

## PROJECTS & COMPANIES

# Apache spuds deepwater well offshore Kenya

Apache Corporation has spudded the Mbawa 1 exploration well, offshore Kenya, in the L-8 block, an Australian partner said on August 13. Origin Energy said Apache had begun drilling the well on August 10.

The company went on to say it would give updates on the well when completed, or should a material event occur.

The well is being drilled with the Deepsea Metro 1 – which has recently been working for BG Group and Ophir Energy, offshore Tanzania – and is expected to take around 60 days. Mbawa is in 864 metres of water and is targeting a total depth of 3,250 metres.

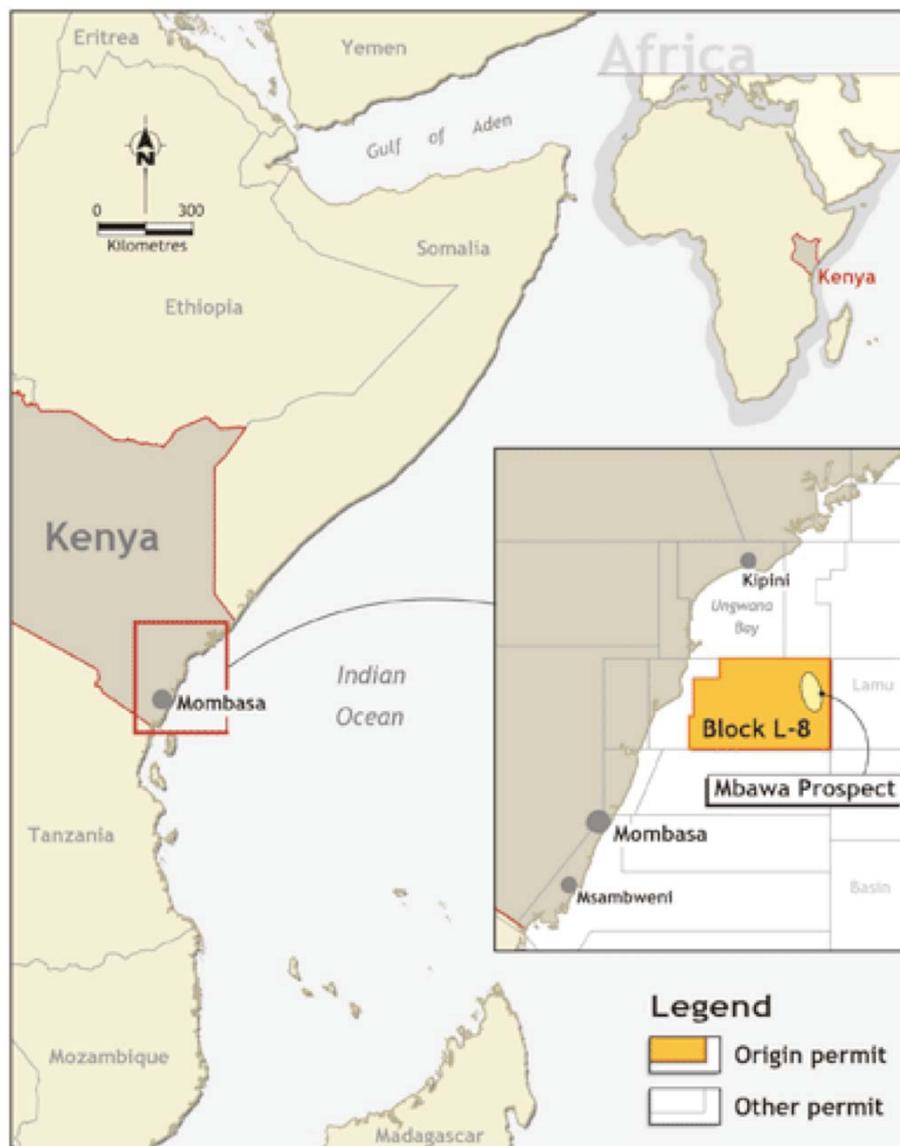
Apache has a 50% stake in the Lamu Basin block, while Origin has 20%, Tullow Oil 15% and Pancontinental Oil and Gas 15%.

A recent note from Tudor Pickering Holt (TPH), from before the well spudding, said the primary targets were turbidite fans in the Early Palaeogene, at a depth of 2,000-2,140 metres, but that the total depth should also provide information about the Jurassic.

“Seismic data show a flat spot,” it continued, “which is interpreted as a gas column overlying a possible 150-metre thick oil column.” TPH said Tullow gave a P50 number for Mbawa of 200 million barrels of oil equivalent, while Apache gives a Pmean value of 289 million boe.

Investec’s head of oil and gas research, Stuart Joyner, in a note at the beginning of August said while the prospect was large it is the implications of success that would be noteworthy, with Apache having mapped another 2.8 billion barrels in follow-on targets.

Joyner went on to say that, given



Mbawa was Apache’s first well in the area, it may take longer than expected, but otherwise a result was anticipated by mid-October.

Investec said Mbawa was believed to be an oil prospect, with local evidence of seeps and analogies with finds in Madagascar. The partners involved in the work have mapped a 161-square km structure, the note said, going on to report this would be the first well drilled

offshore Kenya using modern 3-D seismic.

Hopes are high for the Mbawa well, given recent offshore gas finds in neighbouring Tanzania, in addition to onshore oil discoveries in Kenya and Somalia. However, a note of caution is justified, given Woodside Petroleum’s Pomboo miss in 2007 and with Tullow giving the Mbawa well a 15% chance of success. ■