WHITEBARK ENERGY LIMITED (ASX:WBE)

Annual Report

30 June 2022

ABN 68 079 432 796

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Corporate Directory

The Directors present their report together with the consolidated financial report for the financial year ended 30 June 2022 and the review report thereon.

Directors

The Directors of Whitebark Energy Limited at any time during or since the end of the financial year to the date of this report are:

Duncan Gordon	Chairman
Matthew White	Director
Charles Morgan	Chairman – Resigned 8th July 2021
Giustino Guglielmo	Director – Appointed 8th July 2021

Company Secretary

Kaitlin Smith

Principal registered office in Australia	Ground Floor, 70 Hindmarsh Square Adelaide SA 5000
Principle place of business in Australia	20d William Street Norwood SA 5067 Tel: +61 8 6555 6000
Auditors	UHY Haines Norton Level 11, 1 York Street Sydney NSW 2000
Solicitors to the Company	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street, Perth WA 6000
Share Registry	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000 Tel: +61 3 9415 5000
Banker	ANZ Bank Ltd
Stock exchange	Whitebark Energy Limited shares and options are listed on the Australian Securities Exchange (ASX: WBE)
Company website	www.whitebarkenergy.com

Chairman's Message

Dear Fellow Shareholders,

The past financial year marked a new beginning for Whitebark Energy Limited ("Whitebark" or the "Company").

After 18 months in voluntary suspension, on 7 June 2022 the Company was reinstated to the Australian Securities Exchange, ready to move ahead with plans for its flagship asset, the Wizard Lake Oil and Gas Field in Alberta, Canada.

Twelve months earlier, not long after I joined the Board, Whitebark acquired 100% of Wizard Lake using a reverse vesting order mechanism and commissioned a strategic review of activities led by Dr Simon Brealey, who has since been appointed interim CEO.

That acquisition and review set in place the foundations for the Company's return to trading – and with the completion of an entitlement and shortfall offer raising $2.5 million in May – we are now poised to execute on the low-risk strategy formulated to develop the 5.0 mmboe 2P reserves in place at Wizard Lake.

The first step in that strategy is drilling the Rex-4 development well, which Dr Brealey identified as the most significant immediate cashflow growth opportunity when ranked against others in his strategic review of the field and operations.

Following the receipt of permits from the Alberta Energy Regulator in April, Whitebark contracted the Star Valley Rig 201 to conduct drilling activities with spud in late July 2022.

The Company has modelled initial post-clean-up production rates of approximately 300 barrels of oil and 1,400 mscf of gas per day from the well, which will lift total Wizard Lake production to approximately 750 boepd.

Applying a range of oil price scenarios, Whitebark expects to generate C$4-7.3 million in net operating cashflow from Rex-4 within 12 months of well completion. The Company aims to self-fund Rex-5 development, for which it is also fully permitted, in early 2023.

Beyond Rex-5, twenty-four additional well locations have been identified within Wizard Lake, including a further three PUD wells (Rex-6-8), that have the potential to lift production significantly again utilising existing facilities and infrastructure.

The balance sheet will also benefit from lower fixed costs, with a range of initiatives implemented while Whitebark was in suspension, including the relocation of head office from Perth to Adelaide, reducing overheads by approximately $750,000 per annum.

With regards to the 100%-owned Warro Gas Field in the Perth Basin, the Board continues to assess its strategic options for the asset, noting the recent increase in activity in the region and general improvement in commodity prices.

On behalf of my fellow Directors, I would like to thank Dr Brealey and our consultants and advisors for the mountain of work that has gone into getting the Company reinstated to the ASX and our shareholders for their support through this process.

Our focus is now squarely on enhancing production returns from Wizard Lake and capitalising on the significant opportunity the field presents.

Yours sincerely,

Duncan Gordon

Chairman

1. Review of Operations

2021/2022 – Successful Capital Raise and Reinstatement on the ASX

Having completed a successful bid to gain effective control and 100% working interest ("WI") in the Wizard Lake Oil Field ("Wizard Lake") in financial year ended 30 June 2021 the Company undertook a strategic review of operations with the aim of operating as efficiently as possible during the 2022 financial year.

An independent and conservative review of booked 1P and 2P reserves and resources was conducted and subsequently audited by an accredited and competent person based in Canada. A comprehensive assessment of additional optimisation activities at Wizard Lake has been conducted including a review of potential growth strategies.

A detailed work program now exists to systematically target the 5.0 mmboe 2P reserves at Wizard Lake via low-risk development activities. The development program will consist of drilling wells Rex-5 to Rex-8 from the existing well pad at Section 1-17 (1P Proven Undeveloped Reserves, requiring no further investment in infrastructure) and Rex-9 to Rex-15 from an additional well pad to be positioned at Section 11-17, the site of the current processing facilities (2P Probable Reserves).

Following corporate head office being moved from Perth to Adelaide in financial year ended 30 June 2021, the benefits of various cost saving measures implemented became apparent during the 2022 financial year with fixed overheads being reduced by approximately $750,000 during the first full year of implementation.

In addition, changes to the Company's board and management to leverage significant unconventional oil and gas experience were fully implemented by July 2021.

Positioned for growth after these initiatives, the Company successfully launched a Prospectus to raise a minimum of $2,500,000 (the offer closed April 2022) via a non-renounceable entitlement offer to fund development activities at Wizard Lake Oil and Gas Field.

Having completed all reinstatement conditions outlined by the ASX, and having received unconditional approval to recommence official quotation, the Company was re-instated to normal trading on June 7 2022.

The Star Valley 201 drilling rig was contracted to commence initial drilling operations on the Rex-4 well in late June 2022, with Rex-4 spudding on August 1 and reaching total depth on August 15 2022. The Company expects to generate $4.5-7.5 million net operating cashflow with 12 months of Rex-4 completion and intends to reinvest cashflows to self-fund Rex-5 in early 2023.

Multiple additional well locations have been identified within Wizard Lake, including five Proven Undeveloped ("PUD") well locations with the potential to lift production to >1,200 boepd utilising existing infrastructure with no further facilities investment required.

COVID-19

The impact of the Coronavirus (COVID-19) pandemic, although reduced during the year, is ongoing and the Company continues to safeguard its staff and business operations while maintaining production from the Wizard Lake oilfield. In this period of heightened uncertainty, it is not practicable to estimate the full extent of the potential impact and recovery from COVID-19 for the period after the reporting date. The Company will continue to monitor any future consequences due to the potential uncertainty in the medium to long term.

Climate Change

The Company recognises climate-related risks and the need for these to be managed effectively particularly across the energy industry.

Key climate-related risks and opportunities relevant to the Company's operations include:

- The transition to a low carbon economy through technological improvements and innovations that support a lower carbon energy efficient system with decreased demand and changing community sentiment for fossil fuels. In addition, there is increased time and cost associated with regulatory bodies granting approvals or licences on fossil fuel intensive projects. Transition to a lower carbon economy also gives rise to opportunity

for the Company's gas production assets. Natural gas is viewed as a key element to supporting a sustainable energy transition.
- Physical changes caused by climate change include increased severe weather events and chronic changes to weather patterns which may impact demand for energy and the Company's production assets and production capability. These events could have a financial impact on the Company through increased operating costs, maintenance costs, revenue generation and sustainability of its production assets.
- Policy changes by governments which may result in increasing regulation and costs which could have a material impact on the Company's operations.

The Company is committed to continually improve climate change related disclosures as processes and understanding of climate change related matters improve alongside the Company's activities and operations.

Canadian Operations

During the financial year, SBE continued to operate Wizard Lake Oil and Gas Field in Alberta, Canada. In November 2021 Whitebark announced the re-branding of Saltbush Energy Ltd to Rex Energy Ltd. The re-branding reflects the name of the hydrocarbon-producing formation at Wizard Lake Oil and Gas Field (the "Rex Sandstone" is a Member of the Cretaceous Lower Mannville Group stratigraphic division; in addition, *T. rex* is the geological emblem of Alberta). Re-branding was considered appropriate to reflect change of management and renewal of the company to service providers.

Well performance remained relatively stable and reflected expected natural decline levels.

The Company identified and evaluated several opportunities to optimise the field through minimising overheads and stabilising production and commenced implementation of the preferred projects for capital investment.

Wizard Lake Rex Oil Field

(WBE 100% WI)

Production Rates

Production for the financial year ended 30 June 2022 was 62,544 barrels of oil equivalent, comprising 20,345 bbls oil and ~253,193 mcf gas. Production averaged 56 bbls oil/d and 693 mcf/d gas, equating to approximately 171 boe/d. Over the final month of the year, production averaged 27 bbls oil/d and 374 mcf/d which equates to 89 boe/d; this is attributable to downtime at the third-party gas processing plant for their annual maintenance program. Since the end of the reporting period production has averaged 50 bopd and 750 mcf/d reflecting recovery of the wells since being brought back online after the processor downtime.

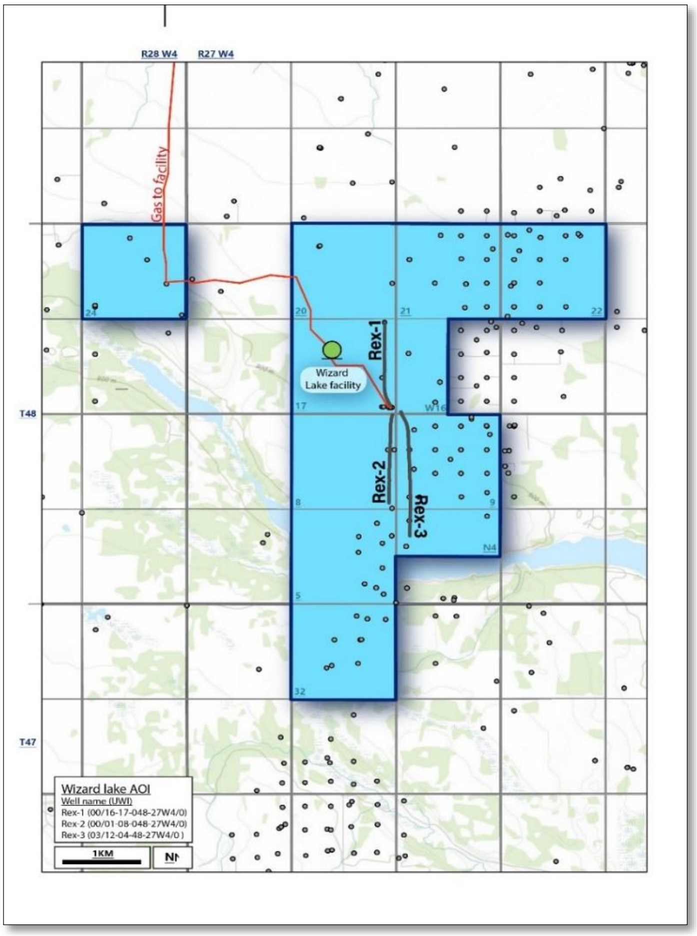

Figure 1 - Wizard Lake wells, pipeline and land map

Operations

Rex-1 - the corroded polished rod was replaced in August 2021 and replaced with a stainless steel polished rod in June 2022.

Rex-2 – The well was observed to have ceased effective pumping in August 2021 and a service rig was mobilised to the site. Holes were detected in the production tubing and were immediately repaired and the well's sucker rods and well-bore pump were replaced due to normal wear and tear. September production was also impacted by a failure of the rented surface pumping unit (hydraulic pumpjack). A replacement unit was installed (primarily at the cost of the rental company) and the well returned to steady-state production.

Rex-3 - the bottom-hole pump was replaced in August 2021 due to frac sand production wear. September production was impacted by gas-locking and the bottom-hole pump was replaced with a new model to resolve this issue. The well subsequently returned to steady-state production.

Wizard Lake experienced approximately 10 days of operational down-time in January 2022 due to extreme temperatures (with lows of < -40°C) and 25 days in February and March 2022 as the Company installed a new generator, downhole pump and compressor unit at Rex-3 to enhance production in the field. However, Whitebark also conducted well batching with demulsifier when the ambient temperature was appropriate and, when combined with the work completed on Rex-3, increased field oil and gas production from approximately 180 boepd as at 31 Dec 2021 to approximately 210 boepd as at 31 March 2022.

1. Rex-3 was put onto a new Britannia compressor unit in April 2022.
2. Rex-1 and Rex-2 were tied into the new compressor at the end of June 2022, once it had been established that the new unit was running reliably. The screw compressor is modelled to facilitate increased production from Rex-4 and Rex-5 without the requirement for a new pipeline (although ongoing cost-benefit analysis will be conducted).

Production was shut in for one week during June 2022 due to annual maintenance downtime at Petrus (the gas processing plant operator). Rex took the decision to shut-in rather than flare produced gas during this period, and took advantage of this interruption to conduct repair work such as replacing polished rods at Rex-1 during the shut-in.

Rex-4 - drill-site preparation for the drilling of the Rex-4 well commenced at the end of June 2022. Heavy rain had impacted the site with the contracted rig unable to leave its previous location or be located on site due to sodden ground. Rex pumped water off the lease and conducted earthworks to lay matting on the lease in the last week of June 2022.

The Star Valley 201 drilling rig arrived on location and commenced drilling the initial phase of the Rex-4 development well on August 1 2022. The well reached Total Depth of 3,647m Measured Depth on August 15 2022 (on target, on schedule and within budgetary expectations). The initial phase of drilling achieved all of its objectives with the horizontal section entirely within oil-saturated Rex Sandstone reservoir and with sufficient extent to accommodate 50 hydraulic fracture stages, per the drilling design (Figure 2)

By drilling over 600m into Section 20 at the northern "toe" location of the well, Rex-4 also fulfilled the farm-in agreement which was in place with TwP50 such that Whitebark is the 100% owner of future production from Rex-4.

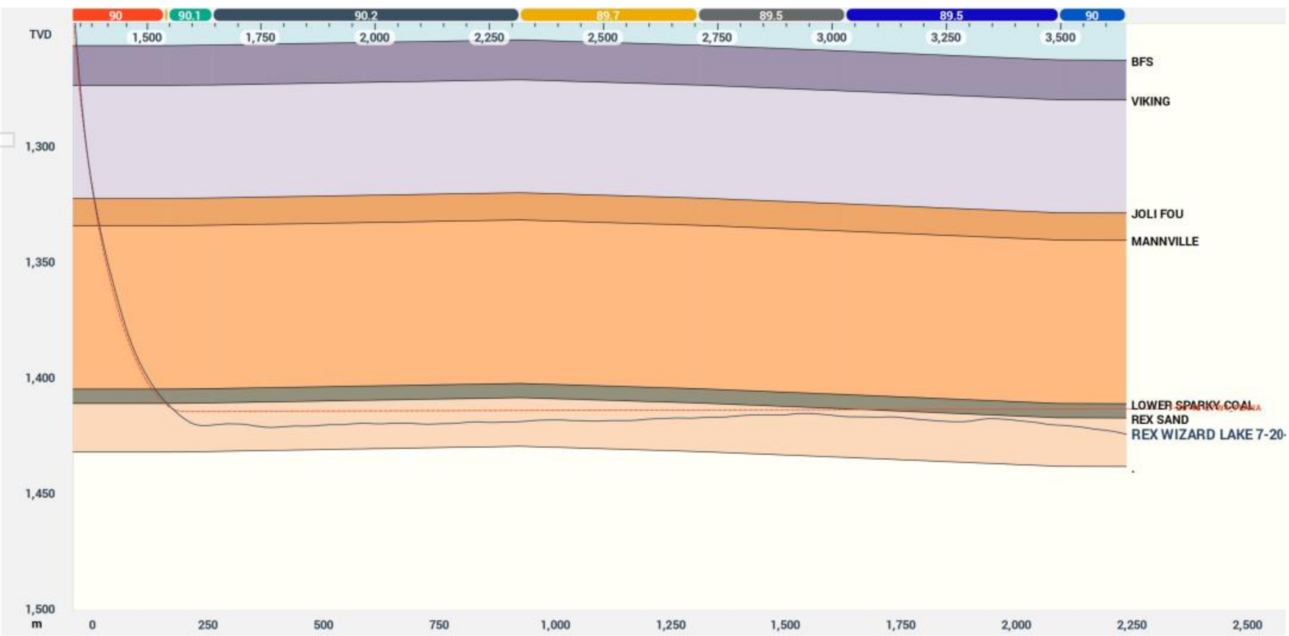

Figure2. Rex-4 well trajectory as plotted from real-time Measurement While Drilling tools

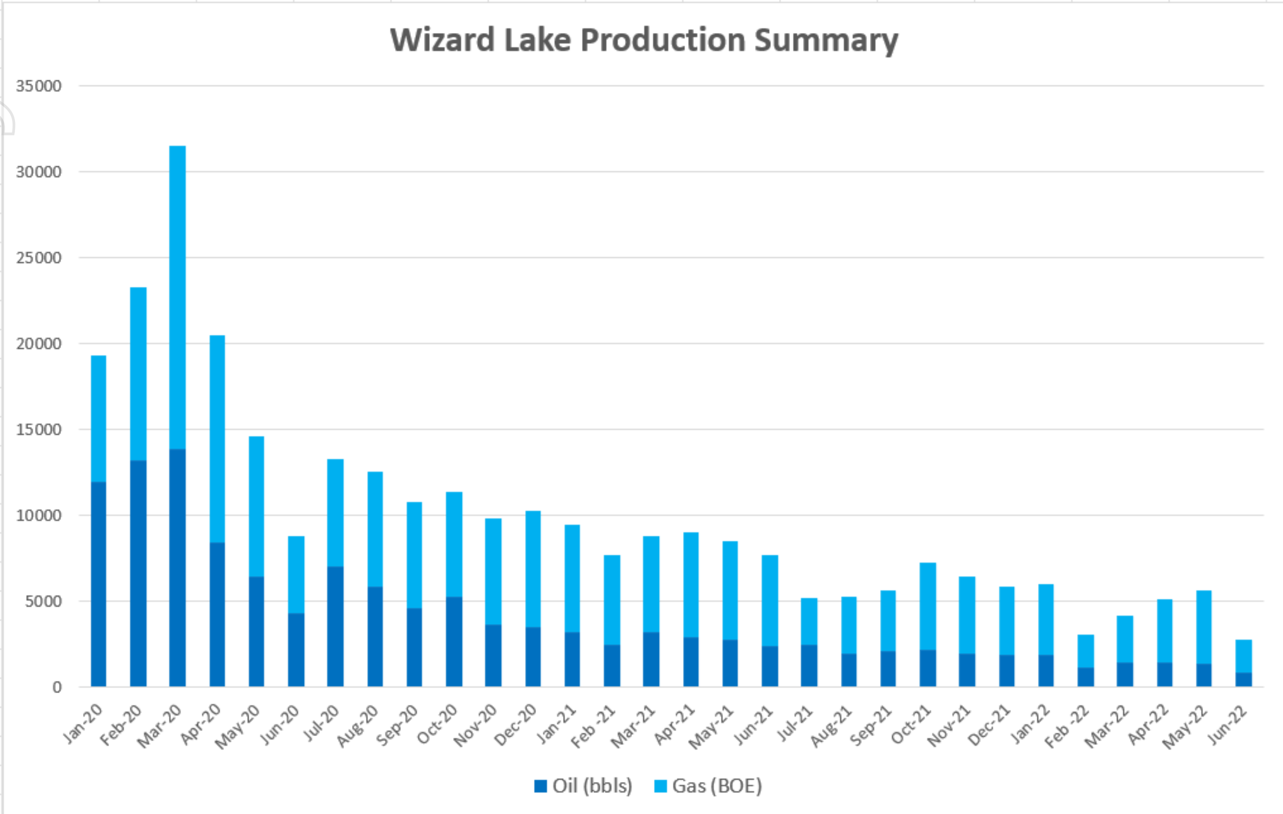

Figure 3 - Wizard Lake production January 2020 to June 2022

Figure 4- Wizard Lake Facilities

Reserves & Resources Update

The Company conducted an independent revision of its booked 1P and 2P reserves and resources. This review has resulted in a 4% decrease in 1P reserves and 2.4% increase in 2P reserves. This decrease reflects the results of analysis of the last twelve months production data from existing wells Rex-1 through Rex-3, and recalculated forecast decline curves to arrive at revised estimated ultimate recoverable ("EUR") reserves per well. Reserves are most significantly affected by less than forecast oil production rates from all three existing wells and is attributed within 1P Proven Developed Producing ("PDP") and Proven Undeveloped ("PUD") Reserves. This decrease in forecast oil production is somewhat offset by increased gas yield (approximately 56% of the reserves are natural gas). Updated operating costs and price forecasts were also incorporated.

Whitebark is confident in its revised reserves and resource metrics and its ability to extract maximum value for shareholders. The net present value (NPV10% Before Tax) of Whitebark's 2P reserves at 30 June 2022 was AUD56.247mm (@ CAD 1.0 = AUD 1.11).

Strategic Review

The Strategic Review is a continuous process and has identified several opportunities to optimise cashflow and production from Wizard Lake – these included the following:

- Purchase of rental equipment. Whitebark is currently using rented heated storage tanks, pumps and generators for oil handling which are scaled to accommodate anticipated future enhanced production levels. Purchase would decrease fixed costs by over 60%. By bringing these assets on to the balance sheet, long term cashflow can be improved generating opportunity for reinvestment in optimisation strategies or exploration
- Installation of a water-disposal flowline to the third-party salt-water disposal well would eliminate water trucking costs of approx. CAD$3.50/bbl
- Future development potential. The company has identified 5 PUD locations including 2 which are already permitted. Drilling of the initial phase of Rex-4 was completed in August 2022 with a more conservative approach to development; ie. an initial pilot well to determine that the entire wellbore lay within in oil-saturated reservoir, with subsequent completion and fracking to be based on success. Well performance expectations were revised to an initial 300 bopd plus gas output, dropping to 80 bopd plus gas over the first 12 months
- Installation of a new Britannia screw compressor unit which can accommodate enhanced production from future wells Rex-4 and Rex-5 (completed in April 2021 - see "Operations" above).

Western Australian Operations – Warro Gas Project (WBE 100%)

The Company commenced a formal divestment process for its Warro Gas Project during September 2020. The decision to divest was a culmination of a strategic review of the asset over the previous 12 months together with heightened interest in the project in the WA gas market at that time.

The Warro gas field is located in Retention Lease 7,200 kilometres north of Perth and is 100% owned by Whitebark. The project is ideally located just north of the large ~650 Terajoule per day Perth market and is 30km east of both the Dampier-Bunbury Natural Gas Pipeline and the Dongara-Perth Parmelia Pipeline which gives full access to the 1,200 Terajoule per day Western Australian gas market.

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. All necessary work to maintain the regulatory compliance of the Warro gas field (well inspections, soil and water sample analysis) continues to be conducted along with the administration of the Title (fees, insurance, lease access costs and rates).

The new Board of Directors continues to assess the Warro Gas Project to determine whether it is to be retained or divested to focus on core projects.

Corporate

Capital Raising

The Company has raised A$1,937,339 and issued 968,669,625 Ordinary Shares to eligible shareholders at a price of $0.002 per ordinary share before costs via a non-renounceable entitlement offer which was completed on 2 May 2022. The Company has also raised A$562,661 and issued 281,330,500 Ordinary Shares to sophisticated and institutional investors at a price of $0.002 per ordinary share before costs via a shortfall offer which was completed on 23 May 2022. Under the non-renounceable entitlement offer and shortfall offer, shareholders and sophisticated and institutional investors received one free attaching option for every two shares subscribed for, which will be exercisable at $0.004 per option with a three-year expiry. A total of 625,000,087 options were issued to participating shareholders and sophisticated and institutional investors.

Offer proceeds were utilised to:

- Funding exploration and development activities at the 100%-owned Wizard Lake Project in Alberta, Canada;
- Working capital requirements; and
- Administration costs.

The Company exited voluntary suspension and was reinstated to the Australian Securities Exchange on 7 June 2022.

Resignation and Appointment of Directors

Mr Charlie Morgan resigned as a Director of the Company on 8th July 2021.

Mr Giustino Guglielmo was appointed to the board on 8th July 2021.

Mr Guglielmo is the Managing Director of Bass Oil Limited. He is a well credentialed Petroleum Engineer with over 40 years of technical, managerial and senior executive experience in Australia and internationally. He is the previous Managing Director of two Cooper Basin focused ASX-listed oil and gas companies (Stuart Petroleum and Ambassador Oil & Gas) which were both sold, creating significant shareholder value. His experience spans the Indonesian, Australian and US land-based Basins.

Figure 5 - Drill rig on site at Rex-4

2 Reserves and Resources Statement

The following summarises Whitebark Energy Limited's (WBE) Proved Reserves (1P), Proved plus Probable Reserves (2P) and contingent and prospective resources as of the evaluation date of 30 June 2022. The Company conducted an independent review of its booked 1P and 2P reserves and resources during Q1 FY23 which resulted in a 4% decrease in 1P reserves and 2.4% increase in 2P reserves. Reserves are most significantly affected by less than forecast oil production rates from all three existing wells and are attributed within 1P PDP and PUD Reserves.

Whitebark is confident in its revised reserves and resource metrics and its ability to extract maximum value for shareholders. **The net present value (NPV10% Before Tax) of Whitebark's 2P reserves at 30 June 2022 was AUD56.247mm(@ CAD 1.0 = AUD 1.11)**

Resources & Reserves as at 30 June, 2022		
100% Field Reserves (MMboe)		
Category	**Proved (1P)**	**Proved & Probable (2P)**
Developed & Undeveloped	**2.289**	**5.120**
100% Field Contingent Resources (MMboe)		
Category	**1C**	**2C**
Total	**1.814**	**4.716**

Table 1: Proved and Probable Reserves and Contingent Resources, 100% Rex Energy, June 30 2022

Reserves

The total 100% Field 2P Reserves in WBE's Wizard Lake Oil and Gas Field (Figure 6) at 30 June, 2022 are assessed to be 5.120 million barrels of oil equivalent. The barrels of oil equivalent figure constitutes: 1,972,500 barrels of crude oil; 16,870,200 million cubic feet of natural gas; and 335,000 barrels of natural gas liquids. The net present value (NPV10% Before Tax) of Whitebark's 2P reserves at June 30th 2022 was AUD56.247mm (@ CAD1.0 = AUD1.11).

2P Reserves comprise: 1P Proven Developed Producing Reserves ("PDP" – those remaining reserves attributed to existing wells Rex-1 through Rex-3); 1P Proven Undeveloped Reserves ("PUD" – those reserves accessible from existing infrastructure and requiring the drilling of Rex-4 through Rex-8); and 2P Probable Reserves (those accessible and requiring a new well-pad, new facilities and the drilling of Rex-9 through Rex-15). The value of each component of 2P reserves (NPV10), at June 30 2022, is given in the following table:

NPV10 of Resources & Reserves as at 30 June, 2022		
100% Field Reserves (AUD millions)		
Category	**Proved (1P)**	**Proved & Probable (2P)**
Developed & Undeveloped	**5.454**	**56.247**

Table 2: NPV10 of Proved and Probable Reserves, 100% Rex Energy, June 30 2022

Contingent Resources

The total 100% Field 2C Contingent Resources for the Wizard Lake Field at 30 June, 2022 are assessed to be 4.716 million barrels of oil equivalent. The barrels of oil equivalent figure constitutes: 1,908,000 barrels of crude oil; 15,053,000 million cubic feet of natural gas; and 299,000 barrels of natural gas liquids (assumes 20 barrels NGL per million cubic feet of natural gas).

The Field Contingent Resources comprise volumes attributed to future planned wells with identified locations nominated Rex-16 through Rex-28 within the modelled reservoir distribution. Drilling of these locations will require additional production facilities.

Reporting Period Movements in Reserves and Contingent Resources

Resources & Reserves as at 30 June, 2022		
100% Field Reserves (MMboe)		
Category	**Proved 1P**	**Proved & Probable 2P**
100% Field Reserves at 30 June 2021	**2.390**	**4.998**
FY21 Production	**0.064**	**0.064**
Revisions **% change from June 30 2021**	**(0.101)** **-4%**	**(0.122)** **+2.4%**
100% Field Reserves at 30 June 2022	**2.289**	**5.120**
100% Field Contingent Resources (MMboe)		
Category	**1C**	**2C**
100% Field Contingent Resources at 30 June 2021	**1.855**	**4,821**
Revisions **% change from June 30 2021**	**(0.041)** **-2.3%**	**(0.105)** **-2.3%**
100% Field Contingent Resources at 30 June 2022	**1.814**	**4.716**

Table 2: Reporting Period Movements in Reserves and Contingent Resources

The Reserves and Contingent Resources Report dated June 30 2021 reports a decrease of 4% to Proved 1P reserves and an increase of 2.4% to Proved plus Probable 2P reserves against June 30 2021.

The reporting period movements show that the overall level of 1P reserves has decreased slightly over and above the production volume from the field during FY22 to June 30, 2022. This decrease reflects the results of analysis of 12 months further historical production data from existing wells Rex-1 through Rex-3, and recalculated forecast decline curves to arrive at revised estimated ultimate recoverable ("EUR") reserves per well. Reserves were then adjusted for production during the period.

The difference between the two reports is most significantly affected by less than forecast oil production rates from all three existing wells, and is attributed within 1P PDP and PUD Reserves. The decrease in oil production is somewhat offset by increase over forecast gas yield (approximately 56% of the reserves are natural gas). Note: by moving a portion of the previously classified 1P (Proven) reserves into 2P (Probable reserves) the total 2P demonstrates a 2.4% increase over June 30 2021. Updated operating costs and price forecasts were also incorporated. Contingent resources are also slightly decreased through application of the updated EUR for the Rex-3 well to nominal well locations Rex-16 through Rex-28, and assumes similar completion strategy and well performance to that anticipated at Rex-4.

The evaluation was carried out under the standards contained in the Petroleum Resource Management System (PRMS) revised June 2018 version.

Notes on Calculation of Reserves and Resources:

The Wizard Lake Oil and Gas Field has one producing reservoir, the Rex Sand Member of the Lower Cretaceous Upper Mannville Group.

All reserves and resources are estimated by deterministic estimation methodologies consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS).

Under the SPE PRMS guidelines, "Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions". Contingent Resources are "those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies".

Qualified Petroleum Reserves and Resources Evaluator Statement:

The information contained in this report regarding the Whitebark Energy Ltd reserves and contingent resources is based on and fairly represents information and supporting documentation compiled by Dr. Simon Brealey who is a consultant to Whitebark Energy Ltd and holds a PhD. in oilfield geology. All ValNav runs and decline analysis of the existing wells and future type curve wells were generated by Whitebark with input parameters reviewed and validated for the Reserves report to be released to the ASX.

KD Angus Corp consents that the reserve and resource forecasts used in this report relating to the Wizard Lake Oil and Gas Field are based on an independent review conducted by KD Angus Corp and fairly represent the information and supporting documentation reviewed. The information was reviewed by Kevin Angus. Mr. Angus, P. Geoph., has an ICD.D designation from the Institute of Corporate Directors. He holds a Bachelor of Science in Geology from the University of Calgary and is registered as a Professional Geoscientist with the Alberta Professional Engineers and Geoscientists of Alberta (APEGA). Mr Angus was both the Chairmen and member of the reserve committee of Painted Pony Energy for 5+ years, a publicly traded Canadian company with over 3tcf of reserves.

Warro Field, Western Australia

Retention Licence 7 in WA, which contains the Warro tight gas discovery, is the subject of ongoing review by Management. At this time no commercial resources are associated with the license.

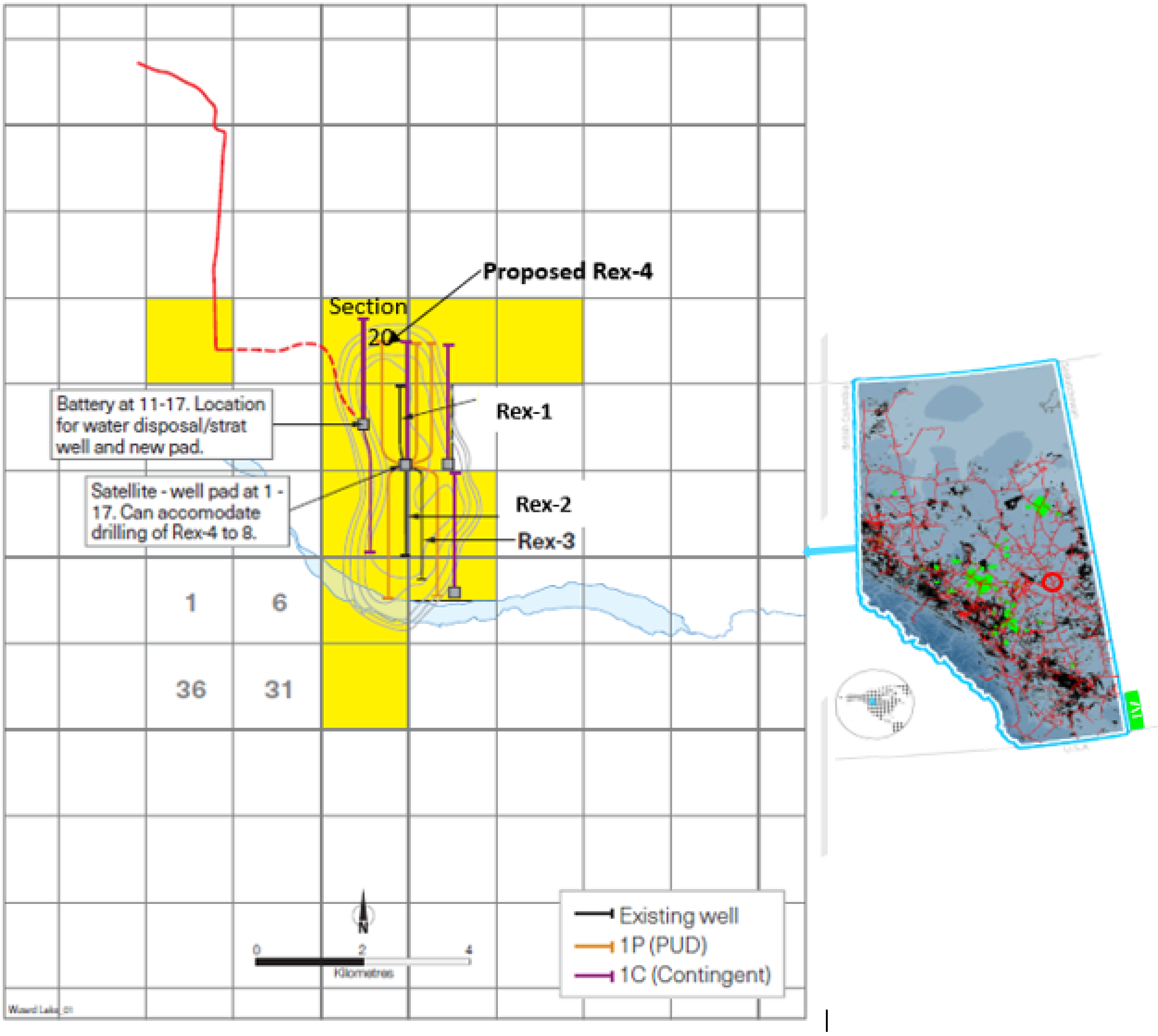

Figure 6 – Wizard Lake Oil Field: Location; Field reservoir map; Existing and planned wellbores

1 Directors' Report

1.1 Directors' Meetings

Board meetings held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors	
Director	Present	Eligible to attend
Duncan Gordon	8	8
Matthew White	8	8
Giustino Guglielmo*	8	8
Charles Morgan**	-	-

*Mr Giustino Guglielmo was appointed on 8 July 2021
**Mr Charles Morgan resigned on 8 July 2021

Board and Management Committees

In view of the current composition of the Board (which comprises a non-executive chairman and two non-executive directors) and the nature and scale of the Company's activities, the Board has considered that establishing formally constituted committees for audit, board nominations, remuneration and general management functions would contribute little to its effective management.

1.2 Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Whitebark Energy Limited support the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that the Company is in compliance with those guidelines which are of importance to the commercial operation of a junior listed resource Company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company.

1.3 Directors' Information

Duncan Gordon B. Eng| Non-executive Chairman
Appointed 8 July 2021, previously was non-executive director (appointed 3 March 2021)

Experience and expertise:
Mr Gordon is a founder and co-principal of Adelaide Equity Partners Ltd and has extensive experience working within the mining and natural resources sector. A qualified engineer with accompanying financial background, he has taken principal roles in assisting ASX-listed companies in an advisory capacity, including the identification of major corporate acquisition and divestment opportunities, Initial Public Offerings and raising debt and equity capital both within and outside Australia.

Other ASX Directorships in the last 3 years:

Mr Gordon is a former director of Dreadnought Resources Ltd (resigned in April 2019).

Matthew White ACA, B. Accg | Non-executive Director
Appointed 3 March 2021

Experience and expertise:
Mr White has over 30 years' experience as a Chartered Accountant and has a Bachelor of Arts in Accountancy, Diploma in Financial Planning and a Diploma in Mortgage Broking. Mr White is the founder and sole director of Business Initiatives Pty Ltd, an Adelaide based Chartered Accountancy and financial services firm. Mr White works in a client tax and business advisory role for small to medium sized businesses.

Other ASX Directorships in the last 3 years:

Aerometrex Limited appointed in September 2011 (current)

Giustino (Tino) Guglielmo B. Eng | Non-executive Director
Appointed 8 July 2021

Experience and expertise:
Mr Guglielmo is a Petroleum Engineer with over 40 years of technical, managerial and senior executive experience in Australia and internationally. Mr Guglielmo was the CEO and Managing Director of two ASX listed companies; Stuart Petroleum Limited for seven years and Ambassador Oil & Gas Limited for three years. Mr Guglielmo has also worked at Santos Limited, Delhi Petroleum Limited, and internationally with NYSE listed Schlumberger Corp. His experience spans the Cooper basin, Timor Sea, Gippsland basin, and exposure to US land and other international basins. Mr Guglielmo was a member of the Resources and Infrastructure Task Force and the Minerals and Energy Advisory Council, both South Australian Government advisory bodies. He is a Fellow of the Institution of Engineers, Australia, a member of the Society of Petroleum Engineers and Australian Institute of Company Directors.

Other ASX Directorships in the last 3 years:

Appointed Managing Director of Bass Oil Limited 1 February 2017 (current) previously Executive Director (Appointed 16 December 2014)

Kaitlin Smith CA, FGIA, B. Com (Acc)|Company Secretary
Appointed 11 June 2021

Experience and expertise:
Ms Kaitlin Smith was appointed to the position of Company Secretary on 11 June 2021. Ms Smith provides company secretarial and accounting services to various public and proprietary companies. She is a Chartered Accountant, a fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce (Accounting).

2 Remuneration Report (Audited)

This Remuneration Report outlines the remuneration arrangements which were in place during the period and remain in place as at the date of this report, for the key management personnel of Whitebark Energy Limited. For the purposes of this report, "key management personnel" is defined as persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

2.1 Remuneration Policy

Key management personnel remuneration is based on commercial rates and the existing level of activities in the Group at this point of time. Should the extent of those activities change, the remuneration of key management personnel would be amended to reflect that change.

2.2 Principles of Compensation

Remuneration is referred to as compensation throughout this report.

Under overall authority of the Board, key management personnel and other executives have authority and responsibility for planning, directing and controlling the activities of the Company and the consolidated entity. Key management personnel include the most highly remunerated executives for the Company and the consolidated entity.

Compensation levels for key management personnel of the Company and relevant key management personnel of the consolidated entity are competitively set to attract and retain appropriately qualified and experienced key management personnel. The Company from time to time obtains independent advice on the appropriateness of compensation packages of both the Company and consolidated entity given trends in comparative companies both locally and internationally and the objectives of the Company's compensation strategy. For the year ended 30 June 2022 no independent advice has been obtained in relation to compensation packages.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

The capability and experience of the key management personnel;

The key management personnel's ability to control the relevant assets' performance;

The amount of incentives within each key management person's compensation.

Compensation packages may include a mix of fixed and variable compensation and short and long-term performance-based incentives.

In addition to their salaries, the consolidated entity may also provide non-cash benefits to its key management personnel in the form of share-based payments.

2.2.1.1 Fixed Compensation

Fixed compensation consists of base compensation, which is calculated on a total cost basis and includes any Fringe Benefit Tax charges related to employee benefits.

2.2.1.2 Performance-linked Compensation

The Company currently has no performance-based remuneration built into key management personnel remuneration packages.

2.2.1.3 Long-term Incentive

The Company currently has long-term incentives built into key management personnel remuneration packages, specifically unlisted options in Whitebark Energy Limited.

2.2.1.4 Service Contracts

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the terms, including compensation, relevant to the office of the director.

Remuneration and other terms of employment for the executive directors and other non-director key management personnel are also formalised in service agreements. Each of these agreements provide for the provision of bonuses, other benefits including health and superannuation, and participation in the issuance of options. Other major provisions of the agreement relating to remuneration are set out below.

Directors and key personnel	Term of agreement	Base fee or salary package	Termination benefit
Directors			
Duncan Gordon Non-Executive Chairman	On-going commencing 3 March 2021	$50,000 pa	Nil
Matthew White Non-Executive Director	On-going commencing 3 March 2021	$50,000 pa	Nil
Giustino Guglielmo Non-Executive Director	On-going commencing 8 July 2021	$50,000 pa	Nil
Charles Morgan Non-Executive Director	1 July 2021 – 8 July 2021	Nil	Nil
Executives			
Dr Simon Brealey Interim Chief Executive Officer	On-going commencing 29 April 2021	$120,000 pa	Nil

Non-Executive Directors

Total compensation for all non-executive Directors is to be approved by the Company in general meeting as detailed in the Company's Constitution.

The Directors had previously resolved to accrue their fees until such time as the company raises over $ 1.0m in capital. This occurred on 2nd May 2022, however the Directors have continued to accrue their fees at this time based upon the principles of sound financial management.

3 Directors and Executive Officers' Remuneration (Consolidated Entity)

The following table sets out remuneration accrued (paid and unpaid) to Directors and key executive personnel of the Company and the consolidated entity during the reporting period:

30 June 2022	Salary and Fees AUD	Cash Bonus	Termination payment	Non-cash Bonus	Superannuation	Share based payments	Total	Value of share-based payments as a proportion of remuneration	Performance related payments as a proportion of remuneration
Non-Executive directors									
Duncan Gordon	50,000	-	-	-	-	6,267	56,267	11%	-
Matthew White	50,000	-	-	-	-	6,267	56,267	11%	-
Giustino Guglielmo	50,000					6,267	56,267	11%	-
Charles Morgan	-	-	-	-	-	-	-	-	-
Executive									
Simon Brealey	120,000					10,445	130,445	8%	-
Total	270,000	-	-	-	-	29,246	299,246		

30 June 2021	Salary and Fees AUD	Cash Bonus	Termination payment	Non-cash Bonus	Superannuation	Share based payments	Total	Value of share-based payments as a proportion of remuneration	Performance related payments as a proportion of remuneration
Executive directors									
Stephen Keenihan	49,256	-	-	-	-	37,099	86,335	43%	-
David Messina (MD from 1/7/20 to 3/3/2021)	192,511	-	81,980	-	17,021	74,198	365,710	20%	-
Non-Executive directors									
Charles Morgan	18,750	-	-	-	-	37,502	56,252	67%	-
Duncan Gordon	18,333	-	-	-	-	-	18,333	-	-
Matthew White	18,333	-	-	-	-	-	18,333	-	-
Total	297,183	-	81,980	-	17,021	148,799	544,963		

4 Equity Instruments

4.1 Options Granted as Compensation

There were 70,000,000 options granted and approved by shareholders as compensation to key management personnel during the year ended 30 June 2022 (30 June 2021: Nil)

Grant Date	Vesting Date	Expiry Date	Exercise price	Number of options	Value of Share Based Payments AUD
24/03/2022	07/06/2022	31/01/2024	$0.004	70,000,000	29,246

Fair value of options granted

The fair value of unlisted options at grant date is determined using the Black Scholes method of valuing options that takes into account the exercise price, the term of the options, the impact of dilution, the share price at grant date and expected volatility of the underlying share and the risk free interest rate for the term of the options.

The table below summarises the variables used in determining the value of options granted as remuneration to key management personnel:

Number of options granted	70,000,000
Grant date	24/03/2022
Expiry Date	31/01/2024
Fair value (Black Scholes)	$0.000418
Exercise price	$0.004
Life of the option	1.86 years
Underlying share price	$0.001
Expected share price volatility	141%
Risk-free interest rate (%)	2.19%

4.2 Option Holdings of Key Management Personnel (Consolidated Entity)

Details of options and rights held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

Unlisted Options	Balance at 01-Jul-21	Acquired during financial year	Granted as Remuneration	Net other changes	Balance at 30-Jun-22	Not Exercisable
Non-Executive directors						
Duncan Gordon*	-	10,481,560	15,000,000	-	25,481,560	-
Charles Morgan**	20,000,000	-	-	(20,000,000)	-	-
Matthew White	-	-	15,000,000	-	15,000,000	-
Giustino Guglielmo***	25,000,000	12,500,000	15,000,000		52,500,000	
Executive						
Simon Brealey	5,000,000	-	25,000,000	-	30,000,000	
Total	50,000,000	22,981,560	70,000,000	(20,000,000)	122,981,560	-

*Mr Gordon participated in a non-renounceable entitlement offer and acquired 10,481,560 unlisted options.

**20,000,000 unlisted options lapsed on 8 July 2021

***Mr Guglielmo participated in a non-renounceable entitlement offer and acquired 12,500,000 unlisted options.

No Key management personnel and their related parties held listed options during the year ended 30 June 2022.

4.3 Other Transactions of Key Management Personnel

Details of equity instruments (other than options and rights) held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

Shares held in Whitebark Energy Ltd:

Ordinary Shares	**Balance at 01-Jul-21**	**Acquired during the financial year**	**Granted as Remuneration**	**Net other changes**	**Balance at 30-Jun-22**
Non-Executive directors					
Duncan Gordon*	41,926,237	20,963,120	-	-	62,889,357
Matthew White	-	16,500,000	-	-	16,500,000
Giustino Guglielmo**	50,000,000	25,000,000	-	-	75,000,000
Charles Morgan***	255,284,012	-	-	-	255,284,012
Executive					
Simon Brealey	10,000,000	-	-	-	10,000,000
Total	357,210,249	62,463,120	-	(255,284,012)	419,673,369

* Mr Gordon participated in a non-renounceable entitlement offer and acquired 20,963,120 fully paid ordinary shares. Mr Gordon's shares held in the name of Chesser Nominee Pty Ltd of which Mr Gordon is a Director

**Mr Guglielmo participated in a non-renounceable entitlement offer and acquired 25,000,000 fully paid ordinary shares. Mr Guglielmo's shares held in the name of Miller Anderson Pty Ltd of which Mr Guglielmo is a Director

***Mr Morgan resigned on 8 July 2021

The aggregate amounts recognised during the year relating to directors' related parties (included in table at 5) were as follows:

	Transactions during the year		Balance outstanding as at:	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
Adelaide Equity Partners Ltd[i]	240,000	47,584	102,250	8,250
AE Administrative Services Pty Ltd [ii]	63,327	-	36,333	-
Business Initiatives Pty Ltd [iii]	140,838	42,403	56,949	18,333
	444,165	89,987	195,532	26,583

The terms and conditions of the transactions were no more favourable than those available, or which might be reasonably available, on similar transactions to non-director related entities on an arms-length basis.

(i) Adelaide Equity Partners Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of investor relations services and capital raise services provided.

(ii) AE Administrative Services Pty Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of company secretarial services provided.

(iii) Business Initiatives Pty Ltd is a company associated with Mr Matthew White. The charges were in respect of accounting, bookkeeping, financial control and marketing functions undertaken for the group.

5 Company Performance, Shareholder Wealth and Director and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between the shareholders, key management personnel, and other employees. However, the Company continues to investigate alternative means for achieving this goal to the benefit of all stakeholders. There is no direct relationship between the remuneration policy and Company performance.

6 Voting and Comments Made at the Company's 2021 Annual General Meeting

Whitebark Energy Ltd received 74.05% of "yes" votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

7 Use of Remuneration Consultants

During the financial year ended 30 June 2022, the Company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the short-term incentives ('STI') program and long-term incentives ('LTI') program.

End of Audited Remuneration Report

8 Principal Activities

The principal activity of the consolidated entity during the course of the financial period was the production of oil and gas in Alberta, Canada and the evaluation of oil and gas exploration projects in Western Australia.

9 Results and Dividends

The consolidated entity's loss after tax attributable to members of the Company for the financial year ending 30 June 2022 was $ 915,241 (30 June 2021 loss: $9,160,692 - restated). No dividends have been paid or declared by the Company during the period ended 30 June 2022.

10 Financial Position

The net assets of the consolidated entity at 30 June 2022 were $ 3,462,739 (30 June 2021: $2,346,186 - restated) of which $ 2,150,710 (30 June 2021: $515,883) represents cash and cash equivalents.

During the financial year the company raised an amount of $2,271,880 (after costs) (2021: $3,164,858) from the issue of 1,275,093,645 ordinary fully paid shares (2021: 1,332,909,180).

11 Earnings / (Loss) Per Share

The basic earnings/(loss) per share for continuing operations of the consolidated entity for the financial year ending 30 June 2022 was (0.02) cents loss per share (30 June 2021: 0.23 cents loss per share - restated).

12 Events Subsequent to Reporting Date

Other than the below, no material matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the consolidated entity.

Rex-4 Development Well

On 1 August 2022 Whitebark announced that the Rex-4 drilling program at Wizard Lake had commenced.

The drill rig was released on 15 August 2022. Completion of Rex-4 to the achieved total depth also fulfils the farm-in agreement in place with TWP50 in Section 20 (the toe location of the well) such that Whitebark is 100% owner of future Rex-4 production.

Capital Raise

On 13 September 2022, Whitebark entered into a trading halt as it commenced a placement offer of fully paid ordinary shares to professional and sophisticated investors. For every $ 1.00 invested, 50% is to be allocated as ordinary equity at a price of $0.0015 per share and the remaining 50% is to be allocated to convertible notes which will convert to ordinary equity subject to shareholder approval at the Company's 2022 AGM.

On 15 September 2022, the company announced it was in the process of completing a capital raise in the order of $ 2.2m (gross) to complete the Rex-4 well.

On 20 September 2022, Whitebark announced an increase in the capital raise target from $ 2.2m to $ 2.5m (gross). The net proceeds will be used to fund the hydraulic fracture program and completion of the Rex-4 development well and for working capital and applied to transaction costs of the raise.

On 28 September 2022, Whitebark lodged a Prospectus and associated Appendix 3B with ASIC in respect of the capital raise.

13 Likely Developments and Expected Results

There are no likely developments of which the directors are aware which could be expected to significantly affect the results of the Group's operations in subsequent financial years not otherwise disclosed in the Principal Activities and Operating and Financial Review or the Significant Events after the Balance Date sections of the Directors' Report.

The Company continues to look for acquisition opportunities as they arise.

14 Environmental Regulations

The operations of the Group are subject to environmental regulation from two government bodies.

The Australian assets are monitored under the laws of the State of Western Australia. The Group holds various environmental licenses issued under these laws, to regulate its exploration activities in Australia. These licenses include conditions and regulations in relation to specifying limits on discharges into the air, surface water and groundwater, rehabilitation of areas disturbed during the course of exploration activities and the storage of hazardous substances. All environmental performance obligations are monitored by the board of directors and subjected from time to time to Government agency audits and site inspections. There have been no material breaches of the Group's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

The Canadian assets are subject to regulation by the Alberta Energy Regulator (AER). The AER ensures companies are prepared to meet their obligations at the end of a project's life including environmental obligations.

15 Directors and Executives Interests

The interests of the Directors and Executives in the shares and options of the Company, as notified by the Directors to the ASX in accordance with S205G (1) of the Corporations Act 2001, at the date of this report and including transactions since 30 June 2022 are as follows:

	Ordinary Shares	Unlisted Options
Non-Executive directors		
Duncan Gordon*	62,889,357	25,481,560
Matthew White**	16,500,000	15,000,000
Giustino Guglielmo***	75,000,000	52,500,000
Executive		
Simon Brealey	10,000,000	30,000,000

* Shares and 10,481,560 unlisted options held in the name of Chesser Nominees Pty Ltd of which Mr Gordon is a Director .

**Unlisted options held in the name of 199 Investment Pty Ltd of which is controlled by Mr Matthew White.

**Held in the name of Miller Anderson Pty Ltd ATF Longhorn Ridge Superannuation account. Mr Guglielmo is Director of Miller Anderson Pty Ltd and sole beneficiary of Longhorn Ridge Superannuation account.

16 Share Options

16.1 Options Granted to Officers of the Company

There were 70,000,000 unlisted options granted to officers of the company during the 2022 financial year (2021: nil).

No options have been granted to officers of the Company since the end of the financial year to the date of this Directors' report.

16.2 Unissued shares under options

As at the date of the report, there were 872,706,567 unlisted options on issue detailed as follows:

Grant Date	Exercisable	Expiry Date	Exercise price	Number of options
15-Nov-19	15-Nov-19 to 15-Nov-22	15-Nov-22	$0.012	22,800,000
28-May-21	28-May-21 to 28-May-23	28-May-23	$0.002	155,000,000
24-Mar-22	7-Jun-22 to 31-Jan-24	31-Jan-24	$0.004	70,000,000
23-May-22	23-May-22 to 23-May-25	23-May-25	$0.004	624,906,567

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company.

16.3 Shares Issued on Exercise of Options

There were 93,520 shares were issued on the exercise of unlisted options during the financial year. 20,000,000 unlisted options lapsed during the year.

17 Indemnification and Insurance of Officers and Auditors

17.1 Indemnification

An indemnity agreement has been entered into with each of the Directors and Company Secretary of the Company named earlier in this report. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

17.2 Insurance Premiums

During the financial year the Company did not pay insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts, for current Directors and Officers.

There were no legal proceedings entered into on behalf of the Company or the consolidated entity by any of the Directors or Executive Officers of the Company.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

18 Corporate Structure

Whitebark Energy Limited is a Company limited by shares that is incorporated and domiciled in Australia. The Company is listed on the Australian Securities Exchange under ticker code WBE.

19 Non-Audit Services

During the year UHY Haines Norton, the Company's auditor, performed no other services in addition to their statutory duties.

20 Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 26 and forms part of the Directors' report for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors.

Adelaide, 30 September 2022

Duncan Gordon

Chairman

UHY Haines Norton
Chartered Accountants

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Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To the Directors of Whitebark Energy Limited

As lead auditor for the audit of Whitebark Energy Limited for the financial year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Whitebark Energy Limited and the entities it controlled during the year ended and as at 30 June 2022.

UHY Haines Norton

Mark Nicholaeff
Partner
Sydney
30 September 2022

UHY Haines Norton
Chartered Accountants

UHY Haines Norton
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INDEPENDENT AUDITOR'S REPORT

To the Members of Whitebark Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Whitebark Energy Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2022, which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 (b) of the financial report, which discloses the Group's ability to continue as a going concern. The matters described in Note 2 (b) of the Financial Report, indicate a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The Group incurred a loss after tax of $915,241 for the financial year ended 30 June 2022 (2021: loss $9,160,692 - restated). The net cash outflows from operations and investing activities for the financial year ended 30 June 2022 were $65,476 and $526,297 respectively.

Why a key audit matter	How our audit addressed the risk
The material uncertainty related to going concern is a key audit matter	We performed the following audit procedures, amongst others: • We assessed whether events or conditions cast significant doubt over the ability of the entity to continue as a going concern. • We obtained Management assessment on going concern assumption. • We obtained and assessed the reasonableness of the Group's cash flows forecasts for incorporation of the Group's operations and plans to address going concern. • We reviewed the Group's going concern disclosures in the financial report for the principal matters casting significant doubt on the Group's ability to continue as a going concern, and the Group's plans to address these matters, and the material uncertainty.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Refer to Note 19 Property, plant and equipment of the Financial Report. As at 30 June 2022, the Group's balance sheet included property, plant and equipment of $3,851,262. The Group recognised nil impairment expense during the year.

Why a key audit matter	How our audit addressed the risk

The assessment of the existence of impairment indicators and testing for impairment of property, plant and equipment is a key audit matter given the size of the Property, plant and equipment (55% of total asset).
 	
In addition, the impairment is tested using a net present value ("NPV") model. The model is developed in house using budgets and reports evaluated by external experts, such as reserve reports, which are used as inputs for the model. Modelling using forward-looking assumptions tends to be prone to greater risk for potential bias, error and inconsistent application.
	We performed the following audit procedures, amongst others:
	• We noted the Group's view of the impairment indicators.
	• We assessed the historical accuracy of the Group's forecast to inform our assessment of current year forecast.
	• We assessed the scope, objectivity and competence of the Group's external experts who were responsible for preparation of the reserve estimation and certification of the NPV calculation.
	• We assessed the key forecast assumptions including:
	  ◦ Discount rates by comparing with publicly available market data for entities in same industry, and considered the sensitivity of the model by varying discount rates.
	  ◦ Oil and gas production by comparing to the proven reserves estimates evaluated by the Group's external expert;
	  ◦ Operational and capital costs by comparing to actual production costs incurred and capital expenditure cost budget;
	  ◦ Oil and gas pricing and foreign exchange rates by comparing to published views of market commentators.
	• We compared the NPV to the book value, to assess the impairment.
	
	We also assessed the reasonability and completeness of the Group's disclosures against the requirements of Australian Accounting Standards.

ABANDONMENT/REHABILITATION LIABILITIES

The Group's decommissioning obligations result from its ownership interest in exploration and production rights at sites in Canada and Australia. The total decommissioning obligation is determined based on the estimated costs to reclaim and abandon these wells and facilities and the estimated timing of costs rehabilitate the sites. The Group has estimated the net present value of the decommissioning obligations to be $2,625,357 as at 30 June 2022.

Why a key audit matter	How our audit addressed the risk
We considered this a key audit matter due to the high level of estimation uncertainty inherent in the calculations, and the scope for subjectivity in judgements made by the Group in determining their rehabilitation expenditures and the assumptions applied in the calculations.	We performed the following audit procedures, amongst others: • We assessed the reasonableness of the Group's assumptions applied; • We assessed the mathematical accuracy of the calculations; • We assessed the competence of the Group's external experts who were responsible for preparation of the abandonment cost report for Australian sites. • We obtained the estimated abandonment costs for the Canadian sites from the Alberta government's database. We also assessed the reasonability and completeness of the Group's disclosures against the requirements of Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 21 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Whitebark Energy Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

UHY Haines Norton

Mark Nicholaeff
Partner
Sydney
30 September 2022

UHY Haines Norton
Chartered Accountants

	Note	**30 June 2022 $**	30 June 2021 $ *Restated
Revenue	5	**3,576,305**	3,428,913
Royalties	5	**(415,490)**	(670,540)
Cost of goods sold	6	**(1,663,214)**	(1,754,422)
Gross Profit		**1,497,601**	1,003,951
Other income	7	**55,212**	3,763,086
Finance income	8	**6,900**	56,348
Profit on disposal of assets	9	**800**	9,071
Expenses			
Administrative expenses	10	**(653,721)**	(1,776,230)
Finance costs	11	**(6,991)**	(20,025)
Impairment expense on property, plant and Equipment	12	**-**	(10,070,471)
Impairment expense on trade receivables	12	**-**	(1,123,008)
Share based payments expense	27	**117,535**	434,057
Depletion, depreciation and amortisation		**(112,463)**	(689,896)
Other operating expenses	13	**(1,820,114)**	(747,575)
Loss before income tax expense from continuing operations		**(915,241)**	(9,160,692)
Income tax benefit	14	**-**	-
Loss after income tax expense for the period		**(915,241)**	(9,160,692)
Other comprehensive loss, net of tax			
Items reclassified through profit and loss:			
Foreign currency translation		**(122,551)**	(237,150)
Total comprehensive loss for the period		**(1,037,792)**	(9,397,842)
Loss per share		**cents**	cents
Basic and diluted loss per share	15	**(0.02)**	(0.23)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the *notes to the consolidated financial report.*

**Refer note 34*

	Note	**30 June 2022 $**	30 June 2021 $ *Restated	30 June 2020 $ *Restated
Current assets				
Cash and cash equivalents	16	**2,150,710**	515,883	1,115,951
Trade and other receivables	17	**578,890**	599,136	1,120,359
Other current assets	18	**236,073**	139,143	184,271
Other investments		**-**	-	269,849
Total current assets		**2,965,673**	1,254,162	2,690,430
Non-current assets				
Property, plant and equipment	19	**3,851,262**	3,614,254	14,735,267
Exploration and evaluation	20	**135,987**	-	22,232
Other receivables		**-**	-	581,345
Total non-current assets		**3,987,249**	3,614,254	15,338,844
Total assets		**6,952,922**	4,868,416	18,029,274
Current liabilities				
Trade and other payables	21	**864,826**	504,986	6,244,037
Borrowings		**-**	-	200,000
Provisions		**-**	-	147,832
Total current liabilities		**864,826**	504,986	6,591,869
Non-current liabilities				
Provisions		**-**	-	13,773
Decommissioning liabilities	22	**2,625,357**	2,017,244	2,410,404
Total non-current liabilities		**2,625,357**	2,017,244	2,424,177
Total liabilities		**3,490,183**	2,522,230	9,016,046
Net Assets		**3,462,739**	2,346,186	9,013,228
Equity				
Issued capital	23	**72,645,197**	70,373,317	67,208,459
Reserves	24	**(370,576)**	(130,489)	1,257,497
Accumulated losses		**(68,811,883)**	(67,896,642)	(59,452,728)
Total equity		**3,462,739**	2,346,186	9,013,228

The consolidated statement of financial position is to be read in conjunction with the *notes to the consolidated financial report.*

**Refer note 34*

	Share capital	Foreign currency translation reserve	Share based payment reserve	Accumulated losses	Total
	$	$	$	$	$
Balance at 1 July 2021, as previously reported	70,373,317	(377,209)	246,720	(68,548,874)	1,693,954
Impact of correction errors	-	-	-	652,232	652,232
Restated balance at 1 July 2021	**70,373,317**	**(377,209)**	**246,720**	**(67,896,642)**	**2,346,186**
Loss for the period	-	-	-	(915,241)	(915,241)
Other comprehensive loss for the period net of income tax					
Foreign currency translation	-	(122,551)	-	-	(122,551)
Total comprehensive loss for the period	-	(122,551)	-	(915,241)	(1,037,792)
Net proceeds from share issue, net of cost	2,221,506	-	-	-	2,221,506
Shares issued on exercise of options	374	-	-	-	374
Shares issued as payment for services	50,000	-	-	-	50,000
Options issued during the period	-	-	29,246	-	29,246
Share option forfeited - net	-	-	(146,781)	-	(146,781)
Balance at 30 June 2022	**72,645,197**	**(499,760)**	**129,184**	**(68,811,883)**	**3,462,739**
Balance at 1 July 2020, as previously reported	67,208,459	(140,059)	1,397,556	(59,662,709)	8,803,247
Impact of correction errors	-	-	-	209,981	209,981
Restated balance at 1 July 2020	**67,208,459**	**(140,059)**	**1,397,556**	**(59,452,728)**	**9,013,228**
Loss for the period	-	-	-	(9,160,693)	(9,160,693)
Other comprehensive income for the period net of income tax					
Foreign currency translation	-	(237,150)	-	-	(237,150)
Total comprehensive loss for the period	-	(237,150)	-	(9,160,693)	(9,397,843)
Net proceeds from share issue, net of cost	3,110,759	-	-	-	3,110,759
Shares issued on exercise of options	9,099	-	-	-	9,099
Shares issue as payment for services	45,000				45,000
Options lapsed/expired	-	-	(716,779)	716,779	-
Share option forfeited – net	-	-	(434,057)	-	(434,057)
Restated balance at 30 June 2021	**70,373,317**	**(377,209)**	**246,720**	**(67,896,642)**	**2,346,186**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial report.

The accompanying notes form part of these financial statements.

		30 June 2022 $	30 June *Restated 2021 $
Cash flows from operating activities			
Receipts from customers		**3,649,584**	3,428,913
Payment for royalties on production revenue		**(415,490)**	(670,540)
Government grants - COVID-19 stimulus		**-**	128,000
Interest received		**4,304**	1,348
Interest paid		**(6,991)**	(5,817)
Payment for production, suppliers and employees		**(3,296,883)**	(4,400,329)
Net cash flows used in operating activities	25	**(65,476)**	(1,518,425)
Cash flows from investing activities			
Proceeds from sale of securities		**-**	278,920
Payment for plant and equipment		**(390,310)**	(105,051)
Payment for re-acquisition of Wizard Lake assets		**-**	(370,201)
Payment for development		**-**	(1,761,953)
Payments for exploration assets		**(135,987)**	-
Net cash flows used in investing activities		**(526,297)**	(1,958,285)
Cash flows from financing activities			
Proceeds from share issue (net of costs)		**2,221,506**	3,110,759
Repayments of loans		**-**	(200,000)
Net cash flows from financing activities		**2,221,506**	2,910,759
Net increase/(decrease) in cash and cash equivalents		**1,629,734**	(565,951)
Cash at the beginning of the financial period		**515,883**	1,115,951
Effect of movement in exchange rates on cash held		**5,093**	(34,117)
Cash and cash equivalents at 30 June 2022	16	**2,150,710**	515,883

The consolidated statement of cashflows is to be read in conjunction with the notes to the consolidated financial report.

**Refer note 34*

1 Reporting entity

Whitebark Energy Limited (the 'Company') is domiciled and incorporated in Australia. The address of the Company's registered office is Ground Floor, 70 Hindmarsh Square, Adelaide SA 5000.

The consolidated financial report of the consolidated entity for the period ended 30 June 2022 comprises the Company and its subsidiaries (the "consolidated entity" or "group").

The consolidated entity is involved in oil and gas exploration and production in Alberta, Canada and oil and gas exploration in Western Australia.

The financial report was authorised for issue by the directors on 30 September 2022.

2 Basis of preparation

(a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards (IFRS).

Whitebark Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred a loss after tax of $915,241 for the year ended 30 June 2022 (2021: loss $9,160,692 - restated), including a net gain on disposal of assets of $800 (2021: $9,071). The net cash flows used in operations and investing activities were $65,476 and $526,297 respectively. As at 30 June 2022 the Consolidated Entity's current assets exceeded current liabilities by $2,100,847 (30 June 2021: $749,176 - restated). As at 30 June 2022 the consolidated Entity's cash balance was $2,150,710 and the trade and other payables balance was $864,826.

The Consolidated Entity has prepared a cash flow forecast for the next twelve months from the date of signing the financial report which demonstrates that the Consolidated Entity will have sufficient cash to continue as a going concern, with the following key assumptions:

- The profitable and cash flow positive operation of its interest in the Wizard Lake operation. The cash flow forecast assumes the continued optimisation of current Wizard Lake oil and gas operations (Rex-1, Rex-2 and Rex3) and the successful completion of, and resultant expected production from, the recently drilled Rex-4 oil well. Critical to the forecast cash flows is the Consolidated Entity's ability to achieve forecast levels of oil and gas production based on the production decline curves for each well at current forecast market prices and discounts, and forecast gross profit margins; and
- No future material deterioration occurs in the global oil and gas market, nor the price adjustments the Consolidated Entity receives for its sales.

Should the Consolidated Entity not achieve its cashflow forecasts as planned, it will be dependent on successful equity and/or debt fund raisings over the next 12 months.

The Directors have a reasonable expectation that the Wizard Lake operation will achieve its forecast positive cash flows. Should operations not perform as expected, or further deterioration in the global oil and gas market materialise, the Directors are confident that the Consolidated Entity will be able to secure sufficient funding through equity and/or debt to continue as a going concern based on demonstrated past successes in raising equity.

For these reasons, the Directors have reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable and the Directors consider that the going concern basis of preparation to be appropriate for these financial statements. Should the Wizard Lake operation not generate cash flow as forecast and/or the Directors are unsuccessful in raising equity or debt funding as required, there is a material uncertainty as to the ability of the Consolidated Entity to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts set out in the financial report.

(c) Basis of measurement

The financial report is prepared on the historical costs basis except for the following assets and liabilities that are stated at their fair value: financial instruments classified at fair value through profit and loss (FVTPL).

(d) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency of the Company. The functional currency of the Company's United States of America subsidiary is USD and CAD for the Canadian subsidiary.

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates.

(e) Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated group.

The Company's accounting policy for the recognition of rehabilitation provisions requires significant estimates including the magnitude of possible works for removal or treatment of waste materials and the extent of work required and the associated costs of rehabilitation work. These uncertainties may result in future actual expenditure, different from the amounts currently provided.

The provision recognised for each production well is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for operating sites are recognised in the balance sheet by adjusting the rehabilitation asset and provision.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 12 and 19 – Impairment expense (see note 3(k)) and depletion and depreciation (see note 3(o))

(f) New and revised standards that are effective for these financial statements

The Group has consistently applied the accounting policies to all periods presented in the financial statements. The Group has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2021 but determined that their application to the financial statements is either not relevant or not material.

(g) New standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3 Summary of accounting policies

(a) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2022.

The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(b) Business combination

The Group applies the acquisition method in accounting for business combinations in accordance with AASB 3. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income in the foreign currency translation reserve of equity.

(d) Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences and the costs of acquiring the rights to explore, are capitalised as exploration and evaluation assets on an area of interest basis.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment of non-financial assets note 3(k)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of petroleum resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to property plant and equipment assets.

(e) Determination of recoverability of asset carrying values

The recoverability of development and production asset carrying values are assessed at a cash-generating unit ("CGU") level. Determination of what constitutes a CGU is subject to management judgements. The asset composition of a CGU can directly impact the recoverability of the assets included therein. The key estimates used in the determination of cash flows from oil and natural gas reserves include the following:

Reserves – Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

Oil and natural gas prices – Forward price estimates are used in the cash flow model. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather, and economic and geopolitical factors.

Discount rate – The discount rate used to calculate the net present value of cash flows is based on estimates of an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to this estimate.

(f) Reserve estimates

Proved plus probable reserves are defined as the "best estimate" of quantities of oil, natural gas and related substances estimated to be commercially recoverable from known accumulations, from a given date forward based on drilling, geological, geophysical and engineering data, the use of established technology and specified economic conditions. It is equally likely that the actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves. The estimates are made using all available geological and reservoir data as well as historical production data. Estimates are reviewed as appropriate. Revisions occur as a result of changes in prices, costs, fiscal regimes and reservoir performance or changes in the Company's plans with respect to future development or operating practices.

(g) Restoration, rehabilitation and environmental costs and decommissioning obligations

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are accrued at the time of those activities and treated as exploration and evaluation expenditure.

Restoration, rehabilitation and environmental obligations recognised include the costs of reclamation and subsequent monitoring of the environment.

Costs are estimated on the basis of future assessed costs, current legal requirements and current technology, which are discounted to their present value. The present value of the costs is included as part of the cost of the exploration and evaluation asset or the property plant and equipment asset. Estimates are reassessed at least annually. Changes in estimates are dealt with prospectively, with any amounts that would have been written off or provided against under accounting policy for exploration and evaluation immediately written off.

Amounts recorded for decommissioning obligations and the related accretion expense requires the use of estimates with respect to the amount and timing of decommissioning expenditures. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, public expectations, market conditions, discovery and analysis of site conditions and changes in technology. Other provisions are recognised in the period when it becomes probable that there will be future cash outflow.

(h) Development expenditure

Development expenditure represents the accumulated exploration, evaluation, land and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of hydrocarbon resource has commenced.

When further development expenditure is incurred in respect of an asset after commencement of production, such expenditure is carried forward as part of the asset only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation of costs is provided on the unit-of-production method with separate calculations being made for each hydrocarbon resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the estimated recoverable reserves. In some circumstances, where conversion of resources into reserves is expected, some elements of resources may be included. Development and land expenditure still to be incurred in relation to the current reserves are included in the amortisation calculation. Where the life of the assets are shorter than the reserves life their costs are amortised based on the useful life of the assets.

The estimated recoverable reserves and life of the development and the remaining useful life of each class of asset are reassessed at least annually. Where there is a change in the reserves/resources amortisation rates are correspondingly adjusted.

(i) Trade and other receivables

Other receivables are recorded at amounts due less any allowance for doubtful debts.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Cash equivalents include deposits and other highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flow.

(k) Impairment of non-financial assets

The carrying amounts of the consolidated entity's non-financial assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognised in the profit and loss.

Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Reversals of impairment

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Share capital

(i) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(ii) Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Property, plant and equipment

Buildings, IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Buildings, IT equipment and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Developed and producing assets are measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognised as oil and natural gas interests when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other costs are recognised in expenses as incurred. Such capitalised oil and gas interests generally represent costs incurred in developing proven and/or probable reserves and bringing on or enhancing production from such reserves. The carrying amount of any replaced or sold component is derecognised. The costs of periodic servicing of property plant and equipment is recognised as an expense.

(o) Depletion and depreciation

The net carrying value of developed and producing assets are depleted using the unit of production method by reference to the ratio of production in the period to the related proven developed and undeveloped reserves, taking into account estimated future development costs necessary to bring those undeveloped reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers on an annual basis.

Proven and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

In determining reserves for use in the depletion and impairment calculations, a BOE conversion ratio of six thousand cubic feet of natural gas ("Mcf") to one barrel of oil ("bbl") is used as an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the reserve reports are derived by converting natural gas to oil in the ratio of six Mcf of gas to one barrel of oil.

For other assets, depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, IT equipment and other equipment. The following useful lives are applied:

IT equipment: 4 years

Other equipment: 4-5 years

In the case of leasehold property, expected useful lives are determined by reference to the lesser of comparable owned assets useful lives and the lease term.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit and loss.

(p) Fair value measurement

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 – Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market date, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

If a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

If significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(q) Employee benefits

As at balance date, the company had no employees and hence no entitlement provisions are accounted for.

(r) Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present, legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(s) Trade and other payables

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days.

(t) Revenue recognition

Revenue is recognised when the control of the goods or services is transferred to the customer. Determining the timing of the transfer of control requires judgement. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade allowances and duties and taxes paid.

(i) Net Financial Income

Net financial income comprises interest on borrowings calculated using the effective interest method, interest receivable on funds invested and dividend income.

Interest income is recognised in the profit and loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss on the date the entity's right to receive payments is established which in the case of quoted securities is the ex-dividend date.

(ii) Sales revenue

Revenue from the sale of oil and natural gas will be recorded when control of the goods or services transfer to the customer. The transfer of control of oil, natural gas, natural gas liquids usually occurs at a point in time and coincides with title passing to the customer and the customer taking physical possession.

(u) Income tax

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Whitebark Energy Ltd.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Included in the income tax benefit are research and development grants provided during the year.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised in the income statement at the time the claim is lodged and received with the Australian Tax Office.

(v) Segment reporting

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entity's other components. Based on the information used for internal reporting purposes by the chief operating decision maker, being the executive management that makes strategic decisions, at 30 June 2022 the group's assets are in two reportable geographical segments being Australia and Canada.

(w) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(x) Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is to hold assets to collect contractual cash flows; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

how the performance of the portfolio is evaluated and reported to the Group's management;

the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the asset.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

contingent events that would change the amount or timing of cash flows;

terms that may adjust the contractual coupon rate, including variable-rate features;

prepayment and extension features; and

terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(y) Leases

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option or lease term extension and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(z) Interest in other entities

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement in which the parties with joint control have rights to the assets and obligations for the liabilities relating to that arrangement.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

(aa) Adoption of new and revised accounting standards

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4 Segment reporting

During the period the group operated in two business segments (two geographical areas) – exploration, development and production of oil and gas – Australia and Canada.

The group has identified its operating segment based on the internal report that is reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

30 June 2022	Australia AUD	Canada AUD	Total Segment AUD	Unallocated AUD	Consolidated AUD
Total sales revenue	-	3,576,305	3,576,305	-	3,576,305
Royalties	-	(415,490)	(415,490)	-	(415,490)
Financial income	3,575	3,325	6,900	-	6,900
Other income	56,012	-	56,012	-	56,012
Total revenue and other income	59,587	3,164,140	3,223,727	-	3,223,727
Segment result	(1,772,950)	970,172	(802,778)	-	(802,778)
Depletion, depreciation & amortisation	-	(112,463)	(112,463)	-	(112,463)
(Loss)/gain before income tax expense	(1,772,950)	857,709	(915,241)	-	(915,241)
Assets					
Total current assets	1,117,660	1,848,013	2,965,673	-	2,965,673
Total non-current assets	-	3,987,249	3,987,249	-	3,987,249
Total assets	1,117,660	5,835,262	6,952,922	-	6,952,922
Liabilities					
Total current liabilities	(624,901)	(239,925)	(864,826)	-	(864,826)
Total non-current liabilities	(1,951,069)	(674,288)	(2,625,357)	-	(2,625,357)
Total liabilities	(2,575,970)	(914,213)	(3,490,183)	-	(3,490,183)

30 June 2021 *Restated	Australia AUD	Canada AUD	Total Segment AUD	Unallocated AUD	Consolidated AUD
Total sales revenue	-	3,428,913	3,428,913	-	3,428,913
Royalties	-	(670,540)	(670,540)	-	(670,540)
Financial income	56,329	19	56,348	-	56,348
Other income	265,810	3,497,276	3,763,086	-	3,763,086
Total revenue	322,139	6,255,668	6,577,807	-	6,577,807
Segment result	230,266	2,492,417	2,722,683	-	2,722,683
Depletion, depreciation & amortisation	(10,186)	(679,710)	(689,896)	-	(689,896)
Impairment Expenses	-	(11,193,479)	(11,193,479)	-	(11,193,479)
(Loss)/gain before income tax expense	220,080	(9,380,772)	(9,160,692)	-	(9,160,692)
Assets					
Total current assets	275,154	979,008	1,254,162	-	1,254,162
Total non-current assets	-	3,614,254	3,614,254	-	3,614,254
Total assets	275,154	4,593,262	4,868,416	-	4,868,416
Liabilities					
Total current liabilities	(435,927)	(69,059)	(504,986)	-	(504,986)
Total non-current liabilities	(1,111,143)	(906,101)	(2,017,244)	-	(2,017,244)
Total liabilities	(1,547,070)	(975,160)	(2,522,230)	-	(2,522,230)

**Refer note 34*

5 Revenue from continuing operations

	30-Jun-22 AUD	30-Jun-21 *Restated AUD
Product sales	3,576,305	3,428,913
Other sales	-	-
Total sales from production	3,576,305	3,428,913
Royalties on production	(415,490)	(670,540)
Net revenue from continuing operations	3,160,815	2,758,373

6 Cost of goods and services sold

	30-Jun-22 AUD	30-Jun-21 *Restated AUD
Production expenditure (excluding depletion, depreciation, amortisation and workover expenses)	(1,663,214)	(1,754,422)

7 Other income

	30-Jun-22 AUD	30-Jun-21 AUD
Government grants – COVID-19 stimulus	-	128,000
Gain on waiver of trade payables – reverse vesting order and Point Loma	-	3,497,276
Recoveries	55,212	120,151
Other	-	17,659
	55,212	3,763,086

8 Finance income

	30-Jun-22 AUD	30-Jun-21 AUD
Interest income	4,304	1,348
Foreign currency gain	2,596	55,000
	6,900	56,348

9 Profit on disposal of assets

	30-Jun-22 AUD	30-Jun-21 AUD
Gain on disposal of financial assets – Triangle Energy Limited	-	9,071
Gain on disposal of office equipment	800	-
	800	9,071

10 Administration expenses

	30-Jun-22 AUD	30-Jun-21 AUD
Director's costs	(141,713)	(115,092)
Administration and finance support	(159,859)	(213,113)
Employee benefits	-	(384,765)
General and administration	(352,149)	(1,063,260)
	(653,721)	(1,776,230)

**Refer note 34*

11 Finance costs

	30-Jun-22 AUD	30-Jun-21 AUD
Interest expense	(6,991)	(5,817)
Decommissioning liabilities – accretion	-	(14,208)
	(6,991)	(20,025)

12 Impairment expense

	30-Jun-22 AUD	30-Jun-21 *Restated AUD
Impairment – property plant and equipment	-	(10,070,471)
Impairment – trade receivables	-	(1,123,008)
	-	(11,193,479)

13 Other operating expenses

	30-Jun-22 AUD	30-Jun-21 AUD
Project costs	(180,640)	(458,012)
Legal fees	(39,028)	(54,562)
Tax advisory services	-	(33,407)
Consultancy fees	(407,648)	(166,521)
Revision of Rehab and Abandonment provision	(839,926)	539,182
Workover expense	(182,556)	(418,959)
Auditor remuneration	(132,292)	(128,331)
Share registry	(38,024)	(26,965)
	(1,820,114)	(747,575)

14 Income tax benefit

	30-Jun-22 AUD	30-Jun-21 *Restated AUD
Current income tax expense / (benefit)	-	-
Aggregate income tax expense / (benefit)	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax from continuing operations	(915,241)	(9,160,692)
Tax at statutory rate of 25% (2021: 26%)	(228,811)	(2,381,780)
Adjustment for tax rate difference (Canada 23%)	(17,070)	(40,030)
	(245,880)	(2,421,811)
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
Share-based payments	(29,384)	(112,855)
Impairment of property plant and equipment	-	2,691,464
Waiver of trade receivables	-	291,982
Waiver of trade payables	-	(909,292)
Sundry items	128	(12,567)
	(275,136)	(473,079)
Deferred tax asset on losses/(recouped) not recognised	823,047	1,473,658
Deferred tax asset on temporary differences not recognised	(547,911)	(910,834)
Income tax benefit	-	-

**Refer note 34*

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. It is in the opinion of management of the Company that there will be no taxable profits generated in the near future and the deferred tax asset is not to be recognised.

Tax losses	**30-Jun-22 AUD**	**30-Jun-21 AUD**
Unused Australian tax losses for which no deferred tax asset has been recognised	29,334,585	27,445,161
Potential tax benefit @ 25.0%	7,333,646	6,861,290
Unused Canadian tax losses for which no deferred tax asset has been recognised	15,131,757	15,597,088
Potential tax benefit @ 23.0%	3,480,304	3,587,330
Total tax effected	10,813,950	10,448,620

Unrecognised temporary differences		
Accrued expenses	9,500	22,739
Blackhole expenditure	70,427	30,207
Property, plant and equipment	1,440,017	2,550,577
Provisions	642,854	486,189
Prepayments	(2,427)	(1,736)
Unrealised foreign exchange gain/(loss)	(649)	-
Total tax effected	2,159,722	3,087,976

15 Loss per share

The calculation of basic loss per share at 30 June 2022 of 0.02 cents per share (30 June 2021 basic loss: 0.23 cents per share) was based on the loss attributable to the ordinary shareholders of $915,241 (30 June 2021 loss: $9,160,692 - restated) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2022 of 4,562,556,384 (30 June 2021: 3,998,158,952 shares) being calculated as follows:

	30-Jun-22 AUD	**30-Jun-21 *Restated AUD**
Loss per share		
Loss attributable to ordinary shareholders		
Loss for the period	(915,241)	(9,160,692)
Attributed to:		
Members of the parent entity	(915,241)	(9,160,692)
Weighted average number of ordinary shares		
Issued Ordinary Shares at 1 July	4,373,125,551	3,040,216,371
Effect of shares issued	189,430,833	957,942,581
Weighted average number of ordinary shares for the year	4,562,556,384	3,998,158,952
Loss – cents per share	(0.02)	(0.23)
Continuing operations	(0.02)	(0.23)

16 Cash and cash equivalents

	30-Jun-22 AUD	**30-Jun-21 AUD**
Cash at bank	2,150,710	515,883
	2,150,710	515,883

**Refer note 34*

17 Trade and other receivables

	30-Jun-22 AUD	30-Jun-21 *Restated AUD
Current		
Trade and other receivables	578,890	599,136
Non-Current		
Trade and other receivables	-	-
	578,890	599,136

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

18 Other current assets

	30-Jun-22 AUD	30-Jun-21 *Restated AUD
Prepayments	10,227	7,248
Stock on Hand	225,846	131,895
	236,073	139,143

19 Property, plant and equipment

	30-Jun-22 AUD	30-Jun-21 AUD
Plant and equipment at cost	3,963,725	3,636,473
Accumulated depletion, depreciation and amortisation	(112,463)	(22,219)
Accumulated impairment	-	-
	3,851,262	3,614,254
Reconciliation of carrying amounts		
Developed and Producing		
Opening balance	3,614,254	14,723,988
Decrease in asset retirement obligation asset	(254,607)	-
Additions	515,404	105,051
Transfer from exploration and evaluation assets	-	-
Foreign exchange	88,674	(175,717)
Disposals	-	(8,667)
Impairment -	-	(10,351,783)
Disposal of ownership through Reverse Vesting Order	-	(3,882,230)
Resumption of ownership through Reverse Vesting Order	-	3,882,230
Other write-offs	-	1,091
Depletion	(112,463)	(679,709)
	3,851,262	3,614,254

Impairment test of property, plant and equipment – at 30 June 2022

Oil and gas properties impairment testing requires an estimation of the value in use of the cash generating unit to which deferred costs have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. In determining the fair value less costs of disposal, the company used a discount rate of 10% for the Wizard Lake CGU and the Proven Developed Producing Reserve base (those reserves recoverable from existing wells with no further capital investment – see above, Section 2, Reserves and Resources Statement). The Company believes this is how a market participant would be valuing the asset, given the significant uncertainty in developing future fields and accessing capital.

**Refer note 34*

Similarly, the timing of the evaluation of these valued reserves is more certain and the timing of production beyond this is not quantified and valued. The following table outlines the forecast benchmark commodity prices used in the impairment calculation of property, plant and equipment at 30 June 2022. Forecast benchmark commodity price assumptions tend to be stable because short-term increases or decreases in prices are not considered indicative of long-term price levels but are nonetheless subject to change.

The table summarizes the "Average" commodity price forecast and foreign exchange rate and inflation rate assumptions as applied in the Reserve evaluation. The forecast used to generate the Average price forecast were developed by the average of McDaniels, Sproule, GLJ, and Deloitte. The oil pricing has been further adjusted to incorporate a quality discount set in $US.

Average Commodity Price Forecast and Foreign Exchange June 30, 2022

Year	Exchange Rate	WTI Crude Oil	Mixed Sweet Blend	Wizard Offset	Wizard Pricing	Natural gas Alberta AECO Spot
	$USD/$Cdn	$US/bbl	$Cdn/bbl	$USD/bbl	$Cdn/bbl	Cdn$/MMbtu
July 2022	1.2793	103.17	129.42	21.00	108.42	6.19
2023	1.2658	89.75	109.39	21.00	88.39	4.76
2024	1.2606	82.05	97.96	21.00	76.96	4.27
2025	1.2606	77.14	91.65	21.00	70.65	3.88
2026	1.2606	78.69	93.48	21.00	72.48	3.96
2027	1.2606	80.26	95.35	21.00	74.35	4.04
2028	1.2606	81.87	97.26	21.00	76.26	4.12
2029	1.2606	83.51	99.20	21.00	78.20	4.20
2030	1.2606	85.18	101.19	21.00	80.19	4.29
2031	1.2602	86.88	107.28	21.00	82.21	4.37
2032	1.2602	88.62	109.53	21.00	84.28	4.46

Other assumptions used in the calculations which could have an impact on future years include changes to available reserves and oil prices, royalties, and operating costs.

The impairment test of property, plant and equipment at 30 June 2022 concluded that the estimated recoverable amount was higher than the carrying amount of the Wizard Lake CGU and therefore no impairment required on these assets. At year-end there is no impairment trigger identified based on internal and external impairment criteria as required by the accounting standard.

The fair value less costs of disposal values used to determine the recoverable amounts of the property, plant and equipment assets are categorized as Level 3 on the fair value hierarchy as the key assumptions are not based on observable market data.

The impairment tests completed during the year ended 30 June 2022 are sensitive to changes in any of the key judgements such as a revision in reserves, a change in forecast benchmark commodity prices, changes in expected royalties, change in operating costs, changes in production or production profile which could increase or decrease the recoverable amount of the assets and result in additional impairment expense or recovery of the impairment expense.

20 Exploration and evaluation expenditure

	30-Jun-22 AUD	30-Jun-21 AUD
Exploration and evaluation assets	135,987	-
Movement in exploration and evaluation assets		
Opening balance	-	22,232
Additions – Canada	135,987	-
Addition	839,926	-
Impairment of exploration and evaluation assets	(839,926)	(22,232)
Transfer to property, plant and equipment	-	-
	135,987	-

The ultimate recoverability of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying areas of interest.

The Group undertakes at each reporting date, a review for indicators of impairment of these assets. Should an indicator of impairment exist, there is significant estimation and judgments in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement that are considered in this review included:

Recent drilling results and reserves/resource estimates;

Environmental issues that may impact the underlying tenements;

The estimated market value of assets at the review date;

Independent valuations of underlying assets that may be available;

Fundamental economic factors such as prices, exchange rates and current and anticipated operating cost in the industry; and

The group's market capitalisation compared to its net assets.

Information used in the review process is rigorously tested to externally available information as appropriate.

Changes in these estimates and assumptions as new information about the presence or recoverability of a reserve becomes available, may impact the assessment of the recoverable amount of exploration and evaluation assets. If, after having capitalised the expenditure a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the profit or loss in accordance with accounting policy 3(d).

21 Trade and other payables

	30-Jun-22 AUD	30-Jun-21 *Restated AUD
Current:		
Trade creditors	838,023	504,986
Other payables	26,803	-
	864,826	504,986

All amounts are short-term. The carrying value of trade payables and other payables are considered to be a reasonable approximation of fair value.

**Refer note 34*

22 Decommissioning liabilities

	30-Jun-22 AUD	30-Jun-21 AUD
Balance at the beginning of the period	2,017,244	2,410,404
Movement in Warro Project liability	839,926	(230,314)
Change in discount rate of liabilities	(36,673)	169,761
Revision of estimates	(254,607)	(308,868)
Accretion expense	-	14,208
Foreign currency movement	59,467	(37,947)
Balance at the end of the period	2,625,357	2,017,244

The Company's decommissioning obligations result from its ownership interest in oil and natural gas well sites and facilities. The total decommissioning obligation is estimated based on the estimated costs to reclaim and abandon these wells and facilities and the estimated timing of costs to be incurred in future years. The Company has estimated the net present value of the decommissioning obligations to be $2,625,357 as at 30 June 2022 (2021: $2,017,244).

The provision in respect of the Wizard Lake asset is $ 674,288 after factoring in a long-term inflation rate of 2% p.a., a long-term discount rate of 3.23% and remaining project life of 28 years staggered over the operation wells and related facilities. In respect of the Warro asset, the provision is $ 1,951,069 on the expectation that of a remaining project life of under twelve months.

Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

The increase in the provision due to the passage of time is recognised as a finance cost whereas increases/decreases due to changes in the estimated future cash flows are capitalised where there is a future economic benefit associated with the asset.

Actual costs incurred upon settlement of the decommissioning liabilities are charged against the provision to the extent the provision had been established.

23 Issued capital

	30-Jun-22 AUD	30-Jun-21 AUD
Ordinary Shares	72,645,197	70,373,317

The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

Reconciliation of movement in issued capital

Issued capital – Shares	30 June 2022 Number	30 June 2021 Number	30 June 2022 AUD	30 June 2021 AUD
Share capital				
Issued ordinary shares	5,648,219,196	4,373,125,551	72,645,197	70,373,317
Movements in issued capital				
Issued capital				
Opening balance	4,373,125,551	3,040,216,371	72,915,618	69,511,300
Issue of shares for cash	1,250,000,125	1,323,406,339	2,500,000	3,350,219
Shares issued on exercise of Options	93,520	909,937	374	9,099
Share based payments	25,000,000	8,592,904	50,000	45,000
			75,465,992	72,915,618
Less share issue costs				
Opening balance			(2,542,301)	(2,302,841)
Current period costs			(278,494)	(239,460)
Closing balance share issue costs			(2,820,795)	(2,542,301)
	5,648,219,196	4,373,125,551	72,645,197	70,373,317

24 Reserves

	30-Jun-22 AUD	30-Jun-21 AUD
Share based payment reserve	129,184	246,720
Foreign currency translation reserve	(499,760)	(377,209)
	(370,576)	(130,489)
Movement in reserves		
Share based payment reserve		
Opening balance 1 July	246,720	1,397,556
Fair value of options (forfeited net)/expense during the period	(146,782)	(434,057)
Options (lapsed)/issued during the period	29,246	(716,779)
Closing balance 30 June	129,184	246,720
Foreign currency translation reserve		
Opening balance 1 July	(377,209)	(140,059)
Exchange gains/(losses) for the period	(122,551)	(237,150)
Closing balance 30 June	(499,760)	(377,209)

Share based payments reserve

The reserve represents the value of options issued under the compensation arrangement that the consolidated entity is required to include in the consolidated financial statements.

This reserve will be reversed against share capital when the underlying options are exercised by the employee or consultant or expire. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the consolidated entity's own equity instruments.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

25 Reconciliation of cash flow from operating activities

	30-Jun-22 AUD	30-Jun-21 *Restated AUD
Cash flows used in operating activities		
Profit/(loss) for the period	(915,241)	(9,160,692)
Adjustments for:		
Depreciation, depletion and amortisation expense	112,463	689,896
Accretion expense	-	14,208
Profit on disposal of assets	(800)	(9,071)
Impairment expenses	-	11,193,479
Revision of provision for rehabilitation and abandonment	839,926	(539,182)
Waiver of trade payables	-	3,497,276
Foreign exchange differences	13,866	68,759
Equity settled share-based payment expenses	(117,535)	(434,057)
Operating profit before changes in working capital and provisions	(67,321)	5,320,616
(Increase)/Decrease in other receivables and prepayments	17,267	(968,095)
(Increase)/decrease in inventories	(93,951)	(131,895)
Increase/(Decrease) in trade and other payables	78,529	(5,739,051)
Net cash flows used in operating activities	(65,476)	(1,518,425)

26 Related Party Transactions

Detailed disclosures relating to Directors and Key Management Personnel are set out in the Directors' Report under the section entitled Remuneration Report.

The totals of remunerations paid to Key Management Personnel of the Company and the consolidated entity during the year are as follows:

	30-Jun-22 AUD	30-Jun-21 AUD
Short-term employee benefits	(270,000)	(297,183)
Post-employment benefits	-	(17,021)
Termination payments	-	(81,980)
Share based payments	(29,246)	(148,799)
	(299,246)	(544,963)

The aggregate amounts recognised during the year relating to directors' related parties and other related parties were as follows:

	Transactions value year end		Balance outstanding at	
	30-Jun-22	30-Jun-2021	30-Jun-22	30-Jun-21
Adelaide Equity Partners Ltd(i)	240,000	47,584	102,250	8,250
AE Administrative Services Pty Ltd(ii)	63,327	-	36,333	-
Business Initiatives Pty Ltd(iii)	140,838	42,403	56,949	18,333
	444,165	89,987	195,532	26,583

(i) Adelaide Equity Partners Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of investor relations services and capital raise services provided.

(ii) AE Administrative Services Pty Ltd is a company associated with Mr Duncan Gordan. The charges were in respect of company secretarial services provided.

(iii) Business Initiatives Pty Ltd is a company associated with Mr Matthew White. The charges were in respect of accounting, bookkeeping and financial control functions undertaken for the group.

**Refer note 34*

27 Share –based payments and options issued

Options are granted and approved by the directors and shareholders.

Options are granted to directors, employees, consultants and others. Entitlements to the options are exercisable as soon as they have vested and performance conditions have been met. There are no cash settlement alternatives. Options granted carry no dividend or voting rights.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of any movements in share options issued during the year:

	No. 2022	WAEP 2022	No. 2021	WAEP 2021
Outstanding at the beginning of the year	42,800,000	0.014	851,120,367	0.012
Granted during the year	70,000,000	0.004	-	-
Exercised during the year	-	-	(909,937)	0.01
Lapsed/expired during the year	(20,000,000)	-	(807,410,430)	-
	92,800,000	0.006	42,800,000	0.014

The number of options vested and exercisable as at 30 June 2022 was 92,800,000 (2021: 42,800,000).

70,000,000 unlisted options were granted during the year ended 30 June 2022.

The outstanding balance of unlisted options over ordinary shares as at 30 June 2022 represented by:

Unlisted Options

Grant Date	Vesting Date	Expiry Date	Exercise price	Number of options	Value of Share Based Payments AUD
15-Nov-19[1]	15-Nov-19	15-Nov-22	$0.012	22,800,000	99,938
28-May-21[2]	28-May-21	28-May-23	$ 0.002	155,000,000	-
24-Mar-22[3]	7-Jun-22	31-Jan-24	$0.004	70,000,000	29,246
23-May-22[4]	23-May-22	23-May-25	$0.004	624,906,567	-

1. Options granted in FY20 to advisors
2. Options granted in FY21 as part of share placement
3. Options granted and approved by shareholders as remuneration to Key Management Personnel during the year
4. Options granted during the year as part of non-renounceable entitlement offer
5. Options lapsed on 8 July 2021 due to Mr Charles Morgan resigned on 8 July 2021

The outstanding balance of unlisted options over ordinary shares as at 30 June 2021 represented by:

Grant Date	Vesting Date	Expiry Date	Exercise price	Number of options	Value of Share Based Payments AUD
15-Nov-19[1]	15-Nov-19	15-Nov-22	$0.012	22,800,000	99,534
02-Jan-20[5]	02-Jan-20	02-Jan-23	$0.016	10,000,000	73,593
02-Jan-20[5]	02-Jan-21	02-Jan-23	$0.016	10,000,000	73,593
28-May-21[2]	28-May-21	28-May-23	$ 0.002	155,000,000	-

The weighted average remaining contractual life for the unlisted share options outstanding as at 30 June 2022 is 2.37 years. The exercise price for options outstanding at the end of the year is 22,800,000 at A$0.012, 155,000,000 at A$0.002, 70,000,000 at A$0.004 and 624,906,567 at A$0.004 (2021: 20,000,000 at A$0.016, 22,800,000 at A$0.012 and 155,000,000 at A$0.002).

During the reporting period, 93,520 unlisted options were exercised. 20,000,000 unlisted options lapsed on vesting condition no longer being met.

An expense of $29,246 has been recognised in the consolidated statement of profit or loss and other comprehensive income in respect of options vested during the year (2021: $181,647). An amount of $146,782, in relation to fair value of unlisted options forfeited due to director's resignation, has been recognised as an income in the consolidated statement of profit or loss and other comprehensive income during the year. The net effect of $117,535 has been recognised as an income in the consolidated statement of profit or loss and other comprehensive income during the year.

Listed Options

No listed options were granted, exercised or cancelled during the period.

28 Parent Company disclosures

	30-Jun-22	30-Jun-21
Current Assets	1,117,953	171,543
Non-Current Assets	2,442,711	1,694,565
Total Assets	3,560,664	1,866,108
Current Liabilities	598,798	310,996
Non-Current Liabilities	-	-
Total Liabilities	598,798	310,996
Net Assets	2,961,866	1,555,113
Contributed Equity	72,645,197	70,373,317
Share based payments reserve	129,184	246,720
Accumulated losses	(69,812,515)	(69,064,924)
Total Equity	2,961,866	1,555,113
Results of Parent Entity for the year		
Profit / (loss) for the year	(747,591)	(9,262,155)
Other Comprehensive income	-	-
Total Comprehensive income	(747,591)	(9,262,155)

The Company has no contingent liabilities or commitments and no guarantees due to subsidiaries at 30 June 2022.

29 Financial risk management and financial instruments

Overview

The consolidated entity has exposure to the following risks from its use of financial instruments:

credit risk;

commodity risk;

currency risk;

liquidity risk;

market risk; and

climate change risk.

The consolidated entity's management of financial risk is aimed at ensuring net cash flows are sufficient to:

Meet all its financial commitments; and

Maintain the capacity to fund the consolidated entity's operating activities.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the consolidated entity through regular reviews of the risks.

Market, liquidity and credit risk (including foreign exchange, commodity price and interest rate risk) arise in the normal course of business. These risks are managed under Board approved directives which underpin treasury practices and processes.

This note presents information about the Company's and consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the consolidated entity's receivables from customers and deposits with banks.

Trade and other receivables

As at 30 June 2022 there were no significant concentrations of credit risk on the statement of financial position. Current trade receivables of $578,890 at 30 June 2022 relate to amounts to be received from historical production from the Wizard Lake oil and gas field. The consolidated entity monitors receivable balances on an ongoing basis and as a result believes its exposure to bad debts is insignificant.

Impairment losses

None of the Company's receivables are past due (2021: nil). As at 30 June 2022 there is no allowance for impairment in respect to other receivables for the consolidated entity (2021: nil).

Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

Financial Instruments

	30-Jun-22	30-Jun-21 *Restated
Trade and other receivables	578,890	599,136
Cash and cash equivalents	2,150,710	515,883
	2,729,600	1,115,019

**Refer note 34*

The consolidated entity limits credit risk on its cash deposits by only transacting with high credit-rated financial institutions.

30 June 2022	Trade and other receivables	Current assets Other investments (including derivatives)	Cash and cash equivalents	Total
Financial assets measured at fair value				
Listed equity investments	-	-	-	-
Financial assets not measured at fair value				
Trade and other receivables	578,890	-	-	578,890
Cash and cash equivalents	-	-	2,150,710	2,150,710
	578,890	-	2,150,710	2,729,600

30 June 2021 *Restated	Trade and other receivables	Current assets Other investments (including derivatives)	Cash and cash equivalents	Total
Financial assets measured at fair value				
Listed equity investments	-	-	-	-
Financial assets not measured at fair value				
Trade and other receivables	599,136	-	-	599,136
Cash and cash equivalents	-	-	515,883	515,883
	599,136	-	515,883	1,115,019

Commodity Risk

The consolidated entity is exposed to commodity price risk through its revenue from the sale of hydrocarbons – gas, crude oil, condensate and LPG – which are priced against world benchmark commodity prices.

The following table details the impact on revenue a 10% and 20% increase and decrease in the oil and gas price would have on current year revenue, using the entities average oil price over this year. The below table shows the increase in profit and equity given an increase in oil price; there would be a negative impact to both profit and equity to the same degree if average oil price decreased by the same percentage.

Oil Price Impact

	30-Jun-22	*Restated 30-Jun-21
Profit or loss: 10%	316,082	275,837
Profit or loss: 20%	632,163	551,674

Currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The consolidated entity is exposed to Canadian dollars (CAD) in its Canadian operations.

**Refer note 34*

The following table details the Consolidated Entity's sensitivity to a 10% and 20% increase and decrease in the CAD against the Australian dollar. The sensitivity analysis is based on 30 June 2022 year end foreign currency denominated monetary items and adjusts their translation at year end for a 10% and 20% strengthening in foreign currency rates. For a 10% and 20% decrease in foreign currency rates, there would be a comparable impact on the profit and equity, and the balances below would be negative.

Currency Movement Impact

	2022	2021
Profit or loss: 10% CAD	179,976	27,019
Profit or loss: 20% CAD	309,687	54,038

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

The consolidated entity manages liquidity risks by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30- Jun-2022	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1-2 years	2-5 years
Financial liabilities measured at fair value	-	-	-	-	-	
Financial liabilities not measured at fair value						
Trade and other payables	864,826	864,826	864,826	-	-	

30- Jun-2021 *Restated	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	1-2 years	2-5 years
Financial liabilities measured at fair value	-	-	-	-	-	
Financial liabilities not measured at fair value						
Trade and other payables	504,986	504,986	504,986	-	-	

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

At the reporting date the interest rate profile of the Company's and the consolidated entity's interest-bearing financial instruments was:

	30-Jun-22	30-Jun-21
Variable rate Instruments		
Financial assets	2,150,710	515,883

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

	Profit or loss		Equity	
	100bp increase AUD	100bp decrease AUD	100bp increase AUD	100bp decrease AUD
30-Jun-2022				
Variable rate instruments	21,507	(21,507)	21,507	(21,507)
Cash flow sensitivity	21,507	(21,507)	21,507	(21,507)
30-Jun-2021				
Variable rate instruments	5,158	(5,158)	5,158	(5,158)
Cash flow sensitivity	5,158	(5,158)	5,158	(5,158)

Climate change risk

Key climate-related risks and opportunities relevant to the Company's operations include:

The transition to a low carbon economy through technological improvements and innovations that support a lower carbon energy efficient system with decreased demand and changing community sentiment for fossil fuels, increased uncertainty time and cost associated with regulatory bodies granting approvals or licences on fossil fuel intensive projects. Transition to lower carbon economy also gives rise to opportunity for the Company's gas production assets. Natural gas is viewed as a key element to supporting a sustainable energy transition.

Physical changes caused by climate change include increased severe weather events and chronic changes to weather patterns which may impact demand for energy and the Company's production assets and production capability. These events could have a financial impact on the Company through increased operating costs, maintenance costs, revenue generation and sustainability of its production assets.

Policy changes by governments which may result in increasing regulation and costs which could have a material impact on the Company's operations.

Due to the nature of the uncertainties relating to the above risks, the financial impact has not been quantified for the financial year.

The Company is committed to continually improve climate change related disclosures as processes and understanding of climate change related matters improve alongside the Company's activities and operations.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital, which the consolidated entity defines as net operating income divided by total shareholders' equity.

	30-Jun-22	*Restated 30-Jun-21
Equity attributable to shareholders of the Company	72,645,197	70,373,317
Equity	72,645,197	70,373,317
Total Assets	6,952,922	4,868,416
Equity ratio	9.6%	6.9%

There were no changes in the consolidated entity's approach to capital management during the year. As at 30 June 2022, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

**Refer note 34*

30 Consolidated entities

Parent entity

The parent entity of the group is Whitebark Energy Limited, incorporated in Australia.

Registered office: Ground Floor, 70 Hindmarsh Square, Adelaide SA 5000.

The consolidated financial statements incorporate assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described under 1(a)

Name of Entity	Country of incorporation	30-Jun-22 Equity Holding %	30-Jun-21 Equity Holding %
Subsidiaries of Whitebark Energy Ltd			
Tejon Energy Pty Ltd	Australia	100	100
Tejon Energy Inc (100% subsidiary of Tejon Energy Pty Ltd)	USA	100	100
Latent Petroleum Pty Ltd	Australia	100	100
Calor Energy Pty Ltd	Australia	100	100
Kubla Oil Pty Ltd	Australia	100	100
Rex Energy Ltd	Canada	100	100

31 Contingent Liabilities

There are no contingent liabilities at 30 June 2022 (2021: nil).

32 Commitments

The Group had no lease commitments as at 30 June 2022. A lease in respect of a photocopier was paid out in full on 17 September 2021.

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
30-Jun-22	-	-	-	-
30-Jun-21	7,937	-	-	7,937

Lease expense during the period amounted to nil (2021: $7,937).

33 Subsequent Events

Rex-4 Development Well

On 1 August 2022 Whitebark announced that the Rex-4 drilling program at Wizard Lake had commenced.

The drill rig was released on 15 August 2022. Completion of Rex-4 to the achieved total depth also fulfils the farm-in agreement in place with TWP50 in Section 20 (the toe location of the well) such that Whitebark is 100% owner of future Rex-4 production.

Capital Raise

On 13 September 2022, Whitebark entered into a trading halt as it commenced a placement offer of fully paid ordinary shares to professional and sophisticated investors. For every $ 1.00 invested, 50% is to be allocated as ordinary equity at a price of $0.0015 per share and the remaining 50% is to be allocated to convertible notes which will convert to ordinary equity subject to shareholder approval at the Company's 2022 AGM.

On 15 September 2022, the company announced it was in the process of completing a capital raise in the order of $ 2.2m (gross) to complete the Rex-4 well.

On 20 September 2022, Whitebark announced an increase in the capital raise target from $ 2.2m to $ 2.5m (gross). The net proceeds will be used to fund the hydraulic fracture program and completion of the Rex-4 development well and for working capital and applied to transaction costs of the raise.

On 28 September 2022, Whitebark lodged a Prospectus and associated Appendix 3B with ASIC in respect of the capital raise.

34 Correction of Errors

During the course of preparing the 2022 financial accounts for the group it was discovered that the value of oil stock held in its own oil tanks at balance date has never been accounted for in the financial statements. As a consequence, prior financial year current assets have been understated and the amount of losses incurred have been overstated.

In addition, an error was discovered in respect of revenue cut-off whereby an additional month's revenue was included in the 2021 financial year meaning the amount of losses incurred was understated, current assets were overstated via accounts receivable and current liabilities were overstated via accounts payable.

Also, an error was discovered in respect of an impairment entry that was incorrectly posted to the wrong financial year. The effect of this entry was to overstate the impairment charge and trade payables booked in financial year ended 30 June 2021. Consequently the Group's losses were overstated for that year also.

These errors have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impact on the Group's consolidated financial statements.

30 June 2021 – Profit and Loss	As previously reported	Impact of correction or error Adjustments	As restated
Revenue	3,342,663	86,250	3,428,913
Royalties	(657,037)	(13,503)	(670,540)
Cost of sales	(1,842,616)	88,194	(1,754,422)
Impairment expense	(11,474,791)	281,312	(11,193,479)
Loss before income tax from continuing operations	(9,602,944)	442,252	(9,160,692)
Loss after income tax expense for the period	(9,602,944)	442,252	(9,160,692)
Foreign currency translation reserve	(237,150)	-	(237,150)
Total comprehensive loss for the period	(9,840,094)	442,252	(9,397,842)

30 June 2021 – Balance Sheet	As previously reported	Impact of correction or error Adjustments	As restated
Cash and cash equivalents	515,883	-	515,883
Trade and other receivables	260,180	338,956	599,136
Other current assets	7,248	131,895	139,143
Property, plant and equipment	3,614,254	-	3,614,254
Total assets	4,397,565	470,851	4,868,416
Trade and other payables	686,367	(181,381)	504,986
Decommissioning liabilities	2,017,244	-	2,017,244
Total liabilities	2,703,611	(181,381)	2,522,230
Issued capital	70,373,317	-	70,373,317
Reserves	(130,489)	-	(130,489)
Retained earnings	(68,548,874)	652,232	(67,896,642)
Total equity	1,693,954	652,232	2,346,186

30 June 2020 – Balance Sheet	As previously reported	Impact of correction or error Adjustments	As restated
Cash and cash equivalents	1,115,951	-	1,115,951
Trade and other receivables	867,652	252,707	1,120,359
Other current assets	83,210	101,061	184,271
Other investments	269,849	-	269,849
Property, plant and equipment	14,735,267	-	14,735,267
Exploration and evaluation assets	22,232	-	22,232
Other receivables	581,345	-	581,345
Total assets	17,675,506	353,768	18,029,274
Trade and other payables	6,100,250	143,787	6,244,037
Borrowings	200,000	-	200,000
Provisions – current	147,832	-	147,832
Provisions – non-current	13,773	-	13,773
Decommissioning liabilities	2,410,404	-	2,410,404
Total liabilities	8,872,259	143,787	9,016,046
Issued capital	67,208,459	-	67,208,459
Reserves	1,257,497	-	1,257,497
Retained earnings	(59,662,709)	209,981	(59,452,728)
Total equity	8,803,247	209,981	9,013,228

Director's Declaration

In the opinion of the Directors of Whitebark Energy Limited ("the Company"):

a. The financial statements and notes set out on pages 33 to 67, and the remuneration disclosures that are contained in the Remuneration report in the Directors' report, are in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

b. the financial report also complies with International Financial Reporting standards as disclosed in note 2(a);

c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the chief executive officer and chief financial officer for the financial year ended 30 June 2022.

Dated at Adelaide this 30 September 2022.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors

Duncan Gordon
Chairman

Shareholder Information

Whitebark Energy Ltd shares are listed on the Australian Securities Exchange. The Company's ASX code is WBE.

SUBSTANTIAL SHAREHOLDERS (HOLDING NOT LESS THAN 5%)

As at 5th September 2022:

Rank	Name	Units	% of Units
1.	MR KIM AARON MULLER	267,850,000	6.76%

Class of Shares and Voting Rights

At 5 September 2022 there were 2,762 holders of 5,648,219,196 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

a. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;

b. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and

c. on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

Distribution of Shareholders

Spread of Holdings	Number of Holders	Ordinary Shares
1 - 1,000	145	19,234
1,001 - 5,000	55	175,716
5,001 - 10,000	83	694,357
10,001 - 100,000	906	45,267,316
100,001 – 500,000	742	192,510,122
500,001 Over	831	5,409,552,451
Total	**2,762**	**5,648,219,196**

The number of shareholders holding less than a marketable parcel is 1,579.

Unlisted Options

Securities	Number of Securities on issue	Number of Holders
Unlisted Options exercise price of $0.012 expiring 15/11/2022	22,800,000	1
Unlisted Options exercise price of $0.002 expiring 28/05/2023	155,000,000	8
Unlisted Options exercise price of $0.004 expiring 31/01/2024	70,000,000	4
Unlisted Options exercise price of $0.004 expiring 23/05/2025	624,906,567	359

Escrowed Securities

The Company does not have any securities on issue that are subject to escrow restrictions.

Listing of 20 Largest Shareholders as at 5 September 2022

Rank	Name	Units	% Units
1	MR KIM AARON MULLER	382,000,000	6.76
2	ORABANT PTY LTD <C MEULENGRAAF SUPER A/C>	212,000,000	3.75
3	MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	189,091,734	3.35
4	CHARLES WAITE MORGAN	159,633,571	2.83
5	COMMUNICATIONS POWER INCORPORATED (AUST) PTY LTD	143,000,000	2.53
6	MR MARK EDWIN ROBERTS	140,000,000	2.48
7	SKYE EQUITY PTY LTD	125,958,557	2.23
8	MR STEPHEN LESLIE KEENIHAN + MRS SHERIDAN JAY KEENIHAN <SL & SJ KEENIHAN S/F A/C>	100,083,332	1.77
9	J & B SMITH SUPERANNUATION PTY LTD <LOCH M FRASER CU TRA SF A/C>	97,500,000	1.73
10	MR CHARLES WAITE MORGAN	95,650,441	1.69
11	4F INVESTMENTS PTY LTD	87,500,000	1.55
12	TRANTER (SA) PTY LTD <TRANTER FAMILY A/C>	77,319,935	1.37
13	LEEJAMES NOMINEES PTY LTD <THE HEPBURN SUPER FUND A/C>	75,000,000	1.33
14	MILLER ANDERSON PTY LTD <LONGHORN RIDGE SUPER FUND A/C>	75,000,000	1.33
15	CHESSER NOMINEES PTY LTD	62,889,357	1.11
16	COOLRIDE ENTERPRISES PTY LTD	62,500,000	1.11
17	MR CRAIG GRAEME CHAPMAN + MRS JOANNE CHAPMAN <WEEVCHOOK FAMILY A/C>	60,000,000	1.06
18	BART SUPERANNUATION PTY LIMITED <4F INVESTMENTS SUPERFUND A/C>	54,148,339	0.96
19	COMMUNICATIONS POWER INCORPORATED (AUST) PTY LTD	52,000,000	0.92
20	SACHA INVESTMENTS PTY LTD	50,549,487	0.89
TOTAL		**2,301,824,753**	**40.75**

Permits

WIZARD LAKE, ALBERTA CANADA			
Block	**Gross Acres**	**WI**	**Net acres**
24-048-28W4	640	100%	640
20-048-27W4	640	100%	640
21-048-27W4	640	100%	640
22-048-27W4	640	100%	640
17-048-27W4	640	100%	640
W 16-048-27W4	320	100%	320
8-048-27W4	640	100%	640
9-048-27W4	640	100%	640
5-048-27W4	640	100%	640
N 4-048-27W4	320	100%	320
32-047-27W4	640	100%	640
Total	**6,400**	**100%**	**6,400**

AUSTRALIAN LAND INTERESTS			
Project	**Net Acres**	**WI**	**Location**
Warro JV – RL7	**54,360**	**100%**	**Western Australia**