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Target's Statement

of **KING ENERGY LIMITED (ACN 661 214 151)**

in relation to RECOMMENDED TAKEOVER OFFERS by

WHITEBARK ENERGY LIMITED (ACN 079 432 796)

to acquire

all of your King Shares for **1.6894072 Whitebark Shares for every 1 King Share you hold** and

and all of your King Options for **3.3333333 Whitebark Options (exercisable at $0.05 each, expiring 31 March 2030) for every 1 King Option you hold.**

The Directors of King Energy Limited unanimously recommend you

ACCEPT

the Offers by Whitebark Energy Limited in the absence of a superior proposal.

The Offers are scheduled to close at 5.00pm (WST) on 10 March 2025, unless extended or withdrawn.

EMK Lawyers

Legal Adviser

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IMPORTANT NOTICES

Target's Statement

This document is a Target's Statement dated 21 February 2025 and is issued by King Energy Limited (ACN 661 214 151) (**King** or **King Energy**) under Part 6.5 Division 3 of the Corporations Act. This Target's Statement sets out the King Board's formal response to the off-market takeover bids made by Whitebark Energy Ltd (ACN 079 432 796) (**Whitebark** or **WBE**) for all the King Shares and all King Options on issue (**Offers**).

Your Directors recommend that you read this Target's Statement in full and seek independent advice if you have any queries in respect of the Offer.

ASIC disclaimer

A copy of this Target's Statement was lodged with ASIC on 21 February 2025. Neither ASIC nor its officers take any responsibility for the content of this Target's Statement.

Defined terms

Certain terms used in this Target's Statement have defined meanings, as set out in Section 14 of this Target's Statement.

No account of personal circumstances

The King Board recommends that you read this Target's Statement and the Bidder's Statement (as amended by any supplementary Target's Statement and Bidder's Statement) in full and seek independent advice if you have any queries in respect of the Offer. The information contained in this Target's Statement does not constitute personal advice. In preparing this Target's Statement, King has not taken into account the objectives, financial situation or needs of individual King Securityholders. It is important that you consider the information in this Target's Statement in light of your particular circumstances. You should seek advice from your financial, legal or other professional adviser before deciding whether to accept or reject the Offers.

Forward looking statements

Some statements in this Target's Statement may be in the nature of forward looking statements. You should be aware that these statements are not statements of known fact and that there is no certainty of outcome in relation to the matters to which the statements relate. Those statements reflect views held only as at the date of this document and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to King, Whitebark, the market sector in which they operate, as well as general economic conditions and conditions in the financial markets, exchange rates, interest rates and the regulatory environment, many of which are outside the control of King, Whitebark or their respective directors. As a consequence, actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of King, any of its Directors, officers or employees or any person named in this Target's Statement with their consent or anyone involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement or any events or results expressed or implied in any forward looking statement, except the extent required by law. You are cautioned not to place undue reliance on those statements. The forward-looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Disclaimer as to information on Whitebark

The information on Whitebark contained in this Target's Statement has been compiled from and prepared by King using publicly available information and limited information provided by Whitebark (including under its Bidder's Statement as varied by any supplementary Bidder's Statement) and has not been independently verified by King or its advisers. Accordingly, to the extent permitted by the Corporations Act, King makes no representations and warranties, express or implied, as to the accuracy or completeness of such information. If any information obtained from Whitebark or the public sources is inaccurate or incomplete, this may affect the information included in this Target's Statement.

Risks

There are a number of risks associated with the Offers, and with remaining a King Securityholder. Please refer to Section 10 of this Target's Statement for further information on those risks.

Foreign Jurisdictions

The release, publication or distribution of this Target's Statement may be restricted by law or regulation in some jurisdictions outside Australia. Accordingly, persons outside Australia who come into possession of this Target's Statement should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations outside Australia.

Statements of past performance

This Target's Statement includes information regarding the past performance of King and Whitebark. Investors should be aware that past performance should not be relied on as being indicative of future performance.

Value of Whitebark Shares

As you are being offered Whitebark Shares and Whitebark Options as consideration for your King Shares and King Options, the implied value of the Offers will vary with the market price of Whitebark's Shares.

Further information on the implied value of the Offers is contained in the Bidder's Statement as varied by any supplementary Bidder's Statement. Before accepting the Offers, King Securityholders should obtain current quotes for Whitebark Shares and Whitebark Options as

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well as King Shares and King Options from their stockbroker, financial adviser, or otherwise.

Websites

Whitebark maintains a website at www.whitebarkenergy.com.au.

Information contained in or otherwise accessible through this website is not part of this Target's Statement. All references to this website in this Target's Statement are for information purposes only.

Maps and diagrams

Any maps, diagrams, charts, graphs and tables contained in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in maps, diagrams, charts, graphs and tables is based on information available as at the date of this Target's Statement.

Currencies

In this Target's Statement, references to "Australian dollars", "AUD", "$", "A$" or "cents" are to the lawful currency of Australia.

Estimates and Assumptions

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Target's Statement are references to estimates, assumptions and derivations of the same by King's Directors. These estimates reflect and are based on views as at the date of this Target's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

Effect of Rounding

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Target's Statement.

Privacy Statements

King has collected your information from the King register of members for the purpose of providing you with this Target's Statement. The type of information King has collected about you includes your name, contact details and information on your holding of King Securities.

Your information may be disclosed on a confidential basis to King and its Related Bodies Corporate, holders of King Securities and external service providers (such as King's share registry) and may be required to be disclosed to regulators (such as ASIC and the ASX).

If you would like to obtain details of the information held about you by King, please contact the Company on +61 8 6149 7516.

Enquiries

Whitebark has established an Offer Information Line which King Securityholders may call if they have any queries in relation to the Offers. The telephone number for the Offer Information line is +61 08 9323 2000. For legal reasons, calls to this number will be recorded.

If you have any enquiries in relation to your King securityholding, please contact the Company on+61 8 6149 7516 or by email on info@kingenergyltd.com.

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1. NON-EXECUTIVE DIRECTOR LETTER

21 February 2025

Dear King Securityholders,

RECOMMENDED OFF-MARKET TAKEOVER OFFERS FOR KING SECURITIES

On behalf of the Board of King Energy Limited (**King**), I am pleased to present you with this Target's Statement and the opportunity to combine with Whitebark Energy Limited (**Whitebark**) via Whitebark's off-market takeover offer to acquire all of your King Shares (**Share Offer**) and separate off-market takeover offers to acquire all of your King Options (**Option Offers**).

Under the Share Offer, King Shareholders are being offered **1.6894072 new Whitebark Shares for every 1 King Share they hold.**

Under the separate Option Offers, King Optionholders are being offered **3.3333333 unlisted Whitebark Options (exercisable at $0.05 each, expiring 31 March 2030) for every 1 King Option they hold**[1].

King's Board of Directors unanimously recommends that King Securityholders ACCEPT the Offers in the absence of a superior proposal.

King Energy currently indirectly owns 70% (with an option to acquire the remaining 30%) of one of Australia's largest prospective, onshore seismically defined sub-salt, white hydrogen, helium and hydrocarbon projects, located in the Officer Basin, South Australia (the **Alinya Project**).

The takeover of King by Whitebark Energy, if successful, will provide access to capital to allow the maturation of the Alinya Project which King may otherwise not be able to access via other routes. The takeover also provides liquidity for King securityholders through an investment in an ASX listed company and exposure to Whitebark's complimentary oil and gas and hydrogen projects.

The Share Offer represents an implied value[2] of:

(a) 1.1826 cents per King Share based on Whitebark's last closing price of 0.7 cents on 19 December 2024 (being the last trading day in Whitebark Shares before the Announcement Date): and

(b) 1.0136 cents per King Share based on the last closing price of Whitebark Shares of 0.6 cents on 20 February 2025 (being the last trading day in Whitebark Shares before the finalisation of this Target's Statement) (**Last Practicable Date**).

The Option Offers represent an implied value of:

(a) 0.4697 cents per King Option calculated using a Black & Scholes valuation of Whitebark Options based on the deemed issue price of Whitebark Shares of 1.2 cents; and

[1] King Options comprise King Class A Options ($0.25, 24 November 2027 expiry) and King Class B Options ($0.25, 10 August 2027 expiry) issued with same terms except for the expiry dates. Whitebark is making separate Option Offers for each class of King Option.

[2] The exact market value of the consideration you will receive will depend on the price at which the Whitebark Shares trade on the ASX after they are issued to you.

(b) 0.3760 cents per King Option calculated using a Black & Scholes valuation of Whitebark Options based on the closing price of Whitebark Shares on the Last Practicable Date of 0.6 cents[3].

Upon successful completion of the Offers, King Shareholders will own approximately 14.9% of the Combined Group on an undiluted basis and King Securityholders will own approximately 17.9% of the Combined Group on a fully diluted basis[4].

King Directors Richard King, Stuart King and Barnaby Egerton-Warburton intend to accept the Offers 21 days after the Offers become open for acceptance with respect to all King Securities owned or controlled by them, subject to there being no Superior Proposal. Together, they currently own or control:

- 11,763,180 King Shares (representing 19.9% of King Shares); and
- 6,583,500 King Options (representing 21.9% of the King Options).

As at the date of this Target's Statement, no Superior Proposal has been received by King.

After careful consideration of the Offers and the risks associated with King proceeding as a stand-alone entity, King's Board considers the opportunity to combine with Whitebark to be compelling for King Securityholders.

A detailed explanation of the reasons why you should **ACCEPT** the Offers is set out in Section 2 of this Target's Statement. In addition, the Target's Statement sets out other matters that may be relevant to your decision whether to **ACCEPT** the Offers. I encourage you to read both the Bidder's Statement (as varied by any supplementary Bidder's Statement) and the Target's Statement and to seek independent advice if required.

The Offers are scheduled to close at 5.00pm (WST) on 10 March 2025, unless extended or withdrawn by Whitebark. To **ACCEPT** the Offers, follow the instructions set out in the Bidder's Statement.

Yours sincerely



Richard King
Non-Executive Director
King Energy Limited

[3] Calculated a 3.91% risk free rate and 124% volatility rate.
[4] These calculations assume Whitebark acquires 100% of King Shares and 100% of King Options, and no other Whitebark Securities are issued other than 251,816,616 Whitebark Shares and 153,846,155 Whitebark Options (1.5 cent exercise price, 31 March 2027 expiry) under Tranche 2 of the Whitebark Capital Raising (which are subject to Whitebark Shareholder approval) and the Officer Energy Option is exercised resulting in the issue of 2,955,000 Whitebark Shares and 2,955,000 Whitebark Options.

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2. REASONS TO ACCEPT THE OFFERS

2.1 Overview

The Directors have considered the advantages and disadvantages of the Offers and unanimously recommend that you **ACCEPT** the Offers in the absence of a superior proposal.

The key reasons for this recommendation are as follows. Securityholders should also refer to Section 2 of the Bidder's Statement.

In reaching a decision on whether to accept or reject the Offers, King Securityholders should also carefully consider Section 10 of this Target's Statement and Section 10 of the Bidder's Statement which summarise relevant key risks.

- Opportunity to become a securityholder in an **enlarged company with energy transition assets**
- **Enhanced liquidity** as Whitebark is listed on the ASX
- There are **material risks in King** continuing as a stand-alone entity
- The Offers are **subject to minimal conditions**
- **No superior proposal** has emerged to date

2.2 Securityholders in an enlarged company with energy transition assets[5]

Upon successful completion of the Offers, King Shareholders will own approximately 14.9% of the Combined Group on an undiluted basis and King Securityholders will own approximately 17.9% of the Combined Group on a fully diluted basis[6].

King Securityholders will therefore continue to have exposure to the future upside associated with King's assets whilst mitigating and diversifying their risks by becoming part of a larger, and more diversified, company that has:

(a) energy assets in Queensland, South Australia and Western Australia;

(b) a board with proven listed ASX company experience, and a management team with proven exploration and operational expertise to undertake exploration and commercialisation of the Alinya Project, and to identify and deliver future growth opportunities; and

(c) the financial capacity to access capital for the maturation of the Alinya Project.

[5] Assuming Whitebark acquires 100% of King Securities under the Offers.

[6] On an undiluted basis assuming Whitebark acquires 100% of King Shares and 100% of King Options, and no other Whitebark Securities are issued other than 251,816,616 Whitebark Shares and 153,846,155 Whitebark Options (1.5 cent exercise price, 31 March 2027 expiry) under Tranche 2 of the Whitebark Capital Raising (which are subject to Whitebark Shareholder approval) and the Officer Energy Option is exercised resulting in the issue of 2,955,000 Whitebark Shares and 2,955,000 Whitebark Options.

In the absence of a superior proposal, the proposed merger with Whitebark represents the best strategic fit for King and a superior proposition for King Securityholders rather than King continuing on a stand-alone basis.

2.3 Enhanced liquidity as Whitebark is listed on the ASX

If the Offers are completed, Whitebark Shares issued to King Shareholders who accept the Share Offer will be tradable on the ASX, and King Optionholders who are issued Whitebark Options under the Option Offers and who subsequently exercise those Whitebark Options, will receive Whitebark Shares which will be tradable on the ASX (subject to Whitebark remaining listed on the ASX at that time and Whitebark Shares being freely tradeable in general and not suspended from trading).

The value of Whitebark Shares issued under the Share Offer will reflect the market value of Whitebark Shares traded on the ASX, which may rise and fall over time based on market conditions and the Combined Group's financial and operational performance. If the Combined Group's share price falls, the value of the Whitebark Shares received by King Shareholders that accept the Share Offer will decline in value.

The following table sets out some examples of the consideration you will receive if you accept the Share Offer for all of your King Shares, assuming that the value of a Whitebark Share is 0.6 cents – being the same price it was at close of trading on 20 February 2025 (the Last Practicable Date), as well as if the value of a Whitebark Share increased or decreased by 20%.

King Shares held	Whitebark Shares issued	Value if Whitebark Share price is 0.48 cents	Value if Whitebark Share price is 0.6 cents	Value if Whitebark Share price is 0.72 cents
50,000	84,470	$405.46	$506.82	$608.19
100,000	168,941	$810.92	$1,013.64	$1,216.37
500,000	844,704	$4,054.58	$5,068.22	$6,081.87
1,000,000	1,689,407	$8,109.15	$10,136.44	$12,163.73
2,500,000	4,223,518	$20,272.89	$25,341.11	$30,409.33

2.4 Material risks in King continuing as a stand-alone entity

King, as a stand-alone company, faces material risks including the following:

(a) **Future funding requirements**: King requires additional capital to fund the proposed exploration program for the Alinya Project. Such funding may not be obtained on reasonable terms or at all. If King is unable to fund its share of the minimum required work program for the Alinya Project, its 70% shareholding in Officer Energy may be compulsorily acquired by the Elpis Vendors in accordance with the Shareholders Agreement or the Alinya Projects permits surrendered.

(b) **King Securities may fall in value**: If the Offers are unsuccessful and no other offers emerge, and King is unable to access capital, the value of King Securities may decrease and King Securityholders will be exposed to the ongoing risks associated with an investment in King. In particular, King Securityholders will have full exposure to the risk associated with King's existing projects. Given the risks associated with King proceeding as a stand-alone entity and the advantages presented by the Combined Group as set out in Sections 2.2 to 2.3 above, the Board considers that the combination of King and Whitebark under the Offers

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represents a superior proposition for King Securityholders than King proceeding on a stand-alone basis.

Section 10.5 provides additional details in relation to the risks relating to King as a stand-alone entity.

2.5 Offers are subject to minimal conditions

The Share Offer is subject to minimal and market standard conditions including (among other things) a 90% minimum acceptance condition, no regulatory action, no prescribed occurrences in relation to King, no material acquisitions or disposals, no material adverse change and all necessary regulatory approvals being obtained (**Share Offer Conditions**).

The Share Offer Conditions are summarised in Section 9.6 of this Target's Statement and set out in full in Section 12.10 of the Bidder's Statement.

The Option Offers are conditional on the Share Offer 90% minimum acceptance condition being satisfied and the Share Offer becoming unconditional (**Option Offers Conditions**).

The Option Offers Conditions are set out in full in Section 12.11 of the Bidder's Statement.

2.6 No superior proposal has emerged

The Offers were announced to the market on 20 December 2024. As at the date of this Target's Statement, no superior proposal has emerged that would cause the Directors to reconsider their current recommendation.

If a competing transaction for King emerges, your Directors will carefully consider the proposal to determine whether it is a superior proposal and will inform you of any material developments which may affect your Directors' views that the Offers are presently the most favourable proposal for all your King Securities.

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3. OTHER CONSIDERATIONS REGARDING THE OFFERS

3.1 Possible Reasons to not accept the Offers

There are some reasons why King Securityholders may not choose to accept the Offers, including:

(a) **You may disagree with the recommendation of King Directors**. You may have a different view on the merits of the Offers and believe that the consideration offered of 1.6894072 Whitebark Shares per King Share and 3.3333333 Whitebark Options per King Option is inadequate to acquire your King Securities.

(b) **You may wish to remain a King Securityholder**: Accepting the Offers will result in you no longer being a King Securityholder, and you will no longer be entitled to directly participate in the future growth of King or exercise your rights as a King Securityholder (including voting rights).

(c) **The tax consequences of the Offers may not be favourable to you given your financial position**. Acceptance of the Offers may have tax implications for King Securityholders. You should carefully read and consider the potential Australian taxation consequences of accepting the Offers as summarised in Section 11 of this Target's Statement and Section 9 of the Bidder's Statement.

King Securityholders should not rely on the taxation considerations set out in Section 11 of this Target's Statement and Section 9 of the Bidder's Statement as being advice on their own affairs and King Securityholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the Offers given their particular circumstances.

(d) **You may consider there is a potential for a superior proposal to emerge for King Securities**. It is possible that a proposal that is superior to the Offers materialises in the future. King Securityholders who accept the Offers would not have an opportunity to consider such future potential offer. As at the date of this Target's Statement, no alternative proposal has been received by King.

3.2 Risks associated with accepting the Offers and being a Whitebark Securityholder

Details on the risks associated with accepting the Offers and being a Whitebark Securityholder are contained in Section 10.2 of this Target's Statement and Section 10 of the Bidder's Statement.

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4. YOUR CHOICES AS A KING SECURITYHOLDER

ACCEPT the Offers	This is the course of action unanimously recommended by your Directors in the absence of a superior proposal. Section 3 of the Bidder's Statement contain details on how to accept the Offers made to you. If you decide to accept an Offer made to you, your acceptance must be received before the close of the Offer Period for the Offer. All Offers are currently scheduled to occur at 5.00pm (WST) on 10 March 2025 unless extended in accordance with the Corporations Act.
Sell your King Securities	King Securityholders can sell their King Securities (unless you have previously accepted the Offers made to you and you have not validly withdrawn your acceptance). King Securityholders who sell their King Securities may be liable for capital gains tax. If you sell your King Securities, you will receive the consideration for the sale of your King Securities sooner than if you accept Whitebark's Offers. In addition, if you sell your King Securities you will lose your ability to accept: • Whitebark's Offers and receive the Whitebark Securities as consideration (and possible increases in the consideration); and • any offer from a competing bidder if one eventuates.
Do nothing	If you do not wish to accept the Offers made to you, you can choose to do nothing. By doing nothing you will continue to remain a King Securityholder. If the Offers are completed with Whitebark acquiring less than 90% of King Shares, King Securityholders who do not accept the Offers will become minority King Securityholders. If Whitebark acquires 90% or more of King Shares and King Options during or at the end of the Offer Period, Whitebark will be entitled to compulsorily acquire the King Shares and King Options it does not already own. King Securityholders should refer to Section 7 of the Bidder's Statement for Whitebark's intentions in these situations, and Sections 10.4 and 10.5 of this Target's Statement for the risks of remaining a King Securityholder.

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5. FREQUENTLY ASKED QUESTIONS

This Section answers some questions you may have about the Offers. It is not intended to address all relevant issues for King Securityholders. This Section should be read together with all other parts of this Target's Statement and the Bidder's Statement.

Question	Answer
What are the Offers and who has made it?	Whitebark Energy Ltd (ACN 079 432 796) (**Whitebark**) has made separate conditional off-market takeover offers to acquire all of your King Shares and all of your King Options (**Offers**). The Offers opened on 10 February 2025 and are to close at 5.00pm (WST) on 10 March 2025 unless extended or withdrawn by Whitebark. The Share Offer is being made to all King Shareholders. Two Option Offers are being made: • the King Class A Option Offer is being made to all King Class A Optionholders; and • the King Class B Option Offer is being made to all King Class B Optionholders[7]. The Option Offers are on the same terms as each other. Whitebark is listed on the ASX (ASX Code: WBE) and owns the Warro gas field in Western Australia and the Cooper Basin Project in SW Queensland that is prospective for geothermal energy and green hydrogen. Information in relation to Whitebark is set out in Section 4 of the Bidder's Statement or can otherwise be obtained via the Whitebark website at https://www.whitebarkenergy.com.au.
What is Whitebark offering for your King Shares?	Whitebark is offering to issue you 1.6894072 Whitebark Shares for every 1 King Share you hold, with any fractional entitlement rounded up to the nearest whole number. The market value of Whitebark Shares will fluctuate during the Offer Period. However, the Share Offer had an implied value of 1.0136 cents per King Share based on the closing price of Whitebark Shares of 0.6 cents on the Last Practicable Date. Whitebark may increase the Share Offer consideration during the Offer Period, in which case you will be entitled to that increased consideration if you have accepted, or choose to accept, the Share Offer.
Does Whitebark currently have a	As at the Last Practicable Date, Whitebark has announced a Relevant Interest in nil King Shares, being 0% of King.

[7] King Options comprise King Class A Options ($0.25, 24 November 2027 expiry) and King Class B Options ($0.25, 10 August 2027 expiry) issued with same terms except for the expiry dates.

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Question	Answer
Relevant Interest in any King Shares?	Whitebark is required to notify King when it acquires Voting Power of 25%, 50%, 75% and 90% in King Shares.
What is Whitebark offering for your King Options?	Whitebark is offering to issue you 3.3333333 Whitebark Options for every 1 King Option you hold with any fractional entitlement rounded up to the nearest whole number. Whitebark may increase the Option Offers consideration during the Offer Period, in which case you will be entitled to that increased consideration if you have accepted, or choose to accept, an Option Offer.
Does Whitebark currently hold any King Options?	As at the Last Practicable Date, Whitebark does not hold any King Options.
What is the Bidder's Statement?	The Bidder's Statement contains information on the Offers. The law requires Whitebark to send it to you.
What is this Target's Statement	This booklet comprises the Target's Statement and has been prepared by King. King is required by law to produce this Target's Statement in response to the Offers. The Target's Statement contains information to help you decide whether to accept or reject the Offers, including the recommendation by the King Board.
What do you need to do?	Read this Target's Statement and the Bidder's Statement. If you are unsure whether to accept the Offers, consult your legal, financial, tax or other professional advisers. If you wish to accept the Offers (and have not previously accepted the Offers or validly withdrawn your acceptance), follow the instructions in the Bidder's Statement, in particular Section 3. If you wish to reject the Offers, do nothing. There are implications for you in relation to each of these choices. An outline of these implications is set out in Section 4 of this Target's Statement.
What do King Directors recommend and why?	Your Directors unanimously recommend that you **ACCEPT** the Offers in the absence of a superior proposal. The reasons for your Directors' recommendation are set out in Section 2 of this Target's Statement. Each King Director has informed King that they recommend that all King Securityholders accept the Offers, subject to there being no Superior Proposal. King Directors Richard King, Stuart King and Barnaby Egerton-Warburton have each informed King that they intend to accept the Offers 21 days after the Offers become open for acceptance with respect to all King Shares and King Options owned or controlled by them, subject to there being no Superior

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<table>
<tr><th>Question</th><th>Answer</th></tr>
<tr><td></td><td>Proposal. The interests of these King Directors in King Securities are detailed below, and total in aggregate 19.9% of King Shares and 21.9% of King Options on issue as at the Last Practicable Date.</td></tr>
<tr><td>What interests do the King Directors have in relation to the Offers?</td><td>The King Directors have notified King that they and their Associates hold the following interests in King Securities as at the Last Practicable Date:
<table>
<tr><th>Director</th><th>King Shares</th><th>%</th><th>King Options</th><th>%</th></tr>
<tr><td>Barnaby Egerton-Warburton[1]</td><td>5,417,000</td><td>9.2</td><td>3,208,500</td><td>10.7</td></tr>
<tr><td>Richard King[2]</td><td>3,298,090</td><td>5.6</td><td>1,750,000</td><td>5.8</td></tr>
<tr><td>Stuart King[3]</td><td>3,048,090</td><td>5.1</td><td>1,625,000</td><td>5.4</td></tr>
<tr><td>Matthew Hansen</td><td>1,350,000</td><td>2.3</td><td>675,000</td><td>2.3</td></tr>
<tr><td>Total</td><td>13,113,180</td><td>22.2</td><td>7,258,500</td><td>24.2</td></tr>
</table>
Notes:
1. Held indirectly. 5.4 million King Shares and 3.2 million King Class B Options held by Whistler Street Pty Ltd ATF Warburton Discretionary Trust, and 17,000 King Shares and 8,500 King Class A Options held by BXW Ventures Pty Ltd.
2. Held indirectly by Dubwell Pty Ltd ATF Wexford and Waterford Trust.
3. Held indirectly by Carwillkee Pty Ltd ATF EFK Family Trust.

The King Directors have notified King that they and their Associates do not have a Relevant Interest in any Whitebark Securities as at the Last Practicable Date except Director Barnaby Egerton-Warburton who holds 1,000,000 Whitebark Shares.

Under the Bid Implementation Agreement, as soon as practicable after Whitebark has a Relevant Interest in more than 50% of King Shares and the Share Offer becomes or is declared unconditional, Whitebark has agreed to take all actions necessary to appoint Richard King as a director of Whitebark, and King has agreed to take all actions necessary to ensure Directors Stuart King, Barnaby Egerton-Warburton and Matthew Hansen resign.</td></tr>
<tr><td>What are the conditions of the Offers?</td><td>The Share Offer is subject to a number of conditions (Share Offer Conditions) including (in summary form):
• (minimum acceptance) Whitebark obtaining a Relevant Interest in at least 90% of King Shares;</td></tr>
</table>

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Question	Answer
	• (**no regulatory action**) no Regulatory Authority restraining or preventing the Offer; • (**no prescribed occurrences**) no prescribed occurrences occurring with respect to King; • (**no material adverse change**) no material adverse change occurring with respect to King; and • (**regulatory approvals**) all necessary regulatory approvals are obtained to complete the Offers. To receive your consideration, all of the Share Offer Conditions must be satisfied or waived by Whitebark. The Share Offer Conditions are set out in full in Section 12.10 of the Bidder's Statement. The Option Offers are conditional on the Share Offer 90% minimum acceptance condition being satisfied and the Share Offer becoming unconditional (**Option Offers Conditions**). The Option Offers Conditions set out in full in Section 12.11 of the Bidder's Statement.
How will I know when the Offers are unconditional?	Whitebark is required to inform King, ASX and King Securityholders as soon as any Conditions in respect of an Offer are satisfied or waived. Notices from Whitebark will be available on the ASX website at www.asx.com.au (ASX code: WBE). Whitebark has set 24 February 2025 as the date on which it will give King and ASX a notice required by law on the status of the Conditions. This date may be extended for an Offer if the Offer Period for that Offer is extended prior to the notice being delivered.
If I accept the Offers, when will I be issued Whitebark Securities?	If an Offer becomes unconditional, you will receive the Whitebark Securities to which you are entitled under the Offer made to you on or before the earlier of: • one month after the later of receipt of your valid acceptance and the date on which the Offer becomes unconditional; and • 21 days after the end of the Offer Period for that Offer. Full details of when consideration will be provided are set out in Section 12.9 of the Bidder's Statement.
Can Whitebark extend the closing date of its Offers?	Yes. Whitebark has stated that its Offers remains open until 5.00pm (WST) on 10 March 2025. It is possible that Whitebark may choose to extend the Offer Period in respect of an Offer in accordance with the Corporations Act. In addition, there will be an automatic extension of the Offer Period for an Offer if, within the last 7 days of the Offer Period:

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Question	Answer
	• Whitebark improves the consideration offered under the Offer; or • in respect of the Share Offer, Whitebark's voting power in King increases to more than 50%. If either of these two events occurs, the Offer Period in respect of the applicable Offer is automatically extended so that it ends 14 days after the relevant event occurs.
Can I accept the Share Offer for part of my shareholding	No. You cannot accept the Share Offer for part of your holding of King Shares. You may only accept the Share Offer made to you for all of the King Shares you hold.
Can I accept the Option Offer for part of my Optionholding	No. You cannot accept the Option Offer for part of your holding of King Options. You may only accept the Option Offer made to you for all of the King Options you hold.
Do the Offers extend to Shares issued on exercise of King Options?	The Share Offer extends to Shares that are issued on the exercise of King Options during the Offer Period. Holders of King Shares issued on exercise of King Options may either: • accept the Share Offer in respect of those King Shares before the end of the Offer Period for the Share Offer; • sell their King Shares; or • do nothing, in which case they will retain their King Shares unless Whitebark is able to compulsorily acquire them due to reaching a Relevant Interest in at least 90% of King Shares during, or at the end of, the Offer Period for the Share Offer.
Are there any risks associated with the Offers?	Yes. King Securityholders who accept the Offers will be exposed to a number of risks. You should carefully consider the risk factors that could affect the performance of Whitebark and the Combined Group before deciding whether to accept the Offers. A summary of the key risk factors is set out in Section 10.2 of this Target's Statement and Section 10 of the Bidder's Statement.
Are there risks in not accepting the Offers?	There are risks in retaining your King Securities. If you do not accept the Offers, and Whitebark acquires: • more than 90% of King Shares during or at the end of the Offer Period, Whitebark may compulsorily acquire your King Securities for the same consideration as under the Offers; • more than 50% but less than 90% of King Shares, you will become a minority securityholder in King, which will be controlled by Whitebark. Whitebark may also waive the Share Offer condition that it must acquire at least 90% of King Shares (subject to King's consent being required if

Question	Answer
	Whitebark has acquired less than 80% of King Shares) and, on completion of the Share Offer, hold less than 90% of King Shares. Further details about the risks associated with retaining King Securities are set out in Sections 10.4 and 10.5 of this Target's Statement.
If I accept an Offer now, can I withdraw my acceptance?	If you accept an Offer, you are only able to withdraw your acceptance if: • the Conditions of that Offer are not fulfilled or waived by the time specified in the Bidder's Statement; or • Whitebark extends the Offer so that it postpones for more than one month the time when you will receive your consideration, and the Offer remains subject to one or more of the Conditions at that time. If you accept an Offer after all of the Conditions of that Offer have been satisfied or waived, you will not be able to withdraw your acceptance. See Section 9.12 of this Target's Statement for further details.
What happens if I do nothing?	You will remain a King Securityholder. However, Whitebark may become entitled to compulsorily acquire your King Securities in certain circumstances. See Section 9.15 of this Target's Statement and Section for more details. In addition, if Whitebark acquires more than 50% but is unable to acquire 100% of King Securities, you will remain a minority King Securityholder.
Can I be forced to sell my King Securities?	You cannot be forced to sell your King Securities unless Whitebark is legally entitled to proceed with compulsory acquisition of those securities. This requires Whitebark to have a Relevant Interest in 90% (by number) of all King Securities through acceptances of the Share Offer or otherwise, during or at the end of the Share Offer Period. If Whitebark does compulsorily acquire the outstanding King Securities in those circumstances, you will receive the same consideration for your King Securities that you would have received under the Offers, but it will take longer for you to receive the consideration from Whitebark. If Whitebark does not exercise a right to compulsorily acquire the outstanding King Securities within one month of the end of the Share Offer Period, it may do so at a later date if it (together with its Related Bodies Corporate) acquires the full beneficial interest in at least 90% of all King Securities. In that event, Whitebark will need to pay in cash a "fair value" for your King Securities (as assessed by an independent expert).

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Question	Answer
	See Section 9.15 of this Target's Statement for further information.
What are the tax implications of accepting the Offers?	A general outline of the tax implications for certain Australian resident King Securityholders of accepting the Offers is set out in Section 11 of this Target's Statement. As that outline is general in nature and does not take into account your individual circumstances, you should not rely on that outline as advice for your particular circumstances. You should seek your own independent taxation advice as to the taxation implications applicable to your specific circumstances.
Do I pay stamp duty if I accept?	Whitebark will pay the stamp duty (if any) payable in Australia on the transfers of King Securities under the Offers. See Section 12.18 of the Bidder's Statement.
Do I pay brokerage if I accept?	You may not incur any brokerage in connection with your acceptance of the Offers. See Section 12.18 of the Bidder's Statement
What if I have further questions?	You should contact your legal, financial, taxation or other professional adviser. Whitebark has established an Offer Information Line which King Securityholders may call if they have any queries in relation to the Offers. The telephone number for the Offer Information line is +61 08 9323 2000. If you have any enquiries in relation to your King Securityholding, please contact the Company on +61 8 6149 7516 or by email on info@kingenergyltd.com.

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6. PROFILE OF KING GROUP

6.1 Overview of King Group

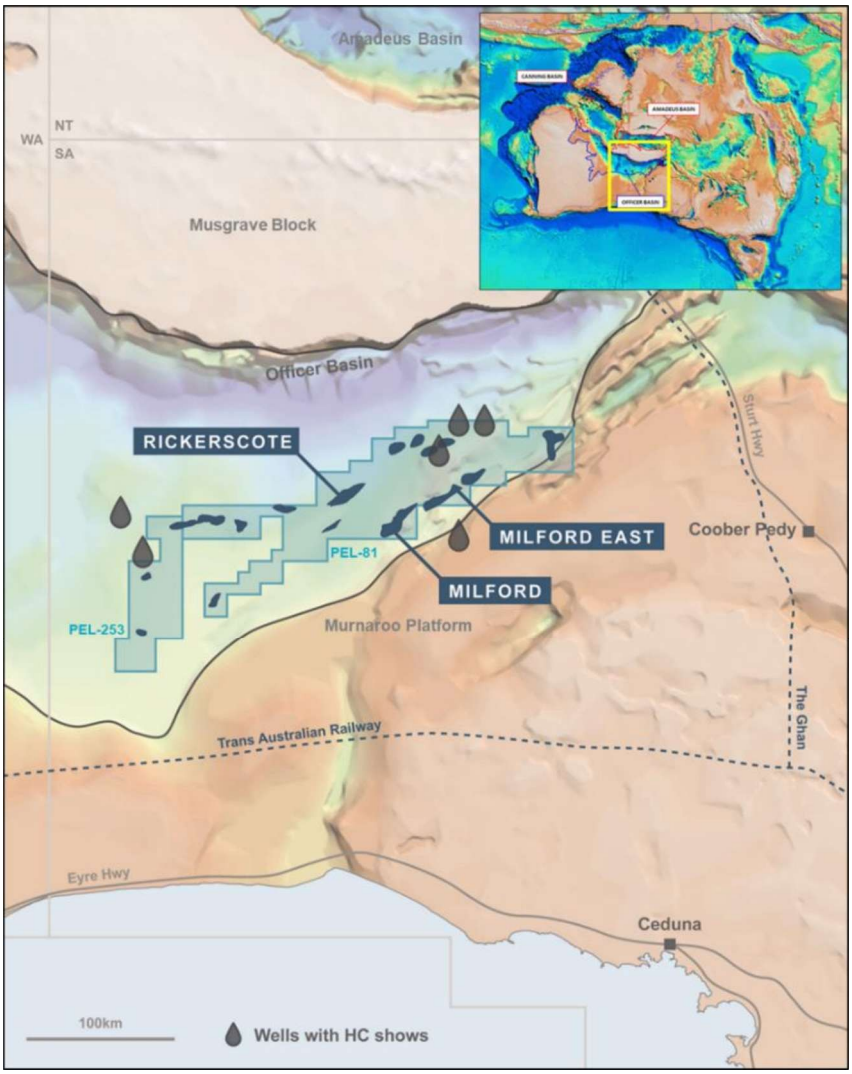
King is an unlisted public company incorporated in Western Australian on 25 July 2022.

King owns a 70% shareholding (with an option to acquire the remaining 30%) in Officer Energy Pty Ltd (**Officer Energy**). Officer Energy owns 100% of Elpis Resources Pty Ltd (**Elpis Resources**) which in turn owns 100% of Elpis Resources (SA) Pty Ltd (**Elpis Resources (SA)**).

Elpis Resources (SA) owns 100% of Petroleum Exploration Licenses (**PELs**) 81 and 253 (together the **Permits**) comprising 19,467 km^2 in the Officer Basin, located 250km west of Cooper Pedy and 350km northwest of Ceduna in South Australia (**Alinya Project**).

The Alinya Project includes some of the largest, undrilled, seismically defined, sub-salt structures onshore Australia, with significant prospectivity for white hydrogen, natural helium and hydrocarbons.

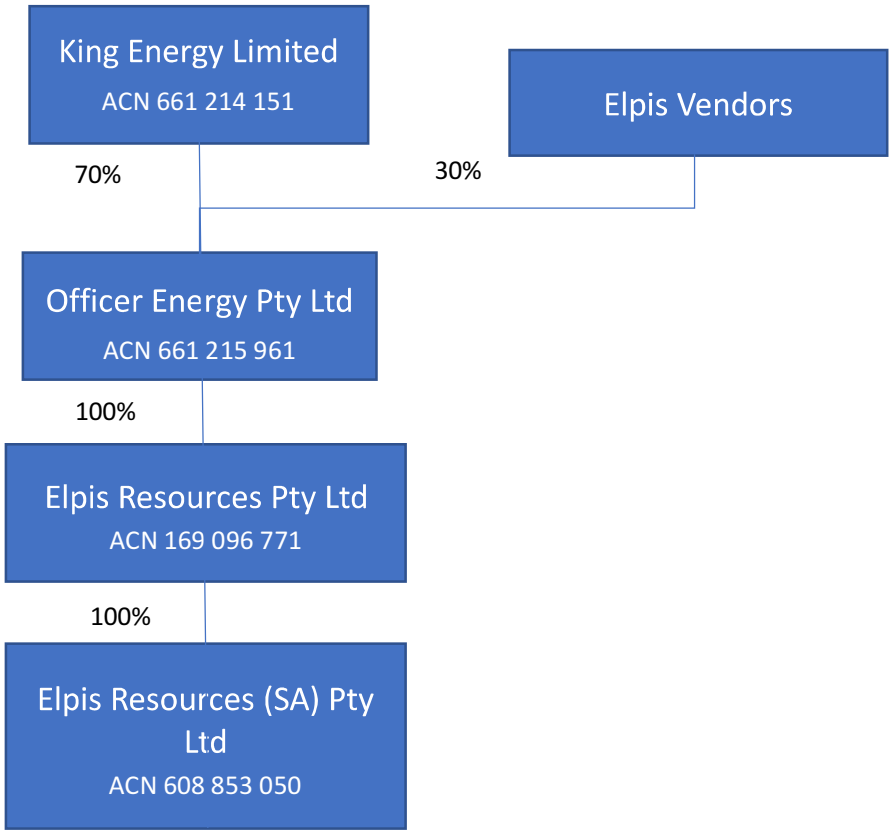
Figure 1: *Location of Alinya Project*



King issued a 30% shareholding in Officer Energy to the Elpis Vendors in part consideration for Officer Energy acquiring Elpis Resources from the Elpis Vendors on 5 April 2023. King, the Elpis Vendors and Officer Energy are parties to a shareholders' agreement that governs the activities of Officer Energy and the Alinya Project (**Shareholders Agreement**). King controls the operations of the Alinya Project and has an option to acquire the remaining 30% of Officer Energy from the Elpis Vendors (**Officer Energy Option**). Refer to Sections 6.8 and 6.9 for further details.

6.2 Corporate structure

An overview of the corporate structure of the King Group is set out below:



Officer Energy was incorporated in Western Australia on 25 July 2022 and has 1000 ordinary shares on issue of which 700 are held by King and the remaining 30% are held by the Elpis Vendors.

Elpis Resources was incorporated in New South Wales on 14 April 2014 and has 350 ordinary shares on issue held by Officer Energy.

Elpis Resources (SA) was incorporated in New South Wales on 20 October 2015 and has 1 ordinary share on issue held by Epis Resources.

6.3 Alinya Project

Access to the Alinya Project is via the Stuart Highway and the Anne Beadell Highway from Cooper Pedy runs through to ~10km north of the Rickerscote prospect.

Land access agreements are in place with the Maralinga-Tjarutja people in respect of

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petroleum exploration and production.

The Permits comprising the Alinya Project were renewed for (first) further terms of 5 years with effect from 18 April 2023 and, following suspension of work program commitments and corresponding extension of term, are now due to expire on 17 April 2029.

King intends to apply to the SA Department of Energy and Mines (**DEM**) to suspend the minimum work requirements for the Permits for a further 6 months. If approved, King will have until 17 October 2025 to acquire a surface soil geochemical survey on the Permits, with subsequent minimum work requirements for the Permits extended by 6 months, and the term of the Permits extended to 17 October 2029. As at the Last Practicable Date, King is not aware of any reason why the suspension will not be granted.

The Alinya Project comprises over 20 identified prospects, the largest of which are the Rickerscote, Milford and Milford West targets, each of which exceeds 150km^2 of closure or productive area.

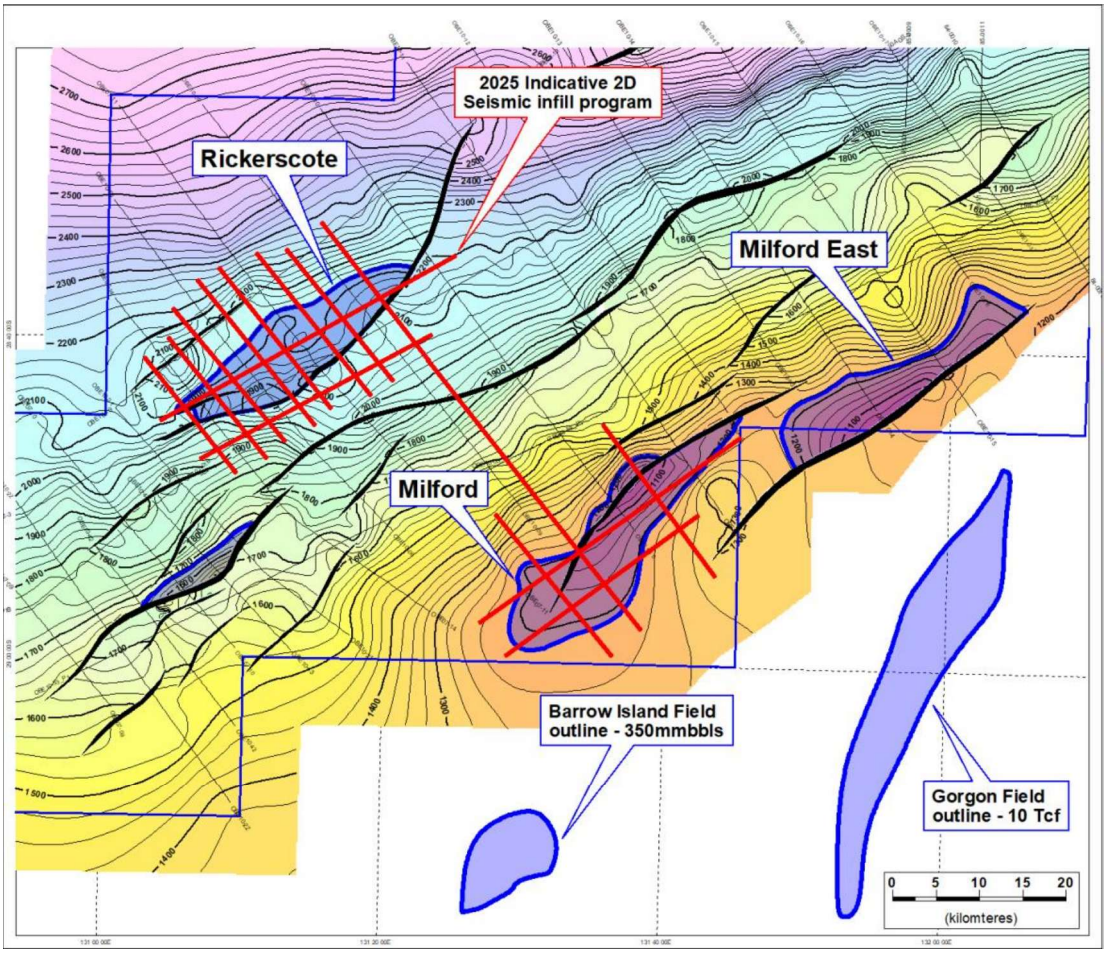

Figure 2: *Pindyin Sandstone Depth Structure Map – Rickerscote, Milford and Milford East Prospects & planned 2025 2D seismic program. Comparison of structure size relative to significant North West Shelf Discoveries provided in bottom right hand corner.*

Geological fundamentals for white hydrogen and natural helium are proven and present:

(a) Abiotic source rocks for both white hydrogen and natural helium are present. Significantly, the uranium / thorium / iron rich Hiltaba granite (likely the source for

the Ramsay-1 and -2 discoveries (ASX:GHY) outcrops immediately adjacent to the Alinya Project.

(b) Thick (>100m) regionally extensive salt seals critical for effective long-term storage are present at multiple levels.

(c) Conventional sandstone reservoirs are present at multiple levels – thick (>100m), high net to gross, high porosity and permeability.

(d) Late-stage tectonic uplift, critical to exsolution (advection) process for hydrogen and helium release in the free-gas phase. Helium and hydrogen are confirmed present in the Officer Basin and in PEL-81 from FIS and DST.

6.4 Exploration Results

King completed a multispectral remote spectroscopy survey on PEL 81 and PEL 253 in early February 2025. The survey identified encouraging white hydrogen, methane and ethane anomalies from analysis of the Sentinel-2 satellite imagery at high resolution and which are coincident with key prospects and shallow, vintage wells, including Munta-1 which tested non-hydrocarbon gases from shallow objectives including traces of hydrogen and helium on DST. These results can be interpreted to indicate the possible presence of an active subsurface resource system generating gaseous and liquids prone energy resources that may be trapped in the sub-surface and leaking at low rates to the near surface. See Figure 3 below.

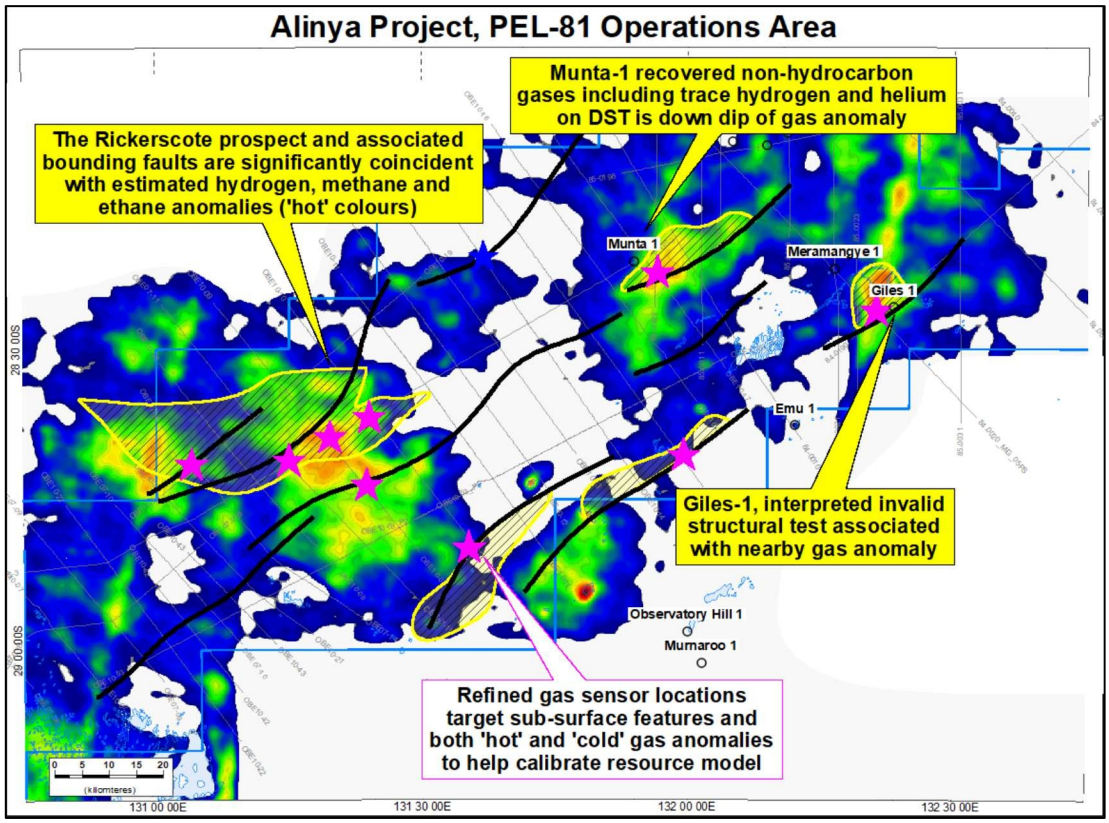

Figure 3: *The PEL-81 operations area showing estimated hydrogen, methane and ethane emission anomalies ('hot' colours), high graded prospects and indicative gas sensor sample locations (pink stars).*

6.5 Prospective Resources

Prospective resources in the top ranked Rickerscote prospect, covering an area of 180 km^2,

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are presented below in Table 1. The Milford and Milford East prospects, which are of similar size to Rickerscote, are considered to also hold significant follow-up potential.

	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)
Hydrogen (Kg)	67 Million	710 Million	4.1 Billion
+			
Helium (Bcf)	17	97	499
+			
Hydrocarbons (mmboe)	47	153	500

Table *1: Rickerscote Prospect Recoverable Volumes Estimate*[8]

Due to the strength of the geological model, the probability of success at the Rickerscote prospect is currently estimated to be >20%. Given success and due to the conventional nature of the reservoir system, at P50 volumes and current resource prices, the probability of development is considered probable with a 50% likelihood.

6.6 Exploration program

The exploration program for the Alinya Project includes the acquisition of a soil geochemistry survey using the most recently developed monitoring technology to assess ground soil presence of hydrogen and helium, followed by 250km of modern, 2D seismic infill across the Rickerscote and potentially the Milford prospect to finalise drilling locations. Field operations will expected to commence in Q1 2025, followed by planned exploration drilling within 12 months.

6.7 Qualified Petroleum Resources Evaluator Statement

The information in this Target's Statement relating to exploration results and resources is based on, and fairly represents, information and supporting documentation prepared by Mr Stuart King, a Non-executive Director of King Energy. Mr King is a Petroleum Geologist and has a Bachelor of Science in Geology and Geography (Hons) from the University of Western Australia and a Masters of Business Administration in Oil & Gas Management from Robert Gordon University. He is a member of the Society of Petroleum Engineers (SPE), the American Association of Petroleum Geologists (AAPG), the South East Asian Petroleum Exploration Society (SEAPEX) and the Australian Geothermal Association (AGA) and has 25 years' experience in the industry in exploration, appraisal, field development planning, reserves and resources assessment, commercial valuations and business development. Mr Stuart King consents to the inclusion in this Target's Statement of the estimated prospective resources and the supporting information in the form and context in which it is presented.

[8] The Prospective Resource estimates presented above are prepared as at 1st December 2024. The estimates have been prepared by King in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2018, approved by the Society of Petroleum Engineers. The Prospective Resource estimates are un-risked and have not been adjusted for either an associated chance of discovery or chance of development. They are net after royalites and net to King Energy (at 70%) and have been determined via probabilistic methods and for hydrogen and helium volumes using analogue data from the Amadeus Basin (11.5% H_2 and 9% He) and the York Peninsula (89% H_2 and 25% He). Stacked reservoir volumes have been aggregated via arithmetic summation and gas volumes (bcf) have been converted to liquid volumes (mmboe) using a conversion factor of 5.8 bcf per mmboe.

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6.8 Officer Energy Shareholders Agreement

King, the Elpis Vendors and Officer Energy are parties to the Officer Energy Shareholders Agreement dated on or about 4 April 2023 which governs the operations of Officer Energy and thereby, indirectly, the Alinya Project.

So long as King owns more than 50% of Officer Energy shares, it controls appointments to the board, with the current directors of Officer Energy being King Directors Richard King and Stuart King, and controls reserved shareholders decisions.

From 24 December 2024 until 31 October 2025, the parties have varied the Shareholders' Agreement such that King:

(a) must sole fund the costs and expenses of Officer Energy in relation to the Alinya Project, including payments to the Maralinga Tjarutja People, Permit fees and expenditure associated with work programs required under the Permits; and

(b) must procure that Officer Energy does not issue any cash calls to the Elpis Vendors or require the Elpis Vendors to make any payments.

Following the end of the above period, the shareholders are required to fund any cash calls made by the board in proportion to their shareholding, with failure to pay a default of a material obligation.

Shareholders have a pro rata pre-emption right on the transfer of shares in Officer Energy. However, the parties have agreed in the Officer Energy Option to waive this pre-emption right in relation to transfers under the option as detailed in Section 6.9 below. Upon exercise of the Officer Energy Option, King will become the sole shareholder of Officer Energy and the Shareholders' Agreement will terminate.

The Shareholders Agreement otherwise contains industry standard terms for an agreement of this nature.

6.9 Officer Energy Option

King and the Elpis Vendors are parties to an Option and Sale Agreement dated 2 August 2022, as varied, under which King has an option to acquire the remaining 30% of Officer Energy shares from the Elpis Vendors (**Option**).

King must exercise the Option prior to 31 October 2025 if, before that date:

(a) King demonstrates to the satisfaction of the Elpis Vendors (acting reasonably) that the Permits are in good standing and all payments due and owing the Maralinga Tjarutja People under the MT Land Access Agreement have been paid; and

(b) an ASX listed company acquires 100% of the issued capital of King.

King must therefore exercise the Option if Whitebark acquires 100% of King Securities before 31 October 2025 and subclause (a) above is satisfied. As at the Last Practicable Date, the Permits are in good standing and all payments due and owing the Maralinga Tjarutja People under the MT Land Access Agreement have been paid.

On exercise of the Option, King must procure the ASX listed company to issue the Elpis Vendors with securities equal to 2.955% of the securities issued to acquire 100% of King Securities. If the Offers are successfully completed with Whitebark acquiring 100% of King Securities under the Offers or subsequently, King must procure Whitebark to issue the Elpis Vendors with 2,955,000 Whitebark Shares (**Officer Energy Consideration Shares**) and 2,955,000 Whitebark Options (on the same terms as the Whitebark Options offered under

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the Options Offers) (**Officer Energy Consideration Options**) on a proportionate basis to their Officer Energy shareholding. Together, the Officer Energy Consideration Shares and Officer Energy Consideration Options are referred to as the **Officer Energy Consideration Securities**.

6.10 Royalties

The following royalties are in effect over the Permits:

(a) a production royalty is payable to the Maralinga Tjarutja pursuant to the MT Land Access Agreement, being 1.5% of wellhead value of the first 68 million barrels of petroleum produced and sold or equivalent hydrocarbon product measured in energy equivalent terms and thereafter at the rate of 3% on excess production; and

(b) gross overriding royalties totalling 3% of gross revenue of petroleum produced are payable to the Elpis Vendors.

Historical royalties are registered against the Permits in respect of commercial production of petroleum, totalling 4.25% on PEL 81 and 5.75% on PEL 253 for each barrel of oil (or barrel of oil equivalent) produced. King considers the historic royalties are not enforceable due to the manner in which the Permits were acquired (out of the liquidation of the previous holder). However, due to legal uncertainty, Elpis Resources and Elpis Resources (SA) have entered into a royalty offset deed with the Elpis Vendors under which the gross overriding royalties due to the Elpis Vendors (totalling 3% of gross revenue) are offset against any amounts that become payable under the historical royalties.

Elpis Resources (SA) must give not less than 90 days' notice to Mulgowie Capital Pty Ltd (an Elpis Vendor) of any intention to relinquish, surrender or not renew a Permit. Upon notice, Mulgowie Capital can elect, to the extent permitted under the Energy Resources Act, act to have the Permit transferred to it for $1.00.

6.11 Regulated Substance Exploration Licences

The Permits currently authorise exploratory operations for petroleum accumulations and geological structures in which petroleum may have accumulated in accordance with the Energy Resources Act (formerly known as the *Petroleum and Geothermal Energy Act 2000* (SA)).

In 2024, the Energy Resources Act was amended to:

(a) include hydrogen as a regulated substance; and

(b) provide the holder of a petroleum exploration licence (**PEL**) the exclusive right to apply to the Minister for a regulated substance exploration licence (**RSEL**) that replaces/supercedes the PEL and allows the holder to carry out exploration activities relating to regulated substances, including petroleum, hydrogen and helium.

King intends to apply to the Minister administering the Energy Resources Act for RSELs to replace/supercede the Permits in due course as part of preparing for its planned exploration drilling programme commencing in 2026. King is not aware of any reason why the Minister would not grant RSELs to replace the Permits.

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6.12 Financial information on King

Historical Financial Information

The historical financial information in this section has been extracted from the audited consolidated financial statements of King and its controlled entities (**King Group**) for the financial years ended 30 June 2023 and 30 June 2024 and the unaudited management prepared financial statements for the half year ended 31 December 2024. The full consolidated financial statements for the financial periods ended 30 June 2023 and 30 June 2024, including the notes to those financial statements have been issued to shareholders.

This historical financial information should not be relied on as being indicative of the future performance of King.

Historical consolidated statement of financial position

The historical consolidated statement of financial position of the King Group set out below has been derived from King's audited consolidated statement of financial position for the financial years ending 30 June 2023 and 30 June 2024 and from the unaudited management prepared consolidated statement of financial position for the half year ended 31 December 2024. The consolidated statement of financial position set out below should be read in conjunction with the accompanying notes to King's FY23 Annual Report and FY24 Annual Report.

$'000	As at 31 December 2024	As at 30 June 2024	As at 30 June 2023
Current assets			
Cash and cash equivalents	920	38,015	283,652
Receivables	12,401	6,010	3,987
Other	-	-	81,476
Derivative financial instruments	-	-	-
Total current assets	**13,321**	**44,025**	**369,115**
Non-current assets			
Property, plant and equipment		=	=
Exploration and evaluation assets	1,532,507	1,433,116	2,343,704
Mine properties	-	=	=
Deferred tax assets	-	=	=
Total non-current assets	**1,532,507**	**1,433,116**	**2,343,704**
Total assets	**1,545,828**	**1,477,141**	**2,712,819**
Current liabilities			
Trade and other payables	323,948	279,896	41,470
Provisions	-	-	-
Borrowings	70,834	-	-
Other financial liabilities	-	-	-
Total current liabilities	**394,782**	**279,896**	**41,470**
Non-current liabilities			
Provisions	-	=	=
Borrowings	-	=	=

$'000	As at 31 December 2024	As at 30 June 2024	As at 30 June 2023
Total non-current liabilities	**-**	**=**	**=**
Total liabilities	**394,782**	**279,896**	**41,470**
Net assets	**1,151,046**	**1,197,245**	**2,671,349**
Equity			
Issued capital	2,989,942	2,989,942	2,989,942
Reserves	(370,742)	(370,742)	(361,254)
Accumulated losses	(1,838,896)	(1,792,697)	(328,081)
Non-controlling interest	370,742	370,742	370,742
Total equity	**1,151,046**	**1,197,245**	**2,671,349**

Historical consolidated statement of profit and loss and other comprehensive income

The historical consolidated statements of profit or loss and other comprehensive income of the King Group set out below have been derived from the audited consolidated statements of profit or loss and other comprehensive income for the financial years ending 30 June 2023 and 30 June 2024 and from the unaudited management prepared consolidated statements of profit or loss and other comprehensive income for the half year ended 31 December 2024. The consolidated statement of profit or loss and other comprehensive income set out below should be read in conjunction with the accompanying notes to King's FY23 Annual Report and King's FY24 Annual Report.

$'000	Half year ended 31 December 2024	Year ended 30 June 2024	Year ended 30 June 2023
Revenue	=	=	=
Cost of goods sold	=	=	=
Gross profit / (loss)	**=**	**=**	**=**
Corporate employee expenses	-	-	-
Share-based employee expense	-	-	-
Borrowing and finance costs	-	(120)	(1,010)
Exploration and growth	-	-	-
Losses on derivative instruments	-	-	-
Other expenses	(46,199)	(1,224,845)	(327,071)
Impairment loss on assets	-	(249,139)	
(Loss) before income tax	**(46,199)**	**(1,474,104)**	**(328,081)**
Income tax (expense) / benefit	-	-	-
Net (loss) for the period attributable to the members of the parent entity	**(46,199)**	**(1,474,104)**	**(328,081)**
Other comprehensive income for the period, net of tax	-	-	9,488
Total comprehensive profit/(loss) for the period	**(46,199)**	**(1,474,104)**	**(318,593)**

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$'000	Half year ended 31 December 2024	Year ended 30 June 2024	Year ended 30 June 2023
attributable to the members of the parent entity			

Historical consolidated statement of cash flows

The historical consolidated statement of cash flows of the King Group set out below has been derived from King's audited consolidated statement of cash flows for the financial years ending 30 June 2023 and 30 June 2024 and from the unaudited management prepared consolidated statements of cash flows for the half year ended 31 December 2024. The consolidated statement of cash flows set out below should be read in conjunction with the accompanying notes to King's FY23 Annual Report and King's FY24 Annual Report.

$'000	Half year ended 31 December 2024	Year ended 30 June 2024	Year ended 30 June 2023
Cash flows from operating activities			
Interest received	-	-	-
Other income	-	-	-
Interest paid	-	-	-
Payments for exploration and growth	-	-	-
Payments to suppliers and employees	(37.095)	(135,409)	(442,597)
Net cash from / (used in) operating activities	**(37,095)**	**(135,409**	**(442,597)**
Cash flows from investing activities			
Proceeds from disposal/(acquisition) of exploration assets		-	(1,761,573)
Payments for exploration and evaluation		(110,228)	(502,164)
Cash acquired on purchase of Elpis Resources Pty Ltd		-	44
Net cash (used in) investing activities	**-**	**(110,228)**	**(2,263,693)**
Cash flows from financing activities			
Proceeds from issue of share capital	-	-	3,029,192
Share issue transaction costs	-	-	(39,250)
Repayment of borrowings	-	-	-
Proceeds from borrowings	-	-	-
Transaction costs associated with borrowings	-	-	-
Repayment of lease liabilities	-	-	-
Premiums paid on put options	-	-	-
Net cash from / (used in) financing activities	**-**	**-**	**2,989,942**
Net increase / (decrease) in cash and cash equivalents	(37,095)	(245,637)	283,652

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$'000	Half year ended 31 December 2024	Year ended 30 June 2024	Year ended 30 June 2023
Cash and cash equivalents at beginning of period	38,015	283.652	-
Cash and cash equivalents at end of period	**920**	**38,015**	**283,652**

Pro forma historical financial information

Set out below is the historical statement of financial position of King Group as of 31 December 2024, which has been extracted from the unaudited management prepared financial statements for the half year ended 31 December 2024.

The Pro Forma historical financial information presented in the table below is illustrative, unaudited, does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

The historical financial statements relate to the prior performance of King. They should not be relied on as being indicative of the future performance of King as an exploration focussed entity.

Pro-forma Statement of financial position

	Note	31-Dec 2024 $'000	Pro-forma Adjustments $'000	Pro-forma $'000
Current assets				
Cash	1, 2, 3, 4, 5	920		22,314
Receivables	1,6	12,401	(8,701)	3,700
Inventories		-	-	-
Total current assets		13,321	12,693	26,014
Non-current assets				
Property, plant and equipment,		-	-	-
Exploration and evaluation assets, and Mine properties	**4**	1,532,507	1,684	1,534,191
Deferred tax assets		-	-	-
Total non-current assets		1,532,507	1,684	1,534,191
Total assets		**1,545,828**	**14,377**	**1,560,205**
Current liabilities				
Trade and other payables	3, 5, 6, 7	323,948	(13,842)	310,106
Provisions		-	-	-
Borrowings	**2**	70,834	70,111	140,945

Lease liabilities		--		-
Total current liabilities		394,782	56,269	451,051
Non-current liabilities				
Provisions		-	-	-
Lease liabilities		-	-	-
Total non-current liabilities		-	-	-
Total liabilities		**394,782**	**56,269**	**451,051**
Net assets		**1,151,046**	**(41,892)**	**1,109,154**
Equity				
Issued capital		2,989,942	-	2,989,942
Reserves		(370,742)	-	(370,742)
Accumulated losses	**6, 7**	(1,838,896)	(41,892)	(1,880,788)
Non-controlling interest		370,742	-	370,742
Total equity		**1,151,046**	**(41,892)**	**1,109,154**

Pro-forma adjustments (unaudited)

Adj #	Account	Debit ($'000)	Credit ($'000)	Description
1	Receivables		11,664	To recognise GST refund for prior quarter per BAS lodged
1	Cash	11,664		To recognise GST refund for prior quarter per BAS lodged
2	Cash	70,111		To recognise short-term interest-bearing loan from third party
2	Borrowings		70,111	To recognise short-term interest-bearing loan from third party
3	Accounts payable	35,240		To recognise payment of second & third instalment to Maralinga
3	Cash		35,240	To recognise payment of second & third instalment to Maralinga
4	E & E Asset	1,684		To recognise deposit payment to DiRT Exploration for emission study
4	Cash		1,684	To recognise deposit payment to DiRT Exploration for emission study
5	Accounts payable	23,457		To recognise payment of creditors
5	Cash		23,457	To recognise payment of creditors
6	Accumulated losses	29,626		To recognise additional creditors
6	Receivables	2,963		Input GST on creditor invoices
6	Accounts payable		32,589	To recognise additional creditors
7	Accumulated losses	12,266		To recognise accrued expenses
7	Trade and other payables		12,266	To recognise accrued expenses

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Pro forma historical financial information for the Combined Group

Section 8.6 of the Bidder's Statement sets out historical statements of financial position of Whitebark and King as of 30 June 2024 and the pro forma historical statement of financial position in relation to the Combined Group as of 30 June 2024. The historical financial information contained in that section has been extracted from Whitebark's and King's audited consolidated accounts for the financial year ending 30 June 2024.

The pro forma historical statement of financial position in relation to the Combined Group has been prepared to reflect the acquisition of King by Whitebark pursuant to the Share Offer, assuming that the Offer becomes unconditional and the level of acceptances result in Whitebark acquiring 100% of King. The pro forma historical statement of financial position in relation to the Combined Group is provided for illustrative purposes only and is prepared on the assumption that King became a wholly-owned subsidiary of Whitebark on 30 June 2024. It does not illustrate the financial position that may be contained in future financial statements of Whitebark and does not contain all disclosures required for a financial report under the Corporations Act. The pro forma historical statement of financial position in relation to the Combined Group should be read in conjunction with the risk factors and other information contained in the Bidder's Statement, the accounting policies of Whitebark and King as disclosed in their most recent respective annual reports and information disclosed by the Whitebark on ASX.

6.13 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe they do not have a reasonable basis to forecast future earnings. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

6.14 Issued Capital of King

As at the Last Practicable Date, the issued capital of King consists of:

(a) 59,192,360 King Shares;

(b) 15,000,000 King Class A Options, with an exercise price of $0.25 and expiring 24 November 2027; and

(c) 15,000,000 King Class B Options, with an exercise price of $0.25 and expiring 10 August 2027.

6.15 Substantial holders

As at the Last Practicable Date prior to the date of this Target's Statement, the substantial holders of King Shares and King Options were as follows.

Name	Number of King Shares	%	Number of King Options	%
Barnaby Egerton-Warburton[1]	5,417,000	9.2%	3,208,500	10.7
Budworth Capital Pty Ltd	4,000,000	6.8%	1,500,000	5.0
Ms Chunyan Niu	3,370,000	5.7%	1,685,000	5.6

Richard King[2]	3,298,090	5.6%	1,750,000	5.8
Stuart King[3]	3,048,090	5.1%	1,625,000	5.4

Notes:

1. Held indirectly. 5.4 million King Shares and 3.2 million King Class B Options held by Whistler Street Pty Ltd ATF Warburton Discretionary Trust, and 17,000 King Shares and 8,500 King Class A Options held by BXW Ventures Pty Ltd.
2. Held indirectly by Dubwell Pty Ltd ATF Wexford and Waterford Trust
3. Held indirectly by Carwillkee Pty Ltd ATF EFK Family Trust

6.16 King's dividend history

No dividends were declared or paid during the financial year ending 30 June 2024 and no dividends are expected to be declared or paid for the financial year ending 30 June 2025.

6.17 Further information on King

King is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by King may be obtained from, or inspected at, an ASIC office.

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7. PROFILE OF WHITEBARK

7.1 Disclaimer

This overview of Whitebark and all financial information concerning Whitebark contained in this Target's Statement has been prepared by King using publicly available information and the Whitebark Bidder' Statement.

The information in this Target's Statement concerning Whitebark has not been independently verified by King. Accordingly, King does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Whitebark set out in this Target's Statement is not considered to be comprehensive.

7.2 Overview of Whitebark

Whitebark is a public company listed on the ASX (ASX Code:WBE).

Whitebark operates as an oil and gas production and exploration company with assets in Australia and Canada and has recently shifted focus towards the renewable energy sector. During the last financial year, Whitebark has been seeking to diversify its asset base with a particular focus on investing in a number of new geothermal portfolio opportunities with the goal of becoming the first commercial geothermal producer in Australia. Whitebark's current projects align with its vision to meet future energy demands and support sustainable energy development with a commitment to contributing to Australia's renewable energy targets.

Sections 4.1 and 4.2 of the Bidder's Statement provides an overview of Whitebark and Whitebark's activities.

7.3 Projects

Section 4.3 of the Bidder's Statement provides an overview of the principal projects of Whitebark.

7.4 Directors

As at the Last Practicable Date, the Directors of Whitebark are:

(a) Mr Mark Lindh (Non-Executive Chairman);

(b) Mr Prof. Rosalind Archer (Non-Executive Director); and

(c) Mr Tino Guglielmo (Non-Executive Director).

Biographical details of each of the directors are set out in Section 4.4 of the Bidder's Statement.

7.5 Whitebark financial information

Whitebark released its full year financial accounts for the financial year ending 30 June 2024 on 3 October 2024.

Electronic copies of this report can be obtained from Whitebark's website http://www.whitebarkenegy.com.au or from ASX.

Section 4.5 of the Bidder's Statement includes consolidated financial statements of Whitebark':

(a) financial position; and

(b) profit and loss and other comprehensive income,

extracted from the audited financial statements of Whitebark for the full year financial accounts ending 30 June 2024, being the last audited financial statements prior to the date of this Target's Statement.

Section 4.5 of the Bidder's Statement also provides detailed commentary on Whitebark's historical financial results.

7.6 Capital structure of Whitebark

Section 3 of the First Bidder's Statement sets out detailed information relating to the capital structure of Whitebark, including its substantial shareholders.

7.7 Further information on Whitebark

Whitebark is a listed disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Whitebark is subject to the ASX Listing Rules which require continuous disclosure of any information Whitebark has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

In addition, Whitebark is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Whitebark may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Whitebark, including its ASX announcements, is available in electronic form from its website at www.whitebarkenergy.com.au.

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8. PROFILE OF COMBINED GROUP

8.1 Introduction

Whitebark has prepared a profile of the Combined Group which appears at Section 8 of the Bidder's Statement as varied by the First Supplementary Bidder's Statement. Your Directors have reviewed the Combined Group profile and recommend that you read and carefully consider the information in Section 8 of the Bidder's Statement as varied.

8.2 Board of Combined Group

If Whitebark obtains a Relevant Interest in more than 50% of the King Shares on issue and the Share Offer is unconditional, Whitebark has proposed that Mr Richard King (a current Non-Executive Director of King) join the Board of the Combined Group. In addition, in these circumstances it is also proposed that King will appoint to its board two nominee Whitebark directors and Messrs Barnaby Egerton-Warburton, Stuart King and Matthew Hansen will resign from the King board.

Details of the existing and proposed Whitebark Board, including biographical details, are set out in Section 4.4 of the Bidder's Statement.

8.3 Capital structure of Combined Group

A description of the capital structure of the Combined Group, and the assumptions on which that description is based is set out at Section 8.4 of the Bidder's Statement as varied by Section 3 of the First Supplementary Bidder's Statement.

8.4 Pro forma financial information for the Combined Group

Section 5 of the First Supplementary Bidder's Statement sets out a Combined Group pro-forma unaudited consolidated statement of financial position as at 30 June 2024, together with:

(a) a description of the pro forma adjustments made; and

(b) the assumptions underlying the preparation of that financial statement.

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9. INFORMATION REGARDING THE OFFERS

9.1 Overview

This Section contains a summary of the terms and conditions of Whitebark's Offers.

The full terms and conditions of the Offers are set out in Section 12 of Whitebark's Bidder's Statement.

9.2 The Offers

Whitebark is offering to acquire all of the King Shares from King Shareholders and all of the King Options from King Optionholders.

Two separate Option Offers are being made:

(a) the King Class A Option Offer is being made to all King Class A Optionholders; and

(b) the King Class B Option Offer is being made to all King Class B Optionholders.

The Option Offers are on the same terms as each other.

The Offers relates to King Shares and King Options that exist as at the Record Date.

You may only accept the Offers in respect of all (and not a part) of your King Shares and King Options.

9.3 Consideration under the Share Offer

The consideration being offered by Whitebark under the Share Offer is 1.6894072 new Whitebark Shares for every 1 King Share accepted into the Offer (subject to the rounding discussed below). Each new Whitebark Share will rank equally with the Whitebark Shares currently on issue. A summary of the terms of the new Whitebark Shares is set out in section 5.6 of the Bidder's Statement.

If the number of Whitebark Shares to which you are entitled is not a whole number, then any fractional entitlement will be rounded up to the nearest whole number.

If you accept the Share Offer made to you, the value of the consideration you will receive will depend on the price of Whitebark Shares at the time that the Whitebark Shares are issued to you under the Share Offer.

You should be aware that the implied value of the Share Offer will fluctuate with changes in the market price of Whitebark Shares.

9.4 Consideration under the Option Offers

The consideration being offered by Whitebark under the Option Offers is 3.3333333 new Whitebark Options (exercisable at $0.05, expiring 31 March 2030) for every 1 King Option accepted into the Option Offers (subject to the rounding discussed below). The full terms of the new Whitebark Options are set out in section 5.10 of the Bidder's Statement.

If the number of Whitebark Options to which you are entitled is not a whole number, then any fractional entitlement will be rounded up to the nearest whole number.

If you accept an Option Offer made to you, the value of the consideration you will receive will depend on the price of Whitebark Shares at the time that the Whitebark Options are issued to you under the Option Offer.

You should be aware that the implied value of the Option Offers will fluctuate with changes in the market price of Whitebark Shares.

9.5 Offer Period

The Offers are open for acceptances until 5.00pm (WST) on 10 March 2025, unless otherwise extended or withdrawn.

Whitebark may extend an Offer at any time before giving the Notice of Status of Conditions for the Offer (see Section 9.7 of this Target's Statement) while the Offer remains subject to Conditions. However, if the Offer is unconditional (that is, all the Conditions in respect of the Offer are satisfied or waived), Whitebark may extend the period of the Offer at any time before the end of the Offer Period for the Offer.

In addition, there will be an automatic extension of the Offer Period for the Share Offer if, within the last 7 days of the Offer Period for the Share Offer:

(a) Whitebark improves the consideration offered under the Share Offer; or

(b) Whitebark's voting power in King increases to more than 50%.

If either of these two events occurs, the Offer Period for the Share Offer is automatically extended so that it ends 14 days after the relevant event occurs.

9.6 Conditions of the Offers

The Offers are subject to a limited number of Conditions which are set out in full in Sections 12.10 and 12.11 of the Bidder's Statement.

Unless all of the Conditions that apply to an Offer are satisfied or waived before the end of the Offer Period for that Offer[9], the Offer will lapse and no consideration will be received by King Securityholders who have accepted the Offer.

As at the date of this Target's Statement, King is not aware of any act, omission, event or fact that would result in any of the Conditions to the Offers being triggered (or not being satisfied, as appropriate).

9.7 Notice of Status of Conditions

Section 12.14 of the Bidder's Statement states that Whitebark will give a Notice of Status of Conditions to ASX and King on 24 February 2025 (subject to extension in accordance with Section 630(2) of the Corporations Act if an Offer Period is extended).

Whitebark is required to set out in its Notice of Status of Conditions for each Offer:

(a) whether the Offer is free of any or all of the Conditions that apply to the Offer;

(b) whether, so far as Whitebark knows, any of the Conditions that apply to the Offer have been fulfilled; and

(c) Whitebark's voting power in King.

[9] Or in the case of the "No prescribed occurrences" Condition in respect of the Share Offer, by the end of the third Business Days after the end of the Share Offer Period.

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If the Offer Period for an Offer is extended before the time by which the Notice of Status of Conditions for the Offer is to be given, the date for giving the Notice of Status of Conditions for the Offer will be taken to be postponed for the same period. In the event of such an extension, Whitebark is required, as soon as practicable after the extension, to give a notice to ASX and King that states the new date for giving the Notice of Status of Conditions for the Offer.

If a Condition is fulfilled (so that an Offer becomes free of that Condition) during the Offer Period for the Offer but before the date for giving the Notice of Status of Conditions for the Offer is required to be given, Whitebark must, as soon as practicable, give the ASX and King a notice that states that the particular Condition has been fulfilled.

As at the date of this Target's Statement, Whitebark has not given notice that any of the Conditions have been fulfilled.

9.8 Whitebark's ability to waive Conditions

Under the Corporations Act, Whitebark may waive (in its absolute discretion) any of the Conditions of an Offer prior to giving the Notice of Status of Conditions for the Offer. However, Whitebark has agreed that it will not waive the 90% minimum acceptance Condition in relation to the Share Offer, where Whitebark has a Relevant Interest of less than 80% of the issued shares in King, without the prior written consent of King.

9.9 Withdrawal of the Offers

Whitebark may not withdraw an Offer made to you if you have already accepted it. Before you accept an Offer made to you in respect of each of your King Securities, Whitebark may withdraw that Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

9.10 Lapse of Offers

An Offer made to you will lapse if the Conditions of that Offer are not satisfied or waived by the end of the Offer Period of that Offer. If the Offer lapses, all contracts resulting from acceptances of the Offer and all acceptances that have not resulted in binding contracts are void. In those circumstances, you will be free to deal with your King Securities the subject of that Offer as you see fit.

9.11 Effect of acceptance

The effect of acceptance of an Offer is set out in Section 12.8 of the Bidder's Statement. King Securityholders should read these provisions in full to understand the effect that acceptance will have on the rights attaching to their King Securities, and the representations and warranties that they give by accepting an Offer made to them.

Importantly, the Conditions are conditions to performance of Whitebark's obligations. Accordingly, King Securityholders that accept an Offer while it is still subject to Conditions will give up their right to sell their King Securities the subject of that Offer, or otherwise deal with their King Securities the subject of that Offer, and the rights attaching to those securities.

9.12 Your ability to withdraw your acceptance

If you accept an Offer made to you, you will have limited rights to withdraw that acceptance.

You may withdraw your acceptance of the Offer only if:

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(a) the Conditions of the Offer are not fulfilled or waived by the time specified in the Bidder's Statement; or

(b) Whitebark varies the Offer in a way that postpones for more than one month the time when Whitebark needs to issue the Whitebark Securities under the Offer. This will occur if Whitebark extends the Offer Period for the Offer by more than one month and the Offer is still subject to one or more of Conditions at the time of your purported withdrawal.

9.13 When you receive your consideration

If you accept an Offer you will be issued your Whitebark Securities on or before the later of:

(a) one month after the date the Offer becomes or is declared unconditional or one month after the date you accept the Offer (whichever is later); and

(b) 21 days after the end of the Offer Period for the Offer.

Full details of when consideration will be provided are set out in Section 12.9 of the Bidder's Statement.

9.14 Effect of an improvement in consideration on King Securityholders who have already accepted an Offer

If Whitebark improves the consideration offered under an Offer, all King Securityholders to whom the Offer is made, whether or not they have accepted the Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration should they accept the Offer and the Offer becomes or is declared unconditional.

9.15 Compulsory acquisition

(a) Compulsory acquisition following the Offers

Whitebark has stated in Section 7.4 of its Bidder's Statement that it intends to proceed with compulsory acquisition of any King Securities not acquired under the Offers if it is entitled to do so in accordance with the Corporations Act.

Whitebark will be entitled, under Section 661A of the Corporations Act, to compulsorily acquire any King Securities in respect of which it has not received an acceptance of the Offers on the same terms as the Offers if, during or at the end of the Offer Period for the Share Offer:

(i) Whitebark and its Associates have a Relevant Interest in at least 90% (by number) of King Shares; and

(ii) Whitebark and its Associates have acquired at least 75% (by number) of the King Shares that Whitebark has offered to acquire under the Share Offer.

If this threshold is met, Whitebark will have one month after the end of the Offer Period of the Share Offer within which to give compulsory acquisition notices to King Securityholders that have not accepted the Offers.

If compulsory acquisition occurs under Section 661A of the Corporations Act, King Securityholders that have their King Securities compulsorily acquired will be issued their consideration later than King Securityholders that accept the Offers.

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King Securityholders have statutory rights to challenge any compulsory acquisition. However, a successful challenge will require the relevant King Securityholders to establish to the satisfaction of a court that the terms of the applicable Offer does not represent fair value for the King Securities.

(b) General compulsory acquisition

Under Part 6A.2 of the Corporations Act, Whitebark will be entitled to compulsorily acquire any outstanding King Securities if Whitebark (either alone or with a related body corporate) holds full beneficial interests in at least 90% of King Shares and King Options (by number).

If this threshold is met, Whitebark will have six months after Whitebark becomes a 90% holder within which to give compulsory acquisition notices to King Securityholders. The compulsory acquisition notices sent to King Securityholders must be accompanied by an independent expert's report and an objection form.

The independent expert's report must set out whether the terms of the compulsory acquisition give a "fair value" for the King Shares and the King Options and the independent expert's reasons for forming that opinion.

If King Shareholders with at least 10% of King Shares or King Options covered by the compulsory acquisition notice object to the acquisition before the end of the objection period (which must be at least one month), Whitebark may apply to the Court for approval of the acquisition of the securities covered by the notice.

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10. RISK FACTORS

10.1 Introduction

In considering the Offers, King Securityholders should be aware that there are a number of risk factors associated with either accepting the Offers or rejecting the Offers and continuing to hold King Securities.

In deciding whether to accept the Offers, King Securityholders should read this Target's Statement and the Bidder's Statement carefully and consider these risks. While some of these risks can be mitigated, some are outside the control of King and the King Board and cannot be mitigated.

The risks set out in this Section do not take into account the individual investment objectives, financial situation, position or particular needs of King Securityholders. The risk factors set out in this Section are not an exhaustive list of all risks. In addition, these risks are general in nature only and do not cover every risk that may be associated with an investment in King now or in the future. The production, exploration and development of natural resources are activities which are speculative in nature and are subject to significant risks.

There may also be additional risks and uncertainties not currently known to King, or which are currently known to King but which King currently considers to be individually immaterial, which may adversely affect King's business, operations and future prospects and the price or value of King Securities in the future.

Risks relating to accepting the Offers and being a holder of Whitebark Securities as part of a Combined Group are set out in Section 10.2 of the Bidder's Statement. Some additional risks are summarised in Sections 10.2 and 10.3 below.

Risks associated with rejecting the Offers and continuing as a King Securityholders, are set out in Section 10.4 below.

The risks of King continuing as a stand-alone entity in the event the Offers are not successful are summarised in Section 10.5.

If you are unclear in relation to any matter you should consult your legal, investment, taxation or other professional adviser.

10.2 Risks associated with accepting the Offers

(a) Possibility of a superior proposal emerging

If you accept the Offers, you will forego the opportunity to benefit from any superior proposal by another party for your King Securities should such a proposal eventuate. As at the Last Practicable Date of this Target's Statement, the King Board is not aware of a proposal by anyone to make a superior proposal.

(b) Possibility of future King Securities price appreciation

You may be able to sell your King Securities in the future for more valuable consideration than that offered under the Offers (although King can give no assurances and makes no forecast of whether this will occur).

(c) Limited withdrawal rights

As described in Section 12.8 of the Bidder's Statement, you may only withdraw your acceptance of an Offer in limited circumstances (see also Section 9.12 of this Target's Statement). Otherwise, you will be unable to withdraw your acceptances

even if the value of the Whitebark Securities to be issued to you as consideration varies from the date of your acceptance.

10.3 Risks associated with holding Whitebark Securities in a Combined Group

If you accept an Offer (and the Offer becomes unconditional) you will become a securityholder in Whitebark. The Combined Group will, moving forward, be subject to a range of risks. Many of these risks are risks that are common to most hydrogen, helium and hydrocarbon exploration companies looking to explore, develop and operate projects and, to a large extent comprise of risks that King Securityholders already face.

Section 10 of the Bidder's Statement set out the risks that King Securityholders may face when investing in Whitebark Securities. You should read that Section of the Bidder's Statement carefully and in full.

You should also read Section 10.5 of this Target's Statement which sets out risks that King Securityholders face if the Offers are unsuccessful, as a number of these risks will also apply to the Combined Group if the Offers are successful.

10.4 Risks associated with not accepting an Offer if the Offer is successful

If you decide not to accept an Offer and remain a King Securityholder (and assuming the Offer is completed but your King Securities are not compulsorily acquired) the outcome of the Offers may be that Whitebark controls or is a major Securityholder of King and you are a minority King Securityholder.

If this occurs, the liquidity of your King Securities may be reduced.

You should consider carefully Whitebark's current intentions depending on the extent to which Whitebark acquires King Securities as a result of the Offers, which are set out in Sections 7.4 and 7.5 of the Bidder's Statement.

If Whitebark acquires more than 50% but less than 90% of King Shares, it will be able to cast the majority of votes at a general meeting of King, which will enable it to control the Board and senior management, determine King's dividend policy and control the strategic direction of King.

As soon as practicable after Whitebark has a Relevant Interest in more than 50% of the King Shares and the Share Offer becomes or is declared unconditional, King must take all actions necessary to ensure:

(a) the resignation of Messrs Barnaby Egerton-Warburton, Stuart King, and Matthew Hansen; and

(b) the appointment of two nominees of Whitebark, who are to be provided to King in writing, subject only to receiving consents to act,

as directors of King.

If Whitebark acquires 75% or more of King Shares, it will be able to pass special resolutions of King. This will enable Whitebark to amend King's constitution.

10.5 Risks associated with being a King Securityholder if the Offers are unsuccessful

There are various risks associated with continuing to hold King Securities if the Offers are unsuccessful. Some of these risks are of a more general nature that apply to any investment

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in a public unlisted company, while others are specific to the industry in which King operates or are specific to King.

Specific risks associated with being a King Securityholder are summarised below.

(a) **Future Funding Requirements**

King requires additional capital to fund the proposed exploration program for the Alinya Project. Such funding may not be obtained on reasonable terms or at all. If King is unable to fund its share of the minimum required work program for the Alinya Project, its 70% shareholding in Officer Energy may be compulsorily acquired by the Elpis Vendors in accordance with the Shareholders Agreement.

King also requires additional capital for corporate costs, and additional costs required to advance one or more projects, which would involve associated funding obligations or dilution impacts on King Shareholders. Failure to obtain additional funding on a timely basis could result forfeiture of the Alinya Projects permits, in delay or indefinite postponement of further exploration and development or force King to pursue transactions which it would not pursue had sufficient funding been available.

If King is unable to raise sufficient funds by way of the issue of securities, it may consider other funding alternatives. These alternatives could include debt funding, joint venture or farm-in arrangements, streaming finance, convertible loans or asset sales. None of these alternatives have been determined at present, and any need to implement a funding alternative would be considered if the need arises having regard to the circumstances at that time. There is no assurance that King will be able to implement any specific alternative. Any additional equity funding may have a dilutionary impact on a shareholder's holding in King, or a negative impact on King's share price.

(b) **King Securities may fall in value**

If the Offers are unsuccessful and no other offers emerge, the value of King Securities may decrease and King Securityholder will be exposed to the ongoing risks associated with an investment in King. In particular, King Securityholder will have full exposure to the risk associated with King's existing projects.

(c) **MT Land Access Agreement**

The Permits are located on free hold title held by the Maralinga Tjarutja. Access to, and activities on, the Permits are subject to the MT Land Access Agreement between Elpis Resources (SA) and the Maralinga Tjarutja. The MT Land Access Agreement may need to be amended in future to allow King to carry out all of its planned activities, in particular any operations that relate solely to hydrogen exploration or production. Any amendment will require the agreement of the Maralinga Tjarutja, which approval may require Elpis Resources (SA) to agree to make additional payments or provide additional benefits to the Maralinga Tjarutja including in relation to hydrogen production.

Industry specific risks associated with being a King Securityholder include the following.

(d) **Regulated Substance Exploration Licence**

King intends in due course to apply for Regulated Substance Exploration Licences that replace/supercede the current Permits which cover petroleum and helium exploration, and authorise exploration operations in relation to hydrogen. If RSELs

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were not granted, King would be unable to conduct exploration operations for hydrogen but can continue to explore for petroleum and helium across the Permits and in the identified prospects across all identified reservoirs. King is not aware of any reason why the Minister would not grant RSELs to replace the Permits.

(e) **Exploration**

While the Board is of the view that King's projects have the possibility to provide significant resources capable of supporting future large-scale production operations, there is no guarantee that resources will be identified and even if identified, that such resources can be successfully developed and economically extracted. Exploration and drilling programs are designed to discover new exploration targets for development, as well as improve confidence in existing targets throughout the development stages of exploration projects to feasibility study level.

(f) **Development**

In the event resources are identified, and King proceeds to resource development, King's financial performance will substantially depend on the accuracy of the cost estimates for the proposed development, development and infrastructure plans, markets for hydrogen, helium and hydrocarbons, working capital requirements, the duration of relevant works program, government approvals, environmental approvals, heritage approvals and clearances and personnel and equipment availability. The cost and time forecasts estimates are based on assumptions including those in relation to study costs, scope and duration, the approvals process and timeline estimated, and operational issues, which are subject to uncertainty.

Any increase in capital/operating costs, study or development timelines, delays in obtaining any necessary approvals, supply chain disruptions, sourcing of equipment and personnel could have an adverse impact on the performance of King. Escalating costs and other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation, or lack of access to sufficient funding may mean that identified resources are not economically recoverable or may otherwise preclude King from successfully exploiting the resources.

(g) **Resources and Reserve estimates**

The estimation of Resources and Reserves are expressions of judgement based on knowledge, experience and industry practice. The reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As King obtains new information through additional drilling and analysis, and potentially other factors such as expectations of obtaining government authorisations, Resources and Reserve estimates are likely to change. This may result in alterations to King's exploration, development and production plans which may, in turn, positively or negatively affect King's operations and financial position.

In addition, by their very nature, Resources and Reserves estimates are imprecise and depend on interpretations, which may prove to be inaccurate. Resource and Reserve estimates may also be impacted by material changes in the global prices for hydrogen, helium and hydrocarbons, in costs and changes to operations. This risks restatement or withdrawal of Reserves and/or Resources. As further information becomes available through additional fieldwork and analysis, and as

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circumstances change the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely affect the Combined Groups operations.

Whilst King intends, as at the date of this Target's Statement, to undertake exploration activities with the aim of defining new Resources, no assurances can be given that exploration will result in the determination of a new resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted.

(h) **Commodity price risk and exchange rate risk**

King will be vulnerable to fluctuations in the price of hydrogen, helium and hydrocarbons. Falls in price can render economic resources sub-economic. King's performance may also be affected by fluctuations in exchange rates, including AUD denominated prices, input prices and the AUD/USD exchange rate. These prices can fluctuate rapidly and widely and are affected by numerous factors beyond the control of King. These factors include world demand for hydrogen, helium and hydrocarbons, forward selling by producers, and production cost levels. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, price forward curves, global economic trends, confidence and conditions, and domestic and international fiscal, monetary and regulatory policy settings.

If the price of hydrogen, helium or hydrocarbons should fall below or remain below King's estimated or actual costs of production for any sustained period due to these or other factors and events, King's exploration, development or production could be delayed or even abandoned. A delay in exploration or development or production or the abandonment of one or more of King's projects may require King to write-down any resources or reserves and may have a material adverse effect on King's production, earnings and financial position.

If King achieves exploration/development success which leads to viable production, its financial performance will be highly dependent on the prevailing commodity prices and exchange rates.

These factors can affect the value of King's assets and the supply and demand characteristics of hydrogen, helium and hydrocarbons and may have an adverse effect on the viability of King's exploration, development and production activities, its ability to fund those activities and the value of its assets.

(i) **Reliance on key personnel**

King's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have an adverse effect on King. King's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals.

King will need to employ and retain appropriately motivated, skilled and experienced staff. Difficulties in attracting and retaining such staff may have an adverse effect on the performance of King.

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(j) **Aboriginal Heritage**

The ability of King to conduct activities on exploration or production tenements is subject to compliance with laws protecting Aboriginal heritage and requirements of the Land Access Agreement with the Maralinga Tjarutja which has free hold ownerships of the relevant land. Conduct of site surveys to ensure compliance can be expensive and subject to delays. If any Aboriginal sites are located within areas of proposed exploration, production or other activities, the ability of King to conduct those activities may be dependent on King obtaining further regulatory consents or approvals.

(k) **Title obligations**

Petroleum titles in South Australia are governed by Energy Resources Act. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Failure to meet these expenditure, work and reporting commitments may render the tenements subject to forfeiture or result in the tenement holders being liable for penalties or fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of King's interest in the projects.

(l) **Climate change and social risks**

There are a number of climate-related factors that may affect the operations and proposed activities of King, including:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. King may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact King and its profitability. While King will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that King will not be impacted by these occurrences; and

- climate change may cause certain physical and environmental risks that cannot be predicted by King, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which King operates.

Establishment of strong relationships with the community and other stakeholders is fundamental to the long term success of King's business. Although King endeavours to conduct its business in a manner which respects those communities and ensures mutually beneficial outcomes, King's activities may have or be perceived to have an adverse impact on local communities, cultural heritage, the environment, or other matters which may result in community concern, adverse publicity, activism, litigation or other adverse actions taken by community, environmental or other action groups. Failure to maintain and build strong relationships and such adverse actions could affect King's social licence to operate, its reputation and lead to delays and increase costs which may adversely impact on King's operations, financial position and/or performance and the market price of its Shares.

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(m) **Access and third-party interests**

King may be required to obtain the consent from the holders of third-party interests which overlay areas within its tenements, prior to accessing or commencing any exploration or production activities on the affected areas. No assurance can be given that necessary access will be obtained when required or on acceptable terms.

(n) **Joint venture parties, agents and contractors**

The King Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which King is or may become party to, or the insolvency or managerial failure by any of the contractors or other service providers used by King, which may adversely affect King's activities.

(o) **Environmental liabilities and Occupational Health and Safety risk**

King's activities are subject to potential risks and liabilities associated with the potential pollution of the environment and the necessary disposal of waste products resulting from exploration. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration) is not generally available to King (or to other companies in the industry) at a reasonable price. To the extent that King becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to King and could have a material adverse effect on King. Laws and regulations intended to ensure the protection of the environment are constantly changing and are generally becoming more restrictive.

If King fails to comply with necessary OH&S legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage. Safety legislation may also change in a manner that may include requirements, in addition to those now in effect, and a heightened degree of responsibility for companies and their Directors and employees.

(p) **Land rehabilitation and abandonment requirements**

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on exploration companies together with abandonment obligations on any wells and infrastructure. Rehabilitation and abandonment may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation, to remove any infrastructure and undertake strict abandonment requirements In order to carry out obligations imposed on King in connection with its activities, King will need to allocate financial resources that might otherwise be spent on further exploration and/or development programs.

(q) **Laws, regulations, rules, approvals, licences and permits**

King's operations are subject to various Federal, State and local laws and plans, including those relating to production, exploration, development permit and licence requirements, industrial relations, environment, land use, royalties, water, and cultural heritage, safety and occupational health. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations

will not be applied in a manner which could limit or curtail exploration, production or development.

Approvals, licences and permits required to comply with such rules and regulations are subject to the discretion of the applicable government officials. No assurance can be given that King will be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation.

(r) **Litigation risk**

King will be exposed to possible litigation risks, tenure disputes, disputes in relation to the interpretation of royalty agreements or other contractual entitlements, environmental claims, occupational health and safety claims and employee claims. Further, King may be involved in disputes with other parties now or in the future which may result in litigation or other forms of dispute resolution procedure. Any such claim or dispute if proven, may impact adversely on King's operations, financial performance and financial position.

King has provided an indemnity, capped at $150,000, to Krotz Energy Limited (**Krotz**), the parent company of King Energy SKS, LLC (**King US**), a former indirect subsidiary of King, in respect of liability Krotz may suffer arising from, or in connection with, King US failing to pay comply with a 2022 lease agreement between King US and St Landry Royalty Company, LLC. King has disclosed this contingent liability in its FY24 audited accounts. As at the Last Practicable Date, King is not aware of any claim made or threatened against King US, or Krotz, in relation to this matter.

(s) **Insurance**

The future viability of and profitability of King is also dependent on a number of other factors which affect the performance of all industries, such as COVID-19 and pandemic risks, cyber security risks, industrial disputation, litigation, natural disasters and extreme weather conditions and acts of war and terrorism or the outbreak or escalation of international hostilities and tensions. No assurance can be given that King will be able to obtain insurance cover for all risks faced by King at reasonable rates or that the insurance cover it arranges will be adequate and available to cover all possible claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of King.

(t) **Royalties**

The Alinya Project is subject to various royalties to past title owners, the Maralinga Tjarutja, and the State. If State royalties rise, or historic royalties are found to be enforceable in excess of the royalty offset deeds as described in Section 6.10, or additional royalties are required to be granted to the Maralinga Tjarutja to secure rights to explore for and produce hydrogen on the Permits, the profitability and commercial viability of King's projects may be negatively impacted.

(u) **Change in Law and Regulation**

King's activities may be impacted by regulatory or other changes implemented by the Commonwealth or South Australian Governments. A change in laws that impact on King's operations, such as land access, environmental protection, carbon emissions, labour, mining, taxation and royalties, could have an adverse

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impact on King's operations. Its activities are subject to discretionary regulations and approvals, the exercise of which cannot always be predicted.

General risk associated with being a King Securityholder include the following.

(v) **Pandemics**

The global COVID-19 (Novel Coronavirus) pandemic demonstrated that pandemics can have a significant impact on global capital markets, commodity prices and foreign exchange rates. Should a pandemic arise, and any King personnel or contractors are infected, it could result in King's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on King's operations as well as an adverse impact on the financial condition of King. Supply chain disruptions resulting from a pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by a pandemic, continue to adversely impact King's operations, financial position and prospects.

(w) **Economic risks**

The operating and financial performance of King will be influenced by a variety of general economic and business conditions, including levels of consumer spending, hydrogen, helium and hydrocarbons prices, inflation, interest rates and exchange rates, market supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies.

More generally, changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities, war, pandemics or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on King's operating and financial performance and financial position.

(x) **Unforeseen expenses**

King may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events.

(y) **Cyber risks**

King, as with all organisations, is reliant on information technology for the effective operation of its business. Any failure, unauthorised or erroneous use of King's information and/or information systems may result in financial loss, disruption or damage to the reputation of King.

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11. TAXATION CONSIDERATIONS

11.1 Overview

The following is a general summary of the Australian income tax, GST and duty considerations for King Shareholders who accept the Offer.

This summary does not provide an exhaustive consideration of all possible Australian income tax, GST and duty implications that could apply to King Shareholders who accept the Offer. Furthermore, this summary does not consider any tax implications in jurisdictions outside of Australia.

Only King Shareholders who are individuals, trusts, complying superannuation funds and corporate shareholders that hold their King Shares on capital account have been considered in this summary. This summary is not intended to cover King Shareholders who:

(a) are exempt from Australian income tax;

(b) hold their King Shares on revenue account or as trading stock;

(c) acquired their King Shares for the purpose of resale at a profit;

(d) are partnerships or persons that are partners of such partnerships;

(e) acquired their King Shares under an employee share scheme or similar employee incentive plan;

(f) are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 in relation to gains and losses on their King Shares; or

(g) are subject to the 'Investment Manager Regime' under Subdivision 842-I of the Income Tax Assessment Act 1997 in respect of their King Shares.

This summary does not constitute tax advice and is intended only as a general guide to the Australian tax implications of accepting the Offers based upon Australian taxation law and administrative practice in effect as at the date of this Target's Statement. It does not consider any specific facts or circumstances that may apply to King Shareholders. As the tax consequences of accepting the Offers depend on each King Shareholder's individual circumstances, all King Shareholders are advised to seek independent professional advice regarding the Australian and foreign tax consequences of accepting the Offers according to their own particular circumstances.

11.2 Australian Tax Resident Shareholders

This Section 11 applies to King Shareholders who accept the Offers and are residents of Australia for Australian income tax purposes that hold their King Shares on capital account.

(a) Capital Gains Tax Event

By accepting the Offer, King Shareholders will dispose of their King Shares and/or Options to Whitebark in exchange for the Consideration Shares and/or Options, comprising Whitebark Shares and/or Options. The disposal of the King Shares and/or Options to Whitebark will give rise to a CGT event. The time of the CGT event should be the date the King Shares and/or Options are disposed of, which will be the date that King Shareholders enter into a contract with Whitebark.

If a King Shareholder does not accept the Offers and their King Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, the

date of disposal for CGT purposes will be the date when Whitebark becomes the owner of the King Shares.

In the absence of CGT roll-over relief, the following tax consequences are expected to arise for King Shareholders accepting the Offer:

(i) a capital gain will be made to the extent the capital proceeds received by King Shareholders from the disposal of their King Shares and/or Options (being the market value of the Whitebark Shares) exceed the cost base of those King Shares; or

(ii) a capital loss will be made to the extent the capital proceeds received by King Shareholders from the disposal of their King Shares and/or Options are less than the reduced cost base of those shares.

(b) **CGT Scrip for Scrip Roll-over Relief**

King Shareholders who make a capital gain from the disposal of their King Shares and/or Options may be eligible to choose CGT scrip for scrip roll-over relief (provided certain conditions are met). CGT scrip for scrip roll-over relief enables King Shareholders to disregard the capital gain they make from the disposal of their King Shares and/or Options under the Offer.

Broadly, for roll-over relief to be available, Whitebark must become the owner of 80% or more of the King Shares under the Offers and King Shareholders must make a capital gain on the disposal of their King Shares and/or Options. If a capital loss arises, no CGT scrip for scrip roll-over relief is available.

King Shareholders do not need to inform the ATO, or document their choice to claim CGT scrip for scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

(c) **Consequences of Choosing CGT Scrip for Scrip Roll-over Relief**

If a King Shareholder chooses to obtain CGT scrip for scrip roll-over relief, the capital gain arising on the disposal of their King Shares and/or Options under the Offers should be disregarded.

Further, the first element of the cost base for the Whitebark Shares received is determined by attributing to them, on a reasonable basis, the existing cost base of the King Shares exchanged under the Offer. The first element of the reduced cost base is determined similarly.

Finally, for the purposes of determining future eligibility for the CGT Discount, the acquisition date of the Whitebark Shares and/or Options is taken to be the date when the King Shareholder originally acquired their King Shares.

(d) **Consequences if CGT Scrip for Scrip Roll-over Relief is not available or is not chosen**

If a King Shareholder does not qualify for CGT scrip for scrip roll-over relief or does not choose to obtain CGT scrip for scrip roll-over relief, the general CGT treatment outlined above at Section 11.2(a) will apply.

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(e) **Capital Proceeds**

The capital proceeds on the disposal of the King Shares should be equal to the market value of the Consideration Shares received by King Shareholders, at the time of the disposal (or change of ownership where there is no disposal contract).

(f) **Cost Base and Reduced Cost Base of a King Share**

The cost base of a King Share will generally be equal to the cost of acquiring the King Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of a King Share is determined in a manner similar to the cost base although some differences in the calculation of the reduced cost base may exist depending on the King Shareholder's particular individual circumstances. The cost base and reduced cost base of each King Share will depend on the individual circumstances of each King Shareholder.

(g) **CGT Discount**

The CGT Discount may apply to King Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their King Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their King Shares.

The CGT Discount is:

(i) one-half if the King Shareholder is an individual or trust; meaning only 50% of the capital gain will be included in assessable income of the shareholder; and

(ii) one-third if the King Shareholder is a trustee of a complying superannuation entity; meaning only two-thirds of the capital gain will be included in assessable income of the shareholder.

The CGT Discount is not available to King Shareholders that are companies.

If a King Shareholder makes a discount capital gain, any carried forward capital losses will be applied to reduce the undiscounted capital gain before either the one-half or one-third discount is applied. The resulting amount is then included in the King Shareholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Accordingly, we recommend trustees seek their own independent advice on how the CGT Discount applies to them and the trust's beneficiaries.

11.3 Foreign resident capital gains withholding ('FRCGW')

The FRCGW provisions place obligations on the purchaser of *inter alia*, non- portfolio (10% or greater) shareholdings in a company whose principal assets are taxable Australian property (which includes Australian mining assets). Whilst referred to as applying to acquisitions from 'foreign residents' the obligations need to be considered for both resident and foreign resident shareholders in King.

The obligation to withhold 15% of the purchase price and remit that amount to the ATO is obviated where the shareholder provides either a Clearance Certificate from the

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Commissioner of Taxation (which attests to their Australian tax residency) or a Vendor Declaration.

Where Whitebark considers it may have obligations under the FRCGW regime it will contact the King shareholder to provide them with an opportunity to seek a Clearance Certificate or make a Vendor Declaration if they are entitled to do so.

11.4 GST

No GST will be payable by King Shareholders on the acquisition of their King Shares by Whitebark under the Offer, or on the receipt of Whitebark Shares as consideration for acceptance of the Offer.

11.5 Duty

No Australian duty should be payable by King Shareholders on the acquisition of their King Shares by Whitebark under the Offer, or on the receipt of Whitebark Shares as consideration for acceptance of the Offer.

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12. ADDITIONAL INFORMATION

12.1 Bid Implementation Agreement

Whitebark and King entered into the Bid Implementation Agreement pursuant to which Whitebark agreed to offer to acquire all of the King Shares and King Options via an off-market takeover Offers.

A summary of the material terms of the Bid Implementation Agreement is set out below.

(a) Appointment of Directors

(i) As soon as practicable after Whitebark has a Relevant Interest in more than 50% of the King Shares and the Share Offer becomes or is declared unconditional, King must take all actions necessary to ensure:

(A) the resignation of Messrs Barnaby Egerton-Warburton, Stuart King, and Matthew Hansen; and

(B) the appointment of two nominees of Whitebark, who are to be provided to King in writing, subject only to receiving consents to act,

as directors of King.

(ii) Whitebark must procure that the appointees to the King Board that are listed above do not participate in decisions of King in relation to the Takeover Bids until after the End Date.

(iii) As soon as practicable after Whitebark has a Relevant Interest in more than 50% of the King Shares and the Share Offer becomes or is declared unconditional, Whitebark must take all actions necessary to ensure the appointment, subject only to receiving a consent to act, of Richard King as a Director of Whitebark.

(b) Recommendation of King Directors

King represents and warrants that it has been informed:

(i) by each of the King Directors that they intend to recommend that all King Shareholders accept the Offers, subject to there being no Superior Proposal;

(ii) by King Directors Richard King, Stuart King and Barnaby Egerton-Warburton that they intend to accept the Offers 21 days after the Offers become open for acceptance with respect to all King Shares and King Options owned or controlled by them, subject to there being no Superior Proposal; and

(iii) by each of the directors of King that they will not withdraw, revise, revoke or qualify, or make any public statement inconsistent with, the recommendation in above unless a Superior Proposal emerges.

(c) Exclusivity

The Bid Implementation Agreement contains certain exclusivity arrangements in favour of Whitebark, which are in line with market practice.

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(d) Competing Proposal

During the Exclusivity Period, King must as soon as possible (and in any event within 24 hours) notify Whitebark in writing if it or any of its related persons becomes aware of any:

(i) negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;

(ii) proposal made to King or any of its related persons, in connection with, or in respect of any exploration or completion of, an actual, proposed, or potential Competing Proposal; or

(iii) provision by King or any of its related persons of any non-public information concerning the business or operations of King or the King Group to any a Third Party (other than a Regulatory Authority) in connection with an actual, proposed or potential Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise unless (and only to the extent that) the King Board, acting in good faith and having regard to external legal advice, determines that it would be, or would likely be, a breach of their fiduciary or statutory duties to notify Whitebark.

(e) Matching Right

During the Exclusivity Period, King:

(i) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a third party, King or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Proposal; and

(ii) must procure that none of its directors change their recommendation of the Takeover Bids or publicly recommend an actual, proposed or potential Competing Proposal or recommend against the Takeover Bids,

unless:

(iii) the King Board acting in good faith and in order to satisfy what the members of the King Board consider to be their statutory or fiduciary duties (having received written advice from its external financial and legal advisers) determines that the Competing Proposal would be or would be likely to be an actual, proposed or potential Superior Proposal;

(iv) King has provided Whitebark with all terms and conditions of the actual, proposed or potential Competing Proposal, including price and the identity of the third party making the actual, proposed or potential Competing Proposal;

(v) King has given Whitebark at least 5 Business Days after the date of the provision of the information referred to in clause to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal; and

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(vi) Whitebark has not announced or otherwise formally proposed to King a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal by the expiry of the 5 Business Day period above.

(f) Termination

The Bid Implementation Agreement may be terminated by a party by notice to the other party:

(i) if the other party is in material breach of the Bid Implementation Agreement and that breach is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;

(ii) if Whitebark withdraws the Takeover Bids as permitted by the Corporations Act for any reason including non-satisfaction of a Condition or if the Takeover Bids lapses;

(iii) if there is a material breach of a representation or warranty by the other party and that breach is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;

(iv) if a Court or other regulatory authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Takeover Bids;

(v) if the other party or any of their subsidiaries becomes Insolvent; or

(vi) a majority of King's directors, having recommended the Takeover Bids, withdraw their recommendation of the Takeover Bids.

The Bid Implementation Agreement may be terminated by Whitebark by notice in writing to King if:

(i) a Superior Proposal is made or publicly announced for King by a third party;

(ii) a director of King does not recommend the Takeover Bids be accepted by King Shareholders or having recommended the Takeover Bids, withdraws or adversely modifies his or her recommendation of the Takeover Bids;

(iii) a person (other than Whitebark or its associates) has a Relevant Interest in more than 20% of the King Shares on issue (other than existing King Shareholders who at the date of the Bid Implementation Agreement hold a Relevant Interest in more than 20% of the King Shares on issue); or

(iv) a King Material Adverse Change or a prescribed occurrence that is set out in the Bid Implementation Agreement occurs.

The Bid Implementation Agreement may be terminated by King by notice in writing to Whitebark if:

(i) an Whitebark Material Adverse Change or a prescribed occurrence that is set out in the Bid Implementation Agreement occurs; or

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(ii) a majority of the King Directors recommend a Superior Proposal, provided always that the Exclusivity clause in the Bid Implementation Agreement has been complied with.

A full copy of the Bid Implementation Agreement was included as an annexure to an announcement released by Whitebark to ASX on 20 December 2024 and can be obtained from Whitebark's website or the ASX website.

12.2 Interest in King Securities

(a) Interests in King Securities

As at the date of this Target's Statement, the Directors of King have the following Relevant Interests in King Securities:

Name	Position	King Shares	%	King Options	%
Barnaby Egerton-Warburton[1]	Non-Executive Director	5,417,000	9.2	3,208,500	10.7
Richard King[2]	Non-Executive Director	3,298,090	5.6	1,750,000	5.8
Stuart King[3]	Non-Executive Director	3,048,090	5.1	1,625,000	5.4
Matthew Hansen	Non-Executive Director	1,350,000	2.3	675,000	2.3
Total		**13,113,180**	**22.2**	**7,258,500**	**24.2**

Notes:

1. Held indirectly. 5.4 million King Shares and 3.2 million King Class B Options held by Whistler Street Pty Ltd ATF Warburton Discretionary Trust, and 17,000 King Shares and 8,500 King Class A Options held by BXW Ventures Pty Ltd.
2. Held indirectly by Dubwell Pty Ltd ATF Wexford and Waterford Trust.
3. Held indirectly by Carwillkee Pty Ltd ATF EFK Family Trust.

(b) Intentions of the Directors in relation to the Offers

King Directors Richard King, Stuart King and Barnaby Egerton-Warburton have each confirmed that they intend to accept the Offers 21 days after the Offers become open for acceptance with respect to all King Shares and King Options owned or controlled by them, subject to there being no Superior Proposal.

The interests of these King Directors in King Securities are detailed above, and total in aggregate 22.2% of King Shares and 24.2% of King Options on issue as at the Last Practicable Date.

12.3 Interest and dealings in Whitebark Securities

(a) Interests in Whitebark Securities

As at the Last Practicable Date, no Director had a Relevant Interest in any Whitebark Securities other than Director Barnaby Egerton-Warburton who holds 1,000,000 Whitebark Shares.

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(b) Dealings in Whitebark Securities

No Director has acquired or disposed of a Relevant Interest in any Whitebark Securities in the four-month period ending on the Last Practicable Date other than Director Barnaby Egerton-Warburton who acquired 1,000,000 Whitebark Shares on 20 December 2024 on market following Whitebark's announcement of the Bid Implementation Agreement.

Neither King nor any Associate of King has acquired or disposed of a Relevant Interest in any Whitebark Securities in the four months period ending on the date immediately before the date of this Target's Statement.

12.4 Benefits and Agreements

(a) Directorships

As at the date of this Target's Statement, no Director of King is a director of Whitebark.

As soon as practicable after Whitebark has a Relevant Interest in more than 50% of the King Shares and the Share Offer becomes or is declared unconditional, Whitebark must take all actions necessary to ensure the appointment, subject only to receiving a consent to act, of Richard King as a Director of Whitebark.

(b) Benefits in connection with retirement from office

Except as otherwise set out in this Target's Statement, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of King or a Related Body Corporate of King.

(c) Agreements connected with or conditional on the Offers

Except as otherwise set out in this Target's Statement, there are no agreements made between any Director and any other person in connection with, or conditional upon, the outcome of the Offers other than in their capacity as a holder of King Securities.

(d) Benefits from Whitebark

Except as otherwise set out in this Target's Statement, none of the Directors has agreed to receive, or is entitled to receive any benefit from Whitebark which is conditional on, or is related to, the Offers, other than in their capacity as a holder of King Securities.

(e) Interests of Directors in contracts with Whitebark

Except as set out below or otherwise disclosed in this Target's Statement, none of the Directors have any interest in any contract entered into by Whitebark.

(f) Impact on Board

If Whitebark acquires a Relevant Interest in more than 50% of King Shares and the Offers are unconditional, Whitebark must, under the BIA, ensure Mr Richard King is appointed as a Non-Executive Director of Whitebark. Mr King is expected to

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receive directors' fees consistent with Whitebark's existing Non-executive Directors in respect of his role.

(g) Effect of Offers on material contracts

Except as set out below or otherwise disclosed in this Target's Statement, the Offers will not have any effect on the material contracts of the King Group.

If the Offers are successfully completed such that Whitebark acquires all of King's Securities, the Officer Energy Option will be triggered (subject to satisfaction of the requirements in Section 6.9(a)), resulting in King acquiring the remaining 30% of Officer Energy as summarised in section 6.9.

(h) Interests of Directors in contracts with King Group

Except as set out below or otherwise disclosed in this Target's Statement, none of the Directors have any interest in any contract entered into by the King Group.

Director Barnaby Egerton-Warburton, via his controlled entity BXW Pty Ltd, has provided King with short term loans totalling $32,402 as at the Last Practicable Date under an unsecured loan agreement dated 18 December 2024 with King able to draw down up to a total of $86,567 under the loan agreement (**BEW Loan**).

Director Barnaby Egerton-Warburton is an associate of Modena Ventures Pty Ltd (**Modena**) that has provided King with a short-term loan totalling $38,433 as at the Last Practicable Date under an unsecured loan agreement dated 18 December 2024 (**Modena Loan**).

Funds drawn down under the BEW Loan and Modena Loan must be used for working capital. Interest of LIBOR +3.00% pa is payable upon repayment of the outstanding principle, which is repayable on 30 June 2025 or such other date as agreed by the parties in writing. King may repay early without penalty. The agreements are otherwise on standard terms for agreements of this nature.

Director Stuart King exclusively provides geoscience technical services to King under a consultancy agreement dated 17 December 2024 that terminates on 30 June 2025 unless the parties agree otherwise. A minimum consultancy fee of $3000 plus GST per month (for up to 15 hours of service) is payable, with additional hours charged at $200 plus GST thereafter. King can terminate the agreement at any time by notice and payout of the remaining minimum consultancy fee to 30 June 2025.

King has entered into deeds of access, indemnity and insurance with each of its Directors on standard terms for agreements of this nature.

12.5 Consents to be named

EMK Lawyers has consented to being named in this Target's Statement as the legal adviser to King in the form and context in which it is named and has not withdrawn that consent at the date of this Target's Statement.

Each person named above:

(a) has not authorised or caused the issue of this Target's Statement;

(b) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based; and

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(c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name.

12.6 Reliance on ASIC modifications

This Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to the ASX including the Bidder's Statement. Under the terms of ASIC Corporations (Takeover Bids) Instrument 2023/683, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Target's Statement.

Any King Securityholder who would like to receive a copy of any of those documents (or relevant parts of these documents) may obtain a copy (free of charge) during the Offer Period by contacting King's Company Secretary on +61 8 6149 7516 which document(s) will be provided within 2 business days of the request.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement contains:

(a) security price trading data sourced from IRESS without its consent;

(b) publicly available historical geological data; and

(c) certain statements fairly representing a statement by an official person, or from a public official document or published book, journal or comparable publication.

12.7 Material litigation

King does not believe that it is involved in any litigation or dispute which is material in the context of King.

12.8 No other material information

This Target's Statement is required to include all the information that King Securityholders and their professional advisers would reasonably require to make an informed assessment whether or not to accept the Offers but:

(a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in the Target's Statement; and

(b) only if the information is known to any Director.

The Directors are of the opinion that the only information that King Securityholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offers are:

(a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);

(b) the information contained in releases by Whitebark to ASX before the date of this Target's Statement; and

(c) the information contained in this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate, unless expressly indicated otherwise in this Target's Statement and subject to the following qualification.

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The Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

(a) the nature of the King Securities;

(b) the matters King Securityholders may reasonably be expected to know;

(c) the fact that certain matters may reasonably be expected to be known to the professional advisers to King Securityholders;

(d) the nature of the Offers; and

(e) the time available to King to prepare this Target's Statement.

13. APPROVAL OF TARGET'S STATEMENT

This Target's Statement has been approved by a resolution passed by the Directors. All Directors voted in favour of that resolution.

Signed for and on behalf of King by:



Mr Richard King
Non-Executive Director
Date: 21 February 2025

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14. GLOSSARY AND INTERPRETATION

14.1 Glossary

In this Target's Statement (including its annexures), unless the context otherwise requires:

$, $A or **AUD** means Australian dollars.

Acceptance Form means the form of acceptance form for the Offers enclosed with the Bidder's Statement or alternatively an acceptance form sent to a King Securityholder by Whitebark's share registry in relation to the Offers.

Alinya Project means PEL 81 and PEL 253.

Announcement Date means the date the Takeover Bid was announced, being 5 July 2024.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as given to that term for the purposes of Chapter 6 of the Corporations Act (as modified by ASIC from time to time).

ASX means ASX Limited ABN 98 008 624 691 or, where the context requires, a financial market operated by it.

ASX Listing Rules means the listing rules of ASX, as amended or replaced.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement.

ATO means the Australian Tax Office.

Bid Implementation Agreement means the bid implementation agreement between King and Whitebark dated 19 December 2024.

Bidder's Statement means the bidder's statement by Whitebark dated 3 February 2025 setting out the terms, Conditions and other information in relation to the Offers.

Business Day means a day on which trading takes place on the stock market of ASX.

CGT means Capital gains tax.

Combined Group means Whitebark and its Subsidiaries following Whitebark acquiring control of King.

Conditions means Share Offer Conditions and the Option Offers Conditions as the context requires.

Control means the meaning given to that term in the Corporations Act.

Corporation Act means the *Corporation Act 2001* (Cth).

End Date means the earliest of the date of termination of the Bid Implementation Agreement in accordance with its terms and the end of the Offer Period, (or such later date as Whitebark and King agree).

Elpis Resources means Elpis Resources Pty Ltd (ACN 169 096 771).

Elpis Resources (WA) means Elpis Resources (SA) Pty Ltd (ACN 608 853 050).

Elpis Vendors means Fish Funds NZ Limited ATF Fish Funds NZ Trust, Jonathan Jenkins and Mulgowie Capital Pty Ltd ATF the Valentina Valentine Trust.

Energy Resources Act means the *Energy Resources Act (SA) 2000.*

Exclusivity Period means the period from and including 19 December 2024 until the earlier of:

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(a) the date of termination of the Bid Implementation Agreement;

(b) the end of the Offer Period; and

(c) 19 March 2025.

First Supplementary Bidder's Statement means the first supplementary bidder's statement by Whitebark dated 14 February 2025.

GST means goods and services tax.

King means King Energy Limited ACN 661 214 151.

King Board means the board of directors of King.

King Class A Options means King Options with an exercise price of $0.25 each expiring 24 November 2027.

King Class B Options means King Options with an exercise price of $0.25 each expiring 10 August 2027.

King Class A Option Offer means the takeover offer for King Class A Options on the terms and conditions contained in Section 12 of the Bidder's Statement.

King Class B Option Offer means the takeover offer for King Class B Options on the terms and conditions contained in Section 12 of the Bidder's Statement.

King Director means a director of King.

King Options means King Class A Options and King Class B Options as the context requires.

King Group means King and its subsidiaries, being Officer Energy, Elpis Resources and Elpis Resources (SA).

King Securities means King Shares and/or King Options (as the context requires).

King Securityholder means a registered holder of King Shares or King Options.

King Share means a fully paid ordinary share in the capital of King.

King Shareholder means a holder of King Shares.

Last Practicable Date means 20 February 2025, the last practicable date before the date of this Target's Statement.

MT Land Access Agreement means the land access and production agreement between the Maralinga Tjarutja, Elpis Resources and Elpis Resources (SA).

Notice of Status of Conditions means a notice required to be given under Section 630(3) of the Corporations Act.

Offer Period means the period during which an Offer will remain open for acceptance in accordance with the Bidder's Statement.

Offers means the Share Offer and the Option Offers.

Officer Energy means Officer Energy Pty Ltd (ACN 661 215 961).

Officer Energy Option means King's option to acquire 30% of Officer Energy from the Elpis Vendors as summarised in section 6.9.

Option Offers means the King Class A Option Offer and the King Class B Option Offer.

Option Offers Conditions means the conditions of the Option Offers set out in Section 12.11 of the Bidder's Statement.

PEL means a petroleum exploration licence governed by the Energy Resources Act.

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Record Date means the date set by Whitebark under Section 633(2) of the Corporations Act, being 5.00pm (WST) on 4 February 2025.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given in Sections 608 and 609 of the Corporations Act.

Share Offer means the takeover offer for King Shares on the terms and conditions contained in Section 12 of the Bidder's Statement.

Share Offer Conditions means the conditions of the Share Offer set out in Section 12.10 of the Bidder's Statement.

Shareholders Agreement means the shareholders agreement in relation to Officer Energy between King, Officer Energy and the Elpis Vendors as summarised in Section 6.8 of this Target's Statement.

Takeover Bids means the off-market takeover bids constituted by the dispatch of the Offers.

Target's Statement means this document.

Tax Law means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) and the *Taxation Administration Act 1953* (Cth), whether individually or collectively.

Whitebark or **WBE** means Whitebark Energy Limited (ACN 079 432 796).

Whitebark Information has the meaning given under the heading "Responsibility for information in this Target's Statement" in the Important Notices section of this Target's Statement.

Whitebark Capital Raising means the two-tranche placement to sophisticated and professional investors comprising the issue of 307,692,309 Shares and 163,846,155 unquoted Options ($0.015 exercise price, 31 March 2027 expiry), to raise $2 million before costs as announced by Whitebark on 5 and 14 February 2025.

Whitebark Convertible Securities means Whitebark Options and Whitebark Convertible Notes.

Whitebark Option means an option, issued by Whitebark, to acquire a Whitebark Share.

Whitebark Convertible Note means a note, issued by Whitebark, to convert into a Whitebark Share.

Whitebark Securities means Whitebark Shares and/or Whitebark Convertible Securities (as the context requires).

Whitebark Share means a fully paid ordinary share in the capital of Whitebark.

WST means Western Standard Time.

14.2 Interpretation

In this Target's Statement, unless the context otherwise requires:

(a) the singular includes the plural and vice versa and words importing one gender include other genders;

(b) terms defined in the Corporations Act as at the date of this Target's Statement have the meanings given to them in the Corporations Act at that date;

(c) a reference to dollars, A$, AUD, $ and cents is a reference to Australian currency;

(d) a reference to a statute of any parliament or any section, provision or schedule of a statute of any parliament includes a reference to any statutory amendment,

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variation or consolidation of the statute, section, provision or schedule and includes all statutory instruments issued under the statute, section, provision or schedule;

(e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;

(f) a reference to a section is a reference to a section of this Target's Statement and a reference to this Target's Statement includes any annexure or schedule to this Target's Statement;

(g) a reference to time is a reference to Perth time; and

(h) headings and bold type are used for reference only.

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15. CORPORATE DIRECTORY

Directors

Richard King - Non-Executive Director

Stuart King - Non-Executive Director

Barnaby Egerton-Warburton - Non-Executive Director

Matthew Hansen - Non-Executive Director

Company Secretary

Gaetano (Tony) Tomba

Principal Place of Business

Level 2, 10 Outram Street
West Perth WA 6005
Phone: +61 8 6149 7516
Email: info@kingenergyltd.com

Share Registry

Automic Registry Services Pty Ltd
Level 5, 191 St George's Terrace
Perth WA 6000
www.automic.com.au

Ph: 1300 288 664 (within Australia)
+61 2 9698 5414 (outside Australia)

Solicitors

EMK Lawyers
Suite 1, 519 Stirling Highway
Cottesloe WA 6011

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