

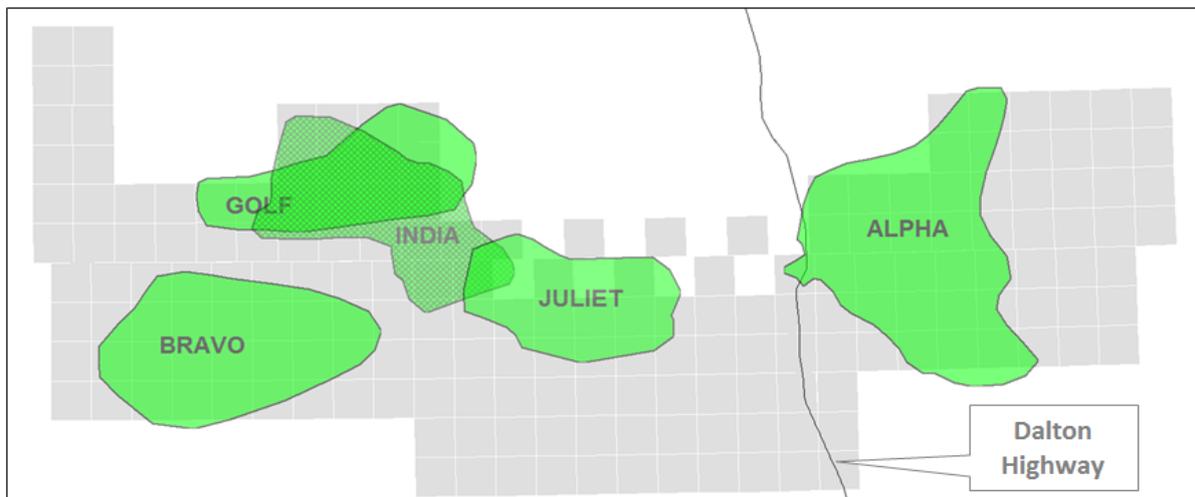
**Significant Conventional Potential Identified at Project Icewine**

88 Energy Limited (“88 Energy”, “the Company”, “Operator”) (ASX, AIM: 88E) is pleased to provide an update on Project Icewine, located onshore North Slope of Alaska.

**Highlights**

- **Multiple large conventional leads identified in Brookian Sequence over Project Icewine**
  - Leads mapped on modern 2D seismic acquired by 88 Energy in early 2016
- **758 million barrels of prospective mean recoverable oil (gross) identified in current top 5 leads**
  - 587 million barrels net to 88E, based on internal estimates\*
- **“Alpha” lead located in close proximity to existing transport infrastructure and Trans Alaskan Pipeline with 118 million barrels prospective mean recoverable oil (gross)\***
- **Further seismic interpretation and mapping ongoing ~50% complete with potential for additional leads to be identified**

**Fig.1 Conventional Prospectivity Mapping: Top 5 Leads from Interim Results**



<b>Prospective Oil Resources (Unrisked Recoverable)* for Current Top 5 Ranked Leads</b>					
<b>Name</b>	<b>Low</b>	<b>Best</b>	<b>High</b>	<b>Gross Mean</b>	<b>Net Mean to 88E (WI: 77.5%)</b>
Alpha	19	71	263	118	91
Bravo	129	245	449	273	212
Golf	60	115	210	128	99
India	61	116	212	129	100
Juliet	52	99	181	110	85
<b>Total</b>				<b>758</b>	<b>587</b>

*\*Prospective resources classified in accordance with SPE-PRMS as at 18<sup>th</sup> October 2016 using probabilistic and deterministic methods on an unrisks basis. Leads identified from interpretation of modern 2D seismic acquired in 2015/2016 across Project Icewine, which comprises 271,119 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 77.5% working interest.*

*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.*

### Seismic Interpretation and Mapping

88 Energy has progressed the interpretation of the 2D seismic data acquired early in 2016. Based on the preliminary interpretation 88E has identified a number of promising conventional leads within the Brookian sequence. These leads are predominantly stratigraphic and considered to be associated with slope apron and basin floor fan systems. Although at an early stage of assessment 88E is encouraged and considers them to have similar potential to other productive fan plays identified on the North Slope. At this interim stage approximately 20 leads have been provisionally mapped across the Icewine acreage of which five key leads have been prioritised for early maturation and are summarised in the Table above.

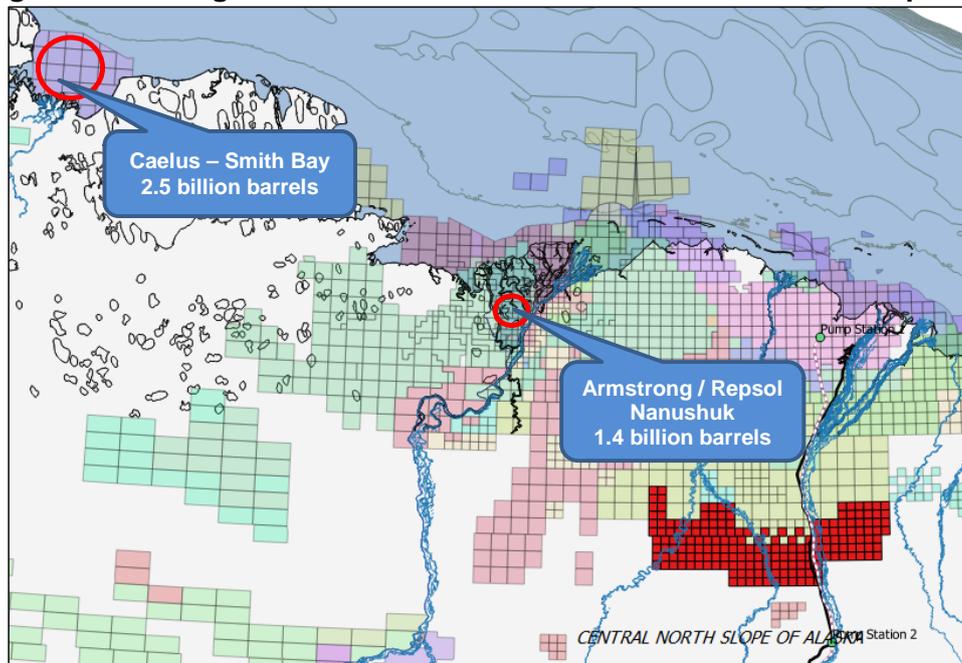
88E is encouraged by the potential resource size of the leads and will undertake further technical work in order to mature the evolving conventional portfolio from which future likely drilling candidates will be selected. Additional information on Alpha and Bravo are summarised below under 'Select Leads'. These two leads are representative of the play potential across the Icewine acreage.

88E will provide further updates to the market as the technical work progresses.

### High Impact Regional Discoveries

Two regional discoveries greater than one billion barrels of oil in the Brookian sequence have been announced in the last 18 months, both sourced / co-sourced by the HRZ shale. Whilst not strictly analogous to the Brookian play potential at Project Icewine, the discoveries highlight the significant remaining conventional oil resource on the North Slope yet to be discovered through utilisation of modern seismic technology.

**Fig. 2 Recent Regional Billion Barrel+ Discoveries in Brookian Sequence**



Public reported metrics on each are summarised below:

Joint Venture	Armstrong/Repsol
Discovery Name	Nanushuk
Reservoir Horizon	Brookian
Areal Extent	~25,000 acres
Gross / Net Pay	650 ft / 150 ft
Resource Size (oil)	1.4b (2C independent)
Oil Gravity	30 API
Likely Source	Shublik / HRZ Shale

Joint Venture	Caelus Energy
Discovery Name	Smith Bay
Reservoir Horizon	Brookian
Areal Extent	~75,000 acres
Gross / Net Pay	1,000 ft / 250 ft
Resource Size (oil)	2.5b (Caelus est)
Oil Gravity	40-45 API
Likely Source	HRZ Shale



Managing Director of 88 Energy Limited, Dave Wall commented:

*"Whilst the HRZ remains the Company's primary target and the focus of our short-term activity with the upcoming Icewine#2 well scheduled for spud in the first quarter of next year, the interim results from the 2D seismic acquired earlier this year have significantly exceeded our expectations.*

*It has taken a little longer than initially planned to process and interpret, as the number of features we are seeing is greater than anticipated. Further interpretation and analysis is ongoing and the final findings from that process will be announced later in the year.*

*We expect the two recent billion barrel discoveries in the Brookian sequence by both Armstrong Oil & Gas and Caelus Energy to be a catalyst for increased industry interest in the region. Whilst not strictly analogous to the Brookian play potential at Project Icewine, these discoveries highlight the significant conventional oil resource on the North Slope yet to be discovered through utilisation of modern seismic technology."*

Yours faithfully

A blue ink handwritten signature, appearing to be 'Dave Wall', with a 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 and is 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. His academic qualifications and industry memberships appear on the Company's website and both comply with the criteria for "Competence" under clauses 18-21 of the Valmin Code 2005. 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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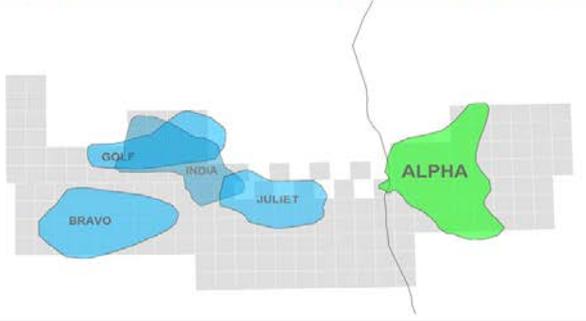
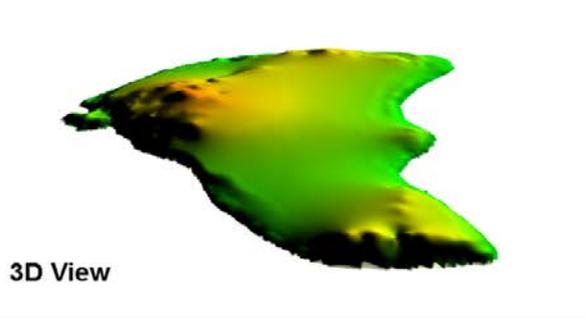
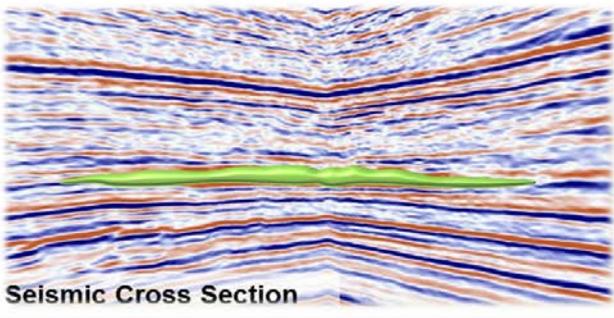
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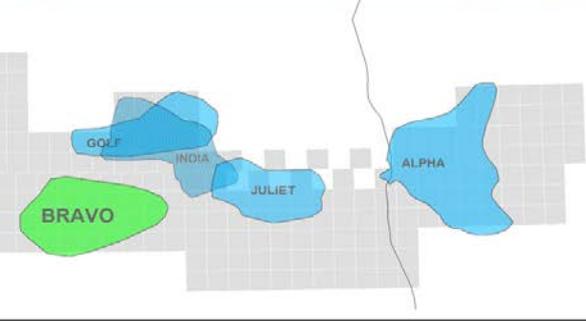
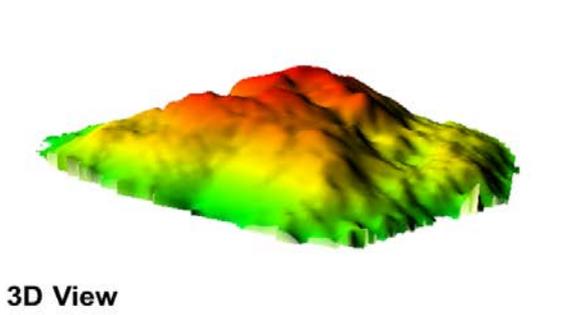
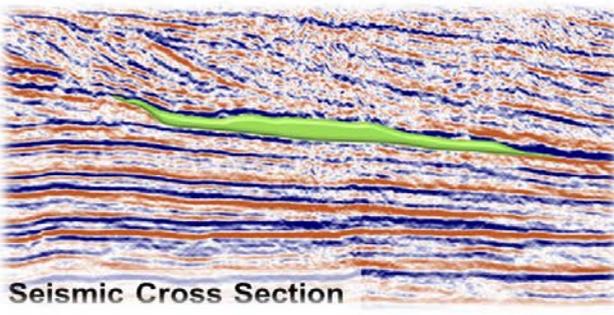
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### SELECT LEADS

Alpha					Project Icewine Prospectivity Map
<b>Sequence</b>	Brookian				
<b>Trap</b>	Stratigraphic pinchout to west and north				
<b>Play</b>	Lobate toe of slope/ basal floor fan Working petroleum system				
<b>Remarks</b>	Large areal extent with significant relief Located in close proximity to road and TAPS				
<b>Prospective Oil Resources (mmbbl)</b>					
<b>Unrisked Recoverable</b>					
<b>P90</b>	<b>P50</b>	<b>P10</b>	<b>Mean</b>	<b>Net Mean to 88E</b>	
19	71	263	118	91	
					

Alaskan Seismic Ventures, Franklin Bluffs 3D Confidential Licensed Data, 2015

Bravo					Project Icewine Prospectivity Map
<b>Sequence</b>	Brookian				
<b>Trap</b>	Stratigraphic pinchout to west and north				
<b>Play</b>	Turbiditic fan system on slope apron Working petroleum system				
<b>Remarks</b>	Large areal extent with significant relief				
<b>Prospective Oil Resources (mmbbl)</b>					
<b>Unrisked Recoverable</b>					
<b>P90</b>	<b>P50</b>	<b>P10</b>	<b>Mean</b>	<b>Net Mean to 88E</b>	
129	245	449	273	212	
					

88 Energy Icewine 2D Seismic Data, (2016)

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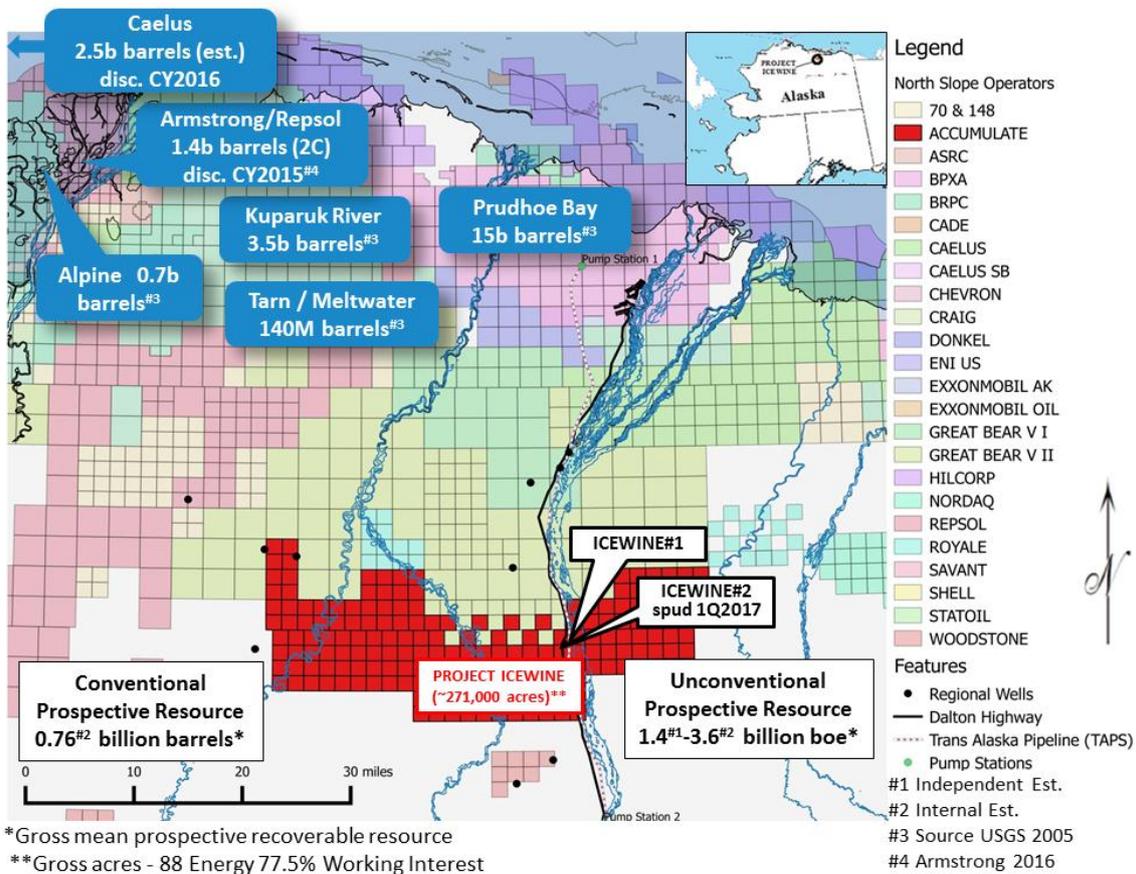
### Project Icewine Overview

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. In June 2016, the gross acreage position was expanded to 271,119 contiguous acres (210,250 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 a followup appraisal well, Icewine#2, scheduled for spud in 1Q2017. Icewine#2 has been designed as a vertical well with a multi-stage stimulation and flow test, to assess the production potential of the HRZ.

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



### Project Icewine Location

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Generous exploration incentives are provided by the State of Alaska with up to 35% of exploration expenditure refundable in cash.

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 Ivishuk 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 6<sup>th</sup> April 2016.

**About 88 Energy:** 88 Energy has a 77.5% working interest and operatorship in ~271,000 acres onshore the prolific North Slope of Alaska (“Project Icewine”). 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 three 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 has recently acquired 2D seismic 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. Interim results from this seismic are encouraging, having identified several large leads. 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. A follow-up well with a multi-stage stimulation and test of the HRZ shale, Icewine#2, is planned for 1Q2017.