



20 January 2020

SICINY-2 WELL APPRAISAL: OPERATIONAL UPDATE

Ansila Energy NL (**ANA** or the **Company**) announces an update with respect to the appraisal of the Siciny-2 well, following completion of the initial phase of operations.

Key results from the Appraisal program so far are as follows:

- Confirmation of hydrocarbon gas in reservoir and free gas (methane) at surface
- Successful fracture stimulation of the Carboniferous interval
- Formation water inflow following well clean-up has prevented breakthrough of free gas flow, resulting in operational changes to the well test program
- A long-term transient pressure build-up test will commence immediately, with pressure gauges being run into the well this week
- A significant volume of data has been collected from the operations being a focus of the appraisal well and in conjunction with the results of the long-term pressure test, the data will be used to determine the next phase of activities
- Operations to date have been carried out safely, on time and on budget

The process of cleaning up the Siciny-2 well, following the hydraulic fracture stimulation, commenced with the flow-back of frac fluid through well casing as previously announced on 17 December 2019. During this stage of the well cleanup operation gas detectors at the wellhead identified methane gas and methane was also vented from the frac fluid flow-back storage tanks confirming the presence of free gas at surface.

The flow-back of frac fluid was then continued through production tubing following an initial displacement of the fluid column within the Siciny-2 well, post this initial phase coiled tubing was used to enhance recoveries. Movement of the coiled tubing within the well during these operations appears to have created a “swabbing effect” with pockets of gas being displaced to surface. Samples of this gas have been taken for laboratory analysis to determine the composition of the gas and the result of this analysis are estimated to be available on completion of operations at the Siciny-2 wellsite.

Following the flow-back of frac fluid, the well commenced the production of formation water, preventing the breakthrough of free gas flow, and as a result a modification of the testing program will see a replacement of the planned isochronal test for a long-term transient pressure build-up test. It is intended for pressure gauges to be run into the well this week. The focus of the test is to collect data on the



permeability of the system, pore pressure and reservoir formation water. This test is expected to conclude in February and will form part of a detailed operational analysis using all the data collected from Siciny-2.

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The following operational timeline highlights that the wellsite operations at Siciny-2, targeting 2C contingent resources of 1.6 Tcf¹, have been completed on schedule and within the agreed budget.

MONTH	OPERATIONS
October 2019	Site preparation - Completed
12 November 2019	Install isolation valves/lower Frac Tree - Completed
25 November 2019	Mobilisation of Coiled Tubing Unit to wellsite - Completed
27 November 2019	Well clean out - Completed
28 November 2019	Perforation of Carboniferous reservoir - Completed
1-2 December 2019	Casing Integrity Test/Cement Bond Log (CBL) - Completed
9 December 2019	Mini-frac of the Carboniferous reservoir – Completed
10 December 2019	Pump of hydraulic frac of the Carboniferous reservoir - Completed
10 – 15 December 2019	Frac fluid flow-back through casing - Completed
15 – 30 December 2019	Rig up well for well test operations – Completed
January 2020	Continued well clean up through production tubing – Completed
January 2020	Isochronal and well flow tests - Omitted
January - February 2020	Long-term transient pressure build-up test – In Progress

¹ Volume estimates are from Netherland, Sewell & Associates, Inc. report entitled “Estimates of Reserves and Future Revenue and Contingent Resources to the Gemini Resources Ltd. Interest and Gross (100 Percent) Prospective Resources in Certain Oil and Gas Properties located in the Nowa Sol and Gora Concessions Permian Basin, Onshore Poland as of May 1, 2019” (**Report**). The % CoS are estimated by ANA Management.



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CONTACTS

The Board of Directors of Ansila Energy NL authorised this announcement to be given to ASX.

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About Ansila Energy:

Ansila's earn-in transaction to the Gora and Nowa Sol concessions, onshore Poland, will see the Company acquire a 35% interest from Gemini Resources Limited by spending a total of A\$6.15m² on those concessions with work programs designed to unlock and prove the commercial viability of two potentially large unconventional resources plays:

- **Siciny-2 (Gora):** Flow testing the previously discovered 2C contingent resources of 1.6 Tcf¹ (circa 270 MMboe) of unconventional gas in an extensive Carboniferous reservoir scheduled for completion in Q4 2019; and
- **Jany-C1 (Nowa Sol):** Flow testing the previously discovered 2C contingent resources of 36 MMbbls¹ of oil within tight Zechstein Dolomite formation scheduled for completion in Q2 2020.

Please refer to the qualified person's statement relating to the reporting of contingent resources on the Gora and Nowa Sol concessions in Ansila's ASX Announcement dated 4 July 2019 (see Schedule 2). The Company is not aware of any new information or data that materially affects the about contingent resource estimates included in this announcement and all the material assumptions and technical parameters underpinning those estimates in this announcement continue to apply and have not materially changed.

²² Based on an exchange rate of 1AUD: 0.55GBP or 1AUD: 0.71USD

Contingent Resources		1C	2C	3C
Jany-C1	MMbbls	9.3	36.1	85.8
	Ansila 35% Interest	3.3	12.6	30.0
Siciny-2	Tcf	0.7	1.6	3.2
	Ansila 35% Interest	0.25	0.56	1.1

Volume estimates in this presentation are from the Netherland, Sewell & Associates, Inc. report entitled "Estimates of Reserves and Future Revenue and Contingent Resources to the Gemini Resources Ltd. Interest and Gross (100 Percent) Prospective Resources in Certain Oil and Gas Properties located in the Nowa Sol and Gora Concessions Permian Basin, Onshore Poland as of May 1, 2019", and were first reported to the ASX on 4 July 2019.

Contingent resources reported herein have been estimated and prepared using the probabilistic method.

The conversion factor used to convert gas (Tcf) to oil (MMboe) is 5.8:1 – this conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency.

Forward Looking Statements

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