

Attn. Company Announcements Office
Australian Securities Exchange

18 December 2017
ASX Market Announcements
Electronic Lodgements
For immediate release

Rawson Oil and Gas JV awarded \$4.95 million under South Australian Government PACE gas scheme for conventional gas exploration in the onshore Otway Basin

Rawson Oil and Gas Limited “**Rawson**” is extremely pleased to announce that it’s Joint Venture with Vintage Energy “**Vintage**” has been awarded \$4.95 million from the South Australian Government’s PACE Gas Grant Program. The Plan for Accelerating Exploration (PACE) gas scheme aims to discover and bring new gas to the South Australian market within three years. The grant is to support the drilling of a new gas exploration well in Petroleum Exploration Licence (PEL) 155 in the onshore Otway Basin, South Australia. The Joint Venture has begun planning the conventional gas exploration well and expects drilling to have commenced before the end of 2018.

Gas from PEL 155 can be delivered expeditiously into the South Australian market, utilising the existing infrastructure and on prevailing market terms. This additional gas supply is expected to increase competition in the gas market and support the South Australian Governments Energy Plan objective of lowering electricity generation costs.

The new gas exploration well will target a 33 Bcf¹ conventional gas and liquids prospect in a three-way dip, fault dependent trap in the proven top Pretty Hills Formation. It is considered analogous to the nearby Katnook, Haselgrove and Ladbroke Grove fields which have produced approximately 70 Bcf of raw gas since discovery. The well will be located approximately 10 kilometres southeast of the Katnook Gas processing facility and will not be fracture stimulated. Adjacent to PEL 155, Beach Energy announced earlier this month they have encountered encouraging gas shows in the target Pretty Hill and Sawpit sandstone zones of Haselgrove-3 ST1. The well is now being prepared for further evaluation and lies approximately 8 km north of the Joint Venture’s proposed gas exploration well.

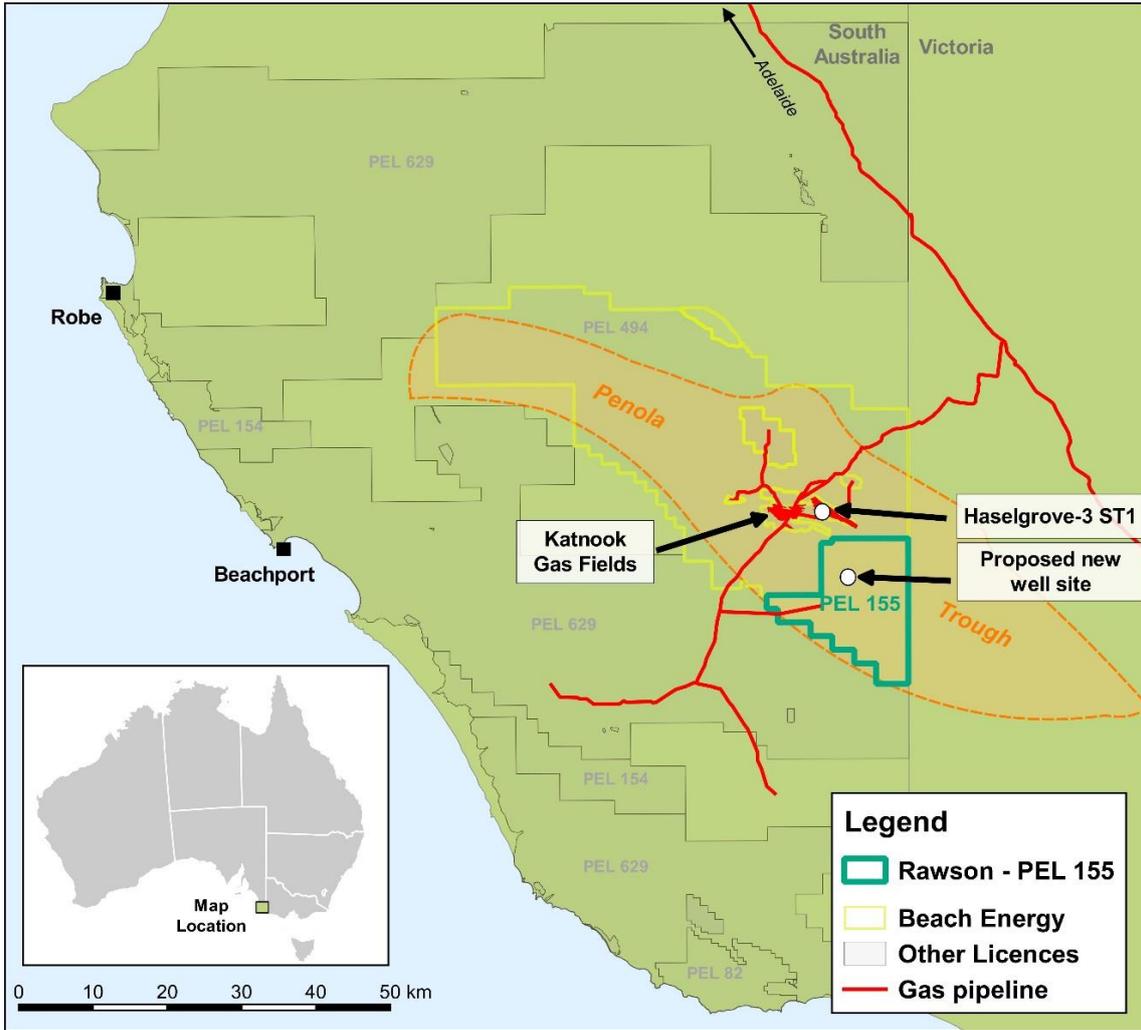
¹*Best unrisked estimate of prospective resource using the probabilistic methodology. Rawson assigns a ~23% probability of success. These estimates were prepared in accordance with the requirements of the ASX for reporting petroleum reserves and prospective resources in accordance with the SPE-PRMS guidelines. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.*

The Joint Venture has identified further exploration prospects in PEL 155, providing attractive follow-up targets which could bring additional new gas to the market.

Rawson Chairman Allister Richardson said, “We are looking forward to testing this prospect with the drill bit and we are confident it can bring new gas to the market. It is encouraging to see the recent drilling success and PACE gas awards pointing to a positive outlook for the onshore Otway Basin. I would like to acknowledge the support the South Australian Government has provided with PACE and we look forward to advancing gas exploration in South Australia.”



Allister Richardson
Executive Chairman
Rawson Oil and Gas Limited



Map 1. Licence PEL 155 in close proximity to gas infrastructure and Katnook gas fields.