

#### Stock Data

Share Price: 2.4p  
Market Cap.: £19.0m  
Shares in issue: 789.6m

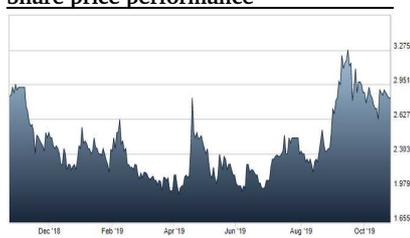
#### Company Profile

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.**

#### Turner Pope contact details

Turner Pope Investments (TPI) Ltd  
8 Frederick's Place  
London  
EC2R 8AB

Tel: 0203 657 0050  
Email: [info@turnerpope.com](mailto:info@turnerpope.com)  
Web: [www.turnerpope.com](http://www.turnerpope.com)

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Barney Gray Research analyst  
Tel: 0203 657 0050  
[barney@turnerpope.com](mailto:barney@turnerpope.com)

## Coro Energy plc

Recent operations on the Tambak-2 well on the Mako gas field in the Duyung PSC (Coro: 15%) offshore Indonesia focused on conducting a Drill Stem Test (DST) across the intra-Muda reservoir in order to assess gas flow rates. The operator reported that the DST was not successful as a consequence of formation damage in the reservoir. Nevertheless, the main objective of the Tambak-2 well, demonstrating primarily a continuous gas-bearing reservoir, has been achieved and Coro remains confident of an uplift in the contingent resource base for the field. Tambak-2 will now be plugged and abandoned, as was always planned, and the drilling rig will now move to the Tambak-1 well location.

Tambak-2 was spudded in early October 2019, as a large 13km step-out from the existing Mako South-1 well with the aim of targeting the southern region of the Mako gas field. Tambak-2 was drilled vertically in order to intersect the intra-Muda reservoir up-dip from Mako South-1 at approximately 380 metres below sea level. The well probed a well-developed upper sandstone unit with greater thickness and quality than expected. Wireline logs also demonstrated very high porosity and permeabilities within the reservoir.

Two separate DST attempts were conducted to assess the pressure, permeability and productive capacity of the main intra-Muda reservoir. However, these were unsuccessful as a consequence of extreme formation damage. Operational issues were experienced by the operator while setting a bridge plug to isolate the gas-bearing reservoir. This resulted in the 'swabbing' of the well (a process to remove fluids from the production zone from the well) which led to a gas kick with gas flowing to the surface. In order to control the well, large volumes of barite mud were lost to the permeable reservoir and the formation subsequently became plugged and damaged by the mud.

Prior to the two attempted DSTs on Tambak-2, the operator nonetheless acquired a full logging suite including formation pressure measurements. These confirmed a 10 metres gross gas bearing zone with high permeabilities in the 200 millidarcy to 3 darcy range within the best quality zone. The pressures encountered indicated that Tambak-2 had probed the same gas accumulation as at Mako South-1 over 13km away with mud gas readings indicating a dry methane gas almost wholly C1 (methane) with minor C2 (ethane) readings, consistent with Mako South-1. Coro notes that analysis of the log data suggests that a successful DST would have exhibited similar or even greater flow rates to Mako South-1 which flowed up to 10.8 mmcfpd.

Gaffney Cline & Associates has ascribed gross 2C resources of 276 BCF of recoverable dry gas to the Mako field with gross 3C resources upside amounting to 392 BCF. Despite the disappointing results from the attempted DSTs, Coro is confident that the data already acquired from Tambak-2 is still likely to instigate a material upgrade in 2C contingent resources on Mako given that the well confirms the same dynamics, including the same pressure system and gas-water contact, as Mako South-1 but with better sand development than anticipated.

The Asian Endeavour drilling rig is now being prepared to mobilise to the Tambak-1 well location which will appraise further the intra-Muda formation in the Mako field. In particular, Tambak-1 will attempt to define the gas-water contact near the edge of the Mako structure and define more clearly the limits of the field. Tambak-1 will also probe the deeper Lower Gabus Tambak structure which is estimated to contain a further 250 BCF of mid-case prospective resources. The operator has ascribed a 45% chance of success to this stage of the drilling programme. However, success in this case has the potential to almost double the existing 2C resource base of the Mako field.

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