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88 Energy Limited

NAMIBIAN OIL AND GAS FARM-IN AGREEMENT

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (**88 Energy** or the **Company**) is pleased to announce the execution of a three stage farm-in agreement (**Farm-In Agreement**) with a wholly-owned subsidiary of Monitor Exploration Limited (**Monitor**) to earn up to a 45% non-operated working interest in onshore Petroleum Exploration Licence 93 (**PEL 93**), located in the Owambo Basin, Republic of Namibia (**Namibia**).

Farm-In Agreement Highlights

- Farm-In Agreement provides a staged entry into PEL 93, a vast 18,500km² onshore acreage position comprising blocks 1717 and 1817 in the Owambo Basin, Namibia (the **Licence**).
- Namibia represents one of the last frontier oil and gas jurisdictions capable of delivering multi-billion barrel discoveries, as evidenced by the recent Venus-1X offshore light oil discovery.
- Exposure to a first-class operating jurisdiction, with a highly competitive petroleum regime.
- Farm-In Agreement provides an opportunity to earn a significant working interest with future potential to transition to project operator.
- Farm-in to PEL 93 and forward work-program complementary to 88E's existing Alaskan exploration and appraisal activities.
- Partner and operator, Monitor, has deep technical experience with extensive in-country and regional knowledge.
- The Licence includes an extensive lead portfolio, with ten significant independent structural closures identified from a range of geophysical and geochemical techniques. Considerable potential for more leads to be identified as dataset is expanded.
- Pathway to potential commercialisation with logical staged work-program.
- Forward program to include acquisition of ~200 line-kilometres of low-impact 2D seismic planned for mid-2024 and potential initial exploration well targeting the Damara play as early as H2 CY2025.
- Farm-in Agreement remains subject to Namibian government and other regulatory approvals, which are expected to be received by Q1 2024.

88 Energy Managing Director, Ashley Gilbert, commented:

"The execution of this farm-in agreement with Monitor provides 88 Energy and its shareholders with a fantastic opportunity to earn a significant working interest in a very large scale, highly prospective, under-explored acreage position on attractive and logically staged commercial terms.

We are very pleased to be partnering with Monitor who will provide a wealth of technical expertise and strong in-country and regional exploration experience. Monitor has completed a systematic historical work-program that has identified significant large-scale, untested prospects.

While 88 Energy is continuing its focus on its existing Alaskan North Slope assets, PEL 93 provides a logical expansion of 88 Energy's existing portfolio, with similar scale and potential that our shareholders are accustomed to. The Licence includes an extensive lead portfolio which will provide an increased level of activity and value catalysts throughout the year.

We look forward to providing further detail on the project including an upcoming activity schedule aimed at delivering an initial program of approximately 200 line-kilometres of low-impact 2D seismic. This will minimise the environmental impact and be used to better define potential drilling prospects for as early as the second half of 2025."

Farm-In Agreement detail

The Farm-In Agreement is between Eighty Eight Energy (Namibia) (Pty) Ltd (**88EN**), a newly formed, wholly owned subsidiary of 88 Energy and private Namibian company, Monitor Oil and Gas Exploration (Namibia) Pty Ltd (**MELN**), a wholly owned subsidiary of Monitor. MELN currently holds a 75% working interest in the Licence and acts as Operator of the exploration and development of PEL 93. Private Namibian company, Legend Oil Namibia (Pty) Ltd (**Legend**) holds a 15% working interest and and Namibian government entity National Petroleum Corporation of Namibia (Pty) Ltd (**NAMCOR**) holds a 10% working interest in the Licence.

Under the terms of the Farm-In Agreement 88 Energy, together with the current working interest owners, will become party to a new Joint Operating Agreement (**JoA**) in relation to the Licence and may earn up to a **45% working interest in PEL 93** by funding its share of agreed costs under the 2023-2024 approved work program and budget as defined in the Farm-In Agreement (**2024 Work Program**), and any future work program budgets yet to be agreed. The maximum total investment costs are anticipated to be **US\$18.7 million**.

Three stage Farm-In Agreement **schedule**:

- **Stage 1:** 88 Energy to pay Monitor US\$3.7 million over four instalments, in consideration for past costs of US\$0.7 million as well as a carry of up to the first US\$3 million¹ of the 2024 work program which includes a ~250 line-kilometer 2D seismic acquisition program on behalf of the Joint Venture, for a **total of 20% working interest** in PEL 93:
 - 1st instalment: US\$0.28 million in cash on signing for partial payment of back costs;
 - 2nd instalment: US\$1.25 million to be paid in 88 Energy shares on signing for part payment of the 2D seismic carry⁴;
 - 3rd instalment: US\$1.25 million to be paid in 88 Energy shares upon approval of the Licence working interest transfer by the Namibian government expected within 30-60 days, as a further payment in relation to the 2D seismic program carry; and
 - 4th Instalment: US\$0.9 million in cash to be paid on or before 1 June 2024 for remaining payment of back costs and 2024 work-program carry.
- **Stage 2:** 88 Energy to pay to MELN up to the first US\$7.5 million of the first well gross cost, estimated at US\$12 million, to receive a **further 17.5% working interest**, for a total of 37.5%² working interest.
- **Stage 3:** 88 Energy has the option to fund the first US\$7.5 million of the second well gross cost, estimated at US\$12 million³, to receive a further 7.5% working interest taking 88 Energy's aggregate **working interest to 45%**.
- Following the commencement of commercial production, Monitor will also be entitled to a Gross Royalty of 2% of the revenues.

1. Any agreed Joint Venture costs exceeding US\$3M to be shared between MELN and 88E, pro rata to their total Licence interests, being 55% and 20%, respectively.

2. Conditional on 88E's positive assessment of the work programme. Any agreed JV costs exceeding US\$7.5M from commencement of drill planning activities to be shared equally between MELN and 88E.

3. Combined MELN and 88E estimated cost of US\$10M. Any MELN and 88E JV costs exceeding US\$7.5M from commencement of drilling planning activities to be shared pro-rata to their licence interests, being 30% and 45% respectively, to receive a final 7.5% of the JV for a total of 45% of the JV, providing MELN has decided not to exercise its right to fund its then 37.5% equity share of the cost.

4. To be returned in cash or as an equivalent interest in MELN in proportion to the participating interest that would have been transferred to 88EN, net of costs, if Government approval is not received.

Any 88 Energy shares to be issued under the Farm-In Agreement will be issued under the Company's placement capacity pursuant to ASX Listing Rule 7.1.

Background to the Licence area

PEL 93 covers a vast 18,500 km² acreage position in the north of Namibia, comprising blocks 1717 and 1817 within the Owambo Basin. The region has been identified as one of the last remaining under-explored onshore frontier basins and one of the World's most prospective new exploration zones.

Recent drilling results on nearby acreage has highlighted the potential of a new and underexplored conventional oil and gas play in the Damara Fold belt, referred to as the Damara Play.

Historical assessment utilised a combination of techniques and interpretation of legacy data to identify the Owambo Basin, and specifically blocks 1717 and 1817, as having significant exploration potential.

88 Energy has been impressed with the systematic exploration approach undertaken by Monitor since award of PEL 93 in 2018 and is extremely encouraged by the correlation and validation of results to date, which has highlighted the enormous potential of the acreage.

PEL 93 has entered the first renewal period which requires a firm commitment to complete a (i) 200+ line-kilometre 2D seismic program (minimum spend of US\$2 million) and (ii) to drill a contingent exploration well within a two-year period commencing October 2023.

The current and potential future PEL 93 Joint Venture partners and working interests are as follows:

Entity	Pre Farm-in	Stage 1 (Past costs & 2D)	Stage 2 (1 st Well)	Stage 3 (2 nd Well)
Monitor*	75.0%	55.0%	37.5%	30.0%
Legend	15.0%	15.0%	15.0%	15.0%
NAMCOR	10.0%	10.0%	10.0%	10.0%
88 Energy	-	20.0%	37.5%	45.0%

*Operator

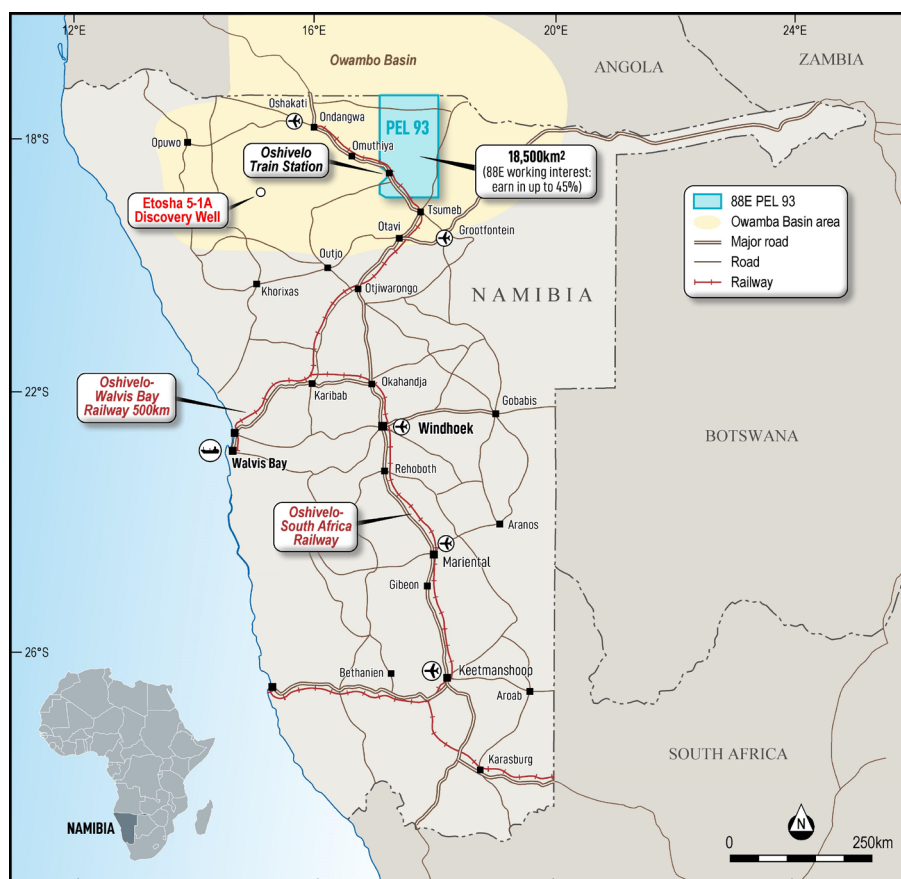


Figure 1: PEL 93 location in the Owambo Basin, Northern Republic of Namibia.

About Monitor

Monitor is a private UK exploration company, established in 2018, for onshore oil and gas exploration with a focus on Namibia. Monitor was formed by Geodynamics Worldwide (**Geodynamics**), a specialist oil service company, and has leveraged this proprietary relationship to select and survey the most promising acreages positions. The management and technical team at Monitor have considerable business experience in the sector on the African continent, including Namibia, and will be an invaluable partner to 88 Energy in the advancement of PEL 93.

Monitor was established to take advantage of:

- Direct access to geophysical technologies, managed and operated by Geodynamics and its partners, that reduce the risk, time, and cost of identifying hydrocarbons directly.
- Sedimentary basins in Africa that are relatively under-explored but prospective geologically and locations where local experience exists in terms of geological and geophysical data.
- Countries that are prepared to offer attractive terms, are non-restrictive or onerous on work programs, and allow the option, as opposed to the obligation, to progress on a phased approach.
- Scope to obtain substantial initial interests in licences, whilst partnering with local companies to promote national content.

Forward work plan

Monitor has utilised a range of geophysical and geochemical techniques to assess and validate the significant potential of the acreage since award of PEL 93 in 2018. It has identified 10 independent structural closures from airborne geophysical methods and partly verified these using existing 2D seismic coverage.

Further, ethane concentration measured in soil samples over interpreted structural leads validates the existence of an active petroleum system, with passive seismic anomalies also aligning closely to both interpreted structural leads and measured alkane molecules (c1-c5) concentrations in soil.

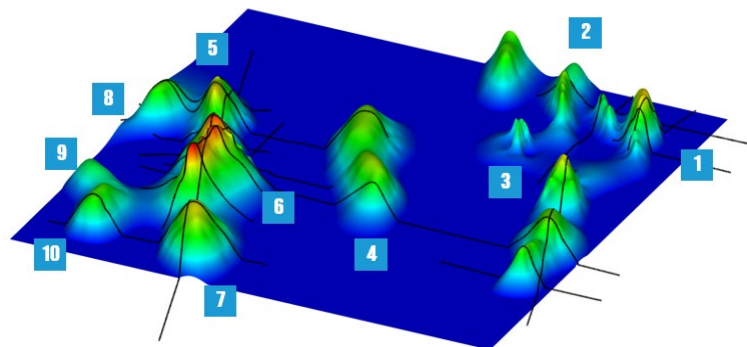
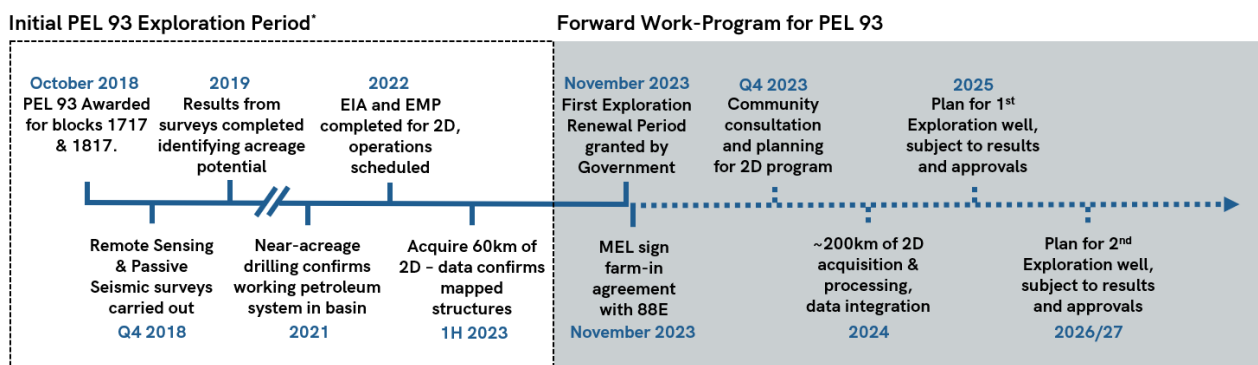


Figure 2: Lead inventory showing proposed 2D seismic program. (structural leads derived from airborne gravity)

The forward work-program will start with a low impact ~200 line-kilometre 2D seismic program focusing on confirming the structural closures of the 10 independent leads identified. The 2D seismic program will be conducted in mid-2024 following a period of planning, public consultation, updating of environmental compliance requirements and relevant approvals. Results from the 2D seismic program will then be incorporated into existing historical exploration data over the acreage, with results used to identify possible exploration drilling locations.

An indicative forward work-program is shown below;



*Initial Exploration Period extended by 2 months in Q2 2022, until Oct 2023

The forward work-program is subject to exploration results and relevant Government and Joint Venture approvals.

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 40 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.