



12 February 2018

88 ENERGY LIMITED

OPTION UNDERWRITING SIGNIFICANTLY OVERSUBSCRIBED

88 Energy Limited ("88 Energy" "the Company") (ASX: 88E) is pleased to announce that it has entered into an underwriting agreement to underwrite the Company's listed option series (ASX: 88EO) up to a value of A\$6.75 million. 88 Energy has approximately 340 million listed 88EO options on issue, exercisable at \$0.02 cents on or before 5.00pm (AWST), 2 March 2018.

The underwriting gives 88 Energy a level of certainty that the 88E options that haven't already been exercised will result in funding of A\$6.75 million. This funding along with the existing strong cash position ensures the Company is well funded for the next important programs of work which include further work at the Icewine#2 appraisal well, settling the acquisition of new acres on the North Slope, 3D seismic acquisition and for other ongoing exploration and leasing costs of Project Icewine.

Hartleys Limited ("Hartleys" or "Underwriter") acted as Joint Lead Manager and arranger of the underwriting. Xcel Capital Pty Ltd also acted as Joint Lead Manager. The Joint Lead Manager's received demand from sub-underwriters for substantially more than the approximately 340 million options on issue and 88 Energy is very pleased with the strong levels of interest shown by both existing shareholders and new investors (both domestic and international).

Managing Director, Dave Wall, commented: *"The recent financial commitment by the Board in respect of its options and the oversubscribed underwriting are a testament to the confidence of management and investors in the future of the Company."*

"With significant near and medium term activity, 88 Energy is well placed to continue to create wealth for its shareholders."

The 88EO options expire on 2 March 2018 and option holders are advised to contact the Company Secretary with any queries in relation to the exercise of options.

Option underwriting – further information

The underwriting agreement is conditional upon all representations and warranties made by the Company in the agreement (which are standard in nature), being accurate as at the shortfall notification date (expected to be 9 March 2018) and the shortfall subscription date (expected to be 13 March 2018). The Company will pay the Underwriter a fee equal to 4.5% of the total Underwritten Amount.

The underwriting agreement contains standard termination provisions for an agreement of this nature, including (among other things) if there is a breach of the underwriting agreement.

For further information, please contact:

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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 35 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.

Project Icwine Overview

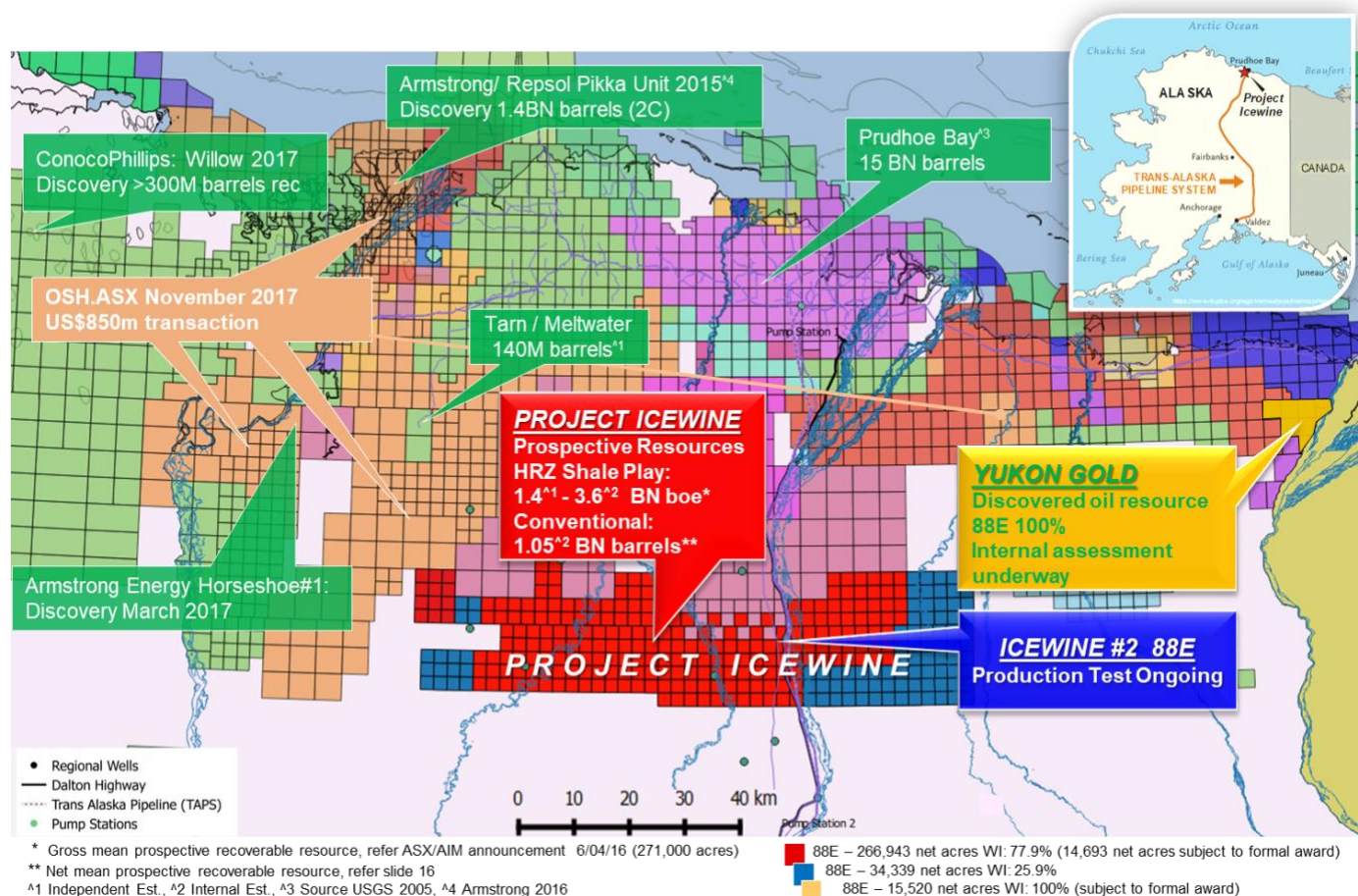
In November 2014, the Company entered into a binding agreement with Burgundy Xploration (**BEX**) to acquire a significant working interest (87.5%, reducing to 77.5% on spud of the first well on the project) in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore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

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 recently completed (December 2015) Icwine #1 exploration well, marking the completion of Phase I of Project Icwine. Phase II has now commenced, with drilling at the follow-up appraisal well, Icwine#2, commencing early 2Q2017. Production testing is ongoing.

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

Project Icwine Acreage



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.

Exploration incentives provided by the State of Alaska with up to 35% of net operating loss refundable in cash were concluded for all expenditure post 30 June 2017.

The primary objective is an untested, unconventional liquids-rich shale play in a prolific source rock, the HRZ shale (Brookian Sequence), that co-sourced the largest oil field in North America; the giant Prudhoe Bay Oil Field Complex. Internal modelling and analysis indicates that Project Icewine is located in a high liquids vapour phase sweetspot analogous to those encountered in other Tier 1 shale plays e.g. the Eagle Ford, Texas.

Recently acquired 2D seismic has identified large conventional leads at Project Icewine within the same Brookian petroleum system and shallow to the HRZ shale, including potential high porosity channel and turbiditic sands associated with slope apron and deepwater fan plays. The Brookian conventional play is proven on the North Slope; the USGS (2013) estimated the remaining oil potential to be 2.1 billion barrels within the Brookian sequence. Two recent discoveries in the Brookian have already exceeded these estimates, with Armstrong/Repsol discovering 1.4 billion barrels in 2015 and Caelus announcing a 2.5 billion barrel discovery in 2016. Additional conventional potential exists in the Brookian delta topset play, deeper Kuparuk sands and the Ivishak Formation.



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 6th April 2016.

About 88 Energy: 88 Energy has a 63% working interest and operatorship in ~342,000 acres onshore the prolific North Slope of Alaska ("Project Icewine"). Gross contiguous acreage position for the Joint Venture is ~475,000 acres (88E 301,000 net acres). The North Slope is the host to the 15 billion barrel Prudhoe Bay oilfield complex, the largest conventional oil pool in North America. The Company, with its Joint Venture partner Burgundy Xploration, has identified highly prospective play types that are likely to exist on the Project Icewine acreage – two conventional and one unconventional. The large unconventional resource potential of Project Icewine was independently verified by leading international petroleum resource consultant DeGolyer and MacNaughton. In addition to the interpreted high prospectivity, the project is strategically located on a year-round operational access road and only 35 miles south of Pump Station 1 where Prudhoe Bay feeds into the Trans Alaska Pipeline System. The Company acquired 2D seismic in early 2016 to take advantage of the globally unique fiscal system in Alaska, which allowed for up to 75% of 1H2016 exploration expenditure to be rebated in cash. Results from the seismic mapping and prospectivity review are encouraging, and form the basis of a conventional prospectivity portfolio for Project Icewine. In late 2015, the Company completed its maiden well at the project, Icewine#1, to evaluate an unconventional source rock reservoir play which yielded excellent results from analysis of core obtained from the HRZ shale. The follow-up well with a multi-stage stimulation and test of the HRZ shale, Icewine#2, spud in early 2Q2017. Flow testing at Icewine#2 is scheduled to re-commence in April/May 2018.