

This announcement contains inside information

88 Energy Limited

Umiat Oil Field - Update

Highlights

- Further studies conducted in conjunction with the Merlin-1 post well testing and analysis have identified additional upside at the Umiat oil field.
- Approval from BLM to defer Umiat Year 2 Unit well commitment by 24 months to 31 August 2023.
- Deferral allows for optimisation of full field development plan, including evaluation of potential synergies with Project Peregrine plans.
- Studies underway to review historical Umiat oil field development plans have identified potential cost savings on planned development CAPEX.

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

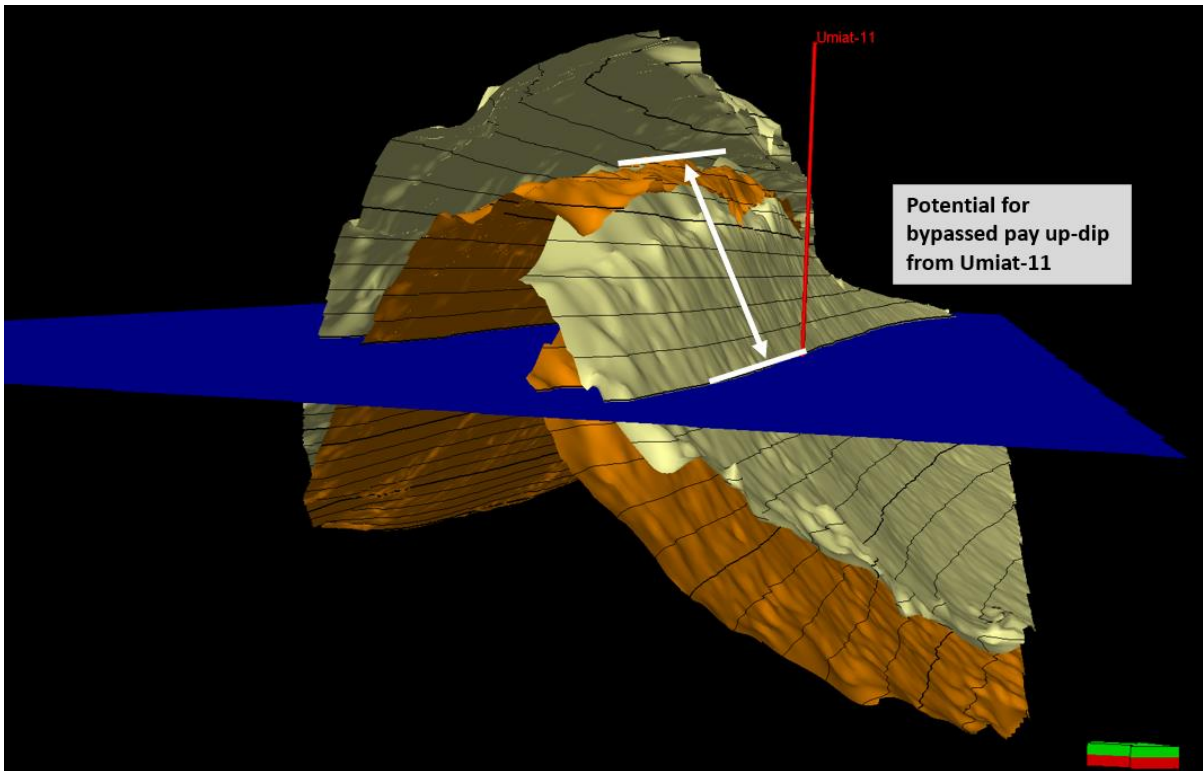
Umiat Oil Field – Upside Potential

As part of the acquisition of the Umiat Unit Leases, Emerald House, wholly-owned subsidiary of 88 Energy, received the Umiat data pack which includes the Umiat 3D seismic data. The Umiat 3D survey abuts the southern edge of the Project Peregrine lease blocks. Previously, only 2 seismic lines-controlled interpretation across the Umiat structure.

Integrating the Linc/Malamute interpretation has provided a better understanding of the Peregrine reservoir geometries to the north as well as enriching our petrophysical database with additional well control (Umiat-8 and Umiat-23H).

Merlin-1 penetrated a thick section of Grandstand sands (Umiat reservoir unit). Wireline data collected over this interval is being analysed and integrated with the Umiat dataset. Preliminary pressure analysis suggests there is potential for bypassed pay in the footwall of the Umiat structure. The Umiat footwall has only been penetrated by one well (Umiat-11), which was drilled in 1952 with a crude logging and testing program. Seismic attribute analysis suggests there is potential for additional reservoir sands in the footwall of the Umiat structure.

Fig. 1: Grandstand depth surfaces showing potential for bypassed pay in Umiat foot-wall



Deferral of Well Commitment by 24 Months

On 4 August 2021, 88 Energy, via its wholly owned subsidiary Emerald House LLC ("Emerald House"), owner of 100% of Umiat oil field leases AA-084141 and AA-081726 ("Umiat Unit Leases"), received notification from the Bureau of Land Management ("BLM") of approval of its request for a 24-month extension to the Year 2 Unit Obligations, and corresponding extensions for the Unit obligations in Years 3, 4 and 5.

Emerald House requested an extension of 24 months to enable the Company to analyse the extensive amount of historical data acquired from the sellers of the Umiat oil field. The 24-month extension to the Year 2 Unit Obligations allows the Company to optimise a full field development plan, which will include evaluating potential synergies with plans associated with the Project Peregrine acreage. It will also enable 88 Energy to use the knowledge gained from drilling the Merlin-1 well to plan an efficient operational program to maximise the chance of success at Umiat.

88 Energy plans to utilise the additional 24 months to:

- Investigate previous scoping studies and explore possible alternative development scenarios to improve the economics of the Umiat oil field, including synergies with 88 Energy's existing acreage (Project Peregrine and Project Icewine) as well as possible synergies with nearby leaseholders (such as the Willow oil field, noting that the Biden administration has provided support to develop this field);
- Update and perform revised sensitivity analysis around project development scenarios, incorporating knowledge gained from the drilling of Merlin-1, and consider the potential for a tie-in to the nearby Willow oil field development;

- Develop a detailed understanding of the potential environmental impacts of further exploration and development in the region;
- Identify and map potential future drilling locations;
- Engage with local communities, subsistence groups and the North Slope Borough (NSB) to inform them of anticipated plans for the Umiat (and Peregrine) area; and
- Incorporate the Merlin-1 drilling results and ascertain (via biostratigraphy and/or new seismic acquisition) whether Umiat and Project Peregrine targets share the same reservoir interval.

The revised Unit Obligations in Years 2 to 5 are as follows:

Year 2 Unit Obligation:	Current:	September 1, 2020 to August 31, 2021
	Amended:	September 1, 2020 to August 31, 2023
Year 3 Unit Obligation:	Current:	September 1, 2021 to August 31, 2022
	Amended:	September 1, 2023 to August 31, 2024
Year 4 Unit Obligation:	Current:	September 1, 2022 to August 31, 2023
	Amended:	September 1, 2024 to August 31, 2025
Year 5 Unit Obligation:	Current:	September 1, 2023 to August 31, 2024
	Amended:	September 1, 2025 to August 31, 2026

Umiat Oil Field – Review of Historical Development Plans Commenced

88 Energy has commenced studies to review the historical Umiat oil field development plans prepared by Linc Energy, which formed the basis of the Ryder Scott 2015 reserves report. Initial results of the internal review and studies have identified potential cost savings on planned development CAPEX, as well as alternative potential routes to market for the crude which could include a potential tie-in to the Willow oil field development to the north of the acreage.

Over the second half of 2021, the Company will continue to study the historical development plans proposed, as well as consider alternative development options which may also include development in conjunction with the nearby Project Peregrine.

About the Umiat Oil Field

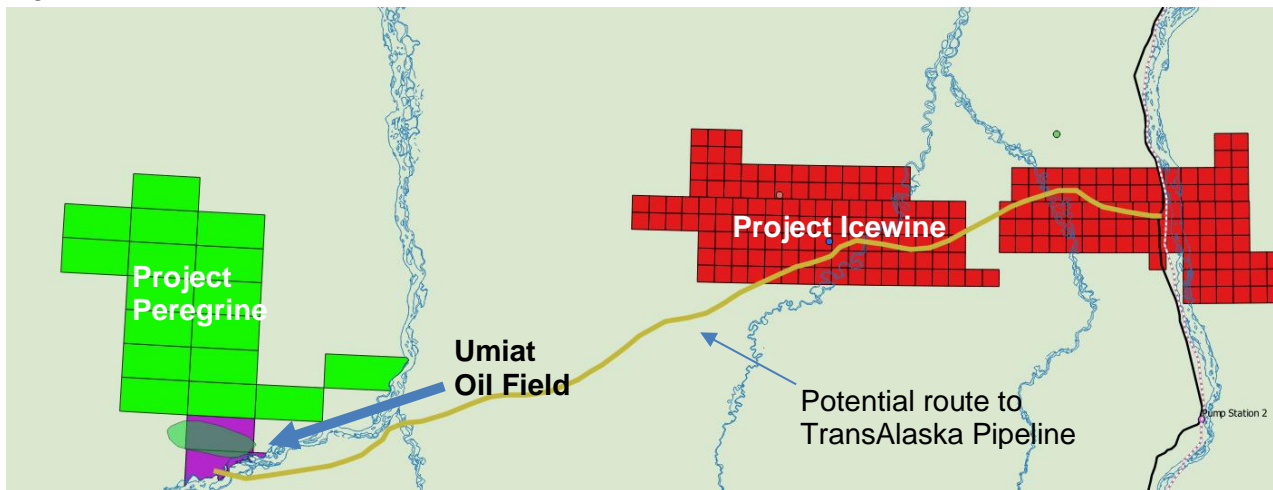
On 8 January 2021, 88 Energy, via its wholly owned subsidiary Emerald House, entered into a Sale and Purchase Agreement with Malamute Energy, Inc and Renaissance Umiat LLC to acquire the Umiat oil field. The consideration for the purchase was a 4% ORRI and assumption of the liability for the abandonment of the Umiat-18 and Umiat-23H wells, drilled by Linc Energy in 2013/2014. The cost to abandon the two wells in April 2021 was approximately US\$1m, which will be partially offset by the release and return of US\$0.4m in bonds.

Umiat is a known oil field of high quality (38-degree API) crude at shallow depth. It is covered by two leases comprising 17,633 acres, which are in a unit that was formed in September 2019 with an initial 10-year term.

Umiat was discovered in the mid-1940s with 11 appraisal wells drilled by 1953, several of which were tested. Umiat-5 flowed 268 barrels per day on a 3-month test and Umiat-8 had a peak flow rate of 5.9mmcf/d of natural gas during a 4-day test. Minimal operational activity was carried out until 2013/2014 when Linc Energy drilled two wells, Umiat-18 and Umiat-23H. Umiat-23H was tested with a maximum flow rate of 800 barrels per day and a sustained rate of 200 barrels per day.

Substantial engineering and environmental work was subsequently carried out by Linc Energy in support of a potential future development. One of the routes for access to infrastructure runs directly through 88 Energy’s Project Icewine leasehold where there are significant independently estimated resources of oil and gas. 88 Energy is undertaking a full field review of the Umiat oil field to determine commercialisation options as a stand-alone development and whether optimisation of the previous development plan is possible. A discovery at Project Peregrine, where future appraisal drilling is planned, would contribute significant value to any development at the Umiat oil field.

Fig. 2 Umiat Oil Field Location



Umiat Reserves Table (barrels of oil; ‘000)

Gross Reserves			Net Reserves to 88E Revenue Entitlement		
1P	2P	3P	1P	2P	3P
-	123,693	57,156	-	94,007	43,439

Refer to ASX Announcement on 11 January 2021 for further detail in relation to pricing assumptions and ASX Reserves & Resources Reporting Notes

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.

88E confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcement and, in the case of estimates of prospective resources or reserves, that all material assumptions and technical parameters underpinning the estimates in the previous market announcement continue to apply and have not materially changed.

This announcement has been authorised by the Board.

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