

Whitebark Energy sells TP-15 interest for up to \$5m

25 OCTOBER 2018

Funds to be invested into advancing Canadian JV's 100 million barrel exploration opportunities and strategic acquisitions

- Whitebark has executed a Sale and Purchase Agreement to sell its 15% interest in TP-15 to Triangle Energy (Global) Ltd for up to \$5m.
- The offer structure allows Whitebark to retain exposure to any commercial success at Xanadu which is located within TP-15.
- Whitebark intends to invest the initial sale proceeds into new Canadian oil projects where the JV has recently identified exploration opportunities of over 100 million barrels of oil in place (>20 million bbls net to WBE – Refer ASX Release 1 October 2018).
- Simultaneously, negotiations on a new Canadian oil asset are progressing but remain confidential.
- Current Canadian production is currently around 320 boe/d and is benefiting from the strengthening oil and gas prices.

Whitebark Energy (ASX:WBE) has executed a Sale and Purchase Agreement to sell its 15% interest in TP15 (the Perth Basin permit containing the Xanadu oil discovery) to Triangle Energy (Global) Ltd (ASX:TEG) for \$5 million.

The payments to be received from the Xanadu sale are:

- Upfront consideration of \$3m, made up of \$2m in cash payable within 3 days of the prior satisfaction of the Joint Operating Agreement Transfer Documents anticipated to be complete within 14 days, and \$1m in TEG shares satisfied by the issue of 11,191,052 shares and settled prior to 1 December 2018 following TEG shareholder approval to issue and allot the shares. In the absence of this approval TEG will either pay WBE the consideration of \$1m in cash or issue the 11,191,052 TEG shares from their capacity under listing rule 7.1;
- \$1m Appraisal Outcome Consideration: Following an independent competent person's report demonstrating that gross 2P plus 2C reserves exceed 8 million barrels of oil in aggregate within four years of the Effective Date, pay either \$1m in cash or at WBE's election, \$500,000 in cash and \$500,000 in TEG shares.
- \$1m First Oil Bonus: Payment on first commercial production, being the sale of oil in excess of 1,000 barrels produced from within TP15 provided such sale occurs within seven years of the Effective Date
- Upfront shares issued as consideration will be based upon the volume weighted average price for Shares for the 30 days on which sales of Shares were recorded on the ASX prior to 8 October 2018 and for Appraisal Shares, the 30 days prior to the receipt of the competent person's report
- Effective Date of the Transaction is 24 October 2018.

Material Conditions Precedent Include:

- The Transaction is subject to the normal regulatory approvals.
- An enforcement right has not arisen under the security agreement with Whitebark and Kubla Oil Pty Ltd (a wholly owned subsidiary of Whitebark), entered into at the same time as the Sale and Purchase Agreement, whereby Whitebark grants Triangle security over its shares in the Kubla Oil Pty Ltd to secure the payment of the \$2m (if required);
- Receipt of all necessary consents under the joint operating agreement in respect of TP/15 to give effect to the Acquisition;
- The execution of an orderly sales agreement, providing for a voluntary escrow to be applied over the Consideration Shares for the first six months following completion of the Acquisition, and an orderly sale process in respect of the Consideration Shares for the following six months

“While it was a difficult decision to exit Xanadu, we are fortunate that we can quickly invest capital into projects in Alberta, Canada, where costs are much lower, project approvals significantly quicker and the likelihood of timely and substantial commercial returns more predictable. In addition, by the nature of the transaction with Triangle, we have maintained exposure to any success at Xanadu via Triangle stock and agreed milestone payments,” said Mr Messina.

“Whitebark will have over \$4m cash to invest in drilling programs and strategic acquisitions in Canada which have the potential to materially change the company within the next six months.”

“Whitebark and its Canadian JV partner, Point Loma Resources, have been in negotiations to purchase production assets with development upside with financial metrics consistent with the Company’s previously announced acquisition criteria.”

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About Whitebark Energy

Whitebark Energy Limited (ASX: WBE) is a Perth-based company with production and exploration assets in Canada and Australia.

Canada

Whitebark holds between 20% and 30% working interest (varies by license) in the Point Loma Joint Venture (PLJV) in the province of Alberta with TSXV-listed Point Loma Resources Limited.

The PLJV is a well-established producer, with existing oil and gas processing facilities and pipelines into markets. Whitebark's aim for the PLJV is for a significant increase in production through acquisitions, the workover and tie-in of behind-pipe reserves and horizontal development drilling.



Western Australia

Through wholly owned subsidiary Latent Petroleum, Whitebark holds a 100% interest in the 4.4-11.6tcf (refer ASX release dated 19 November 2015) undeveloped Warro Gas Project, about 200km north of Perth.

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 contingent resource estimates that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.