

Production Update

22 July 2020

Rex 3 Up and Running with new pump

Highlights

- After free flowing for six months, a new bottom hole pump has been installed in Rex-3
- Rex-3 remains very lively with gas kicks and load fluid still being produced as the well is optimised
- All three Rex wells now have hydraulic pumping units and bottom hole pumps installed
- Conservative approach has been implemented resulting in current field production of 275-300 bbls/d oil and 1.1-1.3 mcf/d gas equating to approximately 460-520 boepd
- Production rates are expected to increase as well optimisation continues

Whitebark Energy Ltd (ASX: WBE) (“Whitebark” or “the Company”) is pleased to announce the new bottom hole pump and rods has been successfully installed in Rex-3. The insert rod pump was installed to reinvigorate the well and assist the recovery of the oil and gas from the reservoir. It is currently cycling at approximately 4 strokes per minute as the well productivity is optimised.

Rex-3 remains very active with gas kicks occurring as the well is optimised for best pumping performance. This level of well activity demonstrates that it remains very prolific.

The new pump is a top hold down variety which assists with sand management and includes both downhole sand and gas separation capabilities. The pump was originally placed at approx. 1476m TVD but has been subsequently raised to 1192mKB to optimise its gas handling capacity.

Over the next three months, the new pump will be run at varying speeds and configurations to determine the most efficient means to produce the well. Experience from the first two wells has indicated that each well has unique characteristics which will influence how each is finally optimised.

The Company recently conducted Rex-3 testing to determine the inflow performance relationship (IPR) curve, which confirmed that fluid recovery should continue to materially increase as the pumping performance is optimised and greater reservoir drawdown is achieved. Whitebark looks forward to updating the market in the near future in regard to the optimisation of the field and resultant increase in production.

All three wells are now being pumped up 88.9 mm tubing using insert rod pump designs. In order to maximise pumping flexibility and optimisation versatility, natural gas-powered hydraulic lifting units are being utilised at surface to pump the wells.

“We are pleased to have Rex-3 back on-line and pumping oil to our facilities. It will take some time before we optimise the well under pump and, from our experience from the other wells, it is best to take a conservative approach. We are however looking forward to maintaining a steady income stream from the field over the coming months.”, David Messina, Managing Director.

End

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

For further information:

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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.