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ASX/MEDIA RELEASE

ENEABBA GAS LIMITED

Quarterly Activities Report and Operational Update

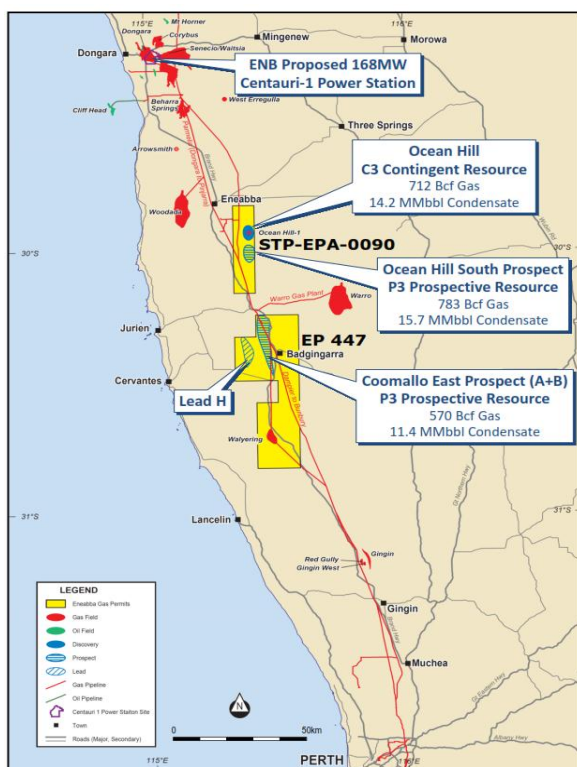
Perth Basin Strategy

Eneabba Gas Limited (ENB) has continued to push forward its strategy of development of a Perth Basin asset base focussed on gas. The company currently holds interests in two highly prospective permits in the basin, Ocean Hill (100% ENB) and EP447 (50% ENB). Continued drilling activity in the basin continues to play out with at least six wells planned by other companies over the next twelve months and both AWE Limited (AWE) and Transerv Energy Limited (TSV) having great success in current drilling and testing programmes.

AWE announced a significant resource upgrade during the quarter of the Waitsia gas field based on the results from the Waitsia-1 well which has flowed at a combined rate of 50 MMCFPD from the two tested formations.

TSV recently drilled the Warro-5SR well and is currently drilling its second well, Warro-6 at its Warro tight gas field. Results to date have been extremely encouraging. The Warro field lies to the northeast of EP447 (ENB 50%).

Ocean Hill Gas Project



The Ocean Hill project covers some 75,000 sq. kilometres and has a C3 contingent resource of 712 BCF of gas and 14.2 million barrels of condensate (DeGoyler and MacNaughton, Refer ENB ASX Release 12 March 2015)**. The project is located approximately 220km north of Perth and just south of the town of Eneabba. The Ocean Hill Gas discovery was made by SAGASGO in 1991 with the drilling of the Ocean Hill # 1 well which intersected 800m of gas shows with 100 metres of interpreted net gas pay. On test the well flowed 700 MCFPD and 17 BCPD. Gas price dynamics at the time meant that the well was sub-economic.

A post drill engineering report found that it was highly likely that drilling techniques were a possible cause of the low flow rates due to formation damage. With modern day drilling technology Eneabba believes a second well will produce greatly enhanced flow rates and has an extremely strong possibility of being a commercial field.

During the quarter the company began the process of planning for a potential well at the Ocean Hill Project



with the engagement in discussions of several drilling contractors and service providers to quantify the “current-day” cost to drill and complete the Ocean Hill # 2 well planned for 2016. Due to a decline in global energy prices there has been an associated decline in service costs. In some cases services costs have dropped as much as 50% and Eneabba is seeking to capitalise on these economics in its planning process for a second well at the Ocean Hill Project.

During the quarter Eneabba and Finder renegotiated the “Ocean Hill Farm-in Agreement” such that the agreement now has a drop dead date of June 15th 2016 if Finder has not met all conditions precedent in the farm in agreement. ENB may also terminate the agreement at any time prior to this drop-dead date without penalty.

EP447

Eneabba and partner UIL Energy Limited (UIL) have obtained approval from the Department of Mines and Petroleum (DMP) to vary the year-two work program from the requirement to drill a well to the acquisition of 130km of 2D seismic and reprocessing of historic data. The companies are currently in discussion with seismic service providers for the acquisition of the 130km of line 2d in 2016.

Centauri-1 Power Station

During the quarter several discussions began with potentially interested parties in the Centauri project. While all discussions are very early stage it is encouraging to see that there has been an increased level of interest in the project over the last several months.

The Centauri-1 Power Station project is a focus for the Company. The approved site for the power station sits on 4,643 acres of land which is 100% owned by ENB and which is located directly adjacent to AWE’s recently discovered Waitsia Gas Field. The Company continues to focus on gas exploration in order to provide feed stock gas to create economic viability for the Centauri-1 power station project going forward.

About Eneabba Gas

Eneabba Gas Limited is a diversified Australian Energy company. Eneabba owns the fully permitted rights to construct and operate the 168MW Centauri-1 Power Station and a growing portfolio of onshore Perth Basin Gas assets including the Ocean Hill Gas project (100%) and 50% of EP 447 with partner UIL Energy Limited.

For more information on the Company, please visit our website at; www.eneabbagas.com.au or email info@eneabbagas.com.au.

Summary of Abbreviations;

BCF = Billion Cubic Feet

BCPD = Barrels of condensate per day

BOE = Barrels of Oil Equivalent

MMBBL = Million of barrels of oil

MMBOE = Millions of barrels of oil equivalent

MCFPD = Thousand cubic feet of gas per day

Except where otherwise noted, all references to “\$” are to Australian dollars.

**In 2013 the then owner of the Ocean Hill project Green Rock Energy engaged DeGolyer and MacNaughton to provide a resource evaluation study. All detail of prospective resources mentioned in this release are taken directly from this report. (Refer GRK ASX Release 4 October 2013 for full details).



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.