

Canadian JV progresses Rex Oil play in Leduc

1 October 2018

Highlights

- Entry into Leduc Area Rex Oil Play ≈prospective 40-60 million barrels of oil in place (8-12 mmbbls net to WBE)
- Paddle River Facilities Project moves to engineering phase
- Neighbouring Duvernay land sales hit \$1,000/hectare
- Non-core, gas weighted property sale for \$500,000 (net \$150,000 to WBE)

Operations

Whitebark Energy Ltd (ASX: WBE) is pleased to provide an update of its operations in Alberta Canada.

Rex Oil (WBE 20% WI) – Newly captured exploration acreage in an area of high exploration and development activity

The PLJV has recently secured control of a new Rex (Upper Mannville) oil opportunity in the Leduc area. Internal mapping indicates a prospective accumulation of approximately 40-60 million barrels of oil in place. Analogous wells in the area have had initial rates of 250-300 boepd (80% oil and NGL's) demonstrating excellent economics in the current pricing environment and existing infrastructure enables the play to be monetised quickly. The entry into this new oil play could lead to a sizeable inventory of follow up opportunities. The play continues to attract the attention of other key industry operators.

The potential unrisks resources for all the Rex Oil Opportunity described above are set out in Table 1

Table 1 - Potential Unrisks Resources - Rex Oil Opportunity

Category	Resource Assessment Approach	Stratigraphic Unit	Best Estimate OOIP mmbbl	Best Estimate OOIP Net to WBE (20% WI)	Type of Trap	Reservoir Type
Prospective	Deterministic GRV and bbls/ac-ft	Cretaceous	40-60	8-12	Structural /Stratigraphic	Sandstone

Preparation Commences for 2018/19 Drilling Program

Whitebark's Point Loma Joint Venture (PLJV: where WBE holds between 20 and 30% working interest in the PLJV licenses) is undertaking licensing and preparing AFE's to kick-off up to a three well, high impact program to drill a Banff oil play; the Rex (Upper Mannville) oil well and a Lower Mannville well, which we hope to commence in the next three months. Each of these wells will, if successful, unlock multiple development opportunities.

“Progress on the Rex oil play gives the PLJV exposure to a material new oil play and we look forward to updating the market as we progress drilling plans in the coming weeks” said David Messina, Managing Director of Whitebark Energy.

Duvernay Oil (PLX 20% WI) – Unconventional Shale Play Continues to Evolve

The West Basin Duvernay oil play continues to advance in the region of PLJV lands. In the past 18 months, land has sold in the area for upwards of \$1,000 per hectare with total land bonuses paid of approximately \$172 million in aggregate.

Including both the West and East Duvernay Shale basins, the industry to date has drilled an estimated 150 horizontal Duvernay shale oil wells within this emerging oil play which continues to attract increasing industry activity. A significant farm-in deal was also announced recently pointing to increased value in the play as development widens.

The PLJV has reviewed technical data in the area that indicates similar reservoir properties to the East Duvernay shale basin where an estimated 10 to 15 million barrels per section of original oil in place is prospective. Point Loma’s analysis shows that the West Duvernay has a thickness of approximately 10 to 15 metres, with porosities ranging from 3 to 10% and TOC’s in the range of 2% to 10% which are parameters comparable to offsetting East and West basin Duvernay oil development.

PLJV continues to evaluate options to unlock shareholder value from its Duvernay shale holdings, which could include a strategic joint venture, farmout, land swap or outright sale.

Acquisition/Disposition Update: Gilby

The PLJV is pleased to announce that it has entered into an agreement to sell a minor interest in a gas property acquired as part of a previous transaction. The sale price of the non-core asset is approximately \$150,000 net to WBE, before customary closing adjustments, and will be paid in cash.

With this recent sale of a secondary non-core property, the PLJV Gilby area property acquisition completed in Q2 2018 has already achieved payout. The property consists of low decline oil and gas production with low operating costs that will contribute to Whitebark’s bottom line. Geological work continues to identify additional opportunities, predominantly in the Mannville formation. Land acquisitions and rationalizations will continue as the PLJV focuses attention on this area.

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Reserve Statement

The Company has non-operating interests in oil and gas assets in Canada and is focused on horizontally exploiting conventional oil and gas reservoirs in west central Alberta. The PLJV business plan is to utilize its experience to drill, develop and acquire accretive assets with potential for horizontal multi-stage frac technology and exploit opportunities for secondary recovery.

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 ('WBE' 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 Qualified Reserves and Resources Evaluator Statement

The information in this report that relates to the oil and gas resources was compiled by technical employees of Point Loma Resources and subsequently reviewed by Mr Stephen Keenihan BSc (Hons) Geology/Geophysics, whom have consented to the inclusion of such information in this report in the form and context in which it appears. Mr Keenihan is a director of the Company and has more than 40 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE) / World Petroleum Council (WPC) / American Association of Petroleum Geologists (AAPG) / Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The sources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Keenihan. Mr Keenihan is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Prospective Resource Estimates Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery, as well as a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a commercial quantity of potentially moveable hydrocarbons.

Resource estimates in this market release are prepared as at 24th Sept 2018.

Gas to liquid conversion factor of 6 has been used in the resource estimates to deal with volumes of associated gas.

About Whitebark Energy

Whitebark Energy Limited (ASX: WBE) is a Perth-based company with production and exploration assets in Canada and Australia.

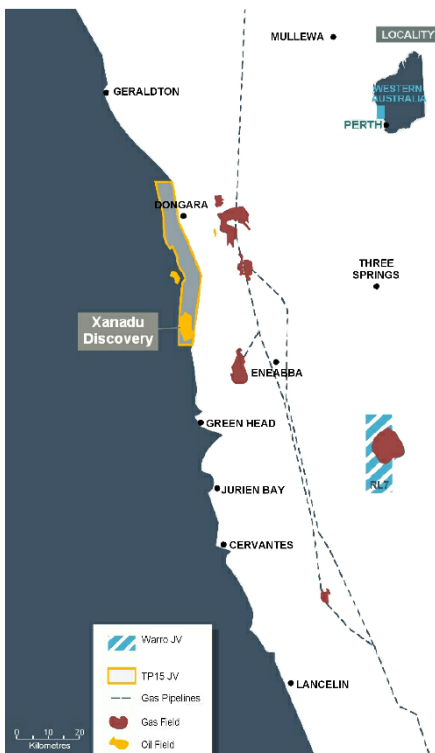
Canada

Whitebark holds between 20% and 30% working interest (varies by license) in the Point Loma Joint Venture (PLJV) in the province of Alberta with TSXV-listed Point Loma Resources Limited.

The PLJV is a well-established producer, with existing oil and gas processing facilities and pipelines into markets. Whitebark's aim for the PLJV is for a significant increase in production through acquisitions, the workover and tie-in of behind-pipe reserves and horizontal development drilling.



Western Australia



In Western Australia, the Company funded 20% of the Xanadu-1 exploration well in the Perth Basin to earn 15% of the Xanadu prospect and permit TP/15. On 25 September 2017, the Operator announced Xanadu-1 as an Oil Discovery.

Through wholly owned subsidiary Latent Petroleum, Whitebark holds a 100% interest in the 4.4-11.6tcf (refer ASX release dated 19 November 2015) undeveloped Warro Gas Project, about 200km north of Perth.

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 contingent resource estimates that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.