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88 ENERGY

2024 HALF YEAR REPORT

ENERGY

HIGH IMPACT EXPLORATION AND APPRAISAL SUPPORTED BY CONVENTIONAL PRODUCTION

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NEW VENTURE / FRONTIER EXPLORATION

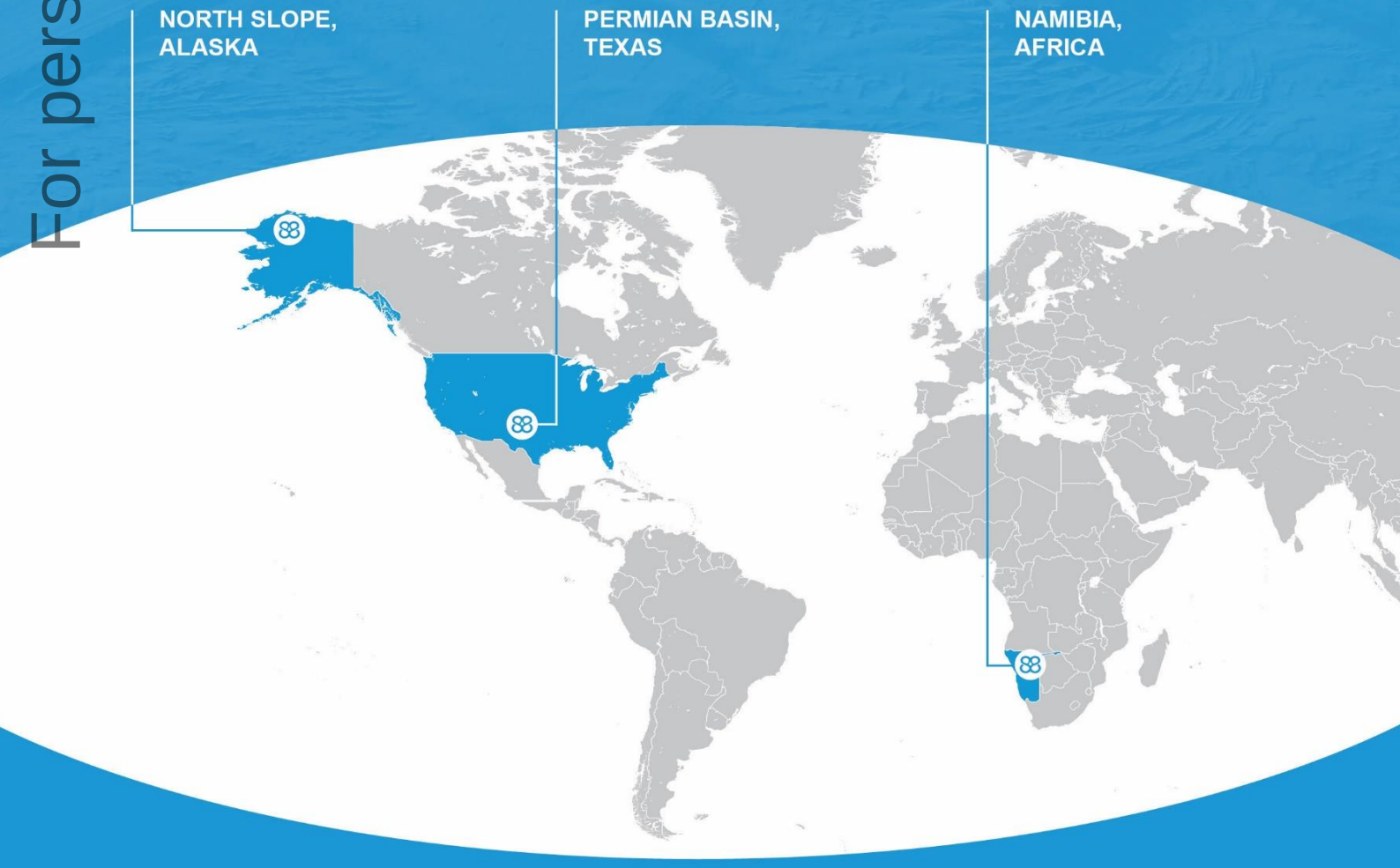
"Multi billion barrel prospective resource potential"

ADVANCED APPRAISAL / PRE DEVELOPMENT

"Proving up resources and advancing to near-term production"

GROWING PRODUCTION

"Growth through development drilling and acquisitions"



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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Ms Sarah Smith

NOMINATED ADVISER AND BROKER

Cavendish Capital Markets Limited

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 Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

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DIRECTORS' REPORT

Your Directors present their report together with the interim financial report of 88 Energy Limited (the Company or 88 Energy) for the six months ended 30 June 2024 and the independent auditor's review report thereon.

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Ms Philip Byrne (Non-executive Chairman, appointed 2 August 2021)

Mr Ashley Gilbert (Managing Director, appointed 10 May 2021)

Dr Stephen Staley (Non-executive Director, appointed 9 April 2014)

Ms Joanne Williams (Non-executive Director, appointed 2 August 2021)

OPERATING AND FINANCIAL REVIEW

During the period, the Group continued its principal exploration and appraisal activities in Alaska, complemented by a 75% owned, non-operated working interest in onshore Texas Permian Basin production assets. The Group also farmed-in and subsequently received transfer approval for a 20% working interest in Petroleum Exploration Licence (PEL 93), Onshore Namibia.

HIGHLIGHTS FOR THE FIRST HALF OF 2024

Significant activities that occurred during the first half of 2024 are summarised below

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PROJECT PHOENIX (~75% WI)

Project Phoenix is an oil-bearing conventional reservoir play identified during the drilling and logging of Icewine-1 and Hickory-1 and adjacent offset drilling and testing. Project Phoenix is strategically located on the Dalton Highway with the Trans-Alaskan Pipeline System (TAPS) bisecting the acreage.

HICKORY-1 DISCOVERY WELL

The Hickory-1 discovery well was drilled in February 2023 and flow tested the following Alaskan winter season in Q1/Q2 2024. The testing operations focussed on the two shallower primary targets, the Slope Fan System (**SFS**) and Shelf Margin Deltaic (SMD) reservoirs. Of the SFS series of reservoirs, the Upper SFS (**USFS**) reservoir was targeted to be flow tested as it had not been previously tested, whereas the Lower SFS has previously been flow tested and therefore, the producibility of that reservoir, confirmed on adjacent acreage. The USFS was followed by a targeted testing of the SMD-B reservoir. Each zone was independently isolated, stimulated and flowed to surface using nitrogen lift to assist in an efficient clean-up of the well.

Successful outcomes from the Hickory-1 flow test delivered a platform for monetisation of Project Phoenix, justifying further advancement, with key benefits including:

- Potential capital-light modular Early Production System;
- Production from horizontal wells typically produce 6-12 times higher flow rates than vertical wells; and
- An ability to produce concurrently from multiple reservoirs in a single development scenario.

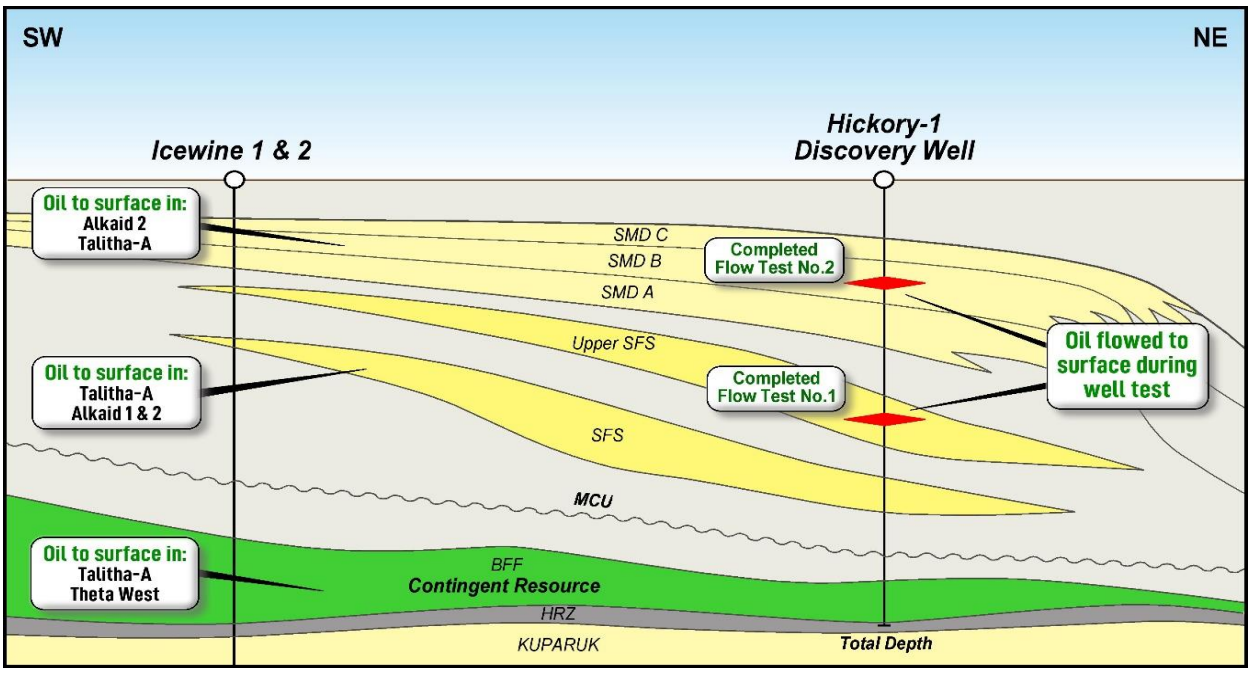
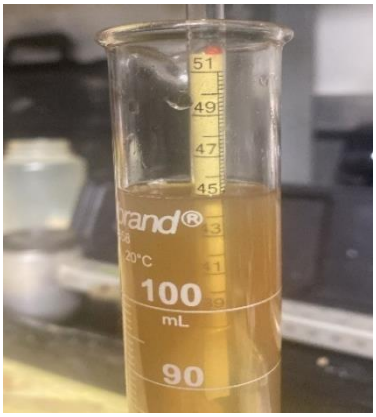


Figure 1: Hickory-1 Flow testing program flowed oil to surface from the two tested zones.

UPPER SFS FLOW TEST RESULTS

The USFS produced at a peak flow rate of ~70 bopd. Oil cuts increased throughout the flow back period as the well cleaned up, reaching a maximum of 15% oil cut. The Company expects that oil rates and cut would have likely increased further should the test period have been extended. The well produced at an average oil flow rate of ~42 bopd during the natural flow back period, with instantaneous rates ranging from ~10–77 bopd with average rates increasing through the test period. Importantly, the USFS zone flowed oil to surface under natural flow, with flow back from other reservoirs in adjacent offset wells only producing under nitrogen assisted lift.



Multiple oil samples were recovered with measured oil gravities of between 39.9 to 41.4 API (representing a light crude oil).

For full details in relation to the USFS test results please refer to the ASX announcement dated 2 April 2024.

SMD-B FLOW TEST RESULTS

The SMD-B produced at a peak flow rate of ~50 bopd. Oil cuts varied throughout the flow back period, reaching a maximum of 10% oil cut. The well produced at an average oil cut of 4% following initial oil to surface, with instantaneous rates observed during the 16-hour period as the well continued to clean up. Unlike flow tests on adjacent acreage where multiple gas lift mandrels and valves were used in completions designs, and nitrogen was unloaded in the tubing in stages up the well bore, Hickory-1 utilised a single gas lift mandrel where nitrogen was introduced via one valve at the deepest section. This is viewed as positive indication for future potential rates and performance.

Multiple oil samples were recovered, with measured oil gravities of between 38.5 to 39.5 API, representing a light crude oil.

Importantly, the SMD-B zone flowed oil to surface with little to no measurable gas, representing a low GoR production rate.

For full details in relation to the SMD-B test results please refer to the ASX announcement dated 15 April 2024.

POST-FLOW TESTING AND NEXT STEPS

Pressurised oil samples collected during both the USFS and SMD tests were transported to laboratories for further analysis. The analyses are expected to verify the reservoir fluid characteristics.

Following completion of the lab analyses, 88 Energy will commission an Independent Contingent Resource assessment for the Upper SFS, Lower SFS and SMD-B. This assessment is expected to be completed in Q4 2024.

Results from the post-flow test analyses will assist 88 Energy in the optimisation and design of the next phase of advancement at Project Phoenix. The Company, together with its Project Phoenix Joint Venture partner, are currently assessing locations for the drilling of a horizontal well, including the Franklin Bluffs gravel pad location (previously utilised for the Icewine 1 and 2 unconventional test wells), where a long-term flow test of either the SFS or SMD reservoirs may be undertaken.

Table below is an indicative timeline for Project Phoenix development

Project Phoenix	1H 24	2H 24	1H 25	2H 25	1H 26	2H26
Successful Hickory-1 flow test	✓					
Post-well testing and analysis	■——	——■				
Targeting farmout		■——	——■			
Planning/permitting/design for horizontal well production test[1]		■——	——	——	——■	
Extended horizontal production test[1]					■——	——▶

[1] *Subject to farm-out / funding as well as government and other approvals*

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PROJECT LEONIS (100% WI)

In June 2024, the Company reported a maiden internal Prospective Resource net mean estimate of 381 million barrels (MMbbls) of recoverable oil in the newly named Tiri Prospect (Upper Schrader Bluff (USB) Formation) for Project Leonis. (Unrisked net 3U (high) of 671 MMbbls, 2U (best) of 338 MMbbls and 1U (low) of 167 MMbbls.[1,2]

The initial Prospective Resource estimate followed a review period of an extensive data suite that included 3D and 2D seismic data, well logs from Hemi Springs Unit-3 and Hailstorm-1, as well as nearby wells adjacent to the Project Leonis acreage, along with extensive petrophysical analysis and mapping.

Importantly, the USB formation is the same proven producing zone as nearby Polaris, Orion and West Sak oil fields to the north-west as shown on Figure 2.

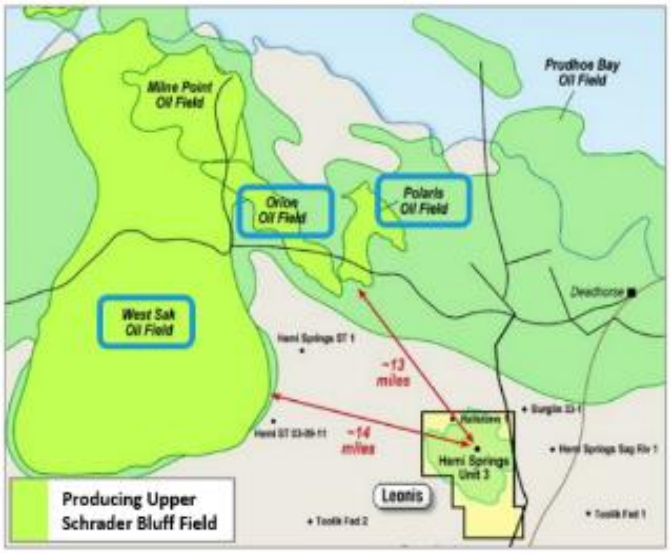

Figure 2: Project Leonis acreage position adjacent to TAPS and multiple producing USB reservoirs.

These proven USB producers served as important calibration points for the Leonis petrophysical model. The Leonis USB prospect has been fully delineated and mapped following a review of reprocessed 3D seismic data and a 3rd party dedicated fault mapping study to assist in prospect definition.

FORWARD PROGRAM

88 Energy has engaged Hickory-1 project Management Company, Fairweather LLC, to assist in planning and permitting for the newly named Tiri-1 exploration well. The well will be designed to drill, log and test the Tiri Prospect in the USB formation. The company intends to utilise the existing gravel pad at the Hemi Springs Unit-3 well shown in Figure 3, to reduce costs.

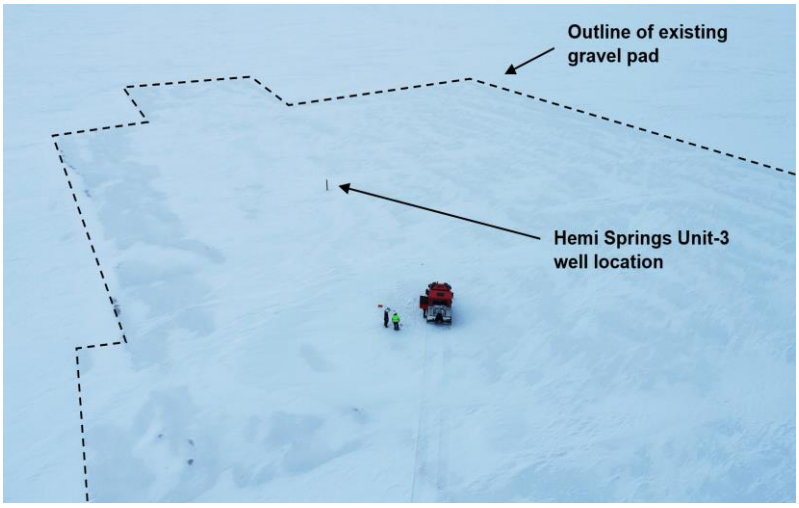

Figure 3: Hemi Springs Unit-3 well gravel pad and wellhead (March-24)

Timing for the drilling of the Tiri-1 exploration well is dependent on securing a successful farm-out partner and the Company has secured Stellar Energy Advisors Limited (Stellar) in London to manage the farm-out process, who have been engaged with multiple parties in advancing the assessment of the farm-out opportunity. The process is ongoing.

1. **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 recoverable hydrocarbons.
2. Refer ASX release on 4 June 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.

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NAMIBIA PEL 93 (20% WI)

In November 2023 88 Energy, via its wholly-owned Namibian subsidiary, executed a three-stage farm-in agreement (FOA) for up to a 45% non-operated working interest in the onshore Petroleum Exploration Licence (PEL 93) covering 18,500km2 of underexplored acreage within the Owambo Basin in Namibia.

In February 2024, the Company announced the successful 20% working interest (WI) transfer by operator Monitor Exploration Limited (Monitor) to 88 Energy as part of Stage 1 of the FOA; this transfer has been approved by the Namibian Ministry of Mines and Energy. Monitor now holds a 55% WI with the remaining 25% shared across local entities, Legend Oil Namibia Pty Ltd and NAMCOR. The current and potential future PEL 93 Joint Venture partners and working interests are as follows:

Entity	Pre Farm-in	**Stage 1 - Current (Past costs & 2D)**	Stage 2 (1st Well)	Stage 3 (2nd Well)
Monitor	75.0%	**55.0%**	37.5%	30.0%
Legend	15.0%	**15.0%**	15.0%	15.0%
NAMCOR	10.0%	**10.0%**	10.0%	10.0%
88 Energy	-	**20.0%**	37.5%	45.0%

Stage 1 schedule to earn a 20% working interest in the Licence is complete and comprises:

- 1st instalment: US$0.28 million paid in cash on signing for partial payment of back costs;
- 2nd instalment: US$1.25 million paid in 88 Energy shares on signing for part payment of 2D seismic carry;
- 3rd instalment: US$1.25 million paid in 88 Energy shares upon approval of PEL 93 WI transfer by the Namibian government, as final payment in relation to the 2D seismic carry; and
- 4th Instalment: US$0.9 million paid in 88 Energy shares for final back costs payment and 2024 work-program carry.

Namibia has been identified as one of the last remaining under-explored onshore frontier basins and one of the World's most prospective new exploration zones. PEL 93 is more than 10 times larger than 88 Energy's Alaskan portfolio and more than 70 times larger than Project Phoenix.

Recent drilling results on nearby acreage has highlighted the potential of a new and underexplored conventional oil and gas play in the Damara Fold belt, referred to as the Damara Play. It is currently the subject of exploration drilling by ReconAfrica in their nearby PEL 73 block. Historical assessment utilised a combination of techniques and interpretation of legacy data to identify the Owambo Basin, as having significant exploration potential. Monitor utilised a range of geophysical and geochemical techniques to assess and validate the significant potential of the acreage since award of PEL 93 in 2018, identifying ten (10) independent structural closures from airborne geophysical methods and partly verified these using existing 2D seismic coverage.

In May 2024, the Company announced that Polaris Natural Resources Development Ltd (**Polaris**) was awarded, the 2D seismic acquisition program contract. Polaris mobilised vibroseis units and recording equipment to location in late June 2024 and the program was completed in July 2024. The fully funded 2D Seismic acquisition program acquired ~200-line km of 2D data with data processing now underway and anticipated to be finalised in Q4 2024.

Results of the new 2D seismic acquisition will be integrated with existing historical exploration data to refine current prospect interpretation. Anticipated outcomes include:

- Validate up to 10 independent structural closures
- Maiden certified prospective resource estimate
- Identification of future potential drilling locations targeting the Damara play

Figure 4: Polaris seismic equipment

PROJECT LONGHORN (~65% WI)

The joint venture (**Bighorn JV**), which comprises Longhorn Energy Investments LLC a 100% wholly owned subsidiary of 88 Energy with 75% ownership and Lonestar I, LLC (**Lonestar or Operator**) with the remaining 25% ownership, agreed to a development program that included five workovers in 1H 2024.

During the quarter, the Bighorn JV successfully executed four of the planned five workovers within Budget with results below:

- First workover production commenced in mid-April;
- Second and third workovers commenced production in mid-May;
- Fourth workover production began in the final week of June 2024; and
- The final workover encountered a tubing fish not recorded in the well file. The operator tried several tools but could only clean out 75 feet of the anticipated 1,500 feet of the tubing fish recovered. The Bighorn JV decided to suspend operations and P&A the workover with sunk CAPEX capped at A$0.5M compared to a budget of A$1.2M.

Completion of the workovers increased gross production from 328 BOE per day (average Q1 2024) to 395 BOE per day (average Q2 2024) with production for June averaging 456 BOE per day (~63% oil). The production volume declines of the four successfully completed workovers are currently lower than initially forecast.

Project Longhorn continued to provide strong cash flows towards lease and corporate costs with the Company receiving cash flow distributions of A$1.2M during H1 2024, post-workover expenditure.

Prior to commencement of the 2024 capital development program, the Bighorn JV executed a a ~10% sell-down (gross, ~7% net to 88 Energy) of the 2023 acquired acreage, in order to re-disk and accelerate development opportunities. The transaction realised net to 88E, acquisition payments of ~A$0.3M and the non-operated partners contributed their share of the five workover capital development costs coupled with a 25% carry of their ownership share of the five workovers. For full details refer to page 6-7 the Q1 2024 Quarterly ASX announcement on 18 April 2024 including reserves update and cautionary statement.

FOCUSED ALASKAN STRATEGY

In Alaska, 88 Energy has a strategic focus on infrastructure-led opportunities which benefit from proximity to services at Prudhoe Bay, the Trans-Alaskan Pipeline System (TAPS) and other key infrastructure. 88 Energy is focused on advancing Project Phoenix and Project Leonis. Following Hickory-1 successfully flowing light oil to surface, the Company is aiming to drill horizontal production wells and generate cash flow within the next 24 months from Project Phoenix as well as unlocking Project Leonis' potential through an appraisal well program.

Following proposed new regulations governing the management of surface resources in the National Petroleum Reserve-A, 88 Energy successfully requested from the Bureau of Land Management Alaska initial 12-month suspensions for Project Peregrine to December 2024 and the Umiat Unit to 30 June 2025. The suspensions allow 88 Energy to benefit from a reduction in lease costs and to focus its efforts on unlocking value from its key strategic acreage positions - these are adjacent to infrastructure that should accelerate commercialisation of the projects.

Acreage that was deemed non-core to 88 Energy was relinquished during 1H 2024, including all of Icewine East (~23k acres/16 blocks) due to geographical challenges near/over the SAG river, lack of prospectivity and an 8-year primary term that expired on 31 May 2024 without being unitised. Additionally, 36 blocks at Icewine West covering ~51k acres with it's 8-year primary term also expiring in May 2024 were relinquished. The Company has reviewed the remaining Icewine West acreage and although it noted prospectivity across a group of leases including Charlie-1, a combination of the Company's focus being on assets that are adjacent to infrastructure, and the annual 'holding' rental costs of acreage means there are no immediate plans for further drilling at Icewine West. 88 Energy has requested relinquishment of the remaining Icewine West acreage from the Department of Natural Resources and approvals are expected in Q3 2024.

The acreage positons will relieve the Company of ~A$2.15M/pa in lease costs. (net to 88E).

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CORPORATE

PLACEMENT

On 24 April 2024, the Company successfully completed an oversubscribed share placement to domestic and international institutional and sophisticated investors to raise gross A$9.7 million (approx. £5.17 million) before costs (**the Placement**). 3,231,974,839 new fully paid ordinary shares in the Company (the **New Ordinary Shares**) were issued at an issue price of A$0.003 (£0.0016) per New Ordinary Share (the **Issue Price**). The net proceeds augmented the Company's existing cash balance to fund:

- Hickory-1 discovery well flow test operations at Project Phoenix, post-well studies, securing a contingent resource estimate for the SFS and SMD reservoirs and other costs associated with commercialising Project Phoenix;
- Exploration activities including lease rentals across Alaskan and Namibian acreage;
- Permit and planning costs for Tiri-1 exploration well at Project Leonis; and
- Securing farmout partners to advance projects at Project Phoenix and Project Leonis.

Euroz Hartleys Limited (Euroz Hartleys) acted as Sole Lead Manager and Bookrunner to the Placement. Cavendish Capital Markets Ltd (Cavendish) acted as Nominated Adviser and Sole Broker to the Placement in the United Kingdom. Inyati Capital Pty Ltd (Inyati) acted as Co-Manager to the Placement. Commission for the Placement was 6% (plus GST) of total funds raised across Euroz Hartleys, Inyati and Cavendish. In addition, and subject to shareholder approval, the Company will issue a total of 75,000,000 Unlisted Options (exercisable at A$0.0055 on or before the date which is 3 years from the date of issue) to Euroz Hartleys, Cavendish and Inyati.

The New Ordinary Shares were issued under the Company's available placement capacity pursuant to Listing Rule 7.1 and are not subject to shareholder approval. The Ordinary Shares ranked pari passu with the existing ordinary shares in the Company and the Ordinary Shares were admitted to trading on AIM.

PEL 93 – FARM-IN

Following approval by the Namibian Ministry of Mines and Energy of the 20% working interest transfer by Monitor to 88 Energy in relation to PEL 93, under the farm-in agreement, the Stage 1, third instalment payment of US$1.25 million was paid by issuing 397,947,229 new ordinary shares in the Company to Monitor at an issue price of A$0.0048 per share on 22 February 2024.

Monitor also agreed to receive 88 Energy shares as settlement for the fourth and final Stage 1 instalment of the farm-in agreement, as announced to the ASX on 13 November 2023. This instalment covers the final back costs and the 2024 work program carry of US$0.92 million through the issuance of 476,634,546 new ordinary 88 Energy Shares at an issue price of A$0.003 per share on 24 April 2024.

GENERAL MEETINGS

The Company held a General Meeting on 15 January 2024 and all eleven (11) resolutions were passed.

The Company held its Annual General Meeting on 13 May 2024 and all six (6) resolutions were carried.

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EVENTS AFTER THE PERIOD

Other than as disclosed below, there were no significant events occurring after balance date requiring disclosure.

PROJECT PHOENIX

Burgundy Xploration, LLC (**Burgundy**) met its 2023 financial obligations and signed the Hickory-1 flow test Authority For Expenditure (AFE) on 15 February 2024. Under a standstill agreement executed in December 2023 with 88E's subsidiary, Accumulate Energy Alaska, Inc (**88E-Accumulate**), Burgundy was due to pay its share of the AFE cost (approximately US$3 million) by no later than 15 August 2024, through either a public listing or a private capital raise. If the obligation remained unpaid, Burgundy was to transfer 50% of its working interest in the Toolik River Unit leases to 88E-Accumulate.

As announced on 19 August 2024 on the ASX, 88E understands that Burgundy's plans for a public listing are progressing well including the recent recruitment of a board and senior oil and gas executive with significant public company (AIM, TSX, and US markets) experience and success to facilitate the company's potential public listing. After an extensive internal and third-party review of the latest Project Phoenix data by Burgundy, advanced discussions are underway in relation to a potential transaction whereby Burgundy would provide a carry to 88E across an anticipated 2025/26 work program to include (but not be limited to) the drilling, completion and extended flow testing of a horizontal well on the Dalton Highway in return for additional working interest in the Project. Any carry would be subject to Burgundy raising the capital required. Accordingly, at this stage there is no guarantee that a transaction with Burgundy will be completed.

Given the deadline on the previous December 2023 standstill agreement, Burgundy has committed to a payment of US$0.35 million in the near term in return for the Company extending the December 2023 standstill agreement for outstanding Flow Test AFE costs until December 31, 2024. Given this commitment, Burgundy's intentions to proceed with a listing public listing, as well as the ongoing negotiations with the Company for a horizontal well carry, 88E has agreed to a further extension of the standstill arrangement.

Should Burgundy fail to meet its obligations by the revised deadline, the Company retains its rights under the joint operating agreement to enforce its terms if necessary.

UMIAT UNIT

88 Energy was successful in receiving a suspension for Project Peregrine on 1 December 2023 for an initial period of 12 months due to the proposed new regulations governing the management of surface resources in the National Petroleum Reserve-A (NPR-A). On 25 June 2024, the Company applied for suspension to Umiat Unit and leases on the same basis as Project Peregrine suspension, requesting an initial 1-year suspension that will be reviewed as required. On 31 July 2024 The Bureau of Land Management Alaska approved a 12-month suspension of the Umiat Unit and leases from 1 July 2024 to 30 June 2025.

During the suspension period, 88 Energy will continue the refinement of internal geological and geophysical models/interpretations. The suspension will relieve 88 Energy of the obligation to pay lease rentals during the suspension period of ~A$0.1 million due in Q4.

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A copy of the lead auditor's independence declaration for the half-year ended 30 June 2024 has been received by the Directors and can be found on the following page. This declaration forms part of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

Mr Philip Byrne
Non-executive Chairman

2 September 2024

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AUDITORS' 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 for the review of 88 Energy Limited for the half-year ended 30 June 2024, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

Jarrad Prue

Director

BDO Audit Pty Ltd

Perth

2 September 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR HALF YEAR ENDED 30 JUNE 2024

	Note	**30 June 2024 $**	30 June 2023 $
Other income	3(a)	**295,574**	38,285
Share of profit/(loss) from equity accounted investment	8	**91,987**	772,336
Administration expenses	3(b)	**(582,212)**	(1,435,182)
Occupancy expenses		**(15,731)**	(17,410)
Employee benefit expenses	3(c)	**(1,217,151)**	(1,644,139)
Share based payment expense	3(d)	**86,383**	(447,499)
Depreciation and amortisation expense		**(39,204)**	(31,629)
Finance cost		**(1,024)**	(4,274)
Realised/unrealised gain/(loss) on foreign exchange		**451,399**	386,445
Other income /(expenses)		**(15,937)**	(468,009)
Exploration & Evaluation Impairment	3(e)	**(28,942,570)**	(8,877,646)
Loss before income tax		**(29,888,486)**	(11,728,722)
Income tax benefit/(expense)		**-**	-
Loss after income tax for the period		**(29,888,486)**	(11,728,722)
Other comprehensive income for the period			
Other comprehensive income that may be recycled to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**3,927,630**	2,849,634
Total comprehensive profit/(loss) for the period		**(25,960,856)**	(8,879,088)
Basic and diluted profit/(loss) per share		**(0.0010)**	(0.0006)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	30 June 2024 $	31 December 2023 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**7,882,132**	18,182,727
Other receivables	6	**7,377,778**	3,973,934
Total Current Assets		**15,259,910**	22,156,661
Non-Current Assets			
Plant and equipment		**17,255**	22,348
Exploration and evaluation expenditure	7	**105,339,878**	110,588,395
Other assets		**487,008**	506,817
Equity accounted investments	8	**22,881,956**	23,251,219
Total Non-Current Assets		**128,726,097**	134,368,779
TOTAL ASSETS		**143,986,007**	156,525,440
LIABILITIES			
Current Liabilities			
Provisions		**221,380**	283,497
Trade and other payables	9	**1,570,864**	556,544
Total Current Liabilities		**1,792,244**	840,041
TOTAL LIABILITIES		**1,792,244**	840,041
NET ASSETS		**142,193,763**	155,685,399
EQUITY			
Issued and fully paid shares	10(a)	**392,539,307**	379,917,222
Reserves	10(b)	**33,747,417**	29,972,652
Accumulated losses		**(284,092,961)**	(254,204,475)
TOTAL EQUITY		**142,193,763**	155,685,399

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2024

	Issued Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
At 1 January 2024	**379,917,222**	**29,972,652**	**(254,204,475)**	**155,685,399**
Loss for the period	-	-	**(29,888,486)**	**(29,888,486)**
Other comprehensive income	-	**3,927,631**	-	**3,927,631**
Total comprehensive income/(loss) for the period after tax	-	**3,927,631**	**(29,888,486)**	**(25,960,856)**
Transactions with owners in their capacity as owners:				
Issue of share capital	**13,557,921**	-	-	**13,557,921**
Issue of Options	-	**275,462**	-	**275,462**
Vesting of Performance Rights		**(341,945)**		**(341,945)**
Share-based payments	-	**(86,383)**	-	**(86,383)**
Share issue costs	**(935,836)**	-	-	**(935,836)**
Balance at 30 June 2024	**392,539,307**	**33,747,417**	**(284,092,961)**	**142,193,763**
At 1 January 2023	340,972,669	30,468,589	(239,765,242)	131,676,016
Loss for the period	-	-	(11,728,722)	(11,728,722)
Other comprehensive income	-	2,849,634	-	2,849,634
Total comprehensive income/(loss) for the period after tax	-	2,849,634	(11,728,722)	(8,879,088)
Transactions with owners in their capacity as owners:				
Issue of share capital	17,500,000	-	-	17,500,000
Share-based payments	-	699,200	-	699,200
Share issue costs	(1,350,755)	-	-	(1,350,755)
Balance at 30 June 2023	357,121,914	34,017,423	(251,493,964)	139,645,373

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2024

	30 June 2024 $	30 June 2023 $
Cash flows from operating activities		
Interest	**78,720**	38,258
Payments to suppliers and employees	**(1,986,933)**	(2,978,645)
Net cash outflows used in operating activities	**(1,908,213)**	(2,940,387)
Cash flows from investing activities		
Payments for exploration and evaluation activities	**(22,124,416)**	(24,183,588)
Contributions from JV Partners in relation to Exploration	**2,981,179**	1,462,100
Proceeds from return of Bonds	**-**	584,840
Distribution from Equity Accounted Investments	**1,226,647**	1,405,142
Net cash outflows used in investing activities	**(17,916,590)**	(20,731,506)
Cash flows from financing activities		
Proceeds from issue of shares	**9,695,925**	17,500,000
Share issue costs	**(669,782)**	(1,179,937)
Net cash inflows from financing activities	**9,026,142**	16,320,063
Net increase/(decrease) in cash and cash equivalents	**(10,798,661)**	(7,351,830)
Net foreign exchange differences	**498,066**	550,467
Cash and cash equivalents at beginning of period	**18,182,727**	14,123,731
Cash and cash equivalents at end of period	**7,882,132**	7,322,368

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1 CORPORATE INFORMATION

The consolidated financial statements of the Company for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 2 September 2024.

88 Energy Limited is a public company, limited by shares, incorporated and domiciled in Australia whose securities are publicly traded. The principal activities of the company and its subsidiaries (the Company) are oil and gas exploration with a portfolio of Operated exploration interests in Alaska, 20% non-operated exploration interest in Namibia and a 75% owned, non-operated interest in production assets located in the Texas Permian Basin.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

Basis of Preparation

The half year financial report for the six months ended 30 June 2024 is a general-purpose financial report prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The half year financial report has been prepared on a historical cost basis which have been measured at fair value. Unless otherwise noted, the carrying value of financial assets and liabilities as disclosed in the half year financial report approximates their fair value. The company is domiciled in Australia and all amounts are presented in Australian dollars and all values are rounded to the nearest dollar, unless otherwise noted.

For the purpose of preparing the half year financial report, the half-year has been treated as a discrete reporting period.

The accounting policies adopted in the preparation of the half year financial report are consistent with those followed in the preparation of the Company's annual financial report for the year ended 31 December 2023 with the adoption of any additional accounting standards and interpretations issued by the AASB that are relevant to the operations of the Group and effective for periods beginning on and after 1 January 2024.

The half year financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2023, together with any public announcements made during the period.

There were no new accounting standards or policies adopted in the half year to June 2024.

New Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the consolidated entity's accounting policies. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The resulting accounting judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

a) Determination of fair values on exploration and evaluation assets acquired in asset acquisition

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considered generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value. Refer Note 7.

b) 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.

For the period ending June 24 the Company undertook an impairment assessment for its Phoenix East Leases and its Icewine West Leases and as a consequence of relinquishing these leases back to the State of Alaska, an impairment indicator has been identified. As a result, the company has recognised an impairment of A$28.94 million (U$19.17 million) see Note 7.

c) Recoverability of Receivables

The Company has recorded an amount receivable of A$6.3 million (U$4.2 million) for payments from its JV partner Burgundy Xploration, LLC for costs associated with Project Phoenix, Hickory frac and flow test. As announced on 19 August on the ASX, 88E has entered into an agreement with Burgundy to receive the balance of the outstanding AFE flow test costs by 31 December 2024 as well as initial payment of US$0.35 reflecting Burgundy's commitment to the Project along with Burgundy's intention to acquire further working interest of Project Phoenix to be minimum 50%. Based upon the executed agreement with Burgundy, management expects to receive the full value of this receivable and progress Project Phoenix to the next stage. Refer to note 6 on agreement details.

Going concern

For the half-year ended 30 June 2024, the Group recorded a loss of $29.8 million (30 June 2023: loss of $11.7 million). The loss was largely attributable to the impairment of the Phoenix East and Icewine West Leases, following relinquishment of the acreage to the State of Alaska. At 30 June 2024, the Group had a working capital balance $13.5 million (31 December 2023: $21.3 million) which included cash on hand of $7.8 million (31 December 2023: $18.1 million).

The Company's management have prepared an estimated cash flow forecast for the period to December 2025. The forecast includes a number of assumptions relating to its operations including the anticipated production distributions of its interest in Bighorn Energy LLC.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business as the Group's expects to fund its leases, planning and studies for Project Leonis and G&A from current cash reserves and Project Longhorn distributions.

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3 INCOME AND EXPENSES

	30 June 2024 $	30 June 2023 $
a) Income		
Interest Income [i]	**295,574**	38,285
	295,574	38,285
b) Administrative expenses		
Consultancy and professional fees	**281,798**	245,731
Legal fees	**30,929**	61,860
General and administration expenses [ii]	**255,588**	1,009,793
Travel	**13,897**	117,798
	582,212	1,435,182
c) Employee benefit expenses		
Wages and salaries	**1,043,451**	1,359,083
Superannuation	**82,926**	87,098
Annual leave expense	**16,801**	109,642
Other employee expenses	**73,972**	88,316
	1,217,151	1,644,139
d) Share based payment expense		
Performance Rights issued to Directors	**124,044**	212,576
Performance Rights issued to Employees	**204,734**	234,923
Reversal in SBP due to forfeited Performance Rights	**(415,161)**	-
	(86,383)	447,499
e) Exploration & Evaluation Impairment Expense		
Impairment expense [iii] – (refer note 7)	**28,945,595**	8,882,710
Exploration expense – Merlin 2	**(3,025)**	(5,064)
	28,942,570	8,877,646

(i) Includes Interest charged to Burgundy Xploration on outstanding cash calls as part of the Joint Venture Agreement.

(ii) General and administrative expenses are shown net of recoveries of $677,906 mainly from the Project Phoenix Joint Venture. 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.

(iii) Relinquishment of 16 Phoenix East Leases – U$2,455,141 and 105 Icewine West Leases U$16,718,421.

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4 SEGMENT INFORMATION

Identification of reportable segments

For management purposes during the period ended 30 June 2024 the Company was organised into the following strategic unit:

Oil and Gas exploration in Alaska, USA.

Oil and Gas production in Texas, USA.

Oil and Gas exploration in Namibia.

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 of Directors.

The Board of Directors review internal management reports on a periodic basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required, because the information as presented is used by the Board to make strategic decisions.

Management has determined, based on the reports reviewed by the Board of Directors and used to make strategic decisions, that the Group has three reportable segments being Oil and Gas Exploration in Alaska USA, Oil and Gas Production in Texas USA, and Oil & Gas Exploration in Namibia. 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.

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	Texas Production $	Alaska Exploration $	Namibia Exploration $	Other $	Total $
Six months ended 30 June 2024					
Total Revenue	-	240,479	-	55,095	295,574
Administrative Expenses	(49,638)	9,688	-	(542,261)	(582,211)
Employee benefit Expenses	-	-	-	(1,217,151)	(1,217,151)
DD&A	-	-	-	(39,204)	(39,204)
E&E Impairment	-	(28,945,596)	-	-	(28,945,596)
Other	-	(6,464)	-	521,026	514,562
Total Expenditure	(49,638)	(28,948,819)	-	(1,277,591)	(27,720,867)
Net Profit (loss) before tax	42,350	(28,708,340)	-	(1,222,496)	(29,888,486)
Additions to non-current assets	-	8,310,875	3,411,884	-	11,722,759
Assets	23,743,466[(i)]	119,343,768	6,051,190	5,152,417	143,986,007
Liabilities	-	1,480,400	-	311,844	1,792,244
Six months ended 30 June 2023					
Total Revenue	-	27	-	38,258	38,285
Administrative Expenses	(93,049)	(1,381)	-	(1,340,752)	(1,435,182)
Employee benefit Expenses	-	-	-	(1,644,139)	(1,644,139)
DD&A	-	-	-	(31,629)	(31,629)
E&E Impairment	-	(8,877,646)	-	-	(8,877,646)
Other	-	(468,009)	-	(82,738)	(550,747)
Total Expenditure	(93,049)	(9,344,274)	-	(3,102,020)	(12,539,343)
Net Profit (loss) before tax	679,287	(9,344,247)	-	(3,063,762)	(11,728,722)

31 December 2023					
Additions to non-current assets	3,282,561	11,079,160	2,639,306	15,415	17,016,442
Assets	23,251,219[(i)]	105,848,260	2,639,306	24,786,654	156,525,440
Liabilities	-	67,034	-	773,007	840,041

(i) Asset is in relation to the Investment in Associate Bighorn Energy LLC, refer to Note 8 - Equity Accounted Investment.

5 RECONCILIATION OF CASH

	30 June 2024 $	31 December 2023 $
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:		
Cash at bank and in hand	**7,882,132**	14,123,731
	7,882,132	14,123,731

6 OTHER RECEIVABLES

Other deposits and receivables	**981,280**	1,421,534
JV Contribution Receivables [(i)]	**6,396,497**	2,551,860
	7,377,778	3,973,394

(i) JV Contribution Receivable

JV Partner Burgundy Xploration, LLC (Burgundy) paid all of its outstanding 2023 cash calls and signed the flow test authorised for expenditure (AFE) on 15 February 2024 as part of the standstill agreement that was entered into at the end of 2023 with the Company's 100%-owned subsidiary Accumulate Energy Alaska, Inc (88E-Accumulate). The standstill agreement allowed Burgundy six (6) months to pay its share of the AFE cost (~US$3m) by 15 August 2024. Burgundy was due to pay its share of the AFE cost from either (1) the proceeds of a public listing which Burgundy is pursuing; (2) the proceeds of a private capital raise; or (3) if Burgundy had not made payment for its share of the AFE cost by 15 August 2024, then Burgundy will transfer 50% of its working interest in the Toolik River Unit (TRU) leases to 88E-Accumulate.

As announced on 19 August 2024 on the ASX, 88E understands that Burgundy's plans for a public listing are progressing well including the recent recruitment of a board and senior oil and gas executive with significant public company (AIM, TSX, and US markets) experience and success to facilitate the company's potential public listing. After an extensive internal and third-party review of the latest Project Phoenix data by Burgundy, advanced discussions are underway in relation to a potential transaction whereby Burgundy would provide a carry to 88E across an anticipated 2025/26 work program to include (but not be limited to) the drilling, completion and extended flow testing of a horizontal well on the Dalton Highway in return for additional working interest in the Project. Any carry would be subject to Burgundy raising the capital required. Accordingly, at this stage there is no guarantee that a transaction with Burgundy will be completed. Given the deadline on the previous December 2023 standstill agreement, Burgundy has committed to a payment of US$0.35 million in the near term in return for the Company extending the December 2023 standstill agreement for outstanding Flow Test AFE costs until December 31, 2024.

Given this commitment, Burgundy's intentions to proceed with a public listing, as well as the ongoing negotiations with the Company for a horizontal well carry, 88E has agreed to a further extension of the standstill arrangement. Should

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Burgundy fail to meet its obligations by the revised deadline, the Company retains its rights under the joint operating agreement to enforce its terms if necessary.

7 EXPLORATION EXPENDITURE

Capitalised expenditure at the beginning of the period	**110,588,395**	96,422,918
Additions [iii]	**26,300,777**	31,223,595
JV Contributions [i]	**(6,001,630)**	(6,981,966)
Less Impairment [ii]	**(28,945,595)**	(9,493,517)
Foreign Currency translation	**3,397,931**	(582,634)
Closing balance	**105,339,878**	110,588,395

(i) JV Contributions called to June 24 is for expenditure incurred in relation to the Hickory Frac and Flow Program and lease rentals.
(ii) Impairment of 16 Phoenix East Leases (A$3.7m) and 105 Icewine West Leases (A$25.2).
(iii) Additions include U$2,170,000 for acquisition of working interest in PEL 93, Namibia from Monitor Exploration UK. (refer to details below).

Namibia Tenement Acquisition

In November 2023 88 Energy, via its wholly-owned Namibian subsidiary, executed a three-stage farm-in agreement (FOA) for up to a 45% non-operated working interest in the onshore Petroleum Exploration Licence (PEL 93) covering 18,500km2 of underexplored ground within the Owambo Basin in Namibia, constituting an asset acquisition.

In February 2024, the Company announced the successful 20% working interest (WI) transfer by operator Monitor Exploration Limited (Monitor) to 88 Energy as part of Stage 1 of the FOA to PEL 93 located in the Owambo Basin, approved by the Namibian Ministry of Mines and Energy. Monitor now holds a 55% WI with the remaining 25% shared across local entities, Legend Oil Namibia Pty Ltd and NAMCOR. The current and potential future PEL 93 Joint Venture partners and working interests are as follows:

Entity	Pre Farm-in	Stage 1 - Current (Past costs & 2D)	Stage 2 (1st Well)	Stage 3 (2nd Well)
Monitor	75.0%	55.0%	37.5%	30.0%
Legend	15.0%	15.0%	15.0%	15.0%
NAMCOR	10.0%	10.0%	10.0%	10.0%
88 Energy	-	20.0%	37.5%	45.0%

Stage 1 schedule to earn a 20% working interest in the Licence is complete and comprises:

- 1st instalment: US$0.28 million paid in cash on signing for partial payment of back costs;
- 2nd instalment: US$1.25 million paid in 88 Energy shares on signing for part payment of 2D seismic carry;
- 3rd instalment: US$1.25 million paid in 88 Energy shares upon approval of PEL 93 WI transfer by the Namibian government, as final payment in relation to the 2D seismic carry; and
- 4th Instalment: US$0.9 million paid in 88 Energy shares for final back costs payment and 2024 work-program carry.

Total acquisition costs amounted to US$2,170,000 (A$3,275,966) for the acquisition of working interest in PEL 93. In measuring the fair value of the exploration project acquired, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of

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valuation with respect to the exploration project with limited exploration results, management have determined the price paid to be indicative of its value.

8 EQUITY ACCOUNTED INVESTMENT

The Group's interest in equity accounted investment with the most significant contribution the Group's net profit/(loss) or net assets, are as follows:

Significant joint venture	Country of incorporation	Principal activity	Reporting date	Acquisition date	Ownership interest % FY24
Bighorn Energy LLC [(i)]	USA	Production of Oil & Gas	30 Jun 2024	18 Feb 2022[(ii)]	75

(i) While the Group holds a greater than 50 per cent interest in the joint ventures, joint control is contractually achieved as joint venture parties unanimously consent on decisions over the joint venture's relevant activities.

(ii) Effective date 1 January 2022.

A reconciliation of the carrying amount of the equity accounted investment is set out below:

Investment in equity accounted investment	**30 June 2024**	31 December 2023
	$	$
At the beginning of the financial period	**23,251,219**	19,968,658
Contribution of capital	**-**	4,000,000
Share of profit/(loss) of equity accounted investments (from effective date)	**91,987**	1,665,442
Foreign Exchange gain/(loss)	**765,397**	(372,536)
Distribution received from equity accounted investments	**(1,226,647)**	(2,010,345)
Carrying amount of equity accounted investments	**22,881,956**	23,251,219
Carrying amount of equity accounted investment		
Bighorn Energy LLC	**22,881,956**	23,251,219
Share of profit/(loss) of equity accounted investment		
Bighorn Energy LLC	**91,987**	1,665,442

The following table summarises the financial information relating to the significant equity accounted Investment:

Reconciliation of carrying amount of equity accounted investment		
Current Assets	**2,146,665**	2,338,981
Non – Current Assets	**36,059,198**	30,831,694
Current Liabilities	**(5,801,588)**	(3,601,611)
Non – Current Liabilities	**(2,113,886)**	(2,047,132)
Net Assets – 100%	**30,290,389**	27,521,933
Net assets – the Group's share	**22,717,792**	20,641,450
Prepaid contributed capital and FX	**164,164**	2,609,769
Carrying amount of equity accounted investments	**22,881,956**	23,251,219

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Reconciliation of share of profit/(loss) of equity accounted investment		
Revenue – 100%	**4,253,382**	9,432,588
Profit/(loss) after tax – 100%	**122,649**	2,220,589
Profit/(loss) after tax – the Group's share (75%)	**91,987**	1,665,442
Share of profit/(loss) of equity accounted investments	**91,987**	1,665,442

The Group's share of contingent liabilities is U$0 million and capital expenditure commitments of U$0.8 million for the significant equity accounted investment as at 30 June 2024. The capital expenditure relates to committed well workover costs payable in July and August 2024.

The Group uses the term 'equity accounted investments' to refer to joint ventures.

9 TRADE AND OTHER PAYABLES

	30 June 2024 $	31 December 2023 $
Trade payables	**1,574,819**	480,858
Other payables	**(3,955)**	75,686
	1,570,864	556,544

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10 CONTRIBUTED EQUITY AND RESERVES

	Number of shares	$
a) Ordinary shares fully paid		
Ordinary shares – Balance as 1 January 2023		
Issue of shares in February capital raise @ $0.0095	1,842,105,263	17,500,000
Issue of shares in August Rights Issue @ $0.0060	553,070,348	3,318,422
Issue of shares in August shortfall Issue @ $0.0060	782,716,470	4,696,299
Issue of shares to Investor Relations services @ $0.0060	8,333,333	50,000
Issue of shares for Bighorn working capital @ $0.0060 (Refer note 11)	666,666,667	4,000,000
Issue of shares in November capital raise @ $0.0045	2,200,000,005	9,900,000
Issue of shares for Namibia 1st tranche working interest @ $0.0061	322,147,513	1,965,100
Less equity raising costs		(2,485,268)
Issued and fully paid shares at 31 December 2023	24,640,802,561	379,917,222
Balance at 1 January 2024	**24,640,802,561**	**379,917,222**
Issue of shares in January Performance Rights Plan @ $0.004	**84,618,000**	**338,472**
Issue shares to Monitor Exploration for Namibia Tranche 2 @ $0.0048	**397,947,229**	**1,910,147**
Issue shares in February Performance Rights Plan @ $0.005	**694,777**	**3,474**
Issue shares to Monitor Exploration UK @ $0.003	**217,594,032**	**652,782**
Issue shares to Monitor Exploration NAM @ $0.003	**259,040,514**	**777,122**
Issue of shares in April 24 capital raise @ $0.003	**3,231,974,839**	**9,695,924**
Issue of shares to Stocks Digital @ $0.003	**60,000,000**	**180,000**
Less equity raising costs		**(935,836)**
Issued and fully paid shares at 30 June 2024	**28,892,671,952**	**392,539,307**

	30 June 2024 $	31 December 2023 $
b) Reserves		
Share-based payments	**21,337,231**	21,490,097
Foreign currency translation reserve	**12,410,186**	8,482,555
	33,747,417	29,972,652

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Movement reconciliation

Share-based payments reserve

Balance at the beginning of the half year	**21,490,097**	20,358,941
Equity settled share-based payment expense	**(86,383)**	879,455
Issue of Options as part of Capital Raise	**275,462**	251,701
Settlement of vested Performance Rights	**(341,945)**	-
Balance at the end of the half year	**21,337,231**	21,490,097

Foreign currency translation reserve

Balance at the beginning of the half year	**8,482,555**	10,109,648
Effect of translation of foreign currency operations to group presentation	**3,927,631**	1,627,093
Balance at the end of the half year	**12,410,186**	8,482,555

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.

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.

11 EVENTS AFTER THE PERIOD END

Other than as disclosed below, there were no significant events occurring after balance date requiring disclosure.

PROJECT PHOENIX

Burgundy Xploration, LLC (**Burgundy**) met its 2023 financial obligations and signed the Hickory-1 flow test Authority For Expenditure (AFE) on 15 February 2024. Under a standstill agreement executed in December 2023 with 88E's subsidiary, Accumulate Energy Alaska, Inc (**88E-Accumulate**), Burgundy was due to pay its share of the AFE cost (approximately US$3 million) by no later than 15 August 2024, through either a public listing or a private capital raise. If the obligation remained unpaid, Burgundy was to transfer 50% of its working interest in the Toolik River Unit leases to 88E-Accumulate.

As announced on 19 August 2024 on the ASX, 88E understands that Burgundy's plans for a public listing are progressing well including the recent recruitment of a board and senior oil and gas executive with significant public company (AIM, TSX, and US markets) experience and success to facilitate the company's potential public listing. After an extensive internal and third-party review of the latest Project Phoenix data by Burgundy, advanced discussions are underway in relation to a potential transaction whereby Burgundy would provide a carry to 88E across an anticipated 2025/26 work program to include (but not be limited to) the drilling, completion and extended flow testing of a horizontal well on the Dalton Highway in return for additional working interest in the Project. Any carry would be subject to Burgundy raising the capital required. Accordingly, at this stage there is no guarantee that a transaction with Burgundy will be completed.

Given the deadline on the previous December 2023 standstill agreement, Burgundy has committed to a payment of US$0.35 million in the near term in return for the Company extending the December 2023 standstill agreement for

outstanding Flow Test AFE costs until December 31, 2024. Given this commitment, Burgundy's intentions to proceed with a listing public listing, as well as the ongoing negotiations with the Company for a horizontal well carry, 88E has agreed to a further extension of the standstill arrangement.

Should Burgundy fail to meet its obligations by the revised deadline, the Company retains its rights under the joint operating agreement to enforce its terms if necessary.

UMIAT UNIT

88 Energy was successful in receiving a suspension for Project Peregrine on 1 December 2023 for an initial period of 12 months due to the proposed new regulations governing the management of surface resources in the National Petroleum Reserve-A (NPR-A). On 25 June 2024, the Company applied for suspension to Umiat Unit and leases on the same basis as Project Peregrine suspension, requesting an initial 1-year suspension that will be reviewed as required. On 31 July 2024 The Bureau of Land Management Alaska approved a 12-month suspension of the Umiat Unit and leases from 1 July 2024 to 30 June 2025.

During the suspension period, 88 Energy will continue to refine internal geological and geophysical models/interpretations. The suspension will relieve 88 Energy of the obligation to pay lease rentals during the suspension period of ~A$0.1 million due in Q4.

12 COMMITMENTS AND CONTINGENCIES

Exploration Commitments

Leases:

Holding costs for the acreage currently held by 88 Energy's subsidiaries is US$10 per acre. The anticipated lease payment for FY 2024 totals US$1.3 million gross 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. As at 30 June 2024, the Company gross lease payments made were US $0.3 million.

The Group's share of contingent liabilities and capital expenditure commitments of significant equity accounted investments as at 30 June 2024 was U$0 and U$0.8 million respectively through to 31 December 2024. The capital expenditure relates to committed workover development costs that will be paid in July and August 2024.

Refer Note 8 for commitments pertaining to Equity Accounted Investments.

Corporate Commitments

As at 30 June the group has a bankers' guarantee issued as security for the lease of office premises at Gr Fl, 516 Hay Street, Subiaco to the amount of $29,380.

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13 RELATED PARTY TRANSACTIONS

The terms and conditions of transactions with Directors and Executives and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Related party transactions similar to those described in the 31 December 2023 Annual Report continued during the period.

During the half year to June 2024 the following Performance Rights were issued to Key Management Personnel.

Key Management Personnel	Share Price (ASPG)	Share Price (RTSR)	Total
Grant Date	20/05/2024	20/05/2024	
Expiry Date	31/12/2026	31/12/2026	
Fair Value Price $	0.0022	0.0023	
Exercise Price	Nil	Nil	
Expected Life	2.62 years	2.62 years	
Risk Free Interest Rate	3.90%	3.90%	
Expected Volatility	145.60%	145.60%	
Performance Rights			
A. Gilbert	18,937,500	18,937,500	**37,875,000**
O. Mortensen	8,000,000	8,000,000	**16,000,000**
Vested Rights	-	-	-
% Vested	-	-	-
Fair Value A. Gilbert $	41,663	43,556	**85,219**
Fair Value O. Mortensen $	17,600	18,400	**36,000**
Total Fair Value 2024 $	59,263	61,956	**121,219**
Benefits Expensed during 2024 $			
A. Gilbert	1,157	1,210	**2,367**
O. Mortensen	489	511	**1,000**
Total Benefits Expensed 2024 $ (KMP only)	1,646	1,721	**3,367**
Benefits not yet recognised $			
A. Gilbert	40,506	42,346	**82,852**
O. Mortensen	17,111	17,889	**35,000**
Total Benefits not yet recognised 2024 $	57,617	60,235	**117,852**

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

Performance Rights were issued under two testing conditions.. The following reflect the performance conditions:

The Performance rights have a performance period of 3 years from the conclusion of the financial year being 31 December 2023 to 31 December 2026. At this point the Performance Rights relating to absolute share price growth (ie 50%) will be tested with total number of rights to vest dependant on outcome of testing and the Performance Rights relating to Relative Total Shareholder Return (ie 50%) will be tested with total number of rights to vest dependant on outcome of testing.

Vesting Conditions for Absolute Share Price Growth (ASPG):

50% of the LTI Performance Rights will vest subject to a hurdle based on the Company's ASPG, as assessed based on the testing date, which will be calculated as follows:

ASPG% = (Hurdle Price – Allocation Price) x 100
Allocation Price

Hurdle Price = The volume weighted average price (VWAP) of a Company Share on the Australian Securities Exchange (ASX) for any 60 trading days on which the Shares have actually traded up to and including the last day of the performance period.
Allocation Price = The VWAP of Shares calculated over the 60 trading days on which Shares have actually traded up to and including the first day of the relevant performance period. However, the Company has agreed to set a floor price for the 60-day VWAP, being $0.010.

The ASPG portion of the LTI Performance Rights will Vest on the Testing Date on the following basis:

ASPG	Percentage of Performance Rights Vesting
<50%*	Nil
50%	25%
>50% and <100%	Between 25% and 50%, on a straight-line basis
100%	50%
>100% and <150%	Between 50% and 75%, on a straight-line basis
150%	75%
>150% and <200%	Between 75% and 100%, on a straight-line basis
200%	100%

Vesting Conditions for Total Shareholder Return (TSR):

50% of the LTI Performance Rights will vest subject to satisfaction of a relative TSR condition, as assessed based on the testing date.
TSR is the percentage growth in shareholder value, which takes into account factors such as changes in share price and dividends paid.
The Relative TSR performance condition measures the Company's ability to deliver superior shareholder returns relative to the average of its peer companies by comparing the TSR performance of the Company against the performance of the average of its nominated peer entities.
Vesting will occur upon the Company achieving an appreciation in Share price that is greater than the average of the nominated Peer Entities.
The Relative TSR portion of the LTI Performance Rights will Vest on the Testing Date on the following basis:
0% Vests: If TSR of the Company is below the Peer Entities;
50% Vests: if TSR of the Company is equal to the Peer Entities;
100% Vests: if TSR of the Company exceeds the performance of the Peer Entities by 18 percentage points or more
Straight-line vesting on a proportionate amount occurs between these thresholds consistent with the above table. If Relative TSR is less than Peer Entities TSR then 0% vests and no proportionate amount applies.

A Monte Carlo simulation method has been used for the valuation of the above Performance Rights with the following valuation inputs.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of 88 Energy Limited, I state that:

In the opinion of the directors:

- The financial statements and notes of 88 Energy Limited for the half year ended 30 June 2024 are in accordance with the Corporations Act 2001, including:
- giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the half year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- There are reasonable grounds to believe that the Company will be able to pay its debts as when they become due and payable.
- This declaration is made in accordance with a resolution of the Board of Directors.

Mr Philip Byrne

Non-executive Chairman

2 September 2024

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BDO

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 REVIEW REPORT

To the members of 88 Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of 88 Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Jarrad Prue

Director

Perth, 2 September 2024