

3rd October 2018

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

88 Energy Limited **Non-Renounceable Rights Issue / Open Offer**

88 Energy Limited (ASX: 88E) ("88 Energy" or the "Company") is pleased to announce the Company's intention to launch a non-renounceable rights issue (open offer for AIM purposes) to raise up to approximately A\$14.33m / £7.96m (the "Offer").

Highlights

- Proposed Offer to be made on the basis of one (1) new share for every seven (7) shares held by qualifying shareholders as at 10th October 2018 (the "Record Date")
- New shares to be issued pursuant to the Offer at A\$0.018 / £0.01 per share
- Offer to be made available to qualifying shareholders in Australia, United Kingdom and New Zealand
- Designed to allow existing shareholders exposure to potentially transformational activity over the next 9 months
- Net proceeds of the Offer intended to be used for:
 - Potential production testing at Winx-1 exploration well
 - Possible cost overruns associated with the drilling of Winx-1
 - Lease rentals and interest costs to maintain assets in good standing
 - Ongoing geological and geophysical work
 - Working capital and general administration

Overview

The Company is pleased to announce that it intends to launch the Offer which will provide the opportunity for existing qualifying shareholders to participate in a fundraising of up to approximately A\$14.33m / £7.96m, the net proceeds of which will be used to fund ongoing activity across its portfolio of oil and gas exploration assets, located on the North Slope of Alaska.

This activity includes the drilling of the high impact Winx-1 exploration well, scheduled for spud in February 2019, which is targeting gross mean prospective resources of 400 million barrels of oil (144 million barrels net to 88E). The Winx-1 well is located at the Company's Western Blocks project, where 88 Energy is earning a 36% working interest by funding 40% of the cost of the drilling of the well.

The Company is also progressing a farm-out of its conventional prospect portfolio at Project Icewine, where 1.75 billion barrels of net mean prospective resource has been delineated with 2D and 3D seismic. The process is targeted for completion by calendar year end 2018.

Additionally, the Company continues to progress evaluation of the HRZ shale play ahead of a planned farm-out in 1H2019 as well as finalising the resource potential on its Yukon Leases, where 3D seismic was recently acquired.

Details of the Offer

The full details of the Offer will be set out in an Offer Document, which is expected to be posted to all shareholders and lodged with the ASX on or around 5th October 2018, as per the timetable set out below.

Qualifying shareholders will be offered the opportunity to acquire fully paid ordinary shares in the capital of the Company via the Offer. The Offer will be made on the basis of one (1) new share for every seven (7) shares held by qualifying shareholders as at the Record Date at an issue price of A\$0.018 / £0.01 per share ("Offer Price") to raise up to A\$14.33m / £7.96m. As at market close on Monday 1st October 2018, being the latest practicable date prior to this announcement, the Offer Price represents a 15% discount to the 15-day VWAP of A\$0.0212.

Qualifying shareholders will be those shareholders (or depositary interest holders) on the register at the Record Date (excluding holders who have a registered address or who are resident outside of Australia, New Zealand or the United Kingdom or any other jurisdiction (apart from certain restricted jurisdictions) in which the Directors in their absolute discretion determine to make the Offer available).

Qualifying shareholders will also be given the opportunity to apply for additional shortfall shares beyond their 1 for 7 entitlement. It is the intention of the Board to allocate additional shortfall shares on a pro-rata basis calculated using the number of shares held as at the close of the offer period.

The Company reserves the right to place any shortfall shares that are not taken up by existing shareholders at the discretion of the Directors.

The Directors of the Company have indicated their intention to take up their full entitlement under the Offer.

Assuming all entitlements are taken up under the Offer, the Company will issue approximately 795 million new shares, resulting in a total of approximately 6,366 million shares on issue.

Indicative Timetable

The proposed timetable for the Offer is set out below. The dates are indicative only and the Company reserves the right to vary the dates, including the right to extend the closing date.

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| Announcement of the Open Offer | 3 October 2018 |
| Appendix 3B, circular (Offer Document) and notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) lodged with the ASX | Before 8am on 5 October 2018 |
| Notice to Securityholders | 8 October 2018 |
| Expected ex-entitlement date for the Open Offer | 8.00 a.m. (London Time) on 9 October 2018 |
| Record Date for the Open Offer | 7.00 p.m. (AEDT) in respect of Qualifying Ordinary Shareholders and 6.00 p.m. (London time) in respect of Qualifying Depositary Interest Holders on 10 October 2018 |

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| Trading commences Ex-entitlement on ASX | 10 October 2018 |
| Publication and despatch of this document and Application Forms | 12 October 2018 |
| Open Offer Entitlements and CREST Excess Entitlements credited to CREST stock accounts of Qualifying Depository Interest Holders | as soon as practicable after 8.00 a.m. (London time) on 12 October 2018 |
| Recommended latest time for requesting withdrawal of Open Offer Entitlements and CREST Excess Entitlements from CREST | 4.30 p.m. (London time) on 19 October 2018 |
| Latest time for depositing Open Offer Entitlements and CREST Excess Entitlements into CREST | 3.00 p.m. (London time) on 22 October 2018 |
| Last date to extend | 22 October 2018 |
| Latest time for splitting | 11.00 a.m. (London time) on 24 October |
| Closing date - Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions in respect of Depository Interests (as appropriate) | 11.00 a.m. (London time) on 26 October 2018 5pm (WST) on 26 October 2018 |
| Securities quoted on a deferred settlement basis | 29 October 2018 |
| Expected date of announcement of the results of the Open Offer | afternoon of 29 October 2018 |
| Issue date of the Open Offer Shares and CHES member accounts credited with Open Offer Shares (as applicable) | Before 9am (WST) on 31 October 2018 |
| Admission and dealings in the Open Offer Shares to AIM | 8.00 a.m. (London time) on 31 October 2018 1p.m. (WST) on 31 October 2018 |
| CREST member accounts expected to be credited with the Open Offer Shares in Depository Interest form | as soon as practicable on 31 October 2018 |
| Quotation of Open Offer Shares on ASX | 1 November 2018 |

David Wall, Managing Director of 88 Energy, commented on the Rights Issue / Open Offer:
"The Company has successfully completed several placements over the last four years, which have served to grow the asset base and diversify our portfolio, which is now stronger than it has ever been."



There are now four significant projects at mature stages that we believe can add substantial near to medium term value for our shareholders via drilling and/or farm-out transactions.

We have received feedback from a number of existing shareholders asking to be considered in future placements. The Board has listened and, consequently, we are pleased to provide the opportunity for all shareholders to participate in funding the upcoming potentially transformation period for the Company."

Yours faithfully

A blue ink handwritten signature, appearing to be '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.

Media and Investor Relations:

88 Energy Ltd

Dave Wall, Managing Director

Tel: +61 8 9485 0990

Email: admin@88energy.com

Finlay Thomson, Investor Relations

Tel: +44 7976 248471

Hartleys Ltd

Dale Bryan

Tel: + 61 8 9268 2829

Cenkos Securities

Neil McDonald/Derrick Lee

Tel: + 44 131 220 6939

88 Energy Alaska North Slope Assets Overview

Project Icewine

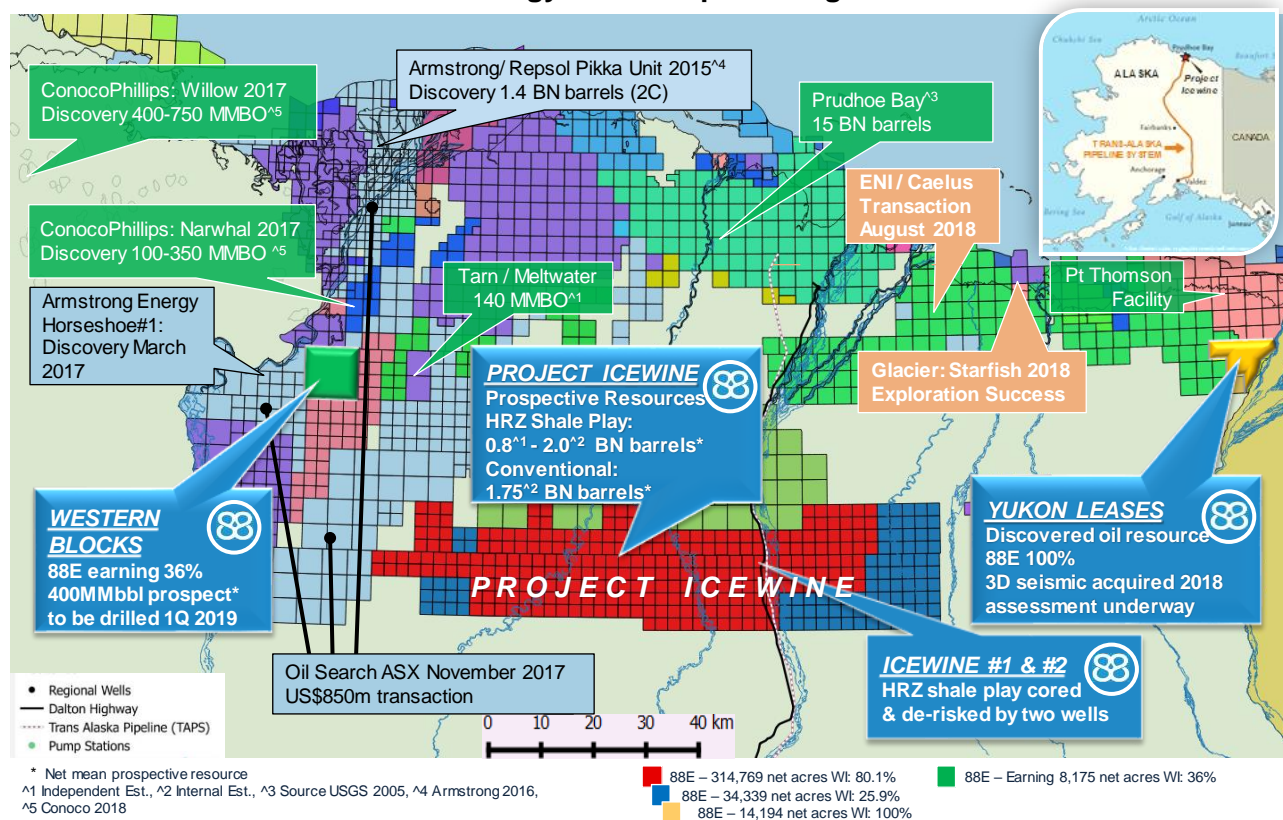
In November 2014, the Company entered into a binding agreement with Burgundy Xploration (**BEX**) to acquire a significant working interest in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore Alaska, North America, referred to as Project Icewine. The current gross acreage position is ~525,000 contiguous acres (349,000 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.

Significant conventional prospectivity has been identified on recently acquired 2D and 3D seismic across the project acreage where 1.75 billion barrels of oil potential has been delineated (net mean prospective resource). A farm-out process is currently underway, with a deal targeted prior to 2018 year end.

The HRZ liquids-rich resource play was 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 comprised drilling in mid 2017 at the follow-up appraisal well, Icewine#2, which was subsequently fracture stimulated and flow tested. 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 100mcf/d were achieved during flowback; however, these are not considered representative due to limited reservoir connectivity. Further evaluation is being completed prior to launching a formal farm-out process in early 2019 to fund the future work program.

88 Energy North Slope 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.



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.

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 unrisks 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.