



ASX RELEASE

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First Oil Recovered in Uruguay

PROGRAMME

- **Oil recovered to surface confirms hydrocarbon prospectivity in Uruguay**
- **Rig mobilising to Cerro de Chaga-1 well site**
- 4 well conventional programme will address:
 - multiple wells different targets
 - significant conventional potential with very material upside
 - oil and gas targets
 - non-binary outcome, 3 of 4 wells have multiple objectives

Petrel Energy Limited (ASX:PRL) announces that Schuepbach Energy Uruguay SRL (SEU) has successfully completed production testing at Cerro Padilla-1 and recovered a small amount of oil to surface from 2m of oil saturated sand at 795m. Samples are currently being shipped to the US for testing. (Working Interests Petrel 51% : Schuepbach Energy LLC 49%).

The rig is currently rigging down and mobilising to the Cerro de Chaga-1 (Panizza) well site.

Cerro Padilla-1 was the first of four conventional exploration wells to be drilled in the Norte Basin Uruguay on concessions covering 3.5 million acres.

Petrel CEO David Casey said “Although only a small amount of oil was recovered it appears that the current well is off structure and therefore is at the base of a thin oil zone. It is nonetheless the first time oil has been produced to the surface in Uruguay and augers well for the rest of the programme, and particularly the next well, which has multiple and much larger potential targets.”

He went on to say “While the oil produced is not material the significance of the result, which cannot be overstated, is that the hydrocarbon prospectivity of Uruguay has been confirmed for the first time.”

Petrel’s overarching vision is to drill four wells to cover as much of the concession area as possible while targeting multiple and different conventional exploration objectives within and across each well. More specifically the programme will seek to answer questions from the 2015 partner process such as:

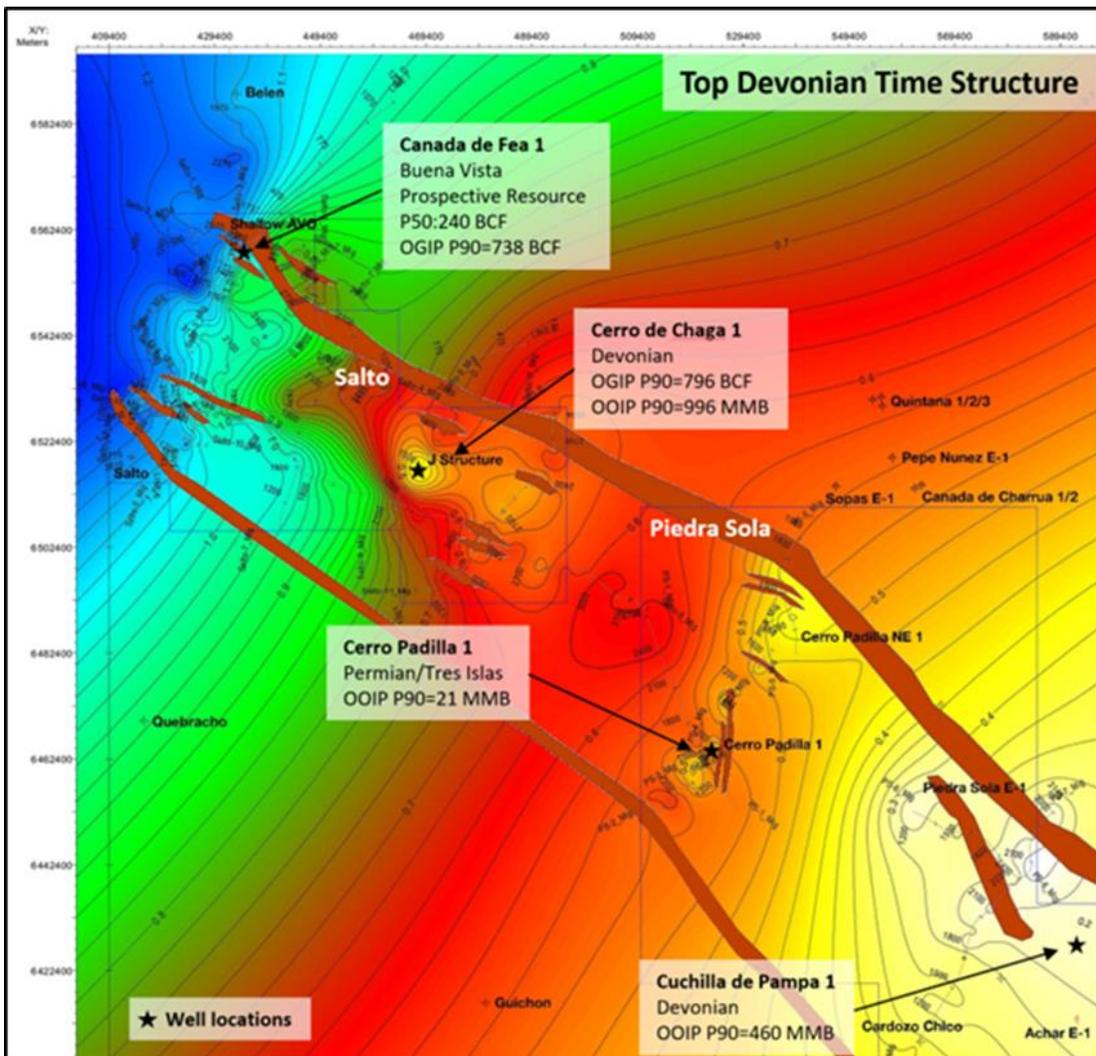
- confirm source rock maturity, quality and extent
- confirm conventional reservoir quality and extent – Darcy permeability (>1000md) already measured in core samples 30km apart

- confirm migration and potential trap integrity - while not the primary objective 3 of the 4 wells are also targeting conventional structures for oil and gas trapped in either the same sequence or up-dip of oil shows and/or weeping core samples as well as provide new insights into the regional geology of this largely unknown sub-basin of the larger Parana Basin
- confirm validity of AVO anomalies identified on seismic

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Four well programme extends SE/NW across both concessions which cover 3.5m acres