

2019 Farmout Overview



EXPLORATION OPPORTUNITY

PEP 57075 and PEP 51906

Offshore Taranaki Basin



OMV NZ Ltd (OMV) is looking to farm-out a portion of its 70% position in permits PEP 57075 and PEP 51906. The permits are jointly held with Sapura Energy in the offshore Taranaki Basin, North Island, New Zealand. Sapura Energy farmed into five of the OMV operated licences in the Taranaki Basin in 2018 at an overall working interest of 30%. PEP 57075 is currently in Year 5 of a 12-year term and PEP 51906 is currently in Year 10 of a 12-year term.

These permits offer an excellent opportunity to gain a position in a highly prospective portion of the Taranaki Basin with a portfolio of opportunities across several play levels proven in the surrounding Maui, Tui, Amokura and Pateke, Maari and Manaia fields, and the Ruru discovery. The Taranaki Basin is currently the only hydrocarbon-producing basin in New Zealand and its complex tectonic history has given rise to several plays ranging from Late Cretaceous to Miocene sandstones in fluvial, marginal marine, shoreface and basin-floor fan depositional settings, all of which occur within the permit.

PEP 57075 lies approximately 25 km off the coast of the North Island, New Zealand (Figure 1) and covers an area of 1,365 km². The permit lies on the major structural and depositional trend that hosts offshore producing fields and contains a range of plays and leads in Cretaceous through Miocene reservoirs. Newly acquired 3D broadband data indicates a working petroleum system and reconfirms excellent prospectivity.

Having entered Stage 3 of the work programme, the PEP 57075 joint venture has committed to drilling an exploration well in the permit. This well will spud in Q4 2019 and target the Gladstone prospect (Figure 2), which is a combination trap (structural & stratigraphic) located directly above the Arawa Graben kitchen. Recently acquired 3D broadband seismic dataset clearly shows an erosive channel complex with a high amplitude fill in the Lillburnian section, which is interpreted to be a sand filled channel complex encased in the Upper Manganui Formation mudstones & shales. The channel is oriented due west and is displaced by >150 m by the Miocene reactivation of the graben bounding fault, producing a clear juxtaposition of reservoir sands against sealing mudstones & shales. The throw of the bounding fault is sufficient to ensure that the channel complex is not juxtaposed with itself against the fault. An additional 4-way dip closure can be mapped out on the footwall side of the fault.

PEP 51906 lies approximately 70 km off the coast of the North Island, New Zealand (Figure 1) and covers an area of 806 km². The permit is surrounded by the producing oil fields of Maari, Manaia, Tui, Amokura & Pateke and the giant Maui Gas & Oil Field. Drilling & 3D seismic acquisition in 2014 provided encouraging new exploration insights for future prospectivity. Additionally the Ruru-3 well, drilled in 2013 proved fault seal trapping mechanisms against the Cape Egmont Fault Zone. The permit has a drill-or-drop decision in November 2020, with a well commitment before May 2021.

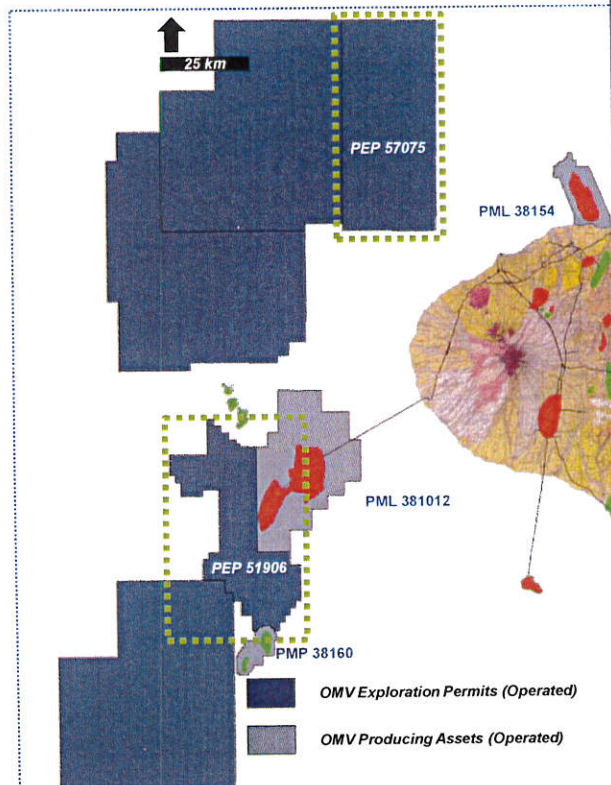
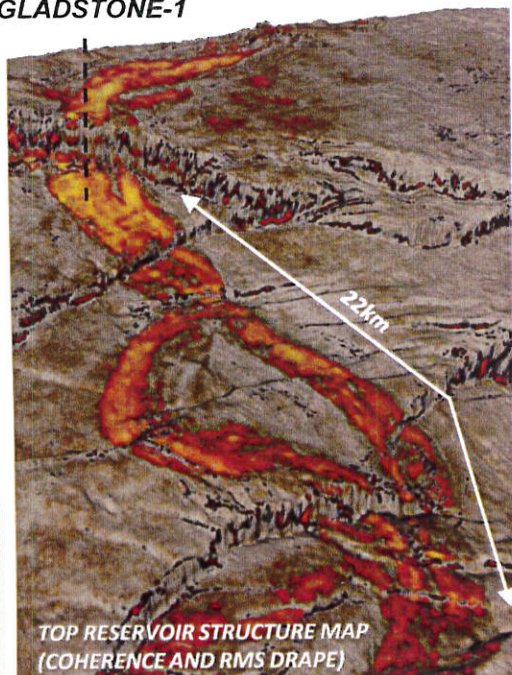


Figure 1: PEP 57075 and 51906 location, offshore Taranaki Basin.

Figure 2: PEP 57075 Gladstone prospect, offshore Taranaki Basin.

GLADSTONE-1



Gladstone Prospect (Pg 33%)

Mean rec. @ 164mm bbl

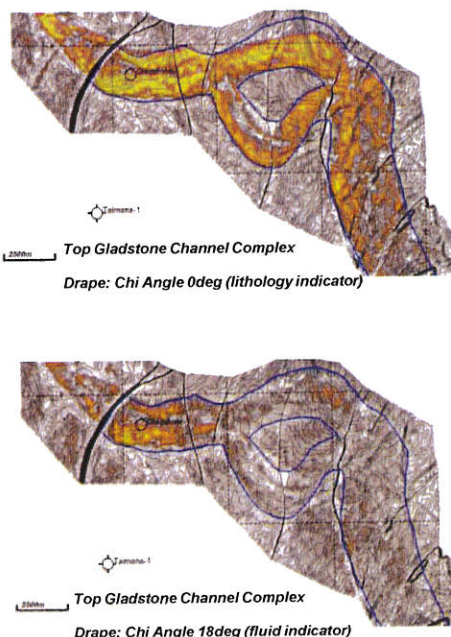
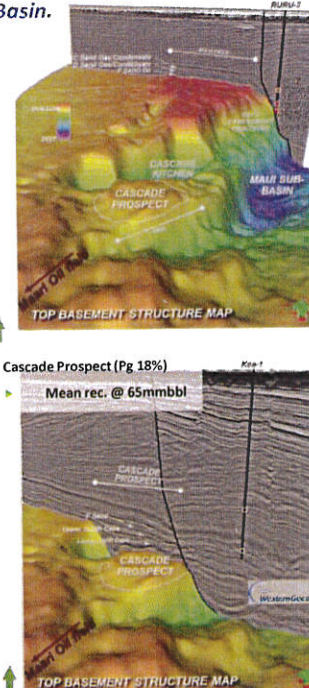
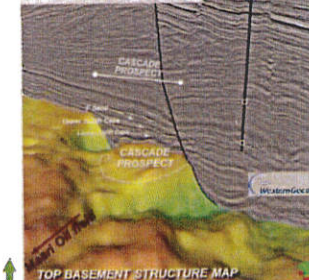


Figure 3: PEP 51906 Cascade prospect, offshore Taranaki Basin.



Cascade Prospect (Pg 18%)

Mean rec. @ 65mm bbl



EXPLORATION OPPORTUNITY

PEP 57073

Offshore East Coast Basin



OMV NZ Ltd is looking to farm-out a portion of its 70% position in PEP 57073, offshore East Coast, North Island, New Zealand. Up to 40% equity is currently available.

Gaining a position in the permit offers an exciting opportunity in an under-explored proven petroleum system. The 2009, 2014 and 2017 multi-client seismic campaigns have significantly increased the prospectivity of the block.

PEP 57073 covers an area of 9,800 km² in the offshore East Coast of North Island, New Zealand (Figure 4). Awarded to OMV NZ Ltd in the 2014 bid round, the permit became effective on 1 April 2015 and has a 15-year duration. In early 2016 Equinor farmed into the permit and has a 30% non-operated working interest. Currently all permit commitments have been met with a drill or drop decision not due until 1 April 2021.

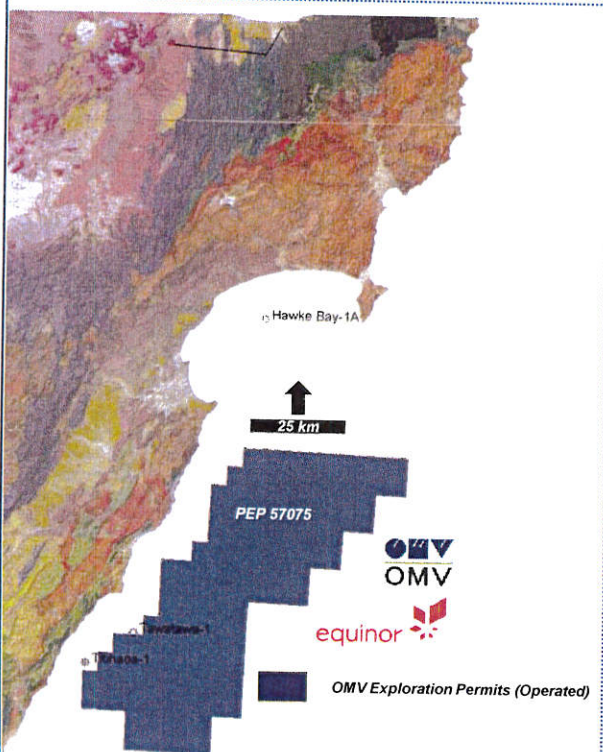


Figure 4: PEP 57073, offshore East Coast Basin.

Exploration history

2,660 km of 2D seismic data exists within the permit. In addition, as part of the permit commitments, 3,700 km² of 3D seismic were acquired as part of the Schlumberger Pegasus MC3D in 2016/2017. Several bathymetry and seep studies in the permit area show active gas seeps at sea floor and bottom simulating reflectors (BSRs) are observed in the shallow subsurface on the 2D & 3D seismic data. Two wells have been drilled on the boundary of the permit, Tawatawa-1 having gas shows over 20% and Titihaoa-1, which was classified by the operator as a non-commercial gas discovery with gas readings up to 80%. Onshore wells encountered gas and oil shows and the onshore area has an abundance of oil and gas seeps.

Regional setting

The permit occupies a region within the East Coast fold and thrust belt on the subduction margin of the Hikurangi Plateau underneath the Australian Plate. The area is structurally complex, but recently acquired MC3D has better imaged the deeper stratigraphy of the subsurface and demonstrated the exploration potential of the region.

Numerous large thrust and fold structures are visible on seismic data, as are inverted mini-basins and stratigraphic pinch-outs that form part of the overall prospective slope basin complex (Figure 5).

Basin modelling work suggests the nearshore fold & thrust belt has the best chance for mature source rock presence. This area lies directly beneath the permit.

Hinterland-derived clastic reservoirs suggest that the nearshore location of the OMV permit has a higher chance of better quality reservoir compared to more distal settings. Field work conducted under a JIP with the University of Leeds has confirmed good quality, high NTG (>90%), thick (>300m) Miocene clastic reservoirs.

Figure 5: An example of the prospectivity within PEP 57073.

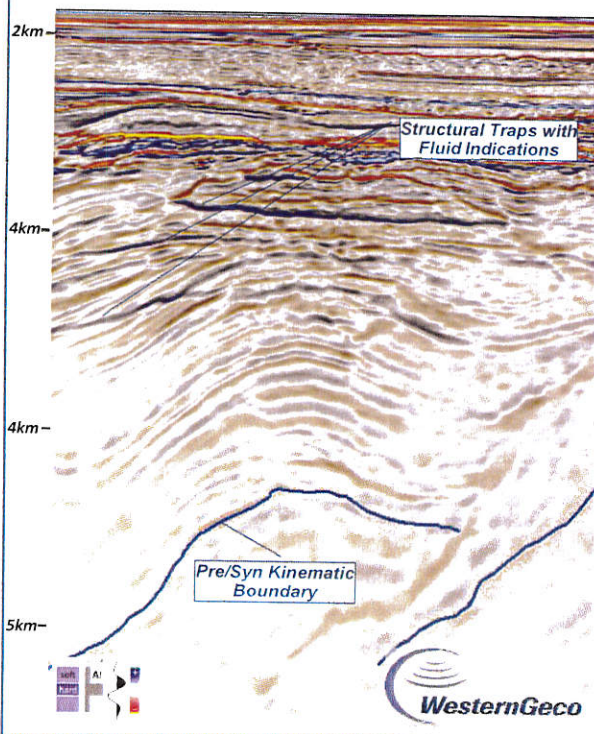


Figure 6: Modern-day seafloor and RMS amplitude drape.

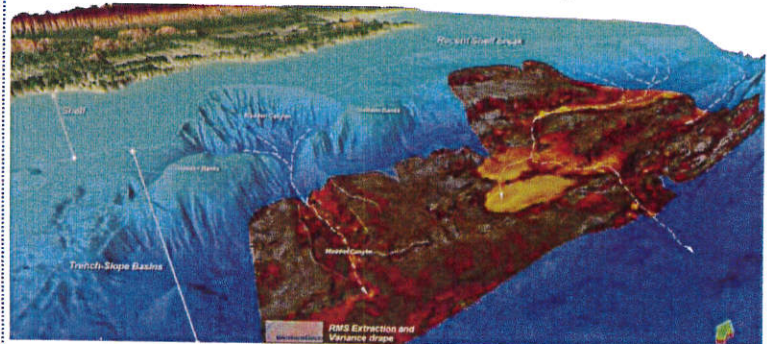
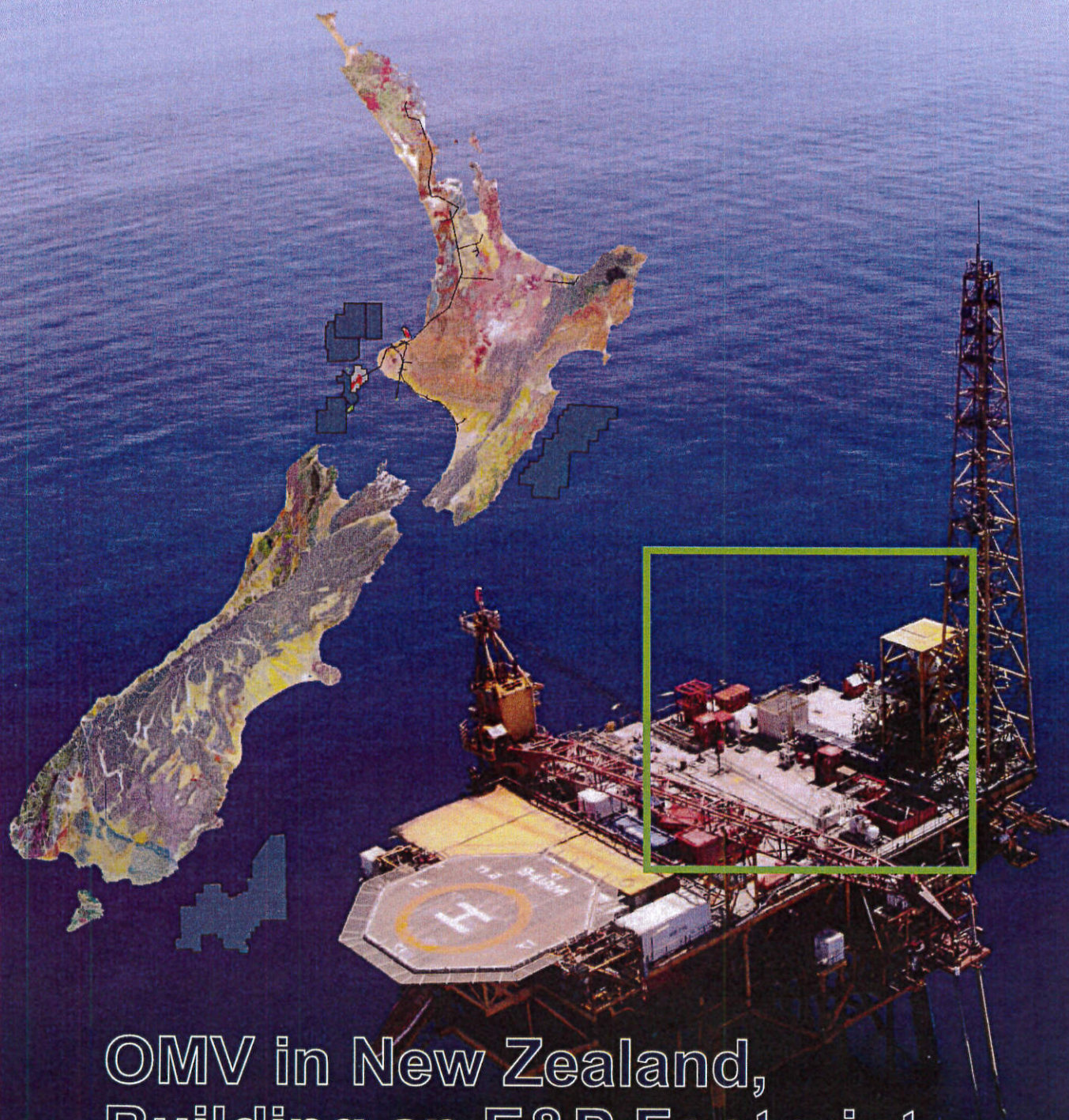


Figure 7: Joint Industry Project strategy to compliment in-house subsurface mapping to help deliver robust prospect portfolio.





OMV in New Zealand, Building an E&P Footprint

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