

23<sup>rd</sup> February 2021

## PROJECT PEREGRINE PROSPECTIVE RESOURCES REPORT

88 Energy Limited ("88 Energy" or the "Company", ASX:88E, AIM 88E) in compliance with ASX Listing Rules is pleased to provide the following Independent Prospective Resources Report, previously announced by XCD Energy Limited (a 100% owned subsidiary of 88 Energy), completed in January 2020 by ERC Equipoise Pte Ltd (ERCE), which has assessed the prospective resources associated with 88 Energy's 100% owned Project Peregrine of over 1.6 billion barrels in the mean case (unrisked net entitlement).

Project Peregrine: Alaska North Slope	Unrisked Net Entitlement to XCD <sup>1</sup> Prospective Oil Resources (MMstb)				
	Prospects (Probabilistic Calculations)	Low (1U)	Best (2U)	High (3U)	Mean
Merlin (Nanushuk)	41	270	1,463	645	37%
Harrier (Nanushuk)	48	207	940	417	24%
Harrier Deep (Torok)	42	267	1,336	574	20%
<b>Prospects Total</b>				<b>1,636<sup>2</sup></b>	

1. The Prospective Resources presented here are the result of a risked probabilistic aggregation of the individual stacked prospective layers in each prospect; the success case estimates present the distribution of possible outcomes in the event that at least one prospective layer is successful.

2. Unrisked mean total is not representative of the expected total from the three prospects and assumes a success case in all three wells.

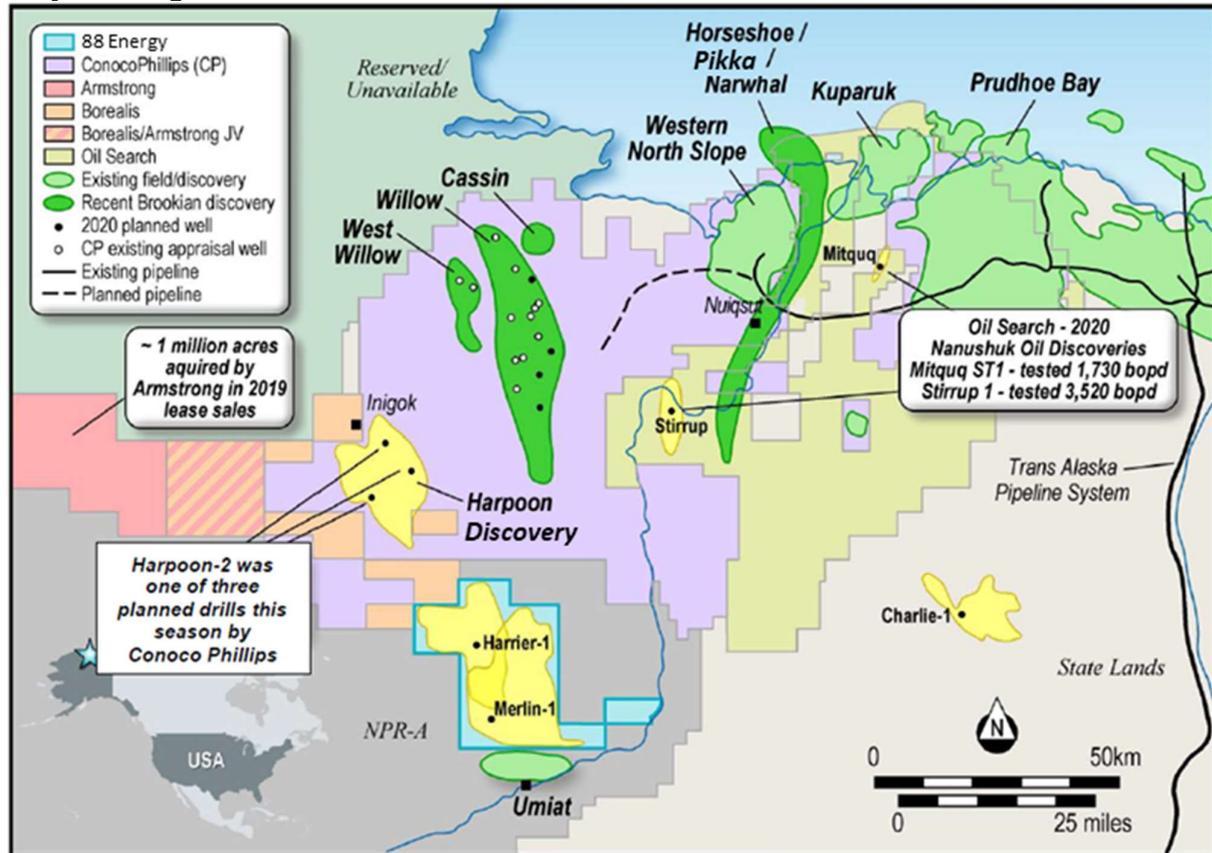
3. COS represents the geological chance of success of at least one of the stacked layers which comprise each prospect. This excludes phase risk which ERCE has estimated to be 70% oil (30% gas). The Prospective Resources have also not been adjusted for the chance of development, which is estimated by XCD to be 60% (including phase risk), ERCE sees this as reasonable based on the data available. Quantifying the chance of development (COD) requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are out-with the knowledge of ERCE they must be used with caution

*\*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.*

## 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.

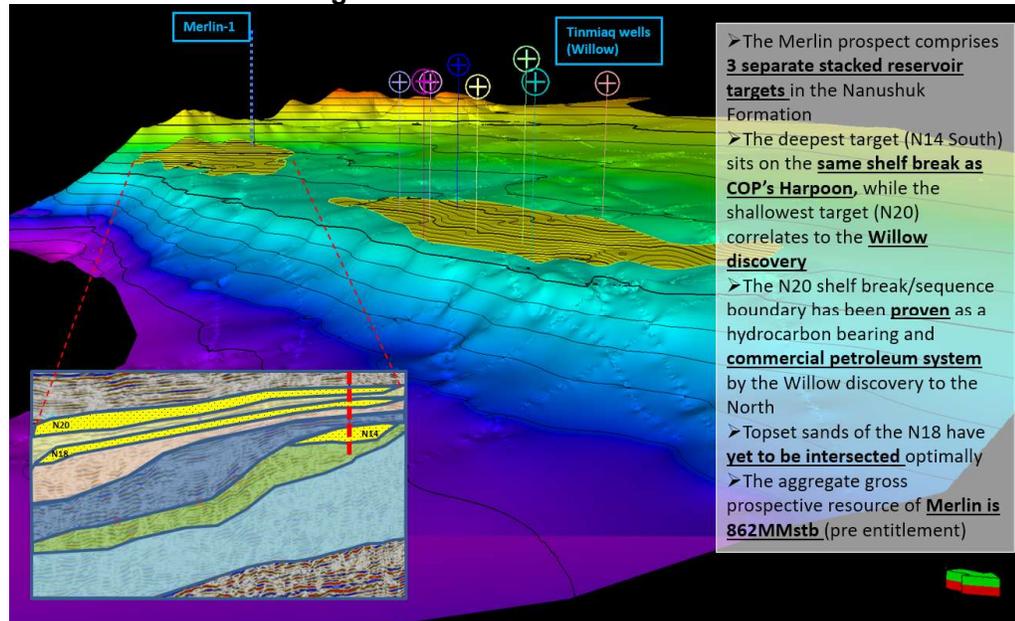
## Project Peregrine and Recent Nanushuk Discoveries



The Merlin-1 well is scheduled for spud in early March 2021 and is targeting 645 million barrels of mean unrisked net entitlement prospective oil resources. 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 mean unrisked net entitlement prospective oil 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, geological chance of success.

## Merlin-1 – on trend to large Willow oil field



The data used to compile the independent prospective resource report includes reprocessed 2D seismic data, basin modelling, petrophysical analysis of publicly available wells and historical geological records. The data was compiled and interpreted by XCD (a 100% owned subsidiary of 88E) and was reviewed, validated and in some cases modified independently by ERCE.

### ERCE's methodology for determining Prospective Resources for Project Peregrine

ERCE has determined Prospective Resources by examining the areas of consistent bright amplitude that were mapped by XCD (a 100% owned subsidiary of 88E) using the reprocessed 2D seismic data within the Project Peregrine area. Parameters including potential pool area and thickness, porosity, hydrocarbon saturation, oil expansion and recovery factor were estimated on a probabilistic low, mid and high basis. The Prospective Resources distributions were then aggregated into three (3) prospects, on the basis that three (3) wells could effectively test all the mapped prospective horizons. The unrisks prospective resources estimates and associated geological chance of success were modelled using Monte-Carlo analysis on the assumption there was no economic minimum and that volumes and risks of each of the prospective horizons within each prospect were independent with the exception of hydrocarbon migration, which was common to all.

The Prospective Resources have not been adjusted for phase risk or chance of development. ERCE has considered the chance of discovering oil over gas to be 70%. Chance of development is estimated by 88E to be 60% (including phase risk), ERCE sees this as reasonable based on the data available.

Please refer to the disclaimers attached as Schedule 1 of this ASX release for more information on the prospective resource report.

### About ERCE

ERCE is a global independently owned petroleum Reserves and Resources auditor, providing expert consultancy services to the upstream oil and gas industry for over 40 years. With over 50 full-time technical staff, ERCE provides geoscience, reservoir, facilities and cost engineering and economic/commercial expertise in conventional and unconventional projects. Examples of current public clients include Carnarvon, Jadestone Energy, Tag Oil, Interra Resources, ADX Energy and Elixir Energy. ERCE has offices in UK, Singapore and Perth, WA.

## SCHEDULE 1

### **Disclaimers:**

**Cautionary Statement for Prospective Resource Estimates** - With respect to the Prospective Resource estimates contained within this report, it should be noted that the estimated quantities of gas that may potentially be recovered by the future application of a development project relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

**Hydrocarbon Resource Estimates** – The Prospective Resource estimates for Project Peregrine presented in this report are prepared as at 20 January 2020. The Prospective Resource estimates are quoted on an unrisks basis together with the geological chance of success for each prospect. The unrisks mean total presented in the table is not representative of the expected total from the three prospects and assumes a success case in all three wells. ERCE has considered the chance of discovering oil over gas to be 70%. Chance of development is estimated by XCD (a 100% owned subsidiary of 88E) to be 60% (including phase risk), ERCE sees this as reasonable based on the data available. Quantifying the chance of development (COD) requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are outside the knowledge of ERCE they must be used with caution.

**Government Royalty and Overriding Royalty Interests** – The Project Peregrine leases (“Leases”) are situated in the National Petroleum Reserve – Alaska (NPR-A) and are administered by the US Department of the Interior - Bureau of Land Management (BLM). All leases issued by BLM are subject to a royalty and 88E’s Leases are subject to a 12.5% government royalty. In addition, the Leases are subject to an overriding royalty of 1.5% payable to non-related parties of the Company. The net economic interest to 88E has therefore been calculated as 86% and the Net Entitlement Prospective Resources have been adjusted to reflect this.

**Competent Person Statement Information** – In this report information relating to hydrocarbon resource estimates have been supplied by ERCE, and the company has stated in the Report that it has been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2018, approved by the Society of Petroleum Engineers and have been prepared using probabilistic methods. ERC Equipoise Pte Ltd, the independent resource reviewer named in this document, has consented to the inclusion of information relevant to their review in the form and context in which it appears. Dr Stephen Staley, who is a Non-Executive Director of the Company, 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 prospective resource 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.

**Forward looking statements** – This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning 88E’s planned operation program and other statements that are not historic facts. When used in this document, the words such as “could”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward looking statements. Although 88E believes the expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. The entity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.



This announcement has been authorised by the Board.

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