

Gazelle leaps ahead with first well

Front-end engineering and design work is rapidly advancing for the Gazelle field, offshore Côte d'Ivoire.

Rialto Energy (85% working interest and operator) has awarded the FEED contract to Petrofac, and expects the work to be completed in October. First production is expected to begin in early 2014.

Gazelle sits in the 675 square kilometre Block CI-202 and is being developed by Rialto and Côte d'Ivoire's national oil company Petroci (15%).

The development will be based around an offshore fixed production platform that will pipe the oil and gas to shore.

The gas will be used for electrical power generation in the West African nation under contract with the republic's government.

Over-capacity

The facility will be designed with capacity to produce up to 40,000 barrels of oil per day and 230 million cubic feet of gas, although the Gazelle field is only expected to produce around 8,000 bopd and 100 mmcfpd.

The over-capacity speaks to Rialto's faith in the other discovered resources within CI-202, the Bubale (14.3 mmbbl, 73 billion cubic feet) and Addax (21 mmbbl, 11 bcf) fields, and the upside.

According to an independent report from RPS Energy Services CI-202 has certified mean contingent resources of 50 mmbbl of liquids and 396 bcf of gas, in addition to total mean prospective resources of 511 mmbbl of liquids and 1.8 trillion cubic feet of gas.

Rialto is in the midst of a three-well exploration and appraisal well program that is already confirming the potential of Gazelle.

It has already completed the Gazelle-P3 well for production close to the Ivco-14 discovery well.

The well was sidetracked twice to assess various targets in the Cenomanian reservoirs, deepening the vertical extent of the gas bearing Lower Cenomanian-2 reservoir by 200 metres.

Flows

Gazelle-P3/ST1 was drilled to assess the Lower Cenomanian and flowed at a peak rate of 32.5 mmcfpd. It also penetrated a down-dip portion of the high impact 750 bcf Condor prospect finding gas in a 75 metre thick gross gas sand. While the zone had low permeability it has upgraded the likelihood of an exploration well to test Condor next year.

Gazelle-P3/ST2 was successfully tested at maximum rate of 19.5 mmcfpd, however the rates were constrained due to downhole equipment limitations. Rialto believes that it will flow at up to 33 mmcfpd once completed for production.

The Upper Cenomanian oil reservoir target flowed at an unstabilised rate of 760 barrels of oil per day, however gas influx from the overlying reservoir prevented further oil flow and the test was terminated.

The rig will now move to drill the second development well, Gazelle-P4, which will

The appraisal and production well has met most of Rialto's expectations.

assess two additional Upper Cenomanian oil reservoirs, three Cenomanian gas reservoirs and one additional penetration of the Lower Cenomanian-2 reservoir.

The third well, Chouette-1, is an exploration test with significant liquids upside of 84 mmbbl and 42 bcf.

Future

The 2013 drilling program is still being refined but drilling is likely to appraise both Bubale and Addax and target potentially large prospects such as Faucon, Impala and Condor.

Success at Bubale would open up a second development hub at the Hippo field.

Ghana

Away from the Ivorian Basin, Rialto is also seeking assignment of a 20% paying interest in the Accra Block, offshore Ghana, from operator Tap Oil, and it has a 12% interest in the Apache Energy-operated WA-399-P block on the Macedon Fairway, in the Carnarvon Basin, Western Australia, with Jacka Resources (15%) and Carnarvon Petroleum (13%).

Also called Gazelle, that prospect has a gross mean prospective resource of 39 mmbbl and 20 bcf.

Rialto has around US\$90 million in the bank, including \$15 million being held for its Ghana back-costs.