

*This announcement contains inside information*

## 88 Energy Limited

### MERLIN-2 APPRAISAL WELL – RIG CONTRACT EXECUTED

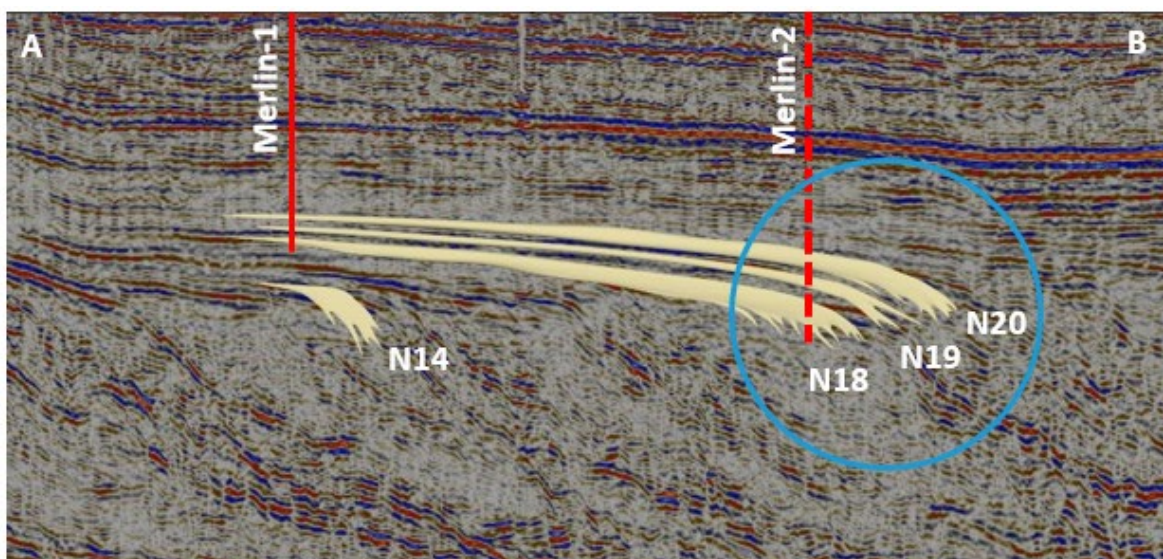
#### Highlights

- Rig contract executed for drilling of the Merlin-2 appraisal well at Project Peregrine
- Permitting and planning remain on track for scheduled spud in February 2022
- Merlin-2 is targeting 652 million barrels of oil<sup>1,2</sup> with geological chance of success of 56%

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (**88 Energy** or the **Company**) is pleased to announce that it has executed a rig contract with Doyon Drilling Inc (**Doyon**) for the use of the Arctic Fox rig to drill the Merlin-2 appraisal well at its Project Peregrine in the NPR-A region of the North Slope of Alaska.

The Merlin-2 appraisal well is planned for drilling in February 2022 to a permitted Total Depth of 8,000 feet. Merlin-2 is targeting 652 million barrels of oil<sup>1,2</sup> in the highly prospective N18, N19 and N20 targets that were encountered in the successful Merlin-1 well (drilled in March 2021 to a depth of 5,267 feet), which demonstrated the presence of oil in these multiple stacked sequences in the Brookian Nanushuk Formation.

88 Energy has identified several appraisal drilling locations to the east of the Merlin-1 well, closer to the shelf break where enhanced reservoir thickness and quality are expected. The Merlin-2 well is independently assessed to have a geological chance of success of 56%. The Company plans to announce the final drilling location and further details of the Merlin-2 appraisal well in the coming months.



**88 Energy Managing Director, Ashley Gilbert, commented:**

*“We are delighted to be working with Doyon for the upcoming drilling of the Merlin-2 appraisal well in early 2022. The Arctic Fox is one of the premier rigs on the North Slope and a rig which 88 Energy knows well, having utilised it in previous drilling operations.*

*“Permitting and planning is already underway and we look forward to providing additional details in relation to the Merlin-2 appraisal well in the coming months.”*

**About Doyon**

Doyon Drilling Inc. (DDI) operates on the North Slope of Alaska with eight of the most unique oil and gas land drilling rigs specially designed to drill oil wells in extreme conditions. DDI was formed in 1982 as a joint venture between Doyon, Limited, an Alaska Native regional corporation, and Nugget Alaska, Inc. In 1993, DDI became a wholly-owned subsidiary of Doyon Limited.

**About the Arctic Fox**

The Arctic Fox rig is a fully integrated, multi-module unit, configured in highway transportable loads for early ice road mobilization. This lightweight rig design is crucial to early drill site access, allowing for maximum over-the-hole drilling, extending the winter exploratory season by as much as 50%. The mast hoisting capacity is 400,000 lbs. With an eight-line hookup, the substructure is capable of a simultaneous load of 281,000 lbs (for pipe set back) and 337,000 lbs (rotary table).



<sup>1</sup> *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.*

<sup>2</sup> *Mean unrisksed resource - Net Entitlement to 88 Energy. Refer announcement released to ASX on 16 August 2021*

**This announcement has been authorised by the Board.**

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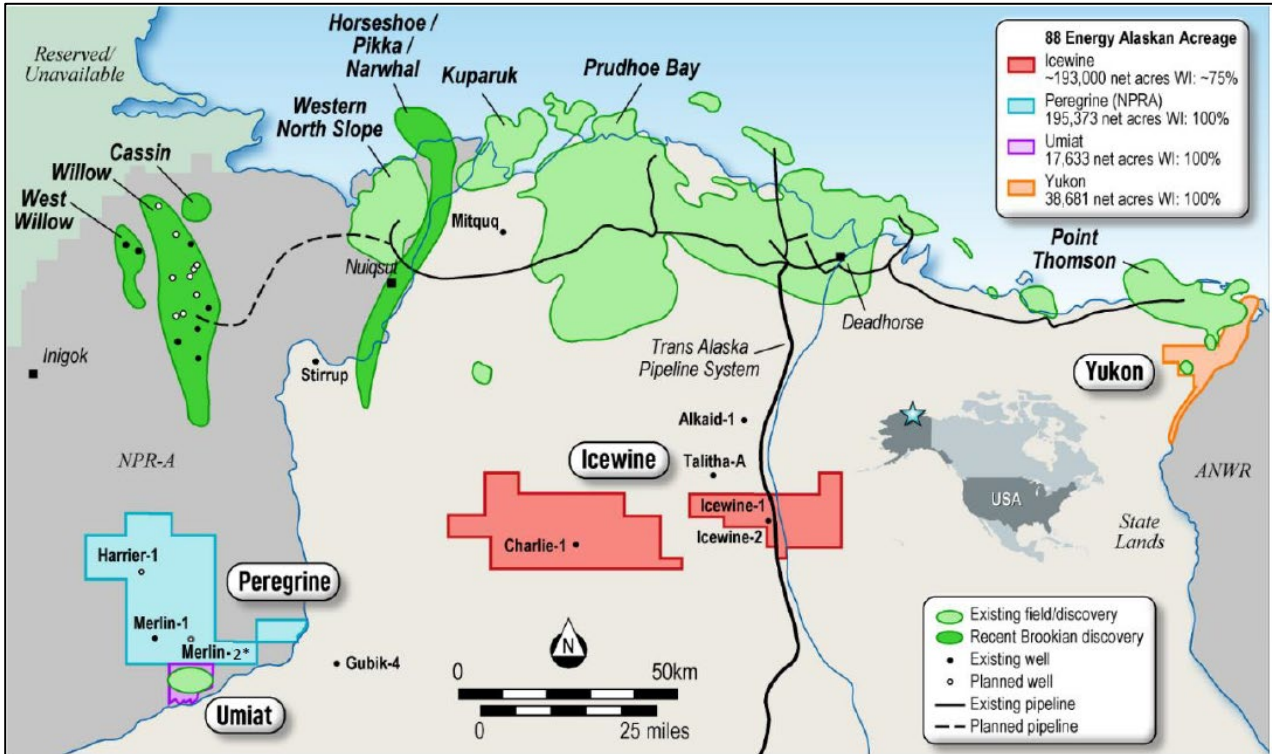
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Pursuant to the requirements of the ASX Listing Rules Chapter 5 and the AIM Rules for Companies, the technical information and resource reporting contained in this announcement was prepared by, or under the supervision of, Dr Stephen Staley, who is 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 approximately 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.

### Project Peregrine and Recent Nanushuk Discoveries



\* Approximate planned Merlin-2 appraisal well location

The Merlin-1 well was spudded in March 2021 with drilling operations completed in April 2021. Interpretation of results was completed in August 2021 with post well evaluation successfully demonstrating the presence of oil in N20, N19 and N18 targets, with 41 feet of net log pay across the three reservoir intervals noted and geochemical analysis determining the oil to have an estimated API gravity between mid-30 to low-40 API (light oil).

A second well, the Merlin-2 appraisal well, is planned to be drilled in Q1 2022 as a follow-up well to the Merlin-1 exploration well. Merlin-2 is targeting a net entitlement mean Prospective Resource of 652 million barrels (unrisked)<sup>1,2</sup>.

To view the Company's video and animated presentations of Project Peregrine as well as the Merlin-1 well results and details of the Merlin-2 well please click in the link to 88 Energy's website [www.88energy.com](http://www.88energy.com).



Independent oil and gas reservoir evaluation consultancy, ERCE Australia Pty Ltd (ERCE), conducted an updated assessment of the Project Peregrine prospective resources post the Merlin-1 well results. The updated prospective resource estimates and risking assessments for Project Peregrine are noted below.

#### Revised Project Peregrine Prospective Resources

| Project Peregrine: Alaska North Slope         | Unrisked Net Entitlement to 88E <sup>1, 4</sup><br>Prospective Oil Resources (MMstb) |            |              |                          |                  |
|---|--|------------|--------------|--------------------------|------------------|
|   | Low (1U)   | Best (2U)  | High (3U)    | Mean                     | COS <sup>3</sup> |
| <b>Prospects (Probabilistic Calculations)</b> |  |            |              |                          |                  |
| <b>Merlin-2 (Nanushuk – N20, N19 and N18)</b> | <b>64</b>  | <b>329</b> | <b>1,467</b> | <b>652</b>               | <b>56%</b>       |
| <b>Merlin-1A (Nanushuk – N14S)</b>            | <b>25</b>  | <b>87</b>  | <b>282</b>   | <b>132</b>               | <b>17%</b>       |
| <b>Harrier (Nanushuk)</b>                     | <b>41</b>  | <b>175</b> | <b>796</b>   | <b>353</b>               | <b>24%</b>       |
| <b>Harrier Deep (Torok)</b>                   | <b>35</b>  | <b>226</b> | <b>1,132</b> | <b>486</b>               | <b>20%</b>       |
| <b>Prospects Total</b>                        |  |            |              | <b>1,624<sup>2</sup></b> |                  |

1. The Prospective Resources presented here are the result of a risked probabilistic aggregation of the individual stacked prospective layers in each prospect; the success case estimates present the distribution of possible outcomes in the event that at least one prospective layer is successful.

2. Unrisked mean total is not representative of the expected total from the four prospects and assumes a success case in all four wells.

3. COS represents the geological chance of success of at least one of the stacked layers which comprise each prospect. This excludes phase risk which ERCE has estimated to be 70% oil (30% gas). The Prospective Resources have also not been adjusted for the chance of development, which is estimated by 88 Energy to be 60% (including phase risk), ERCE sees this as reasonable based on the data available. Quantifying the chance of development (COD) requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are out-with the knowledge of ERCE they must be used with caution.

4. Gross Prospective Resources include off-block volumes over which 88 Energy has no mineral rights. Net working interest Prospective Resources are based on the on-block volumes and 88 Energy's 100% working interest. Net entitlement Prospective Resources are the net working interest Prospective Resources less royalties payable to others. The net entitlement interest to 88 Energy is calculated as 84.7% of net working interest after deduction of state royalty (12.5%) and overriding royalty interests (1.3% and 1.5%).