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GAS BLENDING STUDY SIGNIFIES IMPORTANT COMMERCIALISATION PROGRESS FOR VALHALLA GAS PROJECT

- Australian Gas Infrastructure Group (AGIG) completes gas blending study for Valhalla gas into its pipeline network.
- The study confirmed gas from the project would be suitable for integrating with existing infrastructure in Western Australia.
- The study results are an important milestone in the continued development of the Valhalla project as well as the company's commitment to meet local and international natural gas demands.

Black Mountain Energy Ltd ("Black Mountain" or the "Company") appointed Australian Gas Infrastructure Group ("AGIG") to conduct a qualitative gas composition analysis of the anticipated Valhalla gas for injection into the existing pipeline network and ultimately conversion to LNG.

Black Mountain proposed that the Valhalla gas will be processed at the source in the Canning Basin and connected to existing infrastructure via a new gas pipeline. AGIG's analysis would determine if the proposed Valhalla gas would be suitable for integrating with the Dampier Bunbury Pipeline (DBP) and other gas infrastructure in the Dampier area.

The study considered the anticipated production profile for Valhalla gas, with the Company's goal of minimum quantity of 200-600TJ/day, as well as considering the logical connection point for a new pipeline from the Canning Basin.

A wide range of scenarios were considered using six years of actual production information from other comparable producers which determined the impact that the Valhalla gas would have on the quality of gas available for export. Several important factors, from the composition of the gas to its Higher Heating Value (HHV), were taken in consideration. The presence of ethane and propane, limits on the nitrogen content, and the HHV are important properties to measure as it determines the efficient use of and conversion to LNG.

AGIG's study also assumed that the transported gas will meet the specification as used on the Dampier Bunbury Pipeline. Therefore, gas from all Canning Basin producers could be transported on existing gas pipelines.

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The outcome of the study confirmed that Valhalla gas is suitable for blending with other gas resources and Black Mountain is confident of the resulting blend being suitable for conversion to LNG. This represents an important milestone for Black Mountain as it seeks approval to continue the development of its Valhalla gas resource and reflects its commitment to meet the requirements of the export exemption it received from the WA Government in October 2021.

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This ASX announcement was approved and authorised for release by the board of Black Mountain Energy Ltd



About Black Mountain Energy

Black Mountain Energy Ltd (ASX: BME) is focused on sustainable development of Project Valhalla (EP371) in WA's Canning Basin, led by a team of highly experienced upstream oil and gas professionals.

Project Valhalla is a ~3,600km² permit area in the Canning Basin in northern Western Australia. The tight gas acreage is believed to hold 1.5 trillion cubic feet (TCF) of contingent gas resources and 11.8 TCF of prospective resources.

The Black Mountain Group is a major shareholder of BME, specialising in identifying and capturing high-growth opportunities in the global energy sector.