

**SE** Business News  
**HD** DOE extends Aussie **firm's** work program for Cebu **oil** block

**WC** 363 words

**PD** 11 January 2014

**SN** Manila Bulletin

**SC** MABULL

**LA** English

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Hopes are raised on potential commercial **oil** discovery at a Cebu petroleum block being operated by Australian **firm** Gas2Grid, and such prompted the Department of **Energy** (DOE) to extend its work program by another year.

"With the extension, SC44 operator was given an additional 12 months to further develop the well," the **energy** department said.

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The onshore petroleum acreage which had manifestation of recoverable **oil** reserves is under Service Contract 44 that was awarded by the **energy** department way back in 2004.

The DOE indicated that the drilled Malolos-1 well may yield "an **oil** discovery with potential commercial quantity in the Visayan basin."

A separate report by Gas2Grid posted at its website emphasized that "Malolos-1 successfully tested **oil** from two separate sandstone intervals at rate likely to be commercial ... at this stage, the Malolos oilfield warrants further appraisal by longer term **oil** flow testing, seismic **acquisition** and drilling."

Prospective reserves had been calculated to a range of 4.0 to 42 **million** barrels. But the operator noted the 'most likely' assessment is 12 **million** barrels.

According to **Energy** Secretary Carlos Jericho L. Petilla, the discovery in SC 44 "is a boost to the country's upstream industry," hence, the department was encouraged to "provide the necessary support to advance its development."

Relative to this, the **energy** chief announced that the DOE will be launching its Philippine **Energy** Contracting Round 5 (PECR-5) within the first quarter of this year. This is an auctioning process for the award of service contracts for the exploration and development of the country's petroleum and other **energy** resources.

The upstream **oil** industry suffered some snags last year with the delayed awarding of service contracts for blocks straddling the so-called 'areas of conflict.'

On per project basis, the country had also seen the pullout of multinational **firm** BHP Billiton from Service Contract 55 which covered an acreage offshore Palawan.

The Philippines is considerably a laggard when it comes to developing its indigenous **oil** and gas resources, and its hurdles had been worsened by the pending diplomatic protest it had lodged against **China**.

**CO** gsrdr : Gas2Grid Limited

**IN** i1 : Energy | i13 : Crude Oil/Natural Gas | iexplor : Natural Gas/Oil Exploration

**NS** gverg : Energy Department | cnatrd : Natural Reserves/Resources Discovery | c24 : Capacity/Facilities | ccat : Corporate/Industrial News | gcst : Political/General News | gpri : Politics/International Relations | gpol : Domestic Politics | gvbd : Government Bodies | gvex : Executive Branch

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

**IPD** Business News  
**PUB** Manila Bulletin Publishing Corp  
**AN** Document MABULL0020140110ea1b0000w