

88 Energy Limited

Year-End Shareholder Update

Dear Shareholders,

We are nearing the conclusion of another busy year for 88 Energy, having set the foundation for what we expect will be a very bright 2024. In the context of a changing global energy landscape and challenging financial markets, 88 Energy has achieved several key milestones which have led to meaningful growth in the scale, quality, and diversity of opportunities within of our now global oil and gas portfolio. We are on a clear path to building a balanced portfolio of assets spread across the oil and gas life-cycle.

Moving into 2024, shareholders can expect multiple high impact events providing catalysts for value growth throughout the year.

- We look forward to reporting the Hickory-1 flow test results in March 2024, which we anticipate will be the first of 88 Energy's wells to flow oil to surface.
- Project Leonis will see an independent, Certified Resource Estimate completed before commencing a formal farm-out program in 1H24 in anticipation of a well in 2025/26.
- In Namibia, we are excited with the significant potential of our new acreage position, with the results of the 2D seismic program expected in 2H24. The objective of the 2D seismic program is validation of the structural closures interpreted from airborne gravity and magnetic data, the results of which will be used to obtain a certified Prospective Resource Estimate and define potential drilling locations. We will closely monitor results of neighbouring 1Q24 drilling programs in the Owambo basin, which will in part inform the future potential of the basin.
- At Project Longhorn, we have expanded our acreage and the number of cost-effective work-over opportunities. In 2024 we are targeting a five well work-over program set to increase production and cash flows over the course of the year.

ALASKAN EXPLORATION - A YEAR OF SIGNIFICANT PROGRESS

The Company's activities on the Alaskan North Slope were underpinned by the successful Hickory-1 exploration well, which is currently cased and suspended ahead of the flow test commencing in February 2024. The Hickory-1 well was designed to appraise up to six conventional reservoir targets with multi-million barrel oil potential^{1,2,3}.

Results from the Hickory-1 drilling and logging program were positive, with oil shows and net log pay calculated across all primary and secondary reservoirs. A new Upper Slope Fan System (**Upper SFS**) reservoir was also identified which has not been previously tested by any wells on the Project Pheonix acreage nor the adjacent Pantheon Resources acreage to the north. The Upper SFS had the best oil shows across all reservoirs intersected in the Hickory-1 well and recently completed mapping of the Upper SFS demonstrated a reservoir zone that is more laterally extensive than previously considered.

- ¹ 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.
- ² Mean unrisked resource Net Entitlement to 88 Energy. Refer announcement dated 23 August 2022 for pre-Hickory-1 estimates.
- ³ Refer announcement dated 6 November 2023 for post-Hickory-1 for post Hickory-1 drilling resource estimates.

We released a certified Independent Contingent Resource estimate for Project Phoenix of 250 million barrels of oil equivalent³ from the deepest reservoir encountered in Hickory-1, the Basin Floor Fan (**BFF**). The Contingent Resource was achieved by demonstrating reservoir continuity through seismic and well data to nearby third-party wells with successful flow tests in the BFF. The confirmation of a Contingent Resource at the BFF reservoir level enables the Hickory-1 well to be classed as a "discovery", but more importantly, bodes well for the shallower and less thermally mature (more oil prone) Slope Fan System (**SFS**) and Shelf Margin Delta (**SMD**) reservoirs, where we will focus efforts during the upcoming flow test operations.

The flow test and stimulation program has been carefully designed in consultation with industry experts, utilising available offset information as well as the detailed evaluation of Hickory-1 drilling and wireline logging data. Permitting for the upcoming flow test is on track and All American Oilfield's upgraded Rig 111 module has been secured to complete the activities. Following completion of the November placement, the flow test program is fully funded and operations will commence in February 2024.

Further north at our Project Leonis acreage (formally awarded April 2023), work has progressed at pace, with the reprocessing and interpretation of 3D seismic as well as a review of regional well data providing additional support for significant resource potential in the Upper Schrader Bluff (**USB**). We will seek an independent, Certified Resource Estimate before commencing a formal farm-out program in 1H24. We are very pleased to have already received in-bound farm-in interest for Project Leonis from multiple parties. Due diligence is ongoing with these respected, large oil and gas parties, and although there is no guarantee the Company will conclude an agreement with these companies, it provides us with encouragement ahead of a formal farm-out process.

At Project Peregrine, further exploration and technical analysis built upon detailed re-processing of historical data, identified the new N12 and N13 prospects in the prolific Nanushuk Formation. The assessment also indicated that up to three independent prospects could be assessed from a single ice pad via a sidetrack from the Harrier-1 well pad, resulting in significantly lower exploration costs. We are targeting a farm-out to fund any future exploration efforts at Project Peregrine, although we expect that clarity and resolution to the current consultation process concerning future regulations in the NPRA will be required.

Additionally, further assessment of Project Icewine West produced a clearer picture of the underlying potential within the reorganised project area. We conducted mapping activities which identified a series of SMD prospects, the majority of which have yet to be drilled. Following recent exploration success with the SMD reservoir at Hickory-1, we intend to investigate these prospects to add to an already extensive Icewine West prospective resource portfolio.

NAMIBIA FRONTIER EXPLORATION - EXPANSION AND DIVERSIFICATION

In November 2023, we executed a three-stage farm-in agreement for up to a 45% non-operated working interest in the onshore Petroleum Exploration Licence (**PEL 93**) covering 18,500km² of underexplored ground within the Owambo Basin in Namibia. We were particularly attracted to the opportunity, secured on attractive commercial terms, which provides exposure to a first-class operating jurisdiction, with a highly competitive petroleum regime. We believe that Namibia represents one of the last true frontiers for multi-billion barrel onshore oil and gas discoveries.

PEL 93 benefits from existing infrastructure situated around the Owambo Basin, enabling a clear pathway for future potential commercialisation while retaining superior development optionality. We look forward to beginning exploration activities in the coming year, with a schedule aimed at delivering an initial program of approximately 200 line-kilometres of low-impact 2D seismic. This will enable validation of ten significant structural closures in a well-defined sedimentary basin with proven oil charge, reservoirs, and seals.

PROJECT LONGHORN - EXPANSION OF ACREAGE AND PRODUCTION POTENTIAL

Our ongoing exploration activities have been supplemented by operations at Project Longhorn. Oil has flown steadily from our producing wells across the Texas Basin over the past year, with a combined gross total of 136,000 BOE (~68% oil) production achieved. As a producing asset, Longhorn is an important component of our diversified portfolio and we have taken steps to expand our holdings across this region.

In July 2023, we acquired an additional interest in new leases located four miles from our existing Longhorn assets at a non-operated ~45% net working interest. These leases encompass 399 net acres with net 2P reserves of 1.1MMBO (refer announcement dated 15 December 2023). This month we acquired ~64% net working interest in an additional 1,262 net acres less than one mile north and one mile south of Project Longhorn. These acquisitions provide multiple development opportunities and additional production to enhance our current output of 370 BOE per day.

Longhorn remains a highly promising region with excellent drilling and work-over opportunities and the increase in our acreage position by 270% over the year indicates the commitment and value we see in its future. Subject to further analysis, we intend to further expand our holdings across the Texas Basin, in parallel with our other exploration activities in Alaska and Namibia.

CORPORATE ACTIVITIES

The Company's recently completed capital raising of A\$9.9 million (before costs) ensures 88 Energy is well-placed to progress the aforementioned opportunities, including the imminent Hickory-1 flow test, on a timetable that maximises the value of our portfolio. We are encouraged by Project Phoenix's JV partner Burgundy Xploration's recent progress on securing funding and their commitment to Project Phoenix.

In other corporate initiatives, 88 Energy's Board will consider in the new year whether a share consolidation in 2024 is in the best interests of shareholders, and if 88 Energy decides to undertake a share consolidation, shareholders will be able to vote on this at the 2024 AGM.

I would like to thank our new and long-term shareholders for their continued support. The recent oversubscribed placement was a strong endorsement of the confidence that our investors place in us, and we intend to deliver on this faith.

On behalf of 88 Energy's team, I look forward to updating you on further progress as we continue high-impact exploration of our world-class portfolio. Have a safe, restful holiday season and a Happy New Year.

Best regards,

Ashley Gilbert

Managing Director, 88 Energy

This announcement has been authorised by the Board.