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(Incorporated in Western Australia)

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24 January 2023

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 2022

Please find the Quarterly Activities Report for the period ending 31 December 2022 for Prominence Energy Ltd (ASX: PRM).

Yours faithfully
PROMINENCE ENERGY LTD

Sonu Cheema
Company Secretary



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 December 2022

HIGHLIGHTS

- PRM had A\$2.16 million in cash holdings at 31 December 2022.
- Whilst progressing Bowsprit project towards drilling and production, PRM has been actively reviewing potential new ventures for the Company.

New Ventures

Over the past quarter PRM has screened numerous new venture opportunities. In selecting the potential projects, the Company is seeking to balance entry cost, chance of commercial success, materiality, and risk factors. Emphasis has been on finding large high value gas prospects close to established markets, but oil and alternative energy projects are also being considered.

The Company is carefully screening projects in a way to minimise due diligence costs, and seeks to make quick decisions, using a gateway process to ensure only those projects with a good strategic fit, and reasonable geological risk proceed to detailed due diligence. The Company has reviewed numerous projects, and performed technical and commercial due diligence on several projects in jurisdictions including UK, Africa, USA and Australia. Some projects are still in the due diligence phase and commercially incomplete but may proceed to term sheet negotiations during the next quarter.

The Company has identified a potentially sizeable gas prospect located in a conventional, prolific basin of a low political risk country with a bid round scheduled in the first half of calendar 2023. The prospect is still undergoing technical due diligence and evaluation.

BOWSPRIT OIL PROJECT (“Bowsprit”) (Lease No. 21754) - PRM 100% working interest.

During the quarter, PRM visited USA to progress the Bowsprit project and update plans to bring the field to production.

1. Detailed Drilling plans and AFE¹ have been progressed. Side track of the existing vertical well is expected to cost US\$3million to drill and US\$1.5 million to complete ready for production.
2. The well once drilled is expected have an initial production rate of approximately 1,500bopd².
3. Production will be via a new pipeline tie-back to the nearest production facility located 5.5km from Bowsprit in block Main Pass 4 (MP4).

During the quarter, a site visit was made to the facility at MP4 to ensure its suitability as a tie-back location. This production facility was shut in for approximately 18 months during the COVID pandemic and production has recommenced with a new owner. PRM has approved the

¹ AFE based on quotes received for all major well equipment and services since September 2022

² Netherland Sewell and Associates Inc – estimate 50,000 bbls of production in 1st month.



suitability of the facility, held discussions with the new owner and is progressing a tie-in and production processing agreement. PRM has updated the plan of development, including equipment selection, quotes and commenced pipeline permitting. The plan of development is ready to share with prospective partners. Subject to funding, the project is ready to proceed.

PRM will be attending the North American Prospect Expo in February 2023, to seek a farm-in partner to participate in the Bowsprit project. NAPE is the premier deal making conference held annually in the USA. PRM last attended NAPE in 2020 just before the COVID pandemic disrupted markets and projects including Bowsprit. In 2020, at NAPE PRM found numerous prospective farmin partners, but COVID interrupted plans and deals. PRM will be returning to NAPE in 2023 in a period of higher oil and gas prices to seek a partner to participate in the project.

History

PRM drilled the vertical, exploration Bowsprit-1 well in October 2021 to test an undrilled part of the field. Unfortunately, the potential field extension did not contain oil. The vertical well was suspended at a depth of 3,000ft deep for future re-entry and side-tracking. The proven oil in the T1 Upper Miocene Sand was not affected by the vertical well result and remains a viable target for a single well development via a side-tracking of the vertical well and tie back to a nearby platform.

During the Quarter Netherland Sewell and Associates, Inc updated the reserves estimate for the field and as announced on 21 July 2022 the Bowsprit field has 1P reserves.

Resource Classification	Confidence Level	Net Reserves to PRM		Net Cash Flow (NPV0)	NPV10	NPV10
		Oil Mbbbls	Gas MMSCF	US\$ Million	US\$ Million	A\$ Million
Undeveloped Reserves T1	1P (90%)	106.9	81.3	2.93	2.34	3.39
	2P (50%)	330.7	254.7	18.33	15.35	22.25
	3P (10%)	643.5	502.9	38.57	29.47	42.71

Bowsprit Field Upper Miocene Reservoir T1 Reserves @US\$85.82/bbl (0.69AUD/USD)

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. SL21787 and part of SL21754 was dropped due to lack of prospectivity following the drilling in October 2021.

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	100%	73%	635	635



TOTAL	-	-	635	635
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(Total acres as at 31 December 2022)

Indirect Interest

PRM owns 12.5% of Western Gas 519 Pty Ltd which holds 100% of WA-519-P located offshore Western Australia.

OIL AND GAS PRODUCTION

There was no oil production for the December 2022 Quarter.

CORPORATE

Change of Board Member

Effective 9 December 2022 Jaap Poll resigned from the Board and Ian McCubbing was reappointed to the PRM Board as Chairman.

As foreshadowed in the 2022 PRM Annual Report³ The Company received payment of US\$149,612.78 in partial settlement of the Richland Bankruptcy proceedings dating back to 2013.

ECOSSAUS (PRM 10.9%)

The Company has a modest investment in Ecostorage Solutions Pty Ltd (ECOSSAUS) (10.9%). ECOSSAUS landholding comprises 8 tenement applications for 7,940 km² (of which ~3,000km² have been granted) located in Northern Territory, South Australia and Queensland believed to be prospective for the solution mining of salt and the potential subsequent use of resultant salt caverns for storage purposes.

Salt caverns are used in other parts of the World for the storage of non-aqueous gases or liquids that do not dissolve salt, such as hydrocarbons and petroleum products, and they have recently proven to be effective for the storage of hydrogen, which can be challenging to store in large volumes via typical storage methods (ie, tanks and vessels). There is also potential for CO₂, methane and other greenhouse gases (GHG) to be stored in salt caverns for long term as a form of carbon sequestration.

PRM's initial investment of A\$100,000 was part of a \$415,000 capital raise to fund ECOSSAUS in the grant of tenements and initial data gathering and technical studies on the tenements. PRM has an option to maintain it's current holding level by participating in future raises.



Malaysian Bid Round

The Company submitted a joint 50/50 bid with Malaysian based Qyrin Petroleum Technology for one of the Petronas DRO Projects in the 2022 bid round. Unfortunately, PRM was unsuccessful with its bid.

NOTES PERTAINING TO THE CASHFLOW REPORT

Item 6.1: The aggregate amount of payments to related parties and their associates during the December 2022 quarter was \$70,229 in salaries.

BY ORDER OF THE BOARD

Sonu Cheema,

Company Secretary

Telephone: +61 (08) 9321 9886

Email: Corporate@ProminenceEnergy.com.au

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PROMINENCE ENERGY LTD

ABN

69 009 196 810

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(70)	(142)
(e) administration and corporate costs	(121)	(236)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	6
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	(18)	(34)
1.9 Net cash from / (used in) operating activities	(207)	(409)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(43)	(332)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	204	204
2.6	Net cash from / (used in) investing activities	161	(128)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (issue costs)		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,226	2,811
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(207)	(409)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	161	(128)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(18)	(112)
4.6	Cash and cash equivalents at end of period	2,162	2,162

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,162	2,226
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,162	2,226

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	70
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements	60	2
7.3 Other (please specify)		
7.4 Total financing facilities	60	2
7.5 Unused financing facilities available at quarter end		58
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Company Credit Card via NAB		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(207)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(43)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(250)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,162
8.5 Unused finance facilities available at quarter end (item 7.5)	58
8.6 Total available funding (item 8.4 + item 8.5)	2,220
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.88
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: -	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: -	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: -	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24/1/23



Authorised by:
(Alexander Parks – Chief Executive Officer and Managing Director)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.