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7 December 2021

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

## PRM TO ACQUIRE INTEREST IN MUTLI-TCF SASANOF PROSPECT AND RAISES A\$12 MILLION

### Highlights

Prominence Energy Ltd (“PRM”) is pleased to announce that PRM has signed a binding term sheet to acquire a 12.5% interest in the Multi-TCF Sasanof Gas Prospect located in exploration Permit WA-519-P on the Northwest Shelf, Australia.

- PRM will acquire a 12.5% shareholding in the company which is the permit holder of the Sasanof Prospect.
- Once the Sasanof well is fully funded, PRM will issue 90 million PRM shares and 30 million PRMOB options as part of the consideration, subject to shareholder approval and subscribe for US\$5.0million in shares in the company which is the permit holder the Sasanof Prospect with such funds to be used to cover part of the costs of drilling the Sasanof well.
- PRM has secured a firm commitment to raise A\$12 million before costs via a two-tranche placement. PRM will issue 1.2 billion PRM shares at a price of 1c each with 1 free attaching PRMOB option for every 3 placement shares subscribed for.
- Tranche 1 of 250 million shares will be issued using the company’s capacity under 7.1/7.1a
- Tranche 2 of 950 million shares and the Options will be issued subject to Shareholder approval

### Sasanof Prospect

The Sasanof prospect is located in exploration permit WA-519-P, in Commonwealth waters approximately 207km northwest of Onslow Western Australia. (Figure-1)

The Sasanof Prospect is located up dip from the liquids rich, low CO<sub>2</sub> Mentor Gas and Condensate field and near to the giant gas fields of Scarborough and Io-Janz in the Carnarvon Basin. The prospect covers an area of approximately 400km<sup>2</sup>. ERC Equipoise Ltd (“**ERCE**”) independently determined that Sasanof is an estimated 2U Prospective Resource of 7.2 Tcf of gas and 176 million bbls of condensate (P50 recoverable) and a 32% Chance of Success (CoS). The High Case 3U Prospective Resource estimate is 17.8TCF and 449 million bbls of condensate (P10 recoverable). (See Appendix 2).

Resources Net to WG519 Pty Ltd and PRM are shown in the table below.

Net PRM entitlement assuming PRM completes under terms disclosed and earns 12.5% interest								
Sasanof	Recoverable Gas (Bcf)				Recoverable Condensate (MMstb)			
	1U	2U	3U	Mean	1U	2U	3U	Mean
Net to WG519	600.5	4131.1	9253.1	5177	13.8	100.4	233.7	128.8
Net to PRM (12.5%)	75.1	516.4	1156.6	647.1	1.7	12.6	29.2	16.1

*Cautionary Statement – Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related 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.

PRM is acquiring a 12.5% shareholding interest in the WA-519-P licence holder, Western Gas (519 P) Pty Ltd (**WG519**). Western Gas Pty Ltd (**Western Gas**) is the major shareholder of WG519 and the Operator of the WA-519-P permit and announced on 25 November 2021 that a rig contract had been signed with Valaris for the MS-1 semi-submersible rig to drill the well in March/April 2022. Global Oil and Gas Limited (**ASX:GLV**) is committed to funding 50% of the well for a 25% shareholding interest in WG519. GLV and PRM together are funding 75% of the total well cost of the Sasanof well. Western Gas are in discussions to fund the remaining 25% of the well cost. PRM's participation is conditional on Western Gas securing funding for the full well cost. Sasanof-1 will be a vertical well drilled to a depth of approximately 2,500m in 1,070m of water. Drilling costs are estimated to be in the range of US\$20-25 million (US\$5-6.25 million PRM share).

Commenting on the news, Alex Parks Managing Director of PRM stated: **“PRM is delighted to be participating in the drilling of the Sasanof prospect. It is a giant structure with a good chance of finding gas. Success would be transformational for PRM.”**

Commenting on the news Western Gas Executive Director Will Barker stated: **“Western Gas is delighted to welcome Prominence onboard the Sasanof-1 drilling program. Prominence joins us, and our existing partner Global Oil and Gas Limited (ASX:GLV), at an exciting time as we continue to achieve key project milestones and progress towards drilling of Sasanof-1 in March/April 2022.”**

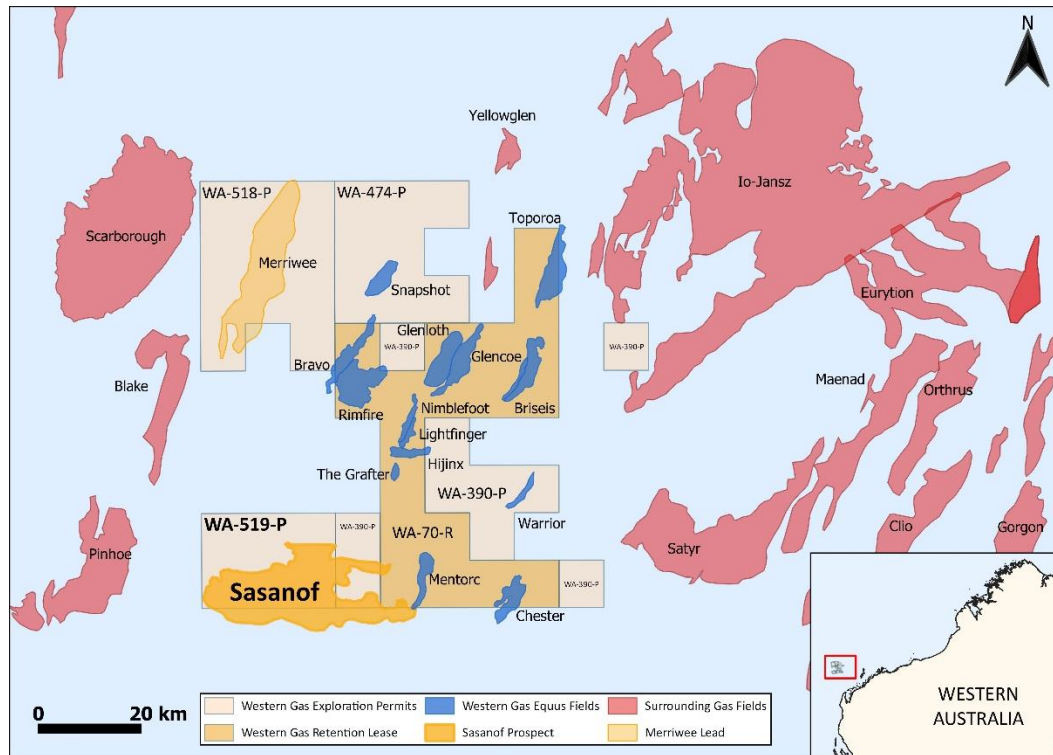
The Sasanof Prospect covers an area of up to 400 km<sup>2</sup> across three exploration permits and one retention lease, three of which, WA-519-P, WA-390-P & WA-70-R, are operated and owned by Western Gas.

Independent assessment by ERC Equipoise Ltd of the total Sasanof Prospect estimates 2U Prospective Resource (gross) of 7.2 Tcf gas and 176 Million bbls condensate (P50 recoverable), with a 32% Chance of Success. The 3U Prospective Resource estimate (gross) is for 17.8 Tcf gas and 449 Million bbls condensate (PI0 recoverable).

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Net to PRM (12.5%)	75.1	516.4	1156.6	647.1	1.7	12.6	29.2	16.1

Sasanof is a large seismically defined, amplitude supported prospect in the Cretaceous Lower Barrow Group at a depth of 2,500m. It is an up-dip prospect from the liquids rich Mentor Gas Field, previously discovered by Hess Corporation. Western Gas has secured the Valaris MS-1 semi-submersible drill rig secured with drilling scheduled for March/April 2022 at an estimated cost of US\$20-25 million (US\$5-6.25 million PRM share).



*Figure 1 Regional location of Sasanof Prospect and surrounding gas fields.*

## Deal Terms

PRM will acquire (a total 12.5% of the shares in WG519 via an acquisition of shares from Western Gas and subscription for new shares in WG519 and consequentially a 12.5% beneficial interest in the WA-519-P licence.

In addition PRM, via contractual arrangements with Western Gas and its other subsidiaries which hold the adjacent permits, will also have an economic interest in 12.5% of the Sasanof Prospect that sit outside of WA-519-P, but within other Western Gas exploration permits.

Following completion, WA519 will have 4 Board members (2 from Western Gas, 1 from GLV, 1 from PRM). In the event Western Gas obtains funding for the final 25% of the well cost, the Board will be 5 including 1 from the other funding party. The Board will operate like a typical Oil and Gas Joint Venture voting on the basis of ownership %. In the event of a discovery at Sasanof-1, the parties may choose to take a direct working interest in the permit(s) and operate as an unincorporated Joint Venture based on a standard international AIPN<sup>1</sup> Joint Operating Agreement.

## Consideration

On Western Gas securing full funding of the well, PRM shareholder approval of the Capital Raise and associated resolutions, and the execution of a shareholders agreement and other agreements as required between the parties.

- PRM will issue Western Gas 30 million PRMOB options
- PRM will issue Western Gas 90 million PRM shares

<sup>1</sup> Association of International Petroleum Negotiators – international standard Joint Operating Agreement.

- PRM will subscribe for US\$5.0 million in shares in WG519 (such amount being equal to 25% of the anticipated well cost of US\$20 million) and also loan to WG519 25% of any over runs up to \$5 million when cash called. Thereafter, PRM will be required to contribute on a heads-up basis (12.5%).

Issue of the Options and Shares to Western Gas will be subject to PRM shareholder approval at an EGM. PRM will issue 30 million PRM shares to GTT Ventures Pty Ltd (or nominee) as deal facilitator.

### Deal Status

The terms of the deal between PRM and Western Gas are established on the same proportional basis to those with GLV. A binding term sheet has been executed between Western Gas and PRM.

The conditions precedent to completion of the proposed transaction are:

- completion of due diligence by PRM on the Permit, to the satisfaction of PRM;
- PRM raising a minimum of A\$9,000,000 through the issue of ordinary shares at not less than A\$0.01 each (noting that the second tranche of the capital raising will be subject to shareholder approval and PRM confirming the Sasanof Project Well is fully funded)
- PRM obtaining shareholder approval in a general meeting of the issue the shares and options to Western Gas under the Acquisition and the issue of the shares and options under the Tranche 2 of the placement;
- Western Gas and PRM negotiating and agreeing the terms of definitive agreements
- each of the Shareholders of WG519 providing all consents and waivers necessary under the WG519 Shareholders Agreement for the Acquisition to proceed;
- Western Gas having secured commitments for 100% of the funding to cover the costs of the Sasanof-1 well to PRM's reasonable satisfaction;
- WG519 making a formal decision to proceed with the drilling of the Sasanof Project Well.

### PRM Capital Raising

PRM has firm commitments to place 1.2 billion shares at a price of 1c per share with 1 PRMOB<sup>2</sup> attaching option for every three shares subscribed for. The Placement will be made in two tranches with the second tranche (including Directors Participation for \$50,000) subject to shareholder approval at an EGM and Western Gas having secured commitments for 100% of the funding to cover the costs of the Sasanof-1 well to PRM's reasonable satisfaction.

The primary use of funds is the drilling of the Sasanof-1 well with PRM's share of these costs expected to be approximately A\$6.5-8 million. The balance of the funds will be used for advancing the company's Bowsprit project toward development drilling, business development relating to new projects and working capital.

	No. of PRM shares	\$ before costs	No. of Options (PRMOB)	Method
Tranche 1	250,000,000	\$2,500,000	83,333,333	Shares - Rule 7.1 and 7.1A capacity Options - subject to shareholder approval
Tranche 2	950,000,000	\$9,500,000	316,666,667	Subject to shareholder approval
Directors	5,000,000	50,000	1,666,667	Subject to shareholder approval
<b>Total</b>	<b>1,205,000,000</b>	<b>\$12,050,000</b>	<b>401,666,667</b>	

Capital Raising Fees – PRM will pay 6% in capital raising fees, and issue a total 30 million shares and 60 million PRMOB options to the brokers raising the funds for PRM. The raise will be executed through two brokers, Inyati Capital Pty Ltd (ABN 83 642 351 193) (“**Inyati**”) and GTT Ventures Pty Ltd (ABN 36 601 029 636) (“**GTT**”).

<sup>2</sup> Listed PRMOB options with an exercise price of 2c per share and expiry date of 1 September 2023

On completion of the transaction the PRM capital structure will be:

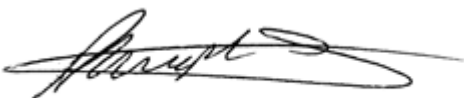
	PRM Shares	PRMOB Options / unlisted Options	% of post-Placement undiluted cap structure
Shares on issue pre-Placement	1,033,858,818	379,562,247	43.28%
Placement	1,200,000,000	400,000,000	50.23%
Sasanof deal PRM equity consideration	90,000,000	30,000,000	3.77%
Facilitator shares	30,000,000		1.26%
Broker Fees/options for Placement	30,000,000	60,000,000	1.26%
Director Participation in Placement	5,000,000	1,666,667	0.21%
<b>Shares on issue post Completion</b>	<b>2,388,858,818</b>	<b>871,228,914</b>	<b>100%</b>

#### Indicative Timetable to Completion

	Date
Announcement of Sasanof Transaction and Capital Raise	7-Dec 21
Tranche-1 Placement - Issue of Shares	13-Dec-21
Dispatch Notice of Meeting for EGM to approve related resolutions	17-Dec-21
PRM Extraordinary General Meeting (EGM)	19-Jan-22
Issue of Tranche 2 Placement Shares	21-Jan-22
Close Transaction with Western Gas including Issue of Consideration Shares & Options (Subject to PRM being satisfied the Sasanof Well is fully funded)	25-Jan-22

Authorised by the Board of Prominence Energy Limited

Yours faithfully



Alexander Parks  
Managing Director

For further information please contact Prominence Energy at:

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Phone: +61 8 9321 9886  
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## APPENDIX 1 SASANOF PROSPECT TECHNICAL DATA

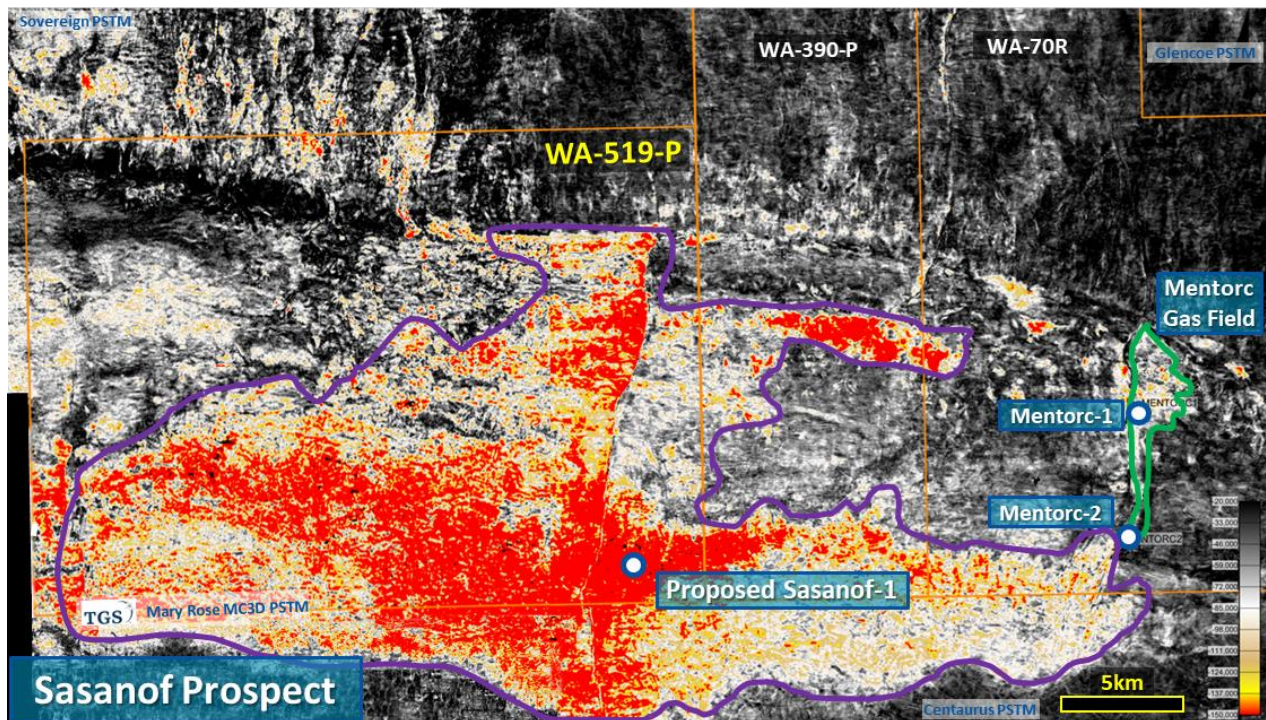
The Sasanof Prospect is a large, seismic amplitude supported, structural-stratigraphic trap in the high-quality reservoir sands of the Cretaceous Lower Barrow Group on the Exmouth Plateau.

The Prospect is on trend and directly updip of the Mentorc Gas Field which contains a certified 2C 378 Bcf of gas and 16.4 MMbbls of condensate (2C) and covers an area of 18 km<sup>2</sup>. The liquids rich, low CO<sub>2</sub> Mentorc Field is the eastern fault block and is “filled to spill” into the updip Sasanof Prospect to the west.

The Sasanof Prospect covers an area of up to 400 km<sup>2</sup> and is estimated by ERCE to contain a 2C Prospective Resource of 7.2 Tcf of gas and 176 MMbbls of condensate (P50 recoverable) with a 32% Chance of Success (CoS).

The Prospect is supported by Direct Hydrocarbon Indicators (DHIs) with strong seismic amplitudes defining the prospect area and the reservoir is anticipated to be of high quality and effectively sealed at the top of the Lower Barrow Group.

The reservoir is predicted to be a series of coarsening upward sandstone cycles with a gross thickness of 80m at the well location. The well will drill through the reservoir section and reach total depth within the Lower Barrow Group shales.



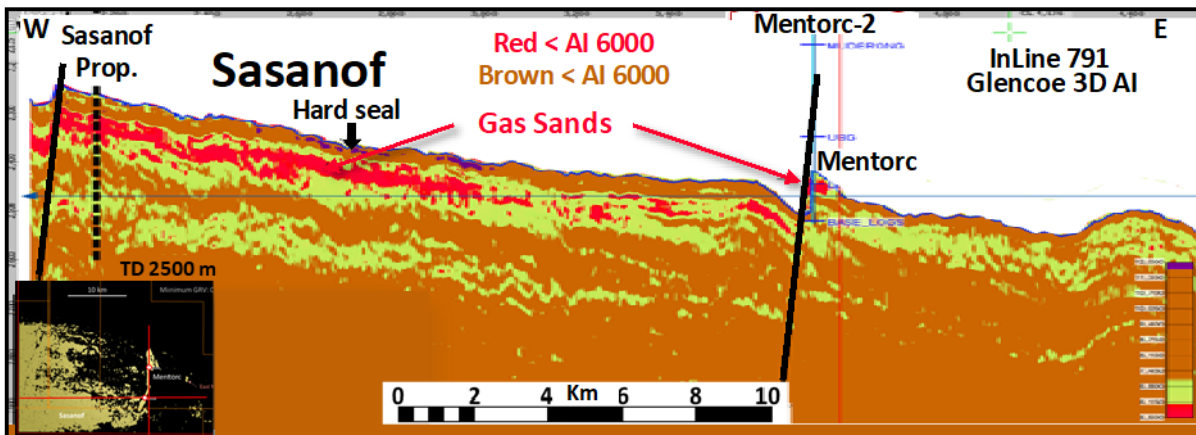


Figure 2 Sasanof amplitudes on merged 3D seismic showing Mentorc Field and Sasanof Prospect outline.

## MENTORC GAS FIELD – DOWNDIP PLAY OPENING DISCOVERY

The Mentorc Gas Field is a downdip discovery adjacent to the eastern edge of the greater Sasanof Prospect. Two wells have been drilled on the field, these being the original discovery well and a subsequent appraisal well that underwent full dynamic production testing.

Mentorc was discovered in 2010 and opened up the play within the topsets of the top Lower Barrow Group. The field consists of multi Darcy (> 10 Darcy) and high porosity (average porosity 27%) reservoir sands that are over 100 m thick and contain a 60 m gas column. The field was identified by strong amplitudes on the Glencoe 3D seismic survey. Subsequent analysis showed the flat-spot amplitude cutoff and gas water contact correspond to within 1 m. Mentorc contains a Gaffney Cline certified 2C 378 Bcf (P50 585 Bcf GIIP) and 2C 16.4 million barrels of condensate (P50 26 MMbbls CIIP).

## SASANOF PROSPECT TECHNICAL BACKGROUND

The Sasanof Prospect is covered by several high-quality modern 3D seismic surveys. The Glencoe 3D survey is the most technically advanced and analysed data set over Sasanof.

Western Gas has considerably enhanced the seismic data with reprocessing and inversion projects. One of the key geophysical advantages, and reasons for recognising Sasanof as a significant play, is over 20 wells in and surrounding the Equus blocks have been used to calibrate the Glencoe 3D geophysical response. The data is now considered of excellent quality.

A key focus has been on the analysis of the amplitudes including a comprehensive Rock Physics and Quantitative Interpretation (QI) study by the industry leading seismic processing company DownUnder Geosolutions (DUG). One of DUG's main conclusions from its QI study was that "updated lithology and fluid predictions confirm the prediction of gas in Sasanof".

The Sasanof trap is a structural-stratigraphic trap on the edge of the Barrow Delta front. The structure dips to the east and north and is closed to the south by erosion of the topsets on the back delta plain. The key updip closure, to the west, is provided by a combination of incised shale-filled distributary channels and pinch-outs of the deltaic topset sands. The Sasanof-1 well location has been chosen on a 4-way dip closed structure on an upthrown fault block, within the overall stratigraphic trap.

The Sasanof reservoir section comprises the top set sands of the Barrow Delta and successful analogues include the Van Gogh Oil Field on the North West Shelf and numerous producing Alaskan, Siberian and Pakistani stratigraphically trapped giant fields.

The reservoir thickness prediction, based on seismic inversion data, varies from 30 m to 120 m over the 400km<sup>2</sup> area. The reservoir quality is excellent in all the nearby Barrow Group delta front wells. The top seal is proven at Mentorc and at numerous other fields in the Northern Carnarvon Basin.

The predicted hydrocarbon charge is based on the discovered fields either side of the Sasanof location. To the west, the Pinhoe and Royal Oak gas fields have almost the same high liquids, low CO<sub>2</sub> gas composition as the downdip Mentorc field to the east of Sasanof. The geochemical similarities indicate a related hydrocarbon source has charged all the valid traps in this area, via vertical fault migration. Based on Western Gas analysis, Sasanof has a geological chance of success of 35%

## WELL DESIGN

The Sasanof-1 well will be a vertical well with single casing string design and will be drilled to a total depth of approximately 2500 m in 1070 m of water.

In the success case, the well will be comprehensively evaluated, fluid samples and pressure measurements will be recovered to allow for the certification of resource volumes. The well will be fully plugged and abandoned, with caprock isolation, upon completion of evaluation activities.

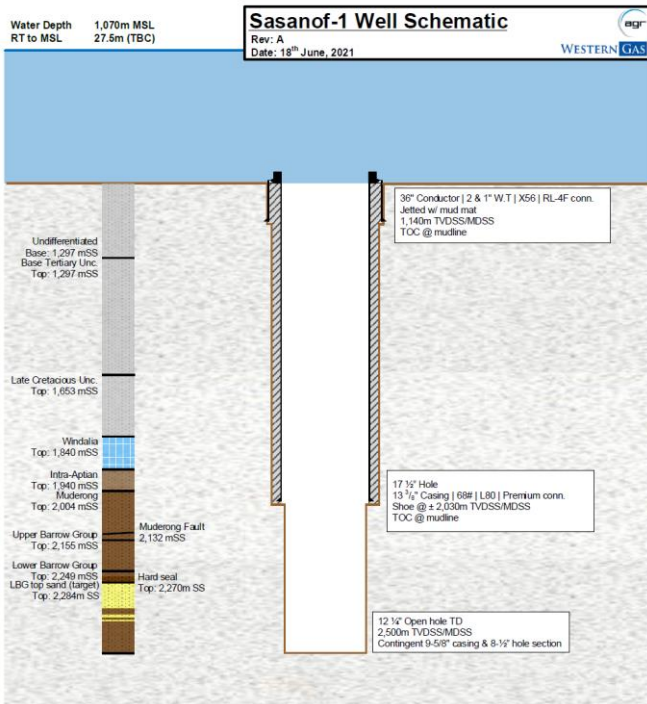


Figure-3 - Design of Sasanof-1 Exploration well & Valaris MS-1 Semi-Submersible Drill Rig

## PRM Competent Person

The technical content herein is a summary of work performed by a number of professional organisations and reviewed for inclusion by Alexander Parks Managing Director of PRM. Mr Parks is a Petroleum Engineer (MEng) with over 20 years of experience in the oil and gas industry and member of the Society of Petroleum Engineers and Association of International Petroleum Negotiators.



## APPENDIX 2

### ERCE INDEPENDENT REVIEW OF WA-519P PROSPECTIVE RESOURCES (Table 1)

ERC Equipoise Ltd (ERCE) Independent Assessment of the Sasanof Prospect reproduced with permission from ERCE and GLV.

**Cautionary Statement – Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related 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**



#### Summary of Results

Under instruction from Global Oil & Gas, ERCE completed independent technical studies resulting in geological chance of success ("COS") for the Sasanof Prospect shown in Table 1.

Table 1: Risking matrix and geological chance for success for the Sasanof Prospect

Chance of Success				
Source	Reservoir	Trap	Seal	TOTAL
1	0.8	0.8	0.5	32%

The gross, unrisks prospective resources for the Sasanof prospect are shown in Table 2.

Table 2: Gross Recoverable, Unrisks Prospective Resources, Sasanof Prospect

Gross Prospect	Recoverable Gas (Bscf)				Recoverable Condensate (MMstb)			
	1U	2U	3U	Mean	1U	2U	3U	Mean
Sasanof	2,611	7,248	17,794	9,082	59.8	176.2	449.3	226.1

The net working interest to WA-519-P, WA-390-P and WA-70-R are reported in Table 3.

Table 3: Western Gas Entitlement of Recoverable Unrisks Prospective Resources, Sasanof Prospect

Gross Prospect	Recoverable Gas (Bscf)				Recoverable Condensate (MMstb)			
	1U	2U	3U	Mean	1U	2U	3U	Mean
Net Entitlement Contingent Resources	600.5	4,131.1	9,253.1	5,177.0	13.8	100.4	233.7	128.8

Net PRM entitlement assuming PRM completes under terms disclosed and earns 12.5% interest								
Sasanof	Recoverable Gas (Bcf)				Recoverable Condensate (MMstb)			
	1U	2U	3U	Mean	1U	2U	3U	Mean
Net to WG519	600.5	4131.1	9253.1	5177	13.8	100.4	233.7	128.8
Net to PRM (12.5%)	75.1	516.4	1156.6	647.1	1.7	12.6	29.2	16.1

**Notes:**

1. COS represents the geological chance of success of at the proposed Well Sasanof-1 location (as of 1<sup>st</sup> August 2021) in WA-519-P. The Prospective Resources have not been adjusted for the chance of development. Quantifying the chance of development (COD) requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are out-with the knowledge of ERCE they must be used with caution.
2. The Prospective Resources presented here are the result of probabilistic method using Monte Carlo simulation for a single zone reservoir.
3. Gross Prospective Resources include volumes off-block to WA-519-P in permits WA-390-P, WA-70-R and WA-538-P.
4. Net working interest Prospective Resources are based on the permits WA-519-P, WA-390-P and WA-70-R on-block volumes and Western Gas's 100% working interest.

Based on ERCE analysis, Sasanof has a geological chance of success of 32%. This relatively high chance of success is based on the following:

TARGET CHARACTERISTICS	DESCRIPTION
Reservoir	Proven with excellent reservoir properties in nearby wells
Charge	Updip from the low CO <sub>2</sub> and high liquids Mentorc discovery. Seismic attributes indicate gas
Seal	Top seal proven at Mentorc, lateral seals from shale filled channels and pinch-out
Trap	Stratigraphic/structural trap. Trap styles proven at nearby fields and from analogues

**Professional Qualification ERCE**

ERCE is an independent consultancy specialising in petroleum reservoir evaluation. The work has been supervised by Mr Stewart Easton, General Manager of ERCE's Asia Pacific office, a Professional Geologist registered as a Fellow of the Geological Society and a member of the Society of Petroleum Engineers with over 23 years of experience in the oil and gas industry.

**Sasanof Licence information and Cautionary Statements follow.**

Project Name	Exploration Permit	Status (In Application/ Granted)	Registered Holder (%)
Sasanof	WA-519-P	Granted	Western Gas (519P) Pty Ltd (100%)

**Reporting Notes for Sasanof Prospect**

- I. The Prospective Resource information in this document is effective as at 1<sup>st</sup> August 2021 (Listing Rule (LR) 5.25.1)
- II. The Prospective Resources information in this document has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System) (LR 5.25.2)

- III. Undiscovered PIIP categorisation (LR 5.25.3) has been used in conjunction with prospective resource estimates (LR 5.2.25.2).
- IV. The ("Net") Prospective Resource information in this document are 100% of prospective resource volumes for the Sasanof Prospect as PRM will have to first earn the 12.5% interest in WA 519-P by fulfilling its obligation under the HOA. If PRM completes its obligation, it will then disclose the net prospective resource numbers to PRM in subsequent disclosures. (LR5.25.5)
- V. The Prospective Resource for gas has been determined probabilistically for GIIP and then analogue gas recovery factors used to these probabilistically determined numbers to give the final prospective resource numbers. For condensate prospective resources, a low, mid and high condensate gas ration was used from adjacent fields and applied to the low, mid and high case GIIP to determine CIIP. Prospective resource numbers for condensate were then calculated using analogue low, mid and high case recovery factors applied to the low, mid and high CIIP. (LR5.25.6)
- VI. No conversion factors were used to determine the Prospective Resource figures (LR5.25.7)
- VII. Prospective Resources are reported on a low, best and high estimates in the most specific category that reflects degree of uncertainty. (LR5.28.1)
- VIII. Cautionary statements have been included proximate to the Prospective Resource figures. (LR5.28.2)
- IX. Types of Permits/Licences held has been provided. (LR5.35.1)
- X. The prospective resources for the Sasanof Prospect were based in part, on recently acquired proprietary seismic data, the Mary Rose seismic survey, which is confidential and is a proprietary license which Western Gas owns. PRM does not have exclusive access to publish data but its own due diligence in viewing this data was used in estimate the prospective resources. (LR 5.29)
- XI. Prospective Resource figures have been calculated based on existing publicly available seismic and well data, including 15 wells in the surrounding areas and incorporating the Mary Rose seismic data. (LR5.35.2)
- XII. Details of the proposed future work program for the Prospective Resource have been provided above which is the drilling of Sasanof-1 (LR5.35.2)
- XIII. An assessment of the chance of discovery and chance of development of the prospective Resource has been provided above.(LR5.35.3)
- XIV. The Prospective Resource figure is unrisks. (LR5.35.4)
- XV. Qualified Petroleum Reserves and Resources Evaluator (QPRREV) sign-off appears above. (LR5.41 and LR5.42)