



22 October 2015

### Permit To Drill Approved

88 Energy Limited (“88 Energy” “the Company”) (ASX, AIM: 88E) is pleased to announce that the Permit to Drill for the Icewine #1 exploration well has been approved by the Alaska Oil and Gas Conservation Commission (“AOGCC”). This is the last of the remaining permits required prior to commencement of drilling. Final inspection of the rig will now take place, ahead of spud in the very near term.

The Company will advise once spud has been achieved and then make regular announcements during the course of drilling, as appropriate.

Managing Director of 88 Energy Limited, Dave Wall commented: *“The path to spud has been relatively smooth due to the outstanding effort and coordination of the Icewine Team and the regulatory bodies in Alaska. There was a late scramble to rectify an outstanding item with the Permit to Drill; however, this has been resolved in a timely fashion and we would like to thank the AOGCC for their prompt assistance. Timing of spud is now a matter of hours away and marks the start of the next leg of the Project Icewine journey.”*

Yours faithfully

A handwritten signature in blue ink, appearing to be 'Dave Wall', with a long 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.

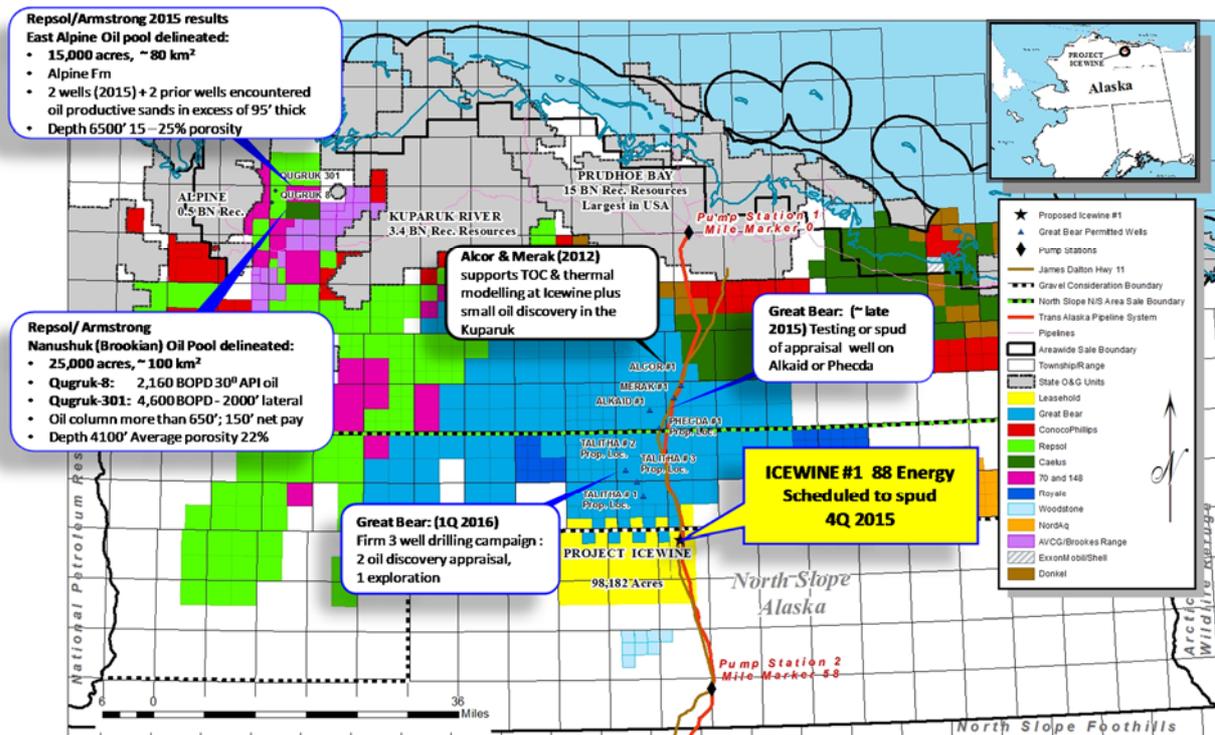
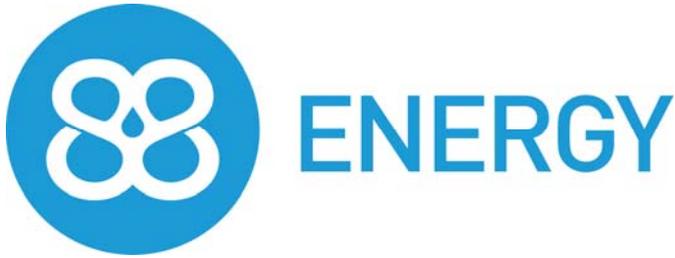


Figure 1: Project Icewine Location

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 (reducing to 78% on spud of the first well on the project) 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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