

22 November 2019

Coro Energy plc

("Coro" or the "Company")

Mako Field Update

Coro Energy plc, the Southeast Asian focused upstream oil and gas company, is pleased to announce an update on operations at the Tambak-1 well in the Duyung Production Sharing Contract ("PSC"), offshore Indonesia, in which Coro holds a 15% interest.

The Tambak-1 well was designed to both appraise the Mako gas field and test the underlying Tambak exploration prospect.

Following the drill stem test ("DST") at Tambak-1, which flowed dry gas at a maximum flow rate of 11.4 MMscf/d, operations have now concluded, resulting in the highly successful appraisal of the Mako gas field. The Tambak-1 well encountered 24 metres of intra-Muda reservoir sandstones at a depth of 389 metres true vertical depth sub-sea ("mTVDS"), confirmed a common gas-water contact across the field and culminated in a DST reflecting the potential deliverability of the Mako reservoir.

The well was deepened beneath the Mako field to a depth of 1,543 mTVDS to test the Tambak exploration prospect. The well encountered multiple sandstone intervals in the Lower Gabus section as predicted, with corresponding hydrocarbon shows seen while drilling. However, petrophysical interpretation of wireline log data has concluded that these sandstones have low gas saturations and attempts to collect fluid samples and pressure data demonstrate low permeabilities.

The well is currently being plugged and abandoned as planned, prior to the Asian Endeavour 1 rig being demobilised. Overall, the drilling campaign has been completed within the expected time frame and within budget.

Tambak-1 Highlights

- A 24 metre intra-Muda sandstone section encountered, substantially thicker than predicted
- A well-developed 17 metre upper section of high permeability and good porosity sandstone, notably thicker than seen elsewhere in the Mako field, together with a lower sandstone unit of 7 metres
- A well-defined gas-water contact at 393 mTVDSS, consistent with that seen in all other wells on the structure
- Reservoir pressure data confirms Mako field to be a simple, single gas tank system
- A cased hole DST conducted between 389 and 391 mTVDSS resulted in a maximum flow rate of 11.4 MMscf/d confirming the deliverability of the Mako reservoir
- The Lower Gabus reservoirs in the underlying Tambak prospect were found to have low gas saturations and poor reservoir characteristics

James Menzies, CEO commented:

"We are very pleased with the flow test results announced today and the appraisal results overall from this drilling campaign, which confirms the Mako field as being a very valuable gas resource. The data demonstrates the excellent reservoir characteristics across a huge areal extent, with good porosity, high permeability and the DST has again demonstrated the deliverability of the Mako reservoir. The DST is particularly significant as the test was conducted through cased hole and less than 2 metres of reservoir section perforated. This is in contrast to the previous DST at Mako South-1 which saw a substantially larger section tested in open hole. This provides a valid completion alternative for field development.

We are delighted with the additional resource that has been proved up in the Mako field as a result of this campaign which we believe enhances the commercial attractiveness of the project. Coro management estimate that the campaign has demonstrated a gross resource addition of at least 100 Bcf and we look forward to the independent assessment of field resources which will follow."

Mako Gas Field Appraisal Campaign

As previously announced, Tambak-2, the initial well of the two well campaign was a 13.5 km step out from the original Mako South-1 discovery well. Tambak-2 encountered 10 metres of high quality gas-bearing reservoir intra-Muda sandstones, representing a better developed reservoir than seen in the discovery well. It also confirmed a common gas-water contact and pressure system across the Mako structure, which covers an area of approximately 350 square km.

The Tambak-1 well, located on the north-east flank of the Mako structure, was designed to appraise the field limits. The well encountered 24 metres of excellent quality intra-Muda sandstones, exhibiting the gas-water contact in the reservoir section, with 5 metres of sandstones in the gas leg. The gas-water contact was consistent with other wells on the Mako field structure and pressure data again confirming a common pressure system across the field.

A cased hole DST was conducted across a 2 metre interval of intra-Muda reservoir in the Tambak-1 well. A section between 389 and 391 mTVDSS was perforated and flowed dry gas at a rate of 11.4 MMscf/d on a 2.8 inch choke with well head tubing pressure being maintained at 225 psi. Onsite gas composition analysis confirmed this to be high quality, dry, sweet natural gas.

An independent review by Gaffney Cline & Associates previously 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. Coro management estimate that the drilling campaign has demonstrated a significant increase in gross resources in the Mako field and will result in an additional increase of at least 100 Bcf in the 2C resource category, reflecting an upgrade of at least 35% in total gross 2C resources.

Tambak Exploration Results

The Tambak-2 well was drilled to a total depth of 1,544 mTVDSS, encountering several sand bodies in the Lower Gabus section, with associated gas shows while drilling. Individual sand bodies were 3 to 15 metres in thickness with average porosities in the range of 5% - 15%. Following wireline logging, pressure surveying and fluid sampling, a petrophysical evaluation concluded that these sandstones contained low gas saturation levels of between 20% - 30% and is likely to represent residual gas. The sandstones were of very poor reservoir quality, having very low permeabilities of

circa 1 to 3 millidarcies. While not commercial, the exploration results provide clear evidence of an active petroleum system underlying the base Muda unconformity, which is encouraging for future exploration within the Duyung PSC.

Next Steps

The valuable information collected from this campaign will be used to revisit the resource estimates for the field. The Duyung PSC partners will be commissioning an independent assessment of resources, which we currently expect to be completed in Q1 2020.

Following this work, the marketing of Mako gas will continue. Further details will be provided in due course.

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.

For further information please contact:

Coro Energy plc

James Menzies, Chief Executive Officer
Andrew Dennan, Chief Financial Officer

Tel: 44 (0)20 3965 7917

Cenkos Securities plc (Nominated Adviser)

Ben Jeynes
Katy Birkin

Tel: 44 (0)20 7397 8900

Vigo Communications Ltd (IR/PR Advisor)

Patrick d'Ancona
Chris McMahon

Tel: 44 (0)20 7390 0230

Mirabaud Securities Ltd (Joint Broker)

Peter Krens
Ed Haig-Thomas

Tel: 44 (0)20 3167 7221

Turner Pope Investments (TPI) Ltd (Joint Broker)

Zoe Alexander
Andy Thacker

Tel: 44 (0)20 3657 0050
info@turnerpope.com

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; MMboe means million barrels of oil equivalent and MMscf/d means million standard cubic feet of natural gas per day.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

UPDFEUSMEFUSED

Anonymous (not verified)

Mako Field Update

29895892

A

Fri, 11/22/2019 - 07:00

LSE RNS

Company Announcement - General

CORO