



Indago Energy Limited

4 May 2018

Indago Acquires Utah Heavy Oil Project

Indago Energy Limited (“INK”) announces that it has leased 1,920 acres over a portion of Asphalt Ridge in the Uinta Basin in Utah targeting the oil sands in the Upper Cretaceous Rimrock Sandstone of the Mesaverde Group.

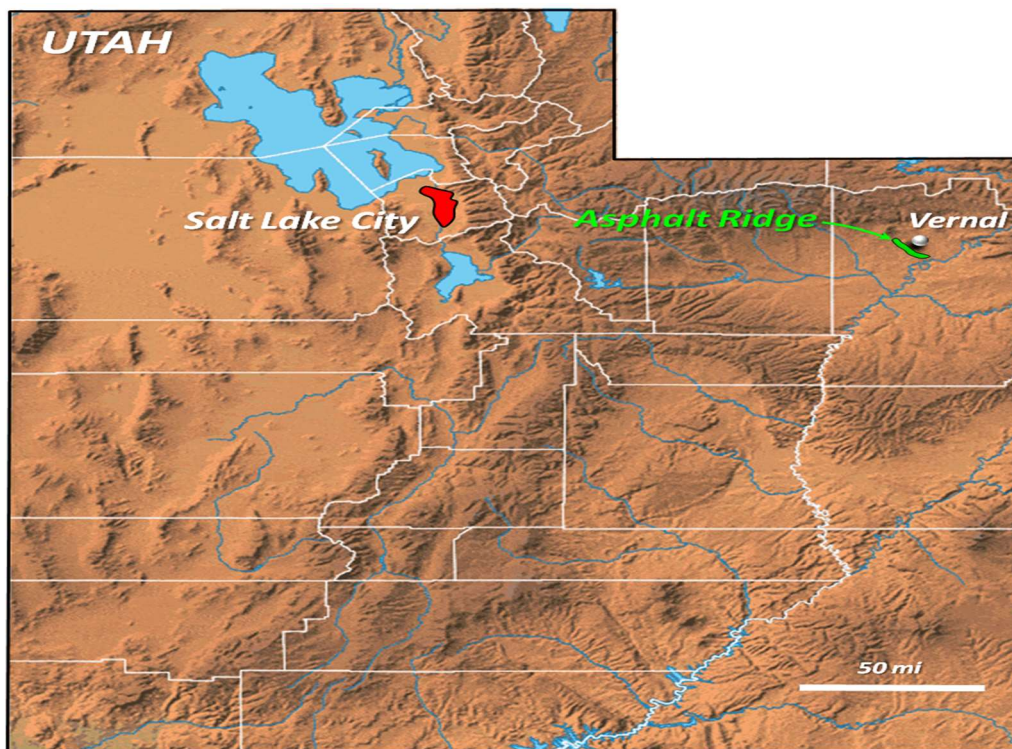


Figure 1 Asphalt Ridge, Utah

The Rimrock Sandstone of the Mesaverde Group is one of several well documented oil sands in Utah, a state that, according to the Utah Geological Survey, contains oil sands with 14 to 15 billion barrels of measured oil in place with an additional estimated resource of 23 to 28 billion barrels.



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As illustrated in Figure 2 below, previous operators in the region have drilled several exploration wells in sections directly adjacent on the north, west and south of Indago's acreage in sections 26 & 27, and east of section 32. Indago has been able to assess some of the information from earlier wells which has assisted in understanding key elements of the play and the region's prospectivity. In addition, several operators have mined asphalt from the Mesaverde Group at outcrop and in the shallow subsurface to the east and northeast of Indago's leased acreage. The information from previous operators has demonstrated an oil saturated reservoir approximately 90-175' (27-53 metres) thick, at a depth range of between 200-3000' (60-914 metres).

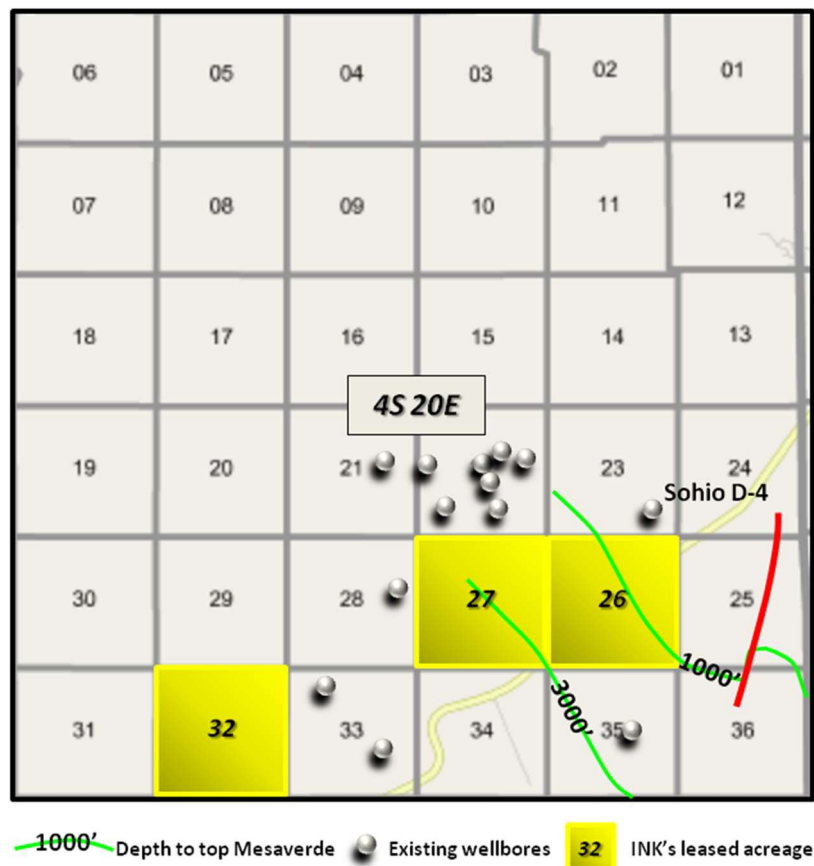


Figure 2 Indago leases and previous exploration wells



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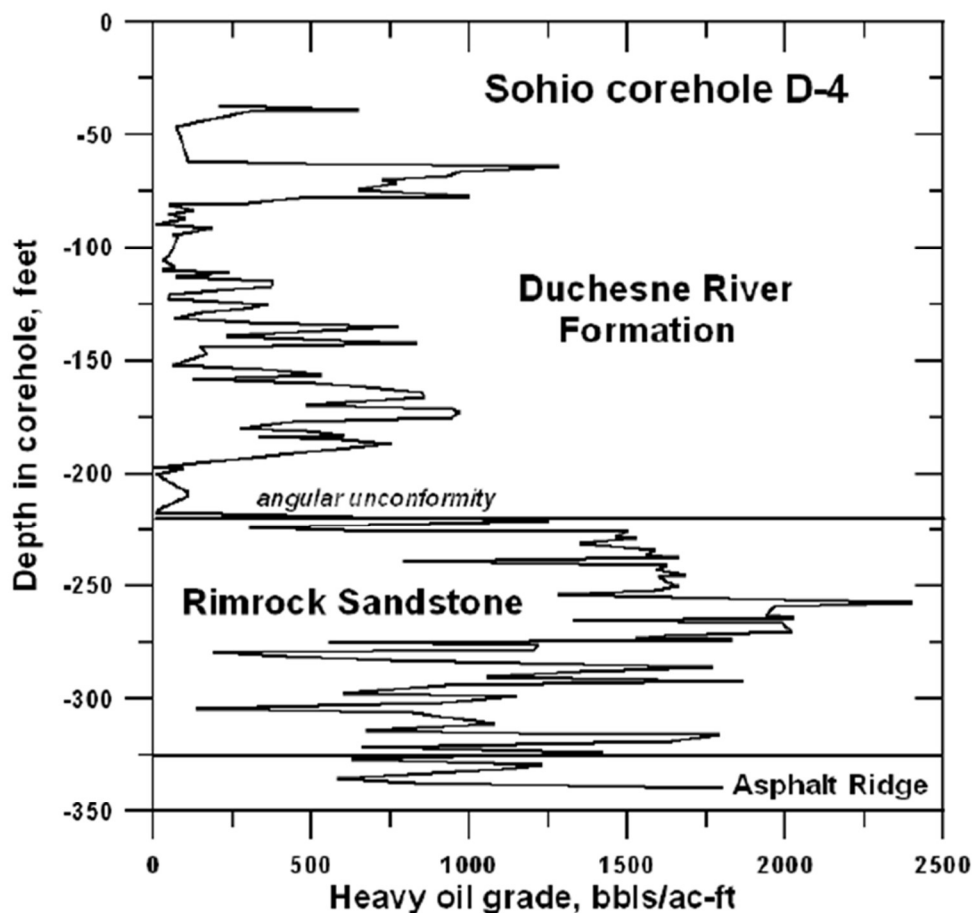


Figure 3 Distribution of oil-saturated sandstones within the upper Eocene Duchesne River Formation and the Upper Cretaceous Mesaverde Group in the Sohio D-4 core (Utah Geological Survey)

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 adjacent to Indago's acreage, the target zone has reported reservoir properties that include an average porosity of 30.3%, average permeability of 524 millidarcies, oil saturation of 65.6% and an oil gravity of 10-14⁰API.



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The Company will initially test oil samples from Rimrock Sandstone to both understand the efficacy of INK's technology in extracting oil from the sand as well as to assist in the design of a larger appraisal programme. The larger programme will aim to demonstrate the continuity, thickness and amount of oil saturation of the Rimrock Sandstone across INK's leased acreage, and demonstrate whether or not the Multi-Flow technology can increase API oil gravity and reduce oil viscosity to enable the crude to be lifted to surface with conventional oilfield equipment.

INK will submit results from its initial testing along with historical results and all available well logs to an independent resource assessor for certification including volumetric analysis to verify published information.

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 continues to seek and acquire large oil accumulations in North America where its innovative technology and products may be instrumental in demonstrating commercial viability. Our key product has been designed to enhance viscosity and thus improve the flow and recovery characteristics of oil. Like our recent acquisition in Kentucky, the Utah acquisition and early assessment of a known large oil accumulation is inexpensive and thus offers a very attractive risk reward profile on which to test INK's heavy oil technologies." according to INK Chairman Stephen Mitchell.

INK's upstream strategy has been to identify and acquire an interest in several upstream oil projects where its unique technology for reducing viscosity and pour point can be applied in order to develop its own reserves and cash flow. Should it be successful, this will also demonstrate to other participants in the industry the commercial benefits of Multi-Flow and assist in generating additional product sales.

In addition to its upstream initiatives in north America, INK continues to aggressively pursue opportunities for product sales through its own staff in the US & Canada as well as via its channel partners in the Middle East and China.

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