



Quarterly Activity Report to 30 June 2022
29 July 2022

Whitebark Energy Limited is an ASX-listed exploration and production company featuring low-cost oil and gas production in Canada and a substantial contingent gas resource in Western Australia. WBE has realigned its corporate strategy following a comprehensive management changeout and the landmark acquisition of a 100% interest in the Wizard Lake producing asset located in the prolific oil & gas province of Alberta, Canada.

Highlights

- Production of 13,396 boe from 100% owned Wizard Lake Oil and Gas Field during the period
- The Company generated revenue of A\$1.115 million at an average oil price of A\$83.20 per barrel during the June 2022 quarter, representing a 76% increase from Q3 FY22
- Successful completion of non-renounceable entitlement offer to raise A\$2.5 million to fund Rex-4 Stage One development
- Recommended ASX official quotation from 7 June 2022
- Whitebark maintained a cash balance of A\$2.13 million as at 30 June 2022 with no debt.

Whitebark Energy Limited (ASX:WBE) (“**Whitebark**” or the “**Company**”) is pleased to provide its Appendix 4C and Quarterly Activities Report for Q4 FY22, provided under Listing Rules 4.7b and 4.7c.

Key Performance Metrics	June-22 QTR	Mar-22 QTR	Qtr Change	June-21 QTR	Mar-21 QTR	Change
Net Production BOE**	13,396	13,152	+2%	25,091	28,838	-13%
Sales Revenue AUD (millions)	\$1.115	\$0.657	+76%	\$1.50	\$0.935	+60%
Avg realised AUD price/BOE	\$83.2	\$50.0	+66%	\$59.8	\$36.2	+40%

Table 1 - Key Performance Metrics. *BOE = Barrels of oil equivalent (oil plus gas)

**Production fall-off from Jun-21 Qtr to June 22 Qtr is attributable to natural field decline

Whitebark Interim CEO, Dr Simon Brealey, commented:

“The Quarter saw intense activity focused on the Company’s relisting including the conclusion of our initial capital raising efforts and unconditional reinstatement onto the ASX from 7th June. I am very happy with the operational performance achieved at Wizard Lake during the quarter, with a slight increase in production over the previous Quarter despite downtime in June due to third party annual maintenance programs.

We commenced site preparation for the Rex-4 well at Wizard Lake and are looking forward to receiving the rig on site shortly. This really is what the last year has all been about – setting up the company for sustainable growth, significantly enhance shareholder returns and self-fund the drilling of Rex-5 in the northern spring”

Corporate

Capital Raising

Whitebark completed a non-renounceable entitlement offer and shortfall placement in May 2022 to raise A\$2.5 million (before costs) ("**Rights Issue**"). The Rights Issue provided eligible shareholders with the option to subscribe for one Whitebark share for every two shares held at an issue price of \$0.002 per share with each subscribing shareholder receiving one free attaching option for every two shares subscribed for (exercise price of \$0.004 with a three-year expiry).

The Company issued 1,250,000,125 new ordinary Whitebark shares and 625,000,087 new Whitebark options on completion of the Rights Issue. Rights Issue proceeds will fund the 2,400-metre Rex-4 development well at the Company's 100% owned Wizard Lake Oil and Gas Field ("**Wizard Lake**"), working capital and transaction costs of the Rights Issue.

ASX Relisting Process

Whitebark was granted unconditional reinstatement to official quotation on the Australian Securities Exchange ("**ASX**") during the quarter after it completed all reinstatement conditions provided by the ASX¹. This represents the culmination of a lengthy process that the Company's Board and management team have progressed throughout the 2022 financial year which included significant changes to the Company's Board, management team, cost base and operational strategy.

The Company recommenced official quotation on 7 June 2022.

Financials

Whitebark generated sales revenue of A\$1.155 million during the June 2022 quarter, a 76% increase on Q3 FY22, due to increased commodity prices and strong production despite operational downtime attributable to third-party annual maintenance work at the Petrus gas processing plant. The Company realised an average sales price of A\$83.20 per barrel of oil equivalent during the June 2022 quarter which represents a 66% increase compared to Q3 FY22 (see Table 1).

Whitebark held a cash balance of A\$2.13 million as at 30 June 2022 with no debt.

Payments to related parties of the entity and their associates totalled \$48,814 during the period. This includes payment of \$25,663 to Adelaide Equity Partners Limited for providing Corporate Advisory and Investor Relations services to the Company, and \$23,151 to Business Initiatives in respect of financial control, administration, accounting and taxation services.

Canadian Operations

Wizard Lake – (Whitebark 100% WI)

Production

Whitebark continued to operate the Wizard Lake Oil Field in Alberta, Canada during Q4 FY22 and received 100% of all hydrocarbons produced from the Rex-1, Rex-2 and Rex-3 production wells. The Company holds a 100% working interest in all facilities, pipelines and infrastructure at the site.

During the Quarter the Company produced 3,558 barrels of oil and 59,029 mcf gas (13,396 barrels of oil equivalent), averaging 147 barrels of oil equivalent per day (2% increase compared to Q3 FY22, see Table 1). The increase in production was due chiefly to increased gas production (particularly from Rex-3) despite operational downtime and forecast natural reservoir pressure decline.

Wizard Lake production was impacted by eight days of operational down-time at the Petrus gas processing plant in June 2022. However, the Company used this downtime to replace the polished rod at Rex-1 and tie Rex 1-3 to a new Britannia screw compression unit to enhance production in the field and reduce potential compressor downtime in the future.

¹ See ASX Announcement "Whitebark to Resume Official Quotation on the ASX", released 6 June 2022, for further information.

Whitebark's Canadian subsidiary, Rex Energy, continued to return sales proceeds to the Australian parent during the quarter.

The Company continues to pursue opportunities to optimise the field by minimising overheads, stabilising production and evaluating project optionality for capital investment going forward.

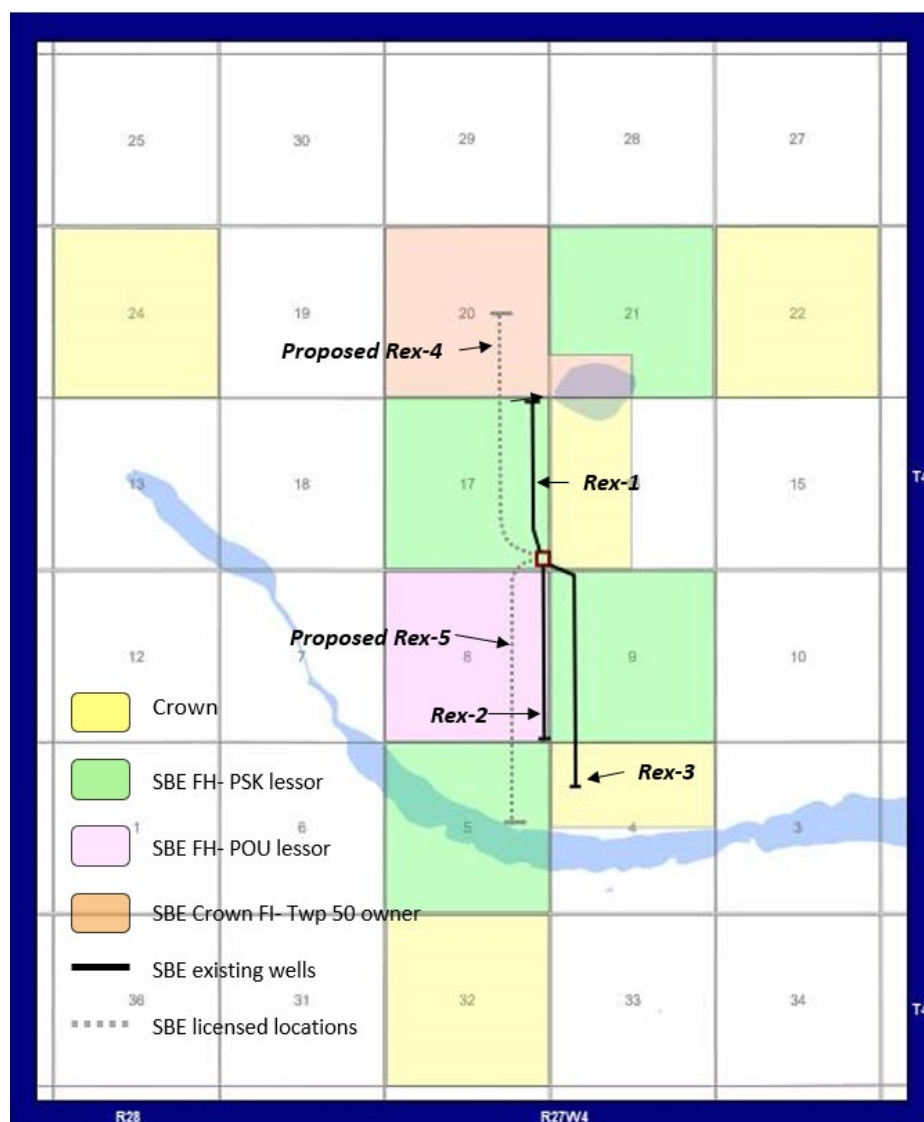


Figure 1 – Wizard Lake oil and gas field - location of existing and proposed wells

Western Australian Operations

Warro Gas Project (Whitebark WI 100%)

The Whitebark Board of Directors is currently assessing its strategic optionality over the Warro Gas Project, given improved commodity prices and significant increase in activity in the Perth Basin. The Company expects to provide shareholders with an update on this process in the coming months.

Planned Activities to 30 September 2022

- Complete the drilling of Stage One of the Rex-4 well, planned to achieve a 2,400m horizontal section and demonstrate oil-saturation within the well bore
- Planning and implementation of Rex-4 Stage 2 drilling activities which will include a 50-stage hydraulic fracture stimulation program and tie-in to production facilities
- Targeting first production of Rex-4 oil and gas during the period

Tenement Schedule

Canada (Net Acres)

	June Quarter	Relinquishments	Acquisitions	Sept Quarter
Wizard Lake	6,400	0	0	6,400

Australia (Net Acres)

Project	WBE	Location	Change during the quarter
Warro JV – RL7	54,360	Western Australia	No change

This ASX announcement was approved for release by the Board of Whitebark Energy Limited.

For further information:

Dr. Simon Brealey
Interim Chief Executive Officer
Whitebark Energy
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SUPPORTING INFORMATION

A Note Regarding Forward Looking Information

This announcement includes certain statements related to our future business and financial performance and future events or developments involving Whitebark Energy Limited ('Whitebark' or 'the Company') that may constitute forward-looking statements. All statements, other than statements of historical fact, that refer to any future oil and gas production, resources or reserves, exploration results and events that the Company expects to occur are forward-looking statements. Although the Company believes that the expectations in those forward-looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially from the outcomes anticipated. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

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.

Conversion of gas to Barrels of Oil Equivalent (BOE) is done on the basis of 6mcf = 1 BOE.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

WHITEBARK ENERGY LIMITED

ABN

68 079 432 796

Quarter ended ("current quarter")

30 JUNE 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	1,155	3,742
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	(52)
	(b) development	-	-
	(c) production	(605)	(1,878)
	(d) staff costs	-	-
	(e) administration and corporate costs ²	(291)	(1,022)
	(f) production – royalties	(162)	(519)
	(g) field maintenance costs	(40)	(338)
	(h) costs of subsidiary restructure	-	-
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Deposit paid for costs of restructure	-	-
1.9	Net cash from / (used in) operating activities	58	(63)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements – Wizard Lake	-	(111)
	(c) property, plant and equipment	(502)	(502)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-

² Includes \$195,000 Aged/Deferred Creditors

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other - non-current development expenditure	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	1
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(502)	(612)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,360	2,360
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,360	2,360

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	216	447
4.2	Net cash from / (used in) operating activities (item 1.9 above)	58	(63)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(502)	(612)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,360	2,360

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,132	2,132

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,132	216
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,132	216

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments from related parties and their associates included in item 2

Current quarter \$A'000
49
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<p><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i></p> <p><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	58
8.2	Capitalised development expenditure (Item 2.1(f))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	58
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,132
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,132
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	37
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions: <div> <div> 1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: N/A </div> <div> 2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? Answer: N/A </div> <div> 3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Answer: N/A </div> </div>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: The Board of Directors of Whitebark Energy Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.