



Indago Energy Limited

2 August 2018

Indago Acquires Additional Acreage at its Utah Heavy Oil Project

Indago Energy Limited (“INK”) announces that it has acquired an additional 1,539 acres over a portion of Asphalt Ridge in the Uinta Basin in Utah to augment the 1,920 acres it acquired in May 2018.

At Asphalt Ridge INK is targeting the oil sands in the Upper Cretaceous Rimrock Sandstone which is one of several well documented oil sands in Utah. According to the Utah Geological Survey Asphalt Ridge contains oil sands with over 1 billion barrels of measured oil in place over an area covering approximately 10,500 acres.

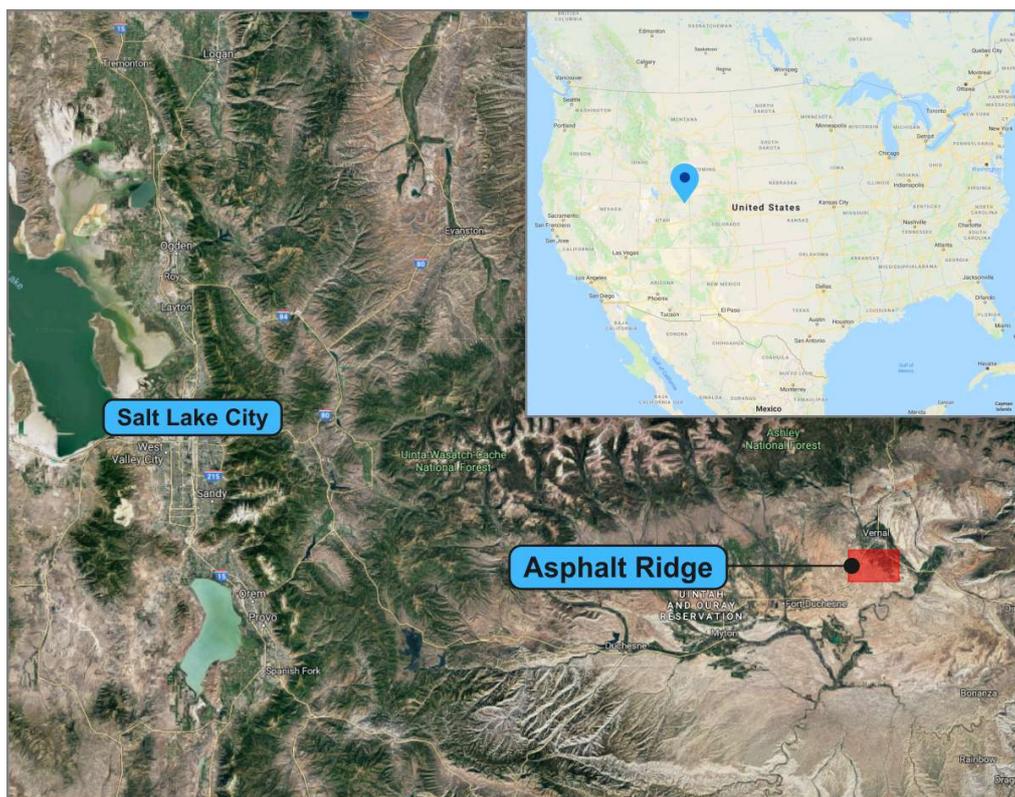


Figure 1 Asphalt Ridge, Utah



Indago Energy Limited

INK has now acquired a total of 3,459 acres including Section 22 (T4S R20E) where six wells have been drilled by previous operators providing detailed information on key aspects of the reservoir and oil.

Indago observed that several operators have also mined asphalt from the shallow Mesaverde Group to the east, southeast and northeast of Indago's leased acreage with some asphalt mining having occurred within sections 23 & 24 of INK's newly acquired acreage. The information from previous operators has demonstrated an oil saturated reservoir approximately 90-175' (27-53 metres) thick at a depth range from surface outcrop down to ~3000' (914 metres).

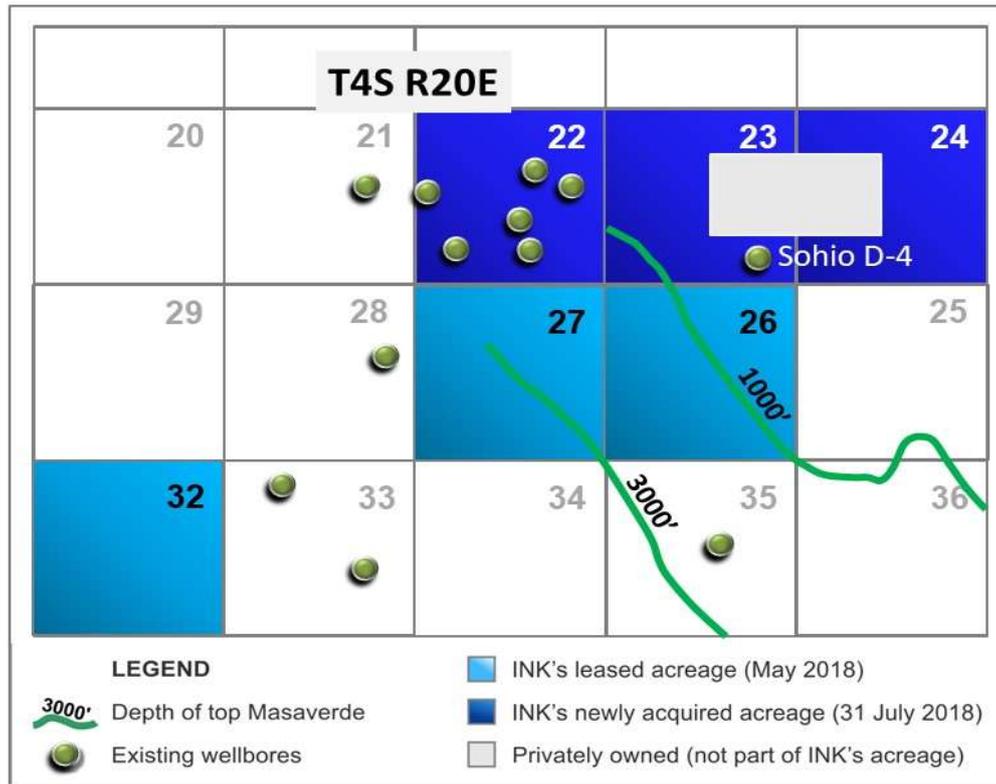


Figure 2 Indago lease acquisitions in May 2018 (light blue), new acquisitions (dark blue) and previous exploration wells. Note that there is a privately owned lease (grey) that is not part of INK's latest acreage acquisition.



Indago Energy Limited



Figure 3. Photo of the Rimrock Sandstone seeping heavy oil from an outcrop adjacent to INK's new lease acreage acquisition.

Based on previous results published on the Utah Geological Survey website of more than 330 core samples from six test wells drilled in the sections that INK just acquired, the target zone has reported reservoir properties including an average porosity of 30.3%, average permeability of 524 millidarcies, oil saturation of 65.6% and an oil gravity of 10-14⁰API. The Utah Geological Survey also published results indicating that the average oil grade in sections 22 and 23 range from 171-178 thousand barrels/acre ft.

INK will submit these historical results and all available well logs to an independent resource assessor for volumetric analysis and to verify published information.



Indago Energy Limited

The Company will initially test samples from Rimrock Sandstone to confirm key reservoir parameters including oil saturation. Results will also be used to assist in the design of a larger appraisal programme aimed at determining the continuity, thickness and amount of oil saturation of the Rimrock Sandstone across INK's leased acreage. An important component of the programme will be to demonstrate whether or not the Multi-Flow technology can be used to extract oil economically via mining techniques and/or enable the crude to be lifted to surface with conventional oilfield equipment.

The leases have a primary term of 10 years for an annual cost of US\$10 per acre per year. The acquisition costs were immaterial.

“Indago’s new leases now complete our land acquisition at Asphalt Ridge so our efforts will now turn to the appraisal of the acreage and to test the applicability of our technology to this very large oil accumulation. Our entry into Utah, like our recent acquisition of a heavy oil project in Kentucky, is part of INK’s upstream strategy to identify and acquire interests in several upstream oil projects where its unique technology for reducing viscosity can be applied in order to develop its own reserves and cash flow.” according to INK Chairman Stephen Mitchell.

For further information please contact:

Stephen Mitchell
Chairman

Telephone: +61 3 9642 2899

Website: www.indagoenergy.com

ASX code: INK