This announcement contains inside information

88 Energy Limited
PLACEMENT TO RAISE A$17.5M

Highlights

- Oversubscribed Placement to raise A$17.5 million (before costs) from domestic and international institutional and sophisticated investors.
- Issue price of A$0.0095 per share (£0.0055).
- Funds to be directed towards the planned Hickory-1 well at Project Phoenix, payment for the new Project Leonis acreage, portfolio expansion opportunities / new ventures and additional working capital.

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (**88 Energy** or the **Company**) is pleased to advise that it has successfully completed a bookbuild to domestic and international institutional and sophisticated investors to raise A$17.5 million (approx. £10.1 million) before costs (the **Placement**). This is to be achieved through the issue of 1,842,105,263 fully paid ordinary shares in the Company (the **New Ordinary Shares**) at an issue price of A$0.0095 (£0.0055) per New Ordinary Share (the **Issue Price**), which represents a 20.8% discount to the closing price of A$0.012 on 1 February 2023 and a 20.2% discount to the ASX VWAP for the ten calendar days prior to 1 February 2023.

The net proceeds of the Placement, together with the Company's existing cash reserves (A$14.1 million (approx. £8.1 million) as at 31 December 2022), will strengthen the Company's balance sheet and will provide the Company with sufficient capital to fund the planned Hickory-1 well at Project Phoenix, payment for the new Project Leonis acreage, finance potential portfolio expansion / new ventures (should any be identified and pursued), and also additional working capital. Following completion of the proposed Placing, the Company will have sufficient cash to fund its ongoing working capital requirements and general and administrative overheads for at least 12 months.

The Company will now focus its attention on the Hickory-1 well, which is expected to spud in early March 2023. Hickory-1 is designed to appraise up to six conventional reservoir targets within the SMD, SFS, BFF and KUP reservoirs and 647 million barrels of oil[1,2], and is permitted up to a total depth of 12,500 feet. Hickory-1 is expected to cost approximately US$13.5 million gross (88E net approx. US$10 million), with this modest cost a result of the proximity of Project Phoenix and the Hickory-1 well to key infrastructure including the Dalton Highway.

[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 unrisked resource - Net Entitlement to 88 Energy. Refer announcement released to ASX on 23 August 2022.*

88 Energy Managing Director, Ashley Gilbert, commented:

"Completion of this placement ensures 88 Energy is fully funded for the drilling cost of the Hickory-1 exploration well and, upon success, a flow test to be carried out during the 2023/24 winter operational season in Alaska. Funds will also be directed toward the initial acreage payment and further assessment of Project Leonis. We also continue to pursue additional new ventures, targeting opportunities across the asset life cycle that are complementary to our existing portfolio and provide shareholders with exposure to further value creation potential."

Euroz Hartleys Limited acted as Sole Lead Manager and Sole Bookrunner to the Placement. Cenkos Securities Plc acted as Nominated Adviser and Sole Broker to the Placement in the United Kingdom. Inyati Capital Pty Ltd (**Inyati**) acted as Co-Manager to the Placement. Commission for the Placement was 6% (plus GST) of total funds raised across Euroz Hartleys Limited, Inyati Capital Pty Ltd and Cenkos Securities Plc. In addition, the Company will issue 75,000,000 Unlisted Options (exercisable at A$0.02 on or before the date which is 3 years from the date of issue) in total to the managers of the Placement. Grant of these Unlisted Options does not require shareholder approval as the issuance will fall within the Company's placement capacity pursuant to ASX Listing Rule 7.1.

The issue of the 1,842,105,263 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. The New Ordinary Shares will rank pari passu with the existing ordinary shares in the Company, with settlement scheduled for 13 February 2023. Application has been made for the New Ordinary Shares to be admitted to trading on AIM ("Admission"), with Admission expected to occur at 8.00 a.m. on 14 February 2023.

Following the issue of the New Ordinary Shares, the Company will have 20,107,868,225 ordinary shares on issue, all of which have voting rights. The figure of 20,107,868,225 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.

As referenced in the quote from the Managing Director above, the Company notes that it is continually assessing new venture opportunities across the asset life cycle to expand its portfolio of assets and opportunities. Such potential opportunities are not announced until such time as the Company has agreed the material commercial and legal terms with the relevant counterparty or counterparties, and customary due diligence is completed. Until the material commercial and legal terms have been agreed and due diligence completed, there can be no guarantee that such discussions, whether or not they have been disclosed, will lead to the announcement or completion of a binding agreement.

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 37 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

This announcement has been authorised by the Board.

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