



ABN 68 079 432 796

Condensed consolidated interim financial report
for the six months ended

31 December 2021

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2021 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

Whitebark Energy Limited ("Whitebark" or the "Company") completed a thorough strategic review of its assets, cost base and growth strategy in July 2021 and the Company implemented a number of changes during first half FY22. This includes the appointment of Mr Giustino Guglielmo to the Board of Directors, a reduction in the operating cost base of the Company's Canadian and Australian assets and completion of an independent review of booked 1P and 2P reserves. In addition, Whitebark has worked closely with the Australian Securities Exchange in respect to the reinstatement of its securities to official quotation.

Production revenue (net of royalties) for the half year was \$1,936,909 (31 December 2020: \$1,343,517) and the total comprehensive loss for the half year was \$646,300 (31 December 2020: Loss \$13,473,013).

At the end of the half-year the Company had \$422,229 (30 June 2021: \$515,883) in cash.

Capitalised exploration and evaluation expenditure was \$129,535 (30 June 2021: NIL) and developed and producing plant and equipment was \$3,459,961 (30 June 2021: \$3,614,254).

As at 31 December 2021, 4,373,125,551 ordinary shares (30 June 2021: 4,373,125,551), no listed options (30 June 2021: NIL) and 177,800,000 unlisted options (30 June 2021: 197,800,000) were on issue in the Consolidated Entity.

Review of Operations

Canadian Operations

H1 FY2022

Wizard Lake Rex Oil Field

(WBE 100% WI AT 31 DECEMBER 2021)

Production

Wizard Lake Rex Oil Field ("Wizard Lake") production for the half was 12,250 bbls oil and 141,395 mcf gas which averaged 67 bopd and 768 mcfpd gas, equating to approximately 35,816 barrels of oil equivalent, or 194 boepd. Production averaged 59 bopd and 724 mcfpd in December 2021, which equates to 179 boepd over the final month of the half.

Operations

All Wizard Lake 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 effect on overall production was minimised via sequential shutdowns in August 2021:

- Rex-1 – the corroded polished rod was replaced in August 2021 which required one day of downtime and maintained consistent recovery post completion];

- Rex-2 – Whitebark mobilised a service rig to the site in August 2021 to complete wear and tear maintenance works including replacement of the Rex-2 sucker rods and well-bore pump. Overall production was initially impacted by +30% and returned to steady state by August 30
- In addition, September 2021 production was impacted by a failure of the rented surface pumping unit (hydraulic pumpjack) which was replaced at the cost of the rental company on September 27.
- Rex-3 – the bottom-hole pump was replaced in August 2021 due to frac sand production wear. September 2021 production was also impacted by gas-locking and the bottom-hole pump was replaced with a new model to resolve this issue. The well subsequently returned to steady-state production on September 15.

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

The majority of Prairie Sky-held freehold leases at Wizard Lake had primary terms expiring 29 November 2021. Freehold Leases can be extended by the drilling of a well, payment of extension bonuses, or renegotiation and expiring freehold leases were successfully renewed during the period with no attendant work commitments.

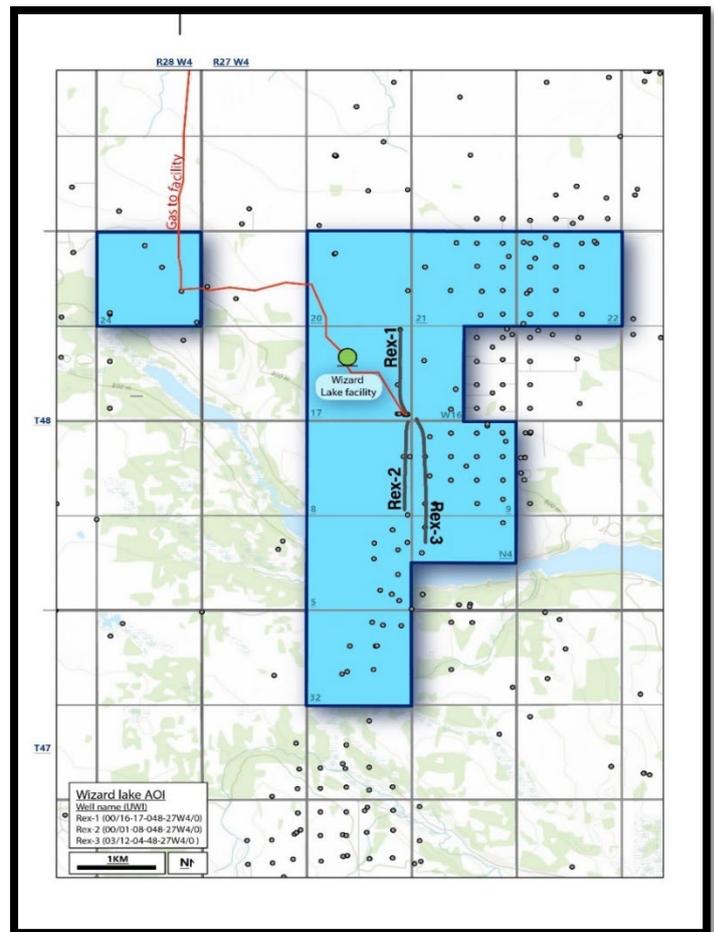


Figure 1 - Wizard Lake wells, pipeline, and land map

Rebranding of Salt Bush Energy

During November 2021, Whitebark advised that the Government of Alberta, by a Certificate of Amendment, under the Business Corporations Act, approved the change of name of its subsidiary “Salt Bush Energy Ltd.” to “Rex Energy Ltd.” effective 13 August 2021.

Rebranding of Saltbush Energy to Rex Energy Ltd reflects the name of the hydrocarbon-producing formation at Wizard Lake. Namely, the “Rex” formation is a Member of the Cretaceous Lower Manville Group stratigraphic division and is the key focus of the Company’s Wizard Lake development strategy. In addition, *T. rex* is the geological emblem of Alberta). Re-branding was considered appropriate to reflect Whitebark’s change of management and renewal of the Company to service providers. The change was communicated to clients, contractors, suppliers, the Alberta Energy Regulator (AER) and other regulatory bodies during November 2021. The new logo is shown below:



Western Australian Operations

Warro Gas Project (Whitebark WI 100%)

The Whitebark Board of Directors is currently assessing the Warro Gas Project to determine whether it is to be retained or divested to focus on core projects.

Events Subsequent to 31st December 2021

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) ("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 is 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 Reinstatement

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.

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

The Auditor's Independence Declaration is set out on page 9 and forms part of the Directors' report for the half-year ended 31 December 2021.

Dated at Sydney this 12 day of April 2022

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 2021, 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 subsidiaries it controlled during the financial period.

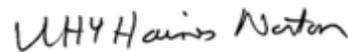


Mark Nicholaeff

Partner

Sydney

Dated: 12 April 2022



UHY Haines Norton

Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Whitebark Energy Limited,

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Whitebark Energy Limited ("the Company") and its subsidiaries ("The Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim 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 Group's financial position as at 31 December 2021 and of its performance for the period ended on that date; and
- (b) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the interim financial report, which indicates that the Group incurred a net loss of \$428,628 during the period ended 31 December 2021. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim 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 interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Whitebark Energy Limited during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

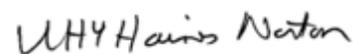


Mark Nicholaeff

Partner

Sydney

Dated: 12 April 2022



UHY Haines Norton

Chartered Accountants

Condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 31 December 2021

	Note	31 December 2021	31 December 2020
		\$	\$
Revenue		2,109,418	1,627,346
Royalties		(172,509)	(283,829)
Cost of goods sold		(856,557)	(908,587)
Gross Profit		1,080,352	434,930
Other income	11	5,956	531,371
Finance (costs) / income	8	3,312	(6,604)
Profit on disposal of assets	9	800	-
Change in fair value of financial assets		-	(73,152)
Expenses			
Administrative expenses	10	(413,923)	(844,576)
Finance costs		(6,828)	(17,767)
Impairment expense on property, plant and equipment		(838,857)	(10,312,562)
Impairment expense on trade receivables		281,637	(1,123,008)
Share based payments expense		146,782	(181,647)
Depletion, depreciation and amortisation		(84,626)	(627,577)
Other operating expenses	11	(603,233)	(785,160)
Loss before income tax expense from continuing operations		(428,628)	(13,005,752)
Income tax benefit		-	-
Loss after income tax expense for the period		(428,628)	(13,005,752)
Other comprehensive loss, net of tax			
Items reclassified through profit and loss:			
Foreign currency translation		(217,672)	(467,261)
Total comprehensive loss for the period		(646,300)	(13,473,013)
Loss per share		cents	cents
Basic and diluted loss per share		(0.0234)	(0.0032)

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 2019 has been restated for the correction of error during that period (refer Note 7).

Condensed consolidated statement of financial position

For the six months ended 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents		422,229	515,883
Trade and other receivables	12	630,971	260,180
Other current assets	13	4,152	7,248
Total current assets		1,057,352	783,311
Non-current assets			
Property, plant and equipment	14	3,459,961	3,614,254
Exploration and evaluation assets	15	129,535	-
Total non-current assets		3,589,496	3,614,254
Total assets		4,646,848	4,397,565
Current liabilities			
Trade and other payables	16	954,550	686,367
Total current liabilities		954,550	686,367
Non-current liabilities			
Decommissioning liabilities	17	2,790,175	2,017,244
Total non-current liabilities		2,790,175	2,017,244
Total liabilities		3,744,725	2,703,611
Net Assets		902,123	1,693,954
Equity			
Issued capital	18	70,373,317	70,373,317
Reserves	19	(494,943)	(130,489)
Accumulated losses		(68,976,251)	(68,548,874)
Total equity		902,123	1,693,954

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 2021

	Share capital A\$	Foreign currency translation reserve A\$	Share based payment reserve A\$	Accumulated losses A\$	Total A\$
Balance at 1 July 2021	70,373,317	(377,207)	246,720	(68,548,874)	1,693,954
Loss for the period	-	-	-	(428,628)	(428,628)
Other comprehensive loss for the period net of income tax					
- Foreign currency translation	-	(217,672)	-	1,250	(216,422)
Total comprehensive loss for the period	-	(594,879)	-	(427,378)	(645,050)
Net proceeds from share issue, net of cost	-	-	-	-	-
Options lapsed/expired	-	-	(146,783)	-	(146,783)
Share option expense	-	-	-	-	-
Balance at 31 December 2021	70,373,317	(594,879)	99,937	(68,976,252)	902,123
Balance at 1 July 2020	67,208,459	(140,059)	1,397,556	(59,662,709)	8,803,247
Loss for the period	-	-	-	(13,005,752)	(13,005,752)
Other comprehensive income for the period net of income tax					
- Foreign currency translation	-	(467,261)	-	-	(467,261)
Total comprehensive loss for the period	-	(467,261)	-	(13,005,752)	(13,473,013)
Net proceeds from share issue, net of cost	2,873,458	-	-	-	2,873,458
Options Lapsed/expired	-	-	(127,748)	127,748	-
Share option expense	-	-	181,647	-	181,647
Balance at 31 December 2020	70,081,917	(607,320)	1,451,455	(72,540,713)	(1,614,661)

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

Condensed consolidated statement of cashflow

For the six months ended 31 December 2021

	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities		
Receipts from customers	1,744,319	1,761,895
Payment for royalties on production revenue	(172,509)	(375,065)
Government grants received	-	135,900
Interest received	3,312	1,316
Payment for production, suppliers and employees	(1,485,923)	(2,750,368)
Net cash flows used in operating activities	82,371	(1,223,322)
Cash flows from investing activities		
Payment for property, plant and equipment	800	-
Payment for tenements	(129,535)	-
Payment for development	-	(1,596,453)
Net cash flows used in investing activities	(128,735)	(1,596,453)
Cash flows from financing activities		
Proceeds from share issue (net of costs)	-	2,828,458
Repayments of loans	-	(200,000)
Net cash flows from financing activities	-	2,628,458
Net (decrease) / increase in cash and cash equivalents	(46,364)	(191,317)
Cash at the beginning of the financial period	515,883	1,115,951
Effect of movement in exchange rates on cash held	(3,693)	(16,498)
Cash and cash equivalents at 31 December 2021	422,229	908,136

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 2021

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 2021 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 2021.

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 2021.

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 \$ 428,628 for the half year ended 31 December 2021 (2020: \$ 13,005,752 loss).

The net cash inflows from operations was \$ 82,371 and net cash outflows from investing activities were \$128,735 respectively.

As at 31 December 2021 the Consolidated entity's current assets exceeded current liabilities by \$ 102,802 (30 June 2021: \$ 96,944).

The cash position was \$ 422,229 (30 June 2021: \$ 515,883).

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 and stable identified overheads. In addition the cashflow forecast assumes a successful capital raise process (refer note 23 for more detail).

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 2021

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 United States of American subsidiary is USD and CAD for the Canadian subsidiary.

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 2021.

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 2021.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2021

7. Segment reporting

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

December 2021	Australia A\$	Canada A\$	Total Segment A\$	Unallocated A\$	Consolidated A\$
Total sales revenue (net of royalties)	-	2,109,418	2,109,418	-	2,109,418
Financial income	-	3,312	3,312	-	3,312
Other income	6,756	-	6,756	-	6,756
Total revenue	6,756	2,112,730	2,119,486	-	2,119,486
Segment result	(484,592)	697,811	213,218	-	213,218
Impairment of assets	(838,857)	-	(838,857)	-	(838,857)
Depletion, depreciation & amortisation	-	(84,626)	197,011	-	(84,626)
Profit before income tax expense	(1,323,449)	894,822	(428,628)	-	(428,627)
Assets					
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
Liabilities					
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)

December 2020	Australia A\$	Canada A\$	Total Segment A\$	Unallocated A\$	Consolidated A\$
Total sales revenue (net of royalties)	-	1,343,517	1,343,517	-	1,343,517
Financial income	(6,622)	18	(6,604)	-	(6,604)
Other income	135,900	395,471	531,371	-	531,371
Total revenue	129,278	1,739,006	1,868,284	-	1,868,284
Segment result	(1,059,560)	120,636	(938,924)	(3,681)	(942,605)
Impairment of property, plant & equipment	-	(10,312,562)	(10,312,562)	-	(10,312,562)
Impairment of trade receivables	-	(1,123,008)	(1,123,008)	-	(1,123,008)
Depletion, depreciation & amortisation	(2,039)	(625,538)	(627,577)	-	(627,577)
Profit before income tax expense	(1,061,599)	(11,940,472)	(13,002,071)	(3,681)	(13,005,752)
Assets					
Total current assets	960,778	632,409	1,593,187	-	1,593,187
Total non-current assets	8,601	3,249,542	3,258,143	-	3,258,143
Total assets	969,379	3,881,951	4,851,330	-	4,851,330
Liabilities					
Total current liabilities	(626,787)	(3,328,019)	(3,954,806)	-	(3,954,806)
Total non-current liabilities	(1,473,566)	(1,037,619)	(2,511,185)	-	(2,511,185)
Total liabilities	(2,100,353)	(4,365,628)	(6,465,991)	-	(6,465,991)

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2021

8. Finance (Costs) / Income

	31 December 2021	31 December 2020
	\$	\$
Interest income	3,312	1,316
Foreign currency gain / (loss)	-	(7,920)
	3,312	(6,604)

9. Profit on disposal of assets

	31 December 2021	31 December 2020
	\$	\$
Gain on disposal of equipment	800	-
	800	-

10. Administrative expenses

	31 December 2021	31 December 2020
	\$	\$
Directors' fees	(80,000)	(37,125)
Administration and finance support	(127,749)	(295,016)
General and administration	(206,174)	(459,629)
	(413,923)	(791,770)

11. Other income/ (operating) expenses

	31 December 2021	31 December 2020
	\$	\$
Other operating expenses		
Project costs	(287,691)	(166,509)
Tax advisory services	-	(23,626)
Consultancy fees	(232,623)	(120,720)
Revision of Rehab and Abandonment provision	-	(111,283)
Workover expense	-	(363,022)
Auditor Remuneration	(71,117)	(52,806)
Sundry	(11,802)	-
	(603,233)	(837,966)
Other income		
Gain on waiver of trade payables (note 24)	-	352,136
Jobkeeper subsidy	-	68,400
Cash flow boost	-	50,000
Other	5,956	60,835
	5,956	531,371

12. Trade and other receivables

	31 December 2021	30 June 2021
	\$	\$
Current		
Trade and other receivables	630,971	260,180
	630,971	260,180

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2021

13. Other current assets

	31 December 2021	30 June 2021
	\$	\$
Prepayments	4,152	7,248
	4,152	7,248

14. Property plant and equipment

	31 December 2021	30 June 2021
	\$	\$
Property, plant and equipment, at cost	4,406,429	3,636,473
Accumulated depletion, depreciation and amortisation	(946,468)	(22,219)
	3,459,961	3,614,254

Reconciliation of carrying amounts*Developed and Producing*

Opening balance	3,614,254	14,723,988
Additions	838,857	105,051
Foreign exchange	5,530	(175,717)
Disposals	(75,197)	(8,667)
Disposal of ownership through Reverse Vesting Order	-	(3,882,230)
Resumption of ownership through Reverse Vesting Order	-	3,882,230
Impairment	(838,857)	(10,351,783)
Other write-offs	-	1,091
Depletion, depreciation and amortisation	(84,626)	(679,709)
	3,459,961	3,614,254

Furniture and fixtures

Opening balance	-	1,035
Depreciation expense	-	(1,035)
	-	-

Office equipment

Opening balance	-	10,244
Additions	-	-
Depreciation expense	-	(10,244)
	-	-

Total property, plant and equipment

3,459,961 3,614,254*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.

Notes to the condensed consolidated interim financial statements*For the six months ended 31 December 2021*

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 2021. 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.

	2021 (6 months)	2022	2023	2024	2025
WTI Crude Oil (\$US/bbl)	73.25	71.00	67.77	65.77	66.88
Edmonton Light Crude Oil (\$Cdn/bbl)	85.55	84.99	79.72	77.02	78.36
Western Canadian Select (\$Cdn/bbl)	78.68	72.95	67.42	65.11	66.41
Natural Gas Alberta AECO Spot (\$Cdn/MMBtu)	4.02	3.83	3.26	2.99	3.05

The impairment test of property, plant and equipment at 31 December 2021 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.

The impairment tests completed during the half- year ended 31 December 2021 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.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2021

15. Exploration and evaluation assets

	31 December 2021	30 June 2021
	\$	\$
Exploration and evaluation assets	129,535	-
Movement in exploration and evaluation assets		
Opening balance	-	22,232
Additions – Canada	129,535	-
Impairment of exploration and evaluation assets	-	(22,232)
Foreign currency movement	-	-
	129,535	-

Following review, no impairment was booked to exploration and evaluation assets for the 6 months ended 31 December 2021 (31 December 2020: \$Nil).

16. Trade and other payables

	31 December 2021	30 June 2021
	\$	\$
Current:		
Trade creditors	930,064	686,367
Other payables	24,486	-
	954,550	686,367

17. Decommissioning liabilities

	31 December 2021	30 June 2021
	\$	\$
Balance at the beginning of the period	2,017,244	2,410,404
Movement in Warro Project liability	838,927	(230,314)
Change in discount rate of liabilities	-	169,769
Revision of estimates	(76,802)	(308,868)
Accretion expense	9,298	14,208
Foreign currency movement	1,508	(37,947)
Balance at the end of the period	2,790,175	2,017,244

¹ Liabilities acquired in Canada comprise of the decommissioning liability on the additional 10% interest in Wizard Lake, together with decommissioning liabilities on two new wells drilled during the prior year.

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 2021

18. Issued capital

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

	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	#	#	\$	\$
Issued capital – Shares				
<i>Share capital</i>				
Issued ordinary shares	4,373,125,551	4,373,125,551	70,373,317	70,373,317
<i>Movements in issued capital</i>				
Issued capital				
Opening balance	4,373,125,551	3,040,216,371	72,915,618	69,511,300
Issue of shares for cash	-	1,323,406,339	-	3,350,219
Shares issued on exercise of options	-	909,937	-	9,099
Share based payments	-	8,592,904	-	45,000
			72,915,618	72,915,618
Less share issue costs				
Opening balance			2,542,301	(2,302,841)
Current period costs			-	(239,460)
Closing balance share issue costs			2,542,301	(2,542,301)
	4,373,125,551	4,373,125,551	70,373,317	70,373,317

19. Reserves

	31 December 2021	30 June 2021
	\$	\$
Share based payment reserve	99,937	246,720
Foreign currency translation reserve	(594,880)	(377,209)
	(494,943)	(130,489)

Movement in reserves

	Period ended 31 December 2021
<i>Share based payment reserve</i>	
Opening balance 1 July 2021	246,720
Fair value of options vesting during the period	(146,783)
Options issued during the period	-
Closing balance 31 December 2021	99,937

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 2021

	Period ended 31 December 2021
<i>Foreign currency translation reserve</i>	
Opening balance 1 July 2021	(377,209)
Exchange gains/(losses) for the period	(217,672)
Closing balance 31 December 2021	<u>(594,879)</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, no unlisted options were granted, exercised or issued and 20,000,000 unlisted options lapsed on vesting conditions no longer being met.

No expenses has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the period ended 31 December 2021 in respect of options vesting during the period.

The number of unlisted options outstanding over unissued ordinary shares at 31 December 2021 is 177,800,000 as follows:

Grant Date	Number of options granted	Vesting Date	Expiry date	Exercise price
13 Nov 2019	22,800,000	13 Nov 2019	13 Nov 2022	\$ 0.012
28 May 2021	155,000,000	28 May 2021	28 May 2023	\$0.002
Total	177,800,000			

Subsequent to the end of the reporting period, the following unlisted options :

- 45,000,000 unlisted options were issued to directors on 24 March 2022 pursuant to shareholder approval at the Company's Annual General Meeting on 25 February 2022.
- 25,000,000 unlisted options were issued to the Interim CEO on 24 March 2022 pursuant to shareholder approval at the Company's Annual General Meeting on 25 February 2022.

Listed Options

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

At 31 December 2021, there were no listed options outstanding (30 June 2021: nil).

21. Commitments

There has been no material change in operational or capital commitments since the signing of the audited 30 June 2021 financial statements.

22. Contingencies

There has been no material change in contingent assets or liabilities since the signing of the audited 30 June 2021 financial statements.

Notes to the condensed consolidated interim financial statements*For the six months ended 31 December 2021*

23. Subsequent events

Other than the following matters, 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;

Capital Raising

On 10 March 2022, the Company launched an Entitlement Issue Prospectus (Offer). The Company intends to raise a minimum of A\$2.5million (before costs) and a maximum of approximately A\$4.4 million (before costs) via a 1-for-2 non-renounceable entitlements offer at an issue price of \$0.002 per share together with 1 free attaching option for every 2 shares subscribed under the Offer.

Issue of Options

45,000,000 unlisted options were issued to directors on 24 March 2022 following shareholder approval at the Company's Annual General Meeting held on 25 February 2022.

25,000,000 unlisted options were issued to the Interim CEO on 24 March 2022 following shareholder approval at the Company's Annual General Meeting held on 25 February 2022.

[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 5 to 18, 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 2021 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 12th day of April 2022.

Signed in accordance with a resolution of Directors:



Director