Media Release

Denison Gas Awarded 100% Interest in New Denison Trough Block

31 October 2019

- Denison Gas appointed as preferred tenderer for Denison Trough Block, PLR2019-1-3
- Adjacent to Denison Gas’s 100% interest PL173 (Yandina) and PL42 (Rolleston) blocks
- The company’s 127km main northern gas pipeline (PPL10) traverses the block
- Nearby gas processing capacity available at the 100% owned Rolleston Gas Plant
- Block is highly prospective for conventional and coal seam gas

Denison Gas Limited and its affiliates (together Denison Gas) are pleased to announce that Denison Gas Limited has been appointed as preferred tenderer for PLR2019-1-3 in the Denison Trough.

The Hon. Annastacia Palaszczuk MP, Premier of Queensland and Minister for Trade announced the appointment yesterday at the Queensland State of the State address 2019.

PLR2019-1-3 is located 82 kilometres south of Emerald and includes 182 sub-blocks with a total area of 568 km². The area immediately adjoins, and connects, Denison Gas’s 100% owned and operated PL173 (Yandina area) and PL42 (Rolleston area) Petroleum Leases. Denison Gas’s 127km main northern gas pipeline (Pipeline License PPL10) runs across the area covered by PLR2019-1-3. The location of the area is shown in the attached map.

Early exploration of the block was focused on conventional gas targets using technology available at that time and 5 wells were drilled in the block. Denison Gas will be applying modern exploration techniques to extend past exploration of the block and will also focus on understanding the potentially vast gas resources hosted within the Permian coals in the area which have been the impetus for re-appraisal of the region more recently.

Denison Gas is currently refurbishing and restarting gas production and processing infrastructure, including the Rolleston Gas Plant. This infrastructure could be used to process any gas developed in the area for sale within the Australian market, consistent with the conditions of the award.

Denison Gas will now proceed to obtain the formal grant of the Authority to Prospect (“ATP”) for PLR2019-1-3.
The CEO for Denison Gas, Robert Gard, commented on the announcement:

“Denison Gas is very pleased to be awarded PLR2019-1-3. Our work to date in the area has indicated significant prospectivity both as direct analogues to our existing producing fields and extensions to the substantial coal seam gas resources we have identified in our adjacent Petroleum Leases. We remain highly confident in the potential of this area and, with our existing pipeline infrastructure crossing the block and capacity available at the Rolleston Gas Plant, are very well placed to progress near-term development of any discovered gas.”

About Denison Gas:

Denison Gas is a gas exploration and production company established to acquire and develop significant existing gas resources in the Denison Trough. Denison Gas assumed operatorship of its Denison Trough assets in April 2019, following acquisition of interests in those assets from Santos and APLNG.

Denison Gas is the sole beneficial owner and operator of the Denison North and Denison South assets and has a 50% non-operated interest in the potentially significant deep gas play, operated by APLNG, which underlies the Denison South assets.

The Denison Gas operated assets in the Denison Trough include:

- PL 41, 42, 43, 44, 45, 54, 67, 173, 183 & 218;
- PPL 10 & 11;
- ATP 1177 (including PCA 153 and 154); and
- Gas treatment, compression and transportation infrastructure capable of handling around 60TJ/day

More information regarding Denison Gas is available at www.denisongas.com.au

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Location Map

Legend
- Denison Gas Wells
- Denison Gas PPL’s
- Denison Gas Pipeline
- Major Gas Pipelines
- Gas Gathering Station
- Gas Processing Facility
- Other Facilities
- Gas Field
- Denison Gas PL’s & PCA’s
- Denison Gas - PLR2019-1-3
- Other PLR2019-1 Areas
- Other Acreage
Queensland turns up the gas dial

The gas dial has turned up in Queensland with new companies seeking gas for the domestic market and thousands of square kilometres being opened to exploration.

Energy Minister Dr Anthony Lynham said the 30,000 km2 of new land for exploration was one of the State’s largest ever land releases and includes more than 30 percent earmarked for domestic supply.

“Business and industry – particularly our manufacturers – needs more affordable gas to fuel jobs and there’s one surefire way to do that – produce more gas,” he said.

“This is Queensland continuing to do the heavy lifting on gas for the domestic market for jobs.”

Six successful ventures have won the right to explore a total of 3450 square kilometres – two of them for gas for the domestic market only.

They are:

- Comet Ridge (https://www.cometridge.com.au/ ) - 450 km2 – domestic supply only - south-east of Emerald
- Denison Gas (https://denisongas.com.au/ ) 568 km2 for domestic supply only - south-east of Emerald
- Santos GLNG (https://www.santos.com/what-we-do/assets/glng/ ) - two areas totalling 101 km2 east of Roma
- Real Energy/Strata-X- 153 km2 west of Miles

“These operators now have the opportunity to hunt for gas in proven gas rich Bowen and Surat basins,” Dr Lynham said.

“Queensland is open for business and I encourage these companies to progress the necessary approvals to get the gas and associated jobs flowing.”

The new 30,000 km2 land release will open for bids on November 7.

The land parcels are near Roma, Longreach and Mount Isa across six basins – Bowen, Surat, Galilee, Adavale, Eromanga and Millungera.

“More gas from more fields is the only long-term way to deal with affordable domestic gas supply,” Dr Lynham said.

“This latest land release further opens up under-explored Adavale, Galilee and Millungera basins.

“Currently Queensland supplies about quarter of the east coast gas market and just last month the Energy Users Association of Australia said the Queensland Government’s domestic only policy was - beginning to make a material
contribution to domestic gas supply.

Since 2015 the Palaszczuk Government has released more than 39,000 km² of land for gas exploration, over a fifth of it guaranteeing the gas will be for Australian consumers.

Two projects have signed gas deals with local buyers.

Senex’s Project Atlas has contracts with CSR supporting 200 jobs, with O-I glass and with Orora to supply three manufacturing plants in Queensland.

And the APLNG-Armour Energy gas joint venture had signed gas deals with Orica for supply to their Yarwun explosives plant and packaging manufacturer Orora.

Senex’s and its construction partner in Project Atlas, Jemena, is also building a $140m pipeline and processing facility project that will connect Project Atlas to the Wallumbilla Gas Hub in south-west Queensland.

The new successful tenderers will need to negotiate land access agreements and fulfil any existing environmental and Native Title requirements before the exploration authority is granted and work can begin.

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