

Pulse Oil Corp

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Mackie Research sees tremendous potential at Bigoray after Pulse Oil's positive EOR study

Mackie Research is maintaining a Speculative Buy rating on Alberta's Pulse Oil Corp (CVE:PUL) after the junior oil company announced positive results from its enhanced oil recovery (EOR) study.

The research firm noted the "tremendous potential" of Pulse's Bigoray EOR project as the reason for maintaining the rating and held steady with a price target of C\$0.50.

The Calgary-based oil company worked with Schlumberger Canada Ltd to complete the company's petrochemical modeling study geared towards increasing oil recovery from the Biogray Niksu D and E pools.

READ: New study increases potential recoveries from Pulse Oil's two wells in Alberta

The resulting detailed simulations allowed the company to position the solvent injectors in the most efficient locations on the wells, as well as model the pressures and rates of fluids to maximize recovery.

Pulse ultimately decided on a simulation that puts a peak estimated production rate at Niksu D of approximately 2,000 barrels of oil per day and increasing to 5,000 when Niksu E is included in the model.

In this scenario, Nisku D would begin production and generate cash flow, while the E-pool would follow three years later. Subject to sufficient capital, Pulse has the option to accelerate the EOR program at Nisku E to coincide with development at the D pool.

Forecast production would peak within two years of EOR implementation and continue for approximately 10 years, with a cooldown period estimated to continue for another 10 to 20 years afterwards.

'Encouraging results'

"The results of the geological modeling combined with the encouraging results of the two recently drilled Bigoray wells increases our confidence of the large potential production and cash flow potential that could be generated from the successful implementation of the EOR program," wrote Mackie analyst Bill Newman.

"We reiterate our 'Speculative Buy' recommendation C\$0.50 target price on the near term production potential from the current drilling programs, and the massive upside potential from the miscible flood EOR project at Bigoray," Newman noted.

Shares of Pulse gained 3.1% to C\$0.17 on Thursday afternoon in Toronto.

Contact Angela at angela@proactiveinvestors.com

Price: \$0.11

Market Cap: \$16.68 m

1 Year Share Price Graph



Share Information

Code: PUL

Listing: TSX-V

52 week	High	Low
	0.255	0.07

Sector: Oil & Gas

Website: www.pulseoilcorp.com

Company Synopsis:

Pulse Oil is a contemporary company with an insightful practiced and diligent understanding of the future of energy. Partners Drew Cadenhead and Garth Johnson lead an unbeatable team of smart, super-experienced energy industry experts with a history of working together to build exceptional success.

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