

24th June 2021

This announcement contains inside information

88 Energy Limited

Merlin-1 Testing Program Update

88 Energy Limited ("**88 Energy**" or the "**Company**", ASX:88E, AIM:88E, OTC:EEENF) is pleased to provide the following update related to its operations on the North Slope of Alaska.

Highlights

- Geochemical analysis of fluid extracts from selected core samples definitively demonstrates the presence of hydrocarbons
- Further quantitative screening on remaining samples to commence
- Phase two of side-wall core trim analysis to commence shortly, including: quantitative extraction, SARA, isotopes and biomarker analysis

Details

88 Energy has recently received initial results from 5 of the 18 specifically selected trims from the side wall cores, with 2 of the 5 confirming the presence of hydrocarbons. Significantly, these depths were among the prospective zones that were not able to be tested with the RDT downhole fluid extraction tool. These zones also correspond with depths where good oil shows were noted during drilling, including petroliferous odour, fluorescence and cut. Small trims were cut from the side of several of the 48 side wall cores to undergo special analysis. The remaining material is reserved for routine core analysis.

Fig. 1 Solvent streaming cut on core trims

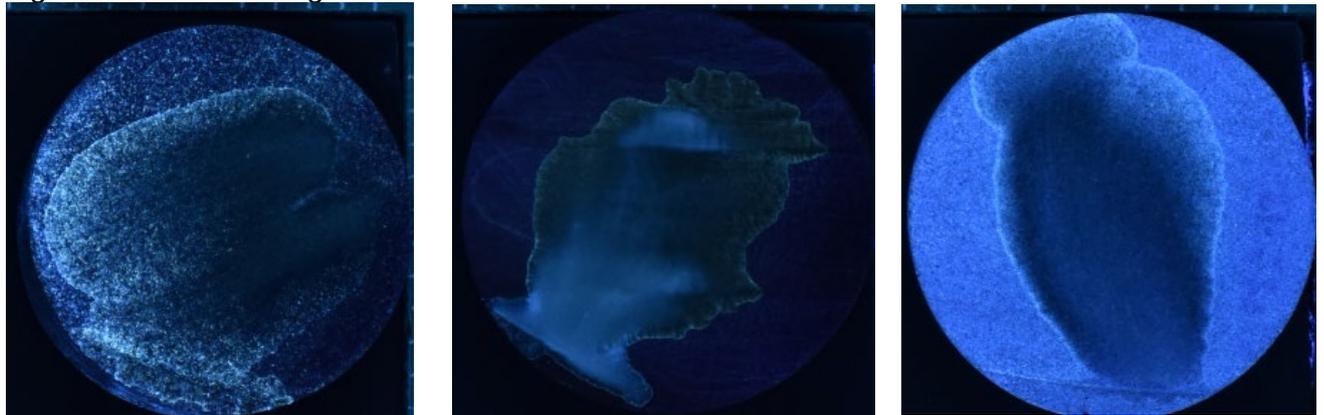
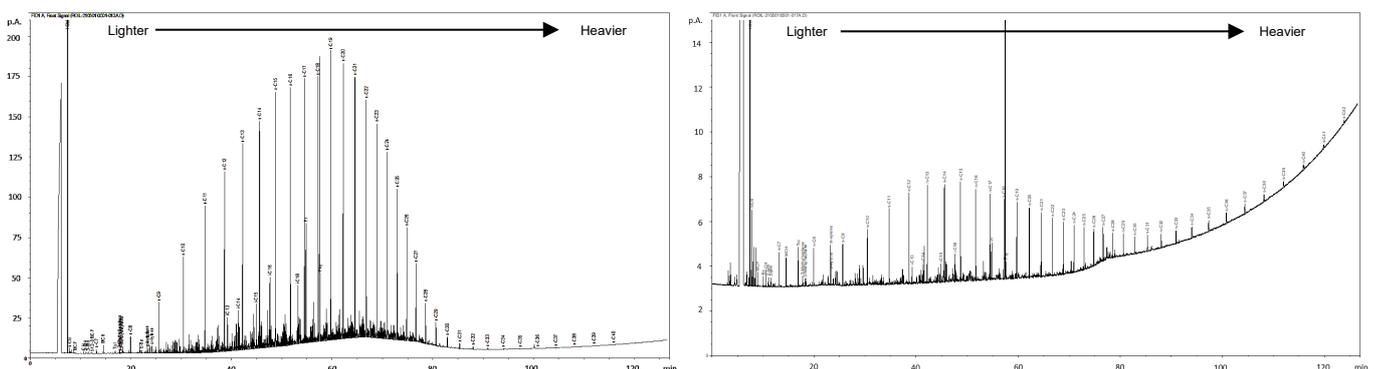


Fig. 2 Hydrocarbon signature based on geochem analysis of fluid extracted from core trims



These gas chromatography charts show a spread of carbon compounds with lighter molecules on the left and heavier components on the right. Oil signatures may be inferred by the presence of heavier carbon compounds seen in the two of the five samples run to date (as seen in Fig. 2). Importantly these signatures show no evidence of biodegradation.

The highly encouraging test results to date serve to refine the Company’s understanding of both the quantity and the mobility of hydrocarbons in place as well as the commercial potential of the greater Project Peregrine acreage, which will be further appraised in coming seasons. The Company looks forward to further results from the remaining 13 trims over the coming weeks.

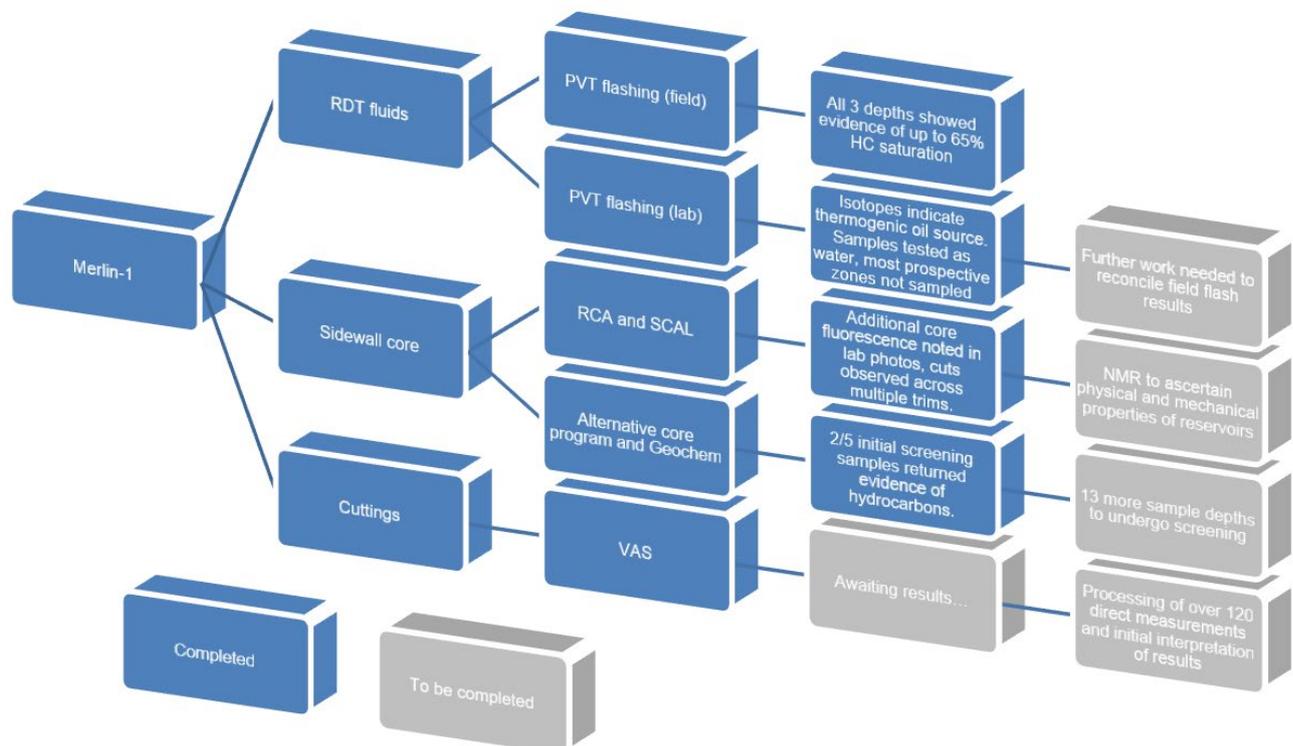
Phase two of the geochemical analysis program on the side-wall core trims will commence after completion of the analysis of remaining 13 trims, which will include quantitative extraction, SARA, isotopes and biomarkers analysis. These analyses are designed to confirm not only the presence of oil but also the nature of the source rock, enhancing understanding of the likely quality of the oil as well as migration pathways, which is critical for understanding regional implications on prospectivity across Project Peregrine.

In addition, the Company is looking forward to the preliminary results of the Volatiles Analysis Service (VAS), which is currently underway, as well as analysis of gases collected in isotubes while drilling. VAS and gas analysis further enhances knowledge of the depths at which oil accumulations may occur across the project area as well as wettability of the reservoir rocks.

Testing Program and Status

The Company is highly encouraged by the preliminary results received to date from the Merlin-1 testing program, with analysis and interpretation of results ongoing. Once complete, these will be consolidated and integrated into the Project Peregrine database, which will form the basis of future farm-out and exploration on the acreage.

The chart below provides an overview of the samples taken during drilling and related testing program and results received to date and or pending to be received.

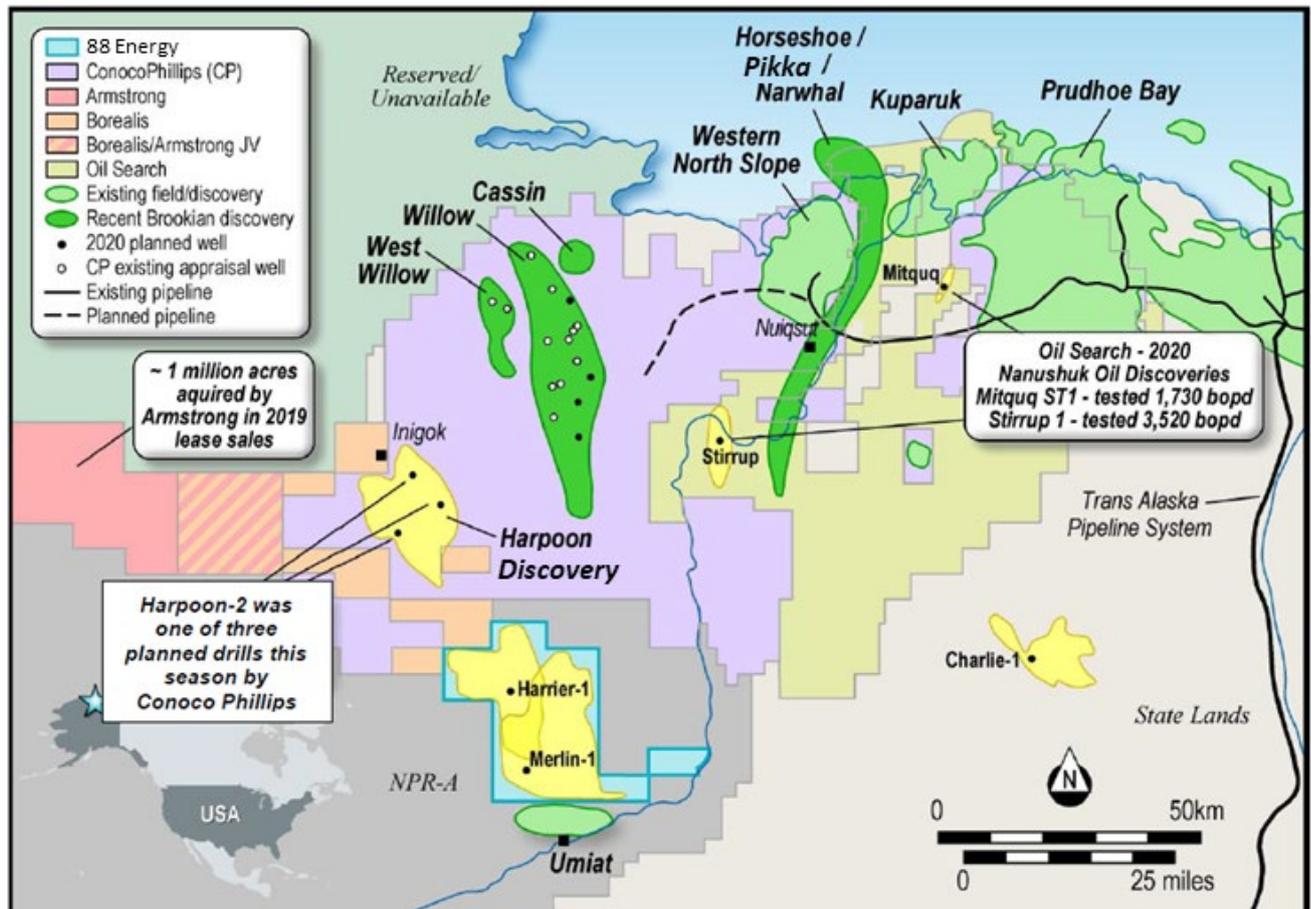


Pursuant to the requirements of the ASX Listing Rules Chapter 5 and the AIM Rules for Companies, the technical information and resource reporting contained in this announcement was prepared by, or under the supervision of, Dr Stephen Staley, who is a Non-Executive Director of the Company. Dr Staley has more than 35 years' experience in the petroleum industry, is a Fellow of the Geological Society of London, and a qualified Geologist/Geophysicist who has sufficient experience that is relevant to the style and nature of the oil prospects under consideration and to the activities discussed in this document. Dr Staley has reviewed the information and supporting documentation referred to in this announcement and considers the resource and reserve estimates to be fairly represented and consents to its release in the form and context in which it appears. His academic qualifications and industry memberships appear on the Company's website and both comply with the criteria for "Competence" under clause 3.1 of the Valmin Code 2015. Terminology and standards adopted by the Society of Petroleum Engineers "Petroleum Resources Management System" have been applied in producing this document.

About Project Peregrine

Project Peregrine is located in the NPR-A region of the North Slope of Alaska and encompasses ~195,000 contiguous acres. It is situated on trend to recent discoveries in a newly successful play type in topset sands in the Nanushuk formation. 88 Energy has a 100% working interest in the project, post completion of the acquisition of APDC's 50% interest in the project.

Project Peregrine and Recent Nanushuk Discoveries



The Merlin-1 well was spudded in March 2021 and targeted 645 million barrels of gross mean prospective resource#. Drilling is now complete, and interpretation of results is underway. A second well, Harrier-1, is planned to be drilled in 2022 and is targeting gross mean prospective resource of 417 million barrels#.

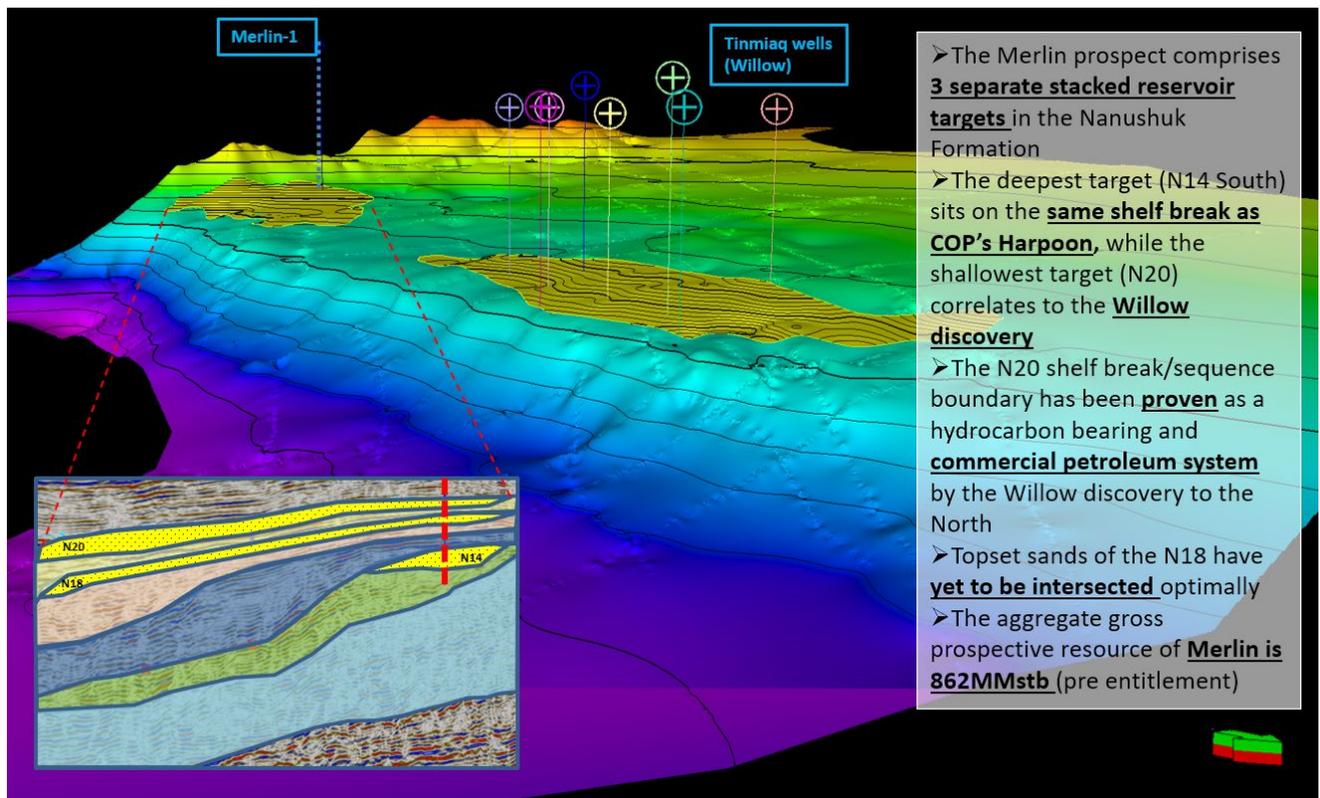
Independent Resource Assessment#

Project Peregrine: Alaska North Slope	Unrisked Net Entitlement to 88E Prospective Oil Resources (MMstb)				
	Low (1U)	Best (2U)	High (3U)	Mean	COS
Merlin (Nanushuk)	41	270	1,463	645	37%
Harrier (Nanushuk)	48	207	940	417	24%
Harrier Deep (Torok)	42	267	1,336	574	20%
Prospects Total				1,636	

#Please refer to release dated 23 February 2021 for full details with respect to the Prospective Resource estimate, associated risking and applicable Cautionary Statement. The Resource Assessment table does not incorporate the results of the Merlin-1 well.

The Merlin-1 well and the Harrier prospect are located on trend to an existing discovery, in the same play type (Nanushuk topsets). This has de-risked the prospects considerably and resulted in a relatively high independently estimated geological chance of success.

Merlin-1 – on trend to large Willow oil field



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



This announcement has been authorised by the Board.

Yours faithfully

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