WHITEBARK ENERGY LIMITED (ASX: WBE)

Annual Report

30 June 2023

ABN 68 079 432 796

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Corporate Directory

The Directors present their report together with the consolidated financial report for the financial year ended 30 June 2023 and the review report thereon.

Directors

The Directors of Whitebark Energy Limited at any time during or since the end of the financial year to the date of this report are:

Duncan Gordon	Chairman
Matthew White	Director
Giustino Guglielmo	Director

Company Secretary

Kaitlin Smith

Principal registered office in Australia	Ground Floor, 70 Hindmarsh Square Adelaide SA 5000
Principle place of business in Australia	20d William Street Norwood SA 5067 Tel: +61 8 6555 6000
Auditors	UHY Haines Norton Level 11, 1 York Street Sydney NSW 2000
Solicitors to the Company	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street, Perth WA 6000
Share Registry	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000 Tel: +61 3 9415 5000
Banker	ANZ Bank Ltd
Stock exchange	Whitebark Energy Limited shares and options are listed on the Australian Securities Exchange (ASX: WBE)
Company website	www.whitebarkenergy.com

Chairman's Message

Dear Fellow Shareholders,

The past financial year has been seen solid progress on the board's vision of positioning your Company for future growth but has also been marked by frustrations in being able to swiftly deliver on its promise.

Following a successful capital raising in May 2022, Whitebark drilled its 'Rex-4' development well early in the 2023 Financial Year which presented itself as the most significant immediate cashflow growth opportunity when ranked against others in his strategic review of the field and operations.

The development process of Rex-4 achieved its aims, reaching a total depth of 3,647m with a subsequent horizontal section of some 2300m encountering 100% reservoir sands. Post 'fracking', expectations for the well have not met anticipated production rates of 300 barrels of oil a day. This was due to a combination of the formation not taking the modelled density for the frac fluid as well as over-arching working capital restrictions across our Canadian operations.

Although the Company's financials have benefitted from a significant reduction in fixed costs, a reflection of the initiatives implemented while Whitebark was in suspension, working capital restrictions have proven to be a significant impediment in the ability of your Company to grow current operations. This has been a function of less than ideal market conditions in which to raise capital combined with relatively high capital expenditure around drilling of new wells.

As a board, we are committed to Wizard Lake delivering economic returns for shareholders and as a result have launched a Strategic Review into investigating options around how best to achieve this value.

Back in Australia, our 100%-owned Warro Gas Field in the Perth Basin has been the subject of further reviews around future activities together with managing expressions of interest from third parties in becoming involved in the project. We will continue to manage Warro through this period and minimise costs to shareholders in holding this assets wherever possible.

On behalf of my fellow Directors, I would like to thank Dr Brealey for his tireless contributions to Whitebark together with our consultants and advisors in assisting with what we still believe is a very attractive asset base in Canada and Australia.

Yours sincerely,

Duncan Gordon
Chairman

1. Review of Operations

2022/2023 – Successful Capital Raise and Drilling of Rex-4

The Company successfully launched a Prospectus to raise a minimum of $2,500,000 (the offer closed April 2022) via a non-renounceable entitlement offer to fund development activities at Wizard Lake Oil and Gas Field.

The Star Valley 201 drilling rig was contracted to commence initial drilling operations on the Rex-4 well in late June 2022, with Rex-4 spudding on August 1 and reaching total depth on August 15 2022, having achieved a lateral horizontal section of 2300m entirely within oil-saturated reservoir. Whitebark subsequently completed a share placement and convertible note issue in September 2022, raising A$2.5 million (before costs). These funds were employed to complete and connect the Rex-4 well through existing infrastructure.

Multiple additional well locations have been identified within Wizard Lake, including three 1P Proven Undeveloped ("PUD") well locations (Rex-5 through Rex-7) and two 2P Proved and Probable locations (Rex-8 and Rex-9) with the potential to lift production to 1,000 boepd utilising existing infrastructure.

Climate Change

The Company recognises climate-related risks and the need for these to be managed effectively particularly across the energy industry.

Key climate-related risks and opportunities relevant to the Company's operations include:

- The transition to a low carbon economy through technological improvements and innovations that support a lower carbon energy efficient system with decreased demand and changing community sentiment for fossil fuels. In addition, there is increased time and cost associated with regulatory bodies granting approvals or licences on fossil fuel intensive projects. Transition to a lower carbon economy also gives rise to opportunity for the Company's gas production assets. Natural gas is viewed as a key element to supporting a sustainable energy transition.
- Physical changes caused by climate change include increased severe weather events and chronic changes to weather patterns which may impact demand for energy and the Company's production assets and production capability. These events could have a financial impact on the Company through increased operating costs, maintenance costs, revenue generation and sustainability of its production assets.
- Policy changes by governments which may result in increasing regulation and costs which could have a material impact on the Company's operations.

The Company is committed to continually improve climate change related disclosures as processes and understanding of climate change related matters improve alongside the Company's activities and operations.

Canadian Operations

During the financial year, Whitebark continued to operate Wizard Lake Oil and Gas Field in Alberta, Canada and received 100% of all hydrocarbons produced from the Rex-1, Rex-2, Rex-3 and Rex-4 production wells. The Company holds a 100% working interest in all site facilities, pipelines and infrastructure.

Well performance remained relatively stable and reflected expected natural decline levels.

The Company identified and evaluated several opportunities to optimise the field through further reducing overheads and stabilising production and commenced implementation of the preferred projects for capital investment.

Wizard Lake Rex Oil Field

(WBE 100% WI)

Production Rates

Production for the financial year ended 30 June 2023 was 53,336 barrels of oil equivalent, comprising 20,505 bbls oil and ~189,940 mcf gas. Production averaged 56 bbls oil/d and 520 mcf/d gas, equating to approximately 146 boe/d. Over the final month of the year, production averaged 57 bbls oil/d and 334 mcf/d which equates to 113 boe/d. Since the end of the reporting period production has been shut in as the company prepares to workover Rex-1, Rex-3 and Rex-4 to optimise production.

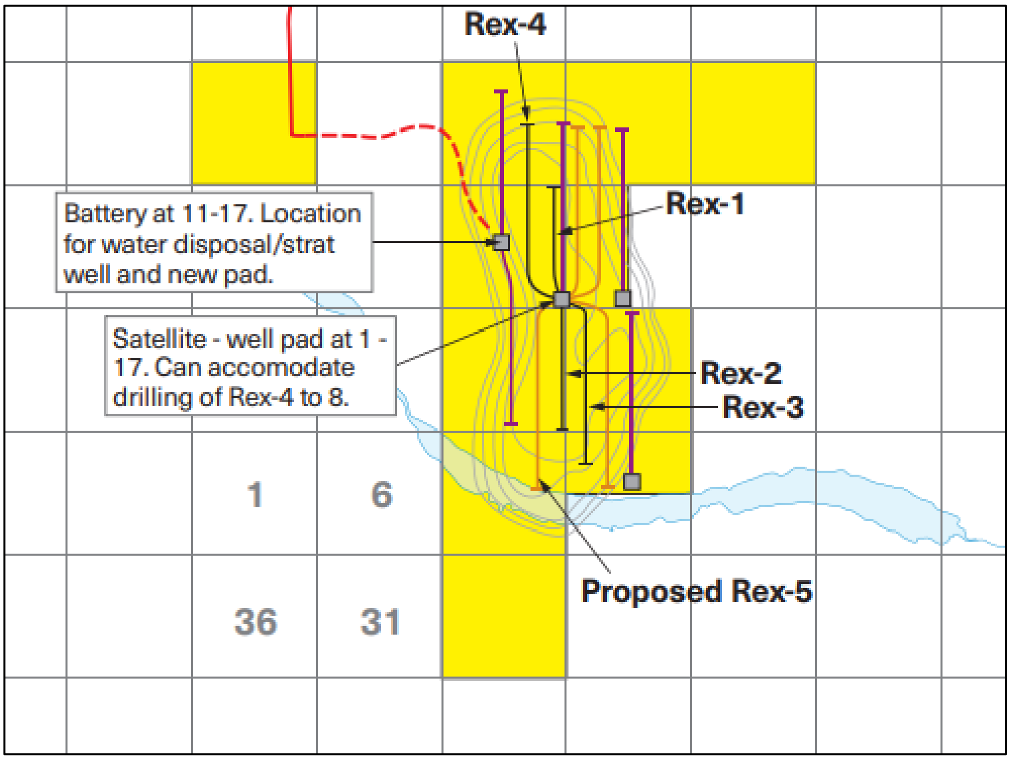

Figure 1 – Wizard Lake existing and proposed wells and pipeline

Operations

Downtime was experienced during December due to record low temperatures reaching minus 45 degrees celsius. The compressor was replaced in February to an upgraded model and took several days to reach optimum performance. Further severe weather conditions during February and March (to minus 35 degrees celsius) affected the generators at the 11/17 Battery and the 1/17 Satellite (see Figure 1), the compressor, and caused the freezing of numerous lines.

Lease to buy agreements were completed on all rental equipment during the financial year. Under previous rental agreements, the company was spending a total of $44,151 per month. With the new lease to buy agreements, this has been reduced to $30,161 per month - a saving of $13,990 per month or $167,884 per annum. In addition, the lease to buy agreements mean that the company will own the equipment after 24 months (March 2025), thereby ensuring future cost savings in the form of saved rental charges.

Rex-1 – hole in the tubing repaired in November

Rex-3 - the well experience gas-locking in November and January, requiring the well to be flushed with fluid.

Rex-4 - the Star Valley 201 drilling rig arrived on location and commenced drilling the initial phase of the Rex-4 development well on August 1, 2022. The well reached Total Depth of 3,647m Measured Depth on August 15, 2022 (on target, on schedule and within budgetary expectations). The initial phase of drilling achieved all of its objectives with the horizontal section entirely within oil-saturated Rex Sandstone reservoir and with sufficient extent to accommodate 50 hydraulic fracture stages, per the drilling design (Figure 2)

By drilling over 600m into Section 20 at the northern "toe" location of the well, Rex-4 also fulfilled the farm-in agreement which was in place with TwP50 such that Whitebark is the 100% owner of future production from Rex-4.

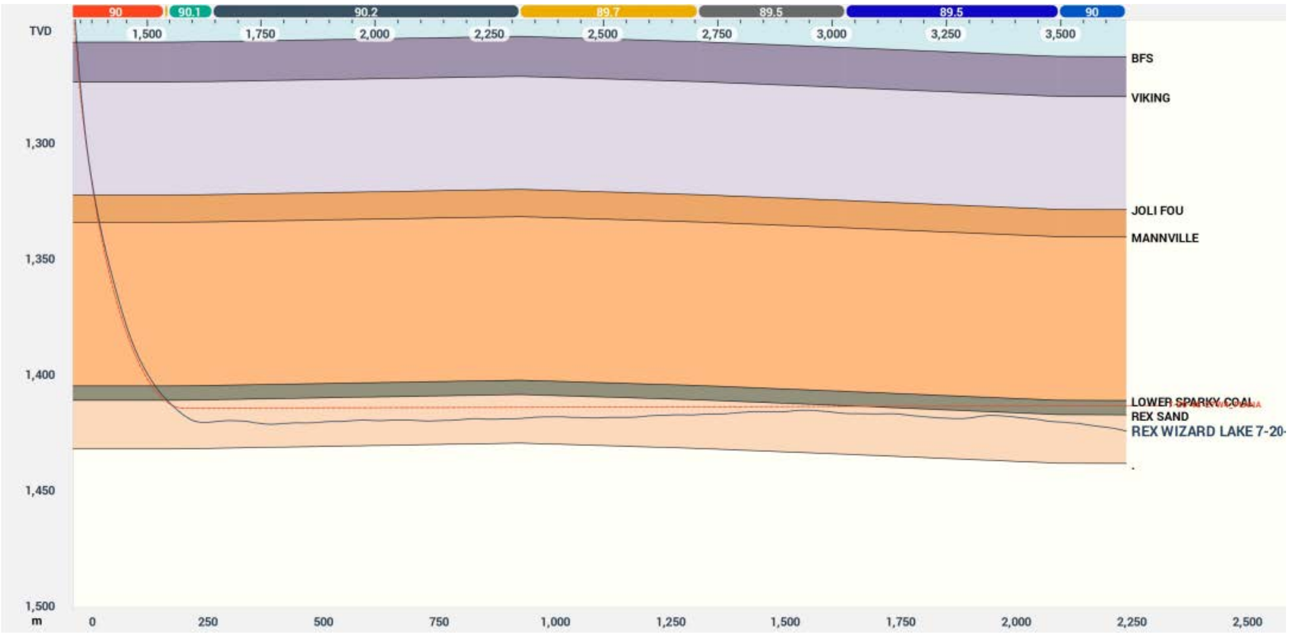

Figure2. Rex-4 well trajectory as plotted from real-time Measurement While Drilling tools

Rex-4 Development well

The Rex-4 well targeted the Rex Sandstone Member of the Lower Cretaceous Mannville Group, the reservoir from which the Rex-1, Rex-2, and Rex-3 horizontal wells are currently producing. The Star Valley 201 drilling rig was released at 12.30am CST on 15 August 2022 after reaching a Measured Depth (MD) of 3,647 metres at 12.30pm CST on 11 August 2022. The Company successfully ran 4 1/2" production liner on 12-13 August 2022, designed to accommodate 50 hydraulic fracture stimulation stages in the target Rex Sandstone reservoir. The Rex-4 development well achieved all of its objectives, landing the entire lateral section in the Rex Sandstone reservoir and demonstrating oil-saturation throughout the wellbore. Per the drilling plan (Figure 2), 2,318 metres of the Rex Sandstone section was drilled at approximately 1,420 metres True Vertical Depth (TVD), encountering 100% reservoir sand. The lithology of the Rex Sandstone is fine to upper-medium grained, moderately sorted sandstone with good intragranular porosity. Returned drill cuttings demonstrate dull yellow fluorescence with instant milky white slow streaming cut fluorescence, indicative of the presence of crude oil. Extremely wet conditions on the ground required water to be pumped off the lease and fit-for-purpose matting to be laid before a drilling rig could be physically mobilised. The additional costs and rig-time associated with this preparatory work caused an overspend against the Authority For Expenditure (AFE) of CAD400k.

During the December Quarter the Company successfully ran 50 hydraulic fracture stimulation stages in the target Rex Sandstone reservoir at an approximate interval of 40m per the completion plan. The fracture stimulation program was the most ambitious yet at Wizard Lake and was consistent with the strategic plan of increased horizontal length and a greater number of fracture stages than in previous wells. Each of the fifty 30 Tonne fracs consisted of 1 tonne of 50/140 sand followed by 29 tonnes of 16/30 sand with final concentrations of 600-800 kg/m3. A total of 1483.5 tonnes of proppant was pumped during the program. During the fracture stimulation program it became apparent that the formation would not take the modelled density planned for the frac fluid (1000kg/m3). This inherently required a greater amount of fluid to be pumped to place the desired amount of proppant into the formation, and led to an overspend against the AFE of CAD300k.

The Rex-4 well was allowed a "rest" period prior to commencing clean-up; all incremental production is going directly to market via Whitebark's 100% owned facilities at Wizard Lake. Initial oil traces were noted in the recovered fluid on November 22, 2022 at a total of approximately 800 barrels of recovered fluid. Pump rate was gradually increased to 5.5 spm as of December 13, 2022 with accompanying flow rates of ~500 barrels of fluid per day. Oil cut stabilised at ~20%. Having allowed the wellbore to "rest" and to heal naturally from the fracture stimulation program will help ensure that the frac sand stays in zone and maximizes the well's reserve potential. We believe that this strategy will contribute to greater well lifespan and increased ultimate recovery.

Figure 4- Wizard Lake Facilities

Reserves & Resources Update

The Company conducted an independent revision of its booked 1P and 2P reserves and resources, resulting in decreases in 1P (1.2 mmboe) and 2P reserves (1.98 mmboe). This decrease reflects the results of analysis of the last twelve months 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 attributed within 1P Proven Developed Producing ("PDP") and Proven Undeveloped ("PUD") Reserves. This decrease in forecast 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.

Whitebark is confident in its revised reserves and resource metrics and its ability to extract maximum value for shareholders. The net present value (NPV17% Before Tax) of Whitebark's 1P reserves at 30 June 2023 was AUD 6.503m and 2P reserves were AUD 9.703 m (@ CAD 1.0 = AUD 1.15).

Strategic Review

The Strategic Review is a continuous process and has identified several opportunities to optimise cashflow and production from Wizard Lake – these included the following:

- Purchase of rental equipment. Whitebark was using rented heated storage tanks, pumps and generators for oil handling which are scaled to accommodate anticipated future enhanced production levels. Canadian subsidiary Rex Energy signed financing agreements with providers of all rental equipment at Wizard Lake Oil and Gas field in March. These agreements will provide Opex savings of CAD $160,000 per year and lead to the ownership of all equipment by March 2025. These purchase agreements 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
- Future development potential. The company has had independent validation of identified 3 PUD (Proven reserves) locations (Rex-5 through Rex-7) and two 2P (Probable) locations (Rex-8 and Rex-9).
- All options to maximise the value to shareholders of the Wizard Lake oil and gas field are being explored.

Western Australian Operations – Warro Gas Project (WBE 100%)

The Company commenced a formal divestment process for its Warro Gas Project during October 2022. The decision to divest was a culmination of a strategic review of the asset over the previous 12 months together with heightened interest in the project in the WA gas market at that time. 80 companies were approached directly with the introductory presentation viewed 500 times online. Of the companies approached directly 47 declined to review the opportunity and 32 reviewed the initial field data made available. Of these 5 companies expressed an interest in a more detailed review however all eventually withdrew from the process citing various concerns about commercialising the project.

The Warro gas field is located in Retention Lease 7,200 kilometres north of Perth and is 100% owned by Whitebark. The project is ideally located just north of the large ~650 Terajoule per day Perth market and is 30km east of both the Dampier-Bunbury Natural Gas Pipeline and the Dongara-Perth Parmelia Pipeline which gives full access to the 1,200 Terajoule per day Western Australian gas market.

The Warro project continues to be in care and maintenance, awaiting Government guidance on the regulatory changes to be made to implement the recommendations of the Fracking Inquiry. All necessary work to maintain the regulatory compliance of the Warro gas field (well inspections, soil and water sample analysis) continues to be conducted along with the administration of the Title (fees, insurance, lease access costs and rates).

The Board of Directors continues to assess the Warro Gas Project to determine whether it is to be retained or divested to focus on core projects.

Figure 4 - Drill rig on site at Rex-4

Corporate

Capital Raising

The Company has raised A$1,225,000 and issued 816,666,666 Ordinary Shares to major shareholders, Sophisticated and Professional Investors at a price of $0.0015 per ordinary share before costs via a placement which was completed on 3 October 2022.

The Company has also raised A$1,225,000 via an offer of 816,666,666 Convertible Notes to Sophisticated and Professional Investors, each with a face value of $1.00 at a subscription price of $0.0015 per Convertible Note. The Convertible Notes were converted into 816,666,666 fully paid ordinary shares at the same share price as the placement ($0.0015) after obtaining shareholder approval at the Company's Annual General Meeting in November 2022.

In addition, the company raised A$50,000 and issued 33,333,333 Ordinary Shares to a director at a price of $0.0015 per ordinary share before cost after obtaining shareholder approval at the Company's Annual General Meeting in November 2022.

Offer proceeds were utilised to:

- Funding development activities at the 100%-owned Wizard Lake Project in Alberta, Canada;
- Working capital requirements; and
- Administration costs.

The Company exited voluntary suspension and was reinstated to the Australian Securities Exchange on 7 June 2022.

2 Reserves and Resources Statement

The following summarises Whitebark Energy Limited's (WBE) Proved Reserves (1P), Proved plus Probable Reserves (2P) and contingent and prospective resources as of the evaluation date of 30 June 2023. The Company conducted an independent review of its booked 1P and 2P reserves and resources during Q1 FY24 which resulted in decreases in 1P reserves 2P reserves. Reserves are most significantly affected by less than forecast oil production rates from all four existing wells and are attributed within 1P PDP and PUD Reserves.

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 2023 was AUD15.398mm(@ CAD 1.0 = AUD 1.15)**

Resources & Reserves as at 30 June 2023		
100% Field Reserves (MMboe)		
Category	**Proved 1P**	**Proved & Probable 2P**
Developed & Undeveloped	**1.196**	**1.982**
100% Field Contingent Resources (MMboe)		
Contingent Resources were not assessed for FY23		

Table 1: Proved and Probable Reserves and Contingent Resources, 100% Rex Energy, 30 June 2023

Reserves

The total Field 2P Reserves Net to Whitebark (after Royalties) at its 100% owned Wizard Lake Oil and Gas Field (Table 1) at 30 June 2023 are assessed to be 1.98 million barrels of oil equivalent. The barrels of oil equivalent figure comprise 0.750 million barrels of crude oil, 6.52 billion cubic feet of natural gas and 0.15 million barrels of natural gas liquids.

2P Reserves include 1P Proven Developed Producing Reserves ("PDP" – those remaining reserves attributed to existing wells Rex-1 through Rex-4); 1P Proven Undeveloped Reserves ("PUD" – those reserves accessible from existing infrastructure and requiring the drilling of Rex-5 through Rex-7); and 2P Probable Reserves (those accessible and requiring a new well-pad, new facilities and the drilling of Rex-8 and Rex-9 (for the purpose of this assessment).

NPV17 of Resources & Reserves as at 30 June, 2023		
100% Field Reserves (AUD millions)		
Category	**Proved (1P)**	**Proved & Probable (2P)**
Developed & Undeveloped	**6.503**	**9.703**

Table 2: NPV17 of Proved and Probable Reserves, 100% Rex Energy, June 30 2023

Contingent Resources

The Field Contingent Resources comprise volumes attributed to future planned wells with identified locations within the modelled reservoir distribution. Drilling of these locations will require additional facilities and the expansion of the Whitebark land position. Contingent resources were not assessed for the FY23 Reserves Report.

Reporting Period Movements in Reserves

Resources & Reserves as at 30 June 2022		
100% Field Reserves (MMboe)		
Category	**Proved** **1P**	**Proved & Probable** **2P**
100% Field Reserves at 30 June 2022	**2.29**	**5.12**
FY21 Production	**(0.54)**	**(0.54)**
Revisions **% change from 30 June 2021**	**(1.17)** **-51%**	**(3.14)** **-61%**
100% Field Reserves at 30 June 2022	**1.12**	**1.98**
100% Field Contingent Resources (MMboe)		

Contingent Resources were not assessed for FY23

Table 3: Reporting Period Movements in Reserves and Contingent Resources

The Reserves and Contingent Resources Report dated 30 June 2023 reports a decrease of 51% to Proved 1P reserves and a decrease of 61% to Proved plus Probable 2P reserves against 30 June 2022.
The reporting period movements show that the overall level of 1P reserves has decreased over and above the production volume from the field during FY22 to 30 June 2022. This decrease reflects the results of the analysis of 12 months of further historical production data from existing wells Rex-1 through Rex-4, and recalculated forecast decline curves to arrive at revised, more conservative estimated ultimate recoverable ("EUR") reserves per well.

Critically, in the June 2023 Reserves Assessment, only three Proven (PUD) well locations were assessed (Rex-5 through to Rex-7) and two Probable (2P) well locations. The reserves associated with these locations carry a high degree of confidence; due to the principal of aggregation of reserves, the total portfolio reserves estimate carries a higher degree of confidence than the estimates for the individual wells and locations.

Reserves were then adjusted for production during the period.

Notes on Calculation of Reserves and Resources:

The Wizard Lake Oil and Gas Field has one producing reservoir, the Rex Sand Member of the Lower Cretaceous Upper Mannville Group.

All reserves and resources are estimated by deterministic estimation methodologies consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS).

Under the SPE PRMS guidelines, "Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions". Contingent Resources are "those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies".

Qualified Petroleum Reserves and Resources Evaluator Statement:

The information contained in this report regarding the Whitebark Energy Ltd reserves and contingent resources is based on and fairly represents information and supporting documentation compiled by Dr. Simon Brealey who is an employee of Whitebark Energy Ltd and holds a PhD. in oilfield geology. All Cashflow runs and decline analysis of the existing wells and future type curve wells were generated by Insite with input parameters reviewed and validated for this report.
Insite Petroleum Consultants Ltd. ("Insite") consent that the reserve and resource forecasts used in this report relating to the Wizard Lake Oil and Gas Field are based on an independent review conducted by Insite and fairly represent the information and supporting documentation reviewed. The information was prepared and reviewed by:

- Ron Bojechko, Professional Engineer, of Suite 2000, 801 Sixth Avenue SW, Calgary, Alberta, Canada: Senior Reservoir Engineer employed by InSite Petroleum Consultants Ltd., which Company did prepare an evaluation of the oil and gas interests of Rex Energy Ltd. The effective date of this evaluation is June 30, 2023. Attended the Southern Alberta Institute of Technology in the years of 1980-82 and I graduated with a diploma in Petroleum Technology. Also attended the University of Calgary in the years of 1986-87 as well as the University of Wyoming in the years of 1988-89 and graduated with a Bachelor of Science Degree in Petroleum Engineering; a registered Professional Engineer in the Province of Alberta; and have in excess of thirty years of experience in the conduct of evaluation and engineering studies related to oil and gas fields.

- J. Ed Hasiuk, Professional Geologist, of Suite 2000, 801 Sixth Avenue SW, Calgary, Alberta, Canada: a Senior Geologist employed by InSite Petroleum Consultants Ltd., which Company did prepare an evaluation of the oil and gas interests of Rex Energy Ltd. The effective date of this evaluation is June 30, 2023. Attended the University of Brandon and graduated with a Bachelor of Science Degree in Geology in 1974; a registered Professional Geologist in the Province of Alberta; and has in excess of thirty-five years of experience in the petroleum industry with twenty-eight years of experience in the conduct of evaluation and engineering/geological studies related to oil and gas fields.

- INDEPENDENT PETROLEUM ENGINEERS CONSENT The undersigned firm of Independent Petroleum Engineers, of Calgary, Alberta, Canada, knows that it is named as having prepared an evaluation of the oil and gas interests of Rex Energy Ltd., dated August 10th, 2023, and hereby gives its consent to the use of its name and to the use of the said estimates.

PERMIT TO PRACTICE
INSITE PETROLEUM CONSULTANTS LTD.

Signature: Original signed by: Ron Bojechko
Date: August 10, 2023

PERMIT NUMBER: P 5305

The Association of Professional Engineers, Geologists and Geophysicists of Alberta

Warro Field, Western Australia

Retention Licence 7 in WA, which contains the Warro tight gas discovery, is the subject of ongoing review by Management. At this time no commercial resources are associated with the license.

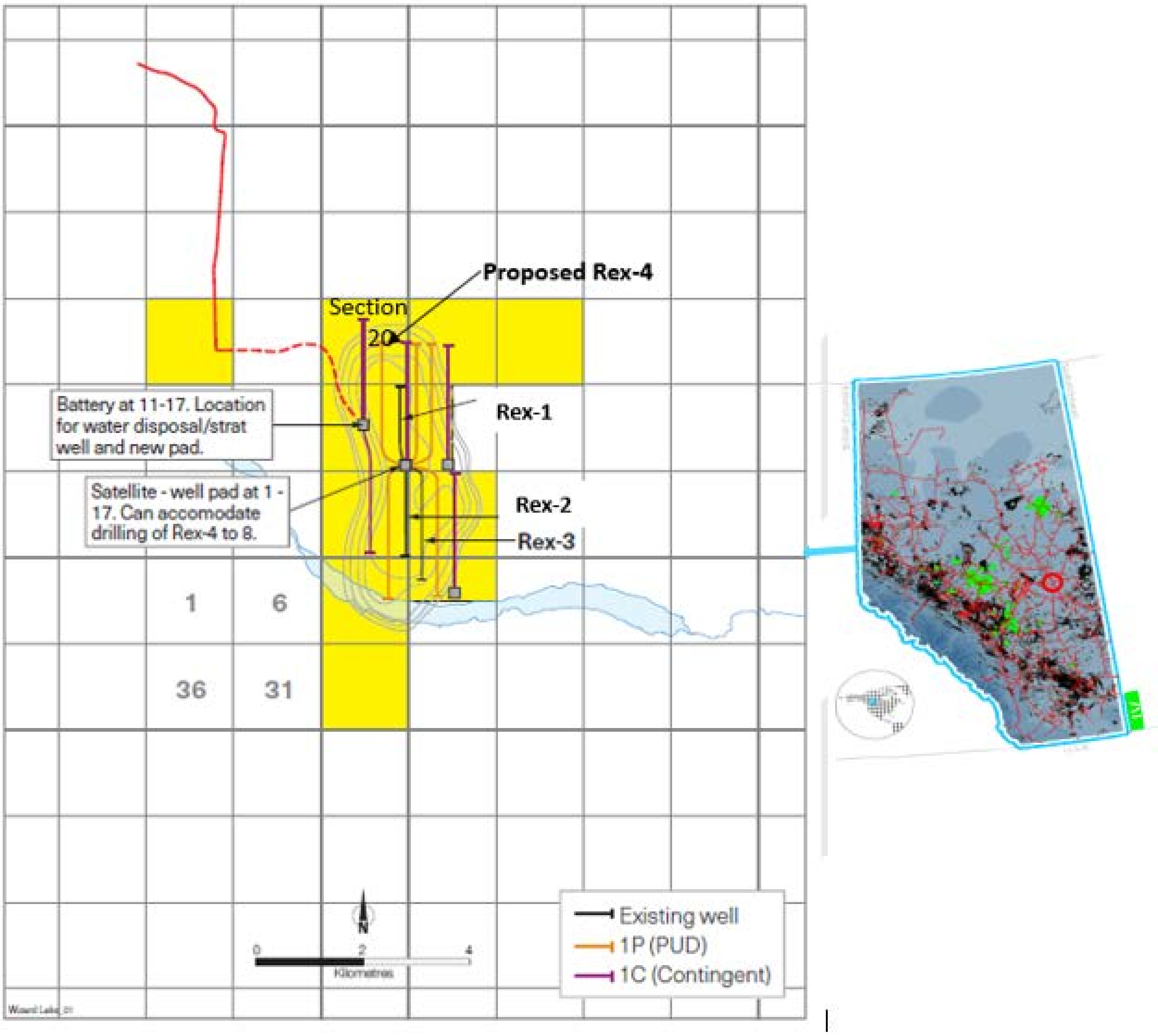

Figure 6 – Wizard Lake Oil Field: Location; Field reservoir map; Existing and planned wellbores

1 Directors' Report

1.1 Directors' Meetings

Board meetings held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors	
Director	Present	Eligible to attend
Duncan Gordon	8	8
Matthew White	8	8
Giustino Guglielmo	8	8

Board and Management Committees

In view of the current composition of the Board (which comprises a non-executive chairman and two non-executive directors) and the nature and scale of the Company's activities, the Board has considered that establishing formally constituted committees for audit, board nominations, remuneration and general management functions would contribute little to its effective management.

1.2 Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Whitebark Energy Limited support the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that the Company is in compliance with those guidelines which are of importance to the commercial operation of a junior listed resource Company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company.

1.3 Directors' Information

Duncan Gordon B. Eng| Non-executive Chairman
Appointed 8 July 2021, previously was non-executive director (appointed 3 March 2021)

Experience and expertise:
Mr Gordon is a founder and co-principal of Adelaide Equity Partners Ltd and has extensive experience working within the mining and natural resources sector. A qualified engineer with accompanying financial background, he has taken principal roles in assisting ASX-listed companies in an advisory capacity, including the identification of major corporate acquisition and divestment opportunities, Initial Public Offerings and raising debt and equity capital both within and outside Australia.

Other ASX Directorships in the last 3 years:

Mr Gordon is a former director of Dreadnought Resources Ltd (resigned in April 2019).

Matthew White ACA, B. Accg | Non-executive Director
Appointed 3 March 2021

Experience and expertise:
Mr White has over 30 years' experience as a Chartered Accountant and has a Bachelor of Arts in Accountancy, Diploma in Financial Planning and a Diploma in Mortgage Broking. Mr White is the founder and sole director of Business Initiatives Pty Ltd, an Adelaide based Chartered Accountancy and financial services firm. Mr White works in a client tax and business advisory role for small to medium sized businesses.

Other ASX Directorships in the last 3 years:

Aerometrex Limited appointed in September 2011 (current)

Giustino (Tino) Guglielmo B. Eng | Non-executive Director
Appointed 8 July 2021

Experience and expertise:
Mr Guglielmo is a Petroleum Engineer with over 40 years of technical, managerial and senior executive experience in Australia and internationally. Mr Guglielmo was the CEO and Managing Director of two ASX listed companies; Stuart Petroleum Limited for seven years and Ambassador Oil & Gas Limited for three years. Mr Guglielmo has also worked at Santos Limited, Delhi Petroleum Limited, and internationally with NYSE listed Schlumberger Corp. His experience spans the Cooper basin, Timor Sea, Gippsland basin, and exposure to US land and other international basins. Mr Guglielmo was a member of the Resources and Infrastructure Task Force and the Minerals and Energy Advisory Council, both South Australian Government advisory bodies. He is a Fellow of the Institution of Engineers, Australia, a member of the Society of Petroleum Engineers and Australian Institute of Company Directors.

Other ASX Directorships in the last 3 years:

Appointed Managing Director of Bass Oil Limited 1 February 2017 (current) previously Executive Director (Appointed 16 December 2014)

Kaitlin Smith CA, FGIA, B. Com (Acc)|Company Secretary
Appointed 11 June 2021

Experience and expertise:
Ms Kaitlin Smith was appointed to the position of Company Secretary on 11 June 2021. Ms Smith provides company secretarial and accounting services to various public and proprietary companies. She is a Chartered Accountant, a fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce (Accounting).

2 Remuneration Report (Audited)

This Remuneration Report outlines the remuneration arrangements which were in place during the period and remain in place as at the date of this report, for the key management personnel of Whitebark Energy Limited. For the purposes of this report, "key management personnel" is defined as persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

2.1 Remuneration Policy

Key management personnel remuneration is based on commercial rates and the existing level of activities in the Group at this point of time. Should the extent of those activities change, the remuneration of key management personnel would be amended to reflect that change.

2.2 Principles of Compensation

Remuneration is referred to as compensation throughout this report.

Under overall authority of the Board, key management personnel and other executives have authority and responsibility for planning, directing and controlling the activities of the Company and the consolidated entity. Key management personnel include the most highly remunerated executives for the Company and the consolidated entity.

Compensation levels for key management personnel of the Company and relevant key management personnel of the consolidated entity are competitively set to attract and retain appropriately qualified and experienced key management personnel. The Company from time to time obtains independent advice on the appropriateness of compensation packages of both the Company and consolidated entity given trends in comparative companies both locally and internationally and the objectives of the Company's compensation strategy. For the year ended 30 June 2023 no independent advice has been obtained in relation to compensation packages.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

The capability and experience of the key management personnel;

The key management personnel's ability to control the relevant assets' performance;

The amount of incentives within each key management person's compensation.

Compensation packages may include a mix of fixed and variable compensation and short and long-term performance-based incentives.

In addition to their salaries, the consolidated entity may also provide non-cash benefits to its key management personnel in the form of share-based payments.

2.2.1.1 Fixed Compensation

Fixed compensation consists of base compensation, which is calculated on a total cost basis and includes any Fringe Benefit Tax charges related to employee benefits.

2.2.1.2 Performance-linked Compensation

The Company currently has no performance-based remuneration built into key management personnel remuneration packages.

2.2.1.3 Long-term Incentive

The Company currently has long-term incentives built into key management personnel remuneration packages, specifically unlisted options in Whitebark Energy Limited.

2.2.1.4 Service Contracts

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the terms, including compensation, relevant to the office of the director.

Remuneration and other terms of employment for the executive directors and other non-director key management personnel are also formalised in service agreements. Each of these agreements provide for the provision of bonuses, other benefits including health and superannuation, and participation in the issuance of options. Other major provisions of the agreement relating to remuneration are set out below.

Directors and key personnel	Term of agreement	Base fee or salary package	Termination benefit
Directors			
Duncan Gordon Non-Executive Chairman	On-going commencing 3 March 2021	$50,000 pa	Nil
Matthew White Non-Executive Director	On-going commencing 3 March 2021	$50,000 pa	Nil
Giustino Guglielmo Non-Executive Director	On-going commencing 8 July 2021	$50,000 pa	Nil
Executives			
Dr Simon Brealey Interim Chief Executive Officer	On-going commencing 29 April 2021	$120,000 pa	Nil

Non-Executive Directors

Total compensation for all non-executive Directors is to be approved by the Company in general meeting as detailed in the Company's Constitution.

The Directors had previously resolved to accrue their fees until such time as the company raises over $ 1.0m in capital. This occurred on 2nd May 2022, however the Directors have continued to accrue their fees at this time based upon the principles of sound financial management.

3 Directors and Executive Officers' Remuneration (Consolidated Entity)

The following table sets out remuneration accrued (paid and unpaid) to Directors and key executive personnel of the Company and the consolidated entity during the reporting period:

30 June 2023	Salary and Fees AUD	Cash Bonus	Termination payment	Non-cash Bonus	Superannuation	Share based payments	Total	Value of share-based payments as a proportion of remuneration	Performance related payments as a proportion of remuneration
Non-Executive directors									
Duncan Gordon	50,000	-	-	-	-	-	50,000	-	-
Matthew White	50,000	-	-	-	-	-	50,000	-	-
Giustino Guglielmo	50,000					-	50,000	-	-
Executive									
Simon Brealey	120,000					-	120,000	-	-
Total	270,000	-	-	-	-	-	270,000	-	-

30 June 2022	Salary and Fees AUD	Cash Bonus	Termination payment	Non-cash Bonus	Superannuation	Share based payments	Total	Value of share-based payments as a proportion of remuneration	Performance related payments as a proportion of remuneration
Non-Executive directors									
Duncan Gordon	50,000	-	-	-	-	6,267	56,267	11%	-
Matthew White	50,000	-	-	-	-	6,267	56,267	11%	-
Giustino Guglielmo	50,000					6,267	56,267	11%	-
Executive									
Simon Brealey	120,000					10,445	130,445	8%	-
Total	270,000	-	-	-	-	29,246	299,246		

4 Equity Instruments

4.1 Options Granted as Compensation

No options, rights or other equity-based compensation was granted to key management personnel during the year ended 30 June 2023 (30 June 2022: 70,000,000)

4.2 Option Holdings of Key Management Personnel (Consolidated Entity)

Details of options and rights held directly, indirectly, or beneficially by key management personnel and their related parties are as follows:

Unlisted Options	Balance at 01-Jul-22	Acquired during financial year	Granted as Remuneration	Net other changes	Balance at 30-Jun-23	Not Exercisable
Non-Executive directors						
Duncan Gordon	25,481,560	-	-	-	25,481,560	-
Matthew White	15,000,000	-	-	-	15,000,000	-
Giustino Guglielmo	52,500,000	-	-	(25,000,000)	27,500,000	
Executive						
Simon Brealey	30,000,000	-	-	(5,000,000)	25,000,000	
Total	122,981,560	-	-	(30,000,000)	92,981,560	-

No Key management personnel and their related parties held listed options during the year ended 30 June 2023.

4.3 Other Transactions of Key Management Personnel

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

Shares held in Whitebark Energy Ltd:

Ordinary Shares	Balance at 01-Jul-22	Acquired during the financial year	Granted as Remuneration	Net other changes	Balance at 30-Jun-23
Non-Executive directors					
Duncan Gordon	62,889,357	-	-	-	62,889,357
Matthew White*	16,500,000	33,333,333	-	-	49,833,333
Giustino Guglielmo	75,000,000	-	-	-	75,000,000
Executive					
Simon Brealey	10,000,000	-	-	-	10,000,000
Total	164,389,357	33,333,333	-	-	197,722,690

* Mr White participated in a capital raising and acquired 33,333,333 fully paid ordinary shares after obtaining shareholder approval in the Company's 2022 Annual General Meeting.

The aggregate amounts recognised during the year relating to directors' related parties (included in table at 5) were as follows:

	Transactions during the year		**Balance outstanding as at:**	
	30-Jun-23	**30-Jun-22**	**30-Jun-23**	**30-Jun-22**
Adelaide Equity Partners Ltd[(i)]	114,500	240,000	143,000	102,250
AE Administrative Services Pty Ltd [(ii)]	26,498	63,327	18,148	36,333
Business Initiatives Pty Ltd [(iii)]	140,791	140,838	119,236	56,949
	281,789	444,165	280,384	195,532

The terms and conditions of the transactions were no more favourable than those available, or which might be reasonably available, on similar transactions to non-director related entities on an arms-length basis.

(i) Adelaide Equity Partners Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of investor relations services and capital raise services provided.

(ii) AE Administrative Services Pty Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of company secretarial services provided.

(iii) Business Initiatives Pty Ltd is a company associated with Mr Matthew White. The charges were in respect of accounting, bookkeeping, financial control and marketing functions undertaken for the group.

5 Company Performance, Shareholder Wealth and Director and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between the shareholders, key management personnel, and other employees. However, the Company continues to investigate alternative means for achieving this goal to the benefit of all stakeholders. There is no direct relationship between the remuneration policy and Company performance.

6 Voting and Comments Made at the Company's 2022 Annual General Meeting

Whitebark Energy Ltd received 96.10% of "yes" votes on its remuneration report for the 2022 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

7 Use of Remuneration Consultants

During the financial year ended 30 June 2023, the Company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the short-term incentives ('STI') program and long-term incentives ('LTI') program.

End of Audited Remuneration Report

8 Principal Activities

The principal activity of the consolidated entity during the course of the financial period was the production of oil and gas in Alberta, Canada and the evaluation of oil and gas exploration projects in Western Australia.

9 Results and Dividends

The consolidated entity's loss after tax attributable to members of the Company for the financial year ending 30 June 2023 was $4,304,426(30 June 2022 loss: $915,241). No dividends have been paid or declared by the Company during the period ended 30 June 2023.

10 Financial Position

The net assets of the consolidated entity at 30 June 2023 were $1,429,583 (30 June 2022: $3,462,739) of which $ 195,008 (30 June 2022: $2,150,710) represents cash and cash equivalents.

During the financial year the company raised an amount of $2,318,498 (after costs) (2021: $2,271,880) from the issue of 1,666,666,665 ordinary fully paid shares (2022: 1,275,093,645).

11 Earnings / (Loss) Per Share

The basic earnings/(loss) per share for continuing operations of the consolidated entity for the financial year ending 30 June 2023 was (0.0638) cents loss per share (30 June 2022: 0.02 cents loss per share).

12 Events Subsequent to Reporting Date

Other than the below, no material matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the consolidated entity.

Wizard Lake shut-in

Subsequent to the reporting period Whitebark launched a capital raising exercise in order to generate funds to be deployed to return Rex 1, 3 and 4, to full production. Each of the wells is experiencing difficulties from anticipated events and solutions have been identified for each. Given the modest gas generation from current production, the Company has elected to temporarily close the field until final workover plans are approved. This process is expected to take place within 30 days.

Consequently, Wizard Lake has been deliberately shut-in since August 28th 2023 with the planned mitigation measures for each well and cost estimates to return to optimal production currently under evaluation. A summary is provided below:

- Rex-1 has parted rods which can be remedied with a straight=forward workover estimated at CAD$25k. The well was contributing 8 bopd and 29 mcf/d (14 boe/d)
- Rex-3 is sand-bridged (ie. "choked") in the horizontal section due to the gradual ingress of sand into the lateral over its years of production. The Company plans to perform innovative "Jetsweep" workover operations in horizontal elements of select Wizard Lake production wells. The initial program at Rex-3 is estimated to take 9 days at a cost of CAD $310k and can deliver significant economic benefits at a fraction of the cost of drilling new wells (adding A$60-A$80 per month of netback cashflow). Rex-3 production will be significantly increased through the conduction of this operation, bringing Field production back to over 200boe per day. Prior to choking the well was contributing 15 bopd and 450 mcf/d (85 boe/d) however it should be noted that clean-out operations have the potential to see Rex-3 improve on its pre-shut-in rates.
- Rex-4 has holes in the tubing due to wear (workover estimate CAD $125k). The well was contributing 50 bopd and 110 mcf/d (70 boe/d) prior to being shut in.
- Rex-2 alone was simply not producing sufficient gas to run the gensets and the compressor.

Capital Raising - Convertible Note

On 12 September 2023 the Company announced it was raising capital through a convertible note to sophisticated and wholesale investors. The Company is seeking $ 1.0m. Each note has a face value of $ 1.00 with an interest rate of 20% p.a. payable upfront and deducted from the principal amount, such that the payment consideration received by the Company is net of interest upfront. The maturity date is 12 months from date of issue and the notes will convert to ordinary share at an Issue Price of $0.0005 per share or cash consideration repayment on the maturity date (at the noteholder's discretion). The money raised will be used to workover non-operational wells in the Wizard Lake oil and gas field. The offer is currently still open.

Creditor Claim – Rex Energy Ltd

On 26 July 2023 a claim was lodged against Rex Energy Limited with the Court of King's Bench Alberta in the amount of $CAD 496,747.89 (AUD$ 556,107.34) The claim is in respect of unpaid invoices pertaining to the completion of the Rex-4 oil and gas well. The company has engaged legal representation and the matter is on hold with no next steps or deadlines currently in place. The Plaintiffs have not called for a Statement of Defence yet.

Extraordinary General Meeting

The company held an extraordinary general meeting on 27 September 2023. Apart from ratification of prior issue of shares, it was resolved to consolidate the capital of the company pursuant to Section 254H of the Corporations Act on the basis that every fifty (50) shares be consolidated into one (1) share and every fifty (50) options be consolidated into one (1) option.

13 Likely Developments and Expected Results

There are no likely developments of which the directors are aware which could be expected to significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Operating and Financial Review or the Significant Events after the Balance Date sections of the Directors' Report.

The Company continues to look for acquisition opportunities as they arise.

14 Environmental Regulations

The operations of the Group are subject to environmental regulation from two government bodies.

The Australian assets are monitored under the laws of the State of Western Australia. The Group holds various environmental licenses issued under these laws, to regulate its exploration activities in Australia. These licenses include conditions and regulations in relation to specifying limits on discharges into the air, surface water and groundwater, rehabilitation of areas disturbed during the course of exploration activities and the storage of hazardous substances. All environmental performance obligations are monitored by the board of directors and subjected from time to time to Government agency audits and site inspections. There have been no material breaches of the Group's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

The Canadian assets are subject to regulation by the Alberta Energy Regulator (AER). The AER ensures companies are prepared to meet their obligations at the end of a project's life including environmental obligations.

15 Directors and Executives Interests

The interests of the Directors and Executives in the shares and options of the Company, as notified by the Directors to the ASX in accordance with S205G (1) of the Corporations Act 2001, at the date of this report and including transactions since 30 June 2023 are as follows:

	Ordinary Shares	Unlisted Options
Non-Executive directors		
Duncan Gordon*	62,889,357	25,481,560
Matthew White**	49,833,333	15,000,000
Giustino Guglielmo***	75,000,000	27,500,000
Executive		
Simon Brealey	10,000,000	25,000,000

* Shares and 10,481,560 unlisted options held in the name of Chesser Nominees Pty Ltd of which Mr Gordon is a Director.

**Unlisted options held in the name of 199 Investment Pty Ltd of which is controlled by Mr Matthew White.

**Held in the name of Miller Anderson Pty Ltd ATF Longhorn Ridge Superannuation account. Mr Guglielmo is Director of Miller Anderson Pty Ltd and sole beneficiary of Longhorn Ridge Superannuation account.

16 Share Options

16.1 Options Granted to Officers of the Company

No options granted to key management personnel of the company during the 2023 financial year (2022: 70,000,000).

No options have been granted to officers of the Company since the end of the financial year to the date of this Directors' report.

16.2 Unissued shares under options

As at the date of the report, there were 749,906,567 unlisted options on issue detailed as follows:

Grant Date	Exercisable	Expiry Date	Exercise price	Number of options
24-Mar-22	7-Jun-22 to 31-Jan-24	31-Jan-24	$0.004	70,000,000
23-May-22	23-May-22 to 23-May-25	23-May-25	$0.004	624,906,567
30-Nov-22	06-Jun-23 to 6-Dec-24	6-Dec-24	$0.004	25,000,000
30-Nov-22	06-Dec-22 to 30-Nov-25	30-Nov-25	$0.003	30,000,000

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company.

16.3 Shares Issued on Exercise of Options

No shares were issued on the exercise of unlisted options during the financial year. 177,800,000 unlisted options were expired without exercise during the year.

17 Indemnification and Insurance of Officers and Auditors

17.1 Indemnification

An indemnity agreement has been entered into with each of the Directors and Company Secretary of the Company named earlier in this report. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

17.2 Insurance Premiums

During the financial year the Company did not pay insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts, for current Directors and Officers.

There were no legal proceedings entered into on behalf of the Company or the consolidated entity by any of the Directors or Executive Officers of the Company.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

18 Corporate Structure

Whitebark Energy Limited is a Company limited by shares that is incorporated and domiciled in Australia. The Company is listed on the Australian Securities Exchange under ticker code WBE.

19 Non-Audit Services

During the year UHY Haines Norton, the Company's auditor, performed no other services in addition to their statutory duties.

20 Lead Auditor’s Independence Declaration

The Lead Auditor’s Independence Declaration is set out on page 26 and forms part of the Directors’ report for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Directors.

Adelaide, 29 September 2023

Duncan Gordon

Chairman

UHY Haines Norton
Chartered Accountants

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Auditor's Independence Declaration under Section 307C of the

Corporations Act 2001 **To the Directors of Whitebark Energy Limited**

As lead auditor for the audit of Whitebark Energy Limited for the financial year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Whitebark Energy Limited and the entities it controlled during the year ended and as at 30 June 2023.

M Nicholaeff

UHY Haines Norton

Mark Nicholaeff
Partner
Sydney
29 September 2023

UHY Haines Norton
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Whitebark Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Whitebark Energy Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2023, which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 (b) of the financial report, which discloses the Group's ability to continue as a going concern. The matters described in Note 2 (b) of the Financial Report, indicate a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The Group incurred a loss after tax of $ 4,304,426 for the financial year ended 30 June 2023 (2022: loss after tax $1,037,792). The net cash outflows used in operations and investing activities for the financial year ended 30 June 2023 were $792,955 and $3,410,754 respectively. As at 30 June 2023 the current liabilities exceeded current assets by $1,942,962 (30 June 2022: current asset exceeded current liabilities by $2,100,847).

Why a key audit matter	How our audit addressed the risk
The material uncertainty related to going concern is a key audit matter.	We performed the following audit procedures, amongst others: • We assessed whether events or conditions cast significant doubt over the ability of the entity to continue as a going concern. • We obtained management's assessment on the going concern assumption. • We obtained and assessed the reasonableness of the Group's cash flows forecasts for its operations and the plans to address the going concern issue. • We discussed with Management the plan for additional capital or borrowings to be raised. • We tested cash receipts in relation to the funds raised subsequent to the year end. • We reviewed the Group's going concern disclosures in the financial report for the principal matters casting significant doubt on the Group's ability to continue as a going concern, and the Group's plans to address these matters, and the material uncertainty.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Refer to Note 19 Property, Plant and Equipment ("PPE") of the Financial Report. As at 30 June 2023, the Group's balance sheet included PPE of $6,503,265 (after impairment). The Group recognised an impairment expense of $2,423,246 during the year.

Why a key audit matter	How our audit addressed the risk

The assessment of the existence of impairment indicators and testing for impairment of PPE is a key audit matter given the significant proportion of PPE relative to total assets (86%).
 	
In addition, the impairment is tested using a net present value ("NPV") model. The model is developed in house using budgets and reports evaluated by external experts, such as reserve reports, which are used as inputs for the model. Modelling using forward-looking assumptions tends to be prone to a greater risk for potential bias, error and inconsistent application.
	We performed the following audit procedures, amongst others:
	• We noted the Group's view of the impairment indicators.
	• We assessed the historical accuracy of the Group's forecast to inform our assessment of current year forecast.
	• We assessed the scope, objectivity and competence of the Group's external geologists who were responsible for preparation of the reserve estimation and certification of the NPV calculation.
	• We assessed the key forecast assumptions including:
	   • Discount rates by comparing with publicly available market data for entities in same industry, and considered the sensitivity of the model by varying discount rates.
	   • Oil and gas production by comparing to the proven reserves estimates evaluated by the Group's external geologists;
	   • Operational and capital costs by comparing to actual production costs incurred and capital expenditure cost budget;
	   • Oil and gas pricing and foreign exchange rates by comparing to published views of market commentators.
	• We compared the NPV to the book value, to assess impairment.
	
	• We also assessed the reasonability and completeness of the Group's disclosures against the requirements of Australian Accounting Standards.

ABANDONMENT/REHABILITATION LIABILITIES

The Group's decommissioning obligations result from its ownership interest in exploration and production rights at sites in Canada and Australia. The total decommissioning obligation is determined based on the estimated costs to reclaim and abandon these wells and facilities and the estimated timing of costs to rehabilitate the sites. The Company has estimated the net present value of the decommissioning obligations to be $3,061,705 as at 30 June 2023.

Why a key audit matter	How our audit addressed the risk
We considered this a key audit matter due to the high level of estimation uncertainty inherent in the calculations, and the scope for subjectivity in judgements made by the Group in determining their future rehabilitation expenditures and the assumptions applied in the calculations.	We performed the following audit procedures, amongst others: • We assessed the reasonableness of the Group's assumptions applied; • We assessed the mathematical accuracy of the calculations; • We assessed the competence of the Group's external geologists who were responsible for preparation of the abandonment cost report for Australian sites. • We assessed the competence of the Group's external geologists who were responsible for the certification of the estimated abandonment cost included in the NPV calculation for Alberta sites. • We also assessed the reasonability and completeness of the Group's disclosures against the requirements of Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 19 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Whitebark Energy Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

UHY Haines Norton

Mark Nicholaeff
Partner
Sydney
29 September 2023

UHY Haines Norton
Chartered Accountants

	Note	**30 June 2023 $**	30 June 2022 $
Revenue	5	**2,798,594**	3,576,305
Royalties	5	**(438,277)**	(415,490)
Cost of goods sold	6	**(2,088,688)**	(1,663,214)
Gross Profit		**271,629**	1,497,601
Other income	7	**-**	55,212
Finance income	8	**12,888**	6,900
Profit on disposal of assets	9	**-**	800
Expenses			
Administrative expenses	10	**(680,940)**	(653,721)
Finance costs	11	**(26,878)**	(6,991)
Impairment expense on property, plant and Equipment	12	**(2,423,246)**	-
Share based payments expense	27	**91,621**	117,535
Depletion, depreciation and amortisation		**(469,648)**	(112,463)
Other operating expenses	13	**(1,079,851)**	(1,820,114)
Loss before income tax expense from continuing operations		**(4,304,426)**	(915,241)
Income tax benefit	14	**-**	-
Loss after income tax expense for the period		**(4,304,426)**	(915,241)
Other comprehensive loss, net of tax			
Items reclassified through profit and loss:			
Foreign currency translation		**(15,600)**	(122,551)
Total comprehensive loss for the period		**(4,320,025)**	(1,037,792)
Loss per share		**cents**	cents
Basic and diluted loss per share	15	**(0.0637)**	(0.02)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the *notes to the consolidated financial report.*

	Note	**30 June 2023 $**	30 June 2022 $
Current assets			
Cash and cash equivalents	16	**195,008**	2,150,710
Trade and other receivables	17	**443,870**	578,890
Other current assets	18	**287,262**	236,073
Total current assets		**926,140**	2,965,673
Non-current assets			
Property, plant, and equipment	19	**6,503,265**	3,851,262
Exploration and evaluation	20	**137,071**	135,987
Total non-current assets		**6,640,336**	3,987,249
Total assets		**7,566,476**	6,952,922
Current liabilities			
Trade and other payables	21	**2,576,563**	864,826
Borrowings	21a	**292,539**	-
Total current liabilities		**2,869,102**	864,826
Non-current liabilities			
Borrowings	21a	**206,088**	-
Decommissioning liabilities	22	**3,061,705**	2,625,357
Total non-current liabilities		**3,267,793**	2,625,357
Total liabilities		**6,136,895**	3,490,183
Net Assets		**1,429,581**	3,462,739
Equity			
Issued capital	23	**74,963,695**	72,645,197
Reserves	24	**(417,804)**	(370,576)
Accumulated losses		**(73,116,309)**	(68,811,883)
Total equity		**1,429,582**	3,462,739

The consolidated statement of financial position is to be read in conjunction with the *notes to the consolidated financial report.*

	Share capital	Foreign currency translation reserve	Share based payment reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at 1 July 2022	72,645,197	(499,760)	129,184	(68,811,883)	3,462,738
Loss for the period	-	-	-	(4,304,426)	(4,304,426)
Other comprehensive loss for the period net of income tax					
Foreign currency translation	-	(15,600)	-	-	(15,600)
Total comprehensive loss for the period	-	(15,600)	-	(4,304,426)	(4,320,026)
Net proceeds from share issue, net of cost	2,290,007	-	-	-	2,290,007
Shares issued on exercise of options	-	-	-	-	-
Shares issued as payment for services	28,491	-	-	-	28,491
Options issued to advisor during the period			59,993	-	59,993
Options issued to employees	-	-	8,317	-	8,317
Options expired during the period	-	-	(99,938)	-	(99,938)
Balance at 30 June 2023	**74,963,695**	**(515,360)**	**97,556**	**(73,116,309)**	**1,429,581**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial report.

	Note	**30 June 2023 $**	30 June 2022 $
Cash flows from operating activities			
Receipts from customers		**2,933,614**	3,649,584
Payment for royalties on production revenue		**(438,277)**	(415,490)
Pre-paid expenses		**(121,080)**	-
Interest received		**12,886**	4,304
Interest paid		**(26,878)**	(6,991)
Payment for production, suppliers and employees		**(3,153,220)**	(3,296,883)
Net cash flows used in operating activities	25	**(792,955)**	(65,476)
Cash flows from investing activities			
Payment for plant and equipment		**-**	(390,310)
Payment for Rex-4 Drilling & Completion		**(3,410,754)**	-
Payments for exploration assets		**-**	(135,987)
Net cash flows used in investing activities		**(3,410,754)**	(526,297)
Cash flows from financing activities			
Proceeds from share issue (net of costs)		**2,378,741**	2,221,506
Proceeds from borrowings		**(137,381)**	-
Net cash flows from financing activities		**2,241,360**	2,221,506
Net increase/(decrease) in cash and cash equivalents		**(1,962,348)**	1,629,734
Cash at the beginning of the financial period		**2,150,710**	515,883
Effect of movement in exchange rates on cash held		**6,647**	5,093
Cash and cash equivalents at 30 June 2023	16	**195,008**	2,150,710

The consolidated statement of cashflows is to be read in conjunction with the notes to the consolidated financial report.

1 Reporting entity

Whitebark Energy Limited (the 'Company') is domiciled and incorporated in Australia. The address of the Company's registered office is Ground Floor, 70 Hindmarsh Square, Adelaide SA 5000.

The consolidated financial report of the consolidated entity for the period ended 30 June 2023 comprises the Company and its subsidiaries (the "consolidated entity" or "group").

The consolidated entity is involved in oil and gas exploration and production in Alberta, Canada and oil and gas exploration in Western Australia.

The financial report was authorised for issue by the directors on 30 September 2023.

2 Basis of preparation

(a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards (IFRS).

Whitebark Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred a loss after tax of $4,304,426 for the year ended 30 June 2023 (2022: loss after tax $915,241). The net cash flows used in operations and investing activities were $792,955 and $3,410,754 respectively. As at 30 June 2023 the Consolidated Entity's current liabilities exceeded current assets by $1,942,962 (30 June 2022: current assets exceeded current liability by $2,100,847). As at 30 June 2023 the consolidated Entity's cash balance was $195,008 and the trade and other payables balance was $2,576,563. The current production wells are currently not in production and require capital outlays to restart production.

The Consolidated Entity has prepared a cash flow forecast for the next twelve months from the date of signing the financial report which demonstrates that the Consolidated Entity will have sufficient cash to continue as a going concern, with the following key assumptions:

- The profitable and cash flow positive operation of its interest in the Wizard Lake operation. The cash flow forecast assumes the continued optimisation of current Wizard Lake oil and gas operations (Rex-1, Rex-2, Rex3 and Rex-4). Critical to the forecast cash flows is the Consolidated Entity's ability to achieve forecast levels of oil and gas production based on the production decline curves for each well at current forecast market prices and discounts, and forecast gross profit margins; and
- No future material deterioration occurs in the global oil and gas market, nor the price adjustments the Consolidated Entity receives for its sales; and
- The successful equity and/or debt fund raisings over the next 12 months; and
- No equipment failures halting production.

The Directors have a reasonable expectation that the Wizard Lake operation will achieve its forecast positive cash flows. Should operations not perform as expected, or further deterioration in the global oil and gas market materialise, the Directors are confident that the Consolidated Entity will be able to secure sufficient funding through equity and/or debt to continue as a going concern based on demonstrated past successes in raising equity.

For these reasons, the Directors have reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable, and the Directors consider that the going concern basis of preparation to be appropriate for these financial statements. Should the Wizard Lake operation not generate cash flow as forecast and/or the Directors are unsuccessful in raising equity or debt funding as required, there is a material uncertainty as to the ability of the Consolidated Entity to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts set out in the financial report.

(c) Basis of measurement

The financial report is prepared on the historical costs basis except for the following assets and liabilities that are stated at their fair value: financial instruments classified at fair value through profit and loss (FVTPL).

(d) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency of the Company. The functional currency of the Company's United States of America subsidiary is USD and CAD for the Canadian subsidiary.

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates.

(e) Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated group.

The Company's accounting policy for the recognition of rehabilitation provisions requires significant estimates including the magnitude of possible works for removal or treatment of waste materials and the extent of work required and the associated costs of rehabilitation work. These uncertainties may result in future actual expenditure, different from the amounts currently provided.

The provision recognised for each production well is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for operating sites are recognised in the balance sheet by adjusting the rehabilitation asset and provision.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 12 and 19 – Impairment expense (see note 3(k)) and depletion and depreciation (see note 3(o))

(f) New and revised standards that are effective for these financial statements

The Group has consistently applied the accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2021 but determined that their application to the financial statements is either not relevant or not material.

(g) New standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3 Summary of accounting policies

(a) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2023.

The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(b) Business combination

The Group applies the acquisition method in accounting for business combinations in accordance with AASB 3. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income in the foreign currency translation reserve of equity.

(d) Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences and the costs of acquiring the rights to explore, are capitalised as exploration and evaluation assets on an area of interest basis.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation 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 (see impairment of non-financial assets note 3(k)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of petroleum resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to property plant and equipment assets.

(e) Determination of recoverability of asset carrying values

The recoverability of development and production asset carrying values are assessed at a cash-generating unit ("CGU") level. Determination of what constitutes a CGU is subject to management judgements. The asset composition of a CGU can directly impact the recoverability of the assets included therein. The key estimates used in the determination of cash flows from oil and natural gas reserves include the following:

Reserves – Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

Oil and natural gas prices – Forward price estimates are used in the cash flow model. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather, and economic and geopolitical factors.

Discount rate – The discount rate used to calculate the net present value of cash flows is based on estimates of an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to this estimate.

(f) Reserve estimates

Proved plus probable reserves are defined as the "best estimate" of quantities of oil, natural gas and related substances estimated to be commercially recoverable from known accumulations, from a given date forward based on drilling, geological, geophysical and engineering data, the use of established technology and specified economic conditions. It is equally likely that the actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves. The estimates are made using all available geological and reservoir data as well as historical production data. Estimates are reviewed as appropriate. Revisions occur as a result of changes in prices, costs, fiscal regimes and reservoir performance or changes in the Company's plans with respect to future development or operating practices.

(g) Restoration, rehabilitation and environmental costs and decommissioning obligations

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are accrued at the time of those activities and treated as exploration and evaluation expenditure.

Restoration, rehabilitation and environmental obligations recognised include the costs of reclamation and subsequent monitoring of the environment.

Costs are estimated on the basis of future assessed costs, current legal requirements and current technology, which are discounted to their present value. The present value of the costs is included as part of the cost of the exploration and evaluation asset or the property plant and equipment asset. Estimates are reassessed at least annually. Changes in estimates are dealt with prospectively, with any amounts that would have been written off or provided against under accounting policy for exploration and evaluation immediately written off.

Amounts recorded for decommissioning obligations and the related accretion expense requires the use of estimates with respect to the amount and timing of decommissioning expenditures. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, public expectations, market conditions, discovery and analysis of site conditions and changes in technology. Other provisions are recognised in the period when it becomes probable that there will be future cash outflow.

(h) Development expenditure

Development expenditure represents the accumulated exploration, evaluation, land and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of hydrocarbon resource has commenced.

When further development expenditure is incurred in respect of an asset after commencement of production, such expenditure is carried forward as part of the asset only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation of costs is provided on the unit-of-production method with separate calculations being made for each hydrocarbon resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the estimated recoverable reserves. In some circumstances, where conversion of resources into reserves is expected, some elements of resources may be included. Development and land expenditure still to be incurred in relation to the current reserves are included in the amortisation calculation. Where the life of the assets are shorter than the reserves life their costs are amortised based on the useful life of the assets.

The estimated recoverable reserves and life of the development and the remaining useful life of each class of asset are reassessed at least annually. Where there is a change in the reserves/resources amortisation rates are correspondingly adjusted.

(i) Trade and other receivables

Other receivables are recorded at amounts due less any allowance for doubtful debts.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Cash equivalents include deposits and other highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flow.

(k) Impairment of non-financial assets

The carrying amounts of the consolidated entity's non-financial assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognised in the profit and loss.

Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Reversals of impairment

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Share capital

(i) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(ii) Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Property, plant and equipment

Buildings, IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Buildings, IT equipment and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Developed and producing assets are measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognised as oil and natural gas interests when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other costs are recognised in expenses as incurred. Such capitalised oil and gas interests generally represent costs incurred in developing proven and/or probable reserves and bringing on or enhancing production from such reserves. The carrying amount of any replaced or sold component is derecognised. The costs of periodic servicing of property plant and equipment is recognised as an expense.

(o) Depletion and depreciation

The net carrying value of developed and producing assets are depleted using the unit of production method by reference to the ratio of production in the period to the related proven developed and undeveloped reserves, taking into account estimated future development costs necessary to bring those undeveloped reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers on an annual basis.

Proven and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

In determining reserves for use in the depletion and impairment calculations, a BOE conversion ratio of six thousand cubic feet of natural gas ("Mcf") to one barrel of oil ("bbl") is used as an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the reserve reports are derived by converting natural gas to oil in the ratio of six Mcf of gas to one barrel of oil.

For other assets, depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, IT equipment and other equipment. The following useful lives are applied:

IT equipment: 4 years

Other equipment: 4-5 years

In the case of leasehold property, expected useful lives are determined by reference to the lesser of comparable owned assets useful lives and the lease term.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit and loss.

(p) Fair value measurement

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 – Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market date, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

If a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

If significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(q) Employee benefits

As at balance date, the company had no employees and hence no entitlement provisions are accounted for.

(r) Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present, legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(s) Trade and other payables

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days.

(t) Revenue recognition

Revenue is recognised when the control of the goods or services is transferred to the customer. Determining the timing of the transfer of control requires judgement. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade allowances and duties and taxes paid.

(i) Net Financial Income

Net financial income comprises interest on borrowings calculated using the effective interest method, interest receivable on funds invested and dividend income.

Interest income is recognised in the profit and loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss on the date the entity's right to receive payments is established which in the case of quoted securities is the ex-dividend date.

(ii) Sales revenue

Revenue from the sale of oil and natural gas will be recorded when control of the goods or services transfer to the customer. The transfer of control of oil, natural gas, natural gas liquids usually occurs at a point in time and coincides with title passing to the customer and the customer taking physical possession.

(u) Income tax

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Whitebark Energy Ltd.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Included in the income tax benefit are research and development grants provided during the year.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised in the income statement at the time the claim is lodged and received with the Australian Tax Office.

(v) Segment reporting

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entity's other components. Based on the information used for internal reporting purposes by the chief operating decision maker, being the executive management that makes strategic decisions, at 30 June 2023 the group's assets are in two reportable geographical segments being Australia and Canada.

(w) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(x) Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is to hold assets to collect contractual cash flows; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

how the performance of the portfolio is evaluated and reported to the Group's management;

the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the asset.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

contingent events that would change the amount or timing of cash flows;

terms that may adjust the contractual coupon rate, including variable-rate features;

prepayment and extension features; and

terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(y) Leases

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option or lease term extension and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(z) Interest in other entities

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement in which the parties with joint control have rights to the assets and obligations for the liabilities relating to that arrangement.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

(aa) Adoption of new and revised accounting standards

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4 Segment reporting

During the period the group operated in two business segments (two geographical areas) – exploration, development and production of oil and gas – Australia and Canada.

The group has identified its operating segment based on the internal report that is reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

30 June 2023	Australia AUD	Canada AUD	Total Segment AUD	Unallocated AUD	Consolidated AUD
Total sales revenue	-	2,798,594	2,798,594	-	2,798,594
Royalties	-	(438,277)	(438,277)	-	(438,277)
Financial income	12,888	-	12,888	-	12,888
Other income	-	-	-	-	-
Total revenue and other income	12,888	2,360,317	2,373,205	-	2,373,205
Segment result	(1,149,971)	(261,561)	(1,411,532)	-	(1,411,532)
Impairment of assets	-	(2,423,246)	(2,423,246)		(2,423,246)
Depletion, depreciation & amortisation	-	(469,648)	(469,648)	-	(469,648)
(Loss)/gain before income tax expense	(1,149,971)	(3,154,455)	(4,304,426)	-	(4,304,426)
Assets					
Total current assets	28,461	897,679	926,140	-	926,140
Total non-current assets	-	6,640,336	6,640,336	-	6,640,336
Total assets	28,461	7,538,015	7,566,476	-	7,566,476
Liabilities					
Total current liabilities	(852,852)	(2,016,250)	(2,869,102)	-	(2,869,102)
Total non-current liabilities	(2,068,133)	(1,199,660)	(3,267,793)	-	(3,267,793)
Total liabilities	(2,920,985)	(3,215,910)	(6,136,895)	-	(6,136,895)

5 Revenue from continuing operations

	30-Jun-23 AUD	30-Jun-22 AUD
Product sales	2,798,594	3,576,305
Total sales from production	2,798,594	3,576,305
Royalties on production	(438,277)	(415,490)
Net revenue from continuing operations	2,360,317	3,160,815

6 Cost of goods and services sold

	30-Jun-23 AUD	30-Jun-22 AUD
Production expenditure (excluding depletion, depreciation, amortisation and workover expenses)	(2,088,688)	(1,663,214)

7 Other income

	30-Jun-23 AUD	30-Jun-22 AUD
Recoveries	-	55,212
	-	55,212

8 Finance income

	30-Jun-23 AUD	30-Jun-22 AUD
Interest income	12,886	4,304
Foreign currency gain	2	2,596
	12,888	6,900

9 Profit on disposal of assets

	30-Jun-23 AUD	30-Jun-22 AUD
Gain on disposal of office equipment	-	800
	-	800

10 Administration expenses

	30-Jun-23 AUD	30-Jun-22 AUD
Director's costs	(150,075)	(141,713)
Administration and finance support	(193,933)	(159,859)
General and administration	(336,931)	(352,149)
	(680,940)	(653,721)

11 Finance costs

	30-Jun-23 AUD	30-Jun-22 AUD
Interest expense	(26,878)	(6,991)
	(26,878)	(6,991)

12 Impairment expense

	30-Jun-23 AUD	30-Jun-22 AUD
Impairment – property plant and equipment (Note 19)	(2,423,246)	-
	(2,423,246)	-

13 Other operating expenses

	30-Jun-23 AUD	30-Jun-22 AUD
Project costs	(267,342)	(180,640)
Legal fees	(25,558)	(39,028)
Consultancy fees	(398,173)	(407,648)
Revision of Rehab and Abandonment provision	(108,860)	(839,926)
Workover expense	(179,340)	(182,556)
Auditor remuneration	(69,675)	(132,292)
Share registry	(29,841)	(38,024)
Travel Expenses	(1,063)	-
	(1,079,851)	(1,820,114)

14 Income tax benefit

	30-Jun-23 AUD	30-Jun-22 AUD
Current income tax expense / (benefit)	-	-
Aggregate income tax expense / (benefit)	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax from continuing operations	(4,304,426)	(915,241)
Tax at statutory rate of 25% (2022: 25%)	(1,076,106)	(228,811)
Adjustment for tax rate difference (Canada 23%)	63,095	(17,070)
	(1,013,012)	(245,880)
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
Share-based payments	(22,905)	(29,384)
Impairment of property plant and equipment	-	-
Waiver of trade receivables	-	-
Waiver of trade payables	-	-
Sundry items	-	128
	(1,035,917)	(275,136)
Deferred tax asset on losses/(recouped) not recognised	1,186,916	823,047
Deferred tax asset on temporary differences not recognised	(150,999)	(547,911)
Income tax benefit	-	-

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. It is in the opinion of management of the Company that there will be no taxable profits generated in the near future and the deferred tax asset is not to be recognised.

Tax losses	**30-Jun-23 AUD**	**30-Jun-22 AUD**
Unused Australian tax losses for which no deferred tax asset has been recognised	29,666,783	29,334,585
Potential tax benefit @ 25.0%	7,424,196	7,333,646
Unused Canadian tax losses for which no deferred tax asset has been recognised	20,323,783	15,131,757
Potential tax benefit @ 23.0%	4,674,470	3,480,304
Total tax effected	12,098,666	10,813,950

Unrecognised temporary differences		
Accrued expenses	19,375	9,500
Blackhole expenditure	83,772	70,427
Property, plant and equipment	1,159,849	1,440,017
Provisions	745,555	642,854
Prepayments	(30,200)	(2,427)
Unrealised foreign exchange gain/(loss)	-	(649)
Total tax effected	1,978,350	2,159,722

15 Loss per share

The calculation of basic loss per share at 30 June 2023 of 0.0275 cents per share (30 June 2022 basic loss: 0.02 cents per share) was based on the loss attributable to the ordinary shareholders of $4,304,426 (30 June 2022 loss: $915,241) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2023 of 6,743,069,309 (30 June 2022: 4,562,556,384 shares) being calculated as follows:

	30-Jun-23 AUD	**30-Jun-22 AUD**
Loss per share		
Loss attributable to ordinary shareholders		
Loss for the period	(4,304,426)	(915,241)
Attributed to:		
Members of the parent entity	(4,304,426)	(915,241)
Weighted average number of ordinary shares		
Issued Ordinary Shares at 1 July	5,648,219,196	4,373,125,551
Effect of shares issued	1,094,850,113	189,430,833
Weighted average number of ordinary shares for the year	6,743,069,309	4,562,556,384
Loss – cents per share	(0.0638)	(0.02)
Continuing operations	(0.0638)	(0.02)

16 Cash and cash equivalents

	30-Jun-23 AUD	**30-Jun-22 AUD**
Cash at bank	195,008	2,150,710
	195,008	2,150,710

17 Trade and other receivables

	30-Jun-23 AUD	30-Jun-22 AUD
Current		
Trade and other receivables	443,870	578,890
Non-Current		
	443,870	578,890

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

18 Other current assets

	30-Jun-23 AUD	30-Jun-22 AUD
Prepayments	131,306	10,227
Stock on Hand	155,956	225,846
	287,262	236,073

19 Property, plant and equipment

	30-Jun-23 AUD	30-Jun-22 AUD
Plant and equipment at cost	9,508,622	3,963,725
Accumulated depletion, depreciation and amortisation	(582,111)	(112,463)
Accumulated impairment	(2,423,246)	-
	6,503,265	3,851,262
Reconciliation of carrying amounts		
Developed and producing		
Opening balance	3,851,262	3,614,254
Increase in asset retirement obligation asset	322,191	(254,607)
Additions	5,182,851	515,404
Foreign exchange	30,698	88,674
Impairment	(2,423,246)	-
Amortisation	(106,797)	-
Depletion	(353,695)	(112,463)
	6,503,265	3,851,262

Impairment of oil and gas assets

The carrying amounts of the Company's oil and gas assets are reviewed at each reporting date to determine whether there is any indication of impairment or impairment reversal. Where an indicator of impairment or impairment reversal exists, a formal estimate of the recoverable amount is made.

Cash-generating units – Oil and gas assets

Oil and gas assets, land, buildings, plant and equipment are assessed for impairment on a CGU basis. A CGU is the smallest grouping of assets that generates largely independent cash inflows and generally represents oil or gas fields that are producing through a common facility or well head.

Individual assets within a CGU may become impaired if their ongoing use changes or if the benefits to be obtained from ongoing use are likely to be less than the carrying value of the individual asset.

The impairment test of property, plant and equipment at 30 June 2023 concluded that the estimated recoverable amount was lower than the carrying amount of the Wizard Lake CGU and therefore impairment was required in respect of these assets. All impairment booked (100%) was in respect of the Wizard Lake CGU in Canada.

The asset that has been impaired is the Wizard Lake oil and gas field and related infrastructure that the company controls in Alberta Canada. This oil field in its entirety represents a single cash generating unit because all four wells are drilled from and serviced by the same well head and all hydrocarbon products are produced through the same infrastructure facilities. The recoverable amount of this asset has been valued at its value in use using a NPV17 discount rate versus the discount rate of NPV10 previously reported.

Indicators of impairment

The events and circumstances that led to the impairment of the Wizard Lake CGU include the following:

The Rex 4 well not achieving the level of production as modelled and expected at the time of its completion.

1. A change in the independent expert who prepares the company's Reserves Report, has led to a more conservative view in respect of the field's remaining reserves.

2. The company applying a higher NPV discount rate of 17% to the value of the reserves (previously NPV 10) with the company having regard to recent interest rate rises and its own capital position and capital risk position in the market

Impairment losses or reversal of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of the assets in the CGU.

A reversal of impairment losses is recognised in the income statement when the recoverable amount of an asset or CGU exceeds its carrying amount.

Recoverable amount

The recoverable amount of an asset or CGU is the greater of its fair value less costs of disposal (FVLCD) (classified as level 3 in the fair value hierarchy) and its value-in-use (VIU), using an asset's estimated future cash flows (as described below) discounted to their net present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks that are specific to the asset.

Significant judgement

For oil and gas assets, the expected future cash flow estimation is based on a number of factors, variables and assumptions. For VIU calculations, the most important variables for future cash flows are estimates of hydrocarbon reserves and resources, future production profiles, commodity prices, operating costs, foreign exchange rates and carbon price and abatement cost assumptions. Operating costs include third-party supplier costs and any future development costs necessary to produce the reserves and resources.

Under a FVLCD calculation, future cash flows are based on the variables noted above for VIU calculations plus other relevant factors such as value attributable to additional resource and exploration opportunities beyond reserves based on production plans.

Generally, the present value of future cash flows is most sensitive to estimates of hydrocarbons reserves and resources, future oil price and discount rates.

Estimates of future commodity prices are based on the Company's best estimate of future market prices with reference to external market analyst forecasts, current spot prices and forward curves. Future commodity prices are reviewed annually.

The nominal future Brent prices (US$/bbl) used in impairment calculations were:

	2023	2024	2025	2026	2027
30 June 2023	**76.50**	**77.00**	**78.00**	**79.56**	**81.15**

The future estimated long-term exchange rate applied in impairment calculations were (A$/US$):

	2023	2024
30 June 2023	**0.75**	**0.75**

The discount rates applied to the future forecast cash flows are based on the weighted average cost of capital, adjusted for risks where appropriate, including functional currency of the asset and risk profile of the countries in which the asset operates. The range of pre-tax discount rates that have been applied to non-current assets is typically between NPV10% and NPV20%. The company's impairment calculation for the purposes of this report is NPV17%.

In the event that future circumstances vary from these assumptions, the recoverable amount of the Company's oil and gas assets could change materially and result in impairment losses or the reversal of previous impairment losses.

Due to the interrelated nature of the assumptions, movements in any one variable can have an indirect impact on others and individual variables rarely change in isolation. Additionally, it is possible for management to respond to some movements as circumstances allow. It is impracticable to estimate the indirect impact that a change in one assumption has on other variables and therefore the likelihood or extent of impairments (or reversals) under different sets of assumptions in subsequent reporting periods.

Sensitivity Analysis – NPV Rate

A discount rate of NPV 17% has been applied to the Wizard Lake CGU Proven Developed Producing Reserve base to arrive at the fair value of property plant and equipment. If a discount rate of NPV 20% was applied, the impairment loss would increase by $1,046,032 and the net equity of the company would reduce by $1,046,032. In the previous period, no such sensitivity analysis was performed.

20 Exploration and evaluation expenditure

	30-Jun-23 AUD	30-Jun-22 AUD
Exploration and evaluation assets	137,071	135,987
Movement in exploration and evaluation assets		
Opening balance	135,987	-
Additions – Canada	-	135,987
Addition	-	839,926
Impairment of exploration and evaluation assets	-	(839,926)
Foreign currency movement	1,084	-
	137,071	135,987

The ultimate recoverability of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying areas of interest.

The Group undertakes at each reporting date, a review for indicators of impairment of these assets. Should an indicator of impairment exist, there is significant estimation and judgments in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement that are considered in this review included:

Recent drilling results and reserves/resource estimates;

Environmental issues that may impact the underlying tenements;

The estimated market value of assets at the review date;

Independent valuations of underlying assets that may be available;

Fundamental economic factors such as prices, exchange rates and current and anticipated operating cost in the industry; and

The group's market capitalisation compared to its net assets.

Information used in the review process is rigorously tested to externally available information as appropriate.

Changes in these estimates and assumptions as new information about the presence or recoverability of a reserve becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the profit or loss in accordance with accounting policy 3(d).

21 Trade and other payables

	30-Jun-23 AUD	30-Jun-22 AUD
Current:		
Trade creditors	2,452,912	838,023
Other payables	123,651	26,803
	2,576,563	864,826

All amounts are short-term. The carrying value of trade payables and other payables are considered to be a reasonable approximation of fair value.

21 - a Borrowings

	30-Jun-23 AUD	30-Jun-22 AUD
Equipment Finance Lease - Current	292,539	
Equipment Finance Lease – Non-current	206,086	-
	498,625	-

The carrying value of borrowings are considered to be a reasonable approximation of fair value.

1. Lender: Bennington Financial Corp. – Amount: CAD $214,331 – Interest Rate: 22.30% p.a. – Monthly Repayments: $15,133 - Maturity: March 2025 – Secured against the carrying value of the asset

2. Lender: Ecoquip Rentals & Sales Ltd. – Amount: CAD $305,000 - Interest Rate: 6.36% p.a. – Monthly Repayments: $12,680 - Maturity: March 2025 – Secured against the carrying value of the asset

22 Decommissioning liabilities

	30-Jun-23 AUD	30-Jun-22 AUD
Balance at the beginning of the period	2,625,357	2,017,244
Movement in Warro Project liability	117,064	839,926
Movement in Rex Project liability	313,909	
Change in discount rate of liabilities	-	(36,673)
Revision of estimates	-	(254,607)
Foreign currency movement	5,375	59,467
Balance at the end of the period	3,061,705	2,625,357

The Company's decommissioning obligations result from its ownership interest in oil and natural gas well sites and facilities. The total decommissioning obligation is estimated based on the estimated costs to reclaim and abandon these wells and facilities and the estimated timing of costs to be incurred in future years. The Company has estimated the net present value of the decommissioning obligations to be $3,061,705 as at 30 June 2023 (2022: $2,625,357).

The provision in respect of the Wizard Lake asset is $ 993,571 after factoring in a long-term inflation rate of 2.5% p.a., a long-term discount rate of 3.73% and remaining project life of 28 years staggered over the operation wells and related facilities. In respect of the Warro asset, the provision is $ 2,068,133 on the expectation that of a remaining project life of under twelve months.

Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

The increase in the provision due to the passage of time is recognised as a finance cost whereas increases/decreases due to changes in the estimated future cash flows are capitalised where there is a future economic benefit associated with the asset.

Actual costs incurred upon settlement of the decommissioning liabilities are charged against the provision to the extent the provision had been established.

23 Issued capital

	30-Jun-23 AUD	30-Jun-22 AUD
Ordinary Shares	74,963,695	72,645,197

The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

Reconciliation of movement in issued capital

Issued capital – Shares	**30 June 2023 Number**	30 June 2022 Number	**30 June 2023 AUD**	30 June 2022 AUD
Share capital				
Issued ordinary shares	7,339,660,861	5,648,219,196	74,963,695	72,645,197
Movements in issued capital				
Issued capital				
Opening balance	5,648,219,196	4,373,125,551	75,465,992	72,915,618
Issue of shares for cash	1,666,666,665	1,250,000,125	2,500,000	2,500,000
Shares issued on exercise of Options	-	93,520	-	374
Share based payments	-	25,000,000	-	50,000
Share issued to supplier	24,775,000	-	28,491	-
			77,994,483	75,465,992
Less share issue costs				
Opening balance			(2,820,795)	(2,542,301)
Current period costs			(209,993)	(278,494)
Closing balance share issue costs			(3,030,788)	(2,820,795)
	7,339,660,861	5,648,219,196	74,963,695	72,645,197

24 Reserves

	30-Jun-23 AUD	30-Jun-22 AUD
Share based payment reserve	97,556	129,184
Foreign currency translation reserve	(515,360)	(499,760)
	(417,804)	(370,576)
Movement in reserves		
Share based payment reserve		
Opening balance 1 July	129,184	1,397,556
Fair value of options forfeited (net of expense during the period)	(99,938)	(434,057)
Options issued/(lapsed) during the period	68,310	(716,779)
Closing balance 30 June	97,556	129,184
Foreign currency translation reserve		
Opening balance 1 July	(499,760)	(377,209)
Exchange gains/(losses) for the period	(15,600)	(122,551)
Closing balance 30 June	(515,360)	(499,760)

Share based payments reserve

The reserve represents the value of options issued under the compensation arrangement that the consolidated entity is required to include in the consolidated financial statements.

This reserve will be reversed against share capital when the underlying options are exercised by the employee or consultant or expire. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the consolidated entity's own equity instruments.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

25 Reconciliation of cash flow from operating activities

	30-Jun-23 AUD	30-Jun-22 AUD
Cash flows used in operating activities		
Profit/(loss) for the period	(4,304,425)	(915,241)
Adjustments for:		
Depreciation, depletion and amortisation expense	469,648	112,463
Profit on disposal of assets	-	(800)
Impairment expenses	2,423,246	-
Revision of provision for rehabilitation and abandonment	108,860	839,926
Foreign exchange differences	(58,139)	13,866
Equity settled share-based payment expenses	(91,621)	(117,535)
Operating profit before changes in working capital and provisions	(1,452,431)	(67,321)
(Increase)/Decrease in other receivables and prepayments	13,941	17,267
(Increase)/decrease in inventories	69,890	(93,951)
Increase/(Decrease) in trade and other payables	575,645	78,529
Net cash flows used in operating activities	(792,955)	(65,476)

26 Related Party Transactions

Detailed disclosures relating to Directors and Key Management Personnel are set out in the Directors' Report under the section entitled Remuneration Report.

The totals of remunerations paid to Key Management Personnel of the Company and the consolidated entity during the year are as follows:

	30-Jun-23 AUD	30-Jun-22 AUD
Short-term KMP benefits	(270,000)	(270,000)
Share based payments	-	(29,246)
	(270,000)	(299,246)

The aggregate amounts recognised during the year relating to directors' related parties and other related parties were as follows:

	Transactions value year end		Balance outstanding at	
	30-Jun-23	30-Jun-2022	30-Jun-23	30-Jun-22
Adelaide Equity Partners Ltd(i)	114,500	240,000	143,000	102,250
AE Administrative Services Pty Ltd(ii)	26,498	63,327	18,148	36,333
Business Initiatives Pty Ltd(iii)	140,791	140,838	119,236	56,949
	281,789	444,165	280,384	195,532

(i) Adelaide Equity Partners Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of investor relations services and capital raise services provided.

(ii) AE Administrative Services Pty Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of company secretarial services provided.

(iii) Business Initiatives Pty Ltd is a company associated with Mr Matthew White. The charges were in respect of accounting, bookkeeping and financial control functions undertaken for the group.

27 Share–based payments and options issued

Options are granted and approved by the directors and shareholders.

Options are granted to directors, employees, consultants and others. Entitlements to the options are exercisable as soon as they have vested and performance conditions have been met. There are no cash settlement alternatives. Options granted carry no dividend or voting rights.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of any movements in share options issued during the year:

	No. 2023	WAEP 2023	No. 2022	WAEP 2022
Outstanding at the beginning of the year	92,800,000	0.006	42,800,000	0.014
Granted during the year	55,000,000	0.001	70,000,000	0.004
Exercised during the year	-	-	-	-
Lapsed/expired during the year	(22,800,000)	-	(20,000,000)	-
	125,000,000	0.005	92,800,000	0.006

The number of options vested and exercisable as at 30 June 2023 was 125,000,000 (2022: 92,800,000).

55,000,000 unlisted options were granted during the year ended 30 June 2023.

The outstanding balance of unlisted options over ordinary shares as at 30 June 2023 represented by:

Unlisted Options

Grant Date	Vesting Date	Expiry Date	Exercise price	Number of options	Value of Share Based Payments AUD
24-Mar-22[1]	7-Jun-22	31-Jan-24	$0.004	70,000,000	29,246
23-May-22[2]	23-May-22	23-May-25	$0.004	624,906,567	-
30-Nov-22[3]	06-Jun-23	6-Dec-24	$0.004	25,000,000	68,310
30-Nov-22[4]	06-Dec-22	30-Nov-25	$0.003	30,000,000	59,993

1. Options granted and approved by shareholders as remuneration to Key Management Personnel in FY22
2. Options granted during the year as part of non-renounceable entitlement offer
3. Options granted during and approved by shareholders as remuneration to a General Manager in Canada in FY23
4. Options granted to a lead manager during the year as part of service fees
5. Options lapsed without exercise on 15 Nov 2022
6. Options expired without exercise on 28 May 2023

The outstanding balance of unlisted options over ordinary shares as at 30 June 2022 represented by:

Grant Date	Vesting Date	Expiry Date	Exercise price	Number of options	Value of Share Based Payments AUD
15-Nov-19[5]	15-Nov-19	15-Nov-22	$0.012	22,800,000	99,938
28-May-21[6]	28-May-21	28-May-23	$0.002	155,000,000	-
24-Mar-22[1]	7-Jun-22	31-Jan-24	$0.004	70,000,000	29,246
23-May-22[2]	23-May-22	23-May25	$0.004	624,906,567	-

The weighted average remaining contractual life for the unlisted share options outstanding as at 30 June 2023 is 1.78 years. The exercise price for options outstanding at the end of the year is 70,000,000 at A$0.004, 624,906,567 at A$0.004, 25,000,000 at A$0.004 and 30,000,000 at A$0.003 (2022: 22,800,000 at A$0.012, 155,000,000 at A$0.002, 70,000,000 at A$0.004 and 624,906,567 at A$0.004).

During the reporting period, no unlisted options were exercised. 177,800,000 unlisted options lapsed without exercise.

An expense of $68,310 has been recognised in the consolidated statement of profit or loss and other comprehensive income in respect of options vested during the year (2022: $29,246). An amount of $99,938, in relation to fair value of unlisted options expired without exercise, has been recognised as an income in the consolidated statement of profit or loss and other comprehensive income during the year. The net effect of $31,628 has been recognised as an income in the consolidated statement of profit or loss and other comprehensive income during the year.

Listed Options

No listed options were granted, exercised or cancelled during the period.

28 Parent Company disclosures

	30-Jun-23	30-Jun-22
Current Assets	37,678	1,117,953
Non-Current Assets	5,177,004	2,442,711
Total Assets	5,214,682	3,560,664
Current Liabilities	834,422	598,798
Non-Current Liabilities	-	-
Total Liabilities	834,422	598,798
Net Assets	4,380,260	2,961,866
Contributed Equity	74,963,695	72,645,197
Share based payments reserve	97,556	129,184
Accumulated losses	(70,680,991)	(69,812,515)
Total Equity	4,380,260	2,961,866
Results of Parent Entity for the year		
Profit / (loss) for the year	(868,726)	(747,591)
Other Comprehensive income	-	-
Total Comprehensive income	(868,726)	(747,591)

The Company has no contingent liabilities or commitments and no guarantees due to subsidiaries at 30 June 2023.

29 Financial risk management and financial instruments

Overview

The consolidated entity has exposure to the following risks from its use of financial instruments:

credit risk;

commodity risk;

currency risk;

liquidity risk;

market risk; and

climate change risk.

The consolidated entity's management of financial risk is aimed at ensuring net cash flows are sufficient to:

Meet all its financial commitments; and

Maintain the capacity to fund the consolidated entity's operating activities.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the consolidated entity through regular reviews of the risks.

Market, liquidity and credit risk (including foreign exchange, commodity price and interest rate risk) arise in the normal course of business. These risks are managed under Board approved directives which underpin treasury practices and processes.

This note presents information about the Company's and consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the consolidated entity's receivables from customers and deposits with banks.

Trade and other receivables

As at 30 June 2023 there were no significant concentrations of credit risk on the statement of financial position. Current trade receivables of $ 443,869 at 30 June 2023 relate to amounts to be received from historical production from the Wizard Lake oil and gas field. The consolidated entity monitors receivable balances on an ongoing basis and as a result believes its exposure to bad debts is insignificant.

Impairment losses

None of the Company's receivables are past due (2022: nil). As at 30 June 2023 there is no allowance for impairment in respect to other receivables for the consolidated entity (2022: nil).

Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

Financial Instruments

	30-Jun-23	30-Jun-22
Trade and other receivables	443,870	578,890
Cash and cash equivalents	195,008	2,150,710
	638,878	2,729,600

197/The consolidated entity limits credit risk on its cash deposits by only transacting with high credit-rated financial institutions.

30 June 2023	Trade and other receivables	Current assets Other investments (including derivatives)	Cash and cash equivalents	Total
Financial assets measured at fair value				
Listed equity investments	-	-	-	-
Financial assets not measured at fair value				
Trade and other receivables	443,870	-	-	443,870
Cash and cash equivalents	-	-	195,008	195,008
	443,870	-	133,400	638,878

Commodity Risk

The consolidated entity is exposed to commodity price risk through its revenue from the sale of hydrocarbons – gas, crude oil, condensate and LPG – which are priced against world benchmark commodity prices.

The following table details the impact on revenue a 10% and 20% increase and decrease in the oil and gas price would have on current year revenue, using the entities average oil price over this year. The below table shows the increase in profit and equity given an increase in oil price; there would be a negative impact to both profit and equity to the same degree if average oil price decreased by the same percentage.

Oil Price Impact

	30-Jun-23	30-Jun-22
Profit or loss: 10%	236,032	316,082
Profit or loss: 20%	472,063	632,163

Currency Risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The consolidated entity is exposed to Canadian dollars (CAD) in its Canadian operations.

The following table details the Consolidated Entity's sensitivity to a 10% and 20% increase and decrease in the CAD against the Australian dollar. The sensitivity analysis is based on 30 June 2023 year end foreign currency denominated monetary items and adjusts their translation at year end for a 10% and 20% strengthening in foreign currency rates. For a 10% and 20% decrease in foreign currency rates, there would be a comparable impact on the profit and equity, and the balances below would be negative.

Currency Movement Impact

	2023	2022
Profit or loss: 10% CAD	732,546	179,976
Profit or loss: 20% CAD	1,218,421	309,687

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

The consolidated entity manages liquidity risks by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30- Jun-2023	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1-2 years	2-5 years
Financial liabilities measured at fair value	-	-	-	-	-	
Financial liabilities not measured at fair value						
Trade and other payables	2,576,563	2,576,563	2,576,563	-	-	
Borrowings	498,625	498,625	174,885	150,946	172,794	

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

At the reporting date the interest rate profile of the Company's and the consolidated entity's interest-bearing financial instruments was:

	30-Jun-22	30-Jun-21
Variable rate Instruments		
Financial assets	195,008	2,150,710

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

	Profit or loss		Equity	
	100bp increase AUD	100bp decrease AUD	100bp increase AUD	100bp decrease AUD
30-Jun-2023				
Variable rate instruments	1,950	(1,950)	1,950	(1,950)
Cash flow sensitivity	1,950	(1,950)	1,950	(1,950)
30-Jun-2022				
Variable rate instruments	21,507	(21,507)	21,507	(21,507)
Cash flow sensitivity	21,507	(21,507)	21,507	(21,507)

Climate change risk

Key climate-related risks and opportunities relevant to the Company's operations include:

The transition to a low carbon economy through technological improvements and innovations that support a lower carbon energy efficient system with decreased demand and changing community sentiment for fossil fuels, increased uncertainty time and cost associated with regulatory bodies granting approvals or licences on fossil fuel intensive projects. Transition to lower carbon economy also gives rise to opportunity for the Company's gas production assets. Natural gas is viewed as a key element to supporting a sustainable energy transition.

Physical changes caused by climate change include increased severe weather events and chronic changes to weather patterns which may impact demand for energy and the Company's production assets and production capability. These events could have a financial impact on the Company through increased operating costs, maintenance costs, revenue generation and sustainability of its production assets.

Policy changes by governments which may result in increasing regulation and costs which could have a material impact on the Company's operations.

Due to the nature of the uncertainties relating to the above risks, the financial impact has not been quantified for the financial year.

The Company is committed to continually improve climate change related disclosures as processes and understanding of climate change related matters improve alongside the Company's activities and operations.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital, which the consolidated entity defines as net operating income divided by total shareholders' equity.

	30-Jun-23	30-Jun-22
Equity attributable to shareholders of the Company	74,963,695	72,645,197
Equity	74,963,695	72,645,197
Total Assets	7,566,476	6,952,922
Equity ratio	10.1%	9.6%

There were no changes in the consolidated entity's approach to capital management during the year. As at 30 June 2023, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

30 Consolidated entities

Parent entity

The parent entity of the group is Whitebark Energy Limited, incorporated in Australia.

Registered office: Ground Floor, 70 Hindmarsh Square, Adelaide SA 5000.

The consolidated financial statements incorporate assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described under 1(a)

Name of Entity	Country of incorporation	30-Jun-23 Equity Holding %	30-Jun-22 Equity Holding %
Subsidiaries of Whitebark Energy Ltd			
Tejon Energy Pty Ltd	Australia	100	100
Tejon Energy Inc (100% subsidiary of Tejon Energy Pty Ltd)	USA	100	100
Latent Petroleum Pty Ltd	Australia	100	100
Kubla Oil Pty Ltd	Australia	100	100
Rex Energy Ltd	Canada	100	100

31 Contingent Liabilities

There are no contingent liabilities at 30 June 2023 (2022: nil).

32 Commitments

The Group has the following lease commitments as at 30 June 2023 relating to 4 HPU units, and 5 tanks and battery equipments

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
30-Jun-23	292,539	206,086	-	498,625
30-Jun-22	-	-	-	-

Lease expense during the period amounted to nil (2022: nil).

33 Subsequent Events

Wizard Lake shut-in

Subsequent to the reporting period Whitebark launched a capital raising exercise in order to genate funds to be deployed to return Rex 1, 3 and 4, to full production. Each of the wells is experiencing difficulties from anticipated events and solutions have been identified for each. Given the modest gas generation from current production, the Company has elected to temporarily close the field until final workover plans are approved. This process is expected to take place within 30 days.

Consequently Wizard Lake has been deliberately shut-in since August 28th 2023 with the planned mitigation measures for each well and cost estimates to return to optimal production currently under evaluation. A summary is provided below:

- Rex-1 has parted rods which can be remedied with a straight=forward workover estimated at CAD$25k. The well was contributing 8 bopd and 29 mcf/d (14 boe/d)
- Rex-3 is sand-bridged (ie. “choked”) in the horizontal section due to the gradual ingress of sand into the lateral over its years of production. The Company plans to perform innovative “Jetsweep” workover operations in horizontal elements of select Wizard Lake production wells. The initial program at Rex-3 is estimated to take 9 days at a cost of CAD $310k and can deliver significant economic benefits at a fraction of the cost of drilling new wells (adding A$60-A$80 per month of netback cashflow). Rex-3 production will be significantly increased through the conduction of this operation, bringing Field production back to over 200boe per day. Prior to choking the well was contributing 15 bopd and 450 mcf/d (85 boe/d) however it should be noted that clean-out operations have the potential to see Rex-3 improve on its pre shut-in rates.
- Rex-4 has holes in the tubing due to wear (workover estimate CAD $125k). The well was contributing 50 bopd and 110 mcf/d (70 boe/d) prior to being shut-in.
- Rex-2 alone was simply not producing sufficient gas to run the gensets and the compressor.

Capital Raising - Convertible Note

On 12 September 2023 the Company announced it was raising capital through a convertible note to sophisticated and wholesale investors. The Company is seeking $ 1.0m. Each note has a face value of $ 1.00 with an interest rate of 20% p.a. payable upfront and deducted from the principal amount, such that the payment consideration received by the Company is net of interest upfront. The maturity date is 12 months from date of issue and the notes will convert to ordinary share at an Issue Price of $0.0005 per share or cash consideration repayment on the maturity date (at the noteholder’s discretion). The money raised will be used to workover non-operational wells in the Wizard Lake oil and gas field. The offer is currently still open.

Creditor Claim – Rex Energy Ltd

On 26 July 2023 a claim was lodged against Rex Energy Limited with the Court of King’s Bench Alberta in the amount of $CAD 496,747.89 . (AUD$ 556,107.34) The claim is in respect of unpaid invoices pertaining to the completion of the Rex-4 oil and gas well. The company has engaged legal representation and the matter is on hold with no next steps or deadlines currently in place. The Plaintiffs have not called for a Statement of Defence yet.

Extraordinary General Meeting

The company held an extraordinary general meeting on 27 September 2023. Apart from ratification of prior issue of shares, it was resolved to consolidate the capital of the company pursuant to Section 254H of the Corporations Act on the basis that every fifty (50) shares be consolidated into one (1) share and every fifty (50) options be consolidated into one (1) option.

Director's Declaration

In the opinion of the Directors of Whitebark Energy Limited ("the Company"):

a. The financial statements and notes set out on pages 32 to 66, and the remuneration disclosures that are contained in the Remuneration report in the Directors' report, are in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b. the financial report also complies with International Financial Reporting standards as disclosed in note 2(a);

c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the chief executive officer and chief financial officer for the financial year ended 30 June 2023.

Dated at Adelaide this 29 September 2023

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

Duncan Gordon
Chairman

Shareholder Information

Whitebark Energy Ltd shares are listed on the Australian Securities Exchange. The Company's ASX code is WBE.

SUBSTANTIAL SHAREHOLDERS (HOLDING NOT LESS THAN 5%)

As at 8 September 2023:

Rank	Name	Units	% of Units
1.	MR KIM AARON MULLER	379,660,349	5.17%

Class of Shares and Voting Rights

At 8 September 2023 there were 2,837 holders of 7,339,660,861 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

a. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;

b. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and

c. on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

Distribution of Shareholders

Spread of Holdings	Number of Holders	Ordinary Shares
1 - 1,000	144	19,063
1,001 - 5,000	55	176,716
5,001 - 10,000	80	666,821
10,001 - 100,000	880	43,861,485
100,001 – 500,000	734	196,377,237
500,001 Over	944	7,098,559,539
Total	**2,837**	**7,339,660,861**

The number of shareholders holding less than a marketable parcel is 1,801.

Unlisted Options

Securities	Number of Securities on issue	Number of Holders
Unlisted Options exercise price of $0.004 expiring 31/01/2024	70,000,000	4
Unlisted Options exercise price of $0.004 expiring 23/05/2025	624,906,567	359
Unlisted Options exercise price of $0.004 expiring 06/12/2024	25,000,000	1
Unlisted Options exercise price of $0.003 expiring 30/11/2025	30,000,000	1

Escrowed Securities

The Company does not have any securities on issue that are subject to escrow restrictions.

Listing of 20 Largest Shareholders as at 8 September 2023

Rank	Name	Units	% Units
1	MR KIM AARON MULLER	379,660,349	5.17
2	CHRIS MEULENGRAAF SUPERANNUATION FUND PTY LTD <CHRIS MEULENGRAAF SF A/C>	278,666,666	3.80
3	MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	255,758,400	3.48
4	MR PAUL AINSWORTH	226,666,666	3.09
5	CHARLES WAITE MORGAN	159,633,571	2.17
6	MR MARK EDWIN ROBERTS	150,000,000	2.04
7	COMMUNICATIONS POWER INCORPORATED (AUST) PTY LTD	143,000,000	1.95
8	COOLRIDE ENTERPRISES PTY LTD	133,333,334	1.82
9	SKYE EQUITY PTY LTD	125,958,557	1.72
10	MR FRANK HEPBURN	110,000,000	1.50
11	MR FREDERICK BART	104,148,339	1.42
12	MR STEPHEN LESLIE KEENIHAN + MRS SHERIDAN JAY KEENIHAN <SL & SJ KEENIHAN S/F A/C>	100,083,332	1.36
13	J & B SMITH SUPERANNUATION PTY LTD <LOCH M FRASER CU TRA SF A/C>	97,500,000	1.33
14	MR CHARLES WAITE MORGAN	95,650,441	1.30
15	4F INVESTMENTS PTY LTD	87,500,000	1.19
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	85,765,329	1.17
17	TRANTER (SA) PTY LTD <TRANTER FAMILY A/C>	77,319,935	1.05
18	WHAW PTY LTD <NEXTGEN A/C>	76,300,000	1.04
19	MILLER ANDERSON PTY LTD <LONGHORN RIDGE SUPER FUND A/C>	75,000,000	1.02
20	MR ANTONI MARGOS	72,000,000	0.98
TOTAL		**2,833,944,919**	**38.61**

Permits

WIZARD LAKE, ALBERTA CANADA			
Block	**Gross Acres**	**WI**	**Net acres**
24-048-28W4	640	100%	640
20-048-27W4	640	100%	640
21-048-27W4	640	100%	640
22-048-27W4	640	100%	640
17-048-27W4	640	100%	640
8-048-27W4	640	100%	640
9-048-27W4	640	100%	640
5-048-27W4	640	100%	640
N 4-048-27W4	320	100%	320
32-047-27W4	640	100%	640
Total	**6,080**	**100%**	**6,080**

AUSTRALIAN LAND INTERESTS			
Project	**Net Acres**	**WI**	**Location**
Warro JV – RL7	**54,360**	**100%**	**Western Australia**