

What oil price crash? Triangle

DESPITE the dreadful oil price climate Triangle Energy is confident of keeping up or increasing production from its Cliff Head project in the offshore Perth Basin after spending the past nine months working up three nearby prospects and adding to its prospective and contingent resources.



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Editor

Oil from Cliff Head heads to the onshore Arrowsmith processing facility, which has been operating at far below capacity for some time. From there, it is trucked four hours to BP's Kwinana refinery.

An optimistic Triangle said it had completed subsurface studies to mature previously identified opportunities which included a review of the mapping and reservoir interpretation, reprocessing of the Cliff Head 3D seismic data, depth conversion studies, and dynamic modelling of the field and satellite opportunities.

Final investment decision on when and where to drill will, obviously, be deferred until a material oil price recovery.

"The Mentelle Updip prospect has the potential to materially impact the life-cycle of the Cliff Head asset, while West High and SE Nose could also provide a significant uplift in production," it said.

An additional exploration opportunity was also confirmed immediately south-southwest of the Cliff Head platform in the Catts prospect.

The next steps are detailed well planning with a drill campaign planned "when appropriate".

In the Mentelle prospect reservoir interpretation had been a key uncertainty, but work suggests quality Irwin River Coal Measures sandstone reservoirs could be expected within the prospect and confirmed the large structure as previously mapped, it said.

Triangle has upgraded its best prospective resource estimate from 3.3 million barrels to 5.2MMbbl, with a 38% chance of discovery and 34% chance of commercial discovery.

"The Mentelle Updip prospect is mature and justified for drilling with sufficient resource potential to materially impact the life-cycle of Cliff Head asset," it said.

West High, an appraisal and development opportunity, is a probably extension of the Cliff Head field to a western culmination which the Perth company says could be drilled by a deviated appraisal well from the Cliff Head platform and completed as a production well if successful, with a best estimate contingent resource of 950,000bbl.

"SE Nose is a low relief structure updip of the Cliff Head 1 discovery well," it said.

"The depth conversion studies also addressed the structural uncertainty of SE Nose and confirmed the presence of a structure updip of Cliff Head 1.

"The detailed design and implementation of a development well remains a key issue."

The best estimate contingent resource is 1.01MMbbl.

"The work we have done for the Cliff Head Renewal Project gives us a clear picture of how the under-explored Perth Basin could be developed around existing infrastructure, extending the life of the Cliff Head project," managing director Rob Towner said.

"The next steps for us are to commence the detailed well planning to execute these wells, within the constraints of the current oil price and industry downturn."

Bullish optimism pays off. Triangle is up over 8% this morning to 2.6c per share.



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