

10 June 2016

Warro-4 Retesting Update

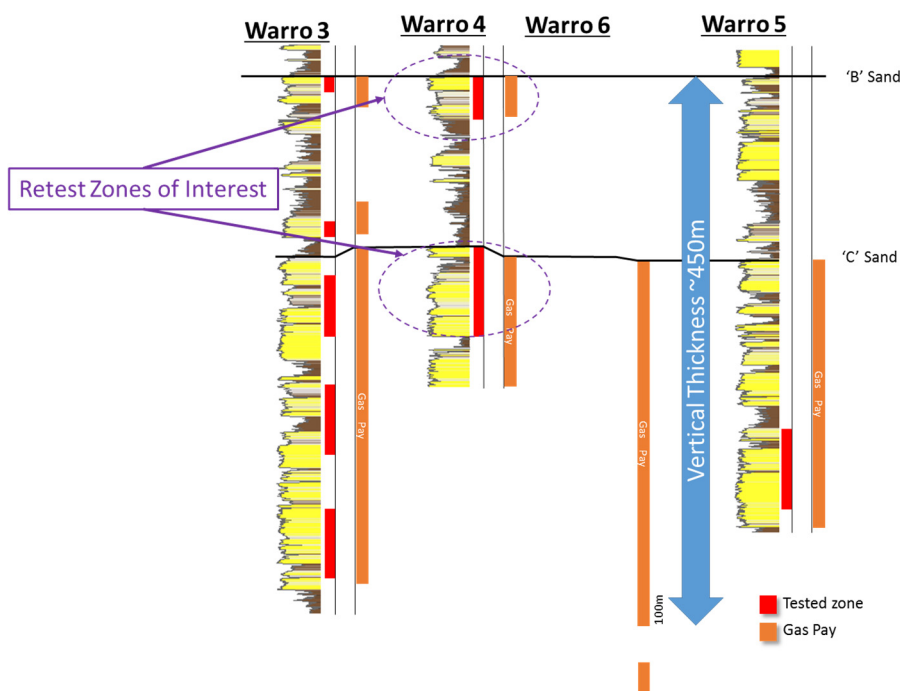
Transerv Energy (ASX: TSV) is pleased to announce that it has received approval from the Western Australian Government to retest Warro-4.

Retesting of Warro-4 is expected to commence by the end of June, once personnel and equipment can be mobilized to location.

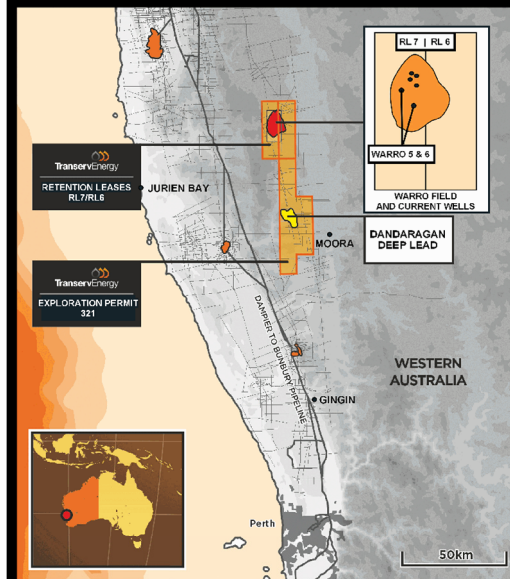
Background

As set out in our release of 15th March, the retesting of Warro-4 is designed to re-evaluate the potential of the topmost part of the "C" sand reservoir interval and revisit the flow potential of the "B" sand reservoir section. The "B" section yielded up to 2mmcf/d from Warro-3.

The results of Warro-5 and 6 suggest that the initial testing of these zones in Warro-4 was curtailed prematurely. Warro-4 was fracture stimulated in the "B" sand reservoir and in a part of the "C" sand reservoir overlying the zones tested in Warro-5 and 6 (see figure below).



The retesting of the Warro-4 upper "C" sand reservoir pay section, combined with the results of Warro-5 and 6 lower "C" pay sections, will provide the Joint Venture with important information on the potential of the entire "C" sand reservoir section.



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Retesting of the “B” sand reservoir section, in combination with the results of Warro-3, will provide valuable supporting information on the potential of the higher reservoir sand.

The retesting of Warro-4 will provide crucial information on the potential of the entire reservoir section and give good guidance on the appropriate means to exploit the huge gas resources trapped in the Warro field.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Keenihan', with a stylized, cursive script.

Stephen Keenihan
Executive Director