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28 October 2021

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

BOWSPRIT-1 DRILLING RESULT

Highlights

Prominence Energy Ltd (PRM) is disappointed to announce that the Bowsprit-1 has not found any commercial volumes of hydrocarbons in the vertical section. The shows encountered were assessed as residual hydrocarbons once logged. The well will be suspended with the intent to re-enter the well and to drill a horizontal section into the proven oil bearing T1 formation after the northern hemisphere winter.

In the meantime, PRM will actively seek new prospective oil and gas assets or green hydrogen projects for the Company.

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

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.

The vertical portion of the Bowsprit-1 well was drilled to appraisal a potential field extension and upside for the project. The fault to the north-west of the well must not provide the seal hoped for. The T1 reservoir was not encountered in the vertical well. The Bowsprit-1 well will now 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 plan for the intended drilling of the horizontal production section of the well into the previously produced Upper Miocene T1 reservoir to the south-east after winter. During the suspension period, the data gathered will also be used for selection and permitting of an appropriate pipeline and tie-in negotiations. Based on the current data, a horizontal well drilled into the T1 reservoir is independently estimated to have 2P reserves of 330,000bbls which at current oil prices is commercially viable.

Commenting on the news, Alex Parks Managing director of PRM said "We are obviously disappointed with the Bowsprit-1 well result. We are pleased to have given our shareholders exposure to a good prospect with a material upside, but it did not work out this time. At the current oil prices, the T1 reserves are still commercially significant for the Company, and we intend to drill that and put it on production next year. In the meantime, we will mature some of the projects we have under consideration and look to add a new energy project to the Company portfolio."



Current Operational Status

As at 0600 AWST on 28 October 2021 the rig is about to set cement plugs to suspend the well. PRM will release the rig once the well is suspended.

Authorised by the Board of Prominence Energy Limited

Yours faithfully

A handwritten signature in black ink that reads 'Anna MacKintosh'.

Anna MacKintosh
Company Secretary

For further information please contact Prominence Energy at:

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