



[Home](#)
[About Us](#)
[Reserves](#)
[Exploration Assets](#)
[Activity Reports](#)
[ASX Announcements](#)
[Media Releases](#)
[Join Mailing List](#)
[Leave Mailing List](#)
[Presentations](#)
[Reports](#)
[Contact Us](#)
[Site Map](#)
[Links](#)
[Share Price](#)

ASX Announcements

[Back to list of ASX Announcements](#)

348 Updated Reserves for SW1A Concession

25/3/2002

CARNARVON PETROLEUM UPDATES RESERVES ESTIMATES FOR WICHIAN FIELD, ONSHORE THAILAND

Carnarvon Petroleum NL is pleased to announce an upward revision of estimates for recoverable reserves for the greater Wichian Buri area incorporating the producing \ Field and its environs in the SW1A Concession in Central Thailand. Carnarvon has interest in the field and in SW1A.

The Proved plus Probable (2P) or most likely reserves have trebled to 30 MMBO (m with a doubling in the Proved figure to 10 MMBO. Proved plus Probable plus Possib some 56 MMBO, a significant increment on the previously calculated 3P reserves of revised numbers are calculated by Monte Carlo simulation based on the results of the WB-N1, WB-N2 and WB-N3 wells, all of which flowed oil, and on the preliminary map integrated 2D and 3D seismic data incorporating well information from the continuing campaign.

Dr. Ken Tregonning, Managing Director of Carnarvon said, "While we're obviously pleased to announce these figures over Wichian Buri, it should be noted that they represent a proportion of the production licenses and of our Concession area. We have great hopes that the forthcoming drilling program announced last week will continue our run of success both at Wichian Buri and into the surrounding acreage.

Dr Tregonning added, "The progress the Joint Venture has made to date is really only the tip of the iceberg. Now that we have proved the existence of both a viable reservoir sequence and an active hydrocarbon system, the remaining undrilled prospects offer tremendous upside potential. At present we are producing from an area of less than 2 square km within the Concession area of 37 square km and all wells drilled to date have found hydrocarbon reserves that reflect this enormous potential."

Detailed mapping of Wichian Buri and its surrounds is ongoing and is being complemented by engineering and facilities studies ahead of a planned drilling program of up to four phases scheduled for later this year. The drilling should start to more fully assess the acreage. The development program will be funded by the financing arrangement with Gemini Oil & Gas which Carnarvon announced last week.

In addition, remedial work is currently being undertaken for several wells within the production licence to increase oil production in the near term. Production of late has been disrupted by a combination of operational issues and poor well performance. Production is currently 170 BOPD from 3 wells at Wichian Buri. WB-N1 is shut in pending award of the second production licence, PL2, and WB-N3 is shut in to repair the pump. Consideration is being given to "fracking" operations in which the wells will be hydraulically stimulated to provide a further increase in production.

Meetings were held during the past two weeks between the Joint Venture partners and an expert petroleum reservoir and production engineers who had visited the SW1A Joint Venture operations in Thailand. The purpose of the visit and meetings was to assess current practices and recommend ways of immediately improving production performance. The recommendations will also provide a basis for the well design in the forthcoming Phase 2 development program.

The engineers and the Joint Venture partners concluded that a reliable interpretation behaviour from all the new wells required that a pressure buildup test of well WB-N2. This in turn necessitates a shut down of production from that well for a period of up to 14 days. The results and interpretation of the test will allow the design of a technologically optimal completion for each well of SW1A in order to maximise production. It is likely that this will involve a frac for each of a number of the wells.

Preliminary engineering studies indicate that production outcomes exceeding 1,000 bopd are likely upon the completion of a successful Phase 2 development program. This should allow any further development on SW1A will be self-funded from the strong cash flows to the Joint Venture.

The Company has prepared an investor briefing paper regarding the recently announced arrangement with Gemini Oil & Gas Limited and will be presenting it to several Australian houses and investment fund managers. The presentations will be made beginning this week and continue over the next two weeks in Perth, Melbourne and Sydney. A copy of the presentation will be announced on the ASX and will also be available on the Company's web site from the end of the week.

Carnarvon Petroleum NL is a listed junior oil and gas exploration and production company. Carnarvon has oil and gas reserves and production in the SW1A Concession in the North West Shelf of Australia, reserves in Papua New Guinea and the North West Shelf of Australia. The SW1A Concession consists of Carnarvon Petroleum NL (40% interest) and Pacific Tiger Energy Inc (60% interest).

For further details please contact:

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[Back to list of ASX Announcements](#)



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