



Rob Towner says the ownership structure in the Perth Basin is quite diverse. Photo: Attila Csaszar

Jockeying for position in Perth Basin



Matt McKenzie | Monday, 24 July, 2017 - 15:18



Cottesloe-based Triangle Energy has been busy since it bought [AWE's](#) share of the Cliff Head oil field off the coast near Dongara last year, upping its stake in the venture and seeking new liquids nearby to lift utilisation.

Triangle Energy is among a number of players in the Perth Basin building momentum in a tough market, with [Norwest Energy](#), [AWE](#) and [Key Petroleum](#) also taking steps forward on projects.

For Triangle Energy, the drilling of the offshore Xanadu prospect in late September will be just one opportunity to find oil near Cliff Head, according to managing director Rob Towner.

Xanadu is operated by Northbridge-based [Norwest Energy](#), with Triangle to contribute 40 per cent of drilling costs to earn a 30 per cent interest in the project.

The field is close enough to shore to be accessed through an onshore well.

"It's strategically important for us in extending the life of our infrastructure (the Cliff Head platform and Arrowsmith processing facility) that we've purchased," [Mr Towner](#) told *Business News*.

Triangle holds 79 per cent of the Cliff Head oil field after buying out former partners [AWE](#) and Roc Oil for \$5.1 million

The company had made some significant cost savings at the 10-year-old project since taking control, [Mr Towner](#) said, reducing cash costs around a third and renegotiating oil transportation contracts, while the associated processing facility at Arrowsmith was operating at about 10 per cent of the 15,000 barrels-a-day capacity.

The cost cutting and spare capacity have provided Triangle Energy with a valuable opportunity, according to [Mr Towner](#).

"Any further oil discoveries, be it onshore or offshore, create a fairly good situation of utilising that existing infrastructure," he said.

It's likely to be several years before Xanadu starts production, according to [Norwest Energy](#) chief executive [Shelley Robertson](#), with the company's permit renewal due in May the main focus.

"What we'll be doing after (the well) is actually preparing the next five year work program for the permit," [Ms Robertson](#) told *Business News*.

"Regardless of outcomes of this well, Xanadu is a very large structure, so there's definitely more potential to drill in other parts. I expect our next step would be to do some 3D seismic."

Norwest is free-carried by its partners on the first Xanadu well, [Ms Robertson](#) said, with the company needing to find more capital for any further drilling.

According to [Mr Towner](#), there are further opportunities in the Perth Basin for his company beyond Xanadu.

"We believe the whole basin is underexplored," he said.

"The current structure of ownership could be said to be quite diverse; we are looking internally at what those potential changes might be, nothing yet that we can say today."