

Quarterly Activity Statement

23 July 2018

Summary

Whitebark Energy Ltd (ASX : WBE) is pleased to report a 26% increase in production for the final quarter of the financial year to over 28,000 boe. Activity during the quarter included the Gilby acquisition¹ adding 450 boe/d gross, completion of 3D seismic identifying up to 40 million boe (8.4mmboe net to WBE) in place, and heightened activity in the Duvernay shale play that saw land prices increase in the region. In WA, the control of the Warro field has returned to WBE in full, and planning continues for CY2018 3D seismic survey to define the exciting Xanadu oil discovery in the Perth Basin.

Highlights

Canadian Operations – Point Loma JV (PLJV) (20% WI)

- Net production for the quarter increased 26% to 28,626 boe (including Gilby from 1 May 2018) up from 22,763 boe in the previous quarter.
- Gilby acquisition completed with the final payment made on 30 April 2018 and an effective date of 1 November 2017.
- 3D seismic acquisition in the Westcove area identifying potential for over 40 million boe (8.4mmboe to WBE) in place adjacent to the PLJV Paddle River oil field.
- Strong land sale activity in Duvernay shale oil acreage surrounding approximately 19,000 gross acres of WBE lands. Average prices paid were CAN\$347 per acre.²

Warro Gas Field (100%)

- Full ownership of Warro was returned to WBE in May 2018 allowing the company flexibility in taking the project forward at the cessation of the current fracking moratorium.

Xanadu Oil Discovery – TP/15 (15%)

- Planning for H2 CY2018 seismic data acquisition.
- Following 3D seismic, the JV will conduct planning into drilling locations, development planning, Original Oil in Place (OOIP) and recoverable volume calculations.

Recent Activity

Canadian Operations – Point Loma JV (20% WI)

Acquisition

On 2nd May 2018, the Company announced the final payment of CAN\$143,965.81 for the Gilby acquisition on 30th April, taking WBE's total cost of the acquisition to CAN\$333,965.81 for a 30% share of the asset. In addition to increasing production by approximately 60% (~135 boe/d net to WBE, 35% oil and NGL's and 65% natural gas) (Figure 1), the Gilby asset, effective from 1 November 2017, more than doubled the Company's 1P and 2P reserves when compared to 30 June 2017 (Figure 2).

¹ Refer to ASX Announcement – 21 March 2018

² Refer to ASX Announcement – 6 June 2018

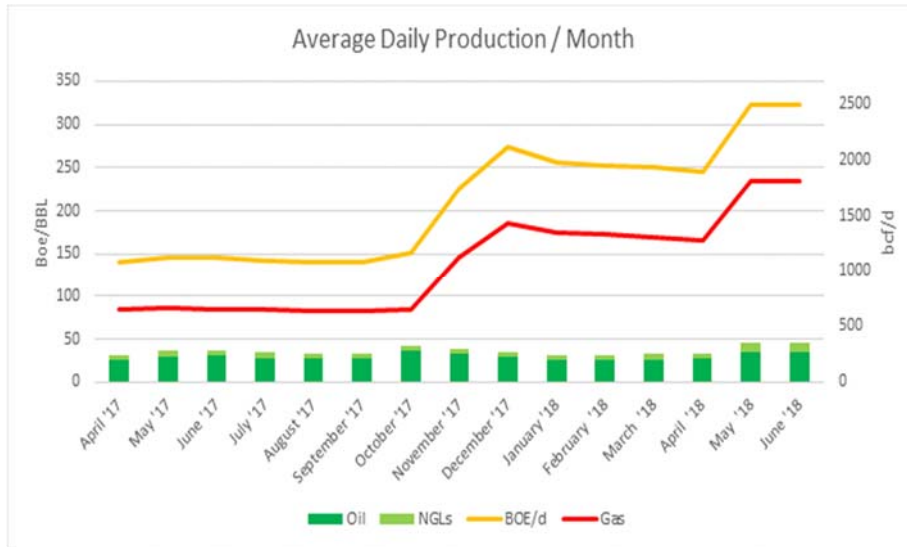


Figure 1 - Net Production to Whitebark

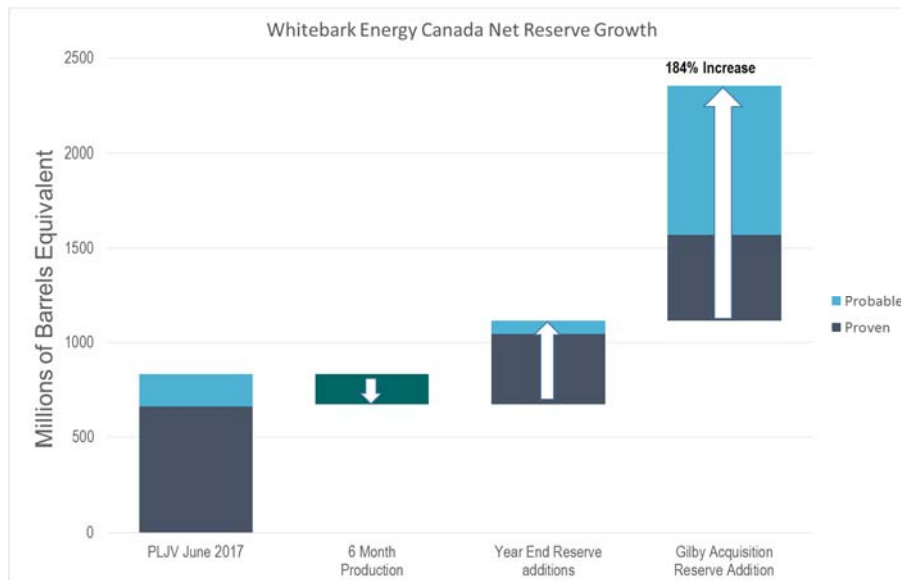


Figure 2 - WBE Canada Net Reserve Growth (including Gilby acquisition) (refer ASX release 26 March 2018)

Westcove 3D³

The Company’s Point Loma Joint Venture (PLJV) undertook a 3D Seismic Program during the third quarter of the financial year in the Westcove area. The data was processed and interpretation of those results continues. The program identified significant new drilling targets with potential for over 40 million boe in place adjacent to the PLJV’s Paddle River oil field.

The main objective of the 3D program was to define the extent of the Nordegg oil accumulation being produced by the PLJV’s horizontal well 5-31 and provide guidance on the optimal location and direction for a planned Nordegg horizontal development well. A secondary objective was to delineate the extent of an underlying Banff Oil play in the surrounding area and in the NW portion of the survey around well 8-11.

The 3D delivered valuable information on these objectives and also identified a potential Ostracod oi pool which appears to be analogous to the adjacent PLJV Paddle River Ostracod oil field (Figure 3).

³ Refer ASX Release 30 May 2018

The 3D defined the areal extent of the Nordegg pool accumulation around well 5-31. To the north and west, and suggests the potential for further development wells. In the NW part of the 3D (Figure 3), the data indicates a Banff level closure indicated by a seismic anomaly which is usually associated with a thickening of the reservoir unit (Figure 3 and Figure 4). Importantly, well 8-11, which drilled through the feature, appears to contain bypassed pay at the Banff level with the unit yielding high gas readings, strong oil related fluorescence and indications of pay on the electric logs.

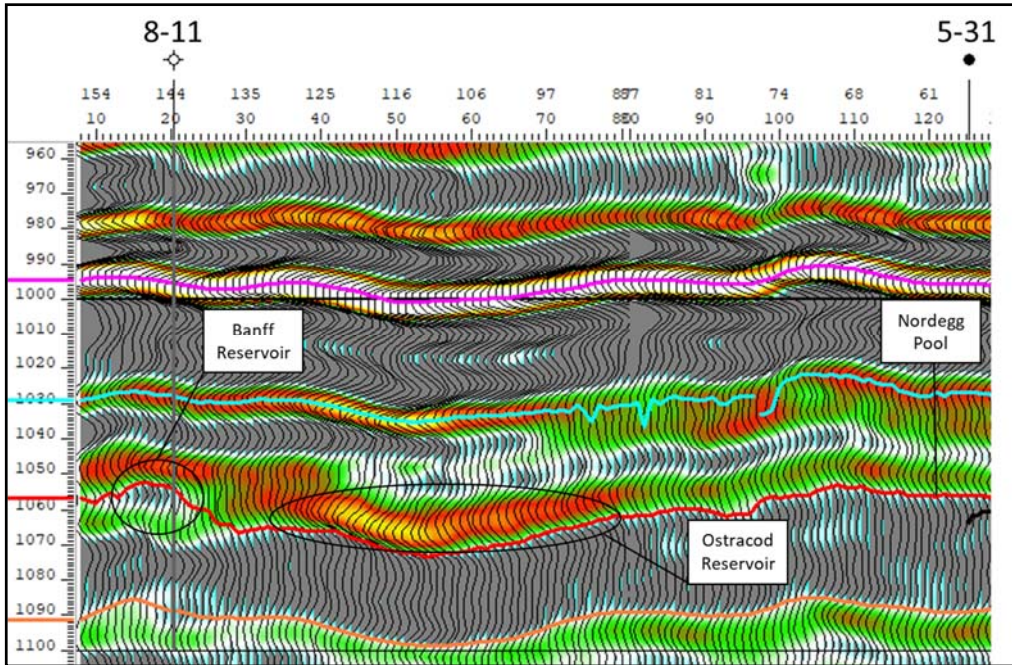


Figure 3- Westcove 3d Seismic Arbitrary Line through wells 8-11 and 5-31

To the west of the Westcove 3D area, the PLJV operates the Paddle River Ostracod oil field which is held in a stratigraphic trap formed by the reservoir unit pinching out up-dip within a paleo valley. The 3D has identified an analogous configuration within the Westcove area (Figure 4). The presence of a low area with a seismic thickening at the Ostracod level suggests the potential for an oil accumulation akin to the Paddle River field.

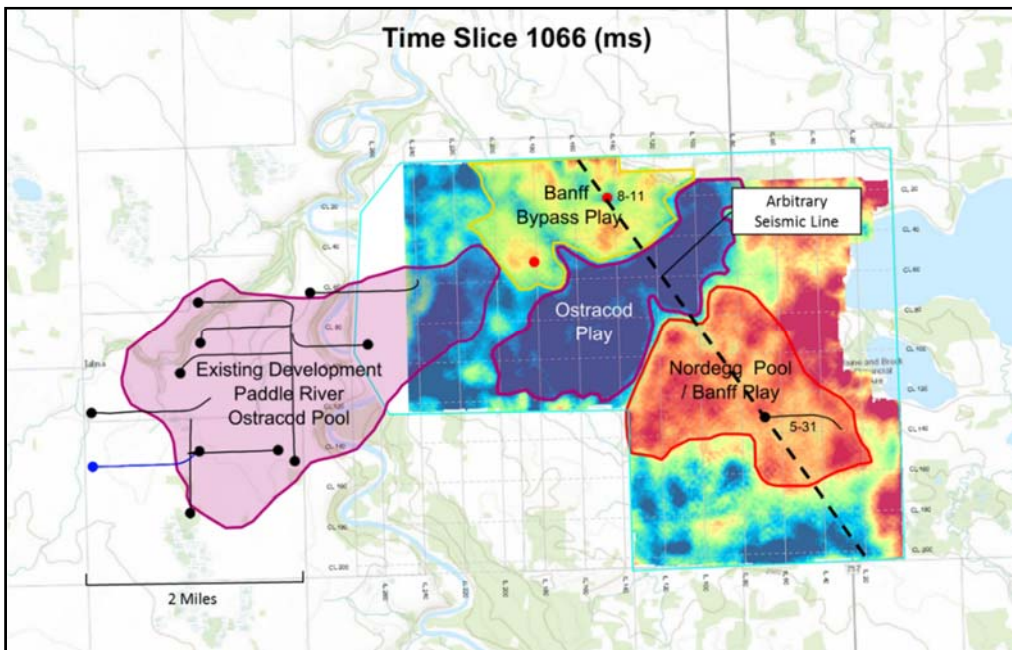


Figure 4 - Westcove 3D Timeslice showing location of prospects and Paddle River Pool

The potential unrisks resources for all the features described above are set out in Table 1.

Table 1 - Resource Estimation Approach Westcove 3D Drilling Opportunities

	Category	Resource assessment approach	Stratigraphic Unit	Best Estimate OOIP mmbbl	Best Estimate OOIP mmbbl Net to WBE (20% WI)	Type of Trap	Reservoir Type
Ostracod Prospect	Prospective	Deterministic GRV and bbls/ac-ft	Cretaceous	10	2	Stratigraphic	Fossiliferous Sandstone
Banff 8-11 by-passed pay	Contingent	Deterministic GRV and bbls/ac-ft	Mississippian	15	3	Structural/Stratigraphic	Dolomite
5-31 Banff	Prospective	Deterministic GRV and bbls/ac-ft	Mississippian	5	1	Structural/Stratigraphic	Dolomite
5-31 Nordegg	Contingent	Deterministic	Jurassic	12	2.4	Structural/Stratigraphic	Limestone and Dolomite

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.

Gas to liquid conversion factor of 6 has been used in the resource estimates to deal with volumes of associated gas.

Industry Sales top C\$33 million for Duverney Shale Oil Acreage surrounding Whitebark Lands⁴

Whitebark currently has a 20% interest in approximately 19,000 gross acres (3,800 net acres or ~6 net sections) in the West Duverney Basin with Point Loma Resources as part of its PLJV holdings. The May 20th Alberta land sale by the Alberta Government recorded increased transaction activity attracting C\$42m of sales with the majority of the acreage posted within the West Duverney shale oil basin. Several large parcels of land, with combined acreage of 82,820 acres, and located just to the southeast of PLJV lands transacted for C\$33.3 million or an average price of C\$347/acre.

The Duverney shale is an emerging oil play which continues to attract increasing industry activity and attention, with an estimated 150 horizontal oil wells drilled mostly in the East Duverney Basin. An analysis by Point Loma of technical data from the West Duverney Basin indicates similar reservoir characteristics to the East Duverney Basin, where contingent resources of 10 to 15 million barrels per section of original oil in place have been stated by other operators.

Point Loma's analysis shows that the West Duverney Basin shale has a thickness of approximately 10 to 15 metres, with porosities ranging from 3 to 10% and TOC's in the range of 2 to 10% which are parameters comparable to other successful North American shale plays and those seen in the East Duverney Basin.

Three horizontal Duverney shale oil wells have been drilled by other operators to date in 2018 within Whitebark's core area of operations at Paddle River. The results of these wells have not yet been publicly disclosed.

⁴ Refer ASX Release 6 June 2018

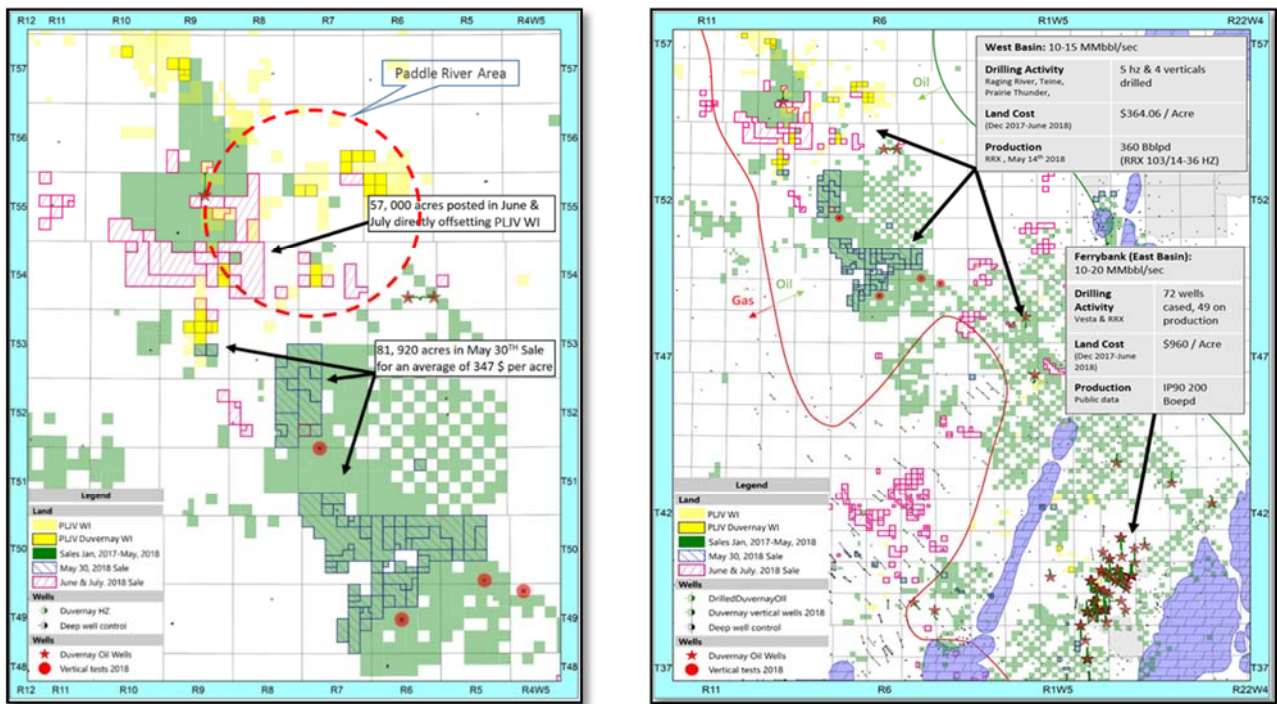


Figure 5 – Land Holding within the Duvernay Basin Oil Play (Left) and Duvernay Shale Oil Fairway Information (Right)

PLJV Corporate Transactions³

The PLJV closed on the sale of one isolated section (640 acres) of the 29,000 acres recently acquired in the Gilby acquisition for \$160,000. An overriding royalty was also sold over the lands relating the Gilby acquisition for \$500,000 gross (\$150,000 net to WBE) bringing the PLJV net cost of the acquisition to \$450,000 (\$135,000 net to WBE).

Xanadu Oil Discovery, TP/15 WA (15%)

Planning for the 3D seismic acquisition scheduled for H2 2018 continues following the award of a contract to Synterra Technologies, a leading global provider of geophysical services.

The Xanadu 3D seismic survey covers 40km² and has been designed to define the extent of the Xanadu Discovery. It will drive future development plans, including the selection of future well locations, field studies addressing oil-in-place (OoIP) and recoverable oil volume calculations. Environmental review and planning has dictated the use of innovative techniques in the acquisition program, particularly in regard to marine fauna and sand dune protection. Processes to address these concerns include divers hand placing geophones on the ocean seabed, the use of an array of four 20cc airguns, avoiding whale migration, tourism and commercial crayfishing season and deploying vibroseis trucks on existing sand dune tracks. All related parties have been consulted.

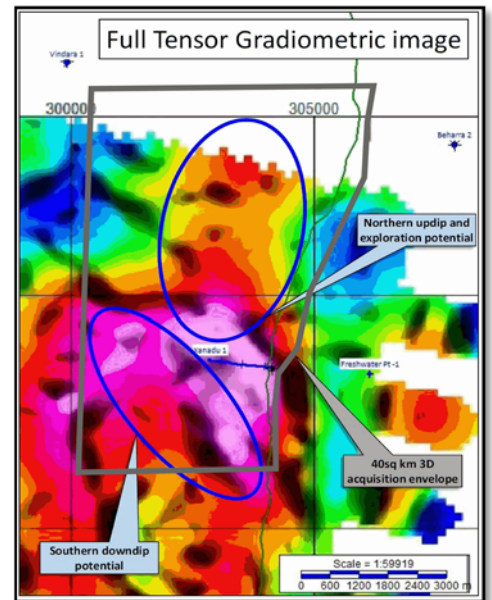


Figure 6 - Xanadu 40 KM2 3D Seismic Survey Acquisition area overlying a full tensor gradiometric image, highlighting updip and downdip potential.

The 40 km² survey area is designed to better delineate the Xanadu structure both up-dip and north of the discovery well and the southern and western flanks. Figure 6 shows the survey acquisition envelope, highlighting the up-dip and down-dip areas of interest.

Once the survey data have been processed, interpreted and integrated with the existing dataset, a decision will be made on the drilling of an appraisal well on the Xanadu structure. The seismic will enable the well surface location and trajectory to be optimally designed and provide the best chance of establishing the commercial significance of the Xanadu discovery.

This program is subject to regulatory approvals and survey acquisition planned for CY2018.

Warro Gas Project (100%)

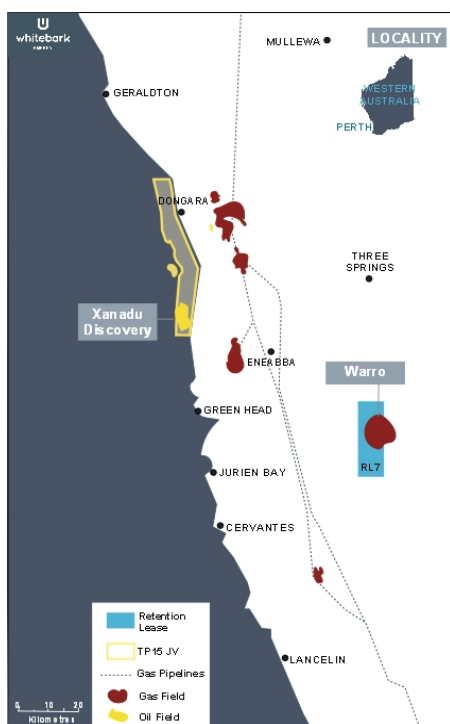


Figure 7 - WBE Western Australian Assets

On 26th June 2018, WBE announced the return to full ownership and control of the Warro Field after Alcoa agreed to relinquish its 43% interest earned in the asset.

This will allow WBE greater ability and flexibility to progress the asset once the current fracking moratorium in WA is lifted, a prospect that the company is confident will be the outcome of the state imposed inquiry.

The Warro partnership between Whitebark (and its predecessors and subsidiaries) and Alcoa has spanned a decade including the drilling of four wells and the acquisition of 90km² of 3D seismic.

RL7, on which Warro sits, is currently in suspension pending the completion of the State Government inquiry with holding costs for the least modest and all near term work commitments met. As part of the transfer, Alcoa has agreed to provide future funding to cover its share of plug and abandonment liabilities in the event any of the wells are not used in future development scenarios.

Planned Activities to Sept 30, 2018

- Plan and undertake facility and pipeline works to reduce operating costs.
- Continue with strategic acquisitions in Canada.
- Continue preparations to undertake a drilling program in Canada in 2018.

Corporate and Financial

Closing cash at the end of the quarter was AUD\$1.053 million.

Tenement Schedule

Canada (Net Acres)

Area	June Quarter	March Quarter	Acquired	Relinquished
Whitecourt	4869	4869	0	0
Leaman	7085	9454	0	-2369
Paddle River	7170	7202	0	-32
Niton	640	640	0	0
Thornbury	12420	12800	0	-379
Thorsby	79	126	0	-47
Gilby	5513	0	5513	0
Other	1804	1901	0	-96
Totals	39581	36992	5513	-2924

Australia

Project	WBE (Net Acres)	Location	Change during the quarter
Warro JV – EP321	0	Western Australia	Relinquished May 2018
Warro JV – RL6	0	Western Australia	Relinquished May 2018
Warro JV – RL7	36,480	Western Australia	No change
Xanadu JV – TP15	19,991	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 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.

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")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	834	1,443
1.2 Payments for		
(a) exploration & evaluation	141	(1,339)
(b) development	(600)	(2,134)
(c) production	(684)	(1,234)
(d) staff costs	(203)	(864)
(e) administration and corporate costs	(440)	(1,934)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	87
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – Carnaby receivable settlement	-	62
1.9 Net cash from / (used in) operating activities	(948)	(5,913)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	(130)	(368)
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	49	63
(b) tenements (see item 10)	-	-
(c) investments	200	447
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – sale of Royalty	146	146
2.6 Net cash from / (used in) investing activities	265	288

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	1,862
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	-	(126)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	7
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	-	1,743

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,680	4,858
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(948)	(5,913)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	265	288
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	1,743
4.5 Effect of movement in exchange rates on cash held	56	77
4.6 Cash and cash equivalents at end of period	1,053	1,053

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	1,013	1,640
5.2 Call deposits	40	40
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)	1,053	1,680

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**

210

-

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**

-

-

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

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9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	-
9.2	Development	70
9.3	Production (net of cost)	(250)
9.4	Staff costs	200
9.5	Administration and corporate costs	300
9.6	Other – sale of tenements	(160)
9.7	Total estimated cash outflows	160

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				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Alberta, Canada:	Net acres acquired		
		-Gilby	5,513	0%	100%
			Net acres relinquished		
		-Paddle River	32	100%	0%
		-Leaman	2,369	100%	0%
		-Thornbury	379	100%	0%
		-Thorsby	47	100%	0%
		-Other	96	100%	0%

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: 23 July 2018

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.