



Mediaportal Report

01/08/2012

► **Africa's Newest Tribe**

Oil & Gas Australia, 01/08/12, General News, Page 12
By: None

Article Information

Item ID: 00159107004
Circulation: 9,600
Number of words: 1113

Advertising Space Rate

AUD: 5,569

► **Gazelle Leaps Ahead with First Well**

Oil & Gas Gazette, 01/08/12, General News, Page 49
By: None

Article Information

Item ID: 00159123941
Circulation: 6,700
Number of words: 611

Advertising Space Rate

AUD: 2,355

► **Rig secured for Tunisian well**

Oil & Gas Gazette, 01/08/12, General News, Page 34
By: None

Article Information

Item ID: 00159123861
Circulation: 6,700
Number of words: 413

Advertising Space Rate

AUD: 981

► **New explorer springing into action**

Oil & Gas Gazette, 01/08/12, General News, Page 34
By: None

Article Information

Item ID: 00159123868
Circulation: 6,700
Number of words: 355

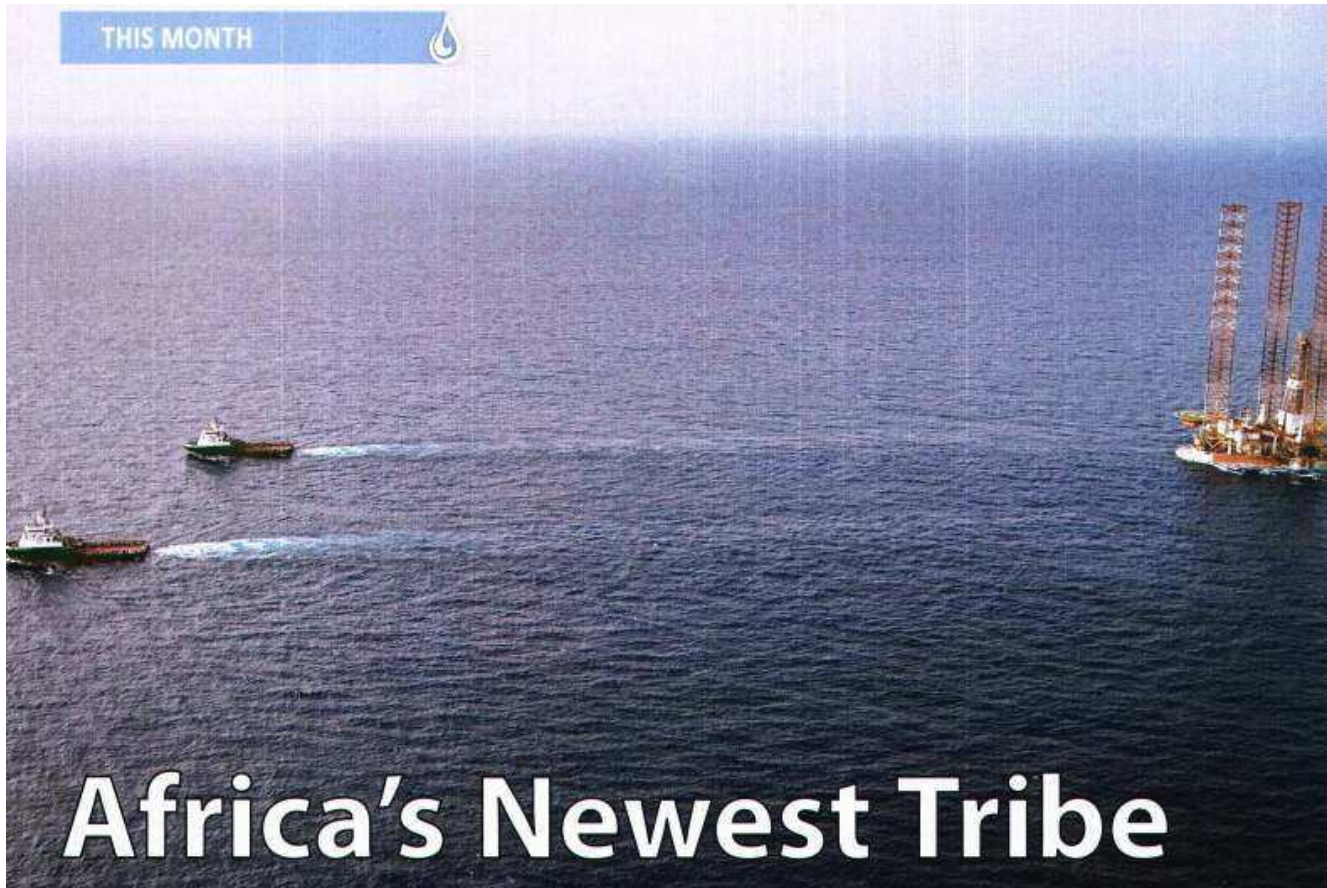
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The Aussie juniors matching it with the big boys

THE rapid development of North, West and East Africa as amongst the hottest oil and gas destinations to be in at the moment has not only been beneficial to the people and governments in those regions, it has also allowed a number of Australian juniors to really punch above their weight on the global oil and gas stage.

Australian oil and gas explorers like African Petroleum, Beach Energy, Cooper Energy, Jacka Resources, Pancontinental, Range Resources, Rialto Energy and WHL Energy have been able to position themselves in some of the most sought after hydrocarbon plays in the world through some smart and quick thinking, local knowledge and contacts and a willingness to be first movers in areas where some of the bigger players had been unwilling to tread.

Now, thanks to a spate of discoveries in those regions, the Aussie juniors are finding themselves sitting in the middle of a bidding battlefield between the biggest oil and gas players in the world.

China, through its international oil and gas representatives such as CNOOC, has been leading the way in trying to snap up proven projects and discoveries, but the large multi nationals from the US and Europe - along with government supported companies from across Asia - are not far behind.

Just how hot the region has become is highlighted by the recent bidding war for UK-based Cove Energy plc between Shell, which launched a A\$1.7 billion bid for Cove in April, and PTT of Thailand, which made a A\$1.9 billion offer in late May.

Set to be acquired by PTT, the company

was also reportedly eyed off by other major Chinese and Indian companies. So who is Cove and why is it so attractive?

London-headquartered Cove only turned its focus to oil and gas in mid-2009. It quickly identified East Africa as its target area, building up a strong portfolio of onshore and offshore assets in Mozambique, Tanzania and Kenya.

Thanks to almost instant drilling success in Mozambique and a string of offshore drilling finds since, Cove - and the whole East African region - was quickly placed dead centre on the radar of the international oil and gas industry.

That attention has also rubbed off onto Australian junior explorers in East Africa such as Jacka Resources and WHL Energy.

Jacka, which already has an exciting position in the north African nation of Tunisia with fellow Australian Cooper Energy, announced earlier this year that it had agreed all of the terms of a Production Sharing Agreement with the Tanzania Petroleum and Development Corporation (PTDC) over the Ruhuhu Basin, which covers a massive 8,400 square kilometres in the south of Tanzania. When finalised, this will provide the company with a significant position in the region.

Tanzania, Mozambique's northern



neighbour, is considered significantly underexplored but is fast becoming an international oil and gas exploration hot spot in its own right following announcements of a number of large offshore gas discoveries by an Ophir Energy-led joint venture.

That success has attracted the attention of industry leaders, with companies such as Shell, Statoil, Total, Petrobras, ExxonMobil and Tullow entering the country.

WHL puts the Seychelles in the picture

Almost directly across the Indian Ocean from Tanzania and Jacka, WHL Energy is building up a portfolio of large drilling targets in the shallow waters off the coast of the Seychelles.

WHL Energy caught the oil and gas sector by surprise in October 2010 when it acquired wholly acquired about 20,700 square km of offshore exploration interests off the coast of the Seychelles.

However, the Australian junior, which was then best known as a European wind farm proponent, showed that was no flash in the pan as it moved quickly to acquire a significant database of seismic and other material and built a highly qualified and respected management and exploration team.

That combination, along with the identification of billion barrel plus potential within its Seychelles asset area, led to the company being approached by a host of oil and gas players about potential farm in agreements. Those negotiations continue to play out as WHL builds on its knowledge of the Seychelles acreage and other African oil

and gas options

Puntland excitement

Further to the north of Tanzania, Range Resources is creating its own headlines related to its exploration programme in Puntland, Somalia, where the company has already tasted significant drilling success. The oil and gas sector is now closely following the Range program after the Shabeel-1 well, the first well drilled in the country for nearly 20 years, discovered a 12 to 20 metre net hydrocarbon pay zone in the Jesomma sands.

While the zone needs to be commercially flow tested, an initial review of the net pay zone undertaken by Range's internal technical team has suggested that a successful flow test could result in the commercialisation of between 70 million and 130 million barrels of recoverable oil from that well.

Range and its JV partners are currently drilling the similarly sized Shabeel North-1 well and plan to undertake a test program at Shabeel-1 when the current well is completed. This has the potential to be a company and country-changing development.

West African breakthroughs

On the other side of Africa, two other Australian juniors are building strong reputations. The NSX-listed African Petroleum Corporation created its own history earlier this year, as well as its own potential bidding war, when its Narina-1 wildcat well found a total of 32 metres of net oil pay in two zones. Hydrocarbon shows were also encountered over a 170 metre interval in the Turonian reservoir, with no

oil-water contact in the same well.

The discovery, the first commercial oil and gas discovery made in Liberian waters, confirmed the prospectivity of African Petroleum's key position as a major acreage holder off the coast of Liberia and its neighbouring nations.

With a cashed-up African Petroleum set to undertake a two to three well follow up program using the "Eirik Raude" deepwater drilling rig in either the third or fourth quarter of 2012, it is no wonder that the company has attracted the attention of two major Chinese oil and gas firms, with the company recently confirming it was in early stage discussions.

Rialto on target

In neighbouring Côte D'Ivoire, ASX and AIM listed Rialto Energy is on target to develop the offshore Gazelle oil and gas field.

The company is currently in the early stages of a three well development and exploration drilling programme and is expected to reach a final investment decision on Gazelle by year end, targeting first production by the end of 2013 or the first quarter of 2014.

With the World Bank becoming a major supporter of the company earlier this year, Gazelle is seen as a critical regional development in an area craving new energy supplies. With so much action occurring around them, it is no wonder that these Australian companies are attracting so much investor attention. ●





Front-end engineering and design work is rapidly advancing for the Gazelle field, offshore Côte d'Ivoire.

Rialto Energy (85% working interest and operator) has awarded the FEED contract to Petrofac, and expects the work to be completed in October. First production is expected to begin in early 2014.

Gazelle sits in the 675 square kilometre Block CI-202 and is being developed by Rialto and Côte d'Ivoire's national oil company Petroci (15%).

The development will be based around an offshore fixed production platform that will pipe the oil and gas to shore.

The gas will be used for electrical power generation in the West African nation under contract with the republic's government.

Over-capacity

The facility will be designed with capacity to produce up to 40,000 barrels of oil per day and 230 million cubic feet of gas, although the Gazelle field is only expected to produce around 8,000 bopd and 100 mmcfpd.

The over-capacity speaks to Rialto's faith in the other discovered resources within CI-202, the Bubale (14.3 mmbbl, 73 billion cubic feet) and Addax (21 mmbbl, 11 bcf) fields, and the upside.

According to an independent report from RPS Energy Services CI-202 has certified mean contingent resources of 50 mmbbl of liquids and 396 bcf of gas, in addition to total mean prospective resources of 511 mmbbl of liquids and 1.8 trillion cubic feet of gas.

Rialto is in the midst of a three-well exploration and appraisal well program that is already confirming the potential of Gazelle.

It has already completed the Gazelle-P3 well for production close to the Ivco-14 discovery well.

The well was sidetracked twice to assess various targets in the Cenomanian reservoirs, deepening the vertical extent of the gas bearing Lower Cenomanian-2 reservoir by 200 metres.

Flows

Gazelle-P3/ST1 was drilled to assess the Lower Cenomanian and flowed at a peak rate of 32.5 mmcfpd. It also penetrated a down-dip portion of the high impact 750 bcf Condor prospect finding gas in a 75 metre thick gross gas sand. While the zone had low permeability it has upgraded the likelihood of an exploration well to test Condor next year.

Gazelle-P3/ST2 was successfully tested at maximum rate of 19.5 mmcfpd, however the rates were constrained due to downhole equipment limitations. Rialto believes that it will flow at up to 33 mmcfpd once completed for production.

The Upper Cenomanian oil reservoir target flowed at an unstabilised rate of 760 barrels of oil per day, however gas influx from the overlying reservoir prevented further oil flow and the test was terminated.

The rig will now move to drill the second development well, Gazelle-P4, which will

The appraisal and production well has met most of Rialto's expectations.

assess two additional Upper Cenomanian oil reservoirs, three Cenomanian gas reservoirs and one additional penetration of the Lower Cenomanian-2 reservoir.

The third well, Chouette-1, is an exploration test with significant liquids upside of 84 mmbbl and 42 bcf.

Future

The 2013 drilling program is still being refined but drilling is likely to appraise both Bubale and Addax and target potentially large prospects such as Faucon, Impala and Condor.

Success at Bubale would open up a second development hub at the Hippo field.

Ghana

Away from the Ivorian Basin, Rialto is also seeking assignment of a 20% paying interest in the Accra Block, offshore Ghana, from operator Tap Oil, and it has a 12% interest in the Apache Energy-operated WA-399-P block on the Macedon Fairway, in the Carnarvon Basin, Western Australia, with Jacka Resources (15%) and Carnarvon Petroleum (13%).

Also called Gazelle, that prospect has a gross mean prospective resource of 39 mmbbl and 20 bcf.

Rialto has around US\$90 million in the bank, including \$15 million being held for its Ghana back-costs.



Rig secured for Tunisian well

It is a cliché, but the past year has been transformational for Cooper Energy, and with one dozen wells planned the next 12 months could be even more significant.

Cooper's new board and management team has moved quickly to stamp their imprimatur on the company, completing a takeover of Somerton Energy and securing a rig for a high-impact appraisal well, offshore Tunisia.

Sizeable

The Hammamet West oil discovery is located on a large anticlinal feature in the Bargou block in 50 metres of water just 12 kilometres from land.

Hammamet West-3 will first confirm the top of the Abiod Carbonate reservoir and will then be sidetracked with a horizontal leg to test for a P50 oil-in-place of 475 million barrels, estimated at a recoverable 101 mmbbl assuming its confirms at least the gross 190m gross oil column seen previously. A secondary target in the Birsia Sandstone is assessed to have 10 mmbbl potential.

A discovery of just 12 mmbbl would be

commercial.

Cooper (30% and operator) will be free-carried for the first US\$26.6 million of expenditure by its farm-in partners Dragon Oil (55%) and Jacka Resources (15%).

Cooper has three Tunisian licences at Bargou (30%), Nabeul (85%) and Hammamet (35%). It expects to drill the first well in the Nabeul block next year.

Unconventional

In the Gippsland Basin's Wombat field Cooper will now participate in the fracking of two tight gas wells, as part of an unconventional gas push that will also see the first assessment of the 2,000 square kilometre Casterton Shale Fairway in the Otway Basin which has potential for up to 48 trillion cubic feet of gas-in-place.

A further well will be a conventional test of the Sawpit Updip oil prospect.

Production

In terms of oil production, Cooper expects to pump more than 500,000 bbl of oil per annum over the next two years even if it makes no discoveries from 10 wells on the Western Flank of the Cooper Basin.



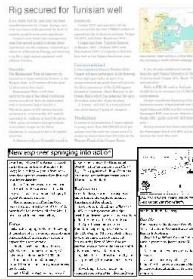
Hammamet West will be a critical test for the company's North African strategy.

It has already added new barrels from the mid-Namur formation in the Christies field (Cooper 25%, Beach 75% and operator).

Wells in PEL 92 need to find just 45,000 bbl to be economic in a US\$100/bbl environment.

Cooper considered disposing of its Indonesia assets, which include the 150 bopd Sukananti KSO and the surrounding Sumbagsel PSC, but it now believes the blocks offer upside and will drill later this year.

Strong interest has been expressed in the Sumbagsel block with 600 sq km of seismic due later this year.



New explorer springing into action

Over the past year Pan-African-focused Jacka Resources has built a full-cycle portfolio running the gamut from near-term development, appraisal drilling and frontier exploration.

Jacka, founded by the core team that sold Hardman Resources to Tullow Oil six years ago for \$1.5 billion, is hoping to repeat its former success.

The company's portfolio has total mean prospective resources of 101 million barrels of oil equivalent, all of which will be tested with near-term drilling.

Focus

Jacka is developing production following its purchase of 5% in the Aje field, offshore Nigeria. A final investment decision is expected in the near term.

Previous wells have flowed up to 8,000 barrels of oil per day, and Aje-5 is being considered for 2013. The field contains more than 200 mmbœ, with around 10 mmbœ in contingent resources net to Jacka.

Aje is likely to start moving forward

at the same time as the Hammamet West-3 well in the Bargou Block (Jacka 15%), Tunisia, starts drilling. Jacka has attributed net contingent resources of 17 mmbœ to the field.

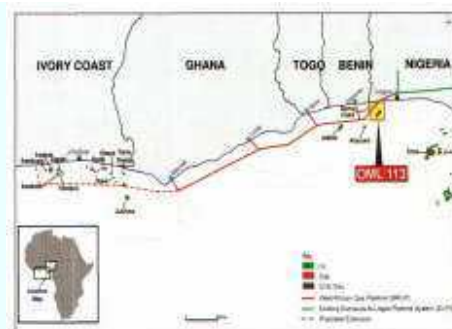
Exploration

Greenfields exposure for the explorer comes from under-explored areas in Tanzania and Somaliland.

Its 8,500 sq km holdings in Tanzania (100%) are being covered with high resolution airborne gravity surveys to help define the limits of the Ruhuhu Basin.

In April the company entered Somaliland, agreeing to earn 50% in the 22,000 sq km Odwayne block, which covers the one of three Jurassic rift basins in the Horn of Africa that are continuations of Yemeni basins. One of the others, the Dharoor Basin to the east, is being drilled for the first time in 20 years with promising Jurassic oil shows in two wells.

A working oil source kitchen is demonstrated within the Odwayne Basin



OML 113, offshore Nigeria, sits on the West African Transform Margin.

by nine individual oil seeps.

Gazelle

A non-core area for Jacka is WA-399-P (15%), offshore in Western Australia's Exmouth Sub-basin.

Seismic has defined the 50-80 mmbœ Gazelle prospect adjacent to the Macedon field.

A decision on a well is expected later in the year

Jacka is considering a listing on London's Alternative Investment Market to raise additional funds for its work program.