

Wizard Lake Rex-3 Well Successfully Drilled

26 November 2019

Excellent quality, oil bearing reservoir encountered, horizontal extended to 2098m

- Rex-3 successfully drilled to 3673m MD in eight (8) drilling days, one day ahead of schedule.
- The horizontal section of the well is 2,098m, 298m longer and deeper than originally planned due to the presence of a continuous reservoir while drilling to the toe.
- The well encountered excellent quality reservoir with free oil noted on the shakers, oil shows (fluorescence and cut) and elevated gas readings.
- Rex-3 and Rex-1 results have confirmed a minimum oil column of 49m.
- Elevated porosity levels, ranging up to 23%, were also recorded throughout the sand (Rex-1: 15-18%, Rex-2: up to 21%).
- All indications to date suggest Rex-3 has penetrated a reservoir of higher quality than Rex-2.
- The well completion company, Ironhorse, is expected to mobilise to site over the next ten (10) days to carry out fracture stimulation operations which will now be updated, taking into consideration the latest information from the drilling program.

Whitebark Energy Ltd (ASX : WBE) is pleased to announce its Wizard Lake development oil well, Rex-3 has been successfully drilled to 3,673mMD on budget and one day ahead of schedule. Initial indications are that an excellent quality, reservoir has been encountered with excellent oil shows and porosities up to 23% over horizontal intervals of at least 1800m (Rex 1- 1200m and Rex-2 - 1500m). The total length of the horizontal well from the heel (1,575m MD) to the toe (3,673m MD) was 2,098m. While the well remained within the Rex unit, it penetrated a 190m shaly lens along its length (vertical thickness less than 2m), before re-entering excellent quality reservoir and drilling to TD. The well drilled through the base of the channel as planned. The reservoir net to gross in the horizontal well remains very high at almost 90%.

The drilling company is currently readying the well in preparation for a frac program of the Rex reservoir zone in the horizontal section of the well. This program may change once the results of the drilling program have been further analysed but will not affect the commencement date of within ten (10) days. As per Rex-2, the company will use sliding frac sleeves to isolate each zone and focus the frac energy to ensure maximum penetration of the zone.

Whitebark Managing Director David Messina said: "We are very excited that Rex-3 has encountered superior reservoir qualities to Rex-2. We took advantage of being ahead of schedule and budget and drilled an additional ~300m in the horizontal section to maximise our exposure to the reservoir. The speed and efficiency of drilling continues to impress us and we thank our team and contractors involved in the drilling of this third Rex well. It is also important to note that we drilled



Figure 1 - Free oil on the shakers at Rex-3

horizontally for almost 2.1 km without challenge and this means we can plan longer development wells with a high degree of confidence. We are obviously looking forward to completing and flow testing the well in the next 10-14 days.”



Figure 2 - Rex-3 Surface Location

Overview

Rex-3 is the third horizontal well to be drilled in the multi-well development of the Wizard Lake Oilfield. Rex-3 was drilled from the same pad as Rex-1 and Rex-2, and follows a drill path parallel to and ~300m to the east of Rex-2.

The well penetrated the overlying Sparky Coals at 1,398mTVD, and the top of the Rex Sand Unit at 1,403mTVD both within 2m of prognosis. The horizontal section of 2,098m was drilled in 65 hrs at an average rate over 30m/hr. Excellent quality reservoir was encountered over a minimum of 1,800m of the horizontal well with free oil noted on the shakers (Figure 1), oil shows (fluorescence and cut) and elevated gas readings were noted in the reservoir section. By drilling Rex-3 deeper towards the toe, the well passed out of the base of the channel as planned but importantly remained in oil up to that time establishing a new lowest known oil in the channel complex and confirming a minimum oil column of 49m. Further updip and downdip potential remains to be tested.

The Rex-3 well has confirmed the Wizard Lake field extends to the east and south of previous wells and maintains excellent quality reservoir properties over a wide area. The well results validate the geological model and provide strong support for additional development drilling in 2020, once the production facilities are operational.

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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.

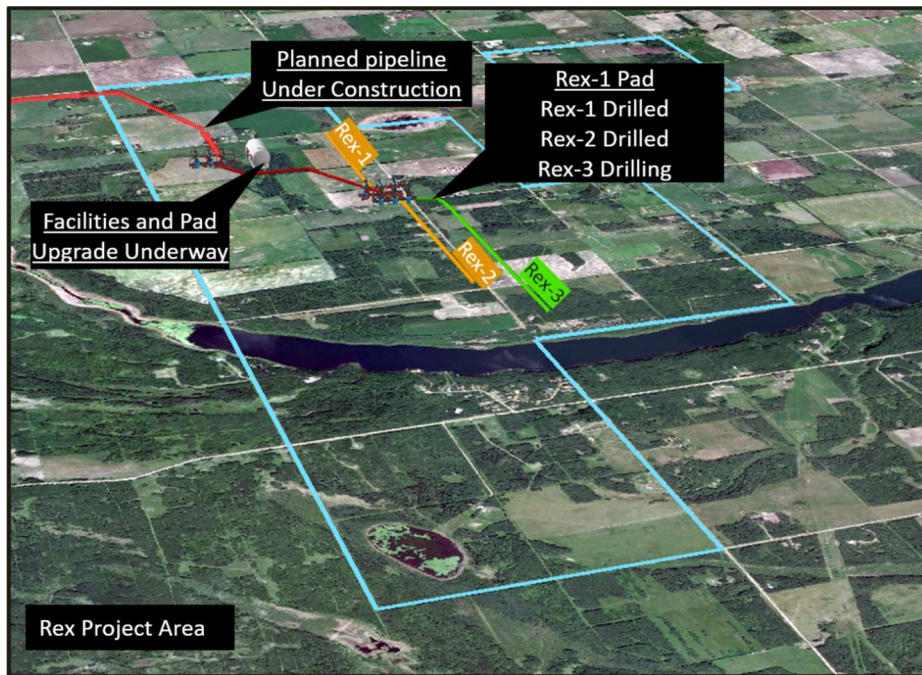


Figure 3 - Wizard Lake Development

Background

- Rex-3 is the third horizontal well to be drilled in the multi-well development program for the Wizard Lake Oilfield.
- Rex-3 is being drilled from the same pad as Rex-1 and Rex-2, and will follow a drill path parallel to and ~300m to the east of Rex-2.
- The conventional Wizard Lake oil field was identified using well control and seismic together with geology.
- It has the potential to contain 24+ wells targeting 11mboe¹.
- The development program commenced with the spudding of the horizontal Rex-1 well on 24 November 2018².
- Initial flow testing of the Rex-1 well recorded rates of more than 300 barrels of oil per day. Total oil produced from the 16-day flow test was 2845 barrels – a 55% increase on initial estimates³.
- Production facilities and a pipeline were completed in early June 2019 and Rex-1 began producing on 5 June 2019⁴.
- Rex-2 was drilled and fraced in August and tested in September 2019, with peak production rate of 865 boe/d (540bbls of oil and 2 mmcf of gas) before the well had to be constrained due to unexpected high gas production.⁵
- A 3km pipeline is under construction to connect to local gas networks to well Wizard gas and an upgrade of the modular facilities to ensure high gas and oil production rates can be managed.⁶
- Whitebark's working interest in the Wizard Lake oil development is now at 40% and will increase to 50% following the drilling and completion of Rex 3.⁷
- The initial independent reserves assessment following the discovery at Rex-1 indicated the likelihood of 12 to 17 follow-up well locations.⁸ Whitebark has secured additional land at Wizard Lake that has increased this to a minimum of 20 well locations.

1 ASX Release 22 August & 1 October 2019

2 ASX Release 26 November 2019

3 ASX Release 20 February 2019

4 ASX Release 5 June 2019

5 ASX Release 6 September 2019

6 ASX Releases 4 & 6 November 2019

7 ASX Release 30 May 2019

8 Refer to ASX Release 15 March 2019