OMEGA OIL AND GAS LIMITED

26 MARCH 2025 | ASX ANNOUNCEMENT

Strong Oil Flows from Canyon-1H well

HIGHLIGHTS

- **Strong flow rates of oil and gas from 650m lateral:** Canyon-1H flowed oil and gas from the Canyon Sandstone reservoir with peak flow rates of 452 BOPD of 49.5 API oil and 0.60 MMSCFD of associated gas
- **High development flow rates anticipated from 2000m laterals**: 24 hour sustained rates translate to 987 BOPD and 1.45 MMSCFD for a 2000m lateral
- **Major petroleum province emerging**: This key basin flow test has demonstrated that the Canyon Project Area is host to a material oil play in addition to a material gas play
- **Dual commercialisation pathways**: Major oil and gas potential is contained within stacked pay zones over an extensive area strategically located for commercialisation of both oil and gas
- **Indicative commercial flow rates achieved:** Strong well performance during testing compares favourably with well analogues in top-tier unconventional US basins
- **Gas-rich oil flowing at high rates:** Implies more favourable reservoir properties than previously assessed in the Canyon Sandstone enabling rapid data gathering and testing to be completed earlier than anticipated
- **Design optimisation:** Canyon-1H was designed as a proof-of-concept gas well, with material upside in flow rates and recoveries to be targeted via the optimisation of the well and frac design in future commercial-scale oil and gas wells
- **Successful execution of program with all objectives met:** Innovative horizontal drilling, fracture stimulation and flowback program successfully applied and a demonstration of Omega's operational capability
- **Future work program:** Designed to accelerate the delineation and derisking of both gas and liquid plays in 2H25

Trevor Brown, CEO and Managing Director, commented:

" I'm delighted to announce the outstanding results of Omega's successful flow test of our Canyon-1H well. While we were anticipating commercial flow rates of a large-scale gas play, we have discovered an additional large-scale oil play. The primary objective of the program has now been achieved by demonstrating what we believe will be commercial hydrocarbon flow rates from our attractive acreage area. Producing oil from this well test provides huge upside to our pre-drill position. Omega's Canyon project now has two very attractive commercialisation pathways to be further appraised. To obtain such strong flow rates from a relatively short horizontal indicates that our development wells will be strong producers. We can already draw favourable comparisons with wells in some of the best unconventional liquids production areas in the US. The Canyon-1H drilling, fracture stimulation and flow testing program was flawlessly and efficiently executed. The successful application of horizontal drilling and fracture stimulation technology on our project has provided an important, high-quality data set indicating that Omega's Canyon Project Area contains an extremely exciting play of significant scale poised to play a large role in Australia's energy future."

Darryl Tompkins, Chief Technology Officer, Revo Testing Technologies*, commented:

"The results of the production test on Canyon 1H completed by Omega Oil and Gas in the Bowen Basin are very encouraging. The bottom hole pressures, production rates and decline trends indicate a strong correlation to what we typically encounter within the most prolific unconventional liquids rich basins in the United States. We are excited for the team at Omega and believe discoveries like Canyon-1H could have a significant impact on expanding the development of unconventional oil and gas resources in Australia."

* *Specialist US-based, Well Testing Advisors to Omega*

Production Test Results

Omega Oil and Gas Limited (ASX: OMA) ("Omega" or "the Company"), 100% holder of Potential Commercial Areas (PCA) 342 and 343 in Queensland's Bowen Basin, is pleased to announce the results of the successful flow testing of the Canyon Sandstone at its Canyon-1H horizontal well in the Taroom Trough within Queensland's Bowen Basin.

Following a successful fracture stimulation program encompassing nine stages over a 650m horizontal section that met all planned objectives, the flow test commenced clean up flow on 13 March 2025 and concluded when the well was shut in on 23 March 2025. Due to the liquid-rich nature of the hydrocarbon fluids and favourable reservoir conditions, sufficient data to model long term well performance was captured over a shorter test period than planned.

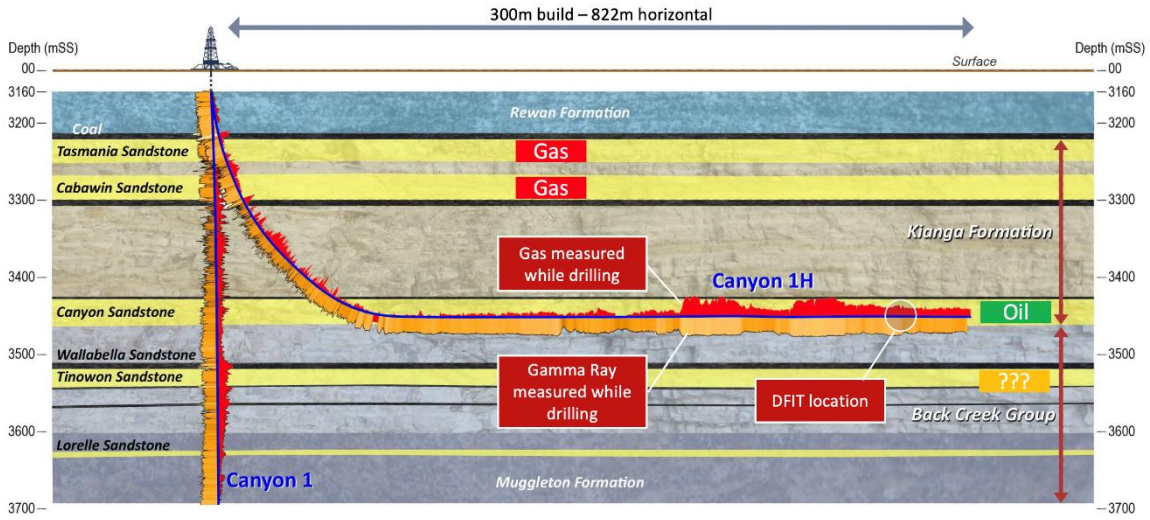

Figure 1. Canyon-1H well diagram

The well achieved peak flow rates of 452 BOPD and 0.6 MMSCFD of gas. Over the most stable 24-hour period (the third day of flow), sustained flow rates of 321 BOPD and 0.472 MMSCFD were recorded with a wellhead flowing pressure of approximately 1399 psi while the well was on a 16/64" choke. It is anticipated that future development wells will be drilled to lateral lengths of 2000m or greater with a completion optimized for the fluid system. The 24 hour sustained rates achieved in the Canyon-1H well translate to 987 BOPD and 1.45 MMSCFD for a 2000m lateral section. Expressed as a gas rate* this is equivalent to 7.372 MMSCFDe or 1,228 BOEPD on an oil equivalent basis. Laboratory tests have confirmed the oil at 49.5 API – a light crude closely related to that produced from the nearby Moonie, Cabawin, Leichardt and Bennett oil fields. Total volumes recovered during the 9-day flow period were 4.186 MMSCF of gas, 1987 barrels of oil, 8597 barrels of water (returning frac fluid).

* 6000 SCF = 1 BO

Overall, the Canyon-1H Flow Test has displayed very positive outcomes:

- Strong flows of light oil and gas
- High reservoir pressures and wellhead flowing pressures
- Negligible CO_2 and other impurities
- Oil and gas flowed to surface during the first day of production
- Strong well flows throughout the test
- Initial analysis of flow test data implies favourable reservoir properties

The Canyon-1H well is now shut in. Wellhead pressure buildup is being monitored while evaluation of well results is ongoing. Rapid wellhead pressure buildup rate provides further evidence of favourable reservoir conditions. The well may be re-opened in future for extended production testing if desired.

Figure 2: Flare while flow testing Canyon-1H well

A Material Oil Discovery

The Canyon-1H well results suggest the discovery of a major oil-rich section within the Taroom Trough Basin Centred Gas play.

The production data gathered will be used to build a detailed understanding of well decline rates, type curves and ultimate recoveries for this more liquids rich portion of the project.

The strong flow rates provide sufficient confidence that Omega has discovered a commercial, oil-rich, tight sands play, particularly considering the result was achieved from a 650m horizontal section versus a commercial-scale and optimally designed production well. The initial flow rates also compare favourably with those from horizontal wells in US unconventional oil-rich plays, noting future enhancements above and that Omega would anticipate different decline rates from a tight sand than from a shale.

The discovery opens the potential for a valuable oil development alongside the targeted gas commercialisation strategy, potentially fast-tracking and underpinning the funding of this objective.

Next Steps

These flow test results are extremely encouraging and have achieved the goal of the Canyon-1H well by demonstrating potentially commercial flow rates from the Canyon Sandstone. The Company is continuing to work through the data and will be developing a detailed plan on the next steps for the Project over the coming weeks. The plan will focus on further delineation and derisking of the resource and may include further scaled-up horizontal test wells.

Key upcoming milestones will include:

- Analysis underway to verify liquids commerciality over next few months
- Resource booking in 2H25, including liquids resource update
- A well program to delineate and derisk both gas and liquids plays in 2H25
- Advance discussions with interested oil and gas parties on development pathways including ongoing partnering discussions

Investor Call

An investor call will be held on Wednesday 26 March at 11am AEDT at which Trevor Brown will present a brief overview of the outcomes of the Canyon-1H well and answer questions.

Please see the following registration link.

https://us02web.zoom.us/webinar/register/WN_ZfYWZSkMQMWyfpZV7Q4OzA

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This release has been authorised on behalf of the Omega Oil and Gas Board.

Glossary of Terms

API	American Petroleum Institute – oil gravity measurement standard
BOPD	Barrels of Oil Per Day
BOEPD	Barrels of Oil equivalent Per Day
MMSCFD	Million Standard Cubic Feet per Day
MMSCFDe	Million Standard Cubic Feet per Day equivalent

ABOUT Omega Oil and Gas

Omega Oil and Gas Limited is a dynamic Australian exploration company with a small, highly experienced team focused on unlocking the vast Permian Deep Gas potential in Queensland's Taroom Trough, an emerging gas frontier.

Backed by some of Australia's most prominent resource investors, Omega is uniquely positioned to become a major force in the nation's gas sector.

Founded in 2020, the company's countercyclical strategy has already delivered two major gas discoveries, Canyon-1 and Canyon-2, underscoring the enormous potential of its acreage.

By combining proven technical expertise, a clear commercial pathway, and the support of blue-chip investors, Omega is well positioned to become a key contributor to Australia's energy future.

Forward looking Statements

This announcement may contain certain "forward-looking statements". Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. The forward-looking statements included in this announcement involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Omega. Forward-looking statements should be read in conjunction with, and are qualified by reference to, the risk factors set out in section 5 of the Prospectus lodged with Australian Securities and Investment Commission on 22 August 2022 and in Omega's subsequent announcements and presentations. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned to not place undue reliance on such forward-looking statements. Omega disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise. Past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.