

Premier Oil PLC

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Premier Oil enjoys more appraisal success with Zama offshore Mexico

Premier Oil PLC (LON:PMO) has enjoyed further success at the Zama discovery, with the latest appraisal well providing further confirmation of the project's 'world class' calibre.

The Zama-2ST1 well, a sidetrack off the previously drilled Zama-2 well, yielded a combined flow rate of 7,426 barrels of oil per day from two separate tests within a perforated 248 feet zone.

Production rates were, however, restricted to manage risks of sand production and Premier highlighted that analysis of the result indicates "a prolific reservoir".

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In all, the Zama-2 sidetrack cut some 873 feet of gross oil bearing reservoir, achieving a 70% net-pay-to-gross-pay ratio.

"We are very pleased by the productivity demonstrated by this well and we continue to collect further evidence that Zama has a world-class reservoir with excellent quality and well-connected sands," said Tony Durrant, Premier chief executive.

"This has positive implications for the expected ultimate recovery from the field and will help us to optimise the field development."

The drill rig will now move on to the location of the Zama-3 appraisal well, which aims to confirm lateral reservoir continuity and quality in the southern part of the field.

Premier highlighted that the drill programme is ahead of schedule and under budget.

It holds a 20% non-operated interest in Block 7 which, in the shallow water Sureste Basin in the Gulf of Mexico, is host to the Zama discovery.

Prior to appraisal drilling, Zama was estimated to contain some 1.2bn to 1.8bn barrels of oil-in-place, with recoverable resource estimates pitched at that time at 400-800mln barrels.

In Tuesday morning's deals, Premier shares moved 2.88% or 2.92p higher to trade at 104.42p.

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Price: 82p

Market Cap: £675.94M

1 Year Share Price Graph



Share Information

Code: PMO

Listing: LSE

52 week High Low
146.90p 54.70p

Sector: Energy

Website: www.premieroil.com

Company Synopsis:

Premier Oil plc is an independent exploration and production company with oil and gas interests in the North Sea, South East Asia, Pakistan, the Falkland Islands and Latin America. Post the E. ON acquisition, the company has reserves and resources of more than 800 million mmboc. The Company is engaged in the business of upstream oil and gas exploration and production.

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