

RAVEN ENERGY LIMITED

8 June 2018

OPERATIONS UPDATE TULAINYO 2-7 GAS FLOW TEST PROGRAM UPDATE

HIGHLIGHTS

- **Studies are critically assessing deepening Tulainyo 2-7 to test a play with oil and gas-condensate potential below the current 1,800m drill depth.**
- **Oil or gas-condensate potential in the deeper structure has been linked to prominent oil seeps in outcrop.**
- **Outcrop studies also indicate the thickest reservoirs within the deeper undrilled closure, with significant estimated gas or liquids potential in these reservoirs.**
- **Testing of the shallower levels has been suspended without achieving commercial flow of gas. Results are being analysed to determine possible formation damage and evaluate reservoir quality.**
- **Studies will also optimise alternative well locations for operations later in 2018.**

Raven Energy Limited (**Company** or **Raven**) is pleased to provide an operations update for the Tulainyo 2-7 gas appraisal well in the Sacramento Gas Basin, California (**Tulainyo Gas Project**).

The Company's 60% owned subsidiary, Gas Fields LLC (**Gas Fields**) is earning up to 33.33% (20% net to Raven) in the Tulainyo Gas Project via a joint venture with the operator, California Resources Production Corporation, a subsidiary of a NYSE-listed company that is one of California's largest oil and gas production companies and Cirque Resources LP, a private company based in Denver, Colorado.

A staged testing program of interpreted gas reservoirs in the Tulainyo 2-7 well is nearing completion with operations to be suspended pending further analysis.

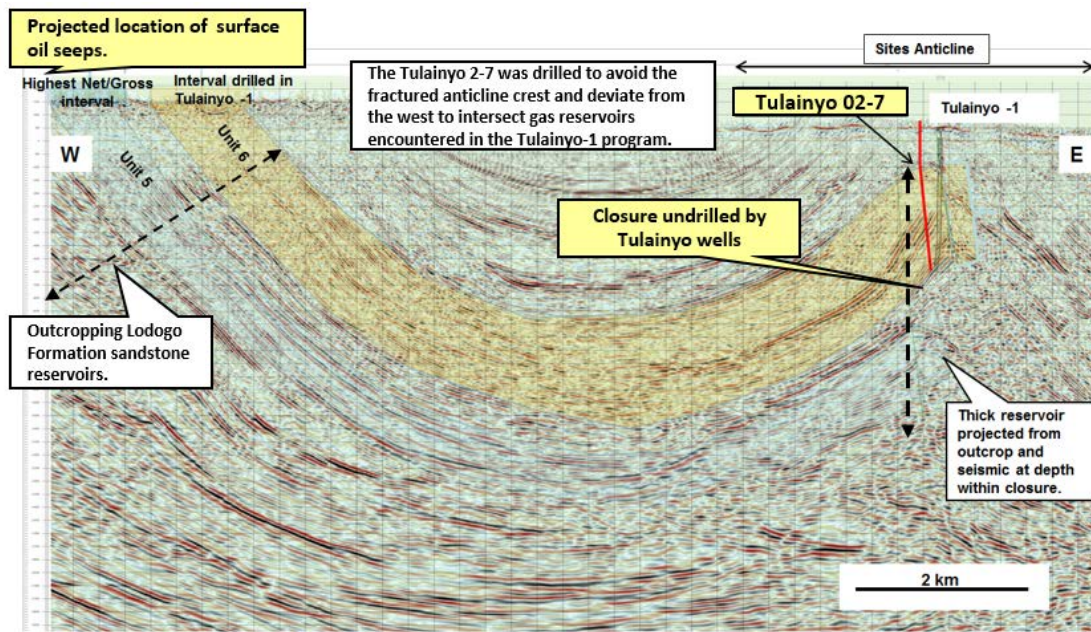
A range of potential gas reservoirs were identified in the well based on gas shows, drill and sample data and wireline logs from both the Tulainyo 2-7 and the nearby Tulainyo-1 well.

Testing of the interpreted gas bearing reservoirs in the Tulainyo 2-7 well has not produced a commercial gas flow and it is not yet clear if this can be attributed to reservoir damage as a result of the high mud weights, used during drilling operations, or to inferior reservoir quality.

These operations at Tulainyo 2-7 were deliberately designed to evaluate the flow potential of shallow reservoirs observed in the original Tulainyo-1 discovery well and tied to outcrop. Tulainyo is a 91 km², multi-TCF potential anticlinal structure with closure mapped on proprietary seismic to subsurface depths greater than 3,000 m (+10,000'). To date, the drilling activity has evaluated less than half of the potential stacked reservoir targets with up to 2,000m of undrilled vertical closure mapped below the deepest zones encountered in the Tulainyo wells as drilled to date. Correlations to the outcrop in the adjacent range to the west indicate that the thickest reservoir sections are yet to be penetrated and would be present in this deeper, undrilled stratigraphic interval.

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Figure 1: Regional seismic line indicating oil seeps, reservoir outcrop and large anticline structure. Courtesy Cirque Resources.

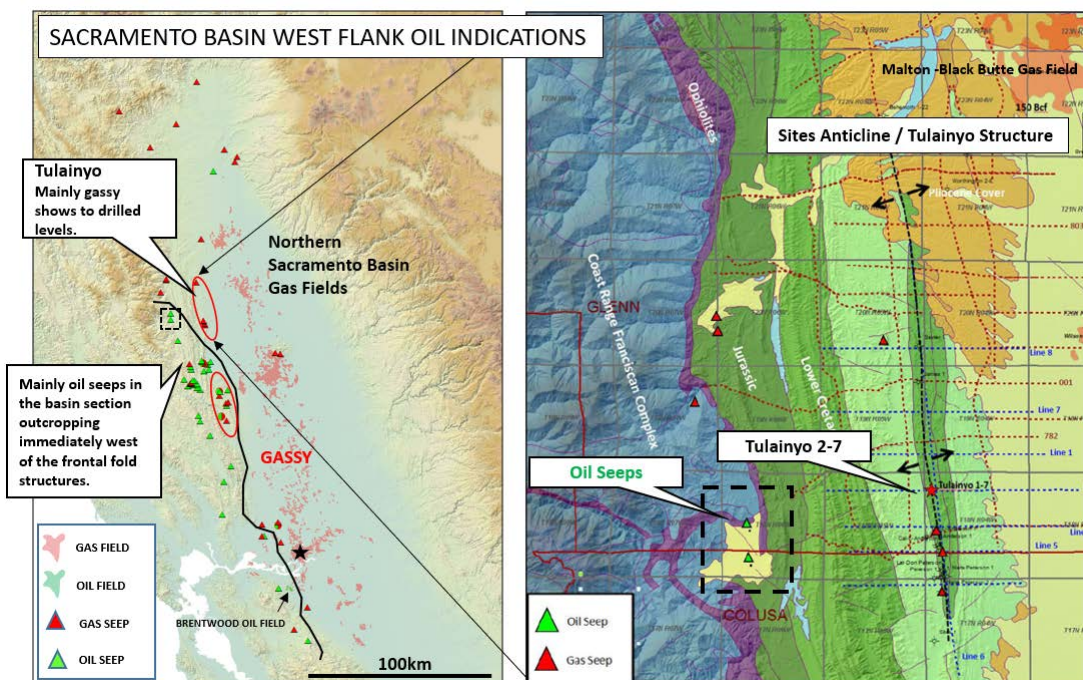


Gas Field's initial pre-drill estimates of potentially recoverable gas resources have, on a risked basis, been downgraded by the well results so far, with examination of the well results still under way.

It should be noted that some 50% of the Prospect Resources estimated at Tulainyo are still attributed to the deeper section, so a large gas resource remains a realistic target, and oil or gas-condensate is also considered to be a viable potential resource.

Further analysis will be conducted on the potential for liquid hydrocarbons (oil and condensate) in addition to the deeper gas potential in the deeper part of the structure. This is based on oil seeps in the equivalent age sections outcropping in the ranges just west of the structure and in a similar structure on trend to the south.

Figure 2: Diagram showing position of oil and gas seeps relative to the frontal folds, including Tulainyo, on the western edge of the Sacramento Basin.



Operations at the Tulainyo 2-7 site are finalising and the operator is preparing to suspend the well. A range of well post-mortem and new geoscience and engineering studies are planned by the partners to more fully assess the well results and determine next steps. Alternatives include the potential to side track, deepen or drill a new well to intersect fresh reservoirs.

It is likely that the related studies will require some 2 months to complete and that further well operations, once agreed would not take place until later in 2018 at the earliest.

Commenting on the result, John Begg of Gas Fields said:

“The risk profile of the project has changed following drilling to the initial target depth of 1,800m. Drilling results continue to be analysed. Very significant potential now remains for further gas or, importantly, oil or gas-condensate at depth.

Tulainyo remains a very large closed structure with most of the prospective section in closure, but not yet drilled. Further, the location relative to industry infrastructure and markets remains excellent.

So we need to objectively analyse all the data. This includes the oil potential, then decide how the project stacks up against other growth opportunities that we could consider. In a lower cost, well deepening case, the risk-reward equation may well be compelling.”

The Company will remain in voluntary suspension pending an announcement in respect of the corporate activities relating to divestments in Botswana and finalisation of its current negotiations with respect to a significant and strategic US domiciled energy acquisition. The lifting of the voluntary suspension is conditional upon the Company providing to the satisfaction of ASX an independent legal review of the consulting arrangement between REL and Ochre Group Holdings Limited; demonstration of compliance with Listing Rule 12.2; and confirmation of receipt of convertible note subscription funds from its Chairman. Further, the Company is continuing preparation for an extraordinary general meeting of shareholders to be held in July 2018, with a notice of meeting expected to be sent to shareholders in June 2018.



Nathan Featherby
Executive Chairman
Raven Energy Limited