

*This announcement contains inside information*

## 88 Energy Limited

### AGM Voting Status and Letter to Shareholders

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (**88 Energy** or the **Company**) advises of the current status of proxy voting for its upcoming Annual General Meeting (**AGM**) to be held on Thursday 11 May 2023.

**As at 2 May 2023, the current tally of proxy votes received is only 795 million shares, which represents less than 4% of the 88 Energy share register.**

On the current proxy tally, Resolution 1 (Approval of Remuneration Report) and Resolution 2 (Re-election of Ms Joanne Kendrick as a Non-Executive Director) would both fail and Resolution 6 (Conditional Spill Motion) would succeed. The consequences if Resolution 1 fails and Resolution 6 succeeds is that the Company will be required to call a Spill Meeting within 90 days with all Non-Executive Directors vacating their positions on the 88 Energy Board and, if they choose to stand again, will be considered for re-election at that Spill Meeting. The position of the Managing Director will not be directly impacted by any Spill Meeting.

The existing 88 Energy Board comprises four members, with three having only been appointed since Q2 2021 (including the Managing Director). Over the past two years, the new Board has moved to reset the business and embark upon a markedly different strategy to that under the previous 88 Energy team. This has delivered significant positive change in the underlying fundamentals of 88 Energy including the capital allocation framework. For further information please refer to the attached Letter to Shareholders.

The conduct of a Spill Meeting, particularly if it results in a significant change to the Board, has the potential to be highly disruptive and impact on 88 Energy's ability to execute its targeted medium-term work programs, including the flow testing of Hickory-1. There is no guarantee that planned and communicated work programs would be executed under a newly comprised Board. Existing networks and relationships with key stakeholders are also likely to be diminished as a result.

**The Board believes that 88 Energy is poised for significant potential success over the next 12 months. To not exercise your right to vote as a shareholder leaves the direction of the Company in the hands of a relatively small group of shareholders, which may not be representative of the underlying majority view of all shareholders.**

**The Board urges all shareholders to exercise their rights as a shareholder and vote on the resolutions of the AGM. It is the strong recommendation of the Board that shareholders vote FOR Resolutions 1 to 5, and AGAINST Resolution 6.**

Shareholders can access all relevant information and vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using the 6-digit control number 182503 and provide your SRN/HIN and postcode or country of residence to log in.

If you require further assistance, please contact Computershare by calling +61 (03) 9415 4000 or 1300 850 505 (within Australia).

## Letter to Shareholders from the Non-Executive Chairman and Managing Director

Dear Shareholders,

Approximately two years ago the 88 Energy business commenced a significant reset, which included a significant overhaul of the Board and senior management team. This renewal saw the appointment of the two of us, Philip Byrne and Ashley Gilbert, to the roles of Non-Executive Chairman (August 2021) and Managing Director/CEO (May 2021), respectively.

Joanne Kendrick was also appointed as a Non-Executive Director in August 2021. Joanne is a petroleum engineer with over 25 years' experience in the global oil and gas sector and a successful track record of growing ASX companies to multiples of their previous value at the executive level. We also strengthened our technical teams including with the appointment of Robert Benkovic as Chief Operating Officer (COO), who also brings over 25 years' experience as a petroleum engineer.

This reset of the business has seen new thinking and a fresh approach. This has resulted in diversification of the Company's portfolio, including the acquisition of production assets, as well as a sharper focus on basing investment decisions on the strongest possible technical data analysis coupled with long-term commercial achievability as a function of proximity to infrastructure and services.

Under the stewardship of the refreshed team the key achievements over the past 24 months include:

- **Balance sheet clean-up** that saw the sale of Alaskan tax credits facilitating the repayment of all debt (US\$16.0 million) in June 2021.
- **Acquisition of the Company's first ever production asset** which generated A\$4.3 million in net cash flow during 2022.
- **Drilling of the Hickory-1 exploration well at Project Phoenix** in 2023. This is singularly the Company's most successful exploration well ever, including over 400 feet in net pay. Up to four zones are planned to be flow tested during the upcoming Alaskan winter season (Q4 2023) and is a clear example of enhanced outcomes from our more technically-driven strategy.
- **Reduction in drilling execution costs**, with Hickory-1 being our lowest cost exploration well ever despite broader inflationary and supply pressures.
- **Unitisation of the Project Phoenix acreage**, extending the life of the leases by 10 years and enabling the Company to continue to assess its commercial potential and monetise.
- **Fostered stronger relationships with key stakeholders** including the Alaskan government and regulatory bodies, as well as our Alaskan O&G peers.
- **Diversified the Alaskan exploration portfolio** with the securing of the highly prospective Project Leonis acreage with interpreted missed pay that is currently under assessment.
- **Reduction in non-operational overheads** from A\$7.2 million in 2021 to A\$5.9 million in 2022 (net of impairments and foreign exchange).
- **Invested in greater technical personnel and expertise**, at a relatively modest increase in salary costs from US\$1.8m in 2020 to US\$2.3m in 2022.
- **Evolution with industry standards including implementation of dedicated ESG programs**, with carbon offsets, gender diversity, implementation of stronger and externally advised remuneration practices, and tightening of internal policies and governance procedures.

The table below summarises the current position of the business relative to that which existed around Q2 2021 when renewal to the current Board composition commenced.

Focus area	Q2 2021	Delivered by current Board
Balance sheet	US\$16.0m in debt	No debt
Production - cash inflows	Nil	A\$4.3m in 2022
Targeted, impactful & cost-effective exploration	Merlin-1: US\$30m+ gross	Hickory-1: US\$13.5m
Reduction in non-operational overheads	A\$7.2m in 2021	A\$5.9m in 2022
Focus on technical data delivering results	Merlin-1 net pay of 41 ft	Hickory-1 net pay of over 400 ft
Planned flow tests	None	Up to 4 zones
Active project areas	3	6
ESG programs and policies	None	Implemented
Tax credit value realisation	Idle	Sold for US\$18.7m
Alaskan 3D seismic database	~ 650 sq km	~ 1,585 sq km
Improved technical decision making	Merlin-1 drilled on 2D	Hickory-1 drilled on 3D
Technical experience of Board	1 Board member	3 Board members

We are the first to acknowledge that, even with these achievements, it has not all been plain sailing. The historical Project Peregrine drilling programs did not deliver the outcomes hoped and we appreciate many shareholders were disappointed, as we were.

However, we believe that the advancement and execution of the Hickory-1 well over the last nine months best represents 88 Energy's strategic approach under the current team. We are very excited about flow testing this well planned for Q4 CY2023 with multiple primary and secondary target zones showing excellent potential.

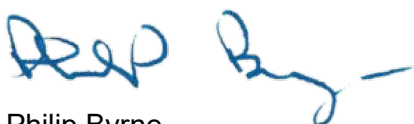
Finally, we want to again address the question of why we did not seek to flow test Hickory-1 during the recently concluded Alaskan field season. This decision was made, and communicated to shareholders, during the planning phase of Hickory-1. It was made in order to allow our technical team and advisors sufficient time to analyse the well data as well as comprehensively design and optimise the flow test program (both in terms of program cost and objectives). Lessons learnt from other operators on the North Slope suggest this decision, and underlying approach, is absolutely the best one.

Our call to action prior to the upcoming AGM is to encourage you to exercise your rights as a shareholder and vote on the resolutions of the meeting. Shareholders can access all relevant information and vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using the 6-digit control number 182503 and provide your SRN/HIN and postcode or country of residence to log in.

If you require further assistance, please contact Computershare by calling +61 (03) 9415 4000 or 1300 850 505 (within Australia).

**The recommendation of the 88 Energy Board is to vote FOR Resolutions 1 to 5, and AGAINST Resolution 6.**

We greatly appreciate your ongoing support and look forward to the journey ahead.



Philip Byrne  
**Non-Executive Chairman**  
 88 Energy Limited



Ashley Gilbert  
**Managing Director and CEO**  
 88 Energy Limited

**This announcement has been authorised by the Board.**

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