

Premier Oil PLC

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UPDATE: Premier Oil plugs and abandons two wells

---Adds broker comments---

Premier Oil (LON:PMO) announced that it will plug and abandon two wells in the UK North Sea and Indonesia, which were both considered high-risk.

The Coaster exploration well on UK Block 28/10 will be abandoned as a dry hole, while the Benteng-1 well on the Buton block in Indonesia will be plugged and abandoned after making a small oil discovery, which the company said could potentially be commercial.

Good oil shows were encountered in over an 111 feet interval in Benteng-1 and log analysis indicated a 15 feet oil bearing reservoir, making it the first well to discover hydrocarbons in the frontier Buton basin.

The results of this well will be integrated into the existing data base to determine whether the discovery is commercially viable and if there is follow on potential in the shallow play type across the basin.

"The Coaster and Benteng wells were both assessed as very high risk pre-drill," said chief executive of Premier Simon Lockett.

"The Benteng-1 results are encouraging as they have established a working petroleum system in a previously unproven basin."

The next exploration well to be drilled by Premier in Asia is the Chim Sao Northwest appraisal well, which is due to spud in July, while the next well in the North Sea, the company plans to start drilling the Spaniards East well on UK block 15/25a in September.

Broker Daniel Stewart said it anticipated short term weakness on the back of the news but viewed the firm positively in the long term.

Premier shares were down 4.26 per cent, at 325.7 pence.

Price: 20.31

Market Cap: £187.98 m

1 Year Share Price Graph



December 2019 June 2020 November 20

Share Information

Code: PMO

Listing: LSE

52 week	High	Low
	120.7	10.015

Sector: Oil & Gas

Website: www.premieroil.com

Company Synopsis:

Premier Oil plc is an independent exploration and production company with oil and gas interests in the North Sea, South East Asia, Pakistan, the Falkland Islands and Latin America. Post the E. ON acquisition, the company has reserves and resources of more than 800 million mmbœ. The Company is engaged in the business of upstream oil and gas exploration and production.

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