

88 Energy Ltd

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88 Energy continues countdown to Charlie-1 well in Alaska

88 Energy PLC's (LON:88E) countdown to its exciting Charlie-1 well continues with the explorer's quarterly update today highlighting details about the upcoming programme, located in one section of Project Icewine on Alaska's North Slope.

The company recently confirmed it is on-track to drill Charlie alongside new partner Premier Oil PLC (LON:PMO), with the joint venture agreement currently in the process of being rubberstamped, and said a February 2020 spud date is anticipated.

Today's statement further detailed the scope and opportunity at Charlie which is planned as an appraisal of the conventional and undeveloped Malguk discovery, made by BP in the early 1990s.

"Malguk-1 encountered oil shows with elevated resistivity and mud gas readings over multiple horizons during drilling but was not tested due to complications towards the end of operations, which resulted in lack of time before the close of the winter drilling season," 88 Energy noted in its statement.

"It was also drilled using vintage 2D seismic, which was insufficient to adequately determine the extent of any of the prospective targets encountered."

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The small-cap explorer added: "88 Energy completed (the) acquisition of modern 3D seismic in 2018, in order to determine the extent of the discovered oil accumulations. Charlie-1 will intersect seven stacked prospects, four of which are interpreted as oil bearing in Malguk?1 and are therefore considered appraisal targets."

Pre-drill the project has been estimated to have some 1.6bn barrels of prospective resources, which would equate to a still eye-watering 480mln barrels for the small-cap junior partner - presently valued at about £50mln (A\$96mln).

Premier Oil is to pay up to US\$23mln of Charlie's well costs, as it earns 60% of the project.

Drilling is slated to start in February and, subject to initial findings, well testing is envisaged and would conclude by April.

The drill rig for the programme has been secured and permitting work continues, with the Premier joint venture deal expected to be sealed next month.

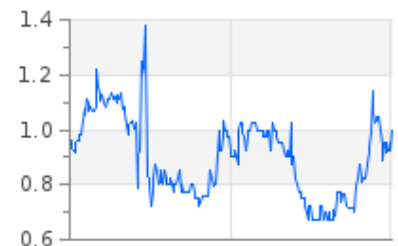
In mid-September, 88 Energy raised A\$6.75mln to cover any additional costs at Charlie over and above the expenditure being carried by Premier.

Unconventional progress in the background

Price: 1

Market Cap: £68.72 m

1 Year Share Price Graph



December 2018 June 2019 December 20

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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Tuesday's statement, which covers the three months ended 30 September, also noted activities related to Project Icewine's shale play.

88 Energy pointed out that Charlie-1 is additionally designed to penetrate the HRZ shale and as such it will provide additional data for the two companies ongoing evaluation of the project.

Earlier in the period, the Icewine-2 shale well was plugged and abandoned following drawn-out frustrations around flow testing the well.

"The forward program consists of accessing material from regional wells in order to conduct additional FIB-SEM analysis to confirm improved effective porosity and connectivity," 88 Energy noted.

"In addition, the Charlie-1 well is designed to penetrate HRZ and gather additional data which will complement the ongoing additional analysis being conducted."

The company also said it continues to receive unsolicited third party interest in the shale project, and, a 'soft' or informal farm-out process is presently underway.

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