

26 November 2024

ASX Compliance
Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By email: ListingsCompliancePerth@asx.com.au

RESPONSE TO ASX QUERY LETTER

Whitebark Energy Limited (ASX: WBE or 'the Company') responds to the letter received from the Australian Securities Exchange ("ASX") dated 21 November 2024.

In reference to the questions listed in the ASX query letter:

1. Please provide the actual production figures for the Wizard Lake Project for the quarter ended 30 September 2024 in BoE gross, and net to WBE? In answering this question, please provide the monthly breakdowns.

WBE currently holds 100% title to the Wizard Lake Project. Settlement of WBE's proposed divestment remains subject to shareholder approval, which is being sought this week at WBE's Annual General Meeting (**AGM**). WBE and Conflux are fully aware that the divestment remains subject to shareholder approval.

WBE's operations are currently based in Australia. As WBE does not currently have any operational capacity in Canada, WBE appointed Conflux as the operator with the goal to bring Wizard Lake back into production. Conflux were willing to fully fund the operations at Wizard Lake prior to WBE obtaining shareholder approval for the divestment knowing that there is a risk that shareholders will not approve the transaction (and Conflux will therefore not obtain an interest in the project).

Although the commercial terms of Conflux's appointment as the operator of Wizard Lake have not previously been disclosed, Conflux's appointment has been disclosed to the market several times, including in the following releases:

- WBE's ASX announcements dated 14 June 2024 and 3 July 2024;
- WBE's Quarterly Activities Report for the quarter ended 30 September 2024 (**September Quarterly Report**); and
- WBE's Annual Report for the finance year ended 30 June 2024 (**2024 Annual Report**).

On 23 November 2024, WBE received the following actual monthly production figures from Conflux.

Month	Gross Production (BoE)	WBE's Share of the Production (BoE)*
July 2024	6,822	682
August 2024	8,116	812
September 2024	3,603	360
Total	18,541	1,854

*Assuming 90% divestment is approved by shareholders at the 2024 Annual General Meeting on 29 November 2024.

If shareholders approve WBE's divestment of 90% of its interest in the Wizard Lake Project, WBE will receive 10% of the revenues generated from production at Wizard Lake. If this shareholder approval is not obtained at the AGM, WBE will receive 100% of this revenue net of costs.

2. Please provide the actual monthly production figures to date for Wizard Lake since production re-commenced in July 2024 in BoE gross and net to WBE.

See response above for July to September 2024 production. Production figures for October 2024 will not be available until at least 26 November 2024 which is standard for monthly production reporting.

3. Please advise why, given production at Wizard Lake recommenced in July 2024, WBE presented the September quarterly production numbers at Wizard Lake in its quarterly activities report as production for the month of September 2024 only, multiplied by 3 (rather than disclosing the actual production for the September 2024 quarter)?

Actual production figures were not received in time for release of the September Quarterly Report on 31 October 2024. WBE received September 2024 production figures on 31 October 2024 at 2:25am Adelaide time. WBE followed up with Conflux for actual production figures for July and August 2024 as early as possible on 31 October 2024. On 23 November 2024, WBE received the actual monthly production figures from Conflux for all months in the quarter ended 30 September 2024.

4. Does WBE receive 100% of revenues generated from production at Wizard Lake? If not, please explain the basis for the % of revenue attributed to WBE. Please comment specifically on any arrangements WBE has with Conflux in relation to Wizard Lake production revenue pending shareholder approval of the disposal of Wizard Lake. If any arrangements are in place, please advise where such arrangements have been disclosed by WBE.

Conflux provides monthly Joint Interest Billing (JIB) statements outlining Whitebark's share of revenue, operating costs and royalties from production ('net revenue').

As per the release dated 14 June 2024 and 3 July 2024, it was disclosed that Conflux assumed as operator of the Wizard Lake project immediately upon signing the sale and purchase agreement. It is normal under an operator arrangement that the operator would receive all revenue from production and distribute to the joint venture.

As is mentioned above, if shareholders approve WBE's divestment of 90% of its interest in the Wizard Lake Project, WBE will receive 10% of the revenues generated from production at Wizard Lake. If this shareholder approval is not obtained at WBE's AGM, WBE will receive 100% of this revenue net of costs.

5. If the answer to question 4 is 'no', please provide details of any revenue sharing arrangements in place between WBE and Conflux, including:

- 5.1 when those arrangements were put in place;

The operatorship arrangement was put in place immediately on signing the sale and purchase agreement with Conflux. The divestment remains subject to shareholder approval.

- 5.2 the total amount of Wizard Lake production revenue withheld from WBE since production recommenced at Wizard Lake in July 2024 to 21 November 2024;

and

Total gross production revenue generated since production recommenced at Wizard Lake for July to September 2024 is CAD\$675,022 of which 10% \$67,502 is attributable to WBE net of operating costs and royalties (assuming that shareholder approval of the divestment is obtained at WBE's AGM).

Production revenue for October will not be known until at least 26 November 2024 and production revenue for November will not be known until at least 26 December 2024.

5.3 where such arrangements have been disclosed by WBE?

As per the release dated 14 June 2024 and 3 July 2024, it was disclosed that Conflux assumed as operator of the Wizard Lake project immediately upon signing the sale and purchase agreement. It is standard under an operator arrangement that the operator would receive all revenue from production and distribute to the joint venture.

6. Has WBE, in relation to the re-start of production at Wizard Lake, been 'free carried' by Conflux?

Yes, pursuant to WBE's previous disclosures (including in the 2024 Annual Report and the September Quarterly Report), the capital costs required to repair the wells in the Wizard Lake field to reinstate the field to production was carried Free carried. The operating costs are to the JV account net against revenue from production.

7. If WBE has incurred any costs, or agreed to any revenue share arrangements in relation to revenue generated following the re-start of production at Wizard Lake, please provide details of those costs or arrangements

As mentioned above (and previously disclosed to the market), WBE was free carried in the re-start of production at Wizard Lake (i.e. WBE did not incur any costs).

8. Does WBE currently have a 10% working interest in the Wizard Lake Project pending shareholder approval of the Wizard Lake Disposal?

Whitebark has a 100% working interest in the Wizard Lake project. The 90% divestment is subject to shareholder approval at the Company's 2024 Annual General Meeting on 29 November 2024.

9. If the answer to question 8 is 'no', why does WBE refer to its working interest at Wizard Lake as a '10% working interest' in each of the announcements released by WBE on 29 July 2024, the 30 June 2024 Annual Report and WBE's September 2024 Quarterly Activities Report?

The agreement with Conflux commenced on 31 May 2024. The divestment is subject to shareholder approval however for accounting purposes the net interest being 10% retained interest by WBE.

WBE notes that the Annual Report and WBE's September Quarterly Report also disclose that WBE's partial divestment of the Wizard Lake Project remains subject to shareholder approval.

10. Does WBE consider the Wizard Lake Production Forecast Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

11. If the answer to question 10 is 'no', please provided the basis for that view.

Production forecasts are not reliable given the volatility and unpredictability of Oil and Gas production and production has not reached a steady state at Wizard Lake.

12. Having regard to WBE's September 2024 Quarterly Activities Report, which disclosed actual production at Wizard Lake of 3,603 BoE for the month of September 2024 (being 10,809 BoE divided by 3) have actual production rates at Wizard Lake since the recommencement in July 2024 been in line with the Wizard Lake Production Forecast of 7,200 BoE per month (gross) 720 BoE (net to WBE)?

No. Actual has average production is 6,180 BoE per month. Refer question 11 above regarding non-reliability given steady state production has not been reached.

13. If the answer to question 12 is 'no', does WBE consider any failure to achieve the Wizard Lake Forecast Production to be material information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

14. When did WBE first become aware of the September 2024 monthly production figure of 3,603 BoE?

WBE received the September 2024 production figures on 31 October 2024 at 2:25am Adelaide time.

15. Does WBE consider that resolution 5 in its Notice of Annual General Meeting seeking shareholder approval for the disposal of a 90% interest in Wizard Lake contains all material necessary to fully and fairly inform security holders and enable them to make a properly informed judgement regarding the Wizard Lake Disposal? In answering this question, please comment specifically on any Wizard Lake production revenue sharing or escrow arrangements in place between Conflux and WBE.

As per the release dated 14 June 2024 and 3 July 2024, it was disclosed that Conflux assumed as operator of the Wizard Lake project immediately upon signing the sale and purchase agreement. It is normal under an operator arrangement that the operator would receive all revenue from production and distribute to the joint venture. No formal revenue sharing or escrow arrangements are in place other than those required under the operator arrangement.

16. Please confirm that WBE is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company is in compliance with the Listing Rules, including but not limited to Listing Rule 3.1.

17. Please confirm that WBE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of WBE with delegated authority from the board to respond to ASX on disclosure matters.

The Company's responses contained in this letter have been authorised and approved in accordance with its published continuous disclosure policy and by the Board of Whitebark Energy Limited.

Please contact me if you have any further questions.

Yours Sincerely



Kaitlin Smith
Company Secretary



21 November 2024

Reference: 103586

Ms Kaitlin Smith
Company Secretary
Whitebark Energy Ltd

By email: kaitlin.smith@whitebarkenergy.com

Dear Ms Smith

Whitebark Energy Ltd ('WBE'): ASX Query Letter

ASX refers to the following:

- A. WBE's announcement titled "Whitebark signs binding agreement to invest in Wizard Lake" (the 'Announcement') released on the ASX Market Announcements Platform ('MAP') at 07:59 AM AWST on 14 June 2024 disclosing the following:

"Whitebark Energy's 100% owned Rex Energy has executed a purchase and sale agreement which will see Conflux Energy Corp. ('Conflux') assume a 90% interest in the Canadian operations.

The transaction, which has a number of customary conditions precedent, involves Conflux assuming all outstanding contingent liabilities in Rex Energy of CAD \$1.44M.

In addition, Conflux will contribute funding and investment in the field to bring the field into full production which the Directors of Whitebark believe will result in positive cash returning to the Australian operations. Rex will be free carried for this expenditure.

As the Transaction constitutes the disposal of the Company's main undertaking, the Transaction is subject to the Company obtaining shareholder approval under ASX Listing Rule 11.2."

('Wizard Lake Disposal')

- B. WBE's announcement titled "Wizard Lake Return to Production", released on MAP at 08:56 AM AWST on 3 July 2024 which disclosed the following:

"Whitebark's Wizard lake oil and gas field has returned to production"

"As part of the transaction announced on 14 June 2024, Whitebark has been "free carried" for this return to full field production. Finalisation of the transaction remains subject to shareholder approval..."

- C. WBE's announcement titled "Whitebark Energy Production Update", released on MAP at 08:03 AM AWST on 29 July 2024 which disclosed the following:

"Production of all four Wizard Lake wells has recommenced"

Total well performance of 242.6 BoE / day, with Whitebark's share equating to 24.26 BoE/day

Projected BoE per month of 720 (WBE share)"

('Wizard Lake Forecast Production Information').

- D. WBE's announcement titled "Notice of Annual General Meeting", released on MAP at 02:30 PM AWST on 30 October 2024 which includes Resolution 5 'Partial Disposal of Main Undertaking', seeking shareholder

approval pursuant to Listing Rule 11.2 for the sale by WBE of 90% of its working interest in Wizard Lake to Conflux. The material terms of the Wizard Lake Divestment are contained at section 7.5 of the explanatory memorandum of the Notice of Meeting as set out below:

7.5 Material terms of the Wizard Divestment

The material terms of the Wizard Divestment are set out below:

- (a) **Shareholder approvals:** Completion is subject to the Company obtaining all necessary Shareholder approvals to complete the Wizard Divestment.
- (b) **Divestment:** REL agrees to sell 90% of the Company's working interest in Wizard Lake to Conflux for the Consideration defined below.
- (c) **Consideration:** In consideration for the acquisition, Conflux agrees to acquire C\$1,442,740 of REL's debt (**Consideration**).
- (d) **Free carry:** REL's remaining 10% interest in Wizard Lake will be free-carried on the initial capital required to bring the wells back into production, following which, REL has a 10% working interest on operations and capital.
- (e) **Cash bond:** REL's C\$180,000 bond with Leduc County remains in place for the benefit of Conflux.
- (f) **Right of first refusal:** Conflux has a right of first refusal to purchase REL's 10% working interest in Wizard Lake.
- (g) **Independent expert report:** Conflux will determine the purchase price of REL's 10% working interest based on an independent third-party reserve report of the Total Proved NPV 10% value. Conflux will consider a corporate deal to pick up the 10% upon due diligence by Conflux's legal advisors.
- (h) **Contract Operating Agreement:** REL gives Conflux a contract operating agreement to operate the wells until such time as Conflux is comfortable with the wells and the wells are back producing at which time Conflux will request REL to transfer the licences to Conflux and Conflux takes over operatorship of the assets.
- (i) **Deferred consideration:** Conflux will provide REL with 25% of the total savings the Purchaser negotiates on REL's outstanding debt, which currently equals \$1,442,740 Canadian dollars.

- E. WBE's announcement titled "Quarterly Activities/Appendix 5B Cash Flow Report" released on MAP at 2:38 PM AEST on 31 October 2024 which disclosed the following in relation to the Wizard Lake Project:

Canadian Operations

Wizard Lake – (Whitebark 10% WI)

Production

Whitebark continued to operate the Wizard Lake Oil Field in Alberta, Canada, during the September 2024 Quarter after a period of closure due to scheduled workovers. The Company holds a 100% working interest in all site facilities, pipelines and infrastructure.

Whitebark is pleased to advise that wells have returned to production following scheduled workovers. The field is currently producing a stable output of approximately 120 barrels of oil per day (BBL/oil) and 120 barrels of oil equivalent of gas per day (BOE). Workovers follow the Company's recently announced partial divestment of the Wizard Lake asset in line with a renewed focus on Australian renewable energy markets.

Key Performance Metrics	Sep-24 QTR ^{***}	Jun-24 QTR	Qtr Change
Net Production (BOE)	10,809	0	+100%
Sales Revenue (AUD millions)	\$0.35	\$0.00	+100%
Avg realised (AUD price/BOE [*])	\$32.38	\$0.00	+100%

Table 1 – Key Performance Metrics.

^{***}Sept qtr production number are based off the month of September multiplied by 3.

- F. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- G. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- H. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- I. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- It would be a breach of a law to disclose the information;
- The information concerns an incomplete proposal or negotiation;
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- The information is generated for the internal management purposes of the entity; or

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- The information is a trade secret; and
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- 3.1A.3 A reasonable person would not expect the information to be disclosed.”
- J. The concept of “confidentiality” detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:
- “Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”*
- K. ASX Guidance Note 35 titled ‘Security Holder Resolutions’, which, at section 4 states the following in relation to the information required in a notice of meeting:
- “As a matter of general law, a notice of meeting must include such material as will fully and fairly inform security holders of the matters to be considered at the meeting and enable them to make a properly informed judgement on those matters.¹ This applies even where the Listing Rules itemise information that must be included in the notice of meeting for a particular resolution. Hence, if there is additional information that is needed in an individual case to fully and fairly inform security holders and to enable them to make a properly informed judgement on whether or not to pass a resolution under the Listing Rules, that information must also be included in the notice, even though it is not itemised in the Listing Rule in question.”*

Request for information

Having regard to the above, ASX asks WBE to respond separately to each of the following questions:

1. Please provide the actual production figures for the Wizard Lake Project for the quarter ended 30 September 2024 in BoE gross, and net to WBE? In answering this question, please provide the monthly breakdowns.
2. Please provide the actual monthly production figures to date for Wizard Lake since production re-commenced in July 2024 in BoE gross and net to WBE.
3. Please advise why, given production at Wizard Lake recommenced in July 2024, WBE presented the September quarterly production numbers at Wizard Lake in its quarterly activities report as production for the month of September 2024 only, multiplied by 3 (rather than disclosing the actual production for the September 2024 quarter)?
4. Does WBE from receive 100% of revenues generated from production at Wizard Lake? If not, please explain the basis for the % of revenue attributed to WBE. Please comment specifically on any arrangements WBE has with Conflux in relation to Wizard Lake production revenue pending shareholder approval of the disposal of Wizard Lake. If any arrangements are in place, please advise where such arrangements have been disclosed by WBE.
5. If the answer to question 4 is ‘no’, please provide details of any revenue sharing arrangements in place between WBE and Conflux, including:
 - 5.1 when those arrangements were put in place;

¹ See *Bulfin v Bebarfolds Ltd* (1938) 38 SR (NSW) 423 and *Chequepoint Securities Ltd v Claremont Petroleum NL* (1986) 11 ACLR 94.

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- 5.2 the total amount of Wizard Lake production revenue withheld from WBE since production recommenced at Wizard Lake in July 2024 to 21 November 2024; and
- 5.3 where such arrangements have been disclosed by WBE?
6. Has WBE, in relation to the re-start of production at Wizard Lake, been 'free carried' by Conflux?
7. If WBE has incurred any costs, or agreed to any revenue share arrangements in relation to revenue generated following the re-start of production at Wizard Lake, please provide details of those costs or arrangements.
8. Does WBE currently have a 10% working interest in the Wizard Lake Project pending shareholder approval of the Wizard Lake Disposal?
9. If the answer to question 8 is 'no', why does WBE refer to its working interest at Wizard Lake as a '*10% working interest*' in each of the announcements released by WBE on 29 July 2024, the 30 June 2024 Annual Report and WBE's September 2024 Quarterly Activities Report?
10. Does WBE consider the Wizard Lake Production Forecast Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
11. If the answer to question 10 is 'no', please provide the basis for that view.
12. Having regard to WBE's September 2024 Quarterly Activities Report, which disclosed actual production at Wizard Lake of 3,603 BoE for the month of September 2024 (being 10,809 BoE divided by 3) have actual production rates at Wizard Lake since the recommencement in July 2024 been in line with the Wizard Lake Production Forecast of 7,200 BoE per month (gross) 720 BoE (net to WBE)?
13. If the answer to question 12 is 'no', does WBE consider any failure to achieve the Wizard Lake Forecast Production to be material information that a reasonable person would expect to have a material effect on the price or value of its securities?
14. When did WBE first become aware of the September 2024 monthly production figure of 3,603 BoE?
15. Does WBE consider that resolution 5 in its Notice of Annual General Meeting seeking shareholder approval for the disposal of a 90% interest in Wizard Lake contains all material necessary to fully and fairly inform security holders and enable them to make a properly informed judgement regarding the Wizard Lake Disposal? In answering this question, please comment specifically on any Wizard Lake production revenue sharing or escrow arrangements in place between Conflux and WBE.
16. Please confirm that WBE is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
17. Please confirm that WBE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of WBE with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10:00 AM AWST Tuesday, 26 November 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, WBE's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require WBE to request a trading halt immediately if trading in WBE's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in WBE's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to WBE's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that WBE's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance