



Whitebark Energy Announces Rex-4 brought online – addendum

24 November 2022

Highlights

- Tie-in work at the Rex-4 development well has been completed and the well has been brought online
- The well is currently “cleaning-up” the injected fracture stimulation fluid on a controlled flow of approximately 230 barrels of fluid per day
- This is in line with expectations from the planned gradual production start-up having rested the well while the fracs healed naturally
- The Rex-4 development well is targeting post-clean up production rates of 300 bopd and 1,400 mscfg/d in Q1 FY23
- 50 stimulation stages were conducted at ~40m intervals along the horizontal section of the well within the target Rex Sandstone reservoir which demonstrated good oil fluorescence when drilled

Whitebark Energy Limited (ASX:WBE) (“**Whitebark**” or the “**Company**”) is pleased to announce the initial clean-up flow rates following completion of hydraulic fracture stimulation operations at the Rex-4 development well at the Company’s 100% owned Wizard Lake Oil and Gas Field (“**Wizard Lake**”) in Alberta, Canada.

Tie-in work for the Rex-4 well was completed during the “rest” period allowed to the well and all incremental production will go directly to market via Whitebark’s 100% owned facilities at Wizard Lake. Initial managed clean-up flow rates from the Rex-4 well are reported as 230 barrels of fracture stimulation fluid per day.

The Company plans to manage the Rex-4 wellbore carefully as it is brought into stabilised production, learning from previous experiences at Rex-1 through Rex-3. This has involved allowing the wellbore to “rest” to allow it to heal naturally from the fracture stimulation program. This process will help ensure that the frac sand stays in zone and maximizes the well’s reserve potential. During the clean-up period flow rates will be maintained at the current rate which is seen as a good balance between optimizing the timing of first hydrocarbons and not drawing-down the well and pulling frac proppant sand into the horizontal section (as at Rex-3). Once the frac fluid is recovered, Rex-4 oil flow-rates will be increased gradually, over the course of 6 weeks to the modelled stabilised initial production rate of 300 bopd plus associated gas. We believe that this strategy will contribute to greater well lifespan and increased ultimate recovery.

Whitebark has modelled ultimate post-clean up production rates of approximately 300 barrels of oil and 1,400 mscf gas per day which will lift total Wizard Lake production to approximately ~750 boepd. The Company expects ultimate recovery of approximately 146,000 barrels of oil and 1.3 Bcf gas from Rex-4

The Company successfully ran 50 hydraulic fracture stimulation stages in the target Rex Sandstone reservoir at an approximate interval of 40m per the completion plan. The fracture stimulation program was the most ambitious yet at Wizard Lake and was consistent with the strategic plan of increased horizontal length and a greater number of fracture stages than in previous wells. Each of the fifty 30 Tonne fracs consisted of 1 tonne of 50/140 sand followed by 29 tonnes of 16/30 sand with final concentrations of 600-800 kg/m³. A total of 1483.5 tonnes of proppant was pumped during the program.

Whitebark Interim CEO, Dr Simon Brealey, commented:

“The strategy of resting the well prior to commencing pumping to recover the frac fluid is a direct result of recognizing the importance of the lessons learnt from previous wellbore management practices and applying them at Rex-4. This has meant allowing the fracs to heal naturally, maximizing the eventual amount of proppant

retained in the reservoir and optimizing production and ultimate well longevity. The initial cleanup flow rates are pleasing to note, and are in line with our model to gradually manage flow and bring the well up to modelled ultimate post-cleanup rates over several weeks.”

Wizard Lake Oil and Gas Field – Immediate development potential

It is planned for the next four Wizard Lake wells (Rex-5 through Rex-8) to address existing Proved (“1P”) Reserves which is calculated to be 2.3 million barrels of oil equivalent¹. Whitebark plans to drill and complete all four wells from the existing well pad without further infrastructure investment required. The Company has identified 20 additional development locations which will target the remainder of the Company’s 2P reserves (5.12 million barrels of oil equivalent¹ in total) and contingent resources (an additional 4.7 mmboe).

¹As per Whitebark Energy Limited ASX announcement “2022 Reserves and Contingent Resources Report”, released 5 September 2022

Excerpt from the “2022 Reserves and Contingent Resources Report”

Resources & Reserves as at 30 June, 2022		
100% Field Reserves (MMboe)		
Category	Proved 1P	Proved & Probable 2P
Developed & Undeveloped	2.29	5.12
100% Field Contingent Resources (MMboe)		
Category	1C	2C
Total	1.81	4.72

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

Reserves and Net Present Value

The total 100% Field 2P Reserves in Whitebark’s Wizard Lake Oil and Gas Field (Table 1) at 30 June 2022 are assessed to be 5.12 million barrels of oil equivalent. The barrels of oil equivalent figure comprises 1.97 million barrels of crude oil, 16.87 billion cubic feet of natural gas and 0.34 million barrels of natural gas liquids.

2P Reserves include 1P Proven Developed Producing Reserves (“PDP” – those remaining reserves attributed to existing wells Rex-1 through Rex-3); 1P Proven Undeveloped Reserves (“PUD” – those reserves accessible from existing infrastructure and requiring the drilling of Rex-4 through Rex-8); and 2P Probable Reserves (those accessible and requiring a new well-pad, new facilities and the drilling of Rex-9 through Rex-15).

Contingent Resources

The total 100% Field 2C Contingent Resources for Wizard Lake at 30 June 2022 are assessed to be 4.72 million barrels of oil equivalent. The barrels of oil equivalent figure comprises 1.91 million barrels of crude oil, 15.05 billion cubic feet of natural gas and 0.30 million barrels of natural gas liquids.

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

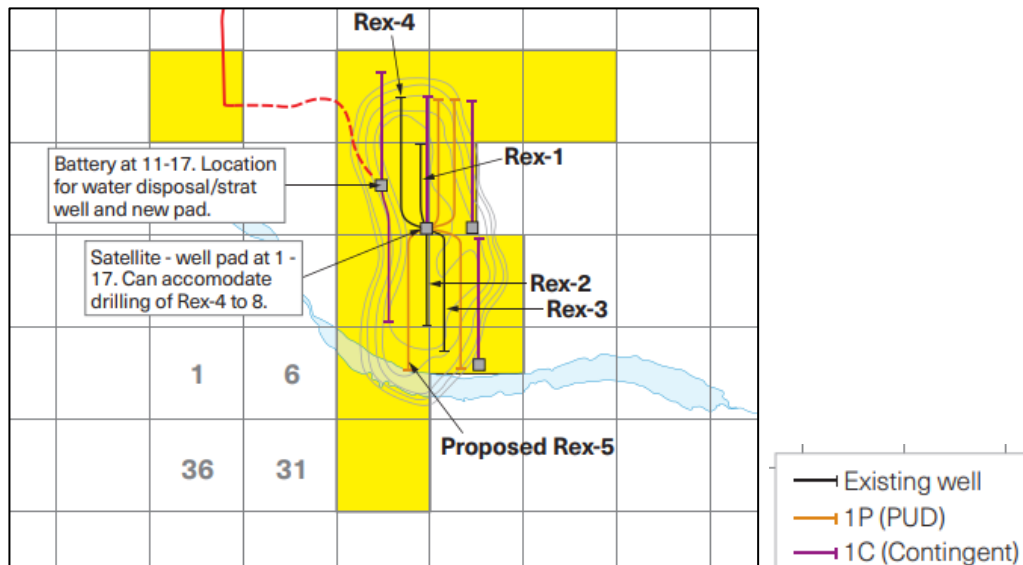


Figure 1 – existing wells and planned Proven Undeveloped well (PUD) locations

This ASX announcement was approved for release by the Board of Whitebark Energy Limited.

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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.

A Note Regarding Forward Looking Information

This announcement includes certain statements related to our future business and financial performance and future events or developments involving Whitebark Energy Limited (‘Whitebark’ or ‘the Company’) that may constitute forward- looking statements. All statements, other than statements of historical fact, that refer to any future oil and gas production, resources or reserves, exploration results and events that the Company expects to occur are forward-looking statements. Although the Company believes that the expectations in those forward-looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially from the outcomes anticipated. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of oil and gas reserves and resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Conversion of gas to Barrels of Oil Equivalent (BOE) is done on the basis of 6mcf = 1 BOE.