

Petroleum Briefs

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IN today's briefs: Kairiki's farm-out deal lapses; Po Valley starts installation works; Coretrack modifying CBT system

Kairiki Energy

Kairiki Energy's farm-out deal with private company Focus Oil & Gas for the inboard portion of the SC54 contract, offshore Northwest Palawan Basin in the Philippines, has lapsed after Focus could not secure finance.

Singapore-based Focus Oil and Gas was to earn a 17% interest in the inboard portion of SC54 by reimbursing Kairiki \$US7 million and funding the next \$6 million of Kairiki's remaining share of the SC54A work program.

However, the company failed to secure the finance in the required time frame.

Despite the deal falling through, Kairiki said it was in a strong cash position following the recent oversubscribed placement and was able to retain its 40% interest in the inboard portion of SC54.

Po Valley Energy

Po Valley Energy has begun installation works for a production plant at the Castello field, east of Milan, Italy.

The company said site activities began on Wednesday, and civil works and plant installation was expected to be completed within four months.

"All production plant and equipment has been built, factory tested and in storage awaiting completion for the first phase of civil works ready for installation," chief executive officer Michael Masterman said.

According to the company, the Castello field is 78% complete and scheduled to start producing in late October at an initial production capacity of 2.7 million cubic feet per day.

Coretrack

Coretrack is confident it has resolved the issues encountered during initial well testing at Dongara, Western Australia, and believes it can deliver the relevant core acquisition data to the top of the core barrel using a modified Core Barrel Telemetry system (CBT).

In May, the company was unable to provide a conclusive positive result from the CBT system due to a larger than expected signal loss.

Coretrack said its technology team was carrying out the required modifications to the CBT system and expected to be returned to Dongara to run the system in the last week of July.