

27th April 2021

This announcement contains inside information

88 Energy Limited

Operations Update

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

Highlights

- Testing commenced on sidewall cores, cuttings, mud gas and fluid samples from Merlin-1
 - Results expected over next 2 – 10 weeks
- Initial mapping of additional prospective zones encountered in Merlin-1 encouraging
- Results on acreage adjacent to Icewine have positive implications

Details

Sidewall cores, mud gas and fluid samples taken from Merlin-1 are now undergoing testing to determine oil saturation, oil typing, PVT characteristics, porosity, permeability and rock mechanics. Cuttings will also go through a Volatiles Analysis Service ("VAS") to assist with the interpretation of the results from the well.

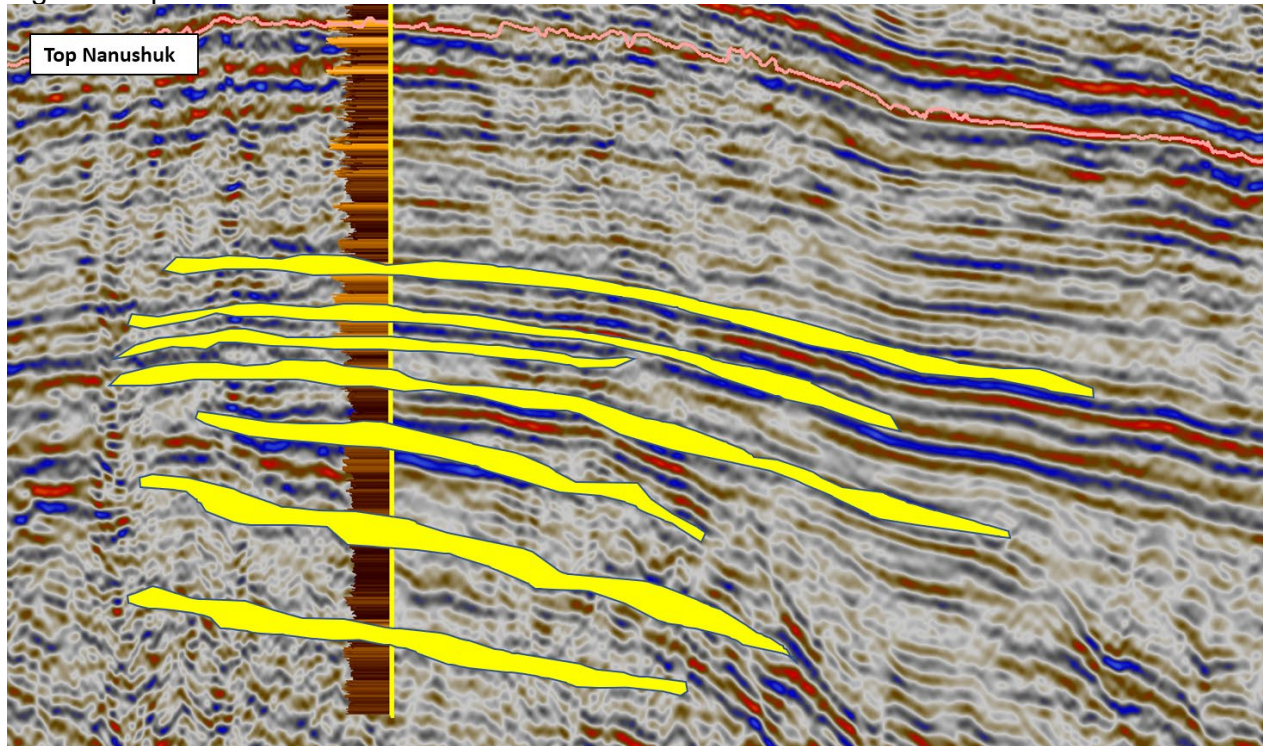
The rough schedule of testing and results is as follows:

- Core photography (white and UV light) and geological descriptions 2-3 weeks
- Isotope analysis of mud gas 2-4 weeks
- VAS on cuttings 2-4 weeks
- Results from centrifugal spin out of oil samples from select cores 3-4 weeks
- Routine core analysis including saturations from Dean Stark 4-8 weeks
- Fluid analysis with oil geochemistry 5-10 weeks

These results will then be integrated into a final petrophysical interpretation.

During the drilling of Merlin-1 several prospective zones were encountered that had previously been unmapped. These zones exhibited good shows with potential for pay, subject to results from the testing mentioned above. An initial mapping exercise has indicated that these zones may be of similar magnitude in terms of volumetric range as the originally targeted primary zones. Further work is required to confirm this; however, the early work is encouraging.

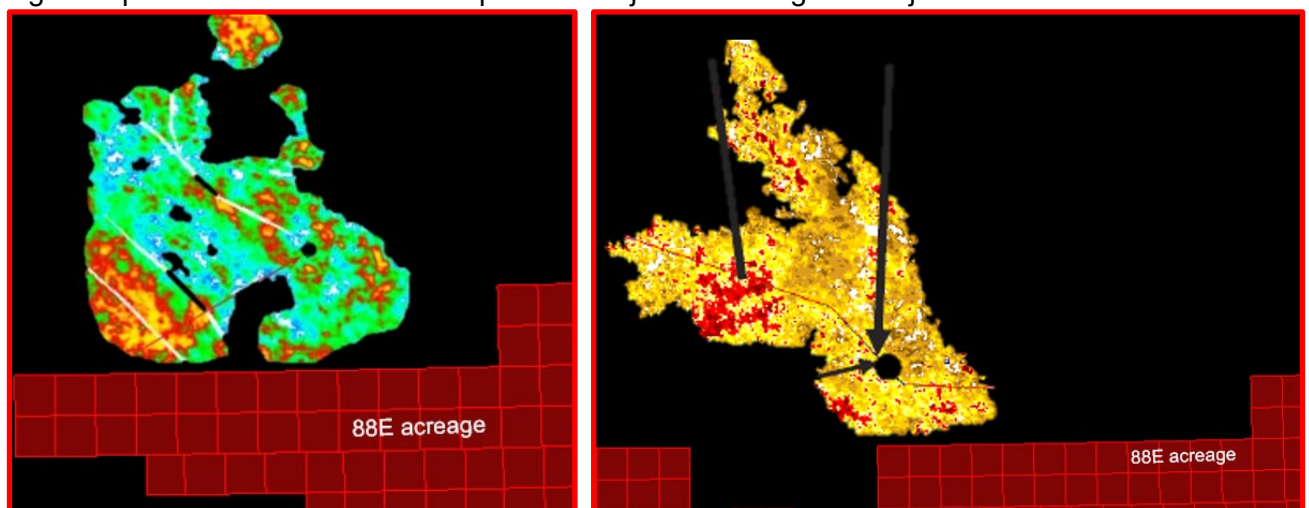
Fig. 1 Multiple stacked sand bodies within thick Nanushuk section in Merlin-1



Project Icewine

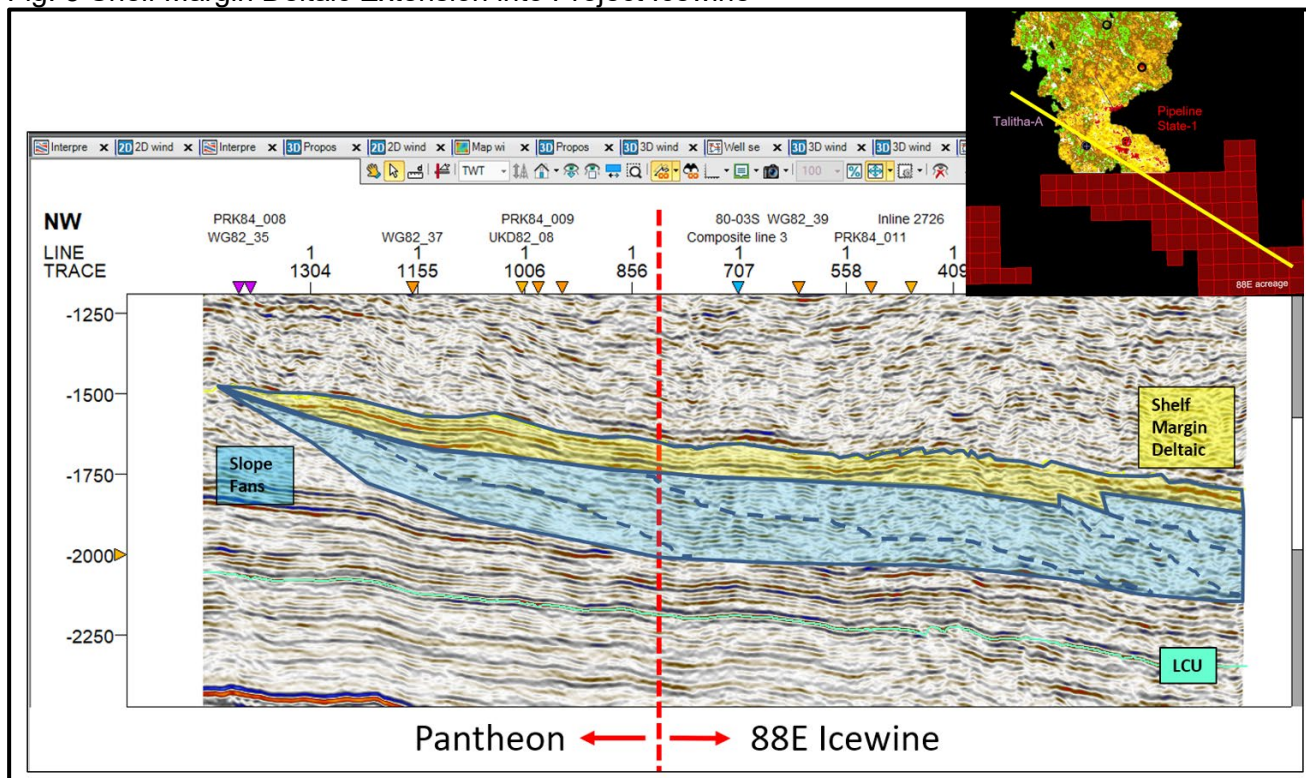
88 Energy has also been closely monitoring activity nearby to the northern border of its Project Icewine acreage, where a flow of light oil from the Kuparuk has been reported from the Talitha-A well. (See Pantheon Resources AIM: PANR press release dated 19th April 2021). Additional insights into the wettability of the Kuparuk formation have also been highlighted as part of the results from Talitha-A, which may have positive ramifications for 88E's previous interpretation of this horizon. All three wells drilled by 88 Energy at Project Icewine have encountered good quality reservoir in the Kuparuk formation, with indications of hydrocarbons. These had previously been interpreted as likely gas condensate or residual oil and no mapped targets had been identified, as this was not a play that 88E had been pursuing. The results at Talitha-A are highly encouraging regionally for the Kuparuk, including across Project Icewine, and the 88E internal geoscience team is now re-assessing the potential across our acreage.

Fig. 2 Kuparuk and Theta West Prospects on adjacent acreage to Project Icewine



It is also evident that several of the other prospective horizons encountered in Talitha-A, where pay has been interpreted by Pantheon, extend into Project Icwine acreage.

Fig. 3 Shelf Margin Deltaic Extension into Project Icwine



Managing Director, David Wall, commented: *"The oil shows and other encouragement seen in the Merlin-1 well bodes well for the potential at Project Peregrine and we look forward to providing the results from the laboratory analysis over the coming weeks."*

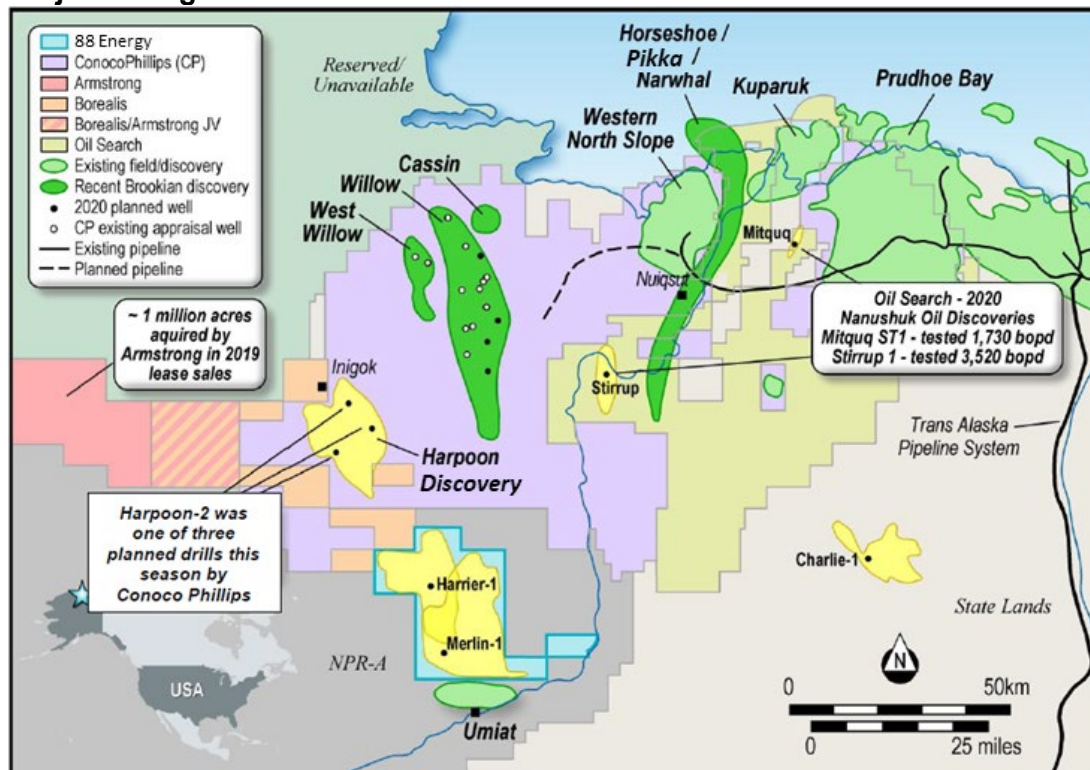
It is also highly positive to see pay zones and a flow rate of light oil achieved from zones on adjacent acreage that are also prospective at Project Icwine, where an internal review has commenced to determine the significance of the neighbouring results."

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 resource and reserve 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.

About Project Peregrine

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 initially estimated US\$12.6m total cost) for the Merlin-1 well.

Project Peregrine and Recent Nanushuk Discoveries



The Merlin-1 well was spudded in March 2021 and targeted 645 million barrels of gross mean prospective resource[#]. Wireline logging at Merlin-1 is now complete and interpretation of results is underway. A second well, Harrier-1, is planned to be drilled in 2022 and is targeting gross mean prospective resource of 417 million barrels[#].

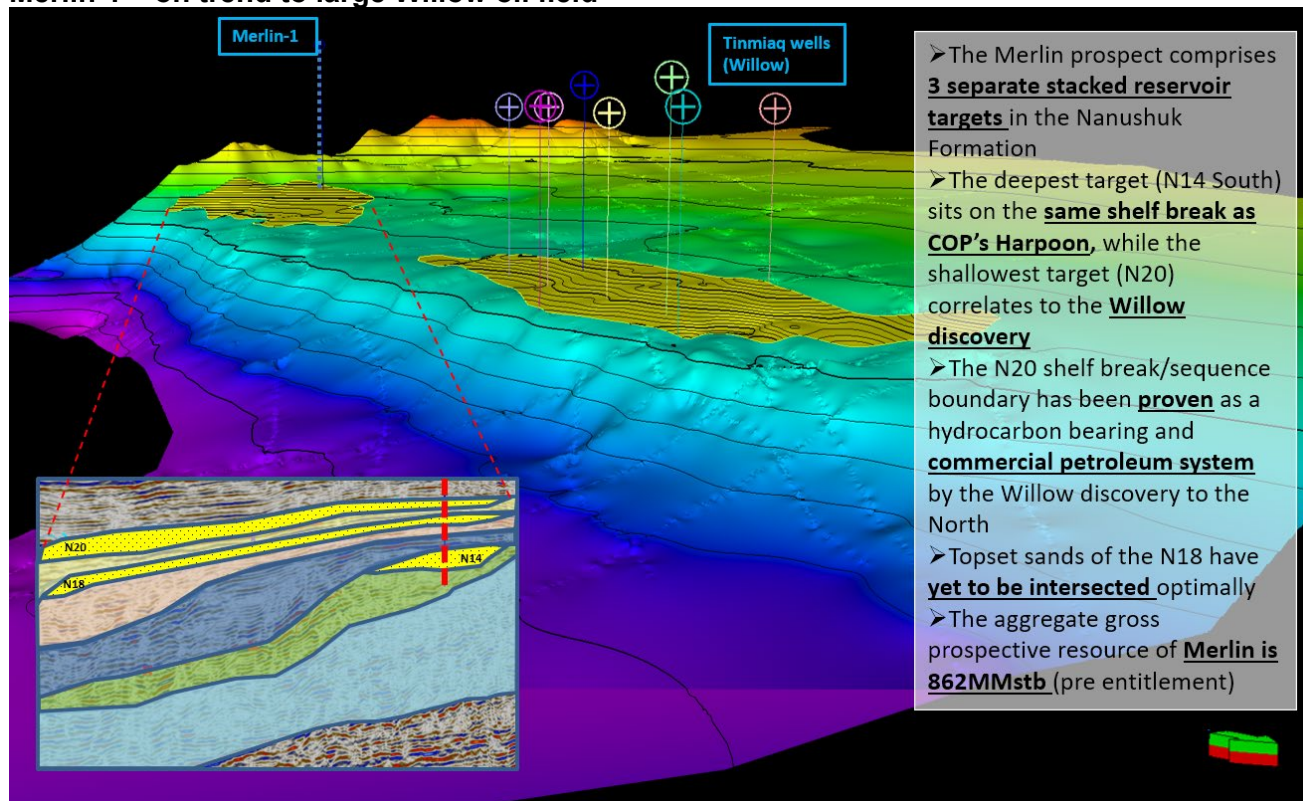
Independent Resource Assessment[#]

Project Peregrine: Alaska North Slope	Unrisked Net Entitlement to 88E Prospective Oil Resources (MMstb)				
Prospects (Probabilistic Calculations)	Low (1U)	Best (2U)	High (3U)	Mean	COS
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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