

This announcement contains inside information

31 December 2024

88 Energy Limited

Project Phoenix Update

88 Energy Limited (ASX:88E, AIM:88E, OTC:EEENF) (**88 Energy, 88E, or the Company**) is pleased to provide an update on Project Phoenix's joint venture partner Burgundy Xploration, LLC (**Burgundy**), as well as on progress towards the CY25/26 planned work program which includes a horizontal test well targeting the SMD-B reservoir.

Advancement Highlights

- **Positive Joint Venture Partner Progress:** Burgundy has paid US 1 million of the outstanding US 4 million cash call, demonstrating its ongoing commitment to Project Phoenix.
 - ▶ 88 Energy has agreed to extend the deadline to 15 February 2025 for the payment of the remaining US 3 million, and Burgundy remains committed to settling the outstanding US 3 million cash call by the revised date.
 - ▶ Burgundy's stated intention remains to provide a full carry for the anticipated CY25/26 work program in exchange for an additional working interest from 88E.
- ▶ **Project Phoenix de-risking:** Planning and design for an extended horizontal well flow test of the SMD-B reservoir, utilising the existing Franklin Bluffs gravel pad is progressing in collaboration with Burgundy, with finalisation expected to align with any potential farm-out and associated carry.
- ▶ **Production Test by Adjacent Operator Underway:** Pantheon Resources LLC (**Pantheon**) (AIM:PANR) has reached Target Depth (TD) at its Megrez-1 well and successfully installed five 1/2-inch production casing in preparation for an extended well test scheduled for early 2025.
 - ▶ Pantheon is testing the eastern topsets in the Ahpun field. Any success at Megrez-1 will enhance the regional understanding of oil and gas accumulations and the potential for the commercialisation of projects in the area, including Project Phoenix.
- ▶ **Exploration Activity on the Alaskan North Slope Set to Accelerate:** 88 Energy's recent acquisition of four lease blocks adjacent to the existing Project Leonis leases (refer to Figure 4), coupled with the arrival of a new entrant acquiring a substantial holding near Project Phoenix, further underscores the regions exceptional exploration potential and attractiveness for future development.

Ashley Gilbert, Managing Director of 88 Energy, commented:

"Advancing Project Phoenix towards commercialisation remains an important element of our overall strategy. Having delivered a strong Contingent Resource estimate of net 239 million barrels of oil and natural gas liquids¹, we are now focused on rapidly unlocking its full potential. Burgundy's continued commitment to the project and progress with their North American listing process provides us with confidence in our ongoing partnership and wider support from the investment and the oil and gas community. Our focus remains on further de-risking Project Phoenix, both financially and technically, while simultaneously pursuing opportunities within our expanded Alaskan and Namibian portfolio of exploration activities."

1. Refer announcement released to ASX on 18 September 2024 for full details.

88E is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Joint Venture Partner Progress

As previously announced, 88 Energy remains actively engaged with Burgundy regarding a potential funding transaction. Burgundy, a private Texas-based company supported by sophisticated oil and gas investors, has invested more than US 26 million into Project Phoenix to date.

Burgundy recently contributed US 1 million towards the outstanding US 4 million cash call, with 88 Energy agreeing to a final payment deadline for the remaining balance to be paid on 15 February 2025, accompanied by a US 100,000 fee for extending the payment deadline and interest continues to accrue until full payment has been received the Company.

Burgundy has reaffirmed its commitment to Project Phoenix and expressed strong interest in providing a full carry to 88 Energy for the CY25/26 work program in exchange for an additional working interest in the project. The CY25/26 work program includes drilling and completing a horizontal test well at the Franklin Bluffs pad location, along with an extended testing period for the SMD-B reservoir. 88 Energy is currently reviewing the terms of the proposal, which will be subject to further negotiations.

Project Phoenix De-risking: Advancement Activities and Key Milestones

The Project Phoenix joint venture is advancing plans for an extended flow test of the SMD-B reservoir at the Franklin Bluffs gravel pad in CY25/26. Utilising the Franklin Bluffs gravel pad, which was previously used to drill the Icewine-1 and 2 wells, offers considerable cost savings compared to a purpose-built ice pad, without compromising the planned objectives.

The design phase for the proposed horizontal well is progressing on schedule. Leading well modelling and simulation experts, ResFrac, are optimising the completion strategy, with final recommendations expected by end of Q4 CY24.

Project Phoenix

Indicative Project Phoenix timeline¹

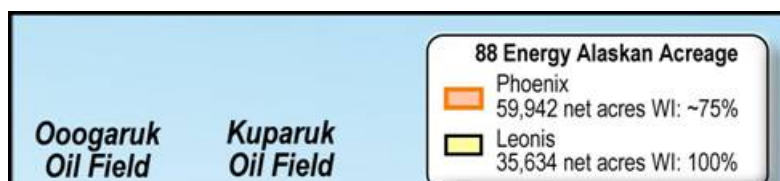
	H1-24	H2-24	H1-25	H2-25	H1-26	H2-26
Successful Hickory-1 flow test flows light crude oil to surface	✓					
Post-well analysis and updated Contingent Resource Estimate		✓				
Targeted farmout to de-risk and provide pathway to production test		■	■	■		
Planning/permitting/design for horizontal production test ^[1]		■	■	■	■	
Extended horizontal production test ¹					■	■

Production Testing by Adjacent Operator Underway

On 10 December 2024, 88 Energy's neighbour, Pantheon, announced the Megrez-1 well had reached TD, with production casing installed in preparation for an extended well test scheduled for Q1 CY25. Pantheon is targeting the Ahpun Eastern Topset reservoir. This test is a crucial step towards confirming the commercial viability and development potential of this reservoir. If successful, it would enhance the understanding of this reservoir and its production potential, further supporting the regional development potential and commercialisation pathways, which will positively impact on the commercialisation plans of Project Phoenix.

About the Hickory-1 Discovery Well and Project Phoenix (~74.3% WI)

The Hickory-1 discovery well was drilled in February 2023 and flow tested during the Alaskan winter season in Q1/Q2 CY24. Testing focused on the two shallower primary targets, the Upper SFS (**USFS**) reservoir, previously untested, and the SMD-B (**SMD**) reservoir. Each zone was independently isolated, stimulated, and flowed oil to the surface either naturally or using nitrogen lift to facilitate efficient well clean-up. On the 18th of September, a contingent resource for the SMD-B, Upper SFS and Lower SFS reservoirs was issued by ERCE. This contingent resource is now added to the pre-existing contingent resource in the BFF reservoir, issued by NSAI in 2023. The total net 2C contingent resource at Project Phoenix is 239 MMBOE.



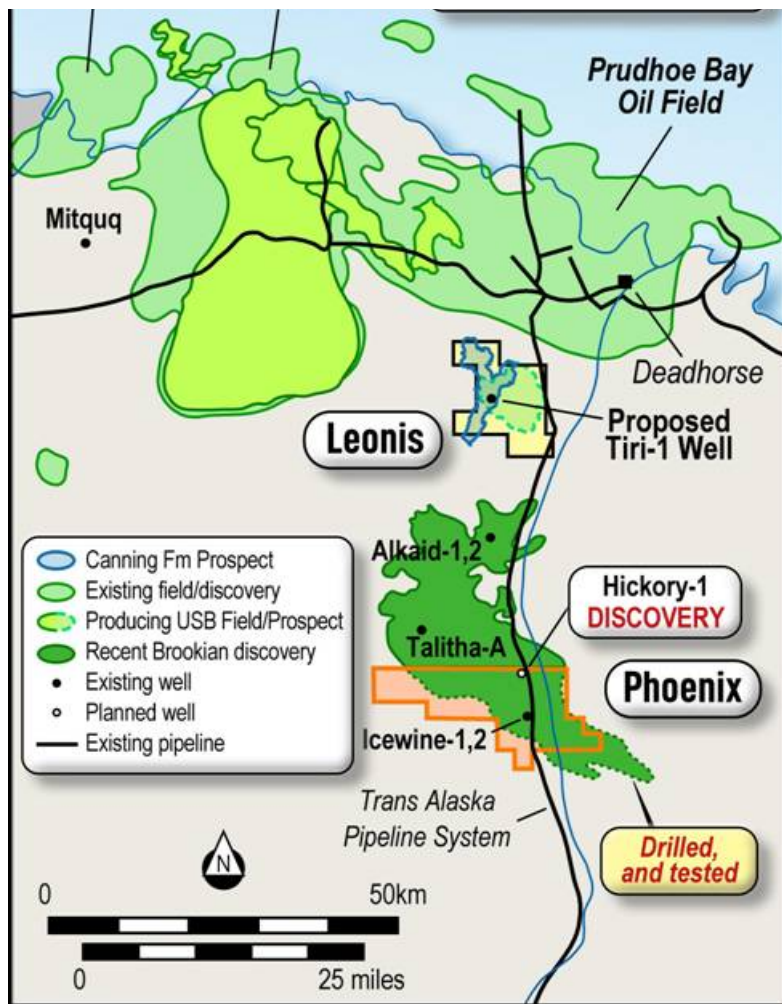


Figure 1: Alaska, North Slope, highlighting Project Phoenix and the location of the Hickory-1 discovery well.

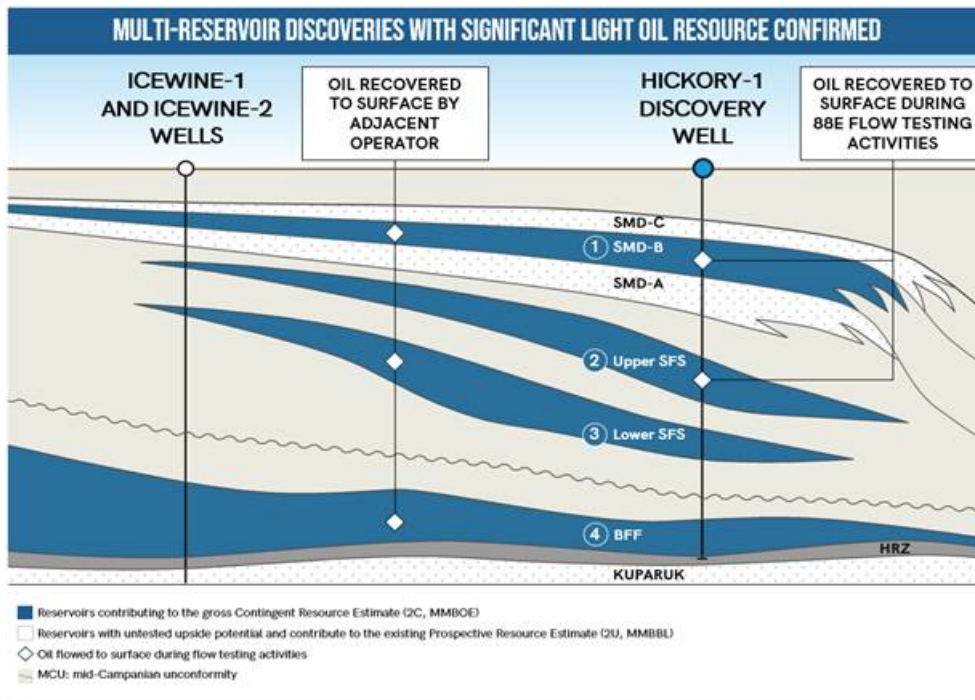
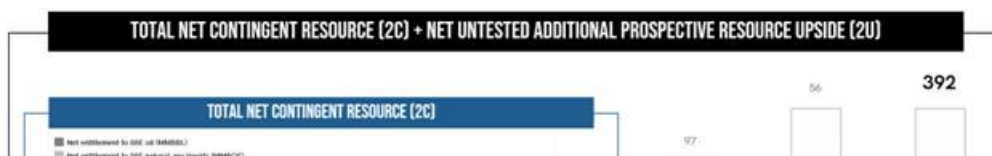


Figure 2: Project Phoenix multi-reservoir discoveries with significant light oil resource confirmed.



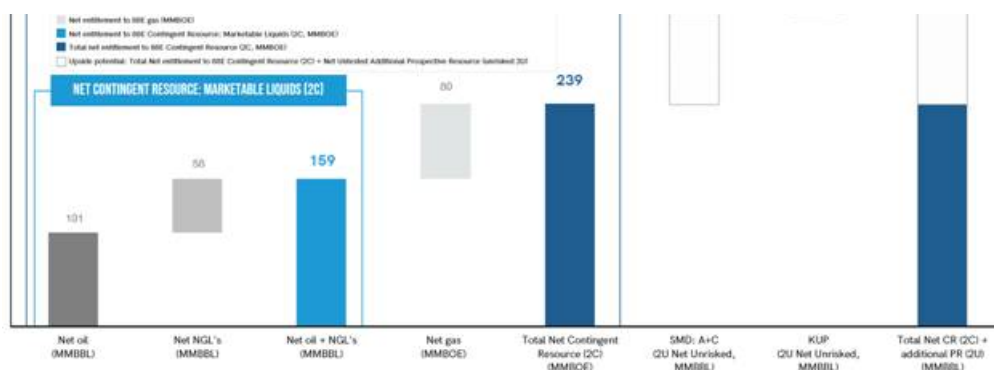


Figure 3: Project Phoenix 88 Energy Net Entitlement 2U Contingent Resources with untested 2U Prospective Resource upside.

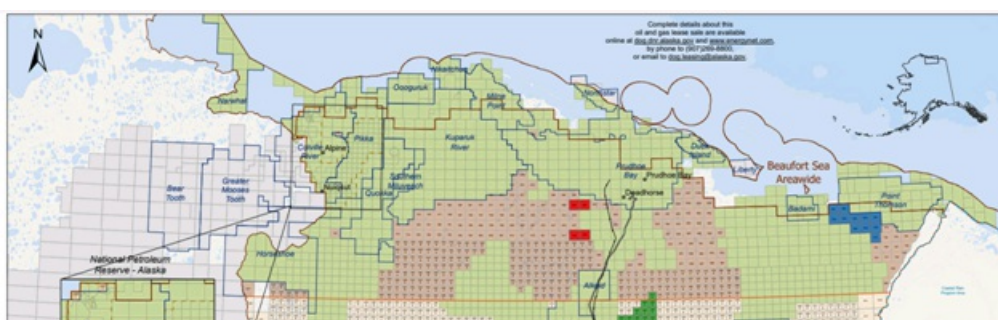
Table 1: Project Phoenix net entitlement to 88 Energy (63.3%) Contingent Resources estimates by NSAI and ERCE

Project Phoenix			NET (~63.3%) Contingent Resources ^{4,6}		
Reservoir	Auditor	UoM	Low (1C)	Best (2C)	High (3C)
SMD-B	ERCE ^{1,3}	MMBOE	7	24	79
Upper SFS	ERCE ^{1,3}	MMBOE	6	21	72
Lower SFS	ERCE ^{1,3}	MMBOE	8	35	123
BFF	NSA ^{2,5}	MMBOE	62	158	367
Total ⁷			83	239	640

NOTES TO TABLE 1:

1. *ERCE: ERCE Australia Pty Ltd*
2. *NSAI: Netherland, Sewell & Associates Inc.*
3. *Refer to page 6, Appendix 2 and disclaimers for further details.*
4. *Million Barrels of Oil Equivalent (MMBOE) of estimate contingent resource. NGLs are converted to oil equivalent volumes on a constant ratio basis of 1:1. Gas is converted to oil equivalent volumes on a constant ratio basis of 5.5 BCF per 1 MMBOE*
5. *Please refer to page 7 and ASX announcement dated 6 November 2023 for further details in relation to the BFF Contingent Resource estimate. Note the Basin Floor Fan (BFF) reservoir was drilled and tested on adjacent acreage by Pantheon Resources*
6. *88 Energy net resource entitlement of ~63.3% has been calculated using an average 74.3% working interest net of a 12.5% government royalty and a 4% Overriding Royalty on 18 leases.*
7. *Totals by reservoir rounded and project total may not sum due to rounding.*

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.



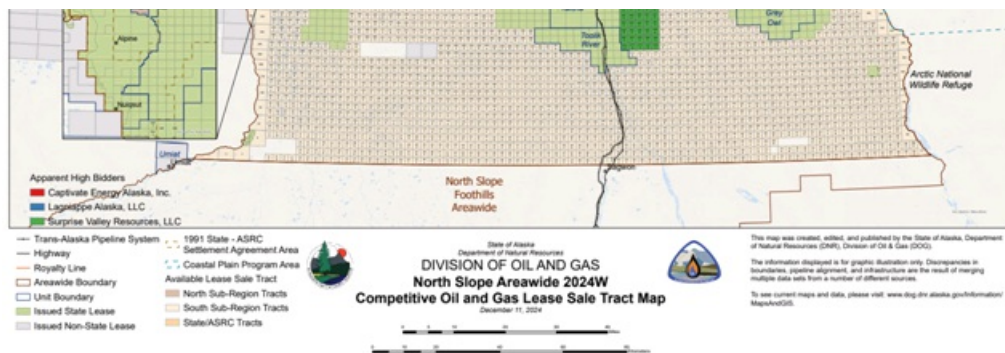


Figure 4: 88 Energy's recent acquisition of four lease blocks immediately adjacent to Project Leonis (shown in red)

This announcement has been authorised by the Board.

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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 40 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.

[1] This timeline is indicative and subject to change. The Company reserves the right to alter this timetable at any time. Horizontal production test subject to farm-out/funding as well as government and other approvals.

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