

WARRO UPDATE

5 April 2016

Warro-6 production cycling underway with average initial rate of 2.4 mmcf/d over 12 hours

Transerv Energy (ASX: TSV) is pleased to announce that following production logging operations, testing of Warro-6 has recommenced. Warro-6 was shut in for three days and recommenced flow at over 7 mmcf/d reducing to 1.6 mmcf/d over a 12 hour period using a 32/64" choke. The average being 2.4 mmcf/d. The water rate during this period was substantially reduced starting with zero water but yielding approximately 140 bw/mmcf by the conclusion of the flow period.

The well will continue to be cycled with a 12 hour on, 12 hour off testing arrangement for the remainder of the week. The goal is to determine whether, by cycling, increased gas rates can be sustained over a longer period with the cycling acting as a downhole separation process (whereby gas buildup suppresses water flow into the well), limiting water ingress but maintaining gas yields at a higher level. This process is used extensively in the USA to manage gas wells with higher water cuts.

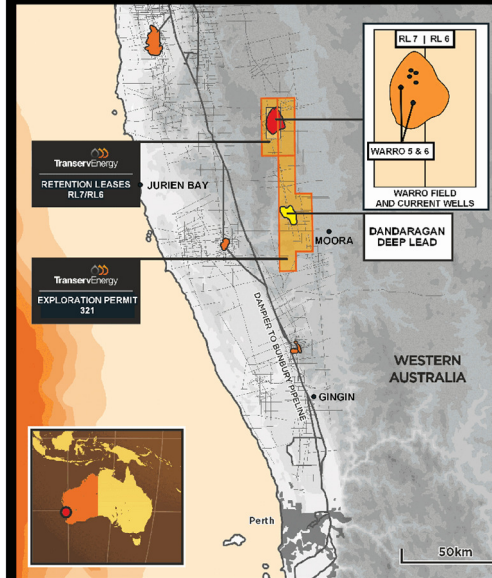
Warro-5 remains shut in to monitor the change in wellhead pressure.

Re-entry and testing of Warro-4 awaits Government approvals and equipment availability.

For and on behalf of the Board.



STEPHEN KEENIHAN
Managing Director



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
Geological Formation	Yarragadee Sandstone

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