ANSILA ENERGY

Ansila Energy NL (ACN 150 624 169)
T +61(8) 9226 2011
E info@ansilaenergy.com.au
Level 1, 89 St Georges Terrace, Perth WA 6000
PO Box Z5187, Perth WA 6831
www.ansilaenergy.com.au

20 April 2020

GORA CONCESSION - OPERATIONAL UPDATE

Ansila Energy NL (**Ansila**, **ANA** or the **Company**) announces the following operational update with respect to the Gora concession, onshore Poland, in which the Company holds a 35% earned interest.

Following completion of appraisal operations at the Siciny-2 wellsite and a long-term transient pressure build-up test announced on 27 February 2020, an analysis of the Siciny-2 work program data suite was undertaken by the Operator, Gemini Resources Limited (**Gemini** or **GRL**, 65%), during the period to date.

The main conclusions and interpretation from the analysis are as follows:

- The Siciny-2 well was re-entered and a two-stage fracture stimulation was successfully completed. The proppant was displaced into the reservoir across a homogeneous reservoir section between the two perforated intervals.
- Following well clean-up and flow-back of the frac fluid the presence of hydrocarbon gas in the reservoir was confirmed with free gas (methane) detected at the surface. However, the break-through of formation water following nitrogen assisted lifting of the frac fluid prevented a natural flow of gas from being establishing.
- The frac pressures and transient pressure build up test appear to indicate an average reservoir permeability of 0.001mD (milliDarcy), assuming a total fracture height of 250 metres. This permeability is materially lower than the average permeability of 0.026mD indicated from the Direct Formation Injection Test (DFIT) or "mini-frac" performed in 2013 which assumed an investigation height of only 15 metres of the total reservoir interval.
- The analysis suggests the likelihood that the gas flow was hampered by the low permeability of the reservoir (lower than expected) and the presence of mobile water, leading to a relative permeability effect specific to a tight gas reservoir.
- Higher reservoir permeability, lower saturations of mobile water or a horizontal well with multiple complex hydraulic fractures (or a combination of these) would be required to successfully achieve sustained free gas flow from this reservoir.

Given the travel restrictions imposed by the COVID-19 outbreak a virtual Operating Committee Meeting (OCM) with the Operator is currently being discussed to review the analysis and agree the next steps on the Gora concession. However, given that the drilling of an additional well in an alternative location or

ANSILA ENERGY

Ansila Energy NL (ACN 150 624 169)
T +61(8) 9226 2011
E info@ansilaenergy.com.au
Level 1, 89 St Georges Terrace, Perth WA 6000
PO Box Z5187, Perth WA 6831
www.ansilaenergy.com.au

a multi-staged horizontally fractured well would be required to attempt to achieve gas flow from the Carboniferous, the near-term focus of the Gora concession is likely to be the conventional prospectivity where a number of lower cost and lower risk options exist within the Rotliegendes formation.

The near-term conventional potential of the Siciny-2 well, which contains 21 metres[1] of conventional gas pay in the shallower Rotliegendes interval, is being reviewed by the Operator to assess the potential size of the gas accumulation in the Rotliegendes reservoir at Siciny-2 and its possible development scenarios. Re-entering the Siciny-2 well and perforating the Rotliegendes interval may offer a low cost, low risk opportunity to access near-term gas as part of a wider conventional gas strategy across the Gora license.

Importantly, the Gora concession also contains multiple conventional gas prospects totaling 210 Bcf[2] (best case estimate) with an average chance of success of 28% - the largest of these prospects is Rawicz North with a best case estimate of 110 Bcf of gas and 24% chance of success.

Ansila's near-term focus continues to be on its conventional assets and new venture opportunities where the Company's withdrawal from the Nowa Sol concession and Jany-C1 well unconventional work program, announced on 19 March 2020, has enabled the preservation of cash during the current uncertain and turbulent market conditions. We look forward to providing a further update following the virtual OCM with respect to the future plans regarding the conventional assets on the Gora concession.

Chris Lewis, Technical Director, commented: "The Siciny-2 re-entry and stimulation was carried out on time, on budget and safely. While the stimulation was successful, the average permeability across the entire 250 metre section of reservoir encountered by the two fractures was markedly less than the average permeability measured across the 15 metre encountered in the mini-frac. This was recognized as a risk factor going into the operation and unfortunately has meant that sustained free gas flow could not be achieved from the well.

We look forward to the upcoming virtual OCM and working with the Operator to progress the conventional gas potential in the Rotliegendes within the license whilst continuing our efforts with respect to new ventures."

---

[1] Gas pay estimate is 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**).

[2] 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**), and were first reported to the ASX on 4 July 2019.

ANSILA ENERGY

Ansila Energy NL (ACN 150 624 169)
T +61(8) 9226 2011
E info@ansilaenergy.com.au
Level 1, 89 St Georges Terrace, Perth WA 6000
PO Box Z5187, Perth WA 6831
www.ansilaenergy.com.au

-Ends-

CONTACTS

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

Andrew Matharu
Executive Director

Christopher Lewis
Technical Director

w: +61 8 9226 2011
e: info@ansilaenergy.com.au

ANSILA ENERGY

Ansila Energy NL (ACN 150 624 169)
T +61(8) 9226 2011
E info@ansilaenergy.com.au
Level 1, 89 St Georges Terrace, Perth WA 6000
PO Box Z5187, Perth WA 6831
www.ansilaenergy.com.au

About Ansila Energy:

Ansila's earn-in transaction to the Gora concession, onshore Poland, will see the Company acquire a 35% interest from Gemini Resources Limited by spending a total of A$3.91m[3] on the concession with a work program designed to unlock and prove the commercial viability of a potentially large unconventional resources play:

- **Siciny-2 (Gora):** Pressure testing the previously discovered 2C contingent resources of 1.6 Tcf[2] (circa 270 MMboe) of unconventional gas in an extensive Carboniferous reservoir scheduled for completion in Q1 2020.

Please refer to the qualified person's statement relating to the reporting of contingent and prospective 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 information about the contingent resource and prospective 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.

Contingent Resources		**1C**	**2C**	**3C**
Siciny-2	Tcf	0.7	1.6	3.2
	Ansila 35% Interest	**0.25**	**0.56**	**1.1**

Prospective Resources		**Low Case**	**Best Case**	**High Case**
Bronow	Bcf	16.0	21.4	28.1
Rawicz North	Bcf	80.1	109.7	148.8
Rawicz South	Bcf	37.8	51.8	70.4
Siciny	Bcf	9.5	13.3	17.8
Zuchlow West	Bcf	10.0	13.3	17.6
TOTAL	**Bcf**	**153.4**	**209.3**	**282.7**
	Ansila 35% Interest	**53.7**	**73.3**	**98.9**

[3] Based on an exchange rate of 1AUD: 0.55GBP or 1AUD: 0.71USD

ANSILA ENERGY

Ansila Energy NL (ACN 150 624 169)
T +61(8) 9226 2011
E info@ansilaenergy.com.au
Level 1, 89 St Georges Terrace, Perth WA 6000
PO Box Z5187, Perth WA 6831
www.ansilaenergy.com.au

Prospective resources are estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These prospective resources' 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 potentially moveable hydrocarbons

Contingent and prospective 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

This document has been prepared by Ansila Energy NL (ANA). This document contains certain statements which may constitute "forward-looking statements". It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

ANA's operations and activities are subject to regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements. Although ANA believes that the expectations raised in this document are reasonable there can be no certainty that the events or operations described in this document will occur in the timeframe or order presented or at all.

No representation or warranty, expressed or implied, is made by ANA or any other person that the material contained in this document will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of ANA, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this document and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this document or any error or omission there from. Neither ANA nor any other person accepts any responsibility to update any person regarding any inaccuracy, omission or change in information in this document or any other information made available to a person nor any obligation to furnish the person with any further information.