

# Texas South Energy Starts Drilling at the Canoe Prospect in Gulf of Mexico

**HOUSTON, TX / ACCESSWIRE / August 8th, 2018 / Texas South Energy, Inc. (OTC PINK: TXSO)** (“Texas South” or the “Company”) today announced that the Operator of the Canoe Prospect has received an approved permit from the Bureau of Ocean Energy Management (“BOEM”) and commenced drilling operations on the outer continental shelf of the U.S. Gulf of Mexico. The Canoe Prospect is designed to test a series of stacked Pleistocene seismic amplitudes on Vermilion Area, South Addition Block 378 (VR 378). The Company holds a 5% working interest in the well and in VR 378. Delek GOM Investments LLC, a subsidiary of Delek Group Ltd. (“Delek”) owns a 75% working interest and GulfSlope Energy Inc. owns a 20% working interest. Under the terms of its operating agreement, Texas South will pay 2% of the cost to drill this exploratory well and 5% of the costs thereafter upon commercial discovery.

The Canoe exploration well (Vermillion Block 378 No. 1, OCS-G-35589) is located in 310 feet of water and is permitted to a measured depth (MD) of 6,249 feet and 6,132 feet true vertical depth (TVD). The well is designed to test multiple seismic amplitudes that correlate to productive zones in nearby producing fields utilizing the Rowan Ralph Coffman jack-up drilling rig. Drilling operations are expected to take approximately 15 days to complete. If successful, this initial above-salt prospect will be evaluated for various development options.

Immediately following drilling of the Canoe well, the rig will be moved to drill the initial exploration well on the Tau Prospect on Ship Shoal Area, South Addition Blocks 336/351. Tau will be permitted to 29,641’ MD and 26,000’ TVD targeting multiple formations trapped in a sub-salt setting. The exploration plan for Tau was recently approved by the BOEM and the Operator anticipates receiving an approved permit to drill shortly.

The Canoe and Tau Prospects were developed by GulfSlope Energy as part of a nine prospect, twelve block program in which Texas South currently has ownership interests ranging from 5% to 20%. Delek may also elect to participate in these other prospects with Texas South under generally the same terms as its participation in Canoe and Tau. The prospects are the result of seismic data reprocessing using the latest algorithms now available with enhanced computing power which has only been available during the last few years. These prospects primarily target the Upper and Middle Miocene subsalt targets that have been profitably exploited since the 1990s in the deeper waters of the Gulf of Mexico.

## **About Texas South Energy**

*Texas South is engaged in the oil and gas exploration and production business. We acquire, generate and prefer to operate large-scale onshore and offshore oil and gas projects, retaining as much interest as possible in the production and reserves. To learn more, visit the Texas South website at [www.texasouth.com](http://www.texasouth.com).*

## **Investor Contacts**

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**SOURCE:** Texas South Energy, Inc.