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ASX Announcement/Media Release

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Permitting commenced on the first PRB well

Highlights

- **The Govt Kaehne #9-29 will be the first well drilled by Eon in the PRB**
- **High initial production rates in offset wells**
- **Drilling cost is fully funded**
- **Additional multiple high impact drilling prospects identified**
- **Development pipeline of new drilling opportunities**

Eon NRG Limited ("the Company" or "Eon") is pleased to announce the commencement of permitting of its first well, the Govt Kaehne #9-29, located in Crook County, Wyoming. This will be the first well drilled within Eon's 15,000-acre Powder River Basin (PRB) lease holding, which was acquired in September of 2018.

The Govt Kaehne #9-29 is considered to be a low risk conventional well targeting production of light sweet crude oil from the Sandstone reservoirs of the Dakota Formation (Lower Cretaceous Age) at a depth of ~6,200'. The directionally drilled well will penetrate the Muddy Formation as a secondary target at a depth of ~6,000'.

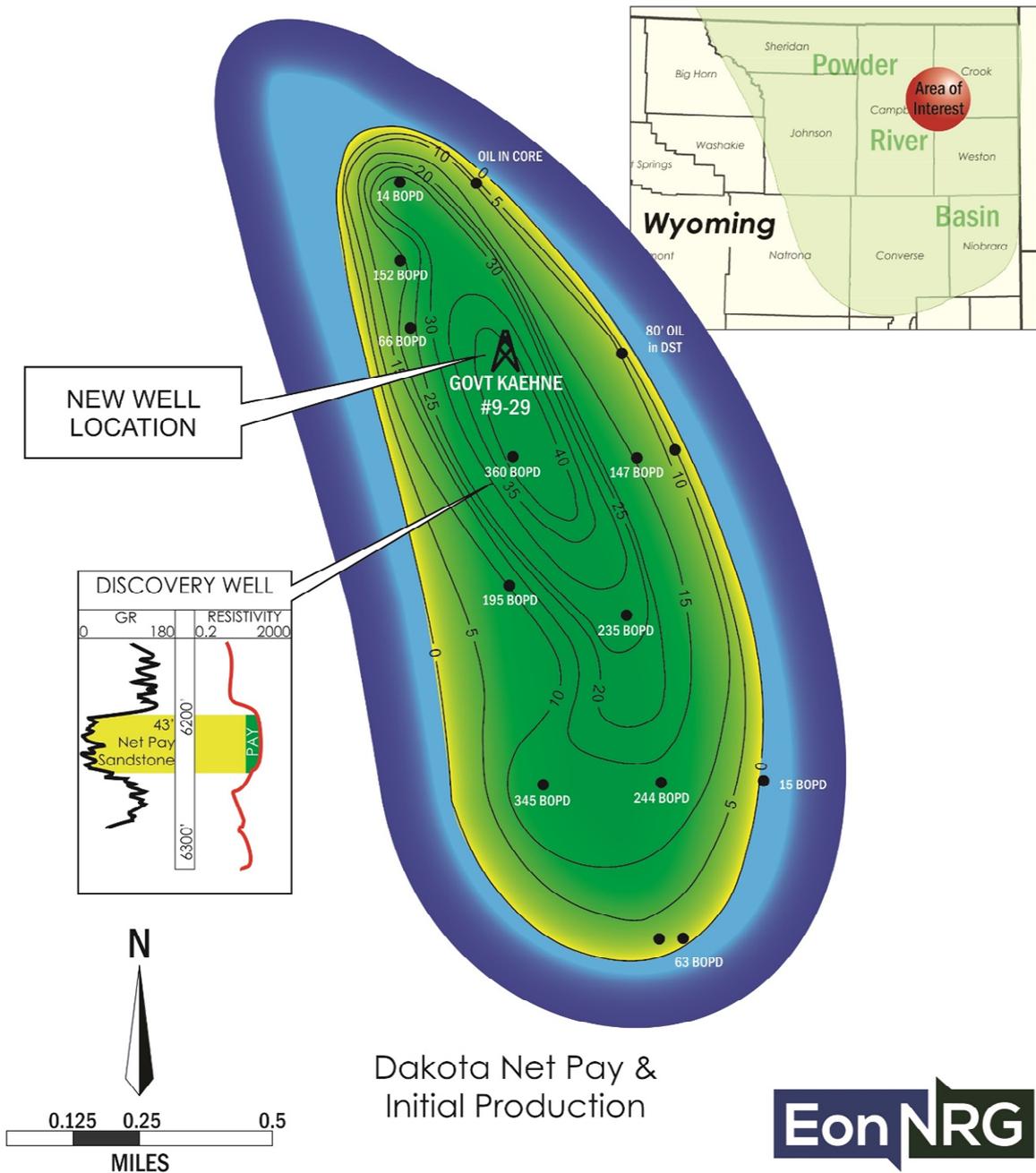
This well will target high quality, oil saturated reservoir, in a structurally high position relative to offset wells. Offset well initial production (IP) rates are prolific (refer map below) and this new well could add significantly to the Company's existing 530 boepd production. The Company holds 100% ownership in all the PRB leases with a 12.5% mineral interest royalty burden delivering an 87.5% net revenue interest to Eon. The estimated dry hole cost of the well is \$1.2M. The well location has good access for transportation and is near the town of Gillette, a major oil service center for the PRB.

The Dakota formation is a Lower Cretaceous fluvial point bar sandstone. Reservoir characteristics from published core data in the offset wells show an average porosity of ~21% (15-30% range), average permeability of 99 millidarcy (max 237 MD) and an average net pay thickness of 21'. The well is positioned to penetrate between 30' and 40' of Dakota pay. The Dakota formation has a strong water-drive which results in higher recovery factors versus depletion-drive reservoirs. The water-drive provides pressure support with minimal pressure drop at the wellbore resulting in consistent oil production and wells with higher ultimate recoveries (EUR).

Govt Kaehne #9-29

Crook County, Wyoming

Dakota Target



Management is continuing with further engineering and detailed planning for this well, which includes well design, equipment selection, infrastructure planning and costing. A development timeline and further details regarding the well will be provided in due course.

Additional multiple high impact drilling prospects identified

The detailed geological review of part of the 15,000 acres of the company's PRB leases has identified multiple drilling prospects. A further two of these prospects are anticipated to be drilled in 2020. Both wells will target the Minnelusa, a Permian Age eolian dune reservoir capable of high production rates from a conventional vertical well drilled to depths of ~5,800 feet. Further analysis on ranking of wells will determine the drilling order for future drilling programs. The Company plans to begin permitting 2-5 additional wells in 2019 for future drilling in 2020 and beyond.

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About the Company:

Eon NRG Ltd is a USA onshore focused energy exploration and production company. The Company's growth path is through drilling of high impact oil exploration wells, supported by its 100% owned and operated long life oil and gas production assets and associated cashflow. The company also has a battery minerals division with prospective leases in Nevada which are at the early stages of low cost exploration.

Glossary:

BOEPD -Barrels of Oil equivalent per day (gas usually converted at 6:1 on energy basis)

BOPD – Barrels of Oil per day

EUR – Economic Ultimate Recovery

MD –Millidarcy

PRB- Powder River Basin Wy USA

All reference to dollars or \$ mean US\$ unless otherwise stated.

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Forward Looking Statement

This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect Eon NRG's views and assumptions with respect to future events as of the date of this press release 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 to various factors, many which are beyond our ability to control or predict. Some of the risk and other 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 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 favorable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Eon NRG Ltd, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this Release 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.