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**ASX/Media Release**

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## **GOVT KAEHNE #9-29 WELL COMPLETION UPDATE**

Over the past several weeks, we have seen negative effects on the oil industry and the broader financial markets as the world's largest consumers of oil have dramatically slowed economic activity while they look to contain and manage the COVID-19 (Coronavirus) outbreak. As the world works to combat this virus and contain its spread, the oil market has been doubly challenged by a simultaneous price war and supply shock.

At a meeting of OPEC+ last week, Saudi Arabia and Russia failed to broker an agreement on constraining oil output in the face of global demand retraction. This has started an oil price war which has resulted in a dramatic oil price collapse into the low \$30's per barrel (WTI) with no indication of the path or timing of a recovery.

Eon will be implementing a series of cost cutting steps including curtailing operations expenditures and evaluating individual well economics to determine the best forward path. Sub-economic wells could be shut in to preserve operational cashflow. These wells will be monitored and returned to production as commodity prices increase and wells return to economic status. The company will also be implementing a series of further overhead cost reductions and salary reductions over the next few weeks.

The installation of the Govt Kaehne 9-29 tank battery has been completed. The surface pumping unit is being powered by a portable electric generator. Due to the drop in oil prices and the cost of the rental generator the well has been shut in and the generator has been released. The electric infrastructure will be installed in the next 45-60 days and the well will resume production at that time. The most recent production from the well has been 8 barrels of oil per day.

Eon is in discussions with ANB Bank on how the drop in oil prices effect our covenants on the revolving line of credit. We will continue to work with the bank on a forward strategy and implementing the cost reduction plan.

**Authorised by:**  
Board of Eon NRG Ltd

**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.**

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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 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.