

## **ASX ANNOUNCEMENT**

22 OCTOBER 2021

## **Surat Gas Project Stage Two Investment Further Extension**

Further to the announcement of Rey Resources Limited ("Rey or the Company") (ASX: REY) dated 30 June 2021, the Company is pleased to announce that it has agreed with Southernpec (Australia) Pty Ltd ("SouthnA") a further extension of the commencement date of stage two investment to 31 December 2021.

The extension will allow more time for the commercial study based on the recent flow testing result as well as completing fundraising for the proposed stage two investment. As at the date of this announcement, the Company has completed stage one and part of stage two investments and now has an interest of 20% in the issued capital of SouthnA.

## **About the Surat Gas Project**

The Surat Gas Project consists of 7 production licences in Surat Basin in Queensland. Armour Energy (Surat Basin) Pty Ltd is the only joint venture partner (non operator) of Surat Gas Project (Waldegrave JV). The participating interests of each licence owned by SouthnA is listed as below:

Production Licence	SouthnA interests	Armour interests	Resources
PL69	53.75%	46.25%	Gas
PL28W	53.75%	46.25%	Gas
PL12W	53.75%	46.25%	Gas
PL320W	53.75%	46.25%	Gas
PL11W/PLA321	53.75%	46.25%	Gas
PL89	53.75%	46.25%	Gas
PL11SC	75%	25%	Gas

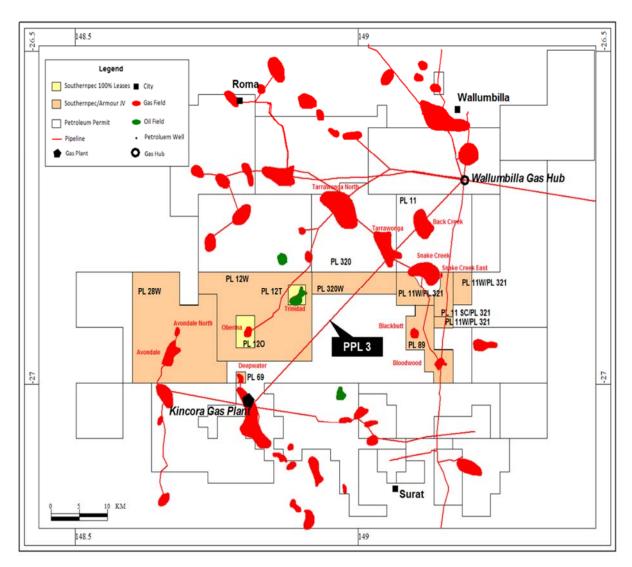


Figure 1: Surat Gas Project Location in Surat Basin

Some of the production licences including PL28, PL69 and PL89 had good production history from 5 wells since 1980s. These wells have been shut down since 2012 due to suspension of Kincora gas processing plant. Based on current studies, it believes that the 3 Avondale wells in PL28 and one Deepwater well in PL69 have good potential for gas production using existing flowlines. Many prospects also have not been tested.

Gas produced from the Surat Gas Project is likely to be sold through the Wallumbilla Gas hub. Subject to entering into an arrangement with Armour Energy, the adjacent Kincora Gas Processing Plant may provide a commercialisation pathway and connect the Surat Gas Project to Wallumbilla.

Kincora Gas Processing Plant currently has available capacity of up to 20 TJ/day with potential increase to 30 TJ/day. SouthnA has initially discussed with Armour that the gas produced from Waldegrave JV permits is welcomed to be processed through Kincora Gas Processing Plant

Authorised by the Board of Rey Resources Limited

For further information please contact: **Wei Jin**Managing Director
+61 2 9251 9088