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East Timor set for big offshore well as Buffalo deal completed

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by Damon Evans



A mural on a wall in Dili, East Timor. Photo by Damon Evans

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Carnarvon Petroleum said today that it has completed a 50% farm-out of Buffalo to Advance Energy with the UK company funding the upcoming Buffalo-10 well for up to \$20 million on a free carry basis. Advance has met this funding requirement and now has a 50% stake in the project.

"The Buffalo-10 well is on track to be drilled in late 2021, subject to securing a drilling rig, where the tendering process is already underway," said Carnarvon.

"Following the well, the joint venture will acquire development funding from third party lenders and any additional funding requirements will be provided by Advance as an interest free loan," added Carnarvon.

The operator, Australian-listed Carnarvon Petroleum, and new partner Advance Energy, are hoping to develop more than 30 million barrels of oil that previous operators, including BHP and Nexen Petroleum, appear to have missed offshore East Timor, also known as Timor Leste.

The Buffalo oil field was originally discovered in 1996 by BHP and produced 20.5 million barrels of light oil between 1999 and 2004. BHP operated the field for two years before selling out to Nexen. Both operators failed to unlock the oil sitting at the geological crest of the field, known as the attic.

Although some industry watchers are skeptical that previous operators could have missed such a large volume of oil, Advance's chief executive, Leslie Peterkin, [earlier this month explained to Energy Voice](#) his rationale behind the bullish bet on Buffalo. [Read the full story here.](#)

"The joint venture will move to develop the field quickly to take advantage of the strengthening oil markets. This will be achieved by suspending the well as a future production well and commencing early development studies during 2021," Carnarvon chief executive Adrian Cook said today.

"The Buffalo field has the advantage of being in shallow water which enables a low-cost project. This together with the certainty of the fields historical production characteristics enables a fast-track timetable and makes Buffalo an exciting project for Carnarvon shareholders," Cook added.