

Thu 04 Jun 2015

Hibiscus cancels Timor-Leste deal



No deal: Hibiscus has cancelled its deal to buy Talisman's stake in the Kitan field

By Ruth Chen 02 June 2015 08:03 GMT

Malaysia's Hibiscus Petroleum has pulled the plug on its planned acquisition of an interest in producing Kitan oilfield in the Australia-Timor Leste joint petroleum development area.

Hibiscus was to have paid US\$18 million cash for Talisman Energy's 25% interest in offshore permit JPDA 06-105, which is operated by Eni of Italy.

Kuala Lumpur-listed Hibiscus gave no specific reason for its withdrawal from the planned purchase, which it announced last June, although the company said it would comment later this week.

Kitan was expected last year to produce some 10,000 barrels per day of crude from three subsea wells.

The field came on stream in October 2011 and was expected to have a field life of seven years, according to the project's subsea contractor FMC.

Kitan is located in the Bonaparte basin, about 550 kilometres north-west of Darwin, Australia, and, as of 1 January 2014, was estimated to contain 17 million barrels of oil.

Partners in JPDA 06-105 are operator Eni on 40%, Inpex of Japan with 35% and Talisman (now a Repsol company) having 25%.

The Australian government's Foreign Investment Review Board last August gave its approval to Hibiscus' proposed acquisition, approval that was valid for 12 months.