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NZOG looks to deepwater Taranaki

A conditional agreement has been reached for New Zealand Oil & Gas Limited to acquire a 6.667 per cent interest in Petroleum Exploration Permit (PEP) 38451, located offshore from Taranaki. Five per cent of the interest is carried.

If the transaction is completed, NZOG would acquire 6.111 per cent from Global Resource Holdings, LLLP and 0.556 per cent from Randall C Thompson, LLC. Each of those would continue to hold a 5 per cent carried interest in the permit.

The agreement is subject to conditions.

Other partners in the permit are Anadarko (50 per cent and Operator), and Hyundai Hysco (33.333 per cent). They have preferential rights to the assignment, which they have ten days to exercise.

It's also conditional on New Zealand ministerial consent to the agreement, consents and regulatory approvals being received for drilling a well in the 'Romney' prospect of the permit, and the Operating Committee approving an authorisation for expenditure (AFE) for the costs of the well.

PEP 38451 is the first exploration permit granted over the deepwater extension to Taranaki Basin. It covers 16,380 km² and includes multiple prospects and leads. The permit has a drilling deadline of 30 September 2013. Anadarko has publicly indicated it plans to use a drillship currently under construction, Noble's Bob Douglas, for its offshore New Zealand drilling campaign in the 2013-14 drilling season.

Under the agreement, NZOG would pay US\$9,500,000 in three tranches on fulfilment of conditions.