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20 July 2021

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

Bowsprit-1 Milestone - Drilling Rig contracted for 15 August 2021

- **Major milestone achieved for Bowsprit-1 with the signing of a Rig Contract with Parker Drilling for Rig 55B**
- **Drilling is scheduled to commence on approximately 15 August 2021**
- **Vertical well is being drilled to appraise the Middle Miocene (T2) reservoir with the 2U/3U Prospective (recoverable) Resources independently estimated as 1.8 – 4.1MMbbls**
- **Five secondary target sands identified that will be evaluated by Bowsprit-1**

Prominence Energy Ltd ACN 009 196 810 (**PRM** or **Company**) is pleased to provide the following update on activities.

Prominence Energy is pleased to have signed a rig contract with Parker Drilling for Rig 55B¹ for the drilling of the Bowsprit-1 well. Drilling is expected to commence on 15 August 2021, following two wells by other Operators. The exact date is subject to the timing of the other two wells.

As previously announced the drilling will be managed by Completion Specialists International (CSI). CSI is a Lafayette, Louisiana based company which offers drilling project management services. Total project management consists of engineering pre-planning, invoicing and accounts payable, drilling and completion design, and job oversite and supervision. Prominence Energy views the total project management concept as an excellent bridge for companies with limited staff or companies based overseas and will allow PRM to confidently execute the well despite Australian to US travel restrictions.

The well is expected to take approximately 10-12 days and cost approximately US\$2 million to drill on a trouble-free basis.

Following additional well planning and geoscience work, the well depth has been increased to 8,600feet (from 8,000 ft) to drill a further two deeper sands which may be prospective for hydrocarbons.

Overall, the Bowsprit-1 well is forecast to penetrate an anticipated six prospective reservoir sands. The principal target is the T2 Middle Miocene Sand, which sits up dip from the proven oil in T1. The five other sands are located between 6,500ft and 8,400ft in depth and are established reservoirs in the area.

Commenting on the news Alex Parks Managing Director of PRM said *“Plans for the drilling are progressing well and signing of the rig contract is a significant milestone for the Bowsprit project. We are looking forward to the drilling in mid-August. Bowsprit-1 has six prospective horizons, and any one of them could contain a commercial volume of oil”*.

¹ <https://www.parkerdrilling.com/2018/03/parker-rig-55b/>



Bowsprit Drilling (Louisiana, USA) (Lease No. 21754 & 21787) - PRM 100% working interest².

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 the 1960s by Shell. Consequently, the Bowsprit field contains 14 vertical well penetrations and has demonstrated producible oil from an upper Miocene sand (T1). The 30ft thick oil sand was flowed successfully in the 1960s from four wells and produced approximately 75,000 bbls of oil, which is only a few percent of the oil in place. Full field development was not practical with the well technology of the time.

PRM is planning to drill a vertical Bowsprit well to appraise the project upside in August 2021. The well will be drilled to a depth of approximately 8,600ft. The main target is the T2 Middle Miocene Sand (see Figure 1 below) that sits under the proven field and runs up dip approximately 100ft above the known oil to a potential fault closure. If this T2 reservoir is proven to contain oil the 2U/3U Prospective (recoverable) Resources are estimated as 1.8 – 4.1MMbbls³. The independent auditor estimates the chance of success at 25%.

Cautionary Note: *Prospective Resources are the 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.*

After appraising the field to a depth of 8,600ft, the well will be temporarily suspended for future re-entry. The intention is to use the data gathered from the vertical well to optimally plan for the drilling of the horizontal production section of the well into the previously produced Upper Miocene T1 reservoir after hurricane season. During the suspension, the data gathered will also be used for selection and permitting of an appropriate pipeline and sizing of wellhead production facilities and/or tie in capacity negotiations. Upon re-entry of the well, the horizontal section will be drilled into the proven previously produced (T1) upper Miocene reservoir part of the field. Based on the current data, the horizontal well is independently estimated to have 2P reserves of 330,000bbls.

Mr Alexander Parks, Managing Director, has authorised this document to be given to the ASX.

Yours faithfully,

Prominence Energy Ltd

Anna Mackintosh
Company Secretary

² Subject to completion of buyout

³ See ASX release of 5 February 2020 for reserves and resources estimate.

BOWSPRIT-1

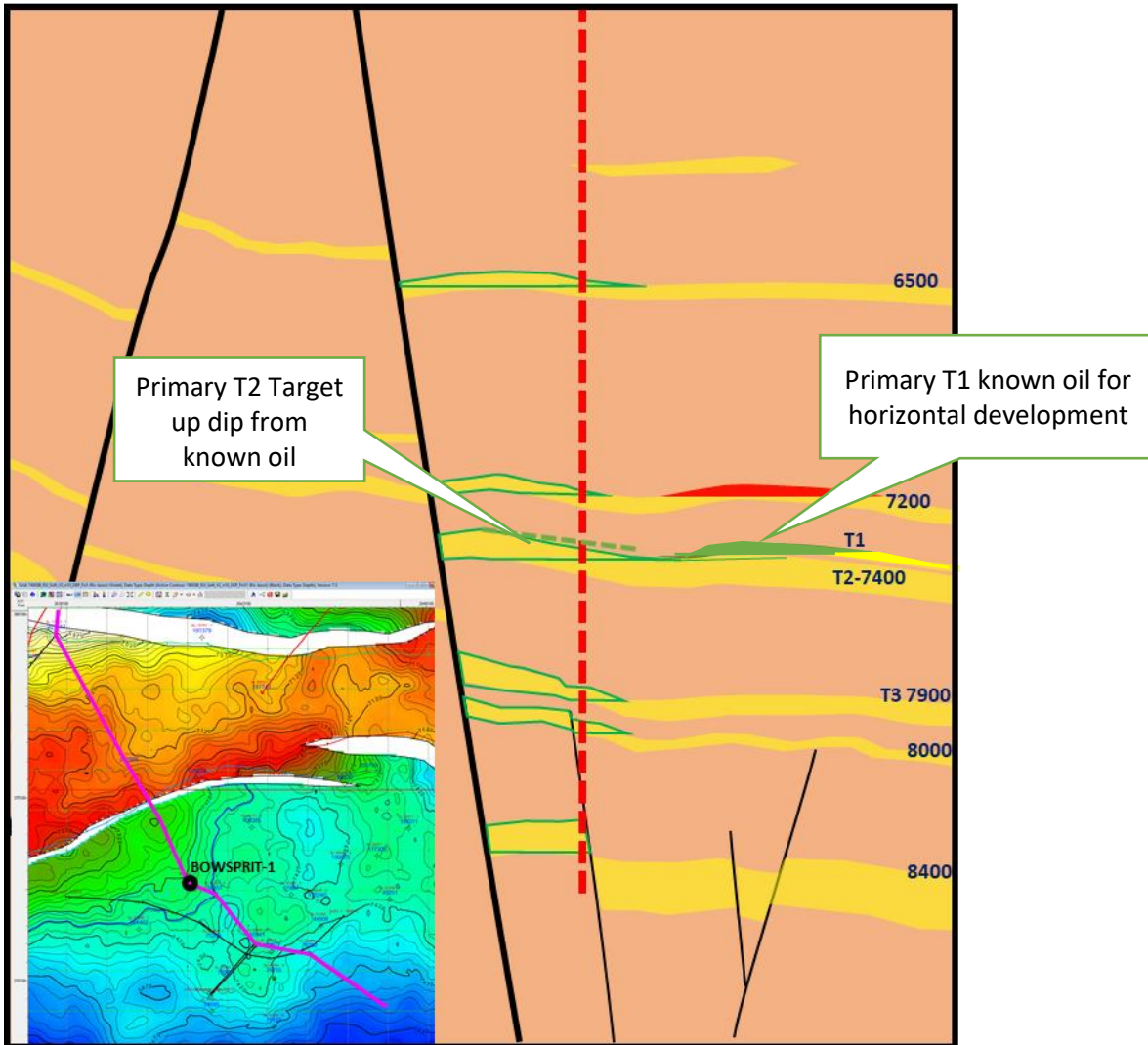


Figure -1 Prospective Sands in Bowsprit-1 well (not to scale).