whitebark ENERGY

ASX ANNOUNCEMENT

# Wizard Lake Rex-2 Well successfully drilled

5th August 2019

## *Excellent reservoir quality encountered, fracing underway*

**Highlights**

- Rex-2 successfully drilled to 3033m in eight (8) drilling days.
- The well had excellent quality reservoir releasing free oil on the shakers, shows (fluorescence and cut) and elevated gas readings were noted throughout the horizontal section.
- Elevated porosity levels of up to 21% were also recorded through the sand (Rex-1 - 15-18%).
- Drilling equipment is currently being demobilised and the completion company 'Ironhorse" looking to mobilise to site over the next seven days.
- A 35 stage frac is currently planned for Rex-2.

Whitebark Energy Ltd (ASX : WBE) is pleased to announce Wizard Lake Rex-2 well has been successfully drilled to 3,033 metres, on schedule and on budget. Initial indications are that an excellent quality reservoir has been encountered with excellent oil shows and higher porosity than the successful Rex-1 discovery.

The drilling company is currently conditioning the hole in preparation for an expected 35 stage frac program in the Rex reservoir zone in the horizontal section of the well between 1572-3033mMD. The program should commence within seven days and 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 stated "We are very pleased with another successful well in the Rex play at Wizard Lake. We had an excellent result from Rex-1, and the improved reservoir quality and oil encountered during drilling of Rex-2 gives us enormous confidence in our future program."

*Figure 1 – Rex-2*

**Overview**

The well intersected a virtually continuous reservoir section from the casing shoe (1572mMD) to the TD of the well at 3033mMD (length~1500m). From 1572mMD to 2730mMD, an excellent quality reservoir was encountered with porosity up to 21% (Rex 1 – 15%-18%). Free oil was evident on the shakers throughout drilling of this section and was accompanied by excellent oil shows (fluorescence and cut) and elevated gas readings.

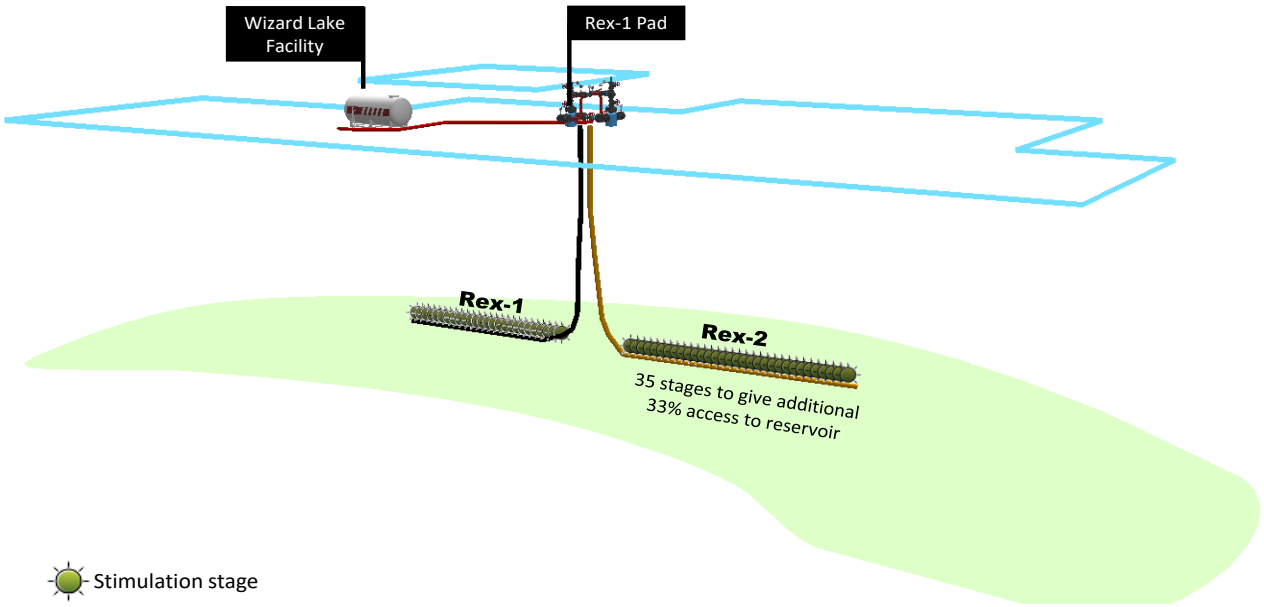


*Figure 2 - Rex-2 Frac Plan*

From 2730mMD to TD while the gas readings were still elevated, the oil shows decreased but fluorescence and light brown staining was still evident.

The results of the well will be analysed during the next seven days to determine the best stimulation program. It is anticipated each stage will emplace about 30 tonnes of proppant using a crossed linked gel to achieve high proppant concentrations at low pump rates. The frac design is based on the successful Rex-1.

The frac work is expected to be completed within two weeks and will be followed by normal clean-up flows. Rex-2 will be bought online after a short testing period.


*Figure 3 - Wizard Lake Facility Site*

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


## Background

- The Wizard Lake oil field was identified using well control and seismic together with geology.
- It has the potential to contain 20+ wells[1].
- The development program commenced with the spudding of the horizontal Rex-1 well on 24 November 2018[2].
- 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 estimates[3].
- An interim production flow rate of 275 bbls oil/day was announced after ten days clean up[4].
- Production facilities and a pipeline were completed in early June 2019 and Rex-1 began pumping fluids on 5 June 2019[5].
- Whitebark's working interest in the Wizard Lake oil development will increase to 50% following the two well drilling program in 2019[6].

[1] Refer to ASX Release 18 July 2019
[2] Refer to ASX Release 26 November 2019
[3] Refer to ASX Release 20 February 2019
[4] Refer to ASX Release 19 June 2019
[5] Refer to ASX Release 5 June 2019
[6] Refer to ASX Release 30 May 2019