whitebark ENERGY

ASX ANNOUNCEMENT

Wizard Lake JV Partner announces sale of working interest

21 April 2020

Whitebark Energy Ltd's (ASX : WBE) joint venture partner in the Wizard Lake Oil Project, Point Loma Resources Ltd (PLX), has announced the sale of 97.5% of its circa 40% working interest in the Wizard Lake Oilfield assets for an amount of $CDN 2.9m.

The sale is to Point Loma's secured debenture holders and a secured creditor in exchange for cancellation of all the outstanding secured debentures and amounts owed to the secured creditor.

Pursuant to the terms of the Farmout and Option Agreement dated 29 May 2019, Whitebark has a 30 day period closing on 21 May 2020 to exercise a right of first refusal with respect to the WI being sold by PLX should it choose to do so.

The Company will consider the exercise of its right of first refusal over the period.

End

This ASX announcement was approved and authorised for release by David Messina, Managing Director Whitebark Energy

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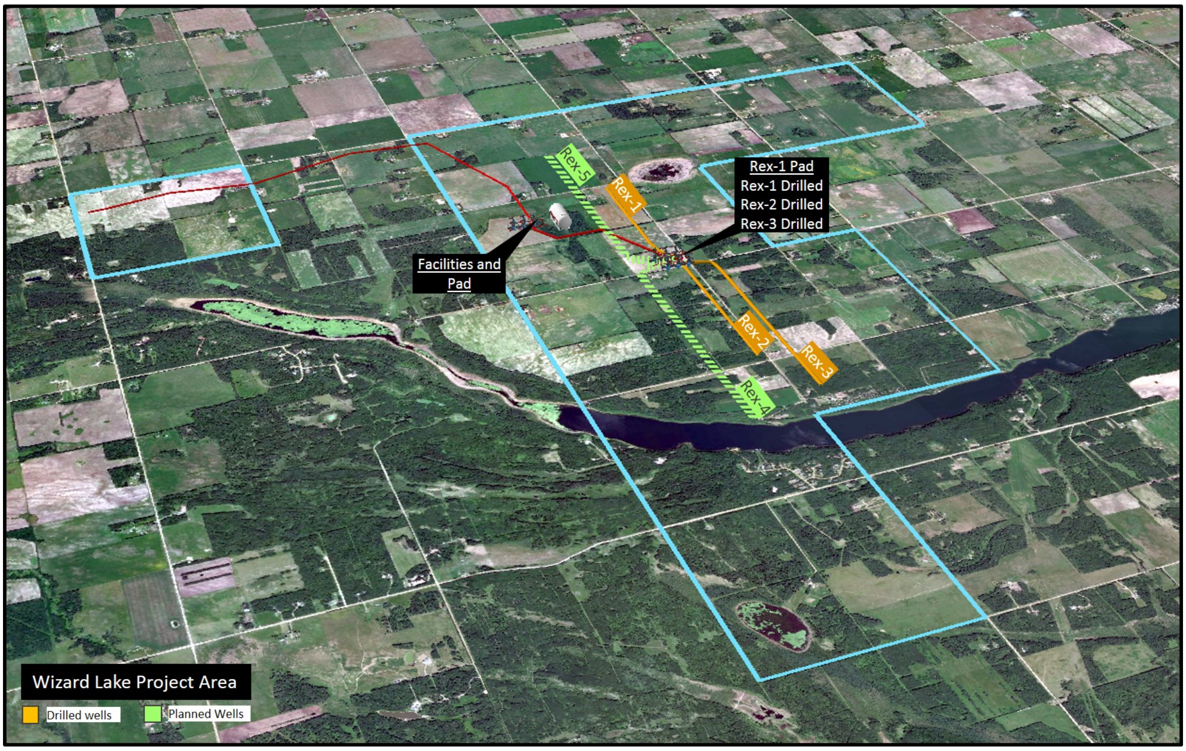
The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed.



Background

- The Wizard Lake Oilfield was identified using geological information obtained from wells drilled mainly in the 1950's.
- It has the potential to contain 24+ wells targeting over 11mmboe[1].
- Full production of three wells peaked at a gross rate of 1220 bopd and 3.5mmcfd in early February 2020[2].
- The horizontal discovery well, Rex-1, was spud on 24 November 2018[3] and production commenced in June 2019[4]. Initial flow testing of recorded rates of more than 300 bopd from only 500m of the horizontal section due to an obstruction which was recently removed[5].
- Rex-2 was drilled and fracced in August and tested in September 2019, with a peak production rate of 865 boepd (540bbls of oil and 2 mmcfd of gas) before the well had to be constrained due to unexpected high gas production.[6]
- Rex-3 was drilled to 3,673mMD in eight days with a horizontal section of 2,098m.[7] Rex-3 averaged 1,278 boepd including 1,084 bopd of oil in the final six hours of a continuous 18 hour period.[8]
- An upgrade to production facilities was commenced in November 2019 and included a 3km gas pipeline to connect to local gas networks to ensure high gas and oil production rates can be managed. These facilities were completed in late December 2019 and production commenced.[9]
- Following the close of Stage 1 of the Wizard Lake acquisition, WBE now owns a 60% working interest in the field. [10].
- Conversion of gas to Barrels of Oil Equivalent (BOE) is done on the basis of 6mcf = 1 BOE.

1 ASX Release 22 August & 1 October 2019
2 ASX Release 17 February 2020
3 ASX Release 26 November 2018
4 ASX Release 5 & 19 June 2019
5 ASX Release 13 November 2019
6 ASX Release 6 September 2019
7 ASX Release 26 November 2019
8 ASX Release 16 December 2019
9 ASX Releases 23 December 2019
10 ASX Releases 18 & 24 December 2019