

3 June 2022

STATEMENT OF CONFIRMATIONS

Whitebark Energy Limited (ASX: WBE) (ACN 079 432 796) (**Company**) provides the following confirmations to satisfy conditions for the re-admission of the Company's securities to quotation on ASX.

Capitalised terms in this announcement have the same meaning as given under the Company's prospectus dated 10 March 2022, as supplemented by the Company's supplementary prospectus dated 22 April 2022 (**Prospectus**) unless the context otherwise requires.

Completion of the Offer

The Company confirms that all conditions to the Offer under the Prospectus have been satisfied and the Company has issued 968,669,625 Shares and 484,334,837 free-attaching Options under the Offer at an issue price of \$0.002 per Share to raise \$1,937,339.

The Company also confirms that all conditions to the Shortfall Offer under the Prospectus have been satisfied and the Company has issued 281,330,500 Shares and 140,665,250 free-attaching Options under the Shortfall Offer at an issue price of \$0.002 per Share to raise an additional \$562,661.

The Offer and Shortfall Offer have closed, under which an aggregate of \$2,500,000 was raised.

No legal, regulatory or contractual impediments

The Company confirms that there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.

Responsible Person

The Company confirms that Kaitlin Smith, Company Secretary, is the Company's responsible person for the purposes of ASX Listing Rule 1.1, condition 13.

Compliance with Listing Rules

The Company confirms that it is in compliance with the ASX Listing Rules and in particular Listing Rule 3.1.

Capital Structure

The capital structure of Whitebark Energy Limited (ACN 079 432 796) (**Company**) as at the date of re-admission of the Company to the Official List of the ASX is set out below.

Shares

Shares on issue as at the date of the Prospectus	4,373,125,551
Shares issued pursuant to the Entitlement Offer	968,669,625
Shares issued pursuant to the Shortfall Offer	281,330,500
Shares on issue	5,623,125,676

Options

Options exercisable for 1.2 cents on or before 15 November 2022	22,800,000
Options exercisable for 0.2 cents on or before 28 May 2023	155,000,000
Options issued pursuant to the Entitlement Offer ¹	484,334,837
Options issued pursuant to the Shortfall Offer ¹	140,665,250
Options issued to Directors and CEO ²	70,000,000
Total Options on Issue	872,800,087

Notes:

1. Exercisable for 0.4 cents on or before 23 May 2025.
2. Exercisable for 0.4 cents on or before 31 January 2024.

Statement of Commitments

The Company intends to apply funds raised from the Offers over the first two years following re-admission of the Company to the official list of ASX as follows:

Funds available	\$	%
Existing cash reserves (as at 31 December 2021)	422,229	14.4%
Funds raised from the Offer	2,500,000	85.6%
Total	2,922,229	100
Allocation of funds		
Exploration/development at Wizard Lake Project	2,000,000	68.4%
Expenses of the Offer	261,577	9%
Administration costs	506,139	17.3%
Working capital	154,513	5.3%
Total	2,922,229	100

The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Further information with respect to the Company's proposed use of funds is set out in Section 5.6 of the Prospectus.

The Directors are satisfied the Company has sufficient working capital to carry out its objectives as stated in the Prospectus.

Current Activities and Proposed Business Strategy

As was announced on 29 April 2022, the Company has recently obtained full licensing approvals for the proposed Rex-4 and Rex-5 well locations, including landholder and utility company liaison.

Whitebark continues to operate the Wizard Lake Oil Field in Alberta, Canada and has received 100% of all hydrocarbons produced from the Rex-1, Rex-2 and Rex-3 production wells. The Company holds a 100% working interest in all facilities, pipelines and infrastructure at the site.

Whitebark has also recently installed new compression facilities at Rex-3 to improve production and increase the longer-term potential of the field.

During the quarter ending March 2021, the Company produced 4,357 barrels of oil and 52,769 mcf gas (13,152 barrels of oil equivalent), averaging 146 barrels of oil equivalent per day.

In the first two years following Reinstatement, the Company proposes to fund the further exploration and development of the Wizard Lake Project as per the above statement of commitments.

The Company conducted a strategic review of the Wizard Lake oil and gas field and continues to evaluate forward strategies for the Warro gas discovery in Western Australia. The strategic review identified several opportunities to optimise cashflow and production from Wizard Lake, including:

- (a) the purchase of rental equipment. Whitebark is currently using rented heated storage tanks, pumps and generators for oil handling which are scaled to accommodate anticipated future enhanced production levels. Purchase would decrease fixed costs by over 60%. By bringing these assets on to the balance sheet, long term cashflow can be improved generating opportunity for reinvestment in optimisation strategies or exploration;
- (b) the installation of a water-disposal flowline to the third-party salt-water disposal well would eliminate water trucking costs of approximately C\$3.50/bbl;
- (c) the identification of five proven undeveloped locations, which includes two (Rex-4 and Rex-5) that are already permitted. Drilling of Rex-4 would be conducted with a more conservative approach to development compared to Rex-1, Rex-2 and Rex-3 and includes the drilling of an initial pilot well to determine wellbore in oil-saturated reservoir, with subsequent completion and fracking based on success;
- (d) the Company expects initial production of 300 bopd plus 1,400 mscfg/d, dropping to 80 bopd plus 630 mscfg/d over the first 12 months per observed decline rate of the Rex Sand reservoir. First year's production from Rex-4 is modelled as 55 Mbbls and 293 MMcfg. Payback for the well is achieved after 6 months (at US\$75 WTI oil)

and the well generates sufficient revenue (along with that from existing wells) to self-fund drilling of Rex-5 within 12 months of inception; and

- (e) the installation of enhanced compression capability at the well pad into the existing 4" pipelines will increase production levels at Rex-3 (the most prolific existing well, currently not under compression) and accommodate significantly enhanced production from future wells Rex-4 and Rex-5.

As was noted in the Prospectus (see Section 5.6), due to the Minimum Subscription being raised under the Offer, the Company may not be fully self-funding through its own operational cash flow at the end of the two-year post-Reinstatement period and the need for future capital will depend on the success or failure of the Rex-4 drilling program. Accordingly, the Company may require additional capital beyond this point, which may involve the use of additional debt or equity funding.

The use of further debt, equity or other funding will be considered by the Board where it is appropriate to achieve its Wizard Lake Project business plan or to capitalise on acquisition opportunities in the resources sector.

However, the Company notes that in the success case as modelled (85% chance of success), the Company will be able to self-fund drilling of Rex-5 within 6-12 months of Rex-4 coming onto production.

Pro forma balance sheet

The table below sets out the audited statutory historical consolidated statement of financial position as at 31 December 2021, the pro forma adjustments that have been made to it and the pro forma historical consolidated statement of financial position as at 31 December 2021.

The pro forma consolidated statement of financial position as at 31 December 2021 is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

	Audited 31 Dec 2021 (\$)	Pro Forma Adjustments (\$)	Pro Forma (\$)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	422,229	2,238,423	2,660,652
Trade and other receivables	630,971	-	630,971
Other current assets	4,152	-	4,152
TOTAL CURRENT ASSETS	1,057,352	2,238,423	3,295,775
NON-CURRENT ASSETS			
Property, plant and equipment	3,459,961	-	3,459,961
Exploration and evaluation assets	129,535	-	129,535
TOTAL NON-CURRENT ASSETS	3,589,496	-	3,589,496
TOTAL ASSETS	4,646,848	2,238,423	6,885,271
LIABILITIES			
CURRENT LIABILITIES			

	Audited 31 Dec 2021 (\$)	Pro Forma Adjustments (\$)	Pro Forma (\$)
Trade and other payables	954,550	-	954,550
TOTAL CURRENT LIABILITIES	954,550	-	954,550
NON-CURRENT LIABILITIES			
Decommissioning liabilities	2,790,175	-	2,790,175
TOTAL NON-CURRENT LIABILITIES	2,790,175	-	2,790,175
TOTAL LIABILITIES	3,744,725	-	3,744,725
NET ASSETS	902,123	2,238,423	3,140,546
EQUITY			
Issued capital	70,373,317	2,238,423	72,611,740
Reserves	(494,943)	-	(494,943)
Accumulated losses	(68,976,251)	-	(68,976,251)
TOTAL EQUITY	902,123	2,238,423	3,140,546

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

For further information:

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