



Whitebark Energy Announces Rex-4 status update – Wizard Lake Field production now at 180 boe/d

9 January 2023

Highlights

- **Wizard Lake Field production has increased to ~180 barrels of oil equivalent per day (boe/d) from ~50 boe/d prior to bringing Rex-4 online. The Rex-4 development well is targeting post-clean up production rates of 300 bopd and associated gas in Q1 FY23**
- **The Rex-4 development well continues “cleaning-up” the injected fracture stimulation fluid on a controlled flow of approximately 500 barrels of fluid per day (bfpd), increased from an initial 230 bfpd on November 20, 2022**
- **Oil-cut in the recovered “load fluid” is steadily increasing and is now at ~ 15% in line with expectations. Stabilised initial oil production is expected to be achieved within the next weeks**
- **Preparations continue for additional Wizard Lake wells (Rex-5 through Rex-8) to address existing Proved (“1P”) Reserves calculated at 2.3 million barrels of oil equivalent**

Wizard Lake Oil and Gas Field

Whitebark Energy Limited (ASX:WBE) (“**Whitebark**” or the “**Company**”) is pleased to announce progress on clean-up flow rates following completion of hydraulic fracture stimulation operations at the Rex-4 development well at the Company’s 100% owned Wizard Lake Oil and Gas Field (“**Wizard Lake**”) in Alberta, Canada.

The Rex-4 well was allowed a “rest” period prior to commencing clean-up; all incremental production is going directly to market via Whitebark’s 100% owned facilities at Wizard Lake. Initial managed clean-up flow rates from the Rex-4 well were reported as ~230 barrels of fracture stimulation fluid per day on November 20 2022, at a pump-rate of 3 strokes per minute (“spm”).

Oil traces were noted in the recovered fluid on November 22 2022 at a total of approximately 800 barrels of recovered fluid. Pump rate has been gradually increased to 5.5 spm as of December 13 2022 with accompanying flow rates of ~500 barrels of fluid per day, and is being increased to 6 strokes per minute at January 9 2023. Current oil cut is approximately 15% and increasing steadily.

Rex-4 currently sits at ~48% recovery of injected fluid. Eventual oil cut is expected to be approximately 40% (as demonstrated in wells Rex-1 through Rex-3) and this will occur once all load fluid is recovered. This is a standard oil-saturation for sandstone reservoirs. Rex-4 is performing according to expectations and by comparison to the other wells.

Overall field production at Wizard Lake has increased to ~180 barrels of oil equivalent per day (boe/d) from ~50 boe/d prior to gradually bringing Rex-4 online. Rex-4 is currently contributing ~25% of total production and this will increase as the oil cut at Rex-4 increases.

The Company’s strategy remains to manage the Rex-4 wellbore carefully as it is brought into stabilised production. During the clean-up period flow rates have been gradually increased as appropriate based on the behaviour of the well. As the frac fluid is increasingly recovered, Rex-4 oil flow-rates will be increased gradually over the course of several weeks to the modelled stabilised initial production rate of 300 bopd plus associated gas. We believe that this strategy will contribute to greater well lifespan and increased ultimate recovery.

Whitebark has modelled ultimate 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 Company successfully ran 50 hydraulic fracture stimulation stages in the target Rex Sandstone reservoir at an approximate interval of 40m per the completion plan. The fracture stimulation program was the most ambitious yet at Wizard Lake and was consistent with the strategic plan of increased horizontal length and a greater number of fracture stages than in previous wells. Each of the fifty 30 Tonne fracs consisted of 1 tonne of 50/140 sand followed by 29 tonnes of 16/30 sand with final concentrations of 600-800 kg/m³. A total of 1483.5 tonnes of proppant was pumped during the program.

Wizard Lake Oil and Gas Field – Immediate development potential

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 equivalent¹. 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 equivalent¹ in total) and contingent resources (an additional 4.7 mboe).

¹As per Whitebark Energy Limited ASX announcement “2022 Reserves and Contingent Resources Report”, released 5 September 2022

Whitebark Interim CEO, Dr Simon Brealey, commented:

“Rex-4 continues to perform increasingly well, as modelled. It’s been a difficult period over Christmas and New Year with temperatures getting down into the minus 40’s Celsius. However our team have done an outstanding job in keeping operations going, not only dealing with the Rex-4 start-up but also bringing Rex-3 back on line after a pump failure. A remarkable effort and as temperatures climb things should get easier.”

Excerpt from the “2022 Reserves and Contingent Resources Report”

Resources & Reserves as at 30 June, 2022		
100% Field Reserves (MMboe)		
Category	Proved 1P	Proved & Probable 2P
Developed & Undeveloped	2.29	5.12
100% Field Contingent Resources (MMboe)		
Category	1C	2C
Total	1.81	4.72

Table 1: Proved and Probable Reserves and Contingent Resources, 100% Rex Energy, 30 June 2022

Reserves

The total 100% Field 2P Reserves in Whitebark’s Wizard Lake Oil and Gas Field (Table 1) at 30 June 2022 are assessed to be 5.12 million barrels of oil equivalent. The barrels of oil equivalent figure comprises 1.97 million barrels of crude oil, 16.87 billion cubic feet of natural gas and 0.34 million barrels of natural gas liquids.

2P Reserves include 1P Proven Developed Producing Reserves (“PDP” – those remaining reserves attributed to existing wells Rex-1 through Rex-3); 1P Proven Undeveloped Reserves (“PUD” – those reserves accessible from existing infrastructure and requiring the drilling of Rex-4 through Rex-8); and 2P Probable Reserves (those accessible and requiring a new well-pad, new facilities and the drilling of Rex-9 through Rex-15).

Contingent Resources

The total 100% Field 2C Contingent Resources for Wizard Lake at 30 June 2022 are assessed to be 4.72 million barrels of oil equivalent. The barrels of oil equivalent figure comprises 1.91 million barrels of crude oil, 15.05 billion cubic feet of natural gas and 0.30 million barrels of natural gas liquids. The Field Contingent Resources comprise volumes attributed to future planned wells with identified locations nominated Rex-16 through Rex-28 within the modelled reservoir distribution. Drilling of these locations will require additional facilities and the

expansion of the Whitebark land position.

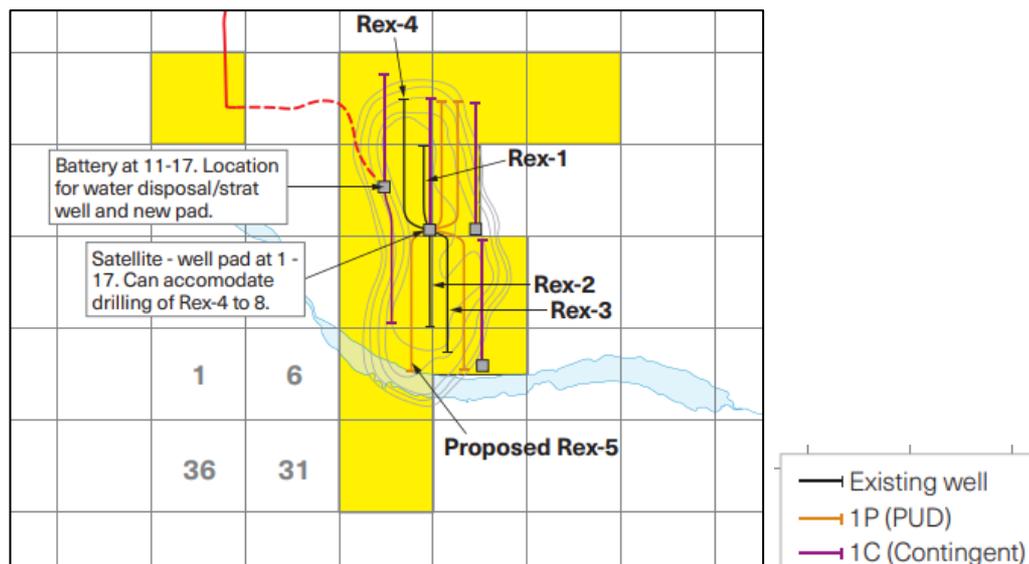


Figure 1 – existing wells and planned Proven Undeveloped well (PUD) locations

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

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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.

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.