



Strategic Options Process Launched

10 May 2023

Highlights

- **Whitebark has initiated a formal whole of Company review process to evaluate strategic options to maximise shareholder value.**
- **The review will include assessment of a potential partial or full sale of the Canadian subsidiary Rex Energy and/or its assets.**
- **In conjunction with the process, WBE to assess new asset-level investments in Canada and elsewhere**

The Board of Whitebark Energy Limited (ASX: WBE) (**'Whitebark'** or the **'Company'**) advises that following feedback from shareholders, it has initiated a formal review process to evaluate strategic options to maximise shareholder value. The Company will conduct a formal review process to consider monetisation of its Rex Energy subsidiary in Alberta Canada. As part of this process, the Company will review a number of new opportunities.

It is the current view of Directors that the Rex Energy oil and gas production asset is not currently valued by the market adequately compared with the value it believes exists in the Canadian Industry.

As part of the formal process AE Advisors (formally Adelaide Equity Partners Limited) have been retained as financial advisors, and Steinepreis Paganin as legal counsel.

Notwithstanding the initiation of this review process, Whitebark intends to continue:

- Ongoing investment in the Company's assets to optimise resource recovery and value.
- Consider utilisation of mechanisms to deliver tangible shareholder returns.

Whitebark is currently assessing new asset-level investments in development opportunities and/or production to build upon its recent track record of success in horizontal wells at the Wizard Lake oil and gas field in Alberta.

Current view of asset value

The Board of Whitebark has considered fair value of the assets as well as the assessment of independent reserves auditor, KD Angus Corp., commissioned by the Company. A summary of the reserves auditors report at December 31 2022 is as follows:

Resources & Reserves as at 31 December, 2022		
100% Field Reserves (MMboe)		
Category	Proved 1P	Proved & Probable 2P
Developed & Undeveloped	2.254	5.035
100% Field Contingent Resources (MMboe)		
Category	1C	2C
Total	1.81	4.72

Table 1: Proved and Probable Reserves and Contingent Resources, 100% Rex Energy, 31 December 2022

Reserves and Net Present Value

The total 100% Field 2P Reserves in Whitebark's Wizard Lake Oil and Gas Field (Table 1) as at 31 December 2022 are assessed to be 5.035 million barrels of oil equivalent. The barrels of oil equivalent figure comprise of 1.94 million barrels of crude oil, 16.6 billion cubic feet of natural gas and 0.33 million barrels of natural gas liquids. 1P Reserves comprise 800 mboe of Proven Developed Producing Reserves ("PDP" being those remaining reserves attributed to existing producing wells Rex-1 through Rex-4); and 1450 mboe of Proven Undeveloped Reserves ("PUD" being those reserves accessible from existing infrastructure and requiring the drilling of Rex-5 through Rex-8).

The net present value (NPV 10% Before Tax) of Whitebark's PDP reserves (ie. existing, producing wells) at 31 December 2022 is calculated to be AUD \$14.055 million (@ CAD1.0 = AUD1.09).

The net present value (NPV 10% Before Tax) of Whitebark's total 1P Proven Reserves (PDP plus PUD reserves being existing and producing wells plus those that can be accessed from existing infrastructure which include Rex-5 through to Rex-8) at 31 December 2022 is calculated to be AUD \$31.795 million (CAD1.0 = AUD1.09).

2P "Probable Reserves" include also those reserves accessible and requiring a new well-pad, new facilities and the drilling of Rex-9 through Rex-15.

The net present value (NPV 10% Before Tax) of Whitebark's 2P reserves as at 31 December 2022 is calculated to be AUD \$58.76 million (@ CAD1.0 = AUD1.09).

Contingent Resources

The total 100% Field 2C Contingent Resources for Wizard Lake at 31 December 2022 are assessed to be 4.72 million barrels of oil equivalent. The barrels of oil equivalent figure comprise 1.91 million barrels of crude oil, 15.05 billion cubic feet of natural gas and 0.30 million barrels of natural gas liquids.

The Field Contingent Resources comprise volumes attributed to future planned wells with identified locations nominated Rex-16 through Rex-28 within the modelled reservoir distribution. Drilling of these locations will require additional facilities and the expansion of the Whitebark land position.

On the basis of the above, Whitebark believes that fair value of the asset is between AUD 15 million and AUD 30 million. This assessment clearly indicates the current equity value does not properly reflect the underlying value of the asset from an industry standpoint.

Whitebark Non-Executive Chairman, Duncan Gordon, commented:

"The Wizard Lake field is currently producing ~200 barrels of oil equivalent per day, of which approximately 60% is liquids (crude oil and Natural Gas Liquids)."

It is the opinion of the Whitebark Board, however, that the performance of the asset is not reflected in the Company's current market value (see attached latest Company Overview). It is for this reason that we believe it is an appropriate time to assess the range of value realisation opportunities available to the Company and its shareholders.

Critically, the entire Board remains confident in Whitebark's ability to continue to grow underlying value. However, we are equally committed to initiate this 'strategic alternatives' process in order to understand the ways in which this underlying value might be recognised by third parties and realised by our shareholders."

Cautionary Note Regarding Forward-Looking Statements

There can be no assurance that any evaluation will result in one or more transactions or other strategic change or outcome. The Company has not set a timetable for the conclusion of its evaluation of strategic alternatives, and it does not intend to comment further unless and until the Board has approved a specific course of action or the Company has otherwise determined that further disclosure is appropriate or required by law.

The information in this press release contains forward-looking statements that involve risks and uncertainties. When used in this document, the words "believes," "plans," "expects," "anticipates," "forecasts," "intends," "continue," "may," "will," "could," "should," "future," "potential," "estimate" or the negative of such terms and similar expressions as they relate to Otto are intended to identify forward-looking statements, which are generally not historical in nature. The forward-looking statements are based on the Company's current expectations, assumptions, estimates and projections about the Company and the industry in which the Company operates. Although the Company believes that the expectations and assumptions reflected in the forward-looking statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond the Company's control. For example, the Company's review of strategic alternatives may not result in a sale of the Company, a recommendation that a transaction occur or result in a completed transaction, and any transaction that occurs may not increase shareholder value, in each case as a result of such risks and uncertainties.

These risks and uncertainties include, among other things, the results of the strategic review being undertaken by the Company's Board and the interest of prospective counterparties, the Company's ability to realize the results contemplated in the attached marketing material, volatility of commodity prices, product supply and demand, the impact of a widespread outbreak of an illness, such as the coronavirus disease pandemic, on global and U.S. economic activity, competition, the ability to obtain or maintain required permits and the timing thereof, other government regulation or action, the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms, litigation, the costs and results of operations, availability of equipment, services, resources and personnel required to perform the Company's operating activities, access to and availability of transportation, processing, fractionation, refining and storage facilities, Whitebark's ability to replace reserves, implement its business plans as scheduled, access to and cost of capital, the financial strength of counterparties to any credit facility and derivative contracts entered into by Whitebark, if any, and purchasers of Whitebark's oil, natural gas liquids and natural gas production, uncertainties about estimates of reserves, identification of future drilling locations and the ability to add proved reserves in the future, the assumptions underlying forecasts, including forecasts of production, expenses, cash flow from sales of oil and gas and tax rates, quality of technical data, environmental and weather risks, including the possible impacts of climate change, cybersecurity risks and acts of war or terrorism. The Company undertakes no duty to publicly update these statements except as required by law.

This ASX announcement was approved for release by the Board of Whitebark Energy Limited.

For further information:

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About Whitebark Energy Limited

Whitebark Energy Limited (ASX:WBE) ("Whitebark" or the "Company") is an ASX-listed exploration and production company featuring low cost oil and gas production in Canada, operated by its wholly-owned subsidiary Rex Energy (Rex); and a substantial contingent gas resource in Western Australia. WBE has realigned its corporate strategy following a comprehensive management changeout and the landmark acquisition of a 100% interest in the Wizard Lake producing asset located in the prolific oil & gas province of Alberta, Canada.



whitebark
ENERGY

**Low-risk exposure to North
American O&G production**

Corporate Snapshot
May 2023



STRATEGIC MILESTONES

1 ASX Quotation

The Company received unconditional approval from the ASX to recommence Official Quotation after completing a significant restructure and reacquiring the Wizard Lake Oil and Gas Field, and recommenced trading on 7 June 2022

2 Successful Funding Rounds

The Company successfully raised \$2.5 million via non-renounceable entitlement offer to fund development activities at Wizard Lake and successfully drilled Rex-4 in August 2022. The Company subsequently successfully raised a further \$2.5 million via placement and convertible note to fund the completion of Rex-4 (October 2022)

3 Significant Free Cash Flow Potential

Whitebark cashflow increased by 300% with Rex-4 online Q3 of FY23. Whitebark is generating netback revenue of C\$64.47/bbl and C\$3.76/GJ* from its existing portfolio with several short-term, rapid payback opportunities identified to increase revenue, production, and reserves

4 Long-Term Upside

24 additional well locations identified within Wizard Lake, including 4 further PUD wells which have the potential to lift production to >1,200 boepd utilising Whitebark's existing facilities and infrastructure

5 North American O&G Production

Whitebark provides exposure to Canadian oil and gas production and Western Australian gas upside during a time of record high commodity prices. Management is continually searching for and assessing N. American investment opportunities that will add value to the Company and its Shareholders

CORPORATE OVERVIEW

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.

Capital Structure

Share Price	\$0.001/share
Shares on Issue	7.3b
Options on Issue	0.9b
Implied Market Capitalisation	\$7.3mm
Cash (31 March 2023)	\$0.55mm
Implied Enterprise Value	\$6.75mm

Shareholder Register



Board and Management



Dr Simon Brealey – Interim Chief Executive Officer

Simon has 30+ years of global experience in unconventional oil and gas asset exploration and development. His past experience includes roles at Amoco Ltd, Santos Ltd, Beach Energy Ltd, Cooper Energy Ltd and Head of New Ventures at Bass Oil Ltd and holds Ph.D in oil field geology from the University of London.



Mr Duncan Gordon – Chairman

Duncan is the founder and co-principle of Adelaide Equity Partners. He is an experienced corporate advisor to public and private mining and natural resources companies on matters including transformative mergers and acquisitions, capital raisings (debt and equity) and initial public offerings.



Mr Giustino Guglielmo – Non-Executive Director

Tino is a Qualified Petroleum Engineer with 40+ years of global technical, managerial and senior executive experience. He is currently Managing Director of Bass Oil Limited (ASX:BAS) and previously held the Managing Director role at Stuart Petroleum and Ambassador Oil and Gas (both sold generating shareholder value).



Mr Matthew White – Non-Executive Director

Matthew has 30+ years of experience in the financial services industry and is currently Executive Director of Aerometrex Limited (ASX:AMX). He is a Qualified Chartered Accountant (Certificate of Merit in Taxation and Ethics) and holds a Bachelors in accountancy from the University of South Australia.



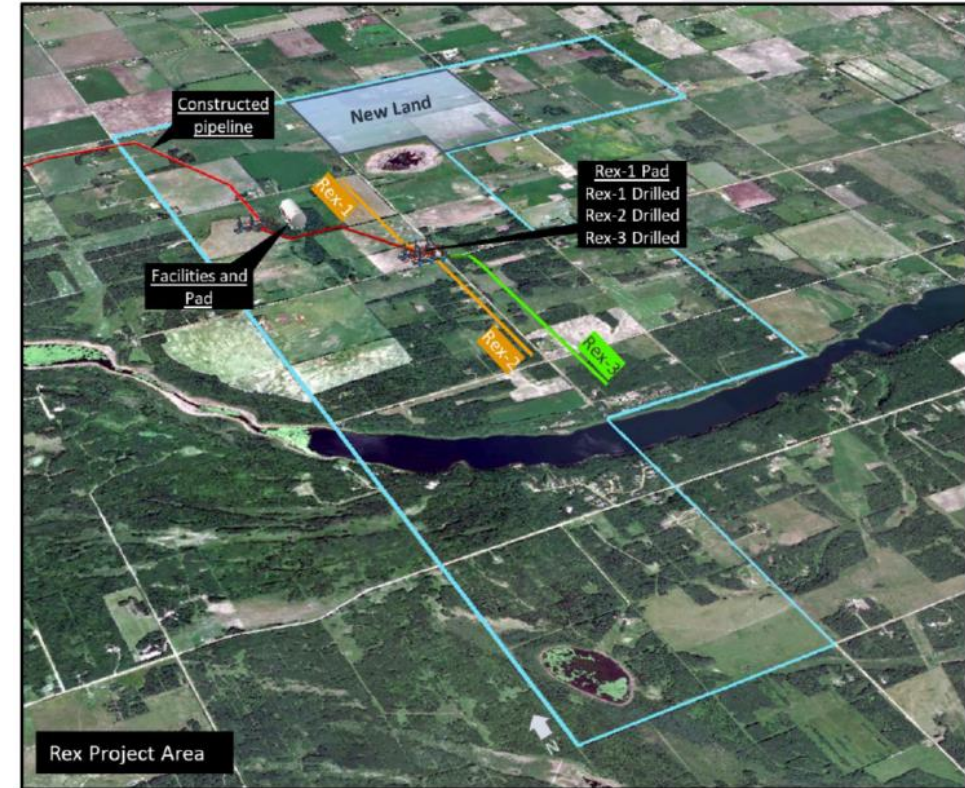
Ms Kaitlin Smith – Company Secretary

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

WIZARD LAKE OVERVIEW

Wizard Lake is a 26km² 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
- The Company drilled and fracture stimulated three horizontal wells between Nov-18 and Dec-19:
 - Rex-1 and Rex-2 approximately 1,400m deep and ~1,300m in length
 - Rex-3 extended to 2,100m with 46 stage fracture stimulation
 - Total production of 140,000 barrels of oil and 1.0 bcf gas
 - Excellent reservoir quality with up to 23% porosity
- The Company drilled Rex-4 in August 2022 and demonstrated ~2300m of horizontal section in oil-saturated Rex Sandstone reservoir. The well has been completed with 50 fracture stimulation stages during early November and its initial production is strong, contributing over half of the field total of ~200 boe/d
- 2P reserves of 5.04 mmboe and additional 2C contingent resources of 4.72 mmboe**
- Whitebark has identified over 20 additional drilling locations to target the Lower Cretaceous Mannville Formation Rex Sandstone reservoir
- Whitebark has installed and constructed pipelines, facilities and infrastructure to support a further 4 wells (Rex-5 to Rex-8) at the current well pad location



Resources & Reserves as at 31 Dec 2022¹

Field Reserves (MMboe)	Proved 1P	Proved & Probable 2P
Developed & Undeveloped	2.225	5.04
Field Contingent Resources (MMboe)	1C	2C
Total	1.81	4.72

¹ 2022 Reserves and Contingent Resources Update at December 31 2022

WESTERN AUSTRALIA – WARRO GAS FIELD

Perth Basin - Warro Gas Field (100% interest)

The WA Government released its Fracture Stimulation Implementation Plan in July 2019:

- Allows onshore fracture stimulation in Western Australia
- Companies are increasingly submitting applications to pursue fracture stimulation – Reducing negative image

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

A Suspension with Extension has been granted for Permit Year 4

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	

