

Wizard Lake Facilities Completed Field Production Commences

23 December 2019

Production commences on all wells at the Wizard Lake Oil Field

- The new facilities and pipelines have been completed and commissioned.
 - Oil and gas have commenced flowing through the new facilities from Rex- 1 and 2.
 - Rex-3 cleanup operations continue through the satellite test facility on site.
 - Gas is now being shipped along the new pipeline and processed at nearby facilities before entering the ATCO pipeline for sale.
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Whitebark Energy Ltd (ASX : WBE) is pleased to advise the completion of the expanded processing facilities as part of the of the Wizard Lake Oilfield development.

Works commenced on 6 November 2019 and were completed on 20 December. Plant commissioning was carried out using Rex-2 production with Rex-1 added over the weekend. Rex-3 is continuing to cleanup through a satellite facility at the well location and will be switched to the main facilities as soon as cleanup operations have been completed.

The wells will continue to clean up over the next few weeks and the company will be updating the market on flow rates as this occurs.



Figure 1 - New Surface Facilities and Storage at Wizard Lake

The upgrade in the capacity of processing facilities was precipitated by the excellent production results from Rex-2 which yielded oil and gas at much higher rates than expected during production testing in September 2019. These results have now been superseded by Rex-3, which averaged 1,278 boepd including 1,084 bopd of oil in the final six hours of a continuous 18 hour period (ASX Release 16 December 2019).

The expanded facilities will be capable of handling 5,000 barrels of fluid a day along with 5mmcf of gas. Oil will continue to be trucked to market while gas will be sent through the recently completed gas pipeline to the nearby Petrus operated gas processing facility and then on to market.



Figure 2 - Facility Connections

David Messina Managing Director said

“Under trying conditions the team have managed to complete the facility and pipeline work on schedule and we are now able to monetise the extremely successful wells we have drilled at our Wizard Lake oilfield. Our objective was to have all wells producing by the end of 2019 and we have now achieved that which is a very rewarding finish to a busy year.”

End

*This ASX announcement was approved and authorised for release by
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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.

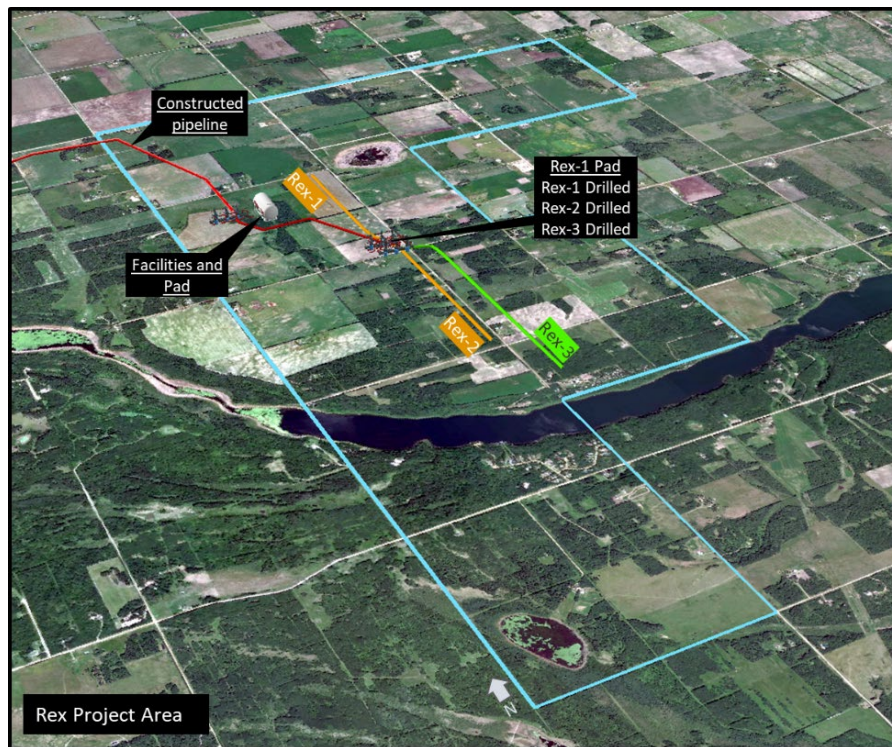


Figure 3 - Wizard Lake Development

Background

- Rex-3 is the third horizontal well to be drilled in the multi-well development of the Wizard Lake Oilfield.
- Rex-3 was drilled to 3,673mMD in eight days with a horizontal section of 2,098m, 298m longer than planned and encountered excellent quality reservoir.¹
- Rex-3 averaged 1,278 boepd including 1,084 bopd of oil in the final 6 hours of a continuous 18 hour period.²
- The Wizard Lake Oilfield was identified using geological information obtained from wells drilled mainly in the 1950's.
- It has the potential to contain 24+ wells targeting 11mmboe³.
- The horizontal discovery well, Rex-1, was spud on 24 November 2018⁴ and initial flow testing of recorded rates of more than 300 bopd from only 500m of the horizontal section due to an obstruction which was recently removed.
- Initial production facilities and an infield pipeline were completed in early June 2019 and Rex-1 began producing on 5 June 2019⁵.
- Rex-2 was drilled and fraced in August and tested in September 2019, with a peak production rate of 865 boed (540bbls of oil and 2 mmcf of gas) before the well had to be constrained due to unexpected high gas production.⁶
- An upgrade to production facilities was commenced in November 2019 and comprises a 3km gas pipeline to connect to local gas networks and an upgrade of the modular processing facilities to ensure high gas and oil production rates can be managed.⁷

1 ASX Release 26 November 2019

2 ASX Release 16 December 2019

3 ASX Release 22 August & 1 October 2019

4 ASX Release 26 November 2018

5 ASX Release 5 June 2019

6 ASX Release 6 September 2019

7 ASX Releases 4 & 6 November 2019