



**whitebark**  
ENERGY

# Investor Presentation

March 2022



# DISCLAIMER

No representation or warranty, expressed or implied, is made by Whitebark Energy Ltd that the material contained in this presentation will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, Whitebark Energy, their officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the material contained in this presentation and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom. Whitebark Energy do not have any responsibility to update any person regarding any inaccuracy, omission or change in information in this presentation or any other information made available to a person nor any obligation to furnish the person with any further information.

This presentation contains certain statements which may constitute "forward-looking statements". Whitebark Energy believe that the expectations reflected in these statements are reasonable. However such statements are only predictions and are subject to inherent risks and uncertainties and changes in the underlying assumptions which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

The information in this presentation is an overview and does not contain all information necessary for investment decisions. In making investment decisions investors should rely on their own due diligence and consult with their own technical, legal, tax, business and/or financial advisers.

All dates in this presentation are for calendar years unless stated FY for financial year and all references to \$ are in Australian currency, unless stated otherwise.

## Cautionary Statement Prospective Resource Estimates

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery, as well as a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a commercial quantity of potentially moveable hydrocarbons.

## References and Competency Statements

The Company confirms that that it is not aware of any new information or data that materially affects the information included in the relevant market announcements included in this presentation and, in the case of oil and gas Reserves and Resource Estimates, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

## A Note Regarding Forward Looking Information

This announcement includes certain statements related to our future business and financial performance and future events or developments involving Whitebark Energy Limited ('WBE' or 'the Company') that may constitute forward-looking statements. All statements, other than statements of historical fact, that refer to any future oil and gas production, resources or reserves, exploration results and events that the Company expects to occur are forward-looking statements. Although the Company believes that the expectations in those forward looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially from the outcomes anticipated. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

# INVESTMENT HIGHLIGHTS

## 1 Capital Raise to Fund Growth

The Company is seeking to raise A\$4.4 million (before costs) via a 1:2 non-renounceable entitlements offer at \$0.002 per share (plus 1:2 free attaching option with exercise price of \$0.004 and 3-year expiry)

## 2 Wizard Lake Development

Capital raise proceeds to fund the Wizard Lake Rex-4 development well – Whitebark expects payback within 5 months at U\$90/bbl WTI oil prices and aims to fund future Wizard Lake wells via free-cash flows

## 3 Recommence ASX Listing

Whitebark has provided the ASX with a submission to exit voluntary suspension and expects to recommence ASX listing on 26 April 2022

## 4 Reduced Costs

The Company has implemented a number of strategic initiatives including updating the Board and management, reducing overhead costs by A\$440,000<sup>2</sup>; and reassessing booked 1P and 2P reserves

## 5 Cash Flow Positive

Whitebark is generating netback revenue of C\$64.47/bbl and C\$3.76/GJ<sup>1</sup> from its existing portfolio with several short-term, rapid payback opportunities identified to increase revenue, production, and reserves

<sup>1</sup>@ CA\$85 oil and CA\$4.00 gas. Netback revenue is before Fixed Costs and Corporate G&A

<sup>2</sup>Reduction of A\$440,000 in H1 FY22 compared to H1 FY21

# SUMMARY OF KEY ACTIVITIES

## Administration and strategic review

### SBE Administration

Salt Bush Energy Ltd (“SBE”) entered administration and Whitebark securities entered voluntary suspension following 13 January 2021 request

### Strategic review

Strategic Review of Wizard Lake conducted by Dr. Brealey including a review of operations and capital requirements. Independent and conservative review of booked 1P and 2P reserves and resources, audited by Competent Person based in Canada

## Initial steps post strategic review

### Reduction of cost base

Assessment of operating costs with cost reduction measures enacted to protect capital. Moving the corporate head office from Perth to Adelaide reduced fixed overheads (eliminating outgoings for rent, electricity, carparks, FBT, IT etc.)

### Board & Management changes

New management implemented with the task of optimising the Company and driving a measured growth strategy

## Preparation for relisting

### Retention of Wizard Lake

Acquisition process undertaken to purchase Wizard Lake  
Subsequent capital raise to fund the acquisition

### ASX submission for relisting

Subsequent to securing 100% ownership in Wizard Lake, Whitebark made a submission to the ASX to relist, and has subsequently worked diligently to meet reinstatement requirements

## Ongoing

### Optimisation of assets

Optimisation of Wizard Lake with the long-term goal of strengthened cash flow generation

Considering Canadian expansion opportunities that may provide synergistic growth to the portfolio and production profile

# STRATEGIC REVIEW ACTIVITIES & OUTCOMES

The Company conducted a strategic review of operations and the Wizard Lake Oil Field (“Wizard Lake”) to independently ensure the Company is operating as efficiently as possible

The Strategic review identified a number of cost-saving initiatives and opportunities to optimise production at Wizard Lake, which include:

- Changes to the Company’s board and management to leverage significant unconventional O&G experience
- Assessing the cost base of Wizard Lake and the Australian business
- An independent and conservative review of booked 1P and 2P reserves and resources which has subsequently been audited by an accredited and competent person based in Canada
- Assessment of additional optimisation activities at Wizard Lake
- Moving the corporate head office from Perth to Adelaide to reduce fixed costs
- Review of potential growth strategies and development of work program



# BOARD & MANAGEMENT RESTRUCTURE

Whitebark has made significant changes to its Board and Management structure to add directors with significant success in unconventional O&G development and strong financial management capabilities



Dr. Simon Brealey

*Interim CEO*

- Over 30 years of global experience in unconventional oil and gas asset exploration and development - Past roles at Amoco Ltd, Santos Ltd, Beach Energy Ltd, Cooper Energy Ltd and Head of New Ventures at Bass Oil Ltd
- Ph.D in oil field geology from the University of London



Duncan Gordon

*Non-Executive Chairman*

- Founder and co-principle of Adelaide Equity Partners
- Experienced corporate advisor to public and private mining and natural resources companies on matters including transformative mergers and acquisitions, capital raisings (debt and equity), initial public offerings



Giustino (Tino) Guglielmo

*Non-Executive Director*

- Qualified Petroleum Engineer
- 40 years of technical, managerial and senior executive experience globally
- Currently managing director of Bass oil and previous Managing Director of Stuart Petroleum and Ambassador Oil and Gas (both sold generating shareholder value)



Matthew White

*Non-Executive Director*

- Over 30 years experience in the financial services industry
- Current Director of Aerometrex Limited
- Qualified Chartered Accountant (Certificate of Merit in Taxation and Ethics) and Bachelors in accountancy from University of S.A.



Kaitlin Smith

*Company Secretary*

- Kaitlin joined Whitebark in June 2021
- Chartered Accountant and Fellow member of Governance Institute of Australia
- 15+ years of experience in accounting, corporate company secretarial and financial management roles across various industries

# SECURING THE WIZARD LAKE ASSET

## The bid for Wizard Lake

- Via its subsidiary, Ironbark Energy (IBE), Whitebark submitted a bid of C\$2,000,000 to acquire Wizard Lake from Salt Bush Energy (SBE), comprising C\$336,000 in cash and C\$1,664,000 in forfeit of an existing loan made by Whitebark to SBE
- No superior qualified bids were received for Wizard Lake

## Successful Bid

- The bid was successful and Whitebark gained effective control of Wizard Lake, using a reverse vesting order mechanism (“RVO”) on 19 May 2021
- The asset remained resident in SBE and its creditor balance was transferred to a third-party residual company resulting in SBE no longer having any obligation to settle these creditors
- Oversight of the Trustee was withdrawn as part of the transaction effective 19 May 2021 and SBE is now back under the full and effective control of Whitebark
- On 26 May 2021, the Company completed a A\$310,000 capital raising (before costs) via a share placement to fund the cash portion of the Wizard Lake bid
- Whitebark now owns a 100% working interest in the Wizard Lake field and has successfully extended expiring concessions with no commitments

# WIZARD LAKE OIL FIELD OVERVIEW

Wizard Lake is a 26km<sup>2</sup> tenement package located in the highly prospective Western Canada Sedimentary Basin, 30km from Edmonton in Alberta, Canada

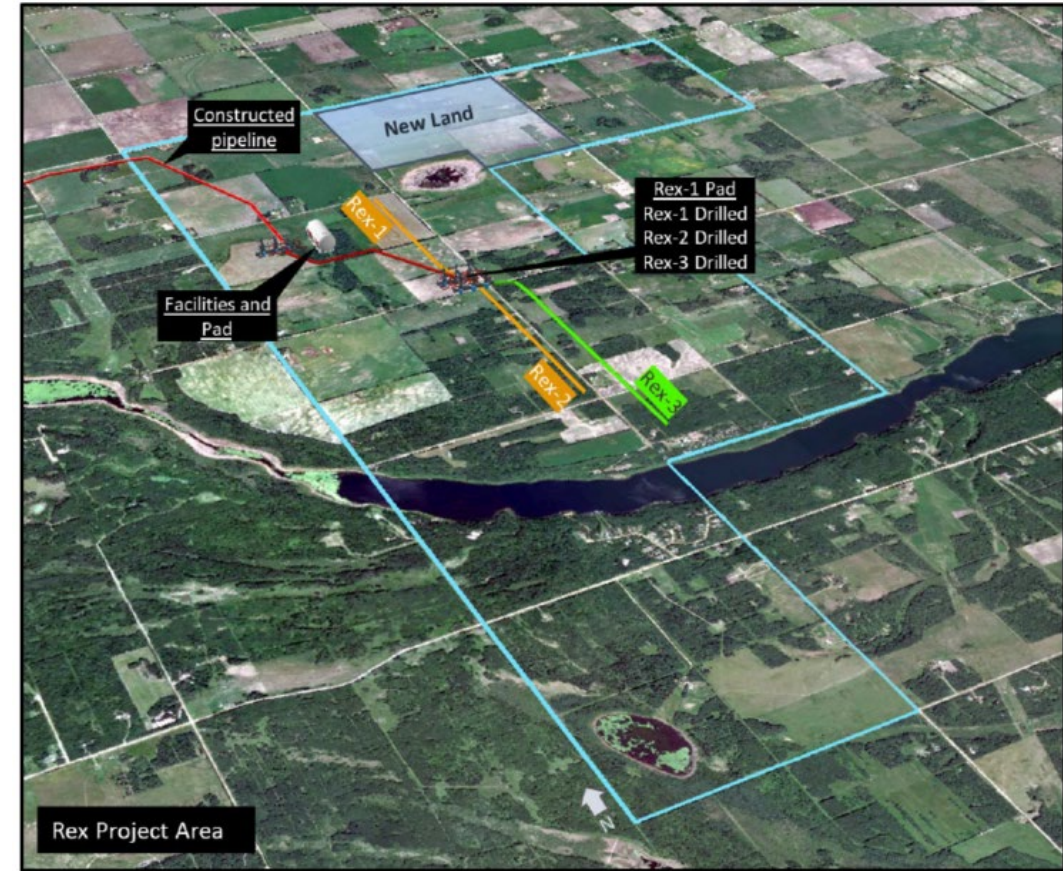
Whitebark increased its interest in Wizard lake from 20% as at December 2019 to 100% as at 30 June 2021

Three horizontal production wells have been drilled to date:

- Rex-1 – Completed on 24 December 2018, Rex-1 is ~1,415m deep and 1,200m in length
- Rex-2 – Completed 26 August 2019, Rex-2 is 1,415-1,430m deep and 1,450m in length
- Rex-3 – Completed on 12 December 2019, Rex-3 1,412-1,452m deep and 2,100m in length
- The well pad is sized for up to 5 additional wells

Whitebark-owned facilities and infrastructure include:

- On-site gas facilities upgraded to separate the gas and liquids for sale via the Petrus Processing Facility – throughput is ~2.5 mmcfd
- Liquid facilities upgrade to remove 99.5% of water prior to oil transfer – capacity of 5,000 bopd and ~5.0 mmcfd gas
- 3.2km pipeline from Battery and an additional 4.7km pipeline from Wizard Lake to the Petrus Gas Processing Facilities tie-in point



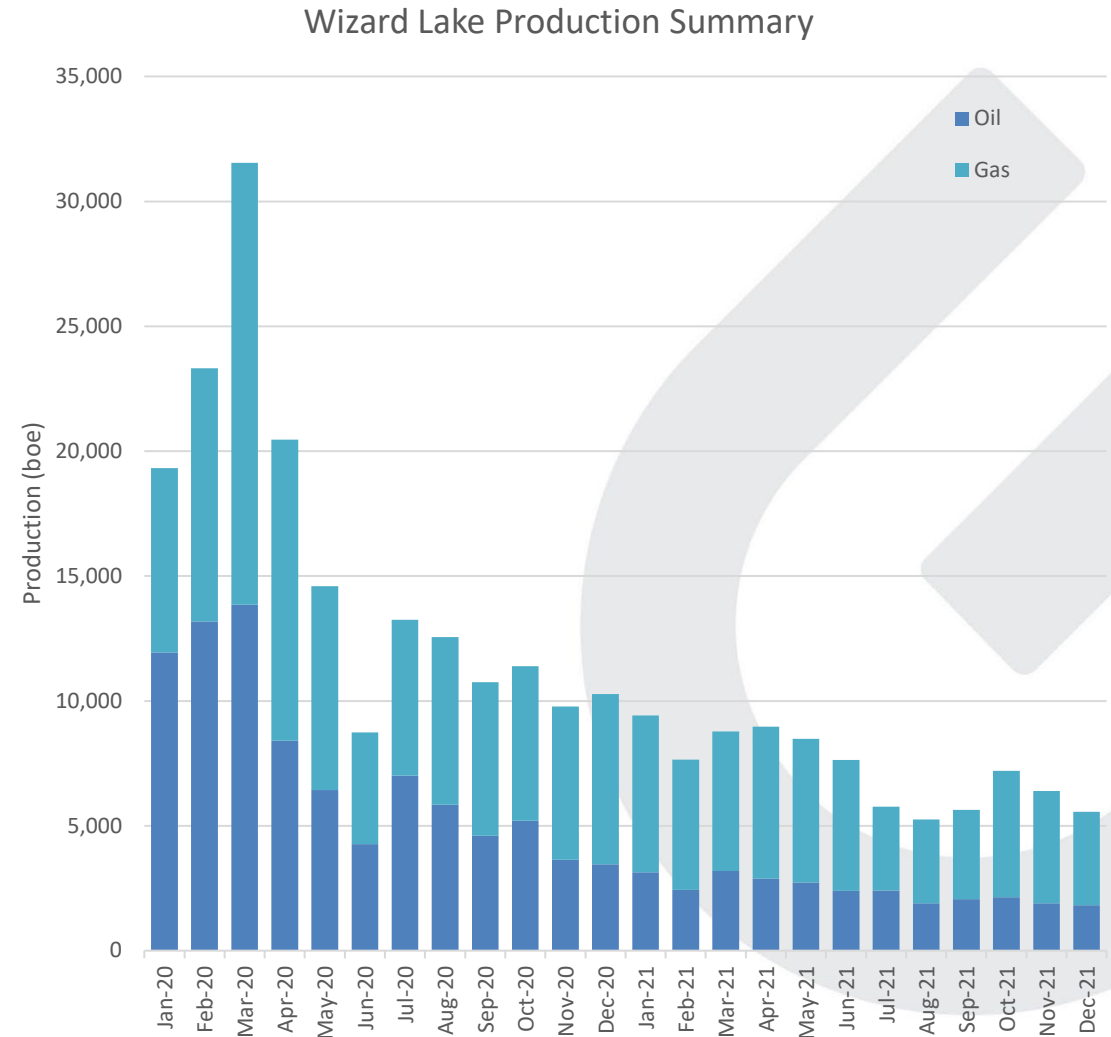
- Whitebark currently rents the heated cascading tank system, three hydraulic pumpjacks and on-site generators



# WIZARD LAKE OIL FIELD PRODUCTION PROFILE

## Activities to date & production profile:

- The Company commenced development of the Wizard Lake field in November 2018
- Data from Rex-1, Rex-2 and Rex-3 demonstrated excellent reservoir quality with up to 23% porosity (the Rex Sand is a conventional play, not shale oil)
- The Wizard Lake field has produced 130 Mbbls oil and 0.9 bcf gas to date and is currently producing ~60 bopd and ~720 mscfpd (180 boepd)
- The Company has utilised greater available historical production data since discovery to revise decline estimates and ultimate recovery per well with the aim of increasing forecast accuracy going forward
- The Company expects to strengthen production by implementing optimisation strategies identified as part of the strategic review
- A reassessed analysis of the Rex-4 development well forecasts production of approximately 15,900 boe over its first full month (~530 boepd)



# UPDATED RESERVES AND RESOURCES

The Company has conducted an independent review of its booked 1P and 2P reserves and resources:

- This conservative approach resulted in a 16.6% decrease in 1P reserves and 8.3% decrease in 2P reserves<sup>1</sup>
- 1C contingent resources increased by 27% (+22% for 2C)
- The 2P barrels of oil equivalent figure constitutes:
  - 2,073,000 barrels of crude oil;
  - 15,672,092 million cubic feet of natural gas; and
  - 313,000 barrels of natural gas liquids.
- Whitebark is confident in its revised reserves and resource metrics and its ability to extract maximum value for shareholders
- The net present value (NPV10% Before Tax) of Whitebark's 2P reserves at 30 June 2021 was A\$50.6mm<sup>2</sup> (assuming US\$60/bbl WTI oil price)
- The company sees significant improvement in NPV10 at current and projected oil prices

Resources & Reserves as at 30 June 2021		
100% Field Reserves (MMboe)	Proved 1P	Proved & Probable 2P
Developed & Undeveloped	2.39	4.998
100% Field Contingent Resources (MMboe)	1C	2C
Total	1.855	4.821

Reporting Period Movements in Resources & Reserves as at 30 June 2021		
100% Field Reserves (MMboe)	1P	2P
Field Reserves at 30 June 2020	2.790	5.566
FY21 Production	0.118	0.118
Revisions	(0.464)	(0.464)
% change from June 30 2020	-16.6%	-8.3%
Field Reserves at 30 June 2021	2.39	4.998
100% Field Contingent Resources (MMboe)	1C	2C
Field Cont. Res. at 30 June 2020	1.461	3.797
Revisions	0.394	0.851
% change from June 30 2020	+27%	+22%
Contingent Resources at 30 June 2021	1.855	4.821

<sup>1</sup>This decrease reflects the results of an in-depth field study conducted by Dr. Simon Brealey during H2 FY21 which was based on six months greater historical production data from existing wells Rex-1 through Rex-3, and recalculated forecast decline curves to arrive at revised estimated ultimate recoverable ("EUR") reserves per well. Reserves are most significantly affected by less than forecast oil production rates from all three existing wells, and is largely attributed within 1P PDP and PUD Reserves. This decrease in oil production is somewhat offset by increased gas yield (approximately 56% of the reserves are natural gas). Updated operating costs and price forecasts were also incorporated.

<sup>2</sup>CAD 1.0 = AUD 1.075c

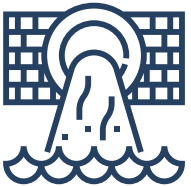
# WIZARD LAKE STRATEGIC INITIATIVES

The Company has conducted a strategic review of Wizard Lake and identified several opportunities to optimise cashflow and production:



## Purchase of Rental Equipment

- Whitebark currently rents storage and pumping equipment when anticipating enhanced production levels to accommodate growth
- Purchasing the required equipment would see a greater than 60% decrease in fixed costs, enhancing long-term cashflow and generating opportunities for optimisation/exploration reinvestment



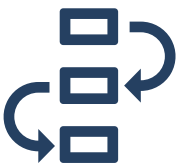
## Installing a water disposal line

- Investing into a flowline to third party salt-water disposal well would entirely eliminate water trucking costs of approx. CA\$3.50/bbl and result in greater margins



## Future Development

- The company has identified 5 Proven Undeveloped (PUD) locations including 2 which are already permitted. Conservative development program to drill an initial pilot well in Rex-4 and lead to subsequent completion and fracking based on success.
- Rex-4 Well performance expectation revised to 300 bopd + 1400 mcfgd, dropping to 85 bopd + 630 mcfgd over the first 12 months: first year's production 55 Mbbls plus 293 MMcfg
- Rex-4 pays back in 6 months at \$75 oil; Rex-5 well self-funded from combined revenue of existing wells and Rex-4



## Further compression at pad

- Further compression provision at the well pad to improve production performance from existing wells and accommodate significantly enhanced production from future wells Rex-4 and Rex-5

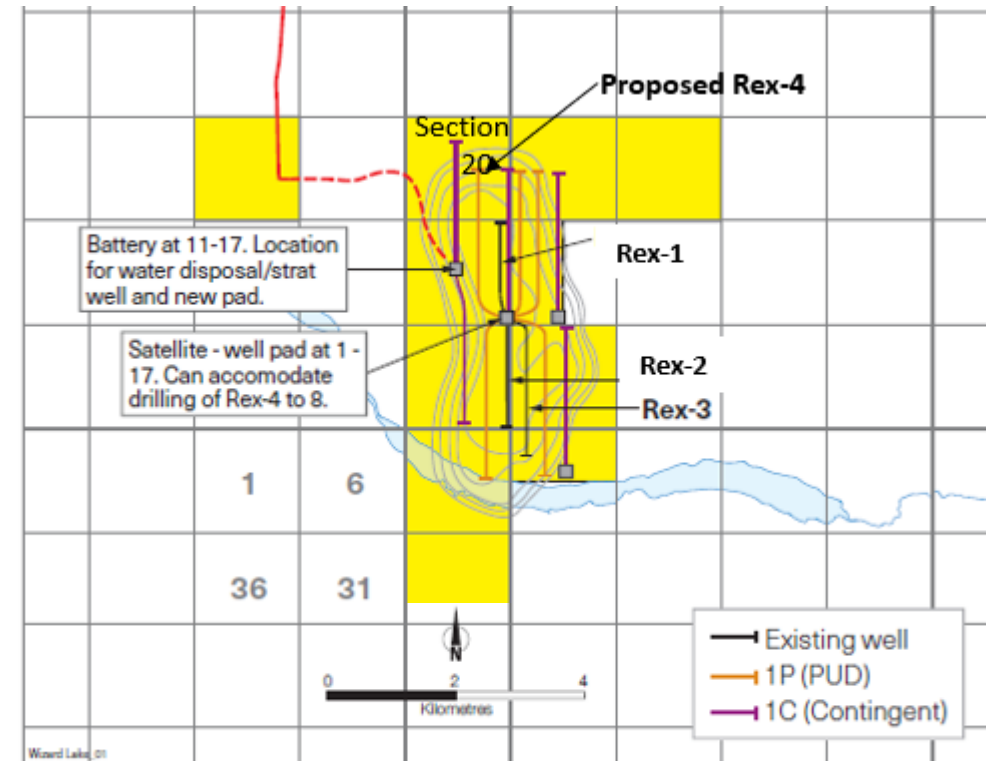
# ASSET OPTIMISATION – DEVELOPMENT POTENTIAL AT WIZARD LAKE

## Immediate Development Potential – Rex-4, Rex-5

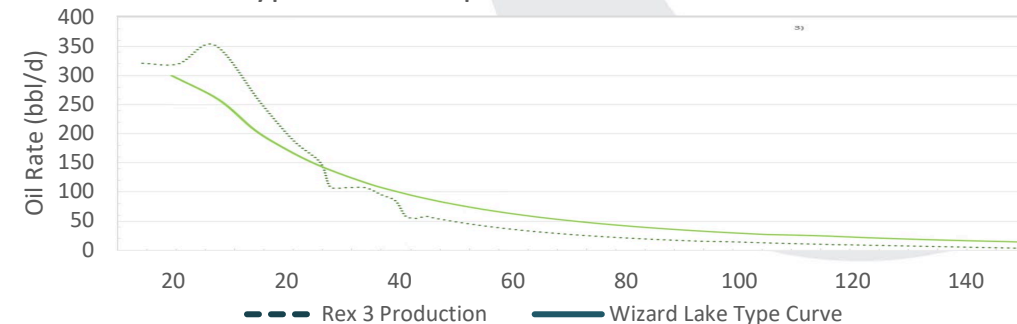
- The Company has identified 5 Proven Undeveloped (PUD) locations including two currently permitted:
  - Rex-4 - Whitebark will target the north-facing PUD location parallel to Rex-1 given the greater ratio of oil to gas in this portion of the reservoir
  - Rex-5 - to target the southern location parallel to Rex-2 and Rex-3

## Whitebark aims to complete the Rex-4 development well in the near-term:

- The Well cost estimate for Extended Reach well: drill, frac, complete and connect C\$3.1 million (AU\$3.3mm)
- Whitebark conservatively forecasts Rex-4 ultimate production of approximately 155,000 bbls oil and 1.3 bcf gas (based on historical Rex-3 performance)
- Whitebark expects well payback in 12 months at US\$60 / bbl WTI oil price and US\$2.5 / GJ, 6 months at US\$75 / bbl WTI oil price and US\$4.0 / GJ and less than 5 months at US\$90 / bbl WTI oil price and US\$4.0 / GJ
- Whitebark will obtain a 100% working interest in Rex-4
- The Company aims to fund Rex-5 and future development wells via free cash flows



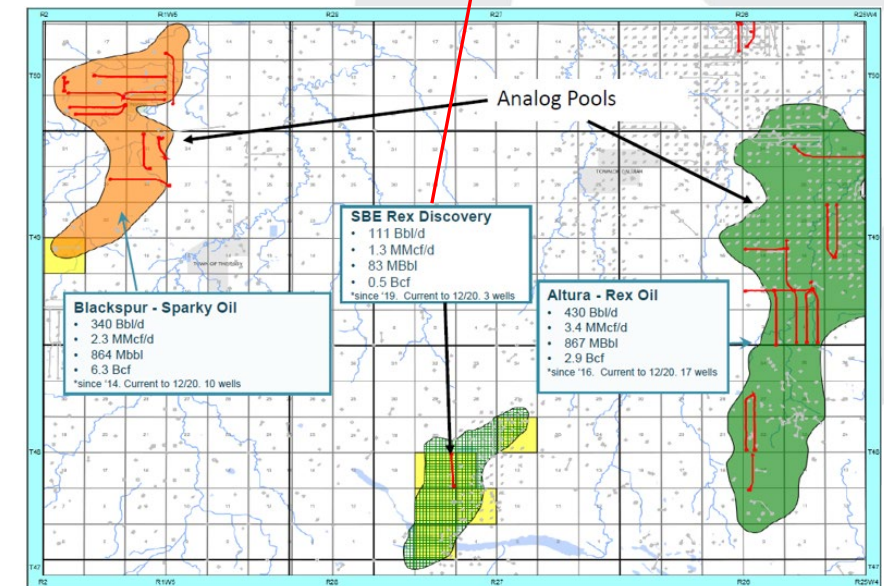
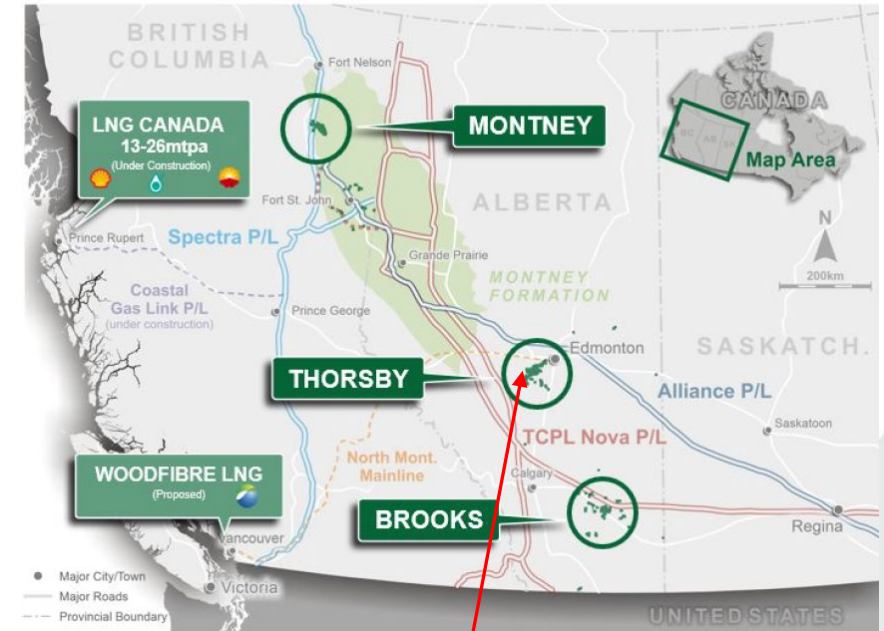
Type Well Comparison - Cumulative Oil



# REX-4 ANALOGUE – CALIMA ENERGY’S THORSBY FIELD

3 new “Leo” wells drilled by Calima Energy Limited (ASX:CE1) (“Calima”) into the Sparky Sand represent the nearest analogue to Whitebark’s Wizard Lake Rex sands (both geographically and stratigraphically):

- Calima is Whitebark’s immediate neighbour, located 15kms north-west of Wizard Lake in Alberta, Canada
- Calima is developing the Sparky Sand which directly overlies the Rex Sandstone in the Upper Mannville Group (previously Blackspur development – see lower right)
- Calima obtained initial production at Leo-1, Leo-2 and Leo-3 of between 200 boepd and 360 boepd with anticipated IP90 (first 90 days production) rates of 270-460 boepd (80% oil)<sup>1</sup>
- By comparison Whitebark anticipates IP90 rates of 350-530 boepd (60% oil) for the Rex-4 well
- Development strategy – additional horizontal length, more opening to reservoir and more proppant pumped into each completion (similar to Rex-3 strategy)
- Cumulative Production at Calima Leo wells forecast up to 154 boe/well compared to Whitebark’s Rex forecast of 155 Mbbls + 1.2 bcf (350 boe/well)
- **Calima wells have NPV10 of \$6.5– \$9.0 million and payback within ~6-10 months (at \$60-\$85 WTI) and Capex of \$3.2mm/well. Whitebark considers its Wizard Lake wells to have comparable metrics**



<sup>1</sup>As per Calima Energy Limited ASX announcement “Thorsby Leo Wells – Production Commenced”, released 17 November 2021

# CAPITAL RAISING TO FUND DEVELOPMENT

**Whitebark will complete a A\$4.4 million capital raising to fund its growth strategy and recommence ASX listing:**

- The Company seeks to raise up to A\$4.4 million (before costs) via a 1-for-2 non-renounceable entitlements offer at an issue price of \$0.002 per share
- Eligible shareholders will also receive 1 free attaching option for every 2 shares subscribed for (\$0.004 exercise price, 3-year expiry)
- Funds will be allocated towards:
  - Acquisition of currently rented storage and pumping equipment to reduce fixed costs by ~60% at Wizard Lake
  - Drilling of Rex-4 development well to increase production to 670 boepd at Wizard Lake
  - Working capital & Offer transaction/administration costs

**Whitebark expects to exit voluntary suspension and recommence ASX listing on 26 April 2022**

Proposed Capital Raising <sup>1</sup>	
Offer Type	Non-Renounceable Entitlement Offer
Rights Issue Ratio	1-for-2 (shares held)
Issue Price per Share	A\$0.002
Total Shares Issued	2.2b
Amount Raised	A\$4.4m
Option Ratio	1-for-2 (shares subscribed for)
Option Exercise Price	A\$0.004
Option Expiry	3 years
Proforma Capital Structure <sup>1</sup>	
Share Price (at Issue Price)	A\$0.002
Ordinary Shares on Issue	6.6b
Options on Issue	1.4b
Implied Market Capitalisation	A\$13.1m
Net Cash Estimate	A\$4.9m
Enterprise Value	A8.2m

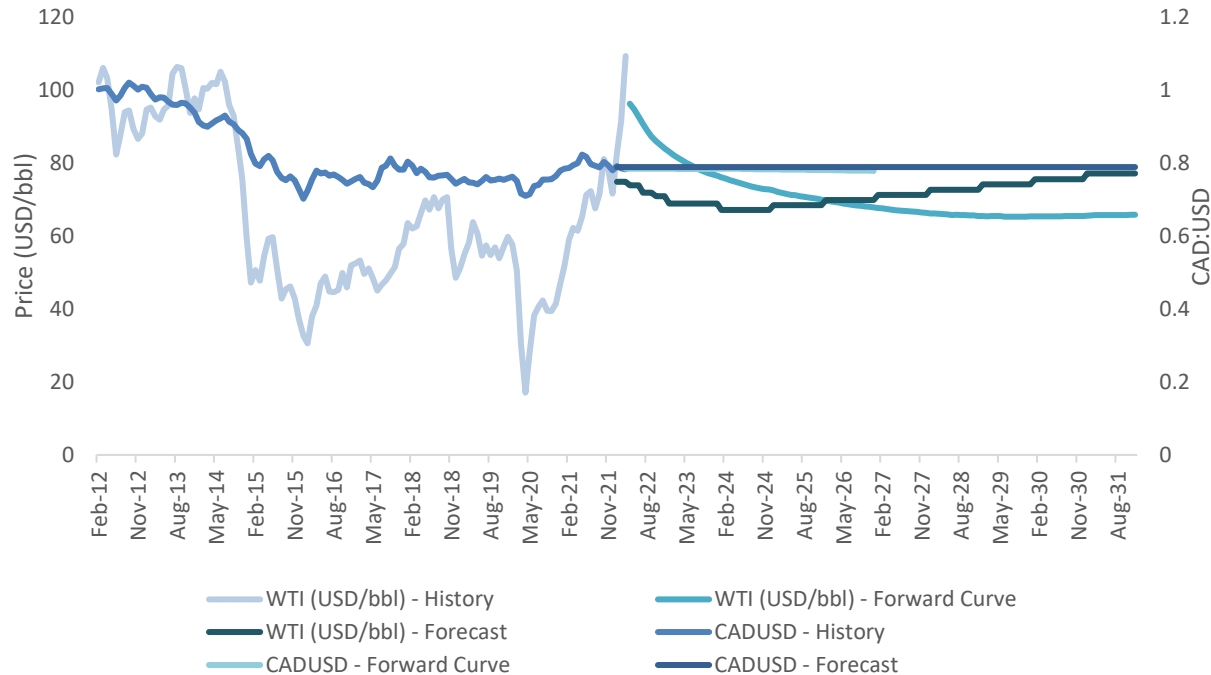
<sup>1</sup>Assumes Maximum Subscription under the Offer outlined in the ASX Announcement, Prospectus – Non-Renounceable Issue, released 10 March 2022

# CURRENT OIL OUTLOOK

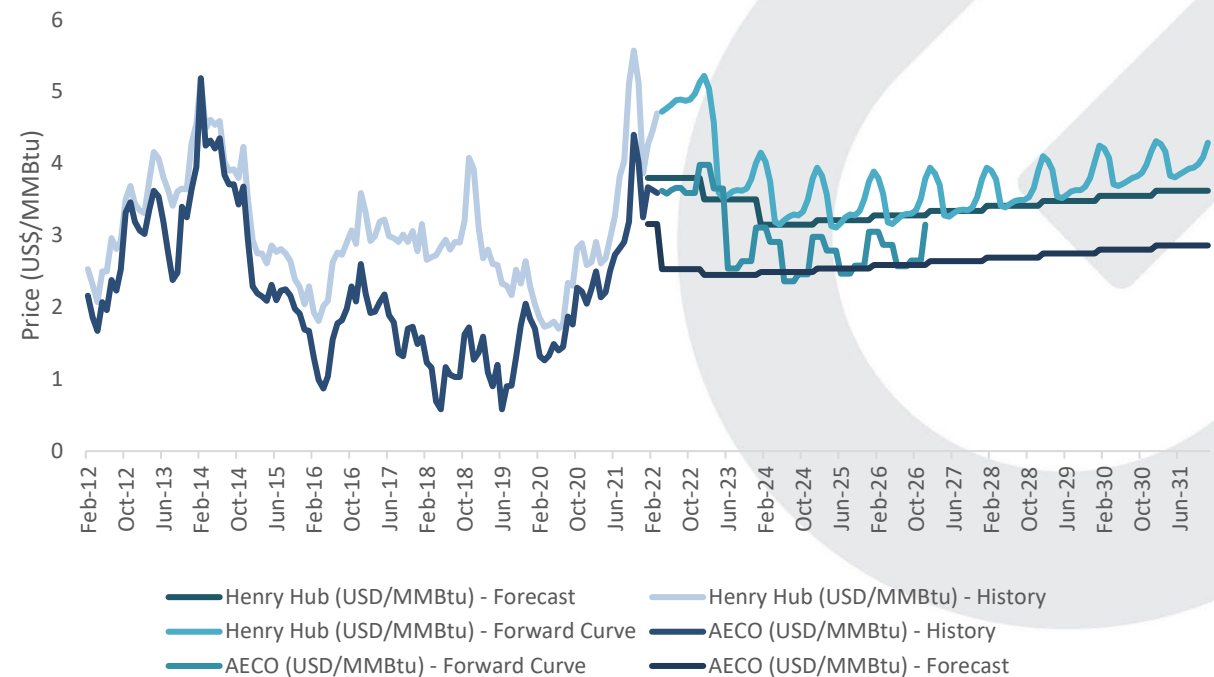
Whitebark has experienced significant increase in cashflow due to its well optimisation strategy amid multi-year high oil and gas prices:

- Current WTI oil price of ~US\$110 per barrel, an increase of ~55% since 30 June 2021
- GLJ is forecasting WTI oil price above US\$72/bbl until end 2025 and Natural Gas above US\$2.5/MMBtu
- Whitebark obtains a netback margin of C\$64.47/bbl (pre-fixed costs and corporate overheads)<sup>1</sup> and owns most infrastructure/ pipelines required to reduce production costs at Wizard Lake

WTI Oil Price and CAD:USD Historical and Forecast



Henry Hub Gas Price Historical & Forecast



Source: <https://gljpc.com/price-charts>

<sup>1</sup>At CA\$85 per barrel (budget)

# WESTERN AUSTRALIA – WARRO GAS FIELD

## Perth Basin - Warro Gas Field (100% interest)

### WA Government recently released Fracture Stimulation Implementation Plan – July 2019

- Marks the end of the ban on onshore fracture stimulation in WA
- Companies may now submit applications to EPA for review

### Four wells drilled and 3D seismic acquired under the Alcoa JV - \$95m spent on the project

- Potential to unlock significant value
- Presence of gas volumes confirmed, commercial production capability unproven

### Whitebark is assessing all options regarding the future of the Warro Gas Field



### Warro C Sands Reserves

GIIP	Low	Mid	High
Contingent	2.23	2.98	4.00
Prospective	0.28	0.57	1.02
Total	2.51	3.55	5.02
Un-risked Recoverable (Tcf)	Low	Mid	High
Contingent	0.89	1.19	1.60
Prospective	0.11	0.23	0.41
Total	1.00	1.42	2.01



This presentation has been authorised for release by the  
Board of Whitebark Energy Limited

# Thank You

**Simon Brealey**

**Interim CEO**

**E: [simon.brealey@whitebarkenergy.com](mailto:simon.brealey@whitebarkenergy.com)**

