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29 July 2022

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

Dear Sir/Madam

RE: QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2022

Please find the Quarterly Activities Report for the period ending 30 June 2022 for Prominence Energy Ltd (ASX: PRM).

Yours faithfully
PROMINENCE ENERGY LTD

Sonu Cheema
Company Secretary

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 June 2022

HIGHLIGHTS

- Prominence Energy Ltd participated in the drilling the multi-TCF Sasanof Prospect in Q2 2022 (12.5% interest), unfortunately the well did not discover any commercial hydrocarbons.
- PRM had A\$2.8 million in cash holdings at 30 June 2022.
- PRM has updated the reserves estimate for Bowsprit with 1P reserves now allocated by Netherland Sewell & Associates, Inc.
- PRM has been reviewing potential new ventures for the Company.
 1. PRM has invested \$100,000 in seed capital in ECOSSAUS (10.9%) a company seeking to develop salt caverns onshore Australia for the potential future storage of hydrocarbons, hydrogen and green house gases.
 2. PRM submitted a bid for a Discovered Resource Opportunity (DRO) in the 2022 Malaysian bid round.

BOWSPRIT OIL PROJECT (“Bowsprit”) (Lease No. 21754) - PRM 100% working interest.

PRM drilled the vertical, exploration Bowsprit-1 well in October 2021 to test an undrilled part of the field. Unfortunately, the potential field extension did not contain oil. The vertical well was suspended at a depth of 3,000ft deep for future re-entry and side-tracking. The proven oil in the T1 Upper Miocene Sand was not affected by the vertical well result and remains a viable target for a single well development via a side-tracking of the vertical well and tie back to a nearby platform. During the Quarter Netherland Sewell and Associates, Inc updated the reserves estimate for the field and as announced on 21 July 2022 the Bowsprit field has 1P reserves.

Resource Classification	Confidence Level	Net Reserves to PRM		Net Cash Flow (NPV0)	NPV10	NPV10
		Oil Mbbls	Gas MMSCF	US\$ Million	US\$ Million	A\$ Million
Undeveloped Reserves T1	1P (90%)	106.9	81.3	2.93	2.34	3.39
	2P (50%)	330.7	254.7	18.33	15.35	22.25
	3P (10%)	643.5	502.9	38.57	29.47	42.71

Bowsprit Field Upper Miocene Reservoir T1 Reserves @US\$85.82/bbl (0.69AUD/USD)

PRM is currently finalising the well design, completion design and costing for a side track of the Bowsprit 1 well to target the T1 reservoir and proven reserves, most likely in Q4 2022 following the hurricane season.



SASANOF PROJECT (PRM 12.5%)

In March 2022, Prominence Energy Ltd (“PRM”) finalised the acquisition of a 12.5% interest in the Multi-TCF Sasanof Gas Prospect located in exploration Permit WA-519-P on the Northwest Shelf, Australia.. PRM acquired a 12.5% shareholding interest in the WA-519-P licence holder, Western Gas (519 P) Pty Ltd (**WG519**).

The Sasanof-1 well was drilled with the Valaris MS-1 semi-submersible in Q2 2022. Sasanof-1 was a vertical well, drilled to a depth of approximately 2,400m in 1,070m of water. The main target zone was encountered at the expected depth, but found to contain no hydrocarbons. The preliminary conclusion, on the reason for failure, was a lack of seal on the western edge of the trap. Above the reservoir a hard zone was encountered (as anticipated), however, the hard streak was harder and thicker than anticipated pre-drill. The contrast in velocities from the “harder hard streak” to the underlying shale and sand produce an effect that looked like gas on the seismic, before being disproved through the drilling result. Drilling costs were estimated to be in the range of US\$20-25 million (US\$5-6.25 million PRM share) and the well was drilled on budget. The well was completed safely and as scheduled with no reportable HS&E issues.

Final invoices for the well are still being received, but the final contribution from PRM is expected to be less than A\$400,000.

LAND STATUS (net acres of mineral leases)

Below is a table showing PRM’s net acres of oil and gas mineral leases in the project area. SL21787 and part of SL21754 was dropped due to lack of prospectivity following the drilling in October 2021.

Oil Project Area	PRM’s Working Interest (%WI)	PRM’s Net Revenue Interest (%NRI)	Project area Gross Acres (1ha = 2.471ac)	PRM’s Net Acres (1ha = 2.471ac)
Bowsprit SL21754	100%	73%	635	635
TOTAL	-	-	635	635

(Total acres as at 31 March 2022)

Indirect Interest

PRM owns 12.5% of Western Gas 519 Pty Ltd which holds 100% of WA-519-P located offshore Western Australia.

OIL AND GAS PRODUCTION

There was no oil production for the June 2022 Quarter.

CORPORATE

- Jaap Poll joined the Board as Independent Non-Executive Chairman to replace Ian McCubbing who retired from the Board.



- Sonu Cheema was appointed CFO and Company Secretary.
- As at the date of this quarterly, Anna Mackintosh has resigned as Company Secretary.

GROWTH OPPORTUNITIES

The Company continues to actively review potential new projects to add to the portfolio.

ECOSSAUS (PRM 10.9%)

The Company has made a modest investment in Ecostorage Solutions Pty Ltd (ECOSSAUS) (10.9%). ECOSSAUS landholding comprises 7 tenement applications for 3,322km² located in Northern Territory, South Australia and Queensland believed to be prospective for the solution mining of salt and the potential subsequent use of resultant salt caverns for storage purposes.

Salt caverns are used in other parts of the World for the storage of non-aqueous gases or liquids that do not dissolve salt, such as hydrocarbons and petroleum products, and they have recently proven to be effective for the storage of hydrogen, which can be challenging to store in large volumes via typical storage methods (ie, tanks and vessels). There is also potential for CO₂, methane and other greenhouse gases (GHG) to be stored in salt caverns for long term as a form of carbon sequestration.

PRM's initial investment of A\$100,000 was part of a \$415,000 capital raise to fund ECOSSAUS in the grant of tenements and initial data gathering and technical studies on the tenements. PRM has an option to maintain it's current holding level by participating in future raises.

Malaysian Bid Round

The Company submitted a joint 50/50 bid for one of the Petronas DRO Projects in the 2022 bid round. PETRONAS is offering six clusters of Discovered Resource Opportunities (DRO) and one cluster of Late Life Assets (LLA) in its Malaysia Bid Round 2022 (MBR 2022).

The DRO's are offered through a competitive bidding process based on the merit of the applicants conceptual development plan submitted. There is no certainty that the Company will be awarded a project, but the Company believes the innovative conceptual development plan submitted may be attractive. Further details on the project will be announced if a project is awarded to the Company. Petronas will undertake a bid review and clarification process from July to September. Award of the projects to the successful bidders is anticipated to be in Q4 2022.

NOTES PERTAINING TO THE CASHFLOW REPORT

Item 6.1: The aggregate amount of payments to related parties and their associates during the June 2022 quarter was \$93,532 in salaries.



BY ORDER OF THE BOARD

Sonu Cheema,
Company Secretary

Telephone: +61 (08) 9321 9886

Email: Corporate@ProminenceEnergy.com.au

This report is lodged on the Company's website, www.ProminenceEnergy.com.au.

Forward-looking Statements

This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect Prominence's views and assumptions with respect to future events as at the date of the Announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Actual and future results and trends could differ materially from those set forth due to various factors that could cause results to differ materially include but are not limited to: industry conditions, including fluctuations in commodity prices; governmental regulation of the oil and gas industry, including environmental regulation; economic conditions in the US and globally; geological technical and drilling results; predicted production and reserves estimates; operational delays or an unanticipated operating event; physical, environmental and political risks; liabilities inherent in oil and gas exploration, development and production operations; fiscal and regulatory developments; stock market volatility; industry competition; and availability of capital at favourable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Prominence, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this Announcement sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PROMINENCE ENERGY LTD

ABN

69 009 196 810

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(94)	(367)
(e) administration and corporate costs	(151)	(516)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	(13)	(13)
1.9 Net cash from / (used in) operating activities	(257)	(895)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(100)	(100)
(d) exploration & evaluation	(7,015)	(12,657)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(7,115)	(12,757)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2	13,205
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	-	750
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (issue costs)		(628)
3.10	Net cash from / (used in) financing activities	2	13,327

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,718	2,671
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(257)	(895)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,115)	(12,757)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2	13,327

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	464	466
4.6	Cash and cash equivalents at end of period	2,812	2,812

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,812	9,718
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,812	9,718

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	94
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements	60	2
7.3 Other (please specify)		
7.4 Total financing facilities	60	2
7.5 Unused financing facilities available at quarter end		58
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>Company Credit Card via NAB</p> </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(257)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(7,115)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(7,372)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,812
8.5 Unused finance facilities available at quarter end (item 7.5)	58
8.6 Total available funding (item 8.4 + item 8.5)	2,870
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.39
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>Answer: Yes, the Company during the June quarter had completed the majority of contributions required pursuant to the Sasanof-1 well cost. This was completed during the quarter and no further material expenditure is expected with respect to the Sasanof-1 well.</p> </div>	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>Answer: No, refer section 8.8.1. Exploration and development expenditure will be carried out in the ordinary course of business to which current funding levels are sufficient to cover.</p> </div>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, refer section 8.8.1

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022



Authorised by:
(Alexander Parks – Chief Executive Officer and Managing Director)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.