

Australian Worldwide Exploration (AWE) has confirmed oil has flowed for the first time at the Tui oil fields in New Zealand's offshore Taranaki basin. It has been three years since the fields were discovered. The Tui Oil Area incorporates three adjacent oil fields with four sub-sea production wells tied back to the *Umuroa*, a leased FPSO vessel.

The project is expected to ramp-up throughout August to produce at a peak rate of 50,000 bopd and produce approximately 10 MMbbl in the first year of production.

The final capital cost for the project is estimated to be \$A312.6 million, about 10% higher than the expected project capital expense. The increased cost has been blamed on adverse weather conditions affecting offshore construction activities.

The four wells were drilled and completed with extended horizontal production sections ranging from 819 m to 1,850 m in the oil reservoirs.

The pre-drill reserve estimate for the three fields was 27.9 MMbbl and this figure will be updated based on the post-drill remapping of the fields and early well production performance.

When fully commissioned, the Tui development will be New Zealand's largest oil producing operation.

Oil Flows At Tui



The Umuroa working in NZ's offshore Taranaki Basin.

AWE Managing Director, Bruce Phillips, said, "This is the our first oil production from New Zealand, the first offshore production from a project operated by AWE and is also the first sub-sea development in New Zealand."

"AWE is now seeking more commercial successes in New Zealand through one of the country's largest-ever offshore exploration drilling programs. The campaign currently involves the drilling of the Hector, Taranui, West Cape and Kopuwai prospects, which

collectively target potential recoverable reserves of 100s of millions of barrels of oil", he added.

Joint venture partner, New Zealand Oil Gas, is hailing the first flow of oil at Tui as the start of bigger and better things to come. CEO David Salisbury said, "Tui is the first of our three current development projects to come to fruition and the oil revenues will give us a solid platform to pursue our growth strategy." ■