



6 May 2016

Seismic and Acreage Award Update

88 Energy Limited ("88 Energy", "the Company", "Operator") (ASX, AIM: 88E) is pleased to provide an update on Project Icewine, located onshore North Slope of Alaska.

Highlights

2D Seismic Acquisition Complete

- 662 line kilometres completed of planned 750 line kilometres 2D vibroseis
- Agreement reached to purchase the remainder of the planned acquisition from Alaska Seismic Ventures ("ASV")
 - Agreement to purchase inline data from 3D acquisition completed by ASV in 2015
 - Expected to result in better coverage, resolution and fold at depth over the proposed Icewine#2H location
- Total acquisition cost to 88 Energy, including purchase of ASV data, within budget of ~US\$3m (net of Bank of America credit facility)

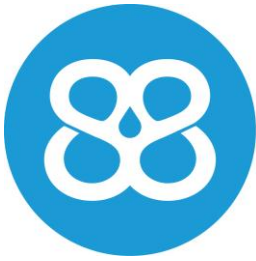
Official Notice of Award Documents Received

- Official notice of award documents received for 172,937 gross acres successfully bid on in November 2015
- Signing of the notices and payment will occur in the near term, prior to final award
- Net payment required by 88 Energy US\$4.25m

Upcoming Events

Evaluation and integration of the core from Icewine#1 is now focused on fine tuning of the ongoing Phase II Appraisal Program, with results expected on key variables over the coming period, including:

- Proppant Embedment – to determine the optimal size and type of proppant
- Fluid Sensitivity – determines the best fluid type for carrying proppant and minimising chemical interaction with the rock
- Borehole Stability – confirmation of stress direction for optimisation of orientation of lateral section
- Results from Processing and Interpretation of 2D Seismic
- Finalisation of Icewine#2H Well Design
- Integration of Evaluation Parameters from Icewine#1 Core into Well Performance Simulation
- Processing of Formal Award of Additional ~173,000 Acres successfully bid on in November 2015



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Managing Director of 88 Energy Limited, Dave Wall commented: *"Finalisation of the 2D seismic, with the added benefits gained via purchase of the ASV data, will allow the Joint Venture to gain valuable insights into the conventional potential at Project Icewine, whilst also mitigating drilling risk of the horizontal section for the planned Icewine#2H well. Special thanks go to the seismic contractor, SAExploration, who executed the acquisition in a safe, efficient manner and to spec.*

The team remains extremely busy and we continue to execute as planned on the next phase of the project, which is to prove up the production potential of the HRZ liquids rich resource play.

Thanks once again to existing shareholders and incoming investors who, through their support for the recent placement, have allowed us to push forward at a time of low oil prices so that we will be well positioned for any recovery. "

Yours faithfully

Dave Wall
Managing Director
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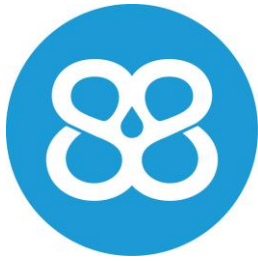
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Project Icewine Highlights

In November 2014, the Company entered into a binding agreement with Burgundy Xploration (**BEX**) to acquire a significant working interest (87.5%, reducing to 78% on spud of the first well on the project) in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore Alaska, North America, referred to as Project Icewine. In November 2015, the gross acreage position was expanded by 172,937 acres (to be awarded in due process by the State of Alaska).

Subject to final payment on the expanded acreage, 88 Energy will have a 271,119 gross contiguous acre position with 210,117 acres net to the Company. The Project is located on an all year operational access road with both conventional and unconventional oil potential. The primary term for the State leases is 10 years with no mandatory relinquishment and a low 16.5% royalty.

The HRZ liquids-rich resource play has been successfully evaluated based on core obtained in the recently completed (December 2015) Icewine #1 exploration well, marking the completion of Phase I of Project Icewine. Phase II has now commenced, with planning for a horizontal multi-stage fracture stimulated well, Icewine#2H, currently underway.

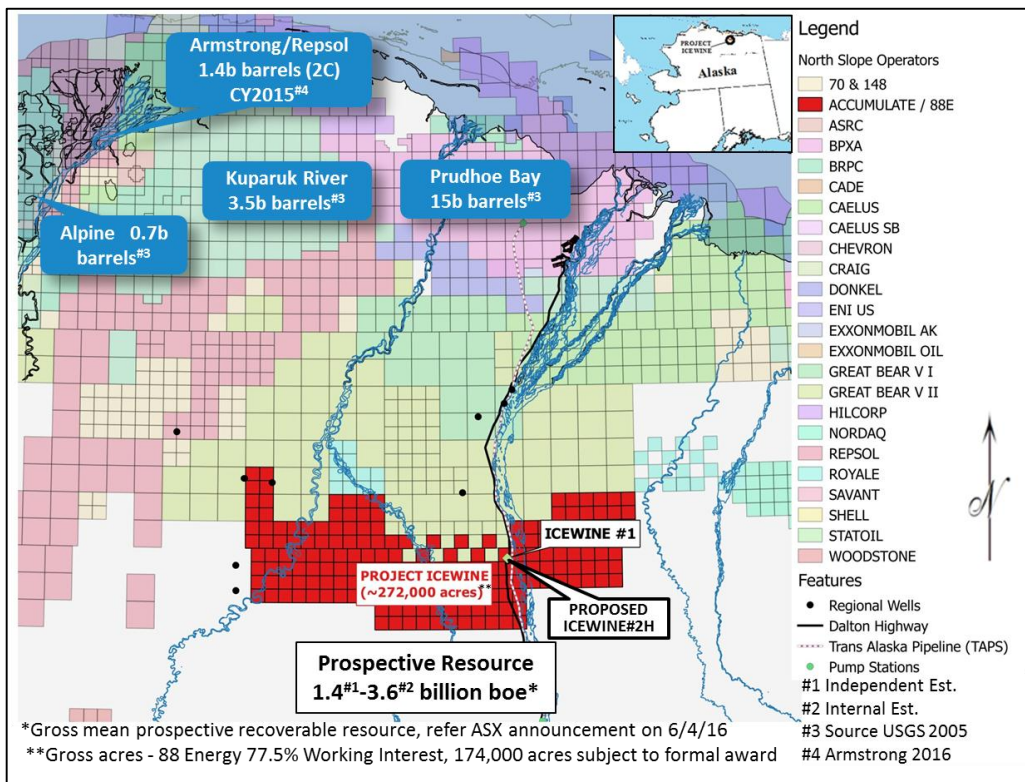


Figure 1: Project Icewine Location

Generous exploration incentives are provided by the State of Alaska with up to 85% of exploration expenditure in 2015 cash refundable, dropping to 75% until mid 2016 and thereafter 35%.

The primary objective is an untested, unconventional liquids-rich shale play in a prolific source rock, the HRZ shale (Brookian Sequence), that co-sourced the largest oil field in North America; the giant Prudhoe Bay Oil Field Complex. Internal modelling and analysis indicates that Project Icewine is located in a high liquids vapour phase sweetspot analogous to those encountered in other Tier 1 shale plays e.g. the Eagle Ford, Texas.

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Conventional play potential can be found at Project Icewine within the same Brookian petroleum system and shallow to the HRZ shale and includes high porosity channel and deep water turbiditic sands. The Brookian conventional play is proven on the North Slope; the USGS (2013) estimate the remaining oil potential to be 2.1 billion barrels just within the Brookian sequence. Additional conventional potential exists in the deeper Kuparuk sands and the Ivashuk Formation.

Drilling in (2012), on the adjacent acreage to the north, confirmed that the HRZ shales, along with the underlying Kingak & Shublik shales, were all within the oil window which is extremely encouraging for the unconventional potential at Project Icewine. In addition, a conventional oil discovery was reported in the Kuparuk sandstones.

A Prospective Resources Report by DeGolyer and MacNaughton, was commissioned by 88 Energy to evaluate the unconventional resource potential of Project Icewine in February 2016 and was released to the market on 6th April 2016.

About 88 Energy: 88 Energy has a 78% working interest and operatorship in ~271,000 acres (~173,000 acres subject to formal award) onshore the prolific North Slope of Alaska ("Project Icewine"). The North Slope is the host for the 15 billion barrel Prudhoe Bay oilfield complex, the largest conventional oil pool in North America. The Company, with its Joint Venture partner Burgundy Xploration, has identified three highly prospective play types that are likely to exist on the Project Icewine acreage – two conventional and one unconventional. The large resource potential of Project Icewine was independently verified by leading international petroleum resource consultant DeGolyer and MacNaughton. In addition to the interpreted high prospectivity, the project is strategically located on a year-round operational access road and only 35 miles south of Pump Station 1 where Prudhoe Bay feeds into the TransAlaska Pipeline System. The Company is currently acquiring seismic to take advantage of the globally unique fiscal system in Alaska, which allows for up to 75% of 1H2016 exploration expenditure to be rebated in cash. The Company recently completed its maiden well at the project, Icewine#1, with excellent results from analysis of core obtained in the HRZ shale. A follow-up well with a horizontal section and multi stage frac, Icewine#2H, is planned for 1Q2017.

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