

\$40 billion LNG Export Project given go ahead in Western Canada

3 October 2018

Will rerate value of Whitebark's reserves

- Announcement of biggest ever infrastructure project in Canada to open up export route to Asia.
- C\$40 billion to be invested by LNG Canada – a consortium of Shell, Petronas, Kogas, Petrochina and Mitsubishi – in an LNG terminal at Kitimat on the west coast of Canada.
- 13 million tonnes per annum (approx. 1.7 bcf/d) start-up capacity with option to expand to 28 mtpa (3.4 bcf/d).
- 670 kilometre Coastal Gaslink Pipeline (TransCanada) will have the capacity to supply 2.1 bcf/d gas, with potential expansion to 5 bcf/d.
- Introduces attractive alternate pricing mechanisms for Western Canadian gas, which would positively impact local producers including Whitebark.
- Whitebark Energy assets are interconnected to major pipelines that will access the new pipeline and facilities to the West.

Whitebark Energy Ltd (ASX: WBE) welcomes the decision by LNG Canada to build a C\$40 billion export LNG terminal which will open up Canada to gas export opportunities, stimulate new demand for gas supply and shift domestic gas pricing towards international parity.

Operator Shell, announced overnight, that the LNG Canada facility at Kitimat, British Columbia, will initially liquefy and export 13 million tonnes per annum (the equivalent of 3.5% of global LNG supply in 2017), potentially expanding to 28mtpa.

Whitebark Energy's fields are approximately 600 kilometres to the east of the new pipeline to Kitimat, and will be connected to the export facility by a series of interconnected pipelines.

Whitebark Energy Managing Director David Messina said although most of the initial gas was likely to be supplied by the LNG Canada partners (Shell, Petronas, PetroChina, Mitsubishi Corporation and KOGAS), the construction of the new facility would reduce supply into Whitebark Energy's traditional markets resulting in stronger gas prices in the domestic market.

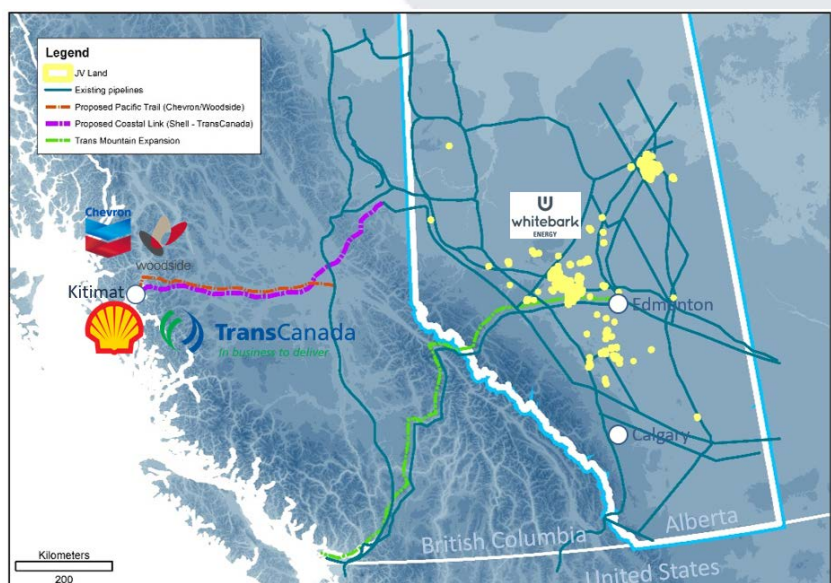


Figure 1 – WBE Canadian assets and associated major pipeline infrastructure

“Of particular near term importance to Whitebark, the construction of LNG Canada’s Kitimat terminal introduces attractive alternate pricing mechanisms for Western Canadian gas, which is likely to lead to export parity, with associated re-rating of asset values, similar to what has been seen with LNG in Queensland” he said.

“Whitebark has been securing reserves, production, development and exploration assets while prices have been depressed and any increase in the gas price will have a positive impact on Whitebark’s assets.”

“Our existing production and the emerging Duvernay shale play is an obvious beneficiary as other companies step-up their exploration and development activity to increase reserves.”

Project Background

(Extract from LNG Canada website)

LNG Canada is a joint venture company comprised of five global energy companies with substantial experience in liquefied natural gas (LNG) – Shell, PETRONAS, PetroChina, Mitsubishi Corporation and KOGAS. Together they will build and operate an LNG export terminal in Kitimat, British Columbia. LNG Canada is proposing to export surplus Canadian natural gas to Asian markets, and in the process, create a world-class liquefied natural gas (LNG) industry in British Columbia, Canada. Natural gas is recognized as affordable and the cleanest burning fossil fuel, as well as safe to store and transport.



Figure 2 - Project Site SW View - Source: LNG Canada



Figure 3 - Project Site Aerial View - Source: LNG Canada

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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.

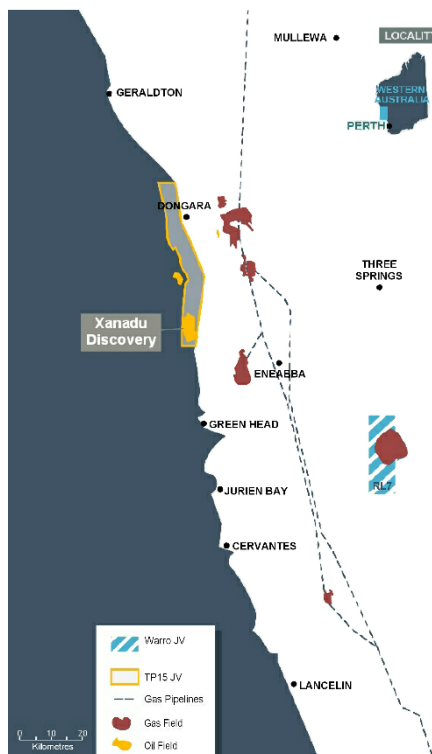
Canada

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 funded 20% of the Xanadu-1 exploration well in the Perth Basin to earn 15% of the Xanadu prospect and permit TP/15. On 25 September 2017, the Operator announced Xanadu-1 as an Oil Discovery.

Through wholly owned subsidiary Latent Petroleum, Whitebark holds a 100% interest 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.