

This announcement contains inside information

88 Energy Limited

HICKORY-1 EXPLORATION WELL – RIG CONTRACT EXECUTED

Highlights

- Rig contract executed for drilling of the Hickory-1 exploration well
- Permitting and planning remain on track for scheduled spud in late-February / early-March 2023
- Hickory-1 designed to appraise six key reservoir targets and 647 million barrels of oil^{1,2}
- Icewine East renamed Project Phoenix to reflect the new focus on proven oil-bearing conventional reservoirs
- Project Phoenix unit application open for public comment, closing 31 December 2022

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (**88 Energy** or the **Company**) is pleased to announce that it has executed a rig contract with Nordic-Calista LLC (**Nordic**) for the use of their Rig-2 to drill the Hickory-1 exploration well on the Alaskan North Slope.

Hickory-1

The Hickory-1 well is designed to appraise six conventional reservoir targets within the SMD, SFS, BFF and KUP reservoirs and 647 million barrels of oil^{1,2}, with spud scheduled for late-February / early-March 2023 to a permitted total depth of 12,500 feet. The Hickory-1 well has been significantly de-risked by recent drilling and flow tests carried out on adjacent acreage by Pantheon Resources, the interpretation of the Icewine-1 well logs, the modern Franklin Bluffs 3D seismic data (**FB3D**) and AVO analysis.

An optimal drilling location has been selected adjacent to the Dalton Highway using the above data. This location intersects and will test the substantial potential oil volumes noted across all mapped play fairways, and in particular the SMD, SFS and BFF reservoirs.

Significant progress has been made on permitting and planning of Hickory-1 by our appointed project manager, Fairweather, LLC. All long lead items have been secured and tendering is nearly complete. Further details of the drilling program and schedule will be announced by the Company in the lead up to planned spud, which remains subject to relevant government and other approvals.

Project Phoenix

The Icewine East area has been renamed **Project Phoenix** to reflect the Company's refreshed exploration strategy for this acreage. Since its acquisition in 2014, the acreage targeted the unconventional HRZ play. Project Phoenix is now focused on the proven oil-bearing conventional reservoirs that were identified during the drilling and logging of Icewine-1 and 2, and more recently that were flow tested by Pantheon Resources. Project Phoenix is strategically located on the Dalton Highway with the Trans-Alaska Pipeline System running through the acreage.

¹ *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.*

² *Mean unrisksed resource - Net Entitlement to 88 Energy. Refer announcement released to ASX on 23 August 2022*

The Company has put forward a unit application covering the Project Phoenix acreage and received notice from the Alaska Department of Natural Resources (**DNR**) that the application is open for public comment until 31 December 2022. The DNR will consider any comments and issue a decision no later than 1 March 2023. The unit approval will extend the leases for Project Phoenix beyond their primary term and provides an agreed program to assess commercialisation of the acreage and a pathway to development and production.

About Nordic and Rig-2

Nordic

Nordic Calista, a wholly owned subsidiary of Calista, has been operating custom build arctic rigs since 1985. Founded in 1972, Calista Corporation (Calista) is one of the largest of the 13 regional corporations in the state of Alaska.

Rig-2

Rig-2 is a single module, self-propelled drilling rig. The unique single module design eliminates extended rig up/down providing significant efficiencies during the winter exploration season. Rig-2 incorporates a 464k lbs triple mast with a 600HP AC top-drive.



This announcement has been authorised by the Board.

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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, Dr Stephen Staley, who is a Non-Executive Director of the Company. Dr Staley has more than 35 years' experience in the petroleum industry, is a Fellow of the Geological Society of London, and a qualified Geologist/Geophysicist 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. Dr Staley has reviewed the information and supporting documentation referred to in this announcement and considers the resource and reserve 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.

About Project Phoenix

Project Phoenix (88E 75.2% WI) is located on the central North Slope of Alaska and encompasses approximately 82,846 gross acres. It is situated on-trend to recent discoveries by Pantheon Resources Plc (LSE: PANR) in multiple, newly successful play types across top, slope and bottom-set sands of the Mid Schrader Bluff, Canning and Seabee formations. Independent mapping has demonstrated that these plays extend into the Phoenix acreage.

Project Phoenix holds an estimated unrisks conventional total of 647MMbbl of prospective oil resources (mean unrisks, net to 88E), independently assessed by Lee Keeling and Associates (LKA) in Q3 2022 (see 88E ASX release dated 23 August 2022). The acreage has been significantly de-risked by the recent Pantheon drilling and flow tests on their adjacent acreage to the North, coupled with data from Icewine-1 well logs (encountered 380 ft of net oil pay within SMD sands) and a modern 3D seismic data set (FB3D).

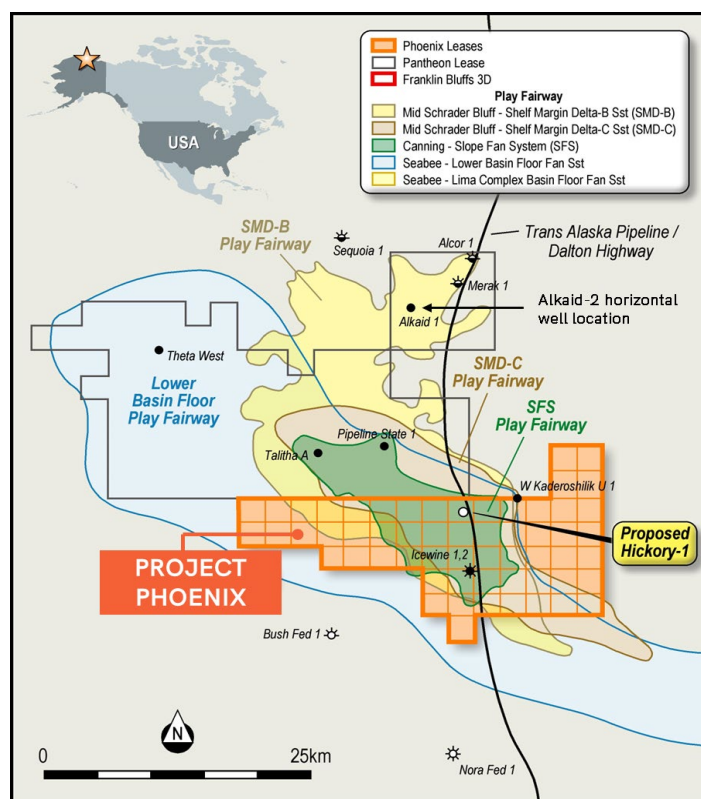


Figure 1: Project Phoenix lease area, including mapped play fairways, Franklin Bluffs 3D area and planned Hickory-1 well location (subject to permitting, as well as JV and Government approvals).

Phoenix: Alaska North Slope	Unrisks Net Entitlement to 88E ^{1,6} Prospective Oil Resources (MMstb) ^{4,5}				
Prospects (Probabilistic Method)	Low (1U)	Best (2U)	High (3U)	Mean	COS ³
Shelf Margin Delta (SMD A, B & C)	44	140	326	145	81%
Slope Fan Set (SFS)	24	84	217	89	50%
Basin Floor Fan (BFF)	75	341	930	358	50%
Kuparuk (KUP)	24	56	98	56	72%
Prospects Total	167	621	1,570	647 ²	

1. 88 Energy net resources have been calculated using a 75.227% working interest and a 16.5% royalty.
2. The unrisks means, which have been arithmetically summed, are not representative of expected total from the prospects and implies a success case in all reservoir intervals. 88 Energy cautions that the arithmetically summed 1U estimate may be a conservative estimate and the arithmetically summed 3U estimate may be optimistic when compared to a statistical aggregation of probability distributions.
3. COS represents the geological chance of success as assessed by 88 Energy and reviewed and endorsed by LKA.
4. Prospects are subject to a phase risk (oil vs gas). Chance of oil has been assessed as 100% for all targets except for the Kuparuk Formation which has been assessed as 70%. Phase risk has not been applied to the unrisks numbers.
5. The Prospective Resources have not been adjusted for the chance of development. Quantifying the chance of development (COD) requires consideration of both economic and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are outside the knowledge of LKA they must be used with caution.
6. Please refer to ASX announcement dated 23 August 2022 for further details in relation to the prospective resources estimate and associated risking with Phoenix.

Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.