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

Formal “Permit to Drill” Issued for Bowsprit-1

HIGHLIGHTS:

- PRM has received the final formal “Permit to Drill” from the Louisiana Office of Conservation
- This acknowledges the well is fully permitted and ready to drill.
- Six prospective sands to be drilled at the Bowsprit-1 well location

Bowsprit Oil Drilling

- Bowsprit is a former producing field, and a vertical well is to be drilled commencing approximately 15th August 2021 to appraise the project upside in the Middle Miocene (T2) reservoir.
- If this (T2) reservoir is proven to contain oil, the 2U/3U Prospective (recoverable) Resources are independently estimated as 1.8 – 4.1MMbbls¹.
- A further five potential reservoir sands are anticipated to be encountered by the well (See Figure 1).

Commenting on the news, Mr Parks, Managing Director of Prominence Energy said *“It is exciting to be drilling and appraising the upside potential of Bowsprit. Any one of sands I, IV(T2), V, VI and VII have a realistic chance of containing a commercial volume of oil, and success in any sand in this well could be transformational for PRM”*

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

The final Permit to drill allocated the unique formal state well serial number (252925) and API number (17726206130000) for the Bowsprit-1 well.

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 (T1). The 30ft thick oil sand was flowed successfully in 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.

¹ See details below and ASX release of 5 February 2020 for reserves and resources estimate.

² Subject to completion of buyout



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 to evaluate a total of six or seven prospective reservoirs. 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 – 4.1MMbbls. The independent auditor estimates the chance of success at 25%.

After appraising the field to a depth of 8,600ft, the well will be suspended at the cased hole depth of approximately 3,000ft 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.

Authorised by the Board of Prominence Energy Limited

Yours faithfully

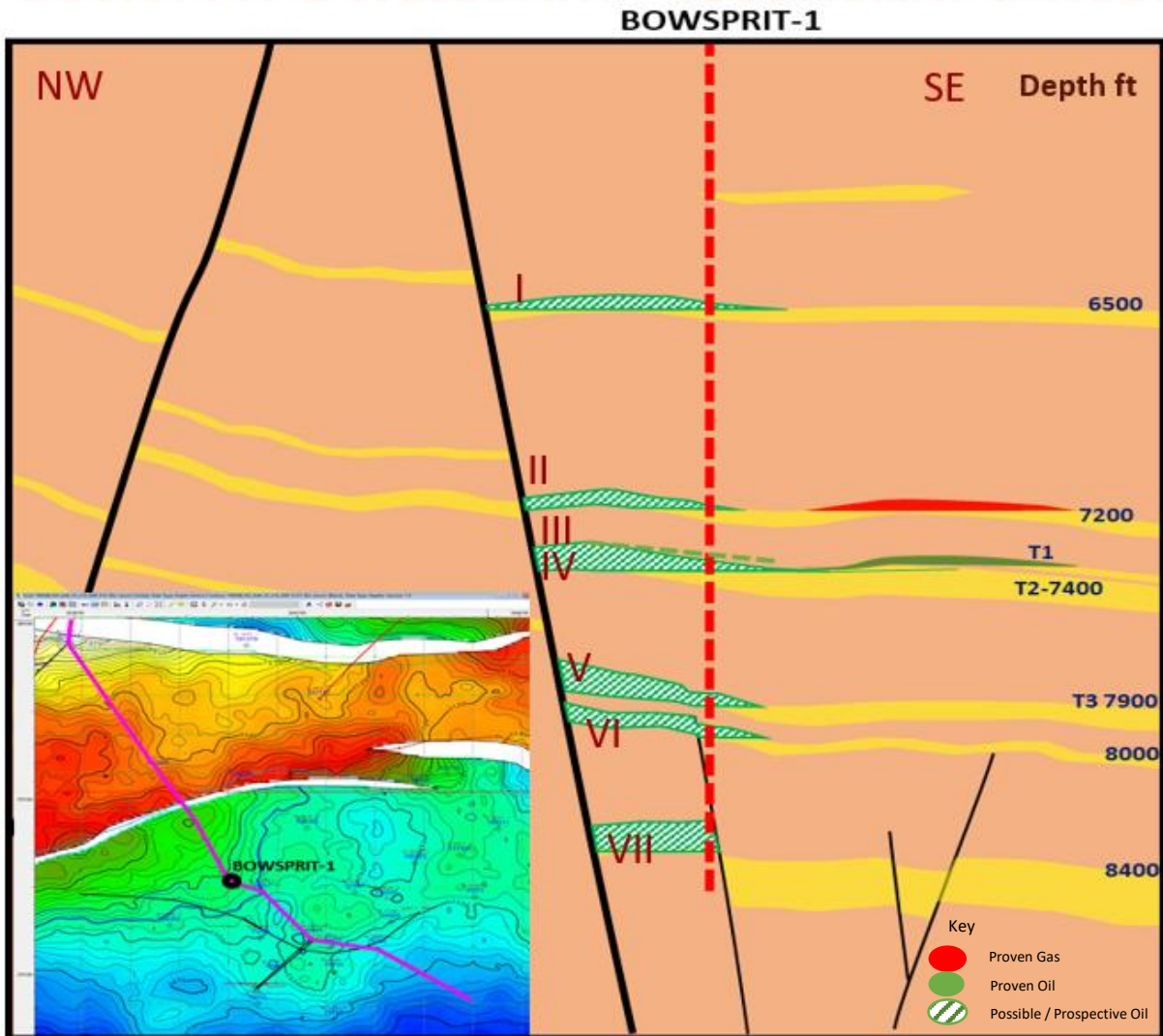
Anna MacKintosh
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Figure-1

BOWSPRIT-1 WELL PATH – SECONDARY TARGETS



Six, (possibly seven) prospective reservoir sands to be tested by the Bowsprit-1 Well

T1 (III)= Proven Oil (probably pinches out before Bowsprit-1 well)

T2 (IV) = Primary target (Sand IV) sits up dip from T1 against the fault closure.

It is quite plausible that T1 and T2 are in communication in geological time and are a single accumulation of oil. Bowsprit-1 is drilling higher on the T2 structure than the known oil depth in T1.

Sands I, IV, V, VI and VII all have a realistic chance of success for containing hydrocarbons and a commercial volume. Sand II is interpreted to have a lower probability of containing hydrocarbons, and Sand III is expected to have pinched out and not be present in this location, but either sand II or III could still contain commercial volumes in a success scenario.