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This announcement contains inside information

88 Energy Limited

Petrophysical Interpretation Confirms Pay in Torok and Seabee

88 Energy Limited ("**88 Energy**" or the "**Company**", ASX:88E, AIM 88E) provides the following update related to results from the Charlie-1 appraisal well, on the North Slope of Alaska.

Highlights

- Preliminary petrophysical interpretation indicates hydrocarbon pay in Torok and Seabee Formations
- Initial lab results related to gas condensate analysis and core testing expected in weeks

Detail

Third party petrophysical interpretation of the logs in the recently drilled Charlie-1 well has confirmed hydrocarbon pay in the Torok, Seabee and Kuparuk formations. These are detailed in the table below:

PROSPECT	FORMATION	GROSS ft	NET ft	NET to GROSS %	PAY ft	PAY to GROSS %	POROSITY (PHIT) avg %	WATER (SWT) avg %	COMMENT
UPPER LIMA	SEABEE	369	49	13	8	2	11.5	77	Not intersected optimally
LOWER LIMA	SEABEE	326	97	30	64	20	11.4	66	Not intersected optimally, best shows in both Charlie-1 and Malguk-1 with live oil observed at surface. Relatively good permeability indicated on CMR and confirmed by XPT. High resistivity in thin bedded sands.
UPPER STELLAR	TOROK	328	43	13	20	6	11.4	76	Not intersected optimally
MIDDLE STELLAR	TOROK	232	129	56	95	41	11.4	69	Flowed gas condensate into sample chambers on downhole ORA tool
LOWER STELLAR	TOROK	95	55	58	49	51	11.1	55	Clean sand indicated near base. Flowed gas condensate into sample chambers on downhole ORA tool.
KUPARUK	KUPARUK	117	61	52	44	38	13.8	70	Not mapped. Reasonable permeability indicated on CMR. Likely wet gas.

Cutoffs: PHIT>=8.5%; SWT<=80%, Vshale<=40%

Over 280' feet of net pay is interpreted over the Seabee, Torok and Kuparuk formations, which compares favourably to pre-drill expectations; however, confirmation of rock properties and saturations by lab work is required. That work is currently underway and, once completed, will result in a revised prospective resource.

Of particular interest is the pay interpreted over the Lima prospects in the Seabee formation, despite both being intersected in a sub optimal location.

As previously announced, gas condensate was successfully flowed from the Middle and Lower Stellar targets using a downhole sampling tool. The samples collected are now in the lab undergoing test work. The initial results from this test work, including gas to oil ratio, are expected in 2-3 weeks. More advanced testing on geochemical markers and hydrocarbon isotopes will take a further 4-6 weeks.

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Investigation is also underway in regard to several theories regarding remaining potential for oil in the Torok, either as part of an oil rim or potentially displaced updip by a secondary hydrocarbon charge resultant from the unique burial history across the Project Icewine acreage.

Additionally, sidewall cores are now undergoing analysis to determine hydrocarbon and water saturations across the various targets, including the HRZ shale, as well as determination of total and effective porosity and permeability. The first of these results will be known in 2-3 weeks, with final reports expected 3-4 weeks later.

Operationally, demobilisation of all equipment is now complete.

As announced in the most recent quarterly, prudent cost cutting measures have been put in place including cuts to Board and management salaries. These savings have resulted in greater than A\$750,000 in annual cost reductions across the Company.

Managing Director of 88 Energy, Dave Wall, stated: *"Despite the surprise in relation to the phase of hydrocarbons discovered in the Torok Formation at this location, the Charlie-1 well has yielded encouraging results, particularly in the Seabee. The Seabee targets are extensive and have had excellent oil shows, including live oil observed at the surface in both Charlie-1 and Malguk-1. The significance of these observations in Charlie-1 will be confirmed by lab results in the near term.*

The Torok, Seabee and HRZ all remain prospective targets at Project Icewine, albeit not without risk, and the Company continues to progress the aggregation strategy around its Yukon Gold-1 oil discovery. We look forward to providing additional news on all of these projects in the coming weeks.

We are also aware of activity in areas nearby to our projects from other Operators, which we believe has the potential to favourably impact the value of our large acreage position."

Reporting requirements under LR 5.30

The Charlie-1 well is located on the North Slope of Alaska, ADL 393380, where 88 Energy has a 30% working interest (increasing to 75%). The well penetrated sandstones in seven stacked targets and shale in one target. No flow tests were undertaken; however, gas condensate samples were retrieved to surface from the Torok formation at 10,506' and 10,656' using a downhole sampling tool (Ora) run during the wireline operation.

This announcement has been authorised by the Board.

Yours faithfully



Dave Wall
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