

29th March 2021

This announcement contains inside information

88 Energy Limited

Operations Update

88 Energy Limited ("**88 Energy**" or the "**Company**", ASX:88E, AIM:88E, OTC:EEENF) is pleased to provide the following update related to its operations in the NPR-A region of the North Slope of Alaska.

Highlights

- Interpretation of logging while drilling data ("LWD") indicates multiple potentially hydrocarbon bearing zones have been encountered in the Nanushuk Formation whilst drilling Merlin-1
- Wireline logging will commence shortly to confirm whether mobile hydrocarbons are present

Details

The Nanushuk Formation, which contains the primary targets for the Merlin-1 well, was encountered ~600' low to prognosis and is interpreted to be ~500' thicker than that encountered in the wells drilled into the Willow Oil Field ("Analogue Wells") to the north of the Project Peregrine acreage. Encouragingly, the gamma log indicates the presence of more sand packages than those in the Analogue Wells and that the sand packages in Merlin-1 are generally cleaner in nature. Reservoir quality will only be known once analysis of the wireline logging is complete.

Oil shows were recorded over multiple intervals in the Nanushuk while drilling Merlin-1, including the primary targets. Fluorescence ranged from relatively weak to moderate "dry" fluorescence with slow to moderate sometimes fast streaming cut when exposed to solvent (see Fig. 1). Mud gas peaks were also recorded and, although generally not of the same scale of the increase in total gas above background as that seen in the Analogue Wells, one of the prospective horizons in Merlin-1 did have substantially elevated total gas, similar to that in the Analogue Wells. Heavier gas components, including C5, were observed over multiple intervals. Resistivity was elevated over these intervals and is encouraging, particularly in the context that the Nanushuk is considered a low resistivity play type.

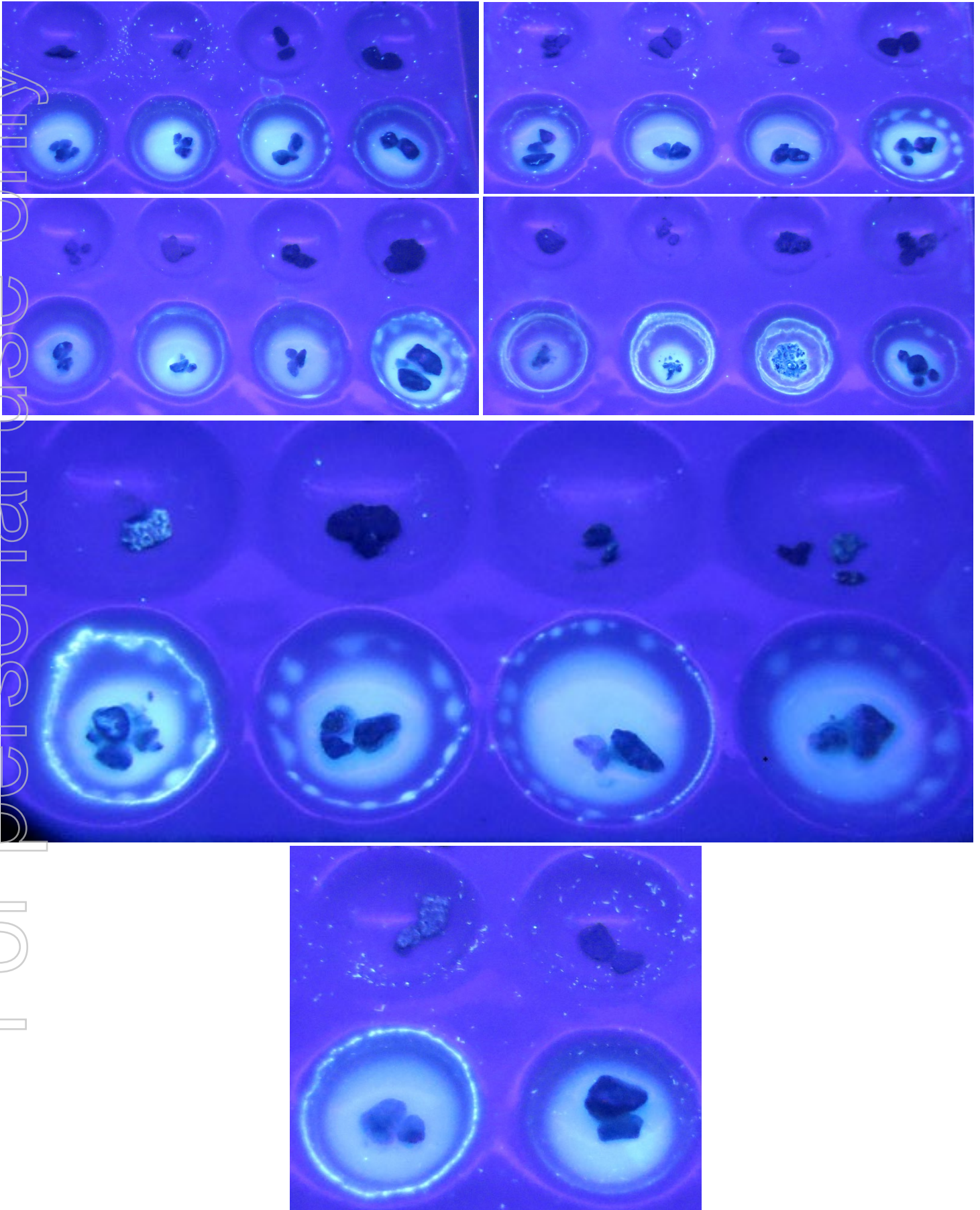
Fluorescence was also observed in the drilling mud ("pops") accompanied by a petroliferous odour over three of the target intervals. Significantly, one of these intervals is interpreted to be part of a, potentially separate, sand package that is also present in the Harrier prospect.

The results are considered encouraging and the wireline program will now be run over the next week to determine the presence of mobile hydrocarbons, post a mandatory test of the Blow Out Preventer. Until the wireline has been completed and interpreted, it will not be possible to define whether a discovery has been made.

Managing Director, Dave Wall, commented: "*Whilst there is still work to do to confirm a discovery, the results to date are encouraging and we look forward to providing an additional update on the wireline program in 7 to 10 days.*"

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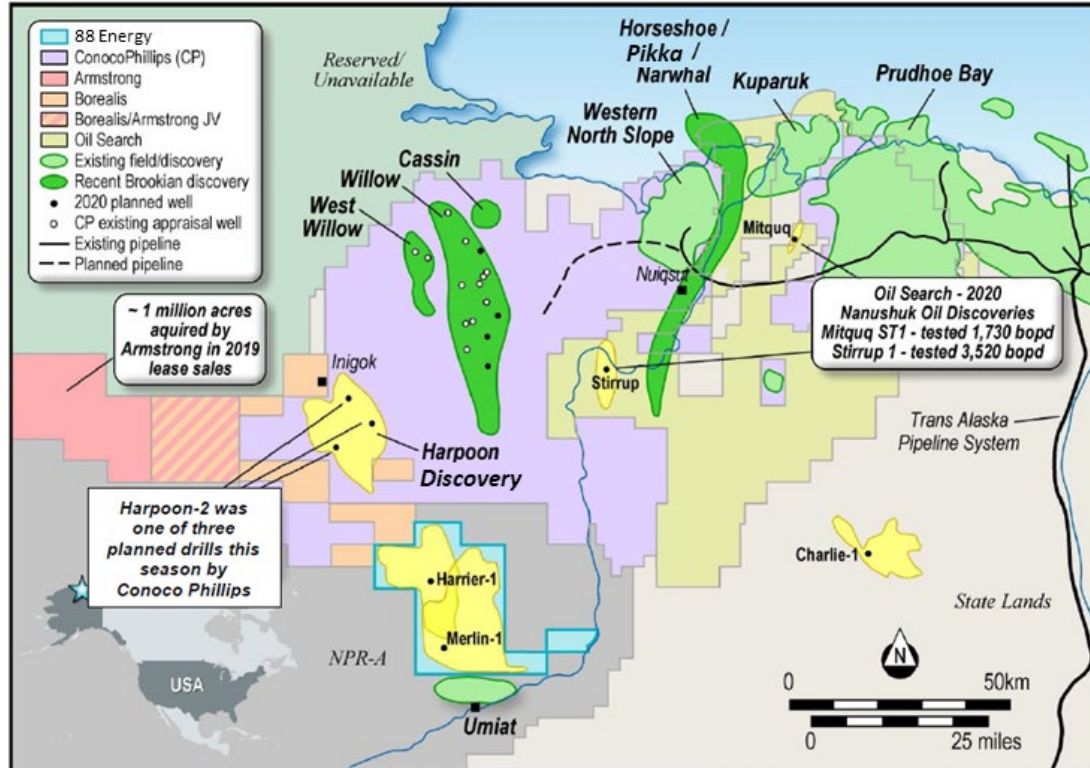
Fig. 1 Oil Shows: Fluorescence and Cut Observed over Multiple Intervals



About Project Peregrine – Imminent Drilling

Project Peregrine is located in the NPR-A region of the North Slope of Alaska and encompasses ~195,000 contiguous acres. It is situated on trend to recent discoveries in a newly successful play type in topset sands in the Nanushuk formation. 88 Energy has a 100% working interest in the project that will reduce to 50% post the completion of funding as part of a recent farm-in, whereby 88E is carried on the first US\$10m (of an estimated US\$12.6m total cost) for the Merlin-1 well.

Project Peregrine and Recent Nanushuk Discoveries



The Merlin-1 well is spud in March 2021 and is targeting 645 million barrels of gross mean prospective resource#. Wireline logging at Merlin-1 will commence shortly. A second well, Harrier-1, is planned to be drilled in 2022 and is targeting gross mean prospective resource of 417 million barrels#.

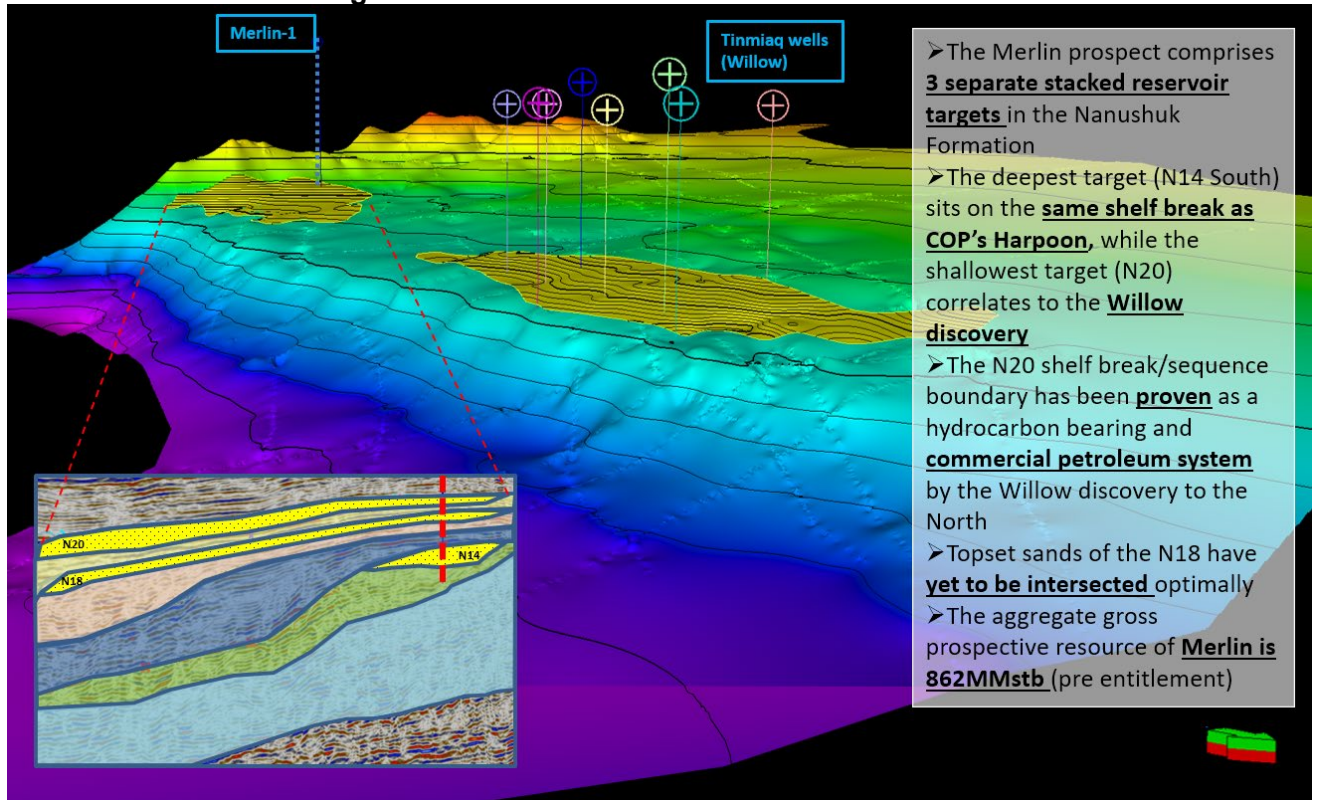
Independent Resource Assessment#

Project Peregrine: Alaska North Slope	Unrisked Net Entitlement to 88E Prospective Oil Resources (MMstb)				
	Low (1U)	Best (2U)	High (3U)	Mean	COS
Prospects (Probabilistic Calculations)					
Merlin (Nanushuk)	41	270	1,463	645	37%
Harrier (Nanushuk)	48	207	940	417	24%
Harrier Deep (Torok)	42	267	1,336	574	20%
Prospects Total				1,636	

#Please refer to release dated 23 February 2021 for full details with respect to the Prospective Resource estimate, associated risking and applicable Cautionary Statement.

Each of the Merlin and Harrier prospects is located on trend to an existing discovery, in the same play type (Nanushuk topsets). This has de-risked the prospects considerably and resulted in a relatively high independently estimated geologic chance of success.

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Merlin-1 – on trend to large Willow oil field


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.

This announcement has been authorised by the Board.

Yours faithfully



Dave Wall
Managing Director
88 Energy Ltd

Media and Investor Relations:

88 Energy Ltd
 Dave Wall, Managing Director

Finlay Thomson, Investor Relations

EurozHartleys Ltd
 Dale Bryan

Cenkos Securities
 Neil McDonald / Derrick Lee

www. 88energy.com

Tel: +61 8 9485 0990
 Email: admin@88energy.com

Tel: +44 7976 248471

Tel: + 61 8 9268 2829

Tel: + 44 131 220 6939

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