



**ABN 68 079 432 796**

Condensed consolidated interim financial report  
for the six months ended

31 December 2022

[Condensed consolidated statement of profit or loss and other comprehensive income](#)*For the six months ended 31 December 2022*

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2022 and the review report thereon.

## Directors

The Directors of the Consolidated Entity at any time during or since the end of the half-year to the date of this report are:

Duncan Gordan	Non-Executive Chairman
Matthew White	Non-Executive Director
Giustino Guglielmo	Non-Executive Director

## Company Secretary

Kaitlin Smith

## Half Year Summary

During H1 December 2022, Whitebark Energy Limited (“Whitebark” or the “Company”) completed a capital raise of \$ 2,350,000 after costs.

The funds were used to drill and complete the fracture stimulation and tie-in of the new Rex-4 oil and gas well at Wizard Lake, Canada.

In addition, the Company formally engaged a third party to undertake a strategic review of the Warro gas field interest in Western Australia.

Production revenue (net of royalties) for the half year was \$ 1,103,398 (31 December 2021: \$1,644,500 - restated) and the total comprehensive loss for the half year was \$ 831,978 (31 December 2021: Loss \$950,898 - restated).

At the end of the half-year the Company had \$ 399,270 (30 June 2022: \$ 2,150,710) in cash.

Capitalised exploration and evaluation expenditure was \$ 133,433 (30 June 2022: \$ 135,987) and developed and producing plant and equipment was \$ 8,309,362 (30 June 2022: \$ 3,851,262).

As at 31 December 2022, 7,314,885,861 ordinary shares (30 June 2022: 5,648,219,196), no listed options (30 June 2022: NIL) and 904,906,000 unlisted options (30 June 2022: 872,706,567) were on issue in the Consolidated Entity.

## Review of Operations

### Canadian Operations - Wizard Lake Rex Oil Field

(WBE 100% WI AT 31 DECEMBER 2022)

#### Production

Wizard Lake Rex Oil Field (“Wizard Lake”) production for the half was 7,247 bbls oil and 125,958 mcf gas which averaged 40 bopd and 675 mcfpd gas, equating to approximately 20,993 barrels of oil equivalent, or 155 boepd. Production averaged 15 bopd and 465 mcfpd in December 2022, which equates to 92 boepd over the final month of the half, when record low temperatures of minus 45 degrees Celsius negatively impacted operations.

#### Operations

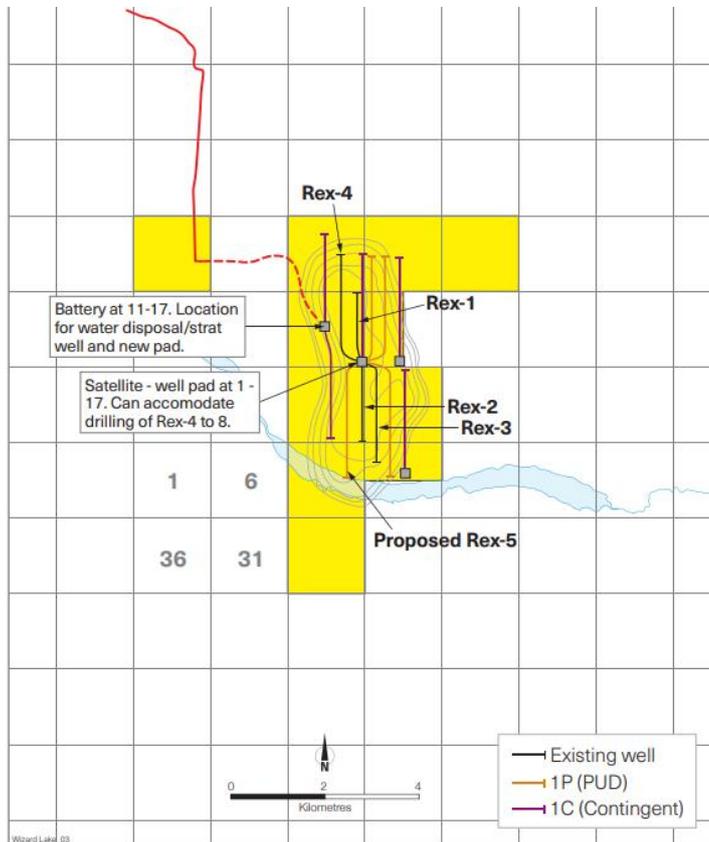
Rex-4 development well was brought online in November 2022. During the Half the well has been “cleaning-up” (that is, recovering the injected fracture stimulation fluid) steadily with a gradually increasing oil-cut. Rex-1 and Rex-3 production wells required short periods of downtime to facilitate standard operational maintenance and workovers during the period. The following maintenance work was completed successfully and the cost and effect on overall production was minimised via co-ordinating work between wells while equipment was on site when possible:

- Rex-1 – In October a hole in the tubing due to natural wear was suspected. The tubing was pulled and a hole was discovered and the tubing replaced, resulting in two weeks of downtime
- Rex-3 – In November the well exhibited gas-locking. The situation was resolved by pumping the well with fluid. This has been a recurring issue. In December the well experienced pumping issues and it was not possible to conduct a “flush-by” until temperatures increased to ~ minus 20 degrees Celsius. After the operation was successfully conducted the well began to recover, however the loss of the significant volumes of gas from this well negatively impacted overall production for two weeks.
- Rex-4 – In August 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 are 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. In November the Company successfully ran 50 hydraulic fracture stimulation stages in the target Rex Sandstone reservoir at an approximate interval of 40m per the completion plan. The fracture stimulation program was the most ambitious yet at Wizard Lake and was consistent with the strategic plan of increased horizontal length and a greater number of fracture stages than in previous wells. The well was brought online and began to flow on November 22, being managed to gradually recover the injected Frac fluid. Oil cut is steadily increasing as injected fluid is recovered.
- In addition, December 2022 production was generally impacted by extreme weather conditions with record lows to minus 45 degrees Celsius, which severely impacted ability to continue normal operations

The Company continues to pursue opportunities to optimise the field through minimising overheads and stabilising production and evaluate the preferred projects for capital investment going forward.

**Land Tenure**

In December the tenure for Section 21 was renewed with PrairieSky.



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

[Condensed consolidated statement of profit or loss and other comprehensive income](#)

For the six months ended 31 December 2022

## West Australian Operations - Warro Gas Project

(WBE 100% WI AT 31 DECEMBER 2022)

In November 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 believe it is 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.

## Capital Raising

The Company has raised A\$1,225,000 (before costs) and issued 816,666,666 ordinary shares to sophisticated and institutional investors at a price of \$0.0015 per ordinary share before costs via a share placement which was completed on 3 October 2022.

The Company also raised A\$1,225,000 (before costs) via a Convertible Note. The Convertible Notes were converted into 816,666,666 ordinary shares at a price of \$0.0015 per ordinary share after receiving shareholder approval at the Company's 2022 Annual General Meeting.

Whitebark raised A\$50,000 (before costs) and issued 33,333,333 ordinary shares to Director Mr Matthew White at a price of \$0.0015 per ordinary shares after receiving shareholder approval at the Company's 2022 Annual General Meeting.

Proceeds were utilised to bring the Rex-4 well into production and working capital of Wizard Lake Oil Field.

## Events Subsequent to 31<sup>st</sup> December 2022

Other than those events disclosed in the Directors' Report or elsewhere in these interim financial statements, there have been no other significant events occurring after the balance sheet date and up to the date of this report, which may materially affect either the Company's operations or results of those operations or the Company's state of affairs.

## The Auditor's Independence Declaration under section 307C of the Corporations Act 2001

The Auditor's Independence Declaration is set out on page 5 and forms part of the Directors' report for the half-year ended 31 December 2022.

Dated at Sydney this 14<sup>th</sup> day of March 2023.

Signed in accordance with a resolution of the directors:



Director

**Auditor's Independence Declaration  
Under Section 307C of the Corporations Act 2001**

To the Directors of Whitebark Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Whitebark Energy Limited and the entities it controlled during the financial period.

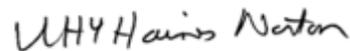


**Mark Nicholaeff**

Partner

Sydney

Dated: 14 March 2023



**UHY Haines Norton**

Chartered Accountants

## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the members of Whitebark Energy Limited

#### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Whitebark Energy Limited ("the Company"), and the entities it controlled during the half-year (together "the Consolidated Entity"), which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes, and the directors' declaration.

#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Whitebark Energy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### **Emphasis of Matter - Material Uncertainty Related to Going Concern**

We draw attention to Note 2 (a) of the half-year financial report, which discloses the Consolidated Entity's ability to continue as a going concern. The matters described in Note 2 (a) of the half-year financial report, indicate a material uncertainty that may cast doubt on the Consolidated Entity's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the half-year financial report. Our conclusion is not modified in respect of this matter.

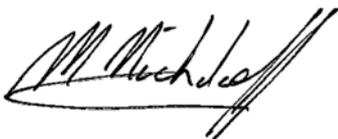
### **Responsibility of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

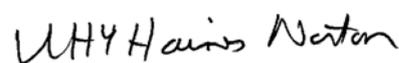


**Mark Nicholaeff**

Partner

Sydney

Dated: 14 March 2023



**UHY Haines Norton**

Chartered Accountants

Condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 31 December 2022

	Note	31 December 2022 \$	31 December 2021 <i>Restated*</i> \$
Revenue		1,323,665	1,770,069
Royalties		(220,267)	(125,569)
Cost of goods sold		(963,419)	(804,781)
<b>Gross Profit</b>		<b>139,979</b>	<b>839,719</b>
Other income	11	-	5,956
Finance income	8	10,424	3,312
Profit on disposal of assets	9	-	800
<b>Expenses</b>			
Administrative expenses	10	(394,088)	(413,923)
Finance costs		30	(6,828)
Impairment expense on property, plant and equipment		-	(838,857)
Share based payments expense		91,621	146,782
Depletion, depreciation and amortisation		(44,706)	(84,626)
Other operating expenses	11	(635,238)	(603,233)
Loss before income tax expense from continuing operations		(831,978)	(950,898)
Income tax benefit		-	-
Loss after income tax expense for the period		(831,978)	(950,898)
<b>Other comprehensive loss, net of tax</b>			
Items reclassified through profit and loss:			
Foreign currency translation		(194,169)	(217,672)
<b>Total comprehensive loss for the period</b>		<b>(1,026,147)</b>	<b>(1,168,570)</b>
<b>Loss per share</b>		<b>cents</b>	<b>cents</b>
Basic and diluted loss per share		(0.0166)	(0.0267)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the condensed consolidated interim financial report. The consolidated statement of profit or loss and other comprehensive income for 31 December 2021 has been restated for the correction of error during that period (refer Note 25).

Condensed consolidated statement of financial position

For the six months ended 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
<b>Current assets</b>			
Cash and cash equivalents		399,270	2,150,710
Trade and other receivables	12	639,785	578,890
Other current assets	13	334,231	236,073
Total current assets		1,373,286	2,965,673
<b>Non-current assets</b>			
Property, plant and equipment	14	8,309,362	3,851,262
Exploration and evaluation assets	15	133,433	135,987
Total non-current assets		8,442,795	3,987,249
<b>Total assets</b>		<b>9,816,081</b>	<b>6,952,922</b>
<b>Current liabilities</b>			
Trade and other payables	16	2,455,512	864,826
Total current liabilities		2,455,512	864,826
<b>Non-current liabilities</b>			
Decommissioning liabilities	17	2,665,599	2,625,357
Total non-current liabilities		2,665,599	2,625,357
<b>Total liabilities</b>		<b>5,121,111</b>	<b>3,490,183</b>
<b>Net Assets</b>		<b>4,694,970</b>	<b>3,462,739</b>
<b>Equity</b>			
Issued capital	18	74,935,204	72,645,197
Reserves	19	(596,373)	(370,576)
Accumulated losses		(69,643,861)	(68,811,883)
<b>Total equity</b>		<b>4,694,970</b>	<b>3,462,739</b>

The condensed consolidated statement of financial position is to be read in conjunction with the notes to the condensed consolidated interim financial report.

Condensed consolidated statement of changes in equity

As at 31 December 2022

	Share capital A\$	Foreign currency translation reserve A\$	Share based payment reserve A\$	Accumulated losses A\$	Total A\$
Balance at 1 July 2022	72,645,197	(499,760)	129,184	(68,811,883)	3,462,739
Loss for the period	-	-	-	(831,978)	(831,978)
Other comprehensive loss for the period net of income tax					
- Foreign currency translation	-	(194,169)	-	-	(194,169)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(194,169)</b>	<b>-</b>	<b>(831,978)</b>	<b>(1,026,147)</b>
Net proceeds from share issue, net of cost	2,290,007	-	-	-	2,290,007
Options lapsed/expired	-	-	(99,938)	-	(99,938)
Share option granted	-	-	68,310	-	68,310
<b>Balance at 31 December 2022</b>	<b>74,935,204</b>	<b>(693,929)</b>	<b>97,556</b>	<b>(69,643,861)</b>	<b>4,694,970</b>
Balance at 1 July 2021	70,373,317	(377,207)	246,720	(68,548,874)	1,693,954
Loss for the period	-	-	-	(950,898)	(950,898)
Other comprehensive loss for the period net of income tax					
- Foreign currency translation	-	(217,672)	-	1,250	(217,672)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(217,672)</b>	<b>-</b>	<b>(949,648)</b>	<b>(1,168,570)</b>
Net proceeds from share issue, net of cost	-	-	-	-	-
Options lapsed/expired	-	-	(146,783)	-	(146,783)
Share option expense	-	-	-	-	-
<b>Balance at 31 December 2021 – <i>Restated*</i></b>	<b>70,373,317</b>	<b>(594,879)</b>	<b>99,937</b>	<b>(69,498,522)</b>	<b>378,601</b>

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the condensed consolidated interim financial report. The consolidated statement of changes in equity for 31 December 2021 has been restated for the correction of error during that period (refer Note 25).

Condensed consolidated statement of cashflow

For the six months ended 31 December 2022

	<b>31 December 2022</b>	31 December 2021
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	1,189,930	1,744,319
Payment for royalties on production revenue	(220,267)	(172,509)
Interest received	10,424	3,312
Payment for production, suppliers and employees	(1,955,579)	(1,485,923)
Net cash flows (used in)/generated from operating activities	(975,462)	82,371
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(3,109,890)	800
Payment for tenements	-	(129,535)
Net cash flows used in investing activities	(3,109,890)	(128,735)
<b>Cash flows from financing activities</b>		
Proceeds from share issue (net of costs)	2,350,000	-
Net cash flows from financing activities	2,350,000	-
Net decrease in cash and cash equivalents	(1,735,352)	(46,364)
Cash at the beginning of the financial period	2,150,710	515,883
Effect of movement in exchange rates on cash held	(16,088)	(3,693)
<b>Cash and cash equivalents at 31 December 2022</b>	<b>399,270</b>	<b>422,229</b>

The condensed consolidated statement of cash flow is to be read in conjunction with the notes to the condensed consolidated interim financial report.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

## 1. Reporting entity

Whitebark Energy Limited (the 'Company') is a for profit company domiciled in Australia.

The address of the Company's registered office is 20d William Street, Norwood SA 5067.

The condensed consolidated interim financial report of the Consolidated Entity for the six months ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as the Consolidated Entity).

The Consolidated Entity is primarily involved in oil and gas exploration and production in Australia and Canada.

## 2. Statement of compliance

The condensed consolidated interim financial report is a general-purpose financial report prepared in accordance with the requirements of the Corporation Act 2001, Australian Accounting Standards AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Standards Board. Compliance with the Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The consolidated interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Consolidated Entity as at and for the year ended 30 June 2022.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the annual financial report of the Consolidated Entity as at and for the year ended 30 June 2022.

### 2(a) Going Concern

The accounts have been prepared on a going concern basis, which contemplates continuity by the Consolidated entity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Consolidated entity has incurred a loss after tax of \$ 831,978 for the half year ended 31 December 2022 (31 December 2021: \$ 950,898 loss - restated).

The net cash outflows from operations were \$ 975,462 and net cash outflows from investing activities were \$ 3,109,890.

As at 31 December 2022 the Consolidated entity's current liabilities exceeded its current assets by \$ 1,082,226 (30 June 2022: current assets exceeded current liabilities by \$ 2,100,847).

The cash position was \$ 399,270 as at 31 December 2022 (30 June 2022: \$ 2,150,710).

The Consolidated entity has prepared a cash flow forecast for the next twelve months from the date of signing the financial report which demonstrates that the Consolidated entity will have sufficient cash to continue as a going concern, subject the assumptions contained in that projection being achieved. These assumptions include a stable oil and gas price, certain minimum production volumes from all four wells, including the new Rex 4 well, and stable identified overheads.

The Directors have a reasonable expectation that the Wizard Lake operation will achieve its forecast positive cash flows. Should operations not perform as expected, or there is deterioration in the global oil and gas market, the Directors are confident that the Consolidated entity will be able to secure sufficient funding through equity and/or debt to continue as a going concern based on demonstrated past successes in raising equity.

Based on the above, the Directors have reasonable grounds to believe that the Consolidated entity will be able to pay its debts as and when they become due and payable and the Directors consider that the going concern basis of preparation to be appropriate for these interim financial statements.

Should the Consolidated Entity not achieve the matters set out above, there is a material uncertainty as to the ability of the Consolidated Entity to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business and amounts different from those stated in the financial report.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

### 3. Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency of the Company.

The functional currency of the Company's Canadian subsidiary is \$CAD.

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates.

### 4. Significant accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 June 2022.

The accounting policies have been applied consistently throughout the Consolidated Entity for the purposes of preparation of these condensed consolidated interim financial statements.

The Consolidated Entity has adopted the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.

### 5. Adoption of new and revised accounting standards

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 6. Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2022.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

## 7. Segment reporting

During the period the Consolidated Entity operated in two business segments (two geographical areas) being the exploration, development and production of oil and gas in Australia and Canada.

The Consolidated Entity has identified its operating segment based on the internal report that is reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

<b>December 2022</b>	<b>Australia A\$</b>	<b>Canada A\$</b>	<b>Total Segment A\$</b>	<b>Unallocated A\$</b>	<b>Consolidated A\$</b>
Total sales revenue (net of royalties)	-	1,103,398	1,103,398	-	1,103,398
Financial income	10,424	-	10,424	-	10,424
Total revenue	10,424	1,103,398	1,113,821	-	1,113,821
Segment result	(636,724)	(150,547)	(787,271)	-	(787,271)
Impairment of assets	-	-	-	-	-
Depletion, depreciation & amortisation	-	(44,706)	(44,706)	-	(44,706)
Profit before income tax expense	(636,724)	(198,853)	(831,978)	-	(831,978)
<b>Assets</b>					
Total current assets	296,436	1,076,850	1,373,286	-	1,373,286
Total non-current assets	-	8,442,795	8,442,795	-	8,442,795
Total assets	296,436	9,519,645	9,816,081	-	9,816,081
<b>Liabilities</b>					
Total current liabilities	(686,179)	(1,769,332)	(2,455,512)	-	(2,455,512)
Total non-current liabilities	(1,951,069)	(714,530)	(2,665,599)	-	(2,665,599)
Total liabilities	(2,637,248)	(2,483,862)	(5,121,111)	-	(5,121,111)

<b>December 2021 – Restated*</b>	<b>Australia A\$</b>	<b>Canada A\$</b>	<b>Total Segment A\$</b>	<b>Unallocated A\$</b>	<b>Consolidated A\$</b>
Total sales revenue (net of royalties)	-	1,644,500	1,644,500	-	1,644,500
Financial income	-	3,312	3,312	-	3,312
Other income	6,756	-	6,756	-	6,756
Total revenue	6,756	1,647,812	1,654,568	-	1,654,568
Segment result	(484,592)	457,177	(27,415)	-	(27,415)
Impairment of assets	(838,857)	-	(838,857)	-	(838,857)
Depletion, depreciation & amortisation	-	(84,626)	(84,626)	-	(84,626)
Profit before income tax expense	(1,323,449)	372,551	(950,898)	-	(950,898)
<b>Assets</b>					
Total current assets	135,034	922,318	1,057,352	-	1,057,352
Total non-current assets	-	3,589,496	3,589,496	-	3,589,496
Total assets	135,034	4,511,814	4,646,848	-	4,646,848
<b>Liabilities</b>					
Total current liabilities	(664,907)	(289,643)	(954,550)	-	(954,550)
Total non-current liabilities	(1,950,000)	(840,175)	(2,790,175)	-	(2,790,175)
Total liabilities	(2,614,907)	(1,129,818)	(3,744,725)	-	(3,744,725)

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

**8. Finance Income**

	<b>31 December 2022</b>	31 December 2021
	\$	\$
Interest income	<b>10,424</b>	3,312
	<b>10,424</b>	3,312

**9. Profit on disposal of assets**

	<b>31 December 2022</b>	31 December 2021
	\$	\$
Gain on disposal of equipment	-	800
	-	800

**10. Administrative expenses**

	<b>31 December 2022</b>	31 December 2021
	\$	\$
Directors' fees	<b>(77,575)</b>	(80,000)
Administration and finance support	<b>(117,097)</b>	(127,749)
General and administration	<b>(199,416)</b>	(206,174)
	<b>(394,088)</b>	(413,923)

**11. Other income/ (operating) expenses**

	<b>31 December 2022</b>	31 December 2021
	\$	\$
<b>Other operating expenses</b>		
Project costs	<b>(232,976)</b>	(287,691)
Legal Fees	<b>(22,977)</b>	-
Consultancy fees	<b>(242,610)</b>	(232,623)
Revision of Rehab and Abandonment provision	<b>8,295</b>	-
Workover expense	<b>(99,508)</b>	-
Auditor Remuneration	<b>(24,321)</b>	(71,117)
Share Registry	<b>(20,076)</b>	(11,802)
Travel	<b>(1,065)</b>	-
	<b>(635,238)</b>	(603,233)
<b>Other income</b>		
Other	-	5,956
	-	5,956

**12. Trade and other receivables**

	<b>31 December 2022</b>	30 June 2022
	\$	\$
<b>Current</b>		
Trade and other receivables	<b>639,785</b>	578,890
	<b>639,785</b>	578,890

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

**13. Other current assets**

	<b>31 December 2022</b>	30 June 2022
	\$	\$
Prepayments	<b>83,067</b>	10,227
Stock on Hand	<b>251,164</b>	225,846
	<b>334,231</b>	236,073

**14. Property plant and equipment**

	<b>31 December 2022</b>	30 June 2022
	\$	\$
Property, plant and equipment, at cost	<b>8,466,531</b>	3,963,725
Accumulated depletion, depreciation and amortisation	<b>(157,169)</b>	(112,463)
Accumulated impairment	-	-
	<b>8,309,362</b>	3,851,262

**Reconciliation of carrying amounts***Developed and Producing*

Opening balance	<b>3,851,262</b>	3,614,254
Decrease in asset retirement obligation asset	-	(254,607)
Additions	<b>4,573,884</b>	515,404
Foreign exchange	<b>(71,078)</b>	88,674
Depletion, depreciation and amortisation	<b>(44,706)</b>	(112,463)
	<b>8,309,362</b>	3,851,262

*Impairment test of property, plant and equipment*

The recoverable amount of property, plant and equipment is determined as the higher of fair value less costs of disposal using a discounted cash flow method or value-in-use and is assessed at the CGU level. Key input estimates used in the determination of cash flows from oil and gas reserves include estimates regarding recoverable reserves, forward price estimates of crude oil and natural gas prices, royalties forward price estimates of production costs and required capital expenditures and discount rate.

In determining the fair value less costs of disposal, the company used a discount rate of 10% for the Wizard Lake CGU's. The following table outlines the forecast benchmark commodity prices used in the impairment calculation of property, plant and equipment at 31 December 2022. Forecast benchmark commodity price assumptions tend to be stable because short-term increases or decreases in prices are not considered indicative of long-term price levels, but are nonetheless subject to change. The forecast used to generate the Average price forecast was developed from the average of McDaniels, Sproule, GLJ, and Deloitte.

	2022 (6 months)	2023	2024	2025	2026
WTI Crude Oil (\$US/bbl)	103.17	89.75	82.05	77.14	78.69
Edmonton Light Crude Oil (\$Cdn/bbl)	129.42	109.39	97.96	91.65	93.48
Western Canadian Select (\$Cdn/bbl)	108.42	88.39	76.96	70.65	72.48
Natural Gas Alberta AECO Spot (\$Cdn/MMBtu)	6.19	4.76	4.27	3.88	3.96

The impairment test of property, plant and equipment at 31 December 2022 concluded that the estimated recoverable amount was higher than the carrying amount of the Wizard Lake CGU and therefore no impairment required on these assets.

The fair value less costs of disposal values used to determine the recoverable amounts of the property, plant and equipment assets are categorized as Level 3 on the fair value hierarchy as the key assumptions are not based on observable market data.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

The impairment tests completed during the half- year ended 31 December 2022 are sensitive to changes in any of the key judgements such as a revision in reserves, a change in forecast benchmark commodity prices, changes in expected royalties, change in operating costs, which could increase or decrease the recoverable amount of the assets and result in additional impairment expense or recovery of the impairment expense.

Had the discount rate used have changed by 1%, or there was a price decrease of \$1.00/bbl and \$0.10/Mcf in the price deck for WTI and AECO respectively, the impairment assessment would not have changed.

## 15. Exploration and evaluation assets

	31 December 2022	30 June 2022
	\$	\$
Exploration and evaluation assets	<b>133,433</b>	<b>135,987</b>
<b>Movement in exploration and evaluation assets</b>		
Opening balance	135,987	-
Additions – Canada	-	135,987
Addition	-	839,626
Impairment of exploration and evaluation assets	-	(839,926)
Foreign currency movement	(2,554)	-
	<b>133,433</b>	<b>135,987</b>

Following review, no impairment was booked to exploration and evaluation assets for the 6 months ended 31 December 2022 (31 December 2021: \$Nil).

## 16. Trade and other payables

	31 December 2022	30 June 2022
	\$	\$
<b>Current:</b>		
Trade creditors	2,432,234	838,023
Other payables	23,278	26,803
	<b>2,455,512</b>	<b>864,826</b>

## 17. Decommissioning liabilities

	31 December 2022	30 June 2022
	\$	\$
Balance at the beginning of the period	2,625,357	2,017,244
Movement in Warro Project liability	-	839,926
Change in discount rate of liabilities	24,520	(36,673)
Revision of estimates	60,967	(254,607)
Foreign currency movement	(45,245)	(59,467)
Balance at the end of the period	<b>2,665,599</b>	<b>2,625,357</b>

The Company's decommissioning obligations result from its ownership interest in oil and natural gas well sites and facilities. The total decommissioning obligation is estimated based on the estimated costs to reclaim and abandon these wells and facilities and the estimated timing of costs to be incurred in future years.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

**18. Issued capital**

The Consolidated Entity recorded the following amounts within shareholder's equity as a result of the issuance of ordinary shares:

	<b>31 December 2022</b>	30 June 2022	<b>31 December 2022</b>	30 June 2022
	<b>Number of Shares</b>	Number of Shares	<b>\$</b>	<b>\$</b>
<b>Issued capital – Shares</b>				
<i>Share capital</i>				
Issued ordinary shares	<b>7,314,885,861</b>	5,648,219,196	<b>74,935,204</b>	72,645,197
<i>Movements in issued capital</i>				
Issued capital				
Opening balance	<b>5,648,219,196</b>	4,373,125,551	<b>75,465,992</b>	72,915,618
Issue of shares for cash	<b>1,666,666,665</b>	1,250,000,125	<b>2,500,000</b>	2,500,000
Shares issued on exercise of options		93,520	-	374
Share based payments		25,000,000	-	50,000
			<b>77,965,992</b>	75,465,992
Less share issue costs				
Opening balance			<b>(2,820,795)</b>	(2,542,301)
Current period costs			<b>(209,993)</b>	(278,494)
Closing balance share issue costs			<b>(3,030,788)</b>	(2,820,795)
	<b>7,314,885,861</b>	5,648,219,196	<b>74,935,204</b>	72,645,197

**19. Reserves**

	<b>31 December 2022</b>	30 June 2022
	<b>\$</b>	<b>\$</b>
Share based payment reserve	<b>97,556</b>	129,184
Foreign currency translation reserve	<b>(693,929)</b>	(499,760)
	<b>(596,373)</b>	(370,576)

**Movement in reserves**

	Period ended 31 December 2022
<i>Share based payment reserve</i>	
Opening balance 1 July 2022	129,184
Fair value of options vesting during the period	
Options lapsed/expired	(99,938)
Share Option Granted	68,310
Closing balance 31 December 2022	97,556

The share based payment reserve represents the value of options issued under the compensation arrangement that the Consolidated Entity is required to include in the consolidated financial statements.

This reserve will be reversed against share capital when the underlying options are exercised by the employee or consultant or expire. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the Consolidated Entity's own equity instruments.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

	Period ended 31 December 2022
<i>Foreign currency translation reserve</i>	
Opening balance 1 July 2022	(499,760)
Exchange losses for the period	(194,169)
Closing balance 31 December 2022	<u>(693,929)</u>

The foreign currency translation reserve comprises all foreign exchange differences from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

## 20. Options

### Unlisted Options

During the period, 55,000,000 unlisted options were granted and issued, 22,800,000 unlisted options lapsed unexercised on the expiry date of 15 November 2022.

An expense of \$8,317 has been recognised in the consolidated statement of profit or loss and other comprehensive income in respect of options issued for the period ended 31 December 2022. An amount of \$99,938, in relation to fair value of unlisted options lapsed due to unexercised on the expiry date of 15 November 2022, has been recognised as an income in the consolidated statement of profit or loss and other comprehensive income during the year. The net effect of \$91,621 has been recognised as income in the consolidated statement of profit or loss and other comprehensive income during the period. An amount of \$59,993 has been deducted from equity in respect of options granted to the Lead Manager to compensate for the consulting service in capital raised during the period.

The number of unlisted options outstanding over unissued ordinary shares at 31 December 2022 is 904,906,000 as follows:

Grant Date	Number of options granted	Vesting Date	Expiry date	Exercise price
28 May 2021	155,000,000	28 May 2021	28 May 2023	\$0.002
24 Mar 2022	70,000,000	7 Jun 2022	31 Jan 2024	\$0.004
23 May 2022	624,906,567	23 May 2022	23 May 2025	\$0.004
30 Nov 2022	30,000,000	6 Dec 2022	30 Nov 2025	\$0.003
30 Nov 2022	25,000,000	6 Jun 2023	6 Dec 2024	\$0.004
<b>Total</b>	<b>904,906,000</b>			

The input assumptions applied to measure the fair value of the unlisted options using a Black-Scholes model as per below:

Grant Date	Expiry date	Share price at grant date	Exercise price	Risk free rate	Number of options granted	Expected Volatility
30 Nov 2022	30 Nov 2025	\$0.002	\$0.003	3.17%	30,000,000	449%
30 Nov 2022	6 Dec 2024	\$0.002	\$0.004	3.17%	25,000,000	449%

### Listed Options

No listed options were granted, exercised or issued during the period.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

## 21. Related Party Transactions

The aggregate amounts recognised during the half year relating to directors' related parties and other related parties were as follows:

	Transactions value		Balance outstanding at	
	31-Dec-22	30-Jun-2022	31-Dec-22	30-Jun-22
Adelaide Equity Partners Ltd <sup>(i)</sup>	47,500	90,000	110,000	102,250
AE Administrative Services Pty Ltd <sup>(ii)</sup>	19,710	63,327	21,681	36,333
Business Initiatives Pty Ltd <sup>(iii)</sup>	81,050	139,030	65,224	56,949
	148,260	292,357	196,905	195,532

- (i) Adelaide Equity Partners Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of investor relations services and capital raise services provided.
- (ii) AE Administrative Services Pty Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of company secretarial services provided.
- (iii) Business Initiatives Pty Ltd is a company associated with Mr Matthew White. The charges were in respect of accounting, bookkeeping and financial control functions undertaken for the group.

## 22. Commitments

There has been no material change in operational or capital commitments since the signing of the audited 30 June 2022 financial statements.

## 23. Contingencies

There has been no material change in contingent assets or liabilities since the signing of the audited 30 June 2022 financial statements.

## 24. Subsequent events

There has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

## 25. Correction of errors

The statement of profit and loss for the half-year ended 31 December 2021 has been restated due to revenue and cost cut-off errors, and the impairment recovery of receivables was incorrectly posted in that period.

These errors have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impact on the Group's consolidated financial statements:

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

31 December 2021 – Profit and Loss	As previously reported	Impact of correction or error	
		Adjustments	As restated
Revenue	2,109,418	(339,349)	1,770,069
Royalties	(172,509)	46,940	(125,569)
Cost of sales	(856,557)	51,766	(804,781)
Impairment expense	281,637	(281,637)	-
Loss before income tax from continuing operations	(428,628)	(522,270)	(950,898)
Loss after income tax expense for the period	(428,617)	(522,270)	(950,898)
<b>Total comprehensive loss for the period</b>	<b>(646,300)</b>	<b>(522,270)</b>	<b>(1,168,570)</b>

31 December 2021 – Balance Sheet	As previously reported	Impact of correction or error	
		Adjustments	As restated
Retained earnings	(68,976,252)	(522,270)	(69,498,522)

[Directors' Declaration](#)

In the opinion of the Directors of Whitebark Energy Limited and its subsidiaries ("Consolidated Entity"):

1. the financial statements and notes set out on pages 8 to 21, are in accordance with the Corporations Act 2001 including:
  - a. giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2022 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Dated in Adelaide this 14th day of March 2023.

Signed in accordance with a resolution of Directors:



Director