

This announcement contains inside information

88 Energy Limited

Hickory-1 Operations Update

Highlights

- Hickory-1 has successfully intersected and drilled through the SMD-A, B and C reservoirs.
- Initial interpretation of logging-while-drilling data, together with the noted oil shows, elevated mud gas readings, high resistivity signatures and crossover of neutron density curves have indicated potential hydrocarbon pay.
- The Nordic Callista Rig-2 will continue to drill ahead into the secondary reservoirs, through to TD at approximately 11,000 feet which is anticipated to take a further 3-5 days.

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (**88 Energy** or the **Company**) is pleased to report that the Hickory-1 exploration well is drilling ahead after successfully intersecting the SMD-A, B and C reservoirs. The current depth of the well is approximately 8,820 feet as at 17:30 Alaska time on 28 March 2023.

All three primary SMD reservoir targets were intersected slightly shallower than prognosed depths, with reservoir thicknesses consistent with pre-drill interpretation.

Logging-while-drilling (**LWD/MWD**) data collected over the primary targets has indicated potential hydrocarbon pay that will be further assessed by the wireline logging and coring program. This program is set to commence immediately after the well reaches Total Depth (**TD**).

The presence of hydrocarbons was evidenced by fluorescence under ultraviolet light in cuttings samples. Reservoir permeability was also indicated by "immediate and streaming" blue-white "cuts" when solvent was applied. Elevated C3-C5 mud gas readings were observed as well as high resistivity signatures and crossover of neutron density curves, providing further indications of potential hydrocarbon pay.

Given the results in the primary SMD targets, and to preserve borehole condition (in-line with previous commentary around well execution strategy), the decision has been made to TD after drilling through the secondary SFS and BFF reservoir targets but prior to the smaller and lower priority tertiary Kuparuk (**KUP**) reservoir target. The KUP target at Project Phoenix is planned to be assessed at a later date, subsequent to the proposed flow testing of the Hickory-1 exploration well which is scheduled for the 2023 / 24 Alaskan winter operational season.

It is expected that it will take a further 3-5 days to drill through the secondary SFS and BFF reservoir targets. Shortly thereafter, the well is expected to reach TD at approximately 11,000 feet.

Immediately post the well reaching TD, the Nordic Callista Rig-2 will commence pulling out of hole and wireline logging preparations will commence. The logging program is expected to take between 5-7 days, after which the Hickory-1 well is planned to be cased and suspended. All operations, including suspension and demobilisation from the well site, are expected to be completed around mid-April.

The Company expects to provide a further update on progress at Hickory-1 after reaching TD.

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 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.

About Project Phoenix

Project Phoenix (88E 75.2% WI) is located on the central North Slope of Alaska and encompasses approximately 82,846 gross acres. It is situated on-trend to recent discoveries by Pantheon Resources Plc (LSE: PANR) in multiple, newly successful play types across top, slope and bottom-set sands of the Mid Schrader Bluff, Canning and Seabee Formations. Independent mapping has demonstrated that these plays extend into the Phoenix acreage.

Project Phoenix holds an estimated unrisks conventional total of 647MMbbl of prospective oil resources (mean unrisks, net to 88E), independently assessed by Lee Keeling and Associates (LKA) in Q3 2022 (see 88E ASX release dated 23 August 2022). The acreage has been significantly de-risked by the recent Pantheon drilling and flow tests on their adjacent acreage to the North, coupled with data from Icewine-1 well logs (encountered 380 ft of net oil pay within SMD sands) and a modern 3D seismic data set (FB3D).

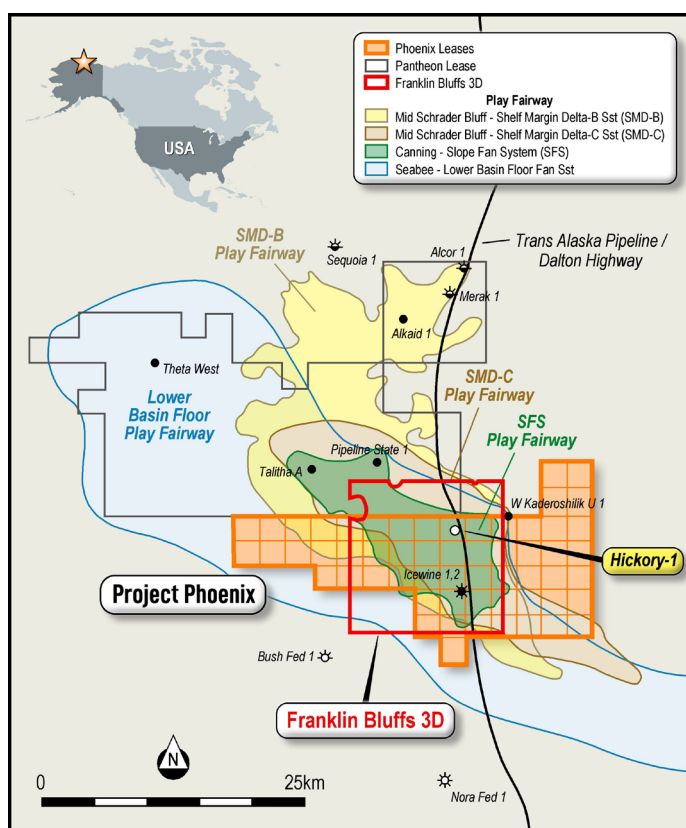


Figure 1: Project Phoenix lease area, including mapped play fairways, Franklin Bluffs 3D area and planned Hickory-1 well location.

Phoenix: Alaska North Slope	Unrisks Net Entitlement to 88E ^{1,6} Prospective Oil Resources (MMstb) ^{4,5}				
Prospects (Probabilistic Method)	Low (1U)	Best (2U)	High (3U)	Mean	COS ³
Shelf Margin Delta (SMD A, B & C)	44	140	326	145	81%
Slope Fan System (SFS)	24	84	217	89	50%
Basin Floor Fan (BFF)	75	341	930	358	50%
Kuparuk (KUP)	24	56	98	56	72%
Prospects Total	167	621	1,570	647 ²	

1. 88 Energy net resources have been calculated using a 75.227% working interest and a 16.5% royalty.
2. The unrisks means, which have been arithmetically summed, are not representative of expected total from the prospects and implies a success case in all reservoir intervals. 88 Energy cautions that the arithmetically summed 1U estimate may be a conservative estimate and the arithmetically summed 3U estimate may be optimistic when compared to a statistical aggregation of probability distributions.
3. COS represents the geological chance of success as assessed by 88 Energy and reviewed and endorsed by LKA.
4. Prospects are subject to a phase risk (oil vs gas). Chance of oil has been assessed as 100% for all targets except for the Kuparuk Formation which has been assessed as 70%. Phase risk has not been applied to the unrisks numbers.
5. The Prospective Resources have not been adjusted for the chance of development. Quantifying the chance of development (COD) requires consideration of both economic and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are outside the knowledge of LKA they must be used with caution.
6. Please refer to ASX announcement dated 23 August 2022 for further details in relation to the prospective resources estimate and associated risking with Phoenix.

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