



# Quarterly Activity Statement

29 April 2019

## Summary

Whitebark Energy Ltd (ASX: WBE) is pleased to provide an overview of its activities for the Quarter ended 31 March 2019. Following the success of the first Wizard Lake Rex well in Canada, which is expected to be onstream in Q2 2019, the Stage 1 development plan for two wells and surface facilities is fully funded through a placement to Grand Gulf Energy of \$1.95m. Continued drilling success will lead to a further 12 to 17 well development program that would be consistent with similar nearby accumulations.

The successful drilling of the Wizard Lake Rex oil well has focussed the company's strategy on production growth through the development of the Wizard Lake Oil field.

At the end of the quarter WBE had \$2.4m in cash and 11,191,052 shares in Triangle Energy Group (TEG) valued at \$1,286,970.

## Highlights

### Point Loma JV (PLJV) (20%-30% WI), Canada

- Wizard Lake Rex-1 production will be on line by end of Q2, 2019.
- Production net to WBE is expected to increase by a minimum of 100 barrels of oil per day when Wizard Lake Rex-1 is brought into permanent production. This will increase oil production by more than 100%.
- The PLJV controls 5,166 acres in the area and, with continued drilling success, expects 12-17 follow-up wells to be drilled in the Wizard Lake field.
- Paddle River water injection well was successfully recommissioned.
- Net production for the quarter of 24,320 boe down from 25,346 boe in the previous quarter due to maintenance operations and various well shut-ins due to low commodity prices.
- The Wizard Lake Rex 2 oil well is scheduled for spudding in June/July 2019.

## Recent Activity

### Canadian Operations – Point Loma Joint Venture (PLJV) (WBE 20%-30% WI)

#### *Wizard Lake Rex Oil Discovery (WBE 30% WI)*

##### *Development Plans*

Following the success of the Rex-1 well in January 2019, WBE has approved the first phase of the Wizard Lake development. The 2019 Wizard Lake development program will encompass the construction of a pipeline and installation of initial production facilities on a multi-sell pad in Q2, 2019 and the drilling of two new Wizard Lake wells this calendar year.

Construction has commenced on the multi-well pad and associated facilities and will be followed by the pipeline. This will enable the Wizard Lake Rex-1 well to be brought into commercial production by the end of May, subject to weather conditions during spring break up.

The modular production and processing facility will be located 1.6 km NW from the Rex- 1 well and will have the capacity to service additional Rex wells as they are brought into production.

The total gross cost for the pipeline, treatment facility and multi well pad is estimated to be A\$630,000. In its Wizard Lake reserves update announced to the ASX on 15 March 2019, Whitebark indicated the likelihood of 12-17 well locations in the oil pool. Development plans for the next two wells in the pool, Rex-2 and Rex-3 are near to completion, with drilling of Rex-2 targeted for mid-2019. Rex-2 is situated to the south of Rex-1 and will be drilled from the same surface location (see Figures 1 and 2) with the cost to drill and complete estimated to be approximately C\$2.3m.

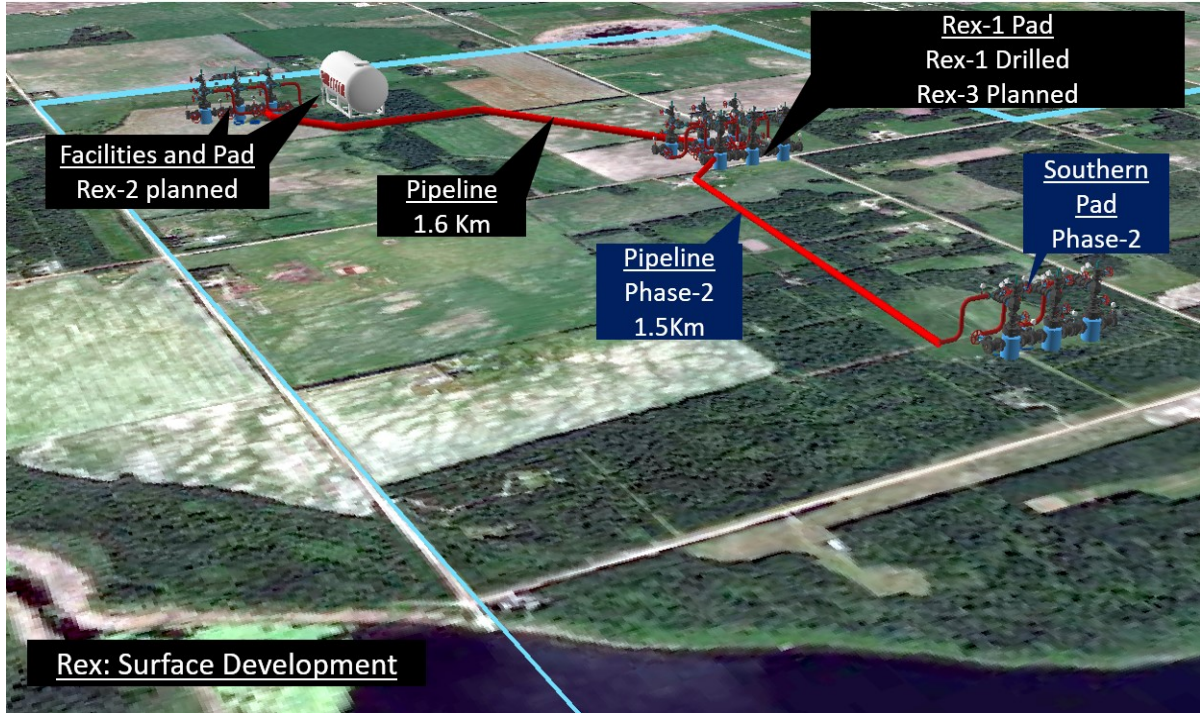


Figure 2 - Rex Discovery Surface Development

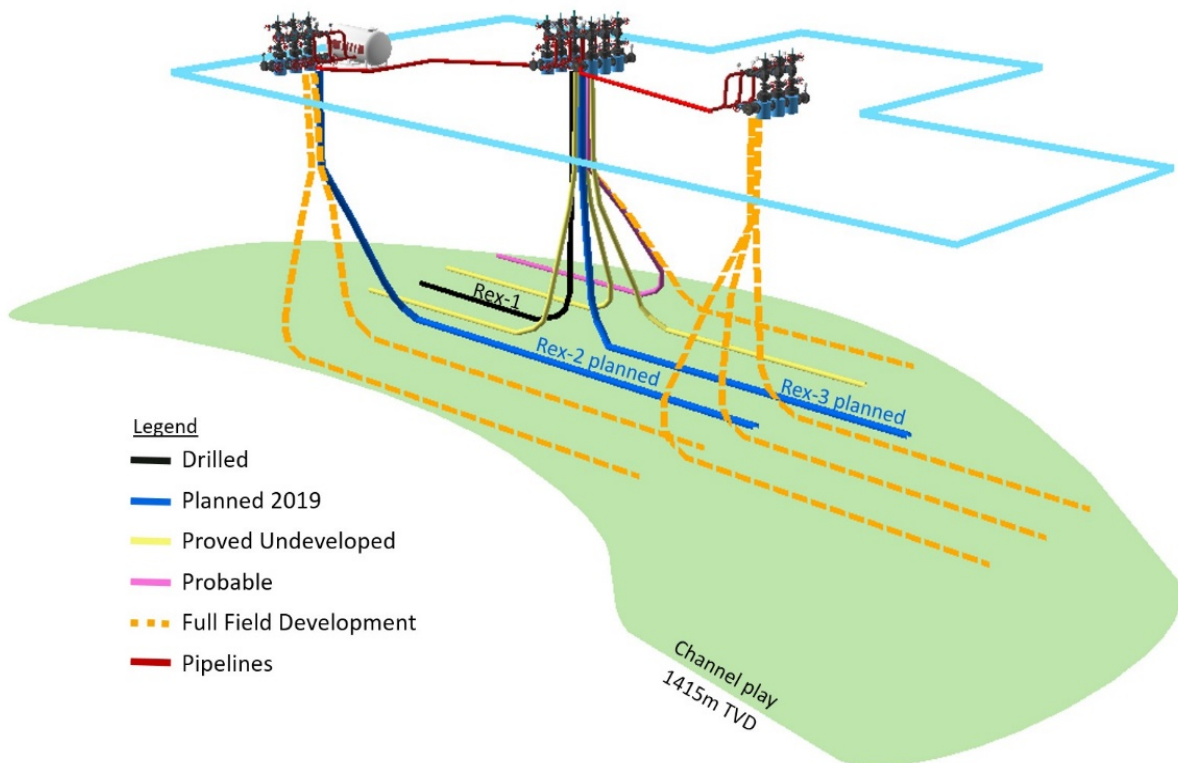


Figure 1 - Wizard Lake Rex-2 and Rex-3 Drill Plan

### *Restated Wizard Lake Oil Volumes Increase by 55%*

Following reconciliation of the hydrocarbons produced from the January 2019 flow test of its Wizard Lake Rex well, the total oil produced from the 16 day flow test has been increased from 1833 barrels of oil to 2845 barrels – a 55% increase (Refer to ASX Release 20 February 2019). The well was originally assessed at 305 barrels of oil per day (pre-reconciliation) and rising when the flow test was completed. This increase in total testing volumes would very likely mean that daily production, when the well is brought on line, will be higher than initially forecast. The reconciliation was based on final, oil cut adjusted, receipts at customer oil refineries. There is no change to gas production rates.

### *Wizard Lake 2P Oil Reserves Increase by 70%*

On 15 March 2019, WBE provided an update to the market on its reserve position for its Wizard Lake Oil Pool in Canada as at 31 December 2018, assessed by McDaniel & Associates (McDaniel). The numbers were generated as part of the annual reporting requirement for the Canadian JV partner, the operator. This process only addressed the reserves immediately adjacent to the discovery well and, as is the norm in Canada, ignores possible reserves present in the entire field as they are more than 800m from the discovery well.

The McDaniel assessment has allocated proved and probable gross reserves of 150,000 bbls (45,000 bbls net to WBE) to each of four well locations adjacent to the discovery well (three Proven undeveloped (PUD) and one Probable locations).

Using the well spacing adopted by McDaniel, and applying it to the field outline as defined by adjacent well control and seismic data, reveals the likelihood of a further 12 well locations with possible reserves as indicated in the attached figure (Figure 2).

Table 1 shows the estimated net reserves to Whitebark as at December 31, 2018, based on the McDaniel reserve estimates of Dec 31 2018 Point Loma Joint Venture (PLJV) properties (WBE 30%).

*Table 1 – Summary of Wizard Lake Reserves as at 31 December 2018*

Reserve Category	Barrels of Oil
<b>Proved</b>	
Producing	-
Non-Producing	33,000
Undeveloped	99,000
<b>Total Proved</b>	<b>132,000</b>
Probable	93,000
<b>Total Proved plus Probable</b>	<b>225,000</b>

## Western Australian Operations – Warro Gas Project

### (WBE WI 100%)

The Warro project continues to be in care and maintenance, awaiting Government guidance on the regulatory changes to be made to implement the recommendations of the Fracking Inquiry.

## Planned Activities to 30 June 2019

- Installation of pipeline and processing facilities to bring Wizard Lake Rex 1 well onto permanent production.
- Spud Rex-2 oil well at Wizard Lake, subject to weather.

## Corporate and Financial

### Capital Raising

On 22 March 2019 WBE announced the execution of a Share Subscription Agreement with Grand Gulf Energy Limited (ASX: GGE) for 390 million shares at \$0.005 to raise a total of a \$1.95m to be distributed to GGE shareholders through an in specie distribution. This combined with revenue from Wizard Lake production (Rex wells) and Whitebark's existing cash reserves will be dedicated to these developments.

The Share Subscription Agreement and the obligations of the Parties under the Agreement are subject to and conditional upon:

- Whitebark Energy Limited Shareholder approval of the share placement; and
- Grand Gulf Energy Limited shareholder approval to the pro-rata in-specie distribution of the placement shares to GGE shareholders.

## Financial

Closing cash at the end of the quarter was AUD\$2.4 million plus a holding of 11,191,052 in Triangle Energy (TEG) valued at \$1,286,970.

## Tenement Schedule

### Canada (Net Acres)

	March Quarter	Relinquishments Or Surrendered	Acquisitions	December Quarter
Whitecourt	4,158	-	50	4,108
Leaman	7,022	177	544	6,655
Paddle River	6,781	196	-	6,977
Niton	648	-	8	640
Thornbury	10,754	603	-	11,357
Thorsby	79	-	-	79
Gilby	4,431	9	55	4,385
Wizard Lake	1,551	-	784	767
Other	1,837	-	22	1,815
<b>Totals</b>	<b>37,261</b>	<b>985</b>	<b>1,463</b>	<b>36,783</b>

### Australia

Project	WBE (Net Acres)	Location	Change during the quarter
Warro JV – RL7	36,480	Western Australia	No change

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 referred to 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.

### ***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.

### ***GLOSSARY OF TERMS***

<b>Abbreviation</b>	<b>Definition</b>	<b>Abbreviation</b>	<b>Definition</b>
<b>BOE</b>	Barrels of Oil Equivalent	<b>MMCF</b>	One Million Cubic Feet of Gas Volume only.
<b>BOEPD</b>	Barrels of oil equivalent per day	<b>MMBBL</b>	One Million Barrels of oil
<b>Edm</b>	Edmonton	<b>PUD</b>	Proved Undeveloped
<b>MBOE</b>	Thousand Barrels of Oil Equivalent	<b>WTI</b>	West Texas Intermediate

Conversion of gas to BOE is done on the basis of 6mcf = 1 BOE.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

WHITEBARK ENERGY LIMITED

**ABN**

68 079 432 796

**Quarter ended ("current quarter")**

31 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	606	1,578
1.2 Payments for		
(a) exploration & evaluation	(925)	(1,270)
(b) development	(215)	(169)
(c) production	(591)	(1,519)
(d) staff costs	(111)	(449)
(e) administration and corporate costs	(273)	(993)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,496)</b>	<b>(2,797)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	(49)	(52)
(c) investments	-	-
(d) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	2,173
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(49)</b>	<b>2,121</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	2,251
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(268)
3.5 Proceeds from borrowings	-	-
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>1,983</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,555	1,100
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,496)	(2,797)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(49)	2,121
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	1,983
4.5 Effect of movement in exchange rates on cash held	(13)	6
<b>4.6 Cash and cash equivalents at end of period</b>	<b>2,413</b>	<b>2,413</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	959	1,993
5.2 Call deposits	1,454	1,978
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,413</b>	<b>3,971</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
160
-

Directors fees and consultant fees.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-



<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Exploration and evaluation	110
9.2	Development	1,050
9.3	Production (net of cost)	(640)
9.4	Staff costs	150
9.5	Administration and corporate costs	300
9.6	Other	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>970</b>

The Company on 22 March 2019 announced a Share Subscription Agreement for the issue of 390m shares at \$0.005 cents each to raise \$1.95m. The agreement is subject to shareholder approval at a general meeting to be held on 10 May 2019

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	<b>Alberta, Canada:</b>	<b>Acres</b>		
		-Leaman	177	100	0
		-Paddle River	196	100	0
		-Thornbury	603	100	0
		-Gilby	9	100	0
10.2	Interests in mining tenements and petroleum tenements acquired or increased	<b>Alberta, Canada:</b>	<b>Acres</b>		
		-Whitcourt	50	0	100
		-Leaman	544	0	100
		-Niton	8	0	100
		-Gilby	55	0	100
		-Wizard Lake	784	0	100
	-Other	22	0	100	

### Compliance statement

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

Sign here:



Date: 29 April 2019

Print name: Kevin Hart

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.