



22 April 2016

Oversubscribed Placement to Raise A\$25 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\$25 million (the "**Placement**") through the issue of 715,064,547 ordinary shares of no par value (the "**New Ordinary Shares**") at an effective price of A\$0.035 cents¹ (equivalent to £0.019) per New Ordinary Share (the "**Placement Price**"). The Company had targeted to raise A\$10-\$15m with oversubscriptions of up to A\$20m. However, due to the high calibre of the proposed investors and the significant level of demand, a decision was made by the Board to increase the size of the Placement to A\$25m. At this increased level, the Placement remained strongly oversubscribed.

Funds raised pursuant to the Placement will be applied to progress Phase II of the Company's development at Project Icewine, the objective of which is to prove the production potential of the recently-identified HRZ reservoir. Specifically, the Company intends to utilise the funds raised pursuant to the Placement to meet costs associated with the acquisition of 750km of 2D seismic data, the completion of the acquisition of ~174,000 acres which were awarded in the 2015 licencing round, and for the Company's general working capital purposes, including planning for and fine tuning the design of the proposed Icewine#2H appraisal well, which is expected to include a horizontal section and multi stage frac and, subject to permitting, is planned for spud in Q1 2017.

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

"The level of support the Company received from institutional and sophisticated Investors in Australia and the UK is a step change to only a few short months ago, reflecting the substantial de-risking that has occurred at Project Icewine as a result of the recent Icewine#1 exploration well. In particular, the work done by our Joint Venture Partner, Burgundy Xploration (headed by Paul Basinski), is to be lauded as many years' of hard work begin to see fruition.

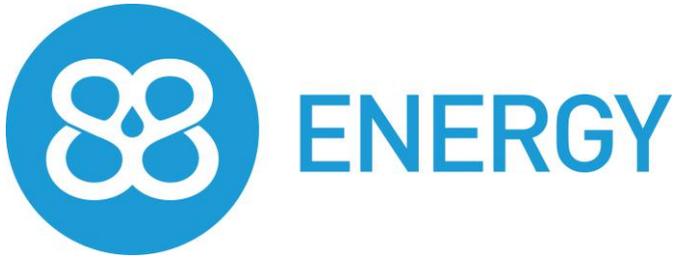
The funds raised will bring the Joint Venture to the doorstep of the next transformational event for the Project, that being the drilling of our second well, Icewine#2H. We look forward to continued newsflow over the next few months as the planning for the next well progresses as well as firming up of potential flow rates and economics."

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

The New Ordinary 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 3 May 2016.

The issue of the New Ordinary Shares is also scheduled for 3 May 2016 and 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, the Company will have 3,893,129,203 ordinary shares in issue, all of which have voting rights.

The figure of 3,893,129,203 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.



1. 476,709,698 New Ordinary Shares issued at A\$0.031 under ASX Listing Rule 7.1 and 238,354,849 New Ordinary Shares at A\$0.043 under ASX Listing Rule 7.1A.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Dave Wall', with a long horizontal line extending to the right.

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Project Icewine Highlights

In November 2014, the Company entered into a binding agreement with Burgundy Xploration (BEX) to acquire a significant working interest (87.5%, reducing to 78% on spud of the first well on the project) in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore Alaska, North America, referred to as Project Icewine. In November 2015, the gross acreage position was expanded by 174,240 acres (to be awarded in due process by the State of Alaska).

Subject to final payment on the expanded acreage, 88 Energy will have a 272,422 gross contiguous acre position with 212,489 acres net to the Company. The Project is located on an all year operational access road with both conventional and unconventional oil potential. The primary term for the State leases is 10 years with no mandatory relinquishment and a low 16.5% royalty.

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

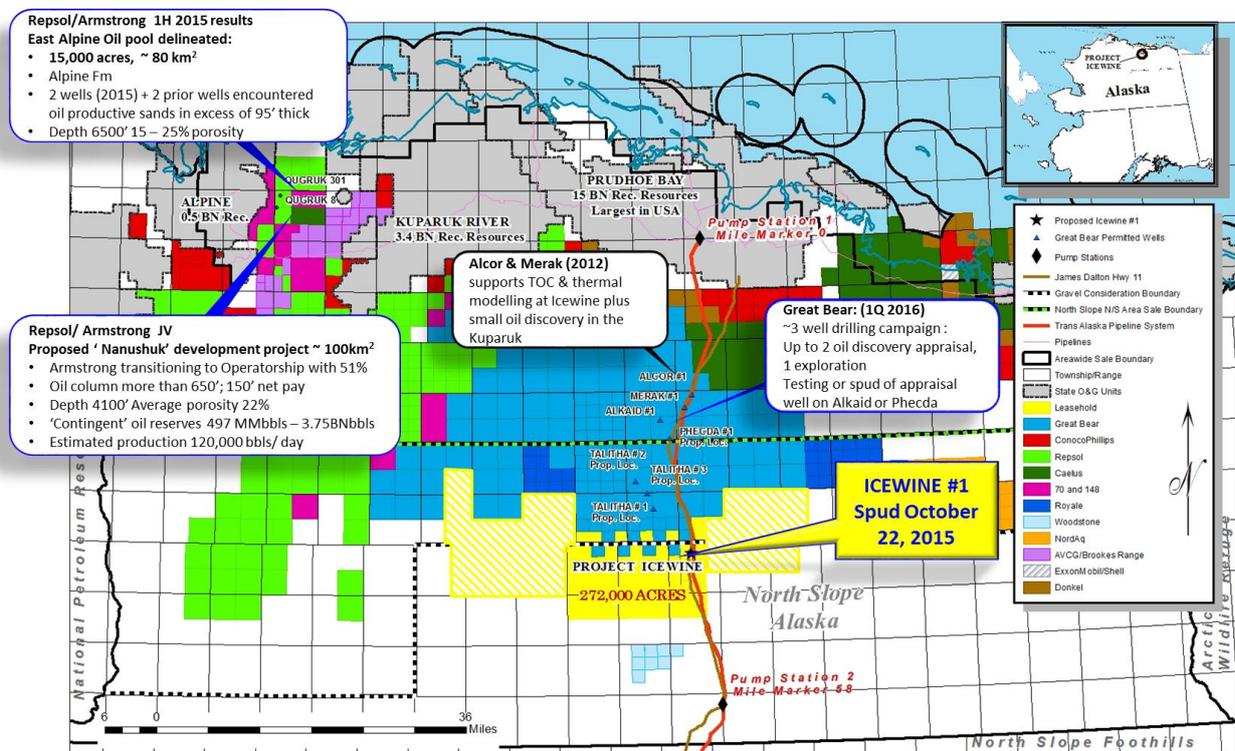


Figure 1: Project Icewine Location

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

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



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

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

A Prospective Resources Report by DeGolyer and MacNaughton, was commissioned by 88 Energy to evaluate the unconventional resource potential of Project Icewine in early December 2014 and was released to the market on 19 January 2015.

About 88 Energy: 88 Energy has a 78% working interest and operatorship in ~272,000 acres (~174,000 acres subject to formal award) onshore the prolific North Slope of Alaska ("Project Icewine"). The North Slope is the host for the 15 billion barrel Prudhoe Bay oilfield complex, the largest conventional oil pool in North America. The Company, with its Joint Venture partner Burgundy Xploration, has identified three highly prospective play types that are likely to exist on the Project Icewine acreage – two conventional and one unconventional. The large resource potential of Project Icewine was independently verified by leading international petroleum resource consultant DeGolyer and MacNaughton. In addition to the interpreted high prospectivity, the project is strategically located on a year-round operational access road and only 35 miles south of Pump Station 1 where Prudhoe Bay feeds into the TransAlaska Pipeline System. The Company plans to progress drilling and seismic acquisition in the near term to take advantage of the globally unique fiscal system in Alaska, which allows for up to 85% of CY2015 exploration expenditure to be rebated in cash.