

Touchstone reports US\$671m in reserves

...drilling on hold at Cascadura 4 due to pump failure

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TOUCHSTONE Exploration's total proved plus probable (2P) reserves have been valued at approximately US\$671 million in future net revenues, according to an independent evaluation by GLJ Ltd.

This figure represents the before- tax valuation, discounted at 10%, Touchstone stated in its 2024 year-end reserves report released yesterday.

'Our year-end 2024 reserves report highlights the substantial potential of our asset base in Trinidad with the NPV10 of future net revenues of 2P reserves valued at approximately US\$671 million and US\$309 million on a before-tax and after-tax basis, respectively,' Touchstone's president and chief executive officer Paul Baay stated.

'The combination of our base crude oil production and the early stage development of our natural gas properties supports our ongoing transition from an exploration-driven company to one focused on predictable production growth,' Baay stated.

Compared to year-end 2023, the net present value (NPV10) of future net revenues for 2P reserves decreased by 8% on a before-tax basis.

'The reserve estimates for this year reflect a material balance assessment approach based on the data collected at Cascadura. This revised methodology, compared to the previous volumetric interpretation, aligns reserve estimates with our forecasted production curves,' Baay stated.

Additionally, Baay noted the significant potential of light oil reserves from the Cascadura-3ST1 discovery.

'While the current reserves include a limited number of future crude oil drilling locations, we plan to expand this potential through further delineation and development in the Rio Claro block,' he stated.

Touchstone also highlighted the previously announced acquisition of Shell Trinidad Central Block Ltd, which it said provides access to Trinidad's liquefied natural gas market.

However, the company noted that its 2024 year-end reserves report does not yet account for reserves from this acquisition.

A separate independent evaluation of the acquired reserves will be conducted after the deal is finalised, Baay stated.

Drilling issues

Touchstone said for January 2025, it recorded average net sales volumes of 4,800 barrels of oil equivalent per day (boe/d) including net natural gas sales volumes of 21.3 MMcf/d (3,550 boe/d) and crude oil and natural gas liquid sales volumes of 1,250 bbls/d.

The company noted that production in January was impacted by the temporary shutdown of the Cascadura-3ST1 well for 13 days, as a drilling rig was moved to the Cascadura B pad. Touchstone also confirmed that drilling operations at Cascadura-4 have been temporarily suspended due to a mechanical failure in one of the three mud pumps.

'During drilling operations, one of the three mud pumps experienced a mechanical failure, necessitating an operational pause to ensure safety and efficiency. The well, spudded on January 19, 2025, had reached a depth of 4,500 feet, and has now been plugged back to the base of the surface casing at 1,135 feet,' Touchstone stated.

'A replacement pump is expected to arrive in Trinidad by mid-March 2025, after which installation will take place. Drilling will resume once the new pump is in place, allowing operations to continue as planned,' it stated.