



Quarterly Activity Report to 31 March 2022
29 April 2022

Whitebark Energy Limited (ASX:WBE) (“Whitebark” or the “Company”) 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

- Net production of 13,152 boe and revenue of A\$0.657 million during Q3 FY22
- The Company obtained full licensing approvals for the proposed Rex-4 and Rex-5 well locations including landholder and utility company liaison
- Whitebark launched a 1-for-2 non-renounceable entitlement offer to raise up to A\$4.4 million (before costs) at \$0.002 per share during the period to fund strategic optimization opportunities and the Wizard Lake Rex-4 development well
- Subject to reaching the minimum capital target of the Entitlement Offer, the Company expects to recommence official ASX quotation in Q4 FY22
- Cash balance as at 31 March 2022 of A\$0.216 million

Key Performance Metrics	Mar-22 QTR	Dec-21 QTR	Change	Mar-21 QTR	Dec-20 QTR	Change
Net Production BOE*	13,152	19,148	-32%	25,837	31,445	-18%
Sales Revenue AUD (millions)	\$0.657	\$1.028	-36%	\$0.935	\$0.733	-22%
Avg realised AUD price/BOE	\$50.0	\$53.7	-7%	\$36.2	\$23.3	45%

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

Whitebark Interim CEO, Dr Simon Brealey, commented:

“After a quarter of intense administrative activity focused on the Company’s relisting, and some challenging operational conditions over the winter months, I am pleased with the operational performance achieved at Wizard Lake during the quarter. Whitebark installed new compression facilities at Rex-3 to improve production and increase the longer-term potential of the field. In addition, the conditions necessary for implementation of a number of additional optimisation opportunities identified by the Strategic Review have been negotiated and we look forward to completing our immediate primary focus: exiting voluntary suspension.”

Corporate

Capital Raising

On 10 March 2022, Whitebark announced its intention to complete a 1-for-2 non-renounceable entitlement offer at an issue price of \$0.002 per share with one (1) free attaching option for every two (2) shares subscribed for to raise up to \$4.4 million (before costs) (“Entitlement Offer”). The Company will issue up to 2,186,562,776 new ordinary Whitebark shares and up to 1,093,281,388 new Whitebark options on completion of the Offer. The Offer closing date was 27 April 2022 and Offer proceeds will be allocated towards the acquisition of currently rented storage and pumping equipment, drilling of the Rex-4 development well, working capital and transaction/administration costs of the Offer.

ASX Relisting Process

The Company remains in discussions with the ASX with respect to the reinstatement of its securities to official quotation. The reinstatement conditions are outlined in Schedule 1 of the ASX Announcement titled “Prospectus – Non-Renounceable Issue” (released 10 March 2022) and include completion of the Offer and receipt of the minimum raise amount being \$2.5 million. The Company has received confirmation from the ASX that it will, subject to satisfaction of the reinstatement conditions, allow reinstatement to the official list to occur.

Financials

Receipts from customers during the March 2022 Quarter were A\$0.657 million, a 36% decrease on Q2 FY22 due to operational downtime attributable to extreme weather, installation of a new compressor and the reinstallation of the downhole pump at Rex-3. Realised barrel of oil equivalent price was \$50 down 7% compared to Q2 FY22 (see Table 1).

Whitebark held a cash balance of A\$0.216 million as at 31 March 2022 (49% decrease from 31 Dec 2021). The Company’s cash balance was heavily impacted by administrative costs associated with the audit of the FY21 Financial Report and the non-renounceable rights issue Prospectus. At the Company AGM on February 25th 2022, Whitebark shareholders approved that the Company appoint UHY Haines Norton as the Company’s auditor going forward.

Payments to related parties of the entity and their associates totalled \$40,000 during the period. This includes payment of \$20,000 to Adelaide Equity Partners Limited for providing Corporate Advisory and Investor Relations services to the Company, and \$20,000 to Business Initiatives Pty Ltd in respect of financial control, administration and accounting services.

Canadian Operations

Wizard Lake – (Whitebark 100% WI)

Production

Whitebark continued to operate the Wizard Lake Oil Field in Alberta, Canada during Q3 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 4,357 barrels of oil and 52,769 mcf gas (13,152 barrels of oil equivalent), averaging 146 barrels of oil equivalent per day (30% decrease compared to Q2 FY22, see Table 1). The decline in production was due chiefly to operational downtime, along with forecast natural reservoir pressure decline.

Wizard Lake experienced approximately 10 days of operational down-time in January 2022 due to extreme temperatures (with lows of < -40°C) and 25 days in February and March 2022 as the Company installed a new generator, downhole pump and compressor unit at Rex-3 to enhance production in the field. However, Whitebark also conducted well batching with demulsifier when the ambient temperature was appropriate and, when combined with the work completed on Rex-3, increased field oil and gas production from approximately 180 boepd as at 31 Dec 2021 to approximately 210 boepd as at 31 March 2022.

During the Quarter, Canadian subsidiary Rex Energy has continued to return funds to the Australian parent.

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

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 June 2022

- Gain approval from the ASX to exit voluntary suspension on Whitebark share trading
- Complete pre-drill work on directional plan, costing, geological prognosis and service provision (contract drilling rig) for drilling of Rex-4 well
- Finalize upgrade to compression facilities to include all three wells under same compression system

Tenement Schedule

Canada (Net Acres)

	Dec Quarter	Relinquishments	Acquisitions	Mar 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.

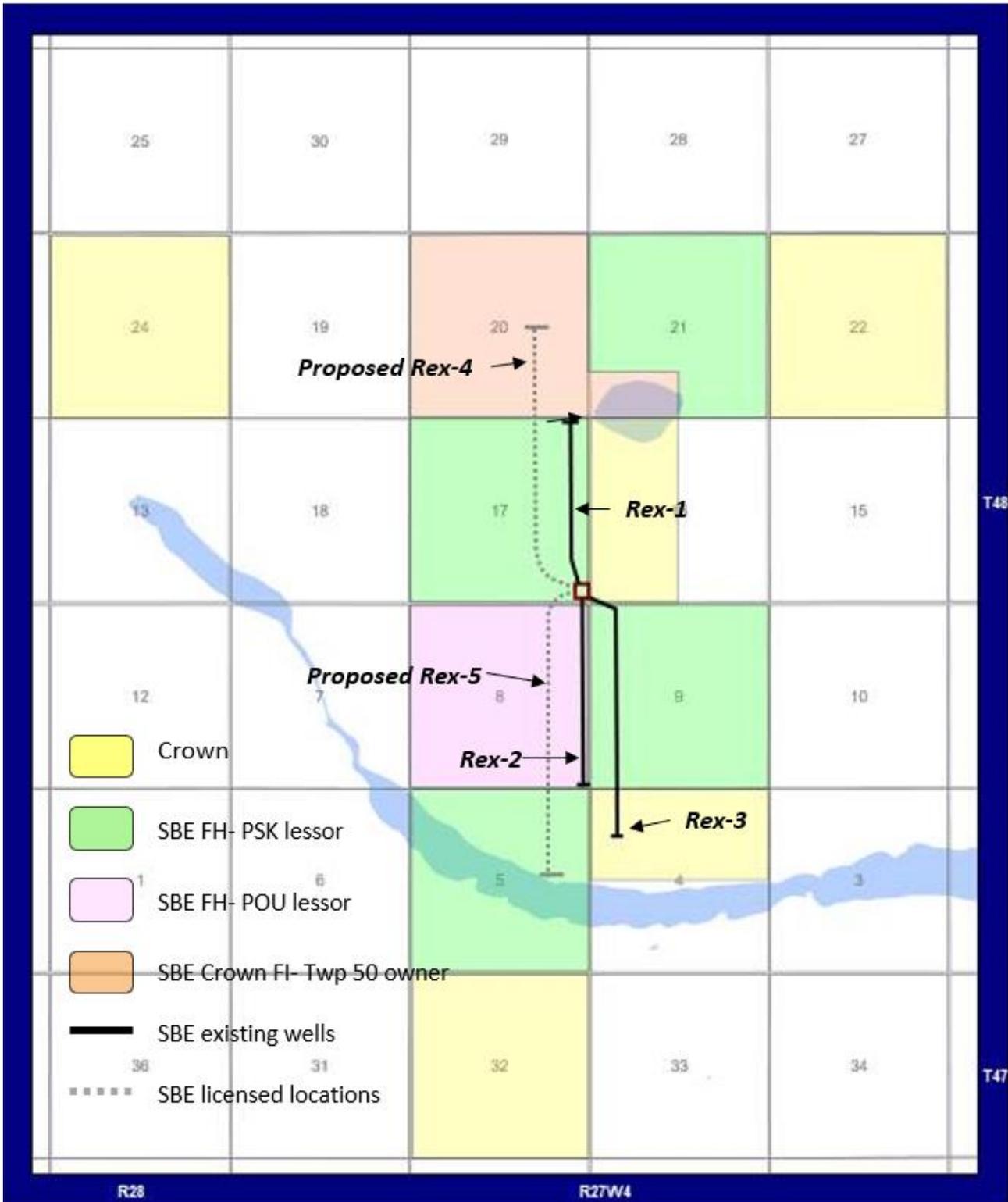


Figure 1 – Wizard Lake oil and gas field - location of existing and proposed wells

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")

31 MARCH 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	657	2,587
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	(52)
	(b) development	-	-
	(c) production	(391)	(1,273)
	(d) staff costs	-	-
	(e) administration and corporate costs ¹	(323)	(731)
	(f) production – royalties	(82)	(357)
	(g) field maintenance costs	(67)	(298)
	(h) costs of subsidiary restructure	-	-
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
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	(206)	(121)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements – Wizard Lake	-	(111)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-

¹ Includes \$105,000 Audit fees

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	-	(110)

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	-	-
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	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	422	394
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(206)	139
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(111)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	216	422

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	216	422
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)	216	422

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	40
6.2	Aggregate amount of payments from 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 (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)	(206)
8.2	Capitalised development expenditure (Item 2.1(f))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(206)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	216
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	216
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.05

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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: Yes – stabilised current production and forecast increase in September Quarter from new well (Rex-4)

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: Yes. Company Launched Non-renounceable Rights issue during the Quarter to raise \$2.5 - \$4.4 million. The offer is in progress at time of going to press and the Company will update the market in due course.

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: Yes. Operations are self-funding from production-generated revenue; successful capital raise will fund business growth.

Compliance statement

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

Date: 29 April 2022

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

Notes

- 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.
- 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.
- 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.