

88 Energy Ltd

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88 Energy sees encouragement in additional results from Winx-1 exploration well

88 Energy Ltd (LON:88E) has walked back some of Friday's negativity with additional results and analysis of the Winx-1 exploration well.

The explorer last week reported the initial well results, saying that 'weak to moderate' oil shows were observed in the well's primary target, though analysis suggested the potential discovery was "at the lower end of the range required for commerciality."

READ: 88 Energy well encounters 'weak to moderate' oil shows
Drilling resumed deeper in the well to test another secondary target.

Today, the company told investors that shows were also observed in the Torok formation, a secondary exploration target.

A comprehensive programme of well logging will now take place and, subject to the findings, the joint venture partners may proceed with a well stimulation and testing programme.

"There are early signs of encouragement at multiple horizons in the Winx well; however, it is too early to say whether these will result in a commercial discovery at this stage as more data and analysis is required," said Dave Wall, 88 Energy managing director.

"The forward program, to be implemented over the coming days, is designed to improve confidence in the interpretation and assist in the decision to proceed with production testing, if appropriate."

Well results in more detail

Providing additional details of the Winx-1 well results to date, the company noted that the primary Nanushuk targets were encountered between 4,667 and 4,901 feet. It said that elevated mud gas readings, oil shows and an increase in LWD (logging-while-drilling) resistivity were observed in multiple topset features.

88 Energy highlighted that "data obtained by the Joint Venture from a nearby successful Nanushuk well has proven comparable to that observed in Winx-1 over the same topset features, providing early encouragement." It added that such interpretations require validation.

It said that the well intersected the top of the Torok Formation at a depth of 4,913 feet and targets were encountered at approximately 6,052 feet.

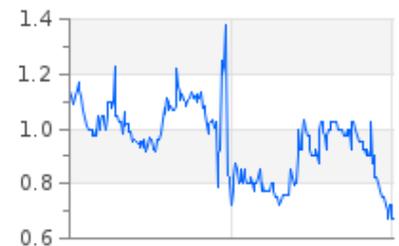
Like with the Nanushuk areas of interest, the company said that elevated mud log gas readings associated with oil shows were observed and similarly there was elevated LWD resistivity.

Signs appear promising

Price: £0.01

Market Cap: £43.31 m

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: 88E

Listing: AIM

52 week	High	Low
	1.45	0.6275

Sector: Energy

Website: 88energy.com

Company Synopsis:

88 Energy Ltd is an Australia based company engaged in the energy sector. Its business is to explore and process crude oil and natural gas through its oil and gas assets located in the United States and Australia.

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In a note to clients, analysts at Cantor Fitzgerald commented: "The company had suffered a rough day's trading on Friday after announcing that a shallower Nanushuk interval looked to be at the lower end of the range required for commerciality, due to high water saturation."

They added: "It remains too early to call whether the discoveries will prove of commercial size, with further data and analysis required to determine the plan for stimulation and testing. However, signs appear promising and we would expect the shares to recover strongly this morning."

The analysts reiterated its 'buy' rating and 4.4p target price on 88 Energy shares which in afternoon trading were changing hands at 0,90p, up 13.9%.

-- Adds analysts comment, share price --

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