

22<sup>nd</sup> August 2019

*This announcement contains inside information*

## **88 Energy Limited**

### **Project Icwine Conventional Farmout Executed**

88 Energy Limited (ASX: 88E) ("88 Energy" or the "Company") provides the following update related to the farmout process for its conventional prospect portfolio at Project Icwine, located on the Central North Slope, Alaska.

#### **Highlights**

Please refer to text in italics from the Premier Oil PLC ("Premier") Half Yearly Report, below:

##### **Alaska**

*Premier has signed a Sale and Purchase Agreement with 88 Energy and Burgundy Xploration LLC to farm-in for a 60 per cent interest in Area A of their conventional Project Icwine acreage in the proven Alaska North Slope basin. This acreage lies close to the Trans-Alaska Pipeline and the Dalton Highway. The transaction provides Premier with a cost effective entry point into an emerging play, following recent advances in drilling and completion techniques, within a proven oil province and one which has the potential to deliver significant organic growth opportunities for the Group.*

*Area A contains the Malguk-1 discovery drilled by BP in 1991. This well discovered but never tested 251 feet of light oil pay in turbidite sands in the Torok formation, within the recently emerging Brookian play. Premier estimates an accumulation of more than 1 billion barrels of oil in place, based on the original well data and its evaluation of the existing 3D dataset. There is also considerable upside in the shallower Schrader Bluff formation which has yet to be explored in a play similar to the Pikka/Horseshoe trend. The Alaska North Slope has attracted considerable industry interest recently with technological advances enabling these once stranded resources to now be commercialised. Several similar developments are already underway at various levels of maturity involving operators such as ConocoPhillips, ENI, Repsol and Oil Search.*

*Under the terms of the SPA, Premier will pay the full costs of an appraisal well up to a total of US\$23 million to test the reservoir deliverability of the Malguk-1 discovery. The well will be drilled and tested in Q1 2020 with rig options having already been identified and contracting negotiations underway. On successful completion of the work programme, Premier will have the option to assume operatorship.*

#### **Additional Details**

- 88 Energy to retain 30% working interest in Area A
- Premier has an option to earn 50% working interest in Area B or C by spending US\$15m, if the Charlie-1 (Malguk-1 appraisal) well in Area A is successful
- 88 Energy to operate the Charlie-1 (Malguk-1 appraisal) well via its wholly owned Alaskan subsidiary, Accumulate Energy Alaska Inc
- Standard completion documents have been agreed and are in the process of execution, including the Joint Operating Agreement and assignment forms
- Permitting on track: amendments to key permits, associated with 2020 drilling, submitted

A more detailed presentation on the upcoming drilling of the Charlie-1 (Malguk-1 appraisal) well will be released in early September.

Lazard Freres and Co LLC acted as Financial Advisor to the transaction for 88E and Burgundy.

88 Energy Managing Director, Dave Wall, commented "We are delighted to be partnering with a company of the technical calibre of Premier. Premier has a strong track record of delivering projects through to production and is an excellent addition to the Joint Venture. The deal itself strikes a good balance between cultural fit, value and the meaningful working interest retained by 88E for its shareholders. The Charlie-1 well has been designed



*to test all of the prospective horizons identified in the Western Play Fairway, giving benefit usually only derived from a multi-well program."*

Yours faithfully

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

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Fig.1 Demarcated Project Icewine Acreage with Charlie-1 Location

