

28th September 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

- **Agreements executed for additional 45,239 acres net to 88 Energy**

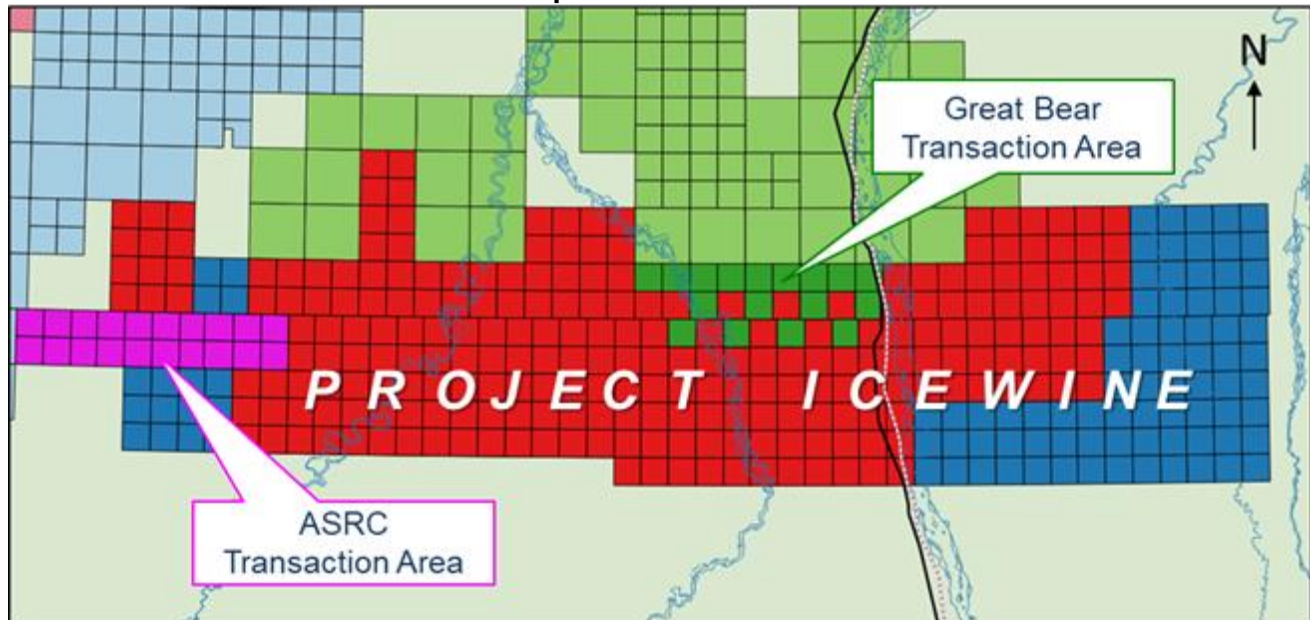
Leasing update

88 Energy Ltd, via its wholly owned subsidiary Accumulate Energy Alaska Inc. (“Accumulate”), has entered into an agreement with Arctic Slope Regional Corporation, (“ASRC”), to lease the hydrocarbon rights across 28,453 acres contiguous with the Western Fairway area of the Company’s current Project Icewine acreage (leasehold 100% net to Accumulate). The ASRC lease terms are consistent with those recently awarded by the State of Alaska, post the December 2017 Licensing Round.

Accumulate has also entered into an agreement with Great Bear Petroleum to acquire a 69.1% working interest in 24,269 acres adjacent to, and north of, the Central Play Fairway at Project Icewine (16,786 acres net to Accumulate). Consideration for the leases was a cash payment of US\$206,388 (net to 88E), of which US\$167,663 will be directed to lease rentals due by 1st October 2018.

The two acquisitions increase 88 Energy’s lease position by 45,239 net acres to 371,478 net acres across the Company’s three main project areas on the Central North Slope of Alaska.

Lease Map with Transaction Areas



Managing Director, Dave Wall, commented: “*The agreement with ASRC in relation to the western leases is significant as they are partly covered by several prospects that are in our current conventional farm-out package. We would like to thank ASRC for the opportunity to partner with them in this area.*”

Additionally, the Central Fairway acquisition has delivered additional acres close to the road and pipeline that are considered prospective for both the HRZ and conventional plays.”

About ASRC: The Arctic Slope Regional Corporation is the largest locally owned and operated business in Alaska, with approximately 12,000 employees, including nearly 4,000 in Alaska. ASRC is a private, for-profit corporation which is owned by and represents the business interests of its 13,000 Iñupiat Eskimo shareholders. ASRC owns title to nearly five million acres of land on Alaska's North Slope which contain a high potential for oil, gas, coal and base metals. Corporate headquarters are based in Utqiagvik (Barrow), Alaska, with administrative and subsidiary offices located in Anchorage and throughout the United States. The Corporation reported total revenue of USD 2.6 billion in FY2017 (Alaska Business Monthly, 2018). In late 2017, the corporation marked a milestone by surpassing USD 1 billion in dividend payments to shareholders since the corporation was formed in 1972.

Yours faithfully



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

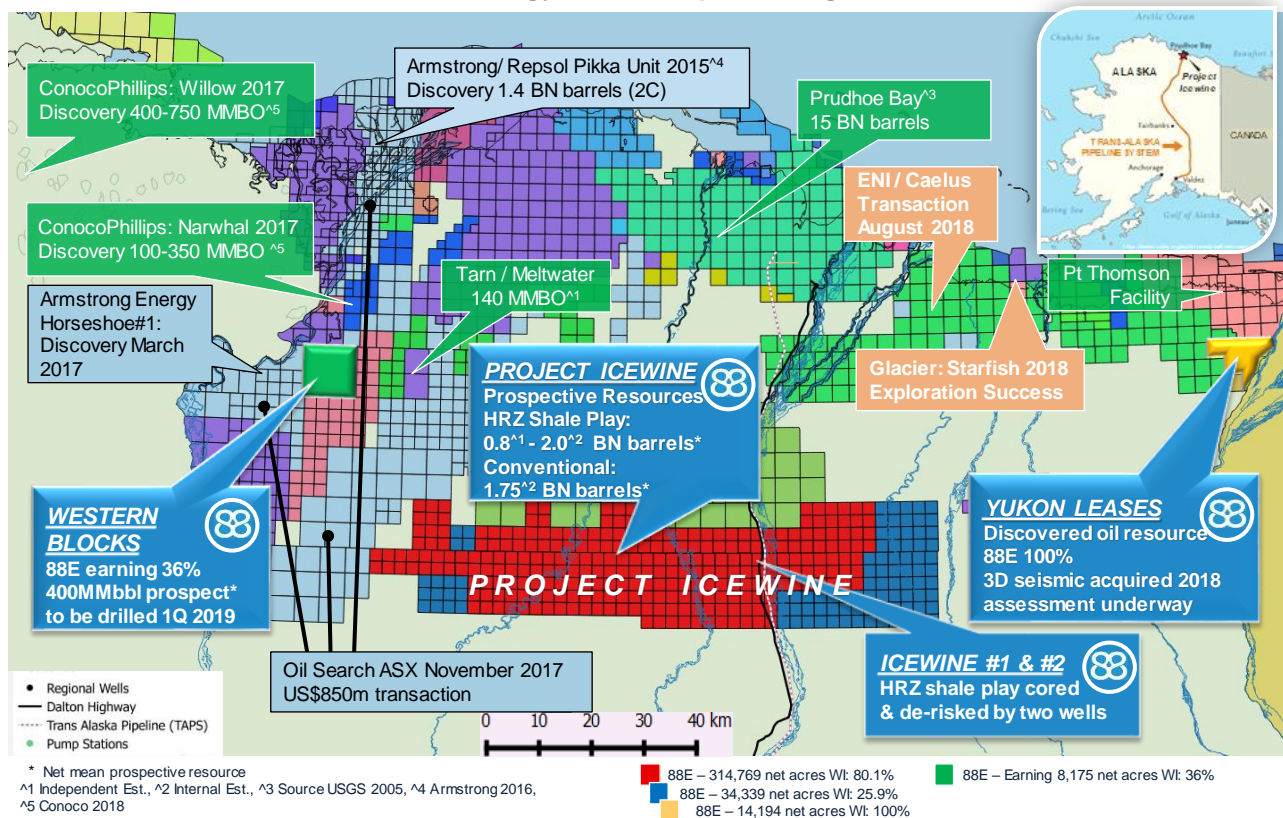
In November 2014, the Company entered into a binding agreement with Burgundy Xploration (**BEX**) to acquire a significant working interest in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore Alaska, North America, referred to as Project Icewine. The current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