

This announcement contains inside information

88 Energy Limited

PLACEMENT TO RAISE A\$24M

Highlights

- Share placement raising A\$23.96 million gross proceeds.
- Issue price of A\$0.028 per share represents a 12.5% discount to last closing price of A\$0.032 (30 August 2021).
- Funds to be directed towards drilling of Merlin-2 appraisal well and general corporate activities.

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (**88 Energy** or the **Company**) is pleased to advise that it has successfully completed a bookbuild to domestic and international institutional and sophisticated investors to raise A\$23.96 million before costs (the **Placement**). This is to be achieved through the issue of 855,856,369 fully paid ordinary shares in the Company (the **New Ordinary Shares**) at an issue price of A\$0.028 (equivalent to £0.0149) per New Ordinary Share (the **Placement Price**).

The funds raised under the Placement, together with the Company's existing cash reserves (A\$14.9 million as at 1 September 2021), are to be used to fund the planned Merlin-2 appraisal well, broader acreage lease payments and working capital, and to enable identification and execution of potential new project opportunities.

Following the success of the Merlin-1 program earlier this year (see 88 Energy ASX release dated 16 August 2021, *Merlin-1 well confirms light oil with appraisal well planned for Q1 2022*), the Merlin-2 well is designed to test the Nanushuk formation further to the east where enhanced reservoir thickness and quality are expected. Merlin-2 is targeting a net entitlement mean Prospective Resource of 652 million barrels of oil (unrisked)¹ and is scheduled to be drilled in Q1 CY2022.

88 Energy Managing Director and CEO, Ashley Gilbert, commented:

"Completion of this placement positions 88 Energy strongly as planning and preparations continue for drilling of the Merlin-2 appraisal well in Q1 CY2022. We will continue to evaluate potential strategic partners for the Peregrine Project, in which we maintain a 100% working interest. However, ensuring our ability to fully fund Merlin-2 via this placement delivers us excellent commercial leverage and optionality with respect to these discussions.

Other key activities over the coming months include the targeted unlocking of value in our Yukon acreage via advancing negotiations with nearby resource owners for a joint development area, optimisation of historic Umiat oil field development plans, and reassessment of our Icwine acreage following the neighbouring Talitha-1 well drilled earlier this year.

Permitting remains on schedule for an early February 2022 spud of the Merlin-2 well. We would like to thank our shareholders for their continued support as we enter into this exciting phase."

1. Please refer to the ASX release dated 16 August 2021 for full details with respect to the Prospective Resource estimate, associated risking and applicable Cautionary Statement

Euroz Hartleys Limited (**Euroz Hartleys**) acted as Sole Lead Manager and Sole Bookrunner to the Placement. Cenkos Securities Plc (**Cenkos**) is acting as 88 Energy's 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 Limited, Cenkos and Inyati. In addition, the Company will issue 50,000,000 Unlisted Options (exercisable at \$0.05 on or before the date which is 3 years from the date of issue) to the managers of the Placement (Broker Options). The Broker Options will be subject to shareholder approval at a General Meeting.

The issue of the New Ordinary 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. A total of 855,856,369 new shares will be issued pursuant to Listing Rule 7.1. The New Ordinary Shares will rank pari passu with the existing ordinary shares in the Company, with settlement scheduled for Thursday 9th September 2021.

Following the issue of the New Ordinary Shares, the Company will have 14,400,403,996 ordinary shares on issue, all of which have voting rights. The figure of 14,400,403,996 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.

This announcement has been authorised by the Board.

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