



Whitebark Energy Announces Commencement of Hydraulic Fracture Stimulation at Rex-4

2 November 2022

Highlights

- **Hydraulic Fracture Stimulation operations have commenced at the Rex-4 well at Whitebark Energy's 100% owned Wizard Lake oil and gas field, and are expected to be completed by 4 November 2022**
- **The entire horizontal section of the well is within the target Rex Sandstone reservoir and demonstrated good oil fluorescence as expected**
- **4 ½" production liner has been run with design to accommodate 50 hydraulic fracture stimulation stages.**
- **The Rex-4 development well is targeting post-clean up production rates of 300 bopd and 1,400 mscfg/d in Q1 FY23**

Whitebark Energy Limited (ASX:WBE) ("**Whitebark**" or the "**Company**") is pleased to announce the commencement 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 Company successfully ran 4 ½" production liner on 12-13 August 2022 which was 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. 2,318 metres of the Rex Sandstone section has been drilled at approximately 1,420 metres True Vertical Depth (TVD) per the drilling plan (see Figure 1), 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 demonstrated dull yellow fluorescence with instant milky white slow streaming cut fluorescence, indicative of the presence of crude oil.

The fracture stimulation program is the most ambitious yet at Wizard Lake and is consistent with the strategic plan of increased horizontal length and a greater number of fracture stages than in previous wells following recent best-practice demonstrated in neighbouring fields. Each 30 Tonne frac will have 1 tonne of 50/140 sand followed by 29 tonnes of 16/30 sand with final concentrations of 800-1000 kg/m³.

As determined in the strategic development plan the Company plans to manage the Rex-4 wellbore carefully as it is brought into stabilised production, learning from previous experiences at Rex-1 through Rex-3. This will involve allowing the wellbore to "rest" for up to one week to allow the wellbore to heal naturally from the fracture stimulation program. This process will help ensure that the frac sand stays in zone and maximizes the well's reserve potential. Rex 4 will be brought online gradually, with initial production constrained to 75 bopd and slowly increased over the course of 6 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 productivity.

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.

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

Whitebark Interim CEO, Dr Simon Brealey, commented:

"I am delighted that the Company has managed to achieve our planned outcomes and is conducting the hydraulic frac program at Rex-4 which will significantly ramp up Wizard Lake production and corresponding cash flow. These operations have been realized 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 all subsequent wells. I believe that the 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."

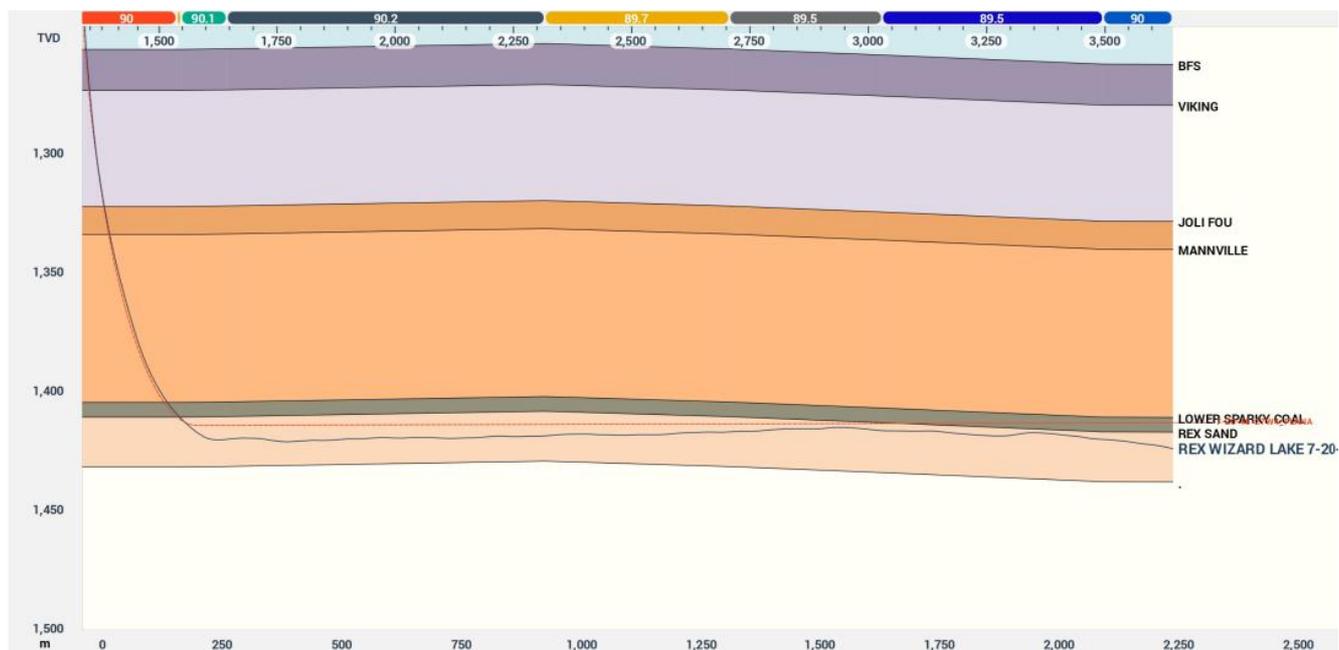


Figure 1. Rex-4 well trajectory as plotted from real-time Measurement While Drilling tools

Wizard Lake Oil and Gas Field – Background and immediate development potential

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 2).

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 equivalent in total) and contingent resources (an additional 4.7 mmboe).

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

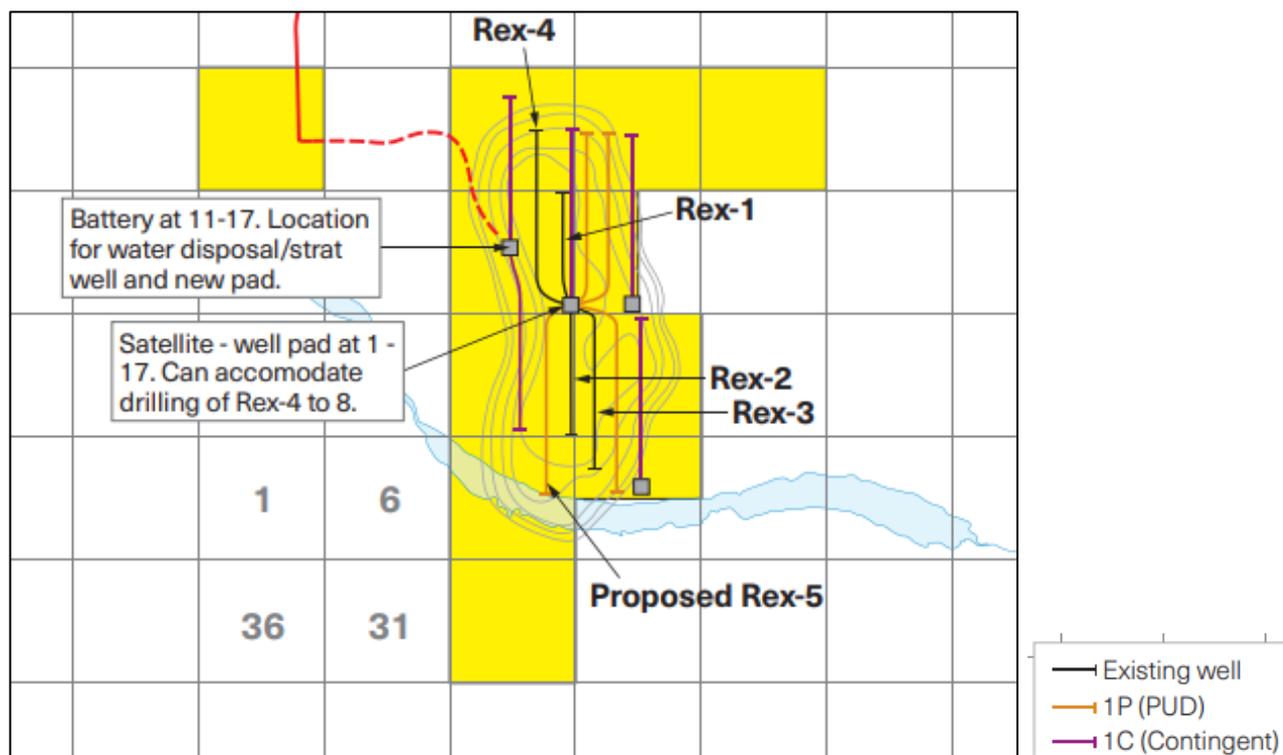


Figure 2 – existing wells and planned Proven Undeveloped well (PUD) locations

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.

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