

19 August 2019

**Coro Energy plc**

("Coro" or the "Company")

**Duyung PSC, Operational Update**

Coro Energy plc, the Southeast Asian focused upstream oil and gas company, is pleased to provide an operational update in relation to the upcoming drilling campaign in the Duyung Production Sharing Contract ("PSC") in the West Natuna basin, offshore Indonesia, in which Coro holds a 15% non-operated interest.

**Highlights**

- Well planning complete and approved by Duyung PSC partners and the Indonesian authorities
- Asian Endeavour 1 jack up rig contracted for the drilling campaign
- A two well programme planned to i) test the Tambak exploration prospect and appraise the central area of the Mako gas field (Tambak-1) and ii) a large step out (over 13 km) to appraise the southern area of the Mako gas field (Tambak-2)
- Rig mobilisation from Singapore to the first well location is anticipated in late September. A continuous drilling & testing programme is planned to last until end November.

As previously reported, the campaign will comprise two wells, one exploration well designed to test the Tambak prospect beneath the central area of the Mako gas field, and one appraisal well designed to primarily appraise the intra-Muda sandstone reservoir in the southern area of the Mako field, as well as gather stratigraphic information from the Lower Gabus interval. The Indonesian authorities have requested the naming convention Tambak-1 for the exploration & appraisal well and Tambak-2 for the appraisal well. The Asian Endeavour 1 jack up rig, owned by China Oilfield Services Limited ("COSL"), has been contracted for the drilling campaign.

## **Tambak-1**

The Tambak-1 well will appraise the central area of the Mako field and will evaluate the intra-Muda sandstone reservoir of the Mako field, which is prognosed at a depth of approximately 385 metres below sea level. A full suite of wireline logs will be run before the well is deepened to test the Lower Gabus Tambak prospect beneath the base Muda unconformity. The well is expected to be drilled to a total depth ("TD") of approximately 1,370 metres sub-sea.

The Tambak prospect is a three way dip closed inverted anticlinal structure, of approximately 15 square km in areal size. The reservoir is prognosed to be early Oligocene-age fluvial & lacustrine sandstones of the Lower Gabus formation, and to be charged by the underlying syn-rift lacustrine source rocks of the Benua shale. Numerous nearby analogue fields found in similar inversion structures are seen in the West Natuna basin, including Kerisi, Anoa Forel and KF.

Amplitude versus Offset ("AVO") modelling work across the Tambak prospect supports the potential for gas-charged reservoir sandstones being present in the structure, with a strong correlation between the modelled seismic response and the actual seismic data being seen. This helps de-risk the prospect, which the Company believes has a 45% chance of technical success and a gross mid-case prospective resource potential of circa 250 Bcf.

Including an extensive testing programme in the event of success, we anticipate the drilling time from spud to completion to be circa 33 days. The well will be plugged & abandoned at the end of the drilling programme.

## **Tambak-2**

Tambak-2 is designed to evaluate the reservoir properties and deliverability of the intra-Muda sandstones in the southern area of the Mako field. The intra-Muda sandstone reservoir is prognosed to be encountered at a depth of c. 380 metres below sea level. A full suite of logging and coring is planned across the Mako reservoir and the well is planned to TD at approximately 595 metres below sea level. We anticipate the total time to drill, log, core & evaluate the well to be approximately 33 days.

The well will be the most southerly test of the Mako field and represents a significant step out from the Mako South-1 well (over 13.5 km to the northeast). An independent review by Gaffney Cline & Associates ascribed gross 2C resources of 276 Bcf (48.78 MMboe) of recoverable dry gas in the Mako field with gross 3C resources of 392 Bcf (69.3 MMboe) representing additional field upside. The well has the potential to move 3C resources to the 2C category and likewise 2C resources to the 1C category, which will further improve the

commercial attractions of the field itself as well as help the gas marketing effort.

### **Costs & Timing**

The gross cost of the programme is expected to be approximately US\$15.5 million to the PSC partners on a dry hole basis, and up to approximately US\$19 million on a fully tested basis including rig mobilisation and de-mobilisation, for which Coro is fully funded to pay its share of costs. The Asian Endeavour 1 jack up rig will shortly mobilise for Singapore from the COSL yard in Shanghai. On current schedule, the rig is expected to mobilise from Singapore to the first location in late September.

*The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

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The information contained in this announcement has been reviewed by Coro Energy's South East Asian Business Manager and Geologist Pierre Eliet, a Fellow of the Geological Society and a Member of the Petroleum Exploration Society of Great Britain.

The volumes included in this announcement are in accordance with SPE standards. Bcf means billion standard cubic feet; and MMboe means million barrels of oil equivalent.

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Company Announcement - General

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