

# WARRO UPDATE

February 9, 2016

## Warro-6 well sustains substantial gas flows as water production rate falls by half

### *Warro-5 well records initial gas flows as clean-up progresses ahead of full testing*

Transerv Energy (ASX: TSV) is pleased to announce that the Warro-6 well at the Warro onshore gas project in WA has maintained a constant, substantial gas flow over the past week in another promising sign for the project's economic potential.

Results from testing at Warro-6 also reveal that the water-to-gas ratio has reduced by more than 50 per cent during the past week and is continuing to improve.

Warro-6 gas flow rate has been reasonably constant over the past week, averaging 1.3mmcf/d. A liquid volume equivalent to the stimulation fluids injected into Warro-6 has been now recovered from the well. The jet pump is being used to deplete the water in the reservoir associated with the gas. This process is proceeding according to plan.

At the Warro-5 well, initial gas flows have been recorded as the well clean-up progresses. The flow rates are yet to stabilise and are continuing to improve.

Transerv Managing Director Stephen Keenihan said the results from both wells were in line with Transerv's expectations at this stage.

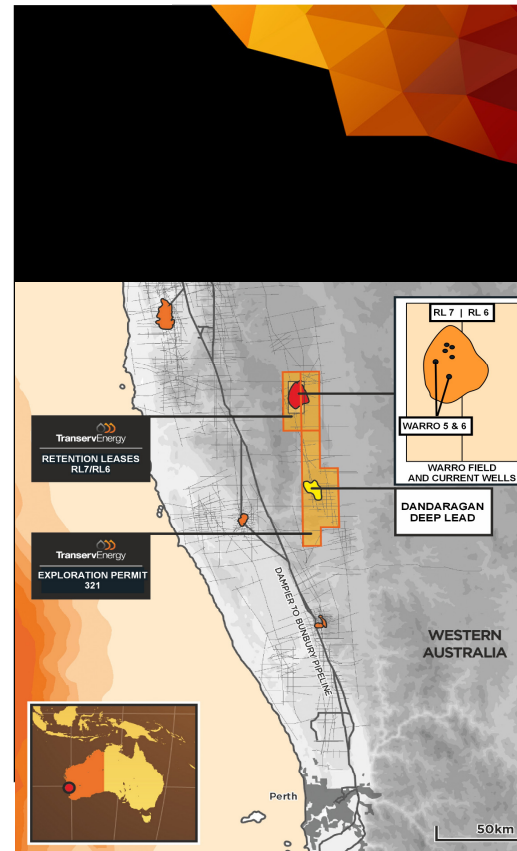
"We designed these wells in such a way that we could use the jet pump to remove excess water from the reservoir section and establish the free flow gas potential of the wells," Mr Keenihan said.

"This work is going according to plan. Our objective now is to flow the wells using the jet pump until the water rate reduces to acceptable levels, this may take several weeks." Mr Keenihan said.

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
Date of Report	17 November 2015
Geological Formation	Yarragadee Sandstone
Forward Operations	Reservoir Stimulation and Testing

ASX : TSV

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