

## Wizard Lake delivers ~70% increase in 2P Oil Reserves

15<sup>th</sup> March 2019

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### Highlights:

- Net reserves for the Wizard Lake Oil Pool in Canada (incorporating the Rex Discovery well) have been assessed by McDaniel & Associates as:
  - 1P (proved) reserves of 132,000 bbls
  - 2P (proved plus probable) reserves 225,000 bbls
- The assessment delivered a 70% increase to Whitebark's reported 2P oil reserves as at 30 June 2018, despite only a short production test period.
- Further revisions will be undertaken once the well has been placed on permanent production which is anticipated to occur in April 2019 once all regulatory approvals are received and facilities and pipelines are completed.
- The well spacing adopted in the assessment has revealed the likelihood of for another 12 possible well locations in the field, potentially tripling the follow up well locations in the field.

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Whitebark Energy Ltd (ASX: WBE) ("Whitebark" or "the Company") is pleased to provide an update on its reserve position for its Wizard Lake Oil Pool in Canada as at 31 December 2018, assessed by McDaniel & Associates (McDaniel). The numbers have been generated as part of the annual reporting requirement for our Canadian Partner Point Loma Resources Ltd, the operator. This process only addressed the reserves immediately adjacent to the discovery well and, as is the norm in Canada, ignores possible reserves present in the entire field as they are more than 800m from the discovery well.

The McDaniel assessment has allocated proved and probable gross reserves of 150,000bbls (45,000bbls net to WBE) to each of 4 well locations adjacent to the discovery well (3 Proven undeveloped (PUD) and 1 Probable locations).

Using the well spacing adopted by McDaniel, and applying it to the field outline as defined by adjacent well control and seismic data, reveals the likelihood of 12 well locations with possible reserves as indicated in the attached figure (Figure 1). Figure 1 also shows the position of two well locations presently under consideration by the Joint Venture with drilling expected to commence mid-year.

Whitebark Energy Managing Director David Messina said: "Given the very short test period and the effective date of the reserve report we are very encouraged with the reserve statement and look forward to revising the numbers once the well is on production and we move forward with additional drilling plans this year".

Table 1 shows the estimated net reserves to Whitebark as at December 31, 2018, based on the McDaniel reserve estimates of Dec 31 2018 Point Loma Joint Venture (PLJV) properties (WBE 30%).

**Table 1 – Summary of Reserves**

Reserve Category	Barrels of Oil
<b>Proved</b>	
Producing	-
Non-Producing	33,000
Undeveloped	99,000
<b>Total Proved</b>	<b>132,000</b>
Probable	93,000
<b>Total Proved plus Probable</b>	<b>225,000</b>

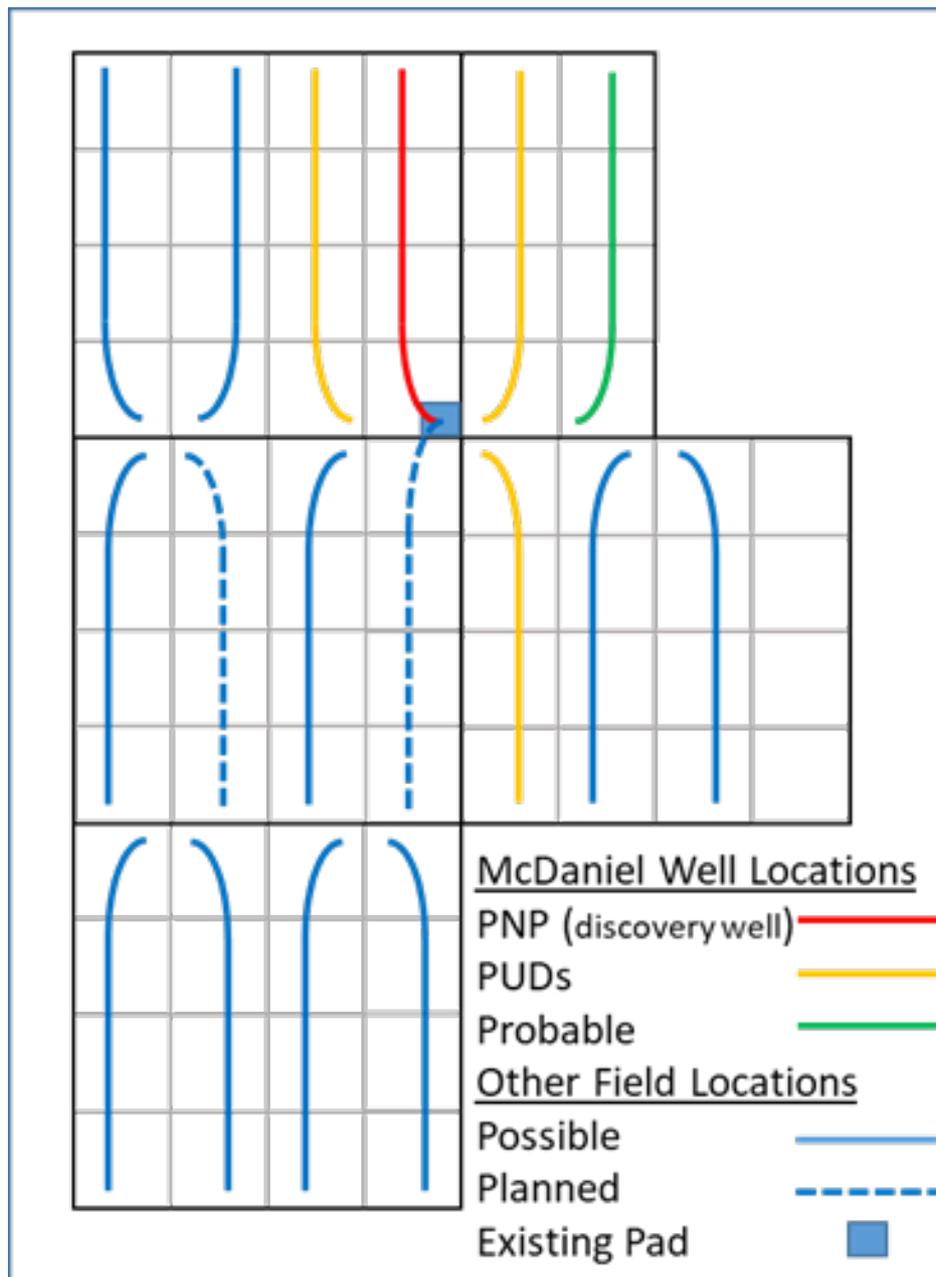


Figure 1 - Wizard Lake Development Plan

## Key Assumptions and Notes

- Whitebark Energy's reserve review has been completed in conjunction with the reporting requirements of Whitebark's joint venture partner in Canada, Point Loma Resources LTD. (PLX).
- 31 December 2018 reserves evaluation was prepared by McDaniel & Associates in accordance with definitions, standards and procedures contained in the Canadian Oil and gas Evaluation Handbook and Standards of Disclosure for Oil and Gas Activities, published by the Society of Petroleum Evaluation Engineers (SPEE), a party to the Guidelines for Application of the Petroleum Resource Management System (PRMS - Nov 2011).
- Reserves are presented on a "company gross" basis, which is defined as Whitebark's working interest (non-operating) share.
- Company Reserves based on McDaniel's December 31, 2018 forecast prices and costs. The forecast of commodity prices used in the McDaniel report can be found at [www.mcdan.com](http://www.mcdan.com). See also 'Price Forecast' below.

## Price Forecast

The following table summarizes McDaniel's commodity price forecast and foreign exchange rate and inflation rate assumptions as at December 31, 2017, as applied in the McDaniel report.

Year	Exchange Rate	Edmonton Light	
		WTI Crude Oil	Crude Oil
	\$US/\$Cdn	\$US/bbl	\$Cdn/bbl
2019	0.750	56.50	63.30
2012	0.775	63.80	74.30
2021	0.800	67.60	78.50
2022	0.800	71.60	83.40
2023	0.800	73.10	85.10

- Estimated future net revenues are stated without any provision for interest costs, other debt service charges or general and administrative expenses, and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future development costs.
- Estimated future net revenue, whether discounted or not, may not represent fair market value.
- Columns may not add due to rounding of individual items.
- Inflation rate is accounted for at 2% per year.
- Crude Oil: The crude oil reserves estimates presented were based on a review of the volumetric data and performance characteristics of the individual wells and reservoirs in question. Volumetric estimates of the original oil in-place were based on individual well petrophysical interpretations, geological studies of pool configurations, and in some cases on published estimates. In those cases where indicative oil production decline and/or increasing gas-oil and oil cut trends were evident, the remaining reserves were determined by extrapolating these trends to economic limiting conditions. Where definitive production information was not yet available, the reserves estimates were usually volumetrically determined using recovery factors based on analogy with similar wells or reservoirs or on estimates of recovery efficiencies. The cumulative production figures were taken from published sources or from records of the Company and estimated for those recent periods where such data were not available.

- Undeveloped reserves are associated with undrilled locations within existing producing fields. Drilling of PUD locations will take place in accordance to good oilfield practice and are subject to normal regulatory and environmental approvals.
- All products have ready access to market through existing or planned infrastructure.
- Operating costs were based on 2018 actuals.
- Royalties are calculated in accordance to the Province of Alberta regulations.
- Well costs and associated depths, lengths and completion practices are ascribed to each well in according to their location in the field or accumulation and prevailing oil and gas field practices.
- All proposed wells are analysed for commercial viability and only those deemed commercial were included in the reserve estimates.
- The oil and gas assets are held under existing production licenses in the Province of Alberta, Canada.

See also cautionary statements below for further explanations and discussions.

### **Wizard Lake Background**

The Wizard Lake Rex well was spud on the 24 November 2018 and drilling finished on the 2 December 2018 (nine days inclusive). The well intersected a continuous reservoir section from the casing shoe with predominately good quality reservoir accompanied by excellent oil shows (fluorescence and cut) and elevated gas readings. Following a 27stage fracture stimulation program, the well commenced cleanup flows on December 24<sup>th</sup>.

The company announced an increase in Working Interest to 30%, with an effective date of 31 December 2018. (Refer ASX Release 24 December 2018).

Initial flow testing of the Wizard Lake Rex horizontal oil well recorded production rates of more than 300 barrels of oil per day prior to the completion of testing, establishing the production capability of the reservoir (Refer ASX release 21 January 2019). On February 20<sup>th</sup>, 2019 the Company announced that following reconciliation of the hydrocarbons produced from the January 2019 flow test of its Wizard Lake Rex well, the total oil produced from the 16- day flow test has been increased from 1833 barrels of oil to 2845 barrels – a 55% increase. This increase in total testing volumes would very likely mean that daily production, when the well is brought on line, will be higher than initially forecast.

The Rex target at Wizard Lake is the first horizontal well to be drilled in what could be a multi-well program analogous to the offsetting Leduc area Rex.

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## Reserve Statement

31 December 2018 reserves evaluation was prepared by McDaniels and Associates in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and Standards of Disclosure for Oil and Gas Activities, published by the Society of Petroleum Evaluation Engineers (SPEE), a party to the Guidelines for Application of the Petroleum Resource Management System (PRMS - Nov 2011).

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. Undeveloped reserves are associated with undrilled locations within existing producing fields that we anticipate we will develop in the next 12 months, subject to good oilfield practice.

Drilling of PUD locations are subject to normal regulatory and environmental approvals. All products have ready access to market through existing infrastructure and acquired licenses are held by existing production.

## 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 reserves was compiled by technical employees of McDaniels and Associates Ltd, a premier independent Canadian Petroleum Consulting Firm, 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 reserves included in this report have been prepared using definitions and guidelines consistent with the 2011 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). There 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.

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.

## GLOSSARY OF TERMS

Abbreviation	Definition
Edm	Edmonton
PUD	Proved Undeveloped
WTI	West Texas Intermediate