

## Whitebark's Rex-3 Initial Cleanup Flow Rate Exceeds Rex-1 & 2

16 December 2019

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***At end of two days of testing Rex-3 average flows 1,278 boepd: oil rate 1,084 bopd***

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Highlights:

- Pump assisted cleanup flows of Rex-3 commenced on 12 December.
  - First measured oil was recorded at surface after 30.5 hours compared with 42 hours at Rex-2.
  - At the end 18 hours of continuous flow, average rates at Rex-3 were 1,084 bopd with 1.16 mmcf/d or 1,278 boepd. Comparable pumped rates for Rex-2 for the same period were 45 bopd with 0.3 mmcf/d (Figure 1).
  - Water cut at Rex-3 was 52% with approximately 12 % of the frac fluid volume recovered.
  - Rex-3 was shut in after 18 hours to recover the downhole pump in order to redirect flow up the production tubing.
  - Rex-3 has clearly demonstrated commercial flow rates.
- As expected, the extra length of the horizontal section at Rex-3 has led to higher oil production rates and likely larger reserve bookings per well than at Rex-1 and Rex 2.
- The tie-in of Rex-3 increases Whitebark's working interest in the field to 50%.
- Rex-1, 2 and 3 will be flowed through the recently upgraded production facilities once commissioning work is completed within a few days.
- The Rex field has the potential for ~20 follow up development wells.
- Further drilling is planned for H1 2020.

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Whitebark Energy (ASX : WBE) is pleased to announce that initial pump assisted flow rates from Rex-3 were substantially greater than those seen in previous wells. Rex-3 averaged 1,278 boepd including 1,084 bopd of oil in the final 6 hours of a continuous 18 hour period which ended when the well was shut in to recover the down hole pump to allow the well to free flow up the production tubing. The oil and gas flows were accompanied by frac fluids which for the same period averaged ~1,186 bpd. The oil cut at the end of the flow period was approximately 48%. To date, 12% of the frac fluids used to stimulate the well have been recovered.

Like Rex-2, due to its the natural reservoir energy, Rex-3 will be allowed to continue to flow naturally while well cleanup continues.

Whitebark Energy Managing Director, David Messina said: "We are ecstatic about the Rex-3 results which have confirmed the very high flow capacity of the reservoir and reinforced the value of using long reach horizontal wells with multiple fracs. With three wells ready to flow and the production facilities almost ready to receive and process the oil and gas we are ending 2019 on a very high note."



Figure 1 –Comparison of Rex-3 and Rex -2 initial test results

### Rex 3 Well Testing Summary

<b>WBE Working Interest</b>	<b>40% earning 50%</b>
<b>Net Pay</b>	Not applicable - horizontal well
<b>Geological Rock Type and Unit</b>	Lower Mannville Rex Sands
<b>Drilling Depth</b>	1415mTVD with 2098m horizontal section
<b>Duration of Test</b>	48 hours
<b>Hydrocarbons recovered to date</b>	655 bbls oil and 712 mcf gas
<b>Choke Size</b>	15.88mm
<b>Fracture Stimulation</b>	46 stages averaging 30 tonne proppant per stage
<b>Material Non Hydrocarbon Gases</b>	Not Material

Conversion of gas to BOE is done on the basis of 6mcf = 1 BOE.

**End**

*This ASX announcement was approved and authorised for release by  
David Messina, Managing Director Whitebark Energy*

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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.*

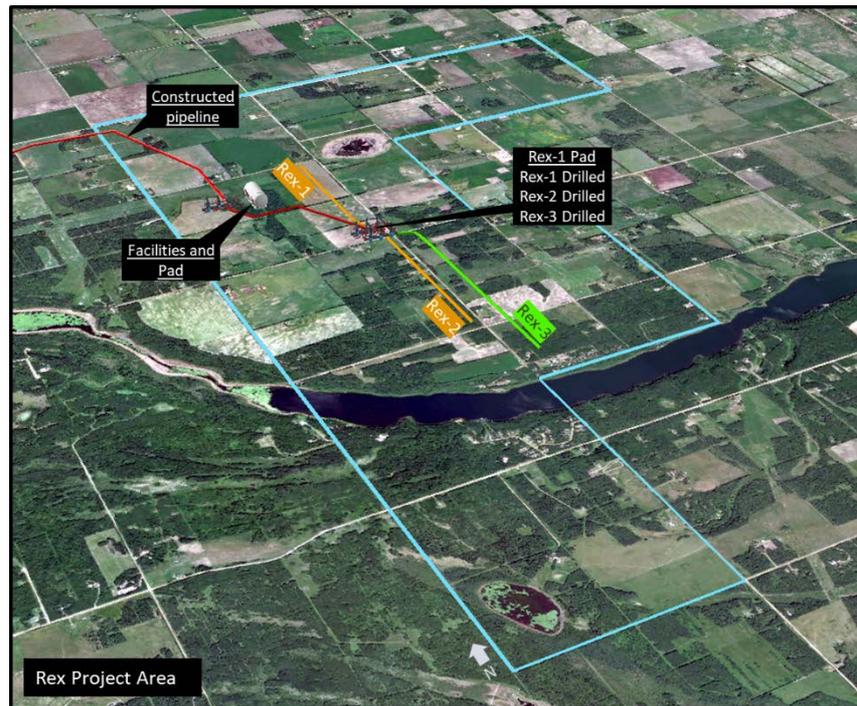


Figure 1 - Wizard Lake Development

## 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 from the same pad as Rex-1 and Rex-2 and follows a drill path parallel to and ~300m to the east of Rex-2.
- Rex-3 was drilled to 3,673mMD in eight days with a horizontal section of 2,098m, 298 longer than planned and encountered excellent quality reservoir.<sup>1</sup>
- 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 11mmboe<sup>2</sup>.
- The horizontal discovery well, Rex-1, was spud on 24 November 2018<sup>3</sup>.
- Initial flow testing of Rex-1 recorded rates of more than 300 bopd. Total oil produced from the 16-day flow test was subsequently revised to 2845 barrels – a 55% increase on initial oil volume estimates<sup>4</sup>.
- Initial production facilities and an infield pipeline were completed in early June 2019 and Rex-1 began producing on 5 June 2019<sup>5</sup>.
- 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.<sup>6</sup>
- 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.<sup>7</sup>
- Whitebark's working interest in the Wizard Lake oil development is now at 40% and will increase to 50% following the drilling and completion of Rex 3.<sup>8</sup>

1 ASX Release 26 November 2019

2 ASX Release 22 August & 1 October 2019

3 ASX Release 26 November 2018

4 ASX Release 20 February 2019

5 ASX Release 5 June 2019

6 ASX Release 6 September 2019

7 ASX Releases 4 & 6 November 2019

8 ASX Release 30 May 2019