

Cote d'Ivoire approves Rialto's development plan for Gazelle

Australia's Rialto Energy announced last week that its final development plan (FDP) for the Gazelle field, a shallow-water section of the CI-202 licence area, had been given the green light by the government of Cote d'Ivoire.

According to a company statement, Rialto is on track to begin fast-track development work at Gazelle now that the plan has been formally approved. The company intends to launch commercial production in the fourth quarter of 2013, with initial output levels at 8,000 barrels (964 tonnes) per day of crude oil and up to 100 million cubic feet per day of natural gas.

Under the FDP, Rialto will anchor a production platform at Gazelle in 40-metre deep water. This platform will also process and export the field's output "via bundled pipelines to existing onshore infrastructure, located 30 km the company said in its statement.

It further noted that the capacity of up to 40,000 bpd "allow for further infill drilling existing satellite fields," the

"The location of the Gazelle become an important hub for future discoveries within CI-

Rialto also stated that the approve the FDP would give it a 58.5-square km area over a period of 25 years.

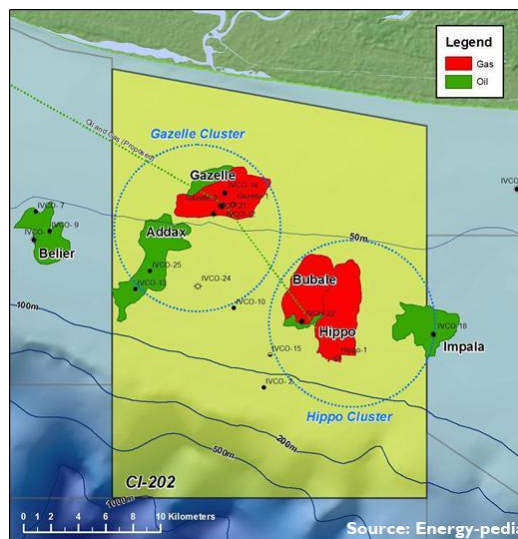
Meanwhile, the company has understanding (MOU) on the sale of future gas production from Gazelle. This document outlines the basic terms of a "binding take-or-pay gas sales agreement (GSA), which will be executed prior to final investment decision (FID)," according to Rialto's statement.

The company said it would make a final decision in mid-2012, after completing its first- and second-quarter drilling programme, which will begin next February. This programme calls for three wells to be drilled at Gazelle. Two wells of these wells will be sunk using the GSF Monitor jack-up rig, and the third will serve to test the Chouette prospect, which is believed to hold 80 million barrels of crude.

"Rialto's technical team [is] finalising the detailed evaluation and testing programmes for the three wells and will work with [the company's] joint venture partner, Petroci, over the coming weeks to finalise the well proposals," the statement said.

Jeff Schrull, Rialto's managing director, expressed optimism about the Gazelle project, saying: "The Gazelle FDP approval and the execution of the gas MOU are key milestones for the company, and we look forward to our active drilling programme in 2012. This will move us closer to our goal of becoming an established oil and gas producer with significant low-risk growth potential. It is also very important to Rialto that this project will contribute to meeting the energy needs of Cote d'Ivoire."

The Australian company owns an 85% working interest in the CI-202 licence, which is believed to hold 50 million barrels of oil and 396 billion cubic feet of gas in recoverable reserves. The remaining 15% is held by Petroci, Cote d'Ivoire's state oil company.



pipelines would have a total and 230 mcf per day. This will at Gazelle and tieback of statement said.

field facilities will allow it to low-cost development of 202," it added.

government's decision to exclusive exploration rights to the Gazelle field for

also signed a memorandum of

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