

6th April 2018

88 Energy Limited Operations Update

88 Energy Limited (ASX: 88E) (“88 Energy” or the “Company”) is pleased to announce the following update for its projects located on the North Slope of Alaska.

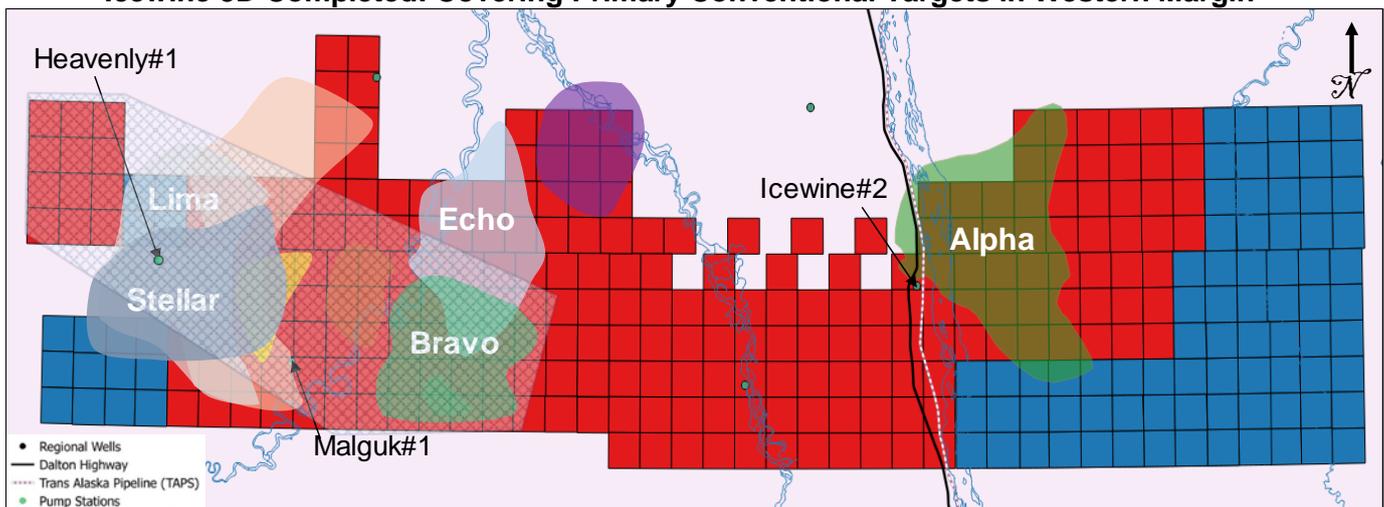
Project Icewine – Icewine 3D

The Icewine 3D seismic survey, approximately 450 km² in area and covering several large leads identified on 2D seismic, was completed on the 28th March – on schedule and within budget. Infield quality control, overseen by head office, has ensured that the data acquired is as clean as possible to enable fast track processing. Processing of shipments of data from the initial areas of the acquisition has commenced and early products, namely post stack migration, will be available in June 2018. This will allow confirmatory mapping of the stratigraphic / structural elements of the leads already identified in the conventional prospectivity portfolio.

Subsequently, velocity analysis and regularization will occur, providing the isotropic Kirchhoff pre stack time migration product. This product will be used to further analyse and confirm the highly encouraging amplitude vs offset (AVO) anomalies identified on the 2D seismic. These AVO responses are often associated with the presence of hydrocarbons and, significantly, have already been identified at horizons where both oil shows and good quality reservoir is observed in regional well data.

As background, the 3D acquisition was designed to mature conventional prospectivity previously reported, including several leads with AVO support, in the western portion of the Project Icewine leases. 88 Energy is extremely encouraged by recent conventional and historic analog discoveries delineated on 3D seismic to the north of the Company’s acreage within the Brookian sequence.

Icewine 3D Completed: Covering Primary Conventional Targets in Western Margin



 Approximate 3D outline

The Company’s preparations for the launch of its planned farm-out, ahead of 2019 drilling operations, is well underway. The formal process is expected to commence mid-2018, based on the early products from the 3D seismic survey. The Company remains confident of achieving a successful outcome to the farm-out process prior to year end for the following reasons (based on the assumption that the 3D seismic is confirmatory of the prospectivity already identified on our 2D database):

- High quality database comprising both modern reconnaissance 2D and focused 3D seismic

- Excellent oil shows, including live oil to surface, in nearby wells at horizons where good quality reservoir is also evident – coinciding with large mapped leads within the regionally proven Brookian play type
- Multi-year permits are already secured for two well locations within the 3D acquisition area, allowing for near term (1H CY2019) drilling
- Excellent operating capability, as evidenced by two recently drilled and operated wells, by the Company – both within budget and on schedule
- Flexibility to cede operational control, to a suitably operationally experienced partner
- Large discoveries in Brookian play type in nearby acreage to the north
- Recent industry transactional activity on neighbouring acreage, valuing discovered resources at >US\$3/bbl (Source: Oil Search investor presentation Dec 2017)

Project Icewine – Icewine#2 Flow Test

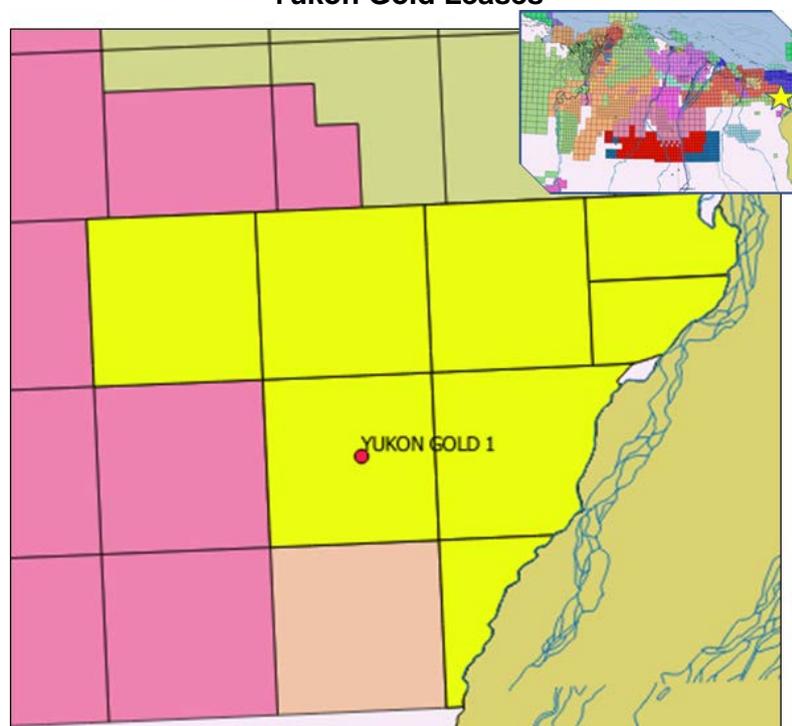
Planning is being finalised for the re-opening of the Icewine#2 well, which remains on schedule for April/May 2018. Exact timing is dependent on warmer temperature, with further details to be provided in the coming weeks.

Yukon Gold

In house evaluation is ongoing in relation to the recently acquired (subject to formal award) Yukon Gold leases, which contain an historic oil discovery. The Company is pleased to advise it awarded a seismic contract to SAExploration to acquire ~96km² of 3D seismic, predominantly over the Yukon Gold leases. The seismic data will allow for assessment of the volumetric potential of the discovery as well as to identify any additional prospectivity over the broader lease position. Acquisition commenced on the 24th March and was completed on the 1st April.

The 3D survey was fast tracked to opportunistically benefit from an available seismic crew in the latter part of the 2018 acquisition season. Final processed products are anticipated in Q4 2018.

Yukon Gold Leases





Managing Director, Dave Wall, commented: *"The 88E team have been extremely busy on multiple fronts over the last few months, with refinancing of debt, exercise of options, expanding our lease position, planning for, and acquisition of, two 3D seismic surveys and, of course, the re-opening of the Icewine#2 well.*

The strong support for the recent option exercise has meant we have been able to accelerate assessment of the Yukon Gold leases, with the costs of the planned 3D acquisition being less than half of the monies received from the option exercise process.

The remainder of 2018 promises to be pivotal for the Company and its shareholders, with near-term activity related to the Icewine#2 flow test, expected prior to mid-year, results from two 3D seismic acquisitions and one or more farm-out transactions targeted for the second half of the year."

Yours faithfully

A handwritten signature in blue ink, appearing to read "Dave Wall", with a long horizontal line extending to the right.

Dave Wall
Managing Director
88 Energy Ltd

Pursuant to the requirements of the ASX Listing Rules Chapter 5 and the AIM Rules for Companies, the technical information and resource reporting contained in this announcement was prepared by, or under the supervision of, Mr Brent Villemarette, who is a Non-Executive Director of the Company. Mr Villemarette has more than 30 years' experience in the petroleum industry, is a member of the Society of Petroleum Engineers, and a qualified Reservoir Engineer who has sufficient experience that is relevant to the style and nature of the oil prospects under consideration and to the activities discussed in this document. Mr Villemarette has reviewed the information and supporting documentation referred to in this announcement and considers the prospective resource estimates to be fairly represented and consents to its release in the form and context in which it appears. His academic qualifications and industry memberships appear on the Company's website and both comply with the criteria for "Competence" under clause 3.1 of the Valmin Code 2015. Terminology and standards adopted by the Society of Petroleum Engineers "Petroleum Resources Management System" have been applied in producing this document.

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Project Icewine Overview

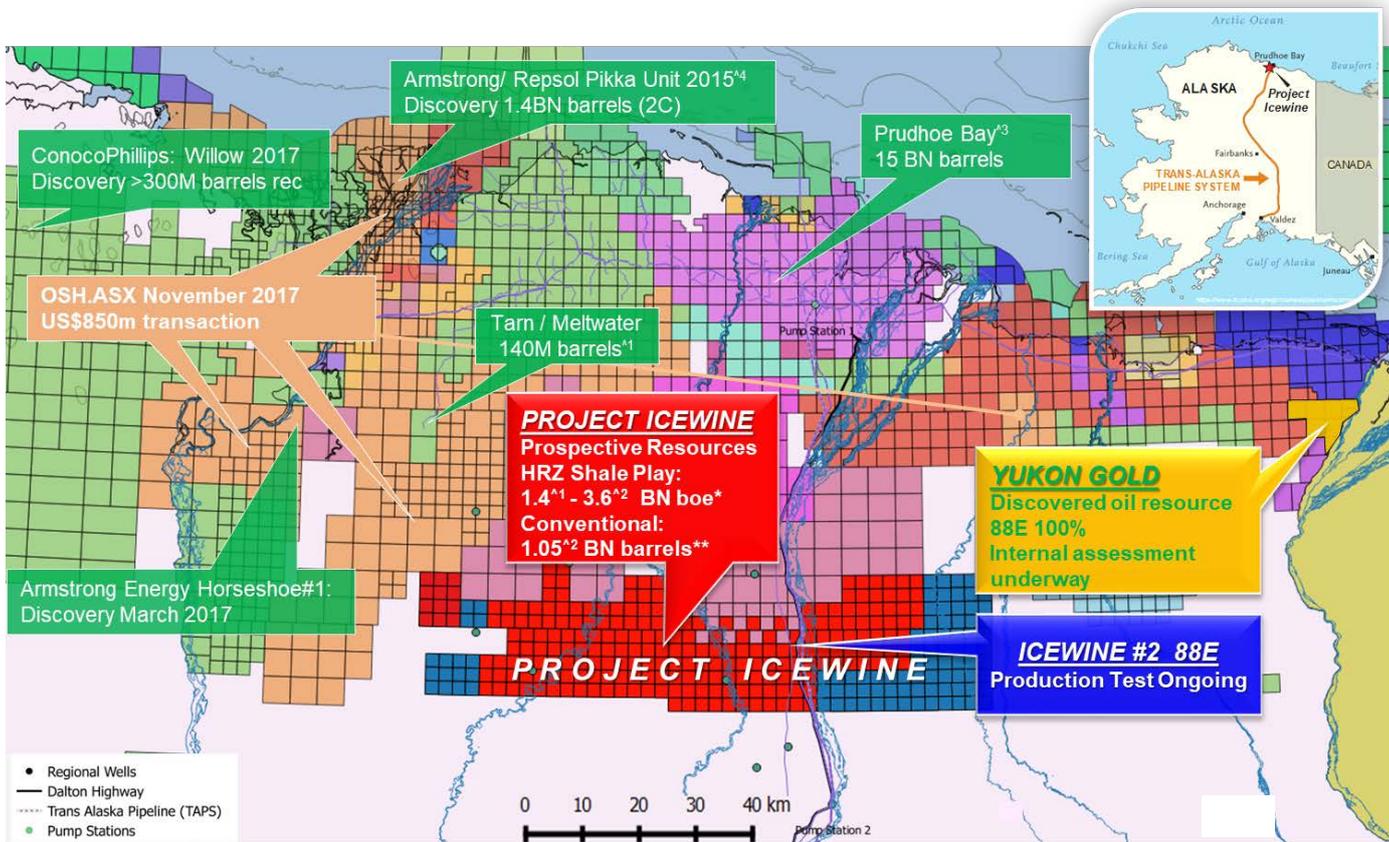
In November 2014, the Company entered into a binding agreement with Burgundy Xploration (**BEX**) to acquire a significant working interest (87.5%, reducing to 77.5% on spud of the first well on the project) in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore Alaska, North America, referred to as Project Icewine. The current gross acreage position is ~475,000 contiguous acres (301,000 acres net to the Company).

The Project is located on an all year operational access road with both conventional and unconventional oil potential. The primary term for the State leases is 10 years with no mandatory relinquishment and a low 16.5% royalty.

The HRZ liquids-rich resource play has been successfully evaluated based on core obtained in the recently completed (December 2015) Icewine #1 exploration well, marking the completion of Phase I of Project Icewine. Phase II has now commenced, with drilling at the follow-up appraisal well, Icewine#2, commencing early 2Q2017. Production testing is ongoing.

Significant conventional prospectivity has also been identified on recently acquired 2D seismic across the project acreage.

Project Icewine Acreage



* Gross mean prospective recoverable resource, refer ASX/AIM announcement 6/04/16 (271,000 acres)
 ** Net mean prospective recoverable resource, refer slide 16
¹ Independent Est., ² Internal Est., ³ Source USGS 2005, ⁴ Armstrong 2016

88E – 266,943 net acres WI: 77.9% (14,693 net acres subject to formal award)
 88E – 34,339 net acres WI: 25.9%
 88E – 15,520 net acres WI: 100% (subject to formal award)

Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.



Exploration incentives provided by the State of Alaska with up to 35% of net operating loss refundable in cash were concluded for all expenditure post 31 December 2017.

The primary objective is an untested, unconventional liquids-rich shale play in a prolific source rock, the HRZ shale (Brookian Sequence), that co-sourced the largest oil field in North America; the giant Prudhoe Bay Oil Field Complex. Internal modelling and analysis indicates that Project Icewine is located in a high liquids vapour phase sweetspot analogous to those encountered in other Tier 1 shale plays e.g. the Eagle Ford, Texas.

Recently acquired 2D seismic has identified large conventional leads at Project Icewine within the same Brookian petroleum system and shallow to the HRZ shale, including potential high porosity channel and turbiditic sands associated with slope apron and deepwater fan plays. The Brookian conventional play is proven on the North Slope; the USGS (2013) estimated the remaining oil potential to be 2.1 billion barrels within the Brookian sequence. Two recent discoveries in the Brookian have already exceeded these estimates, with Armstrong/Repsol discovering 1.4 billion barrels in 2015 and Caelus announcing a 2.5 billion barrel discovery in 2016. Additional conventional potential exists in the Brookian delta topset play, deeper Kuparuk sands and the Ivishak Formation.

A Prospective Resources Report by DeGolyer and MacNaughton, was commissioned by 88 Energy to evaluate the unconventional resource potential of Project Icewine in February 2016 and was released to the market on 6th April 2016.

About 88 Energy: 88 Energy has a 63% working interest and operatorship in ~342,000 acres onshore the prolific North Slope of Alaska (“Project Icewine”). Gross contiguous acreage position for the Joint Venture is ~475,000 acres (88E 301,000 net acres). The North Slope is the host to the 15 billion barrel Prudhoe Bay oilfield complex, the largest conventional oil pool in North America. The Company, with its Joint Venture partner Burgundy Xploration, has identified highly prospective play types that are likely to exist on the Project Icewine acreage – two conventional and one unconventional. The large unconventional resource potential of Project Icewine was independently verified by leading international petroleum resource consultant DeGolyer and MacNaughton. In addition to the interpreted high prospectivity, the project is strategically located on a year-round operational access road and only 35 miles south of Pump Station 1 where Prudhoe Bay feeds into the Trans Alaska Pipeline System. The Company acquired 2D seismic in early 2016 to take advantage of the globally unique fiscal system in Alaska, which allowed for up to 75% of 1H2016 exploration expenditure to be rebated in cash. Results from the seismic mapping and prospectivity review are encouraging, and form the basis of a conventional prospectivity portfolio for Project Icewine. In late 2015, the Company completed its maiden well at the project, Icewine#1, to evaluate an unconventional source rock reservoir play which yielded excellent results from analysis of core obtained from the HRZ shale. The follow-up well with a multi-stage stimulation and test of the HRZ shale, Icewine#2, spud in early 2Q2017. Flow testing at Icewine#2 is scheduled to re-commence in April/May 2018.