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www.EonNRG.com

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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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WELL COMPLETION UPDATE

Highlights:

- The Dakota Formation has been perforated and acid stimulated
- Swab testing of the Dakota Formation indicates a low permeability reservoir
- The completion of the shallower Muddy Formation is being permitted

Eon NRG Limited ("Eon" or the "Company") provides an update on the completion of the Govt Kaehne #9-29 well of which it is the operator (61% working interest).

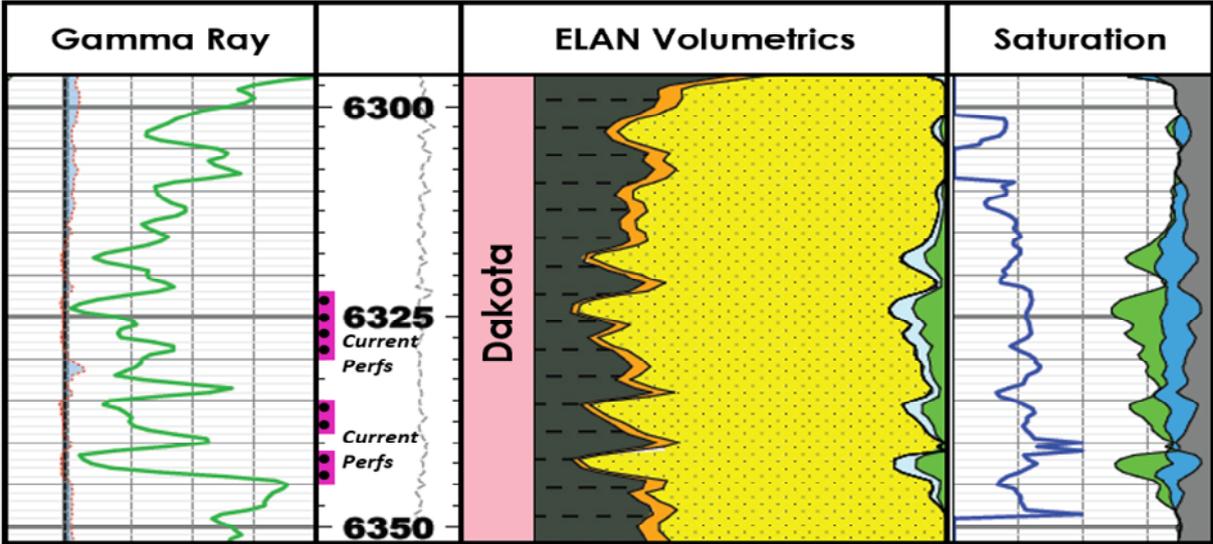
Mud and wireline logs that were performed during and after the drilling phase indicated that there was a hydrocarbon bearing reservoir which contained economic quantities of producible oil (refer announcement dated 4th December). 5½" production casing was run and cemented in preparation for the well completion.



Completion rig at the Govt Kaehne #9-29 well site

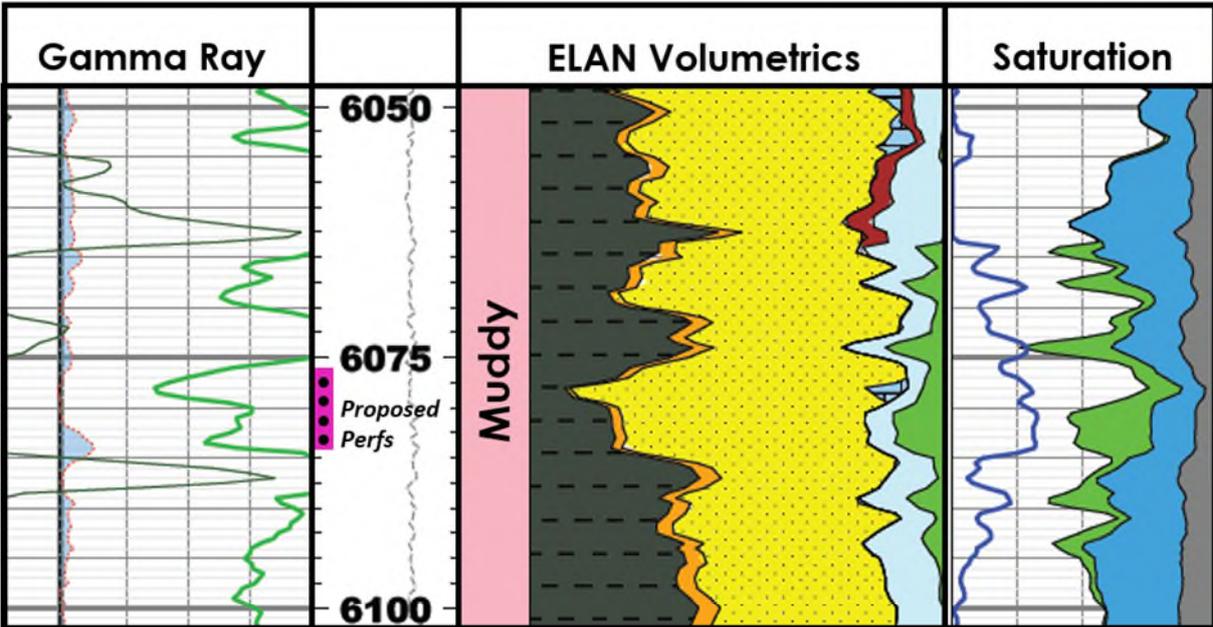
A completion rig was mobilized to site on December 18th and cement bond logs were run to evaluate the integrity of the cement behind the production casing. The Dakota Formation (primary target) was perforated with 4 shot's per foot across three intervals between 6,322 and 6,345 feet (see log below).

Dakota Formation pay had been anticipated between 6,279 and 6,328 feet when the well was planned. A post drilling geological review has shown that the top of the Dakota Formation was approximately 10' lower than anticipated but more importantly the actual pay was encountered 26' lower than was projected.



Logs showing perforation depths in the **Dakota** Formation

After the initial swab tests showed limited inflow, the perforated zones were acid stimulated with Hydrochloric acid and surfactant to remove any near wellbore damage created by cement or mud invasion. All of the acid and surfactant fluid has been recovered by swabbing. Swab tests after the acid stimulation indicates the reservoir has low permeability due to interbedded silts and sands, limiting the inflow of fluids. Although the mud logs and open hole log analysis strongly indicate hydrocarbons present in the Dakota Formation, the limited permeability and oil/water ratio has halted the completion operations in the Dakota and we are now concentrating on completing the more attractive shallower Muddy formation.



Logs showing intended perforation depths in the **Muddy** Formation

The log analysis indicate the Muddy formation shows 7' of net pay from 6,075 feet with pay that exceeds 20% porosity and 20 ohms of resistivity. The Muddy Formation within the field produces water free or very low water production, making it more attractive than the Dakota at this time. Permitting of the completion in the Muddy Formation is underway and will be implemented as soon as regulatory agencies approve the completion procedure.

John Whisler, Managing Director, said *“The results of the completion of the Dakota Formation in this well are somewhat disappointing but we remain optimistic regarding the potential production from the Muddy Formation based on analogues within the field that have experienced good EUR’s with very low decline rates from wells that have displayed similar log characteristics and no water production. We have been able to bring the drilling of this well in under budget and still on track with the completion budget. We are in the process of carrying out a full geological review to better understand the Dakota reservoir.”*

Eon has continued to operate its other four fields producing more than 300 boepd which generates cash flow to support ongoing field costs and service the existing bank loan interest.

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.

For further information, contact:

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