



Quarterly Activity Report to 31 March 2023
27 April 2023

Whitebark Energy Limited is an ASX-listed exploration and production company featuring low cost oil and gas production in Canada and a substantial contingent gas resource in Western Australia. WBE has realigned its corporate strategy following a comprehensive management changeout and the landmark acquisition of a 100% interest in the Wizard Lake producing asset located in the prolific oil & gas province of Alberta, Canada.

Highlights

- Whitebark produced 11,874 boe from its 100% owned Wizard Lake Oil and Gas Field during the December 2022 quarter – a ~15% increase on December Quarter production of 10,324 boe
- The Company generated gross cash inflow of A\$0.959 million with revenue at an average price of A\$80 per barrel of oil equivalent during the period (CAD \$76/bbl oil and \$3.98/GJ gas) an increase of 307% relative to the December Quarter
- Rex-4 development wellbore was brought online in December 2022 and its production has steadily increased during the quarter – oil cut is now at 24% of an expected 40% ultimate cut
- Canadian subsidiary Rex Energy signed financing agreements with providers of all rental equipment at Wizard Lake Oil and Gas field. These agreements will provide Opex savings of CAD \$160,000 per year and lead to the ownership of all equipment by March 2025.
- Cash balance of A\$0.552 million as at 31 March 2023 with no debt.

Whitebark Energy Limited (ASX:WBE) ("**Whitebark**" or the "**Company**") is pleased to provide its Appendix 5B and Quarterly Activities Report for Q1 FY23, provided under Listing Rules 4.7b and 4.7c.

Key Performance Metrics	Mar-23 QTR	Dec-22 QTR	Qtr Change	Mar-22 QTR	Ann. Change
Net Production BOE	11,874	10,324	+15%	13,152	-12%
Sales Revenue AUD (millions)	\$0.959	\$0.312	+307%	0.657	+32%
Avg realised AUD price/BOE*	\$80.76	\$30.22	+267%	\$50.00	+62%

Table 1 - Key Performance Metrics. *BOE = Barrels of oil equivalent (Conversion of gas to Barrels of Oil Equivalent [BOE] is done on the basis of 6mcf = 1 BOE).

Key Performance Metrics	Mar-23 QTR	Avg Realised Price (AUD) Per bbl, GJ**, BOE
Net Production Oil (bbls)	6,680	\$84
Net Production Gas (mcf)	28,414	\$4.39
Net Production (BOE*)	11,874	\$80.76

Table 2 - Key Performance Metrics. *BOE = Barrels of oil equivalent (Conversion of gas to Barrels of Oil Equivalent [BOE] is done on the basis of 6mcf = 1 BOE). **GJ = GigaJoule (approximately 1 mcf of gas). Associated Natural Gas Liquids of

approximately 62 bbls per million cubic feet yielded 458 barrels and realised an average price of AUD\$72.40/bbl. CAD1.00 = AUD1.1052 @ March 31 2023

Whitebark Interim CEO, Dr Simon Brealey, commented:

"The Rex-4 development well clean-up has progressed during the quarter, and the well continues to be managed carefully to ensure long-term benefits in terms of well longevity and ultimate production potential. 140% of the volume of injected fracture stimulation fluid has so far been recovered and the oil cut is now at 24% of an expected maximum of around 40%. The well is outperforming its nearest analogue (Rex-1) in terms of initial production performance.

Rex-4 should lay the foundation for sustainable growth and significantly enhanced shareholder returns in the future as we plan for Rex-5 and beyond. I am also excited by the opportunity to evaluate small-scale acquisitions both in the region and in Australia, which may provide options to enlarge our business over our organic growth initiatives."

Corporate

Financials

Whitebark generated revenue of A\$0.959 million from oil and gas produced at Wizard Lake during the March 2023 quarter, a 207% increase on December 2022 Quarter. The increased revenue is due to an increased oil ratio (58% of BOE over 30% in Q2 FY23) and increased commodity prices, maintaining strong production despite minor operational downtime due to extreme weather and changing select equipment.

The Company realised an average sales price of A\$80.76 per barrel of oil equivalent during the March 2023 Quarter, an increase of 267% compared to Q2 FY23 (see Table 1). Oil sales averaged A\$84/ barrel and gas sales A\$4.39/GJ (see Table 2). Associated Natural Gas Liquids of approximately 62 barrels per million cubic feet realised an average price of A\$72.40/bbl. For this report, a conversion rate of CAD 1.00 – AUD 1.105 has been used (as at March 31 2023).

Whitebark held a cash balance of A\$0.552 million as at 31 March 2023 with no debt.

Payments to related parties of the entity and their associates totalled \$15,490 during the period. This includes payment of \$4,545 to Adelaide Equity Partners Limited for providing Corporate Advisory and Investor Relations services to the Company, and \$10,945 to Business Initiatives in respect of financial control, administration, accounting and taxation services.

Canadian Operations

Wizard Lake – (Whitebark 100% WI)

Production

Whitebark continued to operate the Wizard Lake Oil Field in Alberta, Canada, during the March 2023 Quarter and received 100% of all hydrocarbons produced from the Rex-1, Rex-2, Rex-3 and Rex-4 production wells. The Company holds a 100% working interest in all site facilities, pipelines and infrastructure.

During the reporting period, the Company produced 6,680 barrels of oil (217% increase on Dec 22 Quarter) and 28,414 mcf gas (55% decrease on Dec 22 Quarter) totalling 11,874 barrels of oil equivalent (15% increase on Dec 22 Quarter), averaging 132 barrels of oil equivalent per day (18% increase compared to Dec 22 Quarter), see Table 1. The increase in production was largely due to bringing Rex-4 online and steadily increasing oil production, along with strong production from Rex-3 during the quarter. Rex-4 is now producing 100 boe/d and increasing. The increase in average realised \$/boe is attributable to the significantly increased oil ratio of the total production – oil constituted 60% of production volume in the March 2023 Quarter compared with 30% in the December 2022 Quarter.

Short periods of operational downtime were experienced in January, with Rex-3 experiencing gas-locking, requiring the well to be flushed with fluid. The compressor was replaced in February to an upgraded model and took several days to reach optimum performance. Further severe weather conditions during February and

March (to minus 35 degrees Celsius) affected the generators at the 11/17 Battery and the 1/17 Satellite (see Figure 1), the compressor, and caused the freezing of numerous lines.

Lease to buy agreements were completed on all rental equipment saving \$160,000 per annum immediately and \$500,000 per year in 24 months once Rex owns the equipment (March 2025).

Rex-4 Development well

The Rex-4 well targeted the Rex Sandstone Member of the Lower Cretaceous Mannville Group, the reservoir from which the Rex-1, Rex-2, and Rex-3 horizontal wells were already producing. The Rex-4 development well achieved all of its objectives, landing the entire lateral section in the Rex Sandstone reservoir and demonstrating oil-saturation throughout the wellbore.

All incremental production is going directly to market via Whitebark's 100% owned facilities at Wizard Lake. Oil cut is currently ~24% and increasing steadily. Rex-4 currently sits at ~140% recovery of injected fluid. The eventual oil cut is expected to be approximately 40%, as demonstrated in wells Rex-1 through Rex-3. This is a standard oil saturation for sandstone reservoirs. Rex-4 is performing according to expectations and by comparison to the other wells.

Whitebark continues to pursue opportunities to optimise the field by minimising overheads, stabilising production and evaluating project optionality for capital investment going forward. Management continue to actively pursue opportunities to expand the Rex Energy footprint through acquisitions or partnerships that enhance the regional potential to optimise exposure to the play.

Wizard Lake Oil and Gas Field – Immediate development potential

It is planned for the next four Wizard Lake wells (Rex-5 through Rex-8) to address existing Proved ("1P") Reserves which are calculated to be 2.3 million barrels of oil equivalent¹. Whitebark plans to drill and complete all four wells from the existing well pad without further infrastructure investment required. The Company has identified 20 additional development locations, which will target the remainder of the Company's 2P reserves (5.12 million barrels of oil equivalent¹ in total) and contingent resources (an additional 4.7 mmboe).

¹As per Whitebark Energy Limited ASX announcement "2022 Reserves and Contingent Resources Report", released 5 September 2022

Excerpt from the "2022 Reserves and Contingent Resources Report" (5 September 2022)

Resources & Reserves as at 30 June, 2022		
100% Field Reserves (MMboe)		
Category	Proved 1P	Proved & Probable 2P
Developed & Undeveloped	2.29	5.12
100% Field Contingent Resources (MMboe)		
Category	1C	2C
Total	1.81	4.72

Table 1: Proved and Probable Reserves and Contingent Resources, 100% Rex Energy, 30 June 2022

Reserves

The total 100% Field 2P Reserves in Whitebark's Wizard Lake Oil and Gas Field (Table 1) at 30 June 2022 are assessed to be 5.12 million barrels of oil equivalent. The barrels of oil equivalent figure comprises 1.97 million barrels of crude oil, 16.87 billion cubic feet of natural gas and 0.34 million barrels of natural gas liquids.

2P Reserves include 1P Proven Developed Producing Reserves ("PDP" – those remaining reserves attributed to existing wells Rex-1 through Rex-3); 1P Proven Undeveloped Reserves ("PUD" – those reserves accessible from existing infrastructure and requiring the drilling of Rex-4 through Rex-8); and 2P Probable Reserves (those accessible and requiring a new well-pad, new facilities and the drilling of Rex-9 through Rex-15).

Contingent Resources

The total 100% Field 2C Contingent Resources for Wizard Lake at 30 June 2022 are assessed to be 4.72 million barrels of oil equivalent. The barrels of oil equivalent figure comprises 1.91 million barrels of crude oil, 15.05 billion cubic feet of natural gas and 0.30 million barrels of natural gas liquids. The Field Contingent Resources comprise volumes attributed to future planned wells with identified locations nominated Rex-16 through Rex-28 within the modelled reservoir distribution. Drilling of these locations will require additional facilities and the expansion of the Whitebark land position.

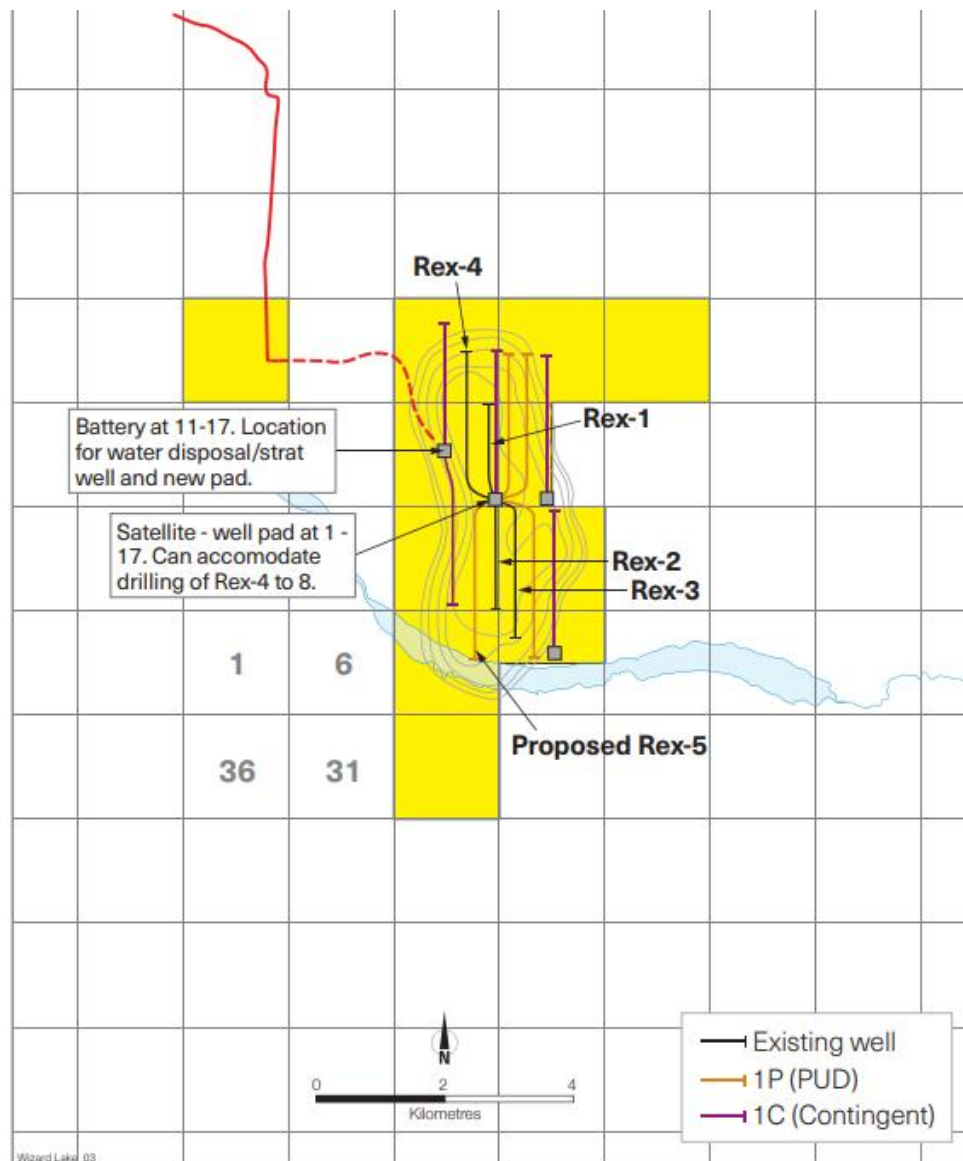


Figure 1 – Wizard Lake oil and gas field - location of existing and proposed wells, with outline of Proven (1P) reservoir

Western Australian Operations

Warro Gas Project (Whitebark WI 100%)

The Board of Whitebark executed an agreement with PetroDIP to consider and evaluate strategic options for the Company's Western Australian gas asset, Warro. With forecast gas prices to rise in WA, the directors believed it was timely to consider a range of options for developing the Warro asset for the benefit of shareholders. The Warro asset is currently considered non-core, with the Company's key strategic focus being its producing Wizard Lake oil and gas field in Canada. 90 companies were approached during the quarter with regard to taking a majority or 100% interest in Warro field; several Confidentiality Agreements were executed however ultimately, none of the interested parties made a binding offer for the asset.

Planned Activities to 30 June 2023

- Finalise clean-up fluid recovery of injected fluid at the Rex-4 development well until the oil reaches its expected maximum ~40%. At this stage, it will be determined whether pump rates can be increased further without damage to the wellbore, and Rex-4 will be produced at optimal rates as a completed oil well.
- Evaluate identified acquisition opportunities to increase the Rex Energy footprint in the area and to grow production and revenue in the near term. In parallel evaluate suitable potential farm-in and acquisition opportunities in Australia.
- Planning and design of Rex-5 Stage 1 drilling activities which will include a 2400m horizontal section to demonstrate wellbore lies within the oil-saturated reservoir. Location is permitted (Figure 1).
- Cost-benefit analysis of salt-water disposal line to third-party salt-water disposal well; this would eliminate current water trucking costs. Approximately 60% of the fluid production at Wizard Lake is water (this is referred to as a 60% "water-cut"). Installation of a disposal line to be evaluated in terms of economic benefit versus drilling a dedicated water disposal well or converting an existing legacy well into a "water injector". Water disposal costs become far more important once Rex-4 and Rex-5 are brought online, with the requirement to dispose of 500-1000 barrels of water per day.

Tenement Schedule

Canada (Net Acres)

	June Quarter	Relinquishments	Acquisitions	Sept Quarter
Wizard Lake	6,400	0	0	6,400

Australia (Net Acres)

Project	WBE	Location	Change during the quarter
Warro JV – RL7	54,360	Western Australia	No change

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

For further information:

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Interim Chief Executive Officer
Whitebark Energy
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SUPPORTING INFORMATION

A Note Regarding Forward Looking Information

This announcement includes certain statements related to our future business and financial performance and future events or developments involving Whitebark Energy Limited ('Whitebark' or 'the Company') that may constitute forward-looking statements. All statements, other than statements of historical fact, that refer to any future oil and gas production, resources or reserves, exploration results and events that the Company expects to occur are forward-looking statements. Although the Company believes that the expectations in those forward-looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially from the outcomes anticipated. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of oil and gas reserves and resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Conversion of gas to Barrels of Oil Equivalent (BOE) is done on the basis of 6mcf = 1 BOE.

Appendix 5B

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

Name of entity

WHITEBARK ENERGY LIMITED

ABN

68 079 432 796

Quarter ended ("current quarter")

31 MARCH 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (09 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	959	2,173
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	(370)	(1,346)
	(d) staff costs	-	-
	(e) administration and corporate costs ¹	(209)	(884)
	(f) production – royalties	(48)	(247)
	(g) field maintenance costs	(31)	(259)
	(h) costs of subsidiary restructure	-	-
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	13
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Deposit paid for costs of restructure	-	-
1.9	Net cash from / (used in) operating activities	302	(550)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements – Wizard Lake	-	-
	(c) property, plant and equipment	(742)	(3,949)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (09 months) \$A'000
	(f) other - non-current development expenditure	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(742)	(3,949)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,388
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	592	592
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	592	2,980

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	402	2,132
4.2	Net cash from / (used in) operating activities (item 1.9 above)	302	(550)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(742)	(3,949)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	592	2,980

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (09 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	(61)
4.6	Cash and cash equivalents at end of period	552	552

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	552	401
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	552	401

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

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

Current quarter \$A'000

15

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end

-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	302
8.2	Capitalised development expenditure (Item 2.1(f))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	302
8.4	Cash and cash equivalents at quarter end (Item 4.6)	552
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	552
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.83

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

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No – we expect that cash flows will improve as revenue from the new Rex 4 well continues to grow

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes - we expect that cash flows will improve as revenue from the new Rex 4 continues to grow

Compliance statement

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

Date: 27 April 2023

Authorised by: The Board of Directors of Whitebark Energy Limited

(Name of body or officer authorising release – see note 4)

Notes

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