

Whitebark Closes Stage One of Wizard Lake Oilfield Acquisition

24 December 2019

Highlights

- Whitebark Energy Limited (WBE) announced on December 18th that a Definitive Agreement to acquire the remaining 50% interest in the Wizard Lake Oilfield had been executed through its wholly owned subsidiary Salt Bush Energy Limited (SBE).
- Stage 1 has been successfully closed taking the company's share in Wizard Lake Oilfield from 50% to 60%.
- Stage 2 will be completed subject to shareholder and Government approval and WBE can move to 100% ownership of the Oilfield.

Whitebark Energy Limited ('**Whitebark**' or '**the Company**') (**ASX: WBE**) is pleased to announce that it's 100% owned subsidiary, Salt Bush Energy Ltd (SBE), has completed the Stage 1 of the transaction to increase its interest in the Wizard Lake Oil field and dispose of its 20% - 30% remaining interests in the Point Loma Joint Venture.

Through the Definitive Agreement executed on December 18th, Whitebark will acquire PLX's interest in the Wizard Lake Oilfield for C\$4,000,000 cash and C\$2,000,000 in Whitebark shares in two stages:

Stage 1 - Completed

- WBE has acquired an additional 10% interest in the Wizard Lake Oilfield from Point Loma for C\$1,200,000 cash taking WBE's interest to 60%.
- WBE assigned its 20-30% ownership in the remaining Point Loma Joint Venture assets to PLX .

Stage 2

- WBE will acquire the remaining 40% of Wizard Lake Oilfield prior to March 31, 2020
- Consideration for the remaining 40% interest in the field is C\$2,800,000 and C\$2,000,000 in WBE Shares (\$1,000,000 of these shares held in escrow until December 2020)
- PLX will retain a 10% interest in Rex-1 and Rex-2 wells until December 2020

The Wizard Lake Oilfield has been significantly de-risked and sole ownership offers an excellent opportunity for WBE to optimise development for shareholder value and build a platform for growth and strong cashflows. This is reinforced by the recent drilling success at the Wizard Lake Oilfield at Rex-3 and the commissioning of the enlarged and upgraded production facilities at the field.

Whitebark Energy Managing Director, David Messina said: "We are pleased to have delivered on another strategic objective for 2019 with the closing of the first stage of our 100% acquisition of Wizard Lake. With the three oil wells now producing we enter 2020 in a very strong position. I would like to take this opportunity to thank our diligent and focussed employees and contractors who have got us to this position and of course the continued support of our shareholders."

End

This ASX announcement was approved and authorised for release by David Messina, Managing Director Whitebark Energy

For further information:

David Messina
Managing Director
Ph: +61 8 6555 6000

Cameron Morse
FTI Consulting
Ph: +61 8 9485 8888

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.

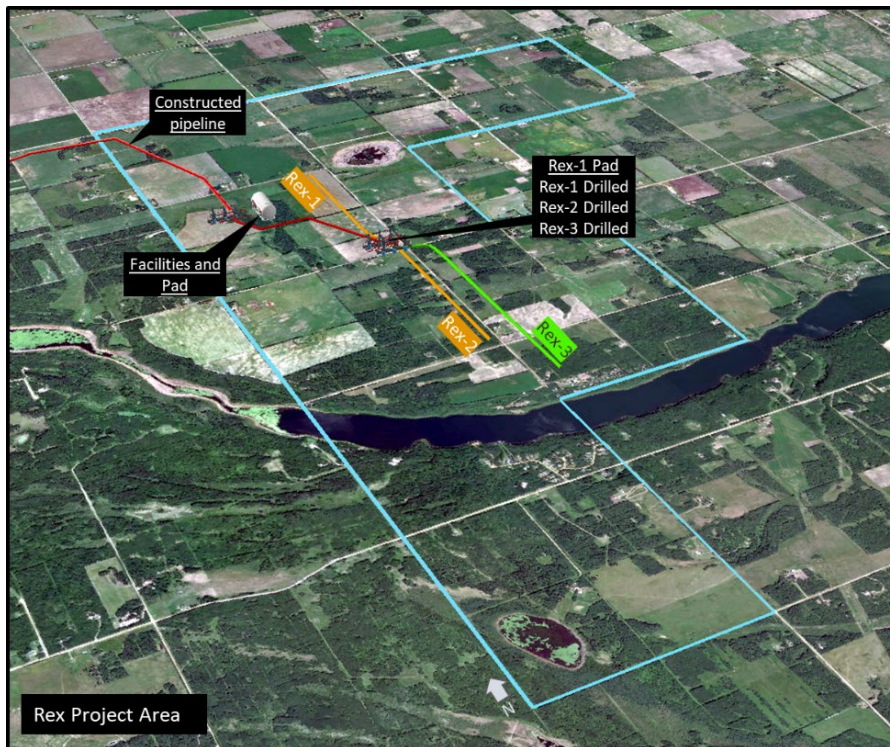


Figure 1 - Wizard Lake Development

Background

- Rex-3 is the third horizontal well to be drilled in the multi-well development of the Wizard Lake Oilfield.
- Rex-3 was drilled to 3,673mMD in eight days with a horizontal section of 2,098m, 298m longer than planned and encountered excellent quality reservoir.¹
- Rex-3 averaged 1,278 boepd including 1,084 bopd of oil in the final 6 hours of a continuous 18 hour period.²
- The Wizard Lake Oilfield was identified using geological information obtained from wells drilled mainly in the 1950's.
- It has the potential to contain 24+ wells targeting 11mmb³.
- The horizontal discovery well, Rex-1, was spud on 24 November 2018⁴ and initial flow testing of recorded rates of more than 300 bopd from only 500m of the horizontal section due to an obstruction which was recently removed.
- Initial production facilities and an infield pipeline were completed in early June 2019 and Rex-1 began producing on 5 June 2019⁵.
- Rex-2 was drilled and fraced in August and tested in September 2019, with a peak production rate of 865 boed (540bbls of oil and 2 mmcf of gas) before the well had to be constrained due to unexpected high gas production.⁶
- An upgrade to production facilities was commenced in November 2019 and included a 3km gas pipeline to connect to local gas networks and an upgrade of the modular processing facilities to ensure high gas and oil production rates can be managed. These facilities were completed in late December 2019 and production commenced.⁷

1 ASX Release 26 November 2019

2 ASX Release 16 December 2019

3 ASX Release 22 August & 1 October 2019

4 ASX Release 26 November 2018

5 ASX Release 5 June 2019

6 ASX Release 6 September 2019

7 ASX Releases 23 December 2019