

29<sup>th</sup> August 2018

## **88 Energy Limited Operations Update**

88 Energy Limited (ASX: 88E) (“88 Energy” or the “Company”) provides the following update related to its operations, located on the North Slope of Alaska.

### **Highlights**

- **Rig Contract Executed for Western Blocks Drilling 1Q2019**
- **Winx Prospect located in the proven Nanushuk Play Fairway**
  - **Permitting Progressing on Schedule**

### **Western Blocks – Rig Contract Executed**

88E, via its 100% owned subsidiary Captivate Energy Alaska, Inc., has executed a rig contract for the drilling of the Winx Prospect, located on the Western Blocks, North Slope of Alaska.

The Winx -1 well will test a 3D seismically defined oil prospect in the successful Nanushuk play fairway comprising multiple stacked objectives with a gross mean unrisked prospective resource of 400MMbbls (144MMbbls net to 88E) and a geological chance of success in the range of 25-30%.

For further details related to the transaction, please refer to the announcement dated 25<sup>th</sup> June 2018.

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 moveable hydrocarbons.

88 Energy Ltd Managing Director, Dave Wall, commented: *“The execution of a rig contract is an important milestone for the Consortium as plans progress to drill the large Winx prospect in the first quarter of 2019.”*

The rig contract was executed with Nordic-Calista Services utilising Rig 3, which is a single module, self-propelled drilling rig, capable of drilling to depths of 12,000’ – 14,500’. The rig structure is fully winterised for Arctic Operations and the rig has previously been utilized for grassroots drilling, exploration, sidetracks and workovers on the North Slope.

### **Nordic Calista Rig 3**





#### About Nordic-Calista Services:

*In 1985 Nordic Well Servicing formed a joint venture partnership with Calista Corporation and Nordic-Calista Services was created. Founded in 1972, Calista Corporation is the second largest of the 13 regional corporations formed under the Alaska Native Claims Settlement Act (ANCSA) of 1971. It is a business corporation formed under State and Federal laws, including the Settlement Act and its amendments. In the Shareholders' Yup'ik Eskimo language the name "Calista" translates to "Cali" which means work and "ista" which means someone or something which does.*

*Nordic-Calista Services is directed by its President, Ron Rowbotham, and Financial Director, James Albach. With over 40 years of oilfield experience, Ron is committed to providing the benefit of his extensive knowledge and experience to each and every customer. Based in Anchorage, Nordic-Calista Services' Operations Manager, Noel Therrien, has over 30 years of service with the company and offers 20 plus years of operations experience in the arctic.*

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Dave Wall', with a horizontal line extending to the right.

Dave Wall  
Managing Director  
88 Energy Ltd

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, Mr Brent Villemarette, who is a Non-Executive Director of the Company. Mr Villemarette has more than 30 years' experience in the petroleum industry, is a member of the Society of Petroleum Engineers, and a qualified Reservoir Engineer 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. Mr Villemarette 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.

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## 88 Energy Alaska North Slope Assets Overview

### Project Icewine

In November 2014, the Company entered into a binding agreement with Burgundy Xploration (**BEX**) to acquire a significant working interest (87.5%, reducing to 77.5% on spud of the first well on the project) in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore Alaska, North America, referred to as Project Icewine. The current gross acreage position is ~475,000 contiguous acres (301,000 acres net to the Company). These are marked in blue and red on the below map.

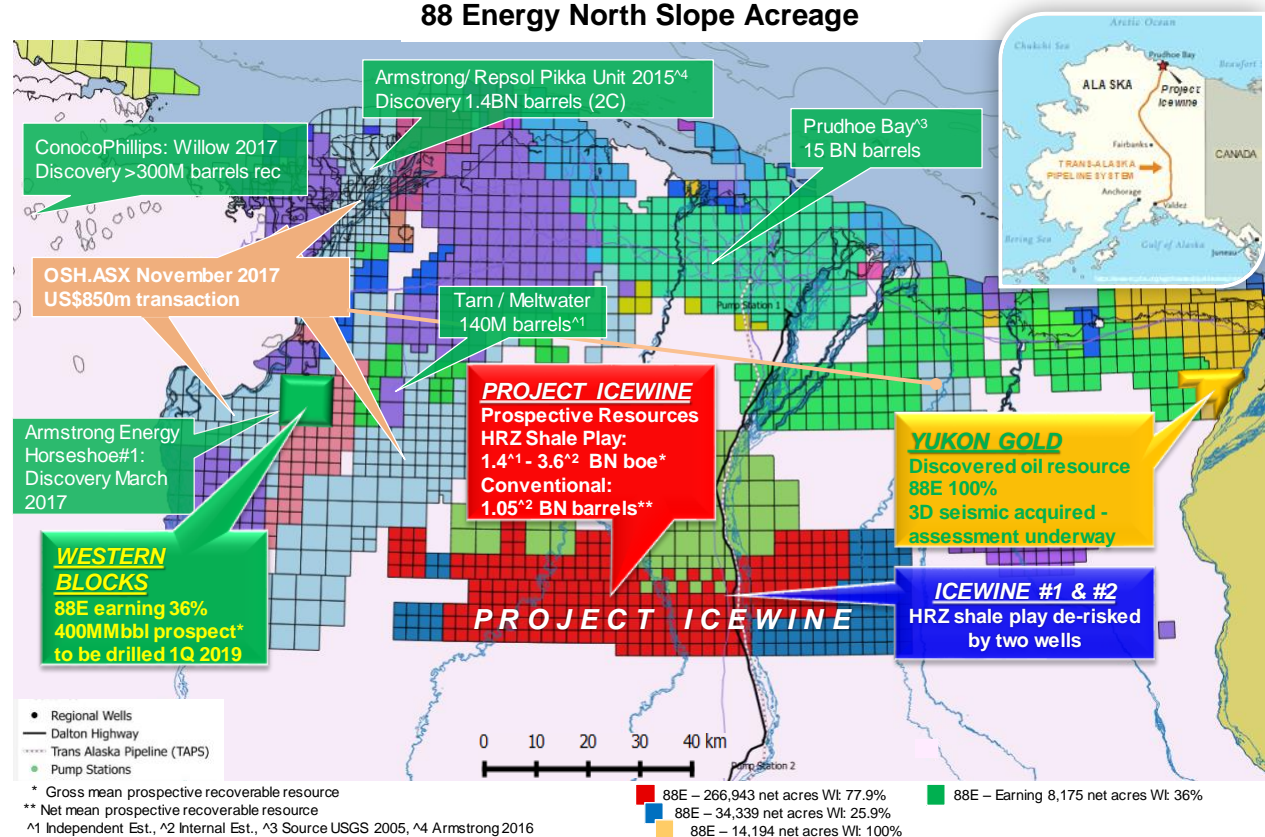
The Project is located on an all year operational access road with both conventional and unconventional oil potential. The primary term for the State leases is 10 years with no mandatory relinquishment and a low 16.5% royalty.

The HRZ liquids-rich resource play has been successfully evaluated based on core obtained in the Icewine#1 exploration well (December 2015), marking the completion of Phase I of Project Icewine. Phase II has now commenced, with drilling at the follow-up appraisal well, Icewine#2, concluding mid 2017.

Production testing at Icewine#2 concluded on 30 June 2018 after retrieving 24.8% of the injected stimulation fluid vs a targeted return of at least 30%. Gas rates of up to 100mcf/d were achieved during flowback; however, these are not considered representative due to limited reservoir connectivity. A farm-out process is underway to fund the future work program.

Significant conventional prospectivity has also been identified on recently acquired 2D and 3D seismic across the project acreage.

### 88 Energy North Slope Acreage



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A Prospective Resources Report by DeGolyer and MacNaughton, was commissioned by 88 Energy to evaluate the unconventional resource potential of Project Icewine in February 2016 and was released to the market on 6<sup>th</sup> April 2016.

### **Yukon Gold**

The Yukon Gold leases are located on the eastern border of the Central North Slope of Alaska and were acquired in 2018. 88 Energy via its subsidiary has a 100% working interest in these leases, totalling 14,194 acres. The leases contain an historic discovery well, Yukon Gold #1, which is currently being evaluated internally. 3D seismic was acquired in early 2018 to assist with this process and results are expected in 4Q2018. The leases are marked in yellow on the above map.

### **Western Blocks**

88 Energy is earning a 36% working interest in four leases (totalling 22,711 acres) immediately adjacent to the Horseshoe#1/1A oil discovery well. 88 Energy, with its consortium partners Otto Energy Ltd and Red Emperor Resources NL, has posted a US\$3m performance bond to the State of Alaska and will fund 100% of the costs of well, targeting a prospect with a gross mean unrisked prospective resource volume of 400MMbbls (144MMbbls net to 88E), to be drilled in 1Q 2019. The leases are marked in green on the above map.