

Wizard Lake Field Planned Return To Production

Highlights

- Whitebark's wholly owned subsidiary, Rex Energy, has mobilized equipment to the Wizard Lake oil and gas field for the workovers on the production wells Rex-4 and Rex-1.
- Preparatory work to receive the rig has been completed.
- When Rex-4 and Rex-1 are repaired Rex-2 will also be brought back online.
- Expected production from bringing the three wells online at pre-downtime rates is ~70 bopd plus 200 mcf/d (~100 boe/d).
- Rex-3 will be brought online following a clean-out of the horizontal section, expected to return field production to over 200 boe/d.
- The Strategic Option Review continues, with strong interest in the Wizard Lake Oil and Gas Field, which Whitebark considers to be significantly undervalued by the market.
- Funds raised from Convertible Note, offer remains open to wholesale and sophisticated investors.

The Board of Whitebark Energy Limited (ASX: WBE) ('Whitebark' or the 'Company') advises that a service rig has been mobilized to the Wizard Lake site to replace parted rods at Rex-1 and worn tubing at Rex-4. The field will return to production immediately following the workover of these two wells at an estimated production rate of over 100 boe/d

A summary of the planned work program, along with cost estimates, to return all wells to production is provided below:

- Rex-1 has parted rods which can be remedied with a straight-forward workover estimated at CAD\$25k. The well was contributing 8 bopd and 29 mcf/d (14 boe/d) prior to the shut-in.
- Rex-4 has suspected holed tubing due to rod wear (workover estimate CAD \$125k). The well was contributing 50 bopd and 110 mcf/d (70 boe/d) prior to being shut-in.
- Following these workovers, Rex-2 will be brought back online. Rex-2 was contributing 8 bopd and 54 mcf/d (17 boe/d) prior to shut-in.
- Rex-3 is sand-bridged in the horizontal section due to the gradual ingress of sand into the lateral section over its production life. The Company plans to perform innovative "Jetsweep" workover operations in horizontal section of the well. The program at Rex-3 is expected to cost CAD \$310k. The well was contributing 15 bopd and 450 mcf/d (85 boe/d) however the clean-out operations have the potential to see Rex-3 improve its capacity even further.

The timing of the Rex 3 workover is currently being confirmed. Following the return of Rex-3 to production the Wizard Lake field is forecast to produce over 200boe per day.

Strategic review update

The Company is now conducting a formal process to expedite the significant interest received in Rex Energy. As part of this process, the Company is reviewing a number of new opportunities. It is the current view of Directors that the Rex Energy oil and gas production asset is not currently valued by the market adequately compared with the value it believes exists in the Canadian industry.

As part of the formal process AE Advisors Limited have been retained as financial advisors, and Steinepreis Paganin as legal counsel.

Notwithstanding the initiation of this strategic process, Whitebark intends to continue:

- Ongoing investment in the Company's assets to optimise resource recovery and value, per conducting the well workovers.
- Consider utilisation of mechanisms to deliver tangible shareholder returns.

Whitebark is currently assessing new asset-level investments in development opportunities and/or production to build upon its recent track record of success in horizontal wells at the Wizard Lake oil and gas field in Alberta.

Whitebark Interim CEO, Simon Brealey, commented:

"I am very pleased that the Wizard Lake field is firmly set to recommence production of ~100 barrels of oil equivalent per day, of which approximately 60% is liquids (crude oil and Natural Gas Liquids) within two weeks. The temporary shut-in of the field was necessary to realize synergies in equipment mobilization to the site and minimize costs as we conduct planned workovers of select wells.

The next significant step will be to clean-out the lateral section at Rex-3, which has become sand-bridged, or choked, due to gradual ingress of sand into the horizontal section over its years of production. This is important as Rex-3 is our most prolific well and has the capacity to double field production to ~200 barrels of oil equivalent per day.

The Board remains confident in Whitebark's ability to continue to grow its underlying value to the benefit of all shareholders. However, we are equally committed to pursue the 'strategic alternatives' process in order to understand the ways in which this underlying value might be recognised by third parties and realised by all shareholders."

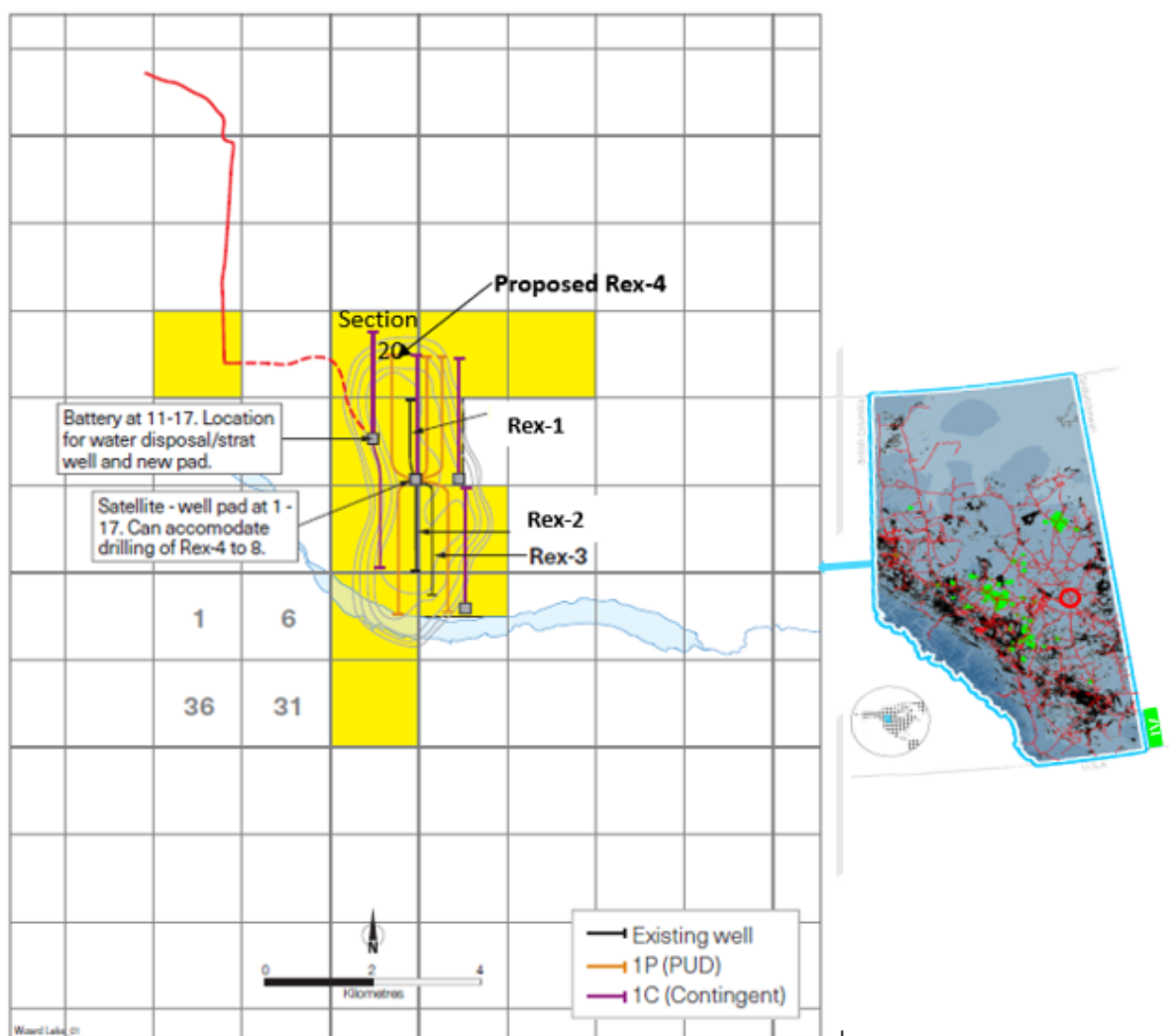


Figure 1 – Wizard Lake Oil Field: Location; Field reservoir map; Existing and planned wellbores

Current View of Asset Value

Resources & Reserves as at 30 June 2023		
100% Field Reserves (MMboe)		
Category	Proved	Proved & Probable
	1P	2P
Developed & Undeveloped	1.196	1.982
100% Field Contingent Resources (MMboe)		
Contingent Resources were not assessed for FY23		

Table 1: Proved and Probable Reserves and Contingent Resources, 100% Rex Energy, 30 June 2023

Reserves and Net Present Value

The total Field 2P Reserves Net to Whitebark (after Royalties) at its 100% owned Wizard Lake Oil and Gas Field (Table 1) at 30 June 2023 are assessed to be 1.98 million barrels of oil equivalent. The barrels of oil equivalent figure comprise 0.750 million barrels of crude oil, 6.52 billion cubic feet of natural gas and 0.15 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-4); 1P Proven Undeveloped Reserves ('PUD' – those reserves accessible from existing infrastructure and requiring the drilling of Rex-5 through Rex-7); and 2P Probable Reserves (those accessible and requiring a new well-pad, new facilities and the drilling of Rex-8 and Rex-9 (for the purpose of this assessment).

The net present value (NPV 10% Before Tax) of Whitebark's 2P reserves at 30 June 2023 is calculated to be AUD \$15.398 million (@ CAD1.0 = AUD1.15).

Convertible Note

The Company has successfully raised funds for this work a convertible note (to sophisticated and wholesale investors). This offer remains open.

Offer Overview	
Offer Type	Convertible note, convertible into fully paid ordinary shares in the capital of Whitebark <u>or</u> repaid in cash at the noteholder's discretion. Open only to Sophisticated Investors within the meaning of section 708(8) of the Corporations Act 2001 (Cth) ("Corporations Act") or a professional investor with the meaning of section 708(11) of the Corporations Act.
Amount	A\$1.0 million.
Face Value	A\$1.00 per Note.
Interest Rate	20% p.a. payable upfront and deducted from the principal amount, such that the payment consideration received by Whitebark is net of the interest upfront.
Maturity Date	12 months from date of issue.
Conversion/	To convert to ordinary shares at an Issue Price of A\$0.0005 per share (being an equity value of ~A\$3.6m) or cash consideration repayment on the maturity date, at the noteholders' discretion.
Repayment	The conversion price may be adjusted to reflect the commercial terms of any subsequent capital raising or restructure, at the election of the noteholder.
Redemption	100% of face value.
Board participation	All Board members will participate in the offer subject to shareholder approval.

This release is approved by the Board of Whitebark Energy Limited.

For further information about the Convertible Note, please contact:

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About Whitebark Energy Limited

Whitebark 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 and gas province of Alberta, Canada.

Cautionary Note Regarding Forward-Looking Statements

There can be no assurance that any evaluation will result in one or more transactions or other strategic change or outcome. The Company has not set a timetable for the conclusion of its evaluation of strategic alternatives, and it does not intend to comment further unless and until the Board has approved a specific course of action or the Company has otherwise determined that further disclosure is appropriate or required by law.

The information in this press release contains forward-looking statements that involve risks and uncertainties. When used in this document, the words “believes,” “plans,” “expects,” “anticipates,” “forecasts,” “intends,” “continue,” “may,” “will,” “could,” “should,” “future,” “potential,” “estimate” or the negative of such terms and similar expressions as they relate to Otto are intended to identify forward-looking statements, which are generally not historical in nature. The forward-looking statements are based on the Company's current expectations, assumptions, estimates and projections about the Company and the industry in which the Company operates. Although the Company believes that the expectations and assumptions reflected in the forward-looking statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond the Company's control. For example, the Company's review of strategic alternatives may not result in a sale of the Company, a recommendation that a transaction occur or result in a completed transaction, and any transaction that occurs may not increase shareholder value, in each case as a result of such risks and uncertainties.

These risks and uncertainties include, among other things, the results of the strategic review being undertaken by the Company's Board and the interest of prospective counterparties, the Company's ability to realize the results contemplated in the attached marketing material, volatility of commodity prices, product supply and demand, the impact of a widespread outbreak of an illness, such as the coronavirus disease pandemic, on global and U.S. economic activity, competition, the ability to obtain or maintain required permits and the timing thereof, other government regulation or action, the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms, litigation, the costs and results of operations, availability of equipment, services, resources and personnel required to perform the Company's operating activities, access to and availability of transportation, processing, fractionation, refining and storage facilities, Whitebark's ability to replace reserves, implement its business plans as scheduled, access to and cost of capital, the financial strength of counterparties to any credit facility and derivative contracts entered into by Whitebark, if any, and purchasers of Whitebark's oil, natural gas liquids and natural gas production, uncertainties about estimates of reserves, identification of future drilling locations and the ability to add proved reserves in the future, the assumptions underlying forecasts, including forecasts of production, expenses, cash flow from sales of oil and gas and tax rates, quality of technical data, environmental and weather risks, including the possible impacts of climate change, cybersecurity risks and acts of war or terrorism. The Company undertakes no duty to publicly update these statements except as required by law.