

## Whitebark produces first oil from Wizard Lake

5 June 2019

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### ***Facilities completed and Rex 1 tied into permanent production***

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#### **Highlights**

- Construction of Wizard Lake pipeline and production facilities completed and tied into pipeline.
- First commercial oil produced from Rex-1 well. Well clean up underway.
- Low cost water management facilities utilised.
- Steps in place to drill Rex-2 and Rex-3 this year, resulting in an increased Working Interest to Whitebark in the Wizard Lake oil field.

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Whitebark Energy Ltd (ASX: WBE) is pleased to announce that it has commenced commercial oil production from its Rex-1 well after the completion of production facilities and a pipeline at its Wizard Lake project.

Pumping began overnight with fluids now flowing into the series of tanks at the production facility for water removal and transportation to a nearby refinery.

Whitebark Managing Director David Messina said: “First commercial oil production from Wizard Lake is a key milestone in our strategy to drive production and reserves growth in our acreage in Alberta, Canada.”

“Not only have we successfully increased our production and reserves position, we have also demonstrated our ability to bring wells onto production quickly and at a low capital cost. This is very important given the reserves update identified 12 to 17 likely well locations at Wizard Lake.”



*Figure 1 - Surface Facilities on the newly constructed pad at Wizard Lake*

“With production now up and running, we can turn our full attention to the drilling of Rex-2, where we have recently increased our working interest to 40 per cent on the completion of the well. A successful Rex-2 outcome should put the Company in a very strong position to internally fund the development of the remaining wells at Wizard Lake given the low drilling and development costs in Canada.”

Whitebark expects the Rex-1 well will take a number of weeks for the well to clean-up and the oil cut to stabilise.

To remove any associated water, Whitebark is employing a low-cost modular separation technique, currently being adopted throughout the region, using a series of tanks and some of the gas derived from the well will be used to heat the emulsion and separate out the water.

“The gas to heat the condensate is effectively free so it is an efficient oil/water separation system,” he said.

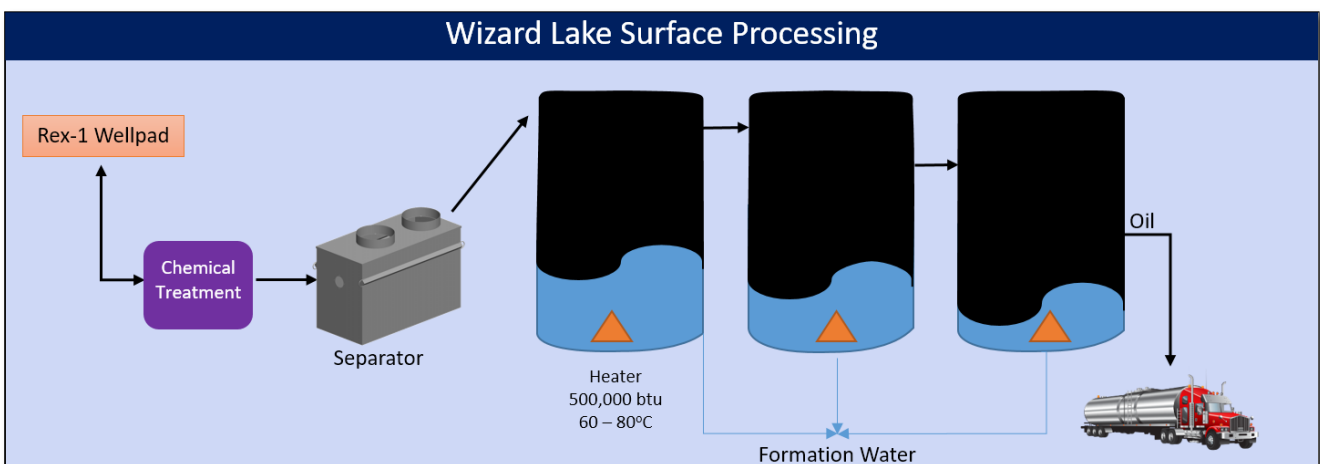


Figure 2 - Wizard Lake Surface Processing

The new central production and processing facility is located 1.6 km from the Rex 1 well, and has the capacity to service additional Rex wells through the addition of further tank modules.

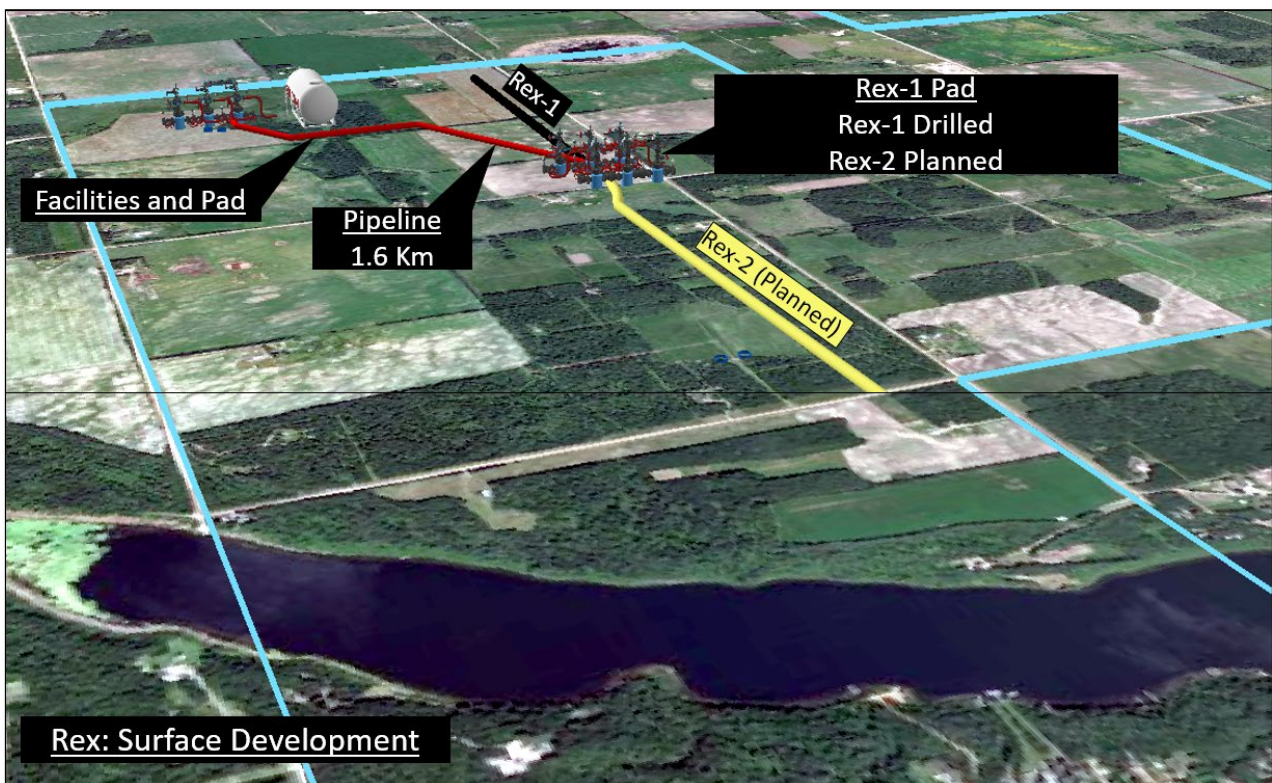


Figure 3 - Wizard Lake Development Plan

## 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 24<sup>th</sup>.

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 completed construction of a pipeline and installation of initial production facilities on a multi-well pad and the drilling of two new Wizard Lake wells in 2H 2019<sup>1</sup>. Whitebark's working interest in the Wizard Lake oil development will increase up to 50% following the two well drilling program<sup>2</sup>. The reserves assessment indicates the likelihood of 12 to 17 follow-up well locations.<sup>3</sup>

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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.*

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<sup>1</sup> Refer to ASX Release 22 March 2019

<sup>2</sup> Refer to ASX Release 31 May 2019

<sup>3</sup> Refer to ASX Release 15 March 2019