

Carnarvon secures next phase in Buffalo oilfield re-development

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Carnarvon Petroleum has gained clarity for its Buffalo oil field project after it signed a production sharing contract (PSC), and Australia and Timor-Leste ratified its Maritime Boundary Treaty (MBT).

The MBT altered the maritime boundary where Carnarvon's project is located. The company's exploration permit has also been split in two, with a portion changed from the Australian to Timor-Leste jurisdiction.

Carnarvon successfully signed a PSC confirming the ongoing title to the Buffalo oil field and the surrounding exploration acreage.

Managing director Adrian Cook said the PSC secured the next phase in the Buffalo oil field re-development.

One of the key conditions of the MBT was that Carnarvon would be granted security of title in Timor-Leste with conditions equivalent to those under Australian domestic law.

"Enjoying equivalent terms as to those in Australia allows Carnarvon to continue to work towards drilling a Buffalo well and achieving first oil in this field as soon as practical," Cook said.

"The team at Carnarvon are looking forward to a close working relationship with the Timor-Leste authorities as together we bring this field into production."

Carnarvon will grow its office in Dili, the capital of Timor-Leste, according to Cook.

The transition from Australia to Timor-Leste also included recognition for previous work, particularly the approval of the environmental plan to drill three wells into the Buffalo field, which was approved by Australia's National Offshore Petroleum Safety and Environmental Management Authority.

Timor-Leste has confirmed the continuation of these plans. Any work commenced before the ratification for first well planning into the Buffalo field is allowed as cost recovery.