Empire Energy Group Ltd: Major Beetaloo Resource Upgrade

29.05.2023 | ABN Newswire

Sydney, Australia - Empire Energy Group Ltd. (ASX:EEG) (OTCMKTS:EEGUF) is pleased to announce a major upgrade to its independently assessed EP187 Contingent and Prospective Resources. The resources estimate for Empire's wholly owned and operated EP187 permit has been prepared by Netherland, Sewell & Associates, Inc. ("NSAI"), a worldwide leader of petroleum property analysis to industry, financial organisations and government agencies.

- Successful 2022 Beetaloo work program has resulted in the certification of an LNG scale resource as independently assessed by Netherland, Sewell & Associates, Inc. ("NSAI") for Empire's wholly owned and operated EP187:

o 270% increase in 2C Contingent Resources to 1,739 PJ representing an average Estimated Ultimate Recovery ("EUR") per well of 7.9 PJ

o 217% increase in 1C Contingent Resources to 304 PJ representing an average EUR per well of 6.2 PJ

o 129% increase in 3C Contingent Resources to 3,507 PJ representing an average EUR per well of 9.3 PJ

- Due to the high calorific value of the Empire's EP187 gas, NSAI assessed sales volumes in PJ have a higher energy content than equivalent dry gas volumes.

Comments from Managing Director Alex Underwood:

"The Empire team is delighted to share these outstanding results with shareholders. The volumes delineated in EP187 represent a nationally significant resource of low CO2 gas. Warnings abound from multiple sources that Australia faces material gas shortfalls in years ahead, a view that I share given the enduring role of gas. The Beetaloo and more particularly Empire's resource has the potential to service domestic demand gaps and international sales via LNG. At an assumed gas contract price of $10 / GJ, each development well in EP187 could produce between $62 million and $95 million of revenue over its life, compared to a development cost of ~$20 million in the pilot phase and or ~$15 million in larger development scenarios. NSAI has identified over 200 2C drilling locations, representing LNG scale development potential.

Following the recent green light from the NT Government to move into production, the Empire team is progressing towards development drilling and cash flow. Our current capital resources allow us to proceed to a final investment decision on the pilot project this year without raising any further capital in the near term. This will allow the team to focus on further value accretive work including field development planning, indigenous consultation, regulatory approvals and gas sales negotiations."

NSAI has assessed EP187 Contingent and Prospective Resources in Petajoules ("PJ"), as well as Billion Cubic Feet ("BCF"), reflecting the high calorific value of the produced gas as demonstrated by each of the three wells which have been production tested in EP187. The high calorific value of Empire's raw wellhead gas has resulted in a conversion factor of 1.15 TJ per mmscf, as opposed to 1.055TJ per mmscf for dry gas (i.e. methane only). This may allow Empire to attract a price premium for its gas in gas sales scenarios.

EP187 Contingent Resources

The revised estimate of the Contingent Resources for EP187 includes the technical results from Empire's successful 2022 drilling, fracture stimulation and extended production testing campaign that included the following activities.

- Carpentaria-2H ("C-2H") which was fracture stimulated over 21 stages, along a 927 metre (3,041 foot) horizontal section and production tested;

- Carpentaria-3H ("C-3H") which was drilled, fracture stimulated across 40 stages along an effective 1,989 metre (6,526 foot) horizontal section and production tested; and

- Carpentaria-4V ("C-4V") which was drilled in the adjoining fault block to the Carpentaria-1, C-2H and C-3H

wells. C-4V proved the continuity of the Carpentaria shale play into the adjoining Carpentaria East fault block. The thickness of the stacked shale sequence has proven to be consistent throughout the EP187 area and validated the modelled depth, continuity, and thickness of the Velkerri shales into that area of the basin.

The C-2H and C-3H operational results demonstrate that Empire can cost-effectively deliver 3-kilometre hydraulically stimulated horizontal wells utilising Australia's existing rig and frack spread fleet. 3-kilometre horizontal wells represent Empire's intended well design for future development of the Carpentaria Project in EP187. Contingent Resources have been estimated using a combination of deterministic and probabilistic methods based on step out locations from current well control using this well design with a 500m lateral drainage offset.

*To view tables and figures, please visit:
https://abnnewswire.net/lnk/HW12S06R

About Empire Energy Group Ltd:

Empire Energy (ASX:EEG) (OTCMKTS:EEGUF) holds over 14.5 million acres of highly prospective exploration tenements in the McArthur and Beetaloo Basins, Northern Territory. Work undertaken by the Company since 2010 demonstrates that the Eastern depositional Trough of the McArthur Basin, of which the Company holds 80% has very considerable conventional and unconventional hydrocarbon potential. The Beetaloo sub-Basin, in which Empire holds a substantial position, has independently assessed world class hydrocarbon volumes in place with a major ramp up in industry activity underway to appraise substantial discoveries already made by major Australian oil and gas operators.

Empire Energy is an experienced conventional oil and gas producer with operations in the Appalachia region (New York and Pennsylvania). Empire has been successfully developing and producing oil and gas since 2006.

Source:
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Die URL für diesen Artikel lautet:
https://www.rohstoff-welt.de/news/444559--Empire-Energy-Group-Ltd~-Major-Beetaloo-Resource-Upgrade.html

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