



Quarterly Activity Report to 30 September 2023
31 October 2023

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

- Whitebark produced 7,795 boe from its 100% owned Wizard Lake Oil and Gas Field during the September 2023 quarter – a ~42% decrease on June 2023 Quarter production of 13,305 boe due to temporary shut in of the field to perform scheduled workovers at Rex-1 and Rex-4 production wells.
- The Company generated revenue of A\$0.384 million at an average price of A\$70 per barrel of oil equivalent during the period (CAD \$76/bbl oil and \$2.24/GJ gas)
- Rex-4 development wellbore repaired, online and producing
- Rex-1 production wellbore repaired, online and producing
- Rex-3 well to be worked-over, expected to double field production to over 200 boe/d
- Cash balance of A\$0.342 million as at 30 September 2023
- The Company has commenced the formal process to explore the monetisation of all or part of the wholly owned Wizard Lake assets. Canadian firm Sayer Energy Advisors, based in Calgary, Alberta, has been appointed to execute the process.
- Funds raised via Convertible Notes have enabled the restart of production at Wizard Lake and will support the commencement of the Jetsweep workover operations at the Rex-3 production well.

Whitebark Energy Limited (ASX:WBE) ('Whitebark' or 'the Company') is pleased to provide its Appendix 5B and Quarterly Activities Report for Q1 FY23, provided under Listing Rules 4.7b and 4.7c.

Key Performance Metrics	Sept-23 QTR	June-23 QTR	Qtr Change	Sept-22 QTR	Annual Change
Net Production (BOE)	7,795	13,305	-42%	17,883	-57%
Sales Revenue (AUD millions)	\$0.384	\$0.690	-44%	0.903	-44%
Avg realised (AUD price/BOE*)	\$82.56	\$80.76	+3%	\$50.50	+39%

Table 1 – Key Performance Metrics.

Key Performance Metrics	Mar-23 QTR	Avg Realised Price (AUD) Per bbl, GJ**, BOE
Net Production Oil (bbls)	4,076	\$85.20
Net Production Gas (mcf)	22,314	\$2.57
Net Production (BOE*)	7,795	\$82.56

Table 2 – Key Performance Metrics.

Whitebark Interim CEO Dr Simon Brealey said:

"I am very pleased that the Wizard Lake field has this month recommenced production of ~100 barrels of oil equivalent per day, of which approximately 60% is liquids (crude oil and Natural Gas Liquids), following a successful workover program. The program was completed ahead of schedule and under budget.

The next significant step will be to clean-out the lateral section at Rex-3 to return the well to production. This is important as Rex-3 is our most prolific well and has the capacity to double field production to ~200 barrels of oil equivalent per day."

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

***GJ = Gigajoule (approximately 1 mcf of gas). Associated Natural Gas Liquids of approximately 45 bbls per million cubic feet yielded 900 barrels and realised an average price of AUD\$44.82/bbl. CAD1.00 = AUD1.12 @ September 30 2023*

Corporate

Financials

Whitebark generated revenue of A\$0.384 million from oil and gas produced at Wizard Lake during the September 2023 quarter, a 44% decrease on the June 2023 Quarter. The decreased revenue is due to temporary shut-in of the field to facilitate scheduled workovers of Rex-1 and Rex-4 production wells. Wizard Lake has recommenced strong production despite operational downtime due to workovers being required at Rex-1 and Rex-4 and Rex-3 temporarily going offline.

The Company realised an average sales price of A\$82.56 per barrel of oil equivalent during the September 2023 Quarter, an increase of 3% compared to Q4 FY23 (see Table 1). Oil sales averaged A\$85.20/ barrel and gas sales A\$2.57/GJ (see Table 2). Associated Natural Gas Liquids of approximately 45 barrels per million cubic feet realised an average price of A\$39/bbl. For this report, a conversion rate of CAD 1.00 – AUD 1.12 has been used (as at 30 September 2023).

Whitebark held a cash balance of A\$0.342 million as at 30 Sep 2023 with finance leases totalling A\$0.446 million.

Payments to related parties of the entity and their associates totalled \$Nil during the period.

Canadian Operations

Wizard Lake – (Whitebark 100% WI)

Production

Whitebark continued to operate the Wizard Lake Oil Field in Alberta, Canada, during the September 2023 Quarter and received 100% of proceeds from 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.

During the reporting period, the Company produced 4,076 barrels of oil (down 40% on June 23 Quarter) and 22,314 mcf gas (38% decrease on June 23 Quarter) totalling 7,795 barrels of oil equivalent, averaging 86 barrels of oil equivalent per day, see Table 1. The decrease in production was due to temporary shut-in of the field to facilitate workovers of production wells Rex-1 and Rex-4 during late August and September. The field was brought back online on 18 October 2023.

On 22 May the Rex-3 well (the most prolific on the field) went offline, likely due to gradual ingress of sand into the horizontal section of the wellbore over its years of production, "choking" the well. An innovative and low-cost solution to this issue is being pursued to bring the well back online and potentially double current field production in the very short term (from 100 boe/d to over 200 boe/d).

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 were already producing. 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.

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

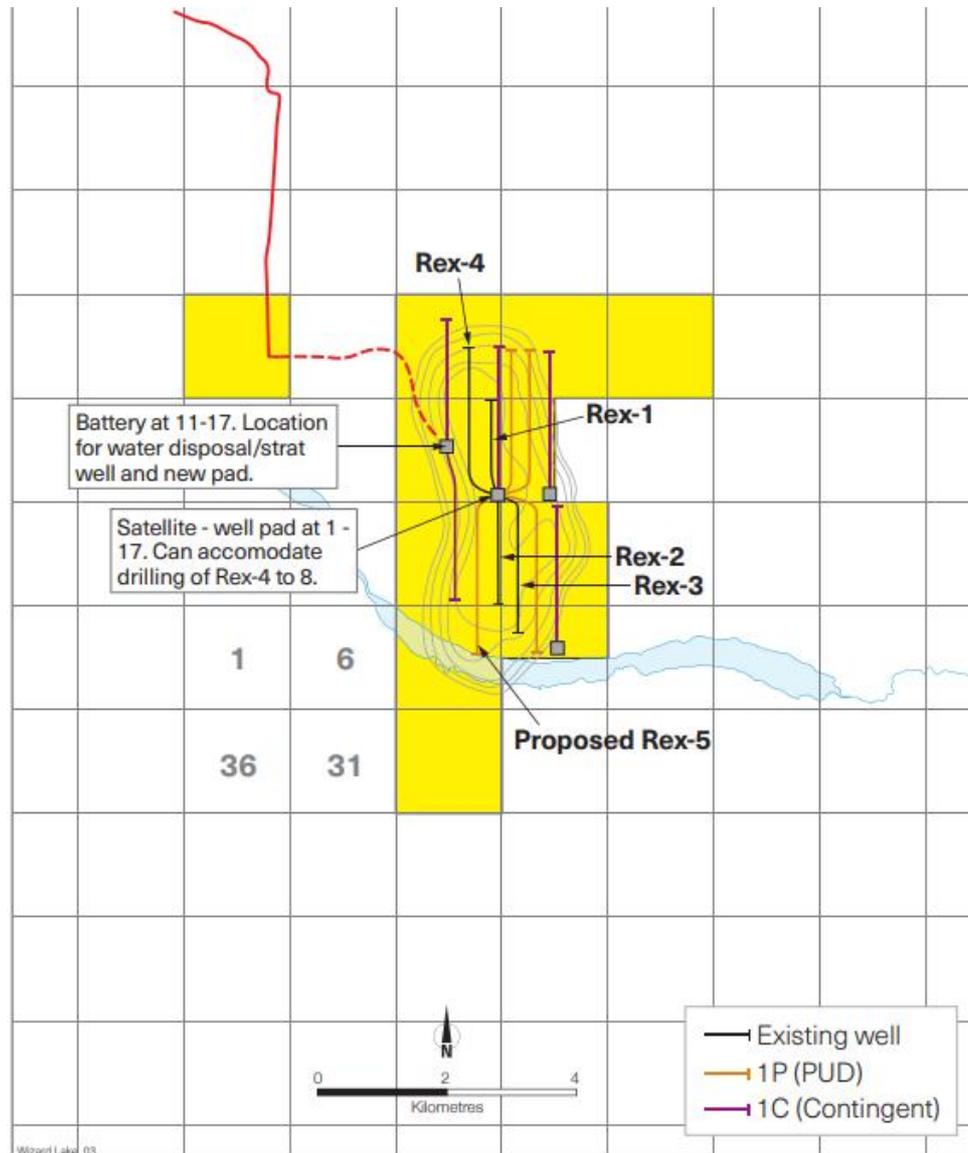


Figure 1 – Wizard Lake oil and gas field - location of existing and proposed wells, with outline of Proven (1P) reservoir

During the period, the Company commenced the formal process to explore the monetisation of all or part of the wholly owned Wizard Lake assets. The Board has appointed Canadian firm Sayer Energy Advisors, based in Calgary, Alberta, to execute the process.

The Company also conducted a capital raising process completed in October 2023, raising A\$265,000 through a Convertible Note to sophisticated and professional investors, with a face value of \$331,250. A further A\$150,000 owing to AE Advisors, the Company's Corporate Advisor, will be repaid through the issue of a Convertible note with a face value of A\$187,500. The Convertible notes will convert into 20,750,000 fully paid ordinary shares at A\$0.025 of the face value at the note at the maturity date.

A further A\$80,000 is committed via Director participation in the Convertible Note with a face value of A\$100,000 subject to shareholder approval at the Company's Annual General Meeting on the same terms as the Convertible Note issue to sophisticated and professional investors and AE Advisors. If approved, upon conversion, a further 4,000,000 fully paid ordinary shares will be issued. Funds raised have enabled the restart of production at the Wizard Lake oil and gas field in Alberta and will support the commencement of the Jetsweep workover operations at the Rex-3 production well.

Western Australian Operations

Warro Gas Project (Whitebark WI 100%)

The Board of Whitebark executed an agreement with PetroDIP to consider and evaluate strategic options for the Company's Western Australian gas asset, Warro. With forecast gas prices to rise in WA, the Directors believed it was timely to consider a range of options for developing the Warro asset for the benefit of shareholders. The Warro asset is currently considered non-core, with the Company's key strategic focus being its producing Wizard Lake oil and gas field in Canada. 90 companies were approached during the previous quarter with regard to taking a majority or 100% interest in Warro field; several Confidentiality Agreements were executed however ultimately, none of the interested parties made a binding offer for the asset.

Planned Activities to 31 December 2023

- Perform innovative "Jetsweep" workover operations in horizontal elements of select Wizard Lake production wells.
- Initial program at Rex-3 well 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).
- Proposed program part of planned capex initiatives due to impingement of horizontal wellbore sections through the gradual ingress of sand over the years.
- Rex-3 production will be significantly increased through the conduction of this operation, bringing Field production back to over 200boe per day.
- Evaluate identified acquisition opportunities to increase the Rex Energy footprint in the area and to grow production and revenue in the near term. In parallel evaluate suitable potential farm-in and acquisition opportunities in Australia.
- Planning and design of Rex-5 Stage 1 drilling activities which will include a 2400m horizontal section to demonstrate wellbore lies within the oil-saturated reservoir. Location is permitted (Figure 1).
- Cost-benefit analysis of salt-water disposal line to third-party salt-water disposal well; this would eliminate current water trucking costs. Approximately 60% of the fluid production at Wizard Lake is water (this is referred to as a 60% "water-cut"). Installation of a disposal line to be evaluated in terms of economic benefit versus drilling a dedicated water disposal well or converting an existing legacy well into a "water injector". Water disposal costs become far more important once Rex-4 and Rex-5 are brought online, with the requirement to dispose of 500-1000 barrels of water per day.

Tenement Schedule

Canada (Net Acres)

	Sept Quarter	Relinquishments	Acquisitions	June Quarter
Wizard Lake	5,540	960	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:

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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 Sep 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	384	384
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(354)	(354)
	(d) staff costs	-	-
	(e) administration and corporate costs	(160)	(160)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(130)	(130)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(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	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	325	325
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	(59)	(59)
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	266	266

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	197	197
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(130)	(130)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	266	266
4.5 Effect of movement in exchange rates on cash held	9	9
4.6 Cash and cash equivalents at end of period	342	342

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	342	197
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)	342	197

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	-
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Finance Lease)	446	-
7.4 Total financing facilities	446	-
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.		
<ol style="list-style-type: none"> 1. Facility: Equipment Finance Lease – Lender: Bennington Financial Corp. – Amount: CAD \$214,331 – Interest Rate: 22.30% p.a. – Maturity: March 2025 – Secured 2. Equipment Finance Lease – Lender: Ecoquip Rentals & Sales Ltd. – Amount: CAD \$305,000 - Interest Rate: 6.36% p.a. – Maturity: March 2025 – Secured 		

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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(130)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(130)
8.4 Cash and cash equivalents at quarter end (item 4.6)	342
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	212
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.63
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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?	
<div style="border: 1px solid black; padding: 5px;"> Answer: No – we expect that cash flows will improve as production from Rex 1, Rex 2 and Rex 4 comes back online and the resultant revenue starts to flow again </div>	
8.8.2 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?	
<div style="border: 1px solid black; padding: 5px;"> Answer: Yes – the company is undertaking a further capital raising process to workover Rex 3. The company's corporate advisors have indicated the likelihood of success is high. </div>	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<div style="border: 1px solid black; padding: 5px;"> Answer: Yes - we expect that cash flows will continue to improve as revenue from Rex 1, Rex 2 and Rex 4 continues to build and the proposed workover of Rex 3 is expected to also increase revenue. </div>	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

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:31 October 2023.....

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.