

MEO Expands Thai Exploration Portfolio

Australian company MEO has acquired a 50% stake in Pearl Oil's G2/48 concession in the Rayong Basin in the Gulf of Thailand.

The exploration permit granted by the Thailand government covers 9449 km² in shallow waters in the Thai Gulf and is close to the producing assets of the Jasmine oil and Manora oil development.

The Rayong Basin displays similar characteristics to oil producing basins nearby. The Jasmine field, which is operated by Pearl Energy, the Southeast Asian operating arm of Mubadala Oil and Gas, has so far produced over 40 MM bbl of oil at a peak rate of over 20,000 bopd via an FPSO.

The developing Manora field to the west, discovered in 2009, is scheduled to produce first oil in 2014. It is estimated to hold 31 MM bbl and is expected to produce at a peak rate of 15,000 bopd via a wellhead production platform linked to an FSO.

The joint venture plans to drill two exploration wells in late November in the G2/48 block and will target Oligo-Miocene clastics analogous to the adjacent proven Kra Basin. MEO has touted Thailand as an attractive exploration and operating option, citing relatively inexpensive drilling costs using shallow water jack-up rigs testing targets located in relatively shallow depths as factors enhancing the risk/return profile. The Melbourne-based company said it costs \$US5–\$US10 MM per well

to run an exploration program in Thailand.

In Indonesia MEO is also upbeat following drilling results from the Gurame field at its Seruway production sharing contract showing elevated gas levels from 2776 m to 2794 m. The company is preparing to cut a 30 m conventional core from 2794 m.

The drilling program at Gurame is designed to test the deep gas potential at the Baong and Belumai reservoirs. MEO has estimated the P50 recoverable resource of Gurame field to be 0.5 Tcf of low CO₂ gas and 57 MM bbl of liquids.

MEO shares closed at \$2.60 on the ASX following news of the award. ■