

# Far East Energy Releases Additional NSAI Report - Increase in China CBM Resources

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Far East Energy Corporation (OTCBB: FEEC) announced today the results of an independent engineering report prepared by Netherland, Sewell & Associates, Inc. ('NSAI') updating estimates for the total coalbed methane Original Gas-in-Place ('OGIP') in Far East Energy's Shouyang Block situated in Shanxi Province, China. This follows the July 22, 2011 release of NSAI's updated report covering net contingent gas resources and net contingent cash flows from the Shouyang Block project. Both reports reflected large increases.

The updated report covers the Nos. 3, 9 and 15 target coal seams and concludes with OGIP estimates for the Shouyang Block Production Sharing Contract as follows: a Best Estimate OGIP of 8.6 Trillion cubic feet ('Tcf') of coalbed methane gas, representing a 23% increase from estimates in NSAI's report dated November 17, 2010; OGIP Low Estimate of 6.7 Tcf, representing a 25% increase; and a High Estimate of 10.4 Tcf, representing a 22% increase.

'It is gratifying to receive the updated report on Original Gas-in-Place for the Shouyang Block,' said Michael R. McElwrath, CEO and President of Far East Energy. 'Closely following the July 22, 2011 release regarding large increases in net contingent gas resources and cash flows, also calculated by NSAI, the updated OGIP report is another indicator of the great potential of the Shouyang Block.'

McElwrath continued, 'If enacted and anticipated government subsidies are considered, then in coming months the gas produced by Far East may be sold for \$7.23 per Mcf of gas, at June 30, 2011 exchange rates, which compares quite favorably to the posted Henry Hub U. S. natural gas price of \$4.64 per Mcf, as of July 20, 2011. Far East is well-positioned to maximize the development potential of this project given its accomplishments over the past twelve months, and the growing resource potential of the Shouyang Block. We are well pleased with the results of these independent studies.'

The NSAI report on OGIP estimates, which contains further information and qualifications, can be found on Far East Energy's website at: [www.fareastenergy.com](http://www.fareastenergy.com).

The OGIP volumes are defined as those quantities of gas estimated, as of a given date, to be contained in known accumulations prior to production, plus those estimated quantities in accumulations yet to be discovered, and do not indicate the level of reserves or resources that may be ultimately produced. 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 OGIP volumes 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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