

88 Energy Ltd

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88 Energy launches £7.96m rights issue to fund new exploration activity

88 Energy Ltd (LON:88E, ASX:88E) is launching a rights issue to raise £7.96m (A\$14.33m) in order to fund new exploration well operations slated to start in the first quarter of 2019.

It intends to use the proceeds to fund the Winx-1 exploration well including any potential production testing and possible cost overruns. The company also expects to spend capital on ongoing geological and geophysical work, as well as its usual working capital requirements and general admin.

READ: 88 Energy increases Alaska footprint ahead of exploration campaign For Winx, located in the group's 'Western Blocks' on Alaska's North Slope, the company recently signed a rig contract ahead of a targeted spud date in the first quarter of next year.

Winx will target the Nanushuk play fairway where 3D seismic studies defined an oil prospect which has a prospective resource of 400m barrels of oil (MMbbls). The geological chance of success has been estimated to be in the range of 25-30%.

The company is earning a 36% working interest in the Western Blocks by funding 40% of the drilling costs for Winx.

Partnering processes continue

It noted, meanwhile, that it is separately progressing a farm-out process for its broader conventional exploration portfolio across the 'Project Icewine' acreage where, at the desktop, it has estimated the potential for some 1.75bn barrels of oil resources. The company's schedule anticipates a completion of the process during the current quarter.

A separate farm-out process for the HRZ shale assets, meanwhile, is planned in the first half of 2019.

88 Energy noted that it was also now finalising a resource estimate for the Yukon leases area, guided by recently shot 3D seismic.

88 Energy Portfolio is "stronger than it has ever been"

"The company has successfully completed several placements over the last four years, which have served to grow the asset base and diversify our portfolio, which is now stronger than it has ever been," said Dave Wall, 88 Energy chief executive.

"There are now four significant projects at mature stages that we believe can add substantial near to medium term value for our shareholders via drilling and/or farm-out transactions."

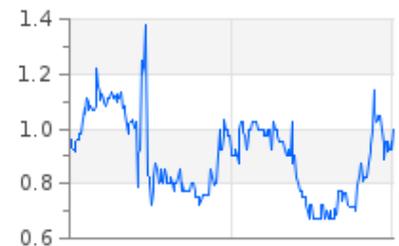
Rights issue

Wall added: "We have received feedback from a number of existing shareholders asking to be considered in future

Price: 1

Market Cap: £68.72 m

1 Year Share Price Graph



December 2018 June 2019 December 2019

Share Information

Code: 88E

Listing: AIM

52 week **High** **Low**
1.45 0.6275

Sector: Oil & Gas

Website: 88energy.com

Company Synopsis:

The company's goal is to build a successful exploration and production company that delivers material benefits to its shareholders and contributes to the development of the regions in which it works.

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placements.

"The board has listened and, consequently, we are pleased to provide the opportunity for all shareholders to participate in funding the upcoming potentially transformation period for the company."

The rights issue equity funding will give qualifying shareholders the opportunity to purchase one new 88 Energy share for every seven they hold on the record date of 10 October.

The issue price is set at 1p per share or 1.8 Australian cents.

88 Energy expects to issue a shareholder circular by 5 October, ahead of a proposed ex-entitlement date of 9 October (with trading commencing ex-entitlement from 10 October).

The closing deadline for shareholder applications and settlement is set as 11:00 am on 26 October.

It is anticipated that the new shares will be issued by 31 October, with admission and stock market dealing also commencing that date too.

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