

21<sup>st</sup> January 2021

*This announcement contains inside information*

## **88 Energy Limited**

### **Operations Update**

88 Energy Limited ("**88 Energy**" or the "**Company**", ASX:88E, AIM 88E) is pleased to provide the following update related to its operations on the North Slope of Alaska.

#### **Highlights**

- Mobilisation of snow road construction equipment to the Merlin-1 drill site has commenced
- Spud of Merlin-1 remains on schedule for mid-late February 2021
  - Targeting independently assessed gross mean prospective resource of 645 million barrels\*
- Lease AA095899 in the recent Coastal Plain lease sale formally awarded

#### **Peregrine Drilling Imminent – Mobilisation Underway**

Permitting and planning associated with the drilling of Merlin-1 at 88 Energy's Peregrine Project, located in the NPR-A region of the North Slope of Alaska, remains on schedule for a mid to late February spud. Schedule permitting, the Harrier-1 well will commence drilling once operations have completed at Merlin-1.

Mobilisation of snow road construction equipment to the Merlin-1 location has commenced. To date 34 miles of a total ~90 miles of the snow road to Merlin-1 have been constructed.

88 Energy is carried for the first US\$10m of an estimated US\$12.6m total expenditure, in exchange for a 50% working interest in the project, as part of a farm-out agreement (see announcement dated 4<sup>th</sup> December 2020).

Fig. 1 Mobilisation to Merlin-1



*\*Please refer to the XCD Energy ASX release dated 20 May 2020 for full details with respect to the Prospective Resource estimate and associated risking.*

*Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.*

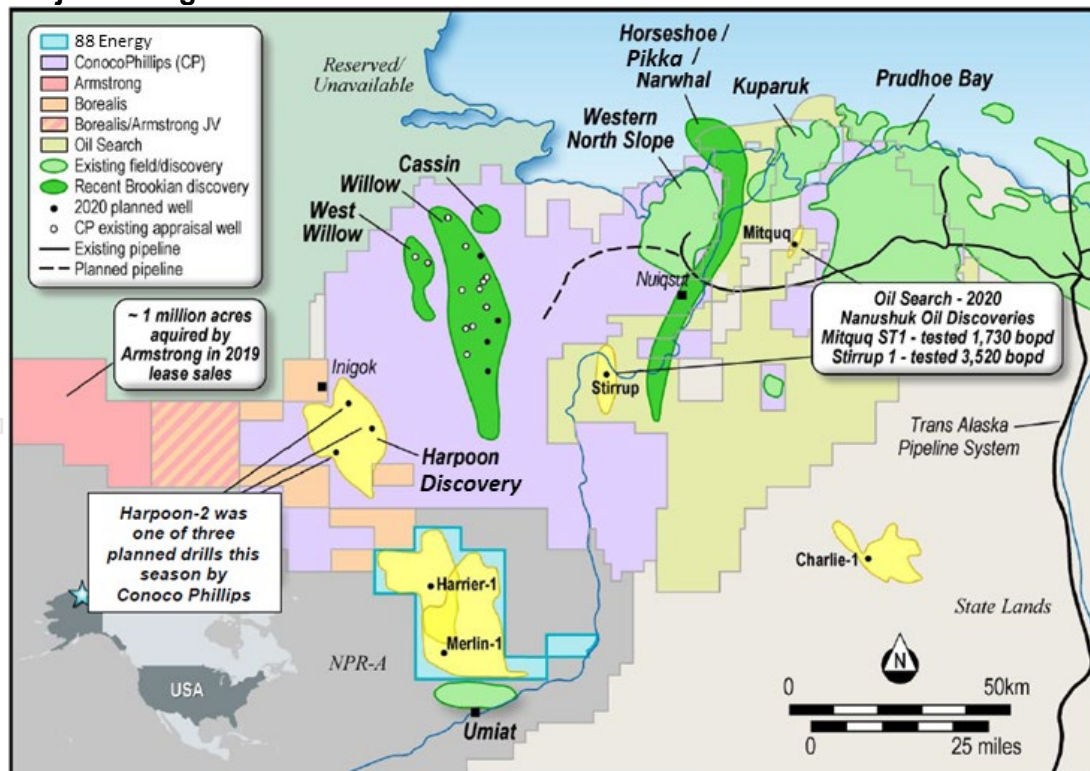
### Coastal Plain Lease Award

Lease AA095899 was formally awarded, effective 1 January 2021. The lease is considered highly prospective for oil and gas as several prospects on the Central North Slope side of the boundary are interpreted to extend into this area. It is considered likely that a significant portion of these oil pools may be accessed without surface access within the Coastal Plain area.

### About Project Peregrine – Imminent Drilling

Project Peregrine is located in the NPR-A region of the North Slope of Alaska and encompasses ~195,000 contiguous acres. It is situated on trend to recent discoveries in a newly successful play type in topset sands in the Nanushuk formation. 88 Energy has a 100% working interest in the project that will reduce to 50% post the completion of funding as part of a recent farm-in, whereby 88E is carried on the first US\$10m (of an estimated US\$12.6m total cost) for the Merlin-1 well.

### Project Peregrine and Recent Nanushuk Discoveries



The Merlin-1 well is scheduled for spud in mid-late February 2021 and is targeting 645 million barrels of gross mean prospective resource#. Flow testing of Merlin-1 is planned, if wireline logging confirms a discovery. A second well, Harrier-1, is planned to commence immediately following completion of operations at Merlin-1, subject to results from Merlin-1 and weather. Harrier-1 is targeting gross mean prospective resource of 417 million barrels#. Harrier-1 is expected to cost ~US\$7m.

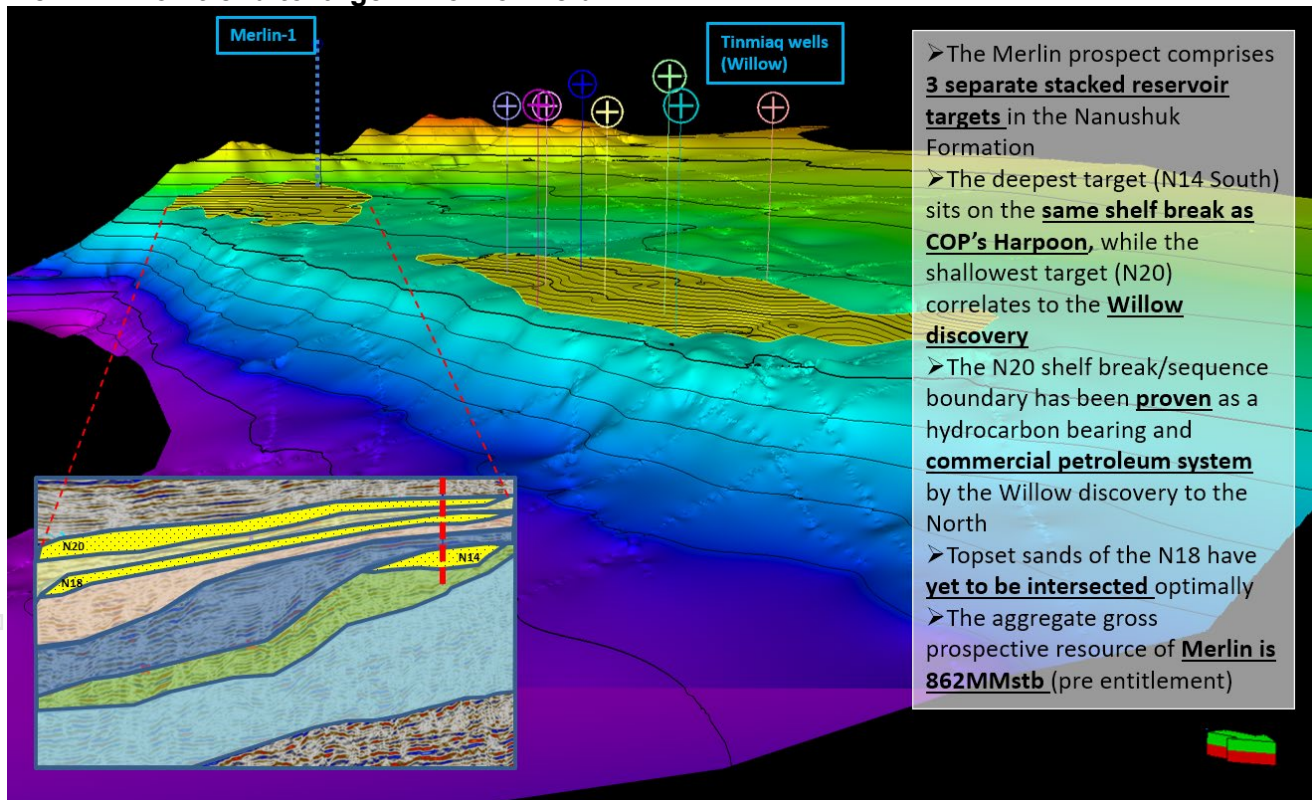
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**Independent Resource Assessment#**

Project Peregrine: Alaska North Slope	Unrisked Net Entitlement to 88E Prospective Oil Resources (MMstb)				
	Low (1U)	Best (2U)	High (3U)	Mean	COS
Prospects (Probabilistic Calculations)					
Merlin (Nanushuk)	41	270	1,463	645	37%
Harrier (Nanushuk)	48	207	940	417	24%
Harrier Deep (Torok)	42	267	1,336	574	20%
<b>Prospects Total</b>				<b>1,636</b>	

#Please refer to the XCD Energy ASX release dated 20 May 2020 for full details with respect to the Prospective Resource estimate, associated risking and applicable Cautionary Statement.

Each of the Merlin and Harrier prospects is located on trend to an existing discovery, in the same play type (Nanushuk topsets). This has de-risked the prospects considerably and resulted in a relatively high independently estimated geologic chance of success.

**Merlin-1 – on trend to large Willow oil field**


This announcement has been authorised by the Board.

Yours faithfully



**Dave Wall**  
**Managing Director**  
**88 Energy Ltd**

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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.