



ASX RELEASE

13 November 2017

Cerro de Chaga-1 (Panizza) Spuds

HIGHLIGHTS

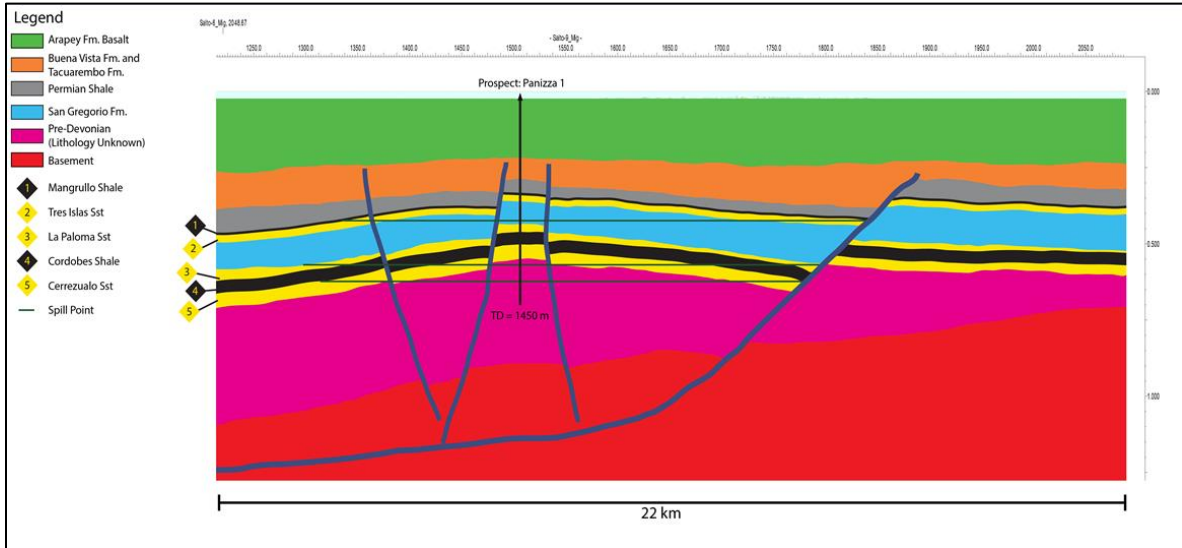
- **Second well Cerro de Chaga-1 spuds**
- **First well Cerro Padilla-1 recovered oil to surface confirming hydrocarbon prospectivity in Uruguay**

Petrel Energy Limited (ASX:PRL) announces that Schuepbach Energy Uruguay SRL (SEU) mobilised the rig to the Cerro de Chaga-1 well site last week and spudded late Friday. At the time of reporting the rig had drilled to 100m, run and cemented surface casing and was waiting on cement to set prior to installation of the BOP. Cerro de Chaga-1 is the second exploration well to be drilled as part of this programme in the Norte Basin Uruguay on concessions covering 3.5 million acres. (Working Interests Petrel 51% : Schuepbach Energy LLC 49%).

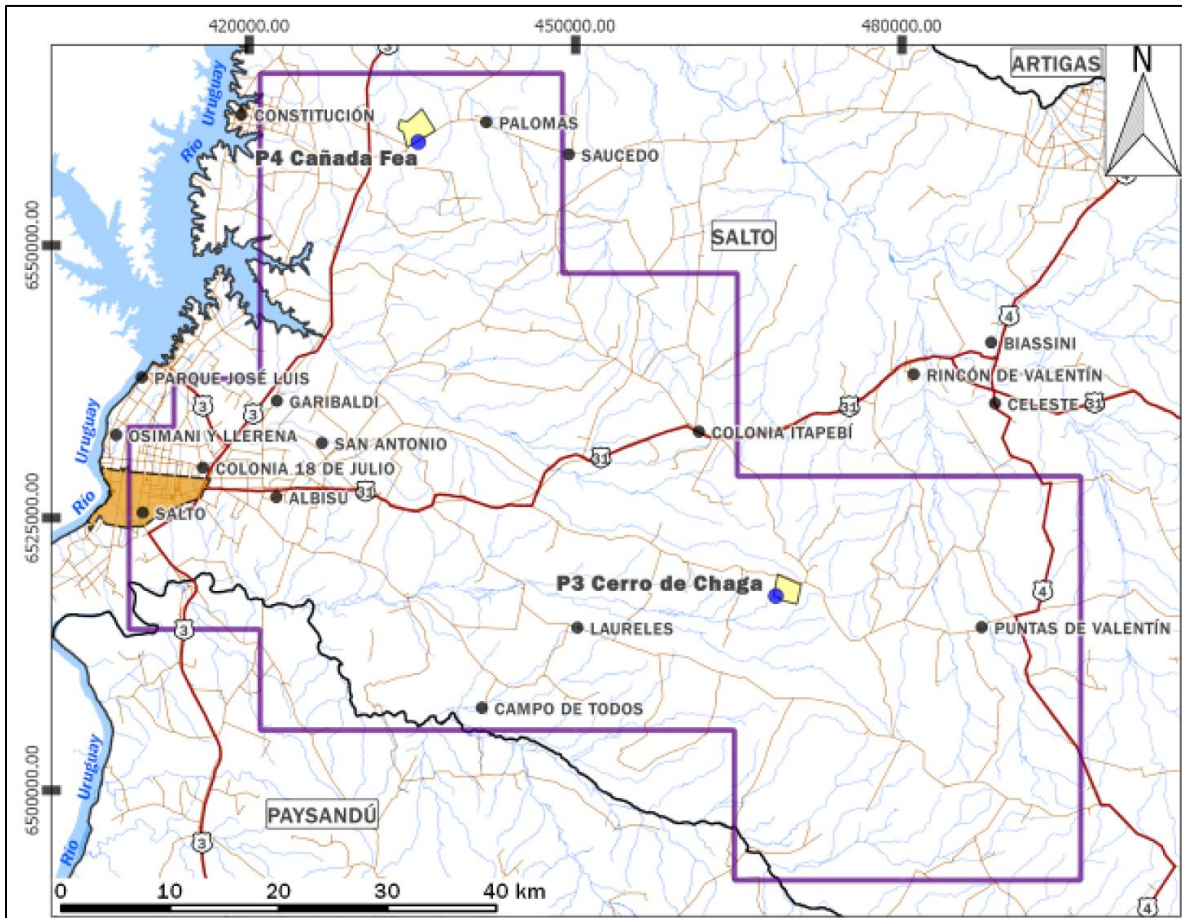
The objective of the conventional Cerro de Chaga-1 well is to:

- Test largest regional high with 4-way dip closure
- Confirm extent, quality and maturity of Devonian source and reservoir rock
- Test quality and maturity of secondary Permian source rock - Mangrullo Shale
- Confirm existence of deeper sedimentary sequence

Managing Director, Mr David Casey, said “after successfully completing testing at Cerro Padilla-1 and recovering a small amount of oil to surface for the first time in Uruguay we are excited to commence drilling at Cerro de Chaga-1 (Panizza). With multiple targets and objectives this well represents an important next step in our assessment and understanding of the hydrocarbon prospectivity of the Norte Basin”



Cerro de Chaga-1 well (Panizza-1) general schematic cross section



Map – Cerro de Chaga-1 in the Salto concessions onshore Uruguay

Petrel's overarching vision is to drill four wells to cover as much of the concession area as possible while targeting multiple and different conventional exploration objectives within and across each well. More specifically the programme will seek to answer questions from the 2015 partner process such as:

- confirm source rock maturity, quality and extent
- confirm conventional reservoir quality and extent – Darcy permeability (>1000md) already measured in core samples 30km apart
- confirm migration and potential trap integrity - while not the primary objective 3 of the 4 wells are also targeting conventional structures for oil and gas trapped in either the same sequence or up-dip of oil shows and/or weeping core samples as well as provide new insights into the regional geology of this largely unknown sub-basin of the larger Parana Basin
- confirm validity of AVO anomalies identified on seismic

For further information contact:

David Casey - Managing Director

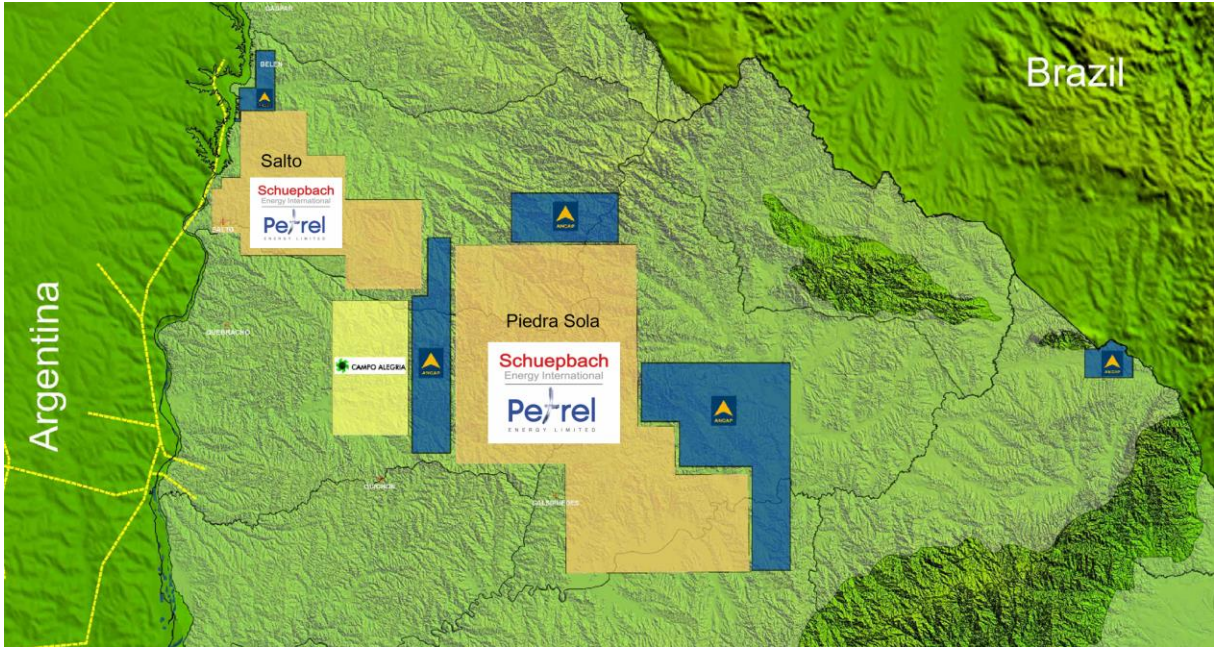
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Photos - New Force rig at Cerro Padilla-1



Preparations for production testing



Map – Piedra Sola and Salto concessions onshore Norte Basin Uruguay covering 3.5m acres