

Wizard Lake Production Facilities and drilling program supported by \$1.95m capital raising

22 March 2019

Highlights

- Construction of Wizard Lake production facilities is now clear to commence, with all landholder approvals received. Subject to weather, Rex-1 is expected to recommence production in April 2019.
- Independent operation notices have been filed for two new wells at Wizard Lake, Rex-2 and Rex-3, with drilling targeted to start in mid-2019. Whitebark is now qualified as an Operator in Alberta, Canada, and will undertake the drilling program if its joint venture partner elects not to participate.
- Subject to shareholder approvals for the placement, Whitebark will then drill two wells by the end of 2019, at 100% working interest if required, following the execution of a share subscription agreement with Grand Gulf Energy Limited (ASX: GGE) for a \$1.95m strategic placement at 0.5 cents per share.

Whitebark Energy Ltd (ASX: WBE) is pleased to advise it has commenced the next phase of the Wizard Lake development following the success of the Rex-1 well in January 2019. The 2019 Wizard Lake development program will encompass the construction of a pipeline and installation of initial production facilities on a multi-well pad in the next 1 to 2 months and the drilling of two new Wizard Lake wells this calendar year.

Construction will shortly commence on the multi-well pad and associated facilities, followed by the pipeline on receipt of final licence. This will enable the Wizard Lake Rex-1 well to be brought into commercial production in April, subject to weather conditions during spring break up. The modular production and processing facility will be located 1.6 km NW from the Rex- 1 well. It will have the capacity to service additional Rex wells as they are brought into production. All necessary landholder approvals have been received, clearing the way for the three week construction program once the weather enables access.

The total gross cost for the pipeline, treatment facility and multi well pad is estimated to be A\$630,000.

In its Wizard Lake reserves update announced to the ASX on 15 March 2018, Whitebark indicated the likelihood of 12-17 gross well locations in the oil pool. The Company is finalising development plans for the next two wells in the pool, Rex-2 and Rex-3 with drilling of Rex-2 targeted for mid-2019. Rex-2 is situated to the north of Rex-1 and on the same location as the new Rex facilities (see Figures 1 and 2) with the cost to drill and complete estimated to be approximately C\$2.8m.

To provide additional funding for the drilling of the new wells, a Subscription Agreement has been executed with Grand Gulf Energy Limited (ASX: GGE) for 390 million shares at \$0.005 to raise a total of a \$1.95m to be distributed to GGE shareholders through an in specie distribution. Revenue from Wizard Lake production (Rex wells) and Whitebark's existing cash reserves will also be dedicated to these developments.

Whitebark Energy Managing Director David Messina said Whitebark has a clear strategy for driving production growth and is committed to developing the Wizard oil pool as rapidly as possible.

"Grand Gulf Energy shares our enthusiasm for our oil development opportunities in Alberta, and I would like to welcome Grand Gulf shareholders as new investors in Whitebark," he said.

"As a result of the Grand Gulf investment, Whitebark now has the necessary funding in place to ensure it can proceed quickly with drilling the next Rex wells and lead the development program."

"This represents a major turning point for Whitebark. We are fully funded to drill at least the next two wells in the Wizard Lake oil pool, where 12 to 17 likely well locations have been identified by the recent reserves update. A successful Rex-2 outcome should put the Company in a strong position to internally fund the development of the remaining well locations from an increasing inventory of producing wells."

The Share Subscription Agreement and the obligations of the Parties under the Agreement are subject to and conditional upon:

- Whitebark Energy Limited Shareholder approval of the share placement; and
- Grand Gulf Energy Limited shareholder approval to the pro-rata in-specie distribution of the placement shares to GGE shareholders.

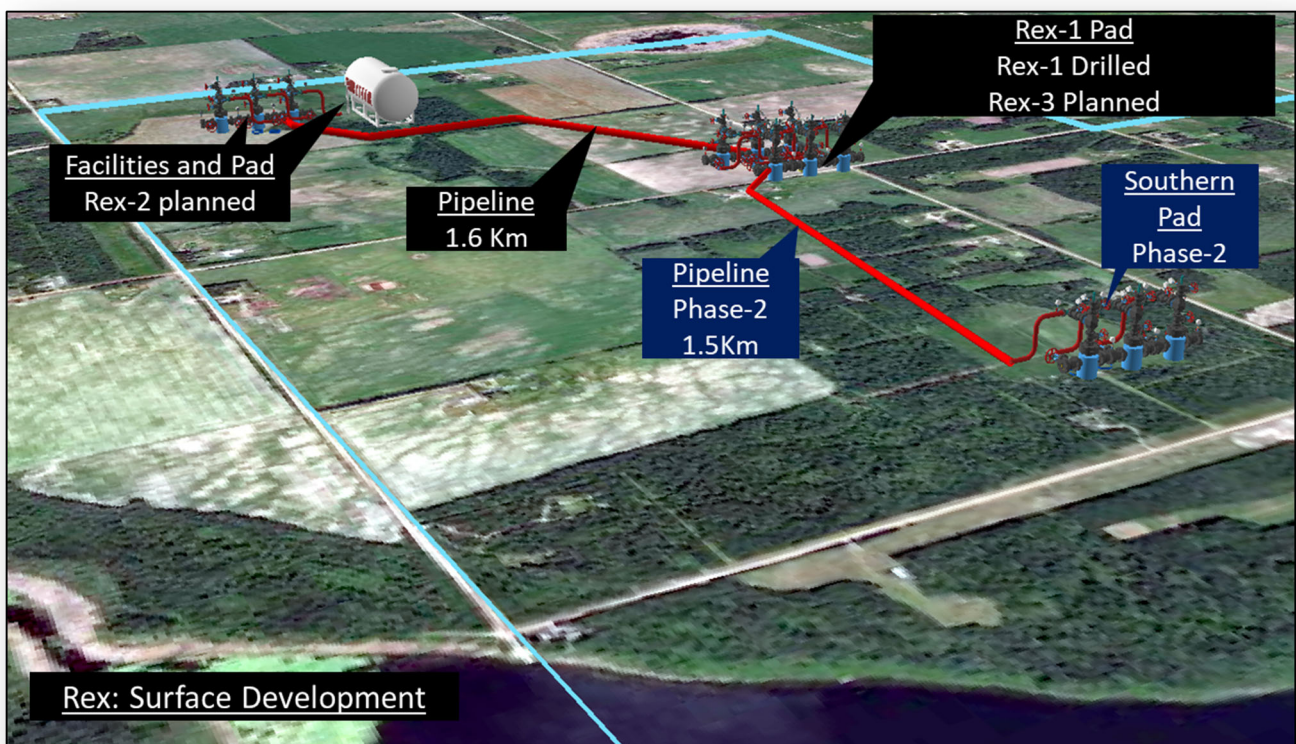


Figure 1 - Wizard Lake Surface Development Plan

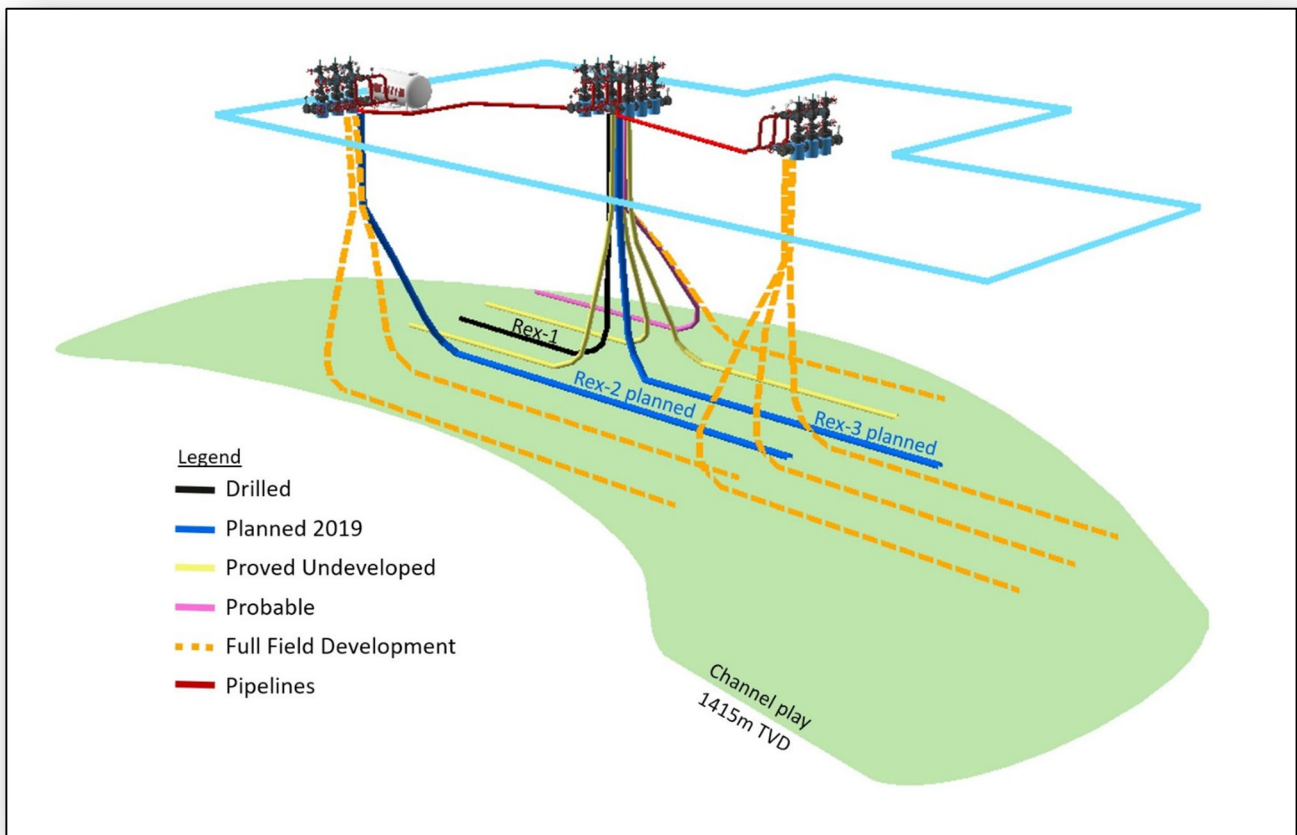


Figure 2 - Wizard Lake Rex-2 and Rex-3 Drill Plan

Background

The Wizard Lake Rex well was spud on the 24 November 2018 and, following a 27stage fracture stimulation program, the well commenced cleanup flows on December 24th.

Initial flow testing of the Wizard Lake Rex horizontal oil well recorded production rates of more than 300 barrels of oil per day prior to the completion of testing. Following reconciliation of the hydrocarbons produced from the January 2019 flow test of its Wizard Lake Rex well, the total oil produced from the 16-day flow test has been increased from 1833 barrels of oil to 2845 barrels – a 55% increase. This increase in total testing volumes would very likely mean that daily production, when the well is brought on line, will be higher than initially forecast.

On the 15th March 2019 the company announced net reserves as at 31 December 2018 for the Wizard Lake Oil Pool in Canada (incorporating the Rex Discovery well) have been assessed by McDaniels and Associates as:

- 1P (proved) reserves of 132,000 bbls
- 2P (proved plus probable) reserves 225,000 bbls
- Further revisions will be undertaken once the well has been placed on permanent production



Figure 3 - Wizard Lake Rex Well Site

For further information:

David Messina
Managing Director
Ph: +61 8 6555 6000
E: david.messina@whitebarkenergy.com

Cameron Morse
FTI Consulting
Ph: +61 8 9485 8888
M: 0433 886 871

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reserve estimates that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the original announcement.