



Timor
Resources

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PRESS RELEASE

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ONSHORE OIL DISCOVERY IN TIMOR-LESTE

Timor Resources, Operator of onshore acreage and their Joint Venture partner Timor Gap (National Oil Company of Timor-Leste), have completed the second well in their planned drilling campaign.

Hydrocarbon shows of significance were encountered during drilling below 942mMDRT and 9.625" casing was set at 936mMDRT. The well was drilled to a total depth of 1690m

A proven active petroleum system Kumbilli-1, in PSC TL-OT-17-08 ("Block A").

Logging shows extensive natural fracturing, an important production characteristic for a limestone and Triassic clastic reservoir of this type and one that could lead to an upgrade of the net pay estimate as the characteristics of the reservoir become better understood. Reservoir taken for age dating shows Triassic.

High down hole pressures encountered lends confidence to the reservoir being adequately charged to support oil recovery.

Two intervals within interpreted prospective zones were selected for wireline testing with the Schlumberger MDT Tool using 1m packer spacing across a 60cm perforated interval. The focus was on the upper zone which was within a thicker interval with high wet gas concentrations encountered during drilling. Six down hole sample chambers were filled with oil and filtrate as indicated by the tool's onboard analyser.

Flow testing, including the mobilisation of the required down hole tools and surface equipment and specialist testing personnel to Timor-Leste, is expected to commence after an appropriate testing plan is devised..

The recovery characteristics of this reservoir interval will be better understood once initial flow testing work is completed. The following factors raise expectations for the commercial recovery of the oil encountered in the structure to date:

1. Kumbilli-1 is on trend with the nearby offshore wells where oil was recovered in Limestone.
2. The source rocks are organic rich shales found thinly interbedded with limestones in the Triassic Aitutu Fm on par with some offshore oil discoveries from the same age dated source rocks.
3. Oil samples obtained from open hole mini DST from Karau-1, the first onshore exploration well drilled by Timor Resources in November 2021, have been assayed and confirmed the oil recovered is light sweet crude oil with an API value of 33° and, low sulphur content.
4. The formation pressures encountered whilst drilling the interval were significantly higher than those which were recorded by all of the offset wells previously drilled, demonstrating it is adequately charged.
5. Logs of the interval have revealed pervasive natural fracturing, an important characteristic in carbonate reservoirs for assisting the natural flow of oil and gas into the well bore. Resistivity image of the well bore (generated by the FMI logging) confirm the presence of conductive fractures.
6. Oils that have been recovered at both of Timor Resource's wells, show the oil to be light, sweet crude and not significantly biodegraded which confirms that migration has been recent and supports a hypothesis that they are coming from deeper source rocks in the section, generated and charged from a large accumulation at depth.

The exploration potential of Timor-Leste onshore has long been talked about, with ubiquitous oil shows recorded in outcrop and numerous shallow wells proving presence of an active petroleum system. The results of the first two wells drilled onshore in the Democratic Republic of Timor Leste, by contractor Eastern Drilling and subcontractor Schlumberger, are very encouraging.

Numerous exploration prospects and leads have been identified by Timor Resources, with the proposed Lafaek-1 and Rusa-1 wells, defined by 2D seismic. Lafaek-1, with a P50 of 195mmmbbls and Rusa-1, with a P50 of 113mmmbbls, make this acreage drilling campaign one to watch.

CEO Suellen Osborne said "It has been quite a challenge to achieve our drilling campaign goals in Timor-Leste Covid-19 delayed our progress and, our wells took 3 times longer than expected to drill, due to the extremely high pressure encountered in the subsurface.

The wells at Karau and Kumbili are the first onshore wells drilled in the new Democratic Nation of Timor-Leste. The last exploration wells were drilled 50 years ago. In 1972 12 onshore wells drilled, 4 had oil discoveries but were never put into production, due to geopolitical issues that plagued the nation at that time. Timor Resources has always planned for success and more than 12 months ago the Company began discussing onshore development plans with off takers and national stakeholders. Timor Resources' strategy is to advance field development of its large onshore oil acreage in Timor-Leste through additional exploration wells, production wells and oil storage and export infrastructure. To achieve its goals the Company intends to partner with strategic financial investors to raise additional capital. Timor Resources is currently implementing a systematic process to access this additional capital. This may result in an IPO of the Company in due course.

* mMD = metres, measure depth mTVD = metres, true vertical depth

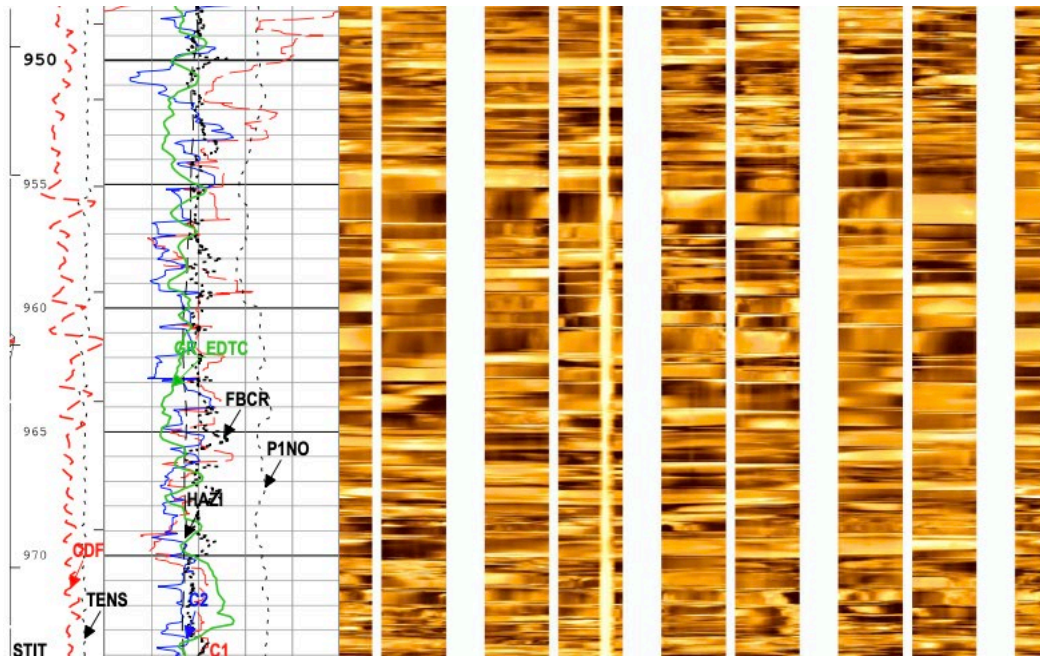


Photo 1: FMI image log of fractures in reservoir section 957m.

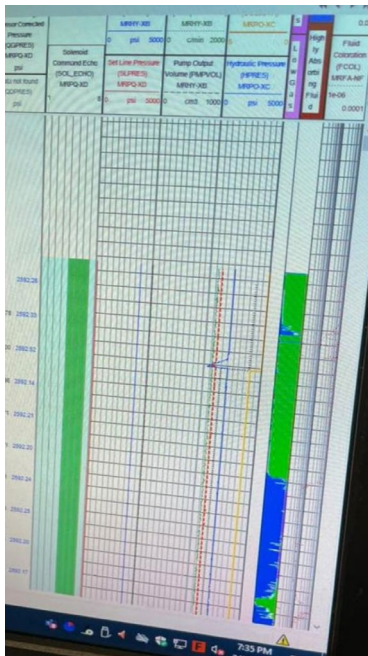


Photo 2: Snapshot of MDT-Mini DST oil samples being pumped out and sampled from the reservoir at 957m

Kumbilli-1 was the second exploration well drilled by Timor Resources in a meticulously planned well program. It was designed to evaluate acreage within Timor Leste in PSC TL-OT-17-08. The well is located 16 m above mean sea level and approximately 14.3 km north of Suai Port. Eastern Drilling Rig 1, a 1000 HP refurbished land rig moved into the area from the USA, was used to drill the well.

Karau-1 was the first exploration well drilled in a planned well program by Timor Resources. This well is located 33 m above mean sea level and approximately 5.5 km north of Suai Port, the well was drilled and oil samples of 72% oil and 28% gas were taken. Oil samples assayed proved API 33 light sweet crude oil.

Timor Resources Pty Ltd is a privately owned Australian oil and gas company, incorporated in 2016, for the sole purpose of exploring for oil and gas onshore in Timor-Leste, formerly East Timor.

Timor Resources is the Operator, in two highly prospective onshore exploration blocks in Timor-Leste. The National Oil Company TIMOR GAP, is our Joint Venture Partner. Timor Resources is committed to unlocking the onshore resource potential of Timor-Leste, an emerging South East Asian nation with proven petroleum prospectivity that remained undrilled for almost 50 years, until now.

Timor Resources has a large inventory of exploration prospects. Prior to initial drilling Timor Resources had 7 seismic defined prospects, with a P50 of 520mmbbls, in its inventory. Following the drilling discoveries in Karau-1 and Kumbilli-1 the company will secure additional capital in order to undertake a drilling campaign focused on the 5 remaining highly prospective, seismic identified, drillable targets.

For further information please direct your enquiries to Suellen.Osborne@TimorResources.com.au

Table 1: Inventory of Drillable Prospects of Timor Resources in PSC TL OT 17 08 and PSC TL OT 1709 as at Oct 2021, pre drilling.

Block	Well Name	Prospects	Recoverable Oil mmbbls			
			P90	P50	P10	Pmean
A	Karau-1	Viqueque	15	39	50	97
A	Kumbilli-1	Lower Allochthon	10	35	121	55
A	Lafaek-1	Sub Decollement	32	195	504	244
A	Laisaipi-1	Viqueque Carbonate	11	42	98	50
A	Raiketan-1	Lower Allochthon	7	27	110	48
C	Rusa-1	Lower Allochthon	25	113	512	217
C	Kamelli-1	Lower Allochthon	13	69	379	154
Recoverable Oil (MMstb)			113	520	1774	802

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