

Sustained gas flow and continuous flare at Warro onshore field in WA

Long-term flow testing to start in mid-January

Transerv Energy (ASX: TSV) is pleased to announce that a sustained gas flow and a continuous flare have been achieved from the Warro-6 well in WA during the initial cleanup phase of the well.

While the flow rate has yet to be measured, the early-stage result is considered to be a significant development in Transerv's strategy to establish Warro as a major economic gas project and a strong player in WA's gas market.

Warro, located in WA's mid-west, is Australia's largest undeveloped onshore gas field with resources of 11.6 trillion cubic feet of gas in place. Transerv's exploration program at Warro is being funded by Alcoa of Australia, which can earn up to 65% of the project.

The gas flow followed the successful reservoir stimulation program completed at Warro-6 last week.

Reservoir stimulation at the Warro-5 well, which was drilled with Warro-6 as part of the current two-well program, was suspended when proppant from the initial stimulation phase back filled into the borehole.

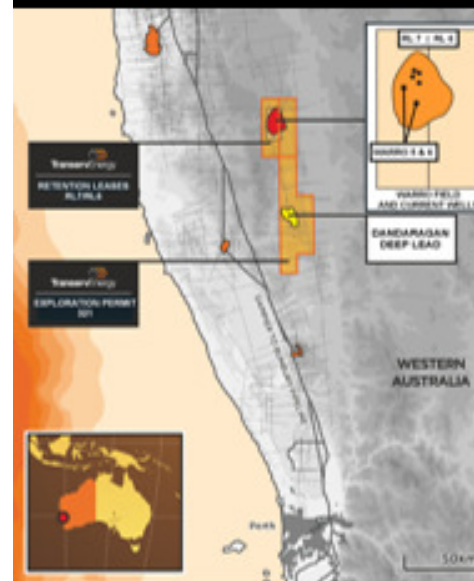
The Warro 5 borehole has now been cleaned out and is ready for further reservoir stimulation work to complete the planned program.

Well Details

In both Warro 5 and 6 wells, the first stimulation stage was intentionally small to provide calibration information for subsequent, larger stages.

At Warro-6, three stages of reservoir stimulation resulted in the successful emplacement of over 715,000 pounds (325,000kg) of proppant. Only the deeper 50% of the gross reservoir section was targeted by these three stages. Initial flow back operations commenced at Warro-6 on December 17 and resulted in the recovery of a substantial portion of the stimulation fluids.

A sustained gas flow, which was continuously flared, was also achieved as part of the initial well flow back program. As the gas rate was not metered, a flow rate could not be measured but the quantity is consistent with expectations in this early stage of operations.



Permit	RL-7
Well Location – Warro-5	30°12'24.55"S, 115°43'43.44"E
Well Location – Warro-6	30°10'53.70"S, 115°43'08.57"E
Transerv Energy's Interest	56%
Field Name	Warro Gas Field
Depth to Reservoir	~4100m RT
Date of Report	17 November 2015
Geological Formation	Yarragadee Sandstone
Forward Operations	Reservoir Stimulation and Test

ASX : TSV

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At Warro-5, stimulation operations are yet to be completed. Stage 1 (80,000 pounds or 36,000kg) was placed successfully and a second and final stage (approx. 280,000 pounds or 127,000kg) is yet to be carried out. Once done, Warro-5 will undergo clean-up flows.

Both wells will be completed with 2 3/8" production tubing and set up for long-term testing during Q1 and Q2 2016. This is now expected to commence for both Warro 5 and 6 wells by mid-January 2016.

Transerv Managing Director Stephen Keenihan said the fracture stimulation work at Warro had achieved its objectives. In addition, it had shown that fracture stimulation can be reliably focused into the zones of interest and the reservoir sections displayed lower fracture gradients than expected.

"These findings are important for future wells because the stimulation costs can be reduced and the gas-bearing zones of interest can be targeted precisely," Mr Keenihan said.

"These two wells have already doubled the Warro Contingent Resource (*see ASX release dated November 19, 2015*), and the early flow of gas at Warro-6 provides further evidence that this major gas resource could be an attractive economic undertaking" Mr Keenihan said.



STEPHEN KEENIHAN
Managing Director