



Strategic Options Update

7 July 2023

Highlights

- **Whitebark has conducted a formal whole of Company review process to evaluate strategic options to maximise shareholder value.**
- **The review included assessment of a potential partial or full sale of the Canadian subsidiary Rex Energy and/or its assets. A number of Confidentiality Agreements have been executed.**
- **A Virtual Data Room has been established for interested parties to evaluate the Wizard Lake Oil and Gas Field, which Whitebark considers to be significantly undervalued by the market.**
- **In conjunction with the process, WBE is actively assessing 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 conducted a formal review process to evaluate strategic options to maximise shareholder value. The Company is now conducting a formal DataRoom process to gauge levels of interest in monetisation of its Rex Energy subsidiary in Alberta Canada. As part of this process, the Company is reviewing a number of new opportunities.

A number of enquiries have been received and Confidentiality Agreements have been executed with interested parties, with said parties given access to a Virtual Data Room to allow their professional technical assessment of the potential and implied value of the Wizard Lake Oil and Gas Field in Alberta, Canada.

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:

<i>Resources & Reserves as at 31 December, 2022</i>		
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

As per ASX release dated 12 May 2023, 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.

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.