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ASX : E2E

QUARTERLY ACTIVITIES REPORT For the period ending September 30, 2019

1 HIGHLIGHTS

- Drill permits approved for the Govt Kaehne #9-29 well with drill pad and access road constructed
- Conductor put in place to commence drilling of the 9-29 well
- Reserves updated for producing and non-producing fields/prospects – 1.931 million BOE of 1P reserves
- Gross production averaged 458 BOEPD for the third quarter

2 POWDER RIVER BASIN, WYOMING

Eon NRG Ltd's ("Eon" or "the Company") received drilling approval from the Wyoming Oil and Gas Conservation Commission (WYOGCC) and the Federal Authorities, Bureau of Land Management (BLM) in July 2019.

Construction of the drill pad and access road was completed in August. The infrastructure required for the drilling to commence was put in place through the quarter. During the quarter, work was carried out to finalise supply contracts for various equipment and services that will be required through the drilling phase. The Master Service Agreement was completed and insurances put in place.



Capstar Rig #312 working in the Powder River Basin

Capstar Drilling was confirmed as the preferred contractor to drill the Govt Kaehne #9-29 well. The #312 rig which has an experience crew has been active throughout the summer and is completing a drilling campaign for a large Powder River Basin E&P Company before mobilising to the 9-29 location.

Subsequent to the end of the quarter, the conductor was set. This is a 60 feet length of steel pipe that is cemented in place and is the first phase of spudding the well.



Conductor being set at Govt Kaehne 9-29 well location

3 BORIE OILFIELD, DJ BASIN, WYOMING

One workover was carried out to maintain oil production at the Borie Field. Seasonal storms caused damage to surface equipment and electric infrastructure which impacted production at the end of the quarter.

Average gross production of ~55 bopd in Q3-19 was in line with previous quarters. A review was carried out on the potential recovery of oil and gas from the Niobrara Formation which is present within the field and prolific in nearby fields in the DJ Basin. This work is ongoing.

4 SILVERTIP FIELD, BIGHORN BASIN, WYOMING

Gas production at the Silvertip Field has decreased in 2019 compared to the prior year, partly due to natural pressure decline and also due to flows being choked back as a result of low gas prices. Seasonal increase in demand for gas over the winter months is likely to increase prices (as it has done in prior years – see table below).

	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Gas Price ¹ (US\$/Unit)	\$2.60	\$2.50	2.00	\$2.34	\$3.47	\$2.88	\$2.02	\$1.74

Winter periods highlighted in blue

Summer periods highlighted in orange

¹ Gas prices based off CIG Rockies benchmark price

Various routine maintenance tasks were carried out on wells and the gas plant during the quarter to maintain production.

5 SHEEP SPRINGS AND ROUND MOUNTAIN OILFIELDS, CALIFORNIA

Production from the Sheep Springs Field decreased in the last quarter. Repairs have been carried out on affected wells and there is expected to be recovery of the lost production. The field operating costs continue to be low for these fields making them profitable even at lower production rates.

The oil produced from the California Fields continues to attract a price premium over the average West Texas Intermediate (WTI).

US\$/Barrel	Q4-18	Q1-19	Q2-19	Q3-19
West Texas Intermediate (WTI)	\$59.00	\$54.87	\$59.78	\$56.33
Sheep Springs	\$67.02	\$64.34	\$68.14	\$63.80
(Premium over WTI)	\$8	\$10	\$8	\$8
Round Mountain	\$64.39	\$60.95	\$65.40	\$60.38
(Premium over WTI)	\$5	\$6	\$5	\$6

6 RESERVES UPDATE

The Company released an update for its reserves for all of the producing fields and for its Powder River Basin prospect.

	Gross (8/8ths)			Eon Share (Net)		
	Oil (Mbbbl)	Gas ² (MMcf)	Total (Mboe)	Oil & NGL's ³ (Mbbbl)	Gas (MMcf)	Total (Mboe)
Proved - developed	1,160	5,496	2,076	1,002	3,665 ⁴	1,613
Proved - undeveloped ⁵	367	-	367	318	-	318
Total Proved (1P)	1,527	5,496	2,443	1,320	3,665	1,931

The drilling and completion of a successful well at the Govt Kaehne #9-29 location will move the reserves in the Proved-undeveloped (PUD) category to Proved-developed-producing (PDP). Identification of additional prospects within the currently held PRB acreage or new leases will further increase the PUD reserves over time.

7 PRODUCTION

² 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).

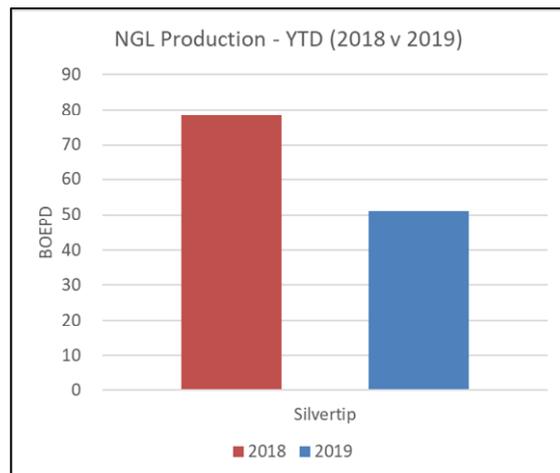
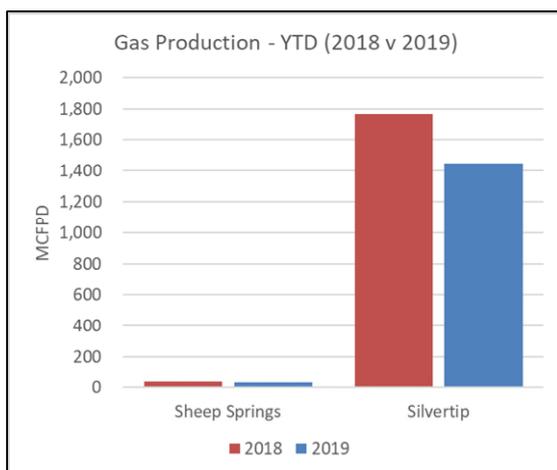
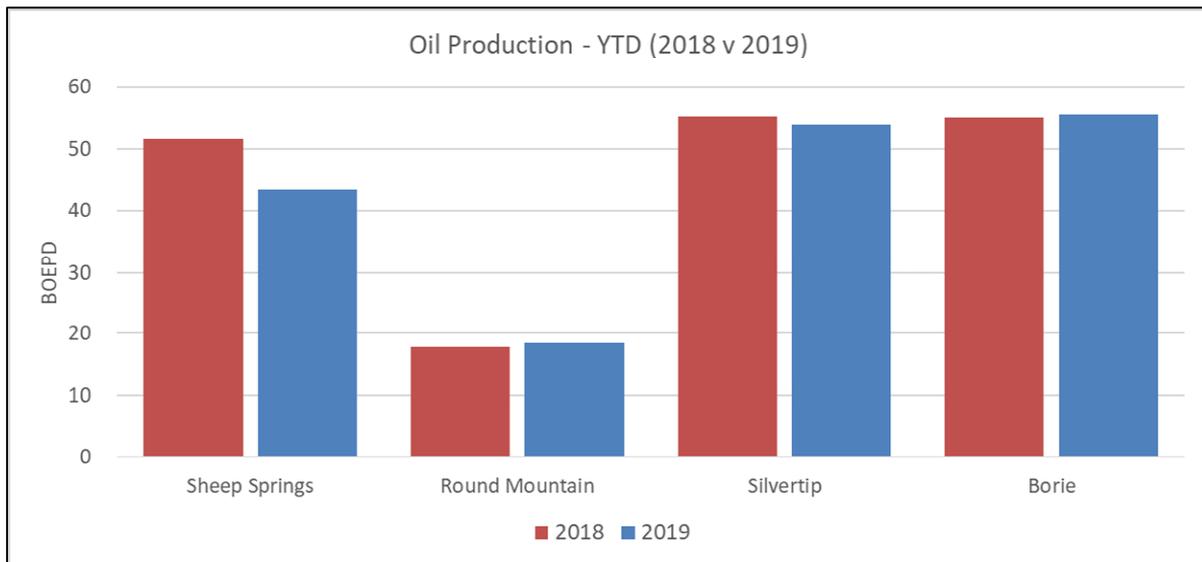
³ Natural gas liquids (NGL's) extracted from natural gas and sold as a separate by-product from the Silvertip Field.

⁴ A portion (approx. 46%) of natural gas reserve is used as fuel for in-field power generation and is therefore not available for sale.

⁵ 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.

Gross production for the last two quarters (Q3-2019 and Q2-2019) and corresponding prior-year quarter (Q3-2018) are shown in Table 1 below.

TABLE 1	Q3 2019	Q2 2019	Q3 2018
Gross Production			
Oil production (Bbls)	15,114	17,318	16,460
Gas production (BOE) ⁶	21,035	22,352	26,025
NGL production (Bbls)	5,953	3,801	6,797
Total barrels of oil equivalent (BOE)	42,102	43,471	49,283
Average BOEPD	458	478	536



⁶ Gross gas production includes fuel gas used in the field and processing plant. Gas is converted to barrels of oil equivalent (BOE) using a conversion rate of 6 MCF of gas to 1 barrel of oil.

8 SALES REVENUE

Table 2 below shows **net** volumes of oil, gas, and NGL's sold and **net** sales revenue for the last two quarters (Q3-2019 and Q2-2019) as well as the corresponding prior-year quarter (Q3-2018). **All revenue is in US Dollars.**

TABLE 2	Q3 2019	Q2 2019	Q3 2018
Oil Sold ⁷ (Bbls)	12,889	13,733	12,057
Oil Revenue ² (US\$)	\$709,672	\$799,781	\$884,952
Average Sale Price (US\$/Bbl) ⁸	\$55.06	\$58.24	\$73.40
Gas Sold ² (MCF)	52,699	55,649	68,017
Gas Revenue ² (US\$)	\$108,493	\$126,543	\$180,748
Average Sale Price (US\$/MCF) ³	\$2.06	\$2.27	\$2.66
NGL Sold ² (Bbls)	4,867	3,109	5,560
NGL Revenue ² (US\$)	\$67,699	\$52,687	\$157,303
Average Sale Price (US\$/Bbl) ³	\$13.91	\$16.95	\$28.29
Total Net Barrels of Oil Equivalent Sold ⁹	26,539	26,116	28,954
Total Net Sales Revenue (US\$)	\$885,864	\$976,011	\$1,223,003

Prices for oil, gas and NGL were all lower than the previous quarter. Revenue was also impacted by lower production and sales volumes for oil and gas in the most recent quarter.

9 CORPORATE

Eon renewed its loan facility with ANB Bank in September for a further year. At the end of the quarter, the interest rate was 6.00% (Prime rate plus 0.5%).

Securities on Issue	30 June 2019
Shares	769,888,934
Options (Exercisable at A\$0.0188, expiry Nov 2019)	204,194,580
Options (Exercisable at A\$0.0150, expiry Feb 2021)	363,499,774
	US\$
Market Capitalisation (Share Price - A\$0.005)	\$ 2.6M
Cash at Bank	\$ 1.9M
Bank Loan	\$ 6.1M
Enterprise Value	\$ 6.8M

⁷ Net volume and revenue

⁸ Average Sale Price is net of refinery and transportation deductions.

⁹ Gas volume (MCF) is converted to Barrels of Oil Equivalent Sold (BOE) on a ratio of 6 MCF of gas per barrel of oil. NGL's are sold in gallons and converted to BOE on a ratio of 42 US gallons of NGL's per barrel of oil.

Forward-looking Statements

This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect the Company'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 unknown factors 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 favourable 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 Press 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.