

August 3, 2011

## Warro reservoir stimulation successfully completed

- ***Warro-4 reservoir stimulation program is completed***
- ***Well clean up to commence within days***
- ***Representative flow rates expected within weeks***
- ***Field has estimated recoverable resource of 1.1Tcf***

Transerv (ASX: TSV) is pleased to advise it has successfully completed the reservoir stimulation activities at its Warro onshore gas project in WA on schedule, and the program achieved all its key objectives.

The operations commenced on Sunday 31 July and were completed Tuesday 2 August, with the successful implementation of its 2 stage stimulation program (zones 4 and 6 in Warro-3). Ely and Associates, US based experts on designing and implementing tight gas reservoir stimulations, were brought in to direct the operations with Halliburton and were very satisfied with the outcome of the program. Both reservoir stimulation operations achieved excellent penetrations with target fluid and proppant emplacement successfully achieved. It appears from the operations that the reservoir qualities in the stimulated zones are in line with or better than expectations.

Warro-4 operations now move onto well completion activities, to be immediately followed by well clean up and flow testing. It will take at least 2-3 weeks to recover the water used in the stimulation operations in the well clean up phase before a representative gas flow rate can be achieved from testing.

Managing Director Stephen Keenihan said the Company had achieved all the objectives set out for Warro-4 so far, putting its appraisal strategy firmly on track. "The Warro-4 reservoir stimulation program was a major success," Mr Keenihan said. "We have hit all the well's key targets to date and are now perfectly placed to demonstrate the potential of Warro. The next few weeks have the potential to see Transerv transformed into a substantial energy Company."

### ***Background***

The Warro field is an extensive and contiguous tight sand reservoir discovered by WA Petroleum (WAPET) in 1977, with independent industry expert, Gaffney Cline, estimating it contains a P50 recoverable resource of 1.1Tcf (trillion cubic feet). Gas in place is estimated at 8-10 Tcf.

Warro-4 is being funded by aluminium giant Alcoa, which is earning up to a 65 per cent stake in the Warro field in return for spending up to \$100 million on appraisal and development activities. Transerv will retain a 35 per cent stake and is operator of the project.

Transerv has the right to market separately its 35 per cent share of gas production. The field is only 31 km from both the Dampier-to-Bunbury and Parmelia pipelines, which provide easy access to gas consumers both north and south of the field.

*For and on behalf of the Board*