

Whitebark's Rex-1 interim flow rate hits 275bbls oil/day and increasing

19 June 2019

Interim flow rates from Rex-1 are very encouraging, Whitebark land position and working interest in Wizard Lake oil field continues to increase.

- Current production after ten days is estimated at 275 bbls of oil per day (gross).
- Production still increasing as pump speed is optimized and the well continues to clean up.
- Rex-2 remains on schedule to be spud in late July.
 - Whitebark working interest in this well is 40%, increasing to 50% for Rex-3.
- An additional 720 acres has also been secured over the Wizard Lake oil field taking the total gross area to 3,385 acres providing 18+ potential drilling opportunities.

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.

The Wizard Lake Rex oil discovery well has been producing for ten days and continues to clean up with increasing oil rates as illustrated below in Figure 1. The well will continue to be optimized to obtain a stabilised initial flow rate. The API Gravity of the oil is 18.5 and it is being sold as a medium grade crude at approximately C\$58/bbl. 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.

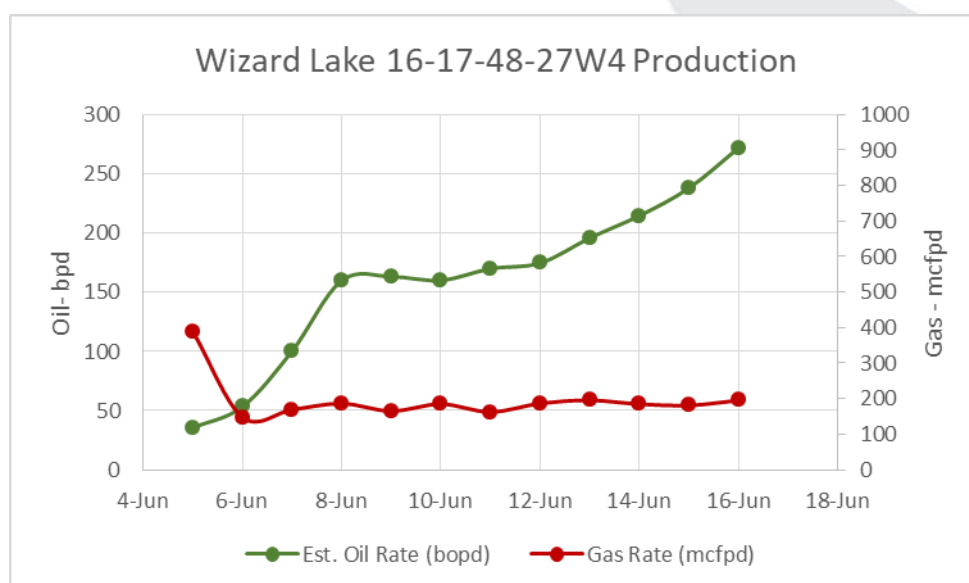


Figure 1 - Rex-1 Daily Production

Whitebark Managing Director, Mr David Messina said: “The Rex-1 well has been cleaning up nicely and, consistent with our pre-production expectations, daily production has approached the levels we saw in the completion testing and is continuing to increase. This validates the initial testing results and puts us in a good position for a quick payback, thereby supporting the investment case for the next Rex wells.”

“The success at Rex-1 has increased our confidence around the broader Wizard Lake development and we have taken the opportunity to secure additional ground that will increase our inventory of future well locations to at least 18 wells.”

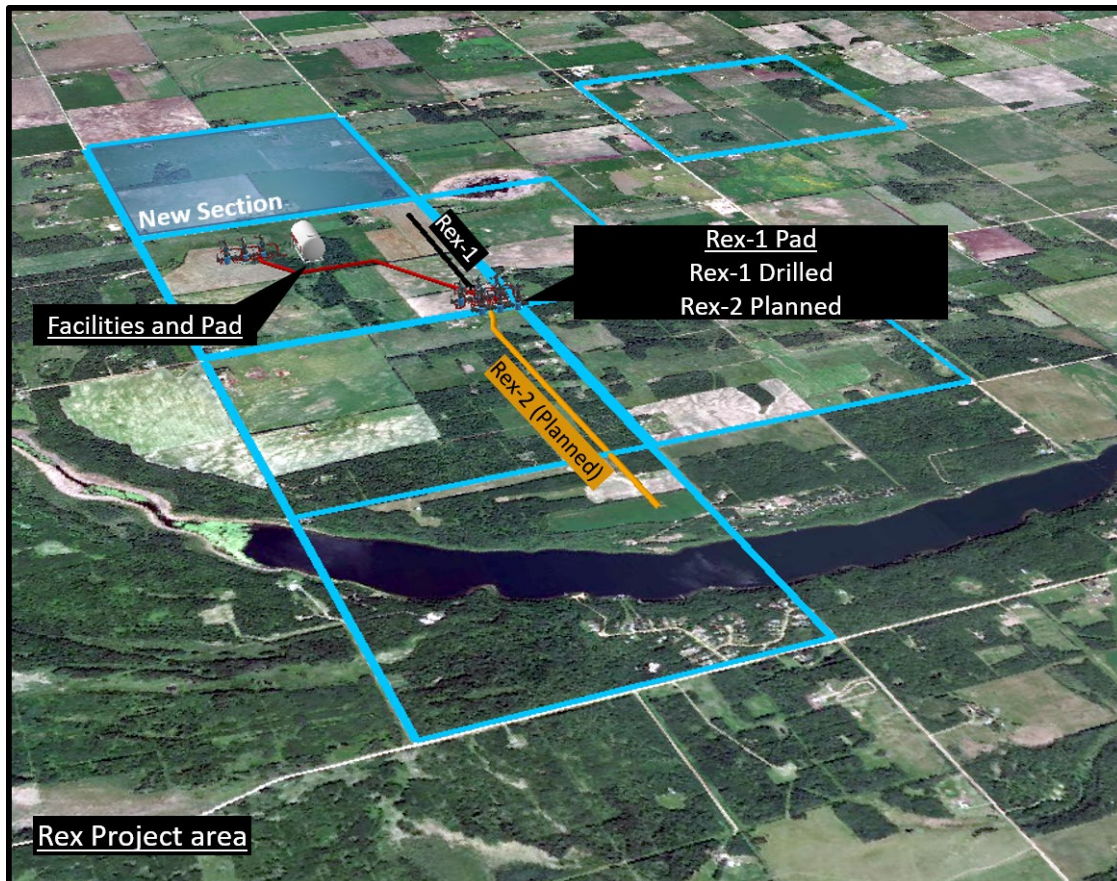


Figure 2- Rex Development Plan and Additional Land Acquisition

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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.

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 stabilise¹.
- 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 2019².
- Whitebark's working interest in the Wizard Lake oil development will increase up to 50% following the two well drilling program³.
- The initial independent reserves assessment following the discovery at Rex-1 indicated the likelihood of 12 to 17 follow-up well locations.⁴ Whitebark has secured additional land at Wizard Lake that has increased this to a minimum of 18 well locations.

¹ Refer to ASX Release 5 June 2019

² Refer to ASX Release 22 March 2019

³ Refer to ASX Release 31 May 2019

⁴ Refer to ASX Release 15 March 2019