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KOHATUKAI PLUG AND ABANDONMENT

A comprehensive wireline logging programme has now been completed at the Kohatukai-1 well in PEP 55768, onshore northern Taranaki, New Zealand.

Elevated gas readings encountered while drilling the Matapo sandstone (secondary target) and Mangahewa Formation (primary target) intervals have been investigated as part of the comprehensive logging programme undertaken over the past two weeks.

As a result of this additional analysis and sampling, the target formations in Kohatukai-1 are considered to contain only residual gas. Therefore, the joint venture's view is that no economically viable gas reserves have been encountered in the well. The well will now be plugged and abandoned.

“Most wells will not make commercial discoveries of oil and gas. We participate in a portfolio of exploration wells to balance the chance of success in any particular exploration well against the potential rewards.

“The aim of the Kohatukai well was to test an exploration play and if successful produce into a gas market that we see as declining steadily in the 2020s. New Zealand Oil & Gas does not currently plan further onshore wells in Taranaki. Without further gas discoveries coming to market it is not clear how expected future demand for gas in New Zealand is going to be met,” chief executive Andrew Jefferies said.

Participants in PEP 55768 are Mitsui E&P Australia Pty Ltd (Mitsui) 37.5%; AWE Holdings NZ Limited (AWE) 12.5% (Operator); New Zealand Oil & Gas 25%; and O.G. Oil and Gas Limited 25%. O.G. Oil & Gas is the largest shareholder in New Zealand Oil & Gas.

