



**Rawson Resources Limited**

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**Sydney NSW 2001**

1 July 2014

ASX Market Announcements  
Electronic Lodgements  
For immediate release

## **MAIDEN RESERVES STATEMENT: CONVENTIONAL ASSETS**

Rawson Resources Limited (ASX: RAW) is pleased to provide the following Statement of Reserves for our assets in the Otway and Cooper basins. This report represents Rawson Resources maiden Reserves Statement and includes only our conventional resources and reserves as at 1 July 2014.

### **RESERVES**

The Killanoola Oil Field (PRL 13) has a gross proved plus probable (2P) reserves of 333,000 barrels of oil (economic interest to Rawson Resources 97.5%\*) and the Udacha Gas Field has a gross 2P reserve of 3.1 Gscf (economic interest to Rawson Resources 10%\*).

### **PROSPECTIVE RESOURCES**

The two exploration licences in the Otway Basin (PEL 154 and PEL 155) have a gross Best Estimate Prospective Resources of 92.4 Gscf (economic interest to Rawson Resources 95%\*). Several additional leads within the two licence areas have not been included in this statement, but remain attractive follow-ups in the event of a discovery. Additional technical work will be undertaken to be matured these leads to prospects.

Additional resources have been identified in the Udacha gas field (Lowry Prospect), with a gross Best Estimate Prospective Resource of 4.7 Gscf (economic interest to Rawson Resources 10%\*).

### **UNCONVENTIONAL PROSPECTIVITY**

The company is currently reviewing the unconventional prospectivity of our Otway Basin exploration licences following recent positive drilling results in several adjacent exploration licences. An Unconventional Resources Statement will follow.

For further information:

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Note: \* Economic interest refers to percentage interest in the licence less any overriding royalties.

# RAWSON RESOURCES RESERVES AND RESOURCES STATEMENT (UNAUDITED)

## Net Reserves and Prospective Resources as at 1 July 2014

### RISKED UNDEVELOPED RESERVES<sup>1</sup> by Asset

License	Rawson Interest	Prospect /Field	Petroleum Fluid <sup>2</sup>	1P	2P	3P	POGS <sup>3</sup>
PRLA 26 (Udacha) <sup>4</sup>	10%	Udacha <sup>5</sup>	Sales Gas (PJ)	0.12	0.31	0.68	-
			Condensate (Kbbl)	2.34	6.19	13.65	-
PRL 13 (Killanoola) <sup>6</sup>	100%	Killanoola-1 <sup>7</sup>	Oil (Kbbl)	94.2	233.3	499.3	-
	100%	Killanoola-SE <sup>7</sup>	Oil (Kbbl)	36.2	91.7	210.8	-

Notes:

- Volumes calculated probabilistically: 1P=P90, 2P=P50 and 3P=P10.
- Kbbl = thousand barrels (103); PJ = petajoule (1015)
- POGS, probability of geological success.
- PRLA 26 (Udacha) – Rawson holds 10% equity.
- Sales gas quantities include LPGs. Gas sales through connection to nearby 3rd party operated gathering and processing facilities, with the reference point taken as either a meter at the wellhead or at the inlet to the production facility as proposed by the Operator.
- 2.5% overriding royalty on PRL 13 (Killanoola)
- The reference point for sales oil is taken at extraction from the onsite production tank.

### RISKED PROSPECTIVE RESOURCES<sup>1</sup> by Asset

License	Rawson Interest	Prospect /Field	Petroleum Fluid <sup>2</sup>	Low Estimate	Best Estimate	High Estimate	POGS <sup>3</sup>
PEL 154	100%	Benara	Gas (Gscf)	1.46	3.11	6.73	0.125
		Benara East	Gas (Gscf)	0.61	1.50	3.08	0.1
PEL 155	100%	Nangwarry	Gas (Gscf)	4.83	8.28	13.58	0.25
	100%	South Salamander <sup>4</sup>	Gas (Gscf)	1.78	4.85	11.08	0.25
PRLA 26 (Udacha) <sup>5</sup>	10%	Lowry	Gas (Gscf)	0.10	0.23	0.49	0.48

Notes:

- Volumes calculated probabilistically: Low Estimate=P90, Best Estimate=P50 and High Estimate=P10.
- Kbbl = thousand barrels (103); PJ = petajoule (1015)
- POGS, probability of geological success.
- The South Salamander prospect straddles the boundary of PEL 155 with 55% of the prospect area within PEL 155.
- PRLA 26 (Udacha) – Rawson holds 10% equity.

## Reserves and Resources Methodology

All volumes have been calculated probabilistically 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.

For this report, Stochastic Simulation served as reserves evaluator on behalf of Rawson Resources; Stochastic Simulation officers and employees have no direct or other pecuniary interest in Rawson Resources. It is Stochastic Simulation's considered opinion that these estimates of petroleum resources and reserves as of 1 July 2014, are reasonable and have been prepared in accordance with the requirements of the ASX for reporting petroleum reserves and prospective resources in accordance with the SPE-PRMS.

Regarding Prospective Resources, estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) 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.

## Qualified Petroleum Reserves and Resources Evaluator

Dr Wadsley received a Bsc (Hons), University Medal in Mathematics from the Australian National University in 1970, an MSc from the University of Warwick (UK) in 1972, and a PhD (Mathematics) from the University of Warwick (UK) in 1974. He has more than thirty-eight years' experience in the petroleum industry, starting as a well-site petroleum engineer with Shell International in 1975, and is currently executive Chairman of Stochastic Simulation Limited, a Perth, Western Australia, based Oil and Gas Services Company. Dr Wadsley is a member of the Society of Petroleum Engineers, the European Association of Geoscientists and Engineers, and the Society for Industrial and Applied Mathematics. The reserves and resources information in this statement has been issued with the prior written consent of Dr Wadsley in the context in which it appears.

## APPENDIX 1 – Reporting of Petroleum Reserves and Resources for a Material Project

RESERVES		
	PRL 13 (Killanoola)	PRLA 26 (Udacha)
<b>Economic Assumptions and Methodology</b>	Oil price based on long term forecast (IEA, 2013). Development costs are considered most likely estimate of costs.	Gas price based on nearby Gas Sales Agreements from nearby producing fields. Development costs are considered most likely estimate of costs.
<b>Operatorship</b>	Rawson Resources is operator	Rawson Resources is non-operator (Beach Energy Limited is operator)
<b>Licence Status</b>	Petroleum Retention Licence prior to establishing a Petroleum Production Licence.	Application for Petroleum Retention Licence prior to establishing a Petroleum Production Licence.
<b>Basis for confirming commercial producibility and booking reserves</b>	The reserves are hosted in the same geological formations that have already been productive in adjacent licences. These reserves therefore have numerous relevant nearby field analogues regarding producibility.	The reserves are hosted in the same geological formations that have already been productive in adjacent licences. These reserves therefore have numerous relevant nearby field analogues regarding producibility.
<b>Analytical Procedures used to estimate the reserves</b>	Undeveloped reserves are estimated using a combination of well logs, seismic interpretation and structure mapping and recovery factor estimates from near-field developments.	Undeveloped reserves are estimated using a combination of well logs, seismic interpretation and structure mapping and recovery factor estimates from near-field developments.
<b>Proposed extraction method and any specialised processing required</b>	Killanoola-1 is completed with LRP production pump with liquid produced into an on-site production tank; a workover to fix a suspected casing leak may be required. Killanoola SE-1 is cased and suspended; production using a production pump to the Killanoola-1 facilities is proposed. The oil has a high pour point and requires mixing with pour point depressant or condensate to be handled for normal storage and transport. During winter, the wellhead and facilities may require heating.	Production by 4 km surface pipeline to an adjacent producing gas field is proposed. The reserves are based on a minimum wellhead pressure without compression of 670 psia together with fracture stimulation of the well.
<b>Estimated Quantities to be recovered</b>	See table above	See table above
<b>Undeveloped Reserves:</b>		
<b>Status of the project</b>	The development project is targeting the undeveloped reserves from existing discovery wells and onsite production equipment.	The development project is targeting the undeveloped reserves from the existing discovery well.
<b>Development date</b>	The reserves will be targeted for development within 5 years	The reserves will be targeted for development within 5 years
<b>Marketing arrangements and access to transportation</b>	The reserves will be transported and marketed at the nearest refinery.	The reserves will be marketed through existing gas pipeline infrastructure within the immediate vicinity.
<b>Environmental approvals</b>	Environmental approvals are required	Environmental approvals are required
PROSPECTIVE RESOURCES		
	PEL 154 and PEL 155	
<b>Licence Status</b>	Petroleum Exploration Licence (PEL)	
<b>Basis on which the prospective resources are estimated</b>	The development project is targeting the undeveloped reserves from existing discovery wells and onsite production equipment.	
<b>Further exploration activities, including studies, further data acquisition and evaluation work, and exploration drilling to be undertaken and the expected timing of these exploration activities</b>	<ul style="list-style-type: none"> <li>Prospective Resources have been identified from the same oil/gas bearing stratigraphic levels in nearby discoveries and/or existing producing fields</li> <li>A combination of geological modelling, field analogues and volumetric assessment have been used to estimate the Prospective Resources.</li> <li>Several prospects are considered near-drill ready and the early stages of well planning have been initiated. Over the next three years additional geological and geophysical studies are likely to include seismic reprocessing and analyses of nearby wells to mature the existing leads inventory to drillable targets. Exploration drilling will likely commence in the next two years depending on approvals and rig availability.</li> </ul>	
<b>Assessment of the chance of discovery and the chance of development</b>	The chance of discovery is high as it is a proven oil and gas play and near to existing discoveries. There is a risk that there are insufficient volumes for a commercial development.	
<b>Explanation of how the estimates were adjusted for risk</b>	The Prospective Resources have been risked according to the Probability for Geological Success (POGS). The process attempts to estimate the probability of making a discovery by considering the probability of the critical geological factors of reservoir, trap (including seal), and hydrocarbon charge. This is done through an internal review process.	