ENERGY

ANNUAL REPORT 2021

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CORPORATE INFORMATION

DIRECTORS

Mr Philip Byrne (Non-Executive Chairman)
Mr Ashley Gilbert (Managing Director)
Dr Stephen Staley (Non-Executive Director)
Ms Joanne Kendrick (Non-Executive Director)

COMPANY SECRETARY

Ms Sarah Smith

REGISTERED OFFICE

Ground Floor, 516 Hay Street
Subiaco WA 6008
Australia

Telephone: +61 (8) 9485 0990
Facsimile: +61 (8) 9321 8990
Website: www.88energy.com

POSTAL ADDRESS

PO Box 352
Subiaco WA 6904
Australia

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
PERTH WA 6000
Australia
Telephone: +61 (8) 9323 2000
Facsimile: +61 (8) 9323 2033

Computershare Investor Services PLC
The Pavilions
Bridgewater Road
Bristol BS99 6ZZ
United Kingdom

SHARE LISTINGS

ASX	88E
AIM	88E
OTC	EEENF

AUDITORS

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

CHAIRMAN'S LETTER

Dear Shareholders,

It is my pleasure to write to you after joining 88E in early August 2021 as Non-Executive Chairman. I was attracted to 88E as a function of the quality of both its prospects and people. At the time of writing, I am more enthused than ever with the outlook for our business.

The past year has been one of substantial achievement for 88E. Against a backdrop of persistent COVID-19 related challenges, the business has advanced its plans efficiently, significantly, and rapidly. This progress has been delivered alongside a resurgence in global energy prices, as the world increasingly recognises the significant role that hydrocarbons must continue to play in servicing transitional energy needs.

Our most significant exploration activity during 2021 was drilling the Merlin-1 exploration well on our Project Peregrine acreage. Merlin-1 was spudded in March 2021 with drilling operations completed in April 2021. Final interpretation of results was completed in August 2021 with post well evaluation successfully demonstrating the presence of light oil in the N20, N19 and N18 targets. This outcome was a highly significant one for 88E and has given us great confidence in aggressively pursuing further exploration work at Project Peregrine, including the upcoming drilling of the Merlin-2 appraisal well.

In June 2021, we announced the successful acquisition of the residual 50% working interest in Project Peregrine from Alaska Peregrine Development Company. This was an outstanding outcome in delivering us full control of, and upside from, future Project Peregrine activities, while still retaining flexibility to potentially farm-out to a partner with greater operational capability at a future point.

That same month, 88E executed an agreement to sell its Alaskan Oil and Gas Credits for US$18.7 million. This sale accelerated the timeframe of our value realisation from the Tax Credits and enabled the full repayment of our outstanding debt of US$16.1 million. With its debt free balance sheet, 88E now holds significant flexibility with respect to future funding and capital management initiatives. In September 2021, we also raised A$24 million via an equity placement to domestic and international institutional and sophisticated investors. These funds are being directed towards drilling of the Merlin-2 appraisal well and general corporate activities.

At the time of writing, 88E had recently received the Permit to Drill for the Merlin-2 appraisal well, mobilised the Arctic Fox rig to the drilling location, and excitingly, spudded the Merlin-2 well on 7 March 2022. This well is located to the east of Merlin-1, where the multiple stacked sequences within the Brookian Nanushuk Formation are expected to be of enhanced thickness and quality. We look forward to updating you regularly on the progress of Merlin-2 drilling and results.

We have also been closely monitoring activity adjacent to the northern border of our Project Icewine acreage, where the Kuparuk was reported from the Talitha-A well drilled last year by Pantheon Resources. This may have positive implications for the same formation in our Icewine acreage. Further, at the time of writing, Pantheon is undertaking flow testing activities on Talitha-A, as well as undertaking drilling and planned testing of the Theta West well.

During Q1 2021, 88E acquired the Umiat Oil Field to the immediate south of Project Peregrine. As part of the acquisition, we received the Umiat 3D seismic data. Further analysis of this data has provided a better understanding of the Peregrine reservoir geometries to the north as well as highlighting the potential for future development of an Ultra-Low Sulphur Diesel (ULSD) production facility at Umiat.

CHAIRMAN'S LETTER

The past year has also seen evolution in the leadership of our business. I congratulate Ashley Gilbert on his elevation to the role of Managing Director and CEO. I hold Ashley in the highest esteem and believe that he is already demonstrating himself an excellent executive leader for our business. I would also like to take this opportunity to thank our previous CEO, the long-serving David Wall, for his commitment and energy to 88E. We wish David all the best in his future endeavours.

We also welcomed Joanne Kendrick to the 88E Board as Non-Executive Director and Rob Benkovic and Oli Mortensen to the roles of Chief Operating Officer and Chief Financial Officer, respectively. Thank you also to my predecessor as Chairman, Michael Evans, for his lengthy and committed service to the business.

I would like to recognise the Department of Natural Resources, the Alaska Oil and Gas Conservation Commission, the North Slope Borough, Bureau of Land Management and other regulatory agencies that have facilitated our exploration efforts on the North Slope. Thank you also to all 88E personnel and contractors who have worked hard, in sometimes trying conditions, to deliver the successes of last year. We have a first-class team of truly committed professionals who strongly believe in the potential of our acreage and our approach to exploring it.

Finally, I would also like to thank you, our shareholders, for your ongoing support. The 88E business model has always focussed on targeting large-scale hydrocarbon deposits. The size of the prizes we are pursuing is large, and sometimes the accompanying patience required is also. I thank our shareholders for pursuing this journey with us and we look forward to further unlocking the huge potential value residing in our world-class Alaskan acreage. Stay well.

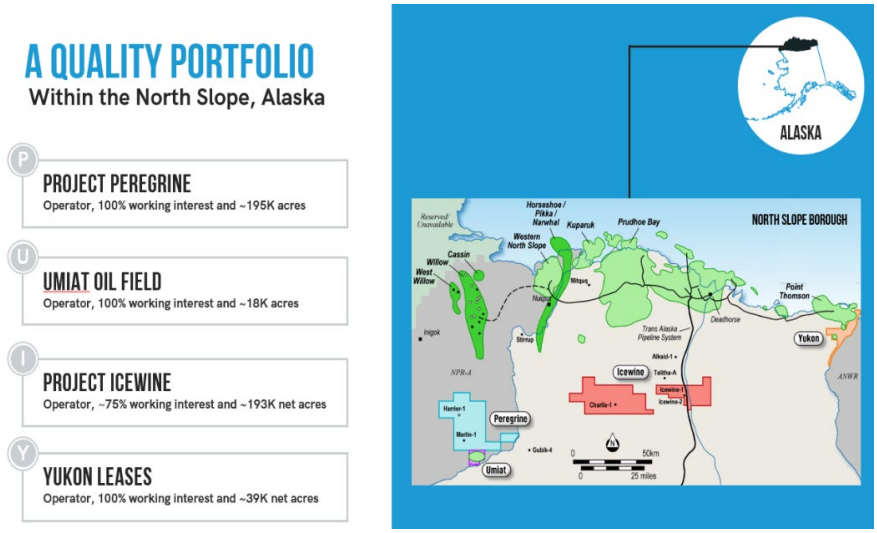
Yours faithfully,

Philip Byrne
Non-Executive Chairman

REVIEW OF OPERATIONS

During the year, 88 Energy ("88E", "Company"), continued its principal activities of oil and gas exploration in Alaska, and the continued the review of new venture opportunities available to 88 Energy.

88 ENERGY: WORLD CLASS PORTFOLIO OF ALASKAN ACREAGE



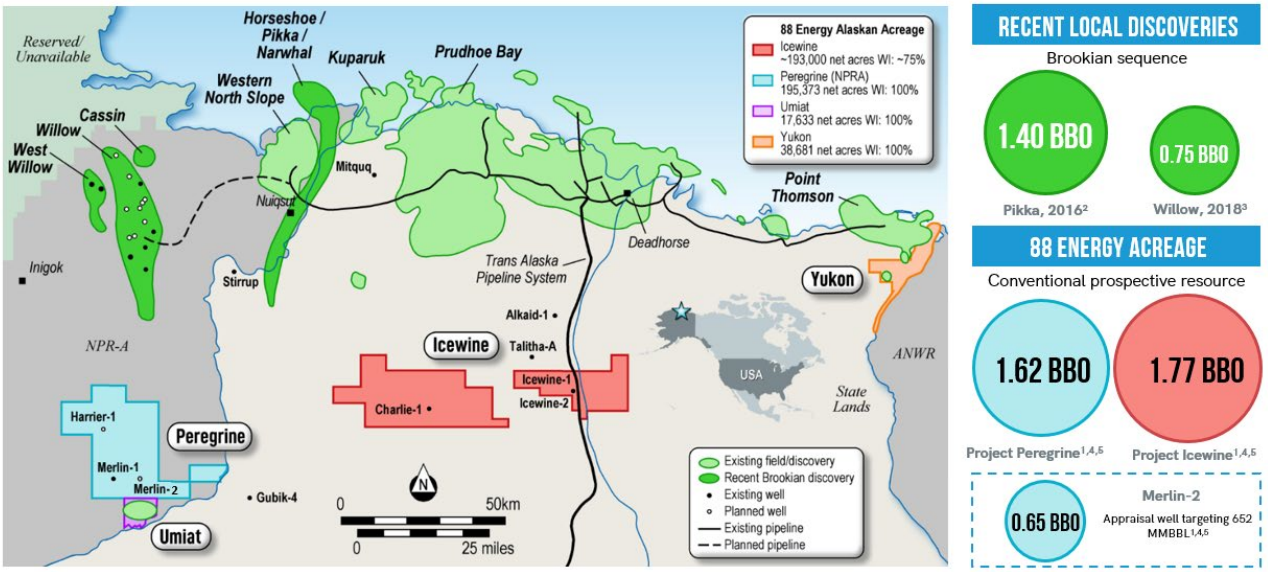
The Company has been operating on the Central North Slope of Alaska since 2015 having originally entered into a binding agreement in 2014 with Burgundy Xploration (BEX) to acquire a working interest in a large acreage position on a multiple objective, liquids rich exploration opportunity onshore Alaska, USA, referred to as Project Icewine.

In April 2020, through the acquisition of XCD Energy via off-market takeover, the Company added the highly prospective Project Peregrine acreage to its portfolio. During the first quarter of this year, the Company, via its wholly owned subsidiary Emerald House LLC, entered into a Sale and Purchase Agreement with Malamute Energy, Inc and Renaissance Umiat LLC to acquire the Umiat Oil Field, adjacent to Project Peregrine. In June 2021, the Company also announced that it had entered into an agreement with Alaska Peregrine Development Company, LLC ("APDC") to acquire a 50% working interest from APDC in Project Peregrine in exchange for a A$17.1 million in shares. This acquisition resulted in the Company holding a 100% working interest in the highly prospective Project Peregrine.

These acquisitions further bolstered the Company's presence in the region and further solidified itself as an Alaskan focused oil explorer with a diversified portfolio of key project areas: Project Icewine, Yukon Leases, Project Peregrine and the Umiat Field.

NORTH SLOPE, ALASKA

Major discoveries and 88 Energy acreage map



1. Independent estimate (Conventional)
2. Armstrong, 2016
3. Conoco, 2018
4. Mean unrisked prospective resource - Net Entitlement to 88 Energy
5. 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

KEY OPERATIONAL HIGHLIGHTS FOR 2021

Project Peregrine

Merlin-1 Exploration Well

- Merlin-1 spudded on 10 March 2021 and was drilled to a Total Depth of 5,267 feet
- In April 2021 the Project Peregrine Joint Venture announced the completion of the Merlin-1 drilling program
- Initial petrophysical interpretation of wireline logs indicated several potential pay zones in the Merlin-1 well and side wall cores obtained from the well confirmed presence of oil in multiple stacked targets
- Post well testing program commenced on sidewall cores, cuttings, mud gas and fluid samples:
  - Results indicated evidence of hydrocarbons in all three primary targets (high resolution gas chromatography)
  - Biomarker analysis demonstrates source rocks are consistent with Hue/HRZ type oil
  - Carbon isotope analysis of mud gas and core samples returned vitrinite reflective values between 0.7 and 1% Ro – proof the Project Peregrine acreage is oil prone
  - Initial mapping of additional prospective zones encountered in Merlin-1 delivers upside potential

REVIEW OF OPERATIONS

Merlin-2 Appraisal Well

- The location for Merlin-2 was selected from the three locations initially permitted for the appraisal program, situated east and downdip of Merlin-1
- On 26 October 2021, the Company announced it had executed the rig contract for drilling of the Merlin-2 appraisal well
- As at year-end Merlin-2 well remained on track and post-year end, the Merlin-2 well was spudded on 7th March 2022

Acquisition of additional 50% Working Interest

On 7 June 2021, the Company announced that it had entered into an agreement with Alaska Peregrine Development Company, LLC ("APDC") to acquire a 50% working interest from APDC in Project Peregrine in exchange for a A$17.1 million in shares.

Umiat Oil Field

- In Q1 2021, 88E, via its wholly owned subsidiary Emerald House LLC, entered into a Sale and Purchase Agreement with Malamute Energy, Inc and Renaissance Umiat LLC to acquire the Umiat Oil Field ("Umiat") and completed abandonment of two historic wells, which was a condition of the acquisition
- Approval from the BLM to defer Umiat Year 2 Unit well commitment by 24 months to 31 August 2023
- Further studies conducted in conjunction with the Merlin-1 post-well testing and analysis have identified additional upside at Umiat with ongoing optimization studies:
  - Well performance study on Umiat-23H, drilled in 2014, concluded that this well underperformed due to poor drilling and completion techniques
  - The well flowed at a sustained rate of 200 BOPD with no water (with a max rate of 800 BOPD)
  - With a more conventional trajectory and completion a development well with a 5,000 ft horizontal section is expected to produce at stabilized rates of between 800 and 1,600 BOPD
  - A combined Project Peregrine and Umiat have the potential for a large oil field development

Project Icewine

- Nearby Talitha-A well drilled by Patheon Resources showed encouraging results with the potential for an extension into 88E leases
- A reassessment of the Icewine data indicates a potential extension of the Talitha targets onto the Icewine acreage
- An external assessment of the prospectivity in the Icewine acreage was underway at year-end with an updated prospective resource estimate to be finalised in H1 2022

REVIEW OF OPERATIONS

Yukon Acreage

- Joint regional development negotiations and due diligence processes advanced during the year with nearby resource owner
- Work is underway to assess scenarios and costs of a future possible development of discoveries in the Yukon lease region as well as potential drilling and flow testing of discoveries

Corporate Highlights

- Sale of Alaskan Oil and Gas Tax Credits for US$18.7M; proceeds fully repaying outstanding 88E debt
- Key Personnel Appointments:
  - Mr Ashley Gilbert appointed Managing Director
  - Mr Philip Byrne appointed as Non-Executive Chairman and Ms Joanne Kendrick appointed as Non-Executive Director
  - Mr Robert Benkovic appointed Chief Operating Officer and Mr Oliver Mortensen appointed Chief Financial Officer
- Executed Share Capital raisings:
  - February 2021 - A$12 million placement primarily towards Merlin-1, Umiat abandoment and asset evaluation
  - September 2021 - A$24 million placement primarily towards drilling of the Merlin-2 appraisal well
  - Post-year end, February 2022 - A$32 million placement primarily towards Merlin-2 drilling and appraisal activities including the flow test program, new ventures portfolio opportunities and working capital
- On 6th December, a key vendor involved in Merlin-2, agreed to accept payment in 88E shares for up to US$7.5 million worth of invoiced services related to Merlin-2 activities

Project Peregrine

(195,373 acres; 100% Working Interest)

Merlin-1 Exploration Well

The Merlin-1 well was spudded in March 2021 and targeted 645 million barrels of net mean prospective resource*. Once drilling operations concluded in April, 88E commenced the post-well testing program on the samples and data obtained during drilling.

Merlin-1 Wireline Results

The Merlin-1 wireline program included the running of the reservoir description tool (RDT) which is designed to take fluid samples across selected zones. Initial observations indicated the presence of an oil signature in the fluid using an optical fingerprint sensor in the downhole sampling tool, after communication was established with the reservoir in the deepest zone of interest.

Slugging of hydrocarbon and water then occurred, which is often a precursor to hydrocarbon flow from the reservoir. However, a power outage due to equipment failure necessitated pulling out of the hole for repairs prior to any sample being obtained. After repairs were completed, the run back in hole encountered several "sticky" sections, indicating poor hole condition, and a clean-out run was undertaken. Re-entry with the sampling tool was then executed to move to the lowest zone for testing but reservoir communication was not able to be re-established despite observation of a similar hydrocarbon signature on the optical fingerprint sensor. The time the hole had been open and consequent potential formation damage may have contributed to this issue.

A decision was made to move to the next shallowest prospective zone, which had exhibited good oil shows and petrophysical characteristics, but wellbore condition issues prevented a test as the tool became stuck. The tool was freed but the risk of returning to that zone was deemed too high.

Significantly, one of the most prospective zones encountered in Merlin-1 is considered to be a new prospective horizon within the Nanushuk Formation that may be wholly within the Project Peregrine acreage and was not one of the pre-drill targets.

Several samples were taken in zones interpreted to be less prospective on the way out of the hole, which were sent to a laboratory for post well testing. These samples from the less prospective zones, initially triggering an apparent oil response during the in-situ flash tests, however ultimately were revealed to be water following exhaustive laboratory testing.

Post well analysis and integration of all data has indicated 41 feet of pay across three reservoir intervals, the N20, N19 and N18. Rig capacity constraints meant that the deeper N14 reservoir was not penetrated and therefore, remains untested.

*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.

Merlin-1 Exploration Well

Post-Well Testing Program and Results

The sidewall cores taken were analysed at surface prior to being sent to the lab for further testing. Photos of whole core and small chips from the core were taken in white and ultraviolet light to determine fluorescence. The rock chips were also exposed to solvent to observe any "cut".

Fluorescence and cut are indicators of the presence of oil. Fluorescence and cut were observed over several horizons (see images below), confirming the observations previously reported (refer release on 29 March 2021). The cores were subsequently sent to the lab for further analysis.

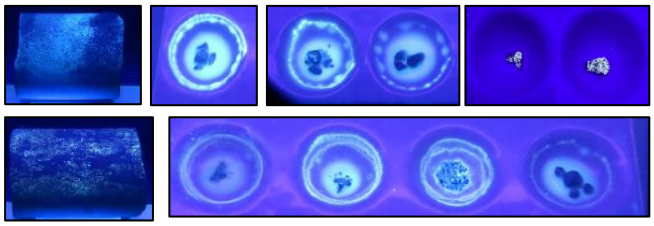


Figure 1: Oil shows in Merlin-1 cuttings and side-wall core

Whilst preparing the side wall cores for further testing, white and UV light photography is undertaken. If oil is present, then fluorescence will be evident under UV light.

Multiple horizons were identified as having oil present during drilling via observation of fluorescence under UV light and using solvent (or cut) to determine whether oil would leach out from the samples. The lab observations of the side wall cores are largely confirmatory of these previous analyses; however, several horizons have shown evidence of oil, which were not previously identified. Notably 18 of the most prospective samples were not included and were set aside for special analysis.

Phase One geochemical results were received for the 18 specifically selected trims from the Merlin-1 side wall cores (refer release dated 14 July 2021), of which, 7 of 18 trims confirmed the presence of hydrocarbons.

The 7 trims which confirmed the presence of hydrocarbons were at depths that were among the most prospective zones noted during drilling as well as during post-well testing analysis. Significantly, these depths were among the prospective zones that were not able to be tested with the RDT downhole fluid extraction tool. These zones also correspond with depths where good oil shows were noted during drilling, including petroliferous odour, fluorescence and cut.

High-resolution gas chromatography (HRGC) charts also demonstrated definitive evidence of hydrocarbons. These charts show a spread of carbon compounds with lighter molecules on the left and heavier components on the right. Oil signatures may be inferred by the presence of heavier carbon compounds seen.

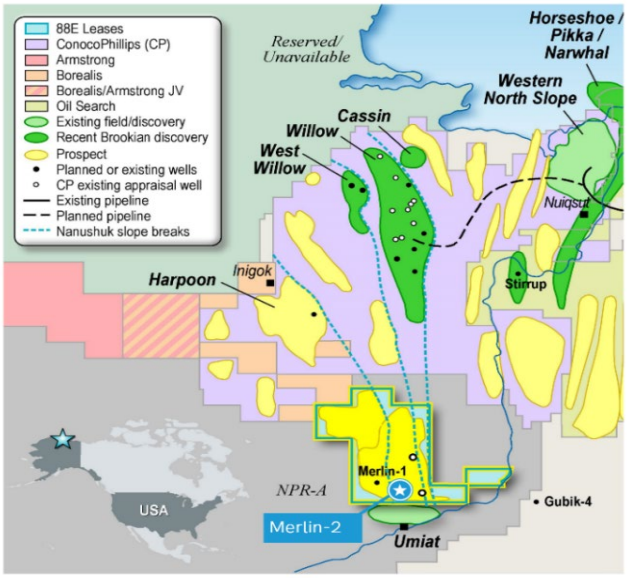
Phase Two of the geochemical analysis program on the sidewall core trims included quantitative extraction, SARA, isotopes, and biomarkers analysis. Phase Two analysis was designed to confirm not only the presence of oil but also the nature of the source rock, targeted at enhancing understanding of the likely quality of the oil as well as migration pathways, which is critical for understanding regional implications on prospectivity across the Project. Results indicated that deeper mud gas samples (N18–N20) come from a reservoir oil accumulation.

Mud gas samples collected in Isotubes whilst drilling were sent to the lab for analysis following the completion of well site activities. This study looks at the ratios and quantities of carbon isotopes in the samples which provide valuable information about their source. Encouragingly, a marked increase in the C2+ level in deeper samples "strongly suggest reservoir hydrocarbons" and thermal maturities indicate the source rock to be in the "heart of the oil window". In combining and summarising these results, all indications are that deeper mud gas samples come from a "reservoir oil accumulation".

Merlin-2 Appraisal Well

In October 2021, 88E announced that it had executed a rig contract with Doyon Drilling Inc (Doyon) for the use of the Arctic Fox rig to drill the Merlin-2 appraisal well at Project Peregrine, to a permitted Total Depth of 8,000 feet.

Merlin-2 is targeting 652 million barrels of oil * (with a 56% geological change of success) in the highly prospective N18, N19 and N20 targets that were encountered in the successful Merlin-1 well (drilled in March 2021 to a depth of 5,267 feet), which demonstrated the presence of oil in these multiple stacked sequences in the Brookian Nanushuk Formation.



On 24 November 2021, the Company announced that it had selected the Merlin-2 well location, from three initially permitted locations. Several appraisal drilling locations were analysed to the east of the Merlin-1 well, closer to the shelf break where enhanced reservoir thickness and quality are expected. The remaining two locations permitted, including Harrier-1 location, can be drilled in the future to further assess the potential of the Project Peregrine acreage.

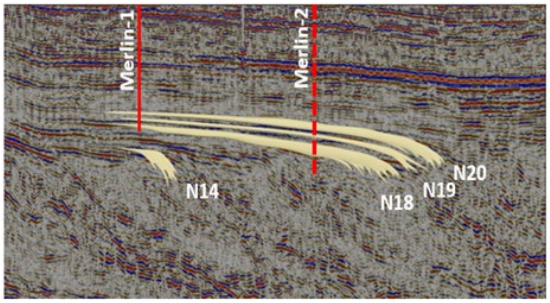


Figure 2: Merlin-2 drilling location and long section showing expected enhanced reservoir thickness to the East

A production testing program for the Merlin-2 well has been designed and will be on standby during initial wellsite operations. The production test is contingent upon the wireline program results, in particular the MDT results, as well as government approvals. The program and length of the test will be subject to operational, funding and weather window considerations.

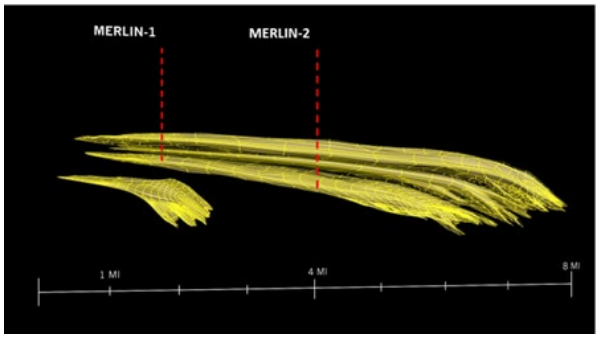


Figure 3: Wireframe image showing respective Merlin-1 and Merlin-2 well locations, facing east and overlain with predicted reservoir sands profile.

Subsequent to year-end, there have been key advancements regarding Merlin-2 appraisal well program:

- ✓ Pioneering of the single lane snow road had also been completed.
- ✓ 10 February 2022, 88E advised that the Permit to Drill (PTD) had been approved by the Bureau of Land Management (BLM) for the Merlin-2 appraisal well.
- ✓ Permitting and planning has been completed
- ✓ Commissioning and mobilisaton of the Arctic Fox rig to the Merlin-2 drilling location completed
- ✓ Spudding of the Merlin-2 well occurred on 7 March 2022 with drilling expected to take approximately three to four weeks, including wireline logging.

Figure 4: Snow Road construction for Merlin-2

*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.

REVIEW OF OPERATIONS

Project Icewine

(193,000 acres; 75% Working Interest)

88E was buoyed by the drilling results of the Talitha-A well in Q1 of 2021, where multiple formations reported oil shows in the Talitha-A well by Pantheon Resources (see AIM:PANR release dated 19 April 2021). 88 Energy does not hold an interest in Talitha-A well, but is closely monitoring planned activity proximate to the northern border of its Project Icewine acreage due to the potential for an extension into 88E leases. There has been additional insight into the prospects of the Schrader Bluff, Canning, Seabee and Kuparuk formations, highlighted from the results of the Talitha-A program, which may have positive implications for the same formations in 88 Energy's Icewine acreage.

All three wells drilled by 88 Energy at Project Icewine have encountered good quality reservoir in the Kuparuk formation, with indications of hydrocarbons. These had previously been interpreted as likely gas condensate or residual oil, and no prospective resource had been assigned.

The results at Talitha-A are regionally, highly encouraging for all target formations, including those interpreted across Project Icewine. Given the results from the Talitha-A well, 88 Energy's internal geoscience team is reassessing the potential across the acreage with an updated prospective resource estimate planned for 1H 2022.

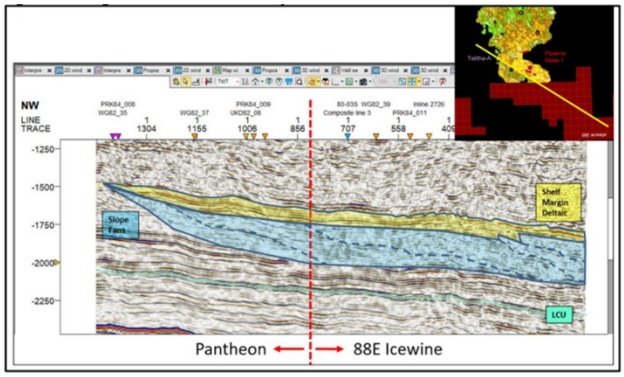


Figure 5: Shelf Margin Deltaic Extension into Project Icewine

Yukon

(38,681 acres; 100% Working Interest)

In 2018, 88 Energy acquired 3D seismic over Cascade and, post analysis, high-graded it from a lead to a drillable prospect. The Yukon Leases are located in proximity to the Point Thompson infrastructure. Discussions advanced with nearby lease owners during the year with respect to a joint development area with negotiation agreements and due diligence underway.

Umiat Oil Field

(17,633 acres; 100% Working Interest)

In Q1 2021, 88E acquired the Umiat Oil Field. As part of the acquisition, 88E received the Umiat data pack which includes Umiat 3D seismic data. The Umiat 3D survey abuts the southern edge of the Project Peregrine lease blocks. Integrating the Linc/Malamute seismic interpretation has provided a better understanding of the Peregrine reservoir geometries to the north as well as enriching our petrophysical database with additional well control (Umiat-18 and Umiat-23H).

Internal reinterpretation of modern 3D seismic is suggestive of untested reservoirs at Umiat. Prospects have been mapped in the footwall of the Umiat structure as well as downdip from the proven oil zone in the hanging wall. Initial internal volumetric calculations suggest there may be multi-million barrels of recoverable oil combined in the hanging wall and footwall. Both prospects are deeper than the current reserves at Umiat which should have a positive impact on productivity. Development studies continued focusing on the potential integration of Ultra Low Sulphur Diesel production with previous studies. Initial screening economics suggest that this development option adds further value to a future Umiat development.

A separate Umiat-23H well performance review was also completed. This well was drilled in 2014 by a previous owner and flowed at a sustained rate of 200 BOPD with no water, and a maximum rate of 800 BOPD. The review concluded that this well significantly underperformed due to poor drilling and completion techniques. A more conventional trajectory and completion design for a 5000 ft horizontal section was modelled to produce at stabilised rates of between 800 and 1600 BOPD. Consequently, an opportunity exists for the optimisation of historic subsurface development plans.

REVIEW OF OPERATIONS

ESG

On 30 June 2021, 88 Energy announced the adoption of the Environmental, Social and Governance (ESG) framework developed by the World Economic Forum (WEF). 88E is committed to building its credentials and making disclosures against the World Economic Forum (WEF) ESG framework. During the year, 88E has made the following progress:

- Renewal of 88E's Board with Mr Philip Byrne joining as Non-Executive Chairman and Ms Joanne Kendrick joining as Non-Executive Director. The addition of both Mr Byrne and Ms Kendrick brings significant international oil and gas experience, with a broad range of skillsets, to the Board.
- Engagement of Socialsuite technology platform to establish ESG baseline and deliver the Company's inaugural quarterly ESG Dashboard and tailored action plan.
- Providing employment to local Alaskans throughout the Merlin-1 and Merlin-2 drilling programs.
- Strict environmental adherence facilitates minimal-intervention drilling
- Participation in the Carbonfree® Business Partnership Program, thus offsetting emissions from the Merlin-1 program and other operating activities. In 2021 the Company reduced 6500 tonnes of CO2 emissions through a donation to Carbonfree® which supports verified projects that promote global warming solutions and help provide cleaner air and energy. The project chosen to offset the CO2 emissions was a U.S. based forestry conservation and carbon sequestration project.

OUR PEOPLE

88E currently employs a workforce of 10 employees, including 3 non-executive directors. In our workforce 70% of employees are male and 30% are female. We also engage various contractors on an as needs basis including investor relations, company secretary, technical, and advisors. During drilling programs, we have a significant operations team as well as contractors that operate on the North Slope of Alaska.

HEALTH AND WELLBEING

88E endeavours to create a work culture that not only places operational safety at the forefront, but also recognises that the physical, mental health and wellbeing of our employees is an essential part of creating a safe, healthy, and productive workplace.

- Partnership with SALA MEDICAL (North Slope, Alaska) - keeping our people safe with proactive OHSE and COVID protocols

DIRECTOR'S REPORT

The Directors of 88 Energy Limited ("88E" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of 88 Energy Limited and its controlled entities (the "Group") for the financial year ended 31 December 2021. To comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The Directors in office of the Company at any time during or since the end of the financial year, unless otherwise stated, are:

Mr Philip Byrne

Non-Executive Chairman

Appointed: 2 August 2021

Experience

Mr Byrne is a petroleum geologist by training with over 40 years' experience in the international oil and gas industry across technical, exploration, commercial and executive leadership roles. Previous positions he has held include Executive Vice President Marketing & Trading and Commercial, for Santos Energy, Managing Director and CEO of Nido Petroleum, President of the North-West Shelf Australia LNG organisation (the JV marketing arm of the NW Shelf LNG Project) and various roles with BHP Petroleum including General Manager (Pakistan), President Gas Marketing (Asia/Australia) and General Manager (Australia).

Directorships held in other listed entities during the three years prior to the current year

None

Interest in shares, options and rights

Ordinary Shares – nil

Performance Rights – 10,000,000

Share Options – nil

Dr Stephen Staley

Non-Executive Director

Appointed: 9 April 2014

Experience

Dr Staley has more than 35 years of wide-ranging management, technical and commercial experience in the international oil, gas and power sectors. He co-founded and brought to the AIM market both Fastnet Oil & Gas plc (where he was the founding CEO) and Independent Resources plc (where he was the founding Managing Director). He was also both a technical consultant to, and Non-Executive Director of, Cove Energy plc – the highly successful East Africa focused explorer. Dr Staley is owner and founder of Derwent Resources Limited, an upstream consultancy advising on oil and gas opportunities. Prior to this he has worked for Cinergy Corp., Conoco, and BP.

Directorships held in other listed entities during the three years prior to the current year

Upland Resources Ltd (until October 2019)

Predator Oil & Gas Holdings PLC (until March 2021)

Nostra Terra Oil & Gas Company PLC

Interest in shares, options and rights

Ordinary Shares – 12,803,334

Performance Rights – 10,000,000

Share Options – nil

Ms Joanne Kendrick

Non-Executive Director

Appointed: 2 August 2021

Experience

Ms Kendrick is a petroleum engineer with over 25 years' experience in the global oil and gas sector.

Ms Kendrick has previously held Board and senior executive positions with various international oil and gas companies including more recently as Managing Director and CEO of Blue Star Helium Limited.

Directorships held in other listed entities during the three years prior to the current year

Buru Energy Limited

Sacgasco Limited

Blue Star Helium Limited (until May 2021)

Interest in shares, options and rights

Ordinary Shares – nil

Performance Rights – 10,000,000

Share Options – nil

Mr Ashley Gilbert

Managing Director

Appointed: 10 May 2021

Experience

Mr Gilbert was appointed as Managing Director on 10 May 2021. Prior to his appointment, he was Chief Financial Officer and Company Secretary of 88 Energy. He is a Chartered Accountant with more than 20 years' experience in commerce and public practice. Prior to 88 Energy Mr Gilbert was CFO of Neptune Marine Services Ltd, a leading provider of integrated oil field services, and also CFO of Nido Petroleum Ltd for just under 10 years. He has also held various finance positions within Woodside Petroleum Limited, GlaxoSmithKline plc. in London and public practice in taxation, auditing, business development, financial management and governance roles.

Directorships held in other listed entities during the three years prior to the current year

None

Interest in shares, options and rights

Ordinary Shares – nil

Performance Rights – 61,253,540

Share Options – nil

PREVIOUS DIRECTOR

Mr Michael Evans

Non-Executive Chairman

Appointed 9 April 2014

Resigned August 2021

Experience

Mr Michael Evans is a highly experienced mining and resource industry executive based in Perth who has extensive executive and board level experience with publicly listed companies in the natural resources sector. Michael resigned from 88 Energy Limited on 2 August 2021.

COMPANY SECRETARY

Ms Sarah Smith

Appointed: 4 March 2016 - 1 August 2020

Reappointed: 10 May 2021

Experience

Sarah specialises in corporate advisory, company secretarial and financial management services. Sarah's experience includes company secretarial and financial management services for ASX listed companies, capital raisings and IPOs, due diligence reviews and ASX and ASIC compliance. Sarah is a Chartered Accountant and has acted as the Company Secretary of several ASX listed companies.

BOARD AND MANAGEMENT CHANGES

Following the resignation of Mr David Wall, the Company announced on 10 May 2021, that Mr Ashley Gilbert was appointed to the role of Managing Director and Ms Sarah Smith to the role of Company Secretary.

On 2 August 2021, the Company announced it had further strengthened its Board and Management through the appointment of Mr Philip Byrne as Non-Executive Chairman; Ms Joanne Kendrick as a Non-Executive Director; and Mr Robert Benkovic as Chief Operating Officer. Mr Michael Evans retired from the Board following more than seven years of service as Non-Executive Chairman. The Company would like to express its deep gratitude to Michael for the substantial commitment and contribution that he has provided to the business over this time. Mr Oliver Mortensen also joined 88E in November 2021 as Chief Financial Officer

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings held during the financial year and the number attended by each Director. During the financial year, 5 board meetings were held and several matters were approved by circular resolution.

Director	Number Eligible to Attend	Number Attended
Michael Evans *	2	2
David Wall *	1	1
Stephen Staley	5	5
Mr Philip Byrne*	3	3
Ms Joanne Kendrick*	3	3
Mr Ashley Gilbert	4	4

*Michael Evans (2 August 2021) and David Wall (10 May 2021) resigned from the board of directors. Philip Byrne and Joanne Kendrick joined the board on 2 August 2021.

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means. Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee. Matters typically managed by these Committees are, for the time being, managed by the Board. For details of the function of the Board, please refer to the Corporate Governance Statement on the 88E website.

SHARE OPTIONS AND PERFORMANCE RIGHTS

Unissued shares

As at 31 December 2021, the following Company options and performance rights were on issue:

Type	Number	Exercise Price	Expiry Date
Placement fee options	50,000,000	$0.050	08-11-24
Performance Rights	220,952,867	-	-
TOTAL	**270,952,867**	-	

Option and Performance Right holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

For the year ending December 2021, 12,166,667 options were converted to shares at $0.006.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 31 December 2021 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act. The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

KEY MANAGEMENT PERSONNEL

The remuneration structure for key Management and Directors is based on a number of factors including length of service, experience, responsibilities and the performance of the Company.

Key Management Personnel of the Group during or since the end of the financial year were:

Mr Ashley Gilbert	Managing Director (appointed 10 May 2021), previously Chief Financial Officer (appointed 1 August 2019)
Dr Stephen Staley	Non-Executive Director
Mr Philip Byrne	Non-Executive Director (appointed 2 August 2021)
Ms Joanne Kendrick	Non-Executive Director (appointed 2 August 2021)
Mr Robert Benkovic	Chief Operating Officer (appointed 2 August 2021)
Mr Oliver Mortensen	Chief Financial Officer (appointed 15 November 2021)
Mr Michael Evans	Non-Executive Chairman (resigned 2 August 2021)
Mr David Wall	Managing Director (resigned 10 May 2021)

Remuneration Policy and Governance

The Remuneration Report is set out under the following main headings:

A Remuneration Philosophy
B Remuneration Governance, Structure and Approvals
C Remuneration and Performance
D Details of Remuneration
E Service Agreements

F Share-based Compensation
G Equity Instruments Issued on Exercise of Remuneration Options
H Voting and comments made at the Company's 2020 Annual General Meeting
I Loans with KMP
J Other Transactions with KMP

A Remuneration Philosophy

The Company recognises that it operates in a competitive environment and to operate effectively, it must attract, motivate, and retain key personnel. The Board of Directors and key management personnel have authority and responsibility for planning, directing, and controlling the activities of the Group. Compensation levels for key management personnel of the Company are competitively set to attract and retain appropriately qualified and experienced Directors and Executives.

B Remuneration Governance, Structure and Approvals

The Board is responsible for setting the remuneration of Executive and Directors and its objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. The Board has not established a separate Remuneration Committee at this point due to the level of activity of the Group. The Company has recently engaged an external remuneration consultant to review and provide an independent remuneration review of Board, Management and Staff of 88E.

Board Remuneration responsibilities include:

- Executive remuneration framework
- Operation of the incentive plans, including key performance indicators and performance hurdles
- Executive Remuneration
- Non-Executive Director fees

Non-Executive Remuneration Structure

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall initially be no more than A$300,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting. Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company.

The remuneration of Non-Executive Directors is detailed in Table 1(a) and their contractual arrangements are disclosed in "Section E – Service Agreements". Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

Executive Remuneration Structure

The nature and amount of remuneration of Executives are assessed on an annual basis or as otherwise determined by the Board, with the overall objective of ensuring maximum stakeholder benefit from the

retention of high performing Executives. The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives
- Executives who will create value for shareholders
- Competitive remuneration benchmarked against the market
- Fair and responsible rewards to Executives having regard to the performance of the Group

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with the market. Executive remuneration and incentive policies and practices are designed to motivate management to pursue the Company's strategy, growth and success and demonstrate a clear relationship between the Company's overall performance and performance of the executives.

The remuneration of Executives is detailed in Table 1(a) and their contractual arrangements are disclosed in "Section E – Service Agreements". Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

C Remuneration and Performance

The remuneration policy has been tailored to align objectives between Shareholders, Directors and Executives. As part of each of the key management personnel's remuneration package, there is a performance-based component consisting of the issue of performance rights to encourage the alignment of Management and Shareholders' interests. The Board determines appropriate options or performance rights' vesting conditions that includes tenure and share price to provide potential rewards over a period. This policy has been deemed by the Board to be the most appropriate performance-based compensation method for a company of its size and nature.

Due to the Company's growth stage, it is not appropriate at this time to evaluate the Company's financial performance using EBITDA and profitability, as such a summary of the operating losses, share prices, and market capitalisation at year end for the last five years are as follows:

Metric	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Net Loss after income tax ($)	**(2,410,189)**	(22,033,633)	(36,780,457)	(5,993,593)	(8,408,915)
EPS (cents per share)	**(0.0001)**	(0.003)	(0.005)	(0.001)	(0.002)
Share price	**0.025**	0.010	$0.022	$0.019	$0.026
Market capitalisation	**$370.2 million**	$106.0 million	$151.2 million	$120.2 million	$120.9 million

Relationship between Remuneration and Company Performance

Given the current phase of the Company's development, the Board does not consider earnings when determining the nature and amount of remuneration of KMP.

The Remuneration and reward framework for key management personnel may consist of the following areas:

a) Fixed Remuneration
b) Variable - Short-term Incentives
c) Variable - Long-term Incentives

The combination of these would comprise the key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds. Compensation levels are reviewed regularly by the Board through a process that considers individual performance against agreed key performance indicators and Group performance.

Fixed remuneration is guided by the nature and responsibilities of each role as well as knowledge, skills and experience required for each position and market competitive.

b) Variable - Short-term Incentives (STI)

Discretionary cash bonuses may be paid to Executives annually, subject to the requisite Board and shareholder approvals where applicable. The Board considers performance of each individual in the period and Company performance.

c) Variable - Long Term Incentives (LTI)

The Company adopted an Incentive Option Scheme during the year 31 December 2015 and a Performance Rights Scheme during the year 31 December 2018. LTI Rights are issued under the Employee Performance Rights and Options Plan to eligible participants. It provides for key management personnel, and staff to receive performance rights and/or options over ordinary shares. Any performance rights or options issued to Directors require the approval of shareholders.

Each Performance Right or Option granted under the Scheme will be granted for nil or nominal consideration. Each Performance Right or Option is exercisable into one Share in the Company and the exercise price and expiry date granted under the Scheme will be determined by the Board prior to the grant of the Performance Rights or Options.

The Options granted may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options. The Options will not be quoted on ASX.

D Details of Remuneration

The following tables set out the remuneration for the Directors and key Management of the Group.

Table 1(a): KMP Directors Remuneration for the years ended 31 December 2021 and 31 December 2020

Directors	Year	Fixed Remuneration				Variable Remuneration	TOTAL
		Salary & Fees	Annual & Long Service Leave	Bonus & Other	Superannuation	Performance Rights & Options[iv]	
		$	$	$	$	$	$
Michael Evans [i]	2021	81,667	-	-	7,817	-	89,484
	2020	134,750	-	-	12,801	-	147,551
David Wall [i] [ii]	2021	182,815	-	-	13,300	-	196,115
	2020	413,227	23,202	120,000	29,426	43,834	629,689
Stephen Staley	2021	65,000	-	-	-	15,269	80,269
	2020	62,562	-	-	-	-	62,562
Ashley Gilbert [i][iv]	2021	385,284	30,839	158,000 [iii]	24,999	205,833	804,955
	2020	-	-	-	-	-	-

Directors	Year	Fixed Remuneration				Variable Remuneration	TOTAL
		Salary & Fees	Annual & Long Service Leave	Bonus & Other	Superannuation	Performance Rights & Options[iv]	
		$	$	$	$	$	$
Philip Byrne[i]	2021	58,333	-	-	5,833	15,269	79,435
	2020	-	-	-	-	-	-
Joanne Kendrick [i]	2021	27,083	-	-	2,708	15,269	45,061
	2020	-	-	-	-	-	-
Total	**2021**	**800,183**	**30,839**	**158,000**	**54,657**	**251,640** [v]	**1,295,319**
Remuneration	**2020**	**610,539**	**23,202**	**120,000**	**42,227**	**43,834**	**839,802**

(i) Mr Evans resigned 2 August 2021; Mr Wall resigned 10 May 2021; Mr Gilbert appointed 10 May 2021; Mr Byrne appointed 2 August 2021; Ms Kendrick appointed 2 August 2021.

(ii) Upon resignation Mr Wall was paid out unused annual lease $180,211 and unused long service leave $49,555.

(iii) Mr Gilbert was paid a cash bonus in 2021 of $143,636 and elected to cash out super of $14,364. Bonuses were based on company performance and due to several significant company achievements during the year.

(iv) On 24th October, with board approval, Mr Gilbert cashed out his vested performance rights for $67,934 plus cashed out super. These performance rights have previously been expensed in the company's accounts to the amount of $43,025, $24,909 is incorporated in Share Based Payments.

(v) Performance Rights and Options expensed over the vesting period.

Table 1(b) – KMP Executives Remuneration for the years ended 31 December 2021 and 31 December 2020

Executives	Year	Fixed Remuneration				Variable Remuneration	TOTAL
		Salary & Fees	Annual & Long Service Leave	Bonus & Other	Superannuation	Performance Rights & Options[iii]	
		$	$	$	$	$	$
Ashley Gilbert [i]	**2021**	-	-	-	-	-	-
	2020	310,869	21,892	102,000	18,760	24,119	477,640
Robert Benkovic [i]	2021	135,208	12,582	26,667 [ii]	11,458	49,320	235,235
	2020	-	-	-	-	-	-
Oliver Mortensen [i]	2021	31,076	3,066	-	3,108	7,627	44,877
	2020	-	-	-	-	-	-
Total	**2021**	**166,284**	**15,648**	**26,667**	**14,566**	**56,947** [iii]	**280,113**
Remuneration	2020	310,869	21,892	102,000	18,760	24,119	477,640

(i) Mr Gilbert was appointed Managing Director on 10 May 2021 and previously Chief Financial Officer. For 2021 Mr Gilbert's remuneration is indicated in Table 1(a) Directors Remuneration.
Mr Mortensen was appointed Chief Financial Officer on 15 November 2021.
Mr Benkovic was appointed Chief Operating Officer on 2 August 2021

(ii) Mr Benkovic was paid a cash bonus in 2021 of $24,242 and elected to cash out super of $2,424. Bonuses were based on company performance and due to several significant company achievements during the year.

(iii) Performance Rights and Options expensed over the vesting period.

KMP Performance Rights, Options and Shares held

The Company has the following Performance Rights and Options Issued and Shares held by Directors, Executives and Staff in existence during the current and prior reporting periods.

Table 2 – Proportion of fixed vs variable remuneration expense

KMP	Fixed Remuneration		Variable – STI (%)		Variable – LTI (%)	
	2021	2020	2021	2020	2021	2020
Directors						
Michael Evans	**100%**	100%	**-**	**-**	**-**	**-**
David Wall	**100%**	74%	**-**	19%	**-**	7%
Stephen Staley	**81%**	100%	**-**	-	**19%**	-
Ashley Gilbert	**60%**	74%	**19%**	21%	**21%**	5%
Philip Byrne	**81%**	-	**-**	-	**19%**	-
Joanne Kendrick	**66%**	-	**-**	-	**34%**	-
Executives				**-**		
Ashley Gilbert	**-**	74%	**-**	19%	**-**	7%
Robert Benkovic	**72%**	-	**10%**	-	**18%**	-
Oliver Mortensen	**83%**	-	**-**	-	**17%**	-

Table 3 – Shareholdings of KMP (direct and indirect holdings)

KMP	Opening Balance 1 January 2021	Granted	Issue on exercise of equity instruments	Net Change / Other	Closing Balance 31 December 2021
Directors					
Michael Evans	30,790,478	-	1,666,667	(32,457,145)	-
David Wall	111,704,682	-	8,333,333	(120,038,015)	-
Stephen Staley	11,141,667	-	1,666,667	-	12,808,334
Ashley Gilbert	-	-	-	-	-
Philip Byrne	-	-	-	-	-
Joanne Kendrick	-	-	-	-	-
Executives					
Robert Benkovic	-	-	-	-	-
Oliver Mortensen	-	-	-	-	-
Total	**153,36,827**	**-**	**11,666,667**	**(152,495,160)**	**12,808,334**

Table 4 – Performance Rights of KMP (direct and indirect holdings)

KMP	Opening 1 January 2021	Granted	Vested & Exercised	Net Change / Expired / Other	Closing 31 December 2021	Vested & Exercisable
Directors						
David Wall	77,640,000	-	(3,022,200)	(74,617,800) (1)	-	-
Ashley Gilbert	44,727,000	21,200,000	(2,264,460) (ii)	(2,409,000)	61,253,540	-
Philip Byrne	-	10,000,000	-	-	10,000,000	-
Stephen Staley	-	10,000,000	-	-	10,000,000	-
Joanne Kendrick	-	10,000,000	-	-	10,000,000	-
Executives						
Robert Benkovic	-	21,600,000	-	-	21,600,000	-
Oliver Mortensen	-	12,000,000	-	-	12,000,000	-
Total	**122,367,000**	**84,800,000**	**(5,286,660)**	**(77,026,800)**	**124,853,540**	**-**

(i) The change of 74,617,800 is represented by the expiration of 11,925,000 performance rights due to not meeting tranche criteria conditions and 62,692,800 due to the resignation of Mr Wall and no longer a KMP of 88 Energy Limited.

(ii) During the year 2,264,460 of the 2018 performance rights issue vested and were exercised. With board approval Mr Gilbert elected to cash settle.

E Service Agreements

- **Mr Ashley Gilbert – Managing Director**
  - Contract: Engaged as an employee with employment commencing 28 January 2017, appointed as Managing Director 10 May 2021.
  - Employee Salary: $450,000 per annum plus superannuation.
  - Performance Based Bonuses: The Company may at any time pay Mr Gilbert a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the performance of Mr Gilbert and the Company.
  - Termination by Company is with 3 months' notice or payment in lieu thereof. Termination by Mr Gilbert is with 3 months' notice.
  - Termination Benefit: Termination benefits to the extent permitted under the ASX Listing Rules and Corporations Act are included in the contract in the event of certain termination events.

- **Mr Philip Byrne – Non-Executive Chairman**
  - Contract: Commenced on 2 August 2021.
  - Director's Fee: A$140,000 per annum plus superannuation.
  - Refer to Note 1 below for details pertaining to re-appointment and termination.

- **Mr Stephen Staley – Non-Executive Director**
  - Contract: Commenced on 9 April 2014.
  - Director's Fee: $65,000 per annum
  - Refer to Note 1 below for details pertaining to re-appointment and termination.

- **Ms Joanne Kendrick – Non-Executive Director**
  - Contract: Commenced on 2 August 2021.
  - Director's Fee: A$65,000 per annum plus superannuation.
  - Refer to Note 1 below for details pertaining to re-appointment and termination.

- **Mr Robert Benkovic – Chief Operating Officer**
  - Contract: Engaged as an employee with employment commencing 2 August 2021
  - Employee Salary: $320,000 per annum plus superannuation.
  - Performance Based Bonuses: The Company may at any time pay Mr Benkovic a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the performance of Mr Benkovic and the Company.
  - Termination by Company is with 3 months' notice or payment in lieu thereof. Termination by Mr Benkovic is with 1 months' notice.
  - Termination Benefit: Termination benefits to the extent permitted under the ASX Listing Rules and Corporations Act are included in the contract in the event of certain termination events.

- **Mr Oliver Mortensen – Chief Financial Officer**
  - Contract: Engaged as an employee with employment commencing 15 November 2021
  - Employee Salary: $240,000 per annum plus superannuation.
  - Performance Based Bonuses: The Company may at any time pay Mr Mortensen a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the performance of Mr Mortensen and the Company.
  - Termination by Company is with 3 months' notice or payment in lieu thereof. Termination by Mr Mortensen is with 3 months' notice.
  - Termination Benefit: Termination benefits to the extent permitted under the ASX Listing Rules and Corporations Act are included in the contract in the event of certain termination events.

- **Mr Michael Evans – Previous Non-Executive Chairman (Resigned 2 August 2021)**
  - Contract: Commenced on 9 April 2014 and ceased on 2 August 2021
  - Director's Fee: A$140,000 per annum plus superannuation.
  - Refer to Note 1 below for details pertaining to re-appointment and termination.

- **Mr David Wall – Previous Managing Director (Resigned 10 May 2021)**
  - Contract: Commenced on 15 April 2014 and ceased 10 May 2021
  - Salary & Director's Fee: $420,000 per annum plus superannuation.
  - Performance Based Bonuses: The Company may at any time pay Mr Wall a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the key performance indicators of Mr Wall and the Company.
  - Termination by Company is with 6 months' notice or payment in lieu thereof. Termination by Mr Wall is with 3 months' notice.
  - Termination Benefit: Termination benefits to the extent permitted under the ASX Listing Rules and Corporations Act are included in the contract in the event of certain termination events.

Note 1: The term of each Non-Executive Director is open to the extent that they hold office subject to retirement by rotation, as per the Company's Constitution, at each AGM and are eligible for re-election as a Director at that meeting. Appointment shall cease automatically in the event that the Director gives written notice to the Board, or the Director is not re-elected as a Director by the shareholders of the Company. There are no entitlements to termination or notice periods.

F Share-based Compensation

The Performance rights and options granted are to incentivise personnel to work towards and provide rewards for achieving the Company's strategic goals and improving the Company's value as determined by market price of its shares and length of tenure with the Company. The Company has the following Performance Rights and Options issued to KMP Directors and Executives in existence during the current and prior reporting periods.

Unlisted Options:

There are 50,000,000 unlisted options as at 31 December 2021.

Unlisted Performance Rights:

Performance Rights issued to KMP in the 2018 financial year which continue to vest in current year.

Directors and Executives	Tranche A	Tranche B	Tranche C	Tranche G	Total	Tranche F	Tranche G	Total
	Share Price			Reserves	Resources	Production	Tenure	
Grant Date	15/10/2018	15/10/2018	15/10/2018	15/10/2018	15/10/2018	15/10/2018	15/10/2018	
Expiry Date	24/10/2022	24/10/2022	24/10/2022	24/10/2022	24/10/2022	24/10/2022	24/10/2022	
Fair Value Price $	0.00020	0.00010	-	0.01900	0.01900	0.01900	0.01900	
Exercise Price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Performance Rights – A Gilbert	**2,409,000**	**2,409,000**	**2,409,000**	**2,409,000**	**1,204,500**	**602,250**	**602,250**	**12,045,000**
Vested Rights	-	-	-	1,662,210	-	-	602,250	-
% Vested	-	-	-	69%	-	-	100%	-
Fair Value $ - A Gilbert	482	241	-	45,771	22,886	11,443	11,443	**92,266**
Total Fair Value $	**482**	**241**	**-**	**45,771**	**22,886**	**11,443**	**11,443**	**92,266**
Benefits Expense during 2021 $ A Gilbert	-	-	-	10,722	5,721	2,861	2,999	**22,303**
Total Expensed 2021 $	**-**	**-**	**-**	**10,722**	**5,721**	**2,861**	**2,999**	**22,303**
Benefits not yet recognised $ A Gilbert	-	-	-	9,719	4,499	2,249	-	**16,467**
Total Not Yet Recognised $	**-**	**-**	**-**	**9,719**	**4,499**	**2,249**	**-**	**16,467**

(i) The value of expense recognised is the fair value of the Performance Rights recognised over the expected vesting period.

(ii) Refer to ASX release dated 13 and 28 September 2018 for specific terms and conditions of Performance Rights issued.

(iii) Performance Rights were issued under five tranches with the following performance conditions:

- Tranche A, B and C (Share Price condition): tranches have a performance period of 12 months for tranche A, 24 months for tranche B and 36 months for trance C, at which point the vesting conditions relating to absolute share price growth will be tested with total number of rights to vest dependant on outcome of testing
- Tranche D (Resources condition): tranche has non-market based vesting conditions attached that relate to the growth in the Company's Resources
- Tranche E (Reserves condition): tranche has non-market based vesting conditions attached that relate to the growth in the Company's Resources
- Tranche F (Production condition): tranche has non-market based vesting conditions attached that relate to the growth in the Company's Resources
- Tranche G (Tenure condition): tranche has non-market based vesting conditions attached that require the employee to remain employed with the Company up to including 3 years from date of issue

(iv) Tranche A. B, C performance rights lapsed in the year.

Performance Rights issued to KMP in the 2020 financial year which continue to vest in current year.

Executives	Tranche A	Tranche B	Tranche C	Tranche G	Total
	Share Price			Tenure	
Grant Date	24/12/2020	24/12/2020	24/12/2020	24/12/2020	
Expiry Date	06/01/2024	06/01/2024	06/01/2024	06/01/2024	
Fair Value Price $	0.0030	0.0040	0.0060	0.0070	
Exercise Price	Nil	Nil	Nil	Nil	
Performance Rights - A Gilbert	**11,250,000**	**11,250,000**	**11,250,000**	**3,750,000**	**37,500,000**
Vested Rights	-	-	-	-	-
% Vested	-	-	-	-	-
Fair Value $ - A Gilbert	33,750	45,000	67,500	26,250	**172,500**
Total Fair Value $	**33,750**	**45,000**	**67,500**	**26,250**	**172,500**
Benefits Expense during 2021 $ A Gilbert	33,565	22,270	22,295	8,670	**86,800**
Total Expensed 2021 $	**33,565**	**22,270**	**22,295**	**8,670**	**86,800**
Benefits not yet recognised $ A Gilbert	-	22,730	45,205	17,580	**85,515**
Total Not Yet Recognised $	**-**	**22,730**	**45,205**	**17,580**	**85,515**

(i) The value of expense recognised is the fair value of the Performance Rights recognised over the expected vesting period.

(ii) Refer to ASX release dated 5 January 2021 for specific terms and conditions of Performance Rights issued.

(iii) Performance Rights were issued under four tranches with the following performance conditions:

- Tranche A, B and C (Share Price condition): tranches have a performance period of 12 months for tranche A, 24 months for tranche B and 36 months for trance C, at which point the vesting conditions relating to absolute share price growth will be tested with total number of rights to vest dependant on outcome of testing
- Tranche G (Tenure condition): tranche has non-market based vesting conditions attached that require the employee to remain employed with the Company up to including 3 years from date of issue

Performance Rights were issued to KMP in the 2021 financial year

Executives	Tranche A	Tranche B	Tranche C	Tranche G	Total
	Share Price			Tenure	
Grant Date	21/05/2021	21/05/2021	21/05/2021	21/05/2021	
Expiry Date	21/05/2024	21/05/2024	21/05/2024	21/05/2024	
Fair Value Price $	0.011	0.015	0.019	0.025	
Exercise Price	Nil	Nil	Nil	Nil	
Performance Rights - A Gilbert	**3,360,000**	**3,360,000**	**3,360,000**	**1,120,000**	**11,200,000**
Vested Rights	-	-	-	-	
% Vested	-	-	-	-	
Fair Value $ - A Gilbert	36,960	50,400	63,840	28,000	**179,200**
Total Fair Value $	**36,960**	**50,400**	**63,840**	**28,000**	**179,200**
Benefits Expensed during 2021 $					
A Gilbert	22,530	15,362	12,970	5,689	**56,551**
Total Expensed 2021 $	**22,530**	**15,362**	**12,970**	**5,689**	**56,551**
Benefits not yet recognised $					
A Gilbert	14,430	35,038	50,870	22,311	**122,649**
Total Not Yet Recognised $	**14,430**	**35,038**	**50,870**	**22,311**	**122,649**

Executives	Tranche A	Tranche B	Tranche C	Tranche G	Total
	Share Price			Tenure	
Grant Date	30/08/2021	30/08/2021	30/08/2021	30/08/2021	
Expiry Date	30/08/2024	30/08/2024	30/08/2024	30/08/2024	
Fair Value Price $	0.012	0.022	0.019	0.039	
Exercise Price	Nil	Nil	Nil	Nil	
Performance Rights - R Benkovic	**6,480,000**	**6,480,000**	**6,480,000**	**2,160,000**	**21,600,000**
Vested Rights	-	-	-	-	
% Vested	-	-	-	-	
Fair Value $ - R Benkovic	36,960	50,400	63,840	30,240	181,440
Total Fair Value $	**77,760**	**142,560**	**123,120**	**84,240**	**427,680**
Benefits Expensed during 2021 $					
R Benkovic	25,920	11,880	6,840	4,680	49,320
Total Expensed 2021 $	**25,920**	**11,880**	**6,840**	**4,680**	**49,230**
Benefits not yet recognised $					
R Benkovic	51,840	130,680	116,280	79,560	**378,360**
Total Not Yet Recognised $	51,840	130,680	116,280	79,560	**378,360**

Directors	Tranche A	Tranche B	Tranche C	Total
	Share Price			
Grant Date	08/11/2021	08/11/2021	08/11/2021	
Expiry Date	06/01/2024	06/01/2024	06/01/2024	
Fair Value Price $	0.012	0.022	0.019	
Exercise Price	Nil	Nil	Nil	
Performance Rights	**13,333,333**	**13,333,333**	**13,333,333**	**40,000,000**
S. Staley	3,333,333	3,333,333	3,333,333	10,000,000
P. Byrne	3,333,333	3,333,333	3,333,333	10,000,000
J. Kenrick	3,333,333	3,333,333	3,333,333	10,000,000
A. Gilbert	3,333,333	3,333,333	3,333,333	10,000,000
Vested Rights	-	-	-	
% Vested	-	-	-	
Fair Value $				
S. Staley	40,000	73,333	63,333	**176,667**
P. Byrne	40,000	73,333	63,333	**176,667**
J. Kenrick	40,000	73,333	63,333	**176,667**
A. Gilbert	40,000	73,333	63,333	**176,667**

Total Fair Value $	**160,000**	**293,332**	**253,332**	**706,668**
Benefits Expensed during 2021 $				
S. Staley	6,247	5,726	3,297	**15,270**
P. Byrne	6,247	5,726	3,297	**15,270**
J. Kenrick	6,247	5,726	3,297	**15,270**
A. Gilbert	6,247	5,726	3,297	**15,270**
Total Expensed 2021 $	24,988	22,904	13,188	**61,080**
Benefits not yet recognised $				
S. Staley	33,753	67,607	60,037	**161,397**
P. Byrne	33,753	67,607	60,037	**161,397**
J. Kenrick	33,753	67,607	60,037	**161,397**
A. Gilbert	33,753	67,607	60,037	**161,397**
Total Not Yet Recognised $	**135,012**	**270,428**	**240,148**	**645,588**

Executives	Tranche A	Tranche B	Tranche C	Tranche G	Total
	Share Price			Tenure	
Grant Date	7/12/2021	7/12/2021	7/12/2021	7/12/2021	
Expiry Date	31/1/2025	31/1/2025	31/1/2025	31/1/2025	
Fair Value Price $	0.012	0.022	0.019	0.026	
Exercise Price	Nil	Nil	Nil	Nil	Nil
Performance Rights – O Mortensen	**3,600,000**	**3,600,000**	**3,600,000**	**1,200,000**	**12,000,000**
Vested Rights	-	-	-	-	**-**
% Vested	-	-	-	-	**-**
Fair Value $ - O Mortensen	43,200	79,200	68,400	31,200	**222,000**
Total Fair Value $	**43,200**	**79,200**	**68,400**	**31,200**	**222,000**
Benefits Expensed during 2021 $					
O Mortensen	2,841	2,604	1,499	684	**7,627**
Total Expensed 2021 $	**2,841**	**2,604**	**1,499**	**684**	**7,627**
Benefits not yet recognised $					
O Mortensen	40,359	76,596	66,901	30,516	**214,373**
Total Not yet Recognised $	**40,359**	**76,596**	**66,901**	**30,516**	**214,373**

(i) The value of expense recognised is the fair value of the Performance Rights recognised over the expected vesting period.

(ii) Performance Rights were issued under four tranches except for those issued to directors on the 24/12/2021 which do not have a tenure tranche. The following reflect the performance conditions:

- Tranche A, B and C (Share Price condition): tranches have a performance period of 12 months for tranche A, 24 months for tranche B and 36 months for tranche C, at which point the vesting conditions relating to absolute share price growth will be tested with total number of rights to vest dependant on outcome of testing
- Tranche E (Tenure condition): tranche has non-market based vesting conditions attached that require the employee to remain employed with the Company up to including 3 years from date of issue

G Equity Instruments Issued on Exercise of Remuneration Options

No new shares were issued on exercise of Options during the 2021 financial year.
No remuneration options were exercised during the 2021 financial year.

H Voting and comments made at the Company's 2020 Annual General Meeting

The adoption of the Remuneration Report for the financial year ended 31 December 2020 was put to the shareholders of the Company at the AGM held 21 May 2021. The resolution was passed without amendment, on a poll.

I Other Transactions with KMP - Loans

There were no loans made to / from any KMP during the year ended 31 December 2021 (2020: nil).

J Other Transactions with KMP

In addition to the director service agreements, the Company's Non-Executive Directors are engaged to provide consultancy services to the Company as follows:

- Dr Stephen Staley has a consultancy agreement for an indefinite term commencing 2 November 2012. The agreement may be terminated at any time by either party giving three months clear notice. There are no termination benefits payable. In accordance with the agreement, Dr Staley is to receive a minimum fee of £2,315.20 ($A4,522) per calendar month, plus Value Added Tax or other sales tax if applicable, based on 2.5 working days per month. Any work that is carried out by the Consultant in excess of 2.5 working days per calendar month must be pre-approved by the Managing Director. Approved days will be remunerated at a rate of £1,000 ($A 2,033) per day.

The following transactions occurred with related parties:

	2021	2020
	$	$
Derwent Resources Limited(i)	51,647	53,506

(i) During the year, the Company paid £27,782; A$51,647 (2020: £28,782: A$53,506) to Derwent Resources Limited for consultancy services. The amount has been translated to Australian Dollars at the average rate.

Consultant fees paid to associated entities were on normal commercial terms.

End of Audited Remuneration Report

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement is set out on the Company's website at:

https://88energy.com/corporate-governance/

FINANCIAL REVIEW

The financial results of the Group for the year ended 31 December 2021 are:

Metric	31-Dec-21 $	31-Dec-20 $	Change %
Cash and cash equivalents	**32,317,887**	**14,845,347**	117%
Net Assets	**139,840,134**	**58,911,353**	137%
Revenue and other income	**4,448,699**	**246,778**	1702%
Net loss after tax	**(2,410,189)**	**(22,033,633)**	88%

- The loss for the year was $2,410,189 (2020: $22,033,633)
- At the end of the financial year, the Group had cash on hand of $32,317,887 (2020: $14,845,347), net assets of $139,840,134 (2020: $58,911,353) and current liabilities of $5,942,620 (2020: $5,665,833)
- In 2021 the Company raised approximately $36 million (before costs) through the issue of new shares
- Sale of Tax Credits: 88 Energy announced on 21 June 2021 that it had entered into an agreement that would facilitate the sale of all the Alaskan Oil and Gas Tax Credits which were held by Accumulate Energy Alaska, Inc. ("Accumulate"), a 100% owned subsidiary of 88 Energy. The sale price of the Tax Credits was US$18.7 million cash (A$24.8 million), payable upon completion of the sale and transfer of the outstanding tax certificates. Most of the proceeds from the sale of the tax credits were applied towards full repayment of 88 Energy's outstanding debt of US$16.1million (A$21.4 million) with FCS Advisors, LLC, which was due to mature on 30 December 2022.

Financial Position

Subject to the disclosures elsewhere in this report, the Directors believe the Group is in a stable financial position to continue to explore its projects and to identify new opportunities.

Significant Changes in State of Affairs

Apart from as stated above, no other matters or circumstances have arisen during the financial year which significantly affected the operations of the Group, the results of those operations, or the state of affairs of the Group in the financial period.

DIVIDENDS

No dividends have been paid or declared by the Group since the end of the previous financial year.
No dividend is recommended in respect of the current financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

- The Company announced that it has successfully completed a heavily and oversubscribed bookbuild to domestic and international institutional and sophisticated investors to raise up to A$32.0 million from the issue of 914 million ordinary shares at A$0.035 (refer to ASX release dated 14th February 2022).
- The Company announced the Permit to Drill for the Merlin 2 well was approved on 10th February 2022 by the Alaska Bureau of Land Management. (refer to ASX release dated 10th February 2022).
- On 21st February 2022, 88 Energy, via its newly formed wholly owned subsidiary Longhorn Energy Investments LLC, entered into a binding SPA with Lonestar I, LLC (Lonestar), to acquire a 75% ownership interest in Bighorn Energy, LLC (Bighorn) the owner of the assets, as follows:
    - Acquisition of an initial 70% ownership interest in Bighorn and its wholly owned subsidiary which owns between 89.7% - 100% gross working interest of the leases and wells in the assets
    - At the same time, acquisition of a further 5% ownership interest in Bighorn resulting from the simultaneous execution by Bighorn of letter agreements with two parties
    - Upon closing of the transactions, 88 Energy via its wholly owned subsidiary Longhorn Energy Investments LLC, will hold a 75% ownership interest in Bighorn (which results in an approximate 73% net working interest in the leases and wells)
    - Lonestar will have a 25% ownership interest in Bighorn (which results in an approximate 24% net working interest in the leases and wells)
    - Total consideration for the purchase is US$9.7 million, to be paid as US$7.2 million in cash from existing cash reserves and US$2.5 million in shares (at an issue price of A$0.035 per share, which is the same issue price as the recent 88 Energy equity raising announced on 14 February 2022)

The Directors are not aware of any other matters or circumstances at the date of the report, other than those referred to in this report or the financial statements or notes thereto, that have significantly affected or may significantly affect the operations, the result of operations or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS

Likely developments, prospects, and business strategies of the operations of the Group and the expected results of those operations have not been included in this Report as the Directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL ISSUES

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

The Directors of the Group are not aware of any breach of environmental legislation for the year under audit.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the *Corporation Act 2001* ("the Act") for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the Act

INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

During the year ended 31 December 2021, the Company paid premiums in respect of a contract insuring the directors and officers of the Company against liabilities incurred as directors or officers to the extent permitted by the Corporations Act 2001.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important. Details of the amounts paid or payable to the auditors, BDO Audit (WA) Pty Ltd, for non-audit services provided during the year are set out below.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

No Non-Audit services were provided during 2021.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is set out on page 32 and forms part of the Directors' Report for the financial year ended 31 December 2021.

Signed in accordance with a resolution of Directors made pursuant to s298 (2) of the Corporations Act 2001. This Report is made with a resolution of the Directors.

Mr Ashley Gilbert
Managing Director
Dated this 18th day of March 2022

AUDITOR'S INDEPENDENCE DECLARATION

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF 88 ENERGY LIMITED

As lead auditor of 88 Energy Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of 88 Energy Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 18 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		$	$
Revenue from continuing operations			
Other income	3(a)	**4,448,699**	246,778
Administrative expenses	3(b)	**(3,048,444)**	(1,399,215)
Occupancy expenses		**(86,765)**	(60,664)
Employee benefit expenses	3(c)	**(1,958,388)**	(1,841,758)
Share-based payment expense	18	**(738,965)**	(122,870)
Depreciation and amortisation expense		**(84,449)**	(93,387)
Finance cost		**(1,195,703)**	(2,595,406)
Other expenses	3(d)	**(48,471)**	(16,218,575)
Foreign exchange (loss) / gain		**302,297**	51,463
Loss before income tax		**(2,410,189)**	(22,033,633)
Income tax expense	4	**-**	-
Loss after income tax for the year		**(2,410,189)**	(22,033,633)
Other comprehensive income / (loss) for the year			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**4,855,236**	(7,120,022)
Other comprehensive income / (loss) for the year, net of tax		**4,855,236**	(7,120,022)
Total comprehensive income / (loss) for the year attributable to members of 88 Energy Limited		**2,445,047**	(29,153,655)
Loss per share for the year attributable to the members of 88 Energy Limited:			
Basic and diluted loss per share	5	**(0.0001)**	(0.003)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	6	**32,317,887**	14,845,347
Trade and other receivables	7	**935,930**	5,079,630
Other Current Asset	7	**10,224,959**	
Total Current Assets		**43,478,776**	19,924,977
Non-Current Assets			
Plant and equipment	8	**9,675**	4,641
Exploration and evaluation expenditure	9	**101,357,767**	48,213,290
Other Assets	10	**936,536**	17,216,644
Total Non-Current Assets		**102,303,978**	65,434,576
TOTAL ASSETS		**145,782,754**	85,359,552
LIABILITIES			
Current Liabilities			
Trade and other payables	11	**5,796,350**	5,326,634
Provisions	12	**146,270**	339,199
Total Current Liabilities		**5,942,620**	5,665,833
Non-Current Liabilities			
Borrowings	13	**-**	20,782,366
Total Non-Current Liabilities		**-**	20,782,366
TOTAL LIABILITIES		**5,942,620**	26,448,199
NET ASSETS		**139,840,134**	58,911,353
EQUITY			
Contributed equity	14	**285,809,214**	208,963,513
Reserves	15	**23,074,244**	16,580,975
Accumulated losses		**(169,043,324)**	(166,633,135)
TOTAL EQUITY		**139,840,134**	58,911,353

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Issued Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
At 1 January 2021	**208,963,513**	**16,580,975**	**(166,633,135)**	**58,911,353**
Loss for the year	-	-	**(2,410,189)**	**(2,410,189)**
Other comprehensive income	-	**4,855,236**	-	**4,855,236**
Total comprehensive income/(loss) for the year after tax	-	**4,855,236**	**(2,410,189)**	**2,445,047**
Transactions with owners in their capacity as owners:				
Issue of share capital	**80,305,041**	-	-	**80,305,041**
Issue of Options	-	**1,072,790**	-	**1,072,790**
Settlement of vested PR's		**(173,722)**		**(173,722)**
Share-based payments	-	**738,965**	-	**738,965**
Share issue costs	**(3,459,340)**	-	-	**(3,459,340)**
Balance at 31 December 2021	**285,809,214**	**23,074,244**	**(169,043,324)**	**139,840,134**
At 1 January 2020	**185,619,885**	**23,578,127**	**(144,599,502)**	**64,598,510**
Loss for the year	-	-	**(22,033,633)**	**(22,033,633)**
Other comprehensive loss		**(7,120,022)**	-	**(7,120,022)**
Total comprehensive income/(loss) for the year after tax	-	**(7,120,022)**	**(22,033,633)**	**(29,153,655)**
Transactions with owners in their capacity as owners:				
Issue of share capital	**24,130,013**	-	-	**24,130,013**
Share-based payments		**122,870**	-	**122,870**
Share issue costs	**(786,386)**	-	-	**(786,386)**
Balance at 31 December 2020	**208,963,513**	**16,580,975**	**(166,633,135)**	**58,911,353**

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANICAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Payment to suppliers and employees		**(4,594,024)**	(3,141,403)
Interest received		**841**	2,634
Interest & finance costs		**(1,052,539)**	(2,237,210)
Other Income		**-**	259,072
Net cash flows used in operating activities	6(b)	**(5,645,722)**	(5,116,907)
Cash flows from investing activities			
Payments for exploration and evaluation activities		**(41,791,086)**	(41,521,267)
Contribution from JV Partners in relation to Exploration		**20,816,000**	32,184,152
Payments for Bonds		**(112,730)**	-
Proceeds from sale of tax credits		**24,233,263**	-
Net cash flows generated from/used in investing activities		**3,145,447**	(9,337,115)
Cash flows from financing activities			
Proceeds from issue of shares	14	**42,521,478**	14,870,000
Share issue costs		**(2,523,150)**	(840,000)
Payment of borrowing		**(20,909,692)**	(398,880)
Net cash flows from financing activities		**19,088,636**	13,631,120
Net increase/(decrease) in cash and cash equivalents		**16,588,361**	(822,902)
Cash and cash equivalents at the beginning of the year		**14,845,347**	15,903,117
Effect of exchange rate fluctuations on cash held		**884,179**	(234,868)
Cash and cash equivalents at end of year	6(a)	**32,317,887**	14,845,347

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

88 Energy Limited (referred to as "88 Energy" or the "Company") is a company domiciled in Australia and listed on the ASX, AIM and OTC Markets. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group"). The Group is primarily involved in oil and gas exploration in Alaska.

(b) Basis of Preparation

Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"). 88 Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

The annual report was authorised for issue by the Board of Directors on 18 March 2022.

Basis of measurement

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(c) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of 88 Energy Limited ('Company' or 'parent entity') as at 31 December 2021 and the results of all subsidiaries for the year then ended. 88 Energy and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition method of accounting is used to account for business combinations by the consolidated entity. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. Management has determined that based on the report reviewed by the Board and used to make strategic decisions, that the consolidated entity has one reportable segment.

(e) Foreign Currency Translation

i) Functional and presentation currency

Items included in the financial statements of each of the consolidated entity's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars. 88 Energy Limited's functional currency is AUD and subsidiaries with operations in the US have a functional currency of USD.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

iii) Consolidated entity companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position account presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of profit or loss and other comprehensive income account are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(f) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. In all other cases the fee is expensed.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the considerations paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

(g) Exploration & Evaluation Expenditure

The accounting policy adopted by the Group is as follows:

(i) Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

(ii) Licence and property acquisition costs

Exploration licence and leasehold property acquisition costs are capitalised in exploration and evaluation expenditure.

Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is underway to determine that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing plans and timing.

If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs is written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

(iii) Exploration and evaluation costs

The Company accounts for exploration and evaluation activities as follows:
Acquisition costs - Exploration and evaluation costs arising from acquisitions are carried forward where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment of economically recoverable reserves.

Exploration and evaluation expenditure - Costs arising from on-going exploration and evaluation activities are assessed on a project basis.

Joint Venture contributions received, and any back costs received on farm-in are offset against exploration and evaluation costs.

Project Icewine, Yukon leases and Peregrine leases: Exploration and evaluation expenditure associated with these projects are capitalised to the Statement of Financial Position in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. These costs are only carried forward to the extent that they are expected to be

recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

All geological and geophysical costs, dry hole costs and unproved leasehold costs are also expensed as incurred in accordance with the successful effort's method of accounting for oil and gas exploration and evaluation expenditure.

There are currently no other active projects other than noted above.

(h) Income Tax

(i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.
Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss.

(ii) Deferred tax

Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred tax liabilities are recognised for all taxable temporary differences except:

a. when the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

b. when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

a. when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

c. when the deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes relating to items recognised directly in other comprehensive income or equity are recognised in other comprehensive income or equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables area stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(j) Revenue recognition

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

(i) Interest income

Interest revenue is recognised as it accrues, using the effective interest method.

(ii) Dividends

Revenue is recognised from dividends when the Group's right to receive the dividend payment is established, which is generally when shareholders approve the dividend.

(k) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Trade and Other Receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts, under the expected credit loss model.

For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

(m) Plant and Equipment

Each class of plant and equipment is carried at cost or recoverable amount less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment is recognised at fair value on initial recognition and subsequently on the cost basis.

Subsequent directly attributable costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation of plant and equipment is calculated on a straight-line basis so as to write off the net costs of each asset over the expected useful life. The following estimated useful lives are used in the calculation of depreciation:

Plant and Equipment	2 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are included in the statement of profit or loss and other comprehensive income.

(n) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset’s value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(p) Provisions

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(q) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(r) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(s) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to the members of the parent, excluding any costs of servicing equity other than ordinary shares.
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Share-based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to Key Management Personnel and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.
The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(u) Financial Instruments

(i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(ii) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions.
- Reference to the current fair value of another instrument that is substantially the same.
- A discounted cash flow analysis or other valuation models.

(v) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(w) Asset Acquisition not constituting a Business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transactions costs of the acquisition will be included in the capitalised cost of the asset.
In determining when an acquisition is determined to be an asset acquisition and not a business, significant judgement is required to assess whether the assets acquired constitute a business in accordance with AASB 3. Under AASB 3 a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and consists of inputs and processes, which when applies to those inputs has the ability or create outputs.
Management determined that the acquisition was an asset acquisition.

Fair value of asset acquisition
During the financial year, 633,457,196 ordinary shares were issued to Alaska Peregrine Development Corporation (APDC) for the acquisition of 50% working interest in Project Peregrine. The fair value of the shares granted to APDC was determined to be A$17.1m.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates

in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale or whether activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Factors which could impact the future recoverability include the level of reserves and resources, future technological changes which could impact the cost of production, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made. Refer to Note 9.

(ii) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 18.

Non-market based performance conditions are assessed by the Company for the best estimate of likelihood of conditions being met and vesting, and timing of recognition of expense.

(iii) Income taxes

The consolidated entity is subject to income taxes in Australia and foreign jurisdictions where it has operations. Significant judgement is required in determining the worldwide provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity estimates its tax liabilities based on the consolidated entity's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(iv) Asset Acquisition

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured initially at cost and if not available their fair values at the acquisition date.

NOTE 3 REVENUE AND EXPENSES	2021	2020
	$	$
(a) Income		
Interest revenue	1,422	5,244
Other income *	4,447,277	241,534
	4,448,699	246,778

**Other Income of $4,448,699 refers to the gain on sale of tax credits for the group*

(b) Administrative expenses		
Consultancy and professional fees	**871,464**	268,950
Legal fees	**94,119**	90,542
Travel costs	**21,819**	36,642
General and administration expenses, net of recoveries *	**2,061,042**	1,003,080
	3,048,444	1,399,215

** General and administrative expenses are shown net of recoveries of $86,833 from the Icewine Joint Venture and Peregrine JV. The recoveries represent costs, including time spent by the Consolidated Group's employees on exploration and appraisal interest of the Joint Venture Projects, which get capitalised to the applicable exploration and appraisal area of interest.*

(c) Employee benefit expenses		
Wages and salaries	**1,660,222**	1,583,156
Superannuation	**121,231**	107,558
Annual leave accrued	**98,359**	126,782
Other employee expenses	**78,576**	24,262
	1,958,388	1,841,758

(d) Other expenses		
Exploration impairment expense	**36,873**	11,384,288
Other expenses	**11,598**	11,589
Fair value adjustment of tax credit receivable	**-**	4,822,698
	48,471	16,218,575

NOTE 4 INCOME TAX	2021	2020
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income	-	-
Loss before income tax expense	**(2,410,189)**	(22,033,633)
Prima facie tax benefit on loss before income tax at 30% (2020: 30%)	**(723,053)**	(6,610,090)
Under provision in prior year	**11,162**	157,769
Tax effect of:		
Foreign expenditure not brought to account	**917,326**	715,944
Tax Rate differential on non-Australian income	**(287,344)**	1,649,310
Non-assessable/deductible items:		
Non-deductible entertainment expenses	**3,006**	(45,665)
Other non-deductible expenses	**28,562**	1,503
Share based payments	**221,690**	36,861
Deferred tax asset on temporary differences and tax losses not brought to account	**(171,349)**	4,094,368
Income tax expense for the year	**-**	-
(b) Deferred income tax		
Deferred tax liabilities	**(137,504)**	(141,622)
Deferred tax assets	**53,623,893**	53,780,331
Deferred tax assets not recognised on temporary differences and tax losses	**(53,486,389)**	(53,638,709)
Net deferred tax assets	**-**	**-**

The Group has unutilised tax losses for which no deferred tax asset is recognised on the reporting date of $42,444,458 (2020: $42,444,458) which are available indefinitely for offset against future tax gains subject to continuing to meet relevant statutory tests.

The deferred tax asset not brought to account will only be obtained if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
(c) the Company is able to meet the continuity of business tests and/ or continuity of ownership.

NOTE 5 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2021	2020
	$	$
Net (loss) for the year	**(2,410,189)**	(22,033,633)
Weighted average number of ordinary shares for basic and diluted loss per share.	**13,065,042,522**	8,150,649,862

Options on issue are not considered dilutive to the earnings per share as the Company is in a loss-making position.

Continuing operations		
- Basic and diluted loss per share ($)	**(0.0001)**	(0.003)

NOTE 6 CASH AND CASH EQUIVALENTS

(a) Cash details

Cash at bank and in hand[(i)]	**32,317,887**	14,845,347
	32,317,887	14,845,347

Cash at banks earns interest at floating rates based on daily deposit rates. Short-term deposits are made in varying periods between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

(i) There is no restriction on cash for JV Operations for the year ended 31 December 2021 (31 December 2020: $7.2M).

NOTE 6 CASH AND CASH EQUIVALENTS (Continued)

(b) Reconciliation of net loss after tax to net cash flows from operations

	2021	2020
	$	$
Loss for the financial year	**(2,410,189)**	(22,033,633)
Adjustments for:		
Other Income	**(4,447,277)**	-
Other Expenses	**-**	4,890,272
Depreciation	**84,449**	93,387
(Loss)/Gain on foreign exchange	**(302,297)**	(51,463)
Share based payments	**738,965**	122,870
Finance Costs	**590,314**	460,873
Impairment write-off	**36,873**	11,384,288
Changes in assets and liabilities		
Decrease / (increase) in receivables	**(7,072)**	659,677
Increase / (decrease) in trade and other payables	**263,441**	(700,177)
Increase / (decrease) in provisions	**(192,929)**	57,000
Net cash used in operating activities	**(5,645,722)**	(5,116,907)

In 2020 the Company acquired XCD, the only non – cash investment. Refer to Note 14a.

In 2021 the Company acquired the additional 50% working interest in Project Peregrine from APDC via a share issue (non-cash investment).

In 2021 the Company made vendor prepayments for suppliers of the Merlin 2 project via a share issue (non-cash investment).

NOTE 7 TRADE AND OTHER RECEIVABLES

	2021	2020
	$	$
Other deposits and receivables	**935,930**	5,079,630
	935,930	5,079,630
Other Current Asset [1]	**10,224,959**	-
	10,224,959	-

[1] Other current asset ($10,224,959) relates to vendor payments paid in advance via share allocation to Elko International see ASX Announcement on 6th December 2021.

Due to the short-term nature of other receivables, the expected fair value approximates their carrying values as at 31 December 2021 and 2020.

(a) Allowance for impairment loss

Expected credit losses in accordance with the Group's accounting policy (refer Note 1) are nil (2020: Nil).

NOTE 8 PLANT AND EQUIPMENT

Year ended 31 December 2021	2021 $	2020 $
Opening net book amount	**4,641**	12,900
Additions	**11,110**	14,690
Depreciation charge	**(6,076)**	(22,949)
Closing net book amount	**9,675**	4,641
At 31 December 2021		
Cost	**210,498**	229,771
Accumulated depreciation	**(200,823)**	(225,130)
Net book amount	**9,675**	4,641

NOTE 9 EXPLORATION AND EVALUATION EXPENDITURE

Carrying amount of exploration and evaluation expenditure	**101,357,767**	48,213,290
Movement reconciliation		
Balance at the beginning of the financial year	**48,213,290**	52,928,315
Additions	**49,919,632**	45,560,030
JV Contributions [(i)]	**(16,890,351)**	(34,063,751)
Less Impairment [(ii)]	**-**	(11,384,288)
Foreign currency translation	**2,571,250**	(4,827,016)
Acquisition 50% APDC [(iii)]	**17,543,946**	-
Closing balance	**101,357,767**	48,213,290

(i) JV Contributions received from Alaska Peregrine Development Company for expenditure incurred in relation to the Merlin 1 well in 2021 and JV Contributions received from Burgandy Xploration in relation to the Icewine well.

(ii) Impairment of the Winx-1 exploration wells which was plugged and abandoned in 2019 and relinquishment of leases in 2020.

(iii) 88 Energy acquired a 50% working interest from APDC via issue of 633,457,196 shares. See Note 14(d)

NOTE 10 OTHER ASSETS

North Slope Bid Round Deposit	**-**	-
Investments	**413,451**	389,509
ROU Asset – Office Leases	**109,634**	170,461
Tax credit receivable [(i)]	**-**	16,226,055
XCD Other Assets	**-**	41,110
Emerald House Bond	**413,451**	389,509
	936,536	17,216,644

(i) The Alaskan Government has approved a tax credit of A$24.8 million as at 31 December 2020 (US$19.1 million). This amount has been fair valued as at 31 December 2020. This amount has been recognised above within Other Non-Current Assets. In June 2021, 88 Energy sold its tax credits for US$18.7 and applied the proceeds directly against the outstanding loan with Brevet.

NOTE 11 TRADE AND OTHER PAYABLES

	2021	2020
Current	$	$
Trade payables [(i)]	**1,110,573**	590,397
Other payables [(ii)]	**4,685,777**	4,736,237
	5,796,350	5,326,634

(i) Trade payables are non-interest bearing and are normally settled on 60 day terms.

(ii) On 29 May 2015, the Company received notification that the Moroccan Minister for Energy and Minister for Finance had executed the assignment document, finalising the divestment of the interests of DVM International SARL ("DVM", 88 Energy's subsidiary in Morocco) in the Tarfaya Offshore Block. A liability of the Company which is subject to the market capitalisation of 88 Energy reaching a determined level before September 2021 would trigger a potential liability of the Company of US$3.4m (A$4.70m). The triggering of this liability has been enacted and payment of U$3.4m has been made to GALP on 24th February 2022.

NOTE 12 PROVISIONS

Current		
Annual Leave	**107,107**	267,382
Long Service Leave	**39,163**	71,817
	146,270	339,199

NOTE 13 BORROWINGS

Non-Current		
Bank facility [(i)]	**-**	20,782,366
	-	20,782,366

(i) On 23 March 2018, 88 Energy Limited refinanced the Facility and entered into a credit agreement with FCS Advisors, LLC (d/b/a Brevet Capital Advisors). The Facility was due to expire Dec 2022. The Facility contains financial covenants which have been met. As at 31 December 2020, US$16.00 million (AUD $20.78 million) has been drawn down under the Facility. As at 31 December 2021 the debt has been fully repaid with the sale for US$18.7m of tax credits.

Refer to Note 16 for further information on financial instruments.

NOTE 14 CONTRIBUTED EQUITY

(a) Issued and fully paid	**2021**		2020	
	No.	**$**	No.	**$.**
Ordinary shares	**14,811,076,196**	**285,809,214**	**10,602,304,716**	**208,963,513**

NOTE 14 CONTRIBUTED EQUITY (Continued)

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the company in proportion to the number and amount paid on the share hold.

(b) Movement reconciliation

	Number	$
At 1 January 2020	6,871,540,324	185,619,886
Issue of shares @ $0.021	238,095,240	5,000,000
Issue of shares upon 100% take up of XCD (refer to note 14a)	1,811,002,485	9,055,012
Issue of shares for services	15,000,000	75,000
Issue of shares @ $0.006	1,666,666,667	10,000,000
Less equity raising shares		(786,385)
At 31 December 2020	10,602,304,716	208,963,513
At 1 January 2021	**10,602,304,716**	**208,963,513**
Issue of shares upon conversion of options @ $0.006	**11,666,667**	**70,000**
Issue of shares upon conversion of options @ $0.055	**500,000**	**27,500**
Issue of shares for Services [(i)]	**1,204,269,048**	**27,005,233**
Issue of shares in February capital raise @ $0.008	**1,500,000,000**	**12,000,000**
Issue of shares for APDC Acquisition (refer to note 14d)	**633,457,196**	**17,150,686**
Issue of shares in September capital raise @ $0.028	**855,856,369**	**23,963,978**
Performance Rights Conversion @ $0.029	**3,022,200**	**87,644**
Less equity raising shares		**(3,459,340)**
At 31 December 2021	**14,811,076,196**	**285,809,214**

(i) Share price value is market based and on prior days closing rate

(c) Acquisition of XCD Energy Pty Ltd

The net effect of the adjustments made to the values of assets and liabilities, as included at 31 December 2020, on the acquisition of XCD Energy Ltd are as follows:

XCD assets and liabilities values	31 Dec 2020 $
Amounts settled in cash	-
Amounts settled in equity – 1,811,002,485 shares at $0.005	9,055,012
Total	**9,055,012**
Recognised amounts of Net assets	
Cash and cash equivalents	434,091
Trade and other receivables	93,880
Total Current assets	**527,971**

(c) Acquisition OF XCD Energy Pty Ltd (continued)

	2020 $
Plant and Equipment	12,438
Exploration and evaluation expenditure	5,666,716
Other Assets & Receivables	477,404
Total Non-Current Assets	**6,156,558**
Trade and Other Payables	(188,496)
Provisions	(24,969)
Total Current Liability	**(213,465)**
Lease Liability	(22,857)
Total Non – current liability	**(22,857)**
Total Net Assets	**6,448,207**
Exploration & Evaluation on acquisition	2,606,805
Net Assets Acquired	**9,055,012**

(d) Acquisition of 50% Working Interest In Project Peregrine

In June 2021, 633,457,196 ordinary shares were issued to Alaska Peregrine Development Corporations (APDC) for the acquisition of a 50% working interest in Project Peregrine. The shares were issued over four tranches at a closing market value of the day. The total consideration for the acquisition was A$17.1 million (U$12.7) which was attributed directly to an increase in exploration and evaluation expenditure for Project Peregrine. See Note 9 (iii).

NOTE 15 RESERVES

	2021	2020
	$	$
Share-based payments	**19,343,568**	17,705,535
Foreign Currency Translation Reserve	**3,730,676**	(1,124,560)
	23,074,244	16,580,975

Movement reconciliation

Share-based payments reserve;		
Balance at the beginning of the year	**17,705,535**	17,582,665
Equity settled share-based payment transactions (Note 18)	**738,965**	122,870
Issue of Options as part of Capital Raise	**1,072,790**	-
Settlement of vested Performance Rights	**(173,722)**	-
Balance at the end of the year	**19,343,568**	17,705,535

NOTE 15 RESERVES (Continued)

Foreign currency translation reserve;		
Balance at the beginning of the year	**(1,124,560)**	5,995,462
Effect of translation of foreign currency operations to group	**4,855,236**	(7,120,022)
Balance at the end of the year	**3,730,676**	(1,124,560)

Share-based payment reserve
The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors. Refer to Note 18 for further details.

Foreign currency translation reserve
The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Group are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Group's financial instruments are as follows:

	2021 **$**	2020 $
Financial Assets		
Cash and cash equivalents	**32,317,887**	14,845,347
Other receivables	**935,606**	5,079,630
	33,253,493	19,924,977
Financial Liabilities		
Borrowings	**-**	20,782,366
Trade and other payables	**5,796,350**	5,326,634
	5,796,350	26,109,000

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the US Dollar and Great British Pounds. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars was as follows:

	2021		2020	
	USD	**GBP**	USD	GBP
	$	**£**	$	£
Cash and cash equivalents	**16,089,494**	**1,521,568**	6,560,903	440,744
Borrowings	**-**	**-**	20,782,366	-

As shown in the table above the group is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar-denominated assets (ie: cash and exploration and evaluations assets). Any reasonable possible change in GBP/AUD exchange rate would not result in a material change.

	Impact on post-tax profit	
	2021 - $'000's	2020 - $'000's
USD/AUD exchange rate – increase 9%	1,050	454
USD/AUD exchange rate – decrease 9%	(1,050)	(454)

Profit is more sensitive to movements in the Australian dollar/US dollar exchange rates in 2021 than 2020 because of the increased amount of US dollar denominated cash and cash equivalents. Equity is more sensitive to movements in the Australian dollar/US dollar rates in 2021 than 2020 because of the increased amount of foreign currency assets. The group's exposure to other foreign exchange movements is not material.

(ii) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group's exposure to this risk relates primarily to the Group's cash and any cash on deposit. The Group does not use derivatives to mitigate these exposures. The Group manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2021		2020	
	Weighted average interest rate	**Balance $**	Weighted average interest rate	Balance $
Cash and cash equivalents	**0.98%**	**32,317,887**	0.98%	14,845,347
Borrowings	**-**	**-**	8.23%	20,782,366

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five-year period.

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

At 31 December 2021, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

	Post-tax profit higher/(lower)		Other comprehensive higher/(lower)	
Judgements of reasonably possible movements:	**2021**	2020	**2021**	2020
	$	$	**$**	$
Cash and cash equivalents:				
+ 1.0% (100 basis points)	**226,281**	103,917	**-**	-
- 1.0% (100 basis points)	**(226,281)**	(103,907)	**-**	-
Borrowings:				
+ 1.0% (100 basis points)	**-**	(145,477)	**-**	-
- 1.0% (100 basis points)	**-**	145,477	**-**	-

(b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Group's exposure to credit risk arises from potential default of the counterparty, with maximum exposure equal to the carrying amount of the financial assets.

The Group's policy is to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group except for cash and cash equivalents held in reputable major banks in Australia and Alaska (AA ratings).

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The following are the contractual maturities of financial liabilities:

	6 months	6-12 months	1-5 years	> 5 years	Total
2021					
Trade and other payables	**5,796,350**	**-**	**-**	**-**	**5,796,350**
Borrowings	**-**	**-**	**-**	**-**	**-**
2020					
Trade and other payables	5,326,634	-	-	-	5,326,634
Borrowings	-	-	20,782,366	-	20,782,366

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Capital risk management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders or issue new shares.

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

- In determining the funding mix of debt and equity (total borrowings/total equity), consideration is given to the relative impact of gearing ratio on the ability of the consolidated entity to service loan interest and repayment schedules, credit facility covenants and to generate adequate free cash available for corporate and oil and gas exploration. The debt to equity ratio is 0% at 31 December 2021 (35% at 31 December 2020).

(e) Fair values

The management assessed that the carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values largely due to the short-term maturities of these instruments. The carrying amounts are determined in accordance with accounting policies disclosed in Note 1.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(i) Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;
(ii) Level 2 – a valuation technique using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. prices), or indirectly (i.e. derived from prices); or
(iii) Level 3 – a valuation technique using inputs that are not based on observable market data (unobservable inputs).

As at 31 December 2021 and 31 December 2020, the Group did not have financial liabilities measured and recognised at fair value. Due to their short-term nature, the carrying amount of the current receivables and payables is assumed to approximate their fair value.

The Group does not have any level 2 or 3 assets or liabilities.

NOTE 17 RELATED PARTY DISCLOSURE

(a) Transactions with related parties

Dr Stephen Staley was engaged to provide consultancy services to the Company. Derwent Resources Limited is a company in which Stephen Staley is a Director. Transactions with related parties were arm's length and on normal commercial terms.

The following transactions occurred with related parties:

	2021	2020
	$	$
Derwent Resources Limited	**51,647**[(i)]	53,506

(ii) During the year, the Company paid £27,782; A$51,647 (2020: £28,782: A$53,506) to Derwent Resources Limited for consultancy services. The amount has been translated to Australian Dollars at the average rate.

Consultant fees paid to associated entities were on normal commercial terms.

(b) Key Management Personnel Compensation

Details relating to key management personnel, including remuneration paid, are below.

	2021	2020
	$	$
Short-term benefits	**1,197,621**	1,188,502
Post-employment benefits	**69,223**	60,987
Share-based payments	**306,458**	67,953
	1,573,302	1,317,442

Information regarding individual Directors compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' Report.

Loans to Key Management Personnel

None.

NOTE 18 SHARE-BASED PAYMENTS

	2021	2020
	$	$
(a) Recognised share-based payment transactions		
Performance Rights issued to Directors [(i) and (ii)]	**251,641**	43,834
Performance Rights issued to employees [(i) and (ii)]	**155,344**	70,433
Performance Rights issued to contractors[(i)]	**331,980**	8,603
	738,965	122,870

NOTE 18 SHARE-BASED PAYMENTS (Continued)

(i) Performance Rights issued to Director employees and contractors – 2018 issue and February 2020 issue.
(ii) Performance Rights issued to Directors and employees – 2021 issue.

During the 2020 year the Company granted 151.5 million Performance Rights to employees and contractors. The total value of Performance Rights expensed in 2020 was issued was $122,870.

During the 2021 year the Company granted 84.8 million Performance Rights to Directors and employees. The total value of Performance Rights issued was $1,535,547 of which $738,965 was expensed to the Profit and Loss during the year.

The 2021 Performance Rights are subject to certain vesting conditions noted below. The fair value of these Performance Rights was treated as a share-based payment expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The fair value per Performance Right and the following inputs were used in the Monte Carlo simulation-based model;

Performance Rights Issued 2021	Tranche A[iii]	Tranche B	Tranche C	Tranche G
	Share Price			Tenure
Grant Date	21/05/2021	21/05/2021	21/05/2021	21/05/2021
Expiry Date	21/05/2024	21/05/2024	21/05/2024	21/05/2024
Fair Value per Performance Right ($)	0.011	0.015	0.019	0.025
Exercise Price	Nil	Nil	Nil	Nil
Underlying security price at issue ($)	0.025	0.025	0.025	0.025
Grant Date	30/08/2021	30/08/2021	30/08/2021	30/08/2021
Expiry Date	30/08/2024	30/08/2024	30/08/2024	30/08/2024
Fair Value per Performance Right ($)	0.012	0.022	0.019	0.039
Exercise Price	-	-	-	-
Underlying security price at issue ($)	$0.039	$0.039	$0.039	$0.039
Grant Date	8/11/2021	8/11/2021	8/11/2021	-
Expiry Date	8/11/2024	8/11/2024	8/11/2024	-
Fair Value per Performance Right ($)	0.012	0.022	0.019	-
Exercise Price	-	-	-	-
Underlying security price at issue ($)	$0.029	$0.029	$0.029	-
Grant Date	7/12/2021	7/12/2021	7/12/2021	7/12/2021
Expiry Date	21/02/2025	21/02/2025	21/02/2025	21/02/2025
Fair Value per Performance Right ($)	0.012	0.022	0.019	0.026
Exercise Price	-	-	-	-
Underlying security price at issue ($)	$0.026	$0.026	$0.026	$0.026
Expected volatility	154%	154%	154%	154%
Risk-free rate	1.05%	1.05%	1.05%	1.05%
Life of rights	4 years	4 years	4 years	4 years
Vesting period	1	2	3	3

Performance Rights were issued under four tranches (with the exception of the 8/11/2021 grant date issue which did not have a tenure tranche), with the following vesting conditions:

- Tranche A, B and C (Share Price tranche): tranches have a performance period of 12 months for tranche A, 24 months for tranche B and 36 months for tranche C, at which point the vesting conditions relating to absolute share price growth will be tested with total number of rights to vest dependent on outcome of testing;
  and
- Tranche G (Tenure tranche): tranche has non-market based vesting conditions attached that require the employee to remain employed with the Company up to including 3 years from date of issue.

Management have applied a 100% probability of achievement of all non-market based tranches.

(b) Summary of Options and Performance Rights granted during the year

	Date of Expiry	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired and Other	Balance at the end of the year
Placement options [(i)]	27-10-21	$0.06	131,500,000	-	-	131,500,000	-
Placement fee options	27-10-21	$0.05	22,000,000	-	-	22,000,000	-
Unlisted	14-3-20	$0.06	-	-	-	-	-
Performance Rights[(ii)]		-	176,226,091	84,800,000	5,891,477	34,181,747	220,952,867
Placement fee options [(iii)]	02-09-24	$0.05	-	50,000,000	-	-	50,000,000
			329,726,091	**134,800,000**	**5,891,477**	**187,681,747**	**270,952,867**

(i) Placement options: On 27 October 2016, the Company issued 131.5 million unlisted options at an exercise price of A$0.055 expiring on the five-year anniversary of completion to investors.
(ii) Performance Rights do not include expired Performance Rights relating to employees no longer under contract with the Company.
(j) Placement options: On 2nd September 2021, the Company issued 50 million unlisted options at an exercise price of A$0.05 expiring on the third-year anniversary of completion to investors. Options are valued at $1,072,790 and included in share issue costs in the Statement of Changes in Equity. Volatility is determined at 154% and risk-free rate is 2.0%.

	2021	
	Value recognised during the year	Value to be recognised in future years
	$	$
Unlisted Performance Rights issued to employees & Directors[(i)]	738,965	1,161,030
	738,965	1,161,030

(i) Refer to Note 18(a).

NOTE 19 SEGMENT INFORMATION

Identification of reportable segments
For management purposes the Group is organised into the following strategic unit:

- Oil and Gas exploration in the United States of America.

Such structural organisation is determined by the nature of risks and returns associated with each business segment and define the management structure as well as the internal reporting system. It represents the basis on which the group reports its primary segment information to the Board.

The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the group is managed and provides a meaningful insight into the business activities of the group.

The following table presents details of revenue and operating profit by business segment as well as reconciliation between the information disclosed for reportable segments and the aggregated information in the financial statements. The information disclosed in the table below is derived directly from the internal financial reporting system used by the Board of Directors to monitor and evaluate the performance of our operating segments separately.

Year ended 31 December 2021	**USA $**	**Unallocated $**	**Total $**
Other revenue	**1,422**	**4,447,277**	**4,448,699**
Inter-segment revenue	**-**	**-**	**-**
Total segment revenue	**1,422**	**4,447,277**	**4,448,699**
Inter-segment eliminations			**-**
Total revenue			**4,448,699**
Loss before income tax expense	**(5,616,795)**	**(3,154,218)**	**(2,462,577)**
Total Segment assets	**26,959,316**	**108,162,924**	**135,122,241**
Total Segment liabilities	**5,358,244**	**148,822**	**5,507,065**

Year ended 31 December 2020	**USA $**	**Unallocated $**	**Total $**
Other revenue	2,152	3,091	5,244
Inter-segment revenue	-	241,534	241,534
Total segment revenue	7,192	244,625	246,778
Inter-segment eliminations			-
Total revenue			246,778
Loss before income tax expense	(18,325,672)	(3,707,961)	(22,033,633)
Total Segment assets	71,940,570	13,418,983	85,359,552
Total Segment liabilities	21,308,619	5,139,580	26,448,199

NOTE 20 COMMITMENTS AND CONTINGENCIES

Exploration commitments

Exploration Commitments as at year end 2021 are as follows:
Leases:
Holding costs for the acreage currently held by 88 Energy's subsidiaries is US$10 per acre for the first six years and increase up to a maximum holding costs per acre of US$250 in the final year of the leases, however the company can apply to the state for a rental reduction. The anticipated lease payment for 2022 totals US$2.7 million net to the Company, however the payment is discretionary, and the Company may choose to relinquish the acreage or a portion of acreage at any time, and therefore the Company has commitments for the remaining portion of the tenement life only. All additional payments for exploration will be at the discretion of the Company, other than what is noted below, as the Company. The Company can exit the leases at any time with no penalty.

Project Peregrine Merlin - 2 well:
88 Energy has a 100% working interest in Peregrine and will be funding the Merlin-2 well with funds in bank.

Acquisition 50% working interest from Al Alaska Peregrine Development Company, LLC (APDC): In June 2021, 88 Energy entered into an agreement to acquire the 50% working interest in Project Peregrine held by Alaska Peregrine Development Company, LLC (APDC) in exchange for consideration of US$12.7 million, payable in new ordinary 88 Energy shares, together with the following commitments:

- 1.5% overriding royalty interest on future production from the Project Peregrine licences
- US$10m cash payment on the achievement of gross 2P reserves of 100 million barrels within 36 months
- Cash payments of US$2.5m per 50 million barrels on the achievement of gross 2P reserves added over 100 million barrels within 36 months (capped at 5 additional cash payments); and
- 10% of the gross sale proceeds in respect of an assignment of greater than 49% of Project Peregrine within 24 months, excluding a bona fide farm-out.

Exploration Commitments as at year end 2020 are as follows:
Leases:
Holding costs for the acreage currently held by 88 Energy's subsidiaries is US$10 per acre for the first six years and increase up to a maximum holding costs per acre of US$250 in the final year of the leases. The anticipated lease payment for 2021 totals US$2.5 million net to the Company, however the payment is discretionary, and the Company may choose to relinquish the acreage or a portion of acreage at any time, and therefore the Company has commitments for the remaining portion of the tenement life only. All additional payments for exploration will be at the discretion of the Company, other than what is noted below, as the Company. The Company can exit the leases at any time with no penalty.

Project Peregrine Merlin - 1 well:
88 Energy has a 100% working interest in Peregrine and will be funding its share of the costs of the Merlin-1 exploration well above the US$10.0 million that Alaska Peregrine Development Company is paying to earn their 50% interest in Peregrine, with anticipated expenditure in 2021 of USD1.3 million net to 88 Energy.

Corporate commitments

Commitments at 31 December 2021 are as follows:

	2021 $	2020 $
Within one year	**63,477**	67,107
After one year but not more than five years	**65,713**	129,161
	129,190	196,268

Exploration contingencies

Exploration Contingencies as at year end 2021 are as follows: none

Exploration Contingencies as at year end 2020 are as follows: none

NOTE 21 CONTINGENT ASSETS

The Group has no contingent assets as at 31 December 2021.

NOTE 22 EVENTS AFTER THE REPORTING DATE

The following events were noted subsequent to the reporting date;

- The Company announced that it has successfully completed a heavily and oversubscribed bookbuild to domestic and international institutional and sophisticated investors to raise up to A$32.0 million (before costs) from the issue of 914 million ordinary shares at A$0.035) (refer to ASX release dated 14th February 2022).
- The Company announced the Permit to Drill for the Merlin 2 well was approved on 10th February 2022 by the Alaska Bureau of Land Management. (refer to ASX release dated 10th February 2022).
- On 21st February 2022, 88 Energy, via its newly formed wholly owned subsidiary Longhorn Energy Investments LLC, entered into a binding SPA with Lonestar I, LLC (Lonestar), to acquire a 75% ownership interest in Bighorn Energy, LLC (Bighorn) the owner of the assets, as follows:
    - Acquisition of an initial 70% ownership interest in Bighorn and its wholly owned subsidiary which owns between 89.7% - 100% gross working interest of the leases and wells in the assets
    - At the same time, acquisition of a further 5% ownership interest in Bighorn resulting from the simultaneous execution by Bighorn of letter agreements with two parties
    - Upon closing of the transactions, 88 Energy via its wholly owned subsidiary Longhorn Energy Investments LLC, will hold a 75% ownership interest in Bighorn (which results in an approximate 73% net working interest in the leases and wells)
    - Lonestar will have a 25% ownership interest in Bighorn (which results in an approximate 24% net working interest in the leases and wells)
    - Total consideration for the purchase is US$9.7 million, to be paid as US$7.2 million in cash from existing cash reserves and US$2.5 million in shares (at an issue price of A$0.035 per share, which is the same issue price as the recent 88 Energy equity raising announced on 14 February 2022)

There were no other events after the reporting date requiring disclosure.

NOTE 23 AUDITOR'S REMUNERATION

	2021	2020
	$	$
Amounts received or due and receivable to BDO Audit (WA) Pty Ltd for:		
Audit and review of the annual and half-year financial report	**62,450**	47,515
Total audit services	**62,450**	47,515
Non-audit services:		
Due diligence & other services (BDO Anchorage)	**38,160**	-
Total non-audit services	**38,160**	-
Total auditor remuneration	**100,610**	-

There were no Non-Audit services received in 2020.

NOTE 24 INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest	
			2021	2020
			%	%
Fotis Nominees Pty Ltd [(i)]	Investment	Australia	**100**	100
XCD Energy Pty Ltd	Oil exploration	Australia	**100**	100
Accumulate Energy USA, Inc	Oil exploration	USA	**100**	100
Accumulate Energy Alaska, Inc	Oil exploration	USA	**100**	100
Regenerate Energy USA, Inc	Oil Exploration	USA	**100**	100
Regenerate Alaska, Inc	Oil exploration	USA	**100**	100
Captivate Energy Alaska, Inc	Oil Exploration	USA	**100**	100
Emerald House, Inc	Oil Exploration	USA	**100**	100
Entek USA, Inc	Oil Exploration	USA	**100**	100
XCD Alaska, LLC	Oil Exploration	USA	**100**	100

(i) This subsidiary is dormant.

NOTE 25 PARENT ENTITY

	2021	2020
	$	$
Assets		
Current assets	**26,976,194**	7,936,640
Non-current assets	**119,309**	175,102
Total assets	**27,095,503**	8,111,742
Liabilities		
Current liabilities	**5,316,424**	5,052,965
Total liabilities	**5,316,424**	5,052,965
Equity		
Contributed equity	**285,809,215**	208,963,514
Reserves	**23,270,240**	13,445,837
Accumulated losses	**(110,591,742)**	(219,350,574)
Total equity	**198,487,713**	3,058,777
Loss for the year	**(5,564,394)**	(61,970,130)
Total comprehensive loss	**(5,564,394)**	(61,970,130)

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Other Commitments and Contingencies

The Parent has no commitments to acquire property, plant and equipment, and has no contingent liabilities apart from the amounts disclosed in Note 20.

NOTE 26 ASSETS PLEDGED AS SECURITY

The carrying amount of assets pledged as a security interest in and a lien over for non-current borrowings are;

	2021	2020
	$	$
Non-current assets		
Exploration and evaluation expenditure	**101,357,767**	48,213,290
Investments in subsidiaries	**413,451**	389,509
Other assets	**532,760**	16,226,055
Total non-current assets pledged as security	**102,303,978**	64,828,854
Total assets pledged as security	**102,303,978**	64,828,854

DIRECTORS' DECLARATION

In the Directors' opinion:

a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:

   i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements

   ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the year ended on that date

b) The financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 1.

c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Mr Philip Byrne
Non-Executive Chairman

18 March 2022

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of 88 Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of 88 Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO

Carrying value of exploration and evaluation expenditure

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 9 to the Financial Report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group. Refer to Notes 1(g) and 2 (i) of the Financial Report for a description of the accounting policy and significant judgements applied to capitalised exploration and evaluation expenditure. As the carrying value of exploration and evaluation assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset should be subject to impairment testing. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Notes 1 (g), 2 (i) and 9 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

BDO

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 28 of the directors' report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of 88 Energy Limited, for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 18 March 2022

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 18 March 2022.

TWENTY LARGEST SHAREHOLDERS

Rank	Name	Balance	% of Total Units
1	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,704,481,895	17.03
2	CITICORP NOMINEES PTY LIMITED	2,099,649,952	13.22
3	BNP PARIBAS NOMS PTY LTD <DRP>	1,478,720,360	9.31
4	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	698,792,745	4.40
5	HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	553,202,817	3.48
6	HSBC CUSTODY NOMINEES <AUSTRALIA>	335,793,500	2.11
7	HARGREAVES LANSDOWN (NOMINEES) LIMITED <HLNOM>	321,467,444	2.02
8	INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTISAS>	306,397,863	1.93
9	INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTNOMS>	266,020,282	1.68
10	HARGREAVES LANSDOWN (NOMINEES) LIMITED <VRA>	224,895,565	1.42
11	BARCLAYS DIRECT INVESTING NOMINEES LIMITED <CLIENT1>	206,110,841	1.30
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	164,439,468	1.04
13	RIDDHI GROUP OF HOTELS PTY LTD	149,981,011	0.94
14	HSDL NOMINEES LIMITED <MAXI>	147,899,176	0.93
15	HSDL NOMINEES LIMITED	137,595,419	0.87
16	VIDACOS NOMINEES LIMITED <IGUKCLT>	96,525,817	0.61
17	HSBC CLIENT HOLDINGS NOMINEE (UK) LIMITED <731504>	88,955,540	0.56
18	HSBC CUSTODY NOMINEES	87,777,902	0.55
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	79,893,417	0.50
20	VIDACOS NOMINEES LIMITED <CLRLUX>	65,917,440	0.42
Total Units Held (Top 20 holders of ORDINARY FULLY PAID SHARES):		**10,214,518,454**	**64.31**
Total units on issue:		**15,885,207,406**	**100**

DISTRIBUTION OF EQUITY SECURITIES

(i) Ordinary share capital

- 15,885,207,406 fully paid shares held by 18,362 individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of shareholders, by size of holding, is:

Range	Total holders	Units	% Units
1 - 1,000	512	69,973	0.00
1,001 - 5,000	296	962,509	0.01
5,001 - 10,000	903	7,544,209	0.05
10,001 - 100,000	10,113	454,871,870	2.86
100,001 Over	6,538	15,421,758,845	97.08
Total	**18,362**	**15,885,207,406**	**100.00**

(ii) Unlisted Options

- 50,000,000 Unlisted Options with an exercise price of $0.05 and an expiry of 8 November 2024
- 36,000,000 Unlisted Options with an exercise price of $0.06 and an expiry of 13 February 2025

(iii) Performance Rights

There are 220,952,867 Performance Rights on issue. The Performance Rights are subject to vesting conditions.

UNMARKETABLE PARCELS

(i) Ordinary share capital

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 0.0410 per unit	12,196	2,106	13,111,661

RESTRICTED SECURITES

The Company has no Restricted Securities on issue.

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Name	Number of Shares
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,704,481,895
CITICORP NOMINEES PTY LIMITED	2,099,649,952
BNP PARIBAS NOMS PTY LTD <DRP>	1,478,720,360
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	698,792,745
HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	553,202,817

ON-MARKET BUY-BACK

There is no current on-market buy-back.

ACQUISITION OF VOTING SHARES

No issues of securities have been approved for the purposes of Item 7 of Section 611 of the Corporations Act 2001.

TAX STATUS

The Company is treated as a public company for taxation purposes.

FRANKING CREDITS

The Company has no franking credits.

ASX ADDITIONAL INFORMATION

TENEMENT SCHEDULE

Reference	Project Name	Location	Company Interest
Onshore Alaska, North Slope[1]	Project Icewine	Alaska	~75%
Onshore Alaska, North Slope[2]	Yukon Gold	Alaska	100%
Onshore Alaska, North Slope[3]	Umiat Unit	Alaska	100%
Onshore Alaska, North Slope[3]	Project Peregrine	Alaska	100%

[1]~192,830 acres net to the Company

[2] 38,681 acres

[3] 17,633 acres

[4] 195,373 acres

COMPETENT PERSONS STATEMENT

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 35 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 prospective resource 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.

JOB KEEPER PAYMENTS NOTIFICATION

A notice for release to the market under subsection 323DB(1) of the Corporations Act 2001-jobkeeper payments disclosure by listed entity.

Date of this notice
14/03/2022

Listed entity details
Australian Business Number (ABN)
80 072 964 179
Name of the listed entity
88 ENERGY LIMITED

Job keeper payments

This notice relates to the financial years ended 31/12/2020 (FY 1).

The number of individuals for whom the listed entity or a subsidiary of the listed entity received a job keeper payment for a job keeper fortnight that ended in the financial year (within the meaning of the Coronavirus Economic Response Package (Payments and Benefits) Rules 2020).

FY 1: 4

The sum of all job keeper payments the listed entity, and each subsidiary of the listed entity received in a job keeper fortnight that ended in the financial year.

FY 1: $89,100

Has the listed entity or a subsidiary of the listed entity, made one or more voluntary payments (whether or not in the financial year) to the Commonwealth by way of a repayment of job keeper payments received by the listed entity or a subsidiary of the listed in the financial year?

NO

If the listed entity or a subsidiary of the listed entity has made such a voluntary payment or payments –the sum of those payments:

FY 1:$0