



ABN 69 009 196 810
(Incorporated in Western Australia)

Level 2, 30 Richardson Street
West Perth, WA 6005
PO Box 1786, West Perth WA 6872
T+61 8 9321 9886 F +61 8 9321 8161

20 August 2021

ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

PRM completes buyout and moves to 100% in Bowsprit Project ahead of Drilling

HIGHLIGHTS:

- PRM has now secured a 100% working Interest in Bowsprit Project via the acquisition of Pinnacle Energy International (USA) I LLC executed on 20 August effective 1 August 2021
- PRM will issue 20.5 million PRM shares to Pinnacle to complete the buy-out
- Pinnacle has been granted a 5% Royalty on future production from the leases

Commenting on the news Mr Parks, Managing Director of Prominence Energy said *“Having now executed the buy-out and assumed 100% ownership, PRM has full exposure to the Prospective Resources of Bowsprit and excellent leverage in the event of success in the Bowsprit-1 well”*

Summary of Deal Terms

The deal was first announced in July 2019¹, with completion of the transaction extended by mutual agreement until the drilling of the first well. PRM has executed a Membership Interest Purchase Agreement with Pinnacle Energy International (USA) Inc (Pinnacle) to acquire the subsidiary holding company, Pinnacle Energy International (USA) I LLC, which has a 50% working interest in SL21754 and SL21787 in Louisiana, USA. PRM holds the other 50% working interest in the leases via Sun Louisiana LLC. Pinnacle Energy International (USA) I LLC is a single purpose company with no other assets or liabilities.

Consideration payable to Pinnacle:

- 20,524,144 PRM Shares will be issued to Pinnacle (as approved at PRM EGM on 2 July 2021)
- a Royalty of 5% (five percent) of gross production revenue (net revenue received after Tariffs and direct sale costs as per the calculation of State Royalty) (“Royalty”).

PRM is entitled to collect the first US\$12 million² in gross revenue before any Royalty payment is made to Pinnacle. The 5% Royalty remains payable on the first US\$12million of revenue and is accrued and payable, subject to the Leases producing at least US\$12 million in gross production revenue. Therefore, if the Leases do not produce \$12million in gross revenue, no royalty is payable to Pinnacle.

¹ See ASX release dated 29 July 2019

² Proportionally adjusted if PRM farm’s down or sells part of its working interest



Authorised by the Board of Prominence Energy Limited

Yours faithfully

A handwritten signature in black ink that reads 'Anna MacKintosh'. The signature is written in a cursive, flowing style.

Anna MacKintosh
Company Secretary

For further information please contact Prominence Energy at:

Web: www.prominenceenergy.com.au

Phone: +61 8 9321 9886

Email: admin@prominenceenergy.com.au