

6th January 2021

This announcement contains inside information

88 Energy Limited

Operations Update

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

Highlights

- Snow road construction commenced for Project Peregrine drilling
- Rig 111 commission underway
- Spud on track for mid to late February 2021
- Drilling on neighbouring acreage January 2021
- Commercialisation options being explored for gas discovered at Project Icewine

Project Peregrine

Operations remain on track for the scheduled February spud of the Merlin-1 well at 88 Energy's Project Peregrine. Merlin-1 will target the Nanushuk topset play that has been recently successful in offset acreage as well as elsewhere on the North Slope of Alaska. Schedule permitting, the Harrier-1 well will be drilled directly after Merlin-1 has been completed and, potentially, flow tested.

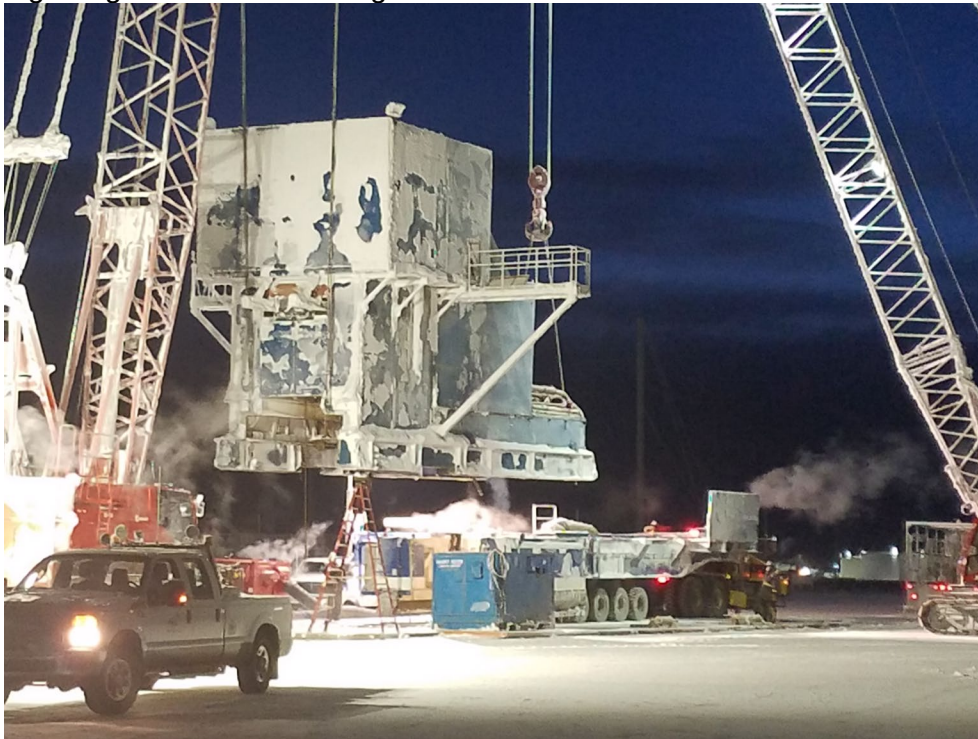
Snow road construction to the Merlin-1 and Harrier-1 locations commenced in the second half of December 2020, with work currently focused on the first 30 miles of snow road within NPR-A.

Fig. 1 Snow road construction



All American Oilfield's Rig 111 is currently being re-assembled post deconstruction as part of the commissioning process prior to handover and mobilisation to site. Rig 111 was contracted in December 2020 to drill the Merlin-1 and Harrier-1 wells.

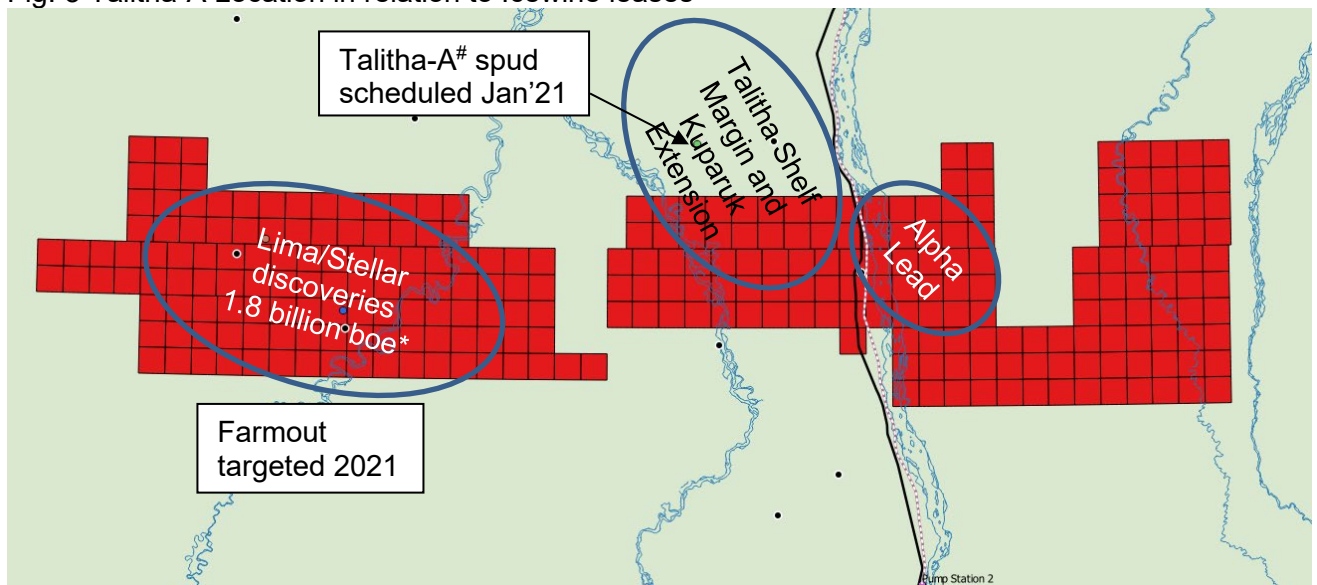
Fig.2 Rig 111 Commissioning



Project Icewine

The Talitha-A well, to be drilled by Pantheon Resources PLC (AIM: PANR) close to the northern border of the 88E central acreage position, is scheduled to spud in the first half of January 2021. Several of the prospective horizons in Talitha-A are interpreted to extend into 88E acreage (see Fig.3).

Fig. 3 Talitha-A Location in relation to Icewine leases



*see 88E announcement 10th November 2020, #Pantheon Resources 25th November 2020

In-house analysis has commenced on various commercialisation options for the gas condensate discovered in the Torok Formation by 88E's Charlie-1 well in 2020. The discovered resource comprises over 1 TCF of independently estimated gross mean prospective gas as well as associated condensate. The commercialisation options include, but are not limited to, possible local power generation, compressed natural gas as well as potential for conversion to hydrogen using steam methane reforming (SMR) with carbon capture and storage (CCS) processes. It is expected that this work will move to a formal feasibility stage during 2021.

Farm-out of Project Icewine is ongoing, with a deal targeted in 3Q 2021.

Managing Director of 88 Energy, Dave Wall, stated: *"It is now full steam ahead with operations prior to the scheduled spud of the first well, Merlin-1, at Project Peregrine in six to eight weeks.*

Whilst the Peregrine drilling forms the focus, there is plenty of activity on other fronts that we look forward to providing updates on throughout the course of 2021. "

This announcement has been authorised by the Board.

Yours faithfully



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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, Dr Stephen Staley, who is a Non-Executive Director of the Company. Dr Staley has more than 35 years' experience in the petroleum industry, is a Fellow of the Geological Society of London, and a qualified Geologist/Geophysicist 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. Dr Staley 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.