



18 September 2015

### **Icewine #1 Lease Plan of Operations Approved**

88 Energy Limited (“88 Energy” “the Company”) (ASX, AIM: 88E) is pleased to announce that the Lease Plan of Operations for the drilling of the Icewine #1 Exploration well has been approved by the Alaskan Department of Natural Resources (“DNR”), Division of Oil and Gas. From a regulatory perspective, the approval denotes that Project Icewine has now formally entered the exploration phase.

The Plan of Operations was one of three pivotal permits required prior to the commencement of the Icewine #1 exploration well. The DNR has sought the permission of Accumulate Energy Alaska Inc., (subsidiary of 88 Energy), as Operator, that the Icewine Plan of Operations be posted on their Alaskan Government website as an exemplar submission of the recently revised DNR permit application process.

The final two key permits to close-out include the:

- Oil Discharge Prevention and Contingency Plan (Spill Plan) – the 30 day public comment period closed on August 20, 2015 with no significant issues raised. Minor modifications post public comment have since been submitted and the application has been deemed complete. The final statutory review period is now underway
- Permit to Drill – final submission September 17, 2015

The Company is confident that these remaining permits will be granted within ample time for the scheduled spud of the Icewine #1 exploration well in mid-October 2015.

Managing Director of 88 Energy Limited, Dave Wall commented: *“The Plan of Operations is the centrepiece of the permitting process and its approval is another key milestone for the Company ahead of the imminent drilling of Icewine #1, which remains on track for mid October spud.*

*The use of the Accumulate/Burgundy Joint Venture Lease Plan of Operations as an example on the DNR website speaks volumes to the good work done by the permitting team on the ground in Alaska and the collaboration afforded by the hard working people at the Department of Natural Resources. We extend our sincere thanks to both groups for the crucial role that they have played ahead of the drilling of Icewine #1.*

*We look forward to providing further updates to the market as the spud date approaches and throughout the drilling operation.”*

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

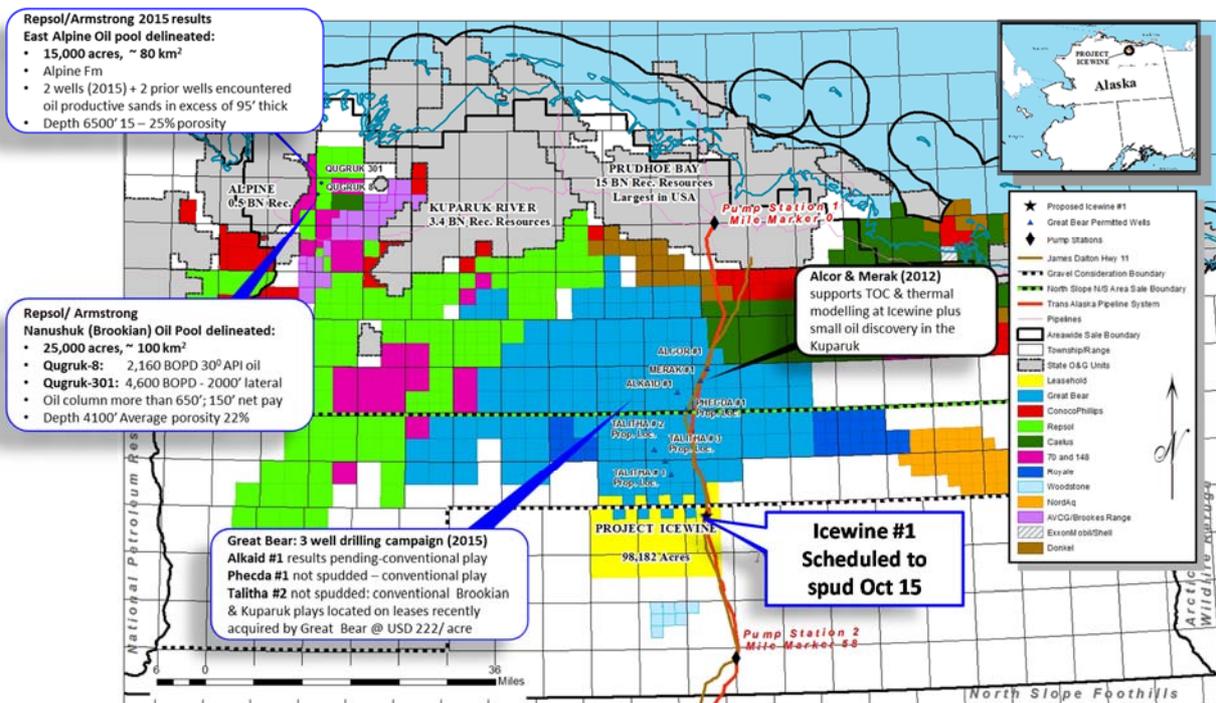
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### Project Icewine Highlights

In November 2014, the Company entered into a binding agreement with Burgundy Xploration (**BEX**) to acquire a significant working interest (87.5%, reducing to 78% 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.

88 Energy has a 98,182 gross contiguous acre position with 85,900 acres net to the Company (76,582 net acres post spud), located on an on 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 unconventional oil play will be tested by the upcoming Icewine #1 exploration well, scheduled for commencement of drilling in October 2015.



**Figure 1: Project Icewine Location**

Generous exploration incentives are provided by the State of Alaska with up to 85% of exploration expenditure in 2015 cash refundable, dropping to 75% mid 2016 and thereafter 35%.

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.

Conventional play potential can be found at Project Icewine within the same Brookian petroleum system and shallow to the HRZ shale and includes high porosity channel and deep water turbiditic sands. The Brookian conventional play is proven on the North Slope; the USGS (2013) estimate the remaining oil potential to be 2.1 billion barrels just within the Brookian sequence. Additional conventional potential exists in the deeper Kuparuk sands and the Ivashuk Formation.



Drilling, (2012), in the adjacent acreage to the north confirmed that the HRZ shales, along with the underlying Kingak & Shublik shales, were all within the oil window which is extremely encouraging for the unconventional potential at Project Icewine. In addition a conventional oil discovery was reported in the Kuparuk sandstones.

A Prospective Resources Report by DeGolyer and MacNaughton, was commissioned by 88 Energy to evaluate the unconventional resource potential of Project Icewine in early December 2014 and was released to the market on 19 January 2015.

**About 88 Energy:** In late 2014, 88 Energy acquired an initial 87.5% working interest and operatorship in 98,182 acres onshore the prolific North Slope of Alaska ("Project Icewine"). The North Slope is the host for 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 two highly prospective play types that are likely to exist on the Project Icewine acreage – one conventional and one unconventional. The large 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 TransAlaska Pipeline System. The Company plans to progress drilling and seismic in the near term to take advantage of the globally unique fiscal system in Alaska, which allows for up to 85% of CY2015 exploration expenditure to be rebated in cash.

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