

2nd May 2018

88 Energy Limited
Oversubscribed Placement to Raise \$17 million

88 Energy Limited ("**88 Energy**" or the "**Company**", ASX:88E, AIM 88E) is pleased to advise that it has successfully completed a bookbuild to domestic and international institutional and sophisticated investors to raise up to A\$17 million (the "**Placement**") through the issue of up to 460 million ordinary shares (the "**New Ordinary Shares**") at A\$0.037 (equivalent to £0.02) per New Ordinary Share (the "**Placement Price**"). The Placement was significantly oversubscribed.

Funds raised pursuant to the Placement will be used to fund the Company's ongoing evaluation of the conventional and unconventional prospectivity of existing assets and to enable it to identify and exploit new opportunities on the North Slope of Alaska. As at 31 March 2018, the Company had cash resources of US\$10.5 million, against a planned work programme of US\$6.5 million for costs associated with recommencement of flow testing at Icewine #2 (May/June 2018) and final payments relates to the acquisition of the Icewine 3D and Yukon Gold 3D seismic surveys.

The proceeds of the Placement will be used to strengthen the Company's balance sheet and to provide the Company with sufficient capital to:

- process and interpret ~450km² of 3D seismic data acquired over the Project Icewine acreage in March 2018, the final results of which are expected to be available in Q4 CY2018 and are designed to build on the highly encouraging results of the 2D seismic interpretation and allow the Company to firm up locations for further drilling activity in H1 CY2019;
- process and interpret 3D seismic data which was opportunistically acquired over the Company's recently-purchased Yukon Gold acreage, an existing oil discovery on the North Slope of Alaska close to infrastructure, the results of which are expected to be available in Q4 CY2018;
- settle expected CY2018 lease payments due on its acreage, totalling approximately A\$5 million;
- fund interest payments on the Company's debt facility which, as announced on 26 March 2018, was recently refinanced with Bank of America and subsequently assigned to FCS Advisors, LLC (trading as Brevet Capital Advisors); and
- finance the Company's ongoing working capital requirements and provide capital for any additional growth initiatives

Commenting on the success of the Placement, Dave Wall, Managing Director of 88 Energy, stated:

"Post the recent opportunistic acquisition of 3D seismic at the Yukon Gold leases, the Board deemed it prudent to strengthen the balance sheet ahead of what promises to be an extremely active time for the Company. In particular, we are looking forward to the re-commencement of production testing at the Icewine#2 well in the coming weeks.

Results from the 3D seismic surveys at Project Icewine and the Yukon Gold Project are expected from mid 2018 and the Company remains confident of a farm-out related to the conventional potential at Project Icewine prior to year-end 2018.

We would like to thank our advisers and shareholders for their continued support as we enter into this critical phase of the project."



Hartleys Limited acted as Joint Lead Manager and Sole Bookrunner to the Placement in Australia with Xcel Capital Pty Ltd also acting as Joint Lead Manager. Cenkos Securities plc acted as the Company's Nominated Adviser and Sole Broker to the Placement in the United Kingdom.

The issue of the New Ordinary Shares is not subject to shareholder approval as the issuance will fall within the Company's placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A. A total of zero shares will be issued pursuant to Listing Rule 7.1 and 460,811,112 shares will be issued pursuant to Listing Rule 7.1A. The New Ordinary Shares will rank pari passu with the existing ordinary shares in the Company, with settlement scheduled for Wednesday, 9 May 2018.

Following the issue of the New Ordinary Shares, the Company will have 5,557,964,694 ordinary shares on issue, all of which have voting rights. The figure of 5,557,964,694 ordinary shares may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or change their interest in, the Company.

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

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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Project Icewine Overview

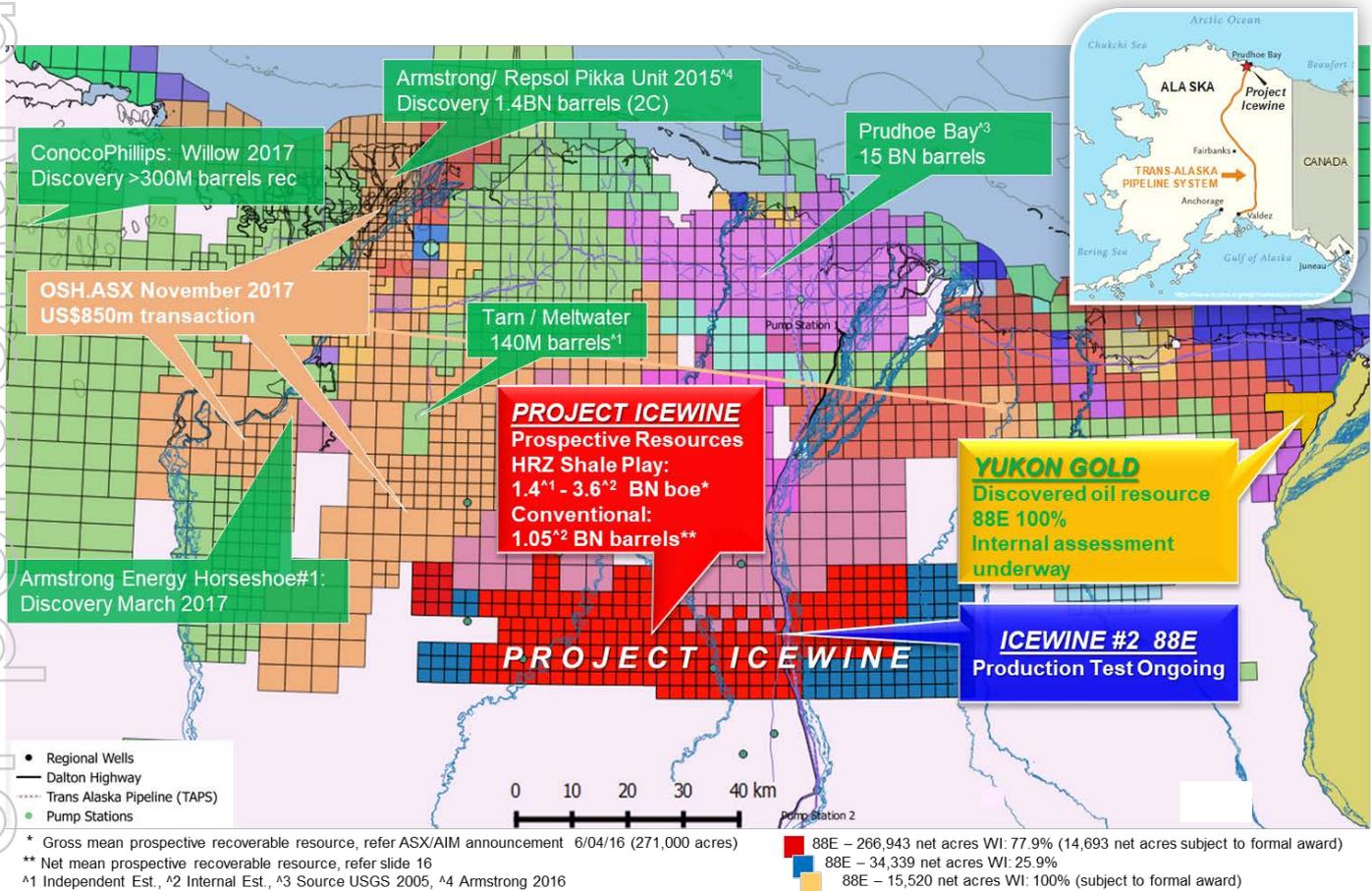
In November 2014, the Company entered into a binding agreement with Burgundy Xploration (**BEX**) to acquire a significant working interest (87.5%, reducing to 77.5% on spud of the first well on the project) in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore Alaska, North America, referred to as Project Icewine. The current gross acreage position is ~475,000 contiguous acres (301,000 acres net to the Company).

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.

The HRZ liquids-rich resource play has been successfully evaluated based on core obtained in the recently completed (December 2015) Icewine #1 exploration well, marking the completion of Phase I of Project Icewine. Phase II has now commenced, with drilling at the follow-up appraisal well, Icewine#2, commencing early 2Q2017. Production testing is ongoing.

Significant conventional prospectivity has also been identified on recently acquired 2D seismic across the project acreage.

Project Icewine 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.



Exploration incentives provided by the State of Alaska with up to 35% of net operating loss refundable in cash were concluded for all expenditure post 31 December 2017.

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.

Recently acquired 2D seismic has identified large conventional leads at Project Icewine within the same Brookian petroleum system and shallow to the HRZ shale, including potential high porosity channel and turbiditic sands associated with slope apron and deepwater fan plays. The Brookian conventional play is proven on the North Slope; the USGS (2013) estimated the remaining oil potential to be 2.1 billion barrels within the Brookian sequence. Two recent discoveries in the Brookian have already exceeded these estimates, with Armstrong/Repsol discovering 1.4 billion barrels in 2015 and Caelus announcing a 2.5 billion barrel discovery in 2016. Additional conventional potential exists in the Brookian delta topset play, deeper Kuparuk sands and the Ivishak Formation.

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.

About 88 Energy: 88 Energy has a 63% working interest and operatorship in ~342,000 acres onshore the prolific North Slope of Alaska (“Project Icewine”). Gross contiguous acreage position for the Joint Venture is ~475,000 acres (88E 301,000 net acres). The North Slope is the host to 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 highly prospective play types that are likely to exist on the Project Icewine acreage – two conventional and one unconventional. The large unconventional 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 Trans Alaska Pipeline System. The Company acquired 2D seismic in early 2016 to take advantage of the globally unique fiscal system in Alaska, which allowed for up to 75% of 1H2016 exploration expenditure to be rebated in cash. Results from the seismic mapping and prospectivity review are encouraging, and form the basis of a conventional prospectivity portfolio for Project Icewine. In late 2015, the Company completed its maiden well at the project, Icewine#1, to evaluate an unconventional source rock reservoir play which yielded excellent results from analysis of core obtained from the HRZ shale. The follow-up well with a multi-stage stimulation and test of the HRZ shale, Icewine#2, spud in early 2Q2017. Flow testing at Icewine#2 is scheduled to re-commence in April/May 2018.