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www.EonNRG.com

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ASX Media Release

20 Howard Street
Perth WA 6000

PO Box Z5207
St George's Terrace
Perth WA 6831

Tel: 08 6144 0590

Fax: 08 6144 0593

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Reserves Update

Eon NRG Limited (“Eon” or the “Company”) is pleased to provide a summary of the independent 1P reserves estimate for the Company’s projects as at 30 June 2019, which includes the maiden reserves for its unproduced prospect in the Powder River Basin (PRB) acreage (Donkey Creek Field), Wyoming.

The gross and net reserves to Eon are as follows:

	Gross (8/8ths)			Eon Share (Net)		
	Oil (Mbbbl)	Gas ¹ (MMcf)	Total (Mboe)	Oil & NGL's ² (Mbbbl)	Gas (MMcf)	Total (Mboe)
Proved - developed	1,160	5,496	2,076	1,002	3,665 ³	1,613
Proved - undeveloped ⁴	367	-	367	318	-	318
Total Proved (1P)	1,937	5,497	3,025	1,534	4,509	2,426

Reserve replacement is an important value driver for the Company. Eon acquired a large leasehold acreage position in 2018 as part of its focus on growth in production and reserves through drilling of new wells. It will continue to look at its current and new leasehold positions to identify drilling opportunities with the appropriate scale, risk and reward.

The Company is well placed to take advantage of conventional oil and gas development opportunities which have a lower entry barrier (leasehold cost) but which still demonstrate strong economics.

The 1P net reserve⁴ of the Govt Kaehne 9-20 well (located within the recently acquired Powder River Basin acreage) has been estimated by an independent reservoir engineer at 318 Mbbbls. This well, which is permitted and ready to be drilled, will target the Dakota Formation in an undeveloped 40-acre parcel within the Donkey Creek North Field. The proved undeveloped (PUD) reserves only include the primary target formation (Dakota) and do not reflect the potential behind pipe oil that may be in the secondary target formation (Muddy).

The proved developed producing (“PDP”) reserves are from the Silvertip, Borie, Sheep Springs and Round Mountain Fields. These oil and gas fields are long-life assets which have 18 plus

¹ Gas is converted to barrels of oil equivalent (boe) using a ratio of 6,000 cubic feet of natural gas to one barrel of oil (which is based on an energy equivalency conversion method and does not represent value equivalency).

² Natural gas liquids (NGL's) extracted from natural gas and sold as a separate by-product from the Silvertip Field.

³ A portion (approx. 46%) of natural gas reserve is used as fuel for in-field power generation and is therefore not available for sale.

⁴ PUD reserve relates to Govt Kaehne #29-9 well in the Company’s PRB acreage. The net share of reserves is based on 100% net revenue interest (NRI). Eon is currently negotiating the sale of a part of this NRI and once finalized, the net share of this PUD reserve will decrease by the portion of the well that is sold.

years of future production based on the independent reserve estimates. They have and continue to generate positive cash flow for the Company.

"The Company will continue to focus on growing its reserve base through identification and development of acreage that it currently owns as well as from new opportunities that it identifies where resources can be extracted economically," said John Whisler, Managing Director. "The existing long-life producing assets that Eon owns and operates provide valuable cash flow for ongoing activities that will generate exponential value for shareholders in the future."

About the Company:

Eon NRG Ltd is a U.S. onshore focused energy exploration and production company. The Company's growth path is through the drilling of high impact oil exploration wells, supported by a 100% owned and operated long life oil and gas production assets and associated cashflow. The company has a mixture of onshore USA exploration and development acreage along with production assets located in Wyoming and California.

All reference to dollars or \$ refers to USD unless otherwise stated.

Glossary:

Bbl	Barrel/s
Boe	Barrels of oil equivalent
HBP	Held by production
Mbbl	Thousands of barrels
MMcf	Million cubic feet
NGL	Natural gas liquids
NRI	Net revenue interest
WI	Working Interest

For further information, contact:

Simon Adams
CFO/Company Secretary
Perth
+61 (0)8 6144 0590
Email: sadams@i-og.net

John Whisler
Managing Director
Denver Head Office
+1 (720) 763-3183
Email: jwhisler@i-og.net

Forward-Looking Statement

This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect Eon NRG Ltd's views and assumptions with respect to future events as of the date of this press release 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 to various factors, many which are beyond our ability to control or predict. Some of the risk and other 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 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 favorable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Eon NRG Ltd, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this release 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 A – Notes to Reserves Statement

Reserve information provided in this ASX Announcement are for the onshore oil and gas fields that are operated by Eon NRG Ltd (through its 100% owned subsidiary, Incremental Oil and Gas USA Holdings, Inc) as follows:

Field Name	Location	Summary
Silvertip Field	Bighorn Basin, Wyoming	Lease area - 4,437 net acres (all HBP) 96 producing wells and 2 water injection wells, 100% working interest and 82% average net revenue interest
Borie Field	DJ Basin, Wyoming	Lease area – 2,850 net acres (all HBP) 12 producing wells and 3 water injection wells, ___% average working interest and 82% average net revenue interest
Sheep Springs and Round Mountain Fields	San Joaquin Basin, California	Lease area – Sheep Springs 160 net acres (all HBP), 12 operated wells, 100% working interest and 83% net revenue interest Round Mountain 320 net acres (all HBP), 7 operated wells and 1 water injection well, 100% working interest and 88% net revenue interest
North Donkey Creek Field (Govt Kaehne #9-29 proposed well)	Powder River Basin (PRB), Wyoming	Govt Kaehne #9-29 well : Lease area – 40 net acres (held by 10 year lease until drilled and in production), 87.5% net revenue interest (before sell down – see foot-note 3 above) Note – this is part of a 15,000 net acres leasehold position that the Company owns in the PRB

Competent Persons Statement

The information in this report that relates to oil and gas reserves for the above-mentioned fields are derived from an independent third-party report prepared by Mr Kent Lina who is a registered professional engineer in the State of Texas, USA and a member of the Society of Petroleum Engineers (SPE). Mr Lina has more than 38 years of oil and gas experience, with in excess of 28 years of reservoir evaluations.

The estimate of oil reserves and resources for these fields was prepared in accordance with the guidelines set forth in the SPE/WPC/AAPG/SPEE Petroleum Resource Management System (2007). Information relating to the reserves is based on, and fairly represents, information and supporting documentation prepared by Mr Lina.

Mr Lina is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The reserves information provided reflects Eon's economic or net revenue interest in the above-mentioned fields.

Reserves Cautionary Statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward-looking statements.

Pricing Assumptions

Oil and gas price assumptions used in the independent report represent a 12-month average of product prices, immediately prior to the effective date of the evaluation.

ASX Reserves Reporting Notes

- i. The reserves information in this document is effective as at 30 June, 2019 (Listing Rule (LR) 5.25.1)
- ii. The reserves and prospective resources information in this document has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2)
- iii. The reserves information in this document is reported according to the Company's economic interest in each of the reserves and prospective resource net of royalties (LR 5.25.5)
- iv. The reserves information in this document has been estimated and prepared using the deterministic method (LR 5.25.6). The quantities of oil and gas that are represented in this report have been determined using geological and engineering data which demonstrates that the hydrocarbons can be recovered from known reservoirs under current economic conditions with reasonable certainty. The evaluation relates only to recoverable reserves and makes the assumption that existing surface facilities and infrastructure remain sufficient to produce those reserves
- v. The reserves and prospective resources information in this document has been estimated using a ratio of 6,000 cubic feet of natural gas to one barrel of oil. This conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency (LR 5.25.7)
- vi. The reserves and prospective resources information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (LR 5.26.5)
- vii. The method of aggregation used in calculating estimated reserves was the arithmetic summation by category of reserves. As a result of the arithmetic aggregation of the field totals, the aggregate 1P may be a very conservative estimate due to the portfolio effects of arithmetic summation (LR 5.26.7 & 5.26.8)
- viii. The reserve numbers assume some investment over the life of the fields by way of infrastructure maintenance and investment in new wells (drilling and completion facilities).

Eon (through its 100% owned subsidiary, Incremental Oil and Gas USA Holdings, Inc.) is the holder of title to the tenement/leases held covering these fields which is the subject of the report from which these reserves are provided. Eon is the operator of all of these fields and holds a WI of between 98-100%.

Reserves have been determined from analysis of the available technical data including the geological and geophysical interpretation presented by Eon, publicly available production history and other information from relevant nearby wells and analogous reservoirs. For the purpose of the reserve estimate, recoverability is primarily based on actual production rates or appropriate well test information in conjunction with various engineering and geological data such as reservoir pressure, anticipated producing mechanisms, the number and types of completions and past performance of analogous reservoirs.