

7th June 2021

This announcement contains inside information

88 Energy Limited

Acquisition of Interest in Project Peregrine

88 Energy Limited ("**88 Energy**" or the "**Company**", ASX:88E, AIM:88E, OTC:EEENF) is pleased to advise shareholders that it has entered into an agreement with Alaska Peregrine Development Company, LLC ("APDC") that will facilitate continuation of the exploration program at Project Peregrine next winter. Under the agreement, 88 Energy will acquire a 50% working interest from Alaska Peregrine Development Company, LLC ("APDC") in Project Peregrine in exchange for the consideration detailed in the announcement below. Following completion of the acquisition, 88 Energy now holds a 100% working interest in Project Peregrine, which is located in the NPR-A region of the North Slope of Alaska.

Details

88 Energy has reached agreement to acquire a 50% working interest in Project Peregrine from APDC for the following consideration:

- US\$14 million, payable in new 88 Energy shares, to be issued in several tranches and subject to a final reconciliation mechanism;
- 1.5% overriding royalty interest on future production from the Project Peregrine licences;
- US\$10m cash payment on the achievement of gross 2P reserves of 100 million barrels within 36 months;
- Cash payments of US\$2.5m per 50 million barrels on the achievement of gross 2P reserves added over 100 million barrels within 36 months (capped at 5 additional cash payments); and
- 10% of the gross sale proceeds in respect of an assignment of greater than 49% of Project Peregrine within 24 months, excluding a bona fide farm-out.

Following detailed engagement with APDC on the proposed future program at Project Peregrine, it was agreed that the greatest value for both parties can be obtained via 88 Energy acquiring APDC's interest in the project for various reasons, including:

- It allows 88 Energy to pursue a continuation of the exploration program at Project Peregrine next winter, whereas APDC had indicated that it was contemplating a pause in activity to further understand the results from Merlin-1;
- Whilst APDC is encouraged by the initial results from Merlin-1, it is unlikely to be able to satisfy anticipated funding requirements for operations in future seasons and APDC do not want to hold 88 Energy back from future development of the acreage;
- APDC do not have the technical acumen nor operational expertise to add value in a remote Alaskan context.

APDC will remain liable for all outstanding cash calls in relation to Merlin-1, and will have contributed a total of US\$20 million towards the project at completion.

Note, the agreement does not include the Umiat Oil Field.

Managing Director, Ashley Gilbert, commented: *“This is an excellent outcome for our shareholders as we now have full control of the project, including the possibility of further farm-out to a new partner with greater technical and operational capability, ahead of future planned drilling and exploration activity. With the additional data we now have in hand, the potential for improved transaction metrics has increased. We also remain optimistic about the future results from the ongoing laboratory tests related to the Merlin-1 well.*”

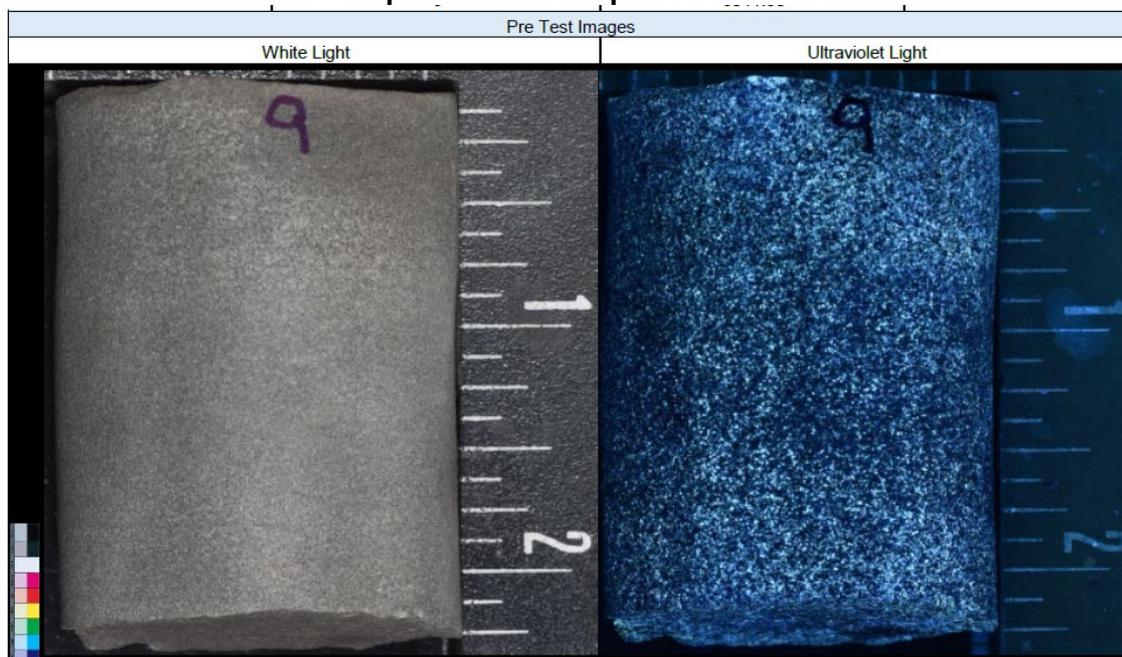
APDC has been a good partner and we thank them for their contribution but ultimately it was deemed in the best interests of both parties for 88 Energy to consolidate its interest in the project creating the best opportunity to maximise value for all stakeholders. Having 100% working interest in both Project Peregrine and the neighbouring Umiat Oil Field, opens up significant potential for the Company to realise value in the region.”

APDC issued the following statement regarding the transaction: *“We are very proud of the important role that we played in the drilling of Merlin-1 and the initial exploration program at Project Peregrine. However, we also recognize that we are unlikely to be able to satisfy anticipated funding requirements for operations in future seasons. Because we do not want to hold 88 Energy back from future development of the acreage, we felt that it was prudent to enable 88 Energy to consolidate its interest in Project Peregrine to allow the project to move forward. APDC has maintained exposure to vast potential upside associated with Project Peregrine through a royalty interest and other value triggers.”*

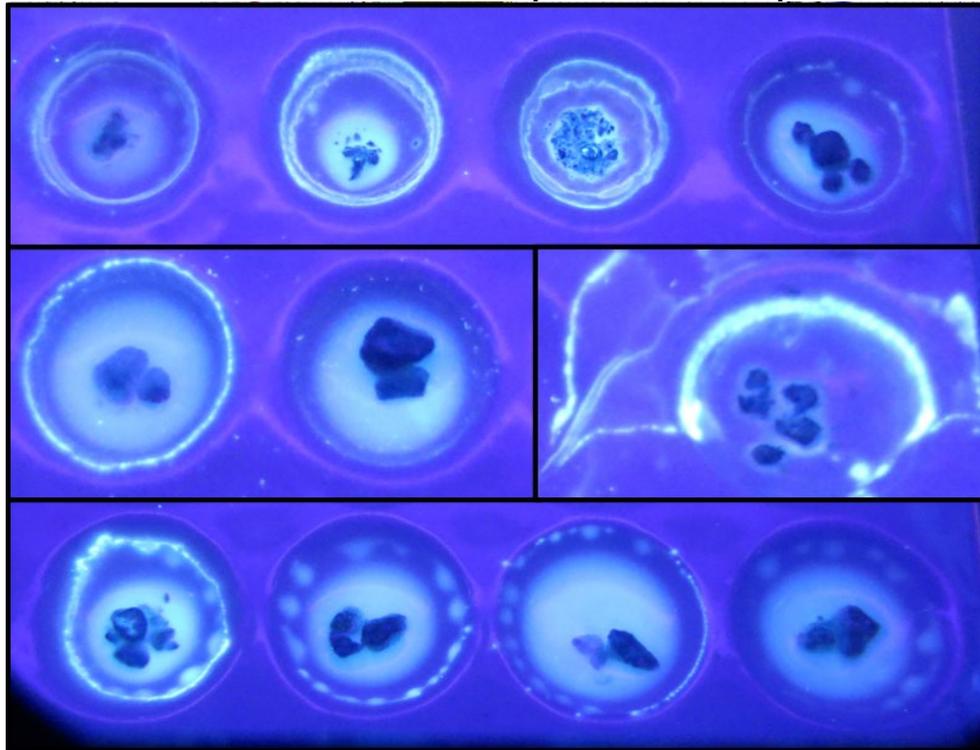
Summary of encouraging results at Merlin-1 include:

- Moderate to excellent reservoir quality in multiple sand packages
- Good free fluid observed on NMR
- Thicker Nanushuk formation and more prograding/aggrading sequences than seen further north
- Additional targets identified
- Extensive shows throughout the well
- RDT hydrocarbon evidence when pressure reduced

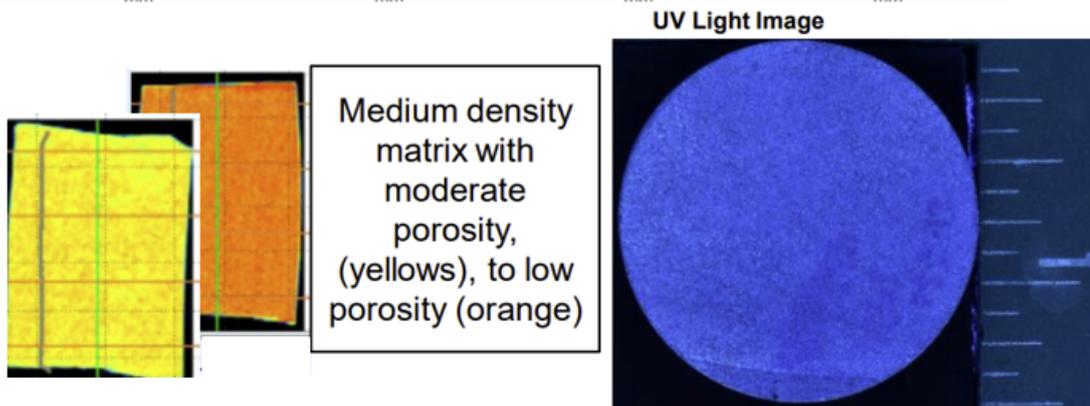
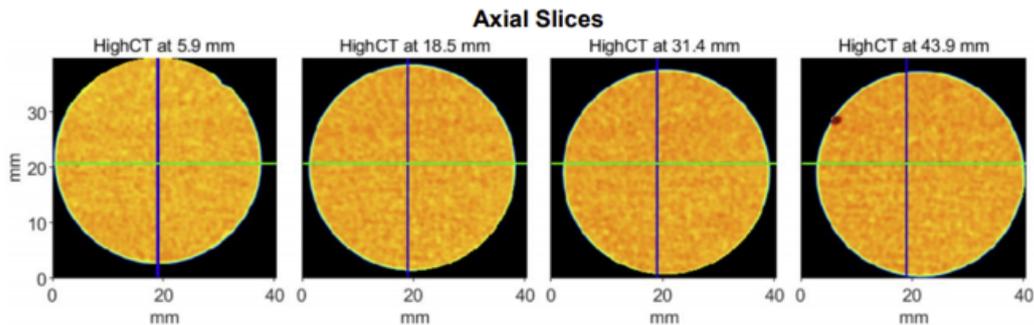
Example of Core Sample With Good Fluorescence



Cut fluorescence across multiple Nanushuk sequences



Excerpt from PlugCT (core) Report



Plug CT scans serve to evaluate the quality of core trims on the basis of their porosity distribution, mineralogy and density. This particular sample exhibits strong fluorescence under UV and is suggestive of moderate porosity. This depth corresponds with one of the two intervals that had oily or 'petroliferous' odours

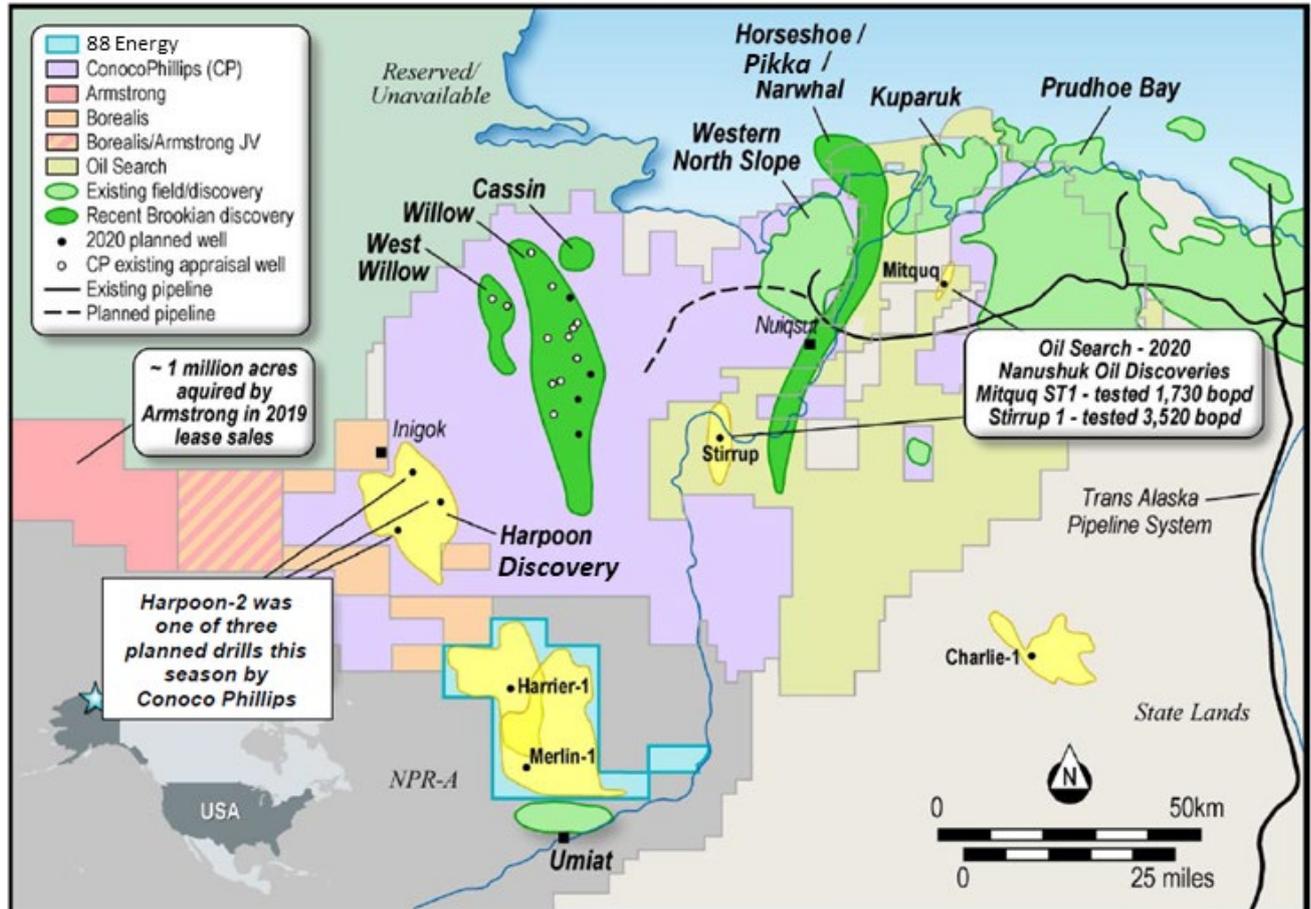


Pursuant to the requirements of Chapter 5 of the ASX Listing Rules and the AIM Rules for Companies, the technical information and resource reporting contained in this announcement was prepared by, or under the supervision of, Dr Stephen Staley, who is a Non-Executive Director of the Company. Dr Staley 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, post completion of the acquisition of APDC's 50% interest in the project.

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#. Drilling 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#.

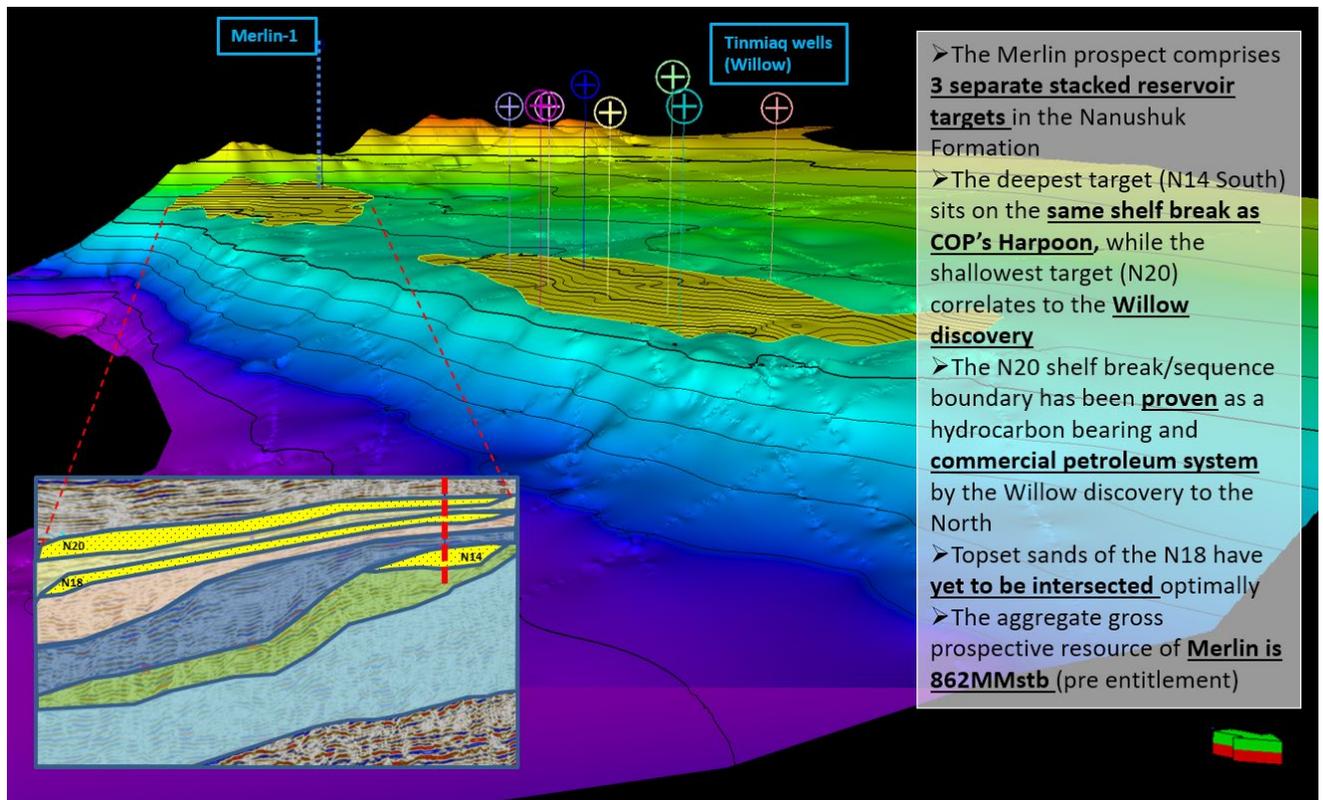
Independent Resource Assessment#

Project Peregrine: Alaska North Slope	Unrisked Net Entitlement to 88E Prospective Oil Resources (MMstb)				
	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. The Resource Assessment table does not incorporate the results of the Merlin-1 well.

The Merlin-1 well and the Harrier prospect are 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 geological 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

Ashley Gilbert
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88 Energy Ltd



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