

# Criterion Energy Provides Tungkal PSC Update and Outlines 2026 Budget

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- Transformational 2025 results highlighted by successful production tests at SE-MGH (8 mmcf/d<sup>2</sup>) and N-MGH (2.5 mmcf/d<sup>3</sup>)
- SE-MGH total project capex reduced to US\$2.0 million net to Criterion. First gas, anticipated in Q2 2026, to be achieved within cashflow
- PGN selected as offtaker, progressing to binding Gas Sales Agreement. Pipeline contract signed and site preparation commenced

Calgary, February 10, 2026 - [Criterion Energy Ltd.](#) (TSXV: CEQ) ("Criterion" or the "Company"), an independent upstream energy development and production company focused on energizing growth for Southeast Asia, today provided an operational update on the Southeast Mengoepeh ("SE-MGH") and North Mengoepeh ("N-MGH") gas development projects, in addition to providing a summary of the 2026 budget approved by the Company's Board of Directors.

"Entering 2026, we have a clear pathway to gas production and to materially transforming our production and cashflow," said Matthew Klukas, President and CEO of Criterion Energy. "We now turn our focus to executing the Gas Sales Agreement and supporting the construction of the SE-MGH pipeline, which upon completion will deliver gas from the Tungkal PSC into an undersupplied domestic gas market in Indonesia. With encouraging results from N-MGH, we anticipate this field will provide incremental gas production, improving operating margins and cashflow. While our focus this year will be on executing the SE-MGH and N-MGH developments, we will also be laying the foundation for incremental gas production, via site preparations at Macan Gedang and Cerah, and improving long-term oil production through detailed technical and feasibility studies required to implement secondary recovery at the MGH and PLT oil fields."

## Project Updates and Operational Highlights

- Pipeline contract signed, construction commenced: On January 30, 2026, Criterion and PT Dredolf Indonesia ("Dredolf") signed a binding contract for the construction, operations, and maintenance for a 21 km six-inch gas pipeline to connect SE-MGH to nearby gas processing facilities. Site preparation for the pipeline commenced on February 2, 2026. The initial length of 14 km has been expanded to replace a 7 km pipeline which was intended to be used but did not pass hydrostatic testing.
- Key gas sales agreement terms agreed: Criterion has agreed key terms of a Gas Sales Agreement ("GSA") with PT Perusahaan Gas Negara Tbk ("PGN") for the sale of produced gas from the Tungkal PSC, including SE-MGH. The parties are now proceeding with the regulatory approval process and finalizing the binding GSA. The gas sales priced received is anticipated to be aligned with recent sales in South Sumatra of US\$6-\$7/mmbtu.<sup>1</sup>
- SE-MGH reduced project capex, fully funded to first gas: The overall project budget has been reduced to US\$2 million (initial estimate of US\$3-\$5 million) of which US\$1.9 million has been incurred to date. Remaining costs include project support for pipeline construction and facility tie-in. The Company reiterates its ability to bring SE-MGH online within cash flow from operations.
- SE-MGH first gas on track for Q2 2026: With site preparations ongoing, first gas remains targeted for Q2 2026 despite the expanded scope that includes the 7 km pipeline replacement. Initial production rates from SE-MGH are anticipated to be 5-7 mmcf/d, aligned with the successful production test rates acquired in August 2025<sup>2</sup>.
- N-MGH extended well tests ongoing: Following the successful test of MGH-20 in July 2025, which produced 2.5 mmcf/d<sup>3</sup>, the Company conducted additional testing at MGH-32 which produced at a rate of 2.1 mmcf/d<sup>4</sup> from the same reservoir zones. Additional testing is planned in Q1 2026 for reservoir zones that have not been previously tested but produced gas prior to being shut-in in 2014.

- SE-MGH & N-MGH production volumes: SE-MGH and N-MGH production volumes and resource will be detailed further in the upcoming reserve report, to be released in Q1 2026 (the "2025 Reserve Report"). Management estimates that the data collected during the SEM-01 extended production test will result in an increase from the current estimate of 15 bcf<sup>5</sup>. N-MGH was not included in previously resource reports and with successful testing of MGH-20 and MGH-32, Management anticipates volumes will be included in the 2025 Reserve Report.
- Criterium provides flood relief and assistance: In December 2025, Criterium's Indonesian management and team members traveled to Aceh province in Sumatra to help communities displaced by major flash flooding events. This involved providing water tanks and mattresses and underpins the Company's commitment to supporting the communities in which we operate, going beyond just producing oil and gas.
- 2025 production below forecast: Production averaged 825 bbl/d in 2025<sup>6</sup>, below prior management estimates. The reduction was due to mechanical issues at key production wells in PLT and MGH during the SEM-01 re-entry operations, and lower production than anticipated from the 2025 workover campaign. The Company did not complete its full workover program in 2025 amidst the disappointing results and lower oil pricing in the second half of the year. Capital was reallocated to the Tungkai gas development.
- 2026 Budget Approved: In December 2025, the Company's Board of Directors approved a capital budget for 2026 which prioritizes the development to first gas from SE-MGH and N-MGH, in addition to supporting the development of Macan Gedang and Cerah gas discoveries. The budget allows for the commencement of key technical studies required to progress secondary recovery from the MGH and PLT oil fields, to be implemented in 2027.

#### Tungkai PSC Gas Development - Building and Diversifying the Production Portfolio

Management intends to develop the Company's gas assets with an eye toward diversifying production beyond oil, backed by long-term GSAs and funded by expected operating cash flow. The intent is to develop SE-MGH (base case 2C contingent resource of 15 bcf<sup>5</sup>) targeting production in Q2 2026, followed by production from N-MGH (currently assessing resource potential based upon recent well testing) thereafter. Both developments will produce gas from existing wells and utilize existing processing facilities via a new pipeline.

Subsequently, Criterium intends to develop additional gas assets within the Tungkai PSC, specifically (i) the Macan Gedang gas field (base case 2C contingent resource of 13 bcf<sup>5</sup>), where the Macan Gedang-1 well encountered gas in the Gumai formation and tested at 4.6 mmcf/d<sup>7</sup>, and (ii) the Cerah gas discovery (base case 2U prospective resource of 34 bcf<sup>5</sup>), where the Cerah-1 well also encountered gas in the Gumai formation but was not tested at the time due to low prices and a lack of accessible infrastructure.

All produced gas from the Tungkai PSC will be sold via a long-term gas sales agreement. Initially signed for SE-MGH, the GSA will allow for gas to be produced from multiple fields on similar terms. Key terms of the GSA have been agreed upon with PGN, and the parties are progressing through the regulatory process which involves SKK MIGAS providing a Gas Allocation Letter and approving the binding GSA.

#### SE-MGH Development

The Company has continued with the development of SE-MGH after the successful re-entry and production test of the SEM-01 well. The well sustained rates of 7 mmcf/d through a 40/64" choke over a 48-hour period and achieved rates up to 8 mmcf/d through a 48/64" choke<sup>2</sup>.

SE-MGH is being developed with the existing SEM-01 well with a base case production plateau of 5-7 mmcf/d for a period of six years<sup>5</sup>. Management estimates that a second production well, to be drilled at a later date, may increase production, extend the plateau period, and increase ultimate recovery beyond the current base case estimate of 15 bcf<sup>5</sup>.

On January 30, 2026 Criterium signed a binding contract with Dredolf for the construction, operation, and maintenance of a 21-km pipeline, connecting SE-MGH to existing gas processing and transportation

facilities. The length of the pipeline has increased from the initial scope due to the need to replace approximately 7 km of an existing pipeline that failed hydrostatic pressure testing conducted in late 2025. The new pipeline will be appropriately sized to accommodate potential incremental volumes from N-MGH and gas produced from the MGH field.

Under the contract, Dredolf will fund, construct, and operate the pipeline with Criterium paying a monthly transportation fee commencing upon first production. The average monthly cost is fixed during the production period, and the contract has a term of 10 years, which can be extended upon mutual agreement.

### N-MGH Development

The N-MGH field consists of four wells drilled to date which were all shut-in in 2014 due to high gas production rates and no means of offtake. Criterium intends to produce gas from two wells (MGH-20 and MGH-32) with incremental oil production also expected. Gas from N-MGH is anticipated to be produced via a newly constructed pipeline connecting the field to the SE-MGH Pipeline (the "N-MGH Pipeline").

The N-MGH Pipeline will conveniently utilize existing rights of way and connect the MGH Central Processing Facility to gas egress, thus allowing any associated gas within the MGH field or identified gas zones within the MGH field to flow to sales markets at minimal additional costs. Oil produced from N-MGH can be stored on site and transported via truck to the MGH Central Processing Facility located 7 km away on existing roads owned by Criterium.

Following the successful testing of MGH-20 in July 2025, which flowed 2.5 mmcf/d<sup>3</sup> with total associated oil production of approximately 215 bbls over a 48-hour period, the Company tested MGH-32 in January 2025 which flowed 2.1 mmcf/d through an 8/64" choke<sup>4</sup>.

The regulatory pathway for N-MGH is straightforward as development and production will fall within the existing MGH plan of development and gas will be sold within the terms and conditions of the GSA currently being finalized for SE-MGH and the Tungkal PSC.

### 2026 Budget & Activities - Gas focused, maintaining oil investment options

The 2026 capital budget approved by the Company's Board of Directors prioritizes the development of material gas assets and technical studies to support potential investment into a secondary recovery program to increase oil production. Key highlights from the approved program and activities include;

- SE-MGH Production: Supporting the construction of the SE-MGH Pipeline and SEM-01 commissioning and start-up.
- N-MGH Development: Supporting pipeline construction and facility tie-in for N-MGH. Total capital spend is contingent on the terms and conditions of the pipeline funding agreement for the N-MGH Pipeline.
- Preparation for Macan Gedang & Cerah: Site preparation, securing long lead items, and obtaining regulatory approvals for development wells to be drilled at Macan Gedang and Cerah in 2027.
- Oil Production: Intend to conduct four workovers, including one at the PLT field. Conducting technical studies to assess the feasibility of secondary recovery at the MGH and PLT fields, with a target to implement in 2027.
- Oil facility maintenance: Conducting a plant turnaround at the MGH Central Oil Processing Facility in H2 2026 to address underlying production issues and improve facility efficiency.

The activities outlined, highlighted by production from SE-MGH and N-MGH are set to materially increase production as well as establish a foundation for further growth in 2027 for both gas and oil, pending market conditions.

### Outlook

Based on the capital program and activities for the SE-MGH development, Criterium believes it has the potential to more than double current oil equivalent production in Q2 2026 which it expects to fund from operating cash flow. By duplicating its SE-MGH development strategy on nearby N-MGH and Macan

Gedang, production can be increased further with relatively modest capital expenditure, generating improved, near-term returns and cash flow.

During the next 12 months, key milestones for the Company and its gas developments in the Tungkal PSC and Bulu PSC include:

- Gas Sales Agreement and other commercial agreements: With the SE-MGH Pipeline contract completed, finalizing the GSA is a top priority. Combined, these agreements will provide Criterium with processing and transportation services, connecting produced gas from the Tungkal PSC to under-supplied gas markets.
- Updated Reserve and Resource Report: Following completion of the N-MGH testing, the Company will provide an updated Reserve and Resource report.
- SE-MGH & N-MGH site preparations: The Company will commence pipeline construction at SE-MGH and subsequently N-MGH to accommodate production and transportation of produced gas.
- Tungkal First Gas: With the successful completion of the SE-MGH Pipeline, Criterium anticipates initial production from SE-MGH to be 5 - 7 mmcf/d<sup>2</sup> which can be further supplemented with 2 - 3 mmcf/d<sup>3,4</sup> upon the completion of a N-MGH Pipeline.

Management firmly believes that current market and geopolitical volatility reinforce the Company's strategy focused on acquiring undercapitalized assets in an energy-hungry Southeast Asian market. With a portfolio that contains contingent resources heavily weighted towards natural gas, which attracts stable long-term pricing in domestic markets the Company is primed to materially increase and diversify production in the near term.

#### Stay Connected to Criterium

Shareholders and other interested parties who would like to learn more about the Criterium opportunity are encouraged to visit the Company's website, review a recent corporate presentation, and follow the Company on X (formerly Twitter), LinkedIn and YouTube for ongoing corporate updates and relevant international oil and gas industry information.

#### About Criterium Energy Ltd.

Criterium Energy Ltd. (TSXV: CEQ) is Canadian-based upstream energy company focused on the aggregation and sustainable development of assets in Southeast Asia that can deliver scalable growth and cash flow generation. This region is expected to reach a population approaching 800 million people within the next 25 years, driving world-leading economic growth and record-high energy demand. With international operating expertise and a local presence, Criterium intends to contribute responsible, safe and secure sources of energy to help meet this demand. The Company is committed to maximizing total shareholder return by executing across three strategic pillars that include (1) fostering a successful and sustainable reputation; (2) leveraging innovation and technology arbitrage; and (3) achieving operational excellence with an unwavering commitment to safety. For further information please visit our website ([www.criteriumenergy.com](http://www.criteriumenergy.com)) or contact:

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#### Notes

<sup>1</sup> Recent sales agreements in South Sumatra may not be indicative of future pricing for SE-MGH and solely

relying on non-public information such as gas sales agreements may be misleading.

<sup>2</sup> SEM-01 Well Test Results: SEM-01 completed extended well test on August 24, 2025 and is currently suspended awaiting egress. The production test resulted in a clean-up period which produced 7.9 mmcf/d through a 48/64" choke with 706 psig WHP for a period of 4 hours. The 3-stage completion test was as follows: Stage 1; 24/64" choke, 3.0 mmcf/d, 1,150 psig WHP for 48 hours, Stage 2; 32/64" choke, 5.1 mmcf/d, 1,070 psig WHP for 48 hours, Stage 3; 40/64" choke, 7.1 mmcf/d, 960 psig WHP for 48 hours.

<sup>3</sup> MGH-20 gas test results: 24-hour test of 2.1 mmcf/d through 4/64" choke, FTHP 500 psi and 24 hours at 2.5 mmcf/d through 8/64" choke, FTHP 360psi. Liquid carryover was recovered with a total of 215 bbls of oil recovered. Oil recovered had an API of 30.3 and a pour point of 40°C.

<sup>4</sup> MGH-32 gas test results: 48-hour test of 2.1 mmcf/d through 8/64" choke, FTHP 300 psi.

<sup>5</sup> 2024 Report: Reserve Report commissioned by Criterium Energy Ltd. and prepared by ERCE Australia Pty. Ltd, an independent reserves evaluator and auditor, dated March 14, 2025 with effective date of December 31, 2024 (the "2024 Report"), which was prepared in accordance with the definitions, standards, and procedures contained in the Canadian National Instrument 51-101 Standards of Disclosure of Oil and Gas Activities. The Reserve Report will be made available on Criterium's SEDAR+ profile.

<sup>6</sup> Estimate based on field production reports

<sup>7</sup> Macan Gedang test duration was approximately 2 days and produced 4.6 mmcf/d through a 48/64" choke.

#### Abbreviations

API	American Petroleum Institute (gravity)
CEQ	Criterium Energy Ltd.
bbls	barrels of oil
bbls/d	barrels of oil per day
bcf	billion cubic feet
boe	barrel of oil equivalent
boe/d	barrels of oil equivalent per day
ERCE	ERCE Australia Pty Ltd
FSA	Facility Sharing Agreement
FTHP	Flowing Tubing Head Pressure
LOI	Letter of intent
mmbtu	million British thermal units
mmcf	million cubic feet
mmcf/d	million cubic feet per day
MOU	Memorandum of Understanding
MGH	Mengoepoh
N-MGH	North Mengoepoh
PLT	Pematang Lantih
PSC	Production Sharing Contract
PSIG	Pounds per Square Inch Gauge
SE-MGH	Southeast Mengoepoh
SEM-01	Southeast Mengoepoh Well 01
SKK MIGAS	Indonesia's Oil & Gas Regulator
TGI	Transportasi Gas Indonesia
TSXV	TSX Venture Exchange
WHP	Well Head Pressure

#### Cautionary Note Regarding Forward-Looking Statements

This press release contains certain forward-looking information and statements that are based on expectations, estimates, projections, and interpretations as at the date of this news release. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "seek", "aims" and similar expressions are intended to identify forward-looking information or

statements.

Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of Criterium's businesses include, among other things: risks and assumptions associated with operations; risks inherent in Criterium's future operations; increases in maintenance, operating or financing costs; the availability and price of labour, equipment and materials; competitive factors, including competition from third parties in the areas in which Criterium intends to operate, pricing pressures and supply and demand in the oil and gas industry; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics, instability and political and economic conditions in or affecting Indonesia or other countries in which Criterium intends to operate (including the ongoing Russian-Ukrainian conflict); severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to Criterium future business; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals and the maintenance of such approvals; general economic and business conditions and markets; and such other similar risks and uncertainties. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and the Company's future course of action depends on the assessment of all information available at the relevant time. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

With respect to forward-looking statements contained in this press release, Criterium has made assumptions regarding, among other things: future exchange and interest rates; supply of and demand for commodities; inflation; the availability of capital on satisfactory terms; the availability and price of labour and materials; the impact of increasing competition; conditions in general economic and financial markets; access to capital; the receipt and timing of regulatory and other required approvals; the ability of Criterium to implement its business strategies; the continuance of existing and proposed tax regimes; and effects of regulation by governmental agencies.

The forward-looking statements contained in this press release are made as of the date hereof and the parties do not undertake any obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

#### Non-IFRS and Other Financial Measures

Throughout this press release and other materials disclosed by the Company, Criterium uses certain measures to analyze financial performance, financial position and cash flow. These non-IFRS and other specified financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other specified financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of Criterium's performance. Management believes that the presentation of these non-IFRS and other specified financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze Criterium's business performance against prior periods on a comparable basis.

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