

03 June 2016

## **Amerisur Resources Plc**

### **Operations Update**

Amerisur Resources Plc ("Amerisur" or the "Company"), the oil and gas producer and explorer focused on South America, is pleased to provide an update on operations in Paraguay, Colombia and Ecuador.

#### **San Pedro Paraguay**

The exploration well Jaguarete-1 was spudded on 22<sup>nd</sup> April 2016 and has now reached total depth (TD) of 8,626ft in the Itajuru basement formation. Positive indications of oil and gas in potential reservoir sections were seen in the mud logs while drilling and as a result the Company is currently acquiring electrical logs in the well in order to define reservoir and fluid characteristics. A decision to complete and test the well will be taken once those logs have been interpreted.

The potential reservoirs of the Lima and Santa Elena formations were encountered slightly deeper than anticipated, and from initial mud logs appear to be complete in their development. The well was ultimately completed shallower than the originally planned maximum depth since the crystalline quartz basement Itajuru formation was encountered at the higher end of the prognosis range.

The well was drilled on budget and safely. The significance of the results will not be known until all data analysis and any additional operations on the well have been completed. A further announcement will be made in due course.

#### **Platanillo Drilling and Workover Campaign**

Amerisur has begun the mobilisation of the drilling rig Serinco D-10 from Pad-1 to Pad-5 in order to drill Platanillo-8, the first of the two infill wells planned for this year. Once complete the rig will be moved to Pad-2N in order to drill the first step out well into the northern part of the Platanillo structure. If the well is successful in proving the continuation of the Platanillo structure to the North, at least one further well would be drilled there.

Once the Platanillo-8 infill well is complete, the workover rig Serinco D-6 will be rigged up on Pad-5 in order to perform a recompletion of Platanillo-20 and also re-perforate the U sand reservoir in Platanillo-10 ST1. These operations are a continuation of the work programme developed through the various field studies performed over the last 18 months, including the Schlumberger study and will look to enhance production from the Platanillo licence, for transport through OBA pipeline system.

Currently, a seismic inversion study is being performed with the objective of a better characterisation of the sand distribution in the N, U and T reservoirs, aimed at optimising future well trajectories and as a basis for the future appraisal and development of the N sand reserves in Platanillo. The results of this study will be available by the end of June.

#### **OBA Pipeline System**

The Company continues to progress the completion of the OBA pipeline system. Electrical and mechanical works are ongoing at both Pad 9S in the Platanillo field Colombia, and at the OBA reception and re-export facilities in the Victor Hugo Ruales (VHR) central processing station in Ecuador. In addition the control and communication systems are close to finalisation.

The construction and testing of the final 3.8km of 10.8" line from pad VHR-20 to the point of landfall of the completed under river crossing has been impacted by an administrative matter between PetroAmazonas, the Operator of the area, and local communities, together with heavier than expected rainfall in the region. The matter has now been resolved and the Company expects to complete this section over the next weeks, with final commissioning now scheduled for the end of June 2016. The commissioning period is expected to be shorter than originally planned, since various completed sub systems have already been function tested and accepted.

### **Coati**

The Company is analysing the two alternative U and Caballos reservoir formations in well Coati-1 with the aim of beginning a long term test in one or both of those zones during 3Q 2016. A preliminary design of a new 3D Seismic survey over this field is under evaluation and social consultations regarding the Company's activity plan are proceeding satisfactorily.

### **CPO-5 – Llanos basin**

Testing of L4/L5 sands in the Mirador formation in Loto-1 is expected to begin in the next few weeks and testing is planned for a period of 30 days. The functionality of the surface equipment and the ESP downhole system is currently being verified in order to begin the test. Processing of the 3D seismic data in the northwest part of the block has been completed and interpretation is underway.

### ***John Wardle, CEO of Amerisur commented:***

"It is a very busy time for the Company and we are making strong progress across all of our operations as we deploy the additional funds raised in March from our institutional shareholders. I am pleased to report the successful drilling to TD of the Jaguarete-1 exploration well. Although still at an early stage, we are encouraged by the evidence of a working hydrocarbon system and I look forward to the interpreted electrical logs and being able to update the market following the analysis. The well was drilled within time and budget and safely in a basin with very little offset data to guide us and a challenging geological environment, a tribute to Amerisur's technical team."

"Final completion and operation of the OBA pipeline system is close, and Amerisur has advanced all its work streams in an efficient manner. The OBA pipeline will change the economics of our Platanillo production by reducing lifting and transport cash costs to around \$16 per barrel."

In accordance with the AIM Rules – Note for Mining and Oil & Gas Companies – June 2009, the technical information in this announcement has been reviewed by John Wardle Ph.D., the Company's Chief Executive. John Wardle has 31 years' experience in the industry, having worked for BP, Britoil, Emerald Energy and Pebercan, and is a trained drilling engineer.

**ENDS**

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### **Notes to editors**

Amerisur Resources is an independent full-cycle oil and gas company focused on South America, with assets in Colombia and Paraguay and production from the Platanillo field in southern Colombia. Amerisur's strategy is to acquire, explore and develop large acreage positions in major under explored basins located in South America. The Company's distinctive approach has been to own 100% of its assets at early stages in order to have full control over the fields' development. That requirement is now being relaxed as a sound production baseline has been established and in response to the widening opportunity set to which the Company has access.

In Colombia, the Company is operator and has a 100% working interest in the Platanillo block which includes the Platanillo field. Which produced an average of 4,437 BOPD during 2015. The 11,341 hectare block is located in the Putumayo Basin. The Company has a 60% working interest and operatorship in block Put-12, a 55,000 hectare block which is adjacent to Platanillo and shares its geology and a 50% working interest in Put-30 a 38,514 hectare block, approximately 55km to the north of the Company's 100% owned Platanillo field. In addition, the Company has a 30% working interest in the CPO-5 contract, located in the Llanos basin and a 49.5% working interest in the Tacacho contract, located in the Caguan-Putumayo basin. The Company has recently acquired 50% working interest in the PUT-8 Block adjacent to the west of Platanillo, a 100% working interest and operatorship in the Coati Evaluation Area (Temblon Field) within the Coati Block located in the South West of the Putumayo basin and a 100% working interest and operatorship in the Andaquies Block located in the north east of the Putumayo basin.

In Paraguay, Amerisur is the largest acreage holder in the country, with approximately 4.8 million hectares covering four 100% owned oil and gas permits in the Paraguayan part of the Chaco and Parana Basins.

John Wardle is CEO of Amerisur, having worked in Colombia since 1994, first for BP Exploration and subsequently for Emerald Energy. The Company is chaired by Giles Clarke and is listed on the AIM Market of the London Stock Exchange.

[www.amerisurresources.com](http://www.amerisurresources.com)