



Whitebark Energy signs binding Purchase and Sale Agreement to invest in Wizard Lake assets

14 June 2024

Highlights

- **Whitebark Energy's 100% owned Rex Energy has executed a Purchase and Sale Agreement which will see Conflux Energy Corp. ("Conflux") assume a 90% interest in the Canadian operations.**
- **The transaction, which has a number of customary conditions precedent, involves Conflux assuming all outstanding contingent liabilities in Rex Energy of CAD \$1.44M.**
- **In addition, Conflux will contribute funding and investment in the field to bring the field into full production which the Directors of Whitebark believe will result in positive cash returning to the Australian operations. Rex will be free carried for this expenditure.**
- **Conflux is a Canadian private company based in Alberta managed by personnel with a strong track record of operating oil and natural gas projects in the Western Canadian Sedimentary Basin.**

Whitebark Energy Limited (**ASX:WBE**) ("**Whitebark**" or the "**Company**") is pleased to announce that it has executed a Purchase and Sale Agreement ("**PSA**") which will see the sale of a 90% working interest in its Wizard Lake assets in Alberta, Canada to Conflux Energy Corp. ("**Conflux Energy**").

Rex Energy Limited ("**Rex Energy**"), a wholly owned Canadian subsidiary of Whitebark, will retain a 10% working interest as part of the transaction. In addition, Conflux will give the Company a "free carry" on Rex's 10% working interest for the initial capital required to bring the field back into full production. Whitebark believes that once the field returns to full production and is managed properly by Canadian based personnel, the 10% interest will see a positive cash return to Whitebark. The Wizard Lake site has been in offline since January due to extreme cold weather conditions and operational issues.

Importantly, the sale consideration also includes Conflux assuming all of Rex Energy's current contingent liabilities of CAD \$1.44m and a right for Conflux to acquire, by cash consideration, Rex's remaining 10% interest at a price based on an Independent Third-Party reserve report of the Total Proved NPV 10% value.

The partial sale demonstrates the Company's ongoing commitment to its ambitions in the Australian Renewable Energy market and will allow the company to concentrate its resources on the development of its geothermal and hydrogen assets and Warro Asset. The Company remains firmly committed to supporting the decarbonisation of Australia in alignment with net zero policy and forecasted green energy demand.

Whitebark's Chairman, Mark Lindh, said:

"The Wizard Lake transaction is consistent with our refreshed Renewable Energy strategy and will allow a focus towards Whitebark's geothermal and green hydrogen developments. The reallocation of capital and effort towards domestic renewable energy development will be crucial in capitalising on the forecasted demand and position the Company for its stated goal of becoming the first commercial geothermal producer in Australia. On behalf of Whitebark, I would like to thank Conflux Energy for their co-operation and support throughout the transaction process."

Whitebark has established a disciplined and focused strategy to be applied to asset development and acquisition, which includes:

- Strategically situated, close-to-market sites with proximity to customers and/or access to distribution National Energy Markets (NEM);
- Emerging renewable energy sources with strong projected demand;
- Commercially viable with near-term opportunity to realise cash flow and potential for alternative activities (i.e. green hydrogen production), and;
- Historical well data giving technical confidence in the geothermal potential of the asset.

Whitebark's Wizard Lake assets, held within the Company's Rex Energy subsidiary, is a 26km² tenement package located in the highly prospective Western Canada Sedimentary Basin. Previously, Whitebark operated the Rex-1, Rex-3, Rex-3 and Rex-4 production wells with 100% working interest and had identified four proven undeveloped (PUD) locations (Rex-5 to -8) for future exploration.

In FY23, the Wizard Lake Oil Field produced 53,336 barrels of oil equivalent, comprising 20,505 bbls oil and ~189,940 mcf gas.

Sayer Energy Advisors, based in Calgary, Alberta, Canada acted as financial advisor to the Company for this transaction.

ASX Compliance Statement

As the Transaction constitutes the disposal of the Company's main undertaking, the Transaction is subject to the Company obtaining shareholder approval under ASX Listing Rule 11.2. The Company will prepare a notice of general meeting for this purpose.

A disposal by a listed entity of its main undertaking can raise issues under ASX Listing Rule 12.1 and 12.2, which oblige a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued quotation of its securities.

ASX have advised that the Company will be afforded a period of 6 months from the date of the announcement of the disposal of its interest in Rex to demonstrate to the ASX that it is compliant with Listing Rule 12.1. The ASX also advises that if the Company does not demonstrate compliance with this Rule to ASX's satisfaction by the 6-month anniversary, ASX will suspend trading in its securities.

The consequences of a disposal of the main undertaking are that any transaction the Company proposes to enter into may, if required by ASX, attract the application of Listing Rule 11.1.3 and as a result the Company may, if required by ASX, be required to re-comply with Chapters 1 and 2 of the Listing Rules.

Please refer to ASX Guidance Note 12: Significant Change to Activities which provides further information on significant changes to activities and how the Listing Rules apply to those changes.

This ASX announcement has been approved and authorised for release by the Board of Whitebark Energy Limited.

For further information:

Mr Mark Lindh

Chairman

Ph: +61 8 8232 8800

Mark.Lindh@whitebarkenergy.com

Mr Adam Stepanoff

General Manager

Ph: +61 8 8232 8800

Adam.Stepanoff@whitebarkenergy.com

About Whitebark Energy Limited

Whitebark Energy Limited is an ASX-listed exploration and production company featuring low-cost oil and gas production in Canada, a substantial contingent gas resource in Western Australia, and three EPG permit areas in Queensland. WBE has realigned its corporate strategy to focus on the rapidly developing Australian renewable energy market, with a comprehensive management changeout and partial sale of its Wizard Lake asset located in the prolific oil & gas province of Alberta, Canada.