

14 May 2015

Alaska Field Trip Highlights

- Drilling permits are on track post constructive meetings with State agencies
- Exploration and appraisal success announced by regional peers in conventional plays enhances Project Icewine potential
- Multiple rig options available for drilling prior to year end
- Visual inspection indicates that drill site is in good condition / near rig ready
- Good progress made on strategic funding / farmout process

The Board of 88 Energy Limited (“88 Energy” or the “Company”) provides the following update based on a recent visit to Alaska.

Permitting Progress

During the week beginning 27th April 2015, the Project Icewine Joint Venture (“PIJV”) conducted meetings with representatives from seven State of Alaska agencies and the North Slope Borough. All parties are engaging proactively in regards to taking the steps required to meet the target for drilling of the Icewine #1 well prior to year end.

88 Energy, through its local subsidiary, Accumulate Energy Alaska Inc., continues to work with all agencies to ensure that it operates in a culturally and environmentally sensitive manner.

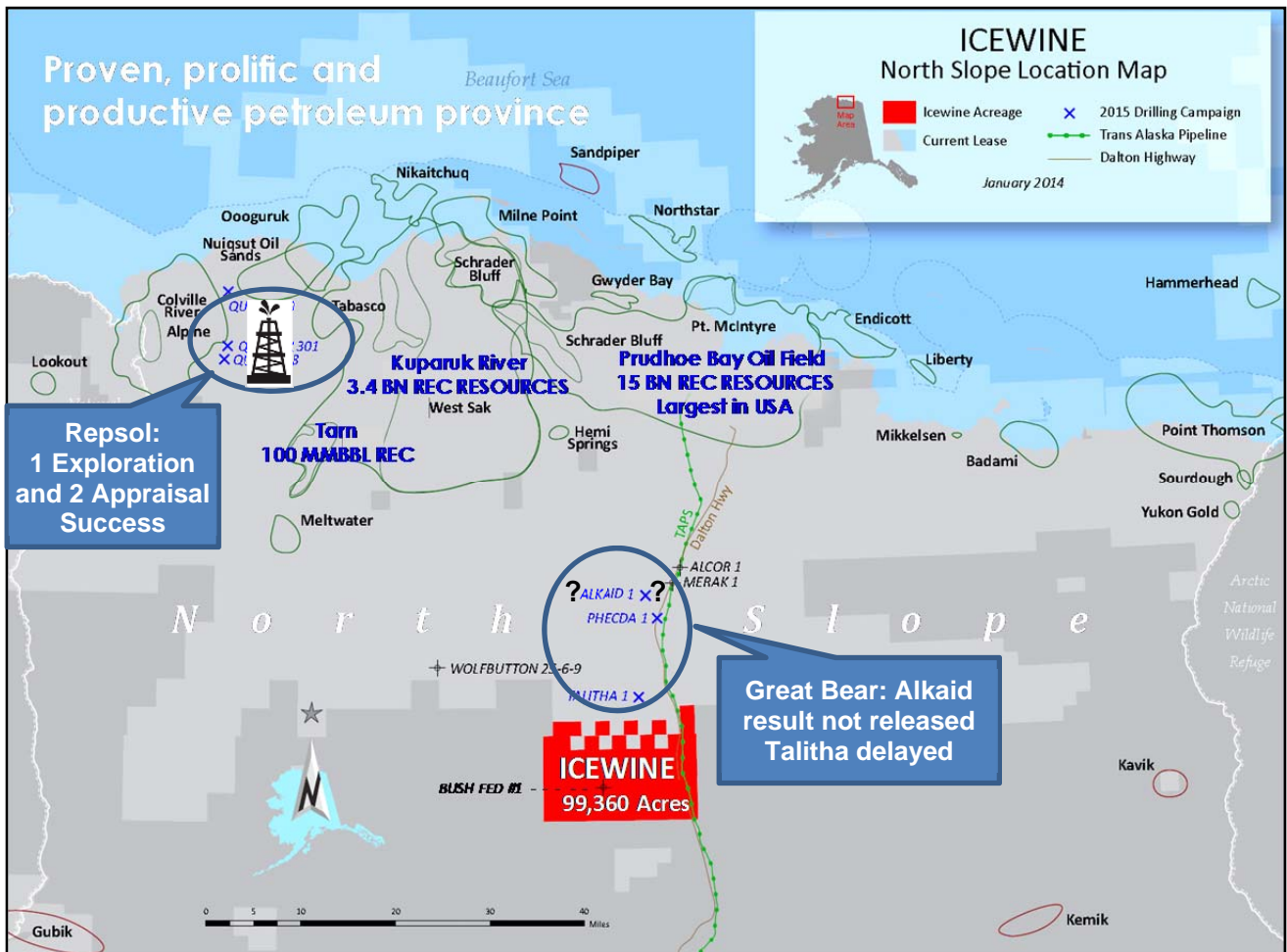


Figure 1: 2015 Winter Drilling Results by Peers

Drilling Success Reported on the Slope

Whilst in Alaska, there was excitement in the local oil community related to unconfirmed reports of drilling success during the recently completed winter season. Subsequently, Repsol confirmed, in its latest earnings report, that it had completed two successful appraisal wells and one successful exploration well – all with positive production tests. 88 Energy is encouraged by Repsol's success and hopes to be able to provide more detail once it is made available.

Two of the conventional plays being pursued by Repsol are thought to exist within the Project Icewine acreage. Whilst the Repsol results are promising, the potential at Project Icewine will only be confirmed by 3D seismic and drilling. Repsol's recent wells are located ~45 miles from the boundary of the Project Icewine acreage.

There were also reports of delays experienced for other programs this winter drilling season. It is understood that Great Bear was unable to meet its schedule in regards to the drilling of the Talitha well, near to the Project Icewine acreage. The results from Great Bear's Alkaid well have not been made public at this stage.

Multiple Rig Options Confirmed

The Company engaged in discussions with several rig operators on the Slope and confirmed rig availability over the Summer/Fall season. The Company looks forward to committing to the use of one of these rigs in the near-term.



Figure 2: Photo of Pad (looking towards Dalton Highway from SE corner)

Visit to Site Confirms Suitability of Location for Drilling Operations

Representatives of the Project Icewine Joint Venture made the short 90 minute car journey from Prudhoe Bay to the Franklin Bluffs site. The Dalton Haul road was in good condition despite a recent, one in twenty-year, flooding event from the adjacent Sagavanirktok River that saw traffic halted for around two weeks in early April. Road access for drilling of the Icewine #1 exploration well is not expected to be affected by plans to refurbish a section of the road this Summer.

Whilst all permits are not yet in place to drill at the existing gravel pad at Franklin Bluffs, the Company is confident that the location is suitable for drilling operations. Discussions with permitting agencies have also confirmed that the location is ideal as a proposed drilling site, being within the Transportation Corridor, on an existing pre-disturbed gravel pad, and adjacent to the Dalton Highway.

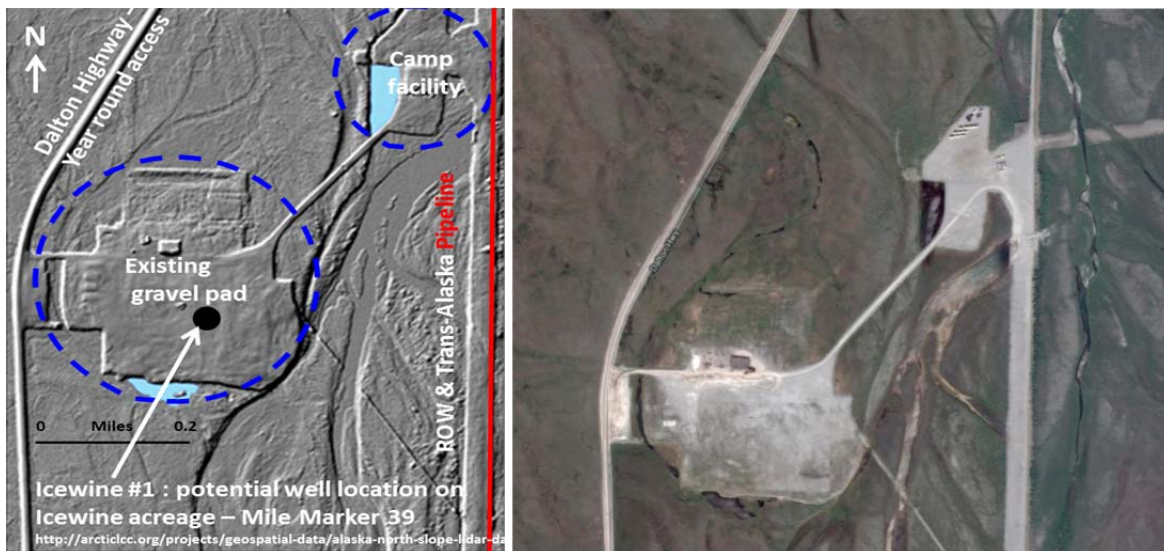


Figure 3: Existing Gravel Pad LIDAR and Aerial View

Source: Google Earth

Funding / Farmout Discussions Progress

The Company continues to make good progress on strategic funding / farmout discussions and is currently engaged with multiple parties on this front. More detail will become available in the coming weeks.

David Wall, 88 Energy's Managing Director, commented: *"With the project moving forward at a cracking pace on all fronts, combined with the recent success by Repsol and the recovery in oil price, 88E and its shareholders could not be much better positioned. Drilling remains on track for prior to year end spud as strategic funding/farm-out talks progressing concurrently with operational activity. We anticipate strong newsflow in the near term with several significant milestones likely to be achieved."*

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, (through BEX their co-venture partner), was announced highest bidder on 90,720 acres in the November State lease sale for the North Slope of Alaska on 20 November 2014. Post award of the acreage in Q2 2015 88 Energy will secure a 99,360 gross contiguous acre position with 77,500 acres net to the Company. The primary term for the State leases is 10 years with no mandatory relinquishment and a low 16.5% royalty.

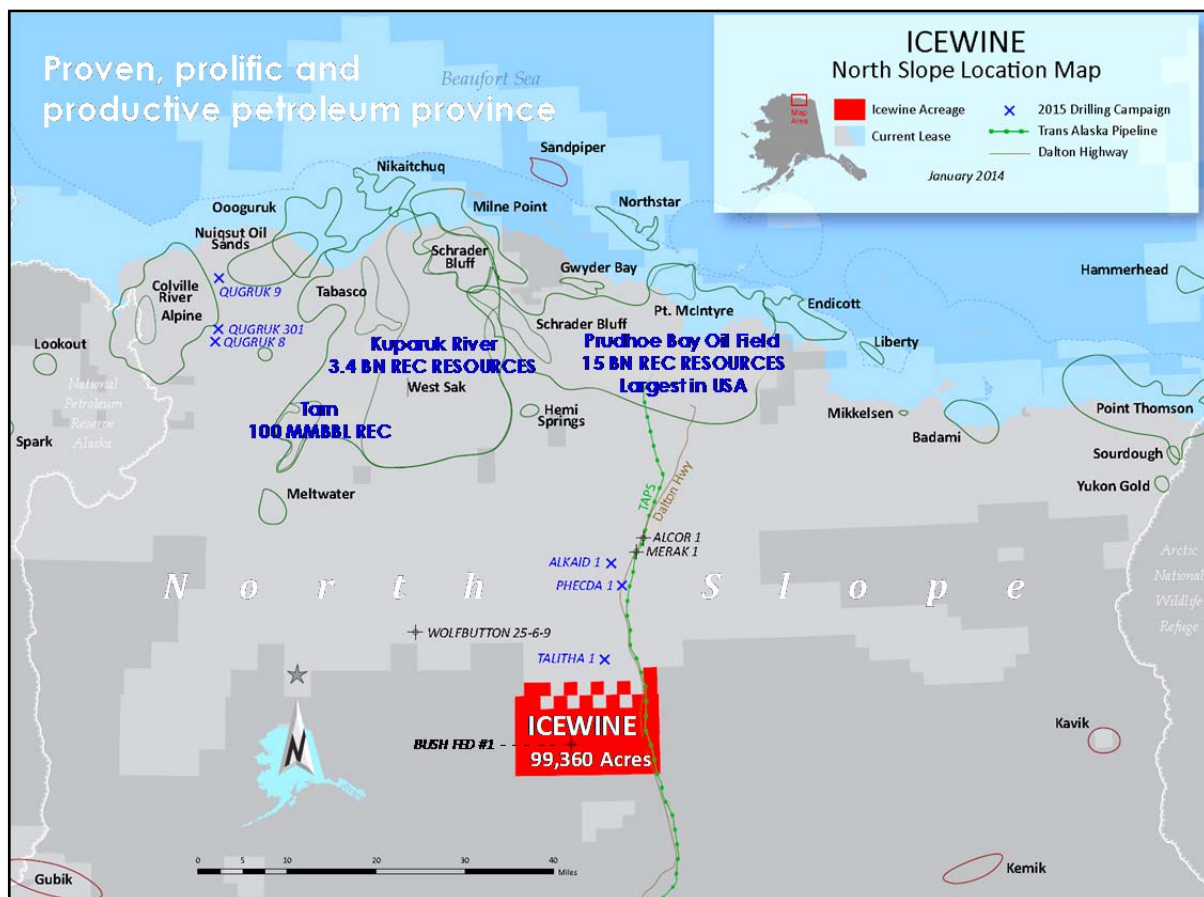


Figure 4: Project Icewine Location

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

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.

Project Icewine has conventional play potential within the same Brookian petroleum system and shallow to the HRZ shale, including 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.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Dave Wall', with a long horizontal line extending to the right.

Dave Wall
Managing Director
88 Energy Ltd

About 88 Energy: 88 Energy recently acquired an initial 87.5% working interest and operatorship in 99,360 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 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 the Icewine Project was recently 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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