

Strong oil reservoir performance from Tui field

12 March 2010 - The Tui oil field in offshore Taranaki experienced strong reservoir production performance in the December 2009 quarter, operator AWE Ltd says.

Sources: AWE, NZOG and Lindsay Clark

Tui oil production continued consistently during the quarter, though somewhat hampered by topside process equipment issues which led to a 7% decline from the previous September quarter, AWE says.

Gross average daily production in the latest quarter was approximately 14,200 barrels of oil per day.

Gross oil production from Tui reached 1.31 million barrels (with AWE's share 0.56 million barrels) in the December quarter.

AWE says production performance has been slightly impacted by adverse weather conditions and process facilities challenges. Projects are underway to modify the produced water system to enable heavy weather reliability and to enable more reliable gas compression capability to improve future performance.

Oil sales for the quarter totalled 1.18 million barrels (AWE share 0.50 million barrels).

One of the other Tui partners, New Zealand Oil & Gas Ltd (NZOG) says it expects Tui production for the full year from July 2009 to June 2010 to be around 4.8 million barrels.

For the six month period to December 2009, NZOG received an average sales price of approximately NZ\$104 per barrel. Total production, freight and marketing costs were under budget at approximately NZ\$17 per barrel.

NZOG says Shell Australia has been contracted to take all of Tui's production in the 2010 calendar year at a premium to the regional Tapis benchmark crude.

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