

Africa Oil Announces 557% Increase in Estimates of Contingent Resources in the South Lokichar Basin in Kenya and a Significant Increase in Risked Prospective Resources

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sep 3, 2013) - [Africa Oil Corp.](#) ("Africa Oil", "AOC", or "the Company") (TSX VENTURE:AOL)(OMX:AOL) is pleased to announce that an updated independent assessment of the Company's contingent and prospective resources on its Kenyan and Ethiopian exploration properties has been completed by Gaffney, Cline & Associates ("Gaffney Cline", or "GCA"). The independent assessment was carried out in accordance with the standards established by the Canadian Securities Administrators in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities. The effective date of the report is July 31, 2013.

It should be noted that these estimates do not include the Company's Puntland (Somalia) oil and gas interests which is available at www.sedar.com under [Horn Petroleum Corp.](#), Africa Oil's 45% owned subsidiary.

Given the large quantity of prospects and leads in the Company's portfolio, the following three tables have been prepared for the convenience of readers by Africa Oil. Readers should refer to the tables attached to this News Release, which have been prepared by Gaffney Cline, detailing the contingent oil resources and prospective oil and gas resources by prospect and lead with the associated geological chance of success:

Summary of Contingent Oil Resources ¹ as of July 31, 2013				
Country	Licence	GROSS Best (2C) Estimate (MMbbl)	AOC Working Interest (%)	NET Best (2C) Estimate (MMbbl)
Kenya	Block 10BB	280	50%	140
	Block 13T	87	50%	44
Ethiopia	Block 7/8 ²	155	30%	47

Notes:

1. This summation of resources has been prepared for convenience by the Company and not by Gaffney Cline & Associates.
2. Gross best estimate (2C) contingent gas resources of 106 BCF (32 BCF Net) not included in table for Blocks 7/8.

Summary of Prospective Oil Resources ¹ as of July 31, 2013					
Country	Licence	UNRISKED	AOC Working Interest (%)	UNRISKED	RISKED ²
		GROSS Best Estimate (MMbbl)		NET Best Estimate (MMbbl)	NET Best Estimate (Risked) (MMbbl)
Kenya	Block 9	1,598	50%	799	96
	Block 10A	376	30%	113	14
	Block 10BA	9,836	50%	4,918	374
	Block 10BB	2,364	50%	1,182	302
	Block 12A	3,779	20%	756	38
	Block 13T	2,174	50%	1,087	382
Ethiopia	South Omo	2,641	30%	792	88

Summary of Prospective Gas Resources ¹ as of July 31, 2013					
Country	Licence	UNRISKED	AOC Working Interest (%)	UNRISKED	RISKED ²
		GROSS Best Estimate (BCF)		NET Best Estimate (BCF)	NET Best Estimate (Risked) (BCF)

Kenya	Block 9	1,880	50%	940	376
	Block 10A	360	30%	108	38

Notes:

1. This summation of resources has been prepared for convenience by the Company and not by Gaffney, Cline & Associates.
2. Risked resources have been calculated and summed by the company after risking prospects and leads individually. Geological Chance of success (GCOS) varies with each prospect or lead.

Keith Hill, Africa Oil's President and Chief Executive Officer, commented: "Gaffney Cline's independent assessment confirms a significant increase to contingent and risked prospective resources in the Tertiary rift basins in Kenya and Ethiopia. Based on the drilling and testing program over the past year we have confirmed the South Lokichar Basin contains gross contingent resources of 368 million barrels of oil, an increase of 557%. In addition gross risked prospective resources of 1,213 million barrels of oil are estimated for the South Lokichar Basin. This level of resource exceeds the threshold for development and development studies have commenced. We continue to aggressively explore with three seismic crews active and are ramping up drilling activity with plans to have a total of six rigs (four operated by Tullow Oil) operating in the fourth quarter of 2013. We expect the next 18 months to be transformational as we drill-out the prolific South Lokichar Basin and open up a number of highly prospective basins on the Tertiary rift trend."

Africa Oil's holdings include working interests in operated and non-operated Production Sharing Contracts (PSC's) in Kenya, Ethiopia and Puntland (Somalia) in East Africa. These Blocks contain relatively under explored plays in basins that have proven and productive analogs. Since the effective date (June 30, 2012) of Gaffney Cline's previous evaluation of prospective resources, highlights of the Company's exploration activities in Kenya and Ethiopia include:

- Drilling and testing the Twiga South-1 well in Block 13T (Kenya) resulting in an additional oil discovery and demonstrating high quality Auwerwer sands containing light waxy sweet oil.
- Production testing the Ngamia-1A discovery in Block 10BB (Kenya) which significantly increased the assessment of net oil pay encountered by the well;
- Drilling the Etuko-1 well in Block 10BB (Kenya) resulting in an additional oil discovery.
- As a result of these additional South Lokichar Basin discoveries, several prospects and leads in the Tertiary rift have been de-risked and the volume of contingent oil resources has increased;
- Drilling the Paipai-1 well in Block 10A (Kenya) demonstrating a working petroleum system in the Anza Basin;
- Drilling the Sabisa-1 well in the South Omo Block (Ethiopia) demonstrating a working petroleum system in the South Omo Basin;
- The acquisition of approximately 5,000 km of 2D seismic, increasing the number of mapped prospects and leads;

Please refer to the tables below detailing the Company's contingent oil resources and prospective oil and gas resources by prospect and lead as provided by Gaffney Cline effective July 31st, 2013.

To view Tables 1-12, click on the following link: <http://media3.marketwire.com/docs/895788t.pdf>

[Africa Oil Corp.](#) is a Canadian oil and gas company with assets in Kenya, Ethiopia and Puntland (Somalia). Africa Oil's East African holdings are within a world-class exploration play fairway with a total gross land package in this prolific region in excess of 250,000 square kilometers. The East African Rift Basin system is one of the last of the great rift basins to be explored. New discoveries have been announced on all sides of Africa Oil's virtually unexplored land position including the Albert Graben oil discoveries in neighboring Uganda. Africa Oil's recent Ngamia-1A, Twiga South-1 and Etuko-1 discoveries extend the Albert Graben play into Kenya where Africa Oil, along with partners Tullow and Marathon, hold a dominant acreage position. Newly acquired seismic and gravity data show robust leads and prospects throughout Africa Oil's project areas. The Company is listed on the TSX Venture Exchange and on First North at NASDAQ OMX-Stockholm under the symbol "AOI".

FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein constitutes "forward-looking information" (within the meaning of applicable Canadian securities legislation). Such statements and information (together, "forward looking statements") relate to future events or the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and

their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources and dates by which certain areas will be explored, developed or reach expected operating capacity, that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.

ON BEHALF OF THE BOARD

Keith Hill, President and CEO

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.

BASIS OF OPINION

This document reflects GCA's informed professional judgment based on accepted standards of professional investigation and, as applicable, the data and information provided by the Client and/or obtained from other sources e.g. public domain, the limited scope of engagement, and the time permitted to conduct the evaluation.

In line with those accepted standards, this document does not in any way constitute or make a guarantee or prediction of results, and no warranty is implied or expressed that actual outcome will conform to the outcomes presented herein. GCA has not independently verified any information provided by or at the direction of the Client and/or obtained from other sources e.g. public domain, and has accepted the accuracy and completeness of these data. GCA has no reason to believe that any material facts have been withheld from it, but does not warrant that its inquiries have revealed all of the matters that a more extensive examination might otherwise disclose.

The opinions expressed herein are subject to and fully qualified by the generally accepted uncertainties associated with the interpretation of geoscience and engineering data and do not reflect the totality of circumstances, scenarios and information that could potentially affect decisions made by the report's recipients and/or actual results. The opinions and statements contained in this report are made in good faith and in the belief that such opinions and statements are representative of prevailing physical and economic circumstances.

This assessment has been conducted within the context of GCA's understanding of the effects of petroleum legislation and other regulations that currently apply to these properties. However, GCA is not in a position to attest to property title or rights, conditions of these rights including environmental and abandonment

obligations, and any necessary licenses and consents including planning permission, financial interest relationships or encumbrances thereon for any part of the appraised properties.

In carrying out this study, GCA is not aware that any conflict of interest has existed. As an independent consultancy, GCA is providing impartial technical, commercial and strategic advice within the energy sector. GCA's remuneration was not in any way contingent on the contents of this report. In the preparation of this document, GCA has maintained, and continues to maintain, a strict independent consultant-client relationship with the Client. Furthermore, the management and employees of GCA have no interest in any of the assets evaluated or related with the analysis carried out as part of this report.

Staff members who prepared this report are professionally-qualified with appropriate educational qualifications and levels of experience and expertise to perform the scope of work set out in the Proposal for Services.

This report has been prepared in accordance with GCA's understanding of the requirements of Canadian National Instrument 51-101. In this context GCA has followed the Canadian Oil and Gas Evaluation Handbook (COGEH); a copy of Chapter 5 of COGEH is attached hereto as Appendix I.

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognized as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way. Estimates of oil and gas reserves or resources prepared by other parties may differ, perhaps materially, from those contained within this report. The accuracy of any reserve estimate is a function of the quality of the available data and of engineering and geological interpretation. Results of drilling, testing and production that post-date the preparation of the estimates may justify revisions, some or all of which may be material. Accordingly, reserve estimates are often different from the quantities of oil and gas that are ultimately recovered, and the timing and cost of those volumes that are recovered may vary from that assumed.

Oil and condensate volumes appearing in this report have been quoted at stock tank conditions. Typically these volumes have been referred to in million barrel increments (MMstb). Natural gas volumes have been quoted in billions of standard cubic feet (Bscf). Standard conditions are defined as 14.696 psia and 60° Fahrenheit.

It is GCA's opinion that the estimates of total remaining recoverable hydrocarbon liquid and gas volumes at 31st July, 2013, are, in the aggregate, reasonable and the resources classification and categorization is appropriate and consistent with the definitions and guidelines and resources.

CONTINGENT AND PROSPECTIVE RESOURCES

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no evident viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

It must be appreciated that the Contingent Resources reported herein are unrisks in terms of economic uncertainty and commerciality.

- **Low Estimate:** This is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

- **Best Estimate:** This is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
- **High Estimate:** This is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.

Prospective Resources are those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub- classified based on project maturity.

There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

Prospective Resources include Prospects and Leads. Prospects are features that have been sufficiently well defined, on the basis of geological and geophysical data, to the point that they are considered drillable. Leads, on the other hand, are not sufficiently well defined to be drillable, and need further work and/or data. In general, leads are significantly more risky than prospects and therefore are not suitable for explicit quantification.

Prospective Resource volumes are presented as unrisked. It must be appreciated that Prospective Resources are risk assessed only in the context of applying the stated 'Geological Chance of Success', a percentage which pertains to the percentage probability of achieving the status of a Contingent Resource (where the Geological Chance of Success is unity). This dimension of risk assessment does not incorporate the considerations of economic uncertainty and commerciality.

GCA is an energy consultancy specializing in independent petroleum advice on resource evaluation and economic analysis. In preparation of this report, GCA has maintained, and continues to maintain, a strict consultant - client relationship with AOC. The management and employees of GCA have been and continue to be, independent of AOC in the services they provide to the company including the provision of the opinion expressed in this report. Furthermore the management and employees of GCA have no interest in any assets or share capital of AOC or in the promotion of the company.

Opinions concerning sub-surface petroleum resources are associated with considerable uncertainty and represent best estimates based on the data available at the time the opinion is given. The acquisition of new data in the future and/or variations in economic circumstances and market forces may result in significant upward or downward movements in revised total resource estimates.

RISKS AND CAUTIONARY STATEMENTS

Significant Positive and Negative Factors Relevant to the Resources Estimates:

This news release contains forward looking information including, but not limited to, estimated resources. The forward looking information is based on current expectations and is subject to a number of risks and uncertainties which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to the following:

Risks associated with ever making a discovery:

The estimation of prospective resource volumes for high-risk and poorly calibrated basins can be subject to large variation from the introduction of new information. The estimates presented herein are based on all of the information available; however, new data or information is likely to have a material effect on the resource assessment values. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that the discovery will be commercially viable to produce any portion of the resources. Given that most of the resources in the portfolio are in leads that require additional data to fully define their potential it is likely that significant changes to the resource estimates will occur with the incorporation of additional data and information.

Risk Associated with the Estimates:

In the event of a discovery, basic reservoir parameters, such as porosity, net hydrocarbon pay thickness, fluid composition and water saturation, may vary from those assumed by GCA affecting the volume of hydrocarbon estimated to be present. Other factors such as the reservoir pressure, density and viscosity of the oil and solution gas/oil ratio will affect the volume of oil that can be recovered. Additional reservoir parameters such as permeability, the presence or absence of water drive and the specific mineralogy of the reservoir rock may affect the efficiency of the recovery process. Recovery of the resources may also be affected by well performance, reliability of production and process facilities, the availability and quality of source water for enhanced recovery processes and availability of fuel gas. There is no certainty that certain mineral interests are not affected by ownership considerations that have not yet come to light.

Risk Associated with the Classifications:

Substantial Capital Requirements:

Africa Oil expects to make substantial capital expenditures for exploration, development and production of oil and gas reserves in the future. The Company's ability to access the equity or debt markets in the future may be affected by any prolonged market instability. The inability to access the equity or debt markets for sufficient capital, at acceptable terms and within required time frames, could have a material adverse effect on the Company's financial condition, results of operations and prospects.

Ability to Execute Exploration and Development Program:

It may not always be possible for Africa Oil to execute its exploration and development strategies in the manner in which the Company considers optimal. Execution of exploration and development strategies is dependent upon the political and security climate in the host countries where the Company operates. The Company's exploration and development programs in East Africa may involve the need to obtain approvals from relevant authorities who may require conditions to be satisfied or the exercise of discretion by the relevant authorities. It may not be possible for such conditions to be satisfied.

Absence of a Formal Development Plan including Required Funding:

There is no certainty the Company will prepare and approve a development plan for any portion of the contingent resources or that the Company will be successful in funding any development should such a plan be prepared. General market conditions, the sufficiency of such a development plan and the outlook regarding oil and gas prices are some factors that will influence the availability of funding.

Access to Infrastructure:

Africa Oil's ability to produce and market hydrocarbons from any potential discoveries will depend on its ability to access suitable infrastructure. The Company may also be affected by deliverability uncertainties related to the proximity of its potential production to pipelines and processing facilities and operational problems affecting such pipelines and facilities as well as potential government regulation relating to price and the export of oil and gas. Currently there is limited local infrastructure and markets for oil, natural gas and condensate and export infrastructure to enable other markets to be accessed has not yet been developed. Africa Oil will work with its partners and government authorities to evaluate the commercial potential and technical feasibility of any discovery made.

Additional Risks:

Additional risks associated with the estimate of the prospective and contingent resources include risks associated with the oil and gas industry generally (i.e. financing; operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections related to production; costs and expenses; health, safety, security and environmental risks; and the uncertainty of resource estimates), drilling equipment availability and efficiency, the ability to attract and retain key personnel, the risk of commodity price and foreign exchange rate fluctuations, the uncertainty associated with dealing with governments and obtaining regulatory approvals, and the risk associated with international activities.

Contact

[Africa Oil Corp.](#)

Sophia Shane
Corporate Development
(604) 689-7842
(604) 689-4250
africaoilcorp@namdo.com
www.africaoilcorp.com

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