

Whitebark Completes \$5m Capital Raising

18 December 2019

Whitebark Raises \$5m in Heavily Bid Placement

Highlights

- Whitebark Energy Limited raises A\$5.0 million via a heavily bid Placement
- The Placement received strong demand from new and existing institutional, family office, sophisticated and professional investors
- The Placement was supported by Board, Management and staff for \$0.315m
- The new funds will be applied to consolidate and fast track Wizard Lake project, namely:
 - Staged acquisition of Wizard Lake (announced 18th December 2019);
 - Continued development of Wizard Lake
- The Company has a number of key imminent catalysts:
 - Rex-3 - Continued testing and transition to production. Initially tested at a start-up rate of 1,084 bopd + 1.16mmscf (1,278 boe/d) – See announcement 16th December
 - Commissioning of new facilities
 - Production from an unencumbered Rex-1, now that blockage has been removed
 - Production from an unrestricted Rex-2 through new facilities capable of processing gas
 - Rex-4 spud planned for February 2020
 - The finalisation of the Wizard Lake acquisition by March 31 2019

Whitebark Energy Limited (**'Whitebark'** or **'the Company'**) (**ASX: WBE**) is pleased to announce that it has received firm commitments for a share placement to raise \$5.0 million (before costs) through the issue of ~500 million shares in the Company (the "Placement"). The Placement was oversubscribed, supported by a range of new and existing institutional, family office, sophisticated and professional investors.

The new funds will be applied to consolidate and fast track the Wizard Lake project. As announced today (18 Dec), Whitebark has reached agreement to acquire the remaining interest in Wizard Lake from Point Loma for C\$4,000,000 cash and C\$2,000,000 in Whitebark shares in two stages. The settlement of the acquisition is staged with C\$1,200,000 cash to be paid upfront for an additional 10% of Wizard Lake Oilfield, with the remainder to be acquired prior to 31st March 2020 for C\$2,800,000 in cash and C\$2,000,000 in Whitebark shares (escrow provisions apply).

Additionally, Whitebark is in advanced discussions with a major financial institution regarding a funding package. The proposed funding package may be applied towards the Wizard Lake Field acquisition, future development activities and growth initiatives. Whitebark is focused on securing commercially attractive terms and any resultant funding will be prudently applied to ensure Whitebark maintains a healthy balance sheet.

Whitebark will continue to develop the Wizard Lake project throughout CY2020, in an effort to build a strong foundation of positive cashflow, to facilitate further growth via development, exploration and value accretive corporate opportunities.

Whitebark Energy Managing Director, David Messina said: “It has been a busy but highly rewarding year for the Company and our shareholders and we are very pleased that we have been able to finish the year with not only fantastic well results but the consolidation of our key Wizard Lake asset. I would like to thank the continued support from our shareholders and look forward to an equally rewarding 2020.”

Share Placement

The Placement comprises the issue of ~503m Shares at an issue price of \$0.01 per Share (Issue Price) to raise ~\$5.03m before costs. Settlement of the Placement and issue of the Shares is intended to occur on 24 December 2019 via Whitebark’s placement capacity pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A as follows;

Listing Rule 7.1 – 381.75m Listing Rule 7.1A – 121.11m

The Issue Price represents an 17.3% discount to \$0.0121 (being the volume weighted average market price (VWAP)) for the Shares over the last 10 days on which sales in the Shares were recorded before the date of this announcement.

Directors and their related parties plan to participate in the Placement for an amount of \$200,000. The Company will seek approval for the placement to directors and their related parties at a General Meeting planned for February 2020. A notice for the General Meeting will be provided to shareholders in due course. In addition to the Directors participation, Whitebark staff have participated in the Placement for an amount of \$115,000.

A cleansing notice and Appendix 3B will lodged following the issue of Shares pursuant to the Placement. The new Shares issued under the Placement will rank equally with existing shares in Whitebark.

Morgans acted as lead manager to the Placement and Adelaide Equity Partners as corporate advisor.

Cleansing Note

Having regard to the to the cleansing notice to be lodged following the issue of Shares under the Placement, which is anticipated to occur on or about 27 December 2019, Whitebark is required to provide a cleansing note.

In line with its stated growth strategy over the last 12 months, Whitebark continues to review corporate transactions, which include but are not limited to strategic partnerships, farm-in, farm-out, joint venture, lease acreage and land acquisition growth opportunities. As part of this strategy, Whitebark is currently undertaking due diligence on a number of opportunities at this point in time. At this stage, none of these opportunities have passed the Company’s due diligence processes and any negotiations are currently confidential, conditional and incomplete.

As is the nature of all business negotiations prior to completion, there can be no certainty that any binding agreement or agreements will be reached, or that any concluding arrangements will eventuate.

Whitebark will update shareholders in respect to the progress of each of the above arrangements by way of further announcements via the ASX platform, should they reach a stage where the Company believes there is a reasonable chance of completion.

End

This ASX announcement was approved and authorised for release by David Messina, Managing Director Whitebark Energy

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The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed.