

8th October 2018

Dear Shareholder

Letter to Eligible Shareholders – pro-rata non-renounceable rights issue

As announced on 3rd October 2018, 88 Energy Limited (ACN 072 964 179) (**Company**) is undertaking a pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately one (1) fully paid ordinary shares (**New Shares**) for every seven (7) fully paid ordinary shares held to raise approximately \$14.33m / £7.96m. The price of New Shares under the Offer is \$0.018 / £0.01 per share (**Issue Price**). The Company lodged an Offer Document (**Offer Document**) on 5th October 2018.

The Offer is being made to all current holders of:

- ordinary shares; and
- depositary interests;

of the Company, named on its register of members at 7.00 p.m. (AEDT) in respect of ordinary shareholders and 6.00 p.m. (London time) in respect of depositary interest holders on 10th October 2018, whose registered address is in Australia, New Zealand or the United Kingdom (**Eligible Shareholders**). The Offer is not underwritten.

The Company reserves the right to undertake a placing to institutional investors of any Shortfall Shares.

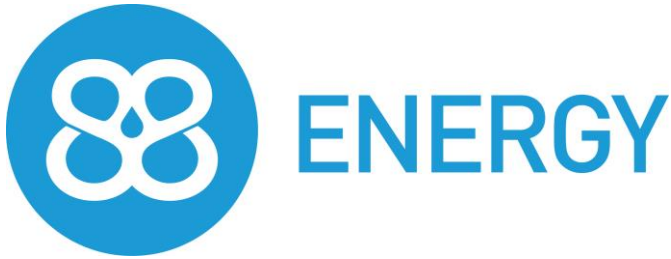
It is intended for the funds from the Rights Issue to be used for potential production testing at the Winx-1 exploration well, possible cost overruns associated with the drilling of Winx-1, lease rentals and interest costs to maintain assets in good standing, ongoing geological and geophysical work and working capital and general administration costs.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue (ASX Code: 88E).

Following completion of the Offer, the Company will have issued approximately 795,884,235 New Shares resulting in total Shares on issue of approximately 6,367,073,881.

A copy of the Offer Document is available on ASX, AIM and on the Company's website. Eligible Shareholders will be mailed an Offer Document together with an Entitlement and Acceptance Form no later than 12th October 2018. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Offer Document.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded to the nearest whole number.



Actions required of Eligible Shareholders

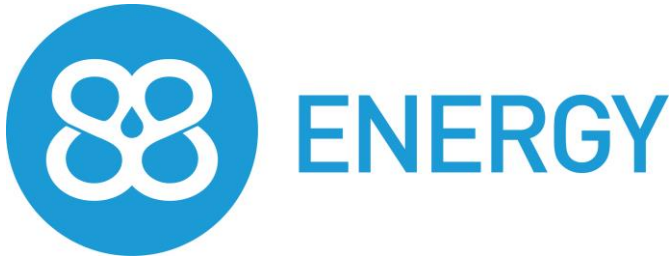
There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Offer Document (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received in accordance with the below timetable and the instructions in the Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received in accordance with the below timetable and the instructions in the Entitlement and Acceptance Form.
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.
- If you take up your Entitlement in full, you may also apply for Shortfall Shares (to the extent there is availability) in excess of your Entitlement by completing the relevant part of the Entitlement and Acceptance Form.

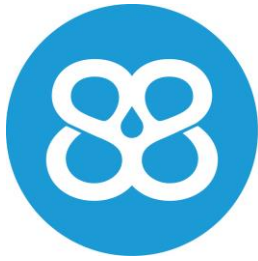
Indicative Timetable

The proposed timetable for the Offer is set out below. The dates are indicative only and the Company reserves the right to vary the dates, including the right to extend the closing date.

Announcement of the Open Offer	3 October 2018
Appendix 3B, circular (Offer Document) and notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) lodged with the ASX	Before 8am on 5 October 2018
Notice to Securityholders	8 October 2018
Expected ex-entitlement date for the Open Offer	8.00 a.m. (London Time) on 9 October 2018
Trading commences Ex-entitlement on ASX	9 October 2018
Record Date for the Open Offer	7.00 p.m. (AEDT) in respect of Qualifying Ordinary Shareholders and 6.00 p.m. (London time) in respect of Qualifying Depository Interest Holders on 10 October 2018



Publication and despatch of Offer document and Application Forms	12 October 2018
Open Offer Entitlements and CREST Excess Entitlements credited to CREST stock accounts of Qualifying Depository Interest Holders	as soon as practicable after 8.00 a.m. (London time) on 12 October 2018
Recommended latest time for requesting withdrawal of Open Offer Entitlements and CREST Excess Entitlements from CREST	4.30 p.m. (London time) on 19 October 2018
Latest time for depositing Open Offer Entitlements and CREST Excess Entitlements into CREST	3.00 p.m. (London time) on 22 October 2018
Last date to extend	22 October 2018
Latest time for splitting	11.00 a.m. (London time) on 24 October
Closing date - Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions in respect of Depository Interests (as appropriate)	11.00 a.m. (London time) on 26 October 2018 5pm (WST) on 26 October 2018
Securities quoted on a deferred settlement basis	29 October 2018
Expected date of announcement of the results of the Open Offer	afternoon of 29 October 2018
Issue date of the Open Offer Shares and CHES member accounts credited with Open Offer Shares (as applicable)	Before 9am (WST) on 31 October 2018
Admission and dealings in the Open Offer Shares to AIM	8.00 a.m. (London time) on 31 October 2018 1p.m. (WST) on 31 October 2018
CREST member accounts expected to be credited with the Open Offer Shares in Depository Interest form	as soon as practicable on 31 October 2018
Quotation of Open Offer Shares on ASX	1 November 2018



ENERGY

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser, the Company Secretary on (08) 6559 1792 or the Company's Share Registry Computershare Investor Services Pty Limited, on 1300 850 505 (within Australia) or +613 9415 4000 (outside Australia).

Yours sincerely

David Wall
Managing Director