

Quarterly Activities Report for the period ended 31 December 2023

Highlights

- PRM's Big Apple Prospect in the Gulf of Mexico has Total Unrisked Mean Net Prospective Resources of 1.37 Tcf of Gas and Total Risked Mean Net Prospective Resources of 426 Bcf
- PRM continues to progress well planning and cost estimation at Big Apple
- Big Apple Farm-out process to commence in early 2024 at the NAPE Conference held in Houston in February 2024
- PRM had \$750,000 in cash holdings on 31 December 2023

Prominence Energy (ASX: PRM) is pleased to report on its activities for the quarter ended 31 December 2023.

Managing Director Alex Parks said: *"The Big Apple prospect has been a focal point for PRM this quarter, with our team diligently progressing on detailed mapping, well planning and cost evaluations. We're excited to bring this momentum to the NAPE conference, where we aim to partner and advance towards drilling. This comes at a time when the Gulf of Mexico is seeing a surge in exploration and investment, highlighting the region's vitality and the Big Apple's potential."*

BIG APPLE PROJECT

The **Big Apple prospect straddles the boundary of two blocks A87 & A90 in the Brazos Area**, South Addition (see map below). The Blocks are located approximately 200km south of Houston in approximately 75m (250ft) of water, together they cover an area of 11,520 acres (~46km²). PRM is Operator of the leases and holds the blocks with a Net Revenue Interest (NRI) of 80.25%¹.

PRM was awarded the two Big Apple Leases commencing 1 July 2023. PRM calculated internal prospective Gas Initially In Place (GIIP) estimates based on typical reservoir parameters for the area.

PRM's provisional interpretation of the seismic confirmed the presence of a **closed structure with a most likely area of approximately 7,370 acres (29.8 km²)**. The

¹ Federal Royalty of 18.75% and 1% Royalty to the Prospect Finder.

* *Cautionary note: Prospective resources are those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. 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 moveable hydrocarbons.*

main sand is interpreted to be approximately 43m thick in the main area of the field, thinning to the north/northeast and thickening to the southwest. A second shallower sand also with a Class II AVO anomaly is interpreted to be approximately 15m thick and cover an area of 3,690 acres (14.9 km²)².

The mapping and volumetric calculations were provided to Netherland, Sewell & Associates Inc, (NSAI) for validation/audit.

NSAI produced probabilistic estimates of the Prospective Gas Resources for the two sands (BA3 & BA4) that make up the Big Apple prospect. The Prospective Resources have been estimated for each sand separately for three fault blocks, West, Central and East. **The geological chance of success has been estimated as 32% for the main sand (BA3) Central and Western blocks, 28% for the Eastern fault block of the main sand and 30% for all three of the shallower secondary sand BA4 blocks.** For the full NSAI report see PRM's ASX announcement dated 31 August 2023.

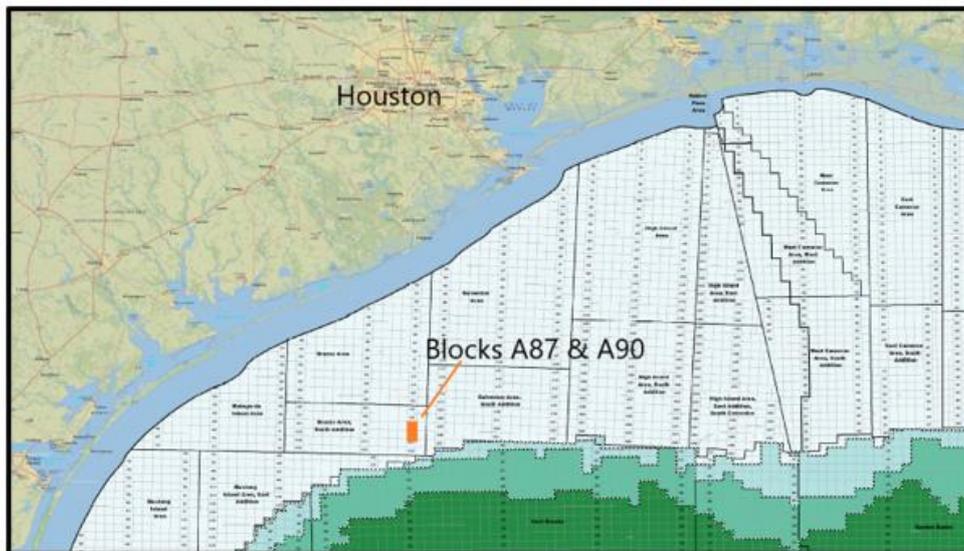


Figure 1: Big Apple Location Map – Brazos Area, South Addition Blocks A87 & A90 approximately 200km South of Houston

² See PRM's ASX Announcement dated 23 August 2023 'PRM Maps Big Apple Seismic Data Gulf of Mexico'

The Total NSAI Big Apple Unrisked Net Mean Prospective Resources is 1.37Tcf of Gas and Total Net Mean Risked Prospective Resources of 426 Bcf.

Table 1 - NSAI Estimate of Prospective Gas Initially in Place - Big Apple

Prospect Block	Undiscovered Original In-Place Volumes Gas (Bcf)		
	Low Estimate	Best Estimate	High Estimate
Main Sand	1U	2U	3U
BA3 Central	603.2	1,347.9	2,619.5
BA3 East	137.8	281	454.9
BA3 West	169.6	349.9	586.9
Secondary Sand	1U	2U	3U
BA4 Central	75	175.5	380.7
BA4 East	58.8	116.8	182.1
BA4 West	56	114.4	189.4

Table 2 - NSAI Estimate of Net Prospective Resources - Big Apple

Prospect Block	Unrisked Estimated Ultimate Recovery Net to PRM (80.25% NRI)					
	Gas (Bcf)			Condensate (MMbbls)		
	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate
Main Sand	1U	2U	3U	1U	2U	3U
BA3 Central	300.6	691.3	1396.3	1.4	4.7	13.1
BA3 East	68.3	143.8	245.2	0.3	1.0	2.4
BA3 West	84.1	179.2	315.4	0.4	1.2	3.1
Secondary Sand	1U	2U	3U	1U	2U	3U
BA4 Central	37.4	90.2	201.4	0.2	0.6	1.8
BA4 East	29.1	59.4	98.3	0.1	0.4	1.0
BA4 West	27.7	58.5	101.9	0.1	0.4	1.0

Note: Totals of unrisked prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and are therefore not shown. Because of the geologic risk associated with each prospect, meaningful totals beyond this level can be defined only by summing risked prospective resources.

Table 3 - Big Apple Risked Prospective Resources Net to PRM (NRI 80.25%)

Prospect	Gas (Bcf)		
	Unrisked Mean Estimate	Chance of Success	Risked Mean Estimate
Main Sand	NSAI – Mean (Bcf)	NSAI – Pg (%)	Mean (Bcf)
BA3 Central	789.5	32%	252.6
BA3 East	151.7	28%	42.5
BA3 West	191.9	32%	61.4
Total BA3	1,133.0		356.5
Secondary Sand			
BA4 Central	108.9	30%	32.7
BA4 East	62.1	30%	18.6
BA4 West	62.4	30%	18.7
Total BA4	233.4		70.03
Total Both Sands	1,366.5	30%	426.5

Granted a five-year term, the leases for PRM's Big Apple Prospect are advancing into a pivotal phase. Our objective remains to partner for an exploratory well, aimed at confirming the presence of moveable hydrocarbons within the two identified sands. This step is crucial and is being pursued with urgency, as swiftly as partnership and funding opportunities allow. PRM is in the process of appointing an Agent to assist in reaching the maximum possible range of prospective partners.

In preparation for seeking a farm-in partner, PRM has been actively acquiring and analysing additional data on nearby wells and fields. This information is critical to constructing a detailed comparative analysis to better inform our strategies and decisions.

Currently, PRM is deeply engaged in well planning, cost evaluation, and comprehensive desktop studies to refine our understanding of Big Apple's prospectivity, positioning us to initiate the farm-out process early in 2024. This timing strategically aligns with the NAPE Conference in Houston in February, offering a significant opportunity for partnership engagement.

Should our initial exploration drilling yield positive results, with sand quality proving to be conducive, we foresee a viable path to commercial development. The Big Apple prospect, is located in a water depth of approximately 75 meters so a jack-up rig can be used to drill the well. The location benefits from proximity to infrastructure, with the nearest gas pipeline for potential export situated about 15 miles northeast of block A87. This advantageous location further bolsters the commercial prospects of the Big Apple field in the event of successful exploration outcomes.

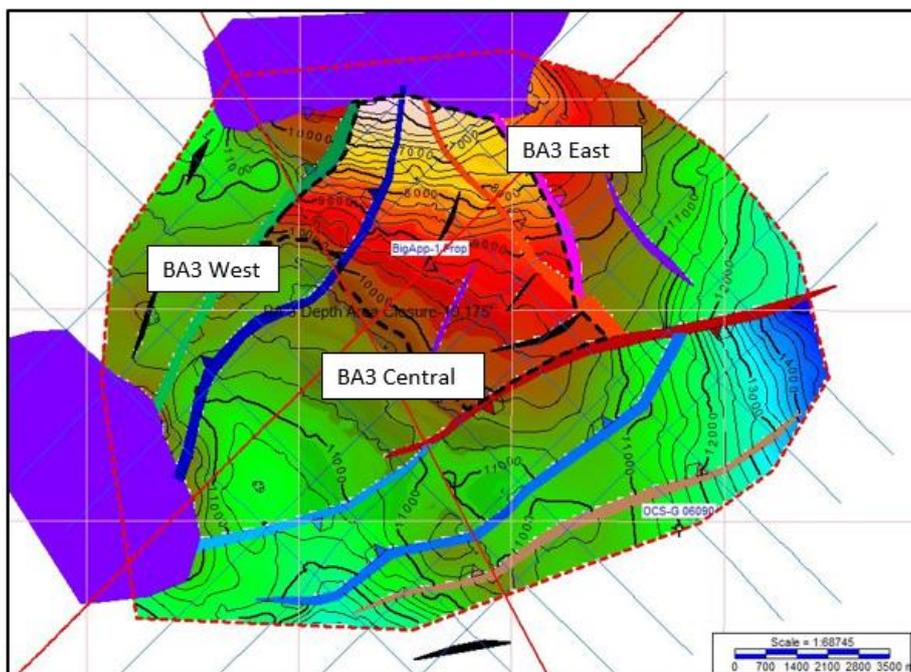


Figure 2: Big Apple BA3 Structure Map with approximately 7,400 acres of 'most likely' closure across three prospective fault blocks.

During the quarter PRM licensed an additional 40,000 acres of 3D seismic surrounding the Big Apple blocks. Whilst the data only touches the edges of the structure it is all the data available in the surrounding area. The data has been used to improve the structural mapping and prepare for farming out of Big Apple.

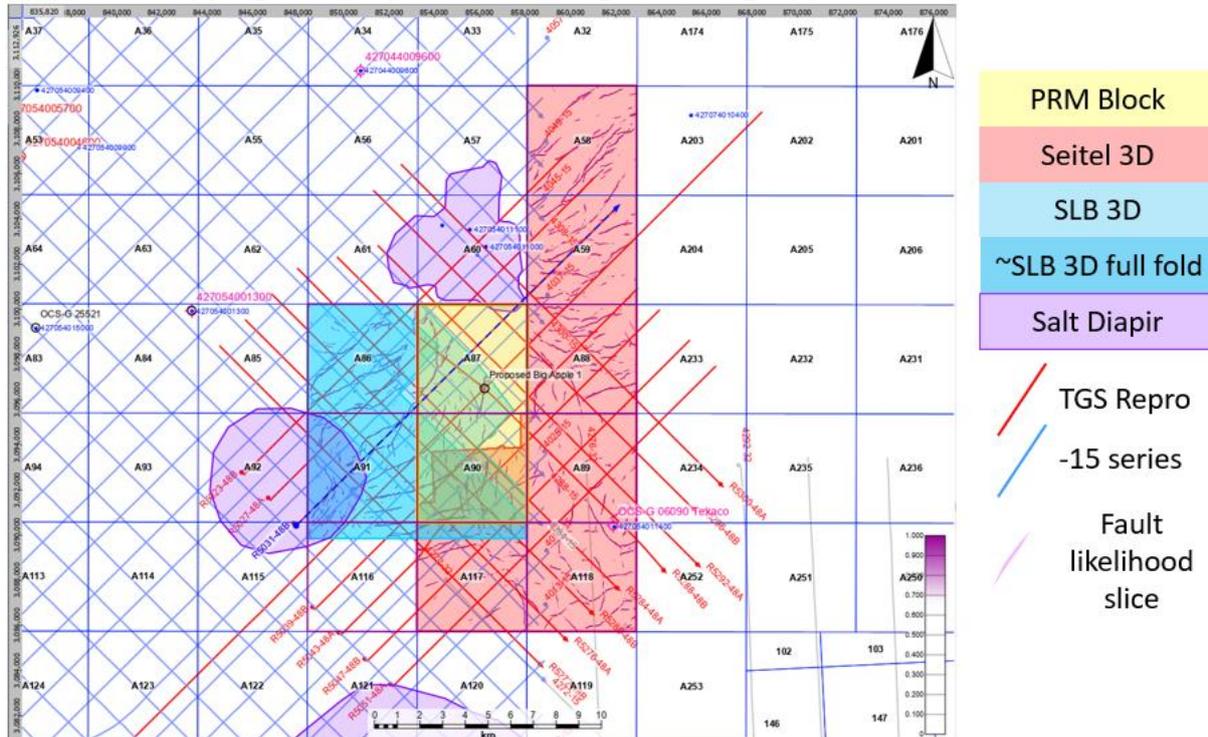


Figure 3: Prominence Energy Big Apple Blocks and Seismic Data Interpreted

Gulf of Mexico Oil and Gas Industry

Resurgence in Production: The Gulf of Mexico oil and gas sector has experienced a significant resurgence in production in 2023. Output levels reached the two million barrels per day (bbl/d) mark, a level not seen since August 2019. This production increase is partially attributed to global concerns over supply disruptions due to geopolitical conflicts, underscoring the strategic importance of the Gulf of Mexico in maintaining global energy stability.

Active Area for Acquisitions: The Gulf of Mexico continues to be a hotbed for significant industry acquisitions, reflecting the region's vitality and potential. Notable acquisitions include:

- **Karoon Energy:** The Australian company completed a \$720 million acquisition of assets from LLOG Exploration Offshore and LLOG Omega Holdings, gaining a substantial interest in the Who Dat and Dome Patrol oil and gas fields, among others.
- **Talos Energy:** Their acquisition of Quarter North Energy Inc. for \$1.29 billion highlights the ongoing investment appetite in the region. The deal adds significant production capacity and reserves, solidifying Talos Energy's presence in the Gulf.

- **W&T Offshore:** The acquisition of six fields in shallow waters for \$72 million indicates a strong interest in both deepwater and shallow water assets in the Gulf.

Largest Acreage Auction Since 2015: The Biden administration's auction of drilling rights in December 2023, which raised \$382 million, was the largest since 2015. This auction saw the participation of major industry players and underscored the ongoing interest in the region's development potential. There are no further bid rounds scheduled until 2025.

The Gulf of Mexico's oil and gas industry is clearly experiencing a phase of dynamic growth and opportunity, marked by substantial production increases, a flurry of strategic acquisitions, and the successful advancement of key projects. These developments not only highlight the region's importance in the global energy landscape but also affirm its role as a critical hub for future exploration and production activities.

Bowsprit Oil Project, Louisiana USA

The London based farm-out agent appointed by PRM, continues to introduce prospective farminees and Bowsprit will also be presented at NAPE for farm-out.

Bowsprit contains proven oil reserves in the T1 Upper Miocene Sand. The development is planned to be via a side-tracking of the suspended vertical well and tie-back to a nearby platform. In the current oil price environment, payout would be expected in approximately 3 months from first production, and would then provide material ongoing cash flow to PRM.

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.

As announced on 21 July 2022 the Bowsprit field has 1P reserves³.

Resource Classification	Confidence Level	Net Reserves to PRM		Net Cash Flow (NPV0)	NPV10	NPV10
		Oil Mbbbls	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

Table 2: Bowsprit Field Upper Miocene Reservoir T1 Reserves @US\$85.82/bbl (0.69AUD/USD)

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.

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
Brazos Area, South Addition OCS-G37341	100%	80.25%	5,760	5,760
Brazos Area, South Addition OCS-G37342	100%	80.25%	5,760	5,760
TOTAL	-	-	12,155	12,155

(Total acres as at 31 December 2023)

Indirect Interests

PRM owns 12.5% of Western Gas 519 Pty Ltd which holds 100% of WA-519-P located offshore Western Australia. The Company has a modest investment in Ecostorage Solutions Pty Ltd (ECOSSAUS) (10.9%). ECOSSAUS landholding comprises tenement applications/holdings of approximately 11,800km² 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.

³ ASX announcement 21/07/2022 'Bowsprit Reserves Update'

CORPORATE

Share Placement Completed

On 7 September 2023, PRM announced firm commitments to raise A\$650,000, via a share placement of 32.5 million shares at a price of \$0.02 per share with one free attaching unlisted option (Option) for every share subscribed. Tranche 1 settled on 8 September 2023.

The Options are exercisable at \$0.03 expiring 14 March 2025. The placement was made using the Company's 25% placement capacity, with the attaching options and the second tranche of Directors/CFO participation for \$50,000, subject to shareholder approval which was passed at the Company's Annual General Meeting on 23 November 2023.

The primary use of proceeds will be funding further technical studies on new ventures and the Company's existing assets, in particular preparation for the farm-out of Big Apple and to ensure the Company has adequate working capital.

AGM

The company's AGM was held on Thursday, 23 November 2023 all resolutions put to the meeting were passed.

Cashflow Report

Item 6.1: The aggregate amount of payments to related parties and their associates during the December 2023 quarter was \$73k in salaries.

During the December quarter, the Company incurred administrative and corporate costs of \$226k which is inclusive of annual insurance costs, legal expenses, registry fees, compliance listing fees and corporate administration costs.

PRM also received \$275k from settlement of the Richland settlement which is detailed in the company financial reports.

Exploration and evaluation expenditure of \$240k incurred during the quarter relates to technical exploration consultants and seismic purchases.

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")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(10)
(b) development	-	-
(c) production	-	-
(d) staff costs	(73)	(134)
(e) administration and corporate costs	(226)	(361)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Richland settlement	275	275
1.8 Other (provide details if material)	(14)	(23)
1.9 Net cash from / (used in) operating activities	(38)	(253)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(240)	(373)
(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 (6 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	(240)	(373)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	45	650
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	(20)	(20)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (issue costs)	-	-
3.10	Net cash from / (used in) financing activities	25	630
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,008	748
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(38)	(253)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(240)	(373)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	25	630

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 (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(5)	(2)
4.6	Cash and cash equivalents at end of period	750	750

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	750	1,008
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)	750	1,008

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	73
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*)	154	-
7.4 Total financing facilities	214	2
7.5 Unused financing facilities available at quarter end		212
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.		
Company Credit Card via NAB *BOEM Locked Bond (100k USD)		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(38)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(240)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(278)
8.4 Cash and cash equivalents at quarter end (item 4.6)	750
8.5 Unused finance facilities available at quarter end (item 7.5)	212
8.6 Total available funding (item 8.4 + item 8.5)	962
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.46
<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?	
Answer: - NA	
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?	
Answer: - NA	
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: - NA	
<i>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.</i>	

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: 31 January 2024



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.