

Whitebark's Rex-3 Cleanup and Production Test Commences

13 December 2019

Rex-3 has started cleanup flows – Plant upgrade on track

Highlights:

- After a short delay well flow back operations commenced on Thursday morning 12th December
- Preliminary indications show well flow back rates ahead of Rex-2 with casing pressure already increasing
- After 22 hours, 189 m³ of the 3900m³ (~5%) of injected frac fluids had been recovered
- Traces of oil have already been recorded

Whitebark Energy (ASX : WBE) is pleased to announce that cleanup flows at Rex-3 have commenced. As with previous wells a significant amount of the fracking fluid needs to be recovered before material levels of oil and gas from the reservoir reach the surface. However, as highlighted, traces of oil have already been recorded at surface and most encouragingly casing pressure started to increase after 13 hours which did not occur in Rex 2 until 43 hours after the commencement of flow back.

Whitebark Energy Managing Director, David Messina said: “We have had a very encouraging start to the testing program and are very excited about what we expect to see in the days to follow.”

“In addition, the plant upgrade work is progressing well with all equipment now on site and the final connection work underway. “



Figure 1 - Facilities Upgrade Progress

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.

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.¹
- 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 11mmboe².
- The horizontal discovery well, Rex-1, was spud on 24 November 2018³.
- 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 estimates⁴.
- 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
- 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 3.⁸

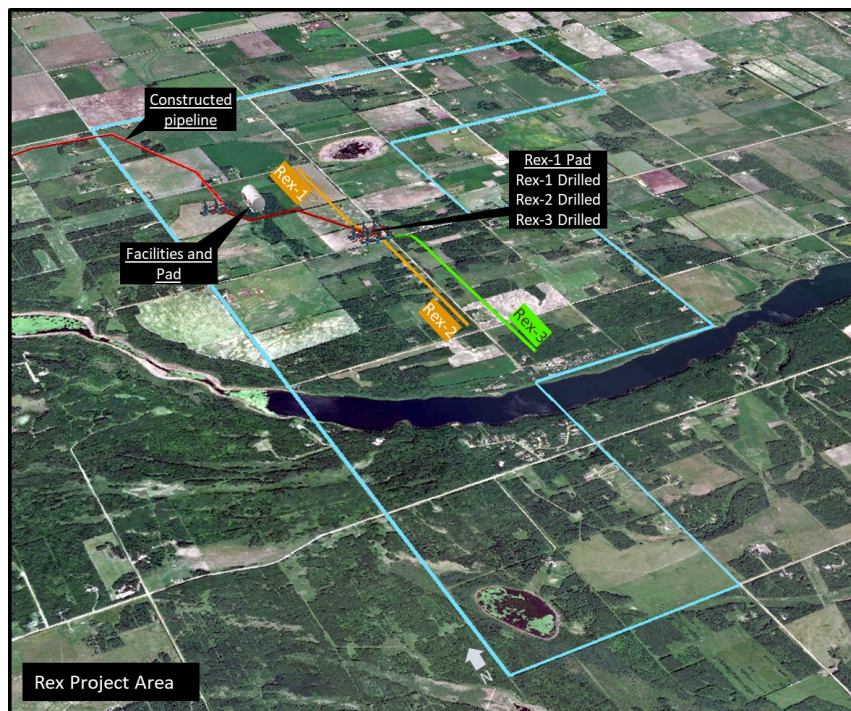


Figure 2 - Wizard Lake Development

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