

Stock Data

Share Price: 2.08p
Market Cap.: £16.4m
Shares in issue: 789.6m

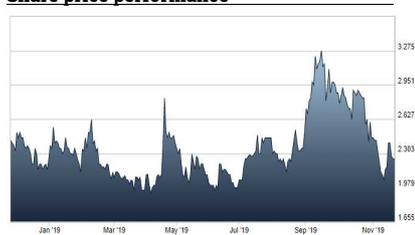
Company Profile

Sector: Oil & Gas
Ticker: CORO
Exchanges: AIM

Activities

Coro has outlined an ambitious South East Asian growth strategy focused on the appraisal and development of oil and gas assets in Indonesia coupled with a longer term strategy to identify exciting exploration upside in Malaysia.

Share price performance



Source: LSE

Past performance is not an indication of future performance.

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Coro Energy plc

Coro, which holds a 15% interest in the Duyung PSC, offshore Indonesia has successfully completed the Mako field appraisal programme. In particular, the Tambak-1 well has encountered 24 metres of high quality reservoir sandstones, confirming a common gas-water contact across the whole field, and a drill stem test (DST) has flowed dry gas at 11.4 mmcfpd, confirming the deliverability and commercial potential of the Mako field reservoir.

Tambak-1 encountered a 24 metre intra-Muda sandstone section which was significantly thicker than expected. In particular, the well identified a well-developed 17 metre upper section of high permeability and good porosity which was considerably thicker than seen elsewhere in the Mako field. The well also demonstrated the presence of a lower sandstone unit of a further 7 metres.

The gas-water contact in Tambak-1 was at 393 metres TVDSS (True vertical depth subsea) consistent with all other wells drilled on the structure and reservoir pressure data confirms the Mako field as a simple, single gas tank system. A cased hole DST conducted on a modest 2 metre section between 389 and 391 metres established a maximum flow rate of 11.4 mmcfpd of dry, sweet gas confirming the high potential deliverability of the Mako reservoir.

Coro notes that this DST was highly significant given that it was conducted through cased hole testing less than 2 metres of perforated reservoir. This was in contrast to a previous DST on the original Mako South-1 well which saw a substantially larger section tested in open hole delivering broadly similar flow rates.

Tambak-1 was also deepened to test the Lower Gabus section located beneath the Mako reservoir at a depth of 1,543 metres TVDSS and the well probed several sandstone intervals in this sequence. However, analysis of the wireline log data concluded that these intervals had low gas saturations of 20%-30% and attempts to collect fluids and pressure data demonstrated low reservoir permeabilities of only c.1-3 millidarcies. Although the Lower Gabus is evidence of a working petroleum system underlying the shallower Muda unconformity, the sandstones encountered in the Lower Gabus were of very poor reservoir quality and unlikely to be commercial.

The well is currently being plugged and abandoned as planned and the drilling rig is being demobilised. The information collected from the Mako drilling programme will be used to reassess the resource estimates for the field and the PSC partners will be commissioning an updated independent review of field resources, expected to be completed in Q1 2020. This assessment is expected to be a key factor in the marketing of Mako gas to potential customers.

The collective results from the Mako drilling campaign have confirmed the field as a valuable and highly commercial gas resource. Pre-drill 2C gross resources estimates as ascribed by Gaffney Cline & Associates were 276 BCF of gas. However, Coro estimates that the combined results of the drilling campaign will result in an increase of at least 100 BCF in the 2C resources category pushing the Mako field resource closer to the 3C resources number of 392 BCF. We believe that an independent review of Mako field resources, expected to be completed in Q2 2020, is likely to confirm this exciting upside.

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