

This announcement contains inside information

88 Energy Limited

Formation of Unit Approved Over Project Phoenix Acreage

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (88 Energy or the Company) is pleased to report that the Alaskan Department of Natural Resources (**DNR**), Oil and Gas Division, has approved the formation of the Toolik River Unit over the western and central Project Phoenix lease area.

On 7 December 2022, the Company announced that the Project Phoenix Joint Venture (“JV”) had put forward a Unit application covering leases within the Project Phoenix acreage area, with the application open for public comment until 31 December 2022. Following consideration of the Unit application, the DNR has now confirmed its decision to approve the formation of the Toolik River Unit covering leases in the western and central area of Project Phoenix (refer to acreage map at Figure 1). The Unit approval has extended those leases beyond their primary term, with the Unit Plan of Exploration through to February 2028.

Unitisation of the leases in the Toolik River Unit provides an efficient, integrated approach to exploration, delineation, and development of the numerous identified and potential reservoirs. Accumulate Energy Alaska Inc, a wholly owned subsidiary of 88 Energy, submitted an Initial Plan of Exploration on behalf of the JV, for the Toolik River Unit that includes a program of drilling and non-drilling activities as follows:

- The non-drilling activities will focus on the Unit Operator conducting a further review and analysis of the Franklin Bluffs 3D data, including completion of amplitude-variation-with-offset analysis (AVO analysis) and simultaneous seismic inversion (SSI or Inversion), to assist in defining further ‘sweet spots’ for each play and determine optimal drilling locations for future exploration and appraisal wells, as well as to further mature the conventional prospectivity of the Unit acreage.
- Drilling activities in the Unit consist of drilling the Hickory-1 vertical exploration well during the 2022/2023 winter drilling season and performing a flow test, subject to well results, during the 2023/2024 season.
- Subject to success of the Hickory-1 exploration well, the JV will consider mobilising a rig to the Franklin Bluffs pad and re-entering the Icewine-1 well, with a view to potentially conducting a short-term production test or drilling and flow testing a new delineation appraisal well in a subsequent season.
- Subject to obtaining positive results from the flow tests and exploration program, plans also include drilling a horizontal production test well with an extended flow test program.
- Subject to successful flow test of Hickory-1 exploration well, non-drilling activities may also include the acquisition, processing and interpretation of new 2D seismic over the eastern portion of the Project Phoenix acreage.

The eastern leases in the Project Phoenix acreage area were not included in the approved Toolik River Unit area due to limited data to support inclusion. The DNR therefore approved the application in part (western and central lease areas are supported by an extensive data suite) and will consider inclusion of the eastern leases in the Toolik River Unit area following completion of further work, including potential acquisition of 2D seismic data over the eastern area.

Importantly, the approval of the Toolik River Unit and plan of exploration will enable the JV to assess the potential commercialisation of the acreage and a pathway to development and production.

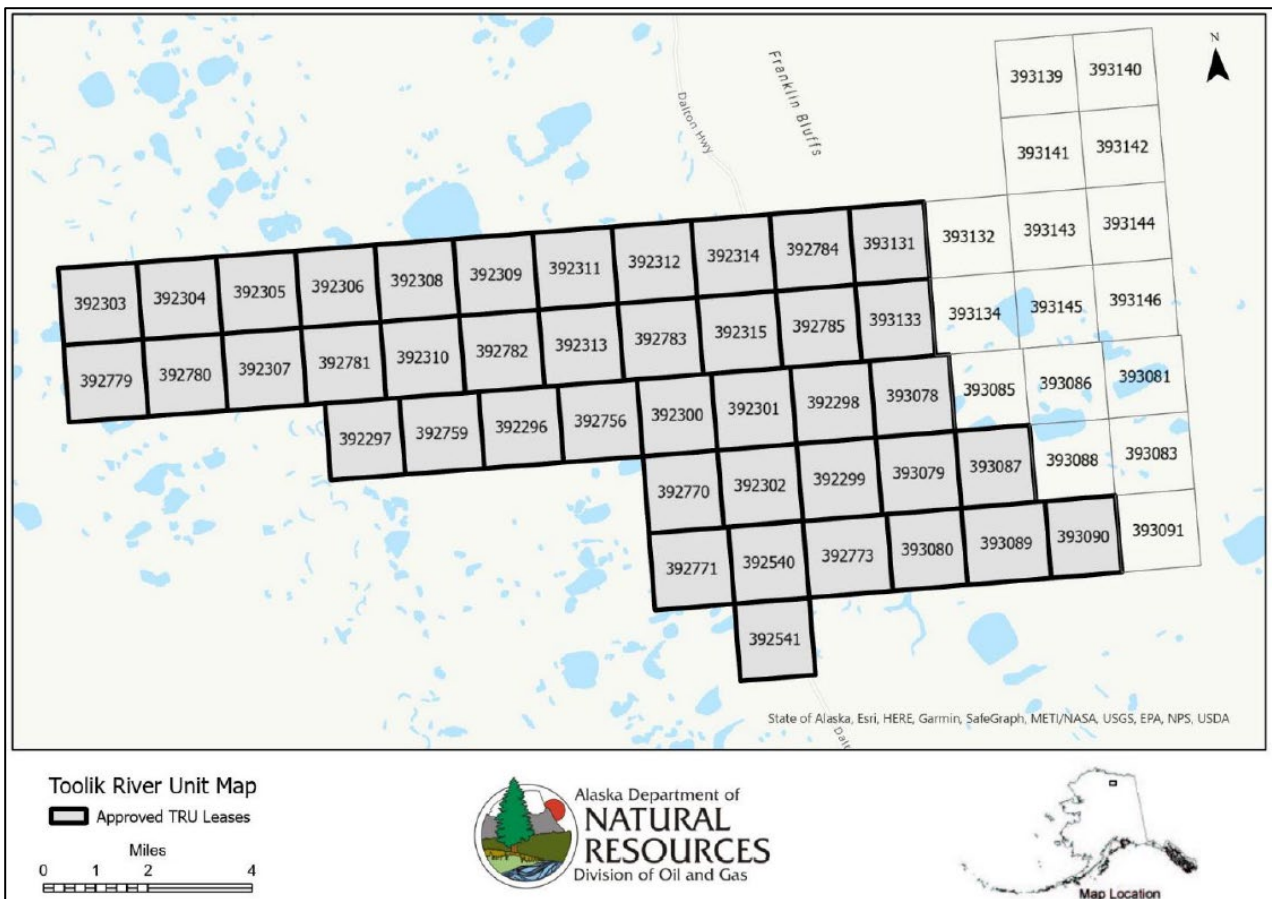


Figure 1: Toolik River Unit approved area over the Project Phoenix leases

88 Energy Managing Director, Ashley Gilbert, commented:

“We are pleased that the DNR has approved the Toolik River Unit covering the western and central leases of the Project Phoenix acreage and our plan of exploration. This is a further demonstration of the strong support that 88 Energy, and the broader industry, enjoys from the State of Alaska.”

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).

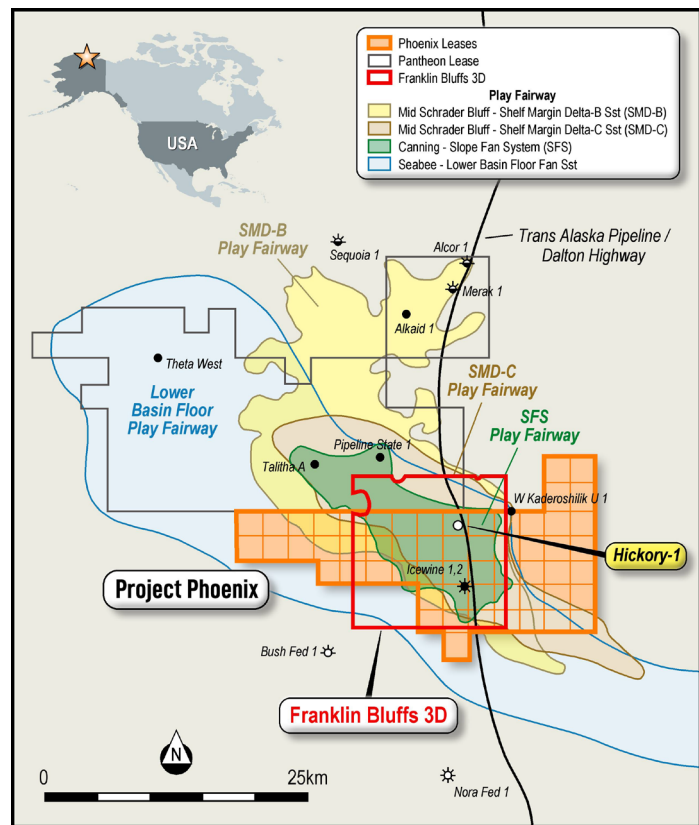


Figure 1: Project Phoenix lease area, including mapped play fairways, Franklin Bluffs 3D area and planned Hickory-1 well location (subject to permitting, as well as JV and Government approvals).

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 System (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 movable hydrocarbons.