Maari oil field may have additional 37 million barrels, Horizon says

15 February 2008 - The greater Maari oil field in offshore Taranaki has an updip potential which could increase the field's current planned 50 million barrels to total reserves of 87 million barrels, junior partner Horizon Oil says.

The current Maari project, operated by OMv, is already the largest undeveloped offshore oil field in New Zealand.

Sydney-based Horizon says in a website investor presentation that latest interpretation of the Manaia oil field, 10 km south west of the main Maari field, has an upside potential of 25 million barrels of oil.

In addition the upside potential from the M2A sands zone above the main Moki sands structure at Maari was 12 million barrels. Both updip figures were calculated as a mean recoverable reserves potential (gross), Horizon says.

The Manaia and M2A zones are to be appraisal drilled by the Maari partners during and after production drilling beginning in mid-year using the Ensco 107 jack-up drilling rig.

Manaia has the potential as a subsea tie back to the Maari facilities.

Horizon says that studies of 3D seismic data showed that the original Manaia prospect discovery well Maui-4 in 1970 was drilled off-crest.

Maui-4 discovered an under-saturated oil accumulation in poor quality Mangahewa Formation sands that tested 575 bpd of oil. Two small Moki accumulations were also found in the Maui-4 well.

Horizon says: "AVO and inversion work also suggests that reservoir quality and/or hydrocarbon saturation may improve updip from Maui-4."

In its December quarter report Horizon says the Maari oil project is now 61% complete with engineering and construction almost complete and the installation and development drilling phases to begin mid-year.

The wellhead platform is forecast to sail away from the Lumut shipyard in Malaysia aboard the heavy lift vessel Blue Marlin in March 2008.

The FPSO vessel Raroa which will be permanently moored at Maari is nearing completion at a Singapore shipyard.

First Maari oil is now expected in the third quarter of 2008, with full production in early 2009.