

22 May 2025 | ASX ANNOUNCEMENT

# Canyon-2 Logs Confirm Extensive Taroom Trough Oil and Gas Province

## HIGHLIGHTS

- Canyon-2 cased hole logging program completed - results confirm an extensive petroleum system in the Taroom Trough containing both oil and gas
- Canyon-2 DFIT program commencing today
- Preparation underway for seismic acquisition program
- Availability of rigs and frac equipment being assessed for future drilling program

**Trevor Brown, CEO and Managing Director**, commented:

Omega's Canyon Project continues to show extremely positive results. The Canyon-2 cased hole logs have provided confirmation of an extensive oil and gas province with encouraging signs pointing toward commerciality. The Canyon-2 DFIT program will add to our understanding of stacked pay potential and allow important regional correlations – further de-risking the play. Omega's cash position is strong and encouraging discussions are ongoing with potential future partners.



*Figure 1 – Loading casing perforation guns in preparation for pumping the first DFIT on Canyon-2*

Omega Oil and Gas Limited (**ASX: OMA**) ("**Omega**" or "**the Company**"), 100% holder of Potential Commercial Areas (PCA) 342 and 343 in Queensland's Bowen Basin, is pleased to provide an update on the Company's 100% owned Canyon oil and gas project.

### STATE OF PLAY

Having flowed both oil and natural gas to surface during the recent, successful Canyon-1H fracture stimulation and flowback program, Omega continues to obtain further positive results in the appraisal of its' extensive Canyon Project Area in Queensland's Taroom Trough. Omega's strategic priority is to accelerate appraisal of the Canyon Project area and bring new sources of gas and oil supply in the east coast market. Our focus is on:

- 1) Acquisition and evaluation of an extensive suite of high-quality subsurface data to determine the future appraisal drilling program
- 2) Progressing conversion of our existing Contingent Resource to Reserves
- 3) Engaging appropriate strategic partner(s) to assist with funding the appraisal and development of Omega's Taroom Trough assets
- 4) Assessing commercial pathways for near term and long-term development of oil and gas

### CASED HOLE LOGGING RESULTS AT CANYON-2

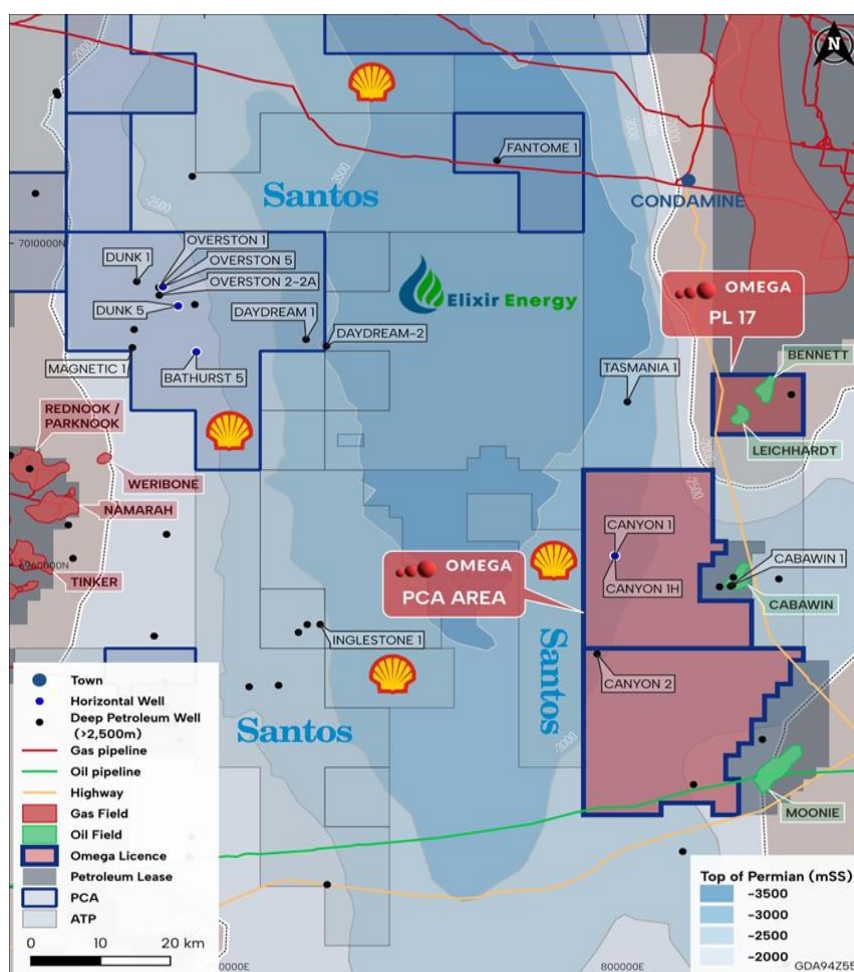
High-quality, pulsed neutron logs have been successfully acquired by SLB in the Canyon-2 well, located 15.7km away from Canyon-1H. The advanced, pulsed neutron tool was not run when Canyon-2 was first evaluated following drilling in 2023. Open hole logs obtained at the time were subject to difficult hole conditions causing "stick-slip" and subsequently were sub-optimal quality. The new logs obtained through casing are of very high quality and have confirmed an extensive oil and gas petroleum system within the Canyon Project Area. The log data adds to our rapidly growing, high-quality regional data set that confirms the broad extent and commercial potential of the thick, Permian reservoir interval. Log results identified a thicker and higher-quality pay interval within the Canyon Sandstone interval corresponding to the zone that was tested at Canyon-1H, and some additional zones with good reservoir qualities that had not previously been identified. The logs allow clear distinction between oil-bearing and gas-bearing intervals. Log analysis results were used to select intervals for DFIT testing.

The highlights of the logging program are

- High-quality, pulsed neutron logs acquired by SLB in cased hole

- Data confirms that oil and gas zones identified in Canyon-1 and tested in Canyon-1H are also present in Canyon-2 (15.7 km away)
- In Canyon-2 the equivalent Canyon Sandstone pay interval is thicker, and of higher-quality than in Canyon-1
- Additional, high-quality reservoir zones were observed in Canyon-2 that had not previously been identified
- Results confirm the presence of multiple, "stacked" reservoir zones throughout the prospective Permian interval
- Logs enable the clear distinction between oil and gas bearing intervals
- Enabled selection of intervals for DFIT testing

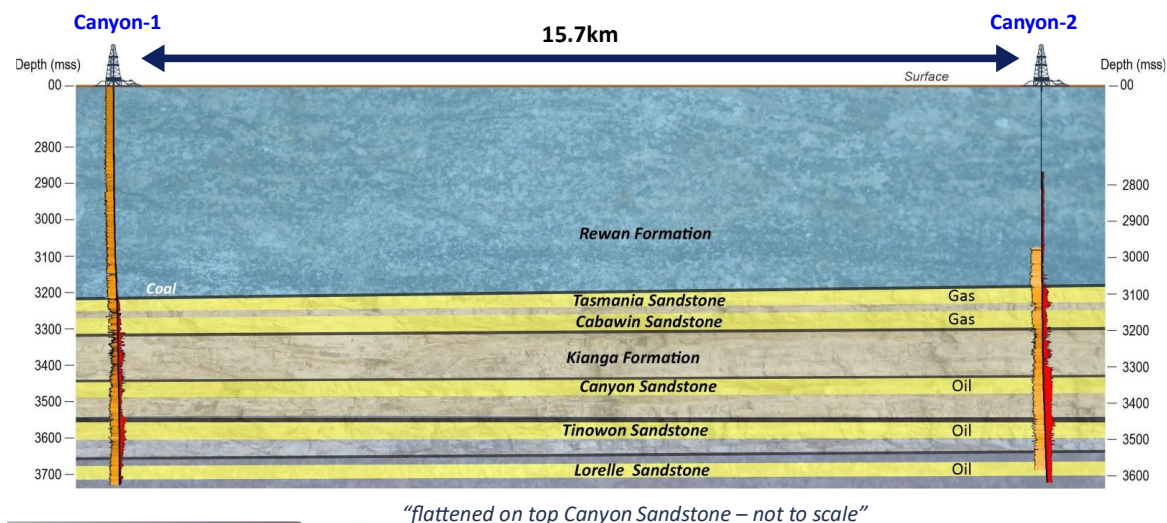
The Canyon-2 well penetrated the Canyon Sandstone 167m shallower (updip) than at Canyon-1 (*Figure 3*). The enhanced reservoir properties observed from log analysis may indicate that reservoir properties are likely to improve further in the Eastern part of the Canyon Project area where the prospective Permian interval is up to 800m shallower than at Canyon-1.



**Figure 2 – Taroom Trough map showing Canyon-1 and Canyon-2 locations**



## Schematic Cross-Section Canyon-1 to Canyon-2



**Figure 3 - Schematic cross-section Canyon-1 to Canyon-2**

### DFIT TESTING COMMENCES TODAY

The Canyon-2 DFIT test program commences today with a series of tests to be performed over coming months in selected zones throughout the prospective Permian interval. The DFIT program will gather diagnostic geomechanical data and measure the level of overpressure in multiple zones. This will allow characterisation of overpressure changes with depth and inform zonal correlations across the project area – an important de-risking of the play.



**Figure 4 – Preparing for DFIT testing at Canyon-2**

## CANYON PROJECT – EVALUATION AND FORWARD PLAN

Following results of the Canyon-1H flowback testing, the evaluation and forward plan were detailed in an ASX release on 7<sup>th</sup> April 2025. Current status is noted in the far-right column.

Activity	Data	Goal	Timing	Status
<b>Canyon-2 Cased hole logging</b>	Measure reservoir properties across entire prospective section	Confirm reservoir properties  Determine prospective intervals to target with DFIT  Zone correlation between Canyon-2 and Canyon-1H	April	Completed
<b>Land Access engagement for future well locations and 2D seismic</b>	Landholder agreements for access to a selection of well and seismic acquisition locations	Early work to secure land access to provide a choice of available locations	April - July	Commenced
<b>Market soundings for rigs, drilling services, frac equipment, testing services and long-lead items</b>	Understand timing of availability of suitable equipment and services for upcoming wells	Integrate timing of equipment availability into operations planning schedule	April - July	Commenced
<b>Canyon-2 DFIT's</b>	Measure reservoir and completion qualities across the Permian section	Measure pressure gradient across Permian section  Evaluate stacked pay potential  Demonstrate scalability of Canyon Sandstone over regional area	Commencing in May  test one zone each month commencing with deepest zone and working up	Commenced

Reservoir Modelling	Type Curve analysis and EUR calculation	Type Curve and EUR of Canyon Sandstone at Canyon-1H location	June	Commenced – results expected early June
Engineering and Economic modelling	Model economic pathway for oil	Determine optimal economics for oil development	July - August	Evaluating options
Resource Upgrade	Technical and commercial data	Updated resource assessment	2H25	Assembling data

In addition to the activities noted above the following activities are underway

#### Near term data evaluation

- PVT Analysis work underway
- Frac Tracer analysis near complete
- Updating log analysis underway incorporating updated PVT fluid properties to improve our understanding of reservoir properties
- Reservoir Engineering studies underway incorporating PVT fluid properties into our analysis. EURs and type curves, appropriate analogues, being developed to assist with appraisal and development planning
- Rig and Frac equipment market soundings have commenced

#### Current and planned field activity

- Canyon-2 DFIT and land access activities currently underway
- Commence Seismic Acquisition - 2H25
- Complete seismic program – early to mid 2026

#### Drilling

- Program being planned in conjunction with ongoing subsurface analysis - timing dependent on target selections, well design(s), rig availability and funding

#### OIL COMMERCIALISATION

##### Crude quality

The quality of the crude oil yielded from the Canyon-1H flow test was excellent, with an API of 49.5° and negligible impurities<sup>1</sup>, making it easier and cheaper to refine than most crudes. This compares to the international benchmark Brent crude with an API of ~38°. Canyon crude is likely to receive a premium above Brent crude in the market.



*Figure 5 – Crude oil sample from Canyon-1H flow test*

### **Downstream Discussions**

As part of its planning for future oil production, Omega has recently undertaken high level discussions with IOR, a leading player in the downstream sector in Queensland, operating fuel import terminals at Port of Brisbane and a refinery for specialty products located in Eromanga.

### **STRATEGIC INVESTOR DISCUSSIONS**

The Company is undertaking discussions with potential strategic investors and expects to mature these in 2H25. Omega's 100% Operated ownership of its acreage allows flexibility to review any proposals for investment at the asset or corporate level. It is Omega's intent to pursue development of the Company's Taroom Trough assets with minimal dilution to shareholders.

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This release has been authorised on behalf of the Omega Board.

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## ABOUT OMEGA OIL AND GAS

Omega Oil and Gas Limited (ASX: OMA) is a dynamic Australian exploration company with a highly experienced team focussed on unlocking the vast, deep oil and gas potential of Queensland's Taroom Trough, an emerging producing province within the Bowen Basin. The Company's breakthrough at the Canyon-1H well revealed substantial oil and gas flows. The successful execution of the drilling, fracture stimulation and testing program at Canyon-1H underscores Omega's technical expertise.

Founded in 2020, Omega's countercyclical strategy has delivered major hydrocarbon discoveries, including Canyon-1 and Canyon-2. Omega's Canyon-1H project highlights the presence of a large and prospective petroleum system capable of supporting decades of commercial production.

Backed by prominent resource investors and driven by technical expertise, Omega is positioned to become a key contributor to Australia's energy future.

## FORWARD LOOKING STATEMENTS

This announcement may contain certain "forward-looking statements". Forward-looking statements can generally be identified using forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. The forward-looking statements included in this announcement involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Omega. Forward-looking statements should be read in conjunction with, and are qualified by reference to, the risk factors set out in section 5 of the Prospectus lodged with Australian Securities and Investment Commission on 22 August 2022 and in Omega's subsequent announcements and presentations. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward-looking statements. Omega disclaims any intent or obligation to publicly update any forward-looking statements, whether because of new information, future events or results or otherwise. Past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

<sup>1</sup> ASX release dated 26<sup>th</sup> March 2025 titled "Strong Oil Flows from Canyon-1H Well".