

12th February 2021

Placement to Raise \$12.0 million and Board Changes

88 Energy Limited ("**88 Energy**" or the "**Company**", ASX:88E, AIM 88E) is pleased to advise that it has successfully completed a heavily oversubscribed bookbuild to domestic and international institutional and sophisticated investors to raise up to A\$12.0 million before costs (the "**Placement**") through the issue of up to 1,500 million ordinary shares (the "**New Ordinary Shares**") at A\$0.008 (equivalent to £0.0045) per New Ordinary Share (the "**Placement Price**").

Capital raised pursuant to the Placement, together with the Company's existing cash reserves (A\$14.8 million as at 31 December 2020, inclusive of Joint Venture cash), will be used to fund the ongoing evaluation of the prospectivity of the Company's existing assets, including its share of any potential costs (over the US\$10 million farm-out cap) in respect to the Merlin-1 well and also the planned Harrier-1 well, and to enable it to identify new opportunities on the North Slope of Alaska.

The proceeds of the Placement will strengthen the Company's balance sheet and will provide the Company with sufficient capital to finance:

- the Company's share of any potential cost overruns associated with the drilling of the Merlin-1 well at Project Peregrine;
- the Company's share of costs associated with subsequent flow testing operations at Merlin-1, in the event of success;
- the plugging and abandonment costs assumed with the recently acquired Umiat Oil Field;
- the Company's share of costs associated with the drilling of the Harrier-1 well at Project Peregrine; and
- the Company's ongoing working capital requirements and general and administrative overheads for at least 12 months.

The Company is on schedule to spud the Merlin-1 well in late-February / early-March 2021, with drilling and logging of the well anticipated to be completed by mid-March. Subject to positive results from the Merlin-1 logging program, the Joint Venture expects to flow test the well for up to 10 days before proceeding to the spudding of the Harrier-1 well in late March / early April 2021. It should be noted that the drilling of the Harrier-1 well remains subject to scheduling, permitting and related government approvals, as well as agreement between the Joint Venture parties on the forward programme, which may be subject to change.

Resignation of Managing Director and Board Changes

The Board also wishes to advise shareholders that Mr David Wall has tendered his resignation as Managing Director and will leave the Company in May 2021. Mr Wall will continue in his role to oversee the upcoming drilling and testing programme at Project Peregrine as well as the abandonment operations at the Umiat Oil Field. The Company will transition the role of Managing Director to Mr Ashley Gilbert, the Company's current CFO and Company Secretary, who will initially take on the role on an acting basis prior to Mr Wall's departure, ensuring an appropriate handover occurs. It is also proposed that Mr Gilbert will be appointed to the Board as an Executive Director, subject to the completion of regulatory due diligence being carried out. Mr Gilbert, who has been with the Company since 2017, is an experienced Oil and Gas and finance executive with significant international experience. A further announcement regarding Mr Gilbert's proposed appointment to the Board will be made in due course.

Commenting on the Placement and Board Changes, Dave Wall, Managing Director of 88 Energy, stated:

"With the completion of this placement, the Company is now fully funded for all planned activity through to the end of the calendar year. While the path to spud of Merlin-1 has been challenging, the prize is more than worth it, and we look forward to commencement of drilling in around three weeks.

We now also have funding to drill the Harrier prospect, in addition to Merlin, which provides a combined gross aggregate target of over 1 billion barrels of recoverable oil, on trend to large existing discoveries immediately to both the north and south of the project area.

After seven years, my time at the Company is coming to an end but there is still much to do so it is business as usual."

Euroz Hartleys Limited acted as Sole Lead Manager and Sole Bookrunner to the Placement. Cenkos Securities Plc will act as 88 Energy's Nominated Adviser and Sole Broker to the Placement in the United Kingdom. Commission for the Placement was 6% (plus GST) of total funds raised for both Cenkos and Euroz Harleys Limited.

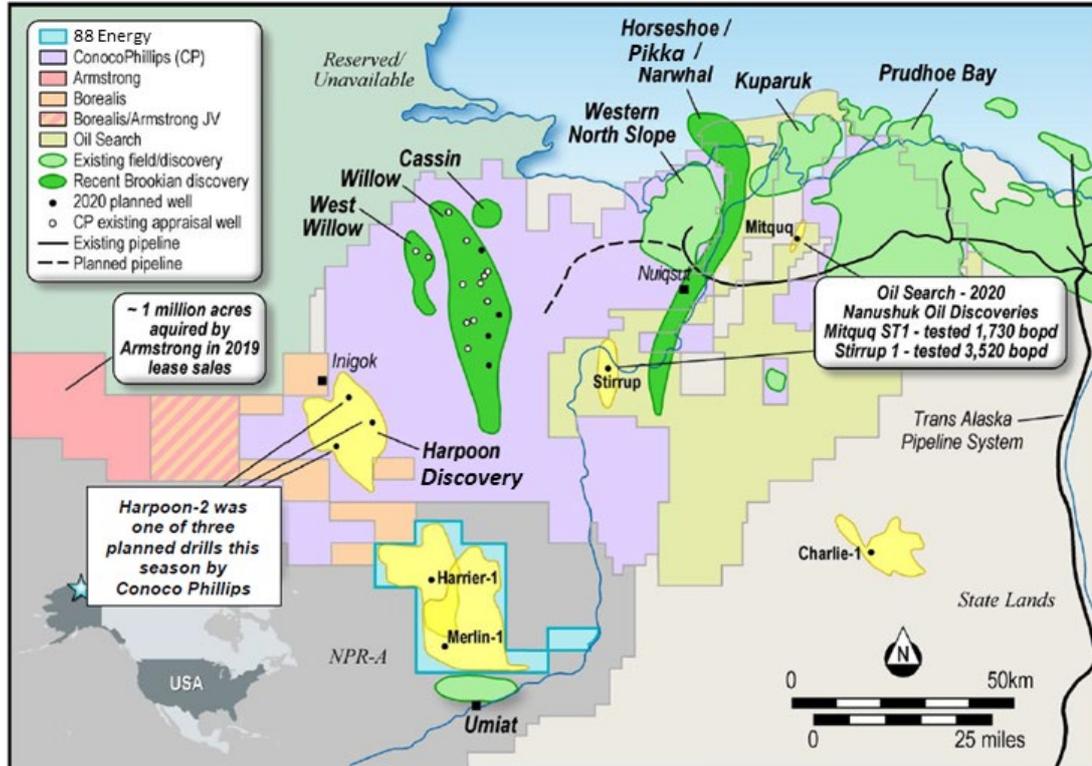
The issue of the New Ordinary Shares is not subject to shareholder approval as the issuance will fall within the Company's placement capacity pursuant to ASX Listing Rule 7.1. A total of 1,500,000,000 shares will be issued pursuant to Listing Rule 7.1. The New Ordinary Shares will rank pari passu with the existing ordinary shares in the Company, with settlement scheduled for Monday, 22 February 2020.

Following the issue of the New Ordinary Shares, the Company will have 12,161,590,431 ordinary shares on issue, all of which have voting rights. The figure of 12,161,590,431 ordinary shares may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or change their interest in, the Company.

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.

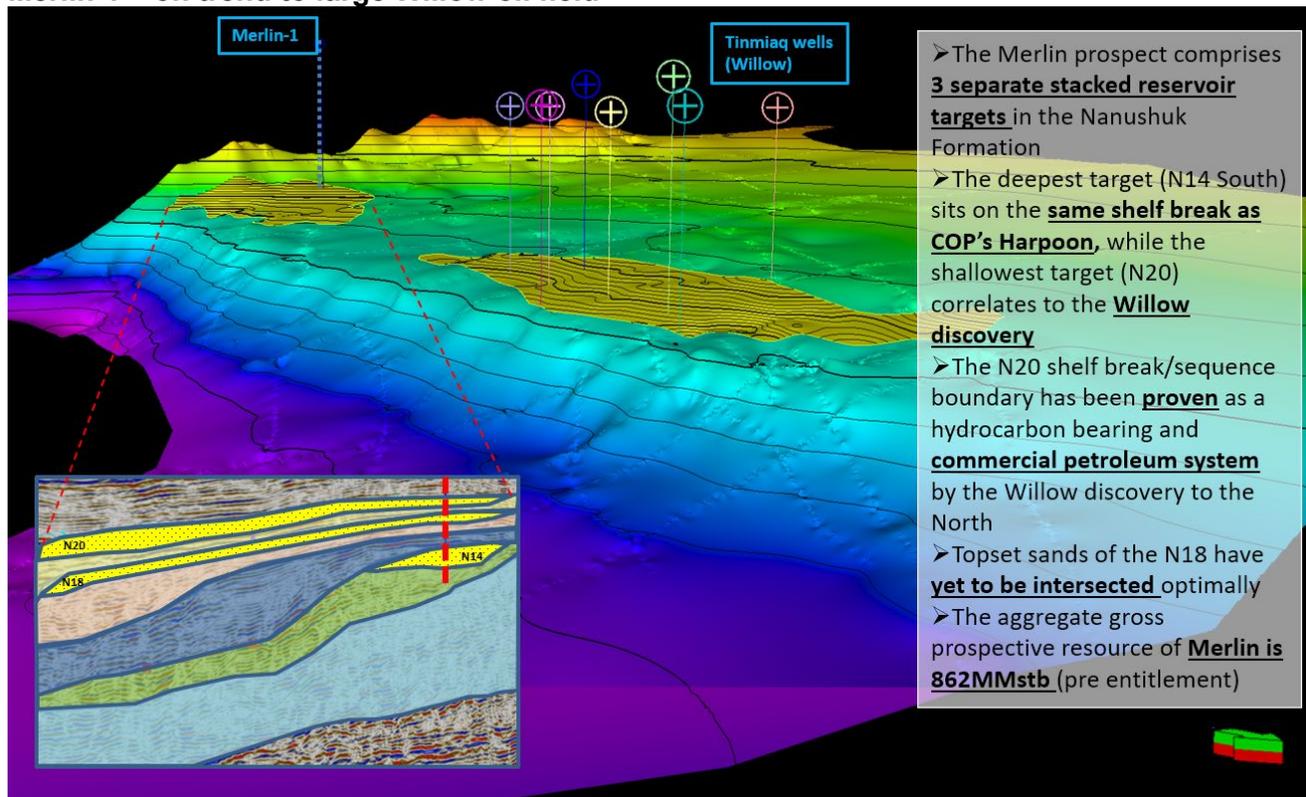
Project Peregrine and Recent Nanushuk Discoveries



The Merlin-1 well is scheduled for spud in late February / 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#. Harrier-1 is expected to cost ~US\$7m.

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



- The Merlin prospect comprises **3 separate stacked reservoir targets** in the Nanushuk Formation
- The deepest target (N14 South) sits on the **same shelf break as COP's Harpoon**, while the shallowest target (N20) correlates to the **Willow discovery**
- The N20 shelf break/sequence boundary has been **proven** as a hydrocarbon bearing and **commercial petroleum system** by the Willow discovery to the North
- Topset sands of the N18 have **yet to be intersected** optimally
- The aggregate gross prospective resource of **Merlin is 862MMstb** (pre entitlement)

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.

Yours faithfully



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