

Drilling Operations Update

12th September 2017

Xanadu and Canadian Well Progress - Drilling Ahead

Producer and explorer Whitebark Energy Ltd (ASX: WBE) (“Whitebark” or “the Company”) spud two wells and undertook a recompletion over the last seven days.

160mmbbls Xanadu 1 Exploration Well – Perth Basin (15% WBE WI)

It is anticipated that the primary and secondary targets will be intersected later this week.

Operator Norwest Energy NL ('Norwest'), has advised that as at 6.00 am today the current operations on the Xanadu-1 conventional oil exploration well include preparing to pick up the 216 mm drilling assembly prior to drilling ahead. Since the Xanadu-1 well spudded on 4th September 2017 at 3:00pm AWST, the 311 mm hole section has been successfully drilled from the surface conductor at 66 mMD to the current well depth of 975 mMD. Following running the 244 mm casing to 971 mMD and cementing in place to surface, the blow out preventers were installed and successfully pressure tested.

Drilling operations have proceeded as planned and the sub-surface geology has been in line with pre-drill expectations. The programmed well total depth is approximately 1863 mMDRT.



Figure 1 - Enerdrill Rig 3 On Location

Canadian Operations (20% WBE, 80% PLX)

Drilling

The 9-18 Sparky well was spud on the 8th September and is currently at 1608 mMD. The total measured depth will be approximately 2700 mMD which includes a 1000 m horizontal leg. The well is expected to take 8-10 days to drill. The well has been drilled off an existing pad containing our 11-18 well.

The construction of a new pipeline will connect the existing 11-18 well and the new 9-18 Sparky well to the nearby gathering system.

The total AFE (100%) to drill the well is \$CDN1.2m with an additional cost of \$CDN500,000 for surface facilities and pipeline.

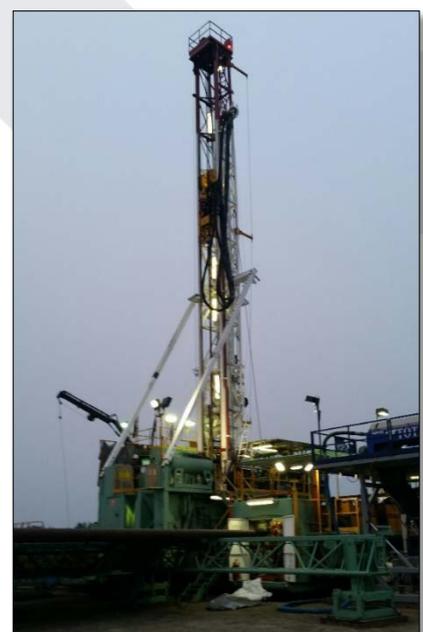


Figure 2 - 9-18 Sparky Well - Drill Rig



Nordegg Recompletion

Over the last seven days equipment was mobilised to the suspended Nordegg 5-31 well. Work included adding perforations and acidizing the section of the horizontal well in the Nordegg Zone in order to increase production. The perforations were placed in the upper sections of the formation to minimise water production. A new PC pump has also been installed to improve the pumping characteristics in order to increase production. The AFE (100%) for all the work was \$CDN271,000.

“It is exciting times for Whitebark with multiple wells being drilled on two continents and most importantly demonstrating our ability to deliver against publicised timelines” Whitebark Energy Managing Director David Messina said.

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Unrisked Prospective Recoverable Resources for Xanadu-1, Perth Basin

Unrisked recoverable oil volumes have been estimated deterministically and are summarised in Table 1 below. A 50% recovery factor has been assumed.

Table 1 - Unrisked Recoverable Oil Volumes

| Un-risked Prospective Resource: recoverable volumes oil (MMstb) ¹ | | | |
|--|--------------|---------------|---------------|
| Reservoir | Low estimate | Best estimate | High estimate |
| Dongara Sandstone | 3 | 12 | 22 |
| Irwin River Coal Measures | 13 | 88 | 159 |
| High Cliff Sandstone | 29 | 60 | 256 |
| Total | 45 | 160 | 437 |

¹The 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 and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Table 2 - Chance of Success²

| Reservoir | Chance of Success |
|---------------------------|-------------------|
| Dongara Sandstone | 14% |
| Irwin River Coal Measures | 13% |
| High Cliff Sandstone | 6% |

² Refer NWE announcement released to ASX on 29/10/14.

The Qualified Reserves and Resources Evaluator Statement

The information on the Xanadu prospect is based on information compiled by Mr Dean Powell of Powell Seismic Services. Mr Powell holds a Bachelor Degree of Applied Science (Physics) and is a member of the Society of Exploration Geophysicists. He has more than 40 years of experience in petroleum exploration.

Mr Powell has consented in writing to the inclusion of the information stated in the form and context in which it appears.

About Whitebark Energy

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

In Canada, the Company holds a 20% working interest in the producing Point Loma joint venture project in the state of Alberta, via an unincorporated joint venture with TSXV-listed Point Loma Resources Limited.

The Point Loma project is a well-established producer, with existing gas processing facilities and transport pipelines into commercial markets. Whitebark's aim for the brownfields Point Loma project is for a significant increase in low-cost oil and gas production through the workover and tie-in of behind-pipe reserves and horizontal development drilling.



In Western Australia, the Company has agreed to fund 20% of the Xanadu-1 exploration well in the Perth Basin to earn 15% of the Xanadu prospect and permit TP/15. The Joint Venture with permit partners Norwest Energy, Triangle Energy Group and 3C Group spud Xanadu-1 on 4 September 2017.

Through wholly owned subsidiary Latent Petroleum, Whitebark holds a majority interest (57%) in the 1.5tcf (refer ASX release dated 19 November 2015) undeveloped Warro Gas Project, about 200km north of Perth. Alcoa of Australia is Latent's joint venture partner and holds 43% of the Warro project equity. The farm-in program includes a drilling program and seismic surveys which could see Alcoa earn a total 65% interest, with Latent retaining 35%.

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.

ASX Code: WBE
Issued Shares: 835m

Market Capitalisation: A\$6.8m
Cash (as at 30 June 2017): A\$5m