



Indago Energy Limited

23 November 2018

Kentucky Well Produces Oil

Indago's first well at its 100% owned heavy oil project in Kentucky has produced oil from early swabbing operations.

Following successful injection of Multi-Flow (Indago's viscosity reducing technology) plus carrier fluid and a 7 day "soaking" shut-in period, the Weldon Young #1A well was flowed back. A combination of the injected fluids and native crude oil flowed into the well bore and was brought to surface during swabbing operations.

Initial swabbing operations on the first day of testing recovered the combined fluids of 20 barrels over 5 hours. On the second day of testing a further 20 barrels of combined fluids were produced over a 5.5 hour period, equivalent to 86 barrels/day of combined fluids.

The fluids produced to surface will be sent for analysis to allow estimates of oil content. It is expected that injected fluids would represent a high proportion of initial production but it is too early to quantify.

Further swabbing operations and shut-in periods are planned in coming days and if the well continues to produce material volumes of oil, a pump will be installed to facilitate longer term production testing.

Commenting on the results Indago Chairman, Stephen Mitchell, stated "the production of heavy oil to surface using our proprietary technology is an exciting milestone for Indago. We have already established the effectiveness of Multi-Flow on waxy and asphaltenic oils down hole and in pipelines, and this test opens up an exciting third potential application in heavy oilfields for our viscosity reducing technology. While the commercial implications of this initial test will not be apparent until further production testing and analysis of produced fluids is conducted, we are excited by this strong proof of concept".

As noted in Indago's ASX release dated 12 October 2018, the objective of the test was to establish if oil could be produced to surface with Multi-Flow and to assist in the design of future production testing programmes.

On 6 March 2018, Indago announced that it had received its first oil certification for its heavy oil project in Kentucky. An independent Contingent Oil Resources report prepared by Netherland Sewell & Associates Inc ("NSAI") estimated that the Contingent Oil Resources within the 100% owned project are 3.74 million barrels of oil ("mmbbl") on a 2C basis, 1.87 mmbbls on a 1C basis and 7.49 mmbbls on a 3C basis from an Original Oil in Place ("OOIP") of 42.8 mmbbls.

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This initial Contingent Resource report confirmed significant oil in place in Indago's initial project area, which is believed to also extend significantly beyond Indago's leased acreage, providing scope for a sizeable project should Indago's technologies prove technically and commercially successful.

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