

## Doriemus Plc

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## Directors:

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David Lenigas

**Executive Directors**  
Greg Lee  
Donald Strang

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Hamish Harris

## Corporate Information:

**ASX Code: DOR**

**NEX Code: DOR**



**ASX / Media Announcement**

**31 December 2018**

## Doriemus Farmin Deal on Major WA Onshore Gas Play

**Doriemus executes a Letter of Intent to farmin to WA Onshore asset (EP487) with prospective potential 170 TCF (P50) Gas-In-Place as well as to farmin to the Kora West Oil Field, WA (Block L-15)**

### Highlights

#### EP487 - Farmin:

- *Doriemus has signed a binding letter of intent with Rey Resources Limited (ASX: REY) to obtain a 50% interest (plus operatorship) over the 5,058 km<sup>2</sup> WA onshore petroleum exploration permit block EP487.*
- *Major gas/condensation play with an estimated Prospective Potential Gas in Place of 169.6 Trillion Cubic Feet (TCF) (P50)<sup>1</sup>. (See below for further technical information)*
- *Estimated Prospective Potential Recoverable Resources<sup>1</sup>:*
  - *28.4 Trillion Cubic Feet of recoverable gas (P50)*
  - *707 Millions barrels of recoverable condensate (P50)*
  - *or 5.283 Billion barrels of oil equivalent (P50)*
- *Drilling of a 4,000m well is planned and nearing regulatory approvals.*
- *1,650m wet and dry gas potential target zone (Mid and Lower Laurel Formation) from 2,600m – 4,250m<sup>2</sup>.*
- *Located only 30km ESE of Derby (Western Australia), and close to existing infrastructure.*
- *Completion of the farmin is subject to Doriemus completing satisfactory due diligence and fulfilling certain funding and other obligations as well as the execution of formal documentation.*

#### Block L15 – Farmin:

- *Doriemus has signed a letter of intent to earn 50% (plus operatorship) with Rey Resources Limited over the 163 km<sup>2</sup> WA onshore block L15, which contains the fully permitted West Kora oil field.*
- *Subject to raising capital, Doriemus plans to bring Kora West well back in to oil production in Q1/Q2 2019.*
- *Estimated 380,000 barrels of 2P Reserves<sup>3</sup> (See below for further technical information).*
- *Located only 20km east of Derby (Western Australia).*
- *Completion of the farmin is subject to Doriemus completing satisfactory due diligence and fulfilling certain funding and other obligations as well as the execution of formal documentation.*

<sup>1</sup> Rey Resources Limited ASX announcement dated 19 July 2017 – June 2017 Quarterly Report.

<sup>2</sup> Rey Resources Limited website: Homepage link to EP487 Butler Prospect: <https://14eoux3d4nrmxxoncyphuhs11-wpengine.netdna-ssl.com/wp-content/uploads/2018/03/Butler-Prospect.pdf>

<sup>3</sup> Rey Resources Limited ASX announcement date 14 May 2018 - Acquisition of Lennard Shelf Interests & Sale of interest in Perth Basin and announcement dated 1 October 2015 <http://www.keypetroleum.com.au/sites/keypetroleum.com.au/files/asx-announcements/6735868.pdf>

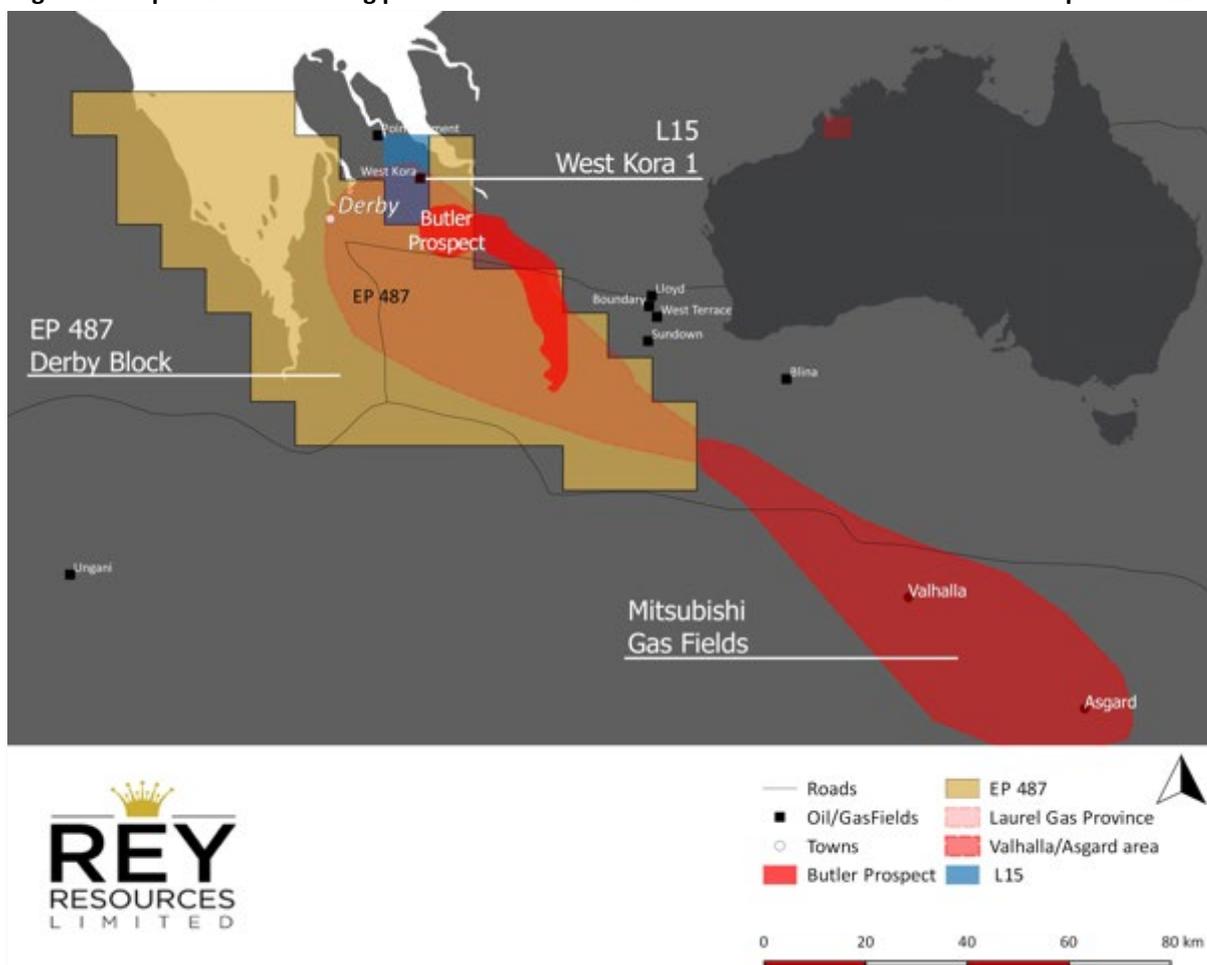
David Lenigas, Doriemus' Executive Chairman, commented;

*“Both of these deals that are subject to the letter of intent are potentially very significant for Doriemus. Kora West should see the Company become a producer in Australia and the Butler Prospect appears to be a very significant onshore hydrocarbons play. Our initial focus will be to get Kora West in to production as soon as the Kimberly wet season is over. With respect to the Butler Prospect, Doriemus will immediately engage an internationally recognised oil and gas consultant to update the previously reported Prospective volumetrics of 170 TCF gas (P50) and to assess the potential of drilling a 4,000m exploration well in Q3 2019 planned to utilise and incorporate the successful Fishbones Stimulation Technology. Fishbones, developed in Norway, is now a proven technology that can significantly improve well productivity in relatively tight formations.”*

Doriemus Plc (ASX: DOR) (“Doriemus” or the “Company”), is pleased to announce that it has signed a binding Letter of Intent with ASX Listed Rey Resources Limited (ASX:REY) (“REY”) (“LOI”). The completion of each of the farmins is conditional on Doriemus fulfilling certain funding and other obligations under the LOI and finalization of formal documentation. Should completion of the farmins occur, the relevant interests will represent the Company’s first assets located in Australia. Completion of the EP487 Farmin and the L15 Farmin are independent of each other.

## EP487 FARMIN - MAJOR GAS AND CONDENSATE TARGET- DERBY, WESTERN AUSTRALIA ONSHORE

Figure 1: Map of EP487 including potential locations of Laurel Gas Province and the Butler Prospect and L15



(Source: Rey Resources Limited)

### Summary of LOI Terms:

Pursuant to the LOI, Doriemus has the right to obtain a 50% interest (with operatorship) in 5,058 km<sup>2</sup> petroleum exploration permit EP487 (the “Derby Block”, or the “Butler Prospect”). Please refer to Figure 1 for location. Doriemus will earn this interest if it successfully funds and manages an updated independent assessment of the

existing Butler Prospect field estimates as well as securing the necessary funding to drill a 4,000m exploration well. In addition to updating field petroleum estimates, the independent consultants will be engaged to assess well completion techniques, in particular the use of Fishbones Stimulation Technologies, to potentially increase well productivity. Fishbones, developed in Norway, is having excellent success in increasing well productivity in tight oil bearing formations. Further information on Fishbones can be found at <http://fishbones.as>.

The drilling of the proposed well is in the process of gaining final approvals from Western Australian regulators, and can be potentially drilled as early as the end of Q2 2019, subject to securing funding and rig availability.

Further pursuant to the LOI, Doriemus will have a 60 day due diligence period. If at the completion of the due diligence period, the Company is satisfied with its investigations then it will enter into an industry standard joint operating agreement with REY to formalise the LOI and further govern this project. If within 12 months of signing the LOI Doriemus fulfilled its obligations set out above, it will be formally assigned the 50% interest in EP487 with the parties entering into a further joint venture arrangements as may be required for the ongoing development of the field.

## Funding:

Doriemus has the necessary funds available to fund the provision of an updated volumetrics estimate by an internationally recognised consultancy on the EP487 licence. On completion of the independent review and after undertaking a detailed costings analysis for the proposed 4,000m well on the Butler Prospect, Doriemus may be required raise additional funding by way of a commercial loan, seeking a strategic development partner, undertaking a capital raise, a sell down some of its existing assets or a combination of these funding thereof should it deem it appropriate to fulfill its obligations under the LOI set out above and obtain the 50% interest of EP 487.

## EP 487 Summary:

REY currently holds a 100% interest in petroleum exploration permit EP487. The block is considered to be predominantly a Wet Laurel Basin Centred Gas play ("BCG"), which is regionally extensive throughout the Canning Basin, with major companies such as Mitsubishi and Buru Energy also having operations further along trend in the area. Existing infrastructure in the area is extensive due to the operations at Mitsubishi's Valhalla and Asgard gas field operations.

## Prospective Potential Recoverable Resources on EP 487:

Doriemus notes that REY has published, in an ASX news release date 19 July 2017<sup>1</sup>, independently generated estimates of the gross prospective potential recoverable resource estimate (TCF gas recoverable) of the BCG play in the Derby Block (onshore portion). These estimates were provided by 3D Geo to REY in June 2017. REY's 100% interest in these Prospective Potential Recoverable Resources (unrisked, probabilistic estimate) of the Derby Block BCG play is provided in Table 1 below.

**Table 1: Rey Resources' 100% attributable interest in the gross prospective potential recoverable resources estimate of the Laurel BCG in EP 487 (estimate prepared by 3D-GEO June 2017).**

	Prospective Potential Recoverable Resources SPE PRMS (2011) <sup>3</sup>			
		P90 <sup>1</sup>	P50 <sup>1</sup>	P10 <sup>2</sup>
Gas in place	TCF <sup>1</sup>	68.0	169.6	412.9
Recoverable Gas	TCF <sup>1</sup>	9.4	28.4	81.1
Recoverable Condensate	MMbbl <sup>2</sup>	239	707	2,066
Recoverable BOE	MMBOE <sup>4</sup>	1,852	5,283	15,096

(Table 1 Source: Rey Resources' ASX news release dated 19 July 2017)

Notes to Table 1: <sup>1</sup>TCF- trillion cubic feet. <sup>2</sup>MMbbl- million barrels. <sup>3</sup>SPE PRMS (2011) - Society of Petroleum Engineers Petroleum Resource Management System (2011). <sup>4</sup>MMBOE- million barrels oil equivalent. Calculated using ratio of 6.22 billion cubic feet of gas equivalent to 1 million barrels of crude oil.

## Important Notes to table 1:

1. Investors should read the Rey Resources quarterly report dated 19 July 2017 in full.
2. These estimates of Prospective Potential Recoverable Resources were released by Rey Resources Limited on 19 July 2017 in accordance with the SPE-PRMS. Doriemus has not independently verified this information.

3. *Prospective resources are the estimated quantities of petroleum that may be potentially recovered by the application of a future development project and 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.*
4. *The summation includes GIP and recoverable gas and oil (condensate) resource resources for four interpreted and mapped Laurel Formation intervals: Upper Laurel, Middle Laurel, Lower Laurel and Basal Laurel.*
5. *Prospective Resource estimates only consider sequences within the main eastern onshore part of the Fitzroy Trough within EP 487 at depths above 5,000 m (considered to be an economic cut-off).*
6. *The volumes reported here are "Unrisked" in the sense that a "Chance of Discovery" factor has not been applied to the designated volumes within this assessment. Chance of Discovery represents an indicative estimate of the probability that potential recoverable quantities of hydrocarbons might be discovered and developed. The Volumes are not also reduced for non-hydrocarbon inert gas content (i.e. CO<sub>2</sub>, N<sub>2</sub>)*

## WEST KORA OIL PRODUCTION FARMIN: L15, DERBY, WESTERN AUSTRALIA

### Summary of the LOI terms:

In addition to and separately to the above, and further in accordance with the LOI, Doriemus has the right to earn a 50% interest (with operatorship) in the 163 km<sup>2</sup> L15 permit ("West Kora" or "L15"). Please refer to Figure 2 below for location. REY currently owns 100% of L15 and Doriemus can secure its 50% interest by funding a \$1 million field development plan over the following year on the L15 permit which would be designed to bring West Kora back in to production.

Further pursuant to the LOI, Doriemus will have a 30 day due diligence period. If at the completion of the due diligence period the Company is satisfied with its investigations then it will enter into a joint operating agreement with REY to formalise the LOI and further govern this project. If within 12 months of signing the LOI Doriemus has fulfilled its obligations set out above, it will be formally assigned the 50% interest in L15 with the parties entering into a further joint venture arrangements as may be required for the ongoing development of the field.

### Funding:

Doriemus confirms that it has the funds available to complete the due diligence phase of this project. With current cash reserves and anticipated revenues from its UK oil operations, Doriemus believes it currently has the necessary funding available to fund bringing L15 back in to production and spend A\$1million on the L15 permit within the required 12 month period.

### Summary of L15:

L15 is a production licence granted in 2010 and contains the West Kora oilfield with production history. The last time the well was in production was in 1996. The L15 Oil Field is fully permitted to bring it back in to oil production. Doriemus aims to bring L15 back in to production in late Q1 2019, when the Kimberley wet season is over.

### Reserves and Resources:

An estimation of oil reserves and contingent oil resource for the West Kora Oilfield in L15 was provided by Energetica Consulting in September 2015 (refer to Key Petroleum Limited's ASX releases dated 30 September 2015<sup>4</sup>) and reviewed by REY and released by REY on 14 May 2018<sup>3</sup>. The estimation is based on the vintage wells in the permit and relevant studies. The estimated remaining reserves and resources, as calculated by Energetica Consulting in September 2015, are listed in Table 2 below.

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<sup>4</sup> Key Petroleum Limited ASX announcement dated 1 October 2015 - Maiden Reserves And Contingent Resources Reports - <http://www.keypetroleum.com.au/sites/keypetroleum.com.au/files/asx-announcements/6735868.pdf>

**Table 2: Reserves and Contingent Resources estimation of West Kora Oilfield**

(Refer to Key Petroleum Limited’s ASX release dated 30 September 2015 and Rey Resources Limited release dated 14 May 2018).

Estimated Remaining Reserves and Resources- SPE PRMS (2011) <sup>2</sup>				
		1P	2P	3P
West Kora Recoverable Oil	mmSTBO <sup>1</sup>	0.25	0.38	0.66
		1C	2C	3C
West Kora Recoverable Contingent Resources	mmSTBO	0.06	0.12	0.26

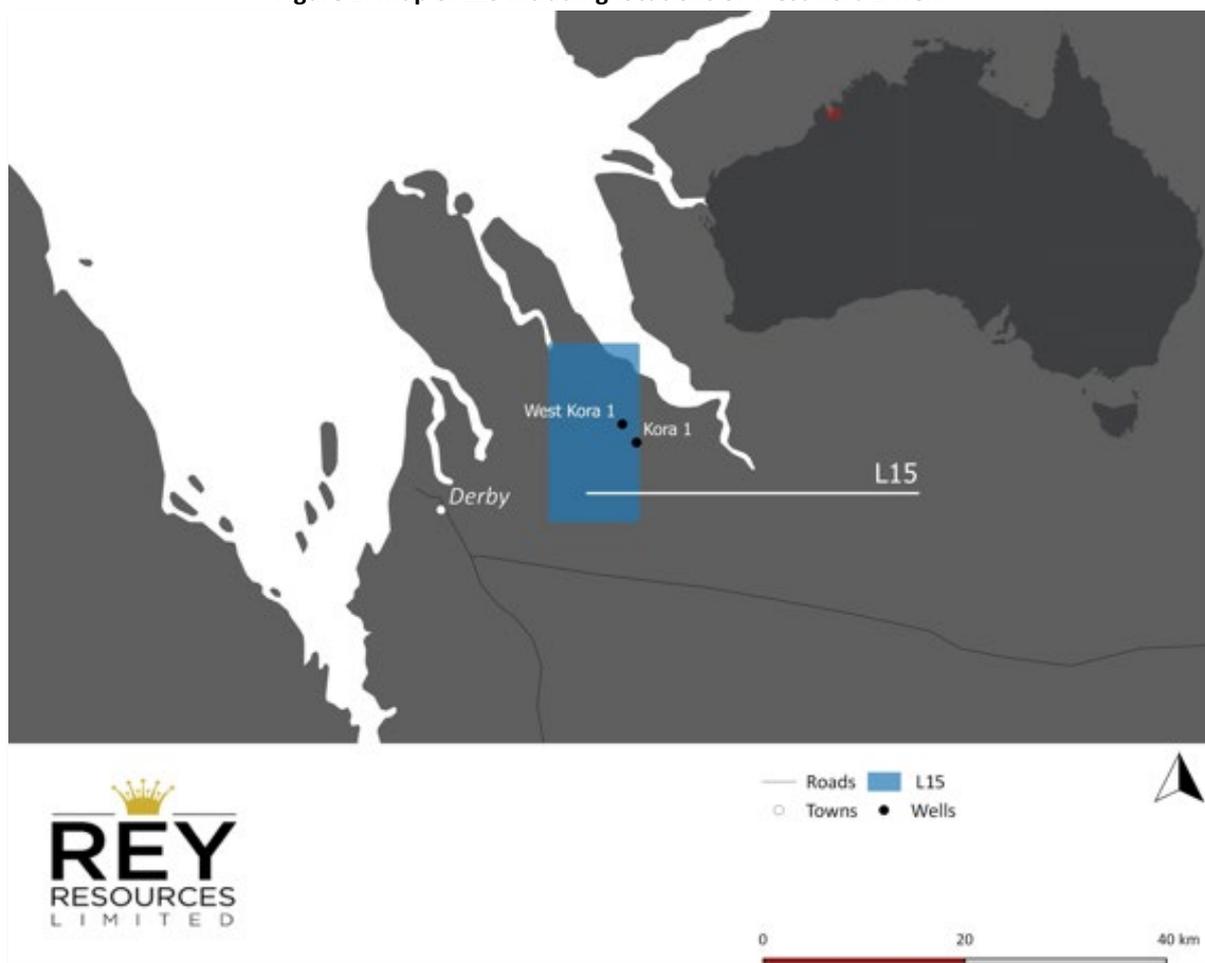
(Table 2 Source: Key Petroleum Limited and Rey Resources Limited )

Notes to Table 2: <sup>1</sup>mmSTBO – million stock tank barrels of oil. <sup>2</sup>SPE PRMS (2011) - Society of Petroleum Engineers Petroleum Resource Management System (2011)

**Important Notes to table 2:**

1. Investors should read the Rey Resources Limited release dated 14 May 2018 and Key Petroleum Limited release dated 30 September 2015 in full.
2. These estimates of petroleum resources and reserves were released by Key Petroleum Limited on 30 September 2015, and are stated to be in accordance with the SPE-PRMS. Energetica Consulting served as reserves and resource evaluator on behalf of Key Petroleum Limited. Doriemus has not independently verified this information.
3. The remaining reserves and resources are the estimated quantities of petroleum that may be potentially recovered by the application of current techniques, potential future development. 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.
4. All volumes have been calculated deterministically using estimated ranges for field area, gross pay, net to gross, shape factor, porosity, water saturation, gas and oil formation volume factor and estimates of hydrocarbon recovery factor.

**Figure 2: Map of L15 including locations of West Kora 1 well.**



(Source: Rey Resources Limited)

## QUALIFIED PETROLEUM RESERVES AND RESOURCES EVALUATOR STATEMENT:

*Pursuant to the requirements of the ASX Listing Rules, and unless otherwise referenced, the technical information contained in this announcement was prepared under the supervision of Mr. Gregory Lee, who is the Technical Director of the Company. Mr. Lee has more than 30 years' diversified experience in the petroleum industry. Mr. Lee is a chartered professional Engineer (CPEng) and a member of the society of petroleum engineers (MSPE) and has been an independent consultant Petroleum Engineer since 1992 and has sufficient experience in exploration for, appraisal and development, operations of oil and gas resources.*

## CONTACTS:

For further information on this update or the Company generally, please visit our website at [www.doriemus.co.uk](http://www.doriemus.co.uk) or contact:

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## FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE:

This document may contain forward looking statements that are subject to risk factors associated with the oil and gas industry. Forward looking statements include but are not necessarily limited to statements concerning Doriemus's planned operations and other statements that are historic facts, when used in this announcement, the words such "could", "plan", "estimate", "expect", "intend" "may", "potential", "should" and similar expressions are forward looking statements. Although the expectations reflected in these statements are reasonable, they involve risks and uncertainties, and may be affected by many variables which could cause actual results or trends to differ materially. No assurance can be given that actual results will be consistent with these forward-looking statements.

**Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.**