ENERGY

2025 HALF YEAR REPORT

ENERGY

UNLOCKING VALUE FROM A LARGE-SCALE OIL AND GAS ASSET PORTFOLIO

Underpinned by a dominant acreage position in Alaska's most prospective oil and gas fairway, and with mature exploration assets offering a clear pathway toward commercialisation, the portfolio is strongly positioned to deliver future value.

TARGETING LARGE-SCALE MULTI-RESERVOIR DISCOVERIES

We focus on high-impact exploration and appraisal opportunities led by an extensive suite of data and technical analysis in proven hydrocarbon basins, prioritising acreage in Alaska with access to established infrastructure and the potential to deliver multi-million-barrel resource discoveries.

ACCELERATED TECHNICAL AND FINANCIAL DE-RISKING

We pursue strategic farm-outs, designed to fund and share work program costs and reduce capital intensity, enabling the rapid advancement towards technical de-risking milestones, to mature and provide material uplift in asset and portfolio value.

SYSTEMATICALLY UNLOCKING PORTFOLIO VALUE

We actively manage and mature our diverse asset base, progressing both discovered and yet-to-be discovered resources in parallel to ensure optimal value recognition and monetisation prior to field development decisions.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms Joanne Williams (Non-Executive Chair)
Mr Ashley Gilbert (Managing Director)
Dr Stephen Staley (Non-Executive Director)

COMPANY SECRETARY

Ms Sarah Smith

NOMINATED ADVISER AND BROKER

Cavendish Capital Markets Limited

REGISTERED OFFICE

Ground Floor, 516 Hay Street
Subiaco WA 6008
Australia
Telephone: +61 (8) 9485 0990
Facsimile: +61 (8) 9321 8990
Website: www.88energy.com

POSTAL ADDRESS

PO Box 352
Subiaco WA 6904
Australia

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
PERTH WA 6000
Australia
Telephone: +61 (8) 9323 2000
Facsimile: +61 (8) 9323 2033

Computershare Investor Services PLC
The Pavilions
Bridgewater Road
Bristol BS99 6ZZ
United Kingdom

SHARE LISTINGS

ASX	88E
AIM	88E
OTC	EEENF

AUDITORS

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

DIRECTORS' REPORT

Your Directors present their report together with the interim financial report of 88 Energy Limited (the Company or 88 Energy) for the six months ended 30 June 2025 and the independent auditor's review report thereon.

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Ms Joanne Williams (Non-executive Chair, appointed 22 August 2025, Non-executive Director, appointed 2 August 2021)

Mr Ashley Gilbert (Managing Director, appointed 10 May 2021)

Dr Stephen Staley (Non-executive Director, appointed 9 April 2014)

Mr Philip Byrne (Non-executive Chairman, appointed 2 August 2021, resigned 21 August 2025)

OPERATING AND FINANCIAL REVIEW

During the period, the Group continued its principal exploration and appraisal activities in Alaska, complemented by non-operated working interest in onshore Texas Permian Basin production assets. The Group also has 20% non-operated working interest in Petroleum Exploration Licence (PEL 93), Onshore Namibia.

HIGHLIGHTS FOR THE FIRST HALF OF 2025

Significant activities that occurred during the first half of 2025 are summarised below:

PROJECT PHOENIX

Project Phoenix is an advanced conventional oil project located on the North Slope of Alaska. It is targetling future potential production from multiple reservoirs identified during the drilling and flow testing of Hickory-1 in 2023/2024, including the Shelf Margin Deltaic (**SMD**), Slope Fan System (**SFS**), and Basin Floor Fan (**BFF**) formations. The Hickory-1 discovery well, drilled in 2023, confirmed the presence of light oil in 2024 from the two-tested target intervals (SMD-B and Upper SFS) and served as the foundation for a potential horizontal well production test.

HICKORY-1 DISCOVERY WELL

Successful outcomes from the Hickory-1 flow test delivered a platform for monetisation of Project Phoenix, justifying further advancement, with key benefits including:

- Strategic location to Dalton Highway, Prudhoe Bay (Deadhorse) services and Trans-Alaskan Pipeline (TAPS)
- Total 2C Contingent Resources of 239MMBOE net to 88E[1]
- Potential capital-light modular Early Production System
- Production from horizontal wells typically produce 6-12 times higher flow rates than vertical wells; and
- An ability to produce concurrently from multiple reservoirs in a single development scenario.

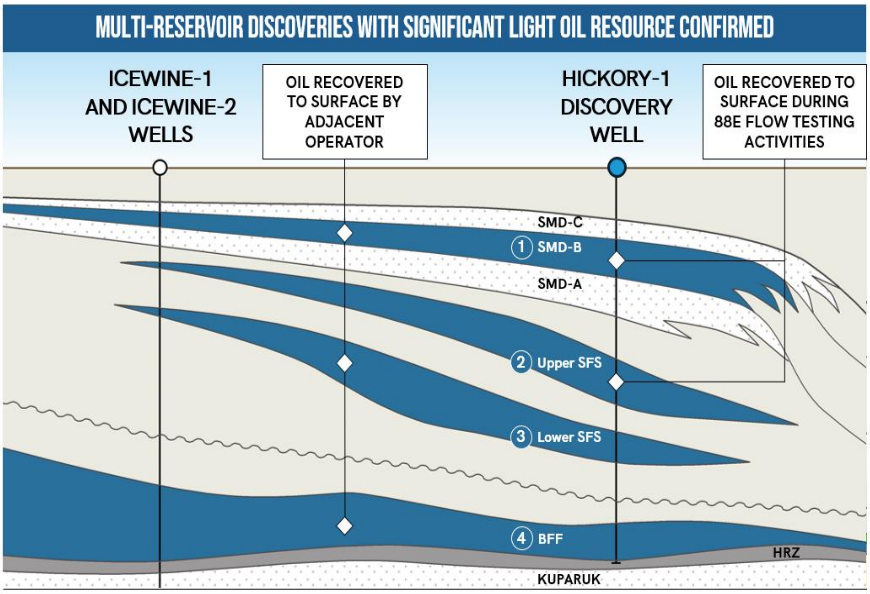

Figure 1: 2024 Hickory-1 Flow testing program flowed oil to surface from the two tested zones.

FARM OUT AGREEMENT

In February 2025, 88 Energy entered into a Farmout Participation Agreement (**PA**) with Burgundy Xploration LLC (**Burgundy**) in relation to Project Phoenix. Under the agreement, 88 Energy's wholly owned subsidiary, Accumulate Energy Alaska, Inc. (**Accumulate**), will be fully carried for all costs associated with the planned horizontal well program, including an extended flow test scheduled for mid-2026.

Transaction highlights:

- Burgundy to fully fund up to US$39 million (approx. A$60 million) of Project Phoenix's total gross future work program costs in exchange for up to an additional 50% Working Interest (**WI**) in Project Phoenix from 88 Energy.
- Provides a clear funding avenue to advance Project Phoenix towards a final development decision via a two-phase farm-in arrangement:
  - Phase 1: Burgundy to fund US$29 million (approx. A$45 million) for CY25/26 work program, including drilling of a horizontal well and production testing scheduled for mid-2026 (88E fully carried, Accumulate WI post Phase 1 farmout 35%)
  - Phase 2: Upon Phase 1 Success; Burgundy to fund up to US$10 million (approx. A$15 million) for an additional well or other CAPEX program (88E carry up to US$7.5 million, based on the current 75%, with Accumulate WI post Phase 2 farmout to 25%).

88 Energy is progressing collaborative work with Burgundy to advance planning and permitting for the horizontal test well and flowback operation scheduled for mid-CY26 and Burgundy is advancing its funding strategy to finance Phase 1 of the farmout. Burgundy continued to reaffirm its project commitment by paying its outstanding 2024 cash calls in Q1 2025 and 100% of lease payments in 2025, which form part of its carried expenditure under the farm-out agreement.

[1] *For full details of the combined 2C Contingent Resource at Project Phoenix, please refer to the ASX announcement dated 18 September 2024.*

PROJECT LEONIS

Multi-reservoir opportunity further enhanced with four new lease blocks awarded in July 2025 and the Canning Formation added as a new reservoir target in January 2025.

Canning Formation (Canning):

- Newly identified Canning Formation announced in January 2025.
- Identifed following reprocessed and interpreted Storms 3D seismic data, and a quantitative interpretation study (rock physics, AVO and seismic inversion).
- Prospective Resource target of 283 MMbbls of oil (net mean); unrisked net 3U (high) 469 MMbbls, 2U (best) 259 MMbbls, and 1U (low) 136 MMbbls[1,3]

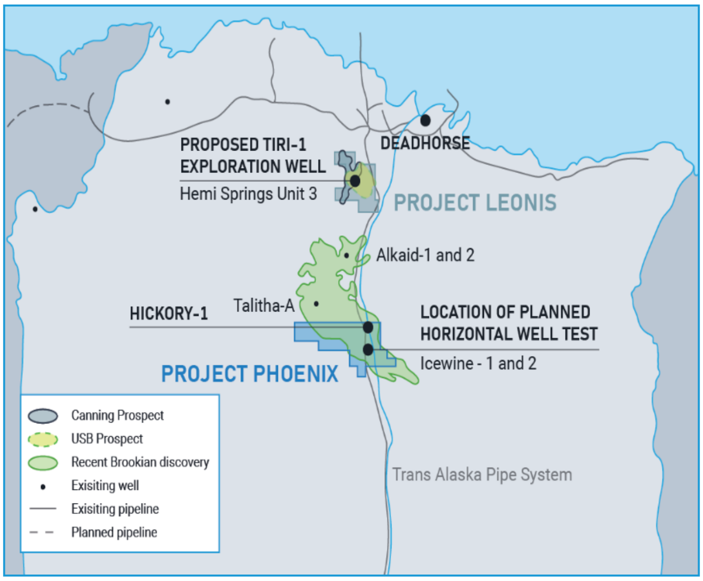

Figure 2: Project Leonis in relation to 88 Energy Alaskan Acreage

Upper Schrader Bluff (USB):

- Company announced the USB as its maiden internal prospective resource in June 2024, identified follwing review of 3D and 2D seismic data, well logs from Hemi-Springs Unit-3 and Hailstorm-1, along with extensive petrophysical analysis and mapping.
- The USB formation is the same proven producing zone as found in nearby Polaris, Orion and West Sak oil fields to the north-west
- Prospective Resource target of 381 MMbbls of oil (net mean); unrisked net 3U (high) 671 MMbbls, 2U (best) 338 MMbbls, and 1U (low) 167 MMbbls[1,2]

Planning and permitting for the Tiri-1 exploration well commenced in 2025, with key Alaska North Slope vendors submitting operational proposals at the end of June 2025 refining the authorisation for expenditure (AFE). The optimal Tiri-1 well location is designed to intersect the Canning and USB reservoirs and to test deeper potential upside. 88 Energy's 100% working interest provides a strong position from which to secure a large, proportionate carry upon completion of the active farm-out process, ahead of any drilling event. Third party assessment of the opportunity was ongoing at half-year. Drilling the Tiri-1 well is subject to the completion of a farm-out, with the Company not intending to conduct a capital raising to finance the well.

In Q2, 88E acquired the low-cost Great Bear 3D survey, completed in 2014, which extends the Company's regional 3D seismic database. The dataset overlaps the Storms 3D and Franklin Bluffs 3D datasets, providing an enhanced regional seismic framework from which to assess new opportunities. The new 3D dataset also overlaps the existing Leonis acreage position.

NAMIBIA PEL 93

In November 2023, 88 Energy, via its wholly-owned Namibian subsidiary, executed a three-stage farm-in agreement (**FOA**) for up to a 45% non-operated working interest in the onshore Petroleum Exploration Licence (**PEL 93**) covering 18,500km2 of underexplored acreage within the Owambo Basin in Namibia.

In July 2025, 88 Energy announced a 12-month extension to the First Renewal Exploration Period for PEL 93, granted by the Namibian Ministry of Mines and Energy. In conjunction with the license extension, 88 Energy and Monitor executed a variation to the FOA. The amendment introduced a Stage 1A Work Program, comprising:

- A high-resolution airborne gravity, magnetic, and radiometric survey;
- Preparation of a certified prospective resource report;
- Identification of potential drilling locations; and
- Creation of an Authority for Expenditure for the proposed well.

Stage 1A is to be jointly funded on a 50:50 basis by 88 Energy and Monitor, subject to a cost threshold of US$1 million, unless otherwise agreed.

[1]*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 recoverable hydrocarbons.*

[2]*Refer to the ASX announcement dated 4 June 2024 for full details.*

[3]*Refer to the ASX announcement dated 30 January 2025 for full details.*

PROJECT LONGHORN

In August 2025, 88 Energy announced it had entered into a binding Securities Purchase Agreement (**SPA**) with Lonestar I, LLC (**Lonestar**) for the sale of its 75 percent non-operated working interest in Project Longhorn, a package of producing oil and gas assets located in the Permian Basin, Texas, USA, where Lonestar is the project Operator.

Execution of the SPA followed a strategic portfolio review conducted in the first quarter of 2025, during which the Board of 88 Energy determined that Project Longhorn's operating asset base no longer aligned with the Company's longer-term strategy. That strategy is centered on pursuing high-impact exploration opportunities, primarily in Alaska. The decision was shaped by the projected capital intensity (US$2M gross per well over ~12 wells), required to support Project Longhorn's future development plans, which would be necessary to maintain production and cash flow. It was also driven by the Company's broader objective to streamline its portfolio and redeploy capital into assets with greater potential for value creation.

Key terms of the transaction include:

- Total Consideration: US$3.25 million
- Effective Date: 1 July 2025
- Completion Adjustments: Subject to customary reconciliation as at 30 June 2025, including adjustment for cash, receivables, crude oil inventory, and liabilities.

A competitive process was undertaken for the sale. Initially, 88 Energy entered into non-binding terms under a Memorandum of Understanding with a third party. Subsequently, Lonestar exercised its matching rights and, upon completion, will hold all of the assets.

CORPORATE

GENERAL MEETING

The Company held its Annual General Meeting (**AGM**) on 6 May 2025 where four (4) of five (5) resolutions were carried.

CAPITAL CONSOLIDATION

At the AGM, shareholders approved a consolidation of the Company's capital structure on a 25-for-1 basis. Following the approval, every twenty-five shares, options, performance rights and warrants on issue were converted into one of the same class.

The consolidation was implemented to simplify the Company's capital structure and better position it for future growth and investment.

SMALL HOLDING SALE FACILITY

On 16 June 2025, the Company announced the launch of a Small Holding Sale Facility (**Facility**) for shareholders with holdings valued under A$500, aimed at reducing registry costs for the company. Approximately 8,300 shareholders were eligible, representing 5.64% of the Company's issued capital. The Facility closed on 30 July 2025, with a total of 46,141,266 ordinary shares sold by the Company's Australian broker, Euroz Hartleys.

EVENTS AFTER THE PERIOD

Other than as disclosed below, there were no significant events occurring after balance date requiring disclosure.

PROJECT LONGHORN

On 18th August 2025, 88 Energy Limited announced that it has executed a binding Securities Purchase Agreement (SPA) with Lonestar I, LLC (Lonestar), Operator of Project Longhorn, for the sale of its 75% non-operated working interest in the producing oil and gas assets located in the Permian Basin, Texas, USA (Project Longhorn), held through subsidiary Longhorn Energy Investments LLC (88E – Longhorn). Following a strategic portfolio review conducted in Q1 2025, the Board concluded that Project Longhorn's operating asset base no longer aligned with the Company's long-term strategy, which is focused on high-impact exploration opportunities, primarily in Alaska. This decision was informed by the projected capital intensity of Project Longhorn's future development plans, which would be required to maintain projected cash flows, and by 88 Energy's objective to streamline its portfolio and redeploy capital to assets with greater upside potential. The future development plans at Project Longhorn are expected to involve a multi-well drill program, with an estimated gross cost per well of ~US$2 million, and the transaction removes the Company's obligation to future costs associated with Project Longhorn, enabling 88 Energy to deploy its resources towards higher-impact, exploration-led opportunities.

A divestment process was completed for the sale of Project Longhorn, with 88 Energy initially agreeing terms under a non-binding Memorandum of Understanding with a third party. Subsequently, Lonestar exercised its rights to match the offer and will hold 100% of the assets on completion of the transaction.

Key terms of the transaction include:

- Total Consideration: US$3.25 million
- Effective Date: 1 July 2025
- Completion Adjustments: Subject to customary reconciliation as at 30 June 2025, including adjustment for cash, receivables, crude oil inventory, and liabilities.

CORPORATE

On 22 August 2025, the Company announced that Mr Philip Byrne retired as Non-Executive Chairman and from the Board of 88 Energy. The Board also announced the appointment of Ms Joanne Williams as Non-Executive Chair, effective immediately.

Mr Byrne has served as Non-Executive Chairman of 88 Energy since August 2021, drawing on more than 40 years of international petroleum industry experience spanning exploration, commercial and senior executive roles. During his tenure, Mr Byrne provided steady leadership and trusted counsel which have been deeply appreciated by the Board and Management alike. His contributions have played a meaningful role in guiding the Company through key phases of its growth.

The Board and Management extends its sincere gratitude to Mr Byrne for his dedication and service and wishes him all the best for his future endeavours.

Ms Williams, who joined the Board on the same date as Mr Byrne in August 2021, is a petroleum engineer with over 25 years' experience across the international oil and gas industry. Ms Williams has held senior executive and Board roles in a range of ASX-listed and international energy companies, currently as Director of Buru Energy Limited and Director and Chief Operating Officer of Jadestone Energy Plc. Her technical expertise and deep sector experience position her well to lead the Board through 88 Energy's next phase of growth.

The Board and Management looks forward to Ms Williams' continued leadership and guidance in her new role as Non – Executive Chair.

The Board now comprises Ms Joanne Williams (Non-Executive Chair), Mr Ashley Gilbert (Managing Director), and Dr Stephen Staley (Non-Executive Director). This composition reflects a stable and experienced leadership team with deep sector knowledge and strong alignment with 88 Energy's strategic objectives. The Board considers its current size and structure appropriate for the scale and complexity of the business at this time. The existing mix of skills, experience and independence provides sound governance and effective oversight.

DIRECTORS' REPORT

A copy of the lead auditor's independence declaration for the half-year ended 30 June 2025 has been received by the Directors and can be found on the following page. This declaration forms part of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

Ms Joanne Williams
Non-executive Chair

26 August 2025

AUDITORS' INDEPENDENCE DECLARATION

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF 88 ENERGY LIMITED

As lead auditor for the review of 88 Energy Limited for the half-year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of 88 Energy Limited and the entities it controlled during the period.

Ashleigh Woodley

Director

BDO Audit Pty Ltd

Perth

26 August 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR HALF YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 $	30 June 2024 $
Other income	3(a)	**306,146**	295,574
Share of profit/(loss) from equity accounted investment	9	**(1,162,061)**	91,987
Administration expenses	3(b)	**(1,065,089)**	(582,212)
Occupancy expenses		**(18,184)**	(15,731)
Employee benefit expenses	3(c)	**(1,297,393)**	(1,217,151)
Share based payment expense	3(d)	**(222,922)**	86,383
Depreciation and amortisation expense		**(41,257)**	(39,204)
Finance cost		**(1,156)**	(1,024)
Realised/unrealised gain/(loss) on foreign exchange		**(371,172)**	451,399
Other income /(expenses)		**(30,869)**	(15,937)
Impairment of Exploration & Evaluation Asset	3(e)	**-**	(28,942,570)
Impairment of Investment in Associate Asset	3(f),7	**(16,569,979)**	-
Loss before income tax		**(20,473,936)**	(29,888,486)
Income tax benefit/(expense)			-
Loss after income tax for the period		**(20,473,936)**	(29,888,486)
Other comprehensive income for the period			
Other comprehensive income that may be recycled to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(6,676,698)**	3,927,630
Total comprehensive profit/(loss) for the period		**(27,150,634)**	(25,960,856)
Basic and diluted profit/(loss) per share		**(0.0177)**	(0.0258)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	30 June 2025 $	31 December 2024 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**8,047,212**	7,198,567
Other receivables	6	**381,689**	5,596,273
Asset held for Sale	7	**2,603,053**	-
Total Current Assets		**11,031,954**	12,794,840
Non-Current Assets			
Plant and equipment		**71,887**	30,761
Exploration and evaluation expenditure	8	**110,707,439**	113,929,186
Other assets		**492,124**	550,768
Equity accounted investments	9	**-**	21,688,470
Total Non-Current Assets		**111,271,450**	136,199,185
TOTAL ASSETS		**122,303,404**	148,994,025
LIABILITIES			
Current Liabilities			
Provisions		**234,264**	249,411
Trade and other payables		**362,362**	107,374
Total Current Liabilities		**596,626**	356,785
TOTAL LIABILITIES		**596,626**	356,785
NET ASSETS		**121,706,778**	148,637,240
EQUITY			
Issued and fully paid shares	10(a)	**392,621,587**	392,621,587
Reserves	10(b)	**36,582,628**	43,039,154
Accumulated losses		**(307,497,437)**	(287,023,501)
TOTAL EQUITY		**121,706,778**	148,637,240

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2025

	Issued Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
At 1 January 2025	**392,621,587**	**43,039,154**	**(287,023,501)**	**148,637,240**
Loss for the period			**(20,473,936)**	**(18,115,157)**
Other comprehensive income		**(6,676,698)**		**(6,676,698)**
Total comprehensive income/(loss) for the period after tax		**(6,676,698)**	**(20,473,936)**	**(24,791,855)**
Transactions with owners in their capacity as owners:				
Issue of share capital	**-**	**-**	**-**	**-**
Issue of Options	**-**	**-**	**-**	**-**
Vesting of Performance Rights	**-**	**(2,750)**	**-**	**(2,750)**
Share-based payments	**-**	**222,922**	**-**	**222,922**
Share issue costs	**-**	**-**	**-**	**-**
Balance at 30 June 2025	**392,621,587**	**36,582,628**	**(307,497,437)**	**121,706,778**
At 1 January 2024	379,917,222	29,972,652	(254,204,475)	155,685,399
Loss for the period	-	-	(29,888,486)	(29,888,486)
Other comprehensive income	-	3,927,630	-	3,927,630
Total comprehensive income/(loss) for the period after tax	-	3,927,630	(29,888,486)	(25,960,856)
Transactions with owners in their capacity as owners:				
Issue of share capital	13,557,921	-	-	13,557,921
Issue of Options	-	275,462	-	275,462
Vesting of Performance Rights	-	(341,945)	-	(341,945)
Share-based payments	-	(86,383)	-	(86,383)
Share issue costs	(935,836)	-	-	(935,836)
Balance at 30 June 2024	392,539,307	33,747,417	(284,092,961)	142,193,763

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2025

	30 June 2025 $	30 June 2024 $
Cash flows from operating activities		
Interest	**55,213**	78,720
Payments to suppliers and employees	**(2,227,402)**	(1,986,933)
Net cash outflows used in operating activities	**(2,172,189)**	(1,908,213)
Cash flows from investing activities		
Payments for exploration and evaluation activities	**(2,577,955)**	(22,124,416)
Contributions from JV Partners in relation to Exploration	**5,744,081**	2,981,179
Proceeds from return of Bonds	**-**	-
Distribution from Equity Accounted Investments	**261,841**	1,226,647
Net cash outflows provided by investing activities	**3,427,967**	(17,916,590)
Cash flows from financing activities		
Proceeds from issue of shares	**-**	9,695,925
Share issue costs	**-**	(669,782)
Net cash inflows from financing activities	**-**	9,026,142
Net increase/(decrease) in cash and cash equivalents	**1,255,778**	(10,798,661)
Net foreign exchange differences	**(407,133)**	498,066
Cash and cash equivalents at beginning of period	**7,198,567**	18,182,727
Cash and cash equivalents at end of period	**8,047,212**	7,882,132

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2025

1 CORPORATE INFORMATION

The consolidated financial statements of the Company for the six months ended 30 June 2025 were authorised for issue in accordance with a resolution of the Directors on 26 August 2025.

88 Energy Limited is a public company, limited by shares, incorporated and domiciled in Australia whose securities are publicly traded. The principal activities of the company and its subsidiaries (the Company) are oil and gas exploration with a portfolio of operated exploration interests in Alaska, 20% non-operated exploration interest in Namibia and a 75% non-operated interest in production assets located in the Texas Permian Basin, which was sold subsequent to 30 June 2025.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

Basis of Preparation

The half year financial report for the six months ended 30 June 2025 is a general-purpose financial report prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The half year financial report has been prepared on a historical cost basis which have been measured at fair value. Unless otherwise noted, the carrying value of financial assets and liabilities as disclosed in the half year financial report approximates their fair value. The company is domiciled in Australia and all amounts are presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise noted.

For the purpose of preparing the half year financial report, the half-year has been treated as a discrete reporting period.

The accounting policies adopted in the preparation of the half year financial report are consistent with those followed in the preparation of the Company's annual financial report for the year ended 31 December 2024 with the adoption of any additional accounting standards and interpretations issued by the AASB that are relevant to the operations of the Group and effective for periods beginning on and after 1 January 2025.

The half year financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2024, together with any public announcements made during the period.

There were no new accounting standards or policies adopted in the half year to June 2025.

New Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the consolidated entity's accounting policies. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The resulting accounting judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

a) Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale or whether activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

For the period ending 30 June 2025 the Company undertook an impairment assessment for its Phoenix and Leonis Projects and determined there was no impairments indicators identified.

(b) Impairment of Investment in Associate and reclassification to Asset Held for Sale

In accordance with AASB 5 – Non-current Assets held for sale and discontinued operations; the Company has classified its Investment in Associate as a current asset held for sale during the reporting period as it meets the criteria set out in paragraphs 6-9 of AASB 5. Specifically, management made a strategic decision during H1 2025 to sell the investment, and the sale is expected to be completed within 12 months. The current asset - Investment in Associate held for sale is measured at the lower of its carrying value and fair value (less costs to sell).

Management determined the fair value of the investment (asset held for sale) to be ~ A$2,603,053 / US$1,705,000 which considered the consideration of the sale and reflected the PDP reserves of the asset at the June 2025 strip revenue pricing (no undeveloped reserves due to CAPEX requirements) adjusted for final working capital changes. Following review of the investments recoverable amount by management, an impairment loss of A$16,569,979 has been recognised in the statement of profit or loss to reduce the carrying value of the investment to its fair value (less costs to sell). The impairment loss is reflective of a ~US$2,000,000 write down associated with reduced June revenue price forecasts and lower production forecasts, and a US$8,853,336 impairment relating to undeveloped reserves (that the Company will not spend further CAPEX to develop) recognised within the 2P reserves estimate, which was the basis of the carrying value assessment at year end 2024.

Going concern

For the half-year ended 30 June 2025, the Group recorded a loss of $20.4 million (30 June 2024: loss of $29.8 million). The loss was largely attributable to the impairment of the Investment in Associate for $16.5 million. At 30 June 2025, the Group had a working capital balance $10.4 million (31 December 2024: $13.5 million) which included cash on hand of $8.0 million (31 December 2024: $7.1 million).

The Company's management have prepared an estimated cash flow forecast for the period to December 2026. The forecast includes a number of assumptions relating to its operations including its interest in Bighorn Energy LLC. Based on these factors, management has reasonable expectation that the group has and will have adequate resources to continue in operational existence for a period of at least 12 months from the signing of this report.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business as the Group's expects to fund its leases, planning and studies for Project Leonis and G&A from current cash reserves.

3 INCOME AND EXPENSES

	30 June 2025 $	30 June 2024 $
a) Income		
Interest Income (i)	**306,146**	295,574
	306,146	295,574
b) Administrative expenses		
Consultancy and professional fees	**346,780**	281,798
Legal fees	**93,240**	30,929
General and administration expenses (ii)	**561,265**	255,588
Travel	**63,804**	13,897
	1,065,089	582,212
c) Employee benefit expenses		
Wages and salaries	**1,129,284**	1,043,451
Superannuation	**76,753**	82,926
Annual leave expense	**50,373**	16,801
Other employee expenses	**40,983**	73,972
	1,297,393	1,217,151
d) Share based payment expense		
Performance Rights issued to Directors	**81,703**	124,044
Performance Rights issued to Employees	**154,157**	204,734
Reversal in SBP due to forfeited Performance Rights	**(12,938)**	(415,161)
	222,922	(86,383)
e) Impairment of Exploration and Evaluation		
Impairment Exploration & Evaluation Asset (iii) – (refer note 8)	**-**	28,945,595
Exploration expense – Merlin 2	**-**	(3,025)
	-	28,942,570
f) **Impairment of Investment in Associate**		
Impairment of Investment in Associate Asset (iv)	**16,569,979**	-
	16,569,979	-

(i) Includes Interest charged to Burgundy Xploration on outstanding cash calls as part of the Joint Venture Agreement.

(ii) General and administrative expenses are shown net of recoveries of $324,150 mainly from the Project Phoenix Joint Venture and Project Leonis. The recoveries represent costs, including time spent by the Consolidated Group's employees on exploration and appraisal interest of the Projects, which get capitalised to the applicable exploration and appraisal area of interest.

(iii) Relinquishment of 16 Phoenix East Leases – U$2,455,141 and 105 Icewine West Leases U$16,718,421.

(iv) Refer to Note 7 – Assets Held for Sale

4 SEGMENT INFORMATION

Identification of reportable segments

For management purposes during the period ended 30 June 2025 the Company was organised into the following strategic unit:

- Oil and Gas exploration in Alaska, USA.
- Oil and Gas production in Texas, USA.
- Oil and Gas exploration in Namibia.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Board of Directors review internal management reports on a periodic basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows.

Management has determined, based on the reports reviewed by the Board of Directors and used to make strategic decisions, that the Group has three reportable segments being Oil and Gas Exploration in Alaska USA, Oil and Gas Production in Texas USA, and Oil & Gas Exploration in Namibia. Such structural organisation is determined by the nature of risks and returns associated with each business segment and define the management structure as well as the internal reporting system.

	Texas Production	Alaska Exploration	Namibia Exploration	Other	Total
	$	$	$	$	$
Six months ended 30 June 2025					
Total Revenue	-	263,120	-	43,026	306,146
Administrative Expenses	(122,908)	(6,785)	-	(935,396)	(1,065,089)
Employee benefit Expenses	-	-	-	(1,297,393)	(1,297,393)
DD&A	-	-	-	(41,257)	(41,257)
Asset Impairment	(16,569,979)	-	-	-	(16,569,979)
Other	-	(31,000)	-	(613,290)	(644,290)
Total Expenditure	(16,692,886)	(37,785)	-	(2,887,336)	(19,618,008)
Share of profit/loss	(1,162,061)	-	-	-	(1,162,061)
Net Profit (loss) before tax	(17,832,587)	225,335	-	(2,866,684)	(20,473,936)
Additions to non-current assets	-	-	618,077	7,015	625,092
Assets	4,729,695 (i)	105,054,451	7,938,855	4,580,403	122,303,404
Liabilities	39,368	100,405	-	456,853	596,626
Six months ended 30 June 2024					
Total Revenue	-	240,479	-	55,095	295,574
Administrative Expenses	(49,638)	9,688	-	(542,261)	(582,211)
Employee benefit Expenses	-	-	-	(1,217,151)	(1,217,151)
DD&A	-	-	-	(39,204)	(39,204)
E&E Impairment	-	(28,945,596)	-	-	(28,945,596)
Other	-	(6,464)	-	521,026	514,562
Total Expenditure	(49,638)	(28,948,819)	-	(1,277,591)	(27,720,867)
Share of profit/loss	91,988				91,988
Net Profit (loss) before tax	42,350	(28,708,340)	-	(1,222,496)	(29,888,486)
31 December 2024					
Additions to non-current assets	(1,562,749)	(1,296,731)	4,681,472	8,413	1,830,405
Assets	23,725,908 (i)	107,855,246	7,678,185	9,377,901	148,637,240
Liabilities	-	364,984	-	(8,199)	356,785

(i) Refer to Note 7 – Assets Held for Sale

5 RECONCILIATION OF CASH

	30 June 2025	31 December 2024
	$	$
Cash at bank and in hand	**8,047,212**	7,198,567
	8,047,212	7,198,567

6 OTHER RECEIVABLES

Other deposits and receivables (i)	**381,689**	5,596,273
	381,689	5,596,273

(i) In 2025 receivables consist of AOGCC bonds. In 2024 receivables are predominately by Burgundy Xploration LLC for Hickory frac and flow 2024 Cash Calls and Interest of A$4,836,742 at the year-end exchange rate (US$3,007,003). In Q1 2025, Burgundy settled all its outstanding cash calls plus interest.

7 ASSETS HELD FOR SALE

Carrying Value of Investment Held in Associate	**19,173,032**	-
Less Impairment	**(16,569,979)**	-
Assets Held for Sale	**2,603,053**	-

Management determined the fair value of the investment (asset held for sale) to be ~ A$2,603,053 / US$1,705,000 which considered the consideration of the sale and reflected the PDP reserves of the asset at the June 2025 strip revenue pricing (no undeveloped reserves due to CAPEX requirements) adjusted for final working capital changes. Following a review of the investments recoverable amount by management, an impairment loss of A$16,569,979 has been recognised in the statement of profit or loss to reduce the carrying value of the investment to its fair value (less costs to sell). The impairment loss is reflective of a ~US$2,000,000 write down associated with reduced June 2025 revenue price forecasts and lower production forecasts, and a US$8,853,336 impairment relating to undeveloped reserves (that the Company will not spend further CAPEX to develop) recognised within the 2P reserves estimate, which was the basis of the carrying value assessment at year end 2024.

The Fair Value of the Asset was determined as follows:

Total Consideration of Investment in Associate Sale	**4,961,832**	-
Less completion Adjustments for working capital and liabilities	**(2,358,779)**	-
Investment in Associate held for Sale	**2,603,053**	-

8 EXPLORATION EXPENDITURE

Capitalised expenditure at the beginning of the period	**113,929,186**	110,588,395
Additions (iii)	**2,830,930**	29,842,886
JV Contributions (i)	**(584,984)**	(6,104,039)
Less Impairment (ii)	**-**	(28,945,595)
Foreign Currency translation	**(5,467,693)**	8,547,539
Closing balance	**110,707,439**	113,929,186

(i) JV Contributions called to June 25 is for 2025 Phoenix lease rentals. In 2024 JV Contributions was for expenditure incurred in relation to the Hickory Frac and Flow Program and lease rentals.

(ii) In 2024, Impairment consisted of 16 Phoenix East Leases (A$3.7m) and 105 Icewine West Leases (A$25.2m).

(iii) Additions in 2025 are predominantly for planning of the Leonis well, lease rentals for Leonis and Phoenix wells, and a commitment to acquire seismic on the PEL93 in Namibia.

9 EQUITY ACCOUNTED INVESTMENT

The Group's interest in equity accounted investment with the most significant contribution the Group's net profit/(loss) or net assets, are as follows:

Significant joint venture	Country of incorporation	Principal activity	Reporting date	Acquisition date	Ownership interest % FY24
Bighorn Energy LLC (i)	USA	Production of Oil & Gas	30 Jun 2025	18 Feb 2022 (ii)	75

(i) While the Group holds a greater than 50 per cent interest in the joint ventures, joint control is contractually achieved as joint venture parties unanimously consent on decisions over the joint venture's relevant activities.

(ii) Effective date 1 January 2022.

A reconciliation of the carrying amount of the equity accounted investment is set out below:

Investment in equity accounted investment	**30 June 2025 $**	31 December 2024 $
At the beginning of the financial period	**21,688,470**	23,251,219
Contribution of capital		
Share of profit/(loss) of equity accounted investments	**(1,162,061)**	(1,463,930)
Foreign Exchange gain/(loss)	**(1,091,536)**	2,185,814
Distribution received from equity accounted investments	**(261,841)**	(2,284,633)
Reclassification of Investment in Associate (i)	**(19,173,032)**	-
At the end of the period	**-**	21,688,470
Carrying amount of equity accounted investment	**-**	21,688,470

Share of profit/(loss) of equity accounted investment	**(1,162,061)**	(1,463,930)

The following table summarises the financial information relating to the significant equity accounted Investment:

Reconciliation of carrying amount of equity accounted investment		
Current Assets	**1,490,412**	1,822,752
Non – Current Assets	**32,430,724**	35,899,952
Current Liabilities	**(5,116,464)**	(5,390,537)
Non – Current Liabilities	**(2,122,000)**	(2,235,660)
Net Assets – 100%	**26,682,672**	30,096,506
Net assets – the Group's share	**20,012,004**	22,572,380
Prepaid contributed capital and FX	**(838,971)**	(883,910)
Reclassification of Investment in Associate (i)	**(19,173,032)**	-
Carrying amount of equity accounted investments	**-**	21,688,470
Reconciliation of share of profit/(loss) of equity accounted investment		
Revenue – 100%	**3,432,090**	9,017,230
Profit/(loss) after tax – 100%	**(1,549,415)**	(1,951,906)
Profit/(loss) after tax – the Group's share (75%)	**(1,162,061)**	(1,463,930)
Share of profit/(loss) of equity accounted investments	**(1,162,061)**	(1,463,930)

The Group uses the term 'equity accounted investments' to refer to joint ventures.

(i) In accordance with AASB 5 – Non-current Assets held for sale and discontinued operations; the Company re- classified its Investment in Associate as a current asset held for sale during the reporting period as it meets the criteria set out in paragraphs 6-9 of AASB 5. Specifically, management is committed to a plan to sell the investment, and the sale is expected to be completed within 12 months.

10 CONTRIBUTED EQUITY AND RESERVES

	Number of shares	$
a) Ordinary shares fully paid		
Ordinary shares – Balance as 1 January 2024	24,640,802,561	379,917,222
Issue of shares in January vested Performance Rights Plan @ $0.004	84,618,000	338,472
Issue of shares to Monitor Exploration for Namibia Tranche 2 @ $0.0048	397,947,229	1,910,147
Issue shares in February Performance Rights Plan @ $0.005	694,777	3,474
Issue shares to Monitor Exploration UK @ $0.003	217,594,032	652,782
Issue shares to Monitor Exploration NAM @ $0.003	259,040,514	777,122
Issue of shares in April 24 capital raise @ $0.003	3,231,974,839	9,695,924
Issue of shares to Stocks Digital @ $0.003	60,000,000	180,000
Issue of shares in July vested Performance Rights Plan @ $0.002	41,140,000	82,280
Less equity raising costs		(935,836)
Issued and fully paid shares at 31 December 2024	28,933,811,952	392,621,587
Balance at 1 January 2025	**28,933,811,952**	**392,621,587**
Consolidation of Shares 9th May 2025 – 25:1	**1,157,350,417**	**392,621,587**
Issued and fully paid shares at 30 June 2025	**1,157,350,417**	**392,621,587**

	30 June 2025 $	31 December 2024 $
b) Reserves		
Share-based payments	**21,698,384**	21,478,213
Foreign currency translation reserve	**14,884,244**	21,560,941
	36,582,628	43,039,154

Movement reconciliation

Share-based payments reserve		
Balance at the beginning of the half year	**21,478,212**	21,490,097
Equity settled share-based payment expense	**222,922**	136,879
Issue of Options as part of Capital Raise	**-**	275,462
Settlement of vested Performance Rights	**(2,750)**	(424,225)
Balance at the end of the half year	**21,698,384**	21,478,213
Foreign currency translation reserve		
Balance at the beginning of the half year	**21,560,942**	8,482,555
Effect of translation of foreign currency operations to group presentation	**(6,676,698)**	13,078,386
Balance at the end of the half year	**14,884,244**	21,560,941

Share-based payment reserve

The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

11 EVENTS AFTER THE PERIOD END

The following events were noted subsequent to reporting date:

On 18th August, 88 Energy executed a binding Securities Purchase Agreement with Lonestar I, LLC , Operator of Project Longhorn, for the sale of its 75% non-operated working interest in the producing oil and gas assets located in the Permian Basin, Texas, USA (Project Longhorn), held through subsidiary Longhorn Energy Investments LLC. The terms of this transaction were as follows:

- Total consideration of US$3.25 million, (A$4,961,832), effective 1 July 2025, with final cash consideration subject to customary working capital and completion adjustments.

On 22 August 2025, the Company announced that Mr Philip Byrne retired as Non-Executive Chairman and from the Board of 88 Energy. The Board also announced the appointment of Ms Joanne Williams as Non-Executive Chair.

There were no other events after reporting date requiring disclosure.

12 COMMITMENTS AND CONTINGENCIES

There have been no new Exploration Commitments since 31 December 2024.

There have been no new Corporate Commitments since 31 December 2024.

13 RELATED PARTY TRANSACTIONS

The terms and conditions of transactions with Directors and Executives and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Related party transactions similar to those described in the 31 December 2024 Annual Report continued during the period.

During the half year to June 2025 there were no Performance Rights issued to Key Management Personnel.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of 88 Energy Limited, I state that:

In the opinion of the directors:

- The financial statements and notes of 88 Energy Limited for the half year ended 30 June 2025 are in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the half year ended on that date; and

- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

- There are reasonable grounds to believe that the Company will be able to pay its debts as when they become due and payable.

- This declaration is made in accordance with a resolution of the Board of Directors.

Ms Joanne Williams
Non-executive Chair

26 August 2025

BDO

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of 88 Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of 88 Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025 the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 26 August 2025