore/offshore 2D seismic including 315 km new data (2014); and
- 58 km new high resolution onshore 2D seismic (2014) over the Mnazi Bay and Msimbati gas fields.

At December 31, 2015, the 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	-

General Industry Overview - Tanzania

The Petroleum Act 2015 ("PA 2015")

The Petroleum Act 2015 ("PA 2015") was assented and became effective on September 25, 2015. The PA 2015 replaces the Petroleum Exploration and Production Act of 1980 ("PEPA 1980") and the Petroleum Act of 2008 ("PA 2008") and includes provisions that were previously expected to be included in the proposed Gas Act. The PA 2015 covers upstream, midstream and downstream oil and gas activities. Agreements previously entered into pursuant to provision of the PEPA 1980 and PA 2008 shall be deemed to have been made under PA 2015 and shall remain in force and effect as currently agreed. Some of the key changes introduced by PA 2015 are:

- Creation of an Oil and Gas Bureau in the President's Office that is tasked with advising the Cabinet on strategic matters relating to the Oil and Gas Industry.
- Creation of a Petroleum Upstream Regulatory Authority (PURA) tasked with monitoring and regulating the petroleum upstream sub-sector, advising the Minister responsible for petroleum affairs on licensing and other oil and gas related matters.
- Formal designation of TPDC as the National Oil Company with a mandate to control and manage the Government's interests in oil and gas projects. TPDC shall hold at least 25% of all interests in oil and gas blocks, except where TPDC decides otherwise.
- TPDC or any of its subsidiaries awarded exclusive rights as National gas Aggregator to purchase, collect and sell natural gas from producers. This does not apply for gas earmarked for export as part of LNG projects.
- The Energy and Water Utilities Regulatory Authority (EWURA) has been allocated supervisory authority over midstream and downstream petroleum and natural gas activities. Midstream activities relating to LNG projects will be regulated by PURA.
- An increased involvement of the Cabinet in decision making related to oil and gas projects such as issuing of exploration and development licenses and extension of development licenses.

The Company does not expect operations in Tanzania to be materially impacted by the introduction of the new Petroleum Act of 2015 but continues to engage with industry and government to determine the full extent of the changes on the energy industry in Tanzania.

The oil and gas industry in Tanzania has been impacted by the global downturn in the oil and gas sector not unlike most other countries in the world. Minimal oil and gas exploration is expected to occur in Tanzania in 2016. With the completion of a development well in Songa-Songa and an exploration well planned during Q3 2016 in the Kilombero Basin, it is difficult to identify any other blocks in Tanzania that are planning a seismic or drilling program. Certain onshore operators are seeking farm-in partners before advancing their onshore exploration activities. The offshore deep water concessionaires are expected to focus on advancing their implementation and commercial agreements with the Government of Tanzania before conducting any further exploration.

The current challenges faced in the oil and gas sector has very little effect on Wentworth's Tanzanian operations as the Mnazi Bay partners supply gas to the growing domestic market at a fixed gas price which is not linked to the market price of oil. Wentworth expects the new government owned Mtwara to Dar Pipeline will steadily increase in strategic significance during the course of the year as it begins to deliver more and more fuel

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gas to the power generation of the central grid of the country. Ultimately the Pipeline is expected to provide a significant catalyst to the growth of the Tanzanian industrial development and economy because it allows for the distribution of a relatively cheap fuel for power generation.

In 2015, the Tanzanian people elected a new President in November 2015 and a new cabinet was announced in December 2015. Wentworth is encouraged with the reelection of the ruling party and with the appointment of experienced and knowledgeable individual to key positions. We do not expect the change in Government personnel to have a material impact on our operations and we will continue to work closely with its Government counterparts to ensure successful business relationship.

Rovuma Onshore Block, Mozambique

Exploration

In December 2014, the Tembo-1 natural gas discovery was registered with National Petroleum Institute (INP), the national petroleum regulatory authority. The Tembo-1 exploration well was drilled to a total depth of 4,553 meters (4,401 meters True Vertical Depth Sub Sea) and a gas discovery was made in Cretaceous aged sands. Natural gas and some condensate was recovered by modular formation dynamics testing ("MDT") confirming the petrophysical analysis. On July 21, 2015, the Company provided formal notification to INP of its intention to proceed with an appraisal of the gas discovery in the Tembo-1 well.

All of the work program and commitments of the Rovuma Onshore Block concession agreement have been fulfilled and the third and last exploration phase of the Block expired on August 31, 2015. Anadarko, the current operator, Maurel & Prom ("M&P") and PTT Exploration and Production Public Company Limited (PTTEP"), have all notified INP of the relinquishment of their respective participating interests in the Block effective from August 31, 2015.

Wentworth continued discussions with the other remaining party to the Rovuma Onshore Block concession, state owned ENH, to reach an agreement on assigning the participating interests of the relinquishing parties, appointing an operator of the Block, determining an appropriate appraisal area for the Tembo-1 gas discovery and agreeing an appraisal plan. A definitive plan forward is expected during the first half of 2016 and will be subject approval by the INP to proceed with an appraisal program.

The appraisal program is expected to include activities which are contingent in nature. During the initial 9-12 months of the appraisal program the work program is expected to be limited to reprocessing of existing seismic data with a specific focus on the sands relating to the discovery. Should results of this reprocessing be encouraging, it is contemplated that the work program could involve acquiring additional 2D seismic data over the appraisal area. Acquisition, processing and interpretation could take up to 18 months depending on the acquisition parameters and the weather conditions. Contingent upon identifying a suitable appraisal target, an appraisal well may be proposed.

Participation Interest

The Rovuma Onshore Block in northern Mozambique is mainly onshore and forms part of the Rovuma Basin. At December 31, 2015, effective participation interests in production operations and exploration operations, respectively, and the extent of acreage that will be designated for the appraisal of the Tembo-1 discovery were yet to be agreed.

Prior to the allocation of the 73.41% and 86.36% participation interest in production and exploration operations, respectively, relinquished by Anadarko, M&P and PTTEP, Wentworth held a 11.59% and 13.64% participation interest, respectively, and ENH held a 15% and 0% participation interest, respectively.

General Industry Overview - Mozambique

New Government

Mozambique elected a new President into office during Q4 2014 and has made several personnel changes within the management of the oil and gas section of the government. Wentworth maintain a small presence in Mozambique and continues to enhance our relationships during this period transition.

The Government passed the new Petroleum Act in 2015 which, among other things, allows the National Oil Company to compete with other private oil companies, and introduces new terms for exploration licenses and new regulations regarding local content. Should the updated provisions of the Petroleum Act also be passed into law, Wentworth does not expect the changes to have an impact on the Company's activities in Mozambique.

Exploration and Production sector

At present, the oil and gas sector in Mozambique appears to be stable when compared to the Tanzanian sector. An industry competitor has recently announced a well program to produce liquid in 2016 and during the second half of 2015 five oil and gas concessions were awarded to three industry majors. It would appear that there has been measured progress toward reaching Final Investment Decision ("FID") with LNG plans with Anadarko expected to reach FID during the course of 2016. In addition, there is a noticeable increase in construction industry in the capital Maputo with a number of hotels and apartment blocks under construction and an extensive shoreline rehabilitation project located the foreshore of Maputo. The country appears to be positioning itself to be a leader in the energy section in East Africa in the years to come.

Financial and Operating Discussion

Revenue

Gas sales to TPDC

Gas deliveries to the new government owned Dar es Salaam gas pipeline commenced during August 2015. During the year 2015, the Company recorded gas sales of 1,172,092 MMbtu for revenue of $3.52 million. The Joint Venture has been fully paid for gas delivered to the new pipeline based on agreed payment terms.

Gas sales to Tanesco

Gas sales to an 18 MW gas-fired power plant in Mtwara, Tanzania during the year 2015 were 209,206 MMbtu (2014 – 197,842 MMbtu) while the gas price remained fixed and unchanged at $5.36/MMbtu. Higher gas sales during 2015, $1.12 million, compared to 2014, $1.06 million, resulted from higher demand due to new electricity customers and lower downtime experienced at the Mtwara power plant. At year end, sales invoices for the period August 1 to December 31, 2015 totalling $0.44 million remaining unpaid.

Production and operating expense

Production costs within the Mnazi Bay Concession comprise the Company's share of field operating costs, operator's administration and operator's overhead required to manage production operations. Production costs are substantially fixed in nature and on a per Mscf basis are now decreasing after gas deliveries to the new pipeline began in Q3 2015.

On an annual basis, production and operating expenses increased by $0.62 million to $3.21 million from $2.59 million during 2014. Although field operating expenses were relatively consistent to the prior year, during 2015 the Company recognized an expense of $0.79 million relating to the cost of settlement of ongoing Tanzania Revenue Authority's tax audits of the historical years of 2008-2012 of gas and discontinued transmission and power operations.

General and administrative expense

General and administrative (G&A) expenses decreased 7 percent in 2015 compared to 2014. Cost saving initiatives undertaken during 2014 and 2015 including downsizing office space, streamlining information technology, and reducing third party consulting have contributed to a reduction in ongoing G&A expenses.

	Year ended December 31,	
(figures in $000's)	**2015**	2014
Employee salaries and benefits	**3,055**	2,619
Contractors and consultants	**591**	962
Travel and accommodation	**487**	736
Professional, legal and advisory	**798**	815
Office and administration	**750**	1,048
Corporate and public company costs	**686**	646
	6,367	6,826

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 engineering and Nomad for our AIM listing).

As a non-operator in both of its concession agreements in East Africa, general and administrative costs including technical evaluations, geological and geophysical analysis and attendance at technical committee meetings are recorded as G&A expenses. Although the Company is a non-operator, a strong regional presence is considered essential to the success of the Company. A local presence supports the advancement of key initiatives with our joint venture partners and entities within the Tanzanian Government and allows Wentworth to maneuver effectively through a challenging business environment.

Share based compensation

During year 2015 the Company recognized $0.77 million (2014 - $1.09 million) as share based compensation expense.

A total of 2,000,000 options were granted to officers and senior management of the Company while no options were exercised or forfeited during year 2015 (2014 - 3,750,000 options were granted, 250,000 options were exercised and no options were forfeited). A total of 11,950,000 stock options were outstanding at December 31, 2015 with 7,249,994 vested and exercisable with an average exercise price per share of NOK 4.34 ($0.50).

Depreciation and depletion

Depreciation and depletion of gas producing assets and office assets of $1.71 million (2014 - $0.54 million) were recorded year 2015. The commencement of gas sales to the new Mtwara to Dar es Salaam pipeline has increased production quantities resulting in an increase in depletion. At December 31, 2015 the net book value of natural gas property, plant and equipment was $95.11 million and the net book value of office assets totalled $0.06 million. Year to date the Company recorded depletion of oil and gas assets of $1.55 million (2014 - $0.38 million) or $1.15/Mscf (2014 - $1.96/Mscf).

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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 ended December 31, 2015, interest expense on the long-term loans totalled $1.71 million, respectively (2014 - $2.55 million).

During the year ended December 31, 2015 non-cash accretion of the TPDC receivable of $4.33 million, respectively (2014 - $5.32 million), was recorded in finance income. As gas deliveries to the new pipeline commenced, the estimates used to determine the recoverability of the TPDC receivable are on track with the expected timing of cash flows.

Non-cash accretion of the Tanzanian government receivable (Umoja/power) of $0.48 million (2014 – $0.49 million) was recorded in finance income during the year 2015. Consistent with estimating the recoverability of the TPDC receivable, the estimates used to determine the recoverability of the Tanzanian government receivable (Umoja/power) are on track with the expected timing of cash flows.

Deferred tax recovery

A non-cash deferred tax benefits of $34.34 million (2014 – $Nil) has been recorded in 2015 reflecting the estimated future tax benefit of accumulated tax losses within the Tanzanian operations. The commencement during 2015 of production and sales of commercial quantities of gas under the long-term gas sales agreement allowed for the recognition of the accumulated tax losses estimated to be utilized in the future.

Receivables from gas delivered to TANESCO

The Company's ongoing exposure to receivables from TANESCO is associated with gas sales from the Mnazi Bay Concession to the 18 MW gas-fired power plant located in Mtwara, Tanzania. At December 31, 2015 the Mnazi Bay Concession joint venture partners were owed five months of gas sales, with $0.44 million outstanding owing to Wentworth. The Company is in discussions with TANESCO to arrange a payment process to quicken the settlement process.

Receivables from gas delivered to TPDC

The GSA signed during Q3 2014 specified separate payment terms for gas deliveries to the new pipeline for line fill and line pack. A significant majority of the gas purchased by TPDC and delivered to the new pipeline during Q3 was for the purposes of line fill and line pack with payment for the invoiced amount having been agreed over a period of 18 months commencing in Q1 2016. The amounts owed by TPDC to the Mnazi Bay joint venture that were outstanding at December 31, 2015 were settled in January 2016.

Long-term receivable - TPDC

The Company has a receivable from TPDC, a 20% participating interest partner in the Mnazi Bay Concession, for TPDC's share of past development and operating costs that were paid by the Company prior to June 30, 2009. In addition, the Company has been paying for its proportionate share of TPDC's share of development and operating costs incurred subsequent to June 30, 2009, the value of which has been added to the TPDC receivable balance. The Company will recover this receivable from an agreed percentage of TPDC's share of current and future production revenue from the Mnazi Bay Concession. The undiscounted face value of the TPDC receivable at December 31, 2015 is $35.29 million (December 31, 2014 - $33.52 million). Due to its long-term nature, the TPDC receivable has been discounted to $32.13 million (December 31, 2014 - $28.91 million). This reported fair value is discounted to reflect the time expected until the receivable is settled in the future. With the passage of time and the move closer to recovery of the receivable, the carrying amount of the TPDC receivable is accreted up to the face value with a corresponding credit to finance income.

Completion of the Mtwara to Dar es Salaam gas pipeline has a significant positive impact on the ultimate timing of recovery of the TPDC receivable. Internal Company estimates indicate that the $35.29 million face value of this receivable is expected to be fully recovered within 24 months from delivery of first gas. The recovery of the TPDC receivable will provide a significant source of cash flow for the Company during the next two years.

Long-term receivable - Tanzanian Government (Umoja/power)

The Company has an agreement with the Government of Tanzania (TANESCO, TPDC and the MEM) to be reimbursed, at costs, for past project development costs associated with transmission and distribution ("T&D") expenditures. An audit of the Mtwara Energy Project ("MEP") development expenditures was completed in November 2012 and costs of approximately $8,121 were verified to be reimbursable. After deducting costs associated with the Tariff Equalization Fund and VAT input credits associated with the MEP totaling $1,610, the amount agreed to be reimbursed was $6,511. The receivable is considered long-term in nature and has been discounted to reflect the anticipated timing of collection. This receivable is considered a financial instrument and initially recorded at fair value based on discounted cash flows and at each reporting date it is revalued and amortized by accreting the instrument over the expected life of the receivable. The undiscounted face value of the Tanzanian Government receivable (Umoja/power) at December 31, 2015 is $6.51 million (December 31, 2014 - $6.51 million) while the discounted value, taking into consideration the anticipated time of collection, is $4.96 million (December 31, 2014 – $5.09 million). Timing of reaching an agreement on the reimbursement procedure is indeterminable but the Company has re-engaged with the Government of Tanzania following commencement of deliveries of gas to the new pipeline. Management continues working with the Government of Tanzania on agreeing a mechanism to settle the outstanding balance.

Capital expenditures

During the year 2015 capital spending totaled $21.30 million. The main activities during the year included drilling of the MB-4 development well and tie-in of development wells to the Mtwara to Dar es Salaam government owned pipeline in Tanzania; drilling of the Kifaru – 1 exploration well in Mozambique.

(figures in $000's)	**Year ended December 31,**	
	2015	2014
Exploration and evaluation assets		
Mozambique		
Exploration drilling	**8,597**	14,111
Operator and indirect overhead	**618**	836
2D seismic acquisition	**-**	60
	9,215	15,007
Tanzania		
2D seismic acquisition, processing and interpretation	**164**	7,862
	164	7,862
Property, plant and equipment		
Tanzania		
MB-4 development well	**8,104**	443
Field infrastructure connection works	**3,288**	1,106
Other field development capital	**368**	1,933
	11,760	3,482
Canada		
IT and office assets	**80**	51
	21,219	26,402

Long-term loans

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

At December 31, 2015, the $26.0 million of credit facilities was fully drawn. Principal repayments will commence in Q2 2016.

Tax assessment

i. *Gas operations*

In 2014, the Company accrued an estimated tax liability for the period 2008-2012 of $0.28 million (Tshs 478 million). The final tax assessment for this period was received from the Tanzania Revenue Agency ("TRA") in 2015 and totalled $0.13 million (Tshs 282 million), which was settled by way of an offset against a deposit on account with the Tanzania Revenue Authority ("TRA").

ii. *Transmission and distribution operations*

In 2015, the Company received a tax assessment TRA relating to a discontinued, dissolved Tanzanian subsidiary of the Company totalling $1.2 million (Tshs 2.57 billion) for the period 2009-2012. Settlement was reached with the TRA in 2015 and the Company accrued and paid an estimated tax liability of $0.87 million (Tshs 1.86 billion) which has been recorded within production and operating expense.

Shares, share capital, dividends

On July 1, 2015, the Company completed a private placement and issued 15,412,269 new common shares, for cash consideration of $0.50 (GBP0.32 or NOK3.88) per share for total gross proceeds of $7.64 million (GBP4.9 million or NOK59.7 million).

Following the private placement offering the Company had 169,534,969 common shares issued and outstanding as at December 31, 2015, 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 Pound Sterling.

A total of 5,000,000 share purchase warrants, exchangeable on a 1:1 basis at a conversion price of $0.648 per warrant, expired on December 31, 2015.

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 2015, the Board of Directors did not propose dividends to be paid for the year ended December 31, 2015. Proposals for

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dividend distribution in future years will be subject to assessment of business performance, operating environment, and growth opportunities in determining the appropriate level in any specific year.

Financial Condition and Liquidity

At December 31, 2015 Wentworth had cash on hand of $2.75 million and receivables, deposits and advances of $22.28 million, the majority of which, $18.19 million, is a receivable from TPDC which the Company has started collecting substantial amounts after gas sales to the new gas pipeline commenced. Sales to the TPDC are on favorable payment terms and to date settlements of the receivables have been made based on agreed payment terms.

The first gas delivery to the new Mtwara to Dar es Salaam gas pipeline under a long-term fixed price GSA commenced on August 20, 2015. Initial gas sales are on a deferred payment basis while gas sales commencing in early October 2015 are to be paid on a monthly basis. The buyer of the gas, TPDC, made all payments on due dates as per the GSA. Gas sales deliveries to the new pipeline were at 45.5 MMscf/d and are expected to increase in Q1 2016 to 70-80 MMscf/d on a gross basis. The expected funds from the Company's share of gas deliveries to the new pipeline, combined with funds on hand and the collection of accelerated collection of the long-term receivable from TPDC, are sufficient in managements' estimates to meet the Company's current and ongoing obligations.

Current liabilities of $13.05 million relate primarily to amounts due to the operators of the Company's assets in Tanzania and Mozambique, principal repayment obligations on external credit facilities and anticipated settlement of contingent liabilities. The Company's near term obligations are the joint venture partner approved capital and operational programs in Tanzania which will be funded from the existing cash balances and the expected cash receipts from gas sales.

The financial statement of the company are prepared with the going concern assumption. Internal cash flow forecasts demonstrate that the Company expects to generate sufficient funds from gas sales activities to meet its anticipated capital, operating and administrative obligations beyond twelve months from the date of this report.

Outlook

Gas is being produced and sold into the new government pipeline and payments are being received by the Mnazi Bay Joint venture partners according to agreed payment terms. Demand for Mnazi Bay gas is expected be in the range of 70-80 MMscf/day for the balance of 2016. Commencing at some point during the second half of 2017 additional power plants are planned to become operational thereby increase demand for natural gas. The existing 5 wells within the Mnazi Bay concession are performing as well as expected and combined will be able to meet the gas demand until a step up in demand materializes. As such, there is no exploration or development drilling within the Mnazi Bay Concession planned for 2016. Giving consideration to the actual well performance during 2016 and a more definitive timetable for additional gas demand, the Company expects to establish an active drilling program in 2017.

Management is engaged in ongoing discussions with the Mozambican government to agree various issues relating to the proposed appraisal of the Tembo-1 gas discovery in the onshore are of northern Mozambique. Agreement on the issues is expected to be reached in the coming months and involve minimal capital commitments for the remainder of 2016.

The Company is also evaluating growth opportunities as they arise including asset acquisitions, farm-ins and corporate transactions and will act on this growth strategy should the right opportunity arise.

Risk factors

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

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

Credit risk
Wentworth's maximum credit exposure risk is equal to the carrying value of its cash, short term investments, trade, other and long-term receivables. Trade and other receivables are comprised predominantly of amounts due from government departments in Tanzania, tax input credits for Goods and Services Tax (GST) in Canada and Value Added Tax (VAT) in Tanzania and Mozambique. The Company's ongoing exposure to receivables from TANESCO, the state power company, is connected with the gas sales from the Mnazi Bay Concession to the 18MW gas-fired power plant located in Mtwara, Tanzania. At December 31, 2015 the Mnazi Bay Concession joint venture partners were owed five months of gas sales, with $0.44 million owing to Wentworth. At December 31, 2015, Wentworth was owed $1.66 million related to December gas sales to TPDC which was paid in full subsequent to year end.

A long-term undiscounted receivable of $35.29 million is due from TPDC, which is a partner in the Mnazi Bay Concession. The Company receives a significant portion of TPDC's share of gas production from the Mnazi Bay Concession directly from the operator of the Mnazi Bay Concession before TPDC receives cash from its share of revenue. There is a risk that future production from the Mnazi Bay Concession may not be sufficient to settle the receivable and should such a determination be made, a provision against the receivable will be recorded. At December 31, 2015, the Company has a receivable from the government of Tanzania of $6.51 million related to the Company's disposal of transmission and distribution assets and the costs associated with the Mtwara Energy Project incurred by a wholly owned subsidiary of Wentworth. On February 6, 2012, the Company, TANESCO, TPDC and 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 a method of reimbursement. There is a risk that the cost reimbursement method may not be in cash, but rather in a long term recovery from other sources.

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

Measurement uncertainty and use of estimates and judgments

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.

Workplace

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

Director Compensation Table

The following table sets out all amounts of compensation provided to the current directors for the Corporation's most recently completed financial year.

Name	Fees Earned (US$)	Share-Based Awards (US$)	Option-Based Awards (US$)	Non-Equity Incentive Compensation Plan (US$)	Pension Value (US$)	All Other Compensation (US$)	Total (US$)
Robert P. McBean	80,000	Nil	Nil	Nil	Nil	Nil	80,000
John W. S. Bentley	80,000	Nil	Nil	Nil	Nil	Nil	80,000
Cameron Barton	60,000	Nil	Nil	Nil	Nil	Nil	60,000
Neil B. Kelly	60,000	Nil	Nil	Nil	Nil	Nil	60,000
Richard Schmitt (1)	60,000	Nil	Nil	Nil	Nil	Nil	60,000

(1) Richard Schmitt resigned as a board member on February 17, 2016.

Environmental Impact

Exploration, development and production of oil and gas may cause emissions to the sea and air. Wentworth's operations are in accordance with all regulatory requirements, and there were no breaches of these requirements in 2015. Wentworth did not operate any wells in 2015.

Research and Development

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

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Exemption

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

Recent Accounting Pronouncements

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

New and Amended Standards

		Effective for annual periods beginning on or after
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
IFRS 9	Financial Instruments	January 1, 2018
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases	January 1, 2019

The Company intends to adopt these standards and amendments to IFRS in its financial statements for the applicable annual period. The Company has not completed an assessment of the impact of the above standards on the financial statements. ■

ANNUAL STATEMENT OF RESERVES 2015

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

The SPE-PRMS uses "reserves", "contingent resources" and "prospective resources" to classify hydrocarbon resources of varying technical maturity and commercial viability. The maturity within each class is also described to help guide classification of a given asset.
Details of SPE-PRMS can be found at: http://www.spe.org/industry/reserves/prms.php

RESERVES

In this annual statement of reserves (the "ASR"), Wentworth reports the company's reserves, estimated by Wentworth in accordance with the SPE-PRMS standard. Economic limit tests have been performed based on a market forward oil price as at December 31, 2015 as well as the company's best assumptions of future operating costs.

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

As at December 31, 2015, Wentworth has reserves in the Mnazi Bay and Msimbati gas fields in Tanzania. Further information about the reserves, including the independent reserves analysis prepared by RPS, is available on Wentworth's website www.wentworthresources.com.

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

Table 1: Wentworth reserves by asset

Developed Assest (On Production) as at December 31, 2015

	1P					2P				
	Liquids (MMstb)	Gas (Bscf)	MMboe	Interest %	Net MMboe	Liquids (MMstb)	Gas (Bscf)	MMboe	Interest %	Net MMboe
Mnazi Bay	0	157.925	26.321	31.94	8.407	0	336.236	56.039	31.94	17.899
Total	**0**	**157.925**	**26.321**		**8.407**	**0**	**336.236**	**56.039**	**31.94**	**17.899**

Under Development (approved for Development) as at December 31, 2015

	1P					2P				
	Liquids (MMstb)	Gas (Bscf)	MMboe	Interest %	Net MMboe	Liquids (MMstb)	Gas (Bscf)	MMboe	Interest %	Net MMboe
Mnazi Bay	0	-	-	31.94	-	0	117.422	19.570	31.94	6.251
Total	**0**	**-**	**-**		**0.000**	**0**	**117.422**	**19.570**	**31.94**	**6.251**

Non-Developed assets (Justified for Development) as at December 31, 2015

	1P					2P				
	Liquids (MMstb)	Gas (Bscf)	MMboe	Interest %	Net MMboe	Liquids (MMstb)	Gas (Bscf)	MMboe	Interest %	Net MMboe
Mnazi Bay	0	178.311	29.719	31.94	9.492	0	113.415	18.902	31.94	6.037
Total	**0**	**178.311**	**29.719**		**9.492**	**0**	**113.415**	**18.902**	**31.94**	**6.037**

Total Reserves as of December 31, 2015

	1P					2P				
	Liquids (MMstb)	Gas (Bscf)	MMboe	Interest %	Net MMboe	Liquids (MMstb)	Gas (Bscf)	MMboe	Interest %	Net MMboe
Mnazi Bay	0	336.236	56.039	31.94	17.899	0	567.073	94.512	31.94	30.187
Total	**0**	**336.236**	**56.039**		**17.899**	**0**	**567.073**	**94.512**	**31.94**	**30.187**

Table 2: Wentworth reserves development

	Dev On Prod		Under Development (Approved for Dev)		Non-Developed (Justified for Dev)		Total	
	1P Net (MMBoe)	2P Net (MMBoe)	1P Net (MMBoe)	2P Net (MMBoe)	1P Net (MMBoe)	2P Net (MMBoe)	1P Net (MMBoe)	2P Net (MMBoe)
Mnazi Bay								
Opening Balance (Dec.31, 2014)	3.458	4.549	7.903	11.078	-	-	11.361	15.910
Production	0.24	0.20	-	-	-	-	0.24	0.20
Acquisitions / disposals								
Extension & Discoveries								
New Developments								
Technical Revisions	3.256	2.288	7.903	11.078	6.265	12.742	1.619	3.391
Closing Balance (Dec. 31, 2015)	**6.477**	**2.066**	**-**	**-**	**6.265**	**12.742**	**12.742**	**19.106**

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

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

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

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CONTINGENT AND PROSPECTIVE RESOURCES

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

Total net Proved Reserves (1P) as of December 31, 2015 for Wentworth are estimated at 12.7 million (2014 - 11.36 million) barrels of oil equivalents (boe) and the 2P net reserve estimate for Wentworth's portfolio is 19.1 million (2014 - 15.91 million) barrels of oil equivalents (boe). This increase is the result of the Mnazi Bay Partners entering into a gas sales agreement ("GSA") with Tanzania Petroleum Development Corporation on September 12, 2014, the completion of the Madimba to Dar es Salaam pipeline system in 2015 and the commencing of gas sales volumes under the GSA commencing August 2015.

Geoffrey Bury
Managing Director
Wentworth Resources Limited
■

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

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

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

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

Approved by the Board February 24, 2016

Directors

Robert P. McBean Executive Chairman	**John W.S. Bentley** Deputy Chairman
Cameron Barton Non-Executive Director	**Neil B. Kelly** Non-Executive Director

Executive Management

Geoffrey Bury Managing Director	**Lance Mierendorf** Chief Financial Officer

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RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the audited annual consolidated financial statements for the year ended December 31, 2015, which are prepared in accordance with IFRS gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations and the MD&A includes a fair review of the development and performance of the business and the position of the issuer and the group taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved by the Board February 24, 2016

Directors

Robert P. McBean Executive Chairman	**John W.S. Bentley** Deputy Chairman
Cameron Barton Non-Executive Director	**Neil B. Kelly** Non-Executive Director

Executive Management

Geoffrey Bury Managing Director	**Lance Mierendorf** Chief Financial Officer

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REPORTING – PAYMENTS TO GOVERNMENTS STATEMENT

This country-by-country report has been developed to comply with the legal requirements in the Norwegian Accounting Act ("Regnskapsloven") § 3-3d and the Norwegian Security Trading Act ("Verdipapirhandelloven") § 5-5a, valid from 2014. The detailed regulation can be found in the regulation "Forskrift om land-for-land rapportering".

In 2015, the Company was engaged in extracting activities encompassed by the legislation above in Tanzania and Mozambique.

This report discloses relevant payments to governments for extractive activities in the countries above, in addition to some contextual information as required by the regulation in the "Forskrift om land-for-land rapportering". In preparing this information the following principles were applied:

Definitions

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

Basis for preparation
This report includes payments to governments from all entities in the consolidated group that engage directly in extractive industry. It excludes payments to governments made by holding companies and other entities in the group that have limited to no active operations except for payments made, if any, by the holding company on behalf of its operating subsidiary to governments in the operating jurisdiction.

This report includes all payments made (on a cash basis of accounting and hence it excludes accruals that are made in the preparation of our consolidated financial statements) regardless of whether the Company is the operator or not. The report includes the Company's proportionate share of payments made to governments.

A considerable amount of the payments made to governments is in the form of production entitlements. Under the terms of the Company's various production sharing contracts the local government is entitled to a portion of the production from the concession. This report includes the Company's proportionate share of these production payments. The production payments have been valued based on the volumes allocated to the government at the same commodity price that was realized on the Company's share of production.

Project definition
The Company conducts its oil and gas operations in Tanzania and Mozambique under a single production sharing contract in each jurisdiction. As such, this report is based on two projects which are aligned to the geographic areas of operation.

Payments that are not directly linked to a specific project, but are levied at an entity level, are reported at the country level.

Reporting currency
The payments to governments are reported in US dollars, the Company's functional and reporting currency. Payments made in local currencies have been translated to US dollars in accordance with the policies applied in preparation of the Company's consolidated financial statements.

Consolidated overview

The consolidated overview below discloses the sum of the Company's payments to governments in each individual country where extractive activities are performed, per payment type.

	Taxes $000's(1)	Royalties $000's	Fees and other payments $000's	Host government entitlements (mmscf)	Host government entitlements $000's	Total $000's
Tanzania	362	783	141	2,364	8,002	9,288
Mozambique	-	-	-	-	-	-
Total	362	783	141	2,364	8,002	9,288

(1) Includes taxes paid in kind

There were no payments to governments in respect to bonuses, dividends, transfer of shares or infrastructure improvements.

Payments by country

Tanzania - Operations

The Company's operations in Tanzania are conducted under a single production sharing agreement in the coastal (onshore and offshore), south-eastern Tanzania area bordering the Ruvuma River to the south and extending east into the Indian Ocean. At December 31, 2015, the Company held a 31.94% non-operated working interest in the concession in the production stage (39.925% in the exploration stage). In 2015, gross gas production from the Mnazi Bay field averaged 15.7 mmscf/d.

As the Company's operations in the country consist of a single project the amounts reported in the consolidated overview represent all payments by project.

Tanzania - Payments per government

	Taxes $000's[1]	Royalties $000's	Fees and other payments $000's	Host government entitlements (mmscf)	Host government entitlements $000's	Total $000's
Government 1 (Federal)	362	-	-	-	-	362
Government 2 (Municipality)	-	-	-	-	-	-
Government 3 (State owned company)	-	783	141	2,364	8,002	8,926
Total	362	783	141	2,364	8,002	9,288

[1] Includes taxes paid in kind

Mozambique - Operations

The Company's operations in Mozambique are conducted under a single production sharing agreement in the onshore north-eastern area of Mozambique bordering the Ruvuma River to the north and extending east into the Indian Ocean. At December 31, 2015, the Company held an 11.59% non-operated participating working interest in the concession (13.64% in the exploration stage), prior to allocation of the working interest held by certain partners that elected not to continue into the appraisal stage of the concession. The Company is currently working with the government and the remaining concession partner to determine an appraisal program, appoint and operator and allocation the working interest of the relinquished parties.

As the Company's operations in the country consist of a single project the amounts reported in the consolidated overview represent all payments by project.

Mozambique - Payments per government

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

Contextual information

As per the "Forskrift om land-for-land rapportering" the Company is required to report on certain contextual information at corporate level. The below tables provide the required information:

	Investments $000's[1]	Revenue $000's	Purchase of goods and services $000's	Production volume (mmscf)
Tanzania	104,330	4,637	-	1,350
Mozambique	35,040	-	-	-
Total	139,370	4,637	-	1,350

[1] Investments have been reported in the above table based on total assets within the respective country

Annual financial report
continued

The following contains information on the Company and its subsidiaries as required under "Forskrift om land-for-land rapportering":

Subsidiary	Country of incorporation	Country of operations	Employees	Net intercompany interest $000's
Wentworth Resources (UK) Limited	United Kingdom	N/A	1	-
Wentworth Holdings (Jersey) Limited	Jersey	N/A	0	-
Wentworth Tanzania (Jersey) Limited	Jersey	N/A	0	-
Wentworth Gas (Jersey) Limited	Jersey	N/A	0	-
Wentworth Gas Limited	Tanzania	Tanzania	16	-
Cyprus Mnazi Bay Limited	Cyprus	N/A	0	-
Wentworth Mozambique (Mauritius) Limited	Mauritius	N/A	0	-
Wentworth Mocambique Petroleos, Limitada	Mozambique	Mozambique	0	-
Total			17	34,427

Responsibility statement

We confirm to the best of our knowledge that the country-by-country report for 2015 has been prepared in accordance with the Norwegian Security Trading Act §5-5a.

Directors

Robert P. McBean
Executive Chairman

John W.S. Bentley
Deputy Chairman

Cameron Barton
Non-Executive Director

Neil B. Kelly
Non-Executive Director

Executive Management

Geoffrey Bury
Managing Director

Lance Mierendorf
Chief Financial Officer

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

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

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

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Forward-Looking and Cautionary Statements

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

All such forward-looking information is based on certain assumptions and analysis made by management in light of experience and perception of historical trends, current conditions and expected future developments, as well as other factors 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 responsibility for financial reporting

For year ended December 31, 2015

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 as adopted by the International Accounting Standards Board. 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 Professional 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

(Signed) "Lance Mierendorf"
Chief Financial Officer

Calgary, Alberta
February 24, 2016

Independent auditors' report

To the Shareholders of and Directors of Wentworth Resources Limited

We have audited the accompanying consolidated financial statements of Wentworth Resources Limited, which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014, the consolidated statements of profit and other comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards 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, 2015 and December 31, 2014, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the International Auditing Standards Board.

(Signed) "KPMG LLP"
Chartered Professional Accountants
February 24, 2016
Calgary, Canada

Consolidated statement of financial position

United States dollars $000s, unless otherwise stated

	Note	December 31, 2015	December 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents		**2,746**	5,487
Trade and other receivables		**3,253**	2,613
Prepayments, deposits and advances to partners		**841**	1,418
Current portion of long-term receivables	**5**	**18,190**	14,530
		25,030	24,048
Non-current assets			
Long-term receivables	**5**	**18,897**	19,472
Exploration and evaluation assets	**6**	**43,141**	33,762
Property, plant and equipment	**7**	**95,168**	85,035
Deferred tax asset	**16**	**34,341**	-
		191,547	138,269
Total assets		**216,577**	162,317
LIABILITIES			
Current liabilities			
Trade and other payables		**6,269**	7,343
Current portion of long-term loans	**9**	**5,270**	-
Current portion of other liability	**10**	**1,508**	861
		13,047	8,204
Non-current liabilities			
Long-term loans	**9**	**20,512**	5,718
Other liability	**10**	**1,634**	2,271
Decommissioning provision	**8**	**973**	782
		23,119	8,771
EQUITY			
Share capital		**411,493**	404,225
Equity reserve		**25,683**	24,916
Accumulated deficit		**(256,765)**	(283,799)
		180,411	145,342
Total liabilities and equity		**216,577**	162,317

Commitments (Note 19)

The accompanying notes are an integral part of these consolidated 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	Geoff Bury Managing Director	Lance Mierendorf Chief Financial Officer

Consolidated statement of profit and other comprehensive income

United States dollars $000s, unless otherwise stated

	Note	Year ended December 31, 2015	2014
Total revenue		**4,637**	1,060
Operating expenses			
Production and operating	**20**	**(3,214)**	(2,592)
General and administrative		**(6,367)**	(6,826)
Share based compensation	**13**	**(767)**	(1,090)
Depreciation and depletion	**7**	**(1,707)**	(542)
Reversal of impairment on exploration and evaluation assets	**6**	**-**	13,384
Reversal of impairment on property, plant and equipment	**7**	**-**	10,421
Gain from sale of office assets		**-**	60
(Loss)/profit from operating activities		**(7,418)**	13,875
Finance income	**12**	**5,047**	5,914
Finance costs	**12**	**(4,936)**	(4,512)
Net (loss)/profit before tax		**(7,307)**	15,277
Deferred tax recovery	**16**	**34,341**	-
Net profit and comprehensive income		**27,034**	15,277
Net profit per ordinary share			
Basic and diluted (US$/share)	**15**	**0.17**	0.10

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

Statement of changes in equity

United States dollars $000s, unless otherwise stated

	Note	Number of shares	Share capital $	Equity reserve $	Accumulated deficit $	Total equity $
Balance at December 31, 2013		153,872,700	403,998	23,903	(299,076)	128,825
Net profit and comprehensive income		-	-	-	15,277	15,277
Share based compensation	13	-	-	1,090	-	1,090
Issue of share capital	14	250,000	227	(77)	-	150
Balance at December 31, 2014		154,122,700	404,225	24,916	(283,799)	145,342
Balance at December 31, 2014		154,122,700	404,225	24,916	(283,799)	145,342
Net profit and comprehensive income		**-**	**-**	**-**	**27,034**	**27,034**
Share based compensation	**13**	**-**	**-**	**767**	**-**	**767**
Issue of share capital	**14**	**15,412,269**	**7,639**	**-**	**-**	**7,639**
Share issue costs, net of tax	**14**	**-**	**(371)**	**-**	**-**	**(371)**
Balance at December 31, 2015		**169,534,969**	**411,493**	**25,683**	**(256,765)**	**180,411**

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

Statement of cash flows

United States dollars $000s, unless otherwise stated

		Year ended December 31,	
	Note	**2015**	2014
Operating activities			
Net profit for the year		**27,034**	15,277
Adjustments for:			
Share based compensation	**13**	**767**	1,090
Depreciation and depletion	**7**	**1,707**	542
Finance loss, net	**12**	**(111)**	(1,402)
Reversal of impairment on exploration and evaluation assets	**6**	**-**	(13,384)
Reversal of impairment on property, plant and equipment	**7**	**-**	(10,421)
Gain from sale of assets		**-**	(60)
Deferred tax	**16**	**(34,341)**	-
Change in non-cash working capital	**18**	**175**	(1,092)
Net cash utilized in operating activities		**(4,769)**	(9,450)
Investing activities			
Acquisition of evaluation and exploration assets	**18**	**(10,299)**	(19,064)
Acquisition of property, plant and equipment	**18**	**(12,926)**	(2,945)
Additions to long-term receivable	**5**	**(1,116)**	(304)
Proceeds from sale of office assets		**-**	62
Conversion of term deposits to cash		**-**	23,176
Interest income		**7**	100
Net cash (used in)/from investing activities		**(24,334)**	1,025
Financing activities			
Issue of share capital, net of issue costs	**14**	**7,268**	150
Proceeds from long-term loan, net of finance costs	**9**	**20,000**	5,715
Repayment of long-term loan		**-**	(6,000)
Interest paid	**9**	**(906)**	(341)
Repayment of other long-term liability		**-**	(113)
Net cash from/(used in) financing activities		**26,362**	(589)
Net change in cash and cash equivalents		**(2,741)**	(9,014)
Cash and cash equivalents, beginning of the year		**5,487**	14,501
Cash and cash equivalents, end of the year		**2,746**	5,487

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 upstream oil and natural gas company. These consolidated financial statements include the accounts of the Company and its subsidiaries (collectively referred to as "Wentworth Group of Companies" or the "Group"). The Company is actively involved in oil and gas exploration, development and production operations. Wentworth is incorporated in Canada and shares of the Company are widely held and listed on the Oslo Stock Exchange (ticker: WRL) and the AIM Market of the London Stock Exchange (ticker: WRL).

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

2. 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").

The consolidated financial statements were approved by the Board of Directors on February 24, 2016.

Functional and presentation currency

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

Basis of consolidation

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

Legal Entity	Registered	Holdings at December 31, 2015	Functional Currency
Wentworth Resources Limited	Canada	Ultimate Parent	US dollar
Wentworth Resources (UK) Limited	United Kingdom	100%	GBP
Wentworth Holdings (Jersey) Limited	Jersey	100%	US dollar
Wentworth Tanzania (Jersey) Limited	Jersey	100%	US dollar
Wentworth Gas (Jersey) Limited	Jersey	100%	US dollar
Wentworth Gas Limited	Tanzania	100%	US dollar
Cyprus Mnazi Bay Limited	Cyprus	39.925%	US dollar
Wentworth Mozambique (Mauritius) Limited	Mauritius	100%	US dollar
Wentworth Mocambique Petroleos, Limitada	Mozambique	100%	US dollar

Notes to consolidated financial statements
continued

The Group holds its 31.94% participation 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 Cyprus Mnazi Bay Limited ("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 the Group proportionately consolidates CMBL as the related contractual agreements establish that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of ownership in proportion to their interest in the arrangement.

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

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

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

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

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

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

Reserve estimates
Oil and natural gas reserves, which were prepared by an external reserve evaluator as at December 31, 2016, are used in the calculation of depletion, impairment and impairment reversals and recognition of deferred tax asset. Reserve estimates are based on engineering data, estimated future prices and costs, expected future rates of production and the timing of future capital expenditures, all of which are subject to many uncertainties and interpretations. The Company expects that, over time, its reserve estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels and may be affected by changes in commodity prices.

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

Notes to consolidated financial statements

continued

2. Summary of accounting policies (continued)

Taxes

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

The recognition of a deferred tax asset is based on assumptions of future taxable income which are derived from the reserve report. Change in reserve estimates, commodity prices and tax legislation may significantly impact the amount of the recognized deferred income tax asset.

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 5). Timing of collection of the receivable is impacted by the rate of production, the timing of the increase of production and how payment in allocated between partners to the Mnazi Bay Concession.

Joint Arrangements

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

Other liability

The estimate of the other liability is based on assumptions of the quantities and timing of future gas production from the Mnazi Bay Concession and discounted at a rate applicable at period end.

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 intent to settle on a net basis, or realize the asset and settle the liability simultaneously.

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

i. *Financial assets and liabilities at fair value through profit and loss*

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

ii. *Loans and receivables*

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

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

Notes to consolidated financial statements
continued

iii. *Other financial liabilities*

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

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

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

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

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

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

Exploration and evaluation assets, property, plant and equipment

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

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

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

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

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

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of PP&E are recognized as oil and gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. Subsequent changes in estimated decommissioning obligation due to changes in timing, amounts, and discount rates are included in the cost of the asset. 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

Notes to consolidated financial statements

continued

2. Summary of accounting policies (continued)

Property, plant and equipment - crude oil and natural gas properties (continued)

costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

Depletion

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

Disposals

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

Property, plant and equipment - office and other equipment

Office and other equipment are carried at cost less accumulated depreciation and impairment losses. Depreciation of the cost of these assets less residual value is charged 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.

Impariment

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 CGU. The impairment loss will be calculated as the excess of the carrying value over recoverable amount of the E&E impairment grouping and any resulting impairment loss is recognized in profit or loss. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing fair value less costs to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Fair value less costs to sell is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves.

PP&E assets will be tested for impairment whenever events and circumstances arising during the development and production phase indicate that the carrying amount of a PP&E asset may exceed its recoverable amount. For the purpose of impairment testing, PP&E assets will be grouped into the smallest group of assets that generates cash inflows that are largely independent of cash inflows from other assets or groups of assets (the CGU). The aggregate carrying value will be compared against the expected recoverable amount of the CGU. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimate future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing fair value less costs to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Fair value less costs to sell is generally computed by reference to the present value of the future cash

Notes to consolidated financial statements
continued

flows expected to be derived from production of proved and probable reserves. CGU's are generally defined by field except where a number of field interests can be grouped because the cash flows generated by the fields are interdependent. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis. Impairment losses recognized in prior years are assessed at each reporting date for any indication that the loss has decreased or no longer exists. Impairments are reversed when events or circumstances give rise to changes in the estimate of the recoverable amount since the period the impairment was recorded. An impairment loss is reversed only to the extent that the CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depletion, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

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

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

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

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

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

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 profit or loss, with an offsetting credit to equity reserve over the vesting periods. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

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

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

Income taxes
Tax expense comprises current and deferred tax. Tax is recognized in the profit or 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

Notes to consolidated financial statements
continued

2. Summary of accounting policies (continued)

Deferred income tax (continued)
income tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill, if any, 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 and joint arrangements except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.
Deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are recognized for taxable temporary differences arising on investments in subsidiaries to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

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

Wentworth Resources (UK) Limited uses the Great British Pound as its functional currency. The asset and liabilities of this company are translated into US dollars at the period-end exchange rate. The income and expenses of the company are translated to US dollar at the average exchange rate for the period.

Translation gains and losses are included in other comprehensive income, however, this subsidiary has limited operations so there is no significant amounts of foreign exchange gains and losses to include in other comprehensive income.

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

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, 2015, 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.

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

New and Amended Standards

		Effective for annual periods beginning on or after
IFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
IFRS 9	Financial Instruments	January 1, 2018
IFRS 15	Revenue from Contracts with Customers	January 1, 2018
IFRS 16	Leases	January 1, 2019

The Company intends to adopt amendments to IFRS 11 in its financial statements for the annual period beginning on January 1, 2016. The Company does not expect the interpretation to have a material impact on the financial statements. The Company has not completed an assessment of the impact on the other standards.

Notes to consolidated financial statements
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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.

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 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.

3. 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 exposure 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 owned entities in Tanzania, tax input credits for Goods and Services Tax (GST) in Canada and Value Added Tax (VAT) in Tanzania and Mozambique.

The Company's ongoing exposure to receivables from Tanzania Electricity Supply Company Limited ("TANESCO"), the state power company, is connected with the gas sales from the Mnazi Bay Concession to an 18 megawatt gas-fired power plant located in Mtwara, Tanzania. At December 31, 2015 the Mnazi Bay Concession partners were owed five months of gas sales for sales made to TANESCO, with $438 owing to Wentworth.

During 2015, the Company commenced gas sales under a long-term gas sales agreement to Tanzania Petroleum Development Company ("TPDC"), the operator of the new transnational gas pipeline in Tanzania. Credit risk relating to sales to TPDC is mitigated though a payment guarantee structure which involves a prepayment amount equivalent to approximately three months of sales and a replenishable letter of credit mechanism. At December 31, 2015. Wentworth was owed $1,660 related to December gas sales to TPDC and subsequent to year end the full amount was paid.

In addition to the receivable for current gas sales to TPDC, at December 31, 2015, an undiscounted long-term receivable of $35,291 is due from TPDC, a partner in the Mnazi Bay Concession. The Company currently receives, directly from the operator of the Mnazi Bay Concession, a significant portion of TPDC's and the government's share of gas sales from the Mnazi Bay Concession to reduce the receivable from TPDC. There is a risk that future production from the Mnazi Bay Concession may not be sufficient to settle the receivable and, should such a determination be made, a provision against the receivable may be made.

At December 31, 2015, an undiscounted long-term receivable of $6,511 related to the Company's disposal of transmission and distribution assets, and the costs associated with the Mtwara Energy Project incurred in prior years by a wholly owned subsidiary of Wentworth. On February 6, 2012, the Company, TANESCO, TPDC and the Ministry of Energy and Minerals ("MEM") reached an agreement that the Company's cost of historical operations in respect of the Mtwara Energy Project should be reimbursed. Wentworth is currently in discussions with TANESCO, TPDC and MEM on agreeing on a method of reimbursement. There is a risk that the cost reimbursement method may not be in cash, but rather in a long-term recovery from other sources.

Substantially all of the Company's cash and cash equivalents and short-term investments are held at one recognized international financial institution in Canada and an investment bank in the United Kingdom. As a result, the Company was exposed to a

Notes to consolidated financial statements
continued

3. Risk management (continued)

Credit risk (continued)

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, 2015	Balance at December 31, 2014
Trade and other receivables	**3,253**	2,613
Long-term receivables (Note 5)	**37,087**	34,002
Cash and cash equivalents	**2,746**	5,487
	43,086	42,102

Aged trade and other receivables

	Current 1-30 days	31-60 days	61-90 days	>90 days	Total
Balance at December 31, 2015					
Trade receivables	**2,724**	**84**	**91**	**177**	**3,076**
Other receivables	**177**	**-**	**-**	**-**	**177**
	2,901	**84**	**91**	**177**	**3,253**
Balance at December 31, 2014					
Trade receivables	189	181	181	1,873	2,424
Other receivables	21	-	168	-	189
	210	181	349	1,873	2,613

A provision for doubtful accounts has not been made in respect of the receivable from TANESCO. The completion of a transnational Gas Pipeline Project which became operational in August 2015, may provide an opportunity for TANESCO to operate with lower input costs, generate positive cash flow and grow its business in order to meet the increasing demand for electrical power. As a result, the Company expects to eventually receive full recovery of current and future receivables from gas sales to TANESCO.

Liquidity risk

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

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

	Less than 1 year	1 to 2 years	2 to 5 years	Total
Balance at December 31, 2015				
Trade and other payables	**6,269**	**-**	**-**	**6,269**
Other liability	**1,508**	**1,634**	**-**	**3,142**
Long-term loans, including interest	**7,344**	**10,497**	**13,802**	**31,643**
	15,121	**12,131**	**13,802**	**41,054**
Balance at December 31, 2014				
Trade and other payables	7,343	-	-	7,343
Other liability	861	2,271	-	3,132
Long-term loans, including interest	487	2,439	4,388	7,314
	8,691	4,710	4,388	17,789

The fair value of the Company's trade and other payables approximates their carrying values due to the short term nature of these instruments. The fair value of the long-term loans approximate their carrying amounts as they bear market rates of interest. The fair value of the other liability approximates its carrying amount.

Market risk

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

Commodity price risk

Commodity price risk is the risk that the Company suffers financial loss as a result of fluctuations in crude oil or natural gas prices. The Company's exposure to commodity price risk is negligible as the sale price for gas sold by the Company are fixed under gas sale and purchase agreements.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's debt, in the form of the long-term loan, has a floating interest rate of six month LIBOR plus 7.5 percentage points with a minimum 8% and maximum

Notes to consolidated financial statements
continued

9.5%interest rate per annum. The Company's objective is to minimize its interest rate risk on its cash balances by investing for short periods of time (less than 1 year) and only in term deposits. An increase of 1% in the six month LIBOR rate would result in an increase of $260 in interest expense on an annualized basis.

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. In addition, the Company 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 $000 US dollar balances are denominated in foreign currency:

	Canadian Dollar	Tanzanian Shilling	Other Currency	Total
Balance at December 31, 2015				
Cash and cash equivalents	**26**	**44**	**-**	**70**
Trade and other receivables	**22**	**155**	**-**	**177**
Trade and other payables	**(12)**	**(33)**	**(19)**	**(64)**
	36	**166**	**(19)**	**183**

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

A 10% increase/decrease of the Canadian dollar against the US dollar would result in a change in profit or loss before tax of $4 (2014 - $Nil). In addition, a 10% increase/decrease of the Tanzanian shilling against the US dollar would result in a change in profit or loss before tax of approximately $17 (2014 – $18).

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

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

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

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

The Company does not have any fair value measurements considered as Level 1 or 3. The Company's long-term receivables, long-term loans, and other liability are considered Level 2 measurements.

4. Segment information

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

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

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

Net profit/(loss) for the year ended December 31, 2015

	Tanzania Operations	Mozambique Operations	Corporate	Consolidated
Natural gas sales	**4,637**	**-**	**-**	**4,637**
Production and operating	**(3,214)**	**-**	**-**	**(3,214)**
General and administrative	**(3,224)**	**(628)**	**(2,515)**	**(6,367)**
Depreciation and depletion	**(1,550)**	**-**	**(157)**	**(1,707)**
Other	**81**	**(10)**	**(727)**	**(656)**
Total segment expenses	**(7,907)**	**(638)**	**(3,399)**	**(11,944)**
Deferred tax recovery	**34,341**	**-**	**-**	**34,341**
Net profit/(loss)	**31,071**	**(638)**	**(3,399)**	**27,034**

Selected balances at December 31, 2015

Current assets	**23,328**	**732**	**970**	**25,030**
Long-term receivables	**18,897**	**-**	**-**	**18,897**
Exploration and evaluation assets	**8,101**	**35,040**	**-**	**43,141**
Property, plant and equipment assets	**95,110**	**-**	**58**	**95,168**
Deferred tax assets	**34,341**	**-**	**-**	**34,341**
Current liabilities	**12,219**	**22**	**806**	**13,047**
Non-current liabilities	**23,119**	**-**	**-**	**23,119**

Capital additions for the year ended December 31, 2015

Net additions to exploration and evaluation assets	**164**	**9,215**	**-**	**9,379**
Net additions to property, plant and equipment assets	**11,760**	**-**	**80**	**11,840**

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

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

Selected balances at December 31, 2014

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

Capital additions for the year ended December 31, 2014

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

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5. Long-term receivables

	Balance at December 31, 2015	Balance at December 31, 2014
TPDC receivable [i]	**32,128**	28,914
Tanzanian government receivable (Transmission & Distribution) [ii]	**4,959**	5,088
	37,087	34,002
Current portion		
TPDC receivable [i]	**18,190**	14,530
Long-term portion		
TPDC receivable [i]	**13,938**	14,384
Tanzanian government receivable (Transmission & Distribution) [ii]	**4,959**	5,088
	18,897	19,472

The first gas delivery to the new government owned Mtwara to Dar es Salaam gas pipeline commenced on August 20, 2015. The current portion of TPDC receivable as at December 31, 2015 represents those amounts that are expected to be collected within the next twelve months.

i) TPDC receivable

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

As at December 31, 2015, the undiscounted receivable from TPDC is $35,291 ($33,518 at December 31, 2014).

	TPDC Receivable
Balance at December 31, 2013	24,128
Accretion	5,321
Change in accounting estimates	(900)
Retained gas revenue to offset receivable	(882)
Share of TPDC Mnazi Bay Concession costs paid by the Company	1,247
Balance at December 31, 2014	28,914
Accretion	**4,327**
Change in accounting estimates	**(2,129)**
Retained gas revenue to offset receivable	**(2,279)**
Share of TPDC Mnazi Bay Concession costs paid by the Company	**3,295**
Balance at December 31, 2015	**32,128**

The fair value of the TPDC receivable at December 31, 2015 was $33,489 (2014 - $31,069).

ii) Tanzanian government receivable

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

	Tanzanian government receivable
Balance at December 31, 2013	5,191
Accretion	493
Change in accounting estimates	(596)
Balance at December 31, 2014	5,088
Accretion	**484**
Change in accounting estimates	**(613)**
Balance at December 31, 2015	**4,959**

The fair value of the Tanzania government receivable at December 31, 2015 was $5,168 (2014 - $5,282).

Notes to consolidated financial statements
continued

5. Long-term receivables (continued)

ii) Tanzanian government receivable (continued)

The Company has an agreement with the Government of Tanzania (TANESCO, TPDC and the MEM) to be reimbursed for all of the project development costs associated with transmission and distribution ("T&D") expenditures at cost. An audit of the Mtwara Energy Project ("MEP") development expenditures was completed in November 2012 and costs of approximately $8,121 were verified to be reimbursable. After deducting costs associated with the Tariff Equalization Fund and VAT input credits associated with the MEP totaling $1,610, the amount agreed to be reimbursed was $6,511. Management is working with the Government of Tanzania to agree on a reimbursement method for the T&D costs. This receivable is considered a financial instrument and initially recorded at fair value based on discounted cash flows and at each reporting date it its value is adjusted for accretion and changes in the estimated timing of cash flows is revalued and amortized by accreting the instrument over the expected life of the receivable.

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

	Exploration and evaluation assets
Cost	
Balance at December 31, 2013	113,348
Additions	22,869
Transferred to PP&E[(1)]	(53,127)
Elimination of impaired assets[(2)]	(49,328)
Balance at December 31, 2014	33,762
Additions	**9,379**
Balance at December 31, 2015	**43,141**
Accumulated impairment	
Balance at December 31, 2013	(62,712)
Reversal of impairment loss[(2)]	13,384
Elimination of impaired assets[(2)]	49,328
Balance at December 31, 2014 and 2015	-
Carrying amounts	
December 31, 2014	33,762
December 31, 2015	**43,141**

(1) During 2014 the Company transferred E&E assets of $53,127 to PP&E which included the cost associated with three existing wells and field infrastructure within the Mnazi Bay Concession in Tanzania which are being utilized in the production of discovered natural gas.

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

At December 31, 2014, there were indicators of impairment reversals for the Company's Tanzanian CGU, where previous contingent resources were classified as reserves by the Company's independent reserve evaluators. In 2014, a market for the Company's discovered natural gas had evolved to an advanced stage of certainty in Tanzania. The Company signed a long-term gas sales agreement in September 2014 to deliver natural gas to a government owned transnational pipeline at a fixed price of $3.00/MMBtu escalating annually at US CPI. Accordingly, at December 31, 2014, the Company tested the Tanzanian CGU for reversal of impairment of both its E&E and PP&E assets. The recoverable amount of the Tanzanian CGU was estimated to be in excess of the net book value. The recoverable amount was estimated using a fair value less cost to sell calculation based on expected future cash flows generated from proved and probable reserves using an after-tax discount rate of 15%, based on the independent external reserves report dated December 31, 2014. The assessment resulted in previously recognized write-downs of these E&E assets of $13,384 being reversed and included as a separate item in profit or loss.

In 2014, the Company also eliminated the cost and associated accumulated impairment of $49,328 relating to assets that have no future value.

Notes to consolidated financial statements
continued

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

	Natural gas properties	Office and other equipment	Total
Cost			
Balance at December 31, 2013	93,256	886	94,142
Additions	3,482	51	3,533
Transferred from E&E[1]	53,127	-	53,127
Elimination of impaired assets[2]	(61,740)	-	(61,740)
Disposal of assets[3]	(123)	(448)	(571)
Balance at December 31, 2014	88,002	489	88,491
Additions[4]	**11,760**	**80**	**11,840**
Balance at December 31, 2015	**99,762**	**569**	**100,331**
Accumulated depreciation, depletion and impairment			
Balance at December 31, 2013	(75,005)	(639)	(75,644)
Depreciation and depletion	(379)	(163)	(542)
Reversal of impairment loss[2]	10,421	-	10,421
Elimination of impaired assets[2]	61,740	-	61,740
Disposal of assets[3]	121	448	569
Balance at December 31, 2014	(3,102)	(354)	(3,456)
Depreciation and depletion	**(1,550)**	**(157)**	**(1,707)**
Balance at December 31, 2015	**(4,652)**	**(511)**	**(5,163)**
Carrying amounts			
December 31, 2014	84,900	135	85,035
December 31, 2015	**95,110**	**58**	**95,168**

(1) During 2014 the Company transferred natural gas properties from E&E assets of $53,127 which included the cost associated with three existing wells and field infrastructure within the Mnazi Bay Concession in Tanzania which will be utilized in the production of discovered natural gas

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

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

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

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

(4) Non-cash additions totaling $69 (2014 - $Nil) relate to the decommissioning obligation for existing natural gas properties.

8. Decommissioning provision

The Company's decommissioning provisions result from net ownership interests in petroleum and natural gas assets including well sites, pipeline gathering systems, and processing facilities in Tanzania. The Company estimated a total of $8,079 as undiscounted inflation-adjusted amount of cash flow required to settle its decommissioning obligations. The costs are expected to be incurred around 2030. 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. The discount and inflation rates used in determining the value of the decommission provision at December 31, 2015 was 14% and 2%, respectively (2014 – 14% and 2%, respectively).

A reconciliation of the decommissioning obligations is provided below:

	2015	2014
Balance at January 1	**782**	685
Addition	**70**	-
Accretion	**121**	97
Balance at December 31	**973**	782

Notes to consolidated financial statements
continued

9. Long-term loans

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

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

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

At December 31, 2015 the full amount was drawn on the two loan facilities.

Total credit facilities	**26,000**
Principal balance at January 1, 2014	-
Drawn during the year	6,000
Principal balance drawn on credit facilities at December 31, 2014	6,000
Drawn during the year	**20,000**
Principal balance drawn on credit facilities at December 31, 2015	**26,000**
Financing costs – transaction costs	(285)
Accretion during the year	3
Net financing costs at December 31, 2014	(282)
Accretion during the year	**64**
Net financing costs at December 31, 2015	**(218)**
Carrying amount of long-term loans at December 31, 2015	**25,782**
Current	5,270
Non-current	20,512
	25,782

During the year ended December 31, 2015, the Company incurred interest expense, inclusive of the accretion of financing costs, of $1,712 (2014 - $2,533) of which $906, was settled in cash (2014 - $341).

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

10. Other liability

	2015	2014
Balance at January 1	**3,132**	2,836
Accretion	**239**	228
Change in accounting estimate	**(229)**	68
Balance at December 31	**3,142**	3,132
Current portion	**1,508**	861
Long-term portion	**1,634**	2,271

As a result of an asset purchase and sale transaction in 2012, the Company is obliged to make payments with a face value of $3,394 should certain future natural gas production thresholds from Mnazi Bay Concession be reached. The other liability is recognized at its estimated fair value which is determined by discounting the future cash payments at based on the anticipated timing of the payments.

11. Warrants

In 2013, the Company issued 5,000,000 warrants in relation to a long-term loan facility that was repaid in 2014.

The warrants expired unexercised on December 31, 2015.

Notes to consolidated financial statements
continued

12. Finance income and finance costs

	Year ended December 31, 2015	2014
Finance income		
Accretion - TPDC receivable (Note 5)	**4,327**	5,321
Accretion – Tanzanian government receivable (Note 5)	**484**	493
Change in estimates – other liability	**229**	-
Interest income	**7**	100
	5,047	5,914
Finance costs		
Change in estimates – TPDC receivable (Note 5)	**(2,129)**	(900)
Change in estimates – Tanzanian government receivable (Note 5)	**(613)**	(596)
Change in estimates – other liability	**-**	(68)
Accretion – other liability	**(239)**	(228)
Interest expense – Tanzania based banks	**(1,712)**	(28)
Interest expense – Vitol loan	**-**	(2,525)
Accretion – decommissioning provision	**(121)**	(97)
Foreign exchange loss	**(122)**	(70)
	(4,936)	(4,512)

13. Share based payments

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

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

	2015		2014	
	Number of options	Weighted average exercise price (US$) (i)	Number of options	Weighted average exercise price (US$)
Outstanding at January 1	**9,950,000**	**0.61**	6,450,000	0.68
Granted	**2,000,000**	**0.44**	3,750,000	0.69
Exercised	**-**	**-**	(250,000)	0.48
Outstanding at December 31	**11,950,000**	**0.51**	9,950,000	0.61

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

		Outstanding		Exercisable
Exercise Price (NOK)	Exercise Price (US$) (i)	Number of options	Weighted average remaining life (years)	Number of options
3.15	0.36	1,000,000	4.8	1,000,000
3.52	0.40	500,000	6.0	500,000
3.60	0.41	2,400,000	4.8	2,400,000
3.85	0.44	2,000,000	10.0	-
4.08	0.47	250,000	7.3	166,667
4.64	0.53	150,000	8.4	50,000
4.70	0.54	200,000	8.4	66,667
4.90	0.56	350,000	6.5	266,667
5.18	0.59	3,500,000	8.1	1,199,993
5.75	0.66	1,600,000	5.3	1,600,000
		11,950,000	**7.0**	**7,249,994**

(i) The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at December 31, 2015 is 0.11432.

The weighted average exercise price of options that have vested and are exercisable at December 31, 2015 is US$0.50 (NOK 4.34).

Notes to consolidated financial statements
continued

13. Share based payments (continued)

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

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

(ii) The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at December 31, 2014 is 0.13418.

The weighted average exercise price of options that have vested and are exercisable at December 31, 2014 is US$0.56 (NOK 4.18).

Share based payment charge

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

	2015	2014
Grant date fair value per option (US$)	**0.25**	0.53
Expected annual interest rate (%)	**1**	1
Expected volatility (%)	**60**	72
Expected life (in years)	**6**	6
Expected forfeiture rate (%)	**8**	8
Expected dividends (US$)	**Nil**	Nil

During the year ended December 31, 2015 a total of $767 (2014 - $1,090) in share based compensation was expensed with an offsetting charge to equity reserve.

14. Share capital

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

B. Issued common shares

2015

On July 1, 2015, the Company closed a private placement issuing 15,412,269 new common shares for cash consideration of $0.50 (GBP 0.32, NOK 3.88) per share for total gross proceeds of $7,639 million (GBP 4.9 million, NOK 59.7 million).

Expenses incurred in relation to the private placement and offering were $371.

2014

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

15. Profit per share

Basic and diluted profit per share

The calculation of profit per share for the year ended December 31, 2015 is based on a profit attributable to shareholders of the Company of $27,034 (2014 – $15,277). Share options of 318,976 were dilutive during the year end December 31, 2015 (2014 - 850,194). Warrants are dilutive instruments but there were no amounts that were dilutive in 2015 and 2014.

	Year ended December 31, 2015	2014
Weighted average number of shares outstanding	**161,849,947**	154,011,741
Dilutive weighted average number of shares outstanding	**162,168,923**	154,861,935

Notes to consolidated financial statements
continued

16. Income taxes

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

	2015	2014
(Loss)/profit before income taxes	**(7,307)**	15,277
Expected income tax (recovery) expense at combined Canadian federal and provincial rate of 26.0% (2014 – 25.0%)	**(1,900)**	3,819
Rate differentials	**(1,450)**	1,791
Share based compensation	**207**	272
Movement in deferred tax assets not previously recognized and other	**(31,198)**	(5,882)
Income tax recovery	**(34,341)**	-

The Company's statutory tax rate for the year ended, December 31, 2015 was 26.0% (2014: 25.0%) due to the change in the Alberta provincial general corporate tax rate from 10% to 12% effective July 1, 2015.

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

	2015	2014
Non-capital losses	**21,600**	61,740
Property and equipment	**470**	398
Share issue costs	**557**	688
Asset retirement obligations	**-**	235
	22,627	63,061

The tax pools associated with non-capital losses are $275,638 (2014 – $262,700) of which $76,285 (2014 - $73,100) are in Canada, $196,218 (2014 - $176,500) are in Tanzania, and $3,135 (2014 - $13,100) are in Mozambique.

The unrecognized non-capital losses in Canada expire in the years 2026 – 2035, in Tanzania they have an indefinite life and in Mozambique they expire in the years 2016 – 2020.

A deferred tax asset is recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences and the loss carry forwards can be utilized. A deferred tax asset of $34,341 as at December 31, 2015 (2014 – $Nil) is attributable to the accumulated tax loss carry forward of the Company's Tanzanian subsidiary, which are expected to be offset against future taxable income.

	2015	2014
Balance at January 1	**-**	-
Deferred income tax assets recognized in profit or loss:		
Non-capital losses	**58,866**	-
Asset retirement obligations	**232**	-
Deferred income tax liabilities recognized in profit or loss:		
PP&E	**(24,757)**	-
Balance at December 31	**34,341**	-

17. 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,	
	2015	2014
Directors fees	**340**	340
Share based compensation	**299**	446
	639	786

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

	For the year ended December 31,	
	2015	2014
Salaries and benefits	**2,335**	1,583
Share based compensation	**261**	644
	2,596	2,227

Notes to consolidated financial statements
continued

18. Supplemental cash flow information

Non-cash working capital components

	For the year ended December 31, **2015**	2014
Net change in non-cash working capital related to operating activities:		
Trade and other receivables	**(640)**	(767)
Prepayments, deposits and advances to partners	**577**	1,098
Trade and other payables	**238**	(1,423)
	175	(1,092)
Net change in non-cash working capital related to investing activities:		
Trade and other receivables	**-**	1,059
Trade and other payables	**(2,176)**	3,395
	(2,176)	4,454

Cash additions from investing activities in the Statement of Cash Flows consists of the following:

	Exploration and evaluation	Property, plant and equipment	Long-term receivable
Year ended December 31, 2015			
Total additions	**9,379**	**11,840**	**1,016**
Asset retirement obligation	**-**	**(69)**	**-**
Change in non-cash working capital	**920**	**1,155**	**100**
Cash additions	**10,299**	**12,926**	**1,116**

	Exploration and evaluation	Property, plant and equipment	Long-term receivable
Year ended December 31, 2014			
Total additions	22,869	3,533	365
Change in on-cash working capital	(3,805)	(588)	(61)
Cash additions	19,064	2,945	304

19. Commitments

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, 2015 are as follows:

Total future minimum lease payments	
2016	240
2017	67
	307

20. Tax assessments

i. Gas operations

In 2014, the Company accrued an estimated tax liability for the period 2008-2012 of $280 (Tshs 478 million). The final tax assessment for this period was received from the Tanzania Revenue Agency ("TRA") in 2015 and totaled $130 (Tshs 282 million), which was settled by way of an offset against a deposit on account with the Tanzania Revenue Authority ("TRA").

ii. Transmission and distribution operations

In 2015, the Company received a tax assessment TRA relating to a discontinued, dissolved subsidiary of the Company totalling $1,200 (Tshs 2.57 billion) for the period 2009-2012. Settlement was reached with the TRA in 2015 and the Company accrued and paid an estimated tax liability of $870 (Tshs 1.86 billion) which has been recorded within production and operating expense ■

Statement of corporate governance

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

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

Canadian Securities Administrators 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 a reporting 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 a reporting issuer in Canada , except as set out herein, the Corporation complies with the Canadian guidance and the Corporation's corporate governance practices, in Form 58-101F1, is attached as Schedule "B" to the Information Circular dated May 19, 2015, which has been prepared in connection with the Annual Meeting of the Shareholders and is available on the Corporation's website. National Policy 58-201 is available at www.albertasecurities.com.

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

1. Implementation and Reporting on Corporate Governance

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

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

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

Failure to comply with the Code of Ethics and Business Conduct will be considered by the Corporation to be a very serious matter. Depending on the nature and severity of the violation, disciplinary action will 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, 2015 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 2015 audited financial statements for a

Statement of corporate governance
continued

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 commercial operations, it does not have a formal dividend policy. No dividends have ever been declared or paid by the Corporation. There are no restrictions on dividend distributions.

There are no outstanding authorizations from the general meeting to the Board to increase the Corporation's share capital or purchase its own shares. However, as is customary for Alberta companies, the authorized capital of the Corporation consists of an unlimited number of common shares and the Board may issue common shares without shareholder approval.

4. Equal Treatment of Shareholders and Transactions with Close Associates

The Corporation conducts itself having regard to the 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 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 having regard to 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 2015.

5. Freely Negotiable Shares

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

6. General Meetings

Under Alberta corporate laws, a corporation's Annual Meeting must be held not later than 15 months after holding the last preceding Annual Meeting. During 2015, the Corporation's Annual Meeting was held in June at which the calendar year 2014 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 Company shall send to shareholders 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 the candidates nominated for election.

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

7. Nomination Committee

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

Deviations from the Code of Practice: The Corporation's Governance & Nomination Committee is organized as a Board committee appointed by the Board and it is not an independent committee elected by the shareholders. The composition of the Governance & Nomination Committee also differs from Canadian guidelines on corporate governance, which recommend that the nomination committee be composed entirely of independent directors. The provisions in the Corporation's By-Laws addressing the establishment of Committees provide that the Board of Directors can create Committees including a Governance & Nomination Committee. While not compliant with the Code of Practice and the Canadian guidelines, 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 four directors who are elected for one year terms, or until their successors are duly elected or appointed. The four current directors were elected at the Annual Meeting held on June 23, 2015. According the Corporation's By-Laws, the Board may between Annual Meetings, appoint one or more additional directors to serve until the next Annual Meetings, provided that after such appointment the total number of directors would not be greater than one-third times the number of directors elected at the last Annual Meeting nor greater than the maximum number of ten. A brief presentation of each of the Directors can be found on the Corporation's website. The composition of the Board as a whole represents sufficient diversity of background and expertise to help ensure that the Board carries out its work in a satisfactory manner. The Board members have wide experience from both the oil and gas industry as well as broad financial experience. The Corporation is of the opinion that the composition of its Board of Directors ensures that the Board can attend to the common interests of all shareholders and meets the Corporation's need for expertise, capacity and diversity. It can also function effectively as a collegiate body.

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

The composition of the Board is in compliance with the independence requirement as at least three 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, all Board members, directly or indirectly own Wentworth shares.

Deviations from the Code of Practice: One of the Directors is also member of the Corporation's executive management, being Mr. Robert P. McBean, Executive Chairman. The Executive Chairman is appointed by the Board and is not elected at the Annual Meeting. It is customary for Alberta companies to have members of executive management on their boards and to have them appointed by the Board. The Corporation's Audit Committee is 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 2015 consolidated financial

Statement of corporate governance
continued

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 2015. In 2015, the chairs and members of each committee did 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 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 companies to provide stock options to Directors.

12. Remuneration of the Executive Management

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

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

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

Deviations from the Code of Practice: In 2015, the Corporation did 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 Nasdaq Corporate Solutions International Limited 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, Chartered Professional Accoutants, Calgary, Canada, for calendar year 2015, is appointed by resolution of the shareholders at the Annual Meeting held on June 23, 2015. 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 at which members of the executive management are not present although the Board has the ability to request an in-camera meeting with the external auditors at any time. ■

Corporate information

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

John W.S. Bentley[123]
Deputy Chairman

Cameron Barton [13]
Non-executive Director

Neil B. Kelly [124]
Non-executive Director

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

Corporate officers
Robert P. McBean
Executive Chairman

Geoffrey P. Bury
Managing Director

Lance Mierendorf
Chief Financial Officer

Heather L. Jones
Corporate Secretary

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Annual Meeting
Wentworth Resources Limited
Annual and Special Meeting
Wednesday, June 22, 2016
In London, United Kingdom

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