Reach Energy's Kazakhstan well completed as budgeted

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PETALING JAYA: Reach Energy Bhd 's Yessen-3 (Y-3) exploration well in its Emir Oil Concession Block in Kazakhstan has been safely and successfully completed as budgeted.

The positive results of the well underline the company's confidence in obtaining a Commercial Production Licence for the Yessen Field as early as 2019.

In a filing with Bursa Malaysia, Reach said that preliminary log evaluation indicated up to 34 meters of oil-bearing reservoir.

"Two out of three intervals have been perforated and tested, flowing oil and gas. Future work in the near term includes perforating the remaining untested interval to confirm positive log evaluation.

"Additional work is being undertaken 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," said Reach.

It added that the results of this well indicate a larger hydrocarbon accumulation on the Yessen structure.

The success of the Y-3 well represents a continuation of a 100% success rate in oil discoveries in the Yessen Field, as previous exploration wells in the vicinity (ie, Yessen-1 and Yessen-2) have also discovered oil.

"The results of the Y-3 test production are encouraging in terms of the full block potential of EmirOil.

"This discovery highlights the vast exploration upsides that the Emir-Oil concession block has, and we look forward to further exploration

success such as this with our upcoming exploration wells in the near term.

"We expect this development to have a positive impact on our reserves, which is due to be updated early next year by our reserves auditor, Gaffney, Cline and Associates," said Reach's chief executive officer, Shahul Hamid.

Reach closed 3.5 sen lower to 38.5 sen on a volume of 23.95 million shares.

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