



Whitebark to acquire one of Australia's largest prospective white hydrogen, helium and hydrocarbon projects.

20 December 2024

HIGHLIGHTS:

- **Whitebark has entered into a bid implementation agreement to acquire King Energy via a unanimously recommended off-market takeover offer.**
- **King Energy currently owns 70% of one of Australia's largest prospective, onshore seismically defined sub-salt, white hydrogen, helium and gas projects, located in the Officer Basin, South Australia (the Alinya Project), with an option to acquire the remaining 30%.**
- **Whitebark will issue 100 million new Whitebark shares at a deemed issue price of \$0.012 per share and 100 million new Whitebark options (exercisable at \$0.05 on or before 31 March 2030) as consideration for the acquisition of King Energy. The implied value of the acquisition is AUD\$1,669,700 and allows existing and new shareholders in Whitebark significant exposure to value upside assuming successful exploitation of the asset portfolio.¹**
- **P50 prospective resources in the giant Rickerscote prospect covering an area of 180 km² are estimated at 710 million Kg of white hydrogen, 97 Bcf of helium and 153 million barrels of oil equivalent (mmboe).²**
- **Mr Richard King from King Energy will join the Whitebark board bringing 30 years' experience in energy project commercialization and management. Richard has worked in executive and management roles with KUFPEC, OTTO Energy, Chevron, and Woodside delivering commercial solutions in support of the development of large energy projects.**

Whitebark Energy Limited (ASX:WBE) (**Whitebark** or the **Company**) is pleased to announce the signing of a Bid Implementation Agreement (**Implementation Agreement**) with King Energy Limited (**King Energy**), an Australian unlisted public company.

Under the Implementation Agreement, Whitebark will acquire all the issued securities of King Energy by way of separate off-market takeover offers for King Energy shares and options ("**Offers**"). The Implementation Agreement is attached as an annexure to this announcement.

The acquisition of King Energy will provide Whitebark with access to some of the largest seismically defined structures onshore Australia hosting the potential for significant prospective resources of naturally occurring hydrogen and helium, together with hydrocarbon prospectivity to fuel Australia's energy future and security.

Whitebark Executive Director Mr Mark Lindh set out that "the acquisition of King Energy is a very

¹ The value of the Whitebark shares is based on the deemed issue price of \$0.012, and the value of the Whitebark options are based on Black & Scholes valuation of Whitebark options with a 3.91% risk free rate and 124% volatility rate. On a pro forma basis, King Energy shareholders will own ~39.6% of the combined entity.

² The estimated quantities of resources that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable resources. Refer to Table 1 for further details.

positive outcome for the company, offering access to some of Australia’s largest seismically defined onshore structures. The exploration opportunities provide Whitebark with exposure to the fast-growing white hydrogen industry, in conjunction with high demand and high priced helium, and hydrocarbons to fuel Australia’s energy transition requirements”

King Director Mr Richard King said “the Officer Basin in South Australia is a relatively underexplored frontier basin which offers the potential for significant prospective resources in large seismically defined structures. All elements necessary for a working white hydrogen, helium and hydrocarbon system are proven. With the Whitebark acquisition of King Energy, it is expected that exploration activities will commence immediately, targeting drilling as soon as Q1 2026. The Company is expecting onshore exploration to be low cost with conventional reservoir depths between 1200m and 2000m.”

About King Energy

King Energy is an Australian public unlisted company that holds a 70% interest in Officer Energy Pty Ltd, which indirectly owns 100% of two Petroleum Exploration Licenses (PELs) comprising 19,467 km² in the Officer Basin, South Australia. King Energy controls the operations of the Alinya Project (figure 1).

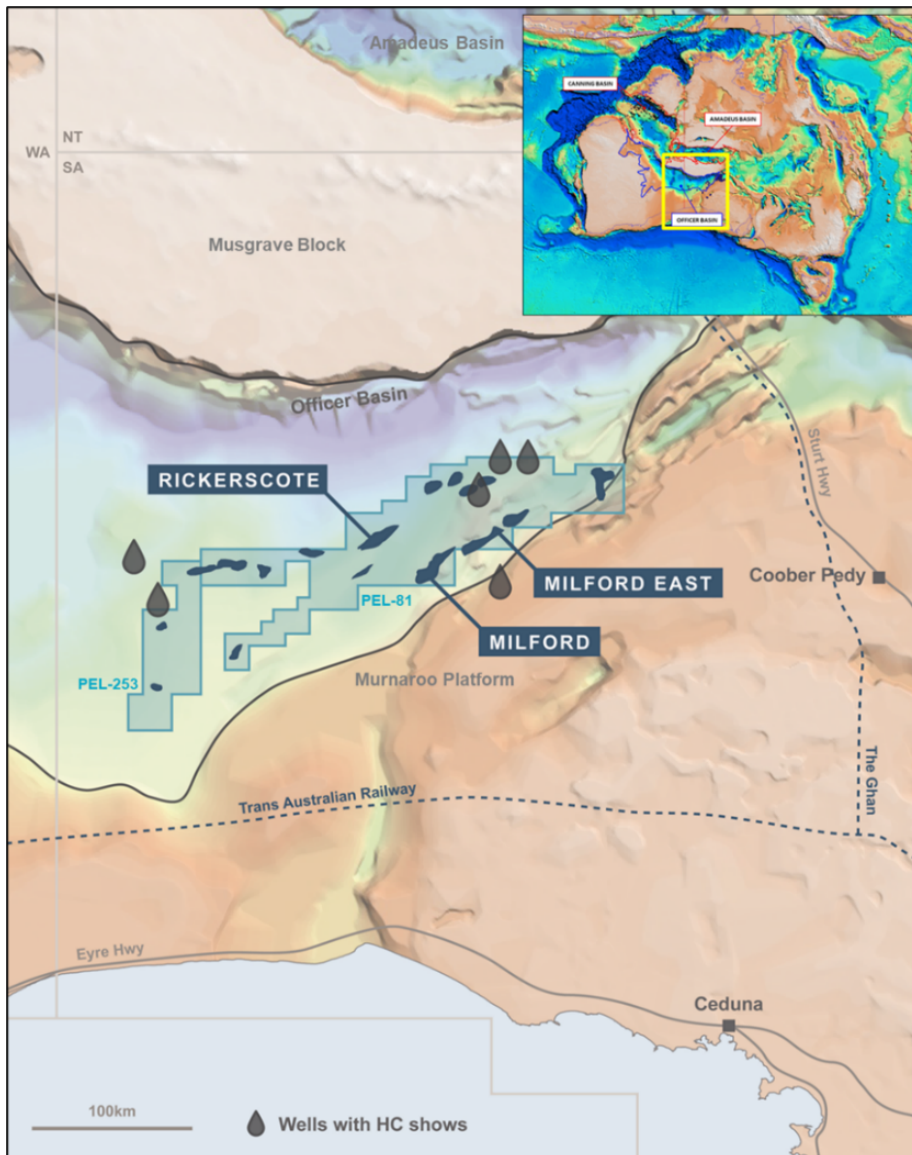


Figure 1: Location of the Alinya Project

The Alinya Project comprises over 20 identified prospects the largest of which are the Rickerscote,

Milford and Milford West targets, each of which exceeds 150km² (and up to 400km²) of closure or productive area (figures 1 & 2), making them among the largest, undrilled, seismically defined, sub-salt structures onshore Australia.

Interpretation of existing well intersections demonstrate that all play elements necessary for the discovery of white hydrogen and helium, together with hydrocarbons are proven to be present including stacked reservoir-seal pairs, evaporite (salt) seals and multiple source rock intervals capable of generating hydrogen, helium and hydrocarbons. Analogous geological settings including the Yorke Peninsula and the Amadeus Basin are proven from well results to contain high concentrations of hydrogen, helium and hydrocarbons.

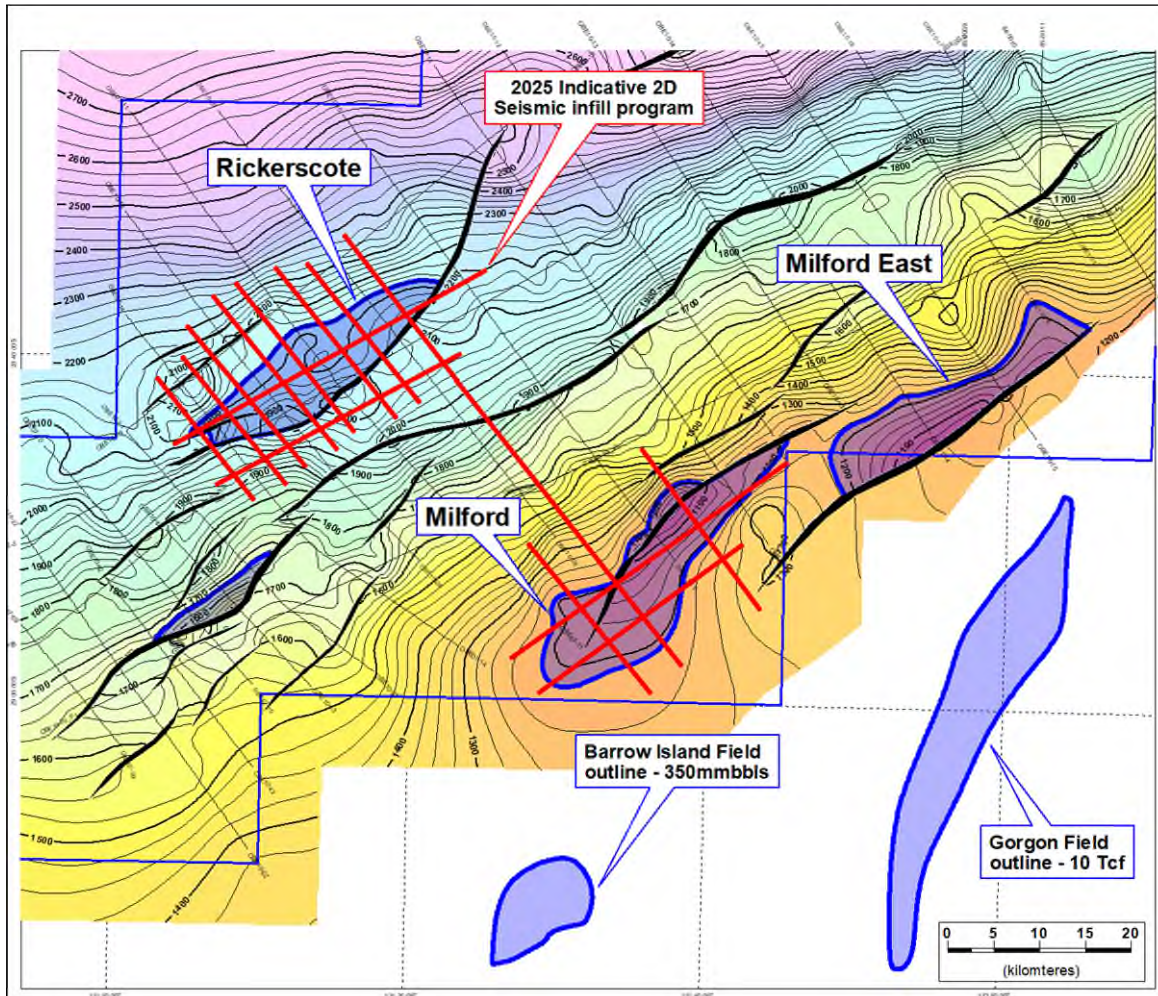


Figure 2: Pinyin Sandstone Depth Structure Map – Rickerscote, Milford and Milford East Prospects & planned 2025 2D seismic program. Comparison of structure size relative to significant North West Shelf Discoveries provided in bottom right hand corner.

Given the massive productive area of the currently identified prospects and the occurrence of hydrogen and helium in an encountered gas column, success volumes could be globally significant for white hydrogen, helium, and hydrocarbons potentially transforming the conventional energy needs of Australia.

Rickerscote gas (hydrogen/helium/Hydrocarbon) and liquids volumes are presented below in table 1. The Milford and Milford East prospects, which are of similar size to Rickerscote also hold significant follow-up potential.

	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)
Hydrogen (Kg)	67 Million	710 Million	4.1 Billion
+			
Helium (Bcf)	17	97	499
+			
Hydrocarbons (mmboe)	47	153	500

Table 1: Rickerscote Prospect Recoverable Volumes Estimate³

Due to the strength of the geological model, the probability of success at the Rickerscote prospect is currently estimated to be >20%. Given success and due to the conventional nature of the reservoir system, at P50 volumes and current resource prices, the probability of development is considered probable with a 50% likelihood.

On completion of the Offers, an option for King Energy to acquire the remaining 30% interest in the Alinya Project will be triggered. The consideration payable for King Energy's acquisition of the final 30% interest in the Project will be the issue of 2,955,000 Whitebark shares and 2,955,000 Whitebark options.

Whitebark will immediately commence its exploration plan for the Alinya Project, which includes the acquisition of a soil geochemistry survey using the most recently developed monitoring technology to assess ground soil presence of hydrogen and helium, followed by 250km of modern, 2D seismic infill across the Rickerscote and potentially the Milford prospect to finalise drilling locations (figure 2). Field operations will commence in Q1 2025, followed by planned exploration drilling in Q1 2026.

The information in this document relating to resources is based on information compiled by Mr Stuart King, a director of King Energy. Mr King is a Petroleum Geologist and has a Bachelor of Science in Geology and Geography (Hons) from the University of Western Australia and a Masters of Business Administration in Oil & Gas Management from Robert Gordon University. He is a member of the Society of Petroleum Engineers (SPE), the American Association of Petroleum Geologists (AAPG), the South East Asian Petroleum Exploration Society (SEAPEX) and the Australian Geothermal Association (AGA) and has 25 years' experience in the industry in exploration, appraisal, field development planning, reserves and resources assessment, commercial valuations and business development.

Transaction Details

The Offers will be implemented by way of off-market takeover offers under the *Corporations Act 2001* (Cth).

Under the Share Offer, Whitebark is offering 100 million new Whitebark shares to acquire King Energy shares. Under the Option Offer Whitebark is offering 100 million new Whitebark options (\$0.05, expiring on 31 March 2030), to acquire King Energy options.

The ratio of Whitebark shares and options offered for every King Energy share and option under the Offers will depend on the number of King Energy shares and options on issue at the time of the Offers.

³ The Prospective Resource estimates presented above are prepared as at 1st December 2024. The estimates have been prepared by King Energy in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2018, approved by the Society of Petroleum Engineers. The Prospective Resource estimates are un-risked and have not been adjusted for either an associated chance of discovery or chance of development. They are net after royalties and net to King Energy (at 70%) and have been determined via probabilistic methods and for hydrogen and helium volumes using analogue data from the Amadeus Basin (11.5% H₂ and 9% He) and the York Peninsula (89% H₂ and 25% He). Stacked reservoir volumes have been aggregated via arithmetic summation and gas volumes (bcf) have been converted to liquid volumes (mmboe) using a conversion factor of 5.8 bcf per mmboe.

The Share Offer will be subject to minimal and market standard conditions including:

- 90% minimum acceptance;
- no King Energy Material Adverse Change (as defined in the Implementation Agreement);
- no King Energy Prescribed Occurrence (as defined in the Implementation Agreement) occurring; and
- all required regulatory approvals and consents being obtained.

Further details about the Offers, the conditions to the Offers, and proposed timetable are set out in the Implementation Agreement, which is attached as an annexure to this announcement.

It is expected that Whitebark Bidder's Statement, containing further information about the Offers, will be available on Whitebark's website at www.whitebarkenergy.com and posted to King Energy shareholders in the coming weeks.

Transaction Advisers

Steinepreis Paganin is acting as Australian legal adviser to Whitebark.

EMK Lawyers is acting as Australian legal adviser to King Energy.

Placement

Whitebark intends to undertake a capital raising early in 2025 to provide funding for exploration activities. The timing and terms of the placement are to be confirmed, but if the capital raising is successful, funds will be applied to the following activities:

- soil geochemistry and 2D seismic acquisition at King Energy's Alinya Project to confirm specific future well locations, and well planning / approvals;
- seismic interpretation and G&G studies to assess the existing discovery and presence of deeper extensive Permian sands in the permits analogous to the large gas discoveries across the Perth Basins, together with other opportunities including carbon capture storage at the Company's Warro asset; and
- development studies and resource assessment of the Company's Cooper Basin geothermal project.

Peak Asset Management (**Peak**) has been appointed as lead broker to support the capital raising. Whitebark will consider existing shareholders as it contemplates the capital raising structure.

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

For further information:

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Company Secretary
Whitebark Energy
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Kaitlin.Smith@whitebarkenergy.com

About Whitebark Energy Limited

Whitebark Energy Limited (ASX:WBE) ("Whitebark" or the "Company") is an ASX-listed exploration and production company featuring low cost oil and gas production in Canada, operated by its wholly-owned subsidiary Rex Energy (Rex); and a substantial contingent gas resource in Western Australia. WBE has realigned its corporate strategy following a comprehensive management changeout and the landmark acquisition of a 100% interest in the Wizard Lake producing asset located in the prolific oil & gas province of Alberta, Canada.

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WHITEBARK ENERGY LIMITED
ACN 079 432 796
(Whitebark)

and

KING ENERGY LIMITED
ACN 661 214 151
(King)

BID IMPLEMENTATION AGREEMENT

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THIS AGREEMENT is made the 19th day of December 2024

BETWEEN

WHITEBARK ENERGY LIMITED (ACN 079 432 796) of 20D William Street Norwood SA 5067 (**Whitebark**);

AND

KING ENERGY LIMITED (ACN 661 214 151) of Level 2, 10 Outram Street West Perth WA 6005 (**King**).

RECITALS

- A.** Whitebark is proposing to acquire all of the King Shares by way of the Share Bid, and all of the King Options by way of the Option Bids.
- B.** Whitebark and King have agreed to certain matters in relation to the Takeover Bids as set out in this agreement.
- C.** The King Board proposes to recommend that King Shareholders accept the Share Offer in respect of their King Shares, and that all King Optionholders accept the Option Offers in respect of their King Options, subject only to the qualifications that no Superior Proposal emerges.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following words have these meanings in this agreement unless the contrary intention appears:

Advisers means, in relation to an entity, its legal, financial and other expert advisers.

Amount of the Consideration means:

- (a) the amount of any payment in connection with a supply; and
- (b) in relation to non-monetary consideration in connection with a supply, the GST exclusive market value of that consideration as reasonably determined by the supplier.

Announcement Date means the date that is set out in the Timetable.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning in section 12 of the Corporations Act as if subsection (1) of that section is included as a reference to this agreement.

ASX means ASX Limited or the Australian Securities Exchange, as appropriate.

Bidder's Statement means the bidder's statement to be issued by Whitebark in respect of the Takeover Bids in accordance with Chapter 6 of the Corporations Act.

Business Day means a business day as defined in the Listing Rules.

Competing Proposal means any expression of interest, proposal, offer or transaction notified to the King Board which, if completed substantially in accordance with its terms, would mean a person (other than Whitebark or its Related Bodies Corporate) would:

- (a) directly or indirectly, acquire an interest or Relevant Interest in or become the holder of:
 - (i) 20% or more of all King Shares; or
 - (ii) all or a substantial part of the business conducted by the King Group;
- (b) acquire control of King, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise directly or indirectly acquire or merge with King or acquire an economic interest in the whole or a substantial part of King or their businesses (including by takeover offer, scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership or reverse takeover bid).

Conditions means the Share Bid Conditions and the Option Bids Conditions.

Confidential Information means Whitebark Confidential Information or King Confidential Information, as the case requires.

Consideration Option means an option to acquire a Whitebark Share on the terms and conditions set out in Schedule 6.

Corporations Act means the *Corporations Act 2001* (Cth).

Disclosure Materials means:

- (a) all written answers provided by a party in answer to written questions submitted by the other party on or before the date of this agreement; and
- (b) the information set out in the Whitebark Disclosure Letter and the King Disclosure Letter, as the case requires.

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

End Date means the earliest of:

- (a) date of termination of this agreement in accordance with its terms; and
- (b) the end of the Offer Period,

or such later date as the parties agree.

Excluded Arrangements means any transactional, operational and incidental activities undertaken by a party or their Subsidiaries in respect of any of the following:

- (a) ensuring all material leases and permits held by, or on behalf of, a party or any Subsidiary of a party are in good standing and the party and its Subsidiaries are in compliance with the conditions of such leases and permits and the applicable mining and petroleum legislation in all material respects including meeting expenditure requirements on all leases and permits; and/or
- (b) ensuring a party and its Subsidiaries is able to continue to conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted (including ensuring the party and its Subsidiaries has

sufficient working capital to be able to do so which may include sourcing debt and/or equity funding to give effect to that position and to ensure that a party and its Subsidiaries is able to take any action under paragraph (a) above,

and for the avoidance of doubt includes the entry by a party and its Subsidiaries into any agreement to give effect to any action under paragraphs (a) to (b) above.

Excluded Information means Whitebark Confidential Information or King Confidential Information which:

- (a) is in or becomes part of the public domain other than through a breach of this agreement or an obligation of confidence owed to the party providing the Confidential Information;
- (b) the recipient of the Confidential Information can prove by contemporaneous written documentation was already known to it at the time of disclosure by the party providing the Confidential Information (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality); or
- (c) the recipient of the Confidential Information acquires from a source other than the party providing the Confidential Information or any Related Body Corporate or Representative of the party providing the Confidential Information where such source is entitled to disclose it.

Exclusivity Period means the period from and including the date of this agreement until the earlier of:

- (a) the date of termination of this agreement;
- (b) the end of the Offer Period; and
- (c) the date that is 3 months after the date of this agreement.

GST means a goods and services or similar tax imposed in Australia.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Input Tax Credit has the meaning it has in the GST Act.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it or its Subsidiaries is in liquidation, in provisional liquidation, under administration or wound up or has had a controller, receiver or receiver and manager appointed to any part of its property;
- (c) it or its Subsidiaries enters into a deed of company arrangement;
- (d) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement);
- (e) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above;
- (f) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;

- (g) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the other party to this agreement reasonably deduces it is so subject);
- (h) it is otherwise unable to pay its debts when they fall due; or
- (i) something having a substantially similar effect to (a) to (h) happens in connection with that person under the law of any jurisdiction.

King Board means the board of directors of King.

King Confidential Information means all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the parties before, on or after the date of this agreement relating to the business, technology or other affairs of King or its Subsidiaries, the terms of this agreement, its existence and the fact the parties are in negotiations in relation to the agreement.

King Director means a director of King.

King Class A Option means an option to acquire a King Share, with a \$0.25 exercise price and expiring on or before 24 November 2027.

King Class A Optionholder means the holder of a King Class A Option.

King Class A Option Bid means the off-market takeover bids by Whitebark for all King Class A Options to be implemented in accordance with Chapter 6 of the Corporations Act.

King Class A Option Offer means an offer to King Class A Optionholders by way of the Class A Option Bid in respect of the King Class A Options on issue as at the date of the King Class A Option Offer.

King Class B Option means an option to acquire a King Share, with a \$0.25 exercise price and expiring on or before 10 August 2027.

King Class B Optionholder means the holder of a King Class B Option.

King Class B Option Bid means the off-market takeover bids by Whitebark for all King Class B Options to be implemented in accordance with Chapter 6 of the Corporations Act.

King Class B Option Offer means an offer to King Class B Optionholders by way of the Class B Option Bid in respect of the King Class B Options on issue as at the date of the King Class B Option Offer.

King Disclosure Letter means a letter dated on or before the date of this agreement addressed by King to Whitebark disclosing facts, matters and circumstances that are, or may be, inconsistent with the prohibited actions in clause 5.2, the warranties set out in clause 7.2 and the King Prescribed Occurrences, and includes any attachments to that letter.

King Group means King and its Subsidiaries.

King Material Adverse Change means:

- (a) any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the King Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or

- (b) any event, matter or thing, as described in sub-paragraph (a), which occurred before the date of this agreement but was not apparent from public filings of King before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the King Group exceeds \$250,000, but does not include:

- (c) anything which has arisen solely as a result of actions taken by any member of the King Group either in the ordinary course of its business or with the prior written approval of Whitebark;
- (d) those events or circumstances required to be done or procured by King pursuant to this agreement;
- (e) those events or circumstances relating to:
- (i) changes in the global oil and gas industry or security markets generally or a change in the market price of oil and gas which impacts on King and its competitors in a similar manner;
 - (ii) changes in law or in general economic, political or business conditions occurring after the date of this agreement that impact King and its competitors in a similar manner; or
 - (iii) changes in generally accepted accounting principles or the interpretation of them;
- (f) those events or circumstances resulting from:
- (i) an act of God, act of war declared or undeclared, public disorder, riot, civil disturbance, insurrection, rebellion, sabotage, cyber-attack or act of terrorists, pandemic (or worsening of it), technical failure, cable transmission and/or satellite failure or degradation, accident, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide or adverse weather conditions occurring on or after the date of this agreement; or
 - (ii) any deterioration in equity or debt markets, interest rates, exchange rates or credit spreads that impact King and its competitors in a similar manner; or
- (g) an event, circumstance, matter or information that has been disclosed by King to Whitebark or is otherwise known to Whitebark or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by King with ASIC.

King Optionholder means a King Class A Optionholder or a King Class B Optionholder.

King Options means the King Class A Options and King Class B Options.

King Prescribed Occurrence means, other than with respect to any matters that are disclosed in the Disclosure Materials, any of the events listed in Schedule 4.

King Share means a fully paid ordinary share in King.

King Shareholder means a holder of one or more King Shares.

Listing Rules means the Listing Rules of ASX.

Lodgement Date means the date Whitebark lodges the Bidder's Statement with ASIC.

Material Contract means a contract or commitment requiring total payments by, or providing revenue to, a party in excess of \$75,000.

Offer Date means:

- (a) the date which is 5 Business Days after the Lodgement Date, unless the parties otherwise agree on an earlier despatch date for the Offers following lodgement of the Bidder's Statement with ASIC, in which case the Offer Date will be the earlier despatch date agreed by the parties; or
- (b) such other date agreed on in writing by the parties.

Offer Period means the period during which the Offers are open for acceptance.

Offers means the Share Offer and the Option Offers.

Officers means, in relation to an entity, its directors, officers, and employees.

Option Bid Conditions means the conditions to the Option Offers which are set out in Schedule 3.

Option Bids means the King Class A Option Bid and the King Class B Option Bid.

Option Offers means the King Class A Option Offer and the King Class B Option Offer.

Placement means [REDACTED] raising no less than \$3,000,000.

Record Date means that date as set out in the Timetable.

Register means the share register or the options register of King, as the case may be, and **Registry** has a corresponding meaning.

Register Date means the date set by Whitebark pursuant to section 633(2) of the Corporations Act.

Regulatory Authority includes:

- (a) ASX and ASIC;
- (b) a government or governmental, semi-governmental or judicial entity or authority including the Takeovers Panel;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Related Bodies Corporate has the meaning given to it in the Corporations Act.

Related Person in respect of a party or its Related Bodies Corporate, each director, officer, employee, Adviser (and each director, officer, employee or contractor of that Adviser), agent or representative of that party or Related Body Corporate.

Relevant Interest has the meaning given to it in the Corporations Act.

Representatives of a party includes:

- (a) a Related Bodies Corporate of the party; and
- (b) each of the Officers and Advisers of the party or any of its Related Bodies Corporate.

Restriction Period means the period commencing on the date of this agreement and ending on the End Date.

Sale Nominee has the meaning given in clause 3.4.

Share Bid means the off-market takeover bids by Whitebark for all King Shares to be implemented in accordance with Chapter 6 of the Corporations Act.

Share Bid Conditions means the conditions to the Share Offer which are set out in Schedule 2.

Share Offer means offer to King Shareholders by way of the Share Bid in respect of the King Shares on issue as at the date of the Share Offer and those King Shares that are issued during the Offer Period as a result of the exercise or conversion of King Options, other convertible securities or any other instrument convertible into King Shares (subject always to any necessary ASIC modifications being obtained and to the extent they are permitted to vest in accordance with this agreement) that are on issue as at the date of this agreement.

Subsidiaries has the meaning given in the Corporations Act.

Superior Proposal means a Competing Proposal which is, in the determination of the King Board acting in good faith and in order to satisfy what the King Board consider to be their fiduciary and statutory duties:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Proposal; and
- (b) more favourable to King Shareholders than the Share Bid, taking into account all terms and conditions of the Competing Proposal.

Takeover Bids means the Share Bid and the Option Bids.

Target's Statement means the target's statement to be issued by King in respect of the Takeover Bids under Section 638 of the Corporations Act.

Tax means any tax, levy, impost, charge or duty that is assessed, levied, imposed or collected by any Regulatory Authority together with any related interest, penalties, fines and expenses in connection with them.

Third Party means a person other than King, Whitebark or their respective Related Bodies Corporate or Associates.

Timetable means the timetable set out in Schedule 1.

Whitebark Board means the board of directors of Whitebark.

Whitebark Competing Proposal means any expression of interest, proposal, offer or transaction notified to the Whitebark Board which, if completed substantially in accordance with its terms, would mean a person would:

- (a) directly or indirectly, acquire an interest or Relevant Interest in or become the holder of:
 - (i) 20% or more of all Whitebark Shares; or
 - (ii) all or a substantial part of the business conducted by the Whitebark Group;
- (a) acquire control of Whitebark, within the meaning of section 50AA of the Corporations Act; or

- (b) otherwise directly or indirectly acquire or merge with Whitebark or acquire an economic interest in the whole or a substantial part of Whitebark or their businesses (including by takeover offer, scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership or reverse takeover bid).

Whitebark Confidential Information means all confidential, non-public or proprietary information, regardless of how the information is stored or delivered, exchanged between the parties before, on, or after the date of this agreement relating to the business, technology or other affairs of Whitebark, the terms of this agreement, its existence and the fact the parties are in negotiations in relation to the agreement.

Whitebark Disclosure Letter means a letter dated on or before the date of this agreement addressed by Whitebark to King disclosing facts, matters and circumstances that are, or may be, inconsistent with the prohibited actions in clause 5.2, the warranties set out in clause 7.1 and the Whitebark Prescribed Occurrences, and includes any attachments to that letter.

Whitebark Group means Whitebark and its Subsidiaries.

Whitebark Material Adverse Change means any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which:

- (a) has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Whitebark Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or
- (b) any event, matter or thing, as described in sub-paragraph (a), which occurred before the date of this agreement but was not apparent from public filings by Whitebark before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the Whitebark Group exceeds \$250,000, but does not include:

- (a) anything which has arisen solely as a result of any actions taken by any member of the Whitebark Group in the ordinary course of its business;
- (b) those events or circumstances required to be done or procured by Whitebark pursuant to this agreement;
- (c) those events or circumstances relating to changes in the global oil and gas industry or security markets generally or a change in the market price of oil and gas which impacts on Whitebark and its competitors in a similar manner; or
- (d) an event, circumstance, matter or information that is known to King or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by Whitebark with ASIC on or prior to the date of this agreement.

Whitebark Prescribed Occurrence means, other than with respect to any matters that are disclosed in the Disclosure Materials, any of the events listed in Schedule 5.

Whitebark Share means a fully paid ordinary share in Whitebark.

1.2 Interpretation

In this agreement:

- (a) headings are for convenience only and do not affect its interpretation;

- For personal use only
- (b) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
 - (c) specifying anything after the words "include" or "for example" or similar expressions does not limit what else is included;

and unless the context otherwise requires:

- (d) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (e) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (f) a reference to any document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (h) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (i) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this agreement and a reference to this agreement includes any schedule, exhibit or annexure to this agreement;
- (j) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (k) a reference to time is to Western Standard Time as observed in Perth, Western Australia;
- (l) if a period of time is specified and dates from a given day or the day of an event, it is to be calculated exclusive of that day;
- (m) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (n) where an action is required to be undertaken on a day that is not a Business Day it shall be undertaken on the next Business Day;
- (o) if an act under this agreement to be done by a party on or by a given day is done after 5.00 pm on that day, it is taken to be done on the next day;
- (p) a reference to a payment is to a payment by bank cheque or such other form of cleared funds the recipient otherwise allows in the relevant lawful currency specified;
- (q) a reference to **\$** or **dollar** is to the lawful currency of the Commonwealth of Australia; and
- (r) a reference to a party using or an obligation on a party to use reasonable endeavours or its best endeavours does not oblige that party to agree to commercially onerous or unreasonable conditions.

2. CO-OPERATION

2.1 General obligations

King and Whitebark must each:

- (a) use all reasonable endeavours and commit necessary resources (including management and the resources of external advisers); and
- (b) procure that its Representatives work in good faith and in a timely and co-operative fashion with the other party and its Representatives (including by attending meetings and by providing such records and information as the other party reasonably requires),

to implement the Takeover Bids.

2.2 No independent expert required

- (a) The parties agree that as at the date of this agreement an independent expert's report for the Target's Statement is not required by section 640 of the Corporations Act in respect of the Offers. The parties acknowledge that as at the date of this agreement King does not intend to commission the preparation of an independent expert's report for the Target's Statement.
- (b) The King Board reserves its right to commission the preparation of an independent expert's report for the Target's Statement if:
 - (i) there is a material change in circumstances;
 - (ii) an independent expert's report becomes required by law; or
 - (iii) the King Board otherwise determines that the preparation of an independent expert's report is:
 - (A) in the best interest of shareholders; or
 - (B) required in order for the King Board to fulfil its statutory or fiduciary duties.
- (c) The King Board will consult with Whitebark and take into account the views of Whitebark and its advisers before deciding to commission the preparation of an independent expert's report.
- (d) For the avoidance of doubt, nothing in this clause 2.2 requires the directors of King to take any action, or not take any action (as the case may be) which would result in a breach of fiduciary duty.

2.3 Access to people and information

- (a) Between the date of this agreement and the earlier of the end of the Offer Period and the date this agreement is terminated, each party must, to the extent reasonably required to implement the Takeover Bids:
 - (i) as soon as reasonably practicable provide the other party and its Representatives with any documents, records, and other information (subject to any existing confidentiality obligations owed to third parties and applicable privacy laws) reasonably requested by them; and
 - (ii) provide the other party and its Officers and Advisers with reasonable access within normal business hours to the other party's Officers and

Advisers (provided that such access does not impose an undue burden) which the party reasonably requires for the purposes of:

- (A) further understanding the other party's financial position (including its working capital position), trading performance and management control systems;
- (B) implementing the Takeover Bids;
- (C) preparing for carrying on the business of King and Whitebark following implementation of the Takeover Bids; and
- (D) any other purpose which is agreed in writing between the parties.

(b) The obligations in clause 2.3(a), do not apply to the extent that:

- (i) in respect of King, the access or information is connected to the King Board's deliberations in relation to the transactions contemplated by this agreement, or information connected to a potential Competing Proposal; and
- (ii) in respect of Whitebark, the access or information is connected to the Whitebark Board's deliberations in relation to the transactions contemplated by this agreement.

2.4 Implementation obligations of King

King must:

- (a) provide all necessary information about the Register to Whitebark which Whitebark reasonably requires in order to assist Whitebark to solicit acceptances under the Takeover Bids;
- (b) provide all necessary directions to the Registry promptly to provide any information that Whitebark reasonably requests in relation to the Register, including any sub-register, and, where requested by Whitebark, King must procure such information is provided to Whitebark in such electronic form as is reasonably requested by Whitebark; and
- (c) undertake regular beneficial shareholder analysis and promptly exercise its powers under section 672A of the Corporations Act if requested to do so by Whitebark, acting reasonably, subject to Whitebark meeting 100% of the costs of such services and preparing the requests to the shareholders.

2.5 Appointment of directors – King Board

- (a) As soon as practicable after Whitebark has a Relevant Interest in more than 50% of the King Shares and the Share Offer becomes or is declared unconditional, King must take all actions necessary to ensure:
 - (i) the resignation of Messrs Barnaby Egerton-Warburton, Stuart King, and Matthew Hansen; and
 - (ii) the appointment of two nominees of Whitebark, who are to be provided to King in writing, subject only to receiving consents to act,

as directors of King.

- (b) Whitebark must procure that the appointees to the King Board that are listed in clause 2.5(a)(ii) do not participate in decisions of King in relation to the Takeover Bids until after the End Date.

2.6 Appointment of director – WBE Board

As soon as practicable after Whitebark has a Relevant Interest in more than 50% of the King Shares and the Share Offer becomes or is declared unconditional, WBE must take all actions necessary to ensure the appointment, subject only to receiving a consent to act, of Richard King as a Director of Whitebark.

3. THE OFFERS

3.1 Offer by Whitebark

Whitebark must, by no later than the Offer Date, and in any event as soon as reasonably practicable, make the:

- (a) Share Offer to all King Shareholders in respect of all of their King Shares; and
- (b) Option Offers to all King Optionholders in respect of all of their King Options,

on the terms of this agreement or terms no less favourable to King Shareholders and King Optionholders (as the case may be) than the terms of this agreement and otherwise in accordance with all applicable provisions of the Corporations Act.

3.2 Consideration

The consideration offered by Whitebark under the:

- (a) Share Bid will be that number of Whitebark Shares (rounded to 7 decimal points if a fraction) calculated by dividing 100 million by the number of King Shares on issue as at the Record Date, for every one (1) King Share held as at the Register Date;
- (b) King Class A Option Bid will be that number of Consideration Options (rounded to 7 decimal points if a fraction) calculated by dividing 50 million by the number of King Class A Options on issue as at the Record Date, for event one (1) King Class A Option held as at the Register Date; and
- (c) King Class B Option Bid will be that number of Consideration Options (rounded to 7 decimal points if a fraction) calculated by dividing 50 million by the number of King Class B Options on issue as at the Record Date, for event one (1) King Class B Option held as at the Register Date.

3.3 Fractional entitlements

If the number of King Shares held by a King Shareholder, or King Options held by King Optionholders, means that their aggregate entitlement to Whitebark Shares or Consideration Options (as the case may be) is not a whole number, then any fractional entitlement will be rounded up to the nearest whole number.

3.4 Conditions of the Offers

- (a) The Offers and any contract which results from their acceptance will be subject to the applicable Conditions.
- (b) Each party must use all reasonable endeavours to satisfy the Conditions as soon as practicable after the date of this agreement.
- (c) King must use all reasonable endeavours to ensure that the Conditions in paragraphs 3 (No King Prescribed Occurrence) and 5 (Conduct of Business) of Schedule 2 are not breached prior to the End Date, provided that nothing in this clause requires the directors of King to take any action which would result in a breach of a statutory or fiduciary duty.

- (d) Whitebark may waive the satisfaction of any Conditions in its sole discretion, other than the Condition set out in paragraph 1 in Schedule 2 and Schedule 3 (90% minimum acceptance condition), which cannot be waived by Whitebark, where Whitebark has a Relevant Interest of less than 80% of the issued shares in King without the prior written consent of King.

3.5 Offer Period

The parties intend that the Offer Period will be approximately one month, but acknowledge and agree that the Offer Period may be extended by Whitebark at its discretion or automatically, in accordance with the Corporations Act.

3.6 Variation

Whitebark may vary the Offers in accordance with the Corporations Act.

4. DOCUMENTATION AND RECOMMENDING DIRECTORS' RECOMMENDATION

4.1 Whitebark's obligations to prepare documentation

- (a) Whitebark will prepare:
- (i) the Bidder's Statement; and
 - (ii) an acceptance form for the Offers,
- in each case consistent with clauses 3.2 to 3.6 and in accordance with the Corporations Act.
- (b) Whitebark agrees to do and to procure its Officers to do such things as are reasonably necessary to prepare the Bidder's Statement, its lodgement with ASIC and despatch to King Shareholders in accordance with the Timetable, subject to King granting any necessary consents and ASIC granting any necessary modifications.

4.2 King's obligations to prepare documentation

- (a) King will prepare the Target's Statement in response to the Offers in accordance with the Corporations Act.
- (b) King agrees to do and to procure its Officers to do such things as are reasonably necessary to prepare the Target's Statement, its lodgement with ASIC and despatch to King Shareholders in accordance with the Timetable, subject to Whitebark granting any necessary consents and ASIC granting any necessary modifications.

4.3 Provision of Information

Each party agrees that it will provide to the other party such information (including Confidential Information on the terms set out in this agreement) as is reasonably required by the other party in order to enable the other party to fulfil its obligations under this agreement, including, but not limited to, the preparation of the Bidder's Statement and Target's Statement.

4.4 Recommendation of King Directors

King represents and warrants that it has been informed:

- (a) by each of the King Directors that they intend to recommend that all King Shareholders accept the Offer, subject to there being no Superior Proposal;

- (b) by King Directors Richard King, Stuart King and Barnaby Egerton-Warburton that they intend to accept the Offers 21 days after the Offers become open for acceptance with respect to all King Shares and King Options owned or controlled by them, subject to there being no Superior Proposal; and
- (c) by each of the directors of King that they will not withdraw, revise, revoke or qualify, or make any public statement inconsistent with, the recommendation in clause 4.4(a) unless a Superior Proposal emerges.

4.5 Review of Bidder's Statement and Target's Statement

Subject to there being no Superior Proposal:

- (a) Whitebark agrees that it will provide King with a reasonable opportunity to review the final draft of its Bidder's Statement and any supplementary bidder's statements and King agrees that it will provide Whitebark with a reasonable opportunity to review the final draft of its Target's Statement and any supplementary Target's statements; and
- (b) each party agrees to consider in good faith, and consult in relation to, all reasonable and timely comments received from the other and its Advisers and make such changes to its statement as are reasonably required by the other.

4.6 Timetable

Each party agrees to use its reasonable endeavours to comply with the Timetable.

4.7 Consent to early dispatch of Bidder's Statement

King agrees (by authority of its directors) that the Offers and accompanying documents to be sent by Whitebark under the Takeover Bids under item 6 of section 633(1) of the Corporations Act may be sent earlier than the date for sending under item 6 of section 633(1) of the Corporations Act as contemplated in the Timetable.

5. CONDUCT OF BUSINESS

5.1 Overview

- (a) From the date of this agreement until the expiry of the Restriction Period, each party must:
- (i) conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted; and
 - (ii) regularly consult with the other party on the manner of conduct of its business, including on any matters that may have an adverse impact on the integration of the businesses of Whitebark and King following implementation of the Takeover Bids.
- (b) For the purpose of clause 5.1 (a) and subject to the terms of this agreement:
- (i) Whitebark making the Offers and responding to any Competing Proposal (together with all associated activity and expenditure) in accordance with this agreement, is deemed to be Whitebark conducting its business in the ordinary and proper course; and
 - (ii) King responding to the Offers and responding to any potential Competing Proposal (together with all associated activity and expenditure) in accordance with this agreement, is deemed to be King conducting its business in the ordinary and proper course.

- (c) Nothing in clause 5.1(a) restricts the ability of either party to take any action which:
- (i) is required, permitted or contemplated by this agreement;
 - (ii) has been fairly disclosed by the party prior to execution of this agreement, including in public filings to the ASX (and, in the case of either party, includes the Excluded Arrangements in relation to it and its Subsidiaries and all relevant actions to give effect to them);
 - (iii) is required by any applicable law or Regulatory Authority;
 - (iv) is required to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property);
 - (v) has been agreed to in writing by the other party; or
 - (vi) involves the incurring of reasonable costs in relation to the transactions contemplated by the Takeover Bids.

5.2 Prohibited actions

Other than in the case of a party's Excluded Arrangements, or with the other party's prior approval (not to be unreasonably withheld or delayed), or otherwise as fairly disclosed to the other party in writing before the date of this agreement, each party must not during the Restriction Period:

(a) **Material Contracts**

Enter into, terminate or materially vary, amend or modify a Material Contract.

(b) **Employment agreements**

Increase the remuneration of or pay any bonus (including under any existing or proposed employee performance bonus policy or retention bonus policy) or issue or agree to issue any securities or options to (other than the issue of any shares in connection with the exercise of options), or otherwise vary or amend the employment or consultancy agreements with, any of its directors or employees, except that this clause shall not preclude a party from making any payments under an existing employment contract which complies with the Corporations Act and the Listing Rules and is in place as at the date of this agreement and a copy of which has previously been provided to the other party.

(c) **Accelerate rights**

Accelerate the rights of any of its directors or employees to benefits of any kind.

(d) **Termination payments**

Pay a director or executive a termination payment, other than as provided for in an existing employment contract in place as at the date of this agreement and a copy of which has previously been provided to the other party.

(e) **Arrangements with financial advisers**

Amend in any material respect any arrangement with its financial advisers in respect of the transactions contemplated by this agreement.

(f) **Financial accommodation**

Obtain or agree to obtain any financial accommodation from any party.

(g) **Prescribed Occurrence**

Take any action which gives rise to a King Prescribed Occurrence or Whitebark Prescribed Occurrence (as applicable).

(h) **Disposal**

Offer to dispose or agree to dispose of, or create, or offer to create an equity interest in, any oil and gas asset (including any geological data) or a material interest in any such asset without prior consultation of the other party.

(i) **Agreement**

Agree to do any of the matters set out above.

6. EXCLUSIVITY

6.1 No existing discussions

King represents and warrants that, other than the discussions with Whitebark in respect of the Takeover Bids, it is not currently in negotiations or discussions in respect of any Competing Proposal with any person.

6.2 No-shop and no talk

During the Exclusivity Period, King must not, and must ensure that each of its Related Persons do not, directly or indirectly:

- (a) **(no shop)** solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or communicate to any person an intention to do anything referred to in this clause 6.2(a); or
- (b) **(no talk and no due diligence)** subject to clause 6.3:
 - (i) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal;
 - (ii) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;
 - (iii) disclose or otherwise provide any non-public information about the business or affairs of the King Group to a Third Party (other than a Regulatory Authority) with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the King Group whether by that Third Party or another person); or
 - (iv) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 6.2(b),

but nothing in this clause 6.2 prevents King from making normal presentations to brokers, portfolio managers and analysts in the ordinary course of business or promoting the merits of the Takeover Bids.

6.3 Fiduciary exception

Clause 6.2(b) does not prohibit any action or inaction by King or any of its Related Persons in relation to any actual, proposed or potential Competing Proposal, which the King Board acting in good faith determines, having regard to written advice from its external Advisers, is a Superior Proposal (or which may reasonably be expected to result in the Competing Proposal becoming a Superior Proposal) and the failure to take or not take such action would constitute, or would be likely to constitute, a breach of the fiduciary or statutory duties of the directors of King, provided that the actual, proposed or potential Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of clause 6.2.

6.4 Notice of approach

- (a) During the Exclusivity Period, King must as soon as possible (and in any event within 24 hours) notify Whitebark in writing if it or any of its Related Persons becomes aware of any:
- (i) negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;
 - (ii) proposal made to King or any of its Related Persons, in connection with, or in respect of any exploration or completion of, an actual, proposed, or potential Competing Proposal; or
 - (iii) provision by King or any of its Related Persons of any non-public information concerning the business or operations of King or the King Group to any a Third Party (other than a Regulatory Authority) in connection with an actual, proposed or potential Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise unless (and only to the extent that) the King Board, acting in good faith and having regard to external legal advice, determines that it would be, or would likely be, a breach of their fiduciary or statutory duties to notify Whitebark.

- (b) A notification given under clause 6.4(a) must include a summary of all material terms and conditions of the relevant actual, proposed or potential Competing Proposal (and the identity of the party making or proposing the relevant actual, proposed or potential Competing Proposal if such disclosure is not prohibited by the Competing Proposal) unless (and only to the extent that) the King Board, acting in good faith and having regard to external legal advice, determines that it would be, or would likely be, a breach of their fiduciary or statutory duties to notify Whitebark.
- (c) Commencing upon the provision of any notice referred to in clause 6.4(a), King must as soon as possible advise Whitebark of any material developments in relation to an actual, proposed or potential Competing Proposal, including material amendments or proposed amendments to the terms of such actual, proposed or potential Competing Proposal, and advise Whitebark of the timing of any board meeting to consider that proposal unless (and only to the extent that) the King Board, acting in good faith and having regard to external legal advice, determines that it would be, or would likely be, a breach of their fiduciary or statutory duties to notify Whitebark.

6.5 Matching right

- (a) Without limiting clause 6.2, during the Exclusivity Period, King:
- (i) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, King or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Proposal; and
 - (ii) must procure that none of its directors change their recommendation of the Takeover Bids or publicly recommend an actual, proposed or potential Competing Proposal or recommend against the Takeover Bids (provided that a statement that no action should be taken by King Shareholders pending the assessment of a Competing Proposal by the King Board and its advisers shall not contravene this clause),
- unless:
- (iii) the King Board acting in good faith and in order to satisfy what the members of the King Board consider to be their statutory or fiduciary duties (having received written advice from its external financial and/or legal advisers) determines that the Competing Proposal would be or would be likely to be an actual, proposed or potential Superior Proposal;
 - (iv) King has complied with clause 6.4(b);
 - (v) King has given Whitebark at least 5 Business Days after the date of the provision of the information referred to in clause 6.4(b) to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal; and
 - (vi) Whitebark has not announced or otherwise formally proposed to King a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal by the expiry of the 5 Business Day period in clause 6.5(a)(v) above.
- (b) If Whitebark proposes to King, or announces, amendments to the terms of the Takeover Bids including increasing the amount of consideration offered under the Offers or a new proposal that constitutes a matching or superior proposal to the terms of the actual, proposed or potential Competing Proposal (**Counterproposal**) by the expiry of the 5 Business Day period in clause 6.5(a)(v) above, King must procure that the King Board considers the Counterproposal and if the King Board, acting reasonably and in good faith, determines that the Counterproposal (as completed) would provide an equivalent or superior outcome for King Shareholders as a whole compared with the Competing Proposal, then King and Whitebark must use their best endeavours to agree the amendments to this agreement that are reasonably necessary to reflect the Counterproposal and to implement the Counterproposal, in each case as soon as reasonably practicable, and King must procure that each of the directors of King continues to recommend the Takeover Bids (as modified by the Counterproposal) to King Shareholders.

6.6 Cease discussions

King must, and must procure that its Related Bodies Corporate, cease any discussions or negotiations existing as at the date of this agreement relating to:

- (a) any actual, proposed or potential Competing Proposal; or
- (b) any transaction that would, or would reasonably be expected to, reduce the likelihood of success of the Takeover Bids,

provided that nothing in this clause 6.6 will require King to cease any discussions or negotiations with respect to an Excluded Arrangement.

6.7 Provision of information by King

- (a) Subject to clause 6.7(b), during the Exclusivity Period, King must as soon as possible provide Whitebark with:
- (i) in the case of written materials, a copy of; and
 - (ii) in any other case, a written statement of,

any material non-public information about the business or affairs of King or the King Group disclosed or otherwise provided to any Third Party in connection with an actual, proposed or potential Competing Proposal that has not previously been provided to Whitebark.
- (b) King will not, and will procure that none of its Related Persons provide any information to a Third Party in relation to an actual, proposed or potential Competing Proposal, unless:
- (i) permitted by clause 6; and
 - (ii) that Third Party has entered into a confidentiality agreement with King on customary terms.

6.8 Compliance with law

- (a) If it is finally determined by a court, or the Takeovers Panel, that the agreement by the parties under this clause 6 or any part of it:
- (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the King Board;
 - (ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
 - (iii) was, or is, or would be, unlawful for any other reason,
- then, to that extent (and only to that extent) King will not be obliged to comply with that provision of clause 6.
- (b) The parties must not make or cause to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this clause 6.8.

6.9 Whitebark Exclusivity

- (a) Whitebark represents and warrants that, other than the discussions with King in respect of the Takeover Bids, it is not currently in negotiations or discussions in respect of any Whitebark Competing Proposal with any Third Party.
- (b) During the Exclusivity Period, Whitebark must not, and must ensure that each of its Related Persons do not, directly or indirectly:
- (i) **(no shop)** solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Whitebark Competing Proposal or communicate to any person an intention to do anything referred to in this clause;

- (ii) **(no talk and no due diligence)** subject to clause 6.10:
- (A) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Whitebark Competing Proposal or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Whitebark Competing Proposal;
 - (B) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Whitebark Competing Proposal;
 - (C) disclose or otherwise provide any non-public information about the business or affairs of the Whitebark Group to a Third Party (other than a Regulatory Authority) with a view to obtaining, or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Whitebark Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the Whitebark Group whether by that Third Party or another person); or
 - (D) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause,

but nothing in this clause 6.9(b) prevents Whitebark from making normal presentations to brokers, portfolio managers and analysts in the ordinary course of business or promoting the merits of the Takeover Bids.

6.10 Fiduciary exception - Whitebark

Clause 6.9(b)(ii) does not prohibit any action or inaction by Whitebark or any of its Related Persons in relation to any actual, proposed or potential Whitebark Competing Proposal, which the Whitebark Board acting in good faith determines, having regard to written advice from its external Advisers, that the failure to take or not take such action would constitute, or would be likely to constitute, a breach of the fiduciary or statutory duties of the directors of Whitebark, provided that the actual, proposed or potential Whitebark Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of clause 6.9(b).

7. WARRANTIES

7.1 Whitebark Warranties

Whitebark represents and warrants to King that as at the date of this agreement that, subject to the matters fairly disclosed in public filings of Whitebark, provided by Whitebark to King in writing prior to the date of this agreement, are disclosed in the Disclosure Materials, are within the actual knowledge of the King Group, or otherwise in the public domain:

- (a) each member of the Whitebark Group is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by Whitebark has been properly authorised by all necessary corporate action and Whitebark has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;

- (c) (subject to the laws generally affecting creditors' rights and the principles of equity) this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under Whitebark's constitution or any agreement or agreement or writ, order or injunction, rule or regulation to which Whitebark or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency;
- (d) the Whitebark Shares, and the Whitebark Shares underlying the Consideration Options, to be offered as consideration under clause 3 will be duly authorised and validly issued, not liable to the imposition of any duty and be free of all Encumbrances, security interests and third party rights, will be fully paid and will rank equally with all other Whitebark Shares;
- (e) to the best of Whitebark's knowledge, having made reasonable enquiries, it has complied with its continuous disclosure obligations under the Listing Rules and the Corporations Act and is not relying on Listing Rule 3.1A to withhold any information from disclosure other than as disclosed in writing to Whitebark or its Representatives on or before the date of this agreement;
- (f) its accounts are prepared on a consistent basis with past practices (except to the extent that the adoption of Australian Accounting Standards requires a change to past practices) and in accordance with all relevant accounting standards;
- (g) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;
- (h) there is no litigation, claim, action or proceeding pending or in progress or threatened against or relating to any member of the Whitebark Group that does or is reasonably likely to constitute an Whitebark Material Adverse Change;
- (i) all material leases and permits held by, or on behalf of, Whitebark or any Subsidiary of Whitebark are in good standing and Whitebark and its Subsidiaries are in compliance with the conditions of such leases and permits and the applicable mining legislation in all material respects and, as far as Whitebark is aware, such material leases and permits are not liable to forfeiture;
- (j) it is not aware of any act, omission, event or fact that would result in one or more of the Conditions being breached, except as disclosed by Whitebark to King in writing prior to the date of this agreement;
- (k) as at the date of this agreement, Whitebark has the following securities on issue (as set out in the table below) and there are no other shares, options, notes or other securities of Whitebark and no rights to be issued such shares, options, notes or other securities other than as a result of the conversion or exercise of convertible securities or as envisaged by this agreement;

Shares	
Whitebark Shares	247,593,654
Options	
Whitebark Unlisted Options	
• expiring 28 March 2027 and exercisable at \$0.03	45,000,000
• expiring 1 January 2027 and exercisable at \$0.03	38,349,950

• expiring 30 November 2025 and exercisable at \$0.15	600,000
• expiring 23 May 2025 and exercisable at \$0.20	12,498,189
• expiring 1 January 2027 and exercisable at \$0.30	4,739,817
Convertible Notes	425,000

- (l) as at the date of this agreement, there are no other rights to issue any shares, options, notes, or other securities in Whitebark other than:
- (i) the issue of the Whitebark Shares under the Placement;
 - (ii) the issue of 66,530,833 Whitebark Options that was approved by Whitebark's shareholders at Whitebark's Annual General Meeting that was held on 29 November 2024;
 - (iii) as a result of the conversion or exercise of the convertible securities that are listed in clause 7.1(k); and
 - (iv) as envisaged by this agreement.

7.2 King Warranties

King represents and warrants to Whitebark as at the date of this agreement that, subject to the matters fairly disclosed in public filings of King, or as provided or disclosed by King to Whitebark in writing prior to the date of this agreement, are disclosed in the Disclosure Materials, are within the actual knowledge to the Whitebark Group, or otherwise in the public domain:

- (a) each member of the King Group is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery of this agreement by King has been properly authorised by all necessary corporate action and King has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
- (c) (subject to the laws generally affecting creditors' rights and the principles of equity) this agreement constitutes legal, valid and binding obligations on it and execution of this agreement will not result in a breach of or default under King's constitution or any agreement or deed or writ, order or injunction, rule or regulation to which King or any of its Subsidiaries is a party or to which they are bound or require any consent or approval, authorisation or permit from any governmental agency;
- (d) to the best of King's knowledge, having made reasonable enquiries, it has complied with its continuous disclosure obligations under the Corporations Act;
- (e) King Group's accounts are prepared on a consistent basis with past practices (except to the extent that the adoption of Australian Accounting Standards requires a change to past practices) and in accordance with all relevant accounting standards;
- (f) no resolutions have been passed or steps taken, and no petition or other process has been presented or threatened in writing against it for winding-up or dissolution, and no receiver, receiver and manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or any part of its assets;

- (g) except as disclosed by King to Whitebark in writing prior to the date of this agreement, there is no litigation, claim, action or proceeding pending or in progress or threatened against or relating to any member of the King Group that does or is reasonably likely to constitute a King Material Adverse Change;
- (h) except as disclosed by King to Whitebark in writing prior to the date of this agreement, all material leases and permits held by, or on behalf of, King or any Subsidiary of King are in good standing and King and its Subsidiaries are in compliance with the conditions of such leases and permits and the applicable mining legislation in all material respects and, as far as King is aware, such material leases and permits are not liable to forfeiture;
- (i) it is not aware of any act, omission, event or fact that would result in one or more of the Conditions being breached, except as disclosed by King to Whitebark in writing prior to the date of this agreement; and
- (j) as at the date of this agreement, King has the following securities on issue (as set out in the table below) and there are no other shares, options, notes or other securities of King and no rights to be issued such shares, options, notes or other securities other than as a result of the conversion or exercise of convertible securities or as envisaged by this agreement.

Fully paid ordinary shares	59,192,360
Options with an \$0.25 exercise price and expiring on or before 24 November 2027	15,000,000
Options with an \$0.25 exercise price and expiring on or before 10 August 2027	15,000,000

8. TERMINATION

8.1 Termination rights

This agreement may be terminated by a party by notice to the other party:

- (a) if the other party is in material breach of this agreement and that breach is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (b) if Whitebark withdraws the Takeover Bids as permitted by the Corporations Act for any reason including non-satisfaction of a Condition or if the Takeover Bids lapses;
- (c) if there is a material breach of a representation or warranty contained in clause 7 by the other party and that breach is not remedied by that other party within 5 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;
- (d) if a Court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Takeover Bids;
- (e) if the other party or any of their Subsidiaries becomes Insolvent; or
- (f) a majority of King's directors, having recommended the Takeover Bids, withdraw their recommendation of the Takeover Bids.

8.2 Termination by Whitebark

This agreement may be terminated by Whitebark by notice in writing to King if:

- (a) a Superior Proposal is made or publicly announced for King by a third party;
- (b) a director of King does not recommend the Takeover Bids be accepted by King Shareholders or having recommended the Takeover Bids, withdraws or adversely modifies his or her recommendation of the Takeover Bids;
- (c) a person (other than Whitebark or its Associates) has a Relevant Interest in more than 20% of the King Shares on issue (other than existing King Shareholders who at the date of this agreement hold a Relevant Interest in more than 20% of the King Shares on issue); or
- (d) a King Material Adverse Change or a King Prescribed Occurrence occurs.

8.3 Termination by King

This agreement may be terminated by King by notice in writing to Whitebark if:

- (a) an Whitebark Material Adverse Change or a Whitebark Prescribed Occurrence occurs; or
- (b) a majority of the King Directors recommend a Superior Proposal, provided always that clause 6 has been complied with.

8.4 Effect of termination

If this agreement is terminated by a party under this clause 8:

- (a) each party will be released from its obligations under this agreement except that clauses 1, 8, 10, 12 and 13 will continue to apply;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including, without limitation, any further obligations in respect of the Takeover Bids.

9. ANNOUNCEMENT OF TAKEOVER BIDS

9.1 Public announcement of Takeover Bids

Immediately after signing this agreement, the parties must procure the issue by Whitebark to ASX of an announcement in the form agreed between the parties.

9.2 Required disclosure

Subject always to its continuous disclosure obligations under the Listing Rules and applicable laws, where a party is required by law or the Listing Rules to make any announcement or make any disclosure relating to a matter the subject of the Takeover Bids, it must use best endeavours to give the other party as much notice as reasonably practicable having regard to its disclosure obligations and consult with the other party to the extent reasonably practicable having regard to its disclosure obligations.

9.3 Other announcements

Subject to clause 9.1 and 9.2 and its continuous disclosure obligations under the Listing Rules and applicable laws, no party may make any public announcement or disclosure in connection with the Takeover Bids (including disclosure to a Regulatory Authority) unless it

has used best endeavours to obtain the approval of the form of the disclosure by the other party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable.

10. CONFIDENTIAL INFORMATION OBLIGATIONS

10.1 Disclosure of Whitebark Confidential Information

No Whitebark Confidential Information may be disclosed by King to any person except:

- (a) Representatives of King or its Related Bodies Corporate requiring the information for the purposes of this agreement;
- (b) with the written consent of Whitebark;
- (c) if King is required to do so by law; or
- (d) if King is required to do so in connection with legal proceedings relating to this agreement.

10.2 Use of Whitebark's Confidential Information

King must use Whitebark's Confidential Information exclusively for the purpose of considering the Takeover Bids, any Competing Proposal and preparing the Target's Statement and for no other purpose (and must not make any use of any Whitebark's Confidential Information to the competitive disadvantage of Whitebark or any of its Related Bodies Corporate).

10.3 Disclosure of King Confidential Information

No King Confidential Information may be disclosed by Whitebark to any person except:

- (a) Representatives of Whitebark requiring the information for the purposes of this agreement;
- (b) with the written consent of King;
- (c) if Whitebark is required to do so by law or by the Listing Rules; or
- (d) if Whitebark is required to do so in connection with legal proceedings relating to this agreement.

10.4 Use of King Confidential Information

Whitebark must use the King Confidential Information exclusively for the purpose of preparing the Bidder's Statement and for no other purpose (and must not make any use of any King Confidential Information to the competitive disadvantage of King or any of its Subsidiaries).

10.5 Disclosure by recipient of Confidential Information

Any party disclosing information under clause 10.1(a) or 10.1(b) or 10.3(a) or 10.3(b) must use all reasonable endeavours to ensure that persons receiving Confidential Information from it do not disclose the information except in the circumstances permitted in clause 10.1 or 10.3.

10.6 Excluded Information

Clauses 10.1 to 10.5 (inclusive) do not apply to the Excluded Information.

10.7 Return of Confidential Information

A party who has received Confidential Information from another under this agreement must, on the request of the other party, immediately deliver to that party all documents or other materials containing or referring to that information which are in its possession, power or control or in the possession, power or control of persons who have received Confidential Information from it under clauses 10.1(a) or 10.1(b) or 10.3(a) or 10.3(b).

10.8 Termination

This clause 10 will survive termination (for whatever reason) of this agreement.

11. NOTICES AND OTHER COMMUNICATIONS

11.1 Requirements for notices

Each notice authorised or required to be given to a party shall be in legible writing and in English addressed to the party's address set out in clause 11.2 (or such other address nominated in accordance with clause 11.3).

11.2 Details

The initial address of the parties shall be as follows:

Party	Address	Attention	E-mail
Whitebark	20D William Street Norwood SA 5067	Mark Lindh	[REDACTED]
King	Level 2, 10 Outram Street West Perth WA 6005	Richard King	[REDACTED]

With a copy of communications to Whitebark to Roger Steinepreis (E-mail: [REDACTED]) and James McAuliffe (E-mail: [REDACTED]) and a copy of communications to King (for information purposes only) to Andrew Disney (E-mail: [REDACTED])

11.3 Change of Address

Each party may from time to time change its address by giving notice pursuant to clause 11.1 to the other party.

11.4 Receipt of notice

Any notice given pursuant to this clause 11 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery;
- (b) if sent by mail, two (2) Business Days from and including the day of posting; or
- (c) if sent by e-mail, when a delivery confirmation report is received by the sender which records the time that the e-mail was delivered to the addressee's e-mail address (unless the sender receives a delivery failure notification indicating that the e-mail has not been delivered to the addressee),

but if the delivery or receipt is on a day that is not a Business Day or is after 5:00 pm (addressee's time) it is regarded as received at 9:00 am on the following Business Day.

12. GOODS AND SERVICES TAX (GST)**12.1 Consideration does not include GST**

The consideration specified in this agreement does not include any amount for GST.

12.2 Recovery of GST

If a supply under this agreement is subject to GST, the recipient must pay to the supplier an additional amount equal to the Amount of the Consideration multiplied by the applicable GST rate.

12.3 Time of payment

The additional amount is payable at the same time as the consideration for the supply is payable or is to be provided. However, the additional amount need not be paid until the supplier gives the recipient a tax invoice.

12.4 Adjustment of additional amount

If the additional amount differs from the amount of GST payable by the supplier, the parties must adjust the additional amount.

12.5 Reimbursement

If a party is entitled to be reimbursed or indemnified under this agreement, the amount to be reimbursed or indemnified does not include any amount for GST for which the party is entitled to an Input Tax Credit.

12.6 Survival

This clause 12 will survive termination of this agreement.

13. MISCELLANEOUS**13.1 Discretion in exercising rights**

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions) unless this agreement expressly states otherwise.

13.2 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

13.3 No liability for loss

A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this agreement.

13.4 Approvals and consents

By giving its approval or consent, a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

13.5 Conflict of interest

The parties' rights and remedies under this agreement may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

13.6 Remedies cumulative

The rights and remedies in this agreement are in addition to other rights and remedies given by law independently of this agreement.

13.7 Variation and waiver

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

13.8 No merger

The warranties, undertakings and indemnities in this agreement do not merge on completion of any transaction contemplated by this agreement.

13.9 Indemnities

The indemnities in this agreement are continuing obligations, independent from the other obligations of the parties under this agreement and continue after this agreement ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this agreement.

13.10 Further steps

Each party agrees, at its own expense, to do anything the other party reasonably asks (such as obtaining consents, signing, and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this agreement; or
- (b) to show whether the party is complying with this agreement.

13.11 Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this agreement or any part of it.

13.12 Costs

The parties agree to pay their own legal and other costs and expenses in connection with the preparation, execution and completion of this agreement and other related documentation except for stamp duty.

13.13 Duty

Whitebark agrees to pay all duty (including fines and penalties) payable and assessed on this agreement or in respect of a transaction evidenced by this agreement.

13.14 Assignment

A party may not assign or otherwise deal with its rights under this agreement or allow any interest in them to arise or be varied in each case, without the prior written consent of the other party.

13.15 No representation or reliance

Each party acknowledges that:

- (a) no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement;

- (b) it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement; and
- (c) clauses 13.15(a) and 13.15(b) above do not prejudice any rights a party may have in relation to information which had been filed by the other party with ASIC (or, in the case of Whitebark, ASX).

13.16 Governing law

This agreement is governed by and is to be construed according to the laws of Western Australia. Each party submits to the non-exclusive jurisdiction of the courts of Western Australia.

13.17 Counterparts

This agreement may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

13.18 Knowledge and belief

Any statement made by a party on the basis of its knowledge, information, belief or awareness, is made on the basis that the party has, in order to establish that the statement is accurate and not misleading in any material respect, made all reasonable enquiries of its officers, managers and employees who could reasonably be expected to have information relevant to matters to which the statement relates.

SCHEDULE 1 – TIMETABLE

Date	Event
20 December 2024	Announcement Date
5.00pm (WST) 17 January 2025	Record Date Date the consideration ratio for the Takeover Bids is determined based on the number of King Shares and King Options on issue.
21 January 2025	Lodgement Date Date Whitebark lodges Bidder's Statement with ASIC and serves it on King and ASX
22 January 2025	Register Date Date set by Whitebark pursuant to section 633(3) of the Corporations Act
29 January 2025	Offer Date Whitebark despatches the Bidder's Statement to King Shareholders
By no later than the date prescribed by Item 12 of Section 633(1) of the Corporations Act	Date King lodges Target's Statement with ASIC and serves it on Whitebark King despatch the Target's Statement to King Securityholders
28 February 2025	Offer Period ends (unless extended in accordance with the Corporations Act)

SCHEDULE 2 – SHARE BID CONDITIONS

The Share Offer, and any contract resulting from acceptance of the Share Offer, are subject to the following conditions:

1. Minimum Acceptance

At or before the end of the Offer Period for the Share Offer, Whitebark has a Relevant Interest in the number of King Shares that represents at least 90% of the aggregate of all the King Shares on issue.

2. No regulatory action

Between the Announcement Date and the end of the Offer Period for the Share Offer (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or ruling issued by any Regulatory Authority;
- (b) no application is made to any Regulatory Authority (other than by Whitebark or any associate of Whitebark);
- (c) no action or investigation is announced, commenced, or threatened by any Regulatory Authority,

in consequence of or in connection with the Offers (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibit or impedes, or threatens to restrain, prohibit or impede, or materially impact on, the making of the Share Offer and the completion of any transaction completed by the Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of Whitebark's intentions expressed in the Bidder's Statement) or which requires the divestiture by Whitebark of any King shares or King options or any material assets of the King Group.

3. No King Prescribed Occurrences

Between the Announcement Date and the date 3 Business Days after the end of the Offer Period for the Share Offer (each inclusive) no King Prescribed Occurrence occurs unless the doing of that thing was with the prior written consent of Whitebark or otherwise fairly disclosed to Whitebark by King before the date of this agreement.

4. No exercise of rights under certain agreements or arrangements

Other than in relation to the Excluded Arrangements, if between the Announcement Date and the end of the Offer Period for the Share Offer (each inclusive) any person:

- (a) is entitled to exercise, or will as a result of the Takeover Bids, become entitled to exercise; or
- (b) purports to exercise, states an intention to exercise (whether or not that intention is stated to be final decision), or asserts the ability to exercise as a result of the Takeover Bids,

any right under any provision of any agreement or other arrangement to which any member of the King Group is a party or to which any member of the King Group or any of its assets or businesses may be subject, which results in, or could result in:

- (c) any moneys borrowed by any member of the King Group being or becoming repayable or being declared repayable immediately or earlier than the repayment date provided for in such agreement or arrangement, other than repayment of any loans owed by King to King Directors or their Associates;

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- (d) any such agreement or arrangement that imposes or may impose obligations or liabilities on any party of more than \$150,000 per annum or more than \$150,000 in total or that is otherwise material to the business of the King Group being terminated or modified or not renewed or the performance of any obligations under any such agreement or arrangement being accelerated; or
 - (e) any assets of any member of the King Group, including any interest of any member of the King Group in any body corporate, trust, joint venture or other entity, being sold, transferred or offered for sale or transfer, including under any pre-emptive rights or similar provisions, or any contractual arrangements relating to any such asset or interest, being terminated or modified,

unless that person gives the relevant member of the King Group and Whitebark in writing a binding, irrevocable and unconditional release or waiver of that right.

5. Conduct of business

Between the Announcement Date and the end of the Offer Period for the Share Offer (each inclusive), no member of the King Group:

- (a) announces, declares, determines to pay, makes or pays any dividend or other distribution (whether in cash or in specie);
- (b) incurs capital expenditure exceeding \$250,000 or, except in the ordinary course of trading, transfers or otherwise disposes of or creates any Encumbrance in respect of, assets having a value exceeding \$250,000;
- (c) acquires or disposes of any shares or other securities in any body corporate or any units in any trust, or substantially all of the assets of any business except where the aggregate consideration paid or received by all members of the King Group for all such acquisitions or disposals does not exceed \$250,000 or enters into, or terminates any participation in, any partnership, joint venture or similar commitment;
- (d) borrows an amount which when combined with all other amounts borrowed since the Announcement Date exceeds \$250,000 or enters into any swap, option, futures contract, forward commitment or other derivative transaction;
- (e) enters into, waives any material rights under, varies or terminates any contract, commitment or arrangement which may require annual expenditure by the relevant member of King Group in excess of \$250,000 or is otherwise of material importance to the business of the King Group;
- (f) enters into any unusual or abnormal contract or commitment which is outside the ordinary course of business and which could reasonably be expected to:
 - (i) change the nature of the business conducted by the King Group; or
 - (ii) have a material adverse impact on the business conducted by the King Group;
- (g) enters into, amends, or agrees to enter into or amend any contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act), or an associate of that related party, of King;
- (h) other than in the ordinary course of business and consistent with past practice, King or any of its subsidiaries disposes of, acquires or agrees to dispose of or acquire, or creates or agrees to create an equity interest in respect of any assets (including, without limitation, under any off-take, joint venture or similar deed), properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving capital expenditure by the King Group, whether in one or more transactions, where the amounts or value involved in such

transaction or transactions, commitments or series of commitments exceeds \$250,000 in aggregate;

- (i) pays or agrees to pay the costs and expenses of all advisers to King Group in connection with the Takeover Bids where such costs and expenses exceed \$250,000;
- (j) accelerates the rights of any of its directors or employees to compensation or benefits of any kind (including, without limitation, the vesting of any performance rights);
- (k) increases the remuneration of, makes any bonus payment, retention payment or termination payment to, or otherwise changes the terms and conditions of employment of:
 - (i) any directors of King; or
 - (ii) any employee of any member of the King Group whose total employment cost exceeds \$100,000;
- (l) issues any securities convertible into King Shares;
- (m) changes its constitution (including adopting a new constitution or modifying or repealing its constitution or a provision of it) or passes any resolution of shareholders or any class of shareholders;
- (n) commences, compromises or settles any litigation or similar proceedings for an amount exceeding \$250,000;
- (o) becomes Insolvent; or
- (p) agrees, conditionally or otherwise, to do any of the things referred to in paragraphs above, or announces or represents to any person that any of those things will be done,

unless the doing of that thing was with the prior written consent of Whitebark or otherwise fairly disclosed to Whitebark by King before the date of this agreement.

6. No King Material Adverse Change

Between the Announcement Date and the end of the Offer Period for the Share Offer (each inclusive), no King Material Adverse Change occurs.

7. Regulatory approvals

The parties obtaining all necessary approvals or waivers pursuant to the ASX Listing Rules, Corporations Act, *Petroleum and Geothermal Energy Act 2000* (SA), or any other law or regulation, to allow the parties to lawfully complete the matters set out in this agreement.

SCHEDULE 3 – OPTION BIDS CONDITIONS

Each of the Option Offers, and any contract resulting from acceptance of each Options Offer, are subject to the following conditions:

1. Minimum Acceptance

At or before the end of the Offer Period for the Option Offer, Whitebark has a Relevant Interest in the number of King Shares that represents at least 90% of the aggregate of all King Shares on issue.

2. Share Offer Unconditional

At or before the end of the Offer Period for the Option Offer, the Share Offer is, or has been declared, unconditional in all respects.

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SCHEDULE 4 – KING PRESCRIBED OCCURRENCES

- (a) King converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act.
- (b) King or a Subsidiary resolves to reduce its share capital in any way.
- (c) King or a Subsidiary enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act.
- (d) King or a Subsidiary issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option, other than upon conversion of existing convertible securities or other instruments on issue or in existence prior to the date of this agreement.
- (e) King or a Subsidiary issues, or agrees to issue, convertible notes.
- (f) King or a Subsidiary disposes, or agrees to dispose, of the whole or a substantial part of its business or property, other than in relation to an Excluded Arrangement.
- (g) King or a Subsidiary grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property, other than in relation to an Excluded Arrangement.
- (h) King or a Subsidiary resolves to be wound up.
- (i) A liquidator or provisional liquidator of King or a Subsidiary is appointed.
- (j) A court makes an order for the winding up of King or a Subsidiary.
- (k) An administrator of King or a Subsidiary is appointed under section 436A, 436B or 436C of the Corporations Act.
- (l) King or a Subsidiary executes a deed of company arrangement.
- (m) A restructuring practitioner for King or a Subsidiary is appointed under section 453B of the Corporations Act.
- (n) King or a Subsidiary makes a restructuring plan under Division 3 of Part 5.3B of the Corporations Act.
- (o) A receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of King or a Subsidiary.

SCHEDULE 5 – WHITEBARK PRESCRIBED OCCURRENCES

- (a) Whitebark converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act.
- (b) Whitebark or a Subsidiary resolves to reduce its share capital in any way.
- (c) Whitebark or a Subsidiary enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act.
- (d) Whitebark or a Subsidiary issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option, other than upon conversion of existing convertible securities or other instruments on issue or in existence prior to the date of this agreement.
- (e) Whitebark or a Subsidiary issues, or agrees to issue, convertible notes.
- (f) Whitebark or a Subsidiary disposes, or agrees to dispose, of the whole or a substantial part of its business or property, other than in relation to an Excluded Arrangement.
- (g) Whitebark or a Subsidiary grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property, other than in relation to an Excluded Arrangement.
- (h) Whitebark or a Subsidiary resolves to be wound up.
- (i) A liquidator or provisional liquidator of Whitebark or a Subsidiary is appointed.
- (j) A court makes an order for the winding up of Whitebark or a Subsidiary.
- (k) An administrator of Whitebark or a Subsidiary is appointed under section 436A, 436B or 436C of the Corporations Act.
- (l) Whitebark or a Subsidiary executes a deed of company arrangement.
- (m) A restructuring practitioner for Whitebark or a Subsidiary is appointed under section 453B of the Corporations Act.
- (n) Whitebark or a Subsidiary makes a restructuring plan under Division 3 of Part 5.3B of the Corporations Act.
- (o) A receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Whitebark or a Subsidiary.

SCHEDULE 6 – TERMS AND CONDITIONS OF THE CONSIDERATION OPTIONS

1. Entitlement

Each Consideration Option entitles the holder to subscribe for one Whitebark Share upon exercise of the Option.

2. Exercise Price

Subject to paragraph 10, the amount payable upon exercise of each Consideration Option will be \$0.05 (**Exercise Price**).

3. Expiry Date

Each Consideration Option will expire at 5:00 pm (WST) on 31 March 2030 (**Expiry Date**). A Consideration Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

The Consideration Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

5. Notice of Exercise

The Consideration Options may be exercised during the Exercise Period by notice in writing to Whitebark in the manner specified on the Consideration Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Consideration Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to Whitebark.

6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Consideration Option being exercised in cleared funds (**Exercise Date**).

7. Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, Whitebark will:

- (a) issue the number of Whitebark Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by Whitebark;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if Whitebark is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Whitebark Shares issued pursuant to the exercise of the Consideration Options.

If a notice delivered under 7(b) for any reason is not effective to ensure that an offer for sale of the Whitebark Shares does not require disclosure to investors, Whitebark must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Whitebark Shares does not require disclosure to investors.

8. Whitebark Shares issued on exercise

Whitebark Shares issued on exercise of the Consideration Options rank equally with the then issued shares of Whitebark.

9. Quotation of Whitebark Shares issued on exercise

Application will be made by Whitebark to ASX for quotation of the Whitebark Shares issued upon exercise of the Consideration Options.

10. Reconstruction of capital

If at any time the issued capital of Whitebark is reconstructed, all rights of a Whitebark Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

11. Participation in new issues

There are no participation rights or entitlements inherent in the Consideration Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Consideration Options without exercising the Consideration Options.

12. Change in exercise price

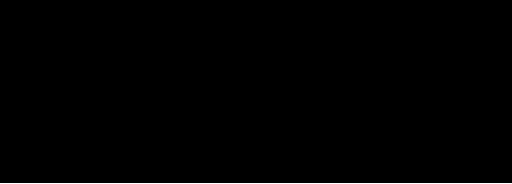
A Consideration Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Consideration Option can be exercised.

13. Transferability

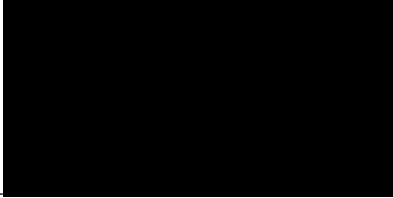
The Consideration Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

EXECUTED by the parties as an agreement.

EXECUTED by)
WHITEBARK ENERGY LIMITED)
ACN 079 432 796)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)



Signature of director



Signature of director/company secretary*

Mark Lindh
Name of director

Kailin Smith
Name of ~~director~~/company secretary*

*please delete as applicable

EXECUTED by)
KING ENERGY LIMITED)
ACN 661 214 151)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

Signature of director/company secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

For personal use only

EXECUTED by the parties as an agreement.

EXECUTED by)
WHITEBARK ENERGY LIMITED)
ACN 079 432 796)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)

Signature of director

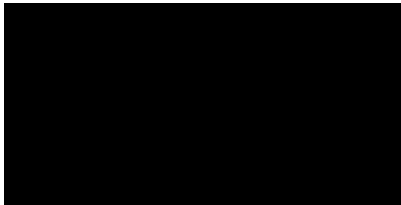
Signature of director/company secretary*

Name of director

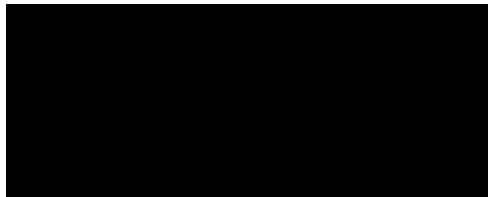
Name of director/company secretary*

*please delete as applicable

EXECUTED by)
KING ENERGY LIMITED)
ACN 661 214 151)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):)



Signature of director



Signature of director

Barnaby Egerton-Warburton

Name of director

Stuart King

Name of director

For personal use only