

Wizard Lake 2P Reserves assessment delivers 11% increase in NPV10

Whitebark Energy Ltd (ASX:WBE) (“Whitebark”, “the Company”) is pleased to report its reserves and resources assessment for the Wizard Lake Oil and Gas Field in Alberta, Canada, as at 30 June, 2022.

Through its wholly-owned Canadian subsidiary Rex Energy Ltd, Whitebark is the Operator, and holds a 100% share of, the Wizard Lake asset.

- NPV10 of 2P reserves at 30 June 2022 is AUD \$56.25 million, representing an 11.1% uplift on the prior year's NPV10
- 1P (Proved) Reserves of 0.865 MMbbls of oil, 7.63 bcf of gas and 152 Mbbls NGLs: Total 2.29 MMboe
- 2P (Proved plus Probable) of 1.97 MMbbls of oil, 16.87 bcf of gas and 335 Mbbls NGLs: Total 5.12 MMboe
- This update reflects the completion of technical studies during Q1 FY23 utilising greater historical production data to inform decline curve estimates and forecasts for ultimate recovery per well

| <i>Resources & Reserves as at 30 June, 2022</i> | | |
|---|--------------|-------------------------|
| 100% Field Reserves (MMboe) | | |
| Category | Proved 1P | Proved & Probable 2P |
| Developed & Undeveloped | 2.29 | 5.12 |
| 100% Field Contingent Resources (MMboe) | | |
| Category | 1C | 2C |
| Total | 1.81 | 4.72 |

Table 1: Proved and Probable Reserves and Contingent Resources, 100% Rex Energy, 30 June 2022

Reserves and Net Present Value

The total 100% Field 2P Reserves in Whitebark’s Wizard Lake Oil and Gas Field (Table 1) at 30 June 2022 are assessed to be 5.12 million barrels of oil equivalent. The barrels of oil equivalent figure comprises 1.97 million barrels of crude oil, 16.87 billion cubic feet of natural gas and 0.34 million barrels of natural gas liquids.

2P Reserves include 1P Proven Developed Producing Reserves (“PDP” – those remaining reserves attributed to existing wells Rex-1 through Rex-3); 1P Proven Undeveloped Reserves (“PUD” – those reserves accessible from existing infrastructure and requiring the drilling of Rex-4 through Rex-8); and 2P Probable Reserves (those accessible and requiring a new well-pad, new facilities and the drilling of Rex-9 through Rex-15).

The net present value (NPV 10% Before Tax) of Whitebark’s 2P reserves at 30 June 2022 is calculated to be AUD \$56.25 million (@ CAD1.0 = AUD1.11)

Contingent Resources

The total 100% Field 2C Contingent Resources for Wizard Lake at 30 June 2022 are assessed to be 4.72 million barrels of oil equivalent. The barrels of oil equivalent figure comprises 1.91 million barrels of crude oil, 15.05 billion cubic feet of natural gas and 0.30 million barrels of natural gas liquids.

The Field Contingent Resources comprise volumes attributed to future planned wells with identified locations nominated Rex-16 through Rex-28 within the modelled reservoir distribution. Drilling of these locations will require additional facilities and the expansion of the Whitebark land position.

Reporting Period Movements in Reserves and Contingent Resources

| <i>Resources & Reserves as at 30 June 2022</i> | | |
|--|--------------|-------------------------|
| 100% Field Reserves (MMboe) | | |
| Category | Proved 1P | Proved & Probable 2P |
| 100% Field Reserves at 30 June 2021 | 2.39 | 5.0 |
| FY21 Production | (0.06) | (0.06) |
| Revisions | (0.10) | 0.19 |
| % change from 30 June 2021 | -1.6% | +3.7% |
| 100% Field Reserves at 30 June 2022 | 2.29 | 5.12 |
| 100% Field Contingent Resources (MMboe) | | |
| Category | 1C | 2C |
| 100% Field Contingent Resources at 30 June 2021 | 1.86 | 4.82 |
| Revisions | (0.04) | (0.11) |
| % change from 30 June 2021 | -2.3% | -2.3% |
| 100% Field Contingent Resources at 30 June 2022 | 1.81 | 4.72 |

Table 2: Reporting Period Movements in Reserves and Contingent Resources

The Reserves and Contingent Resources Report dated 30 June 2022 reports a decrease of 1.6% to Proved 1P reserves and an increase of 3.7% to Proved plus Probable 2P reserves against 30 June 2021.

The reporting period movements show that the overall level of 1P reserves has decreased slightly over and above the production volume from the field during FY22 to 30 June 2022. This decrease reflects the results of the analysis of 12 months of further historical production data from existing wells Rex-1 through Rex-3, and recalculated forecast decline curves to arrive at revised estimated ultimate recoverable ("EUR") reserves per well. Reserves were then adjusted for production during the period.

Whitebark CEO Dr. Simon Brealey said: *"We are thrilled to see an 11.1% year-on-year uplift in the NPV of the resource base which shows the commercial viability of the Rex opportunity. We believe Whitebark is significantly undervalued, and the market is yet to realise the full potential of our assets and projects, particularly in light of the positive steps taken towards the delivery of Rex-4. We look forward to executing our growth strategy, capitalising on the favorable industry dynamics at play and generating significant value for our shareholders."*

Notes on Reporting Period Movements in Reserves and Contingent Resources

As part of the detailed field review at Wizard Lake both revised Operating Costs (Opex) and pricing forecasts were applied. The forecast used to generate the average price forecast was developed by taking the average of McDaniels, Sproule, GLJ, and Deloitte. The oil pricing was further adjusted to incorporate a quality discount set in US\$ (due to the “heavy” nature of Wizard Lake crude). Revisions to Opex are detailed in Table 3 (below).

Operating Cost update

| | Jan-21 | Jun-22 | Basis | Effective |
|-----------------------------------|----------|----------|--------------------|---------------|
| Fixed | \$20,000 | \$25,000 | per well per month | |
| Fixed (without rental) | \$8,400 | \$9,000 | per well per month | December 2022 |
| Fixed (over 8 wells) | | \$6,000 | per well per month | January 2024 |
| Variable Oil | \$3.20 | \$2.29 | per bbl | |
| Variable H2O (trucked) | \$3.38 | \$3.26 | per bbl | |
| Variable H2O (with Tie-in) | \$0.79 | \$0.96 | per bbl | November 2022 |
| Variable Gas | \$0.78 | \$1.25 | per mcf | |

Table 3: Operating cost update to 30 June 2022

Notes on Calculation of Reserves and Resources

The Wizard Lake Field has one producing reservoir, the Rex Sand Member of the Lower Cretaceous Upper Mannville Group.

The evaluation was carried out under the standards contained in the Petroleum Resource Management System (PRMS) revised June 2018 version.

All reserves and resources are estimated by deterministic estimation methodologies consistent with the definitions and guidelines in the Society of Petroleum Engineers (SPE) 2007 Petroleum Resources Management System (PRMS). Under the SPE PRMS guidelines, “Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions”. Contingent Resources are “those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered commercially recoverable owing to one or more contingencies”.

Estimated quantities by category and notes on PDP and PUD Project Status

1P PDP Reserves, attributable to remaining reserves at existing wells Rex-1 through Rex-3, as at 30 June 2022, are 475 Mboe, comprising 131 Mbbls oil, 1,842 MMcf gas and 37 Mbbls of associated Natural Gas Liquids (“NGLs”). Using the economic assumptions in Appendix 1, the NPV10 Before Tax (“BT”) is CAD \$4.91 million. At AUD 1.11 = CAD 1.0 this equates to AUD \$5.45 million.

All three wells are currently on production, and all product is sold directly to purchasers from the Battery. Produced water is trucked to the saltwater disposal well; crude is trucked off lease to the purchaser, with monthly nominations made to a preferred buyer. Gas is fed directly into the Petrus pipeline system; Petrus process the liquids out of the gas and supply the gas purchaser (BP). All relevant Environmental, Health and Safety regulation is observed and policy and procedure documentation maintained.

Through future investment, exploitation of PUD reserves (Rex-4 through Rex-8) is possible from the existing well pad. Economic analysis includes Capex for the drilling and completion of the wells and eventual

abandonment. Development drilling commenced with Phase 1 of the Rex-4 development well in August 2022. The initial drilling of the well bore achieved a lateral section within 100% oil-saturated Rex Sandstone reservoir sufficient to accommodate 50 hydraulic fracture stimulation stages. 1P PDP plus PUD reserves at 30 June 2022 are 2,289 Mboe comprising 865 Mbbls oil, 7,632 MMcf gas plus 152 Mbbls NLGs. NPV10 is CAD \$25.61 million (AUD \$28.46 million).

2P reserves, including PDP, PUD and Probable reserves (Rex-9 through Rex-15) will require the installation of a new well pad. Economic assessment includes Capex to provide for this along with drilling, completion and abandonment of the wells. 2P reserves are 5,120 Mboe (Table 1), comprising 1,972 Mbbls oil, 16,870 MMcf gas and 335 Mbbls NGLs. NPV10 is CAD \$50.62 million (AUD \$56.25 million).

Qualified Petroleum Reserves and Resources Evaluator Statement:

The information contained in this report regarding the Whitebark Energy Ltd reserves and contingent resources is based on and fairly represents information and supporting documentation compiled by Dr. Simon Brealey who is an employee of Whitebark Energy Ltd and holds a PhD. in oilfield geology. All ValNav runs and decline analysis of the existing wells and future type curve wells were generated by Whitebark with input parameters reviewed and validated for this report.

KD Angus Corp consents that the reserve and resource forecasts used in this report relating to the Wizard Lake Oil and Gas Field are based on an independent review conducted by KD Angus Corp and fairly represent the information and supporting documentation reviewed. The information was reviewed by Kevin Angus. Mr. Angus, P. Geoph., has an ICD.D designation from the Institute of Corporate Directors. He holds a Bachelor of Science in Geology from the University of Calgary and is registered as a Professional Geoscientist with the Alberta Professional Engineers and Geoscientists of Alberta (APEGA). Mr Angus was both the chairman and member of the reserve committee of Painted Pony Energy for 5+ years, a publicly traded Canadian company with over 3tcf of reserves.

This release is approved by the Board of Whitebark Energy Limited

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About Whitebark Energy Limited:

Whitebark Energy Limited (ASX:WBE) is an ASX-listed exploration and production company featuring low cost oil and gas production in Canada, a substantial gas resource in Western Australia, and a management and Board team with a proven track record in delivering shareholder value. 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. WBE intends to build a substantial oil & gas business through disciplined execution of strategic objectives.

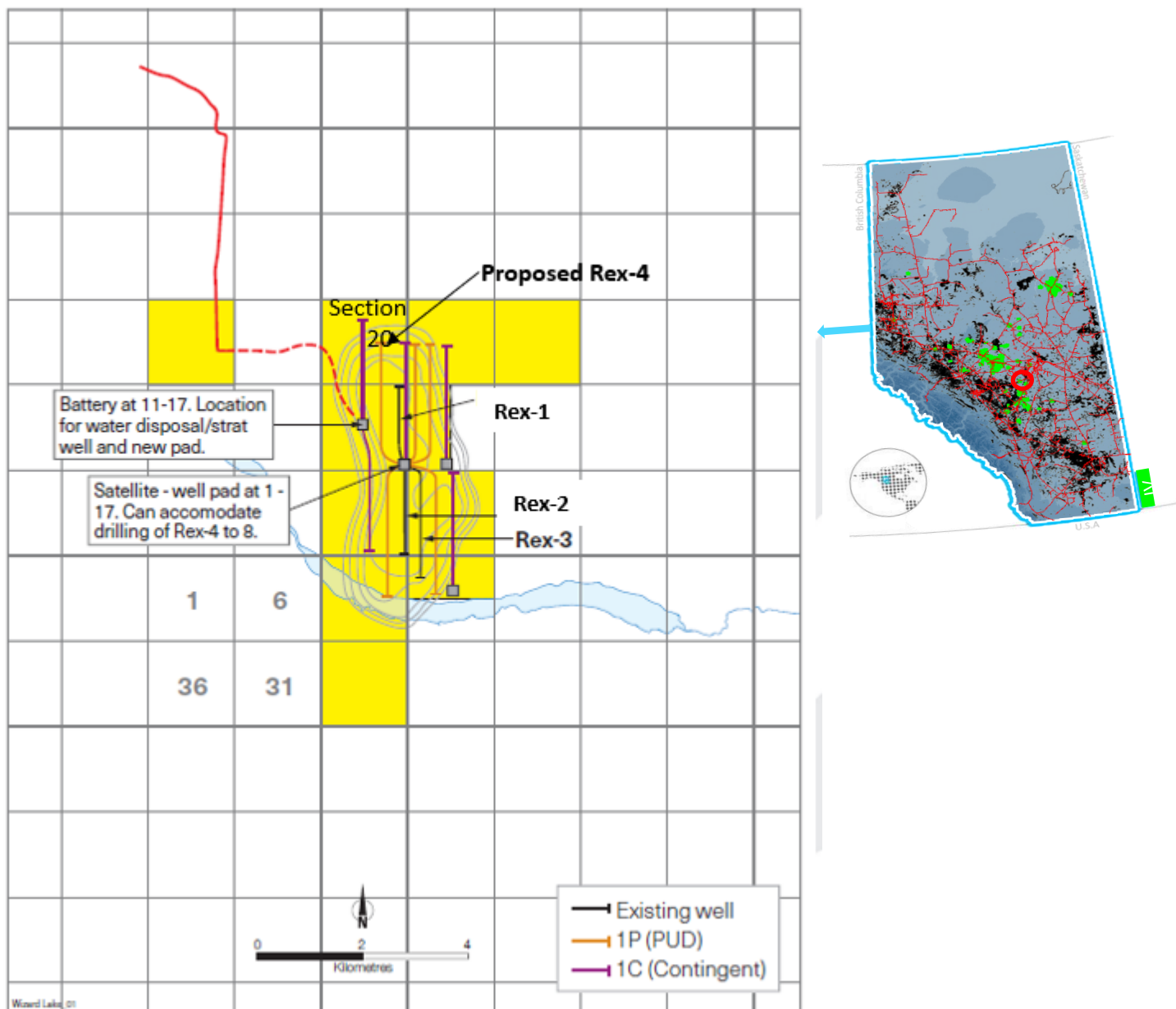


Figure 1. Wizard Lake Oil Field: Location; Field reservoir map; Existing and planned wellbores