

## Whitebark's Rex-1 Well Continues to Improve

2<sup>nd</sup> July 2019

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***The oil cut from Rex-1 has increased to over 50%, 99.5% oil being delivered.***

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- Current production is estimated at 250 bbls of oil per day (gross) but the pumping rate has been limited by trucking capacity on flooded roads due to unusually high rainfall.
- Oil cut from the well is approximately 50% and continues to improve.
- The oil being delivered to refineries is now at 99.5% purity which demonstrates proof of concept of the separation facility.
- Work is currently underway to investigate expanding the tank farm to cater for unseasonal rainfall events and the tying in of Rex-2 in August.

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Whitebark Energy Ltd (ASX : WBE) is pleased to provide a progress update on the Wizard Lake development and the Rex-1 well that was placed on production on 5 June 2019. Whitebark has a 30% working interest in Rex-1 increasing to 50% following the completion of a two well farmin.

The Wizard Lake Rex oil discovery well has been producing for approximately 25 days and continues to clean up with increasing oil cut. The pump has been deliberately slowed down to cater for storage limitations as a result of poor road conditions caused by unseasonably heavy rain during June. Work is currently underway with an engineering firm to determine the optimal facility requirements to give some contingency in the advent of other unseasonal rain events and also to ensure the tie in of Rex-2 proceeds without delay, which is still expected to occur in late August.

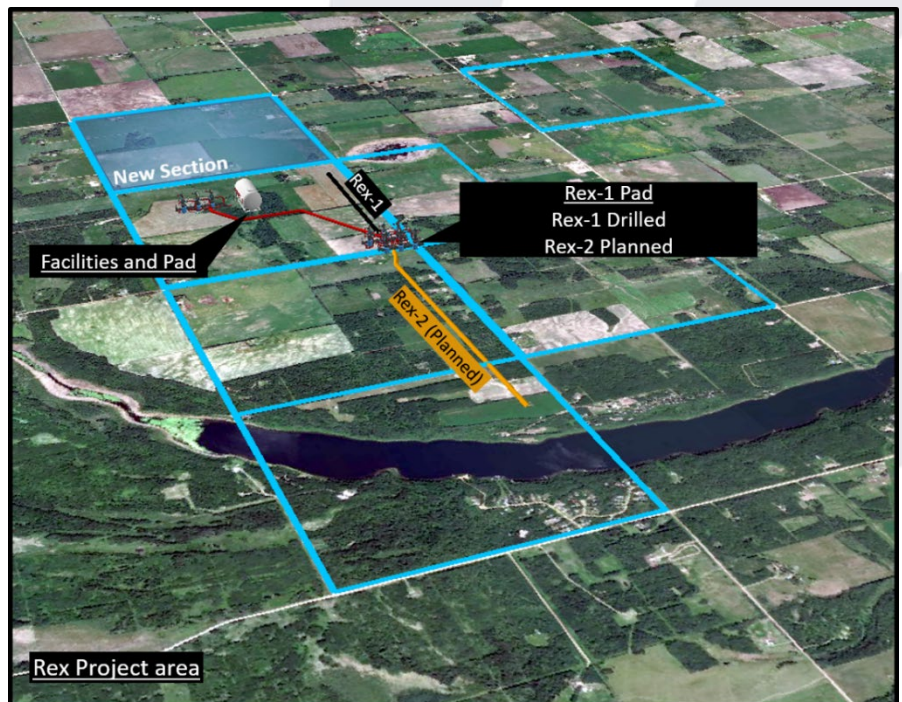


Figure 1 - Rex Development Plan and Additional Land Acquisition

Whitebark Managing Director, Mr David Messina said: "The improving Rex-1 oil cut and quality is very encouraging for the broader Wizard Lake program, which has an inventory of at least 18 well locations following our acquisition of a new section of land to the north announced last month."

“Being able to deliver 99.5% oil using a simple, low cost tank cascade system reduces opex costs and is a testament to the commitment and abilities of the operations team in Alberta. We will be addressing the storage issues quickly and look forward to opening the well up fully again as storage capacity improves”.

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*The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed.*

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## Wizard Lake Development Program Background

- The Wizard Lake development program commenced with the spudding of the Rex-1 well on 24 November 2018. The program is focused on the Wizard Lake oil field in Alberta Canada.
- Initial flow testing of the horizontal oil well recorded production rates of more than 300 barrels of oil per day prior to the completion of testing. Total oil produced from the 16-day flow test was 2845 barrels – a 55% increase on initial estimates (ASX Release 20 February 2019).
- Production facilities and a pipeline were completed in early June and Rex-1 began pumping fluids on 5 June 2019. It is expected to take a number of weeks for the well to clean up and the oil cut to stabilise<sup>1</sup>.
- The program for 2019 is fully funded and encompasses the construction of a pipeline and installation of initial production facilities on a multi-well pad (completed in 1H 2019) and the drilling of two new Wizard Lake wells in 2H 2019<sup>2</sup>.
- Whitebark’s working interest in the Wizard Lake oil development will increase up to 50% following the two well drilling program<sup>3</sup>.
- The initial independent reserves assessment following the discovery at Rex-1 indicated the likelihood of 12 to 17 follow-up well locations.<sup>4</sup> Whitebark has secured additional land at Wizard Lake that has increased this to a minimum of 18 well locations.
- Whitebark is receiving 100% of the net income from the well until after payout of the facility and well workover costs of approximately C\$750,000.

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<sup>1</sup> Refer to ASX Release 5 June 2019

<sup>2</sup> Refer to ASX Release 22 March 2019

<sup>3</sup> Refer to ASX Release 31 May 2019

<sup>4</sup> Refer to ASX Release 15 March 2019