

11th March 2021

This announcement contains inside information

88 Energy Limited

Operations Update

88 Energy Limited ("**88 Energy**" or the "**Company**", ASX:88E, AIM 88E) provides the following update related to its operations in the NPR-A region of the North Slope of Alaska.

Highlights

- Merlin-1 drilling commenced

Details

88 Energy is pleased to report that Rig 111 commenced drilling the Merlin-1 well at 0338 on 10th March 2021 (AK time).

The Merlin-1 well will initially be drilled to 1,500', then surface casing will be installed and the Blow Out Preventer system tested. This is expected to take approximately one week to execute.

The well will then be deepened through the target horizons in the Nanushuk Formation to a maximum total depth of 6,000'. Logging while drilling and mudlogging will provide initial indications as to the prospectivity of the well during this part of the operation, which is expected take three to five days. A sophisticated wireline logging suite will then be run, including sidewall cores and downhole sampling. Wireline logging is expected to take five to seven days.

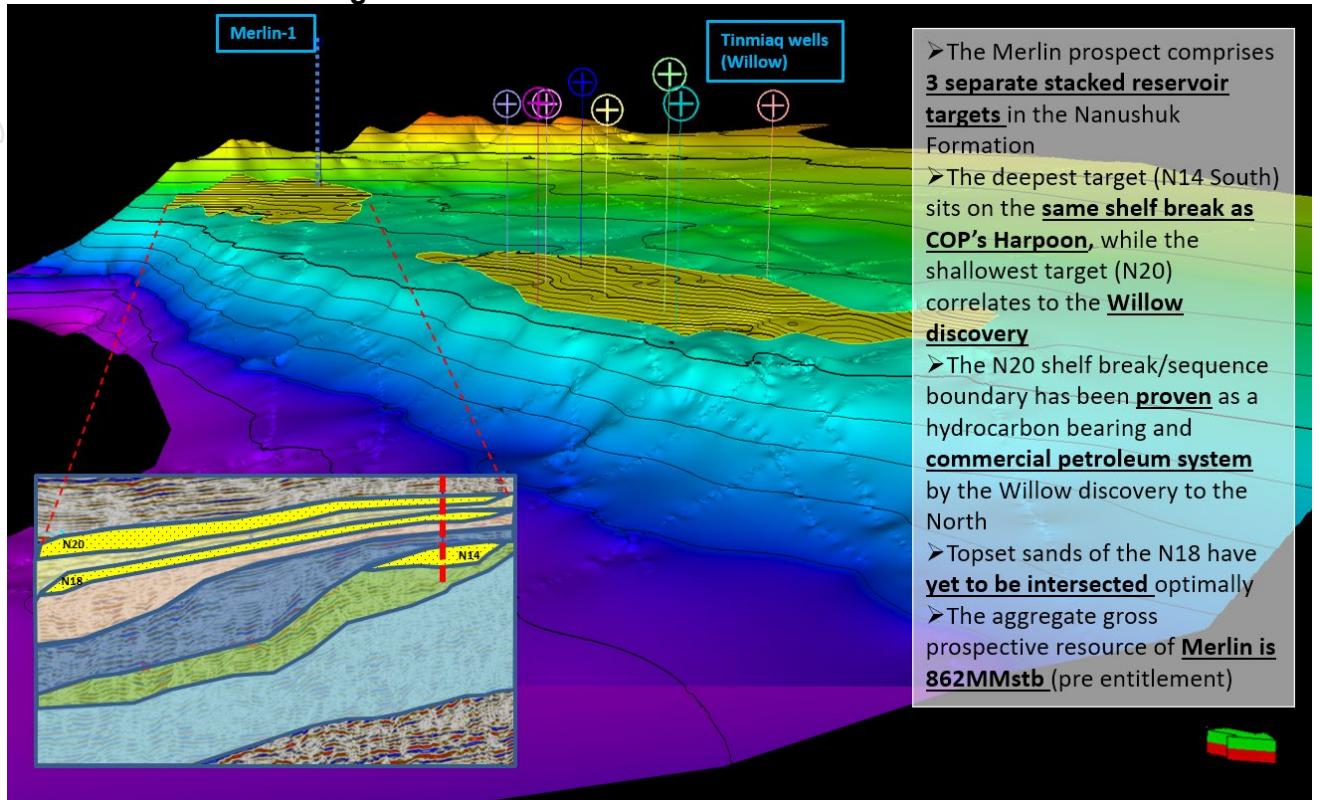
If the results from the wireline logging are encouraging, then the well will be completed with casing and a flow test conducted.

As part of a standard cost review, 88E's share of the cost of Merlin-1 has been revised to US\$4m (increased from US\$1.4m). The main contributing factors to the cost increase are delays associated with the Executive Order regarding the issuance of the Permit to Drill; costs associated with shutdown and re-start whilst clarification was attained regarding the Executive Order; delays associated with cold weather and the subsequent knock on to mobilisation costs as a result of expediting activities to meet the operational timetable. The Company's current cash position is US\$13m, which more than funds its share of the drilling of Merlin-1 and the Company's other planned activities.

Given the operational delays, it is now considered unlikely that the Harrier-1 well will be drilled this season.

Managing Director, Dave Wall, commented: "*Drilling has now commenced at Merlin-1, with results expected within the next 4 weeks.*"

This is an exciting and pivotal time for the Company and our shareholders."

Merlin-1 – on trend to large Willow oil field


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.

This announcement has been authorised by the Board.

Yours faithfully



Dave Wall
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