



Workover program to drive production at Wizard Lake

14 July 2023

Highlights

- **Whitebark to invest in innovative ‘Jetsweep’ workover program for horizontal elements of select Wizard Lake production wells**
- **Initial program at Rex-3 well estimated to take 9 days at a cost of CAD \$310k and can deliver significant economic benefits at a fraction of the cost of drilling new wells**
- **Proposed program part of planned capex initiatives due to impingement of horizontal wellbore sections through the gradual ingress of sand over the years**
- **Rex-3 production will be significantly increased through the conduction of this operation, bringing Field production back to over 200boe per day.**

The Board of Whitebark Energy Limited (ASX: WBE) (**‘Whitebark’** or the **‘Company’**) advises of its plans to complete a workover of the horizontal section of legacy production wells at its Canadian Wizard Lake oil field. An initial program over the Rex-3 well has been costed and is expected to take 9 days at a cost of CAD 310k. The operation involves sequentially running ‘Jetsweep’ tools to recover sand and debris from the horizontal section to allow the well to return to optimum performance. ‘JetSweep’ is an innovative, proprietary, service rig based well cleanout process ideal for the Wizard Lake field that can be performed without high fluid losses and without the expense of multi-string coiled tubing units.

Rex-3 was brought online in December 2019 with initial production rates of 250 barrels of oil per day (“bopd”) and approximately 1500 thousand cubic feet of gas (“mcf”) – at 500 barrels of oil equivalent per day (“boe”) the most prolific well by far in the field. Rex-3 is the deepest well in the field, with the lowest water-cut and demonstrates an oil column of 50m. The well was also the most ambitious at the time with a horizontal section of 2100m and 46 fracture stimulation stages.

As a result of aggressive initial targets, Rex-3 production has steadily dropped to less than 50 bopd during which time the well produced 50,000 barrels. This production shift was due to natural reservoir pressure decline and early fluctuations in gas production likely causing sand ingress to the horizontal section of the wellbore.

The Rex-3 well is estimated to have remaining reserves of over 100 mbbbls of oil and 1bcf of gas. It is believed that working over the well could double production from its level prior to the sand-bridging occurring, taking the well’s production to approximately 130 boep/d, and taking field production back to well above 200 boe/d.

The Board of Whitebark confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Whitebark Interim CEO, Dr. Simon Brealey, commented:

“We are committed to getting the most out of our production assets and have innovative solutions at hand that make huge economic sense compared to the cost of drilling a new well. Rex-3 is capable of providing half of the fields production and has significant remaining reserves. Performing a workover to clean-out the wellbore presents the best opportunity today of increasing the return to our shareholders.”

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.

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.