# 88 ENERGY

## 2024 ANNUAL REPORT

88 ENERGY

# HIGH IMPACT EXPLORATION AND APPRAISAL SUPPORTED BY CONVENTIONAL PRODUCTION

**NEW VENTURE / FRONTIER EXPLORATION**

“Multi billion barrel prospective resource potential”

**ADVANCED APPRAISAL / PRE DEVELOPMENT**

“Proving up resources and advancing to near-term production”

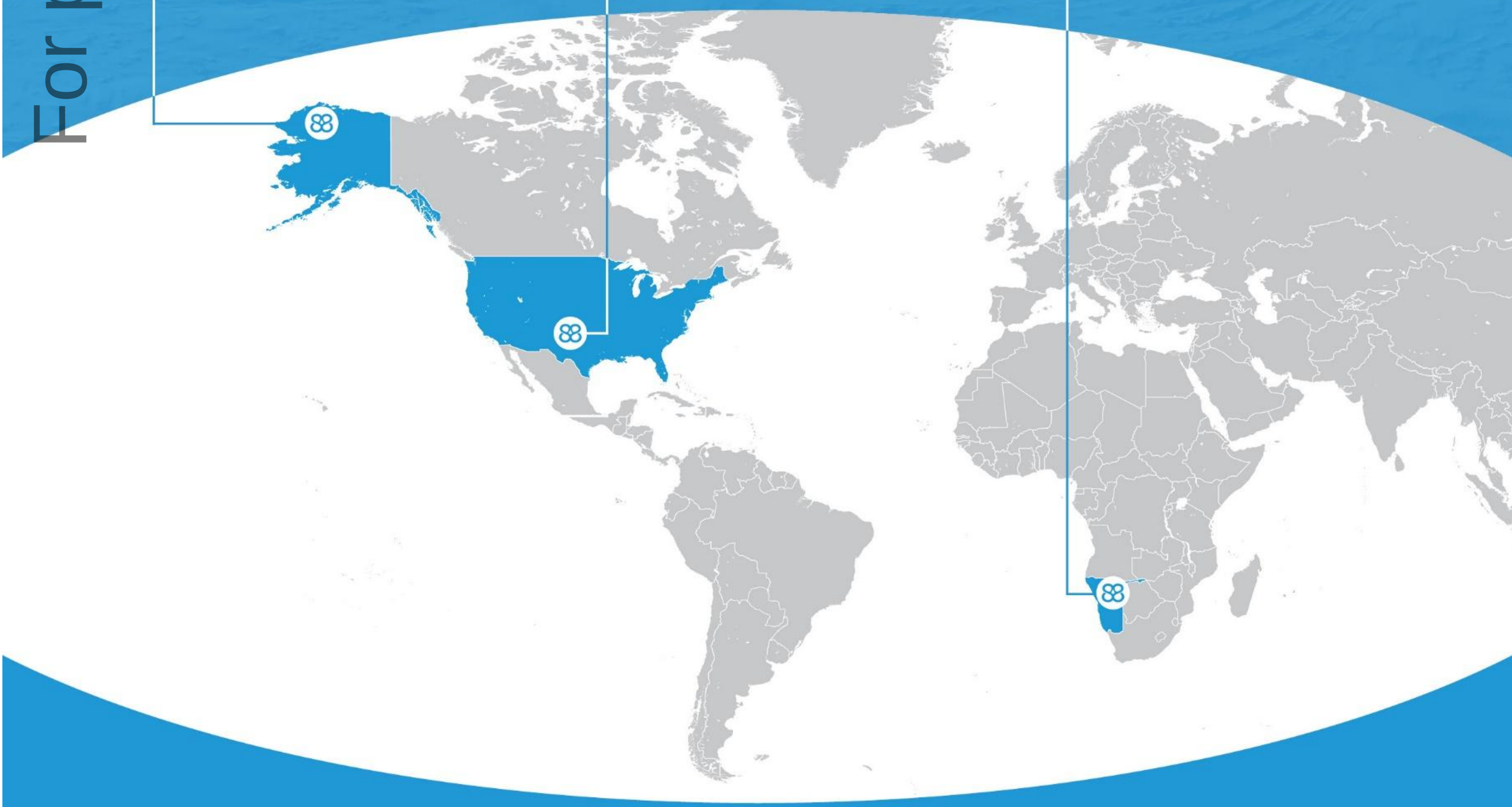
**PRODUCTION**

“Stable production supporting cash flow”

**NORTH SLOPE, ALASKA**

**PERMIAN BASIN, TEXAS**

**NAMIBIA, AFRICA**



# CONTENTS

# CORPORATE DIRECTORY



## BOARD OF DIRECTORS

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

## COMPANY SECRETARY

Ms Sarah Smith

## NOMINATED ADVISER AND BROKER

Cavendish Securities Plc

## 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

# CHAIRMAN'S LETTER

Dear Shareholders,

It is my pleasure to present 88 Energy's Annual Report for the year ended 31 December 2024, a period defined by significant progress across our exploration, appraisal, and production portfolio. Against a backdrop of geopolitical change, fluctuating commodity prices, and new uncertainties associated with the global energy transition, 88 Energy has remained committed to growing value for shareholders while navigating an evolving energy landscape.

The global energy sector continues to balance the challenges of meeting growing demand for reliable and affordable energy while the world advances towards decarbonisation. This dual focus underscores the critical importance of companies like 88 Energy.

Throughout 2024, our efforts centred on advancing key projects, optimising our portfolio, and most importantly positioning the company to unlock future value. The successful flow test at the Hickory-1 well in Alaska marked a key moment for Project Phoenix. This milestone validated the potential of multiple primary and secondary reservoirs, confirming the presence of mobile hydrocarbons and successfully achieving oil flow to surface, a significant indicator of commercial potential.

The year also saw significant progress at our Leonis Project, where the completion of an independent certified resource estimate highlighted the potential of the Upper Schrader Bluff reservoir. This paved the way for the launch a formal farm-out process aimed at accelerating exploration via a planned explorational well (Tiri -1). In December, 88 Energy was announced as the successful bidder on four additional leases, covering approximately 10,203 acres, growing the projects footprint to over 35,000 contiguous acres. These leases were targeted based on additional prospectivity mapped within the deeper Canning Formation reservoir interval, enhancing Leonis' position as a highly prospective, multi-zone opportunity.

Our entry into Namibia represents a second exciting frontier growth opportunity for 88 Energy. The seismic program over PEL 93 is a critical step towards de-risking this vast and underexplored acreage, with ten significant structural closures already identified. Recent exploration successes in Namibia have reinforced its potential for world-class discoveries, and we are enthusiastic about the possibilities this emerging energy province holds for 88 Energy.

In the Permian Basin, Project Longhorn continued to provide a stable production base and reliable cash flow, with multiple development opportunities being assessed to further enhance output. The project's consistent performance underscored the value of maintaining a balanced portfolio that spans the full spectrum of the oil and gas lifecycle.

I am also mindful that the 88 Energy share price has not reflected the technical successes during this period. 88 Energy is not the only company among our peer group that is not getting this recognition. However, I can assure you that the board and management of the company is laser focussed on creating value for our shareholders.

As we reflect on the year, it is evident that 88 Energy's achievmentsare driven not just by our assets but by the dedication and expertise of our team. Their ability to adapt to a constantly changing environment while delivering operational excellence and strategic foresight has been instrumental in achieving our goals for 2024.

To our shareholders, I extend my deepest gratitude for your unwavering support and belief in 88 Energy's vision. The path to value creation often demands a combination of belief and patience, and our progress this year affirms the strength of our strategy and the quality of our portfolio. With a strong foundation in place and a pipeline of high-impact opportunities, I am confident that 88 Energy is well-positioned to deliver substantial value in the years ahead.

On behalf of the entire team, I thank you for your trust and partnership and look forward to continuing this journey together. Wishing you a healthy and prosperous 2025.

Yours faithfully,

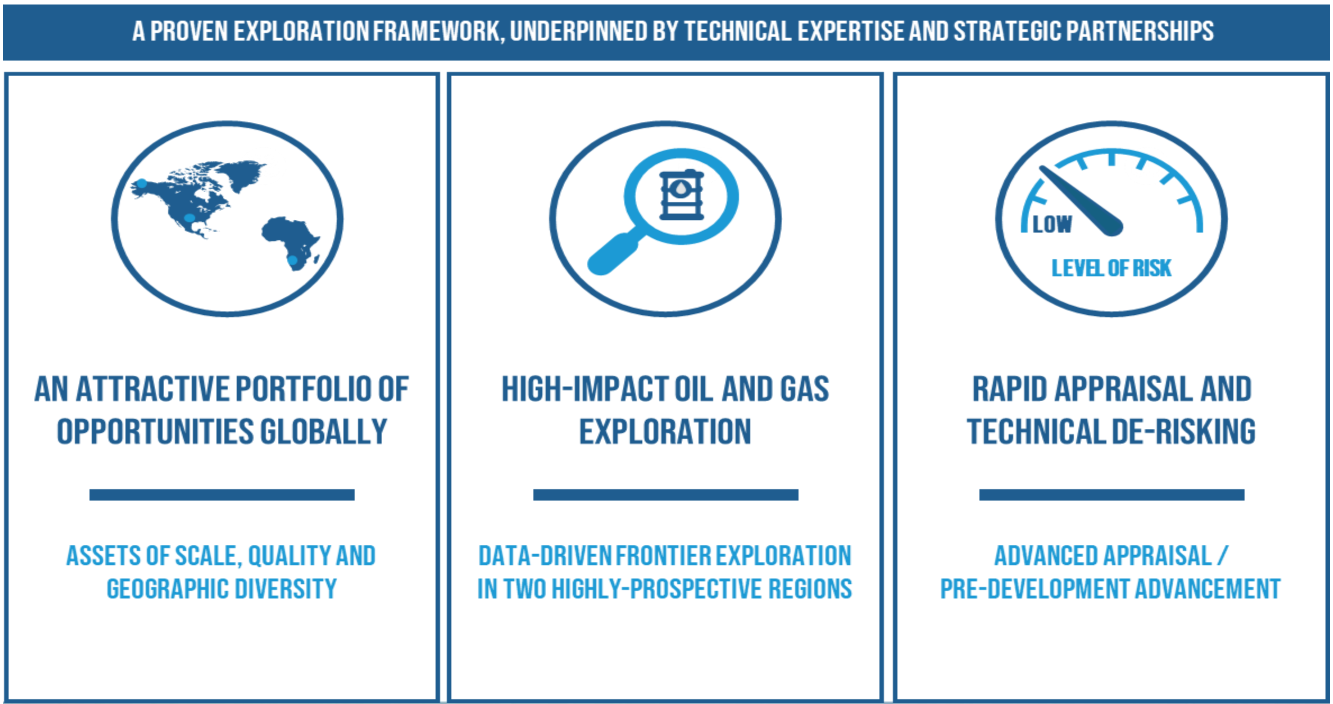
**Philip Byrne**
Non-Executive Chairman

# REVIEW OF OPERATIONS

88 Energy delivered further advancements across its exploration, appraisal, and production portfolio through 2024, demonstrating its commitment to unlocking value through disciplined exploration, strategic partnerships, and optimised production.

## CORPORATE STRATEGY: HIGH-IMPACT OIL AND GAS DISCOVERY AND APPRAISAL

88 Energy continues to focus on high-impact oil and gas discoveries and robust appraisal activities to de-risk opportunities and maximise value. The company employs a proven exploration framework, underpinned by technical expertise and strategic partnerships, to unlock full asset value.




# REVIEW OF OPERATIONS

## PROJECT PHOENIX (~75% WI) – HICKORY 1 FLOW TEST SUCCESS

Project Phoenix is an oil-bearing conventional reservoir play identified during the drilling and logging of Icewine-1 and Hickory-1 and adjacent offset drilling and testing. Project Phoenix is strategically located on the Dalton Highway with the Trans-Alaskan Pipeline System (TAPS) bisecting the acreage.

## HICKORY-1 DISCOVERY WELL

The Hickory-1 well, located in Alaska's prolific North Slope, was further de-risked during 2024. Following the initial exploration successes of 2023, the 2024 flow testing program confirmed the potential of the targeted Upper Slope Fan System (**USFS**) and Shelf Margin Delta (**SMD-B**) reservoirs. The program demonstrated mobile hydrocarbons and achieved oil flow to surface, exceeding expectations and significantly enhancing Project Phoenix's commercial viability.

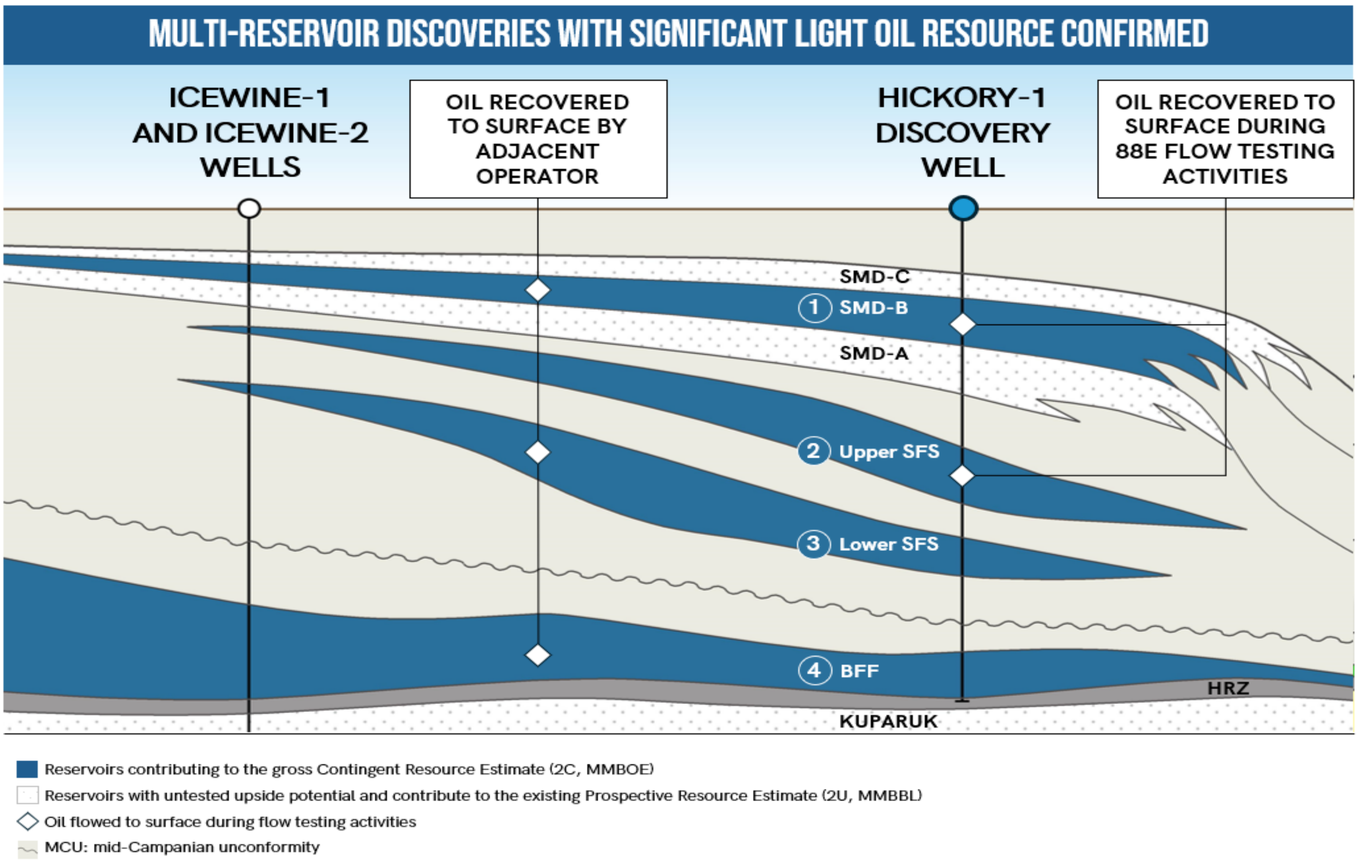



***Figure 1: 2024 Hickory-1 Flow testing program flowed oil to surface from the two tested zones.***

**Successful outcomes confirmed multi-reservoir discovery and further de-risks the likely future development of the asset.**

- Flow testing of the USFS and SMD-B reservoirs, with independent oil flow achieved through natural flow and nitrogen lift. For full details of the test results please refer to the ASX announcements dated 2 April 2024 (USFS) and 15 April 2024 (SMD-B).
- A contingent resource estimate issued by ERCE in September 2024, incorporating USFS, Lower SFS, and SMD-B, complementing the pre-existing BFF reservoir resource estimated by NSAI in late 2023.
- **Total 2C Contingent Resource of 239 MMBOE net to 88 Energy.**

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

# REVIEW OF OPERATIONS



## PROJECT PHOENIX: A CLEAR PATHWAY FOR FULL VALUE RECOGNITION

### FOCUSED ON APPRAISAL OF MULTI-RESERVOIR DISCOVERIES

SIGNIFICANT VALUE TO BE UNLOCKED DURING UPCOMING APPRAISAL PHASE

### PURSUING A NEAR-TERM VALUE ACCRETIVE FARM-OUT

TO FULLY FUND PROJECT PHOENIX THROUGH THE FINAL TECHNICAL DE-RISKING MILESTONES

### PROVIDING A TRUE REFLECTION OF SIGNIFICANT LATENT PROJECT VALUE

FOCUSED ON ENABLING FULL RECOGNITION OF DISCOVERED RESOURCE VALUE

**TARGETING AN EXIT AND FULL PROJECT MONETISATION PRIOR TO DEVELOPMENT FID**

## NEXT PHASE PROGRESS WITH JOINT VENTURE PARTNER

88 Energy advanced discussions with joint venture partner Burgundy Xploration LLC (**Burgundy**) during the year. In February 2025, the Company and Burgundy entered into binding terms for a Farmout Participation Agreement (PA) in relation to Project Phoenix. Under the agreement, Burgundy will fully fund up to US$39 million (approx. A$60 million) of Project Phoenix's total gross future work programme costs in exchange for up to an additional 50% Working Interest (WI) in Project Phoenix from 88 Energy, through its wholly owned subsidiary, Accumulate Energy Alaska Inc. This 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 programme, including drilling of a horizontal well and production testing scheduled for H1 CY26 (88E fully carried, 88E 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 programme (88E carry up to US$7.5 million, with 88E WI post Phase 2 farmout to 25%).

The company also monitored regional activity, including Pantheon Resources PLC's Megrez-1 extended well test targeting the Ahpun Eastern Topset reservoir. The anticipated Q1 CY25 results could provide valuable insights into the area's broader commercialisation potential

**PROJECT PHOENIX**

| Indicative Project Phoenix timeline[1] | H1-24 | H2-24 | H1-25 | H2-25 | H1-26 | H2-26 |
|---|---|---|---|---|---|---|
| Successful Hickory-1 flow test flows light crude oil to surface | ✓ | | | | | |
| Post-well analysis and updated Contingent Resource Estimate | | ✓ | | | | |
| Targeted farmout to de-risk and provide pathway to production test | | ✓ | | | | |
| Planning/permitting/design for horizontal production test[2] | | ■ | ■ | ■ | ■ | |
| Extended horizontal production test[1] | | | | | ■ | ■ |

*[1]This timeline is indicative and subject to change. The Company reserves the right to alter this timetable at any time.*
*[2] Horizontal production test subject to farm-out/funding as well as government and other approvals.*

# REVIEW OF OPERATIONS

## PROJECT LEONIS (100% WI) – MATERIAL RESOURCE POTENTIAL

### MAIDEN PROSPECTIVE RESOURCE OVER MULTI-RESERVOIRS

In June 2024, 88 Energy reported a maiden internal net mean Prospective Resource estimate of 381 MMbbl[1,2] of recoverable oil at the Upper Schrader Bluff Formation (**USB**) in Project Leonis. This followed a review of an extensive data suite that included 3D and 2D seismic data, well logs from Hemi Springs Unit-3 and Hailstorm-1, as well as nearby wells adjacent to the Project Leonis acreage, along with extensive petrophysical analysis and mapping. The USB formation is the same proven producing zone as nearby Polaris, Orion and West Sak oil fields to the north-west.

During December 2024, 88 Energy (via its wholly owned subsidiary, Captivate Energy Alaska, Inc) was announced as the successful bidder on four additional leases, covering ~10,203 acres immediately adjacent to the existing Project Leonis leases. These lease blocks were specifically targeted due to additional prospectivity identified and mapped within the deeper Canning Formation reservoir interval. Upon formal award, expected in H1 CY25, Project Leonis will comprise 14 leases, across 35,634 contiguous acres.

Subsequent reprocessing and interpretation of 3D seismic data identified a high-energy Canning Formation (**Canning**) toe-of-slope turbidite sequence, with analogues in the productive Tabasco field just 23 miles to the north-west. Encouragingly, the Tabasco field outline bears a remarkable resemblance to the Canning at Leonis. In January 2025, the Company reported a new prospective resource for the Canning with a total estimated net mean prospective resouce of 283MMbbl[1,2] recoverable from the Canning Formation.

Project Leonis is now a Multi-Reservoir Opportunity of Scale with a combined internal gross mean Prospective Resource estimate across the Canning and USB Prospects of 798 MMbbls, with (664 MMbbls net mean prospective resource to 88E, refer to the ASX announcement on 30 January 2025 for full details.)

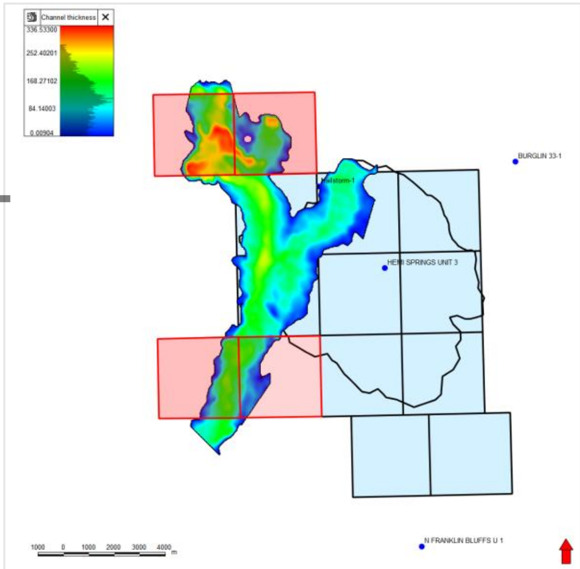



***Figure 2: New Leonis blocks (announced as highest bidder) identified in red with Canning Formation prospect overlayed.***

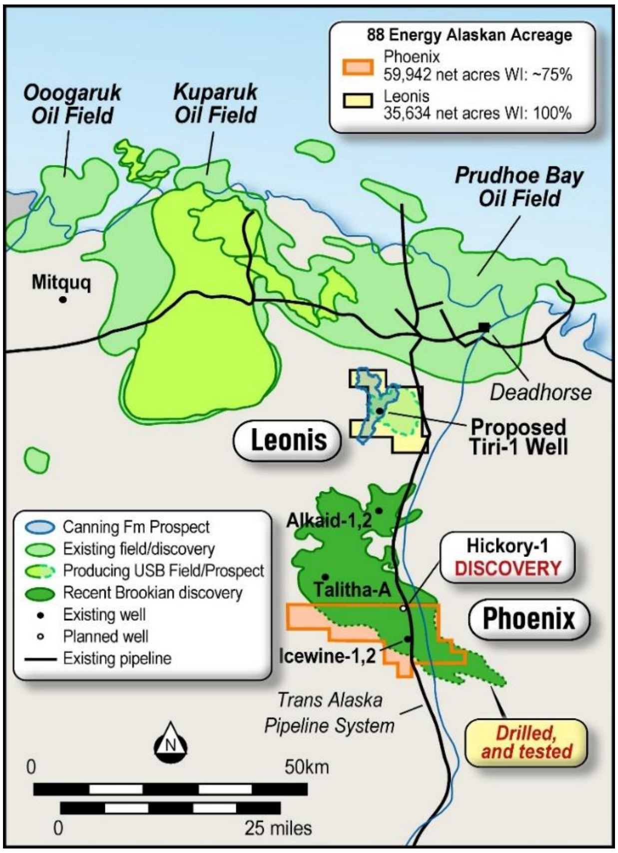



***Figure 3: 88 Project Leonis' expanded acreage position. Tiri-1 will be optimally located to penetrate Canning and US prospects.***

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 release on 4 June 2024 for full details.
3. Refer to the ASX release on 30 January 2025 for full details.

# REVIEW OF OPERATIONS

## FORWARD PROGRAM

- Fairweather LLC commenced planning and permitting of the Tiri-1 exploration well, which will target the USB and Canning reservoir zones at an optimal location within Project Leonis;
- A comprehensive Quantitative Interpretation (**QI**) study commenced in Q3 CY24 to leverage the reprocessed Storms 3D seismic data. The primary objective of the study is to identify anomalous responses within the Canning, whilst the secondary aim is to pinpoint "sweet spots" within the Upper Schrader Bluff. Results from the AVO and inversion analysis are expected in early Q1 2025;
- Analysis utilising the Storms 3D seismic data continues, focusing on refining exploration targets and identifying an optimal drilling location. The USB reservoir's mapped amplitude anomalies and fault-bound trapping mechanism highlight its robust technical case. Similarly, ongoing analysis of the Canning Formation will enhance the overall understanding of the acreage's potential; and
- A formal farm-out process was launched to accelerate exploration, with the planned Tiri-1 exploration well set to further define the resource base. Llamas and Bannister Energy Advisors Ltd (**LAB**) are appointed to manage a farm-out process to attract new potential partners to the project. With the addition of the Canning prospect, 88 Energy believes Project Leonis is a compelling farm-in opportunity. 88 Energy's 100% working interest provides strong potential to secure a large proportionate carry-on completion of the active farm-out process, ahead of any future drilling event.

### PROJECT LEONIS KEY MILESTONES

| Indicative Project Leonis timeline[1] | H1-24 | H2-24 | H1-25 | H2-25 | H1-26 | H2-26 |
|---|---|---|---|---|---|---|
| Maiden Prospective Resource Report – USB reservoir | ✓ | | | | | |
| Mapping of Canning prospect & lease bid | | ✓ | | | | |
| Maiden Prospective Resource Report – Canning Formation | | | ✓ | | | |
| Completion of QI study, AVO and inversion – location selected | | | ■ | | | |
| Planning/permitting/design for proposed Tiri-1 well | | | ■ | ■ | | |
| Targeted farmout to attract potential partners | | | ■ | ■ | | |
| Tiri-1 exploration well[1] | | | | | ■ | ■ |

[1] ***This timeline is indicative and subject to change. The Company reserves the right to alter this timetable at any time.***

# REVIEW OF OPERATIONS

## NAMIBIA PEL 93 (20% WI) – A STRATEGIC FRONTIER

Namibia is recognised as one of the world's most prospective, under-explored onshore frontier basins, offering significant potential for large-scale hydrocarbon discoveries. Petroleum Exploration Licence 93 (**PEL 93**) situated in the Owambo Basin, spans an area more than 10 times the size of 88 Energy's Alaskan portfolio.

In February 2024, the Company announced the successful 20% working interest (**WI**) transfer by operator Monitor Exploration Limited (Monitor) to 88 Energy as part of Stage 1 of the Farmout agreement; this transfer was approved by the Namibian Ministry of Mines and Energy. Monitor now holds a 55% WI with the remaining 25% shared across local entities, Legend Oil Namibia Pty Ltd and NAMCOR. The current and potential future PEL 93 Joint Venture partners and working interests are as follows:

| Entity | Pre Farm-in | **Stage 1 - Current (Past costs & 2D)** | Stage 2 (1st Well) | Stage 3 (2nd Well) |
|---|---|---|---|---|
| Monitor | 75.0% | **55.0%** | 37.5% | 30.0% |
| Legend | 15.0% | **15.0%** | 15.0% | 15.0% |
| NAMCOR | 10.0% | **10.0%** | 10.0% | 10.0% |
| 88 Energy | - | **20.0%** | 37.5% | 45.0% |

**Historical Exploration Activities:**

- Joint Venture (JV) operator Monitor Exploration Limited (Monitor), which holds a 55% working interest, utilised geological and geophysical methods to identify the Owambo Basin.
- Awarded in 2018, PEL 93 contains ten (10) independent structural closures, identified through airborne geophysical techniques and partially verified by existing 2D seismic data.

**Recent Developments:**

- In July 2024, Polaris Natural Resources Development Ltd (Polaris) acquired 203-line km of 2D seismic data. Data processing completed in Q4 CY24 identified significant structural closures with promising hydrocarbon potential.
- High-quality seismic data: Strong signal-to-noise ratios observed across all nine seismic lines.
- Interpretation by Monitor: Confirmed multiple significant leads in the southern PEL 93 area, with individual closures up to ~100 km² in size, showing good vertical relief, and clear hydrocarbon charge potential.

**Forward Activities:**

- Independent validation of Monitor's findings, integrating available datasets, including well logs, airborne geophysics and soil geochemistry.
- Delivery of a maiden, independently certified Prospective Resource estimate in H1 2025.
- Identification of drilling locations targeting the Damara Play.

**Regional Context:**

- Recon Africa (TSXV: RECO) spudded the Naingopo-1 well in PEL 73 in July 2024, reaching TD of 4,184 metres in November 2024. At the end of January 2025, Recon Africa announced that it encountered over 50 metres net reservoir in the Otavi Group, derived from log analysis and indications of oil, which will be further confirmed from side wall cores.

88 Energy's entry into Namibia marks the beginning of an exciting new chapter in the company's exploration growth story. The seismic acquisition program over PEL 93 progressed on schedule, with preliminary interpretations identifying ten significant structural closures. These results validate the prospectivity of the region and provide a foundation for future exploration activities.

Namibia's emergence as a globally significant energy frontier, coupled with recent major discoveries in adjacent blocks, strengthens 88 Energy's confidence in the potential of this underexplored region. The company continues to assess opportunities to enhance its presence and de-risk its portfolio in this high-impact basin.

# REVIEW OF OPERATIONS

## PROJECT LONGHORN (~65% WI) – CASH FLOW SUPPORTING EXPLORATION

The joint venture (**Bighorn JV**), which comprises a 100% wholly owned subsidiary of 88 Energy (75% ownership) and the operator (25% ownership), agreed to a development program that included five workovers in 2024. The Bighorn JV successfully executed four of the planned five workovers within Budget with the final workover encountering a tubing fish not recorded in the well file that could not be released. The Bighorn JV decided to suspend operations and P&A the well with sunk CAPEX capped at A$0.5M compared to a budget of A$1.2M.

Longhorn provided solid production through the year averaging between gross 390-450 BOE/day (~65% oil) and continued to provide strong cash flows towards exploration activities with the Company receiving cash flow distributions of ~A$2.3M for the year, post-workover expenditure.

Prior to commencement of the 2024 capital development program, the Bighorn JV executed a a ~10% sell-down (gross, ~7% net to 88 Energy) of the 2023 acquired acreage, in order to re-disk and accelerate development opportunities. The transaction realised net to 88E, acquisition payments of ~A$0.3M and the non-operated partners contributed their share of the five workover capital development costs coupled with a 25% carry of their ownership share of the five workovers. For full details refer to page 6-7 the Q1 2024 Quarterly ASX announcement on 18 April 2024 including reserves update and cautionary statement.

## FOCUSED ALASKAN STRATEGY AND DIVESTMENT / SUSPENSION

In Alaska, 88 Energy has a strategic focus on infrastructure-led opportunities which benefit from proximity to services at Prudhoe Bay, the Trans-Alaskan Pipeline System (TAPS) and other key infrastructure. 88 Energy is focused on advancing Project Phoenix and Project Leonis. Following Hickory-1 successfully flowing light oil to surface, the Company is aiming to drill horizontal production wells and generate cash flow within the next 24 months from Project Phoenix as well as unlocking Project Leonis' potential through an appraisal well program.

## PEREGRINE AND UMIAT [100% WI] – STRATEGIC SUSPENSIONS SECURED

Following proposed new regulations, issued prior to the appointment of the Trump administration, governing the management of surface resources in the National Petroleum Reserve-A, 88 Energy was successful in securing suspensions from the Bureau of Land management Alaska (BLM) for Project Peregrine and the Umiat Unit:

- Project Peregrine: Suspension extended until 30 November 2025.
- Umiat Unit: Suspension granted until 30 June 2025.

The suspensions allow 88 Energy to benefit from a reduction in lease costs (they relieve 88 Energy of ~A$0.6 million in lease rental obligations for CY25) and to focus its efforts on unlocking value from its key strategic acreage positions which are adjacent to infrastructure that should accelerate commercialisation of the projects.

## NON-CORE ACREAGE RELINQUISHED

During 2024, acreage that was deemed non-core to 88 Energy was relinquished. This includes all of Icewine Easts' 16 blocks, due to geographical challenges near/over the SAG river, lack of prospectivity and an 8-year primary term that expired on 31 May 2024 without being unitised. Additionally, 36 blocks at Icewine West with its 8-year primary term also expiring in May 24 were relinquished. The Company reviewed the remaining Icewine West acreage (69 blocks) and although it noted propectivity across a group of leases including Charlie-1, a combnation of the Company's focus being on assets that are adjacent to infrastructure, and the annual 'holding' rental costs of acreage means there are no immediate plans for further drilling at Icewine West and were relinquished in H2, 2024.

The relinquished acreage will relieve the Company of ~A$2.15m/pa in lease costs. (net to 88E).

# REVIEW OF OPERATIONS

## CORPORATE

### PLACEMENT

On 24 April 2024, the Company successfully completed an oversubscribed share placement to domestic and international institutional and sophisticated investors to raise gross A$9.7 million (approx. £5.17 million) before costs (the **Placement**). 3,231,974,839 new fully paid ordinary shares in the Company (the **New Ordinary Shares**) were issued at an issue price of A$0.003 (£0.0016) per New Ordinary Share (the **Issue Price**). The net proceeds augmented the Company's existing cash balance to fund:

- Hickory-1 discovery well flow test operations at Project Phoenix, post-well studies, securing contingent resource estimates for the SFS and SMD reservoirs and other costs associated with progressing Project Phoenix;
- Exploration activities including lease rentals across Alaskan and Namibian acreage;
- Permit and planning costs for Tiri-1 exploration well at Project Leonis; and
- Securing farmout partners to advance projects at Project Phoenix and Project Leonis.

Euroz Hartleys Limited (Euroz Hartleys) acted as Sole Lead Manager and Bookrunner to the Placement. Cavendish Capital Markets Ltd (Cavendish) acted as Nominated Adviser and Sole Broker to the Placement in the United Kingdom. Inyati Capital Pty Ltd (Inyati) acted as Co-Manager to the Placement. Commission for the Placement was 6% (plus GST) of total funds raised across Euroz Hartleys, Inyati and Cavendish. In addition, and subject to shareholder approval, the Company will issue a total of 75,000,000 Unlisted Options (exercisable at A$0.0055 on or before the date which is 3 years from the date of issue) to Euroz Hartleys, Cavendish and Inyati.

The New Ordinary Shares were issued under the Company's available placement capacity pursuant to Listing Rule 7.1 and are not subject to shareholder approval. The Ordinary Shares ranked pari passu with the existing ordinary shares in the Company and the Ordinary Shares were admitted to trading on AIM.

### PEL 93 – FARM-IN

Following approval by the Namibian Ministry of Mines and Energy of the 20% working interest transfer by Monitor to 88 Energy in relation to PEL 93, under the farm-in agreement, the Stage 1, third instalment payment of US$1.25 million was paid by issuing 397,947,229 new ordinary shares in the Company to Monitor at an issue price of A$0.0048 per share on 22 February 2024.

Monitor also agreed to receive 88 Energy shares as settlement for the fourth and final Stage 1 instalment of the farm-in agreement, as announced to the ASX on 13 November 2023. This instalment covers the final back costs and the 2024 work program carry of US$0.92 million through the issuance of 476,634,546 new ordinary 88 Energy Shares at an issue price of A$0.003 per share on 24 April 2024.

### CASH POSITION

At 31 December 2024, the Company's cash balance was A$7.2 million which was further boosted by the receipt of an additional ~US$1 million in February 2025 from Burgundy for oustanding cash calls with the US$2.1 million balance agreed to be paid by Q1 CY25.

## OUTLOOK

88 Energy is poised to build on its 2024 momentum, with priorities including development planning and farm-down activities for Project Phoenix, advancing preparation for Tiri-1 well at Leonis, and maturing prospects in Namibia.

The achievements of 2024 underscore the breadth of 88 Energy's portfolio, the expertise of its team, and the resilience of its strategy. With a disciplined approach to exploration and appraisal and identifying exit/monetisation points, 88 Energy is well-positioned to deliver significant shareholder value in the years ahead.

## EVENTS AFTER THE PERIOD

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

## PROJECT PHOENIX

In February 2025, 88 Energy's wholly owned subsidiary, Accumulate Energy Alaska, Inc. (Accummulate), executed a Farmout Participation Agreement (PA) with Burgundy Xploration LLC (Burgundy) in relation to Project Phoenix and over the Toolik River Unit (TRU). Under the agreement, Burgundy will fully fund up to US$39 million (approx. A$60 million) of Project Phoenix's total gross future work programme costs in exchange for up to an additional 50% Working Interest (WI) in Project Phoenix from 88 Energy. This 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 programme, including drilling of a horizontal well and production testing scheduled for H1 CY26 (88E fully carried, 88E 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 programme (88E carry up to US$7.5 million, with 88E WI post Phase 2 farmout to 25%).
- **Operator**: Burgundy shall assume the role of Operator subject to Burgundy demonstrating the resources and capability to act as Operator and successful financing to raise US$29 million required for Phase 1.

The agreement is subject to relevant government and other approvals, as well as conditions precedent customary with respect to Farm-out transactions. Burgundy is targeting a public listing in 2025, and the agreement contains a long stop date for Burgundy to be fully funded for the Phase 1 carry of US$29 million by 31 December 2025 unless extended by mutual consent of the parties.

In conjunction with signing the PA, Burgundy paid US$1 million to 88 Energy in February to part-settle outstanding cash calls and entered into an agreement to pay the remaining ~US$1.7 million outstanding plus interest and penalties due of approximately US$0.5 million by Q1 CY2025.

# RESERVES STATEMENT

## RESERVES STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2024

### 88 ENERGY LIMITED – OIL AND GAS RESERVES HOLDINGS (AS AT 31 DECEMBER 2024)

| Net Entitlement | | Developed | | | Undeveloped | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Oil (MMBO) | Gas (BCF) | Total MMBOE | Oil (MMBO) | Gas (BCF) | Total MMBOE | Oil (MMBO) | Gas (BCF) | Total MMBOE |
| **Proved** | **1P** | 0.24 | 0.71 | 0.36 | 0.45 | 1.00 | 0.62 | 0.69 | 1.71 | 0.98 |
| **Proved + Probable** | **2P** | 0.30 | 0.94 | 0.46 | 94.67 | 1.62 | 94.95 | 94.98 | 2.56 | 95.40 |
| **Proved + Probable + Possible** | **3P** | 0.42 | 1.33 | 0.64 | 138.17 | 2.03 | 138.55 | 138.59 | 3.36 | 139.20 |

### RESERVES BY GEOGRAPHICAL AREA AND PRODUCT TYPE (AS AT 31 DECEMBER 2024)

#### Umiat Oil Field, Alaska, USA

| Undeveloped | | Gross | | | Net Entitlement | | |
|---|---|---|---|---|---|---|---|
| | | Oil (MMBO) | Gas (BCF) | Total MMBOE | Oil (MMBO) | Gas (BCF) | Total MMBOE |
| **Proved Total** | **1P** | - | - | - | - | - | - |
| **Proved + Probable** | **2P** | 123.7 | 0.0 | 123.7 | 94.0 | 0.0 | 94.0 |
| **Proved + Probable + Possible** | **3P** | 180.8 | 0.0 | 180.8 | 137.4 | 0.0 | 137.4 |

**No changes have been made to this reserves position since ASX announcement on 11 January 2021 (2021 Reserves)

# RESERVES STATEMENT

## Project Longhorn, Texas, USA

| Developed Reserves | | Gross | | | Net Entitlement | | |
|---|---|---|---|---|---|---|---|
| | | Oil (MMBO) | Gas (BCF) | Total MMBOE | Oil (MMBO) | Gas (BCF) | Total MMBOE |
| **Proved** | **1P** | 0.42 | 1.24 | 0.63 | 0.24 | 0.71 | 0.36 |
| **Proved + Probable** | **2P** | 0.53 | 1.65 | 0.81 | 0.30 | 0.94 | 0.46 |
| **Proved + Probable + Possible** | **3P** | 0.74 | 2.36 | 1.13 | 0.42 | 1.33 | 0.64 |

| Undeveloped Reserves | | Gross | | | Net Entitlement | | |
|---|---|---|---|---|---|---|---|
| | | Oil (MMBO) | Gas (BCF) | Total MMBOE | Oil (MMBO) | Gas (BCF) | Total MMBOE |
| **Proved** | **1P** | 0.91 | 2.01 | 1.25 | 0.45 | 1.00 | 0.62 |
| **Proved + Probable** | **2P** | 1.37 | 3.27 | 1.92 | 0.67 | 1.62 | 0.94 |
| **Proved + Probable + Possible** | **3P** | 1.58 | 4.12 | 2.27 | 0.77 | 2.03 | 1.11 |

| Total Reserves | | Gross | | | Net Entitlement | | |
|---|---|---|---|---|---|---|---|
| | | Oil (MMBO) | Gas (BCF) | Total MMBOE | Oil (MMBO) | Gas (BCF) | Total MMBOE |
| **Proved** | **1P** | 1.33 | 3.24 | 1.87 | 0.69 | 1.71 | 0.98 |
| **Proved + Probable** | **2P** | 1.90 | 4.91 | 2.72 | 0.97 | 2.56 | 1.40 |
| **Proved + Probable + Possible** | **3P** | 2.32 | 6.48 | 3.40 | 1.19 | 3.36 | 1.75 |

# RESERVES RECONCILIATION, 88 ENERGY NET ENTITLEMENT

## Project Longhorn

| Reserves Reconciliation | | Net Oil (MMBO) | | | | Net Gas (BCF) | | | | Net Oil Equivalent (MMBOE) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | YE 2023 | 2024 Prod | Tech Rev | YE 2024 | YE 2023 | 2024 Prod | Tech Rev | YE 2024 | YE 2023 | 2024 Prod | Tech Rev | YE 2024 |
| **Proved Total** | **1P** | 1.43 | (0.052) | (0.69) | 0.69 | 3.04 | (0.152) | (1.18) | 1.71 | 1.94 | (0.077) | (0.89) | 0.98 |
| **Proved + Probable** | **2P** | 1.91 | (0.052) | (0.89) | 0.97 | 4.27 | (0.152) | (1.56) | 2.56 | 2.62 | (0.077) | (1.15) | 1.40 |
| **Proved + Probable + Possible** | **3P** | 2.57 | (0.052) | (1.33) | 1.19 | 5.88 | (0.152) | (2.37) | 3.36 | 3.55 | (0.077) | (1.72) | 1.75 |

# RESERVES STATEMENT

**Notes on changes in reserves from prior year**

### Project Longhorn

- Production during the year amounted to 0.052 MMBOE and 0.151 BCF net to 88 Energy, or 0.077 MMBOE. These figures are taken into account in the reserve's reconciliation.
- Net oil reserve estimates have decreased 52%, 49% and 54% in the 1P, 2P and 3P categories respectively because of 2024 workover activities not achieving target estimates. Additionally, minor WI percentages were sold effective January 1, 2024 reducing production and reserve estimates.
- Net gas reserve estimates have decreased 44%, 40% and 43% in the 1P, 2P and 3P categories respectively. Lower performing workover wells and the minor WI sales contributed to the reductions.
- Five activities were removed after determining the costs would not prove viable and the activities would not meet Economic Limits Tests. Four activities were executed in 2024 while the partnership evaluates plans for future well investments.

### Umiat Oil Field

- The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement dated 11 January 2021 and that all the material assumptions and technical parameters underpinning the estimates in the same announcement continue to apply and have not materially changed.
- No 1P reserves are estimated currently as there is no plan of development in place that includes all of the necessary approvals required to enter into production.
- This information was prepared and first disclosed under the SPE-PRMS 2007. It has not been updated since to comply with the SPE-PRMS 2018 on the basis that the information has not materially changed since it was last reported. It is the Company's intention to reassess the reserve position under SPE-PRMS 2018 during 2024.

**Notes and assumptions related to reserves statement and ASX listing rules**

**Qualified Petroleum Reserves Evaluator Statement**

The information in this evaluation that relates to Project Longhorn is based on, and fairly represents, information and supporting documentation prepared by Paul Griffith of consultants PJG Petroleum Engineers LLC.. Mr Griffith holds a BSc. and a Master's in Petroleum Engineering, is a member of the Society of Petroleum Engineers (SPE) and has over 35 years of reservoir and petroleum engineering experience. Mr Griffith is not an employee of the Company. Mr Griffith has reviewed this document as to its form and context in which the reserves and the supporting information are presented and consent to its release.

The information in this evaluation that relates to the Umiat oil field has not changed since first reporting to the ASX on 11 January 2021, and fairly represents, information and supporting documentation prepared by technical employees of consultants Ryder Scott Company LP, under the supervision of Dr Stephen Staley, as stated in that announcement. Dr Staley is a Non-Executive Director of the Company. Dr Staley has more than 40 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.

# RESERVES STATEMENT

This evaluation has been prepared in accordance with reserves definitions, standards and procedures contained the Society of Petroleum Engineers' Petroleum Resources Management System (SPE-PRMS) and reported in the most specific resource class in which the prospective resource can be classified under SPE-PRMS 2018 for Project Longhorn and SPE-PRMS 2007 for the Umiat Oil Field. The reserves presented in this evaluation are based on forecast prices and costs. Economic Limit Tests (ELTs) were used to estimate the reserves tabulated in this section.

**Reserves Cautionary Statement**

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward-looking statements.

**Reserves Governance**

88 Energy's reserves estimates are compiled annually by qualified external petroleum or reservoir engineering consultants as defined by the ASX Listing Rules. The fees paid to any qualified consultant are not contingent on the reserves outcome of any reserve evaluation.

**ASX Listing Rules**

a) The reserves information in this document is effective as of 31 December 2024 (Listing Rule (LR) 5.25.1).
b) The reserves information in this document has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2).
c) The reserves information in this document is reported according to the Company's economic interest in each of the reserves net of royalties (LR 5.25.5).
d) The reserves information in this document has been estimated and prepared using the deterministic method (LR 5.25.6).
e) The reserves information in this document has been estimated using a 5:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an average energy equivalency conversion method and does not represent value equivalency (LR 5.25.7).
f) The reserves information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (LR 5.26.5). The sales point for gas is upstream of the purchaser's processing facilities, thus NGL's and condensates are included in the gas stream.
g) The method of aggregation used in calculating estimated reserves was the arithmetic summation by category of reserves. As a result of the arithmetic aggregation of the field totals, the aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation (LR 5.26.7 & 5.26.8)
h) Project Longhorn reserves are located in the Permian Basin, Texas, USA.
i) The Umiat Oil Field is located in Alaska, USA.

# RESERVES STATEMENT



**Definitions**

- Reserves are those quantities of petroleum that are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria, based on the development project(s) applied: discovered, recoverable, commercial and remaining (as of the evaluation date).
- 1P is defined as proven (or proved) reserves. 2P is defined as proven plus probable reserves. 3P is defined as proven plus probable plus possible reserves.
- 1P or Proven Reserves are those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations. This is typically considered to have more than a 90% likelihood of occurring.

Probable Reserves are those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves. This is typically considered to have approximately a 50% likelihood of occurring.

- Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. This is typically considered to have approximately a 10% likelihood of occurring.
- Developed reserves are expected to be recoverable from existing wells and facilities. Undeveloped reserves will be recovered through future investments (e.g. through installation of compression, new wells into different but known reservoirs, or infill wells that will increase recovery). Total reserves are the sum of developed and undeveloped reserves at a given level of certainty.
- Contingent Resources (1C, 2C and 3C) are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.
- Prospective Resources are those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

**Glossary**

*Bbl = barrels*

*Bcf = billion cubic feet*

*Bcfg = billion cubic feet of gas*

*Boe = barrels of oil equivalent*

*Bopd = barrels of oil per day*

*Btu = British Thermal Units*

*mcfg = thousand cubic of gas*

*mmcfg = million cubic feet of gas*

*mcfgpd = thousand cubic feet of gas per day*

*mmcf = million cubic feet*

*Mbo/Mbbl = thousand barrels of oil*

*MMbo/MMbbl = million barrels of oil*

*Mboe = thousand barrels of oil equivalent*

*MMboe = million barrels of oil equivalent*

*Mcf = thousand cubic feet*

*MMcf = million cubic feet*

*mmbtu = million British Thermal Units*

*psi = pounds per square inch*

# RESOURCE ESTIMATES AND DISCLOSURES

## PROJECT PHOENIX – CONTINGENT RESOURCE

| NET ENTITLEMENT CONTINGENT RESOURCES (MMBOE)[1] | | | |
|---|---|---|---|
| Reservoir | Low (1C) | Best (2C) | High (3C) |
| Shelf Margin Delta (SMD-B) | 7 | 24 | 79 |
| Upper Slope Fan System (USFS) | 6 | 21 | 72 |
| Lower Slope Fan System (LSFS) | 8 | 35 | 123 |
| Basin Floor Fan (BFF) | 62 | 158 | 367 |
| **TOTAL MILLION BARRELS OF OIL EQUIVILANT** | **83** | **239** | **640** |

1. Net entitlement to 88E. Refer to the ASX release dated 18 September 2024 for full details pertaining to Contingent Resource estimate including a summary of Project Phoenix contingent resources marketable liquids estimate of Best 2C net to 88E of 251MMbbl.

## PROJECT PHOENIX

| NET ENTITLEMENT PROSPECTIVE RESOURCE (MMBO, UNRISKED)[2] | | | | | |
|---|---|---|---|---|---|
| Prospects | Formation | Low (1U) | Best (2U) | High (3U) | Mean |
| Shelf Margin Delta | SMD-A/C | 29 | 97 | 223 | 99 |
| Kuparuk | KUP | 24 | 56 | 98 | 56 |
| **TOTAL MEAN PROSPECTIVE RESOURCE** | | | | | **155** |

2. Net Entitlement to 88E. Refer to the ASX release dated 18 September 2024 for full details with respect to the Prospective Resource estimate, associated risking and Cautionary Statement below.

## PROJECT LEONIS

| NET ENTITLEMENT PROSPECTIVE RESOURCE (MMBO, UNRISKED)[3] | | | | | |
|---|---|---|---|---|---|
| Prospects | Formation | Low (1U) | Best (2U) | High (3U) | Mean |
| Canning | Canning | 167 | 338 | 671 | 381 |
| Upper Schrader Bluff | USB | 136 | 259 | 469 | 283 |
| **TOTAL MEAN PROSPECTIVE RESOURCE** | | | | | **664** |

3. Net Entitlement to 88E. Refer to the ASX release dated 30 January 2025 for full details with respect to the Prospective Resource estimate, associated risking and Cautionary Statement below.

## PROJECT PEREGRINE

| NET ENTITLEMENT PROSPECTIVE RESOURCE (MMBO, UNRISKED)[4] | | | | | |
|---|---|---|---|---|---|
| Prospects | Formation | Low (1U) | Best (2U) | High (3U) | Mean |
| Merlin | Nanushuk | 44 | 160 | 567 | 260 |
| Harrier | Nanushuk | 136 | 577 | 2,495 | 1,101 |
| Harrier Deep | Nanushuk/Torok | 94 | 494 | 2,452 | 1,063 |
| **TOTAL MEAN PROSPECTIVE RESOURCE** | | | | | **2,424** |

4. Please refer to the ASX release dated 31 July 2023 for full details with respect to the Prospective Resource estimate, associated risking and Cautionary Statement below.

**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.

# DIRECTOR'S REPORT

## DIRECTORS

The Directors in office of the Company at any time during or since the end of the financial year, unless otherwise stated, are:

**Mr Philip Byrne**

**Non-Executive Chairman**

Appointed: 2 August 2021

Mr Byrne is a petroleum geologist by training with over 40 years' experience in the international oil and gas industry across technical, exploration, commercial and executive leadership roles. Previous positions he has held include Executive Vice President Marketing & Trading and Commercial, for Santos Energy, Managing Director and CEO of Nido Petroleum, President of the North-West Shelf Australia LNG organisation (the JV marketing arm of the NW Shelf LNG Project) and various roles with BHP Petroleum including General Manager (Pakistan), President Gas Marketing (Asia/Australia) and General Manager (Australia).

**Directorships held in other listed entities during the three years prior to the current year**

GLX Digital Limited (current)

**Interest in shares, options and rights**

Ordinary Shares – nil

Performance Rights – nil

Share Options – nil



**Dr Stephen Staley**

**Non-Executive Director**

Appointed: 9 April 2014

Dr Staley is a petroleum geoscientist with more than 40 years of wide-ranging management, technical and commercial experience in the international oil, gas and power sectors. He co-founded and brought to the AIM market Fastnet Oil & Gas plc (where he was the founding CEO) and Independent Resources plc (where he was the founding Managing Director). He also co-founded and brought Upland Resources Ltd to the Standard List of the LSE Main Market, where he was founding CEO. Dr Staley was also both a technical consultant to, and Non-Executive Director of, Cove Energy plc – the highly successful East Africa focused explorer. Dr Staley is owner and founder of Derwent Resources Limited, an upstream consultancy advising on oil and gas and carbon sequestration opportunities. Prior to this he has worked for Cinergy Corp., Conoco, and BP.

**Directorships held in other listed entities during the three years prior to the current year**

Nostra Terra Oil & Gas Company PLC (current)

Predator Oil & Gas Holdings PLC (until March 2022)

**Interest in shares, options and rights**

Ordinary Shares – 14,342,717

Performance Rights – nil

Share Options – nil

**Ms Joanne Williams**

**Non-Executive Director**

Appointed: 2 August 2021

Ms Williams is a petroleum engineer with over 25 years' experience in the global oil and gas sector.

Ms Williams has previously held technical and leadership positions with various international oil and gas companies including Woodside Petroleum, Newfield Explorations, Gulf Canada and Clyde Petroleum. She delivered significant shareholder value as Deputy Managing Director and Managing Director for Nido Petroleum and Blue Star Helium respectively.

**Directorships held in other listed entities during the three years prior to the current year**

Jadestone Energy plc (current)

Buru Energy Limited (current)

Sacgasco Limited (until April 2022)

Blue Star Helium Limited (until May 2021)

**Interest in shares, options and rights**

Ordinary Shares – nil

Performance Rights – nil

Share Options – nil

**Mr Ashley Gilbert**

**Managing Director**

Appointed: 10 May 2021

Mr Gilbert was appointed as Managing Director on 10 May 2021. Prior to his appointment, he was Chief Financial Officer and Company Secretary of 88 Energy. He is a Chartered Accountant with more than 20 years' experience in commerce and public practice. Prior to 88 Energy Mr Gilbert was CFO of Neptune Marine Services Ltd, a leading provider of integrated oil field services, and also CFO of Nido Petroleum Ltd for just under 10 years. He has also held various finance positions within Woodside Petroleum Limited, GlaxoSmithKline plc. in London and public practice in taxation, auditing, business development, financial management and governance roles.

**Directorships held in other listed entities during the three years prior to the current year**

None

**Interest in shares, options and rights**

Ordinary Shares – 41,140,000

Performance Rights – 71,625,001

Share Options – nil

**Ms Sarah Smith**

Company Secretary

Appointed: 4 March 2016 - 1 August 2020

Reappointed: 10 May 2021

Sarah specialises in corporate advisory, company secretarial and financial management services. Sarah's experience includes company secretarial and financial management services for ASX listed companies, capital raisings and IPOs, due diligence reviews and ASX and ASIC compliance. Sarah is a Chartered Accountant and has acted as the Company Secretary of several ASX listed companies.

## BOARD AND MANAGEMENT CHANGES

During the 2024 year there were no board changes.

## DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings held during the financial year and the number attended by each Director. During the financial year, 5 board meetings were held and several matters were approved by circular resolution.

| Director | Number Eligible to Attend | Number Attended |
|---|---|---|
| Mr Stephen Staley | 5 | 5 |
| Mr Philip Byrne | 5 | 5 |
| Ms Joanne Williams | 5 | 5 |
| Mr Ashley Gilbert | 5 | 5 |



In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means. Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee. Matters typically managed by these Committees are, for the time being, managed by the Board. For details of the function of the Board, please refer to the Corporate Governance Statement on the 88 Energy website.

## REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 31 December 2024 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act. The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent Company.

## KEY MANAGEMENT PERSONNEL

The remuneration structure for Key Management and Directors is based on several factors including length of service, experience, responsibilities and the performance of the Company.

Key Management Personnel of the Group during or since the end of the 2024 financial year were:

| | |
|---|---|
| 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) |
| Ms Joanne Williams | Non-Executive Director (appointed 2 August 2021) |
| Mr Robert Benkovic | Chief Operating Officer (appointed 2 August 2021, ceased employment 30 January 2024) |
| Mr Oliver Mortensen | Chief Financial Officer (appointed 15 November 2021) |

## REMUNERATION POLICY AND GOVERNANCE

The Remuneration Report is set out under the following main headings:

A Remuneration Philosophy
B Remuneration Governance, Structure and Approvals
C Remuneration and Performance
D Details of Remuneration
E Service Agreements
F Share-based Compensation
G Equity Instruments Issued on Exercise of Remuneration Options
H Voting and comments made at the Company's 2023 Annual General Meeting

I Loans with KMP
J Other Transactions with KMP

**A Remuneration Philosophy**

The Company recognises that it operates in a competitive environment and to operate effectively, it must attract, motivate, and retain key personnel. The Board of Directors and key management personnel have authority and responsibility for planning, directing, and controlling the activities of the Group. Compensation levels for key management personnel of the Company are competitively set to attract and retain appropriately qualified and experienced Directors and Executives.

**B Remuneration Governance, Structure and Approvals**

The Board is responsible for setting the remuneration of Executive and Directors and its objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. The Board has not established a separate Remuneration Committee at this point due to the level of activity of the Group.

Board Remuneration responsibilities include:

- Executive remuneration framework
- Operation of the incentive plans, including key performance indicators and performance hurdles
- Executive Remuneration
- Non-Executive Director fees

Non-Executive Remuneration Structure

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a Company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing on-Executives.

The remuneration of non-Executives consists of Directors' fees. The total aggregate fixed sum per annum to be paid to non-Executives in accordance with the Company's Constitution shall initially be no more than A$300,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting. Remuneration of non-Executives is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the non-Executives. In accordance with the Company's Constitution, the non-Executives may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company.

The remuneration of non-Executives is detailed in Table 1(a) and their contractual arrangements are disclosed in "Section E – Service Agreements". Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

Executive Remuneration Structure

The nature and amount of remuneration of Executives are assessed on an annual basis or as otherwise determined by the Board, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Executives. The main objectives sought when reviewing Executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives
- Executives who will create value for shareholders
- Competitive remuneration benchmarked against the market
- Fair and responsible rewards to Executives having regard to the performance of the Group

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with the market. Executive remuneration and incentive policies and practices are designed to motivate management to pursue the Company's strategy, growth and success and demonstrate a clear relationship between the Company's overall performance and performance of the Executives.

The remuneration of Executives is detailed in the tables below and their contractual arrangements are disclosed in "Section E – Service Agreements". Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

## C Remuneration and Performance

The remuneration policy has been tailored to align objectives between Shareholders, Non-Executives, and Executives. As part of each of the key management personnel's remuneration package, there is a performance-based component consisting of the issue of performance rights to align Management and Shareholders' interests. The Board determines appropriate options or performance rights' vesting conditions that include share price growth and share price growth relative to Peers as well as tenure over a 3-year performance period. This policy has been deemed by the Board to be the most appropriate performance-based compensation method for a Company of its size and nature.

Due to the Company's growth stage, it is not currently appropriate to evaluate the Company's financial performance using EBITDA and other profitability metrics, as such a summary of the operating losses, share prices, and market capitalisation at year end for the last five years are as follows:

| Metric | 31-Dec-24 | 31-Dec-23 | 31-Dec-22 | 31-Dec-21 | 31-Dec-20 |
|---|---|---|---|---|---|
| Net Loss after income tax ($) | **(32,819,026)** | (14,439,233) | (70,721,918) | (2,410,189) | (22,033,633) |
| Share price | **$0.002** | $0.005 | $0.010 | $0.025 | $0.010 |
| Market capitalisation | **$58 million** | $123 million | $182 million | $370 million | $106 million |

Relationship between Remuneration and Company Performance:

Given the current phase of the Company's development and growth, the Board does not consider earnings when reviewing and setting the remuneration structure (nature and amount) of key management personnel. The Remuneration and reward framework for key management personnel may consist of the following areas:

a) Fixed Remuneration
b) Variable - Short-term Incentives
c) Variable - Long-term Incentives

The combination of these would comprise the key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary

Consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation. Compensation levels are reviewed regularly by the Board (and independent third parties against the market) and while considering individual performance against agreed key performance indicators and Group performance. Fixed remuneration is guided by the nature and responsibilities of each role as well as knowledge, skills and experience required for each position and market competitive.

b) Variable - Short-term Incentives (STI)

Discretionary cash bonuses may be paid to Executives annually, subject to the requisite Board and shareholder approvals (where applicable). The Board sets annual short-term (12-month) key performance indicators (KPIs) for the Company and then rewards performance against achievement of the KPIs at the end of financial year using a scorecard approach where each KPI holds a particular weighting (STI scorecard). The Board also reviews and considers individual performance in relation to Company performance. The annual STI scorecard typically consists of project/asset results (technical and financial), resource growth, new ventures / portfolio management targets, production asset targets, and year-end cash flow targets.

c) Variable - Long Term Incentives (LTI)

The Company adopted an Incentive Option Scheme in 2015 and a Performance Rights Scheme in 2018. LTI Rights are issued under the Employee Performance Rights and Options Plan to eligible participants. It provides for key management personnel, and staff to receive performance rights and/or options over ordinary shares. Any performance rights or options issued to Directors require the approval of shareholders.

Each Performance Right or Option granted under the Scheme will be granted for nil or nominal consideration. Each Performance Right or Option is exercisable into one Share in the Company and the exercise price and expiry date granted under the Scheme will be determined by the Board prior to the grant of the Performance Rights or Options.

The Options granted may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options. The Options will not be quoted on ASX.

**D Details of Remuneration**

The following tables sets out the total remuneration including the value of LTI's for both the directors and executives for 2024 and 2023.

Directors Remuneration for the years ended 31 December 2024 and 31 December 2023

| | | SHORT TERM EMPLOYEE BENEFITS | | | POST EMPLOYMENT BENEFITS | UNVESTED EQUITY BASED PAYMENTS | |
|---|---|---|---|---|---|---|---|
| **Director** | **Year** | **Salary & Fees** | **Annual & Long Service Leave** | **Bonus & Other** | **Superannuation** | **Performance Rights & Options [ii]** | **Total** |
| Stephen Staley | 2024 | 65,000 | - | - | - | 17,814 | 82,814 |
| | 2023 | 65,000 | - | - | - | 52,052 | 117,052 |
| Ashley Gilbert | 2024 | 488,466[i] | 39,665 | - | 28,699 | 181,339 | 738,169 |
| | 2023 | 542,108 | (6,604) | 87,300 | 26,346 | 247,788 | 896,937 |
| Philip Byrne | 2024 | 140,000 | - | - | 15,750 | 17,814 | 173,564 |
| | 2023 | 140,000 | - | - | 15,050 | 52,052 | 207,102 |
| Joanne Williams | 2024 | 65,000 | - | - | 7,313 | 17,814 | 90,127 |
| | 2023 | 65,000 | - | - | 6,987 | 52,052 | 124,039 |
| **Total** | **2024** | **758,466** | **39,665** | **-** | **51,762** | **234,781** | **1,084,674** |
| **Remuneration** | **2023** | **812,108** | **(6,604)** | **87,300** | **48,383** | **403,944** | **1,345,130** |

(i) Mr A. Gilbert cashed out a portion of the superannuation guarantee. Mr A. Gilbert voluntarily took a pay-cut during the second half of 2024 of $42,083.

(ii) Performance Rights and Options are expensed according to the value at grant date calculated in accordance with AASB 2 Share-based payment. The value provided is nominal only and not an actual realised benefit. The calculation is based on a share price prior to current conditions. The Company notes that the allocation price for the performance rights to vest are not expected to be met and the probability of these performance rights to be converted to shares and/or cash is unlikely.

Executives Remuneration for the years ended 31 December 2024 and 31 December 2023

| | | SHORT TERM EMPLOYEE BENEFITS | | | POST EMPLOYMENT BENEFITS | UNVESTED EQUITY BASED PAYMENTS | |
|---|---|---|---|---|---|---|---|
| **Executives** | **Year** | **Salary & Fees** | **Annual & Long Service Leave** | **Bonus & Other** | **Superannuation** | **Performance Rights & Options[iii]** | **Total $** |
| Robert Benkovic [i] | 2024 | 178,255[iv] | (27,662) | - | 9,167 | - | 159,760 |
| | 2023 | 471,720 | (2,595) | 60,791 | 27,500 | 215,420 | 772,837 |
| Oliver Mortensen | 2024 | 306,137[iv] | 2,743 | 23,251[ii] | 28,448 | 95,017 | 455,596 |
| | 2023 | 330,950 | 9,547 | 38,570 | 27,500 | 122,446 | 529,013 |
| **Total** | **2024** | **484,392** | **(24,919)** | **23,251** | **37,615** | **95,017** | **615,356** |
| **Remuneration** | **2023** | **802,670** | **6,952** | **99,361** | **55,000** | **337,866** | **1,301,850** |

(i) Mr R. Benkovic ceased employment with the Company on 30th January 2024 and his termination period expired on 29th April 2024.

(ii) Mr O. Mortensen was paid a cash bonus in 2024 of $23,251 based on the achievement of various corporate targets and objectives from the 2023 STI scorecard. Mr O. Mortensen voluntarily took a pay-cut during the second half of 2024 of $21,333.

(iii) Performance Rights and Options are expensed according to the value at grant date calculated in accordance with AASB 2 Share-based payment. The value provided is nominal only and not an actual realised benefit. The calculation is based on a share price prior to current conditions. The Company notes that the allocation price for the performance rights to vest are not expected to be met and the probability of these performance rights to be converted to shares and/or cash is unlikely.

(iv) Both Mr Benkovic and Mr Mortensen elected to cash out a portion of their superannuation guarantee.

Proportion of fixed vs variable remuneration expense

| KMP | Fixed Remuneration | | Variable – STI (%) | | Variable – LTI (%) | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **Directors** | | | | | | |
| Stephen Staley | **78%** | 56% | - | - | **22%** | 44% |
| Ashley Gilbert | **75%** | 63% | - | 10% | **25%** | 27% |
| Philip Byrne | **90%** | 75% | - | - | **10%** | 25% |
| Joanne Williams | **80%** | 58% | - | - | **20%** | 42% |
| **Executives** | | | | | | |
| Robert Benkovic (i) | **100%** | 64% | - | 8% | - | 28% |
| Oliver Mortensen | **74%** | 70% | **5%** | 7% | **21%** | 23% |

(i) Mr R. Benkovic ceased employment with the Company on 30th January 2024 and his termination period expired on 29th April 2024.

The number of shares held as at 31 December 2024 by Directors and Executives is set out in the table below.

Shareholdings of KMP (direct and indirect holdings)

| KMP | Opening Balance 1 January 2024 | Granted | Issue on exercise of equity instruments | Net Change / Other | Closing Balance 31 December 2024 |
|---|---|---|---|---|---|
| **Directors** | | | | | |
| Stephen Staley | 14,342,717 | - | - | - | 14,342,717 |
| Ashley Gilbert | - | 41,140,000 | - | - | 41,140,000 |
| Philip Byrne | - | - | - | - | - |
| Joanne Williams | - | - | - | - | - |
| **Executives** | | | | | |
| Oliver Mortensen | - | - | - | - | - |
| **Total** | **14,342,717** | **41,140,000** | **-** | **-** | **55,482,717** |

The number of performance rights held as at 31 December 2024 by Directors and Executives is set out in the table below.

Performance Rights of KMP (direct and indirect holdings)

| KMP | Opening 1 Jan 2024 | Granted | Vested & Exercised | Net Change / Expired / Other | Closing 31 Dec 2024 | Vested & Exercisable |
|---|---|---|---|---|---|---|
| **Directors** | | | | | | |
| Ashley Gilbert | 80,743,334 | 37,875,000 | (41,140,000) | (5,853,333) | 71,625,001 | - |
| Philip Byrne | 3,333,334 | - | - | (3,333,334) | - | - |
| Stephen Staley | 3,333,334 | - | - | (3,333,334) | - | - |
| Joanne Williams | 3,333,334 | - | | (3,333,334) | - | - |
| **Executives** | | | | | | |
| Oliver Mortensen | 22,650,000 | 16,000,000 | -- | ,(3,600,000) | 35,050,000 | - |
| **Total** | **113,393,336** (i) | **53,875,000** | **(41,140,000)** | **(19,453,335)** (ii) | **106,675,001** | **-** |

(i) The opening balance has been adjusted for Mr Robert Benkovic who ceased employment with the company during the year.
(ii) The change of 19,453,335 is represented by the expiration of performance rights due to not meeting tranche criteria conditions.

**E Service Agreements**

Mr Ashley Gilbert – Managing Director

Contract: Engaged as an employee, commencing 28 January 2017 and appointed as Managing Director 10 May 2021.

Employee Salary: $505,000 per annum plus superannuation. During the year, Mr Gilbert elected to cash out a component of his superannuation.

Performance Based Bonuses: The Company may at any time pay Mr Gilbert a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the performance of Mr Gilbert and the Company.

Termination by Company is with 3 months' notice or payment in lieu thereof. Termination by Mr Gilbert is with 3 months' notice.

Termination Benefit: Termination benefits to the extent permitted under the ASX Listing Rules and Corporations Act are included in the contract in the event of certain termination events.

Mr Philip Byrne – Non-Executive Chairman

Contract: Commenced on 2 August 2021.

Director's Fee: A$140,000 per annum plus superannuation.

Refer to Note 1 below for details pertaining to re-appointment and termination.

Mr Stephen Staley – Non-Executive Director

Contract: Commenced on 9 April 2014.

Director's Fee: $65,000 per annum

Refer to Note 1 below for details pertaining to re-appointment and termination.

Ms Joanne Williams – Non-Executive Director

Contract: Commenced on 2 August 2021.

Director's Fee: A$65,000 per annum plus superannuation.

Refer to Note 1 below for details pertaining to re-appointment and termination.

Mr Oliver Mortensen – Chief Financial Officer

Contract: Engaged as an employee commencing 15 November 2021

Employee Salary: $320,000 per annum plus superannuation. During the year, Mr Mortensen elected to cash out a component of his superannuation.

Performance Based Bonuses: The Company may at any time pay Mr Mortensen a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the performance of Mr Mortensen and the Company.

Termination by Company is with 3 months' notice or payment in lieu thereof. Termination by Mr Mortensen is with 3 months' notice.

Termination Benefit: Termination benefits to the extent permitted under the ASX Listing Rules and Corporations Act are included in the contract in the event of certain termination events.

Note 1: The term of each Non-Executive Director is open to the extent that they hold office subject to retirement by rotation, as per the Company's Constitution, at each AGM and are eligible for re-election as a Director at that meeting. Appointment shall cease automatically in the event that the Director gives written notice to the Board, or the Director is not re-elected as a Director by the shareholders of the Company. There are no entitlements to termination or notice periods.

**F Share-based Compensation**

The Performance rights and options granted are to incentivise personnel to work towards and provide rewards for achieving the Company's strategic goals and improving the Company's value as determined by market price of its shares and length of tenure with the Company. The Company has the following Performance Rights and Options issued to KMP Directors and Executives in existence during the current and prior reporting periods.

**Unlisted Options:**

There are no unlisted options to KMP's at 31 December 2024.

**Unlisted Performance Rights:**

Performance Rights held by Directors and Executives issued in the 2024 financial year.

| Executives | SP (ASPG) | SP (RTSR) | Total |
|---|---|---|---|
| Grant Date | 21/05/2024 | 21/05/2024 | |
| Expiry Date | 31/12/2026 | 31/12/2026 | |
| Fair Value Price $ | 0.0022 | 0.0023 | |
| Exercise Price | Nil | Nil | |
| Volatility | 145.6% | 145.6% | |
| Risk-free Interest rate | 3.90% | 3.90% | |
| Performance Rights - | | | |
| A. Gilbert | 18,937,500 | 18,937,500 | **37,875,000** |
| O. Mortensen | 8,000,000 | 8,000,000 | **16,000,000** |
| Vested Rights | - | - | **-** |
| % Vested | - | - | **-** |
| Expired Rights | - | - | **-** |
| Fair Value $ | | | |
| A. Gilbert | 41,663 | 43,556 | **85,219** |
| O. Mortensen | 17,600 | 18,400 | **36,000** |
| Benefits Expensed during 2024 $ | | | |
| A. Gilbert | 8,101 | 8,469 | **16,570** |
| O. Mortensen | 3,422 | 3,578 | **7,000** |

The value of expense recognised is the fair value of the Performance Rights recognised over the expected vesting period.

Performance Rights were issued under two tranches. The following reflect the performance conditions:

Tranche A and B (Share Price condition): both tranches have a performance period of 36 months, at which point tranche A vesting conditions relating to absolute share price growth (ASPG) will be tested and tranche B vesting conditions relating to relative total shareholder return (TSR) will be tested, with total number of rights to vest dependant on the outcome of testing.

Vesting Conditions for Absolute Share Price Growth (ASPG):

50% of the LTI Performance Rights will vest subject to a hurdle based on the Company's ASPG, as assessed based on the testing date, which will be calculated as follows:

$$\text{ASPG\%} = \frac{\text{(Hurdle Price – Allocation Price)}}{\text{Allocation Price}} \times 100$$

- Hurdle Price = The volume weighted average price (VWAP) of a Company Share on the Australian Securities Exchange (ASX) for any 60 trading days on which the Shares have actually traded up to and including the last day of the performance period.
- Allocation Price = The VWAP of Shares calculated over the 60 trading days on which Shares have actually traded up to and including the first day of the relevant performance period. However, the Company has agreed to set a floor price for the 60-day VWAP, being $0.010.

The ASPG portion of the LTI Performance Rights will Vest on the Testing Date on the following basis:

| ASPG | Percentage of Performance Rights Vesting |
|---|---|
| <50%* | Nil |
| 50% | 25% |
| >50% and <100% | Between 25% and 50%, on a straight-line basis |
| 100% | 50% |
| >100% and <150% | Between 50% and 75%, on a straight-line basis |
| 150% | 75% |
| >150% and <200% | Between 75% and 100%, on a straight-line basis |
| 200% | 100% |

Vesting Conditions for Total Shareholder Return (TSR):

- 50% of the LTI Performance Rights will vest subject to satisfaction of a relative TSR condition, as assessed based on the testing date.
- TSR is the percentage growth in shareholder value, which takes into account factors such as changes in share price and dividends paid.

- The Relative TSR performance condition measures the Company's ability to deliver superior shareholder returns relative to the average of its peer companies by comparing the TSR performance of the Company against the performance of the average of its nominated peer entities.
- Vesting will occur upon the Company achieving an appreciation in Share price that is greater than the average of the nominated Peer Entities.
- The Relative TSR portion of the LTI Performance Rights will Vest on the Testing Date on the following basis:
  - 0% Vests: If TSR of the Company is below the Peer Entities;
  - 50% Vests: if TSR of the Company is equal to the Peer Entities;
  - 100% Vests: if TSR of the Company exceeds the performance of the Peer Entities by 18 percentage points or more
  - Straight-line vesting on a proportionate amount occurs between these thresholds consistent with the above table. If Relative TSR is less than Peer Entities TSR then 0% vests and no proportionate amount applies.

A Monte Carlo simulation method has been used for the valuation of the above Performance Rights.

**G Equity Instruments Issued on Exercise of Remuneration Options**

No new shares were issued on exercise of Options during the 2024 financial year.

No remuneration options were exercised during the 2024 financial year.

No options are on issue to Key Management Personnel.

**H Voting and comments made at the Company's 2023 Annual General Meeting**

The adoption of the Remuneration Report for the financial year ended 31 December 2023 was put to the shareholders of the Company at the AGM held 13 May 2024. The resolution was passed without amendment, on a poll.

**I Loans with KMP**

There were no loans made to / from any KMP during the year ended 31 December 2024 (2023: nil).

**J Other Transactions with KMP**

In addition to the director service agreements, the Company's Non-Executive Directors are engaged to provide consultancy services to the Company as follows:

Dr Stephen Staley has a consultancy agreement for an indefinite term that commenced on 2 November 2012. The agreement may be terminated at any time by either party giving three months clear notice. There are no termination benefits payable. In accordance with the agreement, Dr Staley is to receive a minimum fee of £2,315.20 ($A4,331) per calendar month, plus Value Added Tax or other sales tax if applicable, based on 2.5 working days per month. Any work that is carried out by the Consultant in excess of 2.5 working days per calendar month must be pre-approved by the Managing Director. Approved days will be remunerated at a rate of £1,000 ($A 2,033) per day.

The following transactions occurred with related parties:

| | **2024 $** | 2023 $ |
|---|---|---|
| Derwent Resources Limited(i) | **53,790** | 51,978 |

During the year, the Company paid £27,782, A$53,790 (2023: £27,782, A$51,978) to Derwent Resources Limited for consultancy services. The amount has been translated to Australian Dollars at the average rate.

Consultant fees paid to associated entities were on normal commercial terms.

## END OF AUDITED REMUNERATION REPORT

# DIRECTOR'S REPORT

## CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement is set out on the Company's website:
https://88energy.com/corporate-governance/

## FINANCIAL REVIEW

The financial results of the Group for the year ended 31 December 2023 are:

| Metric | 31 Dec 24 $ | 31 Dec 23 $ | Change % |
|---|---|---|---|
| Cash and cash equivalents | **7,198,567** | **18,182,727** | (60)% |
| Net Assets | **148,637,240** | **155,685,398** | (3)% |
| Revenue and other income | **821,553** | **500,927** | 64% |
| Share of profit/(loss) from equity accounted investment | **(1,463,930)** | **1,665,442** | (188)% |
| Net loss after tax | **(32,819,026)**[2] | **(14,439,233)**[1] | (127)% |

[1]In 2023, the Company impaired Yukon of ~A$9M after the project was considered non-core and acreage relinquished.

[2]In 2024 the Company impaired 105 Icewine West leases (A$25,239,162) and 16 Project Phoenix leases (A$3,706,433).

**Financial Position**

Subject to the disclosures elsewhere in this report, the Directors believe the Group is in a stable financial position to continue to explore its projects and to identify new opportunities.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year not otherwise disclosed in this report or the financial statements.

## DIVIDENDS

No dividends have been paid or declared by the Group since the end of the previous financial year.

No dividend is recommended in respect of the current financial year.

## BUSINESS RISK

The Company makes every effort to identify material risks and to manage these effectively. This section does not attempt to provide an exhaustive list of risks faced by the Company or by investors in the Company, nor are they in order of significance.

The Board takes a pro-active approach to risk management and aims to manage these risks by careful planning of its activities and implementing risk control measures, whilst aligning risks to the Company's objectives.

**Exploration and Production Risks**

The business of exploration for, and development and exploitation of, hydrocarbon deposits is speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Hydrocarbon deposits assessed by the Group as contingent resources may not ultimately contain economically recoverable hydrocarbon reserves and even if they do, delays in the construction and commissioning of production projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required.

The operations of the Group may be disrupted, curtailed, delayed or cancelled by a variety of risks and hazards which are beyond the control of the Group, including unusual or unexpected geological formations, formation pressures, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, mechanical difficulties, equipment shortages, labour disputes, fires, explosions, power outages and extended interruptions due to inclement or hazardous weather conditions and other acts of God. Any one of these risks and hazards could result in work stoppages, damage to, or destruction of, the Group's facilities, personal injury, damage to life or property, environmental damage or pollution, business interruption, monetary losses and possible legal liability which could have a material adverse impact on the business, operations and financial performance of the Group. Although precautions to minimise risk are taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of the hazards and risks. In addition, not all of these risks are insurable.

As is common with many exploration ventures, there is uncertainty and therefore risk associated with the Group's operating parameters and costs which can be difficult to predict and are often affected by factors outside of the Group's control. Few exploration assets are ultimately developed into producing assets. There can be no guarantee that any estimates of quantities of hydrocarbons discovered by the Group will be available to exploit or extract. If reserves are developed, it can take significant expenditure and a number of years from the initial phases of drilling and identification of hydrocarbons until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish hydrocarbon reserves through drilling and, in the case of new projects, to construct processing facilities and other relevant infrastructure. With many natural resources operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.



**Environmental, health and safety and other Regulatory Standards**

The projects in which the Group invests and its exploration and potential production activities are subject to various laws and regulations relating to the protection of the environment (including regular environmental impact assessments and the obtaining of appropriate permits or approvals by relevant environmental authorities) and are also required to comply with applicable health and safety and other regulatory standards. Environmental legislation in particular can, in certain jurisdictions, comprise numerous regulations which might conflict with one another and which cannot be consistently interpreted.

Such regulations typically cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Group may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Consequently, although all necessary environmental consents for the Group's activities will be obtained and the Group intends to operate in accordance with applicable petroleum industry standards of environmental practice and comply in all material respects, full compliance with applicable environmental laws and regulations may not always be ensured.

Any failure to comply with relevant environmental, health and safety and other regulatory standards may subject the Group to extensive liability, fines and/or penalties and have an adverse effect on the business and operations, financial results or financial position of the Group. Furthermore, the future introduction or enactment of new laws, guidelines and regulations could serve to limit or curtail the growth and development of the Group's business or have an otherwise negative impact on its operations. Any changes to, and increases in, current regulation or legal requirements may have a material adverse effect upon the Group in terms of additional compliance costs.

**Volatility in the price of Oil and Gas and the general Economic Climate**

The general economic climate and market price of, and demand for, oil and gas is volatile and is affected by a variety of factors which are beyond the Group's control. These include international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, growth in gross domestic product, supply and demand of capital, employment trends, international economic trends, currency exchange rate fluctuations, the level of interest rates and the rate of inflation, the cost of freight, global or regional political events and international events, as well as a range of other market forces. The aggregate effect of these factors is impossible to predict. Sustained downward movements in oil and gas prices could render less economic, or wholly uneconomic, some or all of the exploration and potential future oil and gas production related activities to be undertaken by the Group.

**Operational Risk**

The business of Oil & Gas exploration, development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on, amongst other things:

- the discovery and/or acquisition of economically recoverable reserves.
- access to adequate capital for project development.
- government regulations and maintaining licence permits in locations such as Alaska, Texas and Namibia.
- obtaining consents and approvals necessary for the conduct of oil & gas exploration.

- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors, and consultants.
- availability of equipment and services, such as drilling rigs, within the necessary time frame.
- the possibility that liabilities may arise because of labour accidents, workforce misfortunes, labour shortage, labour delays or restrictions during exploration activities.
- cash flow and compliance by the Groups farm-out and Joint Venture partners specifically its Project Phoenix JV Partner, Burgundy Xploration LLC and its Namibian Joint Venture Partner in Monitor Exploration Ltd.

**General Risk**

- Additional requirements for capital
  The funds raised under the Placement are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

- General economic conditions and other global or national issues
  General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.
  General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

- Equity market conditions
  Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. General factors that may affect the market price of Shares include economic conditions in Australia, the United Kingdom and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.
  AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

- Change in government policy and legislation
  Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

- Litigation risks
  The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may im-pact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

# DIRECTOR'S REPORT

## EVENTS SUBSEQUENT TO REPORTING DATE

In February 2025, 88 Energy's wholly owned subsidiary, Accumulate Energy Alaska, Inc. (Accummulate), executed a Farmout Participation Agreement (PA) with Burgundy Xploration LLC (Burgundy) in relation to Project Phoenix and over the Toolik River Unit (TRU). Under the agreement, Burgundy will fully fund up to US$39 million (approx. A$60 million) of Project Phoenix's total gross future work programme costs in exchange for up to an additional 50% Working Interest (WI) in Project Phoenix from 88 Energy. This 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 programme, including drilling of a horizontal well and production testing scheduled for H1 CY26 (88E fully carried, 88E 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 programme (88E carry up to US$7.5 million, with 88E WI post Phase 2 farmout to 25%).
- **Operator**: Burgundy shall assume the role of Operator subject to Burgundy demonstrating the resources and capability to act as Operator and successful financing to raise US$29 million required for Phase 1.

The agreement is subject to relevant government and other approvals, as well as conditions precedent customary with respect to Farm-out transactions. Burgundy is targeting a public listing in 2025, and the agreement contains a long stop date for Burgundy to be fully funded for the Phase 1 carry of US$29 million by 31 December 2025 unless extended by mutual consent of the parties.

In conjunction with signing the PA, Burgundy paid US$1 million to 88 Energy in February to part-settle outstanding cash calls and entered into an agreement to pay the remaining ~US$1.7 million outstanding plus interest and penalties due of approximately US$0.5 million by Q1 CY2025.

## LIKELY DEVELOPMENTS

Likely developments, prospects, and business strategies of the operations of the Group and the expected results of those operations have not been included in this Report as the Directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

## ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

The Directors of the Group are not aware of any breach of environmental legislation for the year under audit.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the *Corporation Act 2001* ("the Act") for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the Act.

## INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

During the year ended 31 December 2024, the Company paid premiums in respect of a contract ensuring the directors and officers of the Company against liabilities incurred as directors or officers to the extent permitted by the Corporations Act 2001.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

## NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

Details of the amounts paid or payable to the auditors, BDO Audit Pty Ltd, for non-audit services provided during the year are set out below.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

a) All non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and

b) None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

| | 31-Dec-24 | 31-Dec-23 |
|---|---|---|
| **Non-Audit Services** | | |
| Remuneration for other services | | |
| BDO USA – Taxation Services | 61,563 | 52,288 |
| BDO Rewards | - | 10,340 |
| Total Non-Audit Services | 61,563 | 62,628 |

## AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is set out on page 43 and forms part of the Directors' Report for the financial year ended 31 December 2024.

Signed in accordance with a resolution of Directors made pursuant to s298 (2) of the Corporations Act 2001. This Report is made with a resolution of the Directors.

**Mr Ashley Gilbert**

Managing Director

Dated this 11th day of March 2025

# AUDITOR'S 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 JARRAD PRUE TO THE DIRECTORS OF 88 ENERGY LIMITED**

As lead auditor of 88 Energy Limited for the year ended 31 December 2024, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

**Jarrad Prue**

**Director**

**BDO Audit Pty Ltd**

Perth

11 March 2025

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | $ | $ |
| Other income | 3(a) | **821,553** | 500,927 |
| Share of profit/(loss) from equity accounted investment | 9 | **(1,463,930)** | 1,665,442 |
| Administrative expenses | 3(b) | **(987,160)** | (2,690,171) |
| Occupancy expenses | | **(31,233)** | (34,992) |
| Employee benefit expenses | 3(c) | **(2,360,360)** | (2,911,375) |
| Share-based payment expense | 14 | **(136,879)** | (879,455) |
| Depreciation and amortisation expense | | **(79,052)** | (64,228) |
| Finance cost | | **(2,050)** | (8,544) |
| Other expenses | | **(673,415)** | (478,961) |
| Foreign exchange (loss) / gain | | **1,035,872** | (49,514) |
| Exploration & Evaluation Impairment/Expense | 3(d) | **(28,942,372)** | (9,488,362) |
| **Loss before income tax** | | **(32,819,026)** | (14,439,233) |
| Income tax expense | 4 | **-** | - |
| **Loss after income tax for the year** | | **(32,819,026)** | (14,439,233) |
| **Other comprehensive income / (loss) for the year** | | | |
| *Items that may be reclassified to profit or loss* | | | |
| Exchange differences on translation of foreign operations | | **13,078,386** | **(1,627,093)** |
| **Other comprehensive income / (loss) for the year, net of tax** | | **13,078,386** | **(1,627,093)** |
| **Total comprehensive income / (loss) for the year attributable to members of 88 Energy Limited** | | **(19,740,640)** | **(16,066,326)** |
| **Loss per share for the year attributable to the members of 88 Energy Limited:** | | | |
| Basic and diluted loss per share | 5 | **(0.0011)** | **(0.0005)** |

The notes to the financial Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2024

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | **$** | $ |
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 6 (a) | **7,198,567** | 18,182,727 |
| Trade and other receivables | 7 | **5,596,273** | 3,973,934 |
| **Total Current Assets** | | **12,794,840** | 22,156,661 |
| | | | |
| **Non-Current Assets** | | | |
| Plant and equipment | | **30,761** | 22,348 |
| Exploration and evaluation expenditure | 8 | **113,929,186** | 110,588,395 |
| Other Assets | | **550,768** | 506,817 |
| Equity accounted investments | 9 | **21,688,470** | 23,251,219 |
| **Total Non-Current Assets** | | **136,199,185** | 134,368,779 |
| | | | |
| **TOTAL ASSETS** | | **148,994,025** | 156,525,440 |
| | | | |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Trade and other payables | | **107,374** | 556,544 |
| Provisions | | **249,411** | 283,497 |
| **Total Current Liabilities** | | **356,785** | 840,041 |
| | | | |
| **TOTAL LIABILITIES** | | **356,785** | 840,041 |
| | | | |
| **NET ASSETS** | | **148,637,240** | 155,685,399 |
| | | | |
| **EQUITY** | | | |
| Contributed equity | 10 | **392,621,587** | 379,917,222 |
| Reserves | 11 | **43,039,154** | 29,972,652 |
| Accumulated losses | | **(287,023,501)** | (254,204,475) |
| **TOTAL EQUITY** | | **148,637,240** | 155,685,399 |

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | Issued Capital | Reserves | Accumulated Losses | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **At 1 January 2024** | **379,917,222** | **29,972,652** | **(254,204,475)** | **155,685,399** |
| Loss for the year | - | - | **(32,819,026)** | **(32,819,026)** |
| Other comprehensive income | - | **13,078,386** | - | **13,078,386** |
| **Total comprehensive income/(loss) for the year after tax** | - | **13,078,386** | **(32,819,026)** | **(19,740,640)** |
| **Transactions with owners in their capacity as owners:** | | | | |
| Issue of share capital [(i)] | **13,215,975** | - | - | **13,640,201** |
| Issue of shares for vested PR's | **424,226** | - | - | **424,226** |
| Issue of Options | - | **275,462** | - | **275,462** |
| Settlement of vested PR's | - | **(424,226)** | - | **(424,226)** |
| Share-based payments | - | **136,879** | - | **136,879** |
| Share issue costs | **(935,836)** | - | - | **(935,836)** |
| **Balance at 31 December 2024** | **392,621,587** | **43,039,154** | **(287,023,501)** | **148,637,240** |
| **At 1 January 2023** | 340,972,669 | 30,468,589 | (239,765,242) | 131,676,016 |
| Loss for the year | - | - | (14,439,233) | (14,439,233) |
| Other comprehensive income | - | (1,627,093) | - | (1,627,093) |
| **Total comprehensive income/(loss) for the year after tax** | - | (1,627,093) | (14,439,233) | (16,066,326) |
| **Transactions with owners in their capacity as owners:** | | | | |
| Issue of share capital | 41,429,821 | - | - | 41,429,821 |
| Issue of Options | - | 251,701 | - | 251,701 |
| Settlement of vested PR's | - | - | - | - |
| Share-based payments | - | 879,455 | - | 879,455 |
| Share issue costs | (2,485,268) | - | - | (2,485,268) |
| **Balance at 31 December 2023** | 379,917,222 | 29,972,652 | (254,204,475) | 155,685,399 |

(i) For the purposes of the Consolidated Statement of Cash Flows, proceeds from issue of shares was $9,695,925 with the balance for payment of 2D Seismic commitment to Monitor Exploration as per Farm In Agreement.

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE FINANICAL YEAR ENDED 31 DECEMBER 2024

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | $ | $ |
| **Cash flows from operating activities** | | | |
| Payment to suppliers and employees | | **(3,546,555)** | (5,442,176) |
| Interest and other income received | | **131,912** | 60,646 |
| **Net cash flows used in operating activities** | 6 (b) | **(3,414,643)** | (5,381,530) |
| | | | |
| **Cash flows from investing activities** | | | |
| Payments for equity accounted investments | | **-** | (873,975) |
| Payments for exploration and evaluation activities | 8 | **(25,312,056)** | (29,903,780) |
| Contribution from Joint Operation Partners in relation to Exploration | | **5,042,419** | 4,515,460 |
| Proceeds (payment) for Bonds | | **609,086** | 584,840 |
| Distribution from Equity Accounted Investments | | **2,284,633** | 2,010,345 |
| **Net cash flows generated from/used in investing activities** | | **(17,375,918)** | (23,667,110) |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | 10 | **9,695,924** | 35,414,713 |
| Share issue costs | | **(669,781)** | (2,322,029) |
| **Net cash flows from financing activities** | | **9,026,143** | 33,092,684 |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | **(11,764,418)** | 4,044,045 |
| | | | |
| **Cash and cash equivalents at the beginning of the year** | | **18,182,727** | 14,123,731 |
| Effect of exchange rate fluctuations on cash held | | **780,258** | 14,951 |
| **Cash and cash equivalents at end of year** | 6(a) | **7,198,567** | 18,182,727 |

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

# 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

**a) Reporting Entity**

88 Energy Limited (referred to as "88 Energy" or the "Company") is a company domiciled in Australia and listed on the ASX, AIM and OTC Markets. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group"). The Group is primarily involved in oil and gas exploration in Alaska.

**b) New Standards and Interpretations**

New or amended Accounting Standards and Interpretations adopted:

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Group has no transactions that are affected materially by new effective accounting standards.

New accounting Standards and Interpretations not yet mandatory or early adopted:

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**c) Basis of Preparation**

**Statement of compliance**

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"). 88 Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

The annual report was authorised for issue by the Board of Directors on 12 March 2025.

**d) Basis of measurement**

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

As at 31 December 2024 the company has cash of $7.2 million and a current working capital balance of $12.4 million. The directors are satisfied that the going concern assumption has been appropriately applied in preparing the financial statements and the historical financial information has been prepared on a going concern basis for a period of at least 12 months from the signing of this report, which contemplates the continuing of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company's management have prepared an estimated cash flow forecast for the period to March 2026. The forecast includes a number of assumptions relating to its operations including the anticipated production distributions of its interest in Bighorn Energy LLC and funding receipt of the Burgundy receivable during Q1 2025. 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.

**e) 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) Determination of fair values on exploration and evaluation assets acquired in asset acquisition

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considered generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value. Refer Note 7.

b) 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 31 December 24 the Company undertook an impairment assessment for its Phoenix East Leases and its Icewine West Leases and as a consequence of relinquishing these leases back to the State of Alaska, an impairment indicator has been identified. As a result, the company has recognised an impairment of A$28,945,595 (U$19,173,562), see Note 8.

The carrying value of oil and gas assets is determined by capitalising expenditure once a field of interest has commenced commercial production.

Impairment
Assets are tested for impairment in line with AASB 136. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, which is a product of quantity of reserves, prices, and operating costs, less the cost to sell and value in use. Impairment for leases in Accumulate (Project Icewine West and Phoenix) were identified and adjusted in the accounts for year ending 31 December 2024.

Depletion
Estimation of depletion of the oil and gas assets is based on the updated 2P reserves estimate as at 31 December 2024. Producing assets are amortised on a unit of production basis on 2P reserves. The reserves for Project Longhorn were compiled by 88 Energy's independent consultant. See below for judgements relating to reserve estimates.

Reserve Estimates
Estimation of reported recoverable quantities of proved and provable reserves include judgemental assumptions regarding commodity prices, market operational costs, discount rates and production and selling costs for future cash flows. It also requires interpretation of geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact assets' carrying amounts due to changes in expected future cash flows. Reserves are integral to the amount of depletion charged to the income statement as part of recording 88 Energy's share of equity accounted investments.

**f) Foreign Currency Translation**

**Functional and presentation currency**

The consolidated financial statements are presented in Australian dollars. 88 Energy Limited's functional and presentation currency is AUD and subsidiaries with operations in the U.S. and Namibia have a functional currency of USD.

**g) Exploration & Evaluation Expenditure**

The accounting policy adopted by the Group is as follows:

- Pre-licence costs are expensed in the period in which they are incurred.

- Exploration licence and leasehold property acquisition costs are capitalised in exploration and evaluation expenditure.
- Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is underway to determine that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing plans and timing.

If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs is written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

**Exploration and evaluation costs**

The Company accounts for exploration and evaluation activities as follows:

- Acquisition costs - Exploration and evaluation costs arising from acquisitions are carried forward where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment of economically recoverable reserves.
- Exploration and evaluation expenditure - Costs arising from on-going exploration and evaluation activities are assessed on a project basis.

Project Phoenix, Project Leonis, Project Peregrine, Umiat and Namibia: Exploration and evaluation expenditure associated with these projects are capitalised to the Statement of Financial Position in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

All geological and geophysical costs, dry hole costs and unproved leasehold costs are also expensed as incurred in accordance with the successful effort's method of accounting for oil and gas exploration and evaluation expenditure.

Joint Venture contributions received, and any back costs received on farm-in are offset against exploration and evaluation costs.

There are currently no other active projects other than noted above.

**h) Oil and Gas Properties**

**Producing asset at Cost**

**Recognition and measurement**

i) Producing assets

Producing projects are stated at cost less accumulated depletion. The carrying value of oil and gas properties is reviewed annually by management to ensure it is not in excess of the recoverable amount. The recoverable amount of an asset or CGU is the greater of its fair value less costs of disposal (FVLCD) and its value-in-use (VIU), using an asset's estimated future cashflows (as described below) discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

ii) Drilling and completion costs

Where the Company has a non-operated interest in an oil or gas property, it may periodically be required to make a cash contribution for its share of the Operator's estimated drilling and/or completion costs.

iii) Commencement of production

When a well comes into commercial production, accumulated expenditure for the relevant area of interest is depleted on a units of production basis.

iv) Depletion of producing projects

The Group uses the units of production (UOP) approach when depleting field-specific assets. Using this method of depletion requires the Group to compare the actual volume of production to the reserves and then to apply this determined rate of depletion to the carrying value of the depreciable asset. Capitalised producing project costs relating to commercially producing fields are depleted using the UOP basis once commercial quantities are being produced within an area of interest. The reserves used in these calculations are the proved plus probable reserves (2P) and are reviewed annually.

**i) Impairment of Assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**j) Contributed equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

**k) Asset Acquisition not constituting a Business**

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transactions costs of the acquisition will be included in the capitalised cost of the asset.

In determining when an acquisition is determined to be an asset acquisition and not a business, significant judgement is required to assess whether the assets acquired constitute a business in accordance with AASB 3. Under AASB 3 a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and consists of inputs and processes, which when applies to those inputs has the ability or create outputs.

**l) Equity Accounted Investments**

Joint ventures are joint arrangements in which the parties with joint control of the arrangement have rights to the net assets of the arrangement. Joint arrangements exist when two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A separate vehicle, not the parties, will have the rights to the assets and obligations to the liabilities, relating to the arrangement. If more than an insignificant share of output from a joint venture is sold to third parties, this indicates that the joint venture is not dependent on the parties to the arrangement for funding and that the parties to the arrangement have no obligation for the liabilities of the arrangement. Joint ventures are accounted for using equity method.

Equity accounted investments are initially recorded at cost, including the value of any goodwill on acquisition. In subsequent periods, the carrying amount of the investment is adjusted to reflect the share of past-acquisition profit or loss and other comprehensive income. After application of the equity method, including recognising the Group's share of the joint venture's results, the value of the investment will be assessed for impairment if there is objective evidence that an impairment of the investment may have occurred. Where the carrying value of an equity accounted investment is reduced to nil after having applied equity accounting principles (and the Group has no legal or constructive obligation to make further payments, not has made payments on behalf of the associate or joint venture), dividends received from the associate or joint venture will be recognised as a 'Share of profit/(loss) of equity accounted investment'.

## 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSESSMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year 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.

Factors which could impact the future recoverability include the level of reserves and resources, future technological changes which could impact the cost of production, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

For the period ending December 24 the Company undertook an impairment assessment for its Phoenix East Leases and its Icewine West Leases and as a consequence of relinquishing these leases back to the State of Alaska, an impairment indicator has been identified. As a result, the Company has recognised an impairment of A$28.94 million (U$19.17 million), Refer to note 8.

**b) Recoverability of Receivables**

At 31 December 2024, the Company has recorded a receivable of A$4.8 million (U$3 million) for payments from its JV partner Burgundy Xploration LLC, for costs associated with Project Phoenix, Hickory frac and flow test. In February 2025, Burgundy paid U$1 million to 88 Energy to part settle these outstanding cash calls and entered into an agreement to pay the remaining ~US1.7 million outstanding plus interest and penalties due of approximately U$0.5 million by Q1 CY2025.

**c) Recoverability of equity accounted investment**

The carrying value of equity accounted investment is reviewed annually by management to ensure it is not in excess of the recoverable amount. The recoverable amount of an equity accounted investment is the greater of its fair value less costs of disposal (FVLCD) and its value-in-use (VIU), using an equity accounted investment's estimated future cashflows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Refer to Note 11 Equity Accounted Investment.

**d) Share-based payments**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 18.

Non-market based performance conditions are assessed by the Company for the best estimate of likelihood of conditions being met and vesting, and timing of recognition of expense.

**e) Income taxes**

The consolidated entity is subject to income taxes in Australia and foreign jurisdictions where it has operations. Significant judgement is required in determining the worldwide provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity estimates its tax liabilities based on the consolidated entity's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

# 3 REVENUE AND EXPENSES

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| **3a. Income** | | |
| Interest Revenue [i] | **821,553** | 500,927 |
| | **821,553** | 500,927 |
| **3b. Administrative expenses** | | |
| Consultancy and professional fees | **532,498** | 473,708 |
| Legal fees | **94,299** | 310,928 |
| Travel costs | **117,702** | 156,109 |
| General and administration expenses, net of recoveries [ii] | **242,660** | 1,749,426 |
| | **987,160** | 2,690,171 |
| **3c. Employee benefit expenses** | | |
| Wages and salaries | **1,957,718** | 2,406,930 |
| Superannuation | **165,021** | 175,033 |
| Annual leave accrued | **76,775** | 171,495 |
| Other employee expenses | **160,846** | 157,916 |
| | **2,360,360** | 2,911,375 |
| **3d. Exploration & evaluation Impairment/Expense** | | |
| Impairment – Icewine West and Phoenix Leases (refer note 9) | **28,945,595** | - |
| Impairment – Project Yukon relinquished | **-** | 8,882,710 |
| Exploration & Evaluation expensed | **(3,223)** | (5,155) |
| Impairment – Project Peregrine relinquished leases | **-** | 610,807 |
| | **28,942,372** | 9,488,362 |

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

(ii) General and administrative expenses are shown net of recoveries of $1,078,678 mainly from the Project Phoenix Joint Venture. The recoveries represent costs, including time spent by the Consolidated Group's employees on exploration and appraisal interest of the Joint Venture Projects, which get capitalised to the applicable exploration and appraisal area of interest.

# 4 INCOME TAX

| | 2024 | 2023 |
|---|---|---|
| **(a) The components of tax expense comprise:** | | |
| Current tax | - | - |
| Deferred tax | - | - |
| Income tax expense reported in the of profit or loss and other comprehensive income | | |
| Loss before income tax expense | **(32,819,026)** | (14,439,233) |
| Prima facie tax benefit on loss before income tax at 30% (2023: 30%) | **(9,845,708)** | (4,331,770) |
| Under provision in prior year | **-** | 88,438 |
| Tax Effect of: | | |
| Foreign expenditure not brought to account | **354,508** | 1,028,869 |
| Tax Rate differential on non-Australian income | **1,894,062** | 723,976 |
| Non-assessable/deductible items: | | |
| Non-deductible entertainment expenses | **1,286** | 6,203 |
| Other non-deductible expenses | **2,819,933** | - |
| Share based payments | **41,064** | 263,837 |
| Deferred tax asset on temporary differences and tax losses not brought to account | **4,734,855** | (2,220,447) |
| Income tax expense for the year | **-** | - |
| **(b) Deferred income tax** | | |
| Deferred tax liabilities | **(136,146)** | (136,146) |
| Deferred tax assets | **75,839,570** | 71,009,259 |
| Deferred tax assets not recognised on temporary differences and tax losses | **(75,703,423)** | (70,873,113) |
| Net deferred tax assets | - | - |

The Group has unutilised tax losses for which no deferred tax asset is recognised on the reporting date of $51,292,669 (2023: $49,425,456) which are available indefinitely for offset against future tax gains subject to continuing to meet relevant statutory tests.

The deferred tax asset not brought to account will only be obtained if:

a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
c) the Company is able to meet the continuity of business tests and/ or continuity of ownership.

## 5 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

| | **2024 $** | 2023 $ |
|---|---|---|
| Net (loss) for the year | **(32,819,026)** | (14,439,233) |
| Weighted average number of ordinary shares for basic and diluted loss per share. | **27,620,390,323** | 22,624,239,746 |

Options on issue are not considered dilutive to the earnings per share as the Company is in a loss-making position.

| | | |
|---|---|---|
| Continuing operations | | |
| Basic and diluted loss per share ($) | **(0.0011)** | (0.0042) |

## 6 CASH AND CASH EQUIVALENTS

| | **2024 $** | 2023 $ |
|---|---|---|
| **(a) Cash details** | | |
| Cash at bank and in hand(i) | **7,198,567** | 18,182,727 |
| | **7,198,567** | 18,182,727 |

Cash at banks earns interest at floating rates based on daily deposit rates. Short-term deposits are made in varying periods between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

(i) There is no restriction on cash for JV Operations for the year ended 31 December 2024 (31 December 2023: $0).

**(b) Reconciliation of net loss after tax to net cash flows from operations**

| | **2024 $** | 2023 $ |
|---|---|---|
| Loss for the financial year | **(32,819,026)** | (14,439,233) |
| *Adjustments for:* | | |
| Other Income | **(690,239)** | (440,282) |
| Share of profit (loss) on equity accounted investment [(i)] | **1,463,930** | (1,665,442) |
| Other Expenses | **986,242** | 452,489 |
| Depreciation | **79,052** | 64,228 |
| (Loss)/Gain on foreign exchange | **(1,035,871)** | 49,514 |
| Share based payments | **136,879** | 879,455 |
| Finance Costs | **2,051** | 8,545 |
| Impairment of exploration & evaluation | **28,945,595** | 9,488,362 |
| Changes in assets and liabilities | | |
| Decrease / (increase) in receivables | **-** | - |
| Increase / (decrease) in trade and other payables | **(449,170)** | 182,073 |
| Increase / (decrease) in provisions | **(34,086)** | 38,761 |
| Net cash used in operating activities | **(3,414,643)** | (5,381,530) |

(i) Share of profit (loss) on equity accounted investment has been split out other income in both current year and comparative year to allow for better presentation.

## 7 TRADE AND OTHER RECEIVABLES

| | **2024 $** | 2023 $ |
|---|---|---|
| Other deposits and receivables [(i)] | **5,596,273** | 3,973,934 |
| | **5,596,273** | 3,973,934 |

Due to the short-term nature of other receivables, the expected fair value approximates their carrying values as at 31 December 2024 and 31 December 2023.

(i) Receivables in 2024 predominately owed by Burgundy Xploration LLC from Hickory frac and flow 2024 Cash Calls and Interest – A$4,836,742 at the year-end exchange rate (US$3,007,003).
In February 2025, Burgundy paid US$1 million of the cash call due, executed a farmout participation agreement with 88 Energy and entered into a payment agreement to pay the remaining cash calls and accumulating interest due by Q1 CY25.

## 8 EXPLORATION AND EVALUATION EXPENDITURE

| | 2024 $ | 2023 $ |
|---|---|---|
| Carrying amount of exploration and evaluation expenditure | **113,929,186** | 110,588,395 |
| | | |
| Movement reconciliation | | |
| Balance at the beginning of the financial year | **110,588,395** | 96,422,918 |
| Additions (iii) | **29,842,886** | 31,223,595 |
| JV Contributions (i) | **(6,104,039)** | (6,981,966) |
| Less Impairment (ii) | **(28,945,595)** | (9,493,517) |
| Foreign currency translation | **8,547,539** | (582,634) |
| Closing balance | **113,929,186** | 110,588,395 |

(i) JV Contributions received from Burgundy Xploration LLC for Project Hickory expenditure incurred.
(ii) During 2024, acreage that was deemed non-core to 88 Energy was relinquished. This includes all of Icewine Easts' 16 blocks, due to geographical challenges near/over the SAG river, lack of prospectivity and an 8-year primary term that expired on 31 May 2024 without being unitised. Additionally, 36 blocks at Icewine West with its 8-year primary term also expiring in May 24 were relinquished. The Company reviewed the remaining Icewine West acreage (69 blocks) and although it noted prospectivity across a group of leases including Charlie-1, a combnation of the Company's focus being on assets that are adjacent to infrastructure, and the annual 'holding' rental costs of acreage means there are no immediate plans for further drilling at Icewine West and were relinquished in H2, 2024. The relinquished acreage will relieve the Company of ~A$2.15m/pa in lease costs. (net to 88E). As a result of the relinquishment, the Icewine West (A$25,239,162) and Phoenix East leases (A$3,706,433) were impaired.
(iii) Additions predominantly from Project Phoenix (A$24,563,887) for Hickory frac and flow and Project PEL 93 in Namibia for subsidiary EightyEight Energy Namibia (A$4,416,990). Refer to details below. For the purposes of the Consolidated Statement of Cash Flow's, $25,312,056 of additions was paid from cash at bank, the balance being paid via issue of shares.

**Namibia Tenement Acquisition**

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 ground within the Owambo Basin in Namibia, constituting an asset acquisition.

In February 2024, the Company announced the successful 20% working interest (WI) transfer by operator Monitor Exploration Limited (Monitor) to 88 Energy as part of Stage 1 of the FOA to PEL 93 located in the Owambo Basin, approved by the Namibian Ministry of Mines and Energy. Monitor now holds a 55% WI with the remaining 25% shared across local entities, Legend Oil Namibia Pty Ltd and NAMCOR. The current and potential future PEL 93 Joint Venture partners and working interests are as follows:

| Entity | Pre Farm-in | Stage 1 - Current (Past costs & 2D) | Stage 2 (1st Well) | Stage 3 (2nd Well) |
|---|---|---|---|---|
| Monitor | 75.0% | 55.0% | 37.5% | 30.0% |
| Legend | 15.0% | 15.0% | 15.0% | 15.0% |
| NAMCOR | 10.0% | 10.0% | 10.0% | 10.0% |
| 88 Energy | - | 20.0% | 37.5% | 45.0% |

Stage 1 schedule to earn a 20% working interest in the Licence is complete and comprises:

- 1st instalment: US$0.28 million paid in cash on signing for partial payment of back costs;
- 2nd instalment: US$1.25 million paid in 88 Energy shares on signing for part payment of 2D seismic carry;
- 3rd instalment: US$1.25 million paid in 88 Energy shares upon approval of PEL 93 WI transfer by the Namibian government, as final payment in relation to the 2D seismic carry; and

- 4th Instalment: US$0.42 million paid in 88 Energy shares for final back costs payment and U$0.50 for 2024 work-program carry.

Total acquisition costs amounted to US$3,700,000 (A$5,951,423) for the acquisition of working interest in PEL 93. In measuring the fair value of the exploration project acquired, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to the exploration project with limited exploration results, management have determined the price paid to be indicative of its value.

## 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 % |
|---|---|---|---|---|---|
| Bighorn Energy LLC (i) | USA | Oil & Gas Production | 31 December 2024 | 18 Feb 2022(ii) | 75 (iii) |

(i) While the Group holds a greater than 50 per cent interest in the Bighorn Energy 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.
(iii) No change in interest from December 2023.

| **Investment in equity accounted investments** | **31 Dec 2024 $** | **31 Dec 2023 $** |
|---|---|---|
| At the beginning of the financial year | **23,251,219** | 19,968,658 |
| Contribution of capital Bighorn- (Refer note 14) | **-** | 4,000,000 |
| Share of profit/(loss) of equity accounted investments (from effective date) | **(1,463,930)** | 1,665,442 |
| Foreign Exchange gain/(loss) | **2,185,814** | (372,536) |
| Distribution received from equity accounted investments | **(2,284,633)** | (2,010,345) |
| **At the end of the financial year** | **21,688,470** | 23,251,219 |
| | | |
| **Carrying amount of equity accounted investment** | **21,688,470** | 23,251,219 |
| | | |
| **Share of profit/(loss) of equity accounted investment** | **(1,463,930)** | 1,665,442 |
| | | |
| **Reconciliation of carrying amount of equity accounted investment** | | |
| Bighorn Energy LLC | | |
| Current Assets | **1,822,752** | 2,338,981 |
| Non – Current Assets | **35,899,952** | 30,831,694 |
| Current Liabilities | **(5,390,537)** | (3,601,611) |
| Non – Current Liabilities | **(2,235,660)** | (2,047,132) |
| **Net Assets – 100%** | **30,096,506** | 27,521,933 |
| Net assets – the Group's share | **22,572,380** | 20,641,450 |
| Prepaid contributed capital and FX | **(883,910)** | 2,609,769 |

| | | |
|---|---|---|
| **Carrying amount of equity accounted investments** | **21,688,470** | 23,251,219 |
| **Reconciliation of share of profit/(loss) of equity accounted investment** | | |
| Revenue – 100% | **9,017,230** | 9,432,588 |
| Profit/(loss) after tax – 100% | **(1,951,906)** | 2,220,589 |
| Profit/(loss) after tax – the Group's share (75%) | **(1,463,930)** | 1,665,442 |
| **Share of profit/(loss) of equity accounted investments** | **(1,463,930)** | 1,665,442 |

The Group's share of contingent liabilities and capital expenditure commitments of the significant equity accounted investment as at 31 December 2024 was nil.

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

Refer to Notes 1 (g) on the treatments of Oil and Gas Properties and 2 (b) on recoverability of equity accounted investments.

## 10 CONTRIBUTED EQUITY

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Issued and fully paid** | **Number of shares** | **$** | Number of shares | $ |
| Ordinary shares | **28,933,811,952** | **392,621,587** | 24,640,802,561 | 379,917,222 |

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the company in proportion to the number and amount paid on the share hold.

| **Movement reconciliation** | **Number** | **$** |
|---|---|---|
| At 1 January 2023 | 18,265,762,962 | 340,972,670 |
| Issue of shares in February capital raise @ $0.0095 | 1,842,105,263 | 17,500,000 |
| Issue of shares in August Rights Issue @ $0.0060 | 553,070,348 | 3,318,422 |
| Issue of shares in August shortfall Issue @ $0.0060 | 782,716,470 | 4,696,299 |
| Issue of shares to Investor Relations services @ $0.0060 | 8,333,333 | 50,000 |
| Issue of shares for Bighorn working capital @ $0.0060 (Refer note 11) | 666,666,667 | 4,000,000 |
| Issue of shares in November capital raise @ $0.0045 | 2,200,000,005 | 9,900,000 |
| Issue of shares for Namibia 1st tranche working interest @ $0.0061 | 322,147,513 | 1,965,100 |
| Less equity raising shares | | (2,485,268) |
| At 31 December 2023 | 24,640,802,561 | 379,917,222 |
| **At 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 shares** | | **(935,836)** |
| **At 31 December 2024** | **28,933,811,952** | **392,621,587** |

## 11 RESERVES

| | 2024 $ | 2023 $ |
|---|---|---|
| Share-based payments | **21,478,213** | 21,490,097 |
| Foreign Currency Translation Reserve | **21,560,941** | 8,482,555 |
| | **43,039,154** | 29,972,652 |
| Movement reconciliation | | |
| Share based payments reserve | | |
| Balance at the beginning of the year | **21,490,097** | 20,358,941 |
| Equity settled share-based payment transactions (Note 18) | **136,879** | 879,455 |
| Issue of Options as part of Capital Raise | **275,462** | 251,701 |
| Settlement of vested Performance Rights | **(424,225)** | - |
| Balance at the end of the year | **21,478,213** | 21,490,097 |
| | | |
| Foreign currency translation reserve: | | |
| Balance at the beginning of the year | **8,482,555** | 10,109,648 |
| Effect of translation of foreign currency operations to group | **13,078,386** | 1,627,093 |
| Balance at the end of the year | **21,560,941** | 8,482,555 |

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. Refer to Note 18 for further details.

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.

## 12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

**Market risk**

Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the US Dollar and Great British Pounds. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars was as follows:

| | | **2024** | | 2023 |
|---|---|---|---|---|
| | **USD** | **GBP** | USD | GBP |
| Cash and cash equivalents | **5,093,858** | **392,736** | 13,484,413 | 585,617 |
| Trade and other payables | **-** | **-** | 197,234 | 13,817 |

As shown in the table above the group is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar-denominated assets (ie: cash and exploration and evaluations assets). Any reasonable possible change in GBP/AUD exchange rate would not result in a material change.

| | **Impact on post-tax profit** | |
|---|---|---|
| | **2024** | 2023 |
| USD/AUD exchange rate – increase 9% | **302,000** | 806,000 |
| USD/AUD exchange rate – decrease 9% | **(302,000)** | (806,000) |

Profit is more sensitive to movements in the Australian dollar/US dollar exchange rates in 2024 than 2023 because of the wide fluctuation of the Usd at the beginning of the year to the end of the year. Equity is less sensitive to movements in the Australian dollar/US dollar rates in 2024 than 2023 because of the decreased amount of foreign currency assets. The group's exposure to other foreign exchange movements is not material.

Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group's exposure to this risk relates primarily to the Group's cash and any cash on deposit. The Group does not use derivatives to mitigate these exposures. The Group manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

| | | **2024** | | 2023 |
|---|---|---|---|---|
| | **Weighted average interest rate** | **Balance $** | Weighted average interest rate | Balance $ |
| Cash and cash equivalents | **1.42%** | **7,198,567** | 0.78% | 18,182,727 |
| Borrowings | **-** | **-** | - | - |

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five-year period.

At 31 December 2024, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

| | Post-tax profit higher/(lower) | | Other comprehensive higher/(lower) | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| *Judgements of reasonably possible movements:* | **$** | $ | **$** | $ |
| Cash and cash equivalents: | | | | |
| + 1.0% (100 basis points) | **50,390** | 127,279 | **-** | - |
| - 1.0% (100 basis points) | **(50,390)** | (127,279) | **-** | - |

**Credit risk**

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Group's exposure to credit risk arises from potential default of the counterparty, with maximum exposure equal to the carrying amount of the financial assets.

The Group's policy is to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group except for cash and cash equivalents held in reputable major banks in Australia and Alaska.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The following are the contractual maturities of financial liabilities:

| | 6 months | 6-12 months | 1-5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **2024** | | | | | |
| Trade and other payables | **107,374** | **-** | **-** | **-** | **107,374** |
| **2023** | | | | | |
| Trade and other payables | **556,544** | **-** | **-** | **-** | **556,544** |

**Capital risk management**

The Group's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders or issue new shares.

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

In determining the funding mix of debt and equity (total borrowings/total equity), consideration is given to the relative impact of gearing ratio on the ability of the consolidated entity to service loan interest and repayment schedules, credit facility covenants and to generate adequate free cash available for corporate and oil and gas exploration. The debt to equity ratio is 0% at 31 December 2024 (0% at 31 December 2023).

**Fair values**

The management assessed that the carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values largely due to the short-term maturities of these instruments. The carrying amounts are determined in accordance with accounting policies disclosed in Note 1.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 – a valuation technique using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. prices), or indirectly (i.e. derived from prices); or

Level 3 – a valuation technique using inputs that are not based on observable market data (unobservable inputs).

As at 31 December 2024 and 31 December 2023, the Group did not have financial liabilities measured and recognised at fair value. Due to their short-term nature, the carrying amount of the current receivables and payables is assumed to approximate their fair value.

The Group does not have any level 2 or 3 assets or liabilities.



# 13 RELATED PARTY DISCLOSURE

**(a) Transactions with other related parties**

Dr Stephen Staley was engaged to provide consultancy services to the Company. Derwent Resources Limited is a company in which Dr Stephen Staley is a Director. Transactions with related parties were arm's length and on normal commercial terms.

During the year, the following transactions occurred with related parties:

| | **2024 $** | 2023 $ |
|---|---|---|
| Derwent Resources Limited | **53,790**(i) | 51,978 |

(i) During the year, the Company paid £27,782; A$53,790 (2023: £27,782 : A$51,978) to Derwent Resources Limited for consultancy services. The amount has been translated to Australian Dollars at the average rate.

Consultant fees paid to associated entities were on normal commercial terms.

The Group has a related party with an interest in Bighorn Energy LLC, refer to Note 11 – Equity Accounted Investment.

### (b) Key Management Personnel Compensation

Details relating to KMP are included in the Remuneration Report. At 31 December 24 the following remuneration was paid.

| | 2024 $ | 2023 $ |
|---|---|---|
| Short-term benefits for KMP's | **1,280,855** | 1,801,787 |
| Post-employment benefits for KMP's | **89,377** | 103,383 |
| Share-based payments for KMP's | **329,798** | 741,810 |
| | **1,700,030** | 2,646,980 |

Detailed remuneration disclosures are provided within the Remuneration Report.



## 14 SHARE BASED PAYMENTS

The following share based payments were expensed during the period.

| | 2024 $ | 2023 $ |
|---|---|---|
| **(a) Recognised share-based payment expense transactions** | | |
| SBP Expenses on Performance Rights issued to directors | **234,782** | 403,943 |
| SBP Expense on Performance Rights issued to employees | **317,258** | 467,026 |
| SBP Expense on Performance Rights issued to contractors | **-** | 8,486 |
| Reversal of Performance Rights | **(415,162)** | - |
| | **136,878** | 879,455 |

The following table sets out the Performance Rights and Options for the Group at 31 December 2024.

| | Date of Expiry | Exercise Price | Balance at the start of the year | Granted during the year | Exercised during the year | Expired and Other | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| Performance Rights | - | - | 260,669,585 | 87,475,000 | (126,452,777) | (54,701,809) | 166,989,999 |
| Placement fee options | 02-09-24 | $0.05 | 50,000,000 | - | - | (50,000,000) | - |
| Placement fee options | 22-02-25 | $0.06 | 36,000,000 | - | - | - | 36,000,000 |
| Placement fee options | 28-10-25 | $0.02 | 90,000,000 | - | - | - | 90,000,000 |
| Placement fee options | 14-02-26 | $0.02 | 75,000,000 | - | - | - | 75,000,000 |
| Unlisted warrants | 15-12-26 | $0.0075 | 244,444,442 | 25,000,000 | - | - | 269,444,442 |
| Listed options | 15-12-26 | $0.0075 | 488,888,890 | 50,000,000 | - | - | 538,888,890 |
| | | | **1,245,002,917** | **162,475,000** | **(126,452,777)** | **(104,701,809)** | **1,176,323,331** |

### Performance Rights

Performance Rights are subject to certain vesting conditions noted below. The fair value of these Performance Rights was treated as a share-based payment expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The fair value per Performance Right used the Monte Carlo simulation-based model. There were 87,475,000 performance rights issued in 2024. Refer to Performance Rights issued in 2024 page 29 for performance rights conditions.

**Options**

On 17th January 2024, the Company issued 25,000,000 warrants as free attaching to the brokers of the November 2023 placement. Warrants have a nil value, with an exercise price of GBP £0.0039 and expire 15 December 2026.

On 17th January 2024, the Company issued 50,000,000 listed options as free attaching to brokers of the November 2023 placement. Listed options have a nil value, exercisable at A$0.0075 per share and expire 15 December 2026.

## 15 SEGMENT INFORMATION

For management purposes during the period ended 31 December 2024 the Company was organised into the following strategic unit:

Oil and Gas exploration in Alaska, USA.

Oil & Gas production in Texas, USA.

Oil & Gas exploration, 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 & Gas Exploration in Alaska, USA and Oil and Gas Production in Texas, USA and Oli & 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.

Revenue, Assets and Liabilities information based on the geographical location of assets are as follows:

| | Texas Production $ | Alaska Exploration $ | Namibia Exploration $ | Other $ | Total $ |
|---|---|---|---|---|---|
| **31 December 2024** | | | | | |
| **Total Revenue** | **-** | **705,052** | **-** | **116,500** | **821,553** |
| Administrative Expenses | **(80,316)** | **(11,602)** | **-** | **(895,228)** | **(987,146)** |
| Employee benefit Expenses | **-** | **-** | **-** | **(2,360,360)** | **(2,360,360)** |
| Depreciation & Amortisation | **-** | **-** | **-** | **(79,052)** | **(79,052)** |
| E&E Impairment | **-** | **(28,945,595)** | **-** | **-** | **(28,945,595)** |
| Other | **-** | | **-** | **195,518** | **195,518** |
| **Total Expenditure** | **(80,316)** | **(28,957,197)** | **-** | **(3,139,122)** | **(32,176,635)** |
| **Share of profit/(loss)** | **(1,463,930)** | | | | **(1,463,930)** |
| **Net Profit (loss) before tax** | **(1,544,246)** | **(28,252,145)** | **-** | **(3,022,622)** | **(32,819,026)** |
| **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** |
| **31 December 2023** | | | | | |
| **Total Revenue** | - | 440,282 | - | 60,645 | 500,927 |
| Administrative Expenses | (183,914) | 1,338 | - | (2,507,594) | (2,690,171) |
| Employee benefit Expenses | - | - | - | (2,911,375) | (2,911,375) |
| Depreciation & Amortisation | - | - | - | (64,228) | (64,228) |
| E&E Impairment | - | (9,488,362) | - | - | (9,488,362) |
| Other | - | (478,961) | - | (972,507) | (1,451,467) |
| **Total Expenditure** | (183,914) | (9,965,984) | - | (6,455,704) | (16,605,603) |
| **Share of profit/(loss)** | 1,665,442 | | | | 1,665,442 |
| **Net Profit (loss) before tax** | 1,481,528 | (9,525,701) | - | (6,395,059) | (14,439,233) |
| **Additions to non-current assets** | 3,282,561 | 11,079,160 | 2,639,306 | 15,415 | 17,016,442 |
| **Assets** | 23,251,219[(i)] | 105,848,260 | 2,639,306 | 24,786,654 | 156,525,440 |
| **Liabilities** | - | 67,034 | 2,639,306 | 773,007 | 840,041 |

(i) Asset is in relation to the Investment in Associate Bighorn Energy LLC, refer to Note 11 - Equity Accounted Investment.

## 16 COMMITMENTS

**Exploration commitments**

**Exploration Commitments at 31 December 2024 are as follows:**

Leases

The anticipated lease payment for 2024 totals US$0.3 million net to the Company for Project Leonis, however the payment is discretionary, and the Company may choose to relinquish acreage or a portion of acreage at any time, and therefore the Company has commitments for the remaining portion of the tenement life only.

Both the Project Peregrine Leases and Project Umiat Leases continue to be in suspension until November 2025 and June 2025 respectively.

As part of the farmout participation agreement with Burgundy Xploration, LLC. Burgundy will pay 100% of the Project Phoenix leases payments for 2025-2027.

All additional payments for exploration will be at the discretion of the Company, other than what is noted below, as the Company can exit the leases at any time with no penalty.

**Corporate Commitments at 31 December 2024 are as follows:**

| | **2024 $** | 2023 $ |
|---|---|---|
| Within one year | **70,272** | 70,272 |
| After one year but not more than five years | | - |
| | **70,272** | 70,272 |

## 17 CONTINGENCIES

**Exploration Contingencies**

At 31 December 2024 the Company has no exploration contingencies.

**Corporate Contingencies**

At 31 December 2024 the group has a Bankers' guarantee issued as security for the lease of office premises at Gr Fl, 516 Hay Street, Subiaco to the amount of $29,380. (2023 – A$29,380).

**Contingent Liability**

Eighty Eight Namibia Farm- In Agreement

The Farm In Agreement between Eighty Eight Energy (Namibia) Pty Ltd (88EN), wholly owned subsidiary of 88 Energy and private Namibian company, Monitor Oil and Gas Exploration (Namibia) Pty Ltd (MELN), a wholly owned subsidiary of Monitor, allowed 88 Energy to become a party to the Licence PEL 93 and the Joint Operating Agreement (JoA) and may earn up to a 45% working interest in PEL 93 by funding it's share of agreed costs. During the year, Stage 1 of the Farm – In Agreement was completed and 88 Energy earned a 20% working interest in PEL 93. Subsequent to 31 December 2024, the Company made a final payment to MELN of US$75,264 in order to reconcile the Stage 1 payment obligations.

## 18 EVENTS AFTER THE REPORTING DATE

The following events were noted subsequent to the reporting date;

In February 2025, 88 Energy's wholly owned subsidiary, Accumulate Energy Alaska, Inc. (Accummulate), executed a Farmout Participation Agreement (PA) with Burgundy Xploration LLC (Burgundy) in relation to Project Phoenix and over the Toolik River Unit (TRU). Under the agreement, Burgundy will fully fund up to US$39 million (approx. A$60 million) of Project Phoenix's total gross future work programme costs in exchange for up to an additional 50% Working Interest (WI) in Project Phoenix from 88 Energy. This 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 programme, including drilling of a horizontal well and production testing scheduled for H1 CY26 (88E fully carried, 88E 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 programme (88E carry up to US$7.5 million, with 88E WI post Phase 2 farmout to 25%).
- **Operator**: Burgundy shall assume the role of Operator subject to Burgundy demonstrating the resources and capability to act as Operator and successful financing to raise US$29 million required for Phase 1.

The agreement is subject to relevant government and other approvals, as well as conditions precedent customary with respect to Farm-out transactions. Burgundy is targeting a public listing in 2025, and the agreement contains a long stop date for Burgundy to be fully funded for the Phase 1 carry of US$29 million by 31 December 2025 unless extended by mutual consent of the parties.

In conjunction with signing the PA, Burgundy paid US$1 million to 88 Energy in February to part-settle outstanding cash calls and entered into an agreement to pay the remaining ~US$1.7 million outstanding plus interest and penalties due of approximately US$0.5 million by Q1 CY2025.

The Directors are not aware of any other matters or circumstances at the date of the report, other than those referred to in this report or the financial statements or notes thereto, that have significantly affected or may significantly affect the operations, the result of operations or the state of affairs of the Group in subsequent financial years.

There were no other events after the reporting date requiring disclosure.

## 19 AUDITOR'S REMUNERATION

| | 2024 $ | 2023 $ |
|---|---|---|
| **During the year the following fees were paid or payable for services provided by BDO as the auditor of the Group:** | | |
| **BDO Audit Pty Ltd** | | |
| Audit and review of the annual and half-year financial report | **87,990** | 79,027 |
| Total audit services | **87,990** | 79,027 |
| **Non-audit services from BDO USA:** | | |
| BDO USA Tax advisory services and due diligence | **61,563** | 52,288 |
| BDO Rewards | **-** | 10,340 |
| Total non-audit services | **61,563** | 62,628 |
| Total auditor remuneration | **149,553** | 141,655 |

## 20 INVESTMENTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in Note 1 (c):

| | Principal Activities | Country of Inc. | Ownership interest % | |
|---|---|---|---|---|
| | | | **2024** | 2023 |
| XCD Energy Pty Ltd | Oil Exploration | Australia | **100** | 100 |
| Accumulate Energy USA, Inc | Oil Exploration | USA | **100** | 100 |
| Accumulate Energy Alaska, Inc | Oil Exploration | USA | **100** | 100 |
| Regenerate Energy USA, Inc | Oil Exploration | USA | **100** | 100 |
| Regenerate Alaska, Inc (i) | Oil Exploration | USA | **-** | 100 |
| Captivate Energy Alaska, Inc | Oil Exploration | USA | **100** | 100 |
| Captivate Energy USA, Inc | Oil Exploration | USA | **100** | - |
| Emerald House, Inc | Oil Exploration | USA | **100** | 100 |
| Entek USA, Inc | Oil Exploration | USA | **100** | 100 |
| Longhorn Energy USA, Inc | Oil Production | USA | **100** | 100 |
| Longhorn Energy Investments, LLC | Oil Production | USA | **100** | 100 |
| EightyEight Energy (Namibia) (Pty) Ltd | Oil Exploration | Namibia | **100** | 100 |

(i) In December 2024 the Company re-structured the Regenerate Energy USA group of companies and dissolved Regenerate Alaska Inc.

## 21 PARENT ENTITY

| | 2024 $ | 2023 $ |
|---|---|---|
| Current assets | **8,801,891** | 17,956,668 |
| Non-current assets | **140,200,333** | 138,468,857 |
| **Total assets** | **149,002,224** | 156,425,524 |
| | | |
| Current liabilities | **364,984** | 740,126 |
| **Total liabilities** | **364,984** | 740,126 |
| | | |
| **Net Assets** | **148,637,240** | 155,685,398 |
| | | |
| **Equity** | | |
| Contributed equity | **392,621,588** | 379,917,223 |
| Reserves | **64,818,480** | 36,872,926 |
| Accumulated losses | **(308,802,828)** | (261,104,751) |
| **Total Equity** | **148,637,240** | 155,685,398 |
| | | |
| Loss for the year | **(47,698,077)** | (12,926,343) |
| **Total comprehensive loss** | **(47,698,077)** | (12,926,343) |

**Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year For the year ending 2024 no Balance Sheet items have been changed.

.

**Other Commitments and Contingencies**

The Parent has no commitments to acquire property, plant and equipment, and has no contingent liabilities apart from the amounts disclosed in Note 20.

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

| Entity Name | Entity Type | Trustee, partner or participant in JV | % of Share Capital | Country of Incorporation | Australian or foreign tax Resident | Foreign tax Jurisdiction of foreign resident |
|---|---|---|---|---|---|---|
| XCD Energy Pty Ltd | Body Corporate | - | 100% | Australian | Australian | N/A |
| Accumulate Energy USA, Inc | Body Corporate | - | 100% | USA | Australian | N/A |
| Accumulate Energy Alaska, Inc | Body Corporate | Participant in JV | 100% | USA | Australian | N/A |
| Regenerate Energy USA, Inc | Body Corporate | - | 100% | USA | Australian | N/A |
| Regenerate Alaska, Inc * | Body Corporate | - | 100% | USA | Australian | N/A |
| Captivate Energy Alaska, Inc | Body Corporate | - | 100% | USA | Australian | N/A |
| Emerald House, Inc | Body Corporate | - | 100% | USA | Australian | N/A |
| Entek USA, Inc | Body Corporate | - | 100% | USA | Australian | N/A |
| Longhorn Energy USA, Inc | Body Corporate | - | 100% | USA | Australian | N/A |
| Longhorn Energy Investments, LLC | Body Corporate | - | 100% | USA | Australian | N/A |
| EightyEight Energy (Namibia) (Pty) Ltd | Body Corporate | - | 100% | Namibia | Australian | N/A |
| Captivate Energy USA, Inc | Body Corporate | - | 100% | USA | Australian | N/A |

- Regenerate Alaska, Inc was dissolved on 16th December 2024.

1. The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001 (Cth) and includes information for each entity that was part of the Consolidated Entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.
2. The Company has not formed a tax-consolidated group under Australian taxation law.
3. Section 295(3A)(iv) of the Corporations Act 2001 provides tax residency for the purposes of this disclosure to be as defined under Australian domestic tax law, per the Income Tax Assessment Act 1997. We note that the foreign incorporated entities listed above should also be considered tax residents of their jurisdiction of incorporation under their respective domestic laws.

# DIRECTORS' DECLARATION

In the Directors' opinion:

a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
   i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
   ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the year ended on that date, and

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

c) The consolidated entity disclosure statement is true and correct.

d) The consolidated financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

**Mr Philip Byrne**
Non-Executive Chairman

11 March 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 REPORT

To the members of 88 Energy Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of 88 Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Carrying value of exploration and evaluation expenditure

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| As disclosed in Note 8 to the Financial Report, the carrying value of the capitalised exploration and evaluation expenditure represents a significant asset of the Group.<br><br>Refer to Notes 1(g) and 2(a) to the Financial Report for a description of the accounting policy and significant judgements applied to capitalised exploration and evaluation expenditure.<br><br>In accordance with AASB 6 Exploration and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation requires significant judgement by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount.<br><br>During the year, the Group undertook an impairment assessment and recognised an impairment charge as disclosed in Note 8. As a result, this is considered a key audit matter. | Our procedures included, but were not limited to:<br><br>• Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date;<br><br>• Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and Directors' minutes;<br><br>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;<br><br>• Considering whether there are any other facts or circumstances existing to suggest impairment testing was required;<br><br>• Evaluating and assessing the accuracy of the Group's calculation of the impairment recognised for the year ended 31 December 2024; and<br><br>• Assessing the adequacy of the related disclosures in Notes 1(g), 2(a) and 8 to the Financial Report. |

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2024 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

## Report on the Remuneration Report

**Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 21 to 28 of the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of 88 Energy Limited, for the year ended 31 December 2024, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*.Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit Pty Ltd**

BDO

J Prue

**Jarrad Prue**

**Director**

Perth, 11 March 2025

# ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is at 21 February 2024.

## TWENTY LARGEST SHAREHOLDERS

| | | | |
|---|---|---|---|
| 1. | COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C> | 6,707,565,315 | 23.18 |
| 2. | CITICORP NOMINEES PTY LIMITED | 4,340,485,784 | 15.00 |
| 3. | HSBC CUSTODY NOMINEES | 1,505,946,995 | 5.20 |
| 4. | BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM | 1,242,338,245 | 4.29 |
| 5. | MR DAKIN LUKE THEXTON | 300,000,000 | 1.04 |
| 6. | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 215,735,475 | 0.75 |
| 7. | HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED | 160,684,966 | 0.56 |
| 8. | MR PETER FIDANTSIS + MRS POPI FIDANTSIS <FIDANTSIS SUPERANNUATION A/C> | 149,000,000 | 0.51 |
| 9. | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 142,245,145 | 0.49 |
| 10. | LONESTAR I LLC | 133,000,000 | 0.46 |
| 11. | MR LEO THOMAS LOVE + MRS TERRI MAREE LOVE <LOVE SUPER FUND A/C> | 131,124,559 | 0.45 |
| 12. | FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C> | 111,588,786 | 0.39 |
| 13. | BNP PARIBAS NOMS PTY LTD | 102,483,290 | 0.35 |
| 14. | CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C> | 75,000,000 | 0.26 |
| 15. | MR SHAOLIANG NI | 70,690,879 | 0.24 |
| 16. | MR VAN CHUONG TRAN | 70,000,000 | 0.24 |
| 17. | MR DAVID XING | 67,789,682 | 0.23 |
| 18. | DRAGON SUPER PTY LTD <DRAGON SUPER A/C> | 66,850,000 | 0.23 |
| 19. | TROCA ENTERPRISES PTY LTD <COULSON SUPER A/C> | 66,666,667 | 0.23 |
| 20. | TEN BRICKS PTY LTD | 58,050,000 | 0.20 |
| **Totals: Top 20 holders of ORDINARY FULLY PAID SHARES** | | **15,717,245,788** | **54.32** |
| **Total Remaining Holders Balance** | | **13,216,566,164** | **45.68** |



## DISTRIBUTION OF EQUITY SECURITIES

***Ordinary share capital***

28,933,811,952 fully paid shares held by 12,543 individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of shareholders, by size of holding, is:

| Range | Total holders | Units | % of Issued Capital |
|---|---|---|---|
| 1 - 1,000 | 82 | 11,241 | 0.00 |
| 1,001 - 5,000 | 28 | 98,266 | 0.00 |
| 5,001 - 10,000 | 46 | 378,960 | 0.00 |
| 10,001 - 100,000 | 2,733 | 210,884,557 | 0.73 |
| 100,001 Over | 9,654 | 28,722,438,928 | 99.27 |
| Total | **12,543** | **28,933,811,952** | **100.00** |

## TOP 20 LISTED OPTIONS

| | | | |
|---|---|---|---|
| 1. | BEIRNE TRADING PTY LTD | 100,000,000 | 18.56 |
| 2. | BLJ TECHNOLOGIES PTY LTD | 38,069,445 | 7.06 |
| 2. | DRM TECHNOLOGIES PTY LTD | 38,069,445 | 7.06 |
| 4. | CITICORP NOMINEES PTY LIMITED | 32,197,558 | 5.97 |
| 5. | MR OLAOLUWA IBUKUNOLUWA KOTILA | 28,473,456 | 5.28 |
| 6. | ZENIX NOMINEES PTY LTD | 25,000,000 | 4.64 |
| 7. | AMAX PACIFIC PTY LIMITED | 20,000,000 | 3.71 |
| 8. | RIYA INVESTMENTS PTY LTD | 11,954,500 | 2.22 |
| 9. | RIYA INVESTMENTS PTY LTD | 11,666,667 | 2.16 |
| 10. | MRS VANESSA RUBEN | 10,000,000 | 1.86 |
| 11. | MR NATHAN CARATI | 7,416,667 | 1.38 |
| 12. | MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED | 7,407,408 | 1.37 |
| 13. | 64 CAPITAL INVESTMENTS PTY LTD> | 7,000,000 | 1.30 |
| 13. | GOFFACAN PTY LTD | 7,000,000 | 1.30 |
| 13. | MR GEORGE PEOU | 7,000,000 | 1.30 |
| 16. | ATKINS SUPERANNUATION FUND PTY LTD <ATKINS SUPER A/C> | 6,812,778 | 1.26 |
| 17. | MR BENG BIAN LIM | 6,597,778 | 1.22 |
| 18. | S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C> | 6,333,333 | 1.18 |
| 19. | DR SYED MOHD YUSUF | 6,270,105 | 1.16 |
| 20. | DR WATSON INVESTMENTS PTY LTD <DR WATSON SUPER A/C> | 6,000,000 | 1.11 |
| **Totals: Top 20 holders of LISTED OPTIONS EXP 15/12/26 @$0.0075 (Total)** | | **383,269,149** | **71.12** |
| **Total Remaining Holders Balance** | | **155,619,741** | **28.88** |

## DISTRIBUTION OF LISTED OPTIONS

The number of listed holdings by size of holding, is:

| Range | Total holders | Units | % of Units |
|---|---|---|---|
| 1 - 1,000 | 1 | 2 | 0.00 |
| 1,001 - 5,000 | 0 | 0 | 0.00 |
| 5,001 - 10,000 | 0 | 0 | 0.00 |
| 10,001 - 100,000 | 1 | 51,282 | 0.01 |
| 100,001 Over | 137 | 538,837,606 | 99.99 |
| Total | **139** | **538,888,890** | **100.00** |

# ASX ADDITIONAL INFORMATION

## UNLISTED OPTIONS

36,000,000 Unlisted Options with an exercise price of $0.06 and an expiry of 13 February 2025

90,000,000 Unlisted Options with an exercise price of $0.02 and an expiry of 28 October 2025

75,000,000 Unlisted Options with an exercise price of $0.02 and an expiry of 16 February 2026

## WARRANTS

269,444,442 Unlisted warrants with an exercise price of GBP £0.0039 and an expiry of 15 December 2026.

## PERFORMANCE RIGHTS

161,240,000 Performance Rights on issue. The Performance Rights are subject to vesting conditions.

## UNMARKETABLE PARCELS

***Ordinary share capital***

| | Minimum Parcel Size | Holders | Units |
|---|---|---|---|
| Minimum $500.00 parcel at $0.0020 per unit | 250,000 | 6,036 | 723,464,836 |

## RESTRICTED SECURITES

The Company has no Restricted Securities on issue.

## SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

| | Number of Shares |
|---|---|
| COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C> | 6,707,565,315 |
| CITICORP NOMINEES PTY LIMITED | 4,340,485,784 |
| HSBC CUSTODY NOMINEES | 1,505,946,995 |

## ON-MARKET BUY-BACK

There is no current on-market buy-back.

## ACQUISITION OF VOTING SHARES

No issues of securities have been approved for the purposes of Item 7 of Section 611 of the Corporations Act 2001.

# ASX ADDITIONAL INFORMATION

## TAX STATUS

The Company is treated as a public company for taxation purposes.

## FRANKING CREDITS

The Company has no franking credits.

## TENEMENT SCHEDULE

| Project Name | Location | Net Area (acres) | Company Interest |
|---|---|---|---|
| Project Phoenix | Onshore, North Slope Alaska | 44,562 | ~75% |
| Project Peregrine[1] | Onshore, North Slope Alaska (NPR-A) | 125,735 | 100% |
| Project Longhorn | Onshore, Permian Basin Texas | 2,830 | ~65% |
| Project Leonis[2] | Onshore, North Slope Alaska | 25,431 | 100% |
| Umiat Unit[3] | Onshore, North Slope Alaska (NPR-A) | 17,633 | 100% |
| Namibia | Onshore, Owambo Basin, Namibia | 914,270 | 20% |

## COMPETENT PERSONS STATEMENT

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 prospective resource 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.

1. Refer announcement released to ASX on 21 December 2023 regarding Project Peregrine initial suspension, which was extended by the BLM until 30 November 2025
2. Refer announcement released to ASX on 12 December 2024, regarding highest bidder of 4 additional leases covering ~10,203 net acres. Award expected in H1 2025.
3. Refer 2024 Half Yearly announcement released to ASX on 2 September 2024, regarding Umiat 12-month suspension until 30 June 2025