

31 July 2023

This announcement contains inside information

Non-Renounceable Rights Issue / Open Offer and Small Holding Share Sale Facility

88 Energy Limited (ASX & AIM: 88E) ("88 Energy" or the "Company") is pleased to announce the Company's intention to launch a non-renounceable rights issue to raise up to approximately A\$12.00m / £6.29m (the "**Offer**").

Highlights

- Proposed Offer to be made on the basis of **one (1) new share for every ten (10) shares held by qualifying shareholders as at 4 August 2023 (the "Record Date")**
- New shares to be issued pursuant to the Offer at A\$0.006 / £0.0031 per share
- Offer to be made available to qualifying shareholders in Australia, the United Kingdom and New Zealand
- Designed to allow existing shareholders exposure to potentially transformational activity over the next 9 months
- Net proceeds of the Offer intended to be used for¹:
 - Planned flow testing of the Hickory-1 well at Project Phoenix, North Slope Alaska
 - Planned development wells and work-overs at Project Longhorn, Texas
 - Lease rental payments associated with the Alaskan acreage
 - Ongoing geological and geophysical work associated with the Company's projects
 - Planning and permitting activities associated with the potential drilling of a Leonis exploration well at Project Leonis on the North Slope Alaska in 2024 / 2025
 - Additional working capital to cover, inter alia, any cost overruns associated with the Alaskan and Texas operations

Overview

The Company is pleased to announce that it intends to launch the Offer to enable existing qualifying shareholders to participate in a fundraising of up to approximately **A\$12.00m / £6.29m, the net proceeds of which will be used** to fund ongoing activity across its portfolio of oil and gas exploration assets, located on the North Slope of Alaska and onshore Texas.

¹*This is a statement of the Board's current intentions as at the date of this announcement. However, Shareholders and Depositary Interest Holders should note that, as with any budget, the allocation of funds may change depending on a number of factors, including the outcome of operational and development activities, opportunities for strategic acquisitions, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.*

The Company's planned activities include the flow testing of the Hickory-1 well, located in Project Phoenix. Multiple hydrocarbon bearing zones were identified across all pre-drill targets, including the new Upper SFS. The Hickory-1 well is currently cased and suspended ahead of the upcoming flow test program which is scheduled to commence as early as possible in the 2023/24 winter operational season. The flow test and well stimulation program is being developed in consultation with flow test design experts who are utilising available regional information in combination with a detailed evaluation of the drilling and wireline logging data from Hickory-1. Program planning is on schedule and will include rigorous technical and economic optimisation prior to finalisation. Rig selection and contract negotiation is expected to be concluded imminently and key long lead items required are being ordered.

The Company is also progressing activities across its portfolio of conventional projects located on the North Slope of Alaska and onshore Texas. The Company's activities are focused on the development of the Leonis and Phoenix projects.

Slope of Alaska, which includes a petrophysical and geophysical assessment of the Company's Project Leonis acreage, which was awarded in April 2023. The Company is working towards announcing a maiden prospective resource estimate in Q3/Q4 2023 and plans to launch a targeted farm-out process to help fund future drilling activity at Project Leonis in 2024 / 2025.

Additionally, the Company will continue to progress development activities at Project Longhorn, where it is planning to drill two new wells and perform two workovers to further increase production from this acreage. It is expected that these activities will take place in the second half of 2023.

Details of the Offer

The full details of the Offer will be set out in an Offer Document, which is expected to be dispatched to all shareholders and lodged with the ASX on or around 31 July 2023, as per the timetable set out below, and is available on the Company's website and on the Company's ASX platform (ASX:88E).

Qualifying shareholders will be offered the opportunity to acquire fully paid ordinary shares in the capital of the Company via the Offer. The Offer will be made on the basis of one (1) new share for every ten (10) shares held by qualifying shareholders as at the Record Date at an issue price of **A\$0.006 / £0.0031 per share ("Offer Price") to raise up to A\$12.00m / £6.29m**. As at market close on Friday, 28 July 2023, being the latest practicable date prior to this announcement, the Offer Price represents a 15% discount to the 15-day VWAP of A\$0.007.

Qualifying shareholders will be those shareholders (or depositary interest holders within CREST) on the register at the Record Date (excluding holders who have a registered address or who are resident outside of Australia, New Zealand or the United Kingdom).

Qualifying shareholders will also be given the opportunity to apply for additional shortfall shares beyond their 1 for 10 entitlement. It is the intention of the Board to allocate additional shortfall shares on a pro-rata basis calculated using the number of shares held as at the close of the offer period.

In order to maximise the proceeds of the Offer, the Company reserves the right to place any shortfall shares that are not taken up by existing shareholders at the discretion of the Directors.

Assuming all entitlements are taken up under the Offer (and/or placed, in the case of any shortfall shares), the Company will issue approximately 2.0 billion new shares, resulting in a total of approximately 22,119 million shares being on issue.

Shareholders in the United Kingdom should note that the Offer is not a rights issue, as that term is used in the United Kingdom, and is more akin to an open offer. Rights to subscribe for shares under the offer cannot be traded, and any surplus shares not applied for will not be sold in the market or placed for the benefit of shareholders who do not apply under the Offer.

The total consideration under the Offer shall be less than, and therefore cannot exceed, €8 million (or an equivalent pounds sterling amount) in aggregate and so, in accordance with Section 85 and Schedule 11A of the United Kingdom's Financial Services and Markets Act 2000, as amended (FSMA), the Offer does not require the issue of a prospectus in the United Kingdom for the purposes of the United Kingdom's Prospectus Regulation Rules (PRR). The Offer does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly, neither this announcement, nor the Offer Document, shall constitute a prospectus for the purposes of the PRR. This announcement and the Offer Document have not been, and neither it nor the Offer Document will be, reviewed or approved by the United Kingdom's Financial Conduct Authority pursuant to sections 85 of FSMA, the London Stock Exchange or any other authority or regulatory body in the United Kingdom. Accordingly, neither this announcement nor the Offer Document contain the extent of the information and disclosures that would typically be included in a UK prospectus.

The communication of this announcement, the Offer Document, and any other documents, announcements or other materials relating to the Offer, as a financial promotion has not been approved for the purposes of section 21 of FSMA and, within the United Kingdom, the Offer is only being made to, and may only be acted upon by, those persons falling within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, which includes existing members of 88 Energy Limited. Within the United Kingdom, any investment or investment activity to which this announcement, the Offer Document,

and any other documents, announcements or other materials relating to the Offer is available only to such persons and will be engaged in only with such persons.

Indicative Timetable

The proposed timetable for the Offer is set out below. The dates are indicative only and the Company reserves the right to vary the dates, including the right to extend the closing date.

Event	Date*
Record date for determining holders of less than a marketable parcel	Tuesday, 25 July 2023
Company Announces Rights Issue and Facility	Prior to 10.00am (Sydney time) on Monday, 31 July 2023
Letters sent to holders of less than a marketable parcel	
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX	
Ex date on ASX	Thursday, 3 August 2023
Record Date for determining Entitlements 7.00pm AEST in respect of Eligible Shareholders and 6.00pm (BST) in respect of Eligible Depository Interest Holders	Friday, 4 August 2023
Offer Document despatched to Eligible Shareholders & Company announces despatch has been completed	Wednesday, 9 August 2023
Entitlements and CREST Excess Entitlements credited to CREST stock accounts of Eligible Depository Interest Holders	As soon as practicable after 8.00am (London time) on Wednesday, 9 August 2023
Recommended latest time for requesting withdrawal of Entitlements and CREST Excess Entitlements from CREST (to satisfy bona fide market claims only)	4.30pm (London time) on Monday, 14 August 2023
Latest time for depositing Entitlements and CREST Excess Entitlements into CREST (to satisfy bona fide market claims only)	3.00pm (London time) on Tuesday, 15 August 2023
Last day to extend Closing Date of Rights Issue	Before noon (Sydney time) Thursday, 17 August 2023
Closing Date of Rights Issue - AIM** Latest time and date for settlement of CREST application and payment in full under the Offer - (1.00pm (BST))	Tuesday, 22 August 2023
Closing Date of Rights Issue - ASX**	Tuesday, 22 August 2023
Securities quoted on a deferred settlement basis from market open	Wednesday, 23 August 2023
Announcement of results of Rights Issue	Tuesday, 29 August 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time) Admission to trading on AIM of new shares and dealings in the new shares commences 8:00 am (BST)	Tuesday, 29 August 2023
CREST member accounts expected to be credited with the new Shares in Depository Interest form	As soon as practicable on Tuesday, 29 August 2023
Closing date for receipt of a Notice of Retention Form	Monday, 11 September 2023
Sale of less than marketable parcels and distribution of sales proceeds to relevant shareholders	As soon as practicable after the Closing Date for receipt of a Notice of Retention Form

* These dates are indicative only and are subject to change.

** Subject to the ASX Listing Rules and the AIM Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new Shares.

Ashley Gilbert, Managing Director of 88 Energy, commented:

"The Company has successfully completed several placements over the last few years, which has enabled the Company to drill multiple exploration wells with the potential to unlock significant value for shareholders. Whilst wells drilled in 2021 and 2022 failed to deliver on expectations, the drilling of Hickory-1 in 2023 and planned flow testing of multiple zones in the upcoming winter season once again provides shareholders with exposure to material upside on success.

During the last 18 months, the Company has acquired its first production asset and delivered on its planned growth in production, as well as expanding its Alaskan portfolio with the exciting Project Leonis acreage which is optimally located on the North Slope of Alaska near TAPS, the Daulton Highway and near-by fields with significant production. The Company now has a portfolio of sizeable projects at various stages of the asset life cycle, that we believe can add substantial value for our shareholders via flow testing, drilling and/or farm-out transactions.

We have received feedback from our shareholders asking to be considered in future placements and the Board is therefore pleased to provide the opportunity for eligible shareholders to participate in funding the exciting opportunities we have planned, in what we believe can be a potentially transformational period for the Company."

Small Holding Share Sale Facility

88E is also pleased to announce that it has established a Small Holding Sale Facility (**Facility**) for holders of "Less than Marketable Parcels" of the Company's shares.

The Company is providing the Facility to allow smaller shareholders the opportunity to sell their shares without having to use a broker or pay brokerage fees.

The Company values all of its shareholders; however, it incurs significant administration costs maintaining such a large number of Less than Marketable Parcels. By facilitating this sale, the Company hopes to significantly reduce the administrative costs associated with maintaining a large number of very small holdings.

The ASX Listing Rules define a Less than Marketable Parcel as those with a market value of less than A\$500. As at 5:00pm (AWST) on 25 July 2023 (**Facility Record Date**), a Less than Marketable Parcel of shares is a holding comprised of 71,428 or fewer shares, based on the Company's closing share price of \$0.007 on the Facility Record Date.

The Company has approximately 19,793 shareholders of which approximately 8,847 hold a Less than Marketable Parcel (**Minority Members**). These shareholders in aggregate represent approximately 1.32% of all issued shares.

If Minority Members wish to sell their shares through this facility, they do not have to take any action. If Minority Members **do not wish** to sell their shares through this facility, they **must** complete and return the Notice of Retention Form to the Company's share registry, Computershare by 5.00pm (AWST) on 11 September 2023.

The Facility is not available to those shareholders who are residents of the United Kingdom, and it is not available to persons who hold an interest in the Company's shares via depositary interests in CREST.

A copy of the letter and the Notice of Retention that is currently being prepared by the Company will be released to ASX and mailed to eligible Minority Members by no later than 31 July 2023. If you have any queries, please contact Computershare on 1300 850 505 (within Australia) and +613 9415 4000 (outside Australia) between the hours of 8:30 AM to 5:00 PM (AEST) Monday to Friday.

Euroz Hartleys Limited has been appointed as broker for shares sold under the Facility. Following the disposal of Less than Marketable Parcel shares, the cash proceeds of each sale shall be forwarded to Minority Members whose shares have been sold as soon as possible. The Company will pay the transaction costs of shareholders who use the Facility to sell their shares, excluding tax consequences from the sale

which remain the shareholder's responsibility.

Indicative timetable

The indicative key dates for the Small Holding Sale Facility are outlined below.

Event	Date
Record Date for the Facility	5.00pm (AWST) on Tuesday, 25 July 2023
Announcement to ASX Sale Facility	Monday, 31 July 2023
Letters sent to holders of Less than Marketable Parcels	Monday, 31 July 2023
Closing Date for receipt of Share Retention Forms	5.00pm (AWST) on Monday, 11 September 2023

Yours faithfully

Ashley Gilbert
Managing Director
88 Energy Ltd

This announcement has been authorised by the Board.

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