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www.EonNRG.com

**ASX Code: E2E**

**ASX Media Release**

20 Howard Street  
Perth WA 6000

PO Box Z5207  
St George's Terrace  
Perth WA 6831

Tel: 08 6144 0590

Fax: 08 6144 0593

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## **Joint Venture Arrangement Completed**

Further to the announcement dated 11<sup>th</sup> September, Eon NRG Limited ("Eon" or the "Company") is pleased to announce that it has finalized agreements with eight (8) parties to acquire a minority interest and the Company's Govt Kaehne #9-29 well.

The joint venture ("JV") participants will acquire a 39% working interest ("WI") for approximately US\$111,000 (representing past expenditure incurred by Eon in securing the lease, permitting of the well and carrying out preliminary site-works). Eon will retain a majority 61% WI (53% net revenue interest) and through its US subsidiary, will be the operator of the well, with the JV participants each contributing to ongoing costs, including drilling and completion costs, in proportion to their respective working interest.

The Board has sought independent advice in relation to the funding of the drilling activities through a joint venture structure and, following a competitive sales process, it is satisfied that the sale of a minority interest in Govt Kaehne #9-29 well will provide the best outcome for shareholders. This will de-risk the development program for Eon as well as ensuring it has sufficient capital resources to drill and complete the first Powder River Basin well.

As experienced investors, the JV partners are well-versed in the drilling of oil and gas wells, from potential risks to the rewards reaped. Confident in the success of this well, the Company's Chairman, Matt McCann<sup>1</sup> and Managing Director, John Whisler (who are not associated with the other minority JV participants) have agreed to acquire a 10% and 3% WI respectively in the well. There are a further six<sup>2</sup> (6) unrelated minority JV partners who are participating directly in drilling of the well.

The independent members of the Board have satisfied themselves that, as a result of the independent advice (referred to above) and as evidenced by the fact that there are six other non-related parties participating as JV partners on the same terms and conditions which are considered to be industry standard terms for a transaction of this nature, the transaction is on arm's length terms so that shareholder approval is not required under Chapter 2E of the *Corporations Act 2001*. ASX has confirmed that shareholder approval is not required under Listing Rule 10.1 for the collective 13% WI being acquired through entities controlled by Messrs. McCann and Whisler.

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<sup>1</sup> Orfin Oil, LLC

<sup>2</sup> The Armstrong Corporation; Strategem Resources, LLC.; C&PW Corporation; PURO Energy Partners, LLC.; Aventine Investments, LLC.; JMU Land and Minerals Company

*"Matt McCann and I are delighted to be able to participate directly in the drilling of the Company's first well within our expansive PRB acreage," said John Whisler, Managing Director. "This is a material commitment that we have made in the Company and demonstrates our confidence in the long-term potential for this well."*

With funding arrangements finalized and the drill pad and access road complete, the site is now ready to commence operations. When the Capstar #312 rig completes its current drilling commitments, it will be mobilized to site to commence drilling the 9-29 well.

**About the Company:**

Eon NRG Ltd is an ASX listed company which has U.S. onshore focused energy exploration and production assets. The Company's growth path is through the drilling of high impact oil exploration wells, supported by a 100% owned and operated long life oil and gas production assets and associated cashflow. The company has a mixture of onshore USA exploration and development leasehold acreage along with oil and gas production assets located in Wyoming and California.

**All reference to dollars or \$ refers to USD unless otherwise stated.**

**For further information, contact:**

**Simon Adams**  
**CFO/Company Secretary**  
**Perth**  
**+61 (0)8 6144 0590**  
**Email: sadams@i-og.net**

**John Whisler**  
**Managing Director**  
**Denver Head Office**  
**+1 (720) 763-3183**  
**Email: jwhisler@i-og.net**

**Forward-Looking Statement**

This document may contain certain statements that may be deemed forward-looking statements. Forward-looking statements reflect Eon NRG Ltd'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.