

Market Announcement

14 January 2021

Whitebark Energy Limited (ASX: WBE) – Suspension from Official Quotation

Description

The securities of Whitebark Energy Limited ('WBE') will be suspended from quotation immediately under Listing Rule 17.2, at the request of WBE, pending the release of an announcement regarding the outcome of a restructuring process.

Issued by

Dale Allen

Principal Adviser, Listings Compliance (Perth)

14th January 2021

SUSPENSION REQUEST

In accordance with Listing Rule 17.2, Whitebark Energy Limited (**Company** or **Whitebark**) requests that a voluntary suspension be applied to the Company's securities and sets out below the details of that request.

Whitebark's 100% owned Canadian subsidiary, Salt Bush Energy Ltd (SBE), has proactively filed a Notice of Intention to Make a Proposal ("Notice of Intention") pursuant to Subsection 50.4(1) of the Canadian Bankruptcy and Insolvency Act (R.S.C., 1985, c. B-3) (the "BIA"). SBE has an average 87.5% working interest in and operates the Wizard Lake Oil Field.

A Notice of Intention is the first stage of a restructuring process under the BIA with the objective of permitting SBE to pursue a restructuring of its financial affairs. The filing of the Notice of Intention will have the effect of imposing an automatic stay of proceedings ("Stay") that will protect SBE and its assets from the claims of creditors while the Company pursues this objective. The initial Stay period of 30 days can be extended by court order, during which time SBE will assess its ability to restructure its business, which may include the sale of SBE's going-concern business operations.

Pursuant to the Notice of Intention, Deloitte Restructuring Inc has been appointed as the proposal trustee in SBE's proposal proceedings and will assist SBE in its restructuring efforts. The formal restructuring process may take up to six months, but is anticipated to conclude within 90 days.

SBE is not currently in a position to meet the obligations owing to all its creditors and as such, has taken this action under the BIA as the most expeditious and economical manner of addressing the interests of its creditors and allowing it to carry on its operations.

WBE is the largest SBE creditor with an outstanding debt of A\$17.8 million, representing approximately 85% of the total SBE creditors.

In connection with or following the initiation of a sales process, WBE or another subsidiary can submit a bid under which there are options for satisfying the purchase price, including forgiveness of the proceeds WBE would otherwise receive from the proceeds of any sale.

SBE is not bankrupt and remains in possession of its property. SBE will continue to operate in the normal course as it takes steps to reorganize its affairs and to assess various options available to remain a viable enterprise going forward. The Directors and management of SBE will continue to operate the Company and work closely with its financial and other advisors to successfully conclude the restructuring process.

In accordance with Listing Rule 17.2, Whitebark advises that:

- a) the voluntary suspension is necessary to assist the Company in managing its continuous disclosure obligations as the Company expects to make a material announcement to the market regarding the outcome of the SBE restructuring process which may include the sale of SBE's interest in the Wizard Lake Oil Field;
- b) it requests the securities remain in voluntary suspension until the announcement to the market of the completion of the SBE restructuring plan. This is expected to occur within 90 days but may take as long as six months.
- c) it is not aware of any reason why the voluntary suspension should not be granted.

The Company will provide further updates as to the next steps in the process when these have been determined.

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

Yours sincerely



Kevin Hart
Company Secretary