

Wizard Lake Rex Oil Discovery

21 January 2019

***Wizard Lake Rex well test confirms commercial oil field with oil rate of
305 bpd and increasing at the end of the test***

Highlights

- The Wizard Lake Rex horizontal oil well test is now complete and successfully established the oil production capability of the reservoir.
- Final pumping rate over last 24 hours of the test period was 305 barrels per day (bpd) oil (17 API) and increasing (Figure 1), and 0.17mmcf/d of associated gas, in total 340 boe/d.
- WBE has a 30% WI in the well and lands associated with the discovery.
- WBE's share of oil production at this rate would increase total oil production by over 200%.
- The PLJV control 3,385 acres in the area which will enable 10-14 followup wells to be drilled into the field.
- Plans are underway to tie-in the well and install production facilities while conserving solution gas. Subject to regulatory approvals, the well is anticipated to be placed on production in the second quarter of 2019.

Whitebark Energy (ASX : WBE) stands to increase its oil production by more than 200%, after flow testing of the Wizard Lake Rex horizontal oil well recorded production rates of 305 barrels of oil per day prior to the completion of testing, establishing the production capability of the reservoir. Oil cuts were trending upward through the stabilized flow period and indicate potential for further increases with full time production.

While rates were continually increasing when the flow test ended, the Point Loma Joint Venture (PLJV) determined the field was commercial and ongoing testing costs could be better directed to bringing the field into long term, lower cost production.

Whitebark Energy Managing Director, David Messina said: "The oil discovery by the Wizard well is an excellent result and Whitebark is very pleased with the oil flow rates from the first well. This is just the sort of success WBE has been targeting and we look forward to pushing ahead with further appraisal work and production operations during the first half of 2019."

"The flow test results are very similar to those seen by other operators in the same reservoir during clean up flows of oil bearing reservoirs, which provides confidence about future wells in the pool."

"The PLJV will now bring the well onto production and determine the best approach to develop this new discovery."

As highlighted below the performance of the well over the past week has steadily improved and, except for a brief period when rates were curtailed due to restrictions moving oil and water off the well site, oil rates have increased while the basic sediment and water (BSW) and gas production rates have declined.

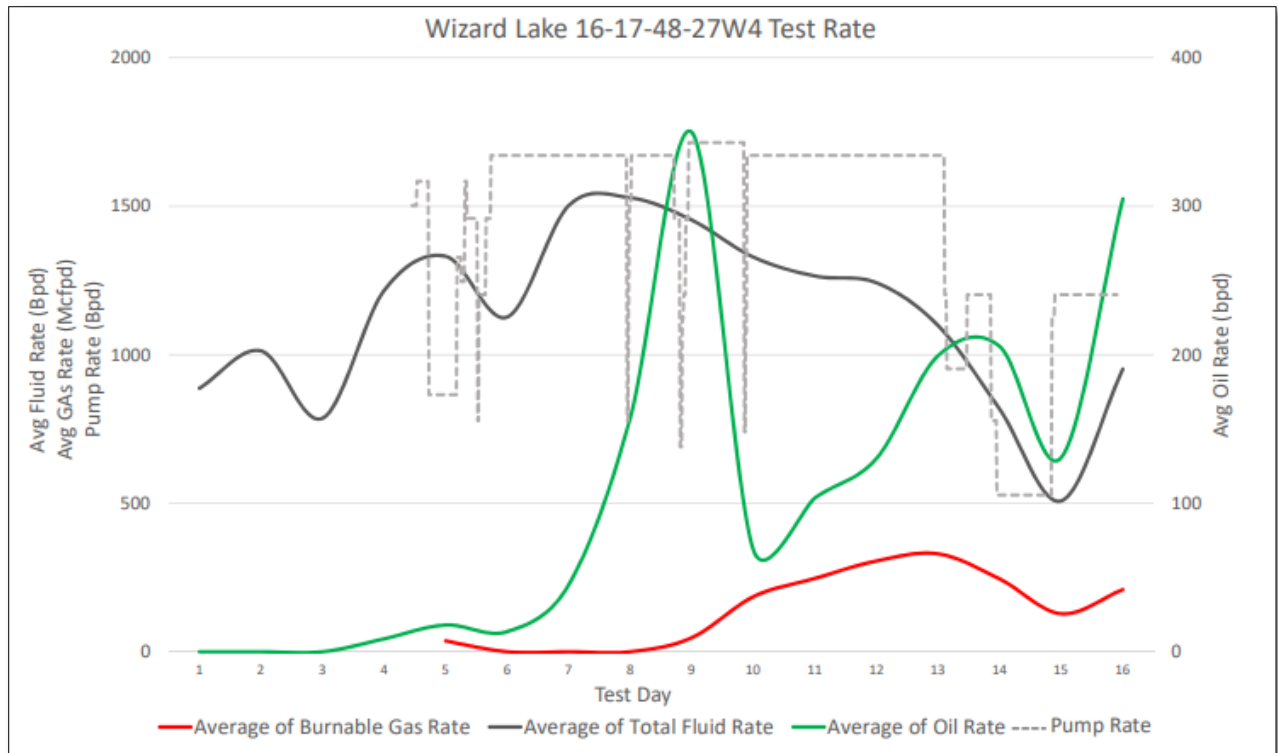


Figure 1 – Wizard Lake Rex Test Rate

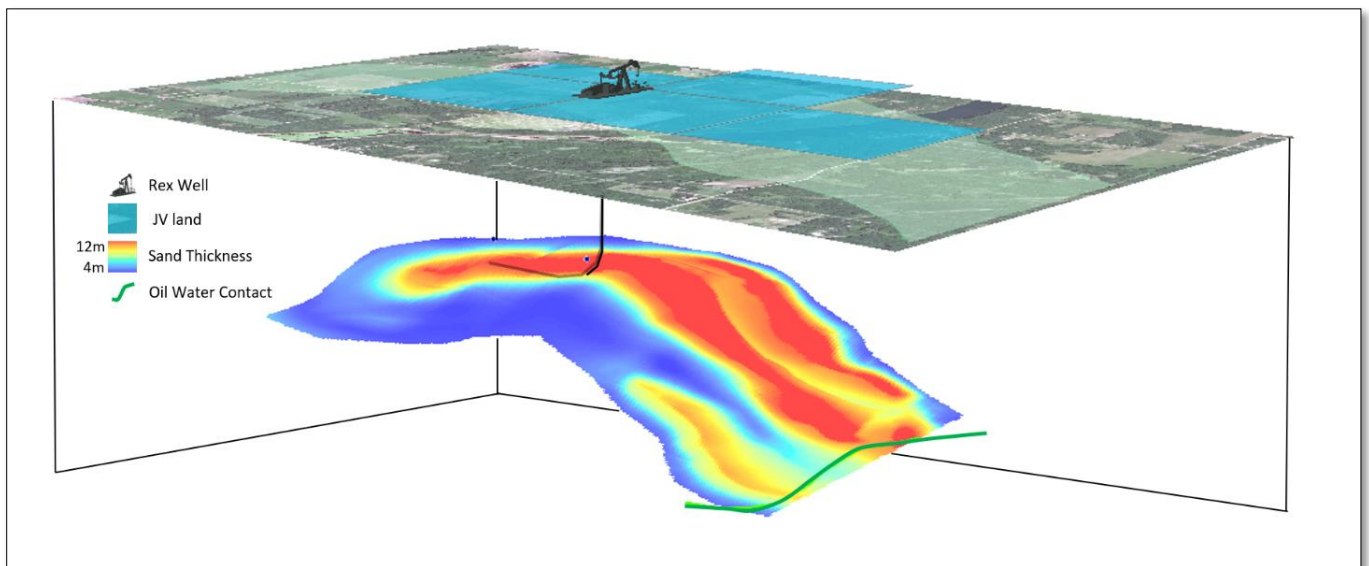


Figure 2 - 3D Schematic of Rex Oil Field

Test Results

The test commenced December 24, 2018 and was produced with a submersible pump to temporary production testing facilities. The test was interrupted December 30, 2018 to January 4, 2019 due to downhole pumping issues. From January 4 until January 15, 2019 the well was pumped continuously with pumping rates varying at times as illustrated in Figure 1 above. Oil cuts were trending upward through the stabilized flow period and indicate potential for further increases with full time production. The well displayed excellent inflow with total fluid rates averaging over 1120 bpd during the testing period.

Development Plans

Next steps to develop the Rex oil pool will be to tie-in the solution gas to a nearby gas processing facility and install a battery. With the lands recently acquired by the PLJV there is the potential for 10-14 additional drilling opportunities. The PLJV plans to drill additional development wells to further delineate the pool in 2019.

A third party reserve auditor has been engaged to provide estimates of the reserves of the Wizard well and the pool that it has discovered. This is expected to take approximately six weeks.

Rex Well Testing Summary

Well Location	Wizard Lake: 100/16-17-048-27W4
WBE Working Interest	30%
Net Pay Thickness	Not applicable - horizontal well
Geological Rock Type and Formation Drilled	Lower Manville Rex Sands
Drilling Depth	1415mTVD with 1237m horizontal section
Type and Duration of Test	Produced with a submersible pump. Test duration approx. 18 days
Hydrocarbons Recovered	1833 bbls Oil and 2mmcf Gas
Water/Load fluid recovered	18,680 bbls
Choke Size	Not applicable, well under pump
Fracture Stimulations	27 stages averaging 26t proppant / stage
Material non hydrocarbon Gases	Not material

Background

The Wizard Lake Rex well was spud on the 24 November 2018 and drilling finished on the 2 December 2018 (nine days inclusive). The well intersected a continuous reservoir section from the casing shoe with predominately good quality reservoir accompanied by excellent oil shows (fluorescence and cut) and elevated gas readings. Following a 27 stage fracture stimulation program, the well commenced cleanup flows on December 24th.

The Rex target at Wizard Lake is the first horizontal well to be drilled in what could be a multi-well program analogous to the offsetting Leduc area Rex. Recent activity in the area has resulted in highly

commercial wells (250-300 boepd, 80% oil, 16-17 API, EUR 2P~250kboe). The target zone in the PLJV lands has similar porosity but is thicker than at the Leduc area. (Refer ASX release 13 November 2018).

The Rex prospect has the potential for 10-14 follow up development wells.



Figure 3 - Wizard Lake Rex Well Site

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About Whitebark Energy

Whitebark Energy Limited (ASX: WBE) is a Perth-based company with production and exploration assets in Canada and Australia.

Canada

Whitebark holds between 20% and 30% working interest (varies by license) in the Point Loma Joint Venture (PLJV) in the province of Alberta with TSXV-listed Point Loma Resources Limited.

The PLJV is a well-established producer, with existing oil and gas processing facilities and pipelines into markets. Whitebark's aim for the PLJV is for a significant increase in production through acquisitions, the workover and tie-in of behind-pipe reserves and horizontal development drilling.



Western Australia



In Western Australia, the Company holds a 100% interest, through wholly owned subsidiary Latent Petroleum, in the 4.4-11.6tcf (refer ASX release dated 19 November 2015) undeveloped Warro Gas Project, about 200km north of Perth.

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 contingent resource estimates that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.