



6 October 2015

Bank of America Drawdown and Site Visit Highlights

88 Energy Limited ("88 Energy" "the Company") (ASX, AIM: 88E) is pleased to provide an update on the Company's activities regarding the first drawdown from the Bank of America credit facility and following the recent site visit to Project Icewine by investors and analysts.

First Drawdown from Bank of America Credit Facility Complete

Subsequent to completion of all the conditions precedent to the Credit Agreement with Bank of America, the first drawdown from the facility has now been executed. 88 Energy and Bank of America are now co-funding prepaid and ongoing costs related to the drilling of the Icewine #1 exploration well.

Kuukpik Rig 5 Mobilisation

- Mobilisation of Kuukpik Rig 5 is complete and rig assembly has commenced ahead of the 15th October spud date.
- Site inspection confirmed that the MagTec drilling camp is up and running.
- Several of the larger modules are already on site, including the derrick and mud pump systems. Cellar and 20 inch conductor pipe installation is complete.

Kuukpik Rig 5 Assembly Commenced on Franklin Bluffs Pad



Derrick Up at Kuukpik 5 (post site visit)



Franklin Bluffs Speculative 3D Seismic Acquisition

A 3D seismic shoot is currently being finalised in the vicinity of and predominantly across the Project Icewine leasehold.

The non-exclusive 3D seismic program has been commissioned by Alaska Seismic Ventures ("ASV") and is being acquired by SAE Exploration LLC ("SAE") to capitalise on the heightened exploration interest in the North Slope. The 3D seismic has been acquired during the "Summer off season", when access to the tundra is traditionally restricted, by using heli portable rigs and dynamite.

Post processing, approximately 82 square miles of 3D seismic data will be available for purchase with the majority over Project Icewine acreage. 88E may consider licensing the Franklin Bluffs survey, subject to data quality review, negotiations and funding. Additional details will be released as and when appropriate.

This 3D dataset could be key to maturing conventional prospectivity on Project Icewine acreage ahead of additional seismic acquisition, originally planned by the Company for winter 2016.



Permitting

The final two key permits required prior to spud in mid October remain on track for completion as per below:

- Oil Discharge Prevention and Contingency Plan (Spill Plan) – closing 10 day public comment period completed with no comments received. Final approval expected within days.
- Permit to Drill – submitted on 17th September. Final amendments currently underway with resubmission on Monday and final approval expected towards the end of this week.

Managing Director of 88 Energy Limited, Dave Wall commented: *“Encouragingly, the North Slope continues to attract investment dollars despite the low oil price environment as evidenced by the farm-in on adjacent acreage and the speculative 3D seismic acquisition over Project Icewine.*

Now that Shell has withdrawn from offshore in the Chukchi Sea we expect continued and increased focus on the North Slope, which is the most accessible and prospective region in the State of Alaska.

88E continues to forge ahead towards the imminent spud of the high impact Icewine #1 well with mobilisation of the Kuukpik 5 rig and other equipment on schedule along with the final permitting effort. We also wish to thank everyone associated with completing the Bank of America facility now that the first drawdown has been accomplished. These agreements are complicated and take significant alignment and effort. 88E is fortunate to have been able to work with a group of exceptional individuals who have helped make this happen.”

Yours faithfully

Dave Wall
Managing Director
88 Energy Ltd



Project Icewine Highlights

In November 2014, the Company entered into a binding agreement with Burgundy Xploration (**BEX**) to acquire a significant working interest (87.5%, reducing to 78% on spud of the first well on the project) in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore Alaska, North America, referred to as Project Icewine.

88 Energy has a 98,182 gross contiguous acre position with 85,900 acres net to the Company (76,582 net acres post spud), located on an on all year operational access road with both conventional and unconventional oil potential. The primary term for the State leases is 10 years with no mandatory relinquishment and a low 16.5% royalty.

The unconventional oil play will be tested by the upcoming Icewine #1 exploration well, scheduled for commencement of drilling in October 2015.

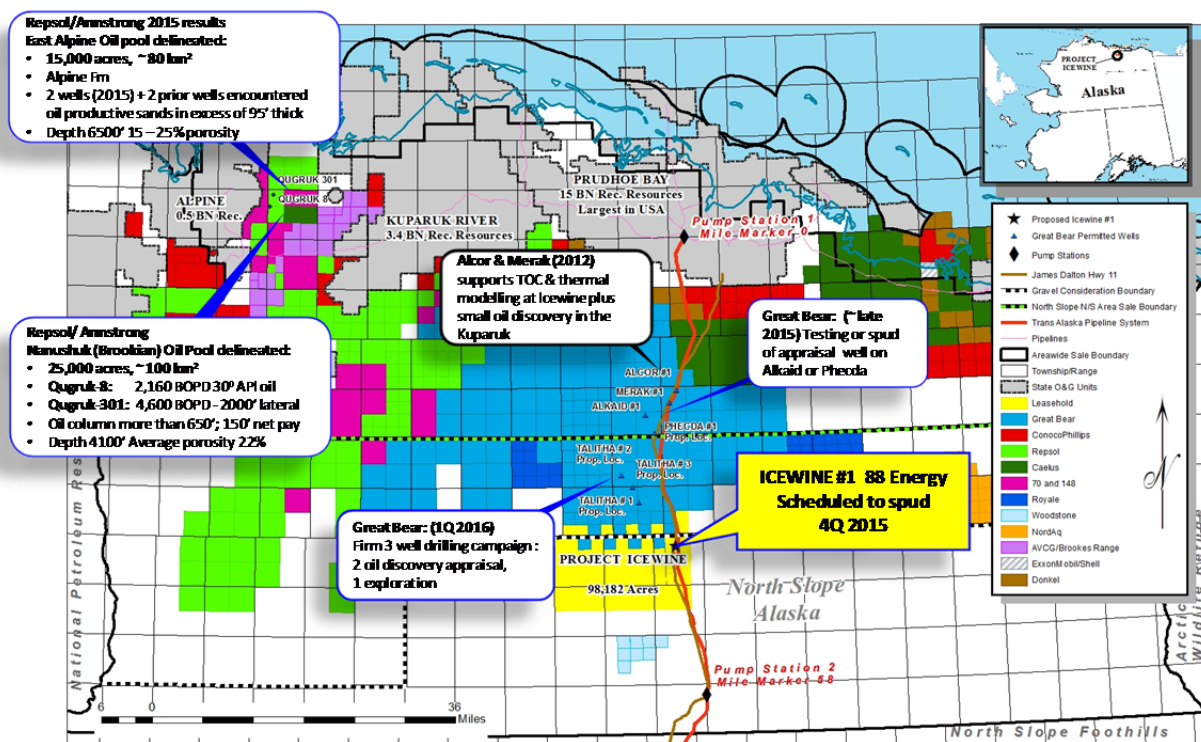
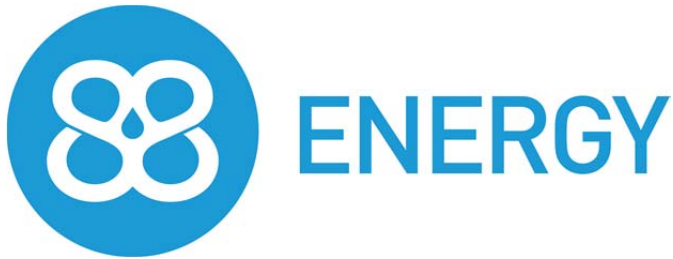


Figure 1: Project Icewine Location

Generous exploration incentives are provided by the State of Alaska with up to 85% of exploration expenditure in 2015 cash refundable, dropping to 75% mid 2016 and thereafter 35%.

The primary objective is an untested, unconventional liquids-rich shale play in a prolific source rock, the HRZ shale, (Brookian Sequence), that co-sourced the largest oil field in North America; the giant Prudhoe Bay Oil Field Complex. Internal modelling and analysis indicates that Project Icewine is located in a high liquids vapour phase sweetspot analogous to those encountered in other Tier 1 shale plays e.g. the Eagle Ford, Texas.

Conventional play potential can be found at Project Icewine within the same Brookian petroleum system and shallow to the HRZ shale and includes high porosity channel and deep water turbiditic sands. The Brookian conventional play is proven on the North Slope; the USGS (2013) estimate



the remaining oil potential to be 2.1 billion barrels just within the Brookian sequence. Additional conventional potential exists in the deeper Kuparuk sands and the Ivashuk Formation.

Drilling, (2012), in the adjacent acreage to the north confirmed that the HRZ shales, along with the underlying Kingak & Shublik shales, were all within the oil window which is extremely encouraging for the unconventional potential at Project Icewine. In addition a conventional oil discovery was reported in the Kuparuk sandstones.

A Prospective Resources Report by DeGolyer and MacNaughton, was commissioned by 88 Energy to evaluate the unconventional resource potential of Project Icewine in early December 2014 and was released to the market on 19 January 2015.

About 88 Energy: *In late 2014, 88 Energy acquired an initial 87.5% working interest (reducing to 78% on spud of the first well on the project) and operatorship in 98,182 acres onshore the prolific North Slope of Alaska ("Project Icewine"). The North Slope is the host for the 15 billion barrel Prudhoe Bay oilfield complex, the largest conventional oil pool in North America. The Company, with its Joint Venture partner Burgundy Xploration, has identified two highly prospective play types that are likely to exist on the Project Icewine acreage – one conventional and one unconventional. The large resource potential of Project Icewine was independently verified by leading international petroleum resource consultant DeGolyer and MacNaughton. In addition to the interpreted high prospectivity, the project is strategically located on a year-round operational access road and only 35 miles south of Pump Station 1 where Prudhoe Bay feeds into the TransAlaska Pipeline System. The Company plans to progress drilling and seismic in the near term to take advantage of the globally unique fiscal system in Alaska, which allows for up to 85% of CY2015 exploration expenditure to be rebated in cash.*

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