

Otto Energy Ltd

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Otto Energy enters JV with Talos Energy in appraisal drilling of Bulleit in Gulf of Mexico

Otto Energy (ASX:OEL) has entered in a joint venture (JV) with Talos Energy (NYSE:TALO), which will see it earn a 16.67% working interest in the Green Canyon 21 (GC-21) lease in the Gulf of Mexico through paying 22.22% of the cost of the drilling of the Bulleit appraisal well.

The well will be drilled by Talos Energy, a highly experienced Gulf of Mexico operator based in Houston that has the Noble Don Taylor drillship contracted to undertake the drilling of the Bulleit prospect.

Drilling is expected to start in the middle of the June quarter of 2019 and first production is then expected within 12-18 months.

The company is undertaking a capital raising for about \$31 million via an \$11 million placement to investors and a fully underwritten 1 for 5 accelerated non-renounceable entitlement offer to raise about \$20 million.

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Otto managing director Matthew Allen said the company was taking another step in accelerating its business growth in the Gulf of Mexico.

"Participation in drilling of the Green Canyon 21 'Bulleit' oil discovery provides access to one of the best drilling opportunities the Otto team has screened with a high-quality and proven operator in Talos Energy.

"Otto has successfully identified and captured farm-ins to some of the best opportunities available within its core focus area since establishing the Gulf of Mexico three years ago.

"Discoveries at the South Marsh Island 71 and Lightning prospects have established Otto's production and cashflow generating base with significant, high-impact drilling planned for the remainder of 2019 that is set to continue the rapid delivery on our stated strategy."

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Price: \$0.05

Market Cap: \$127.94 m

1 Year Share Price Graph



Share Information

Code: OEL

Listing: ASX

52 week High Low
0.0820292 0.0345906

Sector: Energy

Website: www.ottoenergy.com

Company Synopsis:

Otto Energy Ltd (ASX:OEL) is a focused on conventional oil plays in proven petroleum provinces.

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