

2nd March 2021

This announcement contains inside information

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 in the NPR-A region of the North Slope of Alaska.

Highlights

- Rig mobilisation progressing well
- Spud now scheduled for 8th March 2021

Details

88 Energy is pleased to report that the mobilisation of Rig 111 to the Merlin-1 location is progressing well, with only minor delays due to weather. The spud date is now scheduled for 8th March.

The Merlin-1 well will initially be drilled to 1,500', then surface casing will be installed and the Blow Out Preventer system tested. This is expected take approximately one week to execute.

The well will then be deepened through the target horizons in the Nanushuk Formation to a maximum total depth of 6,000'. Logging while drilling and mudlogging will provide initial indications as to the prospectivity of the well during this part of the operation, which is expected take three to five days. A sophisticated wireline logging suite will then be run, including sidewall cores and downhole sampling. Wireline logging is expected to take five to seven days.

If the results from the wireline logging are encouraging, then the well will be completed with casing and a flow test conducted.

The drilling of the second well in the program, Harrier-1, remains subject to permitting, Merlin-1 results and weather / schedule.

Managing Director, Dave Wall, commented: "*Pre-spud operations are now entering the final phase as Rig 111 makes it way to the drilling location for Merlin-1.*"

Success at Merlin-1 could yield over 300 million barrels net to 88E and open up further prospectivity at Project Peregrine, in addition to unlocking the substantial proven resource at the adjacent Umiat oil field, which is 100% owned by 88 Energy.

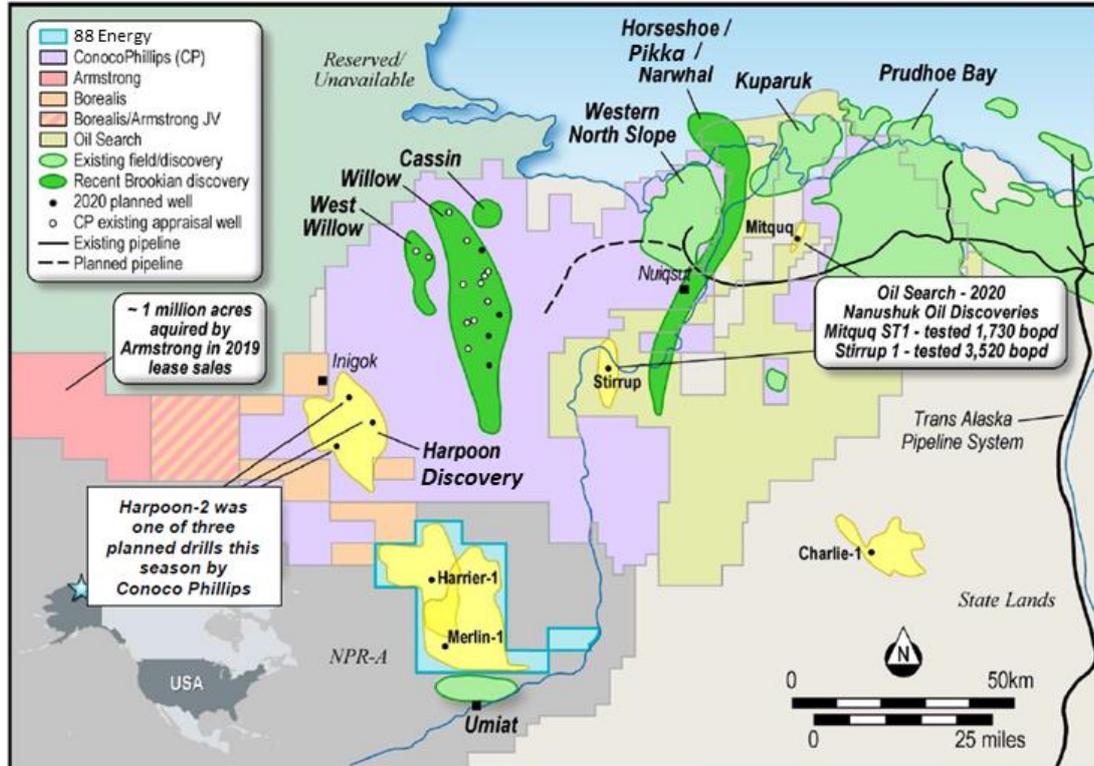
Metrics for discovered oil were demonstrated by the late 2017 Oil Search transaction where US\$3.10 per barrel was paid, in a low oil price environment, for an interest in the Pikka Field, which is a discovery in the Nanushuk Formation.

Success at Merlin-1 would be transformational for our shareholders and we look forward to providing further information on operations over the next 4 to 6 weeks."

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 planned 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#.

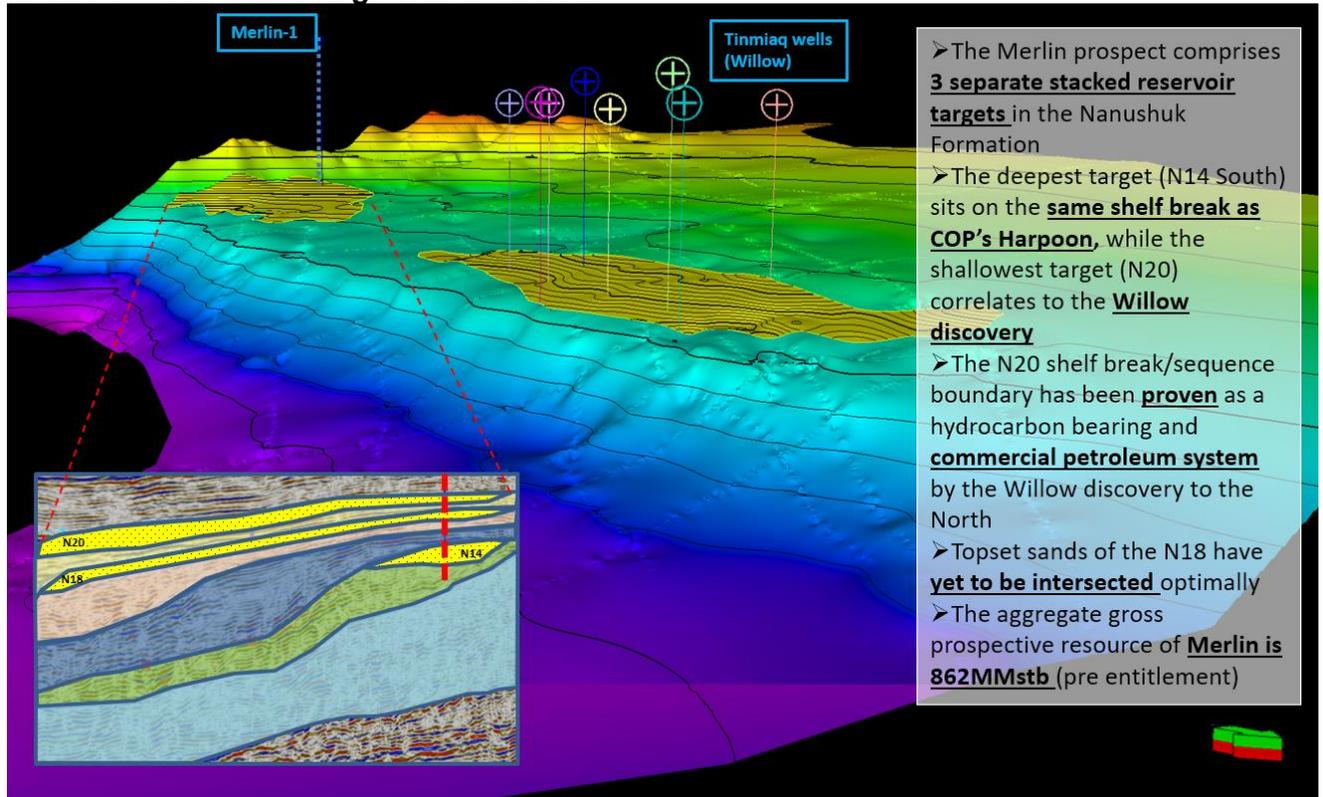
Independent Resource Assessment#

| Project Peregrine: Alaska North Slope | Unrisked Net Entitlement to 88E Prospective Oil Resources (MMstb) | | | | |
|--|---|-----------|-----------|--------------|-----|
| | Low (1U) | Best (2U) | High (3U) | Mean | COS |
| Prospects (Probabilistic Calculations) | | | | | |
| Merlin (Nanushuk) | 41 | 270 | 1,463 | 645 | 37% |
| Harrier (Nanushuk) | 48 | 207 | 940 | 417 | 24% |
| Harrier Deep (Torok) | 42 | 267 | 1,336 | 574 | 20% |
| Prospects Total | | | | 1,636 | |

#Please refer to release dated 23 February 2021 for full details with respect to the Prospective Resource estimate, associated risking and applicable Cautionary Statement.

Each of the Merlin and Harrier prospects is located on trend to an existing discovery, 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.

Merlin-1 – on trend to large Willow oil field



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.

This announcement has been authorised by the Board.

Yours faithfully



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