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ABSTRACT

Author(s) : Bob Ohlson
Company Affiliation : Niko Resources Ltd

NIKO RESOURCES CANADA – AN INDIA SUCCESS STORY.

One of the first foreign companies to enter the post 1990 India E & P arena was Niko Resources from Canada. Since 1994 the company has achieved much success by aggressively pursuing a balanced growth strategy focused on gas prospects in India.

Niko Resources founder and President, Robert Ohlson, signed Production Sharing Contracts for five Blocks in the State of Gujarat in 1994 including Hazira. The Hazira # 1 well drilled in 1969 was reworked and put on production at 6 MMcf/d in mid 1995. A total of 21 wells have been drilled at Hazira including 14 on a land based drilling platform that stretches 1.5 kilometres into the ocean. Field production at the end of December was approximately 110 MMcf/d and reserves estimated at greater than 700 Bcf in-place. An offshore platform will be installed at the end of 2003 and subsequent drilling will add 150 MMcf/d of gas production.

Niko has a 10% working interest in 2 blocks located off the east coast of India. On Block KG-DWN-98/3 the consortium has acquired an 1822 square kms 3D seismic survey and drilled 5 wells with a 100% success rate that has resulted in 2 major gas discoveries. The operator of the block estimates gas in-place in excess of 7 trillion cubic feet on the first discovery. The second discovery is currently being evaluated with further drilling. A 1,795 square km 3D seismic program has been acquired on Block, NEC-OSN-97/2 and the first well is planned for mid 2003.

In July 2001, Niko was awarded a 100% interest in the onshore Surat Block, located 8 kilometres NE of the company operated Hazira gas field. Within 11 months of contract award Niko had completed 330 square kms of 3D, 113 km of 2D and initiated a 15 well drilling program. The first gas discovery was made in June 2002 and first production is planned in April 2003.

Niko continues to pursue and grow a balanced portfolio of prospects throughout the South Asian area, concentrating primarily on the Indian subcontinent.