


Reach Energy announces discovery of oil-bearing reservoir in Kazakhstan

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KUALA LUMPUR: Reach Energy Bhd today announced that its Yessen-3 (Y-3) exploration well has yielded positive results during the initial testing phase.

Y-3 is situated on the Yessen field which is one of the discovered oil fields in the company's Emir-Oil Contract Block, located onshore in the Mangystau Oblast, south-western region of Kazakhstan.

During the preliminary log evaluation, up to 34 metres of oil-bearing reservoir has been indicated, Reach Energy said in a statement today.

"The results of the Y-3 test production are encouraging in terms of the full block potential of Emir-Oil. This discovery highlights the vast exploration upsides that the Emir-Oil Concession Block has, and we look forward to further exploration successes such as this with our upcoming wells in the near term.

"We expect this development to have a positive impact to our reserves, which is due to be updated early next year by our reserves auditor, Gaffney, Cline and Associates (GCA)," said Chief Executive Officer Shahul Hamid Mohd Ismail.

Currently, Emir-Oil's 2P reserves stand at 81 million barrels of oil equivalent (mmbOE).

Reach Energy said two out of three intervals in Y3 have been perforated and tested which resulted in flowing oil and gas.

Moving forward, it will continue perforating the remaining untested interval, in the near term, to confirm positive log evaluation.

Shahul Hamid said in line with this, the company is also undertaking additional work to establish the full potential of this discovery and integrate the newly obtained geological data and understanding with the

block-wide data gathered to date.

Past exploration works on wells in the vicinity, namely Yessen-1 and Yessen-2, have also yielded oil.

The company is also fairly optimistic in obtaining a commercial production licence for the Yessen field in early 2019 due to the positive results of the aforementioned wells.