

20 February 2026

South Prudhoe Prospective

Resource: Large !

NEED TO KNOW

- **Prospective Resource Estimates for recently acquired South Prudhoe acreage assessed at 507MMBBL (gross, Best-2U, un-risked) in five independent reservoir intervals in multiple prospects.**
- **Estimates supported by existing on-lease wells, offset-wells and modern 3D-seismic. Farm-out targeted in 2H26 to fund drilling in 1Q27 on the Augusta prospect (Best 2U: 64MMBLS)**
- **Cash as at 31 December 2025 was A\$6.8M.**

88E is building a very large acreage portfolio in Alaska and the prospective resource estimate of 507MMBLS (gross, 2U Best) for the newly acquired South Prudhoe leases evidence the scale of the exploration opportunity.

The Alaskan acreage is largely de-risked from decades of historic drilling and production in the region, ongoing activity by other companies with similar geologies and extensive modern 3D-seismic coverage over the lease area. Elsewhere, the Namibian acreage is a low-cost option in an un-explored frontier with positive results from peer company activity providing encouragement.

Drilling activity depends on 88E attracting partners, but the systematic data-driven approach increases the chances of farm-outs and future drilling programs. Drilling is planned in 2026 at Project Phoenix, and on the South Prudhoe Augusta prospect in 1Q27, subject to farm-out and funding.

Investment thesis

Alaska projects offer a large value opportunity backed by discovered resources in existing acreage and leases acquired in late 2025. Namibia is an unexplored frontier with geology to be informed by offset operator ReconAfrica (TSX:RECO) at its Kavango West -1X well, which was declared a discovery and is planned to be production tested in 1H2026.

The company's expanded portfolio of prospective acreage enhances farm-out opportunities. Processes are underway to attract farm-in partners for drilling at Project Phoenix, South Prudhoe and other leases.

Cash at 31 December was \$6.8M. Capex over the outlook is minimal due to prior farm-outs (to private company Burgundy Xploration- BEX), and is a function of discretionary exploration.

Valuation: A\$0.104 (prev. A\$0.074) risks & catalysts

We value 88E using market values for exploration acreage, 2C contingent and 2U prospective resources.

Risks relate to securing funds from existing partners and new partners to fund drilling, and results from peer companies in near regions. Catalysts are a successful IPO by joint venture to the Franklin Bluffs 1H well in 2026, test results from RECO in Namibia, and farm-out of South Prudhoe prospects for drilling the Augusta prospect in 2027.

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88E is a Perth based oil and gas exploration company with exploration stage assets onshore the Alaskan North Slope, and in onshore Namibia.

Valuation	A\$0.104 (from A\$0.074)
Current price	A\$0.021
Market cap	A\$24M
Cash	A\$6.8M (31 Dec25)

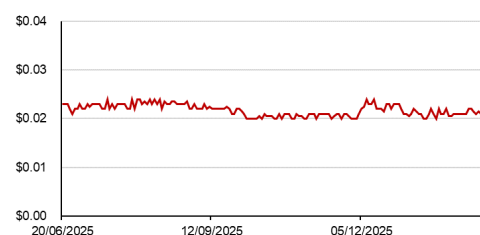
Additional Resources

19 Feb26: NAPE Summit Presentation, Houston

Upcoming Catalysts / Next News

Period	
1Q26	Burgundy LLC IPO
1Q26	Alaska: PANR offset well test
Ongoing	Farm-outs
2026	RECO Kavango West well test
2027	South Prudhoe drilling

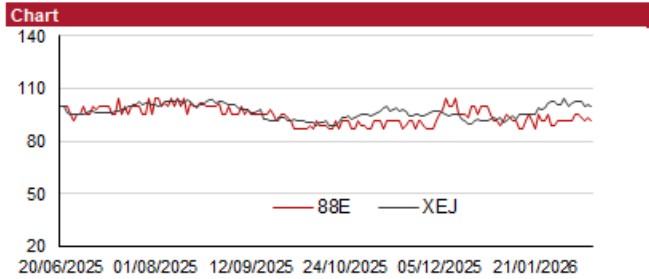
Share Price (A\$)



Source: FactSet.

Figure 1: Financial summary. All figures in A\$ unless otherwise stated

Financial Summary					ASX:88E							
Y/E Dec 31												
All figures in A\$ unless otherwise stated												
Market Data												
Share price	A\$/sh	0.021										
52 week range	A\$/sh		0.018	0.05								
Shares on issue	M	1157										
Perf shrs + Options	M	0.00										
Market Cap	A\$M	24										
Cash	A\$M	7	31 Dec 25									
Enterprise Value	A\$M	17										
Valuation	cps	0.104										
Valuation multiples					Income statement							
		FY23A	FY24A	FY25E	FY26E	FY27E	FY23A	FY24A	FY25E	FY26E	FY27E	
EPS	Cents	0.0	0.0	-1.9	-0.3	-0.3	Gas Revenue	0.0	0.0	0.0	0.0	
PE	X	-	-	-	-	-	Oil Revenue	0.0	0.0	0.0	0.0	
DPS	Cents	0.00	0.00	0.00	0.00	0.00	Revenue	2.1	0.4	-0.9	0.0	
Yield	%	-	-	-	-	-	Production costs	0.0	0.0	0.0	0.0	
EBITDAX/sh	Cents	-	-	-	-	-0.346	Corporate costs	7.1	4.2	5.0	4.0	
P/FCF	X	-	-	-	-	-	Other	0.0	0.0	0.0	0.0	
EV/EBITDAX		-	-	-	-	-4.4	EBITDA	-4.9	-3.8	-5.9	-4.0	
EV/(2P+2C)	A\$/GJ	-	-	-	-	-	Depreciation & exploration	9.6	29.0	0.0	0.0	
Revenue / boe	A\$/BOE	-	-	-	-	-	EBIT	-14.5	-32.8	-5.9	-4.0	
EBITDAX/Sales	%	-	-	-	-	-	Finance charges	0.0	0.0	-0.1	-0.3	
Net cash	A\$M	18.2	7.2	6.9	7.7	1.9	Net Profit Before Tax	-14.5	-32.8	-5.8	-3.7	
ND/(ND+E)	%	-	-	-	-	-	Tax	0.0	0.0	0.0	0.0	
Realised prices					NPAT Underlying							
		FY23A	FY24A	FY25E	FY26E	FY27E		FY23A	FY24A	FY25E	FY26E	FY27E
Gas	A\$/MCF	0.00	11.00	11.00	11.00	11.00	Impairments	0.0	0.0	-16.6	0.0	0.0
Oil	US\$/bbl	80	75	76	77	79	Reported NPAT	-14.5	-32.8	-22.4	-3.7	-3.8
A\$/US\$ rate metrics		0.71	0.65	0.65	0.65	0.65	Share count at EOP (M)	24463	28943	1157	1157	1157
Production (Net)					Cash flow							
		FY23A	FY24A	FY25E	FY26E	FY27E		FY23A	FY24A	FY25E	FY26E	FY27E
Gas	BCF	0.00	0.00	0.00	0.00	0.00	Receipts from customers	0.0	0.0	0.0	0.0	0.0
Liquids	MMbbls	0.04	0.00	0.00	0.00	0.00	Payments to suppliers	-5.4	-3.5	-4.2	-4.0	-4.0
LNG	k tonnes					28	Payments for E&A	0.0	0.0	0.0	0.0	0.0
MMboe		0.0	0.0	0.0	0.0	0.0	Interest & other	0.1	0.1	0.2	0.3	0.3
Resources (100%)					Net cash from ops.							
		1C	1C	2C	3C			FY23A	FY24A	FY25E	FY26E	FY27E
Gas	BCF	-	171	441	1054		Exp & Dev capex	-29.3	-20.3	-4.8	-2.5	-2.0
Liquids	MMbbls	-	42	159	448		Divestments/ (acquisitions)	0.6	0.6	9.0	7.0	0.0
Total MMBOE		-	83	239	640		Net investing C'flow	-27.6	-17.4	4.2	4.5	-2.0
% oil		-	51%	66%	70%		Equity issuance	8.5	9.0	0.0	0.0	0.0
SoP Valuation					Balance sheet							
		Unrisked	Risk	Riskd	cps			FY23A	FY24A	FY25E	FY26E	FY27E
Project Phoenix		60	100%	60	0.05		Cash	18.2	7.2	6.9	7.7	1.9
Project Leonis		16	100%	16	0.01		Receivables & Inventory	4.0	5.6	0.4	0.4	0.4
2025 Lease round		0	100%	37	0.01		Exploration & evaluation	110.6	113.9	112.4	114.9	116.9
Namibia		32	75%	24	0.02		Oil & gas properties	0.0	0.0	0.0	0.0	0.0
Cash		7	100%	7	0.01		other	23.3	22.3	0.6	0.8	0.8
Corporate costs		-20	100%	-20	-0.02		Total Assets	156.1	149.0	120.3	123.8	120.0
Total equity value		94		125			Payables	0.6	0.1	0.4	0.4	0.4
Shares on issue		1157		1157			Debt	0.0	0.0	0.0	0.0	0.0
Other capital		45		45			Other	0.3	0.2	0.2	0.2	0.2
Value Per share		0.08		0.104			Total liabilities	0.8	0.4	0.6	0.6	0.6
					Total equity							
					155.2 148.6 119.7 123.2 119.4							

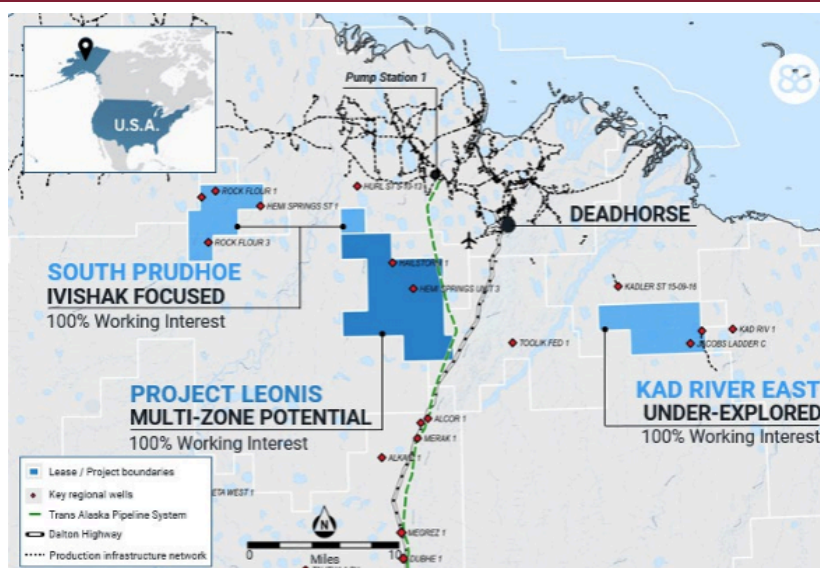


Source: MST Access estimates

South Prudhoe prospective resources: Large !

The South Prudhoe region is of particular immediate interest, due to its proximity to nearby commercial fields and production infrastructure, abundance of high quality 3D-seismic and data from wells on-lease and adjacent leases. The location is shown in figure 2.

Figure 2: South Prudhoe and Kad River East leases acquired in December 2025



Source: Company

88E have internally assessed prospective resources in the South Prudhoe leases. The assessment is based on modern high quality 3D-seismic, historic on-lease wells, and offset wells producing from similar reservoirs.

Figure 3 shows the prospect names and 1U-2U-3U gross prospective resource potential. There are multiple reservoir targets, with the most attractive reservoir qualities and the highest chance of success in the Ivishak ("Iv") and Kuparuk ("Kup") sandstones. Both of these have produced billions of barrels of oil over ~40 years from prolific fields to the north.

The un-risked total of >500MMBLS is impressive, but is skewed by large figures for prospects in the south of the block however "Geological Chance of Success" (GCOS) are lower due to less data and expected lower quality reservoirs.

Figure 3: Gross and net prospective resources (1U-2U-3U) and Geological Chance of success

Prospect	Res	1U	2U	3U	Mean	GCOS	Riskd Res
		MBBLS	MBBLS	MBBLS			MBBLS
Augusta	Iv, Kup	45	64	91	67	48%	32
Augusta North	Iv, Kup	16	23	32	24	62%	15
Lasso	Iv, Kup	8	11	15	11	39%	4
Greater Spur Cluster	Iv, Kup	11	24	50	28	43%	12
Eaglecrest	Iv, SB	5	9	17	10	47%	5
Donoho	SB	68	161	370	197	22%	43
Tressler	SB	45	106	251	132	23%	30
Hunter	SB	6	17	46	23	24%	6
Cooper Canyon	SB	40	91	211	113	26%	29
Total-100% gross		245	507	1085	605		177
Net(83.3%)		204	422	904	504		147

Source: Company

2026 objectives

- Following the determination of Prospective resources for South Prudhoe, objectives for 2026 are farm-out for drilling on the **Augusta prospect, in ~1Q2027**. This prospect is assessed as having 64MMBBLs of oil in the regionally extensive Ivishak and Kuparuk Reservoirs. The geological chance of success (GCOS) is assessed at 48%, and is supported by the previously drilled Hemi Springs well which is close by. A farm-out process is being planned for 2HCY26.
- Drilling is planned in 2026 at **Franklin Bluffs-1H** (Project Phoenix) as per a farm-out to private company Burgundy Xploration LLC (BEX). Funding is to borne by BEX and is contingent on BEX's success in raising capital via an IPO. BEX's IPO process is ongoing, with the latest update being that the US SEC is reviewing the company's filings.
- In the coming quarter, unrelated activity in Namibia has ramifications. Offset operator RECO is planning to production test a very deep, "play opening" discovery, at the Kavango West-1 well. Results from this will inform the geological model in this large but unexplored frontier.

South Prudhoe (88E working interest 100%, net entitlement 83.3%)

The South Prudhoe acreage covers ~52,000 acres and was awarded in November 2025, in a state licensing round. These leases are located in one of the most prolific hydrocarbon fairways on the North Slope. They are immediately south of the Prudhoe Bay Unit (PBU) and the Kuparuk River Unit (KRU).

The PBU has produced ~13 billion barrels of oil from the key Ivishak Reservoir, and this reservoir is interpreted to extend south into the newly acquired 88E acreage. The KRU has produced 12 billion barrels from the Kuparuk reservoir. This acreage compliments fourteen existing leases in the South Prudhoe area, formerly known as **Project Leonis**. The scaled-up acreage may enhance farm-out prospects and act as a future production hub.

The Ivishak reservoir is "conventional" with excellent reservoir qualities. Typically, the reservoirs in offset production wells are sandstones, with porosities averaging ~20% and permeabilities in the 50-100mD range. Backing the prospectivity are well logs and test data from the nearest wells, Hailstorm-1, Hemi Springs State-1, Rock Flour-1 and the Hurl St 5-10-13. Two of these wells (Hemi Springs and Rock Flour) are within 88E leases.

- The Hemi Springs State-1 well recovered oil from the Ivishak reservoir, and flowed oil at up to 515BOPD from the Kuparuk reservoir.
- Hailstrom-1 discovered a 13 ft oil column with 19.4% porosity in the Ivishak reservoir.
- Hurl St 5-10-13 flowed oil at a maximum rate of 2060 BOPD.

A88E has identified numerous prospects which have stacked reservoirs, in the Ivishak, Kuparuk, and Brookian formations. Figure 3.

The most material and prospective target is Augusta. Although not the largest in absolute terms, the GCOS is high and is due results from the nearby "Hemi Springs" well. The Hemi Springs well was drilled by ARCO in 1984, and it is located within 88E's South Prudhoe acreage. The well intersected 13ft of net pay with 20% porosity in the Ivishak sandstone. On test, this zone recovered 26 degree API oil. The shallower Kuparuk reservoir flowed oil at 515BOPD. Despite being an oil discovery, low oil prices and dated drilling methods were factors driving super-major ARCO to focus elsewhere at that time.

Other prospects recap

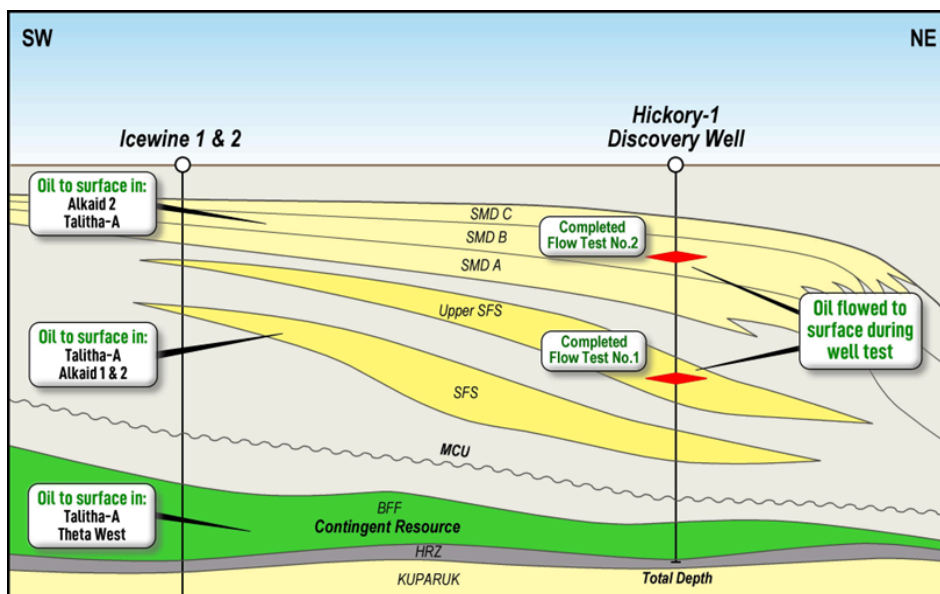
Project Phoenix oil discovery with appraisal planned in 2026

Multiple reservoirs are identified from three previous wells (Icewine-1 & 2, and Hickory-1) with Hickory flowing oil to surface on test, resulting in the booking of contingent resources in the range 83-239-640MMBOE for 1C, 2C and 3C respectively.

Contingent resources are assigned to the SMD-B and Upper and lower SFS, based on flow test results. The Basin Floor Fan (BFF). Shelf Margin Delta (SMD) A and C, and the deeper Kuparuk sequences were not flow tested and are assigned prospective resources.

A horizontal well Franklin Bluffs-1H and extended production test is planned to commence in mid CY26. This well targets a 3500 foot lateral, in the SMB-D reservoir, and a 90-day test period is planned to follow. This zone produced oil to the surface from the Hickory-1 from a vertical well.

Figure 4: Project Phoenix reservoir objectives



Source: Company

BEX funding recap

This activity is to be fully funded by Burgundy Xploration. As per a farm-out deal announced on 17 Feb 2025, BEX are to fund up to US\$39M, in two phases, to earn an additional 50% interest. This is additional to the ~US\$26M already invested by BEX to that time, so if the farm-out is fully executed then BEX's total investment would approach US\$75M for a 75% working interest.

Phase 1 of the farm-in is for BEX to invest up to US\$39M for a 40% w.i. This phase is to fund horizontal well drilling and production testing at Franklin Bluffs. Phase 2 is for an additional US\$10M to earn a further 10%, depending on the results of phase 1 activity. On completion of BEX's farm-in, its working interest will increase to 75% and 88E's reduce to 25%.

This is contingent on BEX's plans to raise capital in the American market by way of IPO. Documents have been filed and are under review by the SEC.

Valuation A\$0.104 (Prev. A\$0.074)

88E is in an exploration phase with no cashflow, so we base our valuation on a combination of (1) market-based proxy for 2C contingent resources and 2U prospective oil resources in Alaska (2) values for acreage from farm-out transactions and (3) book value for acquired acreage.

the increase is due to inclusion of value for the newly advised "Best estimate (2U) resource" in the Augusta prospect in the South Prudhoe acreage, risked for 88E's estimate of "Geological Chance of Success" (GCOS) of 48%.

Other assumptions are:

- For project Phoenix we apply an EV/BBL of A\$1.4/BB to 88E's 60MMBOE of 2C resources which is in line with offset operator PANR valuation.
- For Namibia, we value the working interest on RECO's market value for similar acreage. RECO has reported positive exploration results and its market value has significantly appreciated to ~C\$280M, conferring market value on its Namibian asset higher than in our previous reports.
- For Project Leonis we assume US\$10M based on a two-for-one carry for one well. 88E have reported in-bound farm-in interest. This is judgmental at this time and this estimate is speculative.
- South Prudhoe prospective resource for the Augusta prospect is valued at A\$1.50/BBL for net "best estimate 2U" resources, which are 53MMBBLs. We have applied a risk factor of 48% which is 88E's estimate of GCOS. The risk-adjusted net resource equates to 25MMBBLs. Other prospects listed in Figure 3 are not valued at this time, because unlocking value will require drilling and the timing and likelihood are uncertain, and will be influenced by the results from Augusta, assuming this well is farmed-out and drilled.
- Cash at 31 December 2025 of \$6.8M

Figure 5: Sum of part valuation

Asset Value (A\$M)	Method	A\$M		Risk	A\$M	
		Unrisked	CPS		Risk	CPS
Core E&P assets		NAV			NAV	
Project Phoenix	EV/2C	60	0.05	100%	60	0.05
Project Leonis	Assumed farmout	16	0.01	100%	16	0.01
Augusta-Ivishak, Kugaruk	2U/BBL @A\$1.5/BBL				37	0.03
Other South Prudhoe					2	0.00
Namibia-PEL 93	RECO farm-in	32	0.03	75%	24	0.02
Core E&P Value		108	0.09		138	0.12
Cash	31-Dec-25	7	0.01		7	0.01
Corporate costs		-20	-0.02		-20	-0.02
Total Financial		-13	-0.01		-13	-0.01
Total equity value		94			125	
Shares on issue		1157			1157	
Other capital	88EOA, AK,AA, AAA	45			45	
Value Per share		0.079			0.104	

Source: MST Access estimates

Risks

- External sources of funds will be required to progress all assets, either from farm-outs, asset sales, or equity issuance.
- Joint Venture partner Burgundy Xploration (BEX) is exposed to up to US\$39M of gross capex for Project Phoenix. Burgundy is a private company with no production revenue and is seeking to raise funds by way of an IPO. There is risks to completion of this process.
- Oil and gas prices are a risk.
- Project Phoenix requires successful drilling and testing of the Franklin Bluffs-1H well, and BEX's funding situation

Catalysts

- 2HCY26: farm-out and drilling at Augusta, in the South Prudhoe lease
- BEX raising capital via an IPO, bringing funds and additional disclosures to the market.
- 3Q -2026: drilling Project Phoenix horizontal well, **Franklin Bluffs -1H** and extended well test.
- Peer activity in Namibia by RECO with testing upcoming at its Kavango West discovery.
- Peer activity by UK-listed PANR in acreage to the north of Project Phoenix,

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Stuart Baker received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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