

88 Energy Limited

Completion of Rights Issue Shortfall Placement

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (**88 Energy** or the **Company**) is pleased to announce the completion of its Shortfall Offer Placement from the non-renounceable rights issue (**Rights Issue**), at an issue price of A\$0.006/£0.0031 per Share.

The Rights Issue closed at 5:00pm AWST on 22 August 2023 with results from the processing of valid applications announced on 29 August 2023, with the Company issuing 553,070,348 New Shares to eligible shareholders under the Rights Issue.

As a result of the strong inbound demand received from other investors during the Rights Issue and subsequent Shortfall Offer process, the Company has received firm commitments to place in full all of the New Shares not taken up under the Rights Issue via the Shortfall Offer representing 1,457,716,470 New Shares to be issued (**Shortfall Offer Placement**), of which 675,000,000 ordinary shares will be issued under the Company's placement capacity pursuant to ASX Listing Rules 7.1 and 782,716,470 ordinary shares under Listing Rules 7.1A. Shares issued under the Shortfall Offer Placement include the Capital Development Shares referred to below.

The proceeds of the Rights Issue and Shortfall Offer Placement of A\$8.0 million / approx. £4.1 million (before costs), which together with the Company's existing cash reserves (A\$7.3 million (approx. £3.8 million) as at 30 June 2023), will strengthen the Company's balance sheet and provide the Company with further capital to fund 88 Energy's share of the Hickory-1 well flow test at Project Phoenix, permitting and planning for a potential new well at Project Leonis. The issue of A\$4 million worth of Capital Development Shares is expected to save the Company at least an equivalent amount in cash costs on development wells for Project Longhorn production growth, so that the value of the benefit to the Company from the Rights Issue and Shortfall Placement totals A\$12.0 million / approx. £6.4 million (before costs).

The Company has agreed to part fund its share of the first two new wells at the recently acquired Bighorn Phase 2 acreage anticipated to cost US\$3.0 million (net) in development capital, through the issuance of A\$4.0 million worth of 88 Energy shares as part of the Shortfall Offer Placement (approximately 667 million shares at a deemed issue price equal to the offer price of A\$0.006 per share under the Rights Issue and the Shortfall Offer Placement) to Lonestar I, LLC (**Lonestar**) (**Capital Development Shares**).

The Capital Development Shares will be held in escrow and subject to certain restrictions and will only be released from escrow following approval by 88 Energy. Lonestar has the option to dispose of Capital Development Shares, subject to certain restrictions under the agreement. Any proceeds from the disposal of the Capital Development Shares received by Lonestar are to be held on trust for 88 Energy until the associated invoices are received and approved by 88 Energy for the capital development program. A reconciliation process and payment of any outstanding amounts due (in cash) will occur prior to year-end 2023.

Total New Shares to be issued under the Shortfall Offer Placement represent approximately 7% of all Shares of the Company publicly on offer. The New Shares issued under the Rights Issue on 29 August 2023 are expected to start trading on ASX on a normal settlement basis today, 31 August 2023. Settlement of the Shortfall Offer Placement on ASX is scheduled for 7 September 2023, with normal trading on ASX commencing on 8 September 2023. Application will be made for admission of the Shortfall Offer Placement Shares to trading on AIM (“Admission”), with Admission and settlement expected to occur on 8 September 2023. All of the New Shares will rank equally with existing 88 Energy shares on issue.

Euroz Hartleys Limited acted as lead Manager and bookrunner to the Shortfall Offer Placement. Cenkos Securities Plc acted as nominated adviser and broker to the Shortfall Offer Placement in the United Kingdom. Inyati Capital Pty Ltd acted as co-manager to the Shortfall Offer Placement. Commission for the Shortfall Offer Placement was 6% (plus GST) of total funds raised across Euroz Hartleys Limited, Inyati Capital Pty Ltd and Cenkos Securities Plc. This fee does not apply to the Capital Development Shares.

Following the issue of the New Shares under the Rights offering and Shortfall Placement, the Company will have 22,118,655,043 ordinary shares on issue, all of which have voting rights. The figure of 22,118,655,043 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.

Indicative Timetable

INDICATIVE TIMETABLE	
Announcement of Results of Shortfall Placement	On or before Thursday, 31 August 2023
DvP Settlement for Shortfall Placement on ASX	Thursday, 7 September 2023
Allotment and Normal Trading of Shortfall Placement New Shares and DVD Settlement on AIM	Friday, 8 September 2023
<i>Note: Dates and times are indicative only and may change without notice.</i>	

This announcement has been authorised by the Board.

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