

Construction commences on Wizard Lake Production Facilities

6 May 2019

Surface Facilities and Road Construction Commence at Wizard Lake

- Operations have commenced on constructing production facilities for the Wizard Lake Oil Discovery.
- The new pad will contain the surface facilities and be able to accommodate multiple horizontal wells.
- The installation of the pipeline connecting the discovery well to the surface facilities is anticipated to commence in the next 7-14 days.
- Following the completion of the construction and pipeline work in late May, the Rex 1 discovery well will be brought onto production.

Whitebark Energy Ltd (ASX: WBE) is pleased to announce that construction of the 30% owned Wizard Lake surface facilities has commenced. Construction of the facilities, an access road and installation of pipelines comprise the next stage of the Wizard Lake development that will bring the Rex-1 well onto production and will facilitate drilling of the Rex-2 and Rex-3 wells in mid-2019 and early 2020 as planned.



Figure 1 - Access Road under construction



Figure 2 - Multi-well and facilities pad under construction

Local weather conditions, associated with spring break-up, delayed the start date of the construction that is now expected to be completed by the end of this month, after which the Rex-1 oil discovery well will be immediately tied in and commence production.

The program is fully funded from existing cash reserves and the strategic placement to Grand Gulf Energy announced on 22 March 2019. Whitebark will continue to keep shareholders updated on the Wizard Lake program as development progresses.

Background

The Wizard Lake Rex well was spud on the 24 November 2018 and, following a 27-stage fracture stimulation program, the well commenced cleanup flows on December 24th.

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. 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 (Refer ASX Release 20 February 2019). 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 funded 2019 Wizard Lake development program encompasses the construction of a pipeline and installation of initial production facilities on a multi-well pad currently under construction and the drilling of two new Wizard Lake wells this calendar year (Refer to ASX Release 22 March 2019).

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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.