



Growth through disciplined execution

*July 2020*

# INVESTMENT HIGHLIGHTS

1

## Successful execution of 2019 Wizard Lake development program in Canada

- Drilled three successful wells, Rex-1, Rex-2 and Rex-3
- Achieved peak production rate >1,800 boe/d<sup>1</sup> (>65% oil) from Wizard Lake\*
- Gas facilities and gas pipeline completed and commissioned
- 20+ drilling locations targeting 11mmboe<sup>2</sup>

2

## Low cost operations drive robust margins – conventional, low risk shallow sand

3

## Flexible operations that can adapt to changing market conditions

4

## Increased Wizard Lake interest from 20% to 85%<sup>3</sup> (average)

5

## Wizard Lake infrastructure established to facilitate growth

1. Refer ASX Release 17 February 2020

2. Refer ASX Release 22 August & 1 October 2019

3. Refer ASX Release 3 July 2020

\*Production has been constrained due to low oil price environment

# CORPORATE OVERVIEW

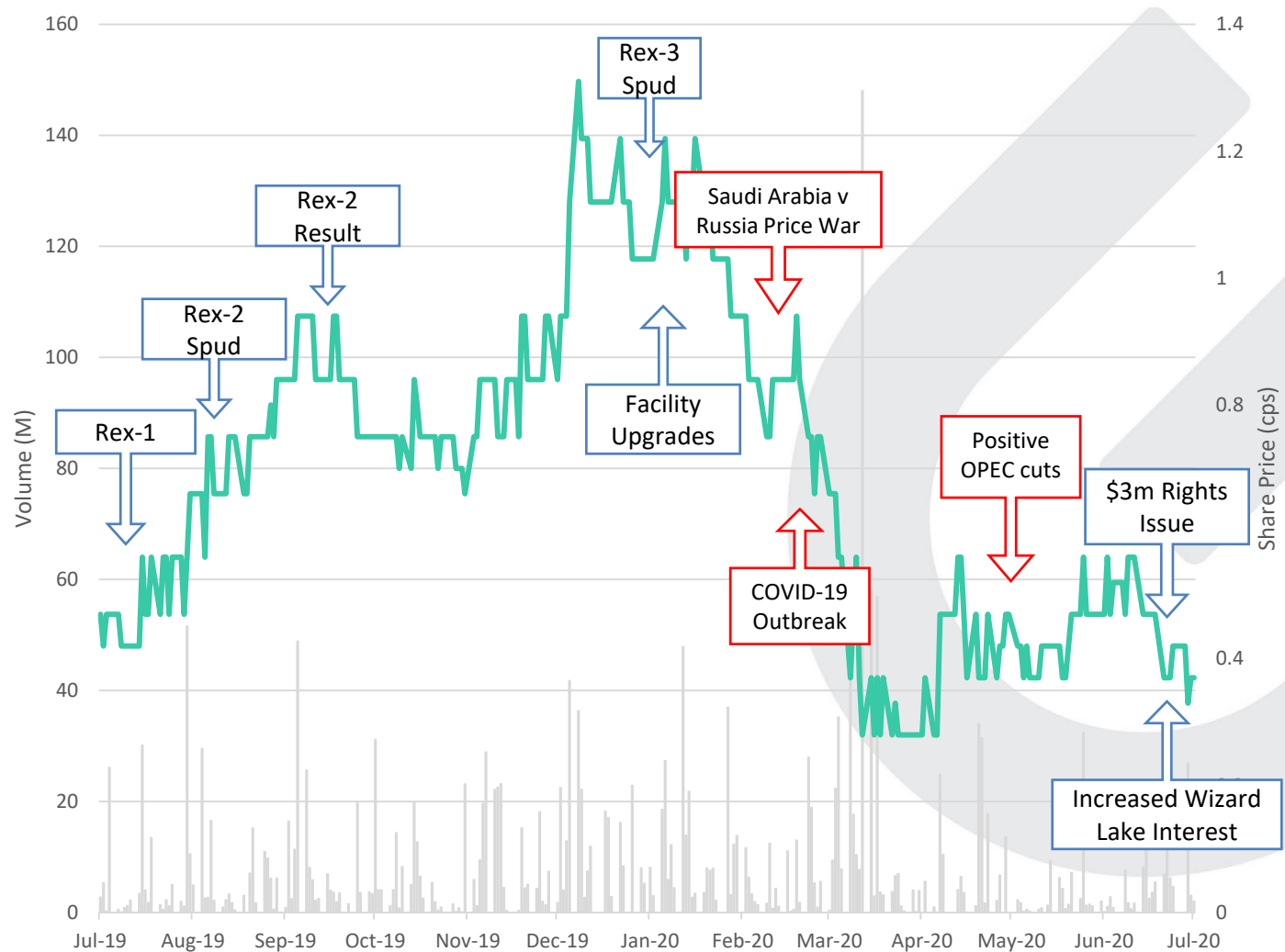
## ABOUT WHITEBARK ENERGY

- Whitebark is an ASX listed Company, focused on the development of Canadian oil and gas assets
- Proven and producing oil field with an additional 20+ drill locations targets
- Current economic climate presenting significant corporate opportunities throughout Canada

## CORPORATE SNAPSHOT – 03/07/2020

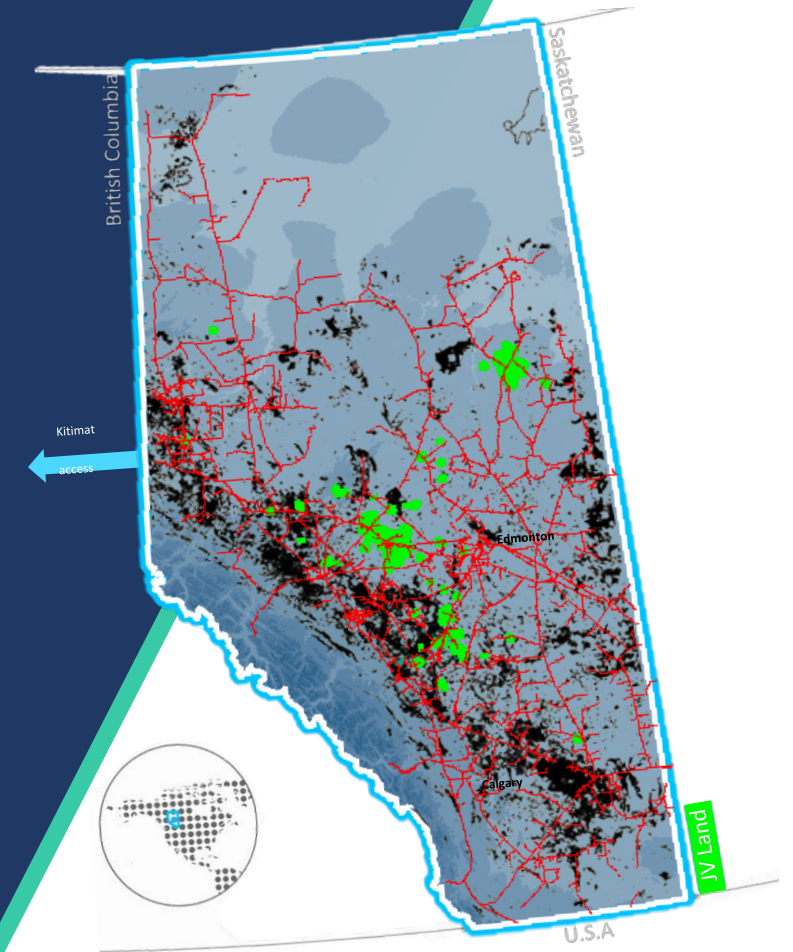
ASX code	WBE
Share Price	\$0.004
Market Cap	\$12.2m
Shares on issue	3,040m
Cash (31 March 2020)	~\$2.2m
Bank Debt	Nil

## SHARE PRICE PERFORMANCE



# ALBERTA, CANADA – A PREMIER ADDRESS

- Ranked third globally in world reserves
- Supportive government and community
- Attractive regulatory and fiscal regime
- Highly experienced workforce
- High rig count - 100 rigs operating (3,500 wells/yr) in normal environment
- **Low cost operating environment:**
  - Drilling costs low, speedy approvals
- **Easy access to up-to-date independent technical data**
- **Many areas “ripe” for application of horizontal, multi-frac well technology**
- Underutilised local infrastructure but export bottlenecks – AER curtailment (>10,000bopd)
- Connected to USA with oil and gas pipelines – main market
- Proposed pipeline expansions:
  - Kitimat Project – coastal Gaslink LNG pipeline
  - Keystone Pipeline to USA ~ 1mmbopd
  - TransMountain Pipeline – 590m bopd
- Cultural similarities to Australia





# WIZARD LAKE OVERVIEW – 11MM+ BOE FIELD

## ■ Targeting Cretaceous Rex Sand

- Data from Rex-1, Rex-2 and Rex-3 demonstrated excellent reservoir qualities (up to 23% porosity)

## ■ Passed over by previous producers in 1950-60's targeting deeper reef pools

- Historic data provides strong well control
- De-risks location of additional wells

## ■ Modern drilling and completion techniques enhance economics

- Horizontal drilling and fracture stimulation techniques validated by success at Rex-1, Rex-2 and Rex-3

## ■ Substantial nearby infrastructure

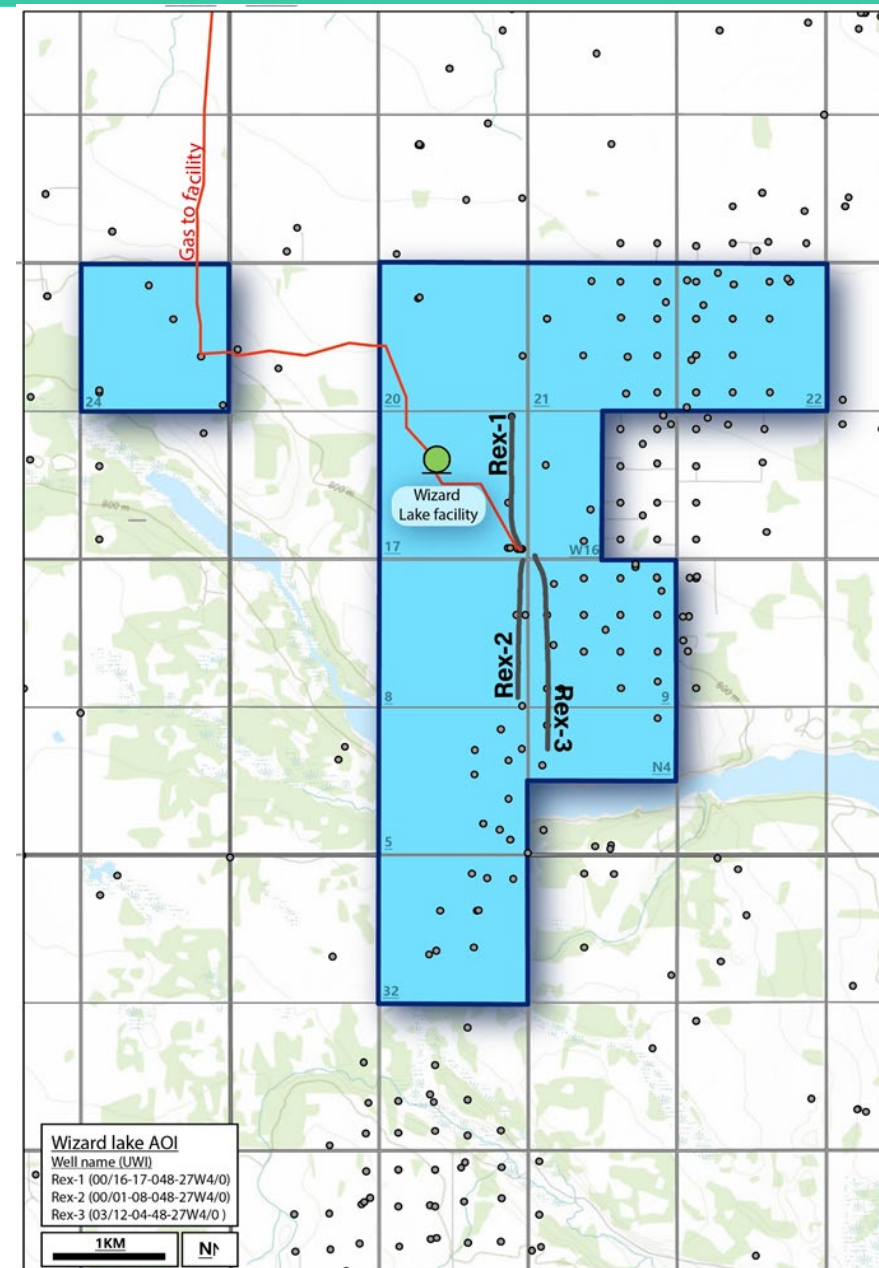
- Refineries located ~25km by road
- Transport costs ~C\$2.5/bbl

## ■ First oil from Rex-1 on June 5<sup>th</sup> 2019<sup>1</sup>, followed by Rex 2&3 in H2 2019

- Rex 1 Produced circa 250 bopd

### Working Interest Increase – 18 Months

Dec 2018	Jan 2019	Sept 2019	1 Dec 2019	29 Dec 2019	June 2020 Average
20%	30%	40%	50%	60%	85%



# DISCIPLINED GROWTH STRATEGY

## Well-defined growth strategy to deliver scalable production growth



### Wizard Lake

- Production grew to peak of 1,800 boepd<sup>1</sup> (1,220 bopd + 3.5mmscfpd) within 12 months of first well
- Reserves expected to be upgraded in CY2020
- Attractive payback provisions enhance return metrics

### Acquisitions

- Increased Wizard Lake interest an average of 85% (60% to 100% interest across blocks)
- Acquired additional neighbouring acreage for nominal value
- Highly experienced team actively assessing value accretive opportunities
  - Numerous nearby fields present opportunities of varying scales

# CURRENT OIL OUTLOOK

## Recent Pricing

- Brent crude oil hit a two-decade low of US\$16/barrel in April with WTI reaching negative US\$40/barrel

## EIA Oil Price Forecast\*

- Worldwide [crude oil](#) prices forecast to average US\$38/barrel for 2020 and US\$48/barrel in 2021
- Oil forecast to average US\$37/barrel in H2 2020

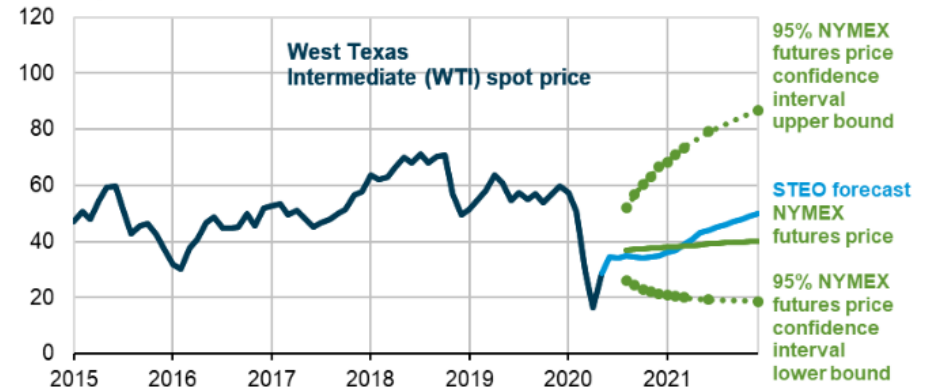
## WBE Commentary

- Price action has continued to improve as:
  - Covid-19 restrictions have eased; and
  - demand/supply dynamics have stabilised
- Oil market reached 'peak fear', exacerbated by storage capacity issues (WTI hit record low)
- Prices likely to correct to moving averages in due course
- Potential 'bull oil market' as global GDP growth resumes with significantly reduced shale investment/production

\*<https://www.eia.gov/outlooks/steo/>

## The U.S. Energy Information Administration (EIA) is forecasting an oil price recovery

West Texas Intermediate (WTI) crude oil price and NYMEX confidence intervals  
dollars per barrel



Note: Confidence interval derived from options market information for the five trading days ending Jun 4, 2020. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Sources: Short-Term Energy Outlook, June 2020, CME Group, and Bloomberg, L.P.



## Positive sentiment returning to the market

### WTI Jumps To \$40 On Demand Recovery

By Tsvetana Paraskova - Jun 19, 2020, 11:00 AM CDT

- ▶ On Friday, oil prices reacted to bullish signals both in demand and supply.
- ▶ On the demand side, the Brent Crude price structure flipped to backwardation on Friday, signaling a tightening of the physical oil market.

\*<https://oilprice.com/Energy/Oil-Prices/WTI-Jumps-To-40-On-Demand-Recovery.html>



### \$190 oil sounds crazy. But JPMorgan thinks it's possible, even after the pandemic

By Matt Egan, CNN Business

Updated 0033 GMT (0833 HKT) June 19, 2020

\*<https://edition.cnn.com/2020/06/18/investing/oil-price-spike-jpmorgan/index.html>

### Oil jumps 2%, posts seventh positive week in eight on supply cut optimism

PUBLISHED THU, JUN 18 2020 10:06 PM EDT | UPDATED FRI, JUN 19 2020 2:39 PM EDT

\*<https://www.cnbc.com/2020/06/19/oil-markets-opec-and-allies-in-focus.html>

### Oil Price Forecast: Oil Recovery Continues, WTI Tests the \$40 Handle

Jun 21, 2020 9:30 AM +09:30  
James Stanley, Strategist

### OIL PRICE FORECAST

- [WTI](#) Crude oil prices re-tested the \$40-handle this week.
- Just two months ago the current contract in Oil plunged well-below the zero-value; but since a strong recovery has shown with Oil prices gaining since early-May.

\*[https://www.dailyfx.com/forex/technical/article/fx\\_technical\\_weekly/2020/06/21/Oil-Price-Forecast-Oil-Recovery-Continues-WTI-Tests-the-40-Handle.html](https://www.dailyfx.com/forex/technical/article/fx_technical_weekly/2020/06/21/Oil-Price-Forecast-Oil-Recovery-Continues-WTI-Tests-the-40-Handle.html)

# CANADIAN GAS REMAINS BUOYANT WITH TAILWINDS

Canadian gas prices have remained buoyant during COVID-19 with tailwinds factors promoting further strength

Price Tailwind Factors	Commentary
<b>Decreased Canadian Production</b> Gas is linked with oil production	<ul style="list-style-type: none"><li>Canadian rig count: 26 – Down 37 rigs YoY (59% decline)<sup>1</sup></li><li>Enbridge foresees Canadian crude cuts exceeding 1 million bbl/d<sup>2</sup></li></ul>
<b>Decreased US Production</b> Gas linked with oil production Lower US production to increase demand for Canadian gas	<ul style="list-style-type: none"><li>US rig active count: 374 - Down 614 rigs YoY (62% decline)<sup>1</sup></li><li>US production fell to 11.9mmbbl/pd for week ending May 1, which is 1.2 million bpd off the all-time high and a substantial 300,000 bpd lower than the week prior</li></ul>
<b>Pipelines Access</b> New pipelines facilitate efficient transfer of gas to markets	Construction of: <ul style="list-style-type: none"><li>Keystone XL pipeline to carry 830,000 bbl/d from Canada to the US<sup>3</sup></li><li>Coastal GasLink Pipeline to carry 2.1bcf/d to facility near Kitimat, LNG Canada</li></ul>
<b>LNG Export Facility</b> Export route to open global markets	<ul style="list-style-type: none"><li>LNG Canada achieved FID for 14mm tpa project with expected delivery in 2024</li><li>Project is supported federally and provincially with incentives</li></ul>

1. Baker Hughes report 8<sup>th</sup> May 2020

2. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/pipeline-giant-enbridge-foresees-canadian-crude-cuts-exceeding-1-million-bbl-d-58507181>

3. <https://www.tcenergy.com/operations/oil-and-liquids/keystone-xl/>



# WHITEBARK — RESPONSE TO OIL PRICE

**Whitebark has made material changes to operations to mitigate impact of oil price action**

## Response to low oil price environment

### 1. Constrain Production

- Peak production of 1,220 bopd & 3.5mmcfpd (1,800 boepd)
- March quarter production of 38,972 bopd & 21.1mmcf gas (74,182 boe)<sup>1</sup>
- Production was constrained to ~250bopd. Given market stabilisation production is now being enhanced (targeting >400 bopd (>800 boepd) in July)

### 2. Reduced Operating Costs<sup>2</sup>

- Operating costs reduced to CDN\$7.50 – \$10.0/bbl oil
  - Oil and water transport and treatment variable costs of CDN\$4.35/bb
  - fixed costs equivalent to CDN\$3.15/bbl
  - Further reductions in fixed costs of approximately \$2/bbl are available if the rental equipment is acquired

### 3. Reduction in Remuneration<sup>3</sup>

- Directors have agreed to a 50% reduction in remuneration effective 15<sup>th</sup> April 2020
- Permanent and contract employees have agreed to take a reduction in remuneration

### 4. Cancelled Stage 2 of Wizard Lake Acquisition<sup>4</sup>

- Terminated the Definitive Agreement to acquire the residual 40% interest in the Wizard Lake Oilfield
- JV Partner entered administration enabling WBE to acquire residual interest in 3 of 6 blocks for nominal value
- WBE in negotiation with key stakeholders to acquire residual interest in remaining Wizard Lake blocks

1. ASX Release 30 April 2020

2. ASX Release 12 March 2020

3. ASX Release 23 March 2020

4. ASX Release 30 March 2020

# WIZARD LAKE – REX WELLS – SIGNIFICANT OPERATIONAL IMPROVEMENT

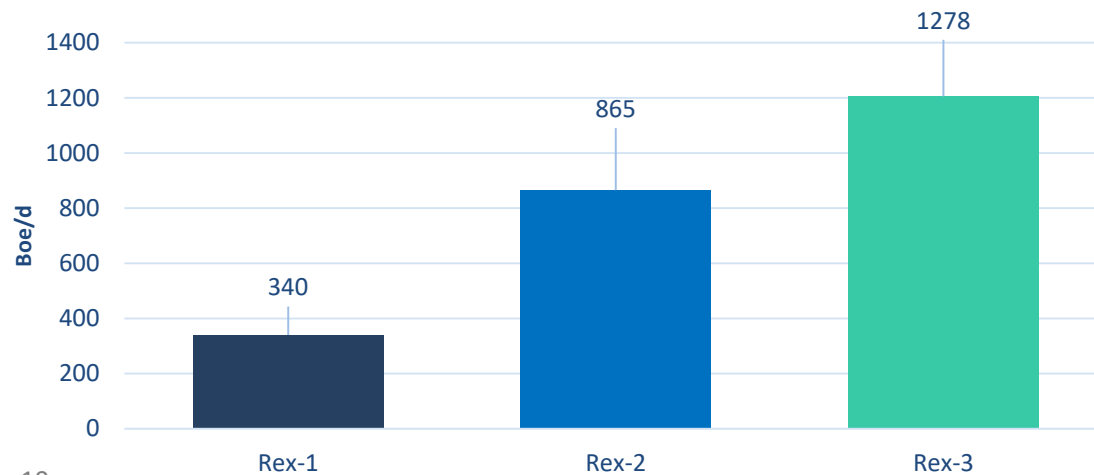
## Significant operational improvement

- Rex-3 experienced a 276% increase in peak production over Rex-1<sup>1</sup>
- Significantly enhanced payback ratios

## Rex-3 is the targeted analogue

- Whitebark aims to replicate Rex-3 for future wells<sup>2</sup>

BOE - Peak Production

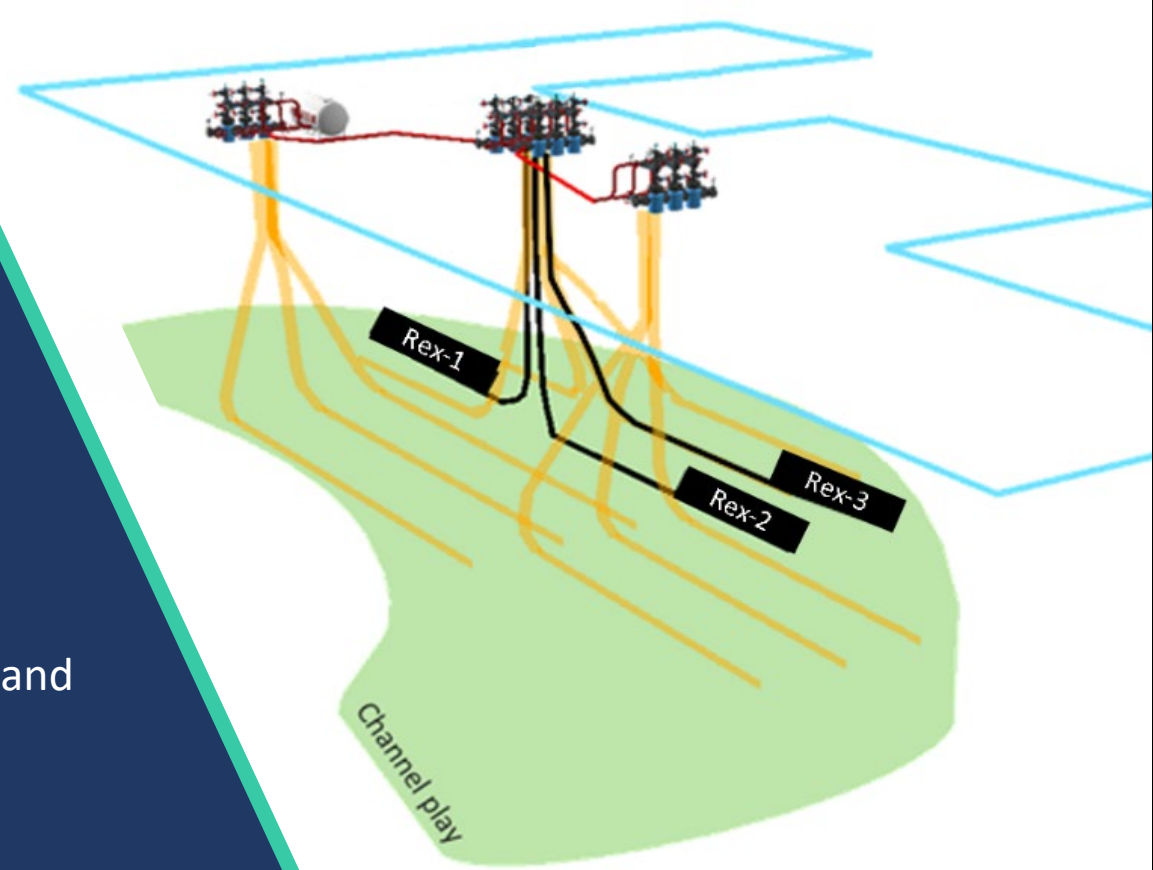


	Rex-1	Rex-2	Rex-3
Depth	1,414m	1,572m	1,570m
Length	1,237m	1,500m	2,098m
Stages	27	35	46
Peak Production BOE	340boe/d	865boe/d constrained	1,084 bopd (1,278 boe/d)
Estimated Steady Rate Production <sup>3</sup>	150 - 200boe/d	250 - 300boe/d	400 - 500boe/d

1. ASX Release 16 December 2019
2. Upon WTI price recovery c.US\$40
3. Production rates were being optimised as COVID-19 occurred

# REX-3 – THE ANALOGUE FOR FUTURE WELLS

- **Rex-3 drilled and fraced in December 2019**
  - **Initial peak production 1,278 boe/d<sup>1</sup>**
    - 1,084 bbls/d oil
    - 1.16 mmscf/d gas
  - Elevated porosity levels of up to 23% recorded through the sand (Rex-1: 18%, Rex-2: 21%)
  - Toe Vertical Depth 1,570 metres, lateral length ~2,098 metres
  - 46 stage frac successfully completed in 30 hours
  - As expected, the extra length of the horizontal section at Rex-3 has led to higher oil production rates and larger reserve bookings per well than at Rex-1 and Rex-2
- **Flowed unassisted until recently**
- **Pump added to Rex-3 in June to assist and improve production rates**



# WHITEBARK GAS PIPELINE AND FACILITY

- **Wizard Lake facilities installed and commissioned<sup>1</sup>:**
  - 5,000bbls storage (5 x 1,000 bbl storage tanks)
  - New separator (capable of 5,000 bpd of fluid and 10 mmscfpd of gas)
  - Built 3.1 km 6" pipeline and acquired 4.7km 6" Encana pipeline
- **Facility upgrades enabled Whitebark to:**
  - Process strong gas production of Rex-2 and Rex-3
  - Expansion of 20+ well drilling program
- **Whitebark is now set to unlock value from the capital expenditure to date**
- **Operating in Alberta, a tier-1 oil & gas jurisdiction, facilitated the expansion strategy in a timely and cost-efficient fashion**



1. ASX Release 23 December 2019



# PROVEN ABILITY TO EXECUTE

## Strong, established fundamentals

- Proven Wizard Lake Field
  - Strong oil and gas production
  - Upside potential from change in gas price dynamics
- First three wells successfully drilled
- Results exceed expectations
- Modular and scalable infrastructure
- Speedy approvals, quick implementation
- ....and there's 20+ wells more wells to come





# SUCCESSFULLY PLANNED & EXECUTED GROWTH

## Conventional Exploration

- 2020 Exploration well “Covided” to 2021
- 2018/19 Rex sand identified and successful exploration well drilled in Dec 18/Jan 19. Development ongoing
- 2017 Xanadu Exploration well success – play exited for up to \$5m in Oct 2018<sup>1</sup>



## Development

- Two successful Development wells drilled in 2019: Rex-2 August 2019, Rex-3 December 2019
- Oil and Gas Processing facility and satellite tester built in 2019
- 4.6 km new pipeline built and 4.7km pipeline acquired linking to nearby infrastructure



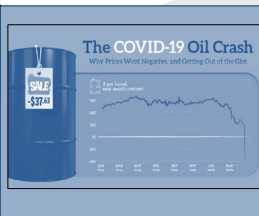
## Production

- Production grew to peak of 1,800 boepd (1,220 bopd + 3.5mmscfd) within 12 months of first well
- Reduced the cost of production to circa \$10/bbl oil
- Attractive payback provisions enhance return metrics
- Reserves expected to be upgraded in CY2020



## Capital Management / Corporate

- Expanded Wizard Lake working interest from 20% to ~85% in 18 months. Aiming for 100% within 6 months.
- Looking for low cost strategic acquisition opportunities in depressed market
- Protect the Company's financial standing with substantial cuts to its overheads
- Creditor balance to be addressed through Entitlement Offer proceeds, cashflows and staged payments



# WESTERN AUSTRALIA – WARRO GAS FIELD

Under Review



Perth Basin Land Location Map - Warro

- Perth Basin - Warro Gas Field (100% interest)
- After an extended period the WA Government released a Fracture Stimulation Implementation Plan in July 2019
  - Marks the formal end of the ban on onshore fracture stimulation in WA
  - Companies may now submit applications to EPA for review
  - Clear procedures and regulation still under development

## Background

- Four wells drilled and 3D seismic acquired under the Alcoa JV - \$95m spent on the project
- Potential to unlock significant value
  - Presence of very large gas volumes confirmed, commercial production capability unproven
  - Whitebark assessing all options in regard to unlocking value from the Warro Gas Field

# \$3.0M - 1-FOR-3 PARTIALLY UNDERWRITTEN ENTITLEMENT OFFER<sup>1</sup>

## Offer Details

- Offer to raise approximately A\$3.0 million through a non-renounceable 1-for-3 entitlement offer (“Entitlement Offer”);
  - The **Offer price is A\$0.003** per New Share (“Offer Price”), which represents a:
    - 33.3% discount to last close price on 25 June 2020 of A\$0.0045 per share
    - 25.5% discount to 5-day VWAP of A\$0.0040 per share
    - 35.9% discount to 15-day VWAP of A\$0.0047 per share
- **The offer is Entitlement Offer is partially underwritten – \$1.7m**
  - Board and Management have underwritten \$0.3m of Entitlement Offer
- New Shares are being offered to all eligible shareholders on a pro-rata basis of 1 new share for every 3 shares held

## Use of Funds

- Working capital (comprising operational and capital costs accrued and pending)
- Acquisition of land mineral leases
- Wizard Lake Field maintenance and workovers
- Entitlement offer costs

# ENTITLEMENT OFFER – INDICATIVE TIMETABLE

Event	Date
<b>Announcement of Offer and Appendix 3B</b>	Tuesday, 30 June 2020
<b>Lodgement of Prospectus with the ASIC and ASX</b>	Tuesday, 30 June 2020
<b>Ex date</b>	Friday, 3 July 2020
<b>Record Date for determining Entitlements</b>	Monday, 6 July 2020
<b>Prospectus despatched to Shareholders &amp; Company announces despatch has been completed</b>	Thursday, 9 July 2020
<b>Last day to extend Closing Date</b>	Wednesday, 15 July 2020
<b>Closing Date<sup>1</sup></b>	Monday, 20 July 2020
<b>Securities quoted on a deferred settlement basis from market open</b>	Tuesday, 21 July 2020
<b>Announcement of results of issue</b>	Thursday, 23 July 2020
<b>Issue date and lodgement of Appendix 2A and application for quotation of the securities</b>	Monday, 27 July 2020

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## Cautionary Statement Prospective Resource Estimates

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery, as well as a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a commercial quantity of potentially moveable hydrocarbons.

## References and Competency Statements

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

## 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 ('WBE' 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.



# Thank you

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*This ASX announcement has been authorised for release by  
David Messina, Managing Director of Whitebark Energy Limited*

