

Wizard Lake Rex-3 Drilling Progress Update

21 November 2019

Rex-3 vertical section completed, horizontal leg to commence following casing

- The Precision Drilling Rig 186 commenced drilling on 17 November 2019 following installation of the top-hole and well conductor.
- As at 6am WST the well had drilled to 1,575mMD (1,412mRT) in a hole building from vertical to an inclination of 89 degrees and is preparing to run 178mm (7") casing in preparation for drilling the horizontal leg in the Rex reservoir section.
- At 1525m a gas spike to 1100 units was noted, with samples demonstrating increased porosity and oil staining.
- The total measured length of the well is expected to be 3,521m and includes a planned horizontal leg through the Rex reservoir of approximately 1,800m, ~600m longer than Rex-1 and ~300m longer than Rex-2.

Whitebark Energy Ltd (ASX : WBE) is pleased to provide a progress update on the drilling of the Wizard Lake development oil well, Rex-3.

The Precision Drilling Rig 186 arrived on site on 16 November and commenced drilling the next day. The pre-horizontal portion of the well is now completed and 178mm (7") casing is currently being run.

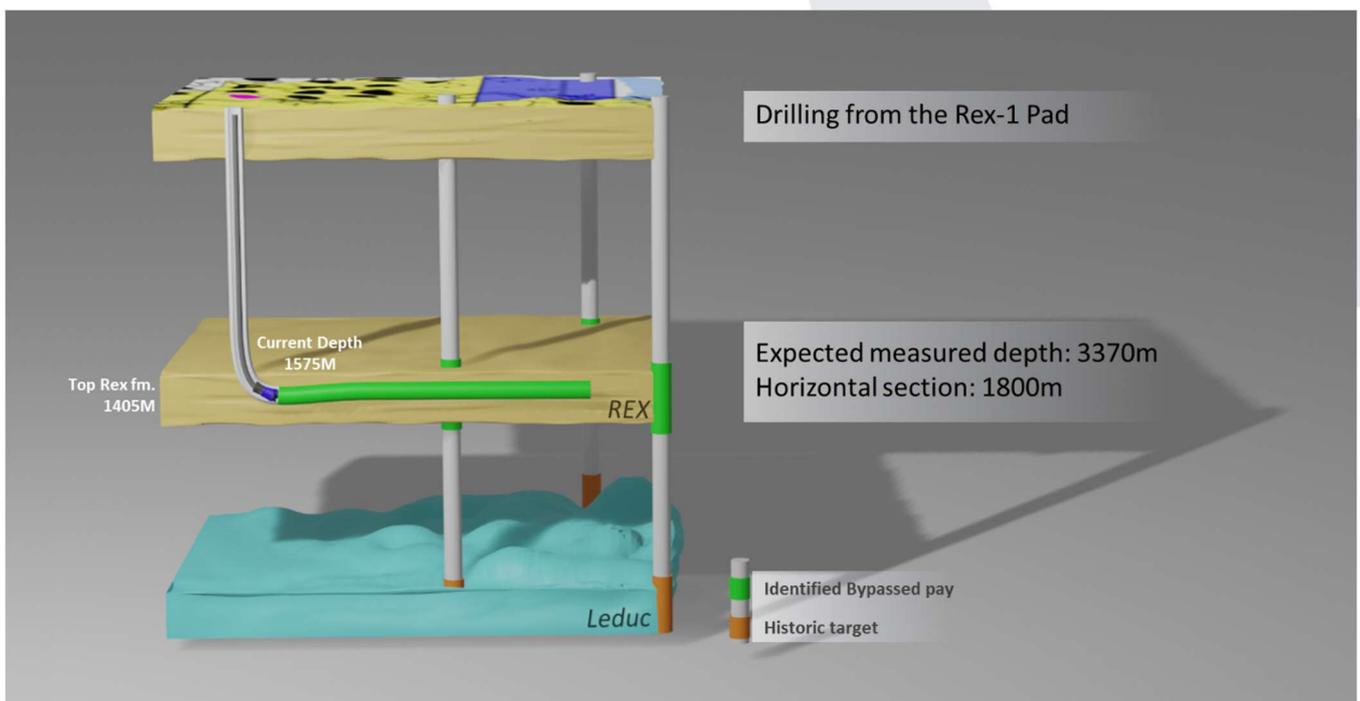


Figure 1 - Current depth of Rex-3

The well penetrated the overlying Sparky Coals at 1,398m TVD, and the top of the Rex Sand Unit at 1,403m TVD as predicted within 2 metres of prognosis. At 1525m, a gas spike to 1100 units was noted, with samples demonstrating increased porosity and oil staining. Samples stayed consistent to ICP, containing predominantly unconsolidated upper fine to upper medium sized grains, mottled light brown to tan oil staining, and even yellow fluorescence and pale yellow cut fluorescence.

Rex-3 will drill ahead in a 159mm (6.25") hole through the Rex sands between ~1,405 – 1,430mTVD for a distance of ~ 1,800m. This horizontal length is ~600m longer than Rex-1 and ~300m longer than Rex-2.

Drilling operations are expected to be finished early next week.



Figure 2- Rex-3 Drilling

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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.

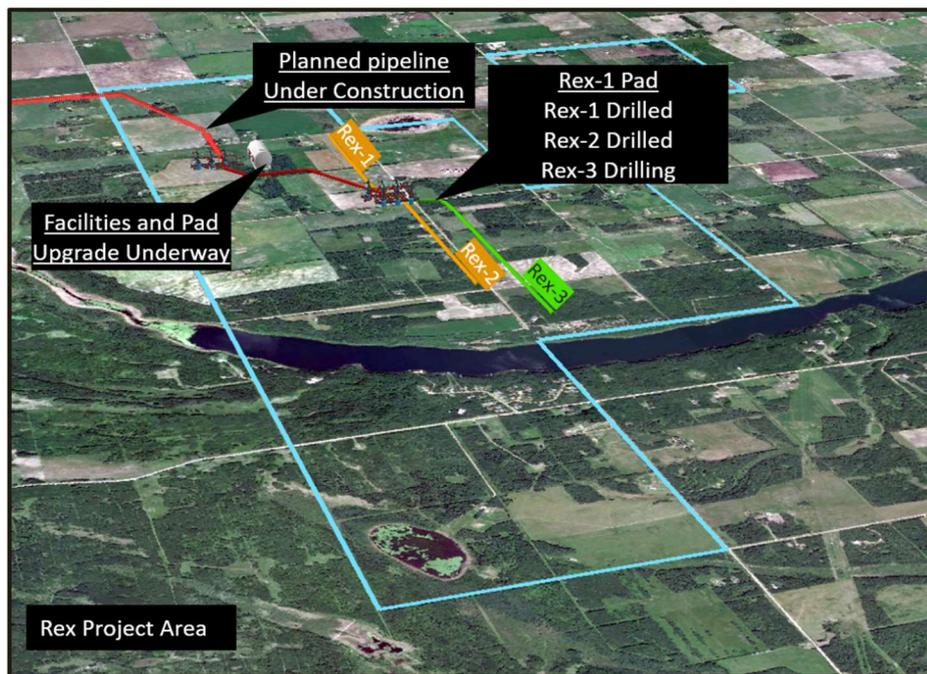


Figure 3 - Wizard Lake Development

Background

- Rex-3 is the third horizontal well to be drilled in the multi-well development program for the Wizard Lake Oilfield. Rex-3 is being drilled from the same pad as Rex-1 and Rex-2, and will follow a drill path parallel to and ~300m to the east of Rex-2.
- The conventional Wizard Lake oil field was identified using well control and seismic together with geology.
- It has the potential to contain 24+ wells targeting 11mboe¹.
- The development program commenced with the spudding of the horizontal Rex-1 well on 24 November 2018².
- Initial flow testing of the Rex-1 well recorded rates of more than 300 barrels of oil per day. Total oil produced from the 16-day flow test was 2845 barrels – a 55% increase on initial estimates³.
- Production facilities and a pipeline were completed in early June 2019 and Rex-1 began producing on 5 June 2019⁴.
- Rex-2 was drilled and fraced in August and tested in September 2019, with peak production rate of 865 boe/d (540bbls of oil and 2 mmcf of gas) before the well had to be constrained due to unexpected high gas production.⁵
- A 3km pipeline is under construction to connect to local gas networks to well Wizard gas and an upgrade of the modular facilities to ensure high gas and oil production rates can be managed.⁶
- 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 3⁷
- The initial independent reserves assessment following the discovery at Rex-1 indicated the likelihood of 12 to 17 follow-up well locations.⁸ Whitebark has secured additional land at Wizard Lake that has increased this to a minimum of 20 well locations.

¹ ASX Release 22 August & 1 October 2019

² ASX Release 26 November 2019

³ ASX Release 20 February 2019

⁴ ASX Release 5 June 2019

⁵ ASX Release 6 September 2019

⁶ ASX Releases 4 & 6 November 2019

⁷ ASX Release 30 May 2019

⁸ Refer to ASX Release 15 March 2019