

24 April 2024

This announcement contains inside information

88 Energy Limited

SUCCESSFUL PLACEMENT TO RAISE A\$9.9M

Highlights

- Completion of oversubscribed share placement to raise A\$9.9 million (before costs) to domestic and international institutional and sophisticated investors at an issue price of A\$0.003 per share (£0.0016 per share).
- Placement proceeds will be directed towards costs associated with the recent successful flow test at the Hickory-1 discovery well located at Project Phoenix, as well as post-flow test studies, securing of further Contingent Resource estimates and other costs associated with commercialising Project Pheonix.
- Funds from the placement will also be directed towards exploration activities across the Company's acreage in Namibia and Alaska.

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\$9.9 million (approx. £5.23 million) before costs (the **Placement**). The Placement will involve the issue of 3,291,974,839 new fully paid ordinary shares in the Company (the **New Ordinary Shares**) at an issue price of A\$0.003 (£0.0016) per New Ordinary Share (the **Issue Price**).

Based on the forecast activity schedule the Company is now funded for at least the next 12 months, with net proceeds of the Placement, together with the Company's existing cash reserves (A\$17.5 million as at 31 March 2024, unaudited), directed towards:

- **Project Phoenix, Alaska:** Following the successful flow testing at the Hickory-1 discovery well, 88 Energy will be focused on:
 - Completing post-well testing and analysis at Hickory-1;
 - Securing a contingent resource for the SFS and SMD reservoirs;
 - Commencing a formal farm-out process to attract a high-quality new partner to fund the next stage of appraisal and development; and
 - Advance planning and design of an early stage production system.
- **PEL 93, Namibia:** Completion of 2D Seismic program, generation of a maiden prospective resource report and other studies associated with the Owambo Basin.
- **Project Leonis, Alaska:** Securing a farm-out partner to fund a future exploration well to test the proven producing Upper Schrader Bluff (**USB**) reservoir and continue further studies and analysis.

Funds will also be applied towards Alaskan lease rental costs, working capital and assessment of further new venture opportunities.

88 Energy Managing Director and CEO, Ashley Gilbert, commented:

“We are now funded to proceed with the development and monetisation plans for Project Phoenix. The next steps include post-well flow test studies, securing additional contingent resources at SMD and SFS to complement the BFF contingent resource, and exploring a farm-out of Project Phoenix to engage a strategic partner for the next phase of development and commercialisation. The successful Hickory-1 flow test creates multiple paths for 88 Energy and its Joint Venture partner to commercialise and realise value from Project Phoenix.

At the same time, we are also enthusiastic about our initial exploration activities on the Namibian farm-in acreage at PEL 93. The Owambo Basin offers substantial hydrocarbon exploration potential across a highly prospective and underexplored region.”

Q1 CY24 Activity Recap – A Period of Exploration Success

- ✓ Successful Hickory-1 discovery well flow test and stimulation program (**Flow Test**) completed during March and April 2024.
- ✓ Upper Slope Fan System (**USFS**) produced at a peak flow rate of over 70 barrels of oil per day (bopd) of light oil, with multiple oil shows measuring ~40-degree API oil gravity.
- ✓ Shelf Margin Deltaic (**SMD**) produced at a peak flow rate of ~50 barrels of oil per day (bopd) of light oil, with multiple oil shows measuring ~39-degree API oil gravity.
- ✓ Quality and deliverability of both SMD-B and USFS demonstrated via oil production to surface with the USFS reservoir producing under natural flow, unlike the SMD reservoir tests that produced under nitrogen lift.

Placement details

The issue of the 3,291,974,839 New Ordinary Shares fall within the Company's placement capacity pursuant to ASX Listing Rules 7.1 and is not subject to shareholder approval.

The New Ordinary Shares will rank pari passu with the existing ordinary shares in the Company, with settlement on ASX scheduled for 30 April 2024. Application has been made for the New Ordinary Shares to be admitted to trading on AIM (**Admission**), with Admission expected to occur at 8.00am (UK time) on 1 May 2024.

The Issue Price represents a 40% discount to the closing price of A\$0.005 on 22 April 2024 and a 33.7% discount to the ASX VWAP for the five trading days prior to 23 April 2024.

Euroz Hartleys Limited acted as Sole Lead Manager and Bookrunner to the Placement. Cavendish Capital Markets Ltd acted as Nominated Adviser and Sole Broker to the Placement in the United Kingdom. Inyati Capital Pty Ltd 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 Cavendish Capital Market Ltd. In addition, subject to shareholder approval, the Company will issue 75,000,000 Unlisted Options (exercisable at A\$0.0055 on or before the date which is 3 years from the date of issue) in total to the managers of the Placement.

Namibia PEL 93 Farm-in – Final Tranche 1 Payment

Monitor Exploration Limited (**MEL**) has agreed to receive 88 Energy shares as settlement for the fourth and final Stage 1 instalment of the farm-in agreement, as announced to the ASX on 13th November 2023. This instalment covers the remaining back costs and the 2024 work program carry of US\$0.92 million. The issuance and payment of 476,634,546 new ordinary 88 Energy Shares (at a deemed issue price of A\$0.003 per share) set to take place on 1 May 2024 following the transfer of the 20% working interest in PEL 93 from MEL to 88 Energy.

Capital Structure

The New Ordinary Shares will be issued under the Company's available placement capacity pursuant to Listing Rule 7.1 and is not subject to shareholder approval. The Ordinary Shares will rank pari passu with the existing ordinary shares in the Company with settlement to the ASX on 30 April 2024. Application has been made for the New Ordinary Shares to be admitted to trading on AIM, with Admission expected to occur on or around 1 May 2024.

Following the issue of the New Ordinary Shares pursuant to the Placement and the final stage 1 shares issued to MEL, the Company will have 28,892,671,952 ordinary shares on issue, all of which have voting rights. The figure of 28,892,671,952 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.

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.

This announcement has been authorised by the Board.

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