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Triangle, Norwest and Whitebark give up gains on Xanadu discovery in Perth Basin

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Monday, 25 September 2017 3:23PM



Despite the companies' excitement, all three gave up some of their gains from last week.

The share prices of the Australian companies behind the first oil discovery in the Perth Basin for 15 years have surrendered ground, despite today's confirmation of the find.

Triangle Energy, Norwest Energy and Whitebark Energy own 70 per cent of the discovery permit, TP/15, where the Xanadu-1 well hit oil last week.

The trio confirmed the find today, while also disclosing plans to suspend the discovery well and drill an appraisal well which could be completed as a new oil producer.

"Based on the current understanding of the structure, there is an excellent chance of finding a significantly thicker (oil) column in an up-dip location which can be reached from the current drilling pad," Triangle Energy managing director Rob Towner said.

Xanadu-1 is a so-called deviated well, drilled from an onshore location to the discovery in shallow waters offshore.

Despite the companies' excitement, however, all three gave up some of their gains from last week, with Triangle shares today dropping 3¢ to 18¢, Norwest Energy shedding 0.3¢ to half a cent and Whitebark Energy losing 0.2¢ to 1.4¢.

Xanadu, which has been promoted as potentially containing up to 160 million barrels of oil, is 14km south of Triangle's Cliff Head offshore oil field.

Cliff Head has produced more than 15 million barrels of oil since entering production in 2006.

Triangle said the Xanadu discovery could be quickly brought into production by using the onshore Arrowsmith crude oil plant servicing Cliff Head.

Arrowsmith has the capacity to handle 15,000 barrels a day, but processes only 1200 barrels a day from Cliff Head.