

## Production continues at Wizard Lake during extreme cold

21 January 2020

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### Highlights

- The Wizard Lake area has experienced extremely cold weather for the past 10 days, with lows between minus 45°C and minus 55°C (including windchill).
- Safety of personnel and preventing damage to equipment is of the utmost importance during weather events like these.
- In order to maintain sound operations, where possible, emphasis is placed on keeping equipment warm but not in a highly loaded condition. As such, rotating equipment is being operated at a reduced speed to ensure safety, longevity and minimize risk.
- As a result of the extreme weather, the three Wizard Lake oil wells were deliberately slowed down, which delayed the cleanup process and therefore deferred the attainment of maximum oil production rates from the wells.
- Weather conditions for the next 7 days are forecast to improve considerably enabling recommencement of the procedure to bring the wells back into full production.
- Importantly the wells continued to produce through the extreme cold weather, albeit at reduced average rates of approx. 750boe/d (470bopd).

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Whitebark Energy Limited ('**Whitebark**' or '**the Company**') (**ASX: WBE**) is pleased to announce that its Wizard Lake Oilfield continued oil production through an extreme cold period event when temperatures fell to minus 42° Celsius (-55°C with wind chill). The average temperature range during this time of the year is usually between minus 10 to minus 20° Celsius. Mild conditions are forecast for the next seven days with above average temperatures. This will enable normal field operations to recommence.

The production from the field will continue in a manner that will facilitate the well clean-up process and optimise production rates and uptime for the long term. As with other nearby fields producing from similar reservoirs, the present three wells of the Wizard Lake Oilfield are expected to require up to 90 days to attain their maximum flow rates.

**Whitebark Energy Managing Director David Messina said:** "The continued operations of the field during the extremely cold weather was a good early test for our new facilities. The health and safety of operators is a key concern during these extreme events and we were extremely pleased to have no incidents and we can now look forward to increasing the production rates again."

**End**

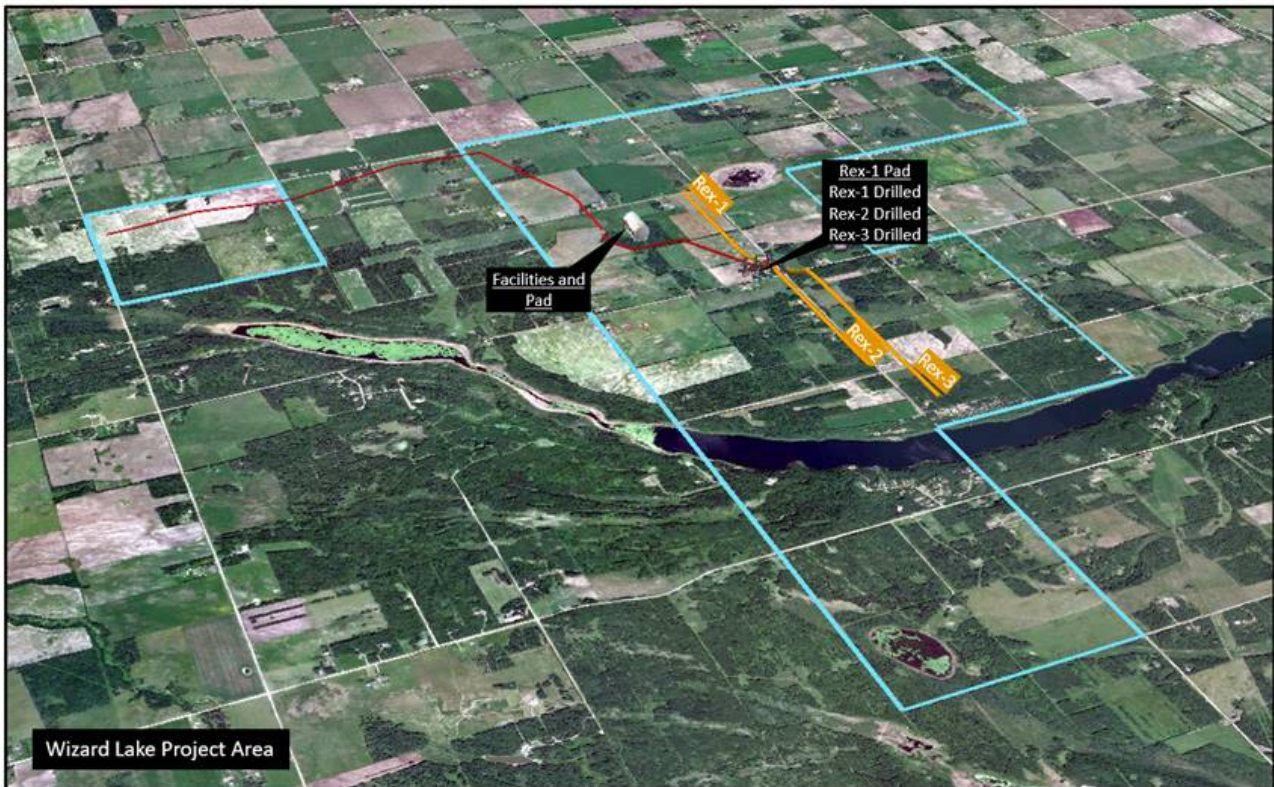
*This ASX announcement was approved and authorised for release by David Messina, Managing Director Whitebark Energy*

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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.*



## Background

- Rex-3 was drilled to 3,673mMD in eight days with a horizontal section of 2,098m.<sup>1</sup> Rex-3 averaged 1,278 boepd including 1,084 bopd of oil in the final six hours of a continuous 18 hour period.<sup>2</sup>
- 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 11mboe<sup>3</sup>.
- The horizontal discovery well, Rex-1, was spud on 24 November 2018<sup>4</sup> and production commenced in June 2019<sup>5</sup>. 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<sup>6</sup>.
- 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.<sup>7</sup>
- An upgrade to production facilities was commenced in November 2019 and included a 3km gas pipeline to connect to local gas networks to ensure high gas and oil production rates can be managed. These facilities were completed in late December 2019 and production commenced.<sup>8</sup>
- Following the close of Stage 1 of the Wizard Lake acquisition, WBE now owns a 60% working interest in the field. Following completion of Stage 2 WBE will own 100% in the field and 90% in Rex 1 and Rex 2 until Stage 3 close in December 2020, at which point it will own 100% of all assets in the Wizard Lake field<sup>9</sup>.

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 & 19 June 2019

6 ASX Release 13 November 2019

7 ASX Release 6 September 2019

8 ASX Releases 23 December 2019

9 18 & 24 December 2019