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Xanadu project on move again.

After a lengthy quiet period the joint venture partners Triangle Energy and Norwest Energy have been granted approval by the state regulator to acquire 40sq.km of 3D seismic of their nearshore Xanadu oil prospect in the Perth Basin.



It was once the new darling of the Perth Basin, but the project has languished since its September 2017 spud, being tied up over backlogs in testing laboratories and slowed approvals from the state government.

The wildcat did hit hydrocarbon pay.

Initial oil testing suggested the long-held belief that Xanadu oil would be a Cliff Head analogue was correct.

Long lead items are now being ordered and the JV suggests the rig will move onsite in mid-April.

Survey will begin the first week of May "pending the arrival of necessary equipment and suitable weather condition," an understandably cautious Norwest told the market late yesterday.

Norwest has been looking over Xanadu since the beginning of the decade, suggesting even then analogue to Cliff Head oil and that a Xanadu find could be processed through the underutilised Arrowsmith facility, then operated by Roc Oil before being taken over by its partner Triangle.

Despite bringing Transerv to the table in 2010, and having some 19 potential partners through the data room real progress on alignment and drilling only began in 2016, when the oil price was still in its dramatic lows.

Its 2017 spud was then the most exciting thing in a quietened Perth Basin, but delays mounted up and it was soon overtaken by AWE's dramatic onshore Waitsia-4 gas showings and the subsequent three-way bidding war that set off.

Whitebark, which Transerv morphed into in 2017, sold its 15% share to Triangle last year to spend the money moving further into producing Canadian acreage with its local operator partner Point Loma Resources.

Today, managing director and CEO Shelley Robertson said the company was pleased to "finally be granted approval to proceed with the survey.

"It has been a long process however now it is time to begin with project implementation, to get the acquisition program underway as soon as possible," she said.

"Notwithstanding the delays the timing of this approval has worked in our favour as the mid-year period usually provides optimal weather conditions relating to wave height and wind strength, which should improve the quality of our data.

"The results of the survey will make a significant contribution toward defining the commercial potential of the Xanadu project."

Synterra Technologies was awarded a seismic contract for testing over the structure, which to date has only had limited 2D.

The 40sq.km will fully map the updip region and the southern downdip region extending out to the western flank of the Xanadu structure.

Once it has been processed, interpreted and integrated with Norwest's existing dataset the JV will consider an appraisal well.

Xanadu has potential recoverable reserves of about 27 million barrels of oil

The structure has long been considered to be one of the largest untested oil prospects in the Basin, with this same play resulting in four oilfield discoveries in the vicinity, namely Cliff Head, Hovea, Eremia and Jingemia.

Norwest, with its first firm news of the year, is up 50% this morning trading at 0.3cps.