



27 January 2015

ASX/MEDIA RELEASE

**Eneabba farms out Ocean Hill Gas Project
to Finder Exploration**

Highlights:-

- Finder No 6 Pty Ltd to fund up to \$15 million over two year program to earn 85% interest in the ENB Ocean Hill Gas Project
 - Ocean Hill #2 well planned for spud in Q4 2015
 - Eneabba to receive up to \$540,000 in sunk cost reimbursement
 - Finder No 6 Pty Ltd to operate the Joint Venture
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Eneabba Gas Limited ("Eneabba" or "the Company", **ASX:ENB**) is pleased to announce that it has signed a farm-in agreement with Finder No 6 Pty Ltd ("Finder") covering the Ocean Hill Block (STP EPA 0090) ("Ocean Hill Project") located in the North Perth Basin, Western Australia. Finder is a wholly owned subsidiary of the successful private West Australian based oil and gas explorer Finder Exploration Pty Ltd. Under the agreement, subject to the satisfaction of several conditions precedent as to native title, permit award and funding, Finder has agreed to fund a two stage work program totalling up to \$15 million at the Ocean Hill Project to earn an 85% interest in the Ocean Hill Project. In addition Eneabba is required to vary the conditions of the permit award to match the agreed work program.

The planned first stage of the Project is the drilling of an offset exploration well to Ocean Hill #1 that was drilled in 1991 and subsequent evaluation and testing in the first year of the permit. The second stage work program includes the acquisition of a two hundred and fifty (250) square kilometre 3D seismic survey in year two of the permit. Finder may elect to withdraw from the joint venture after the year one program.

Eneabba will be carried up to a gross expenditure of \$A10 million on the Ocean Hill #2 exploration well and up to \$A5 million on the 3D seismic survey before it is required to contribute at its 15% equity level.

Further, under the agreement Eneabba will receive a reimbursement of past capital expenditure on the Project of up to \$540,750, with 50% due upon commencement of drilling operations and the remaining 50% due upon Finders' commitment to participate in the second year of the permit. Farm-in operations will commence following permit award and the subsequent completion of the Green Rock Energy - Eneabba agreement.

About the Ocean Hill Project

Eneabba reached agreement with Green Rock Energy Limited (**ASX:GRK**) in October 2014 to acquire the Project subject to the award of the permit to GRK by the West Australian Government. The permit award to GRK is expected following the execution of native title agreements with the Amangu and Yued traditional owner groups. The native title agreement with the Amangu traditional owner group is expected to be executed in the next three to four weeks. The native title agreement with the Yued traditional owner group has already been executed.

Contingent Resource – In October 2013 Houston based consulting group, DeGoyler and MacNaughton completed an independent evaluation of the Contingent and Prospective Resources in the Ocean Hill area (STP EPA 0090) giving it a mean 2C Contingent Resource of 360 BCF and 1.191 MMbbls of condensate and mean unrisks Prospective Resources of 809 BCF.

Table 1: Ocean Hill Block Contingent Resources¹

Gross Separator Gas (Bcf)		
1C	2C	3C
24	360	796
Gross Condensate (Mbbl)		
1C	2C	3C
145	1,191	2,558

Table 2: Ocean Hill Block Prospective Resources²

Low Estimate (Bcf)	Best Estimate (Bcf)	High Estimate (Bcf)
557	809	1,155

(Refer GRK ASX release of October 4th 2013)

The Ocean Hill #1 well was drilled in 1991 by SAGASCO and tested a substantial structure within the Ocean Hill Block. The well was drilled to a total depth of 3,840 metres (12,500 feet) within the Jurassic Cattamarra Coal Measures ("CCM") and encountered over 800 metres of gas shows within the Cadda Formation and the CCM. Well log calculations indicated over 100m of net gas pay. A drill stem test performed at Ocean Hill #1 well flowed at a rate of 700 MCFPD.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.



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ABN 69 107 385 884

Figure 1 – Location of the Ocean Hill Project



Morgan Barron, Director, commented:

"It is a testament to the prospectivity and quality of the Ocean Hill Project that a proven and highly successful oil and gas explorer like Finder Exploration will be involved in progressing the Ocean Hill Project. We look forward to the commencement of well planning and project development in the coming months with our new partner. The farm-out of Ocean Hill will now allow Eneabba the ability and capital freedom to execute on other projects in the Perth Basin with the aim of developing a high quality portfolio leveraged to the increasing price dynamics of gas supply to Perth and its surrounding industry where average prices sit in the \$8 per mcf range".

ENEABBA GAS LIMITED
ABN 69 107 385 884

PO Box 902
West Perth WA 6872

Ground Floor, 16 Ord Street
West Perth WA 6005

P +61 (8) 9482 0555
F +61 (8) 9482 0505

E admin@eneabbagas.com.au
www.eneabbagas.com.au



About Finder Exploration Pty Ltd

Finder is a privately owned oil and gas exploration company based in Western Australia. The company was founded in 2004 and is currently focussed on de-risking prospective acreage on the North West Shelf of Australia and the Perth Basin. Excluding the Ocean Hill Project, Finder currently has interests in 15 Australian exploration permits predominantly offshore north-western Australia (of which they operate 8) covering a total of ~47,500 km². To date Finder has participated in three wells, all encountering hydrocarbons and they will be participating in five wells in the next 12 months (including Ocean Hill-2). Finder operated the initial Joint Venture which performed the geological work, prospect identification and permitting of the Phoenix project, resulting in the Phoenix South-1 oil discovery in 2014, possibly the most significant oil discovery on the North West Shelf in the past 25 years.

For further information, please contact:

Morgan Barron
Director

Eneabba Gas Limited

P +61 (8) 9482 0555

E mbarron@eneabbagas.com.au

Barnaby Egerton-Warburton

Director (pending Ocean Hill acquisition)

Eneabba Gas Limited

M +61 437 291 155

Competent Person

The information in this announcement has been reviewed by Mr Mark Ballesteros (a Petroleum Geologist) who has over 30 years' experience in petroleum geology, geophysics, prospect generation and evaluations and project level resource and risk estimations. Mr Ballesteros reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbon resources in the form and context in which they appear.

The estimates of contingent and prospective resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). The PRMS defines prospective resources as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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IMPORTANT NOTES TO RESOURCES ESTIMATES

1. Contingent Resources

- a) Values in Table 1 include the combined total for the Cadda Formation and Cattamarra Coal Measures.
- b) Application of any risk factor to contingent resources quantities does not equate contingent resources with reserves.
- c) There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
- d) All contingent resources have an economic status of "Undetermined."
- e) All separator gas quantities are expressed at a temperature base of 60°F and 14.7 psia.

2. Prospective Resources

- a) Resource estimates include 4 prospects only: South Ocean Hill, Ocean Hill Deep, D and F
- b) Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
- c) Recovery efficiency is applied to prospective resources in this table.
- d) The prospective resources presented above are based on a statistical aggregate method.
- e) There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.
- f) The prospective resources shown in Table 2 have not been adjusted for the probability of geologic success.

GLOSSARY OF TERMS

BCF –	BILLION CUBIC FEET OF GAS
MCFPD –	THOUSAND CUBIC FEET OF GAS PER DAY
MMbbl –	MILLION OF BARRELS