

# Far East Energy Receives Netherland, Sewell & Associates, Inc. Report of 66% Increase in Net Contingent Gas Resources in the Shouyang Block

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Far East Energy Corporation (OTC BB: FEED) today announced the results of an independent report prepared by Netherland, Sewell & Associates, Inc. ('NSAI') evaluating, as of June 30, 2011, the net contingent gas resources and Net Present Value at 10% Discount ('NPV10') of the net contingent cash flow for the three target coal seams in Far East Energy's 485,000 acre (1960 square kilometers) Shouyang Block, situated in Shanxi Province, China.

The report, which is subject to certain limitations and assumptions described therein, gives a Best Estimate of NPV10 of \$1.23 billion, which reflects a 66% increase over the previously prepared NSAI report as of December 2010; a High Estimate of \$2.11 billion, which reflects a 44% increase; and a Low Estimate of \$319.30 million, which reflects a 143% increase.

'Obviously, this is an exhilarating report. It reflects the great potential of the Shouyang Block project,' said Michael R. McElwrath, CEO and President of Far East. 'These estimates not only reinforce the belief we have had in this project since the beginning, but it also better defines the economic potential of the Shouyang Block. As you may recall when we released the December 2010 NSAI report we stated that it was our hope and belief that the numbers then reported by NSAI, were just the beginning indicators of the Shouyang Block's vast resource potential. Now, with the receipt of the latest NSAI report, a mere six months later, this is being borne out. As the Company continues its development of the Shouyang Block project, with operations now under the oversight of David Minor, Executive Director of Operations, we believe we are well positioned to enter the next development phase and expect to see increased well-by-well gas rates coupled with sustainability.'

The full text of the NSAI Net Contingent Gas Resources and Net Contingent Cash Flows report can be found on the Company's website at: [www.fareastenergy.com](http://www.fareastenergy.com). Information regarding the Operations Update Conference Call which is scheduled for 11:00 a.m. EDT (10:00 a.m. CDT) can also be found on the Company's website.

Contingent resources do not constitute SEC reserves and are defined as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from known accumulations, but for which the applied project is not yet considered mature enough for commercial development because of one or more contingencies. The estimates in the NSAI report were prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System approved by the Society of

Professional Engineers. The resources shown in the NSAI report are estimates only and should not be construed as exact quantities. Readers are urged to read the report in its entirety.

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Far East Energy Corporation

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Based in Houston, Texas, with offices in Beijing, Kunming, and Taiyuan City, China, Far East Energy Corporation is focused on coalbed methane exploration and development in China.

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Netherland, Sewell & Associates

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Netherland, Sewell & Associates, Inc. provides integrated consulting services encompassing geophysics, geology, petrophysics, engineering, reservoir modeling and economics. NSAI has performed geophysical, geologic and engineering studies of reservoirs around the globe - from the North Sea to South America, from the North Slope to South Florida, and from West Africa to the Middle East and Indonesia - for leading major integrated petroleum companies, both small and large independent oil and gas companies, and various financial institutions and government agencies. For more information about NSAI, please visit their website at

[www.netherlandsewell.com](http://www.netherlandsewell.com).

Statements contained in this press release that state the intentions, hopes, beliefs, anticipations, expectations or predictions of the future of Far East Energy Corporation and its management are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. It is important to note that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties. Actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: there can be no assurance as to the volume of gas that is ultimately produced or sold from our wells; the fracture stimulation program may not be successful in increasing gas volumes; due to limitations under Chinese law, we may have only limited rights to enforce the gas sales agreement between Shanxi Province Guoxin Energy Development Group Limited and China United Coalbed Methane Corporation, Ltd., to which we are an express beneficiary; additional wells may not be drilled, or if drilled may not be timely; additional pipelines and gathering systems needed to transport our gas may not be constructed, or if constructed may not be timely, or their routes may differ from those anticipated; the pipeline and local distribution/compressed natural gas companies may decline to purchase or take our gas, or we may not be able to enforce our rights under definitive agreements with pipelines; conflicts with coal mining operations or coordination of our exploration and production activities with mining activities could adversely impact or add significant costs to our operations; certain of the proposed transactions with Dart Energy (formerly Arrow Energy) may not close on a timely basis or at all, including due to a failure to satisfy closing conditions or otherwise; the anticipated benefits to us of the transactions with Dart Energy may not be realized; the final amounts received by us from Dart Energy may be different than anticipated; Dart Energy may exercise its right to terminate the Farmout Agreement at any time; the Chinese Ministry of Commerce ('MOC') may not approve the extension of our production sharing contracts ('PSCs') on a timely basis or at all, or, if so, on commercially advantageous terms; our Chinese partner companies or the MOC may require certain changes to the terms and conditions of our PSCs in conjunction with their approval of any extension of our PSCs, including a reduction in acreage; our lack of operating history; limited and potentially inadequate management of our cash resources; risk and uncertainties associated with exploration, development and production of coalbed methane; proved reserves may not be reported in a timely manner or at all and, if reported, may be smaller than anticipated; our inability to extract or sell all or a substantial portion of our estimated Contingent Resources; we may not satisfy requirements for listing our securities on a securities exchange; expropriation and other risks associated with foreign operations; disruptions in capital markets affecting fundraising; matters affecting the energy industry generally; lack of availability of oil and gas field goods and services; environmental risks; drilling and production risks; changes in laws or regulations affecting our operations, as well as other risks described in our 2010 Annual Report and

subsequent filings with the Securities and Exchange Commission.

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