



Quarterly Activity Report to 31 March 2021

11 May 2021

Corporate**Trading halt and Suspension**

Following a voluntary suspension of the Company's securities after a Trading Halt requested on 13 January 2021, Whitebark Energy Limited's ("Whitebark" or the "Company") 100% owned Canadian subsidiary, Salt Bush Energy Ltd ("SBE"), 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").

Strategic Review and Bid Process

The Company has conducted a strategic review (completed subsequent to end Q3 FY21) of the Wizard Lake Oil Field ("Wizard Lake"). This included a review of booked 1P and 2P reserves and resources; revisions are being audited by a SPE accredited competent person in Canada using May 2021 price assumptions, Opex and decline curves. The Company will provide an update to shareholders once this process is complete.

Whitebark, via its subsidiary Ironbark Energy (IBE), bid CAN\$2,000,000 comprised of CAN\$336,000 in cash and CAN\$1,664,000 in forfeit of an existing loan made by Whitebark to SBE. The process was initially open for a period until 31 March 2021 and was extended by a further 45 days to 13 May 2021. No competing bids were received for the assets during this time.

The Company intends to retain the Wizard Lake asset and implement defined performance improvement measures where possible. Whitebark is currently working through the process of asset reacquisition and transaction completion is expected on or around 19 May 2021. Retention of the asset is subject to approval by the Court of Alberta and payment of CAD\$336,000.

SBE has continued to operate Wizard Lake in the normal course during this period.

Board and Interim CEO

On 3 March 2021, Matthew White and Duncan Gordon were appointed to the board of Whitebark and David Messina and Stephen Keenihan resigned.

Subsequent to the end of the quarter, Dr Simon Brealey was appointed as interim Chief Executive Officer of Whitebark. This followed the commencement of a Wizard Lake review conducted by Dr Brealey on behalf of the Company.

Dr. Brealey has over 30 years of experience in onshore and unconventional oil and gas asset exploration and development with companies including Amoco Limited, Santos Limited, Beach Energy Limited and Cooper Energy Limited in Australia, Europe, Asia, and Africa.

Financials

Receipts from customers during the March Quarter were \$935,000, up 27.6% compared to the December 2020 Quarter. The increase was due to oil price increase and increased sales volumes.

The cash balance as of March 31 2021, was \$633,000.

Canadian Operations

Wizard Lake – (WBE 100% WI)

Production

During the quarter, SBE continued to operate Wizard Lake in Canada despite it being in a process as above.

Production for the quarter was 8,768 bbls oil and 102,417 mcf gas which averaged 97 bbls of oil per day and 1,138 mcf/d gas, equating to approximately 287 boe/d. Over the final seven days of the quarter, production averaged 90 bbls oil/d and 1,124 mcf/d which equates to 276 boe/d.

Well performance has levelled out in the quarter due to improved well bore management practices. The Company has identified several opportunities to optimise the field through minimising overheads and stabilising production, and is currently investigating the preferred scenario going forward.

Additional Mineral Lease at Wizard Lake

During the quarter, SBE acquired the remaining interests in Wizard Lake it did not already own from the Receiver of Point Loma Resources Inc (PLX), on the following key terms and conditions:

- The Effective Date of the Transfer is June 8, 2020, the date the Receiver was appointed;
- SBE makes no further claims against PLX and releases PLX from paying the amount owed to SBE calculated by SBE to be C\$996,481; and
- SBE assumes the assets on an “as is, where is” basis.

The transaction is not subject to Alberta Energy Regulator (AER) approval, however the AER is required to approve the transfer of the two well licenses (Rex-1 and Rex-2). Upon completion, SBE’s land position will increase to 6400 acres from 5632 acres prior to the transaction.

SBE now owns 100% of the Rex-1,2 & 3 wells and all associated facilities and infrastructure.

Western Australian Operations

Warro Gas Project (WBE WI 100%)

The new board of directors is currently re-assessing this asset to determine whether it is retained or disposed of.

Planned Activities to 30 June 2021

- Finalise the acquisition of Wizard Lake in subsidiary Ironbark Energy
- Relocation of the Whitebark office and control of the administration and finance function from Perth to Adelaide
- Review of operations, overheads and actions to tighten fiscal control and reduce expenses
- Establishment of new accounting system for the Australian parent and Whitebark subsidiaries.

Payments to related parties of the entity and their associates

Related party payments of \$76,000 were paid during the period being Directors Fees and Remuneration.

Tenement Schedule

Canada (Net Acres)

	December Quarter	Relinquishments	Acquisitions	March Quarter
Wizard Lake	5,632	0	768	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 and authorised 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.

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 2021

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		935	2,326
1.2 Payments for			
(a) exploration & evaluation (if expensed)		(100)	(313)
(b) development		-	-
(c) production		(544)	(1,588)
(d) staff costs		(175)	(570)
(e) administration and corporate costs		(289)	(885)
(f) production – royalties		(132)	(287)
(g) Field maintenance costs		(20)	(407)
(h) Costs of subsidiary restructure		(92)	(92)
1.3 Dividends received (see note 3)			
1.4 Interest received		-	1
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid			
1.7 Government grants and tax incentives		10	146
1.8 Other – Deposit paid for costs of restructure		(82)	(82)
1.9 Net cash from / (used in) operating activities		(489)	(1,751)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities			
(b) tenements – Wizard Lake		(36)	(36)
(c) property, plant and equipment			
(d) exploration & evaluation (if capitalised)		-	-
(e) investments			

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other - non-current development expenditure	54	(1,504)
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments	192	192
	(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	210	(1,348)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,040
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	10
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(221)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	-	(200)
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	-	2,629

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	908	1,116
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(489)	(1,751)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	210	(1,348)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,629

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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	(13)
4.6	Cash and cash equivalents at end of period	633	633

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	593	868
5.2	Call deposits	40	40
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)	633	908

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

76

-

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

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

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)	(489)
8.2	Capitalised development expenditure (Item 2.1(f))	54
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(435)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	633
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	633
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.45

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: No. Actions have been taken to significantly reduce staff and administration operating costs by the new directors. In addition, the re-patriation of the Wizard Lake asset is expected to improve cash flows once the transaction has been completed.

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: The entity has commenced a review of capital raising options and is currently assessing the appropriate strategy to deliver sufficient funds to meet its objectives in a timely manner. The entity has the support of its major shareholders and does not have any reason to believe that its capital raising activities will not be successful.

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, Measures to preserve cash flow have been accelerated by the new board including a further reduction in costs and taking action to liquidate listed assets held on balance sheet to increase cash flow. In addition, the company is positive about the level of investor support it will receive in respect of its capital raising options. The Directors are of the opinion the entity will be able to continue operations and meet its objectives.

Compliance statement

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

Date: 11 May 2021

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.