



Rex-4 Development Well Proceeds to Completion

5 October 2022

Highlights

- **Following successful completion of the Company's capital raising, Whitebark has now engaged a STEP Energy Services stimulation crew to conduct hydraulic fracture stimulation activities at the Rex-4 well, Wizard Lake Oil and Gas Field in Alberta, and expects the completion program to commence on or around 17 October 2022**
- **Costs are expected to be within approved budget and the operation to be completed on planned schedule**
- **Completion of program expected by 18 October 2022, with initial, "clean-up" flow production from the well to commence shortly thereafter**
- **Whitebark expects initial post-clean up production of 300 bopd and 1,400 mscfg/d in Q2 FY23**

Whitebark Energy Limited (ASX:WBE) ("**Whitebark**" or the "**Company**") is pleased to announce that it has engaged a STEP Energy Services stimulation crew to conduct completion work at the Rex-4 development well at Wizard Lake Field, in Alberta, Canada.

Whitebark obtained full permitting from the Alberta Energy Regulator for the Rex-4 and Rex-5 development well locations on 6 April 2022 (Figure 1). Whitebark expects the crew to commence the stimulation operations on or around 17 October 2022 (subject to the crew completing current jobs on schedule and County approvals for water-moving operations) and complete the 50 stage program within two days. Upon completion, a service rig will be brought in to pull the tie-back string and run the tubing, pumps and rods prior to "clean-up" flows commencing.

These steps follow the successful completion of a \$2.5 million capital raising by the Company in September, which has provided the funding required to complete the Rex-4 fracture stimulation.

Rex-4 Development well

The Rex-4 well targeted the Rex Sandstone Member of the Lower Cretaceous Mannville Group, the reservoir from which the Rex-1, Rex-2 and Rex-3 horizontal wells are currently producing. The Star Valley 201 drilling rig was released at 12.30am CST on 15 August 2022 after reaching a Measured Depth (MD) of 3,647 metres at 12.30pm CST on 11 August 2022. The Company successfully ran 4 1/2" production liner on 12-13 August 2022 which has been designed to accommodate 50 hydraulic fracture stimulation stages in the target Rex Sandstone reservoir.

The Rex-4 development well achieved all of its objectives, landing the entire lateral section in the Rex Sandstone reservoir and demonstrating oil-saturation throughout the wellbore. Per the drilling plan (Figure 3) 2,318 metres of the Rex Sandstone section has been drilled at approximately 1,420 metres True Vertical Depth (TVD), encountering 100% reservoir sand. The lithology of the Rex Sandstone is fine to upper-medium grained, moderately sorted sandstone with good intragranular porosity. Returned drill cuttings demonstrate dull yellow fluorescence with instant milky white slow streaming cut fluorescence, indicative of the presence of crude oil.

Completion of Rex-4 to the achieved TD also fulfilled the farm-in agreement in place with TWP50 in Section 20 (the toe location of the well) such that Whitebark is 100% owner of future Rex-4 production.

The Rex-4 well Phase 1 drilling and casing program was achieved on schedule and within budgetary expectations. Whitebark has modelled initial post-clean up production rates of approximately 300 barrels of oil and 1,400 mscf gas per day which will lift total Wizard Lake production to approximately ~750 boepd. The Company expects ultimate recovery of approximately 146,000 barrels of oil and 1.3 Bcf gas from Rex-4.

The completion of Rex-4 represents the most significant immediate cashflow growth opportunity for Whitebark when ranked against others identified in the strategic review of the field and operations. At the current oil price forecasts (US\$80 – US\$120 per barrel WTI), Whitebark could increase its net operating income by C\$4 – C\$6.2 million within 12 months from Rex-4 production (Figure 2). The Company aims to self-fund Rex-5 development in early 2023.

Whitebark Interim CEO, Dr Simon Brealey, commented:

“We are extremely excited to announce the engagement of preferred service providers for the stage 2 drilling program at Rex-4 at relatively short notice in a highly competitive operational environment. I am confident in the team’s ability to put into effect the lessons learnt from the wellbore management practices of previous wells and apply them not only at Rex-4 but at subsequent wells, as the Wizard Lake asset becomes capable of self-funding two to three new wells per year. I believe that revised production and reserve assumptions adopted in our economic analyses reflect realistic, deliverable outcomes from our development program, and I am proud to be part of this growth period for the Company.”

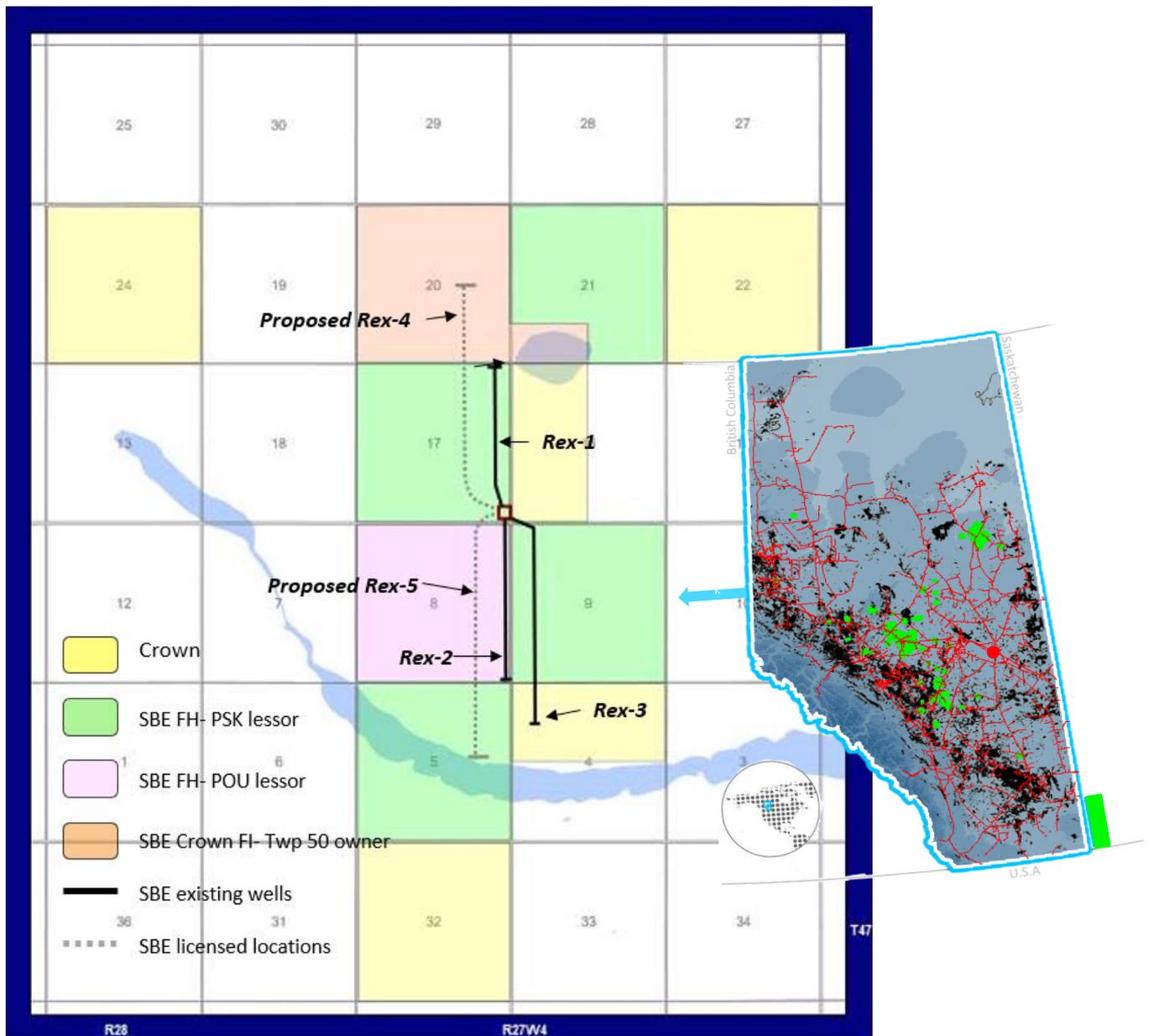
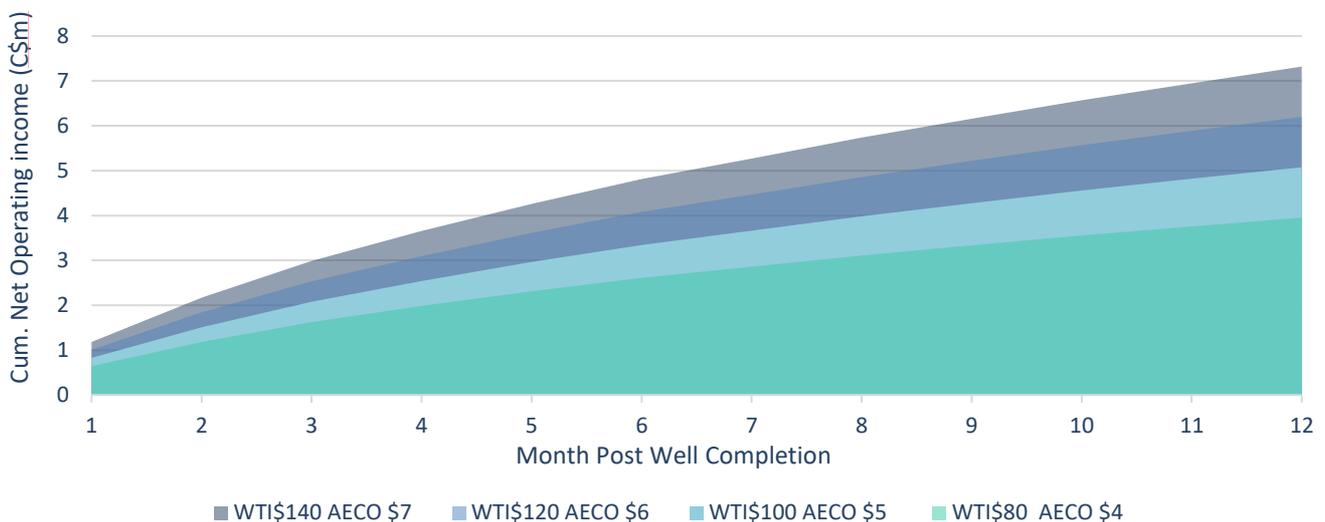


Figure 1 – Wizard Lake oil and gas field - location of existing and proposed wells**Figure 2 – Rex-4 potential net cashflow scenario analysis**

Wizard Lake Oil and Gas Field – Background

The Rex Sandstone Member producing horizon, interpreted as a channel sandstone facies, is at 1,403m-1,455m True Vertical Depth (TVD) as defined by wells Rex-1 through Rex-3, and was first discovered at Wizard Lake by Rex-1 in December 2018. The Rex-1 horizontal section lies at ~1,415m TVD and is 1,200m in length with 27 fracture stages. Rex-2 was drilled in mid-2019, with a horizontal section 1,450m in length at between 1,415 and 1,430m depth, and 35 fracture stages. The Rex-3 (January 2020) lateral section demonstrates the greatest depth variation (1,412-1,450m TVD) without breaching the channel floor or ceiling and demonstrates the reservoir sand thickness. The horizontal section is 2,100m in length and has 46 fracture stages. Top reservoir was encountered at 1,403m TVD and the well demonstrates a 50m oil column with no transition zone observed. All three were successful and are currently on production with total production of approximately 140,000 barrels of oil and 1.0 bcf of gas to date.

Rex-4 was designed to achieve greater lateral extent within the Rex Sandstone reservoir sufficient to accommodate 50 hydraulic fracture stimulation stages. The well targeted essentially virgin reservoir pressure to the north of the Wizard Lake well pad, adjacent and to the north-west of the Rex-1 well location (Figure 1).

The Rex-4 well is expected to generate sufficient free cash to drill the Rex-5 well from self-generated funds by Q1 2023 (ie. prior to the spring thaw in Canada).

A nearby analogue exists at Calima Energy Limited's Thorsby Field, the nearest geographic and stratigraphic oil and gas producer. Thorsby is located 15kms north-west of Wizard Lake, and exploits the Sparky Sand Member which immediately overlies the Rex Sand Member and is a reasonable geological analogue in terms of channel sand reservoir facies. Initial production rates (during clean-up) from Calima's Leo-1 to Leo-3 wells are reported as 270-460 boepd¹. Ultimate recovery for the Leo wells is forecast to be approximately 154,000 barrels of oil equivalent per well compared to Rex forecast of 146,000 barrels of oil plus 1.3 bcf gas (360 Mmboe/well).

¹ As per Calima Energy Limited ASX announcement "Thorsby Leo Wells – Production Commenced", released 17 November 2021

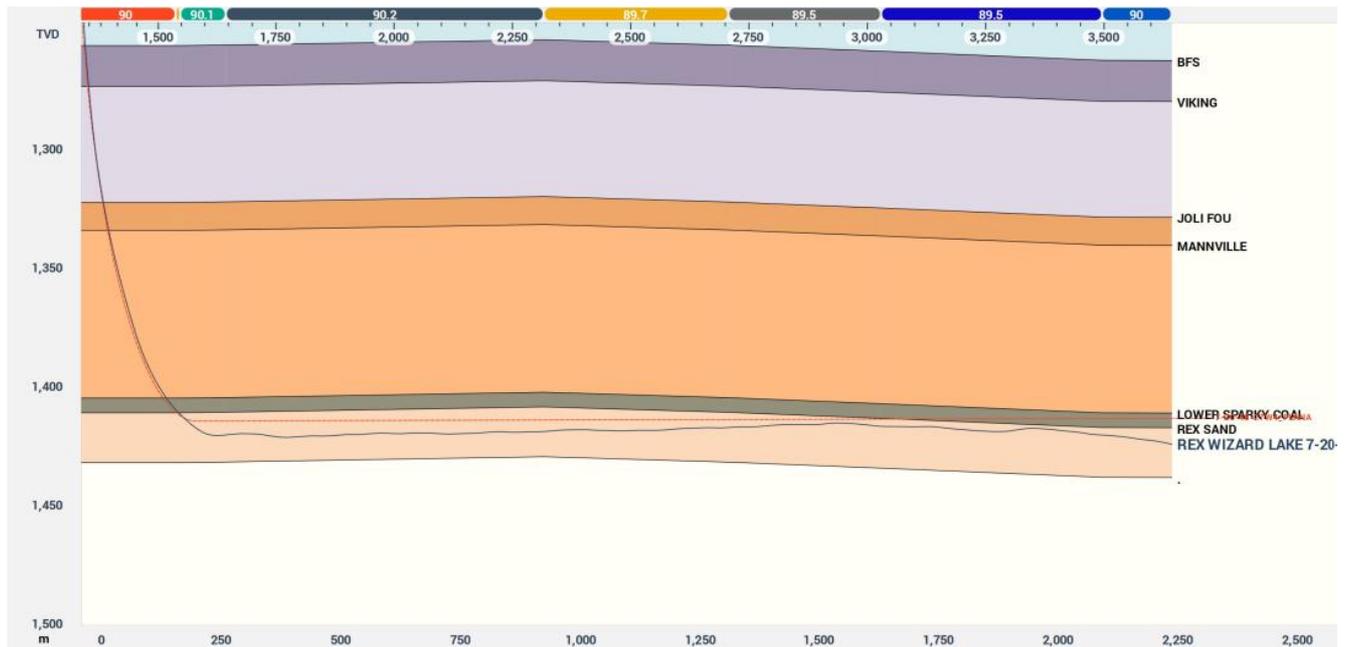


Figure3. Rex-4 well trajectory as plotted from real-time Measurement While Drilling tools

Additional Upside

It is planned for the next four Wizard Lake wells (Rex-5 through Rex-8) to address existing Proved (“1P”) Reserves which is calculated to be 2.3 million barrels of oil equivalent². Whitebark plans to drill and complete all four wells from the existing well pad without further infrastructure investment required. The Company has identified 20 additional development locations which will target the remainder of the Company’s 2P reserves (5.12 million barrels of oil equivalent in total) and contingent resources (an additional 4.7 mmboe)².

Spud of new wells presents the opportunity for the drilling of a vertical exploratory hole (to be plugged back and kicked-off as a horizontal development well into the reservoir). An exploratory hole would allow for the acquisition of a full electronic logging suite (gamma ray, resistivity, sonic), sidewall core reservoir data, and an exploration of deeper potential development targets from which light oil has been successfully produced in the local area (the Glauconitic Sands and Eilerslie Formation). The completion of an exploration well will depend on Company free cash flow and market conditions in the medium term.

This ASX announcement was approved for release by the Board of Whitebark Energy Limited.

For further information:

Dr. Simon Brealey
 Interim Chief Executive Officer
 Whitebark Energy
 Ph: +61 402 110 405
Simon.brealey@whitebarkenergy.com

About Whitebark Energy Limited

Whitebark Energy Limited (ASX:WBE) (“Whitebark” or the “Company”) is an ASX-listed exploration and production company featuring low cost oil and gas production in Canada, operated by its wholly-owned subsidiary Rex Energy (Rex); and a substantial contingent gas resource in Western Australia. WBE has realigned its corporate strategy following a comprehensive management changeout and the landmark acquisition of a 100% interest in the Wizard Lake producing asset located in the prolific oil & gas province of Alberta, Canada.

² As per Whitebark Energy Limited ASX announcement “2022 Reserves and Contingent Resources Report”, released 5 September 2022

A Note Regarding Forward Looking Information

This announcement includes certain statements related to our future business and financial performance and future events or developments involving Whitebark Energy Limited ('Whitebark' or 'the Company') that may constitute forward-looking statements. All statements, other than statements of historical fact, that refer to any future oil and gas production, resources or reserves, exploration results and events that the Company expects to occur are forward-looking statements. Although the Company believes that the expectations in those forward-looking statements are based upon reasonable assumptions, such statements are not a guarantee of future performance and actual results or developments may differ materially from the outcomes anticipated. This may be due to several factors, including market prices, exploration and exploitation success, and the continued availability of capital and financing, plus general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance, and actual results or performance may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of oil and gas reserves and resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Conversion of gas to Barrels of Oil Equivalent (BOE) is done on the basis of 6mcf = 1 BOE.