



Whitebark Energy Announces Financing Agreements to Purchase Rental Equipment at Wizard Lake and Rex-4 status update

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Highlights

- Canadian subsidiary Rex Energy signs financing agreements with providers of all rental equipment at Wizard Lake Oil and Gas field. These agreements will provide Opex savings of CAD \$160,000 per year and lead to ownership of all equipment in 24 months.
- The Rex-4 development well continues “cleaning-up” the injected fracture stimulation fluid with approximately 80% now recovered. Oil-cut in the recovered “load fluid” is steadily increasing and is now at ~ 20% in line with expectations from the planned gradual production start-up. Stabilised initial oil production is expected to be achieved within the next weeks
- Wizard Lake Field production has increased to ~180 barrels of oil equivalent per day (boe/d) from ~50 boe/d prior to bringing Rex-4 online. The Rex-4 development well is targeting post-clean up production rates of 300 bopd and associated gas in Q1 FY23
- Preparations continue for additional Wizard Lake wells (Rex-5 through Rex-8) to address existing Proved (“1P”) Reserves calculated at 2.3 million barrels of oil equivalent

Wizard Lake Oil and Gas Field

Whitebark Energy Limited (ASX:WBE) (“Whitebark” or the “Company”) is pleased to announce that Canadian subsidiary Rex Energy has negotiated financing agreements with providers of all the rental equipment used at the Wizard Lake Oil and Gas Field (“Wizard Lake”) 1-17 Battery site. This includes the rental tanks and heaters, the pumping units, the compressor and the generator. The agreements are effectively lease-to-buy and reductions in monthly lease costs from the pre-existing rental costs have been achieved for all items of equipment. Monthly savings in Operational Expenses (“Opex”) amount to CAD 13,500 / month, or CAD 162,000 per year. After 24 months all the equipment will be owned by Rex Energy. Purchase of the rental equipment had been identified as an operational efficiency that should be effected as a priority.

Rex-4

The Company is also pleased to announce progress on 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 in Alberta, Canada.

The Rex-4 well was allowed a “rest” period prior to commencing clean-up; all incremental production is going directly to market via Whitebark’s 100% owned facilities at Wizard Lake.

Pump rate has been gradually increased to 6.5 spm as of January 31 2023 with accompanying flow rates of ~500 barrels of fluid per day. Current oil cut is approximately 20% and increasing steadily.

Rex-4 currently sits at ~80% recovery of injected fluid. Eventual oil cut is expected to be approximately 40% (as demonstrated in wells Rex-1 through Rex-3) and this is expected to occur once all load fluid is recovered. This is a standard oil-saturation for sandstone reservoirs. Rex-4 is performing according to expectations and by comparison to the other wells.

Overall field production at Wizard Lake has increased to ~180 barrels of oil equivalent per day (boe/d) from ~50 boe/d prior to gradually bringing Rex-4 online.

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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.