

Whitebark to raise up to \$3m in Partially Underwritten Entitlement Offer

30 June 2020

1 for 3 non-renounceable entitlement offer at 0.3 cents per share

Highlights

- 1 for 3 non-renounceable entitlement offer at 0.3 cents per share to raise up to \$3m for Wizard Lake improvements, land acquisitions and working capital (accrued and pending)
- Attractively priced at 0.3 cents per share, a discount of 35% to 15-day volume weighted average share price
- Shareholders can apply for additional shares
- Directors have committed to participate
- The entitlement offer has been partially underwritten to c.\$1.7m by Baker Young Limited

Whitebark Energy Ltd (ASX: WBE) ("Whitebark" or "the Company") is pleased to announce a non-renounceable, pro-rata entitlement offer to existing shareholders to raise up to \$3 million before costs (Offer).

The energy sector has experienced major disruptions from a depressed oil price and from COVID-19 restrictions. This has impacted the Company's cash flow generation and required production from its Wizard Lake wells to be constrained to preserve the long term asset value. At the same time, the price shock in the sector has created attractive acquisition opportunities. These disruptions have provided an opportunity for the Company to proceed with maintenance of the existing Rex wells to optimise production capacity, and to better position the Company to take advantage of select asset acquisition opportunities.

The offer has been structured and priced to encourage the participation by existing Whitebark shareholders. Eligible shareholders will be able to subscribe for 1 new share for every 3 shares they hold at the record date, at a subscription price of 0.3 cents per share. This represents an approximate discount of 35% to the 15-day VWAP for trading in WBE's shares.

The Offer is partially underwritten by Baker Young Limited with Adelaide Equity Partners Limited appointed as Lead Manager. Details of the underwriting and lead manager mandate will be provided in the Offer prospectus.

All shares issued under the Offer will rank equally with existing fully paid ordinary shares in the Company as of the date of this announcement.

The proceeds from the Offer will be used by the Company for the following purposes:

- Working capital (comprising operational and capital costs accrued and pending)
- Acquisition of land mineral leases
- Wizard Lake Field maintenance and workovers
- Entitlement offer costs

“The Board has carefully considered the current energy market circumstances and has decided to proceed now to strengthen the company’s operational and financial capacity to emerge from the energy sector and COVID 19 crisis in a better position. The offer has been attractively priced to encourage broad shareholder participation, and has been structured to give existing shareholders priority in order to maintain or increase their exposure.

The Directors of Whitebark believe this issue will better position the company to recommence its growth momentum. I intend to participate and contribute approximately \$250,000 to the offer” said Charles Morgan, Chairman of Whitebark Energy.

The Offer is non-renounceable and the rights will not be traded on the ASX and will not be transferable.

Eligible shareholders wishing to participate in the Offer should carefully read the Prospectus and Entitlement and Acceptance Form. Details of the Prospectus and information with respect to applying for entitlements under the Offer is expected to be despatched on or around Thursday 9th July 2020. A copy of the Prospectus will be announced on the ASX and available on the Company’s website.

The Offer will include a shortfall facility under which Eligible Shareholders who take up their full Entitlements will be invited to apply for additional shares in the Offer from a pool of those Entitlements not taken up by other Shareholders (**Shortfall Facility**). There is no guarantee that applicants under this Shortfall Facility will receive all or any of the additional shares applied for under the Shortfall Facility, and sole discretion with respect to allocation remains with the Board.

An indicative timetable for the Offer is as follows:

| Event | Date |
|---|-------------------------|
| Announcement of Offer & Appendix 3B | Tuesday, 30 June 2020 |
| Lodgement of Prospectus with the ASIC & ASX (after market open) | Tuesday, 30 June 2020 |
| Ex-date | Friday, 3 July 2020 |
| Record Date for determining Entitlements | Monday, 6 July 2020 |
| Prospectus (or notification) despatched to Shareholders & Company announces despatch has been completed | Thursday, 9 July 2020 |
| Last day to extend Closing Date | Wednesday, 15 July 2020 |
| Closing Date* | Monday, 20 July 2020 |
| Shares quoted on a deferred settlement basis from market open | Tuesday, 21 July 2020 |
| Announcement of results of issue | Thursday, 23 July 2020 |
| Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time) | Monday, 27 July 2020 |

A final timetable for the Offer will be included in the Offer prospectus.

*The Directors may extend the Closing Date by giving at least three (3) Business Days’ notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

If the Offer is fully subscribed the Company will issue up to 1,013,405,457 shares raising up to \$3,040,216 before deducting costs of undertaking the Offer.

An Appendix 3B in respect of the proposed issue of securities pursuant to the non-renounceable entitlement issue will be lodged with ASX following this announcement.

End

This ASX announcement has been authorised for release by David Messina, Managing Director of Whitebark Energy Limited

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The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of oil and gas reserves and resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.