



ABN69 009 196 810
(Incorporated in Western Australia)

Level 2, 30 Richardson Street
West Perth, WA 6005
PO Box 1786, West Perth WA 6872
T+61 8 9321 9886 F+61 8 9321 8161

31 May 2021

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

Capital Raised for Bowsprit Drilling and Entry into Hydrogen Project

HIGHLIGHTS:

- PRM has received a firm commitment from Lead Manager GTT Ventures Pty Ltd to raise A\$3.2 million before costs.
- Funds raised will facilitate the Bowsprit drilling program and investment in Patriot Hydrogen, an Australian based green hydrogen business to complement PRM's oil and gas activities.

Bowsprit Oil Drilling

- Bowsprit is a former producing asset and a vertical well is to be drilled in July-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.

Patriot Hydrogen Investment

- A Binding term sheet has been signed to acquire 20% of Patriot Hydrogen Pty Ltd. The acquisition is subject to due diligence and PRM shareholder approval of the issue of the consideration shares.
- Patriot initially intends to construct a Biomass to Hydrogen plant at Port Anthony in Victoria where Patriot holds a binding term sheet to lease the site and construct the plant.
- The hydrogen plant is anticipated to take approximately 12 months to be planned, constructed, commissioned and reach steady state production of 2 tonnes of hydrogen per day.
- Patriot will licence, build and develop the brand "Patriot 2 Hydrogen (P2H) units" for these biomass to hydrogen plants within Australia.

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 this year and announcing our first step into the hydrogen sector. We believe the Patriot investment is an exciting entry for PRM into the growing Australian Hydrogen sector. Patriot has great potential to grow by placing P2H units in numerous settings to provide locally produced, low carbon electricity and hydrogen, both generated from essentially carbon neutral waste biomass materials. As the world transitions to a lower carbon base, PRM will transition too."*

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

Prominence Energy NL ACN 009 196 810 (**PRM** or **Company**) is pleased to provide the following announcement regarding PRM's Bowsprit drilling program and investment in an Australian based hydrogen business stream to complement oil and gas activities.

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

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.

PRM is planning to drill a vertical Bowsprit well to appraise the project upside in July-August 2021 with the exact timing subject to the rig schedule with other jobs. The well will be drilled to a depth of approximately 8,000ft. 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 – 4.1MMbbls³. The independent auditor estimates the chance of success at 25%.

After appraising the field to a depth of 8,000ft, the well will be suspended at a depth of approximately 5,500ft 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. Further details on the drilling plans will be released in the coming weeks as details firm up.

Hydrogen Investment

PRM believes that oil and gas companies need to evolve to be more carbon friendly in order to stay attractive to modern investors. The Patriot investment is seen as an attractive entry position into the green hydrogen sector. PRM believes that, as the Patriot biomass to hydrogen production units are modest in size and can be placed close to the end users, this will bypass some of the infrastructure challenges associated with the sale and use of hydrogen. The ability to produce low carbon onsite power generation and hydrogen offers the potential for long term expansion opportunities with units at numerous locations, such as bus ports for hydrogen use, and industrial sites that use power and have biomass waste such as sawmills, refuge centres and agriculture businesses.

PRM has signed a binding term sheet to acquire 20% of Patriot Hydrogen Pty Ltd⁴ for a consideration of 25 million PRM shares, \$250,000, and 3 million PRMOB options. Patriot initially intends to construct a Biomass to Hydrogen plant at Port Anthony in Victoria where Patriot already holds a binding term sheet for the site lease and construction of the plant.

The plant is anticipated to take 12 months to be planned, constructed commissioned and reach steady state production of 2 tonnes of hydrogen per day. PRM's \$250,00 investment will primarily be used to complete the planning and design of the project. Patriot is in discussions regarding opportunities to expand capacity and to add additional sites for Patriot Biomass to hydrogen units.

For more information see <https://patriohydrogen.com.au>

Capital Raising.

PRM has firm commitments to place 320 million shares at a price of 1c per share with 1 PRMOB⁵ attaching option for every three shares subscribed for. The Placement will be made in two tranches with the second tranche (including Directors Participation for \$200,000) subject to shareholder approval at an EGM.

The primary use of funds is the drilling of the vertical Bowsprit well which is expected to cost approximately A\$2.5 million.

² Subject to completion of buyout

³ See details below and ASX release of 5 February 2020 for reserves and resources estimate.

⁴ Subject to PRM shareholder approval for issue of the Consideration shares, financial and legal due diligence and final documentation

⁵ Listed PRMOB options with an exercise price of 2c per share and expiry date of 1 September 2023

	No. of PRM shares	\$ before costs	No. of Options (PRMOB)	Method
Tranche 1	147,514,447	\$1,475,144	49,171,482	Shares - Rule 7.1 and 7.1A capacity Options - subject to shareholder approval
Tranche 2	152,485,553	\$1,524,856	50,828,518	Subject to shareholder approval
Directors	20,000,000	\$200,000	6,666,667	Subject to shareholder approval
Total	320,000,000	\$3,200,000	106,666,667	

GTT ventures is the lead manager of the capital raising and will receive 6% commission on funds raised (excluding funds raised from Board and major shareholder subscriptions). Subject to shareholder approval GTT (and/or nominees) will be issued with up to 63 million PRMOB options and 2.5 million PRM shares for its role in capital raising and deal facilitation with Patriot.

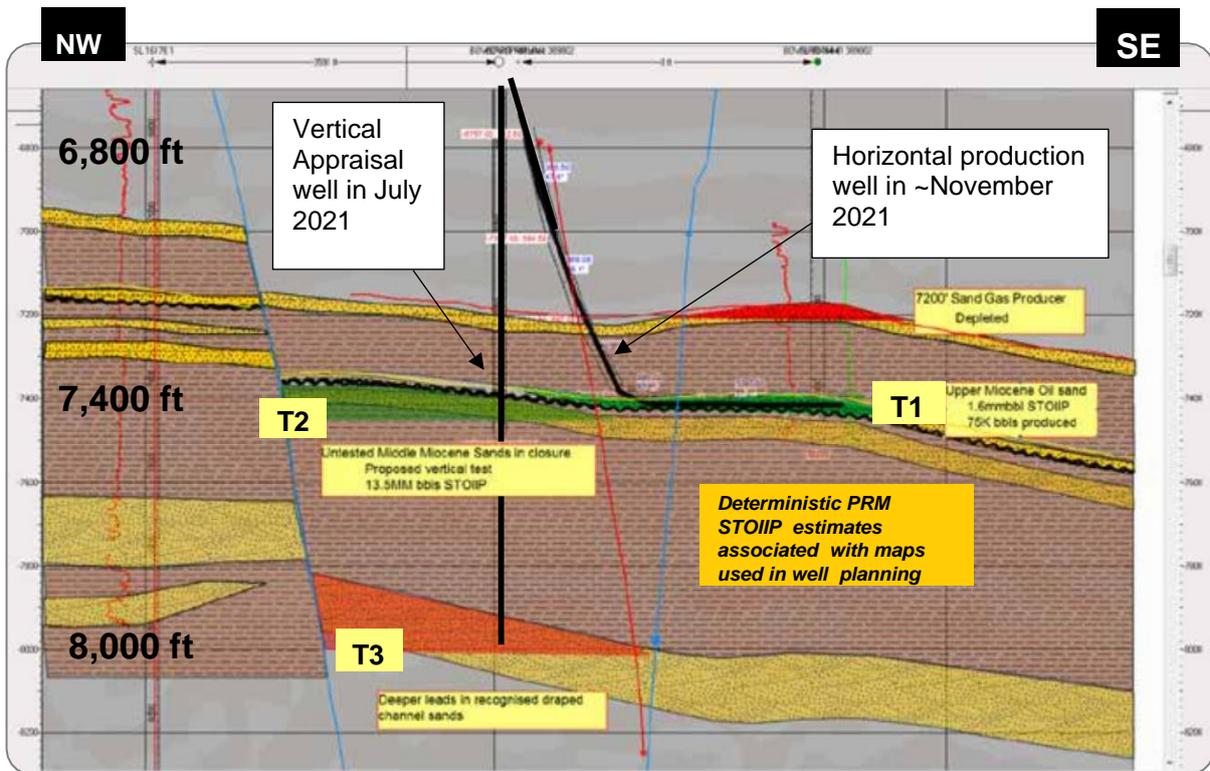


Figure 1 – North West to South East cross section through Bowsprit Field.

Reserves Attributed to Bowsprit-1

The field consists of a proven Upper Miocene Reservoir (T1) at a depth of approximately 7,400ft TDSS overlying a secondary "Prospective" target Middle Miocene Reservoir (T2).

Reserves estimated by Netherland, Sewell & Associates, Inc. (NSAI) on the Bowsprit Project.⁶

Resource Classification	Confidence Level	Net Reserves	CAPEX for Development	Net Cash Flow (NPV0)	NPV10	NPV10
		Mbbls	US\$ million	US\$ Million	US\$ Million	A\$ million ⁷
Undeveloped Reserves (T1)	1P (90%)	nil	4.865			
	2P (50%)	330.7	4.865	8.0	6.3	8.4
	3P (10%)	643.5	4.865	19.2	14.0	18.6

Table 1 – Bowsprit Field Upper Miocene Reservoir T1 Reserves

Resource Classification	Confidence Level	Prospective Net Resources Mbbls	GCOS%
Prospective Resources (T2)	1U Low Case	890	NSAI estimate the Geological chance of finding and producing commercially significant hydrocarbons from the T2 reservoir as 25%. The Principal risk is whether the fault to the north-west of the field is sealing.
	2U Best Case	1,821	
	3U High Case	4,102	

Table 2 – Bowsprit Field Middle Miocene Reservoir (T2) Prospective Resources

Cautionary Statement – Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. See full Cautionary Statement and full resource definitions in the ASX release on 5 February 2020.

Mr Alexander Parks, Managing Director, has authorised this document to be given to the ASX.

⁶ See Release of 5 February 2020 for full report.

⁷ 0.75 USD per AUD