



ASX RELEASE

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First Hydrocarbons Discovered in Uruguay

PROGRAMME

- **Drilling and subsequent log analysis confirmed 2m of oil saturated sand at 793m with fluorescence (oil shows) across expanded target interval**
- **Well reached TD at 845m and is currently being completed for testing**
- 4 well conventional programme will address:
 - multiple wells different targets
 - significant conventional potential with very material upside
 - oil and gas targets
 - non-binary outcome, 3 of 4 wells have multiple objectives

Petrel Energy Limited (ASX:PRL) announces that Schuepbach Energy Uruguay SRL (SEU) has successfully drilled the Cerro Padilla-1 well to a Total Depth (TD) of 845m. The well encountered significant oil shows with logging confirming 2m of oil saturated sand at 793m. (Working Interests Petrel 51% : Schuepbach Energy LLC 49%).

On the back of what is the first ever confirmed discovery of hydrocarbons in Uruguay the well is being completed for production testing.

Cerro Padilla-1 is the first of four conventional exploration wells to be drilled in the Norte Basin Uruguay on concessions covering 3.5 million acres.

Petrel CEO David Casey said "While further evaluation is required to understand the full potential of these excellent initial results, the significance of being the first group to discover oil in this frontier basin cannot be underestimated. Although only a modest discovery in its own right, and regardless of the results of production testing, when viewed in the context of what this could mean for the rest of the programme and the concessions as a whole, it represents a quantum first step in redefining the oil and potentially gas prospectivity of the Norte Basin. It's not been an easy process drilling the first onshore exploration well in 30 years in Uruguay but this is an outstanding achievement for the first of a four well programme."

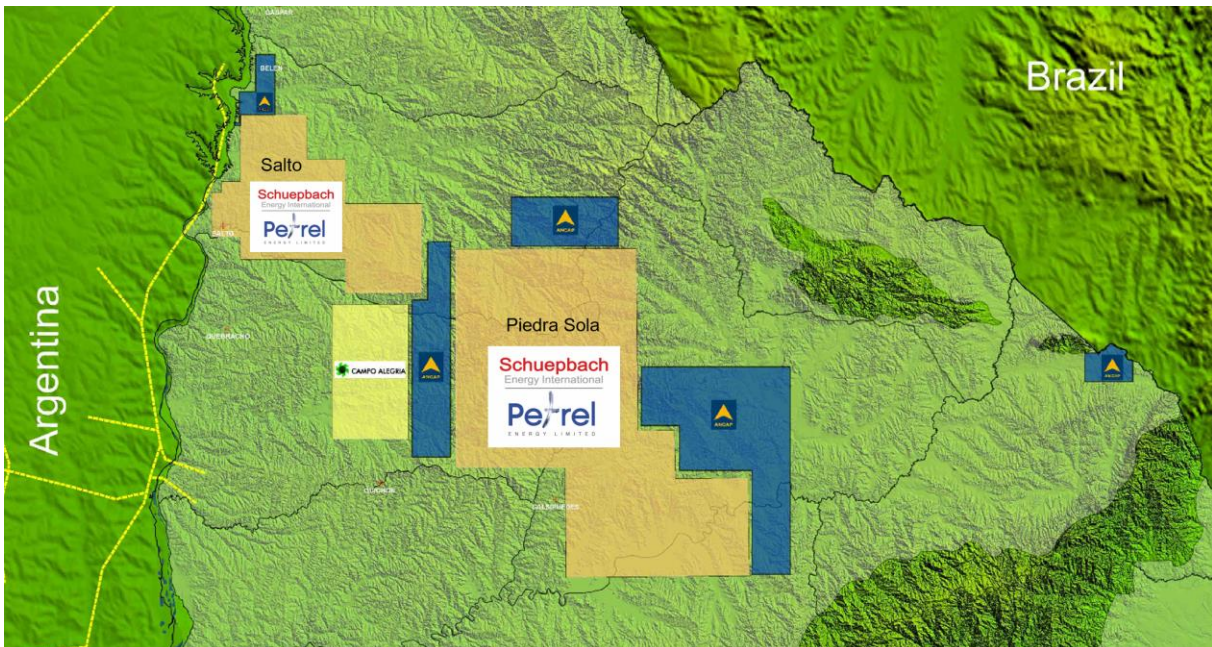
He went on to say "I would like to thank the team that got us here, in particular, Martin Schuepbach for his geological vision and expertise, local staff and contactors, new onsite drilling experts New Tech Global Ventures, drillers New Force Energy, partners Schuepbach Energy and our shareholders that have supported us in reaching this significant milestone."



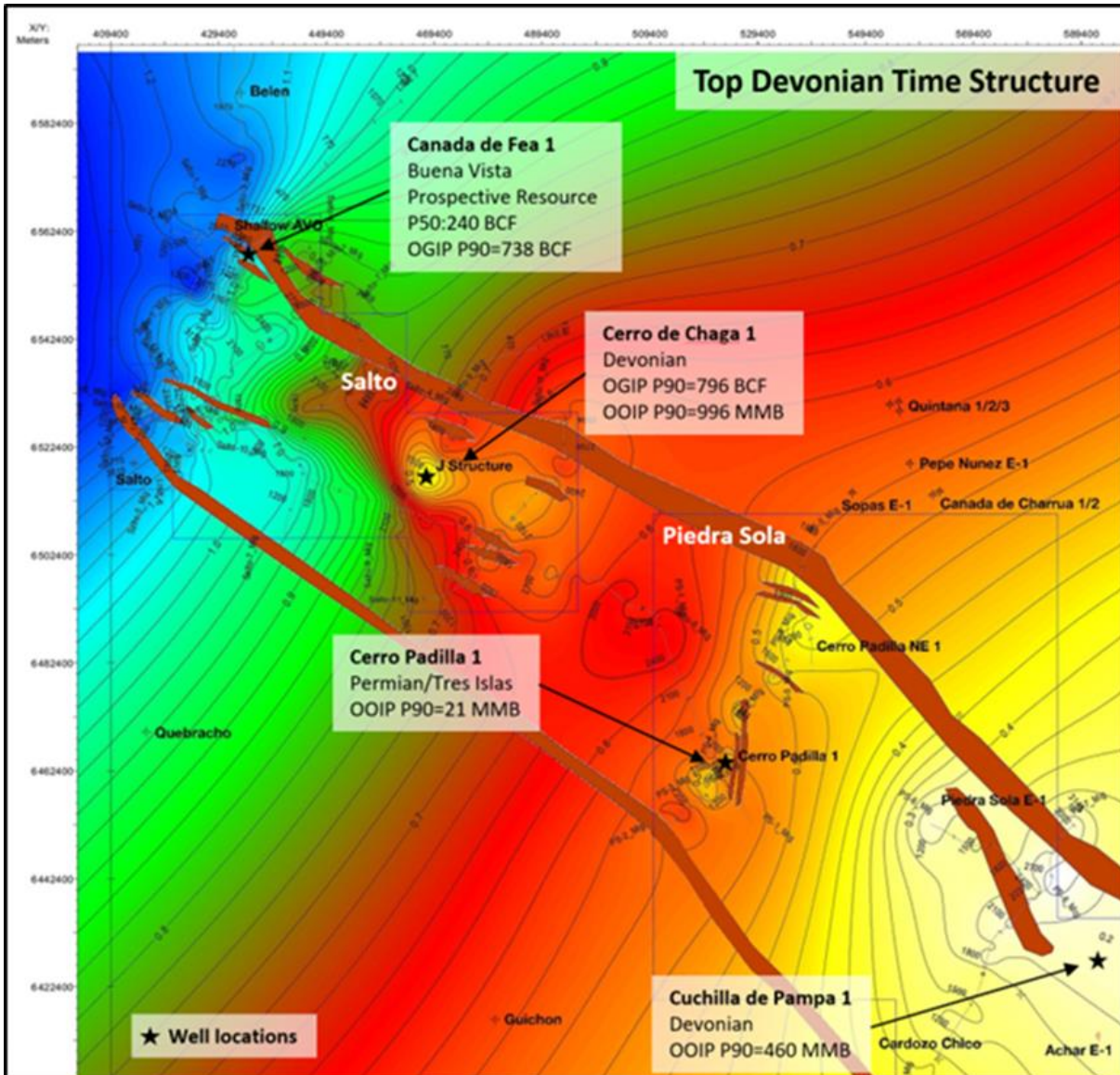
Photos - New Force rig at Cerro Padilla-1



Preparations for production testing



Map – Piedra Sola and Salto concessions onshore Norte Basin Uruguay covering 3.5m acres



Four well programme extends SE/NW across both concessions

Petrel's overarching vision for Uruguay is to drill four wells to cover as much of the concession area as possible while targeting multiple and different conventional exploration objectives within and across each well. More specifically the programme will seek to answer questions from the 2015 partner process such as:

- confirm source rock maturity, quality and extent
- confirm conventional reservoir quality and extent – Darcy permeability (>1000md) already measured in core samples 30km apart
- confirm migration and potential trap integrity - while not the primary objective 3 of the 4 wells are also targeting conventional structures for oil and gas trapped in either the



same sequence or up-dip of oil shows and/or weeping core samples as well as provide new insights into the regional geology of this largely unknown sub-basin of the larger Parana Basin

- confirm validity of AVO anomalies identified on seismic

Ultimately Petrel would like to see this as yet another significant step for Uruguay along the path to potential energy self-sufficiency and possible energy exporter at some point in the future.

For further information contact:

David Casey - Managing Director

Phone +61 2 9254 9000