

This announcement contains inside information

88 Energy Limited

Wireline Logging Results and Forward Program at Merlin-2

Highlights

- Wireline logging program nearing completion at the Merlin-2 well.
- Provisional analysis of the wireline logging program indicates reservoir quality at this location is insufficient to warrant a production test.
- MDT tool was unable to obtain fluid samples from target zones, despite encouraging oil shows and Logging While Drilling (**LWD**) data.
- Results consistent with Merlin-1 with fluorescence and petroliferous odour in cuttings, elevated mud gas readings and evidence of mobile hydrocarbons during MDT sampling.
- Forward operations for the Merlin-2 well will now focus on plugging the well and demobilisation.

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (**88 Energy** or the **Company**) advises that the Merlin-2 wireline logging program is nearing completion with the final run in progress. The wireline program was designed to evaluate and quantify the reservoir potential associated with the oil shows and elevated mud gas readings noted across the target zones in the LWD data.

The primary objective of the Merlin-2 well was to collect hydrocarbon samples from the target zones. Unfortunately, this was unable to be achieved using Schlumberger's MDT (Modular-Formation Dynamics Testing) tool due to the tightness of the formation at this location.

Whilst observations of LWD logs and drill cuttings collected throughout the Merlin-2 drilling operations revealed target intervals are thicker than those encountered in Merlin-1, and preliminary analysis of the LWD data indicated sufficient permeability / porosity to obtain a hydrocarbon sample, results from the wireline program have demonstrated target zones to have lower than anticipated porosity / permeability resulting in difficulty obtaining fluid samples of any significance.

The results of Merlin-2 are largely consistent with the initial Merlin-1 exploration well drilled in Project Peregrine in 2021, with strong fluorescence, oil sheen, petroliferous odour and cut noted in the drilling cuttings, elevated C2-C5 mud gas readings over the target zones with total gas significantly above background gas readings and also evidence from the reservoir sampling tool of movable hydrocarbons.

The pre-drill expectation from depositional modelling and nearby analogues was that superior thickness and reservoir quality would be encountered to the east of Merlin-1. Whilst thicker target intervals were noted at Merlin-2, the porosity / permeability appear to be largely consistent with those observed at Merlin-1. Both Merlin wells were drilled on sparse, vintage 2D seismic data, which provides a narrow field of view of the reservoir and limited optionality on drilling locations. 88 Energy will now assess the merits of a future 3D seismic acquisition program to better identify with modern processing of data future drilling locations to optimally test and determine the potential commerciality of the Peregrine acreage.

Forward operations for the Merlin-2 well will now focus on plugging and abandoning the well and commencing demobilisation from the drilling location. 88 Energy will undertake a detailed evaluation of all the data obtained from the Merlin-2 drilling program and evaluate the potential future appraisal activities within the Project Peregrine acreage, which includes additional independent drilling locations such as the Harrier-1 prospect to test the N-14 and N-15.

88 Energy expects to provide further post well testing and analysis updates, as well as the future work program for Project Peregrine, when this information is available.

Managing Director, Ashley Gilbert, commented:

“Whilst the initial results from the Merlin-2 well were encouraging, results from the wireline program have demonstrated target zones to have lower than anticipated porosity and permeability resulting in difficulty obtaining fluid samples.”

“The initial assessment of results of the Merlin-2 well are largely consistent with the Merlin-1 exploration well drilled in Project Peregrine in 2021, with fluorescence and cut noted in the drilling cuttings, elevated mud gas readings over the target zones with total gas above background gas readings and also evidence from the reservoir sampling tool of movable hydrocarbons.”

“We appreciate that this result will be disappointing news for shareholders, in particular that we were again unable to obtain a fluid sample at surface or perform a flow test. However, we will now take the necessary time to fully analyse the data from the Merlin-2 well. This will provide a basis upon which the company can provide further updates on the future potential appraisal program for the Project Peregrine acreage.”

“88 Energy remains in a strong financial position, post the Merlin-2 well, with zero debt and a healthy cash balance that will be further strengthened with projected cash flows from the recently acquired portfolio of Texas production assets, Project Longhorn.”

“We are well placed to continue reviewing and progressing opportunities within the Alaskan portfolio and particularly encouraged by the results to the north of Project Icewine and look forward to providing updates in relation to this project over the coming months.”

This announcement has been authorised by the Board.

Media and Investor Relations:

88 Energy Ltd

Ashley Gilbert, Managing Director

Tel: +61 8 9485 0990

Email:investor-relations@88energy.com

Finlay Thomson, Investor Relations

Tel: +44 7976 248471

Fivemark Partners, Investor and Media Relations

Tel: +61 410 276 744

Andrew Edge / Michael Vaughan

Tel: +61 422 602 720

EurozHartleys Ltd

Dale Bryan

Tel: + 61 8 9268 2829

Cenkos Securities

Neil McDonald / Derrick Lee

Tel: + 44 131 220 6939

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.