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31 January 2020

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

Dear Sir/Madam

**RE: QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER
2019**

Please find the Quarterly Activities Report for the period ending 31 December 2019 for Prominence Energy NL (ASX: PRM).

Yours faithfully
PROMINENCE ENERGY NL

Jo-Ann Long
Company Secretary

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 December 2019

HIGHLIGHTS

- PRM confirms we are in active discussions with several potential partners.
- PRM's intent is to drill the first Bowsprit well as soon as practical, which subject to arrangement of financing and/or farm out, is now estimated to be in Q2 2020.
- Farm-Out Agents have been appointed in Australia/Asia and USA and PRM is scheduled to meet with various parties at the NAPE conference in early February to advance discussions.
- Offer deadline for prospective parties has been set to 21 February 2020 to allow meetings and subsequent follow up from NAPE conference in Houston.

- Bowsprit Well is fully permitted
- *Subject to results of the appraisal well – early production could be established in Q3 2020*

Bowsprit Oil Project (“Bowsprit”) (Lease No. 21754 & 21787) - PRM 100% working interest¹.

The Bowsprit leases are located approximately 70km southeast of New Orleans in approximately 3m of water. Bowsprit is assessed to contain an undeveloped conventional Miocene aged oil sand at a depth of approximately 7,400ft (2,255m) that is located above a deeper, 9,500ft gas field that was developed in 1960s by Shell. Consequently, the Bowsprit field contains 14 vertical well penetrations and has demonstrated producible oil from an upper Miocene sand. The 30ft thick oil sand was flowed successfully in 1960s from four wells and produced approximately 75,000 bbls of oil, but full field development was not practical with the vertical well technology of the time (~100bopd declining to 40 bopd / well).

3D Seismic acquired over the area in late 1990s, and since reprocessed and made available as multient data in around 2005, shows up-dip potential in an underlying Middle Miocene Sand (T2 on the map and cross-section, see Figure 1 & 2) and an additional potential gas accumulation a few hundred feet deeper (T3).

PRM plans to drill a vertical pilot hole to evaluate the T2 and T3 reservoirs and then pull back and deviate the well to place a horizontal well between former production wells in the proven (flowed) Upper Miocene Sand (T1). The field will be rapidly placed on production either by low cost tie-back to a near-by facility for early cashflow and/or, if the T2 reservoir (prospective resources) are present and the accumulation is sizable, via a dedicated new unmanned production facility with additional development drilling.

Farm-Out Progress

Subject to completion of the Pinnacle buyout, PRM now has a 100% working interest and is Operator of the Leases. PRM is seeking a new partner(s) to join the project. Several companies have executed Confidentiality Agreements, with access to an online Data room, and presentations given by PRM.

¹ Subject to completion of buyout

Following a trip to USA during the quarter and meetings with local operating companies, it has become clear that there is an opportunity to put the Bowsprit-1 well on early production via tie-back to one of two near-by production facilities, without the need to install dedicated production facilities. This significantly enhances the project's economic value and PRM has incorporated this option into the field development plan that was provided to prospective farminees in late December.

Field Potential

PRM has conducted extensive internal work assessing the project, based on public domain and purchased data. PRM has had three independent consultants review the project and verify its potential, and RISC Advisory Ltd has probabilistically estimated the resource potential of the field².

PRM has determined that following confirmation of the resources with the appraisal well, the Bowsprit structure can be developed with horizontal wells and could potentially be produced through either a tie-back (1-2 wells) or via a simple unmanned production platform (if T2 contains oil).

Saratoga Resources drilled and produced two 750ft horizontal wells in an analogous quality, albeit thinner and production depleted sand, 12km south of Bowsprit, one of which tested at over 1,500 bopd. PRM anticipates drilling Bowsprit wells with longer horizontal sections, in a virgin pressure sand with a thicker column of oil, that should, therefore, meet or exceed the performance of the Saratoga wells.

PRM has conducted 3D modelling of the Bowsprit Field in order to select an optimum first well location. A primary well location has been selected and permitting of the well is complete. The objectives of the first well are:

1. Prove the field reserves by
 - (i) Test/Prove the Prospective Resources in the "undrilled" portion of the field with the vertical pilot well and
 - (ii) Prove the Contingent Resources are commercial, by flow testing of a horizontal well in the Proven Produced Area
2. Data gathering of seismic velocity data and rock attributes for quantitative seismic interpretation, and
3. Detailed reservoir parameters and oil properties for full field development planning and implementation.

² See ASX release 5 April 2018.

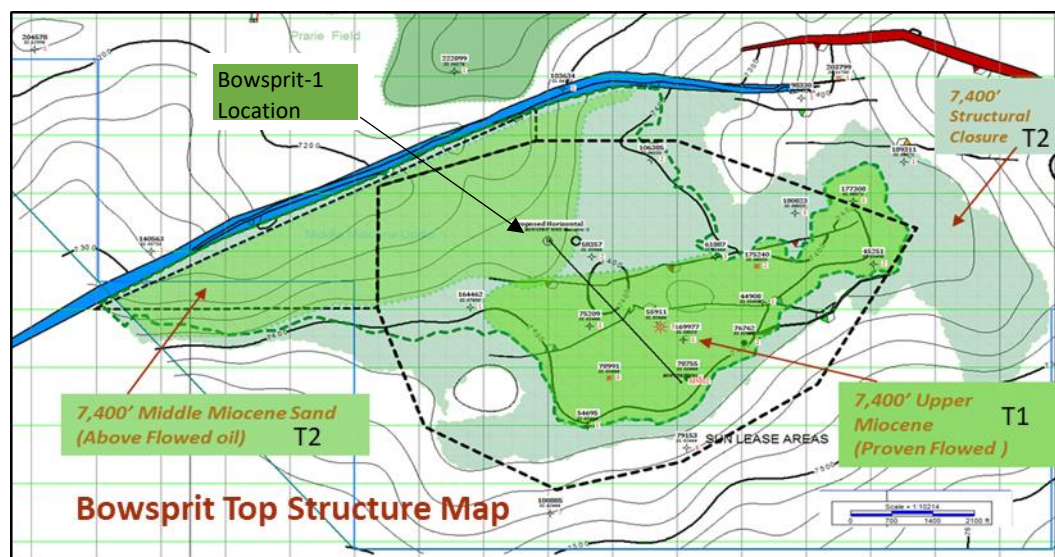


Figure 1- Bowsprit Field segments and approximate well path

T1 = Upper Miocene Sand that produced oil in the 1960's.

T2 = Undrilled Middle Miocene Sand that has up-dip structural closure against a fault above the depth of known oil in the Upper Miocene sand.

Subject to funding/farm out, the plan is for a vertical pilot hole to be drilled in the centre of the field (T2) to maximise data gathered and then a horizontal section will be drilled towards the south-east area (T1) of the field, across the crest of the four-way dip structure where the crestal sand previously produced approximately 75,000 bbls of oil.

It is the company's intention to flow test the horizontal well for a short period to prove a commercial flow rate. Assuming the results are satisfactory, the well will be suspended as a future producer and subsequently tied back to a nearby production facility.

Progress Toward Drilling

Prominence commissioned FensterMaker, one of the leading independent environmental consultancy groups in Louisiana, to commence permitting for a well. The three necessary permits have now been granted.

The well path has been endorsed by Brammer Engineering as "drillable". It is PRM's intention to drill the first well as soon as practical, currently estimated to be in Q2 2020. In the interim, PRM/Brammer will prepare a detailed drilling program (the initial well is estimated to cost approximately US\$4 million including contingency) and seek a farm-in partner or other source of financing to fund the drilling. Detailed well planning and costing studies are ongoing.

Bowsprit -1 Well Path Schematic

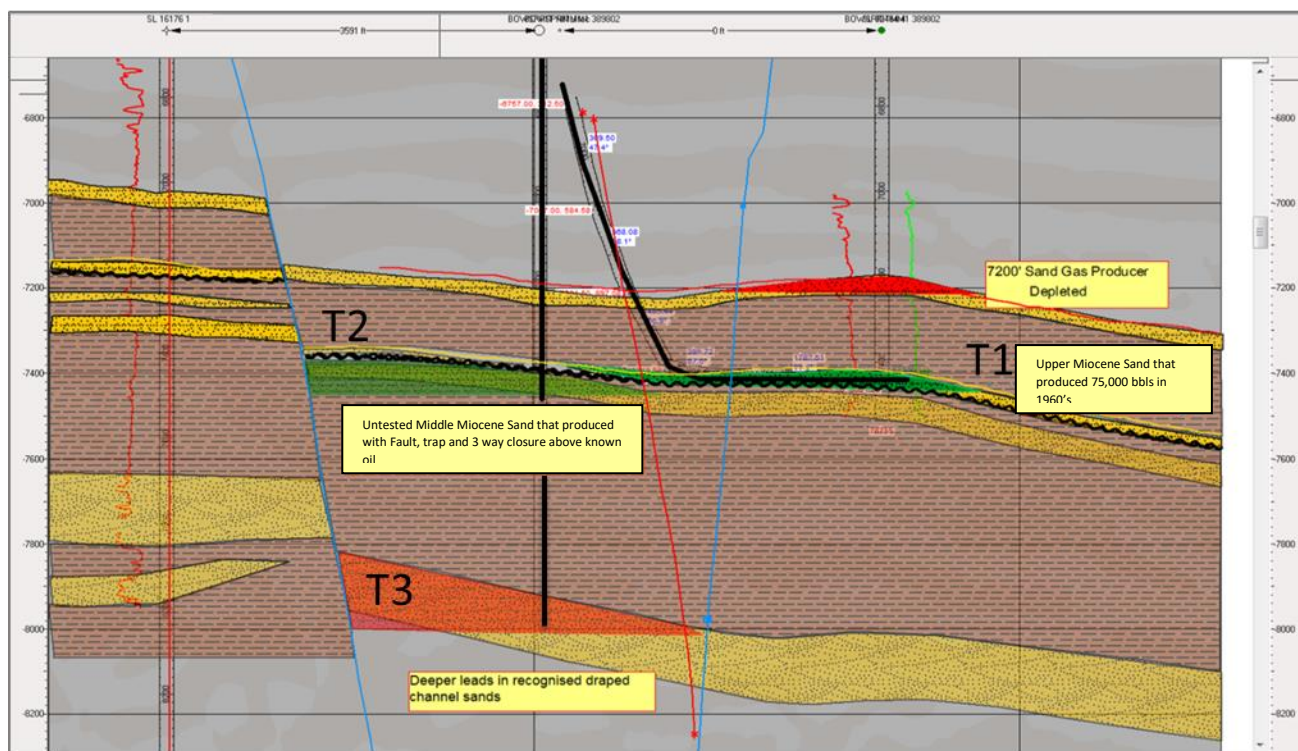


Figure 2 - Vertical pilot hole and provisional horizontal well path

Land Status (net acres of mineral leases)

Below is a table showing PRM's net acres of oil and gas mineral leases in the project area.

Oil Project Area	PRM's Working Interest (%WI)	PRM's Net Revenue Interest (%NRI)	Project area Gross Acres (1ha = 2.471ac)	PRM's Net Acres (1ha = 2.471ac)
Bowsprit SL21754	50%	39.5%	1,000	500
Bowsprit SL21787	50%	39.5%	154	77
TOTAL	-	-	1,154	577

(Total acres as at 31 December 2019)

On 29 July 2019 – PRM announced a buyout of co-lessee to move to 100% Working interest and 74% net revenue interest in both leases and thus increase the Company to 1154 net acres. This deal is not yet completed.

OIL AND GAS PRODUCTION

There was no oil production for the December 2019 Quarter.

CORPORATE

PRM held cash of \$196,834 at the end of the December 2019 Quarter. A\$62,500 in convertible note subscription had not yet been received at 31 December 2019.

The Company held an AGM on 30 November 2019, all of the resolutions passed and the Company was renamed from Sun Resources NL to Prominence Energy NL

The Company implemented a Small Shareholding Sale Facility which closed on 24 October. The sale proceeds were dispatched to shareholders in early November. The Company now has approximately 640 shareholders.

In order to facilitate incorporation of the tie-back development planning and NAPE conference attendance, the Company extended the initial farm-out schedule. In order to fund the Company in the short term, the Company has entered into a convertible note arrangement for A\$250,000 with GTT Ventures and the Company's two largest shareholders. The Company called an EGM, which will occur at 10am on 30 January 2019 at the Company's offices to ratify and approve the issue of shares associated with the convertible note. All resolutions passed.

BY ORDER OF THE BOARD



Jo-Ann Long,
Company Secretary

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This report is lodged on the Company's website, www.ProminenceEnergy.com.au.

Forward-looking Statements

This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect Prominence's views and assumptions with respect to future events as at the date of the Announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Actual and future results and trends could differ materially from those set forth due to various factors that could cause results to differ materially include but are not limited to: industry conditions, including fluctuations in commodity prices; governmental regulation of the oil and gas industry, including environmental regulation; economic conditions in the US and globally; geological technical and drilling results; predicted production and reserves estimates; operational delays or an unanticipated operating event; physical, environmental and political risks; liabilities inherent in oil and gas exploration, development and production operations; fiscal and regulatory developments; stock market volatility; industry competition; and availability of capital at favourable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Prominence, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this Announcement sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.