

This announcement contains inside information

88 Energy Limited

PARTICIPATION AGREEMENT AMENDMENT AHEAD OF PLANNED FRANKLIN BLUFFS-1H HORIZONTAL WELL

PROJECT PHOENIX, NORTH SLOPE ALASKA

88 Energy Limited (ASX: **88E**, AIM: **88E**, OTC: **EEENF**) (**88 Energy** or the **Company**) provides an update on the progress of its Joint Venture partner, Burgundy Xploration LLC (**Burgundy**) toward the planned production test at Project Phoenix on the North Slope of Alaska (**Project Phoenix**).

88 Energy has agreed to an extension of the funding milestone date under the Participation Agreement (**PA**) aligning the timeline to Burgundy's planned US initial public offer (**IPO**) process.

Highlights

- **Amended terms materially strengthen 88 Energy's contractual position** and include:
 - Additional near-term cash payments of US\$400,000, in addition to Burgundy's ongoing commitment to fund 100% of Project Phoenix costs.
 - Additional security over Burgundy's lease positions.
 - Accelerated payment structure for the outstanding Icewine 3D consideration.
- **Extension considered finite and strategically appropriate, providing Burgundy with a clear pathway to complete its required funding milestones from the deep pool available within the North American equity capital market.**
- Burgundy's IPO process advancing, with draft Form-1 submitted and two rounds of US Securities and Exchange Commission (**SEC**) comments completed.
- **Strong capital commitment demonstrated to Project Phoenix:**
 - Burgundy has funded 100% of project costs to date under the US\$29M agreed carry.
 - **Total net cash flow benefits to 88 Energy of approx. A\$2.0M since execution of the PA in February 2025, strengthening the Company's balance sheet.**
- Spud of the Franklin Bluffs-1H remains subject to Burgundy's funding and listing process timing and is now expected in Q1 2027, a short extension to the planned spud timeline.

Commenting on the update, Ashley Gilbert, Managing Director of 88 Energy said:

"We're encouraged by Burgundy's steady progress through the SEC review process and their demonstrated, unwavering commitment to Project Phoenix. The agreed extension provides a clear and appropriate timeframe for Burgundy to complete its funding activities, while delivering immediate value to 88 Energy through additional near-term payments and materially enhanced security provisions.

We believe this to be in the best interest of our shareholders, ensuring the Franklin Bluffs-1H well continues to progress, whilst enabling 88 Energy's management and technical to team concentrate on the exciting South Prudhoe acreage and preparations for the Augusta-1 well."

Amended Participation Agreement

88 Energy, via its wholly-owned subsidiary Accumulate Energy Alaska, Inc (**88E-Accumulate**) has agreed to extend Burgundy's funding timeline under the PA to **30 September 2026**. This is to reflect the extended SEC review timeline, which has been influenced by several factors including the 43-day US government shutdown.

In consideration for this extension, Burgundy will immediately pay 88E-Accumulate an amendment fee of **US\$100,000, followed by a further US\$300,000 in payments towards the Icewine 3D**, as well as agreeing to other **key amendment terms outlined below**.

88 Energy considers this extension to be finite and sufficient to provide Burgundy with the necessary timing to deliver on its funding requirements under the PA.

Moreover, 88 Energy believes the extension positions Burgundy to achieve its desired listing outcome, providing a deep liquidity pool for the future advancement of Project Pheonix, without a material delay to the planned drilling schedule.

Key terms under the amended Participation Agreement include:

- **Revised timeline:** Phase I Longstop Date reset to 30 September 2026, with Target Spud Date revised to 30 March 2027, aligning timing with funding and execution realities.
- **Restructured Icewine 3D payment terms:** Revised timing and structure of Burgundy's US\$2.25M payment for the Icewine 3D, including additional interim payments in April and July 2026 totalling US\$300,000, and an accelerated repayment following IPO or alternative funding event, with enhanced enforcement mechanisms.
- **Security over Fall 2025 North Slope leases:** 88E-Accumulate to receive a 10% working interest security over Burgundy's Fall 2025 North Slope leases if lease payments are made while the Icewine 3D or any other payment amounts remain outstanding. This includes a work-stop mechanism until payment is cured.
- **Optional extension tied to funding progress:** 88E-Accumulate at its discretion, may grant a one-time extension of up to six months to the Phase I Longstop Date, conditional on full payment compliance and demonstrable progress toward funding.
- **Extended option over Fall 2025 North Slope Leases:** 88E-Accumulate granted the exclusive option to acquire up to 25% of Burgundy's 2025 North Slope leases at cost (bid bonus and first-year rentals), exercisable by 1 April 2027.

Burgundy SEC Registration Progress

Burgundy has advanced its US public listing process meaningfully since confidentially submitting its draft registration statement on Form S-1 to the SEC.

To date, Burgundy has responded to two rounds of SEC comments and, subject to completion of this review, expects its IPO to proceed as planned.

88 Energy is regularly informed of Burgundy's progress per the terms of the Participation Agreement and has confidence in the trajectory of the process. This includes a direct confirmation of listing milestones from Burgundy's advisory team which, in part, informed 88 Energy's decision to grant the extension, which is in the best interests of its shareholders and other stakeholders alike.

Operational Readiness and Capital Commitment by Burgundy

In parallel with the registration process, Burgundy has deployed a significant amount of capital in advance of the planned Project Phoenix drilling campaign, including operational preparatory work for drilling and testing activities.

88 Energy considers this to be further demonstration of Burgundy's commitment to, and confidence in, Project Phoenix and its intent to deliver a successful Franklin Bluffs-1H horizontal well and production test.

Since the execution of the Participation Agreement in February 2025, Burgundy has paid approximately US\$1.5 million total gross to 88 Energy, inclusive of 100% of the costs associated with Project Phoenix and the associated amendment agreements.

As a result of Burgundy's payments, the total net cash flow benefits to 88 Energy of approximately A\$2.0M have strengthened the balance sheet, enabling the Company to deploy capital into new projects including the Kad River East and South Prudhoe leases.

About the Franklin Bluffs-1H Production Test

The Franklin Bluffs-1H (FB-1H) well is the next step in the appraisal and commercialisation plan for Project Phoenix. The well is designed as a horizontal production test, intended to validate commerciality of the project, following the successful oil discoveries and flow testing results delivered by the Hickory-1 discovery well.

A vertical pilot hole at FB-1H is designed to intersect and evaluate the stacked SMD, SFS and Basin Floor Fan (BFF) reservoir intervals through wireline logging and data acquisition, prior to drilling a horizontal section designed to test sustained producibility, flow performance and reservoir deliverability over an extended period. The program is intended to replicate proven development concepts successfully employed on adjacent North Slope fields and to underpin future development planning.

The FB-1H production test is underpinned by the multi-reservoir discovery confirmed at the Hickory-1 well, which demonstrated oil flow to surface from both the SMD-B and Upper SFS reservoirs and validated the presence of a deeper BFF system. Independent contingent resource estimates total approximately 378 MMBOE¹ (gross, best estimate, 2C) across the SMD, SFS and BFF reservoirs. The FB-1H well is designed to advance these resources along the development pathway by demonstrating horizontal well productivity in the best-developed reservoir units, leveraging the Projects close proximity to the Trans-Alaska Pipeline System and existing North Slope infrastructure.

Project Phoenix and FB-1H Advancement Schedule

- **Advanced well and production test planning:** Burgundy to continued detailed well design, AFE estimation, engineering and operational planning for FB-1H well and production test
- **Assess possible synergies:** Burgundy and 88 Energy to assess possible program synergies, such as rig sharing and other services to reduce costs.
- **Final approval of S1:** Burgundy to secure final approval of the S1 document from the SEC in the near term and commence fund raising process and IPO.

1. Refer to ASX Announcement dated 18 September 2024 for full details. 88E is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

This announcement has been authorised by the Board.

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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 40 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. 88E is not aware of any new information or data that materially affects the information included in the referenced market announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed