

19th February 2021

88 Energy Limited

Operations Update

88 Energy Limited ("**88 Energy**" or the "**Company**", ASX:88E, AIM 88E) provides the following update related to its operations on the North Slope of Alaska.

Highlights

- Rig commissioning complete - mobilisation commenced for Merlin-1 drilling
- Drilling scheduled to commence 1st week of March 2021
- Nearby Talitha-A well early results encouraging – potential for extension into 88E leases

Details

88 Energy is pleased to confirm that mobilisation of Rig-111 to the Merlin-1 drilling location has commenced. Spud is now scheduled for the 1st week of March 2021 with drilling expected to take ~3-4 weeks, including logging. Dependent on the results from the logging, the well will then be flow tested.

Rig 111 prior to tear down for mobilisation



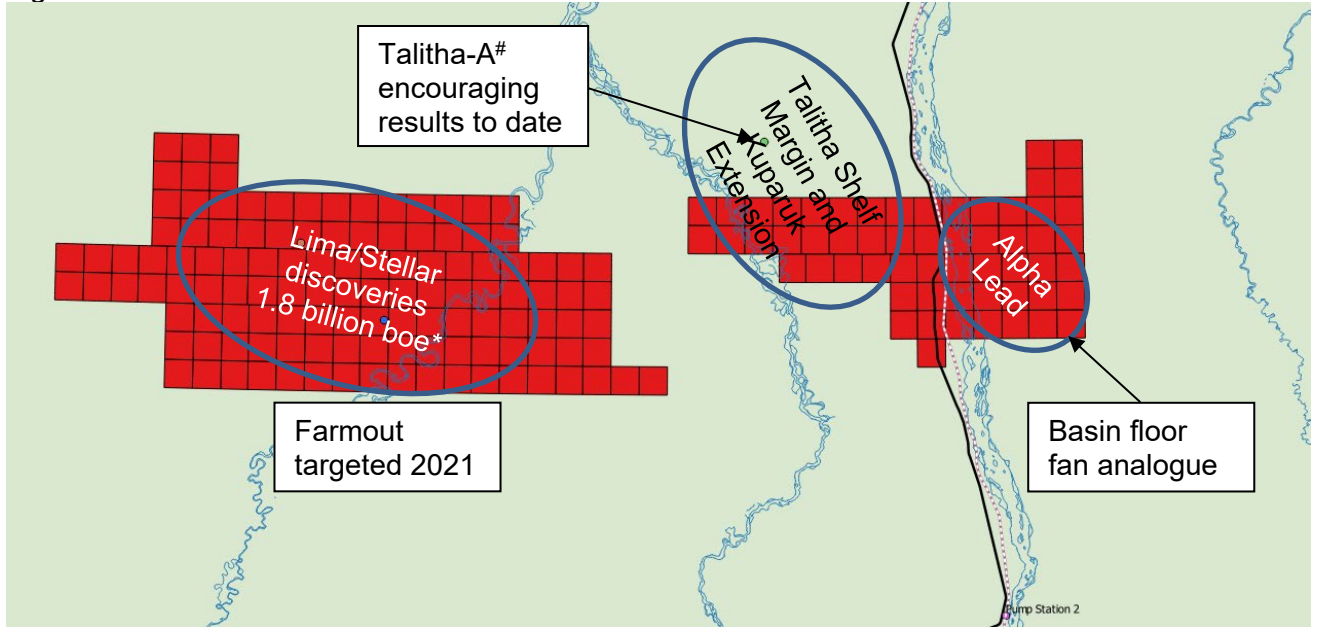
Managing Director, Dave Wall, commented: "*Commencement of drilling at Merlin-1 is now just around the corner, targeting the extension of the highly successful Nanushuk play.*"

Success would underpin a company making development project for our shareholders, with the proven resource at the recently acquired at Umiat Oil Field adding substantial value."

Project Icewine

The Talitha-A well, recently drilled by Pantheon Resources PLC (AIM: PANR) close to the northern border of the 88E central acreage position, is scheduled to be flow tested over multiple horizons after encouraging log results. Several of the prospective horizons in Talitha-A are interpreted to extend into 88E acreage (see Fig. 1).

Fig. 1 Talitha-A Location in relation to Icewine leases



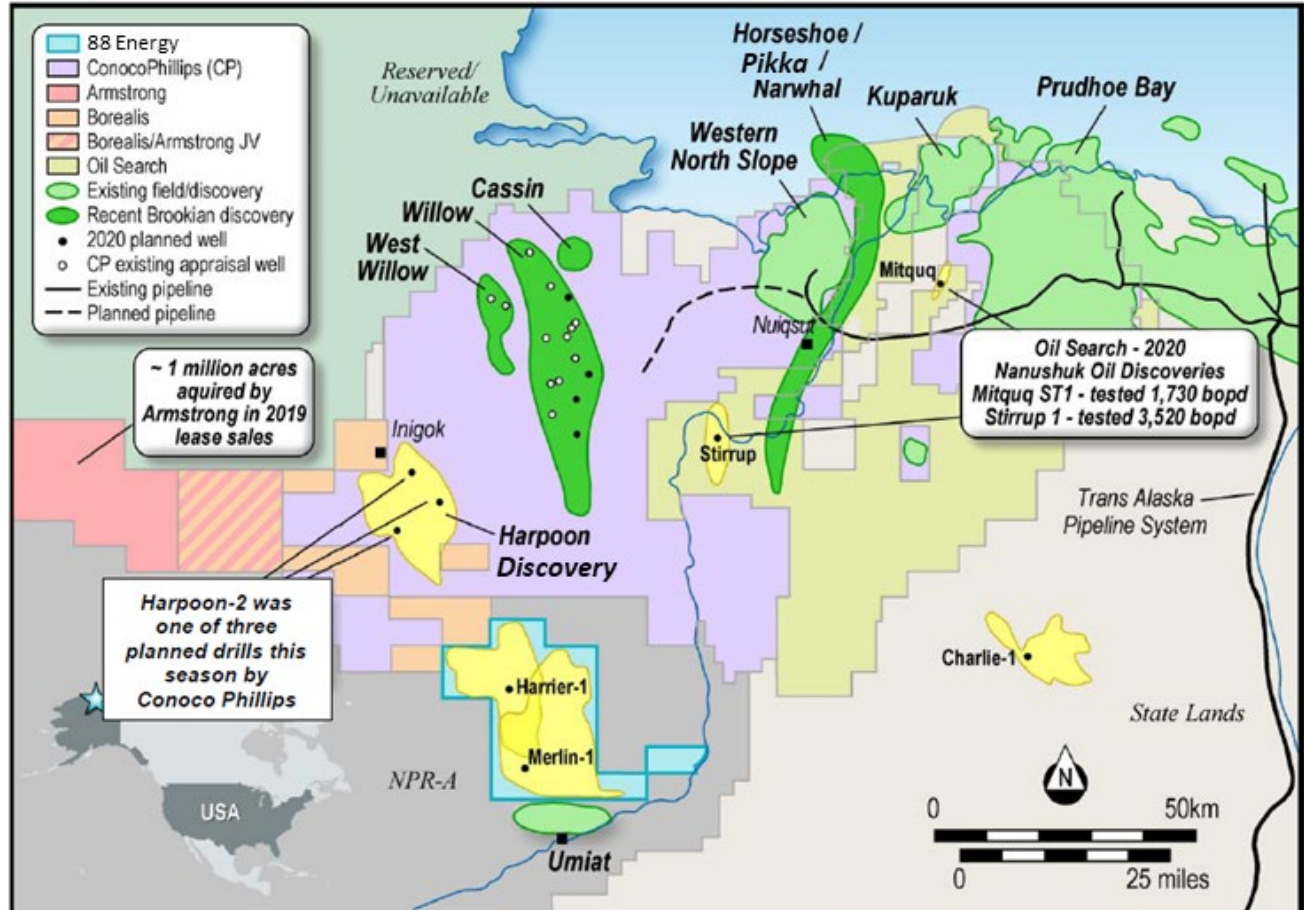
*see 88E announcement 10th November 2020, #Pantheon Resources 15th February 2021

Leases owned predominantly by Burgundy Xploration LLC in the eastern portion of Project Icewine area (where no money has been spent) were recently relinquished as part of a rationalisation process.

About Project Peregrine – Imminent Drilling

Project Peregrine is located in the NPR-A region of the North Slope of Alaska and encompasses ~195,000 contiguous acres. It is situated on trend to recent discoveries in a newly successful play type in topset sands in the Nanushuk formation. 88 Energy has a 100% working interest in the project that will reduce to 50% post the completion of funding as part of a recent farm-in, whereby 88E is carried on the first US\$10m (of an estimated US\$12.6m total cost) for the Merlin-1 well.

Project Peregrine and Recent Nanushuk Discoveries

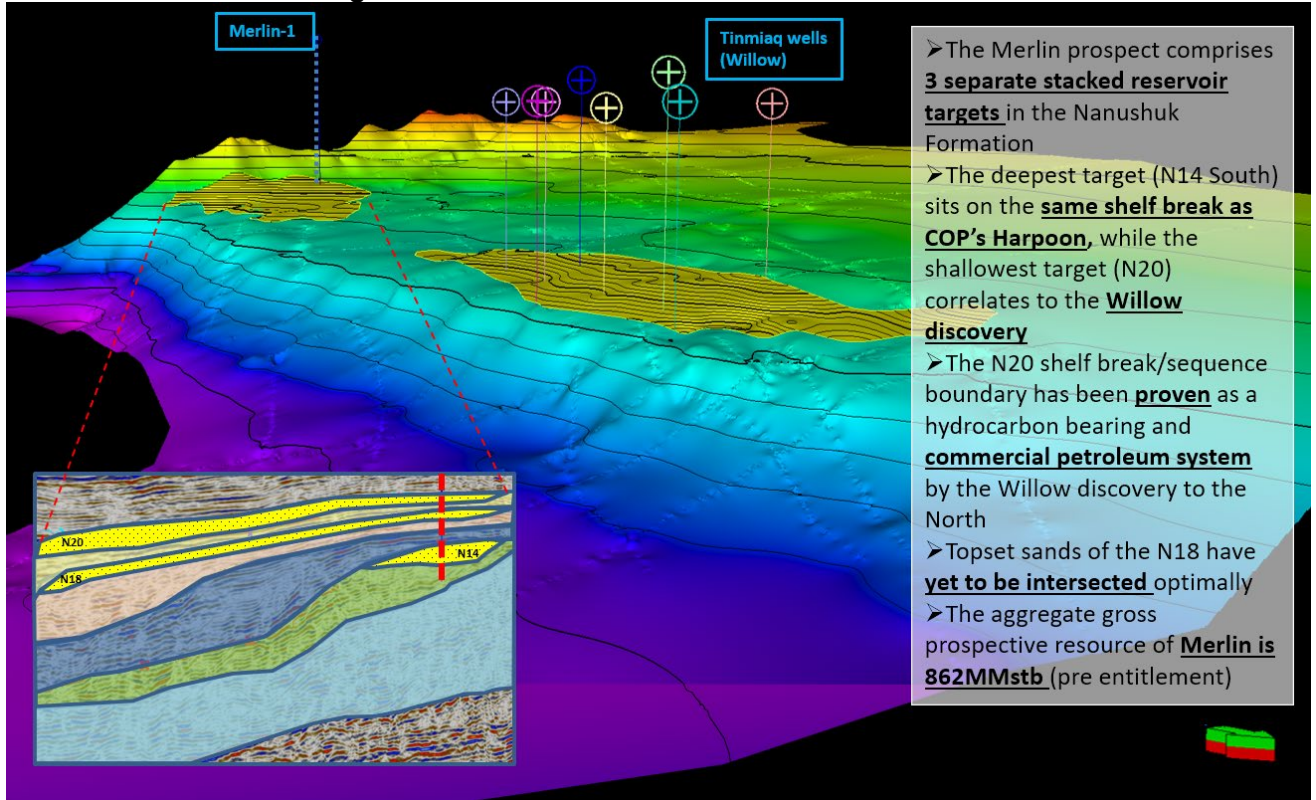


The Merlin-1 well is scheduled for spud in early March 2021 and is targeting 645 million barrels of gross mean prospective resource. Flow testing of Merlin-1 is planned if wireline logging confirms a discovery. A second well, Harrier-1, is intended to commence immediately following completion of operations at Merlin-1, subject to results from Merlin-1, schedule and permit approvals. Harrier-1 is targeting gross mean prospective resource of 417 million barrels and is expected to cost ~US\$7m.

Each of the Merlin and Harrier prospects is located on trend to an existing discovery (see next figure), in the same play type (Nanushuk topsets). This has de-risked the prospects considerably and resulted in a relatively high independently estimated geologic chance of success.

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.

Merlin-1 – on trend to large Willow oil field



- The Merlin prospect comprises **3 separate stacked reservoir targets** in the Nanushuk Formation
- The deepest target (N14 South) sits on the **same shelf break as COP's Harpoon**, while the shallowest target (N20) correlates to the **Willow discovery**
- The N20 shelf break/sequence boundary has been **proven** as a hydrocarbon bearing and **commercial petroleum system** by the Willow discovery to the North
- Topset sands of the N18 have **yet to be intersected** optimally
- The aggregate gross prospective resource of **Merlin is 862MMstb** (pre entitlement)

This announcement has been authorised by the Board.

Yours faithfully



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