



## NEWS RELEASE

TSX Venture Exchange Symbol: SNV

# Sonoro confirms presence of oil and gas in its LG-1 Up-dip well

**CALGARY, Canada** (Nov. 23, 2017)—Sonoro Energy Ltd. (“Sonoro” or “the Company”) (TSX-V: SNV) has cased its LG-1 Up-dip well in West Sulawesi, Indonesia with 4.5” casing and cemented it in place to a depth of 546 metres KB (below the “kelly bushing”), following conventional coring, logging and open-hole drill stem testing (“DST”). This is to allow for evaluations and production testing of several prospective hydrocarbon-bearing zones.

Preliminary interpretation and calibration of the drilling, conventional cores and wireline logs show an interval of 79 metres of reservoir sandstones interbedded with shales in the Pliocene aged Lisu Formation between depths of 295mKB and 500mKB. Of the reservoir sandstones, a minimum of 10.1 metres are individually thick enough (>0.75m) to register as pay using petrophysical methods, where conventional cores clearly indicate the presence of hydrocarbons. Conventional cores and DSTs have shown the majority of the thicker sandstones to be highly permeable and unconsolidated. The Company was able to run three open-hole DSTs, but with sand production, and plugging of surface equipment, which are common with drilling operations in Indonesia, the Company did not run the remaining two DSTs, and proceeded to case the well.

Well deliverability testing is planned to be carried out after further analysis and subsequent cased-hole production testing, before the level of commerciality of the LG structure can be confirmed.

Drilling and services equipment will now be demobilized from the LG-1 Up-dip wellsite. The Company will evaluate all the well data and results to prepare plans to complete and production test the well, which it hopes to carry out during the first quarter of 2018. The Company will be reviewing the plans with SKKMIGAS, Indonesia’s government regulator, to obtain further permits and extensions of the license as may be required.

“We are excited about the results we have seen and the opportunity we have potentially opened up. The clear evidence of highly permeable reservoir sands, and the presence of continuous-phase trapped oil and gas, have further de-risked the project,” says Richard Wadsworth, CEO and Director of Sonoro Energy.

“We also remain confident that a much larger opportunity exists in the Budong Budong Production Sharing Contract,” adds Mr. Wadsworth, “as similar shallow prospects have already been mapped at the Pliocene Lisu Formation level—several of which appear to be much larger in area than the LG formation.”

Dr. Christopher Atkinson, Sonoro’s Chairman, says that the original downdip LG-1 well in West Sulawesi indicated that there was a strong possibility of trapped oil and gas in the LG structure. “Consequently this well was drilled with three goals in mind: firstly, to confirm the depositional

model of the sandstones; secondly, to prove that the sandstones had reservoir quality; and, finally, to attempt to use open-hole DSTs to provide information on likely flow rates and commerciality," remarks Dr. Atkinson.

"Results from the well and correlation to the original LG-1 well have confirmed that we are dealing with a turbidite depositional system whereby sandstones appear to thicken off the crest of the syndepositional structure. These sandstones are quartz-rich, range from fine to coarse grained, and are highly permeable on the basis of core, wireline log and DST data. With operational and downhole constraints during the open-hole DST technique, our third goal could not be ascertained at this time—hence the decision to case, cement and prepare for a series of cased hole production tests," says Dr. Atkinson.

"The Updip LG-1 well meets the PSC work program commitments. It has proven our technical ability by utilizing a very different and cost-effective approach. This has further strengthened our reputation with SKKMIGAS and the local community," he adds.

Mr. Wadsworth further stated "The team has continued to review and evaluate new business opportunities targeting near-term production opportunities. As a result we have recently signed non-binding memorandums of understanding with independent third parties to acquire and farm into two attractive new production sharing contracts in proven basins. These opportunities follow a similar philosophy of approach as with Budong Budong—in that discoveries have been made, and further geological interpretations advanced, with further drilling needed to confirm the commercial potential of these high-impact opportunities. Final due diligence and definitive agreements are being completed, and further information will be announced upon their conclusion."

The Company remains committed to further development of the Budong Budong PSC and the opportunities it is reviewing in Indonesia. The Company will provide more information as analysis, plans, timing and approvals for further testing of the LG-1 Up-dip well are concluded.

#### **About Sonoro**

Sonoro is an international oil and gas resource exploration and development company with a focus on Southeast Asia and its onshore Budong Budong production sharing contract in Sulawesi Indonesia. The Company has drilled and successfully cased the LG-1 Up-dip well with oil and gas shows being present and plans for further analysis and production testing proceeding. For further information please contact:

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