



Whitebark Energy Announces Quadrupling of Wizard Lake Production since Inception of Rex-4 Development well

27 February 2023

Highlights

- With Rex4 online, Wizard Lake Field production has increased to ~220 barrels of oil equivalent per day (boe/d) from ~50 boe/d.
- The Rex-4 development well continues to “clean-up”, and approximately 95% of the injected fracture stimulation fluid has been recovered.
- Oil-cut in the recovered “load fluid” is steadily increasing and is now at ~ 20%, in line with expectations from the planned gradual production start-up.
- Ultimate stabilised oil cut is expected to be 40-50% in line with previous wells

Wizard Lake Oil and Gas Field

Whitebark Energy Limited (ASX:WBE) (“**Whitebark**” or the “**Company**”) is pleased to announce that production at the Company’s 100% owned Wizard lake facility has increased fourfold to ~220 barrels of oil equivalent per day (boe/d) from ~50 boe/d prior to commencing production at the Rex-4 well post fracture stimulation.

The pump rate at Rex-4 has gradually increased to 6.5 spm as of January 31 with the well now producing at rates of ~500 barrels of fluid per day. The current oil cut is approximately 20% and increasing steadily.

Rex-4 currently sits at ~95% recovery of injected fluid. Eventual oil cut is expected to be approximately 40-50% (as demonstrated in wells Rex-1 through Rex-3), and the rise in oil cut is expected to occur in the weeks following the recovery of the remaining load fluid.. This is a standard oil-saturation for sandstone reservoirs. Rex-4 is performing according to expectations and in line with the other wells.

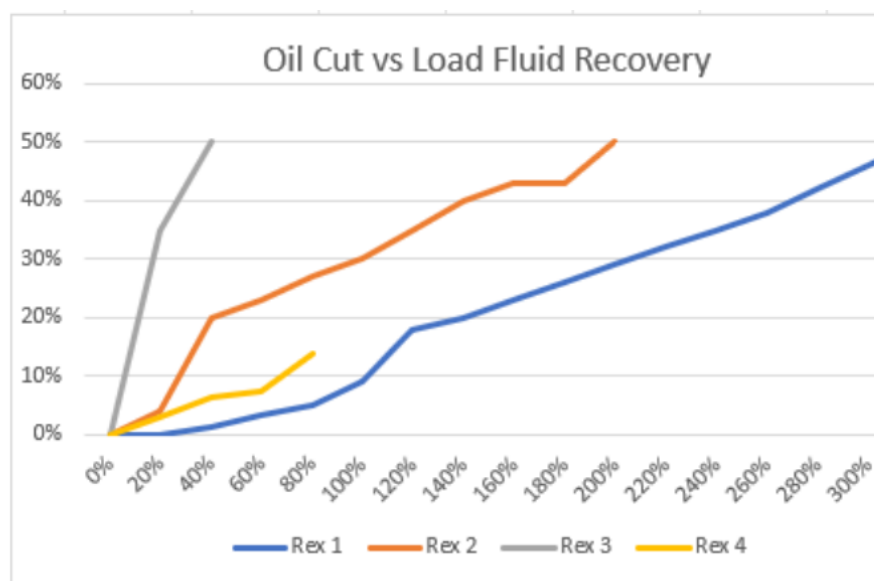


Figure 1. Oil-cut vs load fluid recovery at Wizard Lake wells. Rex-4 oil-cut is climbing faster than did its closest analogue Rex-1

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 gradually increase over the course of several weeks. The flow rates will increase to the modelled stabilised initial production rate of approximately 300 bopd plus associated gas. We believe that this strategy will contribute to greater well lifespan and increased ultimate recovery.

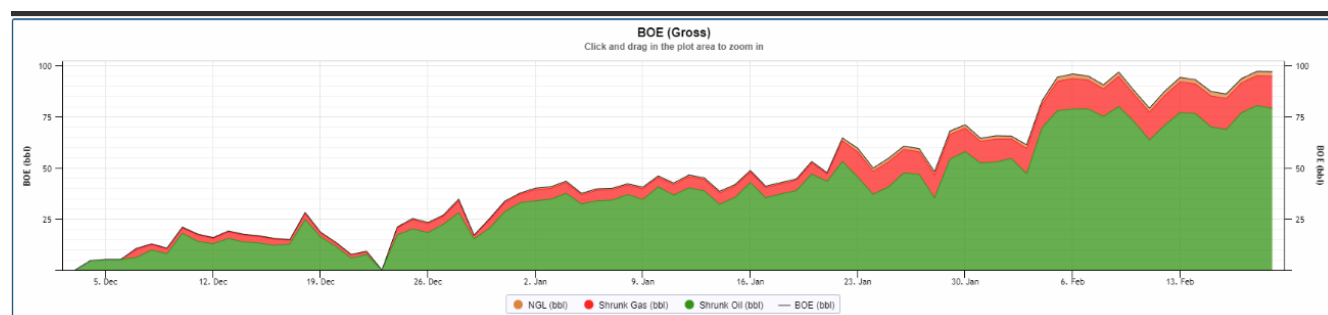


Figure 2 – Rex-4 oil and gas production since inception at the beginning of December (expressed in boe/d on the x-axis)

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 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. 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 mmboe).

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, and as its oil cut increases and it makes a more significant contribution to overall field production we expect revenue to increase strongly. Rex-4 is now contributing half of the Wizard Lake Field’s total production only 12 weeks after being gradually brought online. This will continue to increase to around 75% over the coming weeks as formation water recover replaces injection fluid recovery.”

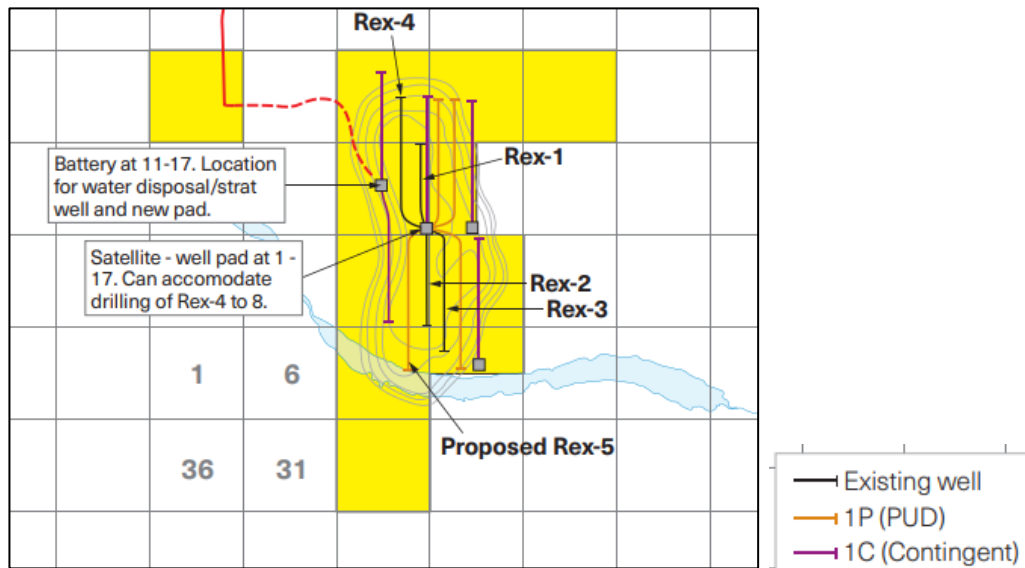


Figure 3 – existing wells and planned Proven Undeveloped well (PUD) locations

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

For further information:

Dr. Simon Brealey
Interim Chief Executive Officer
Whitebark Energy
Ph: +61 402 110 405
Simon.brealey@whitebarkenergy.com

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.