



06 March 2017

Oversubscribed Placement to Raise A\$17 million

88 Energy Limited ("**88 Energy**" or the "**Company**") (ASX:88E, AIM 88E) is pleased to advise that it has successfully completed a bookbuild to domestic and international institutional and sophisticated investors to raise A\$17 million (the "**Placement**") through the issue of 459,459,460 ordinary shares of no par value (the "**New Ordinary Shares**") at A\$0.037 (equivalent to £0.023) per New Ordinary Share (the "**Placement Price**"). The Placement was significantly oversubscribed.

Funds raised pursuant to the Placement will further strengthen its balance sheet ahead of the upcoming drilling of Icewine#2 well, which is scheduled to spud in early Q2 2017. Specifically, the proceeds will provide the Company with the financial flexibility to cover any unexpected costs arising from the drilling of Icewine#2, lease payments due in respect of the significant new acreage awarded and ongoing exploration activities.

Commenting on the success of the Placement, Dave Wall, Managing Director of 88 Energy, stated:

"As we approach the spud of Icewine#2, it is imperative that the Company's balance sheet is managed appropriately to account for worst case scenarios, such as cost overruns on the drilling. In the event that everything goes to plan, the additional capital will be used to further the exploration effort at Project Icewine as we look to unlock the large potential of both the unconventional and conventional plays on the acreage.

We would like to thank our advisers and shareholders for their continued support as we enter into this critical phase of the project."

Hartleys Limited acted as Sole Lead Manager and Sole Bookrunner to the Placement in Australia with Patersons Securities Limited acting as Co-Manager. Cenkos Securities plc acted as the Company's Nominated Adviser and Sole Broker to the Placement in the United Kingdom.

In addition, the Company has agreed to issue 4,054,054 ordinary shares of no par value (the "**Fee Shares**") at the Placement Price to third parties in lieu of fees.

The New Ordinary Shares and the Fee Shares, which will rank pari passu with the existing ordinary shares in the Company, have been conditionally placed subject to admission to trading on both the ASX and AIM, which is expected to occur on 13 March 2017.

The issue of the New Ordinary Shares and the Fee Shares is not subject to shareholder approval as the issuance will fall within the Company's placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A. Following the issue of the New Ordinary Shares and the Fee Shares, the Company will have 4,632,693,932 ordinary shares in issue, all of which have voting rights.

The figure of 4,632,693,932 ordinary shares may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or change their interest in, the Company.

Yours faithfully

A blue ink handwritten signature, appearing to be "Dave Wall", written over a horizontal line.

Dave Wall
Managing Director
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This announcement contains inside information

Project Icewine Overview

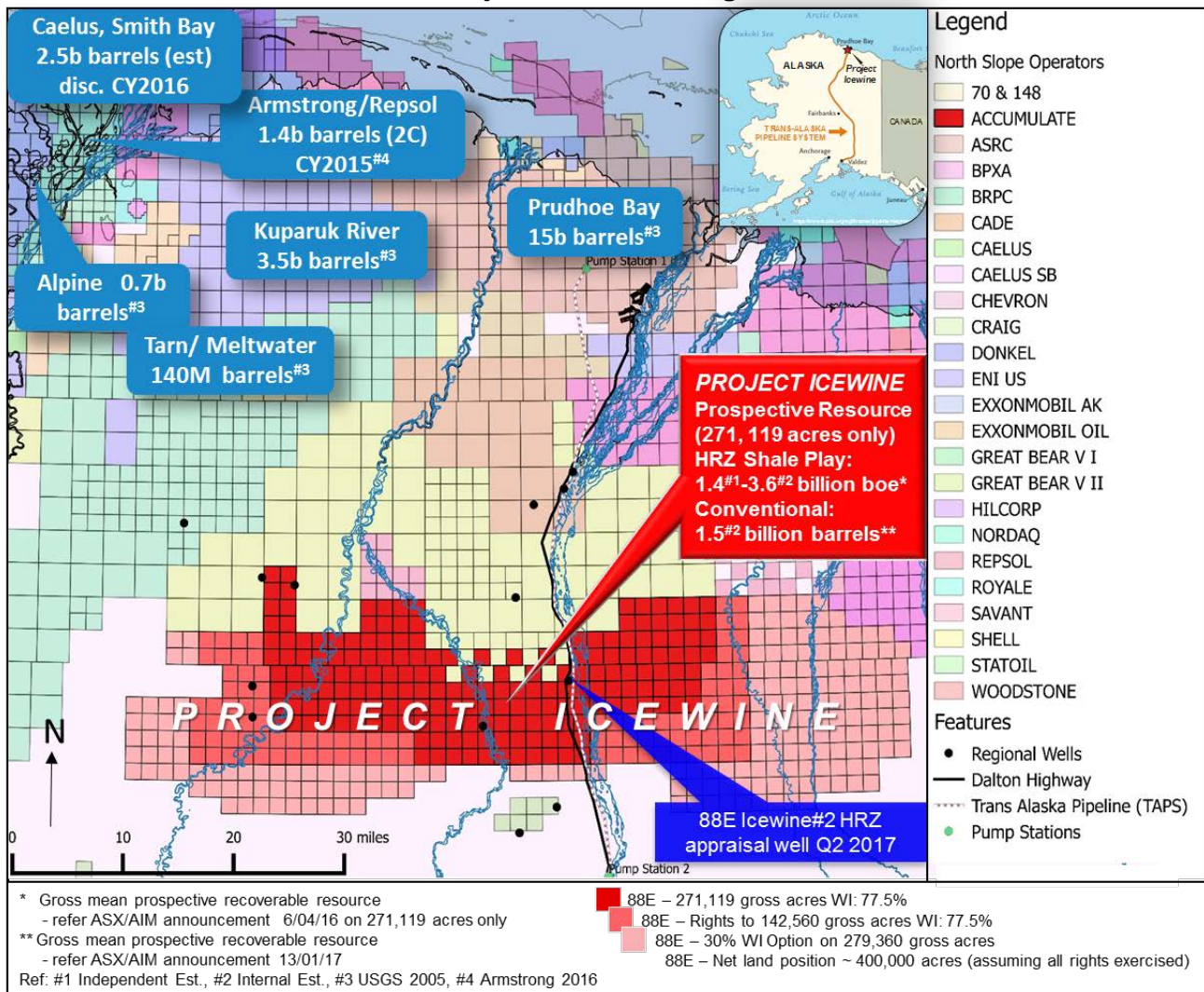
In November 2014, the Company entered into a binding agreement with Burgundy Xploration (BEX) to acquire a significant working interest (87.5%, reducing to 77.5% on spud of the first well on the project) in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore Alaska, North America, referred to as Project Icewine. In June 2016, the gross acreage position was expanded to 271,119 contiguous acres (210,250 acres net to the Company). In December 2016 the Company successfully bid on additional acres. On award the Project Icewine gross acreage position will be further expanded to ~690,000 contiguous acres (~400,000 acres net to the Company assuming all rights are taken up).

The Project is located on an all year operational access road with both conventional and unconventional oil potential. The primary term for the State leases is 10 years with no mandatory relinquishment and a low 16.5% royalty.

The HRZ liquids-rich resource play has been successfully evaluated based on core obtained in the recently completed (December 2015) Icewine #1 exploration well, marking the completion of Phase I of Project Icewine. Phase II has now commenced, with a followup appraisal well, Icewine#2, due to spud early 2Q2017. Icewine#2 has been designed as a vertical well with a multi-stage stimulation and flow test, to assess the production potential of the HRZ.

Significant conventional prospectivity has also been identified on recently acquired 2D seismic across the project acreage.

Project Icewine Acreage





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.

Generous exploration incentives are provided by the State of Alaska with up to 35% of net operating loss refundable in cash.

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

Recently acquired 2D seismic has identified large conventional leads at Project Icewine within the same Brookian petroleum system and shallow to the HRZ shale, including potential high porosity channel and turbiditic sands associated with slope apron and deepwater fan plays. The Brookian conventional play is proven on the North Slope; the USGS (2013) estimated the remaining oil potential to be 2.1 billion barrels within the Brookian sequence. Two recent discoveries in the Brookian have already exceeded these estimates, with Armstrong/Repsol discovering 1.4 billion barrels in 2015 and Caelus announcing a 2.5 billion barrel discovery in 2016. Additional conventional potential exists in the Brookian delta topset play, deeper Kuparuk sands and the Ivishak Formation.

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

About 88 Energy: *88 Energy has a 77.5% working interest and operatorship in ~271,000 acres onshore the prolific North Slope of Alaska ("Project Icewine"). Gross contiguous acreage position will expand on award of additional leases successfully bid on in the December 2016 State of Alaska North Slope Licensing Round. The North Slope is the host to the 15 billion barrel Prudhoe Bay oilfield complex, the largest conventional oil pool in North America. The Company, with its Joint Venture partner Burgundy Xploration, has identified highly prospective play types that are likely to exist on the Project Icewine acreage - two conventional and one unconventional. The large unconventional resource potential of Project Icewine was independently verified by leading international petroleum resource consultant DeGolyer and MacNaughton. In addition to the interpreted high prospectivity, the project is strategically located on a year-round operational access road and only 35 miles south of Pump Station 1 where Prudhoe Bay feeds into the Trans Alaska Pipeline System. The Company acquired 2D seismic in early 2016 to take advantage of the globally unique fiscal system in Alaska, which allowed for up to 75% of 1H2016 exploration expenditure to be rebated in cash. Results from the seismic mapping and prospectivity review are encouraging, and form the basis of a conventional prospectivity portfolio for Project Icewine. In late 2015, the Company completed its maiden well at the project, Icewine#1, to evaluate an unconventional source rock reservoir play which yielded excellent results from analysis of core obtained from the HRZ shale. A follow-up well with a multi-stage stimulation and test of the HRZ shale, Icewine#2, is due to spud early 2Q2017.*