

Taipan Resources Inc. Shareholders' Letter and Operational Update from CEO, Max Birley, Nairobi Kenya

08.05.2013 | [Marketwired](#)

NAIROBI, May 8, 2013 - [Taipan Resources Inc.](#) ("Taipan" or the "Company") (TSX VENTURE:TPN) is pleased to provide the shareholders' letter and operational update below from CEO Max Birley, Nairobi Kenya.

Taipan finds its own "string of pearls" on Block 2B

Dear Fellow Shareholder,

It has now been 5 months since I last wrote to you back in November 2012. At that time we had only been in control of the Kenyan assets for 3 months. As we have recently completed the work program for the Initial Exploration Period on Block 2B, I thought it was time to update you on what has been occurring in Kenya from an exploration point of view, and in particular what Taipan Resources has undertaken operationally on our blocks.

We have recently updated our corporate presentation on our website www.taipanresources.com. It can be found under the Investors Information tab. You may wish to refer to it in conjunction with this letter as I try to explain in some detail why we believe that our acreage is indeed a "pearl" of exploration acreage of Kenya.

1.0 Regional Hydrocarbon Update

Tertiary oil now discovered in 3 basins, Albertine, Lokichar and Turkana.

The two Tullow Tertiary discoveries in Kenya now confirmed by testing. Twiga has 5,200 bopd ("barrels of oil per day") potential.

As you are aware, in March 2012 Tullow Oil and Africa Oil announced that they had discovered oil in the Tertiary sandstones in the Ngamia-1 well. When I last wrote, they were still drilling the South Twiga exploration well. The South Twiga well was located on a look-a-like structure to the north of the Ngamia well. Both wells are located on what is referred to as the "string of pearls". This is a series of prospects located on trend with each other associated with the main basin bounding fault. Since then, both wells have been tested and have flowed oil in commercial quantities. South Twiga flowed at a cumulative rate of 2,812 bopd of 37 degrees API oil and has potential, according to Tullow, of 5,200 bopd. Ngamia was recently tested and from one zone has produced 281 bopd of 30 degrees API oil. With five other upper zones still to be tested, these wells already prove that Kenya has a commercial petroleum system.

Figure 1 Shows the location of the recent discoveries and the oil bearing Tertiary basins of Uganda, Kenya and now Ethiopia:

<http://media3.marketwire.com/docs/tpn-0508-Figure-1.pdf>

Two further onshore wells drilled by Tullow have good oil shows and extend the trends into the Turkana Basin of Ethiopia and the Anza Basin

The Sabisa exploration well, which is currently being drilled by Tullow in Ethiopia, has reported oil in the Tertiary. This well proves up the northward extension of the Tertiary petroleum system into Ethiopia. This is a very significant well for Taipan as the Turkana basin in Ethiopia is separate from the Lokichar Basin of Kenya and the Albertine Basin of Uganda, and proves that conditions exist in the three basins to produce oil. The distance between the Sabisa and the Ngamia well is approximately 300 kilometers and from the wells of the Albertine Basin approximately 500 kilometers. This demonstrates that these Tertiary petroleum systems exist over regional distances. This has proved to be a very positive sign for the occurrence of oil in the other Tertiary basins in the region particularly the Anza Basin. Tullow has reported oil in the Sabisa well and it is currently being sidetracked due to drilling difficulties.

Taipan's Block 2B is located at the southern end of the Tertiary Anza Basin. The Anza has all the same play

elements found in the other three successful Tertiary basins. The Hothori well, which was drilled in the western portion of Block 2B in 1989 proved 9,500 ft of Tertiary section. Down dip from the well, there is 12,000 to 15,000 ft of Tertiary rocks adjacent to the main bounding fault in a similar structural configuration to the Ngamia, Twiga and Sabisa discoveries.

Figure 2 Shows the similarity between the structures on Block 2B (left panel) and the South Twiga discovery (right panel):

<http://media3.marketwire.com/docs/tpn-0508-Figure-2.pdf>

I have enclosed above seismic lines from Twiga South and our block to demonstrate that the same structural elements exist on Block 2B. In the corporate presentation, we refer to the similarity of the structures on Block 2B and Ngamia and Sabisa as well.

I am also enclosing a comparison of equivalent maps in Figure 3 that show the existence of a "string of pearls" of the same order of magnitude present on Block 2B located against the main bounding fault.

Now that oil has been discovered in the Albertine (Uganda), Lokichar (Kenya) and Turkana (Ethiopia) Basins, the likelihood of finding oil in the Tertiary of the Anza Basin has been significantly increased.

Figure 3 Comparison of structures left Block 2B right Tullow Blocks:

<http://media3.marketwire.com/docs/tpn-0508-Figure-3.pdf>

The Paipai exploration well (Tullow/ AOC) was drilled in the north western end of the Anza Basin where the Tertiary is thin and has little potential, as it is not buried deeply enough. The well was drilled on a large Cretaceous and Jurassic structural prospect. The well encountered 180 ft of sand and reportedly had light oil shows and wet gas shows in the Cretaceous. The Anza Basin is an extension of the prolific oil producing Melut and Muglad basin of South Sudan. The same Cretaceous rocks have been proved to extend at depth into Block 2B, and we do have a series of deeper Cretaceous prospects and leads that will be tested in due course. However, our focus is on the Tertiary fault-bounded prospects discovered so far. The Paipai well could not be tested because of the lack of suitable testing equipment due to high pressures. It is believed that the well will be tested in the future.

Excellent Tertiary source rocks are most likely to be present on Block 2B

It is not enough just to have similar structures, if you are going to find oil. We must also have similar oil-prone source and sealing rocks in the basin. Taipan have now carried out some geochemical studies of the region and has found good evidence that the source rocks that are present in the Lokichar Basin that generated the oils in the Ngamia and Twiga discoveries are of broadly the equivalent age and type to source rocks found to the south of Block 2B. It is thought from the geochemical modeling, that these same source horizons will likely be present and mature for oil around the many drillable structures adjacent to the main basin-bounding fault on Block 2B.

Figure 4 Seismic lines with the results of the 1D geochemical modeling overlain to show that the prospective Miocene Tertiary section is in the oil window on Block 2B:

<http://media3.marketwire.com/docs/tpn-0508-Figure-4.pdf>

2.0 Operational Update

What has been achieved since assuming operatorship? "Taipan undertakes 3 years' work in 8 months"

Block 2B is owned by Taipan's wholly owned subsidiary, Lion Petroleum Corp. The Block is 7,806 km², which is equivalent to 1.9 million acres. We are in the final few months of the Initial Exploration Period of the Production Sharing Contract (PSC). This period ends on the 1st June 2013 by which time we will make a 30% relinquishment of the block. The work program and minimum financial expenditure for this period included the acquisition of 400 kilometers of seismic data and the acquisition of a block wide Full Tensor Gradiometry survey (FTG) for a cost of \$6.5 million. The work and financial commitments for this period have all been met or exceeded within a very short period of time.

The acquisition of 439 kilometers of 2D seismic data on Block 2B commenced on the 13th of January and was completed on the 13th of March 2013. The cost for the 560 fold data (highest fold data to be acquired to date in Kenya) was \$12,500 per kilometer and has set a new benchmark for other companies to follow in terms of cost and data quality. We are very proud that the survey was acquired without any downtime due to local community issues or any recordable HSE incidents. The whole dataset from the crew was fully processed to pre-stack time migrations within 14 days of the last data point being acquired.

Figure 5 Pictures from the 2D seismic survey of a seismic vibrator and up-hole drilling rig:
<http://media3.marketwire.com/docs/tpn-0508-Figure-5.pdf>

The 12,713 km "block wide" FTG survey was recorded by ArkeX Ltd. during March and April. Similarly, the data has been processed and interpretations are already ongoing.

Based on the interpretation of the newly acquired data, the board of Taipan has decided to execute the option to enter into the First Additional Exploration Period and extend the PSC for a further 2 years commencing 2nd June 2013. There is a final option to extend the PSC for a further 2 years into the "Second Additional Exploration Period" commencing 2nd June 2015. We have begun early stage well planning and design work, and expect to drill, dependent upon rig availability, an exploration well on Block 2B in early 2014.

Figure 6 FTG survey acquisition plan and processing results:
<http://media3.marketwire.com/docs/tpn-0508-Figure-6.pdf>

What is going to happen in the near future to add additional value to your company?

"Five wells to be drilled in blocks contiguous or close to Block 2B within the next 9 months"

The next 12-24 months will see several industry players drill blocks in and around Kenya creating much interest and speculation. An overview regional map of the future drilling is included in the Corporate Presentation.

Contiguous to Taipan's Block 2B, on Block 9 Africa Oil and Marathon Oil plan to drill the Bahasi-1 (Q3 2013) and possibly the Sala-1 prospect, with Tertiary and Cretaceous targets. These are large prospects with most likely gross oil prospective resources of 320 and 402 mmbbls respectively.

Figure 7 Location of the Bahasi and Sala prospects on block 9 and the prospects & leads on Block 2B directly on trend:
<http://media3.marketwire.com/docs/tpn-0508-Figure-7.pdf>

Based on wells, gravity, magnetic and seismic data we can see that the Tertiary trends that exist in the Albertine, Lokichar and Turkana Basins extend onto Block 9 and the potentially most-prospective part of this Tertiary basin occurs in Block 2B.

We believe that the "sweet spot" of the Anza Basin with its own "string of pearls" is located on our block. It is denoted by the purple outline color in Figure 8.

Vanoil, which operates Block 3A and Block 3B contiguous to the south of Block 2B, has a commitment to drill 2 exploration wells in 2013. Drilling is due to commence on the first well in July this year, and both wells should take 5 months to drill. Based on our understanding of the blocks, the prospects are mainly Cretaceous in age as the Tertiary is not deep enough on Block 3A and Block 3B to be mature for oil generation. You can see from Figure 4, that the blue color that indicates Tertiary sediments is replaced by the greens of the Cretaceous sediments on Block 3A.

NewAge will drill the 2,300m El Kuran appraisal well in June 2013. The well, which is located in Ethiopia, is approximately 100 kms from the north-eastern boundary of Block 1 in which Taipan has a 20% interest. This well is expected to take 45 days to drill. The Jurassic carbonate reef play has a prospective resource estimate of 1.3 billion barrels of oil.

Afren also has a commitment to drill in Block 1 (north of Block 2B) and the well will be spudded in 2014 at the latest.

Figure 8 Gravity map of the Anza Basin:
<http://media3.marketwire.com/docs/tpn-0508-Figure-8.pdf>

Expected Increase in Block 2B estimate of Prospective Resources

Sproule, in their (NI 51-101) report dated October 2012, certified that there were 328 million barrels of unrisks prospective resources on Block 2B. Based on the new seismic and FTG gravity data, management is expecting this estimate to be upwardly revised. We expect the new resource certification to be issued by July-August of this year.

Block 1 Summary

Taipan has a 20% interest Block 1. Afren, the operator of Block 1, completed the acquisition of 1,900 kms of seismic data with BGP in early 2013. The data is being processed and interpreted prior to selecting a drilling location.

3.0 Commercial Update

Farm-out of Block 2B

In October last year, we commenced a farm-out process for Taipan's 100% interest in the wholly-owned Block 2B. As previously stated, we plan to farm out up to 50% of our interest in the block. The aim is to bring in an industry partner that will be expected to take an active technical interest to the work, in addition to carrying our costs through the exploration work program going forward. All we can say at this time is that we are currently engaged in various levels of discussion with a number of potential farm-in partners, and we expect to announce a definitive farm-out agreement during Q2, 2013.

\$3.0 million private placement

On the 31st of January Taipan announced that it was going to the market to raise \$3.0 million to fund existing operations. The raise was subsequently oversubscribed and by late February we had secured approximately \$3.5 million. Not only did we broaden our shareholder base, but we also attracted into Taipan some new institutional investors. Taipan's management bought 21% of the financing.

Catalysts for value creation for the remainder of the year

As I have earlier discussed, we believe Block 2B to be highly prospective acreage. The fact that oil in commercial quantities has been discovered in the Albertine and Lokichar Tertiary Basins, and that oil has also been discovered in the Turkana Basin, has significantly increased the chances of a major oil strike in the Tertiary part of the Anza Basin.

As part of our journey to prove this, we are going to see the following value adding activities occur in the near future. These include:

- Entering into the First Additional Exploration phase of the PSC (additional 2 years)
- Re-certification and increase to Taipan's resource estimate on Block 2B
- Farm-out of Block 2B
- Drilling of 5 high impact exploration wells on acreage contiguous or close to Taipan's Blocks.
- Drilling of an exploration well on "an Ngamia, Twiga, Sabisa look-alike" prospect on Block 2B

We will continue to keep you updated on our progress, and also invite you to visit Taipan's website for news on developments relating to the Company throughout East Africa.

Finally, we wish to thank you for the confidence you have entrusted in the Taipan Management Team and Board of Directors, and assure you of our commitment to responsibly building sustainable shareholder value.

Sincerely,

Maxwell Birley, Chief Executive Officer

The statements contained in this release that are not historical facts are forward-looking statements, which involve risks and uncertainties that could cause actual results to differ materially from the targeted results. The Company relies upon litigation protection for forward-looking statements.

This news release contains forward-looking statements relating to the timing and completion of a farm out for Block 2B, the timing and completion of exploration programs on Block 1 and Block 2B, the future operations of Taipan and other statements that are not historical facts. Forward-looking statements are often identified

by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the completion of a farm out for Block 2B and the completion of exploration programs on Block 1 and Block 2B, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Taipan's expectations are risks detailed from time to time in the filings made by Taipan with securities regulations.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Taipan. As a result, Taipan cannot guarantee that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and Taipan will only update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

[Taipan Resources Inc.](#)

Maxwell Birley, Chief Executive Officer
+254 705 643 745
mbirley@taipanresources.com

Taipan Resources Inc.
Joel Dumaesq, Director
(604) 336-3193
jdumaesq@taipanresources.com
www.taipanresources.com

For Investor Relations Contact:
Kin Communications Inc.
(604) 684-6730 or 1-866-684-6730
TPN@kincommunications.com
www.kincommunications.com

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/148768--Taipan-Resources-Inc.-Shareholdersund039-Letter-and-Operational-Update-from-CEO-Max-Birley-Nairobi-Kenya>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer](#)!

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).