

**ASX Release**

**20 March 2023**

## **Canyon-2 Well Successfully Spudded**

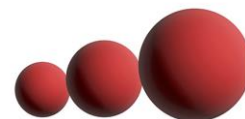
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- **Drilling of the Canyon-2 well with SLB Land Rig 185 has successfully commenced**
- **Canyon-2 will be drilled to a depth of approx. 3600 metres and cased**
- **Canyon-2 is planned to confirm the prospectivity of the Permian coals and sands in the Kiangra Formation, as the primary target for the well**

Omega Oil and Gas (ASX: OMA, "Omega") the 100% holder and operator of Authority to Prospect (ATP) 2037 and ATP 2038 is pleased to advise that SLB Land Rig 185 has successfully commenced drilling the Canyon-2 well at 0430 hours on 19<sup>th</sup> March 2023.

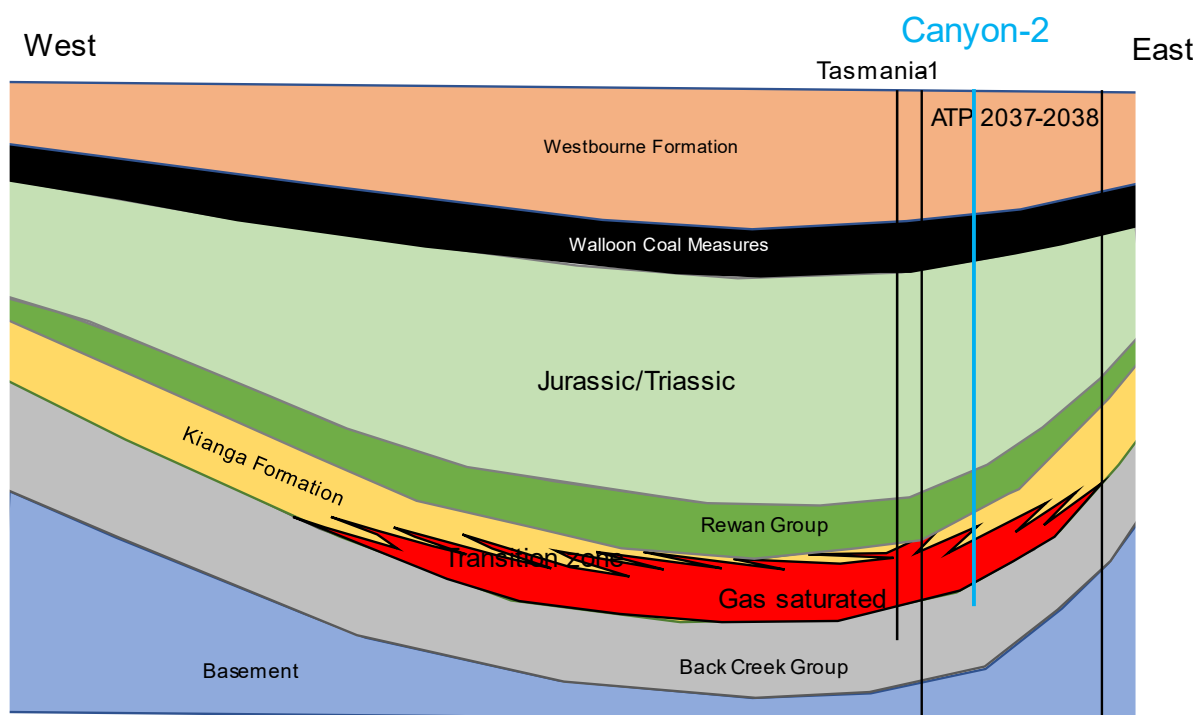
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The Canyon-2 well will be drilled to an approximate depth of 3600 metres. The well is planned to be cased, prior to completion later this year. The SLB Land Rig 185 will then be mobilised to the Canyon-1 well pad, to drill a well of similar dimensions.

Omega will complete mudlogging and open-hole wireline logs to better understand and characterise reservoir conditions at depth. This information will be key to finalising completion designs and to execute a fracture stimulation program later in the year.

The two Canyon wells are the centrepiece of Omega's Permian Deep Gas exploration program. The goal of the wells is to prove the prospectivity of the Kianga Formation and coals in the Permian aged rocks of the Bowen Basin. The Kianga Formation is the primary target. The Backcreek Group is the secondary target and may be intersected depending on hole conditions and drilling progress. Omega believes the Kianga Formation is gas-charged in what is regarded as a basin centred gas play.



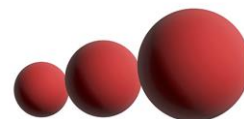
If successful, Omega hopes to further de-risk its prospective gas resource of 3TCF and 233mmbbls of associated liquids.

Omega Managing Director Lauren Bennett commented:

“The spudding of the Canyon-2 well is a significant milestone for Omega and is the culmination of months of hard work by the team and our campaign partners.

“I am immensely proud of our achievements to date, and Omega's ability to design and execute an ambitious and innovative exploration program at pace, to hopefully unlock the next generation of gas resources.

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“I look forward to sharing further information on the exploration results, as well as operational updates as drilling progresses.

“The successful spud of Canyon-2 and the anticipated positive results we hope to achieve this year come at an important time in the east-coast energy security conversation.

“Projects like Omega’s Canyon play are critical to ensure vital gas resources continue to be discovered to meet strong future demand.

“Gas will play an increasingly important role for energy security for decades, as ageing coal fired power stations are scheduled to close. Additionally, gas will remain a key input for industrial and manufacturing processes.

“The potential multi-TCF resource within Omega’s Canyon field not only represents a significant contribution to the east coast gas market, but also represents significant value for our shareholders.”

The release has been authorised on behalf of the Omega Board by Ms Lauren Bennett, Managing Director.

For further information contact:

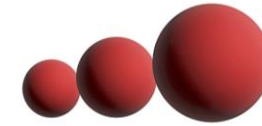
Lauren Bennett

Managing Director

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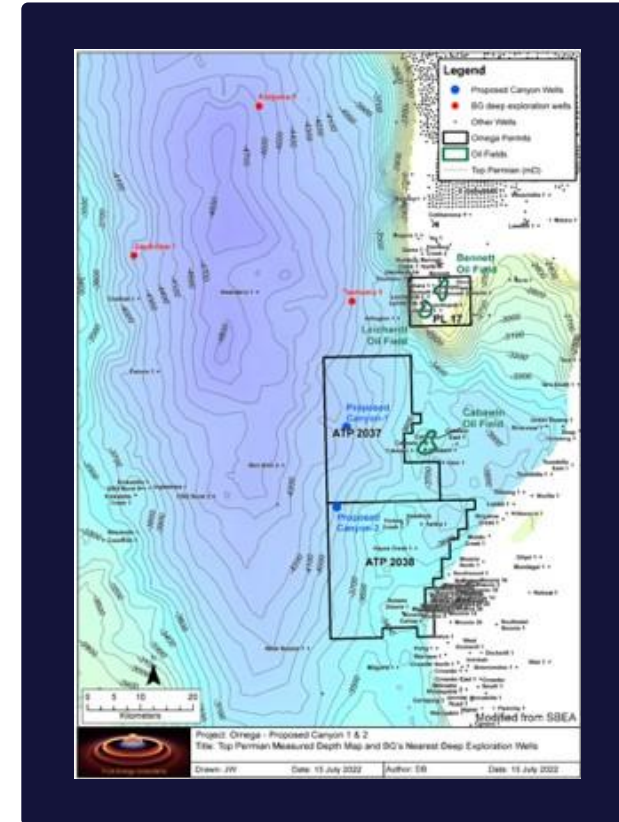
[Lauren.bennett@omegaoilandgas.com.au](mailto:Lauren.bennett@omegaoilandgas.com.au)

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## PROJECT OVERVIEW- PERMIAN DEEP GAS

- Omega's Surat Basin acreage spans a total area of over 250,000 acres and is located approximately 50 km away from existing gas infrastructure and gas pipelines. This existing infrastructure feeds into the Australian East Coast gas market and the Gladstone LNG export terminals.
- The proximity to pipelines and infrastructure enables Omega to commercialise this gas asset within a reasonable time frame to benefit from the markets spanning the southern states of New South Wales and Victoria, as well the LNG export gas markets at Gladstone.
- The primary objective for Omega in the ATPs is the large Permian deep gas play beneath the overlying coal layers.
- The Company intends to drill two wells, one in each ATP, to test the Permian Deep Gas potential of tight sandstones within the Permian Kianga Formation (found at a depth of between 3,500 and 3,700 metres below ground level).
- The proposed well locations, Canyon-1 and Canyon-2, were determined using existing seismic and analogue well data.
- Independent prospective resource of 3 TCF of gas and 233 mmbbl of associated liquids.



### Listing Rule 5.42 Disclosure

The estimates of Reserves and Contingent Resources reported in this ASX Announcement have been independently reviewed and verified by Fluid Energy Consultants and were first reported in Omega's Prospectus dated 5 September 2022. The Prospectus can be found online via <https://omegaoilandgas.com.au/wp-content/uploads/2022/09/220905-Omega-Replacement-Prospectus-FINAL-with-attachments.pdf>. The estimates in the Independent Expert Report provided by Mr Doug Barranger were prepared in accordance with the definitions and guidelines outlined in the 2018 SPE Petroleum and Resource Management System (PRMS), using deterministic methodology.

Doug Barranger received a BSc degree (geology) from the Australian National University. He has more than 40 years of experience in the petroleum industry. He has worked on all Australian petroleum basins, including Coal Seam Gas and Shale Gas and has written numerous Independent Expert Reports, Resource Reports and Acreage and Resource Valuations. He is a founding partner of Fluid Energy Consultants (2013). He is a member of the Society of Petroleum Engineers (SPE).