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27 April 2022

ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2022

Please find the Quarterly Activities Report for the period ending 31 March 2022 for Prominence Energy Ltd (ASX: PRM).

Yours faithfully
PROMINENCE ENERGY LTD

Anna Mackintosh
Company Secretary



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2022

HIGHLIGHTS

- Prominence Energy Ltd settled the acquisition of 12.5% interest in multi-TCF Sasanof Prospect with drilling to commence in Q2 2022.
- PRM completed two tranche placement raising to raise \$12.05 million before costs. Tranche 2 shares and options were issued in March 2022.

SASANOF PROJECT

In March 2022, Prominence Energy Ltd (“**PRM**”) finalised the acquisition of a 12.5% interest in the Multi-TCF Sasanof Gas Prospect located in exploration Permit WA-519-P on the Northwest Shelf, Australia. As part of this interest acquisition, PRM will pay for 25% of the Sasanof-1 well cost and at the end of March PRM issued 90 million PRM shares and 30 million PRMOB options to Western Gas as approved at the EGM on 19 January 2022.

The Sasanof prospect is located in exploration permit WA-519-P, in Commonwealth waters approximately 207km northwest of Onslow Western Australia. (Figure-1). The Sasanof Prospect is located up dip from the liquids rich, low CO₂ Mentorc Gas and Condensate field and near to the giant gas fields of Scarborough and Io-Janx in the Carnarvon Basin. The Sasanof Prospect covers an area of up to 400 km² across three exploration permits and one retention lease, three of which, WA-519-P, WA-390-P & WA-70-R, are operated and owned by Western Gas.

ERC Equipoise Ltd (“**ERCE**”) independently determined that Sasanof is an estimated 2U Prospective Resource of 7.2 Tcf of gas and 176 million bbls of condensate (P50 recoverable) and a 32% Chance of Success (CoS). The High Case 3U Prospective Resource estimate is 17.8TCF and 449 million bbls of condensate (P10 recoverable). (See PRM ASX Release 7 December 2021 for full details).

Resources Net to WG519 Pty Ltd and PRM are shown in the table below.

Net PRM entitlement assuming PRM completes under terms disclosed and earns 12.5% interest								
Sasanof	Recoverable Gas (Bcf)				Recoverable Condensate (MMstb)			
	1U	2U	3U	Mean	1U	2U	3U	Mean
Net to WG519	600.5	4131.1	9253.1	5177	13.8	100.4	233.7	128.8
Net to PRM (12.5%)	75.1	516.4	1156.6	647.1	1.7	12.6	29.2	16.1

Estimated Chance of Success 32%

Cautionary Statement – Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

PRM acquired a 12.5% shareholding interest in the WA-519-P licence holder, Western Gas (519 P) Pty Ltd (**WG519**). Western Gas Pty Ltd (**Western Gas**) is the major shareholder of WG519 and the Operator of the WA-519-P permit and announced on 25 November 2021 that a rig contract had been signed with Valaris for the MS-1 semi-submersible rig to drill the well Q2 2022. Global



Oil and Gas Limited (**ASX:GLV**) is committed to funding 50% of the well for a 25% shareholding interest in WG519. GLV and PRM together are funding 75% of the total well cost of the Sasanof well. Sasanof-1 will be a vertical well drilled to a depth of approximately 2,500m in 1,070m of water. Drilling costs are estimated to be in the range of US\$20-25 million (US\$5-6.25 million PRM share).

Sasanof-1 Prospect Interests

Company	Funding Interest	Working Interest
Western Gas Corporation Pty Ltd	25%	62.5%
Global Oil and Gas Limited	50%	25%
Prominence Energy Limited	25%	12.5%

PRM CAPITAL RAISING

PRM successfully placed 1.205 billion shares at a price of 1c per share with 1 PRMOB attaching option for every three shares subscribed for. The Placement was made in two tranches with the second tranche (plus Directors Participation for \$50,000) subject to shareholder approval. Shareholder approval was obtained at the meeting held 19 January 2022. Tranche 2 was completed during the March 2022 quarter and 950 million shares were issued plus 5 million shares in which Directors participated

The primary use of funds is the drilling of the Sasanof-1 well with PRM's share of these costs expected to be approximately A\$6.5-8 million. The balance of the funds will be used for advancing the company's Bowsprit project toward development drilling, business development relating to new projects and working capital.

On completion of the Sasanof transaction and the related capital raise the PRM capital structure is:

	PRM Shares	PRMOB Options Exercise Price 2c Exp 5 Sept 2023
Shares on issue post Completion	2,411,108,819	911,895,579

BOWSPRIT OIL PROJECT ("Bowsprit") (Lease No. 21754) - PRM 100% working interest.

PRM drilled the vertical, exploration Bowsprit-1 well in October 2021 to test an undrilled part of the field. Unfortunately, the potential field extension did not contain oil. The vertical well was suspended at a depth of 3,000ft deep for future re-entry and side-tracking. The proven oil in the T1 Upper Miocene Sand was not affected by the vertical well result and remains a viable target for a single well development via a side-tracking of the vertical well and tie back to a nearby platform.

Resource Classification	Confidence Level	Net Reserves to PRM	
		Oil Mbbbls	Gas MMSCF
Undeveloped Reserves T1	1P (90%)		
	2P (50%)	330.7	254.7
	3P (10%)	643.5	502.9

LAND STATUS (net acres of mineral leases)

Below is a table showing PRM's net acres of oil and gas mineral leases in the project area. SL21787 and part of SL21754 was dropped due to lack of prospectivity following the drilling in October 2021.

Oil Project Area	PRM's Working Interest (%WI)	PRM's Net Revenue Interest (%NRI)	Project area Gross Acres (1ha = 2.471ac)	PRM's Net Acres (1ha = 2.471ac)
Bowsprit SL21754	100%	73%	635	635
TOTAL	-	-	635	635

(Total acres as at 31 March 2022)

Indirect Interest

PRM owns 12.5% of Western Gas 519 Pty Ltd which holds 100% of WA-519-P located offshore Western Australia.

OIL AND GAS PRODUCTION

There was no oil production for the March 2022 Quarter.

CORPORATE

A shareholders' meeting was held 19 January 2022 where all resolutions were passed via a poll. Refer Notice of Meeting dated 20 December 2021. This meeting approved

1. the acquisition of the 12.5% interest acquisition of WG519 Pty Ltd, the holder of the Sasanof Prospect,
2. Issue of facilitator shares
3. the issue of tranche 2 shares and options and
4. issue of broker/lead manager shares/options pertaining to the Placement.



GROWTH OPPORTUNITIES

The Company continues to actively review potential new projects to add to the portfolio, in particular in the green hydrogen sector.

NOTES PERTAINING TO THE CASHFLOW REPORT

Item 6.1: The aggregate amount of payments to related parties and their associates during the March 2022 quarter was \$92,950 in salaries.

BY ORDER OF THE BOARD

Anna Mackintosh,
Company Secretary

Telephone: +61 (08) 9321 9886

Email: admin@ProminenceEnergy.com.au

This report is lodged on the Company's website, www.ProminenceEnergy.com.au.

Forward-looking Statements

This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect Prominence's views and assumptions with respect to future events as at the date of the Announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Actual and future results and trends could differ materially from those set forth due to various factors that could cause results to differ materially include but are not limited to: industry conditions, including fluctuations in commodity prices; governmental regulation of the oil and gas industry, including environmental regulation; economic conditions in the US and globally; geological technical and drilling results; predicted production and reserves estimates; operational delays or an unanticipated operating event; physical, environmental and political risks; liabilities inherent in oil and gas exploration, development and production operations; fiscal and regulatory developments; stock market volatility; industry competition; and availability of capital at favourable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Prominence, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this Announcement sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PROMINENCE ENERGY LTD

ABN

69 009 196 810

Quarter ended ("current quarter")

31 Mar 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(93)	(273)
(e) administration and corporate costs	(160)	(365)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material) Recoveries		
1.9 Net cash from / (used in) operating activities	(253)	(638)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(1,746)	(5,642)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(1,746)	(5,642)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	9,384	13,203
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	-	750
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (issue costs)	(392)	(628)
3.10	Net cash from / (used in) financing activities	8,992	13,325
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,722	2,671
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(253)	(638)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,746)	(5,642)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,992	13,325

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	Cash and cash equivalents at end of period	9,718	9,718

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9,718	2,722
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,718	2,722

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	93
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements	60	2
7.3 Other (please specify)		
7.4 Total financing facilities	60	2
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(252)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,746)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,998)
8.4 Cash and cash equivalents at quarter end (item 4.6)	9,718
8.5 Unused finance facilities available at quarter end (item 7.5)	58
8.6 Total available funding (item 8.4 + item 8.5)	9,776
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.9
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 April 2022

Authorised by: 
Alexander Parks – Chief Executive Officer and Managing Director

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.