



Indago Energy Limited

12 October 2018

Testing Commences on Kentucky Well

Indago has commenced testing the Weldon Young #1A well at its 100% owned heavy oil project in Kentucky.

During its drilling and coring operations earlier this year, Indago encountered good oil shows in the well and subsequent analysis of the logs and core indicated that most prospective zone is an 18 foot section from 615-633 feet.

After the core analysis was completed, Indago designed several completion procedures to inject Multi-Flow into the zone in order to mobilize and produce the oil in the Big Clifty formation. This current test represents the first completion type to be trialled.

All necessary completion components are now on site to conduct the first test and the well has been perforated. Once an old nearby well is sealed, pump trucks will heat and then inject Multi-Flow along with a carrier fluid into the perforations. Once the fluid has been injected, the well will be shut-in for several days to allow the Multi-Flow to contact as much of the reservoir as possible and to mobilise the oil contained therein. The well will then be opened up and tested using a swabbing technique.

These tests will initially be conducted over a period of several weeks.

The objective of the test is to establish if oil can be produced to surface with Multi-Flow and to assist in the design of future production testing programmes, including a possible tri-phase squeeze and a possible frac, both using Multi-Flow.

As previously announced, strong oils shows were encountered across multiple zones during drilling operations. The first oil show was observed at 255 feet in the Palistine sandstone with another oil show at 425 feet in the Tar Springs sandstone. Further oil shows were observed in the Hardinsburg sand over a 20 foot interval where samples exhibited high oil saturation.

The primary target, the Big Clifty Sandstone, was reached as prognosed at 600 feet, at which point coring operations were conducted from 603' to 657' in the oil saturated sandstone. The cores were observed to be bleeding oil with no observed gas.

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On 6th March 2018 Indago announced that it had received its first oil certification for its heavy oil project in Kentucky. An independent Contingent Oil Resources report prepared by Netherland Sewell & Associates Inc (“NSAI”) estimated that the Contingent Oil Resources within the 100% owned project are 3.74 million barrels of oil (“mmbbl”) on a 2C basis, 1.87 mmbbls on a 1C basis and 7.49 mmbbls on a 3C basis from an Original Oil in Place (“OOIP”) of 42.8 mmbbls.

This initial Contingent Resource report confirmed significant oil in place in INK’s initial project area, which is believed to also extend significantly beyond INK’s leased acreage, providing scope for a sizeable project should INK’s technologies prove technically and commercially successful.



Figure 1 – Drilling the Weldon Young #1A well in Kentucky.

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