

88 ENERGY LIMITED
ACN 072 964 179

PROSPECTUS

For the offers of:

- (a) up to 1,000 Shares in the capital of the Company at an issue price of \$0.01 per Share to raise up to \$10 (before expenses); and
 - (b) up to 70,000,000 Options in the capital of the Company for nil consideration,
- (together the **Offers**).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Securities issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered under this Prospectus should be considered speculative.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	TIMETABLE AND IMPORTANT NOTES	2
3.	DETAILS OF THE OFFER.....	4
4.	PURPOSE AND EFFECT OF THE OFFER.....	7
5.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	10
6.	RISK FACTORS	13
7.	ADDITIONAL INFORMATION	19
8.	DIRECTORS' AUTHORISATION	26
9.	DEFINITIONS	27

1. CORPORATE DIRECTORY

Directors

Mr Michael Evans (Non-Executive Chairman)

Mr David Wall (Managing Director)

Mr Brent Villemarette (Non-Executive Director)

Dr Stephen Staley (Non-Executive Director)

Registered Office

Level 1
83 Havelock Street
West Perth WA 6005

Telephone: + 61 8 9485 0990
Facsimile: +61 8 9321 8990

Website: www.88energy.com

Joint Company Secretaries

Ms Sarah Smith

Ms Amy Just

ASX Code

88E

Share Registry*

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone: 1300 850 505
Facsimile: +61 8 9323 2033

Lawyers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditors*

BDO
38 Station St
Subiaco WA 6008

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	27 August 2015
Opening Date	27 August 2015
Closing Date*	5:00pm WST on 1 September 2015
Expected date of Official Quotation of the Shares	4 September 2015

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 27 August 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offers are only available to those who are personally invited to accept the Offers. Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.88energy.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.4 Risk Factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

2.5 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.7 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offers. You should rely only on information in this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offers

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to:

- (a) 1,000 Shares at an issue price of \$0.01 per Share to raise up to \$10 (before expenses); and
- (b) 70,000,000 Options on the terms and conditions contained in Annexure 1.

The Offers will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

3.2 Objective

The Company is seeking to raise only a nominal amount of \$10 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares already issued or to be issued by the Company prior to the Closing Date, including the T2 Placement Shares.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

In addition, this Prospectus will facilitate the issue of Options on the terms and conditions set out in Annexure 1 and the secondary trading of the underlying Shares to be issued upon exercise of the Options pursuant to ASIC Class Order CO04/671.

3.3 Application for Securities

Applications for Securities must be made by investors at the direction of the Company and must be made using the appropriate Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.01 per Share.

The Options offered under this Prospectus are being issued for nil consideration.

Completed Application Forms and accompanying cheques (if applicable) must be mailed or delivered to the Company as follows:

Delivery by hand	Delivery by post
Level 1 83 Havelock Street West Perth WA 6005	Level 1 83 Havelock Street West Perth WA 6005

Cheques should be made payable to “**88 Energy Limited – Share Offer Account**” and crossed “**Not Negotiable**”. Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

3.4 Minimum subscription

There is no minimum subscription under the Offers.

3.5 Issue of Securities

Issue of Securities under the Offers will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Securities are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Securities are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Securities. The Directors reserve the right to reject any application or to allocate any Applicant fewer Securities than the number applied for.

Where the number of Securities issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

3.6 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.7 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Securities on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.8 Enquiries

Any questions concerning the Offers should be directed to the Company Secretary, on +61 8 9485 0990.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offers

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus) and to facilitate the offer if Options on the terms and conditions set out in Annexure 1. All of the funds raised from the Offers will be applied towards the expenses of the Offers. Refer to Section 7.7 of this Prospectus for further details relating to the estimated expenses of the Offers.

4.2 Effect of the Offers on capital structure

The effect of the Offers and the T2 Placement on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue	1,309,306,023
Shares offered under this Prospectus	1,000
Shares to be issued under the T2 Placement	1,030,000,000
Total Shares on issue on completion of the Offer²	2,339,307,023

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 5 of this Prospectus.
2. This assumes the Offer in respect of the issue of Shares is fully subscribed and no Options are exercised.

Options	Number
Listed Options exercisable at \$0.02 each on or before 2 March 2018	403,659,650
Unlisted Options exercisable at \$0.70 each on or before 10 April 2016	300,000
Unlisted Options exercisable at £0.256 each on or before 19 November 2015	213,733
Unlisted Options exercisable at £0.242 each on or before 19 November 2015	487,230
Unlisted Options exercisable at \$0.28 each on or before 26 November 2015 (voluntary escrow for 12 months)	2,000,000
Unlisted Options exercisable at \$0.28 each on or before 26 November 2015	3,000,000
Unlisted Options exercisable at \$0.45 each on or before 31 March 2016	2,500,000
Unlisted Options exercisable at \$0.45 each on or before 31 March 2016 (voluntary escrow for 12 months)	2,500,000
Unlisted Options exercisable at \$0.42 each on or before 12 June 2017 (vesting conditions apply)	1,000,000
Unlisted Options exercisable at \$0.28 each on or before 12 June 2017	2,000,000

Unlisted Options exercisable at \$0.30 each on or before 22 April 2016	1,000,000
Unlisted Options exercisable at \$0.16 each on or before 12 June 2017	250,000
Unlisted Options exercisable at \$0.01 each on or before 22 October 2017	12,000,000
Unlisted Options exercisable at \$0.014 each on or before 2 March 2018	20,000,000
Unlisted Options exercisable at \$0.015 each on or before 18 February 2018	45,000,000
Unlisted Options exercisable at \$0.015 each on or before 18 February 2018	3,000,000
Total Options on issue at the date of this Prospectus	498,910,613
Options offered under this Prospectus ¹	70,000,000
Total Options on issue on completion of the Offers²	568,910,613

Notes:

1. The rights and liabilities attaching to the Options offered under this Prospectus are summarised in Annexure 1 of this Prospectus.
2. This assumes the Offer in respect of the issue of Options is fully subscribed and no Options are exercised following the date of the Prospectus.

4.3 Financial effect of the Offers

After expenses of the Offers of approximately \$16,000 there will be no proceeds from the Offers. The expenses of the Offers will be met from the Company's existing cash reserves.

As such, the Offers will have a negative effect on the Company's financial position, being receipt of funds of \$10 less the approximate \$16,000 costs of the Offers.

The effect of the T2 Placement on the Company's existing cash reserves is set out in Section 4.4.

4.4 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2015 and the unaudited pro-forma balance sheet as at 30 June 2015 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Securities offered under the Prospectus are issued and shows the effect of the T2 Placement on the Company's existing cash reserves.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Item	88 Energy Limited Consolidated Group 30 June 2015	Pro Forma Adjustments	Pro Forma After Issue
ASSETS	\$	\$	\$
Current Assets			
Cash and cash equivalents	1,164,108	11,300,000	12,464,108
Prepayments	-	-	-
Trade and other receivables	221,134	-	221,134
Total Current Assets	1,385,242	11,300,000	12,685,242
Non-Current Assets			
Property plant & equipment	8,306	-	8,306
Security Bonds	56,993	-	56,993
Exploration and evaluation assets	4,583,333	-	4,583,333
Total Non-Current Assets	4,648,632	-	4,648,632
TOTAL ASSETS	6,033,874	11,300,000	17,333,874
LIABILITIES			
Current Liabilities			
Trade and other payables	153,331	-	153,331
Other payables	73,884	-	73,884
Provisions	31,162	-	31,162
Total Current Liabilities	258,377	-	258,377
TOTAL LIABILITIES	258,377	-	258,377
NET ASSETS	5,775,497	11,300,000	17,075,497
EQUITY			
Contributed equity	72,668,446	10,868,594	83,537,040
Reserves	13,557,594	431,406	13,989,000
Accumulated losses	(80,450,543)	-	(80,450,543)
TOTAL EQUITY	5,775,497	11,300,000	17,075,497

Assumptions:

1. Issue of 1,200,000,000 shares at \$0.01 per share;
2. Estimated capital raising costs of \$700,000; and
3. Issue of 70,000,000 unlisted options (exercisable at \$0.016; 3 year term) for capital raising and advisory services provided

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

5.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

5.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

5.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

5.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

5.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

5.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

5.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) Joint Venture Counterparty risk

The Company, via its subsidiary Energy Alaska, holds a participating interest in the Icewine Project together with Burgundy Xploration, LLC (BEX). These parties contribute to the Icewine Project in accordance with a joint development agreement and a joint operating agreement. If BEX fails to comply with its contractual obligations there is a possibility, depending on the nature of the breach, that title to leases could be forfeited or fines or other sanctions imposed. The Company has no current reason to believe that BEX will not meet and satisfy its obligations under those agreements.

(b) Oil & Gas Exploration

Oil and gas exploration is a high risk, speculative activity that requires a large amount of expenditure over extended periods of time. There is no guarantee that exploration will result in commercial discoveries.

Technical conclusions during exploration, appraisal and production are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geophysical, drilling and other data.

(c) Bank of America funding

As announced on 25 August 2015, the Company has entered into definitive, binding documentation with Bank of America. Pursuant to this loan facility, Bank of America is to provide a funding facility for up to US\$50m for specific projects, approval for which will be at Bank of America's sole discretion.

As funding under the loan facility is at the sole discretion of the Bank of America, there is a risk that the Company may not be able to access this funding for the purposes (or timing) it requires or that the Company's intended drilling and exploration program may be hindered or tailored towards satisfying the Bank of America. This may be less favourable to

the Company and may hinder the ability of the Company to exploit its projects to the extent currently planned.

If the Company cannot draw on funding pursuant to the loan facility (or any other possible form of financing), the Company may not be in a position to undertake currently planned activities and may need to raise additional funds to finance its activities in the future.

(d) **Future capital requirements**

In addition to the Bank of America Funding, it is likely that the Company will need to raise additional funds to finance its activities in the future.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. There can be no guarantee that the Company will be able to raise that finance on acceptable terms or in a timely manner. Any additional equity financing will dilute shareholdings and debt finance, if available, may restrict financing and operational activities. If the Company is unable to obtain funding as needed, the Company may have to reduce the scope of its activities.

(e) **Reliance on Key Personnel**

The responsibility of overseeing the day to day operations of the Company and its business strategy moving forward depends substantially on the Directors and, in particular, the Managing Director, Mr David Wall. There can be no assurance that there will be no detrimental impact on the Company if one of the Directors was to leave.

(f) **Government policy changes**

The Company is reliant on the generous cash rebates from the State Government of Alaska to assist with its exploration payments. Whilst these rebates are currently legislated there is no guarantee that the legislation will not change. Adverse changes in these or other government policies or legislation may affect the amount, payment or timing of these cash rebates.

(g) **Infrastructure Access Risks**

Exploration and operational activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, non-access to critical infrastructure, mechanical difficulties, shortages and/or delays in the delivery of drill rigs or other equipment.

(h) **Government Regulation**

The oil and gas business is subject to extensive governmental regulation.

Governmental agencies may impose a moratorium on certain exploration, drilling or other regulatory initiatives where the Company conducts operations could have a material adverse effect the Company's business. Governmental regulations relating to environmental matters could also affect the Company's exploration programmes and/or operations.

The nature and extent of various regulations, the nature of other political developments and their overall effect upon the Company are not predictable.

(i) **Debt servicing and refinancing risk**

The Company has entered into definitive, binding documentation with Bank of America for a US\$50m funding facility; however the Company currently has no debt facilities in place, drawn or otherwise.

Should the Company enter into and/or draw on any debt funding facilities in the future the Company;

- will be required to provide security interest in all assets of the Company;
- may not be able to service its debt obligations if certain company, industry and/or general conditions deteriorate; and
- may require to undertake further debt and/or equity issues to service debt or refinance.

(j) **Contractual Risk**

The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

(k) **Litigation Risk**

Legal proceedings may also arise from time to time in the course of the Company's business. The Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, if proven, may impact adversely on the Company's operations, financial performance and financial position.

(l) **Unforeseen Expenditure Risk**

Expenditure may need to be incurred which has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely impact budgeted expenditure proposals by the Company.

6.3 Industry specific

Potential investors should understand that oil and gas exploration, development and production activities are high risk undertakings and are subject to a number of inherent risks including the following:

(a) **Petroleum volatility**

In the event that the Company acquires and/or invests in a new oil and gas project its financial performance will be sensitive to the price of oil and gas, which is dependent on numerous factors, some beyond the control of the Company. These factors include global costs of production, availability of infrastructure, regional and global economic activity, regional and world demand for petroleum products and political trends.

(b) **Currency risk**

The international price of oil and gas is generally denominated in US dollars; whereas the Company reports its financial results in Australian dollars. This will expose the Company to the fluctuation and volatility of the exchange rate between the US dollar and the Australian dollar, subject to any currency hedging the Company may undertake. The exchange rate is affected by numerous factors beyond the control of the Company including international markets, interest rates, inflation and the general economic outlook.

(c) **Environmental risks**

The operations of the Company are subject to laws and regulation concerning the environment. As with most oil and gas exploration projects and production operations, the Company's activities are expected to have an impact on the environment, particularly if production proceeds. The Company seeks to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(d) **Sovereign risk**

Investment in a foreign country can always carry regulatory and administrative risks. Any material adverse change in government policies, legislation, regulation or the processes which affect the current and/or future activities of the Company may affect the viability and profitability of the Company.

(e) **Results may differ materially from estimates**

Interpretations and estimates of the prospectivity of the Company's projects, and the costs and timing associated with exploring and potentially developing those projects may not be accurate. Exploration and potential development of the Company's projects may not yield expected results, or there may be delays or cost overruns which could adversely affect exploration and operational results and the Company's financial position.

(f) **Joint venture, parties, agents, and contractors**

There can be no assurance that parties with whom the Company has entered into or will enter into commercial arrangements will adhere to the terms of the contracts and arrangements. Failure by parties to adhere to current and future contractual arrangement could have a material adverse impact on the Company's operations. There is the potential of material failure by or insolvency of any contractor used by the Company in any of its current or future activities. Such being the

case, this could cause disruption to the operations of the Company. The Company is unable to predict the risk of insolvency or other managerial failure by any of its contractors or other service providers used by the Company to carry out its current or future activities.

6.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(d) Dilution Risk

The Company may require further financing in addition to amounts raised under the Offers in the future. If any additional funds are raised through the issue of further securities, Shareholders voting and relevant interest in the Company may be diluted if they do not participate in the Offers.

(e) **Management Actions**

The Directors will, to the best of their knowledge, experience and ability (in conjunction with management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities

6.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
26/08/2015	Transfer of Title Complete - Icewine
25/08/2015	Close of US\$50m Bank of America Funding Facility
24/08/2015	Trading Halt
21/08/2015	Results of Meeting
30/07/2015	Appendix 3B
29/07/2015	Prospectus
20/07/2015	Trading Halt
09/07/2015	Title Process Update and Clarification
29/06/2015	Investor Presentation
24/06/2015	US\$50m Conditional Funding From Bank of America
16/06/2015	Change of Advisor
12/06/2015	Change of Share Registry Address
04/06/2015	Excellent Drill Results Reported by North Scope Explorers
29/05/2015	Morocco Exit Finalised
28/05/2015	Acreage Award Update
26/05/2015	Updated Securities Trading Policy
20/05/2015	General Manager Alaskan Operations Appointed
14/05/2015	Project Icewine - Field Trip Highlights
01/05/2015	Change of Registered Office
24/04/2015	Results of Meeting
24/04/2015	Quarterly Activities Report & Appendix 5B
16/04/2015	Operations Update - Project Icewine

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

7.2 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.019	5 and 15 June 2015
Lowest	\$0.009	25 August 2015
Last	\$0.011	27 August 2015

7.3 Details of substantial holders

Based on publicly available information as at 28 July 2015, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue) are set out below:

Shareholder	Shares	Options	%
Mr Donald Jeffrey Smith & Mrs Patty Susan Smith as trustees for the GFC Superannuation Fund; and Mrs Patty Susan Smith ¹	71,000,000	25,500,000	5.23

Notes:

1. This will increase to 7.37% should the Options held by Mr Donald Jeffrey Smith & Mrs Patty Susan Smith as trustees for the GFC Superannuation Fund be exercised.

7.4 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers pursuant to this Prospectus; or
- the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Michael Evans	8,416,667	11,125,000 ¹
David Wall	9,666,666	27,125,000 ²
Brent Villemarette	1,221,222	6,000,000 ³

Stephen Staley	5,816,667	8,825,000 ⁴
----------------	-----------	------------------------

Notes:

1. Comprising of: 2,125,000 Listed Options exercisable at \$0.02 each on or before 2 March 2018; 8,000,000 Unlisted Options exercisable at \$0.015 each on or before 18 February 2018, and 1,000,000 Unlisted Options exercisable at \$0.42 each on or before 12 June 2017.
2. Comprising of: 2,125,000 Listed Options exercisable at \$0.02 each on or before 2 March 2018; and 25,000,000 Unlisted Options exercisable at \$0.015 each on or before 18 February 2018.
3. 6,000,000 Unlisted Options exercisable at \$0.015 each on or before 18 February 2018.
4. Comprising of: 825,000 Listed Options exercisable at \$0.02 each on or before 2 March 2018; 6,000,000 Unlisted Options exercisable at \$0.015 each on or before 18 February 2018, and 2,000,000 Unlisted Options exercisable at \$0.28 each on or before 12 June 2017.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Year ended 31 December 2013	Year ended 31 December 2014	Year ended 31 December 2015 ²
Michael Evans	N/A	\$64,868	\$105,631
David Wall	N/A	\$205,657	\$349,431
Brent Villemarette	\$240,000	\$223,227	\$107,881
Stephen Staley	N/A	\$40,921 £121,837 ¹	\$128,216

Notes:

1. Derwent Resources Limited, a company associated with Dr Stephen Staley, receives consultancy fees payable in pounds sterling.
2. Of the total expense of \$691,159 for remuneration for the year ended 31 December 2015, \$355,500 is derived from the black-scholes valuation of the 45M unlisted options issued 3 March 2015 following receipt of shareholder approval on 12 February 2015. The directors will only realise a benefit from the options issued in the event the Company's share price exceeds the option exercise price of \$0.015.

7.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$12,000 (excluding GST and disbursements) for these services.

7.6 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.7 Estimated expenses of Offers

The total expenses of the Offers are estimated to be approximately \$16,000 as follows:

Expense	(\$)
ASIC Fees	2,320
ASX Fees	1,654
Legal Fees	12,000
Miscellaneous, printing and other expenses	180
Total	16,154

7.8 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9485 0990 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.10 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company. The Company collects, holds and will use that

information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act* 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Mr David Wall
Managing Director

For and on behalf of
88 ENERGY LIMITED

9. DEFINITIONS

\$ means Australian dollars.

AIM means the market of that name operated by the London Stock Exchange plc.

Applicant means an investor who applies for Securities pursuant to the Offers.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Company means 88 Energy Limited (ACN 072 964 179).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Energy Alaska means Accumulate Energy Alaska Inc, a wholly owned subsidiary of the Company incorporated in the United States of America.

General Meeting means the General Meeting of the Company held on 21 August 2015.

Icewine Project means the Company's onshore petroleum exploration project located in Alaska.

Offers means the offer of Securities referred to in the "Details of the Offer" Section of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Prospectus means this prospectus.

Securities means an Option or a Share.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Share Registry means Computershare Investor Services Pty Limited.

T2 Placement means the issue of 1,030,000,000 Shares pursuant to the placement for which Shareholder approval was obtained at the General Meeting.

WST means western standard time as observed in Perth, Western Australia.

ANNEXURE 1 – TERMS OF OPTIONS

- (a) Each Option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the capital of the company.
- (b) The Options are each exercisable at a price of \$0.016 on or before the date which is three years from the date of issue.
- (c) The Company will not apply for the Options to be quoted.
- (d) The Options are exercisable at any time on or prior to the expiry date by notice in writing to the directors of the company accompanied by payment of the exercise price.
- (e) The Options are transferable.
- (f) All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, if from time to time on or prior to the expiry date the Company makes an issue of new Shares to the holders of ordinary fully paid Shares, the Company will send a notice to each holder of Options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue to the holders of the underlying securities, the number of securities over which the Options are exercisable may be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (i) Paragraph (h) does not apply to Options issued pro rata on the same terms as Options already on issue.
- (j) There is no right to a change in the exercise price of the Options or to the number of shares over which the Options are exercisable in the event of a new issue of capital during the currency of the Options.
- (k) In the event of any reorganisation of the issued capital of the company on or prior to the expiry date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.