

23<sup>rd</sup> August 2019

*This announcement contains inside information*

## **88 Energy Limited**

### **Project Icewine Conventional Farmout Executed**

88 Energy Limited (ASX: 88E) (“88 Energy” or the “Company”) provides the following update related to the farmout process for its conventional prospect portfolio at Project Icewine, located on the Central North Slope, Alaska.

#### **Highlights**

88 Energy has signed a Sale and Purchase Agreement (“SPA”) with Premier Oil Plc (“Premier”) whereby Premier will farm-in for a 60 per cent interest in Area A (also referred to as the Western Play Fairway) of the conventional Project Icewine acreage in the proven Alaska North Slope basin (see Fig. 1). 88 Energy will retain a 30% working interest in Area A with the remaining 10% working interest held by Burgundy Xploration LLC (“Burgundy”).

Under the terms of the SPA, Premier will pay the full costs of an appraisal well, designated as Charlie-1, up to a total of US\$23 million to test the reservoir deliverability of the Malguk-1 discovery. The well will be drilled and tested in Q1 2020 with rig options having already been identified and contracting negotiations underway. On successful completion of the work programme, Premier will have the option to assume operatorship.

#### **Additional Details**

- Premier has an option to earn 50% working interest in Area B or C by spending US\$15m, if the Charlie-1 (Malguk-1 appraisal) well in Area A is successful
- 88 Energy to operate the Charlie-1 (Malguk-1 appraisal) well via its wholly owned Alaskan subsidiary, Accumulate Energy Alaska Inc
- Standard completion documents have been agreed and are in the process of execution, including the Joint Operating Agreement and assignment forms
- Permitting on track: amendments to key permits, associated with 2020 drilling, submitted

A more detailed presentation on the upcoming drilling of the Charlie-1 (Malguk-1 appraisal) well will be released in early September.

Lazard Freres and Co LLC acted as Financial Advisor to the transaction for 88 Energy and Burgundy.

88 Energy Managing Director, Dave Wall, commented *“We are delighted to be partnering with a company of the technical calibre of Premier. Premier has a strong track record of delivering projects through to production and is an excellent addition to the Joint Venture. The deal itself strikes a good balance between cultural fit, value and the meaningful working interest retained by 88E for its shareholders. The Charlie-1 well has been designed to test all of the prospective horizons identified in the Western Play Fairway, giving benefit usually only derived from a multi-well program.”*

The Company’s net Prospective Resource for Area A (also referred to as the Western Play Fairway) has been adjusted in the table below for its post Farm-Out working interest.

<b>PROJECT ICEWINE CONVENTIONAL PORTFOLIO</b>						
<b>Prospective Oil Resource MMBO (Unrisked)</b>						
Prospects and Leads	August 2019: Post Farm-Out					
	Horizon / Play	Low	Best	High	Gross Mean	Net Mean to 88E
<b>WESTERN PLAY FAIRWAY:</b>						
Victor Prospect (stacked)	Schrader / Topset	196	313	477	328	98
Indigo Discovery	Schrader / Topset	225	358	543	374	112
Charlie Prospect	Schrader / Topset	126	201	304	210	63
Bravo Prospect	Seabee / Fan	57	138	292	160	48
Mike Prospect	Seabee / Fan	9	26	56	30	9
Rose Prospect	Seabee / Fan	7	21	44	24	7
Lima Discovery/ Prospect (stacked)	Seabee / Apron Fan	105	323	713	376	113
Heavenly Discovery	Torok / Apron Fan	23	62	120	68	20
Whiskey Prospect (stacked)	Torok Apron	62	112	192	118	35
Stellar Prospect/Discovery (stacked)	Torok / Fan, Channel	320	604	999	639	192
Y Lead	Schrader / Topset	24	41.2	67	44	13
Z Lead	Schrader / Topset	11	27	53	29	9
<b>WESTERN PLAY FAIRWAY TOTAL:</b>					<b>2,400</b>	<b>720</b>
<b>CENTRAL PLAY FAIRWAY:</b>						
Echo Lead	Canning / Fan	60	138	293	162	121
Golf Lead	Canning / Fan	106	193	339	211	72
<b>CENTRAL PLAY FAIRWAY TOTAL:</b>					<b>373</b>	<b>193</b>
<b>EASTERN PLAY FAIRWAY:</b>						
Alpha Lead	Canning / Submrn Fan	19	71	263	118	91
Romeo Lead	Kuparuk / Kemik Sands	2	3	5	4	3
Sierra Lead	Kuparuk / Kemik Sands	1	2	3	2	2
<b>EASTERN PLAY FAIRWAY TOTAL:</b>					<b>124</b>	<b>96</b>
<b>TOTAL PROSPECTIVE OIL RESOURCE MMBO (Mean Unrisked)</b>					<b>2,896</b>	<b>1,009</b>

Prospective Resources classified in accordance with SPE-PRMS as at 23<sup>rd</sup> October 2018 using probabilistic and deterministic methods on an unrisked basis. Prospects and Leads identified from interpretation of modern 3D seismic acquired in 2018, 2D seismic acquired in 2015/2016 and legacy 2D seismic of varying vintages post 1980 across Project Icewine, which comprises 486,000\*\* gross acres on the Central North Slope of Alaska. 88 Energy is Operator of record at Project Icewine (through its wholly owned subsidiary Accumulate Energy Alaska, Inc) with a ~47% working interest over the conventional play fairway where the prospects and leads have been mapped.

**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.

\*\* 226,000 acres net to 88 Energy working interest (post farm-out)



Yours faithfully

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

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Fig.1 Demarcated Project Icewine Acreage with Charlie-1 Location

