88 ENERGY

2023 ANNUAL REPORT

88 ENERGY

HIGH IMPACT EXPLORATION AND APPRAISAL SUPPORTED BY CONVENTIONAL PRODUCTION

NEW VENTURE / FRONTIER EXPLORATION

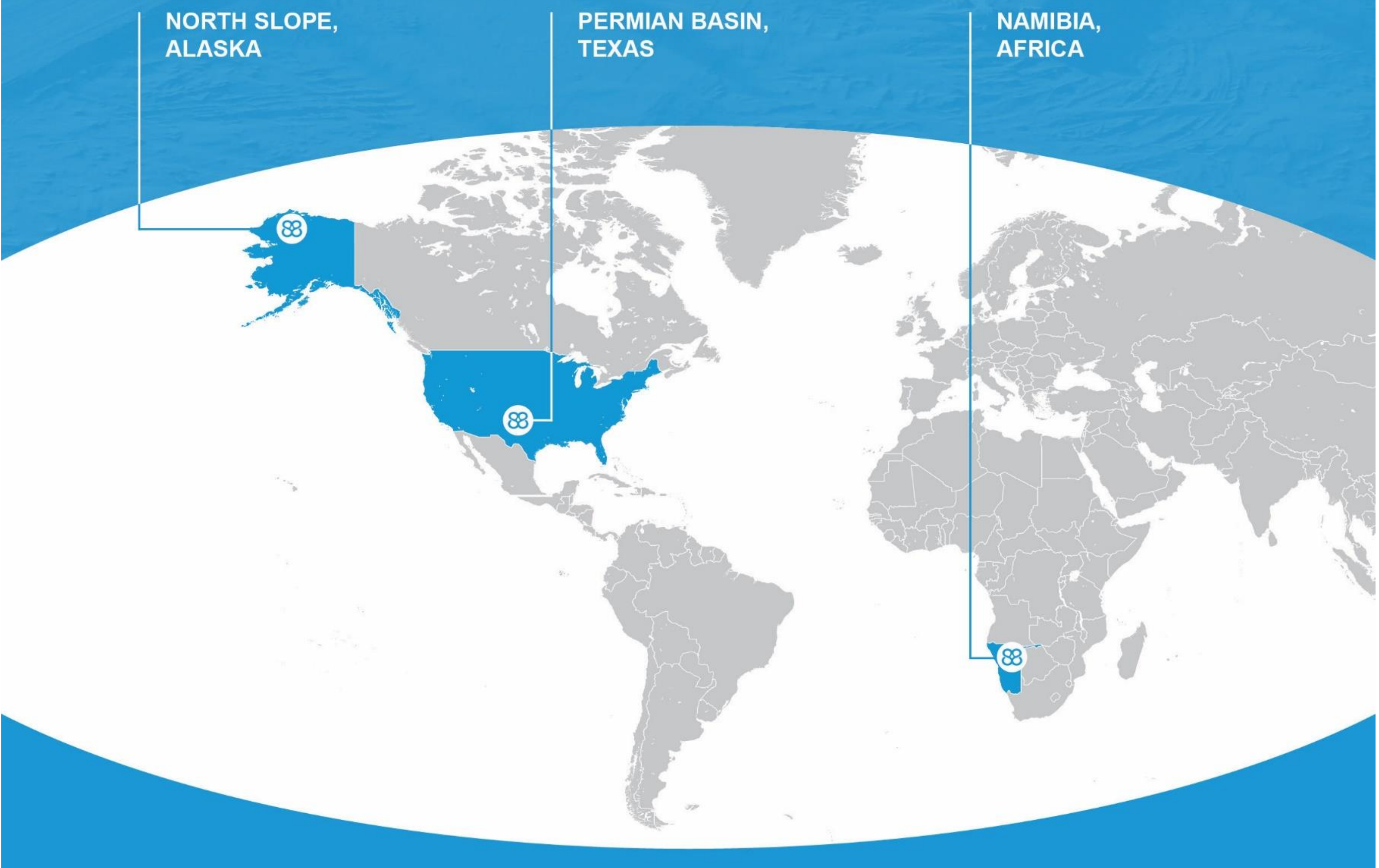
"Multi billion barrel prospective resource potential"

ADVANCED APPRAISAL / PRE DEVELOPMENT

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

GROWING PRODUCTION

"Growth through development drilling and acquisitions"



CONTENTS

CORPORATE DIRECTORY

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 Securities Plc

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

CHAIRMAN'S LETTER

Dear Shareholders,

It is my pleasure to present 88 Energy's Annual Report, outlining our exploration and appraisal activities, operations, and financial position for the financial year 2023.

It has been another eventful year in the oil and gas market, with volatile prices and supply constraints arising from persisting geopolitical tensions, macroeconomic uncertainties, and the increasing role of renewable energy in the global energy mix. However, as greater focus is placed on the clean energy transition, governments and major utilities are beginning to realise more than ever that maintaining a reliable, secure supply of traditional energy is crucial to meeting future energy demands.

To successfully leverage these challenges and opportunities requires an openness to change and a high degree of flexibility, which I believe are part of 88 Energy's core strengths. Over the past two years, we have evolved our strategy to enhance shareholder value through identifying new and exciting opportunities across the oil and gas lifecycle. Our evolved strategy is evidenced through our ongoing exploration and appraisal agenda and portfolio balancing activities that we achieved during the year. This included divesting our interests in the non-core Yukon acreage and commencing activities to identify farm-in partners to augment future exploration and appraisal of our high-impact Alaskan assets. Also, expanding our footprint at Project Longhorn by gaining access to cost-effective work-over opportunities to increase production and cashflow, and new-country entry into Namibia which represents one of the last frontier oil and gas jurisdictions capable of delivering multi-billion-barrel discoveries, as evidenced by the recent offshore light oil discoveries.

The Hickory-1 exploration well at Project Phoenix was successfully completed in April 2023 with very positive results from the wireline logging suite and sidewall coring program. Hickory-1 was subsequently cased and suspended as planned, to carefully design the flow test and stimulation program in conjunction with industry experts, utilising available offset information and Hickory-1 data to provide the best possible outcome during the flow test operations that are now underway. Hickory-1 pre-drill expectations were met or exceeded on reservoir quality and thickness, with oil shows and net log pay calculated across all primary and secondary reservoirs and identified a new reservoir, the Upper Slope Fan System (**Upper SFS**), which had not been previously tested by 88 Energy or other nearby-operators. The Upper SFS had the best oil shows across all reservoirs intersected in the Hickory-1 well and the mapping of the Upper SFS demonstrated a reservoir zone more laterally extensive than previously considered.

We released an Independently certified Contingent Resource estimate for Project Phoenix of 250 million barrels of oil equivalent from the Basin Floor Fan (**BFF**) which is the deepest reservoir encountered in Hickory-1. The Contingent Resource was achieved by demonstrating reservoir continuity through seismic and well data to nearby third-party wells with successful flow tests in the BFF. The Contingent Resource confirmation at the BFF enabled Hickory-1 to be classified as a discovery, but more importantly, bodes well for the shallower and less thermally mature (more oil prone) Slope Fan System (**SFS**) and Shelf Margin Delta (**SMD**) reservoirs, which are the focus for the Hickory-1 flow test.

Our ongoing assessment of Icewine West identified a series of SMD prospects, the majority of which have yet to be drilled. Following recent exploration success with the SMD reservoir at Hickory-1, we intend to investigate these prospects to add to an already extensive Icewine West prospective resource portfolio.

Further North, at our Leonis Project, work progressed at pace with the reprocessing and interpretation of 3D seismic as well as a review of regional well data providing additional support for significant resource potential in the Upper Schrader Bluff (**USB**). We remain on track to delineate an independent, Certified Resource Estimate in 1H24, before commencing a formal farm-out program.

CHAIRMAN'S LETTER

In mid-year, we released an independent Prospective Resource update for Project Peregrine. The certification resulted in two new prospects (N12 and N13) being identified in the prolific Nanushuk Formation. The assessment also indicated that up to three independent prospects could be assessed from a single ice pad via a sidetrack from the Harrier-1 well pad, resulting in significantly lower exploration costs. While we remain committed to Project Peregrine, due to the proposed new regulations presented in September, governing the management of subsurface resources in the National Petroleum Reserve-A (**NPR-A**), we worked with the Bureau of Land Management Alaska (**BLM**) in the fourth quarter and received approval to suspend Project Peregrine leases for 12 months to 30 November 2024. The suspension provides relief from A$0.5 million of lease rentals and allows us to continue with refining internal geological and geophysical models and interpretation at minimum cost.

Through its investment in the Bighorn Energy LLC Joint Venture, the Company has acquired an expanded footprint in our producing Permian Basin assets at Project Longhorn. These acquisitions provide multiple development opportunities and additional production to enhance our current output of ~360 BOE/day. Project Longhorn has performed solidly since it was added to the portfolio in 2022 and supplements our core exploration and appraisal activities.

Finally, we executed a three-stage farm-in agreement for up to a 45% non-operated working interest in an onshore Petroleum Exploration Licence (**PEL 93**) covering a vast 18,500 km2 acreage position in the Owambo Basin of Namibia. This farm-in provides us with a fantastic opportunity to earn a significant working interest in a very large scale, highly prospective, under-explored acreage position. The forward work-program is scheduled to commence in Q2 2024, starting with a low impact 2D seismic program focusing on confirming the structural closures of the 10 independent leads previously identified and will be used to obtain a Maiden Prospective Resource Estimate and define potential drilling locations.

I wish to thank our small but dedicated team for their efforts in delivering key milestones over the past year, delineating future avenues of growth, and identifying value drivers in such a dynamic market environment.

The path to value recognition is not always linear, and I wish to express my gratitude to you, our shareholders, for your continuing dedication through the 88 Energy journey. Our Company is very well placed to unlock the huge potential value residing in our balanced exploration, appraisal, and production portfolio.

On behalf of the 88 Energy team, I wish you all a healthy and prosperous year ahead.

Yours faithfully,

Philip Byrne
Non-Executive Chairman

2023 FOCUS – A BALANCED PORTFOLIO

NEW VENTURE / FRONTIER EXPLORATION

ADVANCED APPRAISAL/DEVELOPMENT

GROWING PRODUCTION

88 Energy has achieved several key milestones which have led to meaningful growth in the scale, quality, and diversity of opportunities within its now global oil and gas portfolio and is on a clear path to building a balanced portfolio of assets spread across the oil and gas life-cycle

During the year, 88 Energy ("88E", "the Company") continued its high-impact oil and gas exploration and appraisal activities in the Alaskan North Slope and substantially enhanced its high-impact portfolio with the addition of new exploration and producing assets in emerging and established oil and gas regions.

ALASKA EXPLORATON – A YEAR OF SIGNIFICANT PROGRESS

88 Energy's primary focus of 2023 was Project Phoenix and the Hickory-1 exploration well. Hickory-1 was successfully drilled with the well cased and suspended as planned for the flow test program that is underway. Results from Hickory-1 were positive, with oil shows and net pay calculated across all primary and secondary targets. Following an independently certified Contingent Resource estimate declared for the deepest reservoir, BFF and discovery status of Hickory-1, 2024 flow test operations are focussed on the shallower, Upper SFS and SMD-B reservoirs to confirm producibility of each reservoir.

Project Leonis was formally awarded in April and was significantly advanced with the re-processing of and interpretation of 3D seismic and review of regional well data providing additional support for significant resource potential in the producing USB reservoir, that will be independently assessed in 1H24 before commencing a formal farm-out program.

EXPANASION AND DIVERSIFICATION – GLOBAL EXPLORATION

88 Energy also expanded its exploration footprint, executing a staged farm-in agreement for up to a 45% working interest in a highly prospective exploration licence located in the Owambo Basin of Namibia. 88E is particularly attracted to the opportunity, secured on attractive commercial terms, which provides exposure to a first-class operating jurisdiction, with a highly competitive petroleum regime. The Company believes that Namibia represents one of the last true frontiers for multi-billion barrel onshore oil and gas discoveries.

PRODUCTION EXPANSION AND DEVELOPMENT POTENTIAL

To further supplement the Company's exploration and appraisal focus, 88E, together with its Bighorn Energy LLC Joint Venture partners, acquired additional leases and substantially increased its footprint at Project Longhorn. Project Longhorn now covers ~2,625 net acres with the combined portfolio of assets consisting of 20 leases with 49 producing wells and associated infrastructure. Importantly, the acquisitions provide additional flexibility over development opportunities including 13 lower-cost workovers (gross CAPEX of ~US$0.8-0.95M each) along with at least 30 new drilling targets (gross CAPEX of ~US$2M). Upon successful completion of the 2024 work program which includes five workovers and two contingent new wells planned on the 2023 acquired acreage, 88E anticipates Longhorn total gross production to reach approximately 600 - 675 BOE pe day (~75% oil) by year end 2024.

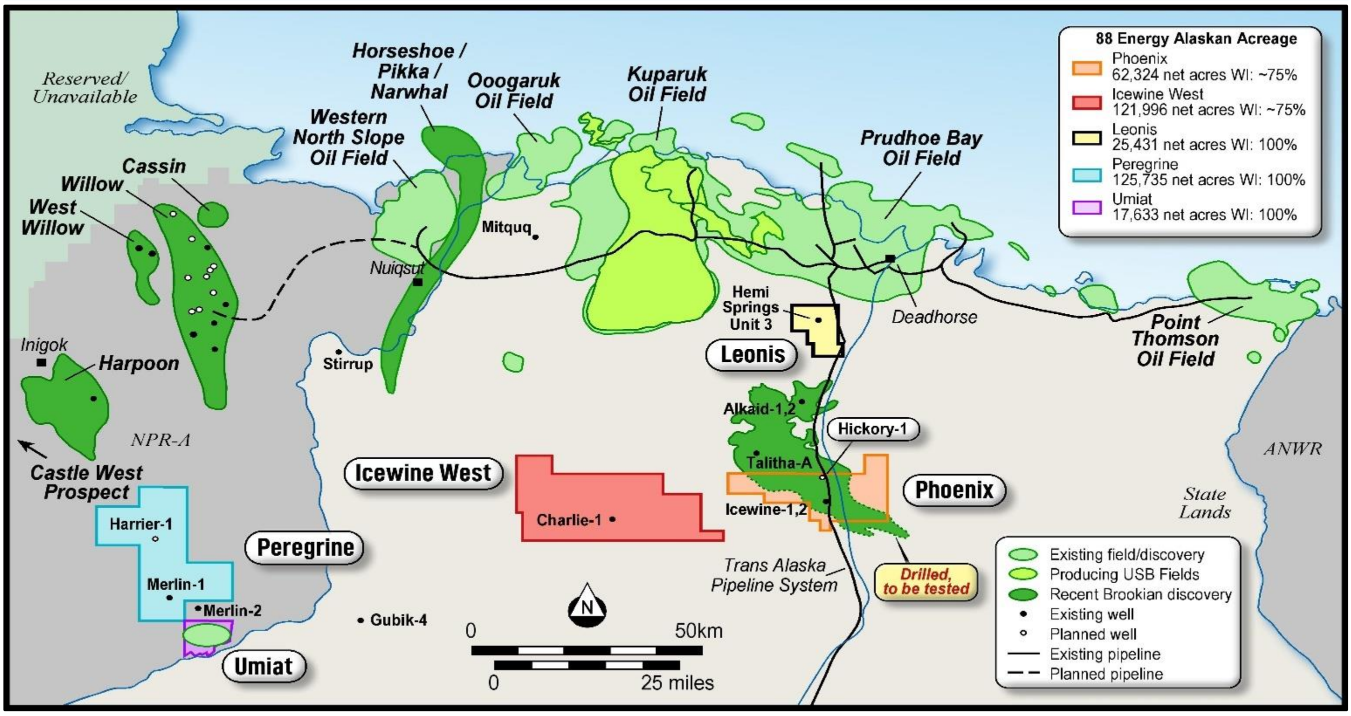
MULTIPLE EXPLORATION AND APPRAISAL PROJECTS

88E continues to deliver a pipeline of high-impact opportunities in highly prospective regions

A ALASKA, NORTH SLOPE

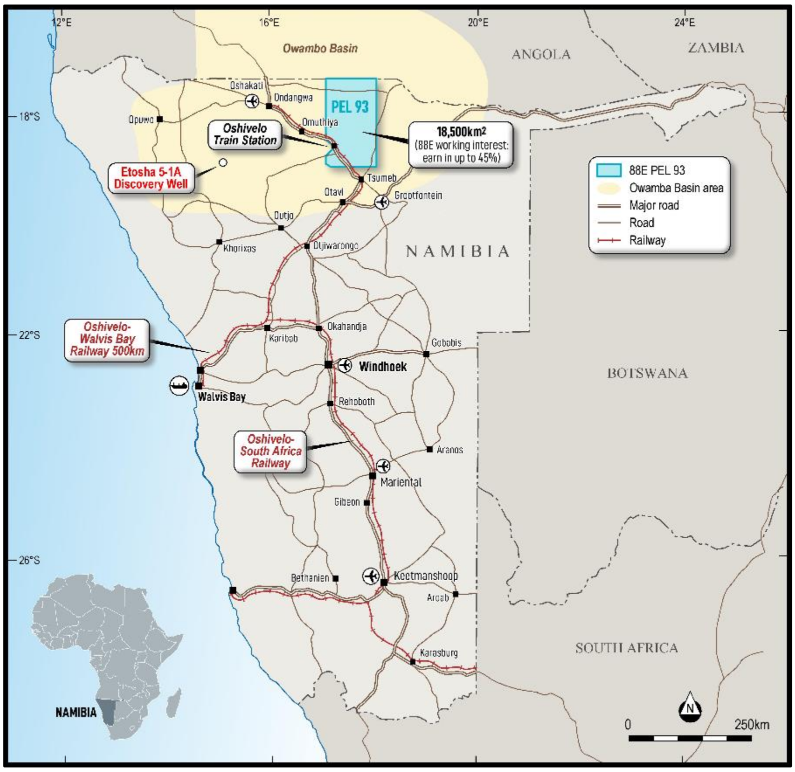
Exploration (Operator):
Peregrine, Leonis, Icewine West

Appraisal (Operator):
Phoenix (Hickory-1 discovery), Umiat



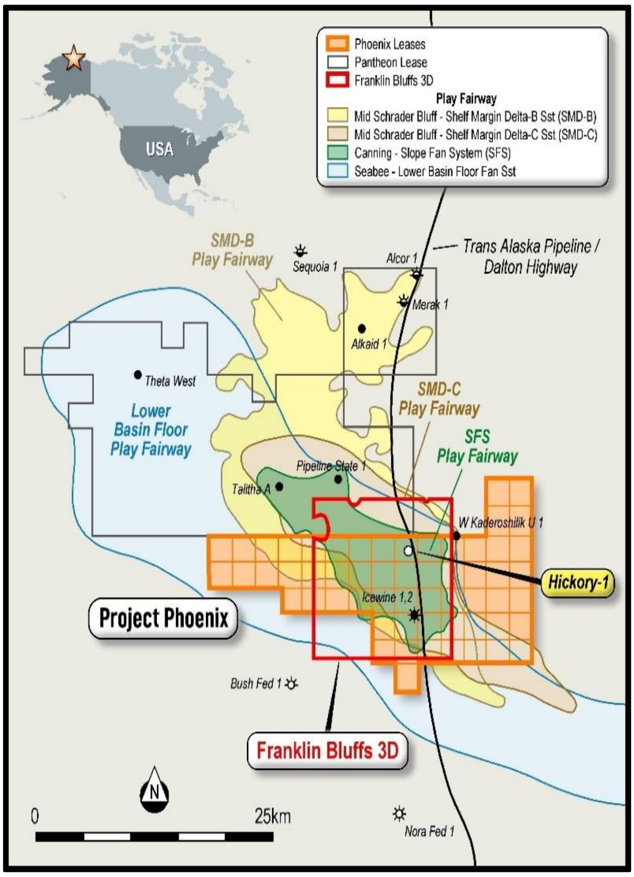
N NAMIBIA, PEL93

Frontier Exploration (Non-Operator):
PEL 93 (18,500km^2)



PROJECT PHOENIX ~75% WI (OPERATOR)

Project Phoenix is focused on oil-bearing conventional reservoirs 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 running through the acreage.



HICKORY-1 WELL

The Company's exploration activities on the Alaskan North Slope were underpinned by the successful Hickory-1 exploration well, which was spudded on 9 March 2023 and drilled to a Total Depth (TD) of 10,650 feet with completion of a successful wireline and coring program. The Hickory-1 well was designed to appraise up to six conventional reservoir targets with multi-million-barrel oil potential[1,2].

The first phase of Hickory-1, the drilling and wireline program met or exceeded the Company's targeted pre-drill objectives, on time and on budget:

- Validated the presence of multiple hydrocarbon-bearing zones accross all pre-drill targets
- Obtained data to optimally design and plan a targeted flow test of Hickory-1 next season
- In addition, identified a new Upper SFS Reservoir with oil shows in cuttings and core

Wireline program results:

- Pre-drill expectations were met or exceeded:
  - Reservoir quality (higher porosity in SFS and BFF)
  - Thickness (higher total gross and net reservoir and higher total net pay)
- Estimated gross pay of over 2,000 feet
- Calculated net pay of approximately 450 feet over all pay zones

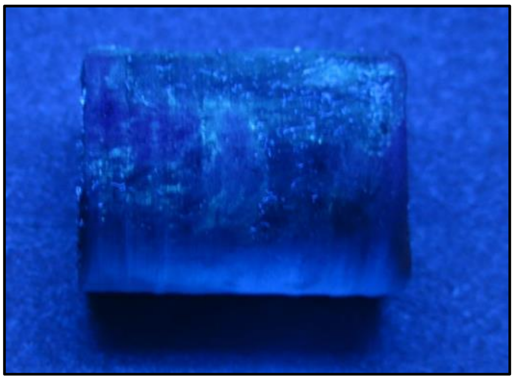


Figure 1: SWC sample retrieved from Hickory-1 showing fluorescence

Hickory-1 was subsequently cased and suspended in April 2023 as planned, to allow the Company to undertake a detailed evaluation of all data to optimally plan and design the flow test and stimulation program to provide the best possible outcome.

1. *Mean unrisked resource - Net Entitlement to 88E. Refer announcement released to ASX on 23 August 2022 for pre-Hickory-1 drilling estimates*
2. *Refer announcement released to ASX on 6 November 2023 for more information on the post Hickory-1 drilling resource estimates and Contingent Resource estimate report.*

Cautionary Statement: *The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.*

Analysis and Planning of Hickory-1

Industry-leading stimulation models were built for each of the target intervals in Hickory-1 with the objective of ensuring a successful stimulation and flow test in each zone. The design of the flow test program was completed in consultation with industry experts who utilised available offset well information in combination with a detailed evaluation of the drilling and wireline logging data from Hickory-1. The stimulation models incorporated high quality offset well data and operational lessons learnt in the area. Post-well analysis and flow test modelling of the Hickory-1 reservoirs enabled accurate calculation of the quantum of completion fluids as well as the design of the completion string necessary for flow test operations.

Mapping was completed of the Upper SFS in the third quarter - seismic interpretation and log correlation revealed that the Upper SFS reservoir was more extensive than originally mapped, correlating over 4 miles (7km) to strong shows in the Icewine-1 well (previously interpreted/attributed to be part of the lower SMD-A package). The Upper SFS target is an untested reservoir in nearby offset wells. The quality and strength of shows recorded during Hickory-1 remain amongst the best the Company has witnessed to date.

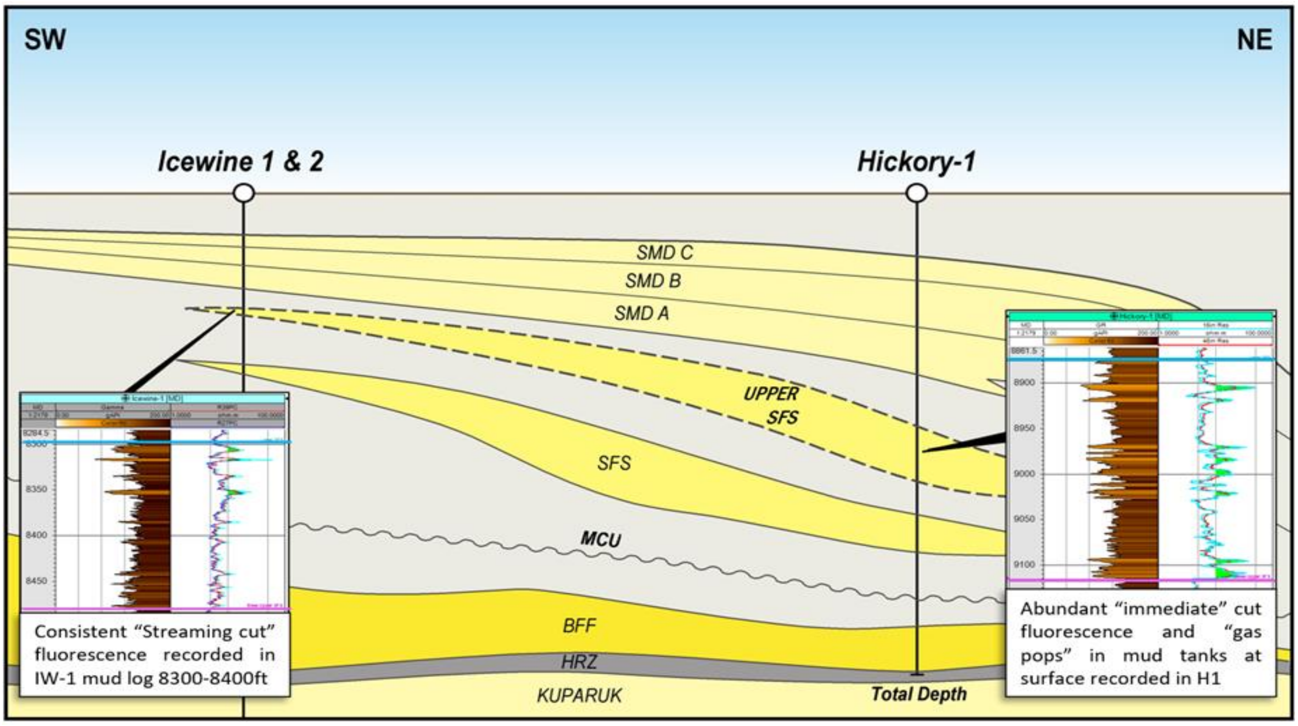


Figure 2: Mapping of the Upper SFS reservoir correlating to strong shows in Icewine-1 well

In conjunction with design, planning, permitting and logistics in the fourth quarter, the Company completed its Maiden independently certified Contingent Resource estimate for the BFF at Hickory-1.

Hickory-1 Discovery

As announced to the ASX on 30 October 2023, following Pantheon declaring a significant contingent resource for the Lower BFF, 88 Energy appointed independent resource certifier, Netherland, Sewell & Associates, Inc (**NSAI**) to assess the BFF reservoir at Project Phoenix. The BFF reservoir was the deepest of the multiple hydrocarbon-bearing pay zones intersected during the drilling and logging of the Hickory-1 well.

The Company declared a maiden, independently certified Gross Best Estimate (2C) Contingent Resource of 250 million barrels of oil equivalent (**MMBOE**) of the BFF. The 2C Contingent Resource estimate is comprised of 136 million barrels (**MMbbl**) of recoverable hydrocarbon liquids and 628 billion cubic feet (**BCF**) of recoverable gas[1].

1. *Refer announcement released to ASX on 6 November 2023 for more information on the Contingent Resource estimate report*

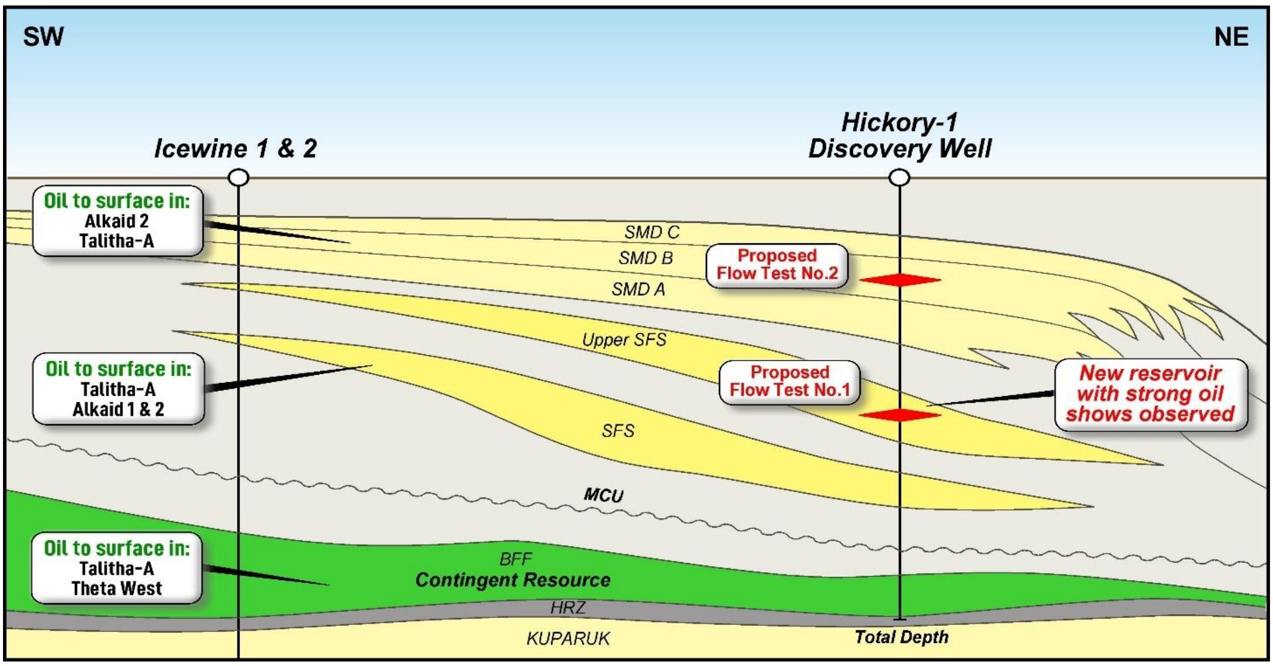
NSAI's maiden Independent Contingent Resource Report was completed after its review of an extensive data suite that included seismic data, well logs from Hickory-1 and Icewine-1 and certain data from wells in adjacent acreage including flow test data. NSAI confirmed that the following requirements were met by the Company to achieve a Contingent Resource classification for the BFF reservoir:

- Multiple successful flow tests for the same reservoir in adjacent acreage
- Clear reservoir continuity was demonstrated through high quality seismic data and correlations across all four wells, Talitha-A, Theta West-1, Hickory-1 and Icewine-1
- Log data, petrophysical interpretations and reservoir conditions across all four wells demonstrated sufficient similarity to confirm producibility in Project Phoenix
- All existing data was integrated consistently and coherently which established the existence of a known petroleum accumulation in the BFF reservoir in Project Phoenix

This assessment confirmed discovery status at Hickory-1 and Icewine-1 for the BFF reservoir in Project Phoenix and further validated the Company's internal assessments of Project Phoenix. Critically important to the flow test program, the certification of a Contingent Resource for the BFF reservoir allows the Company to focus the Hickory-1 flow testing on the shallower reservoirs. The forward work-program to assess the viability of the commercial development of the BFF reservoir, either in isolation or together with the shallower reservoirs, will occur after the flow test at Hickory-1.

Hickory-1 Flow Test

Flow Test design, planning, permitting, approvals and logistics were completed in January 2024. All American Oilfield's upgraded Rig-111 was secured in September 2023 and operations commenced at the start of February 2024 with ice road and pad construction followed by rig, equipment and services mobilisation in late-February. Testing operations will focus on the two primary targets, the Slope Fan System (**SFS**) and Shelf Margin Deltaic (**SMD**) reservoirs. Of the SFS series of reservoirs, the Upper SFS reservoir is targeted to be flow tested as it has not been previously flowed, whereas the Lower SFS has previously flowed and producibility of that reservoir confirmed on adjacent acreage. The Upper SFS will be followed by testing of the SMD-B reservoir. Each zone will be independently isolated, stimulated and flowed to surface using nitrogen lift to assist in an efficient clean-up of the well. Perforation, completion-running and stimulation is expected to take approximately four days, followed by a clean-up and flow period of up to four days and a pressure build-up of up to two days for a total of ten days to complete each of the two flow tests. An extensive data suite will be captured including downhole and surface fluid samples as well as flow rates of oil, gas and water, which will be essential in development plans and reservoir models for the next phases of the Project.



PROJECT LEONIS - 100% WI (OPERATOR)

Leonis is strategically located immediately south of Prudhoe Bay and superbly located adjacent to TAPS and the Dalton Highway, enhancing the future potential for commercialisation. Leonis was formally awarded to the Company in April 2023, the acreage is covered by an existing data suite including Storms 3D seismic data and the Hemi Springs Unit #3 (**HS-3**) exploration well drilled by ARCO in 1985, which logged 200 feet of bypassed net pay in the now-producing USB reservoir, with good porosity and oil shows including oil over shakers at multiple depths.

During the year, an internal review and interpretation of the Storms 3D seismic data revealed a strong seismic well-tie and a clear seismic amplitude at the Upper Schrader Bluff (USB) prospect level. To further assess the reservoir potential and improve imaging of local and regional faulting noted in the initial assessment, an independent expert reprocessed the 3D seismic data with results showing a significant improvement in quality and resolution. An initial interpretation of the reprocessed data provided the Company with an updated understanding of the potential USB prospect boundary and the potential for a significant resource within the Project Leonis acreage. The Company assessed the aerial extent of the USB prospect to be 60km^2.

To validate the mapping of the reprocessed seismic data, 88E engaged an independent expert utilising a suite of specialist fault and horizon interpretation software, which enabled the Company to better understand the petroleum system at Project Leonis including identifying and capturing finer stratigraphic and structural features.

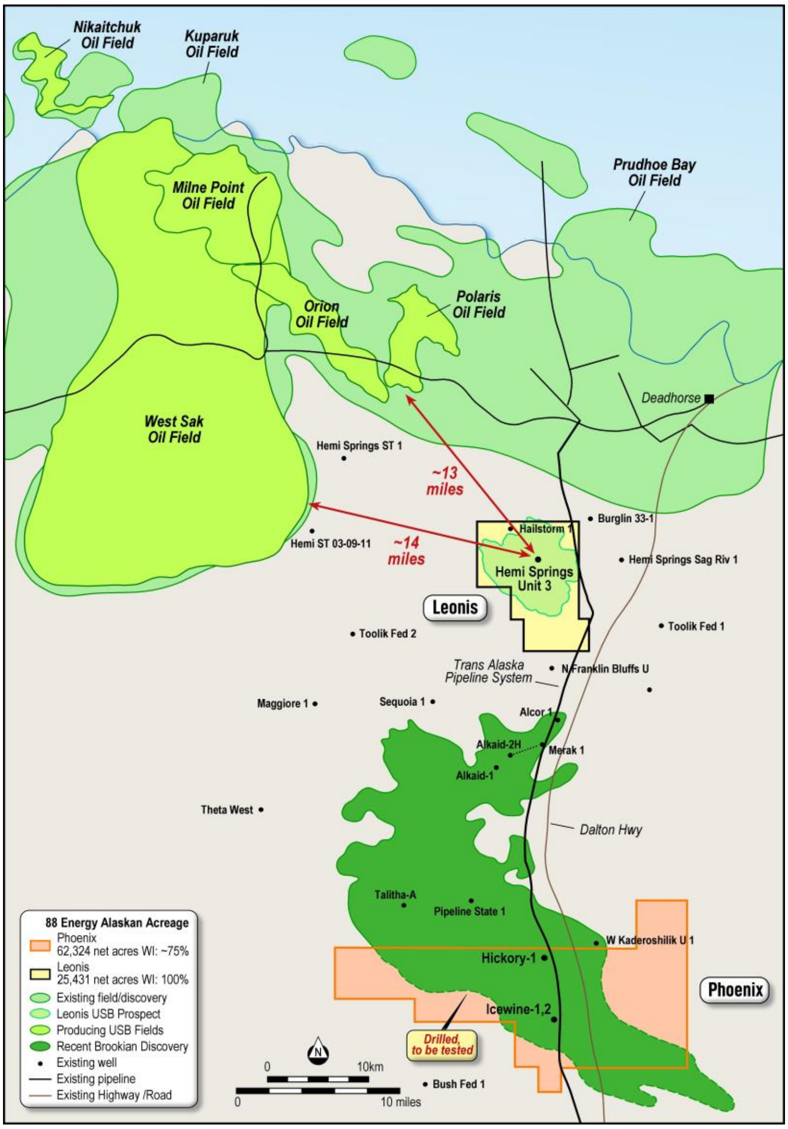


Figure 4: Project Leonis location and USB Prospect.

Work advanced rapidly on the project this year, with the reprocessing and interpretation of 3D seismic noted above, as well as a review of regional well data providing additional support for significant resource potential in the USB. The maiden Prospective Resource determination for Project Leonis is underway and expected to be completed in H12024.

The Company has received in-bound farm-in interest for Project Leonis from multiple parties. Due diligence is ongoing with these respected, large oil and gas parties. If farm-in discussions are successful, 88E could drill a new exploration well on this acreage in the 2025/2026 Alaska winter operational season.

PROJECT PEREGRINE - 100% WI (OPERATOR)

The Project resources are split across three prospects: Merlin (Nanushuk Topset), Harrier (Nanushuk Topsets) and Harrier Deep (Torok Bottomsets).

In March 2023, 88E completed a strategic review of the Project Peregrine acreage and made the decision to relinquish six blocks that were considered to have limited prospectivity, providing an annual saving of approximately A$0.3 million. The focus at Project Peregrine is the untested independent drill-ready targets (N14 and N15) at the Harrier prospect and the N14 south reservoir target. The N14 corresponds with ConocoPhillips' Harpoon prospect 15 miles to the north of the Project Peregrine leases.

In July 2023, 88E released an independent prospective resource update for its Project Peregrine acreage. The resource upgrade incorporated the Merlin-2 appraisal well results and was completed by ERCE Australia. The certification resulted in the identification of the new N12 and N13 prospects in the prolific Nanushuk Formation. The assessment also indicated that up to three independent prospects could be assessed from a single ice pad via a sidetrack from the Harrier-1, resulting in significantly lower exploration costs.

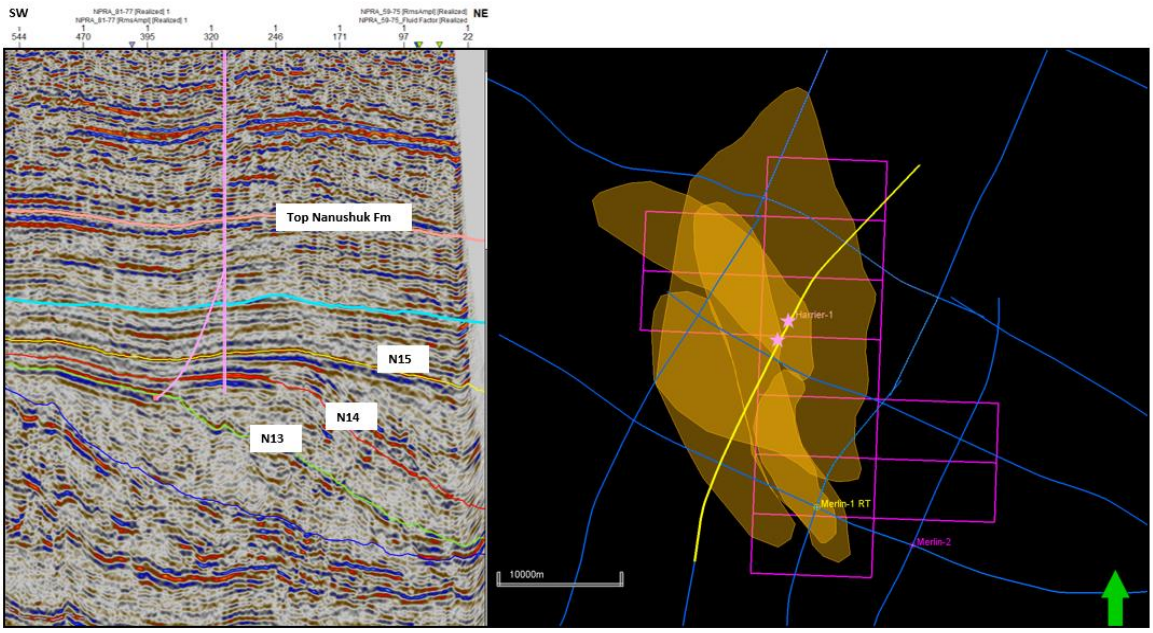


Figure 5: Picked seismic section and mapped prospects on Project Peregrine

Due to the proposed new regulations presented in September 2023, governing the management of subsurface resources in the National Petroleum Reserve-A (**NPR-A**), 88 Energy and its advisors worked with the Bureau of Land Management Alaska (**BLM**) in the fourth quarter and received approval in December 2023 to suspend the Project Peregrine leases for 12 months to 30 November 2024.

The suspension provides relief of A$0.5 million in lease rentals and allows the Company to continue with refining internal geological and geophysical models and interpretation.

The Company is targeting a farm-out to fund any future exploration efforts at Project Peregrine subsequent to a resolution in the current consultation process concerning future regulations in the NPRA.

PROJECT ICEWINE WEST ~75% WI (OPERATOR)

The Project Icewine West acreage is located on the central North Slope of Alaska and it is situated on-trend to recent discoveries in multiple, newly successful play types in topset and bottom-set sands of the Schrader Bluff and Seabee formations.

Icewine West maintains an independently assessed total unrisked net mean prospective resource of 1,111 MMBO (refer ASX announcement 10 November 2020). The Company has conducted 2D and 3D seismic acquisitions and drilled the Charlie-1 discovery well in 2020. Mobile hydrocarbons, in the form of condensate gas, were successfully recovered to surface during wireline operations at Charlie-1.

Mapping activity at Icewine West during the year identified a series of SMD prospects, the majority of which have not yet been drilled. Given the recent success of the SMD at Hickory-1, 88E intends to assess these prospects and add them to the already extensive prospective resource portfolio at Icewine West; this includes the interpreted extension of the Kodiak contingent resources recently certified by Pantheon on their acreage to extend onto the Icewine West acreage.

The BFF, mapped across Pantheon's Kodiak field, as well as 88E's Phoenix and Icewine West Projects, is the same play type as (although slightly younger than) 88E's Lima Complex.

Contingent on a successful flow test at Hickory-1, 88E will review and consider a follow-up appraisal well at Icewine West in future years.

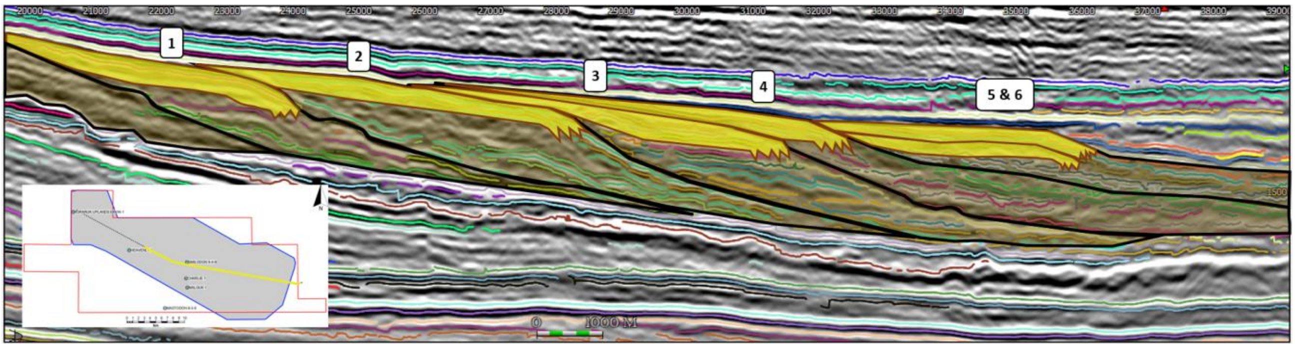


Figure 6: Annotated seismic section showing up to 6 untested SMD (Mid Schrader Bluff) prospects at Icewine West.

PROJECT YUKON (RELINQUISHED)

In the second quarter, the Company completed its strategic review of the prospectivity and commerciality of the Yukon leases as well as near-acreage synergies and decided to relinquish all acreage to the State of Alaska. 88E deemed Yukon to be a non-core acreage position due to the lower resource potential and barriers to commercialisation including high exploration and development costs.

Relinquishment before the annual US$0.15 million (A$0.2 million) lease rentals fall due provided immediate cost savings.

NAMIBIA - 20% WI (NON-OPERATED)

In November 2023, 88E executed a three-stage farm-in agreement for up to a 45% non-operated working interest in the onshore Petroleum Exploration Licence (**PEL 93**).

PEL 93 covers a vast 18,500 km2 acreage position, comprising blocks 1717 and 1817 within the Owambo Basin, located in North of Namibia. The region has been identified as one of the last remaining under-explored onshore frontier basins for multi-billion-barrel onshore oil and gas discoveries, and one of the World's most prospective new exploration zones as evidenced by recent offshore discoveries. The Company notes further Namibian offshore results in the Nambian Orange Basin with GALP Energia confirming the discovery of a "significant column of light oil in reservoir-bearing sands of high quality", in their first exploration well (Mopane-1X) in block PEL83. Mopane-1X represents the fifth major oil discovery in under two years within the Orange Basin and confirms the extension of the petroleum play from TotalEnergies and Shell's acreage.

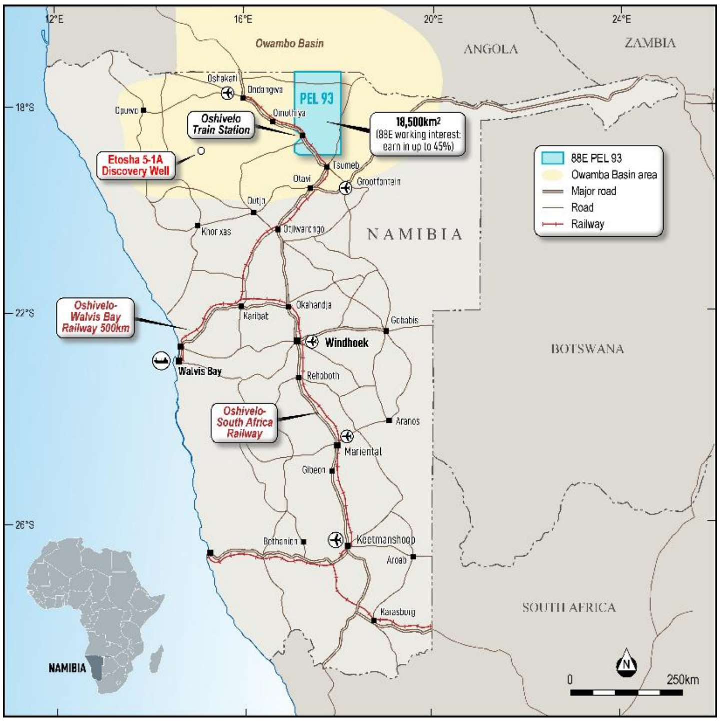


Figure 7: PEL 93 location in the Owambo Basin, Northern Namibia

The Farm-In Agreement is between the Company's newly formed, wholly owned subsidiary Eighty Eight Energy (Namibia) (Pty) Ltd (**88EN**), and private Namibian company, Monitor Oil and Gas Exploration (Namibia) Pty Ltd (**MELN**), a wholly owned subsidiary of Monitor.

Following the WI Transfer, 88EN now holds a 20% working interest in the Licence, MELN retains a 55% working interest and acts as Operator of the exploration and development of PEL 93. Private Namibian company, Legend Oil Namibia (Pty) Ltd (**Legend**) holds a 15% working interest and and Namibian government entity National Petroleum Corporation of Namibia (Pty) Ltd (**NAMCOR**) holds a 10% working interest in the Licence. Under the terms of the Farm-In Agreement 88EN is, together with the other three working interest owners, party to a new Joint Operating Agreement (**JoA**) in relation to the Licence.

88EN may earn up to a total **45% working interest in PEL 93** by funding its share of agreed costs under the 2024 work program and budget as defined in the Farm-In Agreement and any future work program budgets yet to be agreed. The maximum total investment costs are anticipated to be US$18.7 million.

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%

**Operator*

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. Historical assessment utilised a combination of techniques and interpretation of legacy data to identify the Owambo Basin, and specifically blocks 1717 and 1817, as having significant exploration potential.

Monitor has 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. It has identified ten independent structural closures from airborne geophysical methods and partly verified these using existing 2D seismic coverage.

Further, ethane concentration measured in soil samples over interpreted structural leads validates the existence of an active petroleum system, with passive seismic anomalies also aligning closely to both interpreted structural leads and measured alkane molecules (c1-c5) concentrations in soil.

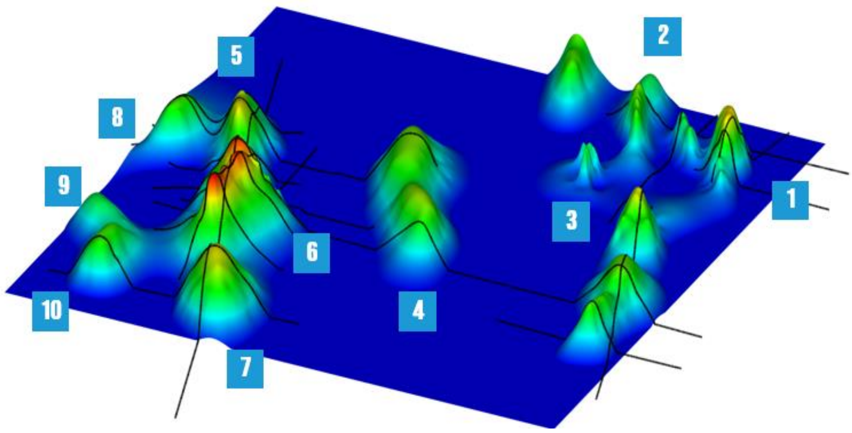
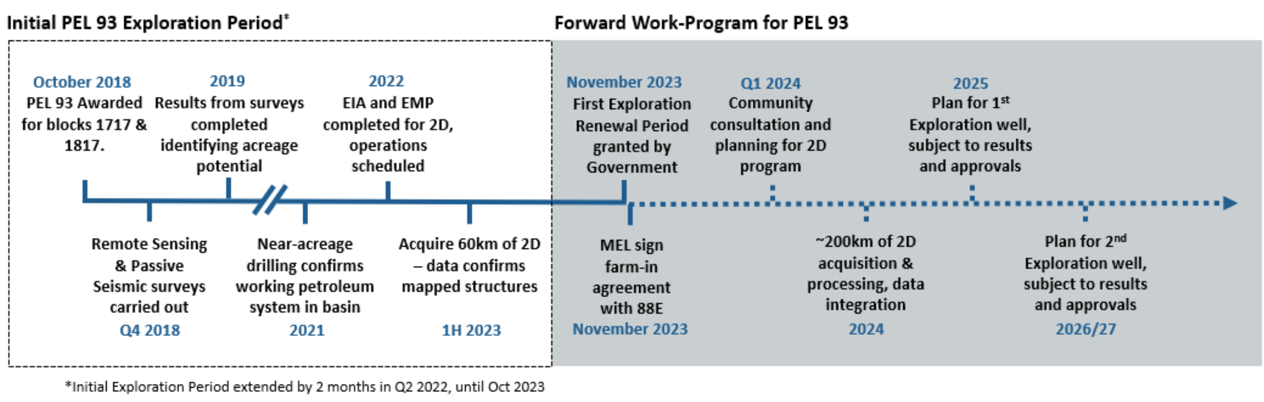


Figure 8: Lead inventory showing proposed 2D seismic program (structural leads derived from airborne gravity data)

The forward work-program will start with a low impact ~200 line-kilometre 2D seismic program focusing on confirming the structural closures of the 10 independent leads identified. The 2D seismic program will be conducted in mid-2024 following a period of planning, public consultation, updating of environmental compliance requirements and receipt of relevant approvals. Results from the 2D seismic program will then be incorporated into existing historical exploration data over the acreage, with results used to identify possible exploration drilling locations.

An indicative forward work-program is shown below:



The forward work-program is subject to exploration results and relevant Government and Joint Venture approvals

PROJECT LONGHORN ~63% WI (NON-OPERATED)

Exploration and appraisal activities have continued to be supplemented by 88 Energy's expanding production operations at Project Longhorn. Project Longhorn is strategically located within a sizeable area of ~2,625 net acres in the Texas Permian Basin. The area boasts well-understood geology with low technical risk and the existing production wells have been in operation for several years.

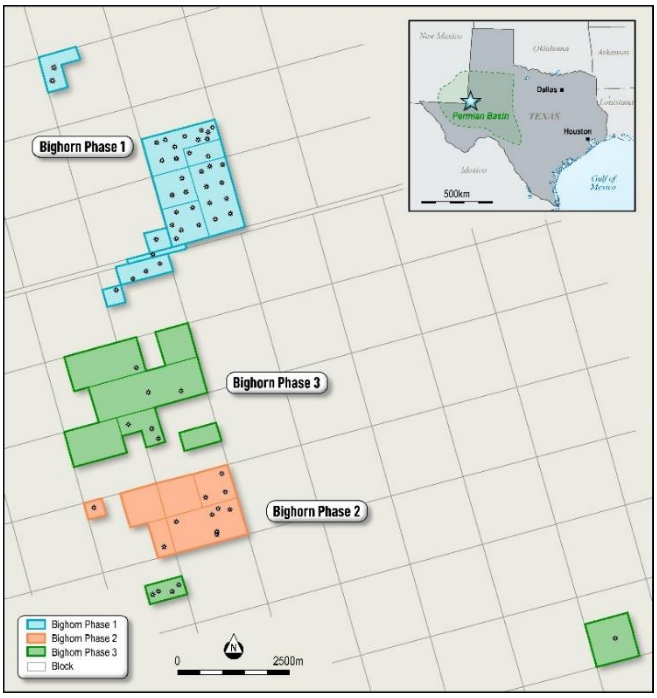


Figure 9: Project Longhorn following 2023 acquisitions

Longhorn production was steady throughout the year and Q4 Production averaged 355 BOE per day gross (of which ~62% was oil) which was above the budgeted volume of 294 BOE per day.

During the year, Project Longhorn expanded its footprint in the Permian Basin through two low-cost acquisitions that provided small production increments, but both had multiple development opportunities and connected the acreage. The purchases were made by the Joint Venture entity, Bighorn Energy LLC (**Bighorn**) which comprises of Longhorn Energy Investments, LLC (**LEI**) a 100% wholly owned subsidiary of 88E with 75% ownership and Lonestar I, LLC (**Lonestar**) with the remaining 25% ownership. Lonestar continued as operator for the existing and new leases/wells.

In July 2023, 88E acquired a ~45% net working interest in new leases and wells encompassing 399 net acres with net 2P reserves of 1.1MMBO[1]. The leases, referred to as Bighorn Phase 2, were acquired from Oxy USA WTP LP for US$1.5 million in cash (net $1.125 million) and a low-cost entry of US$1.00 per BOE. In December 2023, the Company acquired a further ~64% net working interest in leases and wells known as Bighorn Phase 3 from Endeavor Energy Resources, L.P., for US$0.35 million in cash (net $0.26 million) covering 1,262 net acres. The new acquired acreage contains 9 low producing existing wells (~26 BOE/day gross) and 10 development opportunities and independently certified net 2P reserves of 0.68 MMBOE[2].

Project Longhorn now consist of 20 leases with 49 producing wells, associated infrastructure and numerous development opportunities as well as access to a US$5 million line of credit facility with a local Texas bank to assist in cash flow management with the development opportunities.

Bighorn has finalised its 2024 work program and budget, agreeing to a development program that includes 5 workovers in 1H 2024 and 2 new wells in 2H 2024, contingent on successful workovers. Upon successful completion of the 2024 work program and budget planned on the 2023 acquired acreage, 88 Energy anticipates Project Longhorn total gross production to reach approximately 600 - 675 BOE per day (~75% oil) by the end of 2024.

Longhorn remains a highly promising region with excellent drilling and work-over opportunities. Subject to further analysis, 88E intends to further expand its holdings across the Texas Basin, in parallel with exploration activities in Alaska and Namibia.

1. *Refer announcement released to ASX on 3 July 2023 including initial reserves estimates and assumptions and net revenue entitlement to 88 Energy*
2. *Refer announcement released to ASX on 15 December 2023 including initial reserves estimates and assumptions and net revenue entitlement to 88 Energy*

CORPORATE

On 6 February 2023, 88E successfully raised A$17.5M (c.£10.1M) before costs from domestic and international institutional and sophisticated investors. This was achieved through the issue of 1,842,105,263 fully paid ordinary shares in the Company at an issue price of A$0.0095 (£0.0055) per new ordinary share.

In August 2023, 88E completed a non-renouncable rights issue (**Rights Issue**). The Rights Issue was based on one fully paid ordinary share in the Company (**New Share**) for every ten existing shares held at an issue price of A$0.006 (£0.0031) per share. The completion of the Rights Issue on 29th August 2023, resulted in the Company issuing 553,070,348 New Shares to eligible shareholders with proceeds of A$3.3M. The Company subsequently announced that the Shares not taken up under the Rights Issue were to be placed via the Shortfall Offer Placement, representing 1,457,716,470 New Shares at an issue price of A$0.006 (£0.0031) per share and 675,000,000 shares were issued under the Company's placement capacity pursuant to ASX Listing Rules 7.1 and 782,716,470 shares issued under Listing Rules 7.1A.

At the same time, the Company announced it had established a Small Holding Sale Facility (**SHSF**) for holders of less than A$500 of the Company's shares. The SHSF closed on 11 September 2023 with a total 212,193,734 ordinary shares sold on market at an average price of A$0.00644 per share. The SHSF reduced the shareholder base by 7,362 and has made an immediate reduction in the Company's administration costs.

In November 2023, the Company undertook a bookbuild to domestic and international institutional and sophisticated investors to raise A$9.9 million (approx. £5.16 million) before costs. This placement involved the issue of 2,200,000,005 new fully paid ordinary shares in the Company at an issue price of A$0.0045 (£0.0023) per new ordinary share. In addition, the Company issued a total of 733,333,332 options on a 1 for 3 basis for shares subscribed for in the Placement to ASX investors with the Company listing the options on the ASX. The options are exercisable at A$0.0075 per share and can be exercised at any time before 15 December 2026. Investors participating in the Placement in the UK received 1 warrant for every 3 shares subscribed for, with an exercise price of £0.0039. The Warrants are unlisted and can be exercised at any time before 15 December 2026.

The net proceeds from these equity activities augmented the Company's cash balance and will support 88E in financing:

- flow testing operations at Project Phoenix's Hickory-1 well (including contingencies and working capital)
- farm-in exploration activities on the Company's recently acquired Owambo Basin acreage in Namibia

The Equity actvities secured funding for the flow test in the absence of certainty regarding Burgundy's ability to finance its share of the Hickory-1 activities.

On 5 December 2023, 88E announced it had received US$2.0 million in funds from Burgundy as part settlement of the US$3.745 million in unpaid cash calls (represented by US$3,452,967 in relation to outstanding cash calls due plus interest of US$292,505). The Company subsequently entered into a further standstill agreement which provided additional time for Burgundy to cure and pay the remaining outstanding funds due of US$1.745 million by 31 January 2024. On 30th January Burgundy requested an additional extension as it was in the final stages of funding, the Company agreed to an extension of 15 February 2024.

On 19 February 2024, the Company announced on the ASX that Joint Venture partner Burgundy had secured funding from professional oil and gas investors and remitted payment for the outstanding US$1.745M 2023 cash call balance and signed the Hickory-1 flow test AFE indicating Burgundy's commitment to the flow test program and cost.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

88 Energy Limited is committed to the principals of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations' Sustainable Development Goals.

In June 2021, 88E made a commitment to adopt and commence reporting on the ESG disclosures of the World Economic Forum (WEF). The four ESG pillars provide a holistic view of a Company's overall impact on the environment, society, and its operational integrity.

GOVERNANCE

- 88 Energy is committed to its strategy of building a successful exploration and production company that delivers material returns to its shareholders and contributes to stakeholders and the development of the regions in which we operated in.
- 88 Energy continually assesses corporate governance policies and practices to ensure best practice standards.
- Utilizing sustainability frameworks and reporting standards set by the World Economic Forum are continually assessed.

PROSPERITY

- 88 Energy has held leases in Alaska since 2015 with significant investment in Alaska supporting state functions, businesses, and communities.
- Global tax contribution supports government functions and societal benefits.
- Total revenue and tax paid are recognised in the audited annual and half-year reports.

PEOPLE

- 88 Energy recognises the benefits from employee and Board diversity, including a broader pool of high-quality employees, improving retention, accessing different perspectives and ideas. While we don't have firm gender diversity goals, we seek to ensure a balanced workforce and workplace diversity in our corporate office and our operations on the North Slope of Alaska and Texas, while appreciating the gender pool of resources available in those areas.
- During 2023 the Group invested in more than 300 hours of corporate staff training.

PLANET

- In 2021, the Board set a Net Zero Target on Scope 1 and 2 and limited Scope 3 emissions offset. 88 Energy closely monitors the strict usage of water with less than 20% of the permitted water quota being actually used on its drilling operations.

RESERVES STATEMENT

RESERVES STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2023

HIGHLIGHTS

Net to 88E, Proved (1P) reserves for Project Longhorn increased 34% to 1.94 MMBOE largely due to two acquisitions completed in the second half of 2023. The two acquisitions are accretive to existing operations and the new PDP volumes offset Longhorn's 2023 production volumes.

Proved plus probable (2P) reserves net to 88E increased 50% to 2.62 MMBOE largely on nineteen addition investment activities (recompletions and new drills) identified on the two newly acquired properties. Proved plus probable plus possible (3P) reserves increased by 59% to 3.55 MMBOE based on the new activities identified with the two acquisitions.

The reserves position of the Umiat oil field in Alaska remains unchanged for 2023. Refer to the Company's ASX announcement on 11 January 2021 for further detail in relation to assumptions. The Company aims to review development plans in light of ongoing studies in the adjacent Project Peregrine as well as monitoring Conoco Phillips' development plans for the nearby Willow Project.

88 ENERGY LIMITED – OIL AND GAS RESERVES HOLDINGS (AS AT 31 DECEMBER 2023)

Net Entitlement		Developed			Undeveloped			Total		
		Oil (MMBO)	Gas (BCF)	Total MMBOE	Oil (MMBO)	Gas (BCF)	Total MMBOE	Oil (MMBO)	Gas (BCF)	Total MMBOE
Proved	**1P**	0.29	1.02	0.46	1.14	2.02	1.54	1.43	3.04	2.00
Proved + Probable	**2P**	0.49	1.63	0.76	95.43	2.63	95.96	95.92	4.27	96.72
Proved + Probable + Possible	**3P**	0.73	2.32	1.11	139.29	3.56	140.00	140.01	5.88	141.11

RESERVES BY GEOGRAPHICAL AREA AND PRODUCT TYPE (AS AT 31 DECEMBER 2023)

Umiat Oil Field, Alaska, USA

Undeveloped		Gross			Net Entitlement		
		Oil (MMBO)	Gas (BCF)	Total MMBOE	Oil (MMBO)	Gas (BCF)	Total MMBOE
Proved Total	**1P**	-	-	-	-	-	-
Proved + Probable	**2P**	123.7	0.0	123.7	94.0	0.0	94.0
Proved + Probable + Possible	**3P**	180.8	0.0	180.8	137.4	0.0	137.4

**No changes have been made to this reserves position since ASX announcement on 11 January 2021 (2021 Reserves)

RESERVES STATEMENT

Project Longhorn, Texas, USA

Developed Reserves		Gross			Net Entitlement		
		Oil (MMBO)	Gas (BCF)	Total MMBOE	Oil (MMBO)	Gas (BCF)	Total MMBOE
Proved	**1P**	0.49	1.70	0.77	0.29	1.02	0.46
Proved + Probable	**2P**	0.83	2.77	1.29	0.49	1.63	0.76
Proved + Probable + Possible	**3P**	1.23	3.90	1.88	0.73	2.32	1.11

Undeveloped Reserves		Gross			Net Entitlement		
		Oil (MMBO)	Gas (BCF)	Total MMBOE	Oil (MMBO)	Gas (BCF)	Total MMBOE
Proved	**1P**	2.09	3.70	2.71	1.14	2.02	1.47
Proved + Probable	**2P**	2.58	4.78	3.38	1.42	2.63	1.86
Proved + Probable + Possible	**3P**	3.29	6.19	4.32	1.84	3.56	2.43

Total Reserves		Gross			Net Entitlement		
		Oil (MMBO)	Gas (BCF)	Total MMBOE	Oil (MMBO)	Gas (BCF)	Total MMBOE
Proved	**1P**	2.59	5.40	3.48	1.43	3.04	1.94
Proved + Probable	**2P**	3.41	7.55	4.67	1.91	4.27	2.62
Proved + Probable + Possible	**3P**	4.52	10.09	6.20	2.57	5.88	3.55

RESERVES RECONCILIATION, 88 ENERGY NET ENTITLEMENT

Project Longhorn

Reserves Reconciliation		Net Oil (MMBO)				Net Gas (BCF)				Net Oil Equivalent (MMBOE)			
		YE 2022	2023 Prod	Tech Rev	YE 2023	YE 2022	2023 Prod	Tech Rev	YE 2023	YE 2022	2023 Prod	Tech Rev	YE 2023
Proved Total	**1P**	1.09	(0.053)	0.39	1.43	2.17	(0.147)	1.02	3.04	1.45	(0.077)	0.56	1.94
Proved + Probable	**2P**	1.27	(0.053)	0.69	1.91	2.85	(0.147)	1.57	4.27	1.75	(0.077)	0.95	2.62
Proved + Probable + Possible	**3P**	1.59	(0.053)	1.03	2.57	3.84	(0.147)	2.19	5.88	2.23	(0.077)	1.40	3.55

RESERVES STATEMENT

Notes on changes in reserves from prior year

Project Longhorn

- Production during the year amounted to 0.053 MMBOE and 0.147 BCF net to 88 Energy, or 0.029 MMBOE. These figures are taken into account in the reserves reconciliation.
- Net oil reserve estimates have increased 31%, 50% and 62% in the 1P, 2P and 3P categories respectively as a result of newly proposed infill and workover activities being added to project inventory as a result of the two acquisitions in 2023.
- Net gas reserve estimates have increased 40%, 50% and 53% in the 1P, 2P and 3P categories respectively as a result of the two acquisitions in 2023.
- Six prior activities failed Economic Limits Tests (ELT) and have been removed from all reserves estimate classifications.

Umiat Oil Field

- The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement dated 11 January 2021 and that all the material assumptions and technical parameters underpinning the estimates in the same announcement continue to apply and have not materially changed.
- No 1P reserves are estimated currently as there is no plan of development in place that includes all of the necessary approvals required to enter into production.
- This information was prepared and first disclosed under the SPE-PRMS 2007. It has not been updated since to comply with the SPE-PRMS 2018 on the basis that the information has not materially changed since it was last reported. It is the Company’s intention to reassess the reserve position under SPE-PRMS 2018 during 2024.

Notes and assumptions related to reserves statement and ASX listing rules

Qualified Petroleum Reserves Evaluator Statement

The information in this evaluation that relates to Project Longhorn is based on, and fairly represents, information and supporting documentation prepared by Paul Griffith of consultants PJG Petroleum Engineers LLC.. Mr Griffith holds a BSc. and a Master’s in Petroleum Engineering, is a member of the Society of Petroleum Engineers (SPE) and has over 35 years of reservoir and petroleum engineering experience. Mr Griffith is not an employee of the Company. Mr Griffith has reviewed this document as to its form and context in which the reserves and the supporting information are presented and consent to its release.

The information in this evaluation that relates to the Umiat oil field has not changed since first reporting to the ASX on 11 January 2021, and fairly represents, information and supporting documentation prepared by technical employees of consultants Ryder Scott Company LP, under the supervision of Dr Stephen Staley, as stated in that announcement. Dr Staley 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 resource and reserve 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.

RESERVES STATEMENT

This evaluation has been prepared in accordance with reserves definitions, standards and procedures contained the Society of Petroleum Engineers' Petroleum Resources Management System (SPE-PRMS) and reported in the most specific resource class in which the prospective resource can be classified under SPE-PRMS 2018 for Project Longhorn and SPE-PRMS 2007 for the Umiat Oil Field. The reserves presented in this evaluation are based on forecast prices and costs. Economic Limit Tests (ELTs) were used to estimate the reserves tabulated in this section.

Reserves Cautionary Statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward-looking statements.

Reserves Governance

88 Energy's reserves estimates are compiled annually by qualified external petroleum or reservoir engineering consultants as defined by the ASX Listing Rules. The fees paid to any qualified consultant are not contingent on the reserves outcome of any reserve evaluation.

ASX Listing Rules

a) The reserves information in this document is effective as of 31 December 2023 (Listing Rule (LR) 5.25.1).
b) The reserves information in this document has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2).
c) The reserves information in this document is reported according to the Company's economic interest in each of the reserves net of royalties (LR 5.25.5).
d) The reserves information in this document has been estimated and prepared using the deterministic method (LR 5.25.6).
e) The reserves information in this document has been estimated using a 5:1 BOE conversion ratio for gas to oil; 5:1 conversion ratio is based on an average energy equivalency conversion method and does not represent value equivalency (LR 5.25.7).
f) The reserves information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (LR 5.26.5). The sales point for gas is upstream of the purchaser's processing facilities, thus NGL's and condensates are included in the gas stream.
g) The method of aggregation used in calculating estimated reserves was the arithmetic summation by category of reserves. As a result of the arithmetic aggregation of the field totals, the aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation (LR 5.26.7 & 5.26.8)
h) Project Longhorn reserves are located in the Permian Basin, Texas, USA.
i) The Umiat Oil Field is located in Alaska, USA.

RESERVES STATEMENT

Definitions

- Reserves are those quantities of petroleum that are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria, based on the development project(s) applied: discovered, recoverable, commercial and remaining (as of the evaluation date).
- 1P is defined as proven (or proved) reserves. 2P is defined as proven plus probable reserves. 3P is defined as proven plus probable plus possible reserves.
- 1P or Proven Reserves are those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations. This is typically considered to have more than a 90% likelihood of occurring.

Probable Reserves are those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves. This is typically considered to have approximately a 50% likelihood of occurring.

- Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. This is typically considered to have approximately a 10% likelihood of occurring.
- Developed reserves are expected to be recoverable from existing wells and facilities. Undeveloped reserves will be recovered through future investments (e.g. through installation of compression, new wells into different but known reservoirs, or infill wells that will increase recovery). Total reserves are the sum of developed and undeveloped reserves at a given level of certainty.
- Contingent Resources (1C, 2C and 3C) are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.
- Prospective Resources are those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

Glossary

Bbl = barrels
Bcf = billion cubic feet
Bcfg = billion cubic feet of gas
Boe = barrels of oil equivalent
Bopd = barrels of oil per day
Btu = British Thermal Units
mcfg = thousand cubic of gas
mmcfg = million cubic feet of gas
mcfgpd = thousand cubic feet of gas per day
mmcf = million cubic feet
Mbo/Mbbl = thousand barrels of oil
MMbo/MMbbl = million barrels of oil
Mboe = thousand barrels of oil equivalent
MMboe = million barrels of oil equivalent
Mcf = thousand cubic feet
MMcf = million cubic feet
mmbtu = million British Thermal Units
psi = pounds per square inch

RESOURCE ESTIMATES AND DISCLOSURES

PROJECT PHOENIX – PROSPECTIVE RESOURCE

NET ENTITLEMENT PROSPECTIVE RESOURCE (MMBO, UNRISKED)[1]				
	Low (1U)	Best (2U)	High (3U)	Mean
TOTAL MEAN PROSPECTIVE RESOURCE	**92**	**280**	**641**	**290**

1. Pre-drilling net entitlement to 88E. Refer to the ASX release dated 23 August 2022 and also 6 November 2023 for full details with respect to the Prospective Resource estimate, associated risking and Cautionary Statement below.

PROJECT PHOENIX – BASIN FLOOR FAN CONTINGENT RESOURCE

NET ENTITLEMENT (~63%) CONTINGENT RESOURCES[2]			
	Low (1C)	Best (2C)	High (3C)
TOTAL MILLION BARRELS OF OIL EQUIVILANT	**62**	**157**	**364**

2. Post-drilling net entitlement to 88E associated with the Basin Floor Fan reservoir. Refer to the ASX release dated 6 November 2023 for full details with respect to the BFF Contingent Resource estimate.

PROJECT PEREGRINE

NET ENTITLEMENT PROSPECTIVE RESOURCE (MMBO, UNRISKED)[3]					
Prospects	Formation	Low (1U)	Best (2U)	High (3U)	Mean
Merlin	Nanushuk (N20, N14S)	44	160	567	260
Harrier	Nanushuk (N15, N14N, N13, N12)	136	577	2,495	1,101
Harrier Deep	Nanushuk	33	205	1,107	474
	Torok - T03	61	289	1,345	589
TOTAL MEAN PROSPECTIVE RESOURCE					**2,424**

3. Please refer to the ASX release dated 31 July 2023 for full details with respect to the Prospective Resource estimate, associated risking and Cautionary Statement below.

PROJECT ICEWINE WEST

NET ENTITLEMENT PROSPECTIVE RESOURCE (MMBO, UNRISKED)[4]					
Prospects	Formation	Low (1U)	Best (2U)	High (3U)	Mean
Lima Complex	Seabee	134	613	1756	889
Stellar Fan 1-6	Torok	49	155	452	222
TOTAL MEAN PROSPECTIVE RESOURCE					**1,111**

4. Net Entitlement to 88E. Refer to the ASX release dated 10 November 2020 for full details with respect to the Prospective Resource estimate, associated risking and Cautionary Statement below.

Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.

DIRECTOR'S REPORT

DIRECTORS

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

Mr Philip Byrne

Non-Executive Chairman

Appointed: 2 August 2021

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

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

GLX Digital Limited (current)

Interest in shares, options and rights

Ordinary Shares – nil

Performance Rights – 3,333,334

Share Options – nil

Dr Stephen Staley

Non-Executive Director

Appointed: 9 April 2014

Dr Staley is a petroleum geoscientist with more than 40 years of wide-ranging management, technical and commercial experience in the international oil, gas and power sectors. He co-founded and brought to the AIM market Fastnet Oil & Gas plc (where he was the founding CEO) and Independent Resources plc (where he was the founding Managing Director). He also co-founded and brought Upland Resources Ltd to the Standard List of the LSE Main Market, where he was founding CEO. Dr Staley was also both a technical consultant to, and Non-Executive Director of, Cove Energy plc – the highly successful East Africa focused explorer. Dr Staley is owner and founder of Derwent Resources Limited, an upstream consultancy advising on oil and gas and carbon sequestration opportunities. Prior to this he has worked for Cinergy Corp., Conoco, and BP.

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

Nostra Terra Oil & Gas Company PLC (current)

Predator Oil & Gas Holdings PLC (until March 2022)

Interest in shares, options and rights

Ordinary Shares – 14,342,717

Performance Rights – 3,333,334

Share Options – nil

Ms Joanne Williams

Non-Executive Director

Appointed: 2 August 2021

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

Ms Williams has previously held technical and leadership positions with various international oil and gas companies including Woodside Petroleum, Newfield Explorations, Gulf Canada and Clyde Petroleum. She delivered significant shareholder value as Deputy Managing Director and Managing Director for Nido Petroleum and Blue Star Helium respectively.

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

Jadestone Energy plc (current)

Buru Energy Limited (current)

Sacgasco Limited (until April 2022)

Blue Star Helium Limited (until May 2021)

Interest in shares, options and rights

Ordinary Shares – nil

Performance Rights – 3,333,334

Share Options – nil

Mr Ashley Gilbert

Managing Director

Appointed: 10 May 2021

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

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

None

Interest in shares, options and rights

Ordinary Shares – nil

Performance Rights – 80,743,334

Share Options – nil

Ms Sarah Smith

Company Secretary

Appointed: 4 March 2016 - 1 August 2020

Reappointed: 10 May 2021

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

DIRECTOR'S REPORT

BOARD AND MANAGEMENT CHANGES

During the 2023 year there were no board and management changes.

DIRECTORS' MEETINGS

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

Director	Number Eligible to Attend	Number Attended
Mr Stephen Staley	5	5
Mr Philip Byrne	5	5
Ms Joanne Williams	5	5
Mr Ashley Gilbert	5	5

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

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 31 December 2023 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act. The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent Company.

KEY MANAGEMENT PERSONNEL

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

Key Management Personnel of the Group during or since the end of the 2023 financial year were:

Mr Ashley Gilbert	Managing Director (appointed 10 May 2021)
Dr Stephen Staley	Non-Executive Director (appointed 9 April 2014)
Mr Philip Byrne	Non-Executive Chairman (appointed 2 August 2021)
Ms Joanne Williams	Non-Executive Director (appointed 2 August 2021)
Mr Robert Benkovic	Chief Operating Officer (appointed 2 August 2021)
Mr Oliver Mortensen	Chief Financial Officer (appointed 15 November 2021)

REMUNERATION POLICY AND GOVERNANCE

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

A Remuneration Philosophy
B Remuneration Governance, Structure and Approvals
C Remuneration and Performance
D Details of Remuneration
E Service Agreements
F Share-based Compensation
G Equity Instruments Issued on Exercise of Remuneration Options
H Voting and comments made at the Company's 2022 Annual General Meeting

- I Loans with KMP
- J Other Transactions with KMP

A Remuneration Philosophy

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

B Remuneration Governance, Structure and Approvals

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

Board Remuneration responsibilities include:

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

Non-Executive Remuneration Structure

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

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

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

Executive Remuneration Structure

The nature and amount of remuneration of Executives are assessed on an annual basis or as otherwise determined by the Board, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Executives. The main objectives sought when reviewing Executive remuneration is that the Company has:

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

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

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

C Remuneration and Performance

The remuneration policy has been tailored to align objectives between Shareholders, Non-Executives, and Executives. As part of each of the key management personnel's remuneration package, there is a performance-based component consisting of the issue of performance rights to align Management and Shareholders' interests. The Board determines appropriate options or performance rights' vesting conditions that include share price growth and share price growth relative to Peers as well as tenure over a 3-year performance period. This policy has been deemed by the Board to be the most appropriate performance-based compensation method for a Company of its size and nature.

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

Metric	31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19
Net Loss after income tax ($)	**(14,439,233)**	(70,721,918)	(2,410,189)	(22,033,633)	(36,780,457)
Share price	**$0.005**	$0.010	$0.025	$0.010	$0.022
Market capitalisation	**$123 million**	$182 million	$370 million	$106 million	$151 million

Relationship between Remuneration and Company Performance:

Given the current phase of the Company's development and growth, the Board does not consider earnings when reviewing and setting the remuneration structure (nature and amount) of key management personnel. The Remuneration and reward framework for key management personnel may consist of the following areas:

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

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

a) Fixed Remuneration – Base Salary

Consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation. Compensation levels are reviewed regularly by the Board (and independent third parties against the market) and while considering individual performance against agreed key performance indicators and Group performance. Fixed remuneration is guided by the nature and responsibilities of each role as well as knowledge, skills and experience required for each position and market competitive.

b) Variable - Short-term Incentives (STI)

Discretionary cash bonuses may be paid to Executives annually, subject to the requisite Board and shareholder approvals (where applicable). The Board sets annual short-term (12-month) key performance indicators (KPIs) for the Company and then rewards performance against achievement of the KPIs at the end of financial year using a scorecard approach where each KPI holds a particular weighting (STI scorecard). The Board also reviews and considers individual performance in relation to Company performance. The annual STI scorecard typically consists of exploration results (technical and financial), new ventures growth, production growth, ESG and cash flow

c) Variable - Long Term Incentives (LTI)
The Company adopted an Incentive Option Scheme in 2015 and a Performance Rights Scheme in 2018. LTI Rights are issued under the Employee Performance Rights and Options Plan to eligible participants. It provides for key management personnel, and staff to receive performance rights and/or options over ordinary shares. Any performance rights or options issued to Directors require the approval of shareholders.

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

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

D Details of Remuneration

The following tables sets out the total remuneration including the value of LTI's for both the directors and executives for 2023 and 2022.

Directors Remuneration for the years ended 31 December 2023 and 31 December 2022

		SHORT TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS:	EQUITY BASED PAYMENTS	
Director	**Year**	**Salary & Fees**	**Annual & Long Service Leave**	**Bonus & Other**	**Superannuation**	**Performance Rights & Options (iii)**	**Total**
Stephen Staley	2023	65,000	-	-	-	52,052	117,052
	2022	65,000	-	-	-	91,531	156,531
Ashley Gilbert	2023	542,108(ii)	(6,604)	87,300(i)	26,346	247,788	896,937
	2022	473,345	26,694	-	25,146	185,347	710,532
Philip Byrne	2023	140,000	-	-	15,050	52,052	207,102
	2022	140,000	-	-	14,350	91,531	245,881
Joanne Williams	2023	65,000	-	-	6,987	52,052	124,039
	2022	65,000	-	-	6,662	91,531	163,193
Total	**2023**	**812,108**	**(6,604)**	**87,300**	**48,383**	**403,944**	**1,345,130**
Remuneration	**2022**	**743,345**	**26,694**	**-**	**46,158**	**459,940**	**1,276,137**

(i) Mr A. Gilbert was paid a bonus in 2023 of $87,300 based on the achievement of various corporate targets and objectives from the 2022 STI scorecard. Mr Gilbert elected to cash out super of $9,166.
(ii) Mr A. Gilbert elects to cash out a portion of his superannuation guarantee.
(iii) Performance Rights and Options expensed over the vesting periods and adjusted for expired non-markets tranches.

Executives Remuneration for the years ended 31 December 2023 and 31 December 2022

		SHORT TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS:	EQUITY BASED PAYMENTS	
Executives	**Year**	**Salary & Fees**	**Annual & Long Service Leave**	**Bonus & Other**	**Superannuation**	**Performance Rights & Options(iii)**	**Total $**
Robert Benkovic (v)	2023	471,720(iv)	(2,595)	60,791(i)	27,500	215,420	772,837
	2022	366,737	17,675	20,757	27,500	192,240	624,909
Oliver Mortensen	2023	330,950(iv)	9,547	38,570(ii)	27,500	122,446	529,013
	2022	263,712	13,865	14,155	27,165	113,159	432,056
Total	**2023**	802,670	6,953	**99,361**	55,000	**337,866**	**1,301,850**
Remuneration	**2022**	**630,449**	**31,540**	**34,912**	**54,665**	**305,399**	**1,056,965**

(i) Mr Robert Benkovic was paid a cash bonus in 2023 of $60,791 based on the achievement of various corporate targets and objectives from the 2022 STI scorecard. Mr Benkovic elected to cash out super of $6,383.
(ii) Mr Oliver Mortensen was paid a cash bonus in 2023 of $38,570 based on the achievement of various corporate targets and objectives from the 2022 STI scorecard. Mr Mortensen elected to cash out super of $4,049.
(iii) Performance Rights and Options expensed over the vesting periods and adjusted for expired non-markets tranches.
(iv) Both Mr Benkovic and Mr Mortensen elect to cash out a portion of their superannuation guarantee.
(v) Subsequent to year end, Mr Benkovic's employment contract with the Company ceased and his termination period will end 29th April 2024.

Proportion of fixed vs variable remuneration expense

	Fixed Remuneration		Variable – STI (%)		Variable – LTI (%)	
KMP	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Directors						
Stephen Staley	**56%**	42%	**-**	-	**44%**	58%
Ashley Gilbert	**63%**	74%	**10%**	-	**27%**	26%
Philip Byrne	**75%**	63%	**-**	-	**25%**	37%
Joanne Williams	**58%**	44%	**-**	-	**42%**	56%
Executives						
Robert Benkovic	**64%**	66%	**8%**	3%	**28%**	31%
Oliver Mortensen	**70%**	71%	**7%**	3%	**23%**	26%

The number of shares held as at 31 December 2023 by Directors and Executives is set out in the table below.

Shareholdings of KMP (direct and indirect holdings)

KMP	Opening Balance 1 January 2023	Granted	Issue on exercise of equity instruments	Net Change / Other	Closing Balance 31 December 2023
Directors					
Stephen Staley	12,808,334	-	-	1,534,383	14,342,717
Ashley Gilbert	-	-	-	-	-
Philip Byrne	-	-	-	-	-
Joanne Williams	-	-	-	-	-
Executives					
Robert Benkovic	-	-	-	-	-
Oliver Mortensen	-	-	-	-	-
Total	**12,808,334**	**-**	**-**	**1,534,383**	**14,342,717**

The number of performance rights held as at 31 December 2023 by Directors and Executives is set out in the table below.

Performance Rights of KMP (direct and indirect holdings)

KMP	Opening 1 January 2023	Granted	Vested & Exercised	Net Change / Expired / Other	Closing 31 December 2023	Vested & Exercisable
Directors						
Ashley Gilbert	52,846,667	33,750,000	-	(5,853,333)	80,743,334	-
Philip Byrne	6,666,667	-	-	(3,333,333)	3,333,334	-
Stephen Staley	6,666,667	-	-	(3,333,333)	3,333,334	-
Joanne Williams	6,666,667	-		(3,333,333)	3,333,334	-
Executives						
Robert Benkovic	16,740,000	23,700,000	-	(6,480,000)	33,960,000	-
Oliver Mortensen	12,000,000	14,250,000	-	(3,600,000)	22,650,000	-
Total	**101,586,668**	**71,700,000**	**-**	**(25,933,332)** [(i)]	**147,353,336**	**-**

(i) The change of 25,933,332 is represented by the expiration of performance rights due to not meeting tranche criteria conditions.

E Service Agreements

Mr Ashley Gilbert – Managing Director

Contract: Engaged as an employee, commencing 28 January 2017 and appointed as Managing Director 10 May 2021.

Employee Salary: $505,000 per annum plus superannuation. During the year, Mr Gilbert elected to cash out a component of his superannuation.

Performance Based Bonuses: The Company may at any time pay Mr Gilbert a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the performance of Mr Gilbert and the Company.

Termination by Company is with 3 months' notice or payment in lieu thereof. Termination by Mr Gilbert is with 3 months' notice.

Termination Benefit: Termination benefits to the extent permitted under the ASX Listing Rules and Corporations Act are included in the contract in the event of certain termination events.

Mr Philip Byrne – Non-Executive Chairman

Contract: Commenced on 2 August 2021.

Director's Fee: A$140,000 per annum plus superannuation.

Refer to Note 1 below for details pertaining to re-appointment and termination.

Mr Stephen Staley – Non-Executive Director

Contract: Commenced on 9 April 2014.

Director's Fee: $65,000 per annum

Refer to Note 1 below for details pertaining to re-appointment and termination.

Ms Joanne Williams – Non-Executive Director

Contract: Commenced on 2 August 2021.

Director's Fee: A$65,000 per annum plus superannuation.

Refer to Note 1 below for details pertaining to re-appointment and termination.

Mr Robert Benkovic – Chief Operating Officer

Contract: Engaged as an employee commencing 2 August 2021

Employee Salary: $445,000 per annum plus superannuation. During the year, Mr Benkovic elected to cash out a component of his superannuation.

Performance Based Bonuses: The Company may at any time pay Mr Benkovic a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the performance of Mr Benkovic and the Company.

Termination by Company is with 3 months' notice or payment in lieu thereof. Termination by Mr Benkovic is with 1 months' notice.

Termination Benefit: Termination benefits to the extent permitted under the ASX Listing Rules and Corporations Act are included in the contract in the event of certain termination events.

Subsequent to year end, Mr Benkovic's employment contract with the company ceased and his termination period will end on 29th April 2024.

Mr Oliver Mortensen – Chief Financial Officer

Contract: Engaged as an employee commencing 15 November 2021

Employee Salary: $320,000 per annum plus superannuation. During the year, Mr Mortensen elected to cash out a component of his superannuation.

Performance Based Bonuses: The Company may at any time pay Mr Mortensen a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the performance of Mr Mortensen and the Company.

Termination by Company is with 3 months' notice or payment in lieu thereof. Termination by Mr Mortensen is with 3 months' notice.

Termination Benefit: Termination benefits to the extent permitted under the ASX Listing Rules and Corporations Act are included in the contract in the event of certain termination events.

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

F Share-based Compensation

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

Unlisted Options:

There are no unlisted options to KMP's at 31 December 2023.

Unlisted Performance Rights:

Performance Rights held by Directors and Executives at 31 December 2023 are set out in the tables below.

Performance Rights issued in 2020 which continue to expense in the 2023 year.

Executives	Share Price A	Share Price B	Share Price C	Tenure	Total
Grant Date	24/12/2020	24/12/2020	24/12/2020	24/12/2020	
Expiry Date	06/01/2024	06/01/2024	06/01/2024	06/01/2024	
Fair Value Price $	0.0030	0.0040	0.0060	0.0070	
Exercise Price	Nil	Nil	Nil	Nil	
Performance Rights - A Gilbert	**11,250,000**	**11,250,000**	**11,250,000**	**3,750,000**	**37,500,000**
Vested Rights $	11,250,000	11,250,000 (i)	-	-	-
% Vested	100%	100%	-	-	-
Fair Value $ - A Gilbert	33,750	45,000	67,500	26,250	**172,500**
Total Fair Value A. Gilbert	**33,750**	**45,000**	**67,500**	**26,250**	**172,500**
Benefits Expense during 2023 $	-	-	22,705	8,830	**31,534**
Total Expensed A. Gilbert	**33,750**	**45,000**	**67,500**	**26,250**	**172,500**
Total not yet recognised A. Gilbert	-	-	-	-	-

(i) 11,250,000 Performance Rights of the 11,250,000 from Tranche B vested during the year but are not yet exercisable.

Performance Rights issued in 2021 which continue to expense in the 2023 year.

Executives	Share Price A	Share Price B	Share Price C	Tenure	Total
Grant Date	21/05/2021	21/05/2021	21/05/2021	21/05/2021	
Expiry Date	21/05/2024	21/05/2024	21/05/2024	21/05/2024	
Fair Value Price $	0.011	0.015	0.019	0.025	
Exercise Price	Nil	Nil	Nil	Nil	
Performance Rights - A Gilbert	**3,360,000**	**3,360,000**	**3,360,000**	**1,120,000**	**11,200,000**
Vested Rights $	840,000	840,000 (ii)	-	-	**840,000**
% Vested	25%	25%	-	-	**25%**
Expired Rights $	2,520,000	2,520,000 (i)			**2,520,000**
Fair Value $ - A Gilbert	36,960	50,400	63,840	28,000	**179,200**
Total Fair Value A. Gilbert	**36,960**	**50,400**	**63,840**	**28,000**	**179,200**
Benefits Expensed during 2023 $		9,838	21,280	9,333	**40,452**
Total Expensed A. Gilbert	**36,960**	**50,400**	**55,530**	**24,355**	**167,245**
Total not yet recognised A. Gilbert			**8,310**	**3,645**	**11,955**

(i) 2,520,000 Performance Rights of the 3,360,000 from Tranche B lapsed during the year due to not meeting share price criteria.
(ii) 840,000 Performance Rights of the 3,360,000 from Tranche B vested but are not yet exercisable.

Executives	Share Price A	Share Price B	Share Price C	Tenure	Total
Grant Date	30/08/2021	30/08/2021	30/08/2021	30/08/2021	
Expiry Date	30/08/2024	30/08/2024	30/08/2024	30/08/2024	
Fair Value Price $	0.012	0.022	0.019	0.039	
Exercise Price	Nil	Nil	Nil	Nil	
Performance Rights - R Benkovic	**6,480,000**	**6,480,000**	**6,480,000**	**2,160,000**	**21,600,000**
Vested Rights $	1,620,000	-	-	-	**1,620,000**
% Vested	25%	-	-	-	**25%**
Expired Rights $	4,860,000	6,480,000 (i)	-	-	**4,860,000**
Fair Value $ - R Benkovic	77,760	142,560	123,120	84,240	**427,680**
Total Fair Value R. Benkovic	**77,760**	**142,560**	**123,120**	**84,240**	**427,680**
Benefits Expensed during 2023 $		59,400	41,040	28,080	**128,520**
Total Expensed R. Benkovic	**77,760**	**142,560**	**88,920**	**60,840**	**370,080**
Total not yet recognised R. Benkovic			**34,200**	**23,400**	**57,600**

(i) 6,480,000 Performance Rights of the 6,480,000 from Tranche B lapsed during the year due to not meeting share price criteria.

Directors	Share Price A	Share Price B	Share Price C	Total
Grant Date	08/11/2021	08/11/2021	08/11/2021	
Expiry Date	06/01/2024	06/01/2024	06/01/2024	
Fair Value Price $	0.012	0.022	0.019	
Exercise Price	Nil	Nil	Nil	
Performance Rights	**13,333,333**	**13,333,333**	**13,333,333**	**40,000,000**
S. Staley	3,333,333	3,333,333	3,333,333	**10,000,000**
P. Byrne	3,333,333	3,333,333	3,333,333	**10,000,000**
J. Williams	3,333,333	3,333,333	3,333,333	**10,000,000**
A. Gilbert	3,333,333	3,333,333	3,333,333	**10,000,000**
Vested Rights	-			
% Vested	-			
Expired Rights	3,333,333	3,333,333 (i)	-	
Fair Value $				
S. Staley	40,000	73,333	63,333	**176,667**
P. Byrne	40,000	73,333	63,333	**176,667**
J. Williams	40,000	73,333	63,333	**176,667**
A. Gilbert	40,000	73,333	63,333	**176,667**
Total Fair Value S. Staley $	**40,000**	**73,333**	**63,333**	**176,667**
Total Fair Value P. Byrne $	**40,000**	**73,333**	**63,333**	**176,667**
Total Fair Value J. Williams $	**40,000**	**73,333**	**63,333**	**176,667**
Total Fair Value A. Gilbert $	**40,000**	**73,333**	**63,333**	**176,667**
Benefits Expensed during 2023 $				
S. Staley	-	30,941	21,111	**52,052**
P. Byrne	-	30,941	21,111	**52,052**
J. Williams	-	30,941	21,111	**52,052**
A. Gilbert	-	30,941	21,111	**52,052**
Total Expensed S. Staley $	**40,000**	**73,333**	**45,519**	**158,852**
Total Expensed P. Byrne $	**40,000**	**73,333**	**45,519**	**158,852**
Total Expensed J. Williams $	**40,000**	**73,333**	**45,519**	**158,852**
Total Expensed A. Gilbert $	**40,000**	**73,333**	**45,519**	**158,852**
Total not yet recognised S. Staley	**-**	**-**	**17,815**	**17,815**
Total not yet recognised P. Byrne	**-**	**-**	**17,815**	**17,815**
Total not yet recognised J. Williams	**-**	**-**	**17,815**	**17,815**
Total not yet recognised A. Gilbert	**-**	**-**	**17,815**	**17,815**

(i) 3,333,333 Performance Rights of the 3,333,333 from Tranche B lapsed during the year for each director due to not meeting share price criteria.

Executives	Share Price A	Share Price B	Share Price C	Tenure	Total
Grant Date	7/12/2021	7/12/2021	7/12/2021	7/12/2021	
Expiry Date	31/1/2025	31/1/2025	31/1/2025	31/1/2025	
Fair Value Price $	0.012	0.022	0.019	0.026	
Exercise Price	Nil	Nil	Nil	Nil	Nil
Performance Rights – O Mortensen	**3,600,000**	**3,600,000**	**3,600,000**	**1,200,000**	**12,000,000**
Vested Rights	-	-	-	-	-
% Vested	-	-	-	-	-
Expired Rights	3,600,000 (i)				
Fair Value $ - O Mortensen	43,200	79,200	68,400	31,200	**222,000**
Total Fair Value O. Mortensen	**43,200**	**79,200**	**68,400**	**31,200**	**222,000**
Benefits Expensed during 2023 $		36,996	22,800	10,400	**70,196**
Total Expensed O. Mortensen	**43,200**	**79,200**	**47,099**	**21,484**	**190,983**
Total not yet recognised O. Mortensen			**21,301**	**9,716**	**31,017**

(i) 3,600,000 Performance Rights of the 3,600,000 from Tranche A lapsed during the year due to not meeting share price criteria.

Performance Rights issued in the 2023 financial year.

Executives	SP (ASPG)	SP (RTSR)	Total
Grant Date	30/01/2023	30/01/2023	
Expiry Date	30/01/2025	30/01/2025	
Fair Value Price $	0.012	0.012	
Exercise Price	Nil	Nil	
Volatility	159.66%	159.66%	
Risk-free Interest rate	3.20%	3.20%	
Performance Rights -			
A. Gilbert	16,875,000	16,875,000	**33,750,000**
R. Benkovic	11,850,000	11,850,000	**23,700,000**
O. Mortensen	7,125,000	7,125,000	**14,250,000**
Vested Rights	-	-	-
% Vested	-	-	-
Expired Rights	-	-	-
Fair Value $			
A. Gilbert	202,500	202,500	**405,000**
R. Benkovic	142,200	142,200	**284,400**
O. Mortensen	85,500	85,500	**171,000**
Total Fair Value A. Gilbert $	**202,500**	**202,500**	**405,000**
Total Fair Value R. Benkovic $	**142,200**	**142,200**	**284,400**
Total Fair Value O. Mortensen $	**85,500**	**85,500**	**171,000**

Benefits Expensed during 2023 $			
A. Gilbert	61,875	61,875	**123,750**
R. Benkovic	43,450	43,450	**86,900**
O. Mortensen	26,125	26,125	**52,250**
Total Expensed A. Gilbert$	**61,875**	**61,875**	**123,750**
Total Expensed R. Benkovic$	**43,450**	**43,450**	**86,900**
Total Expensed O. Mortensen$	**26,125**	**26,125**	**52,250**
Total not yet recognised A. Gilbert	**140,625**	**140,625**	**281,250**
Total not yet recognised R. Benkovic	**98,750**	**98,750**	**197,500**
Total not yet recognised O. Mortensen	**59,375**	**59,375**	**118,750**

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 tranches. The following reflect the performance conditions:

Tranche A and B (Share Price condition): both tranches have a performance period of 36 months, at which point tranche A vesting conditions relating to absolute share price growth (ASPG) will be tested and tranche B vesting conditions relating to relative total shareholder return (TSR) will be tested, with total number of rights to vest dependant on the 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:

$$ASPG\% = \frac{(\text{Hurdle Price} - \text{Allocation Price})}{\text{Allocation Price}} \times 100$$

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.

G Equity Instruments Issued on Exercise of Remuneration Options

No new shares were issued on exercise of Options during the 2023 financial year.

No remuneration options were exercised during the 2023 financial year.

No options are on issue to Key Management Personnel.

H Voting and comments made at the Company's 2023 Annual General Meeting

The adoption of the Remuneration Report for the financial year ended 31 December 2023 was put to the shareholders of the Company at the AGM held 11 May 2023. The resolution was passed without amendment, on a poll.

I Loans with KMP

There were no loans made to / from any KMP during the year ended 31 December 2023 (2022: nil).

J Other Transactions with KMP

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

Dr Stephen Staley has a consultancy agreement for an indefinite term that commenced on 2 November 2012. The agreement may be terminated at any time by either party giving three months clear notice. There are no termination benefits payable. In accordance with the agreement, Dr Staley is to receive a minimum fee of £2,315.20 ($A4,331) per calendar month, plus Value Added Tax or other sales tax if applicable, based on 2.5 working days per month. Any work that is carried out by the Consultant in excess of 2.5 working days per calendar month must be pre-approved by the Managing Director. Approved days will be remunerated at a rate of £1,000 ($A 2,033) per day.

The following transactions occurred with related parties:

	2023 $	2022 $
Derwent Resources Limited(i)	**51,978**	49,321

During the year, the Company paid £27,782, A$51,978 (2022: £27,782, A$49,321) to Derwent Resources Limited for consultancy services. The amount has been translated to Australian Dollars at the average rate.

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

END OF AUDITED REMUNERATION REPORT

DIRECTOR'S REPORT

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement is set out on the Company's website:
https://88energy.com/corporate-governance/

FINANCIAL REVIEW

The financial results of the Group for the year ended 31 December 2023 are:

Metric	31 Dec 23 $	31 Dec 22 $	Change %
Cash and cash equivalents	**18,182,727**	**14,123,731**	28%
Net Assets	**155,685,398**	**131,676,016**	18%
Revenue and other income	**2,166,369**	**3,339,637**	(51)%
Net loss after tax	**(14,439,233)**[2]	**(70,721,918)**[1]	(77)%

[1]In 2022, the Company impaired Merlin-1 and Merlin-2 of ~A$68M after the wells were plugged and abandoned.

[2]In 2023, the Company impaired Yukon of ~A$9M after the project was considered non-core and acreage relinquished.

In 2023 the Company raised approximately $41 million (before costs) through the issue of new shares.

Financial Position

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year not otherwise disclosed in this report or the financial statements.

DIVIDENDS

No dividends have been paid or declared by the Group since the end of the previous financial year.

No dividend is recommended in respect of the current financial year.

BUSINESS RISK

The Company makes every effort to identify material risks and to manage these effectively. This section does not attempt to provide an exhaustive list of risks faced by the Company or by investors in the Company, nor are they in order of significance.

The Board takes a pro-active approach to risk management and aims to manage these risks by careful planning of its activities and implementing risk control measures, whilst aligning risks to the Company's objectives.

Exploration and Production Risks

The business of exploration for, and development and exploitation of, hydrocarbon deposits is speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Hydrocarbon deposits assessed by the Group as contingent resources may not ultimately contain economically recoverable hydrocarbon reserves and even if they do, delays in the construction and commissioning of production projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required.

The operations of the Group may be disrupted, curtailed, delayed or cancelled by a variety of risks and hazards which are beyond the control of the Group, including unusual or unexpected geological formations, formation pressures, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, mechanical difficulties, equipment shortages, labour disputes, fires, explosions, power outages and extended interruptions due to inclement or hazardous weather conditions and other acts of God. Any one of these risks and hazards could result in work stoppages, damage to, or destruction of, the Group's facilities, personal injury, damage to life or property, environmental damage or pollution, business interruption, monetary losses and possible legal liability which could have a material adverse impact on the business, operations and financial performance of the Group. Although precautions to minimise risk are taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of the hazards and risks. In addition, not all of these risks are insurable.

As is common with many exploration ventures, there is uncertainty and therefore risk associated with the Group's operating parameters and costs which can be difficult to predict and are often affected by factors outside of the Group's control. Few exploration assets are ultimately developed into producing assets. There can be no guarantee that any estimates of quantities of hydrocarbons discovered by the Group will be available to exploit or extract. If reserves are developed, it can take significant expenditure and a number of years from the initial phases of drilling and identification of hydrocarbons until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish hydrocarbon reserves through drilling and, in the case of new projects, to construct processing facilities and other relevant infrastructure. With many natural resources operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions.

Environmental, health and safety and other Regulatory Standards

The projects in which the Group invests and its exploration and potential production activities are subject to various laws and regulations relating to the protection of the environment (including regular environmental impact assessments and the obtaining of appropriate permits or approvals by relevant environmental authorities) and are also required to comply with applicable health and safety and other regulatory standards. Environmental legislation in particular can, in certain jurisdictions, comprise numerous regulations which might conflict with one another and which cannot be consistently interpreted.

Such regulations typically cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Group may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Consequently, although all necessary environmental consents for the Group's activities will be obtained and the Group intends to operate in accordance with applicable petroleum industry standards of environmental practice and comply in all material respects, full compliance with applicable environmental laws and regulations may not always be ensured.

Any failure to comply with relevant environmental, health and safety and other regulatory standards may subject the Group to extensive liability, fines and/or penalties and have an adverse effect on the business and operations, financial results or financial position of the Group. Furthermore, the future introduction or enactment of new laws, guidelines and regulations could serve to limit or curtail the growth and development of the Group's business or have an otherwise negative impact on its operations. Any changes to, and increases in, current regulation or legal requirements may have a material adverse effect upon the Group in terms of additional compliance costs.

Volatility in the price of Oil and Gas and the general Economic Climate

The general economic climate and market price of, and demand for, oil and gas is volatile and is affected by a variety of factors which are beyond the Group's control. These include international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, growth in gross domestic product, supply and demand of capital, employment trends, international economic trends, currency exchange rate fluctuations, the level of interest rates and the rate of inflation, the cost of freight, global or regional political events and international events, as well as a range of other market forces. The aggregate effect of these factors is impossible to predict. Sustained downward movements in oil and gas prices could render less economic, or wholly uneconomic, some or all of the exploration and potential future oil and gas production related activities to be undertaken by the Group.

Operational Risk

The business of Oil & Gas exploration, development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on, amongst other things:

- the discovery and/or acquisition of economically recoverable reserves.
- access to adequate capital for project development.
- government regulations and maintaining licence permits in locations such as Alaska, Texas and Namibia.
- obtaining consents and approvals necessary for the conduct of oil & gas exploration.
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors, and consultants.
- availability of equipment and services, such as drilling rigs, within the necessary time frame.
- the possibility that liabilities may arise because of labour accidents, workforce misfortunes, labour shortage, labour delays or restrictions during exploration activities.
- cash flow and compliance by the Groups farm-out and Joint Venture partners specifically its Project Phoenix JV Partner, Burgundy Xploration LLC and its Namibian Joint Venture Partner in Monitor Exploration Ltd.

General Risk

- Additional requirements for capital
  The funds raised under the Placement are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

- General economic conditions and other global or national issues
  General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.
  General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

- Equity market conditions
  Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. General factors that may affect the market price of Shares include economic conditions in Australia, the United Kingdom and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.
  AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

- Change in government policy and legislation
  Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

- Litigation risks
  The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may im-pact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

EVENTS SUBSEQUENT TO REPORTING DATE

The Company held a General Meeting on 15 January 2024 and all 11 resolutions were passed without amendment on a poll.

The Company received all regulatory approvals and the Hickory-1 flow test commenced in February with the construction of the ice road and pad, followed by drill rig mobilisation and services and commencement of operations in March 2024. Hickory-1 will test two primary reservoirs, SFS and SMD and each test will take approximately 10 days to complete; Perforation, completion-running and stimulation is expected to take approximately four days, followed by a clean-up and flow period of up to four days and a pressure buildup of up to two days for each test. Downhole and surface fluid samples are planned to be captured to reduce fluid characterisation uncertainties. An extensive suite of data is planned to be captured, including but not limited to downhole and surface fluid samples, downhole pressure and temperature data, surface pressure and temperature data, as well as flow rates of oil, gas and water. This data is essential in maturing development plans by accurately constraining reservoir models used to progress the next phases of the Project.

On 22nd February 2024, the Company announced the Stage 1, 20% non-operated working interest was successfully transferred to 88 Energy by Monitor, following approval by the Namibian Ministry of Mines and Energy. As consideration, the Company issued the 2nd Tranche of US$1.25 million in 88 Energy shares (397,947,229 new ordinary shares at an issue price of A$0.0048 per share).

On 19 February 2024, 88 Energy announced it had received the balance of US1.75 million from Burgundy as final settlement of the unpaid 2023 cash calls and Burgundy signed the Hickory-1 flow test AFE reinforcing commitment to its share of the Hickory-1 flow test AFE cost.

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

LIKELY DEVELOPMENTS

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

ENVIRONMENTAL ISSUES

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

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

During the year ended 31 December 2023, the Company paid premiums in respect of a contract ensuring the directors and officers of the Company against liabilities incurred as directors or officers to the extent permitted by the Corporations Act 2001.

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

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

Details of the amounts paid or payable to the auditors, BDO Audit Pty Ltd, for non-audit services provided during the year are set out below.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

a) All non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and

b) None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

	31-Dec-23	31-Dec-22
Non-Audit Services		
Remuneration for other services		
BDO USA	52,288	37,306
BDO Rewards	10,340	27,500
Total Non-Audit Services	62,628	64,806

DIRECTOR'S REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is set out on page 43 and forms part of the Directors' Report for the financial year ended 31 December 2023.

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

Mr Ashley Gilbert

Managing Director

Dated this 28th day of March 2024

AUDITOR'S INDEPENDENCE DECLARATION

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

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

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

As lead auditor of 88 Energy Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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

Jarrad Prue

Director

BDO Audit Pty Ltd

Perth

28 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		$	$
Other income	3(a)	**500,927**	21,760
Share of profit/(loss) from equity accounted investment	11	**1,665,442**	3,317,877
Administrative expenses	3(b)	**(2,690,171)**	(2,778,962)
Occupancy expenses		**(34,992)**	(51,142)
Employee benefit expenses	3(c)	**(2,911,375)**	(2,335,914)
Share-based payment expense	18	**(879,455)**	(658,111)
Depreciation and amortisation expense		**(64,228)**	(60,307)
Finance cost		**(8,544)**	(8,583)
Other expenses		**(478,961)**	(12,869)
Foreign exchange (loss) / gain		**(49,514)**	493,647
Exploration & Evaluation Impairment/Expense	3(d)	**(9,488,362)**	(68,649,314)
Loss before income tax		**(14,439,233)**	(70,721,918)
Income tax expense	4	**-**	-
Loss after income tax for the year		**(14,439,233)**	(70,721,918)
Other comprehensive income / (loss) for the year			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(1,627,093)**	6,378,972
Other comprehensive income / (loss) for the year, net of tax		**(1,627,093)**	(64,342,946)
Total comprehensive income / (loss) for the year attributable to members of 88 Energy Limited		**(16,066,326)**	(64,342,946)
Loss per share for the year attributable to the members of 88 Energy Limited:			
Basic and diluted loss per share	5	**(0.0005)**	(0.0042)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023	2022
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	6 (a)	**18,182,727**	14,123,731
Trade and other receivables	7	**3,973,934**	1,549,816
Total Current Assets		**22,156,661**	15,673,547
Non-Current Assets			
Plant and equipment	8	**22,348**	20,337
Exploration and evaluation expenditure	9	**110,588,395**	96,422,918
Other Assets	10	**506,817**	940,424
Equity accounted investments	11	**23,251,219**	19,968,658
Total Non-Current Assets		**134,368,779**	117,352,337
TOTAL ASSETS		**156,525,440**	133,025,884
LIABILITIES			
Current Liabilities			
Trade and other payables	12	**556,544**	1,105,132
Provisions	13	**283,497**	244,736
Total Current Liabilities		**840,041**	1,349,868
TOTAL LIABILITIES		**840,041**	1,349,868
NET ASSETS		**155,685,399**	131,676,016
EQUITY			
Contributed equity	14	**379,917,222**	340,972,669
Reserves	15	**29,972,652**	30,468,589
Accumulated losses		**(254,204,475)**	(239,765,242)
TOTAL EQUITY		**155,685,399**	131,676,016

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Issued Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
At 1 January 2023	**340,972,669**	**30,468,589**	**(239,765,242)**	**131,676,016**
Loss for the year	**-**	**-**	**(14,439,233)**	**(14,439,233)**
Other comprehensive income	**-**	**(1,627,093)**	**-**	**(1,627,093)**
Total comprehensive income/(loss) for the year after tax	**-**	**(1,627,093)**	**(14,439,233)**	**(16,066,326)**
Transactions with owners in their capacity as owners:				
Issue of share capital	**41,429,821**	**-**	**-**	**41,429,821**
Issue of Options	**-**	**251,701**	**-**	**251,701**
Settlement of vested PR's	**-**	**-**	**-**	**-**
Share-based payments	**-**	**879,455**	**-**	**879,455**
Share issue costs	**(2,485,268)**	**-**	**-**	**(2,485,268)**
Balance at 31 December 2023	**379,917,222**	**29,972,652**	**(254,204,475)**	**155,685,399**
At 1 January 2022	285,809,214	23,074,244	(169,043,324)	139,840,134
Loss for the year	-	-	(70,721,918)	(70,721,918)
Other comprehensive income	-	6,378,972	-	6,378,972
Total comprehensive income/(loss) for the year after tax	-	6,378,972	(70,721,918)	(64,342,946)
Transactions with owners in their capacity as owners:				
Issue of share capital	58,524,106	-	-	58,524,106
Issue of Options	-	360,260	-	360,260
Settlement of vested PR's	-	(2,998)	-	(2,998)
Share-based payments	-	658,111	-	658,111
Share issue costs	(3,360,651)	-	-	(3,360,651)
Balance at 31 December 2022	340,972,669	30,468,589	(239,765,242)	131,676,016

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANICAL YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		$	$
Cash flows from operating activities			
Payment to suppliers and employees		**(5,442,176)**	(4,907,742)
Interest and other income received		**60,646**	20,126
Net cash flows used in operating activities	6 (b)	**(5,381,530)**	(4,887,616)
Cash flows from investing activities			
Payments for equity accounted investments		**(873,975)**	(10,693,565)
Payments for exploration and evaluation activities		**(29,903,780)**	(52,644,427)
Contribution from Joint Operation Partners in relation to Exploration		**4,515,460**	1,078,866
Proceeds (payment) for Bonds		**584,840**	137,930
Distribution from Equity Accounted Investments		**2,010,345**	4,281,910
Net cash flows generated from/used in investing activities		**(23,667,110)**	(57,839,286)
Cash flows from financing activities			
Proceeds from issue of shares	14	**35,414,713**	47,052,778
Share issue costs		**(2,322,029)**	(3,149,329)
Net cash flows from financing activities		**33,092,684**	43,903,449
Net increase/(decrease) in cash and cash equivalents		**4,044,045**	(18,823,453)
Cash and cash equivalents at the beginning of the year		**14,123,731**	32,317,887
Effect of exchange rate fluctuations on cash held		**14,951**	629,297
Cash and cash equivalents at end of year	6(a)	**18,182,727**	14,123,731

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

88 Energy Limited (referred to as "88 Energy" or the "Company") is a company domiciled in Australia and listed on the ASX, AIM and OTC Markets. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group"). The Group is primarily involved in oil and gas exploration in Alaska.

b) New Standards and Interpretations

New or amended Accounting Standards and Interpretations adopted:

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Group has no transactions that are affected materially by new effective accounting standards.

New accounting Standards and Interpretations not yet mandatory or early adopted:

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

c) Basis of Preparation

Statement of compliance

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

The annual report was authorised for issue by the Board of Directors on 28 March 2024.

Basis of measurement

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

As at 31 December 2023 the company has cash of $18.2 million and a current working capital balance of $21.3 million. The directors are satisfied that the going concern assumption has been appropriately applied in preparing the financial statements and the historical financial information has been prepared on a going concern basis for a period of at least 12 months from the signing of this report, which contemplates the continuing of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Significant Judgements and Estimates

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

d) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of 88 Energy Limited ('Company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the year then ended. 88 Energy and its subsidiaries together are referred to in this financial report as the consolidated entity.

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

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

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

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

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

e) Foreign Currency Translation

Functional and presentation currency

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

Transactions and balances

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

Consolidated entity companies

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

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

- all resulting exchange differences are recognised in other comprehensive income.

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

f) Borrowings

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

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

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

g) Exploration & Evaluation Expenditure

The accounting policy adopted by the Group is as follows:

Pre-licence costs

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

Licence and property acquisition costs

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

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

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

Exploration and evaluation costs

The Company accounts for exploration and evaluation activities as follows:

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

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

Project Phoenix, Project Icewine West, Project Leonis, Project Peregrine, Umiat and Namibia: Exploration and evaluation expenditure associated with these projects are capitalised to the Statement of Financial Position in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

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

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

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

h) Oil and Gas Properties

Producing asset at Cost

Recognition and measurement

i) Producing assets
Producing projects are stated at cost less accumulated depletion. The carrying value of oil and gas properties is reviewed annually by management to ensure it is not in excess of the recoverable amount. The recoverable amount of an asset or CGU is the greater of its fair value less costs of disposal (FVLCD) and its value-in-use (VIU), using an asset's estimated future cashflows (as described below) discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

ii) Drilling and completion costs
Where the Company has a non-operated interest in an oil or gas property, it may periodically be required to make a cash contribution for its share of the Operator's estimated drilling and/or completion costs.

iii) Commencement of production
When a well comes into commercial production, accumulated expenditure for the relevant area of interest is depleted on a units of production basis.

iv) Depletion of producing projects
The Group uses the units of production (UOP) approach when depleting field-specific assets. Using this method of depletion requires the Group to compare the actual volume of production to the reserves and then to apply this determined rate of depletion to the carrying value of the depreciable asset. Capitalised producing project costs relating to commercially producing fields are depleted using the UOP basis once commercial quantities are being produced within an area of interest. The reserves used in these calculations are the proved plus probable reserves (2P) and are reviewed annually.

Key estimates and judgements
The carrying value of oil and gas assets is determined by capitalising expenditure once a field of interest has commenced commercial production.

Impairment
Assets are tested for impairment in line with AASB 136. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, which is a product of quantity of reserves, prices, and operating costs, less the cost to sell and value in use. Impairment for leases in Regenerate and Emerald House were identified and adjusted in the accounts for year ending 31 December 2023.

Depletion

Estimation of depletion of the oil and gas assets is based on the updated 2P reserves estimate as at 31 December 2023. Producing assets are amortised on a unit of production basis on 2P reserves. The reserves for Project Longhorn were compiled by 88 Energy's independent consultant. See below for judgements relating to reserve estimates.

Reserve Estimates

Estimation of reported recoverable quantities of proved and provable reserves include judgemental assumptions regarding commodity prices, market operational costs, discount rates and production and selling costs for future cash flows. It also requires interpretation of geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact assets' carrying amounts due to changes in expected future cash flows. Reserves are integral to the amount of depletion charged to the income statement as part of recording 88 Energy's share of equity accounted investments.

i) Income Tax

(i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss.

(ii) Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences except:

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

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

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

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

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

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

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

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

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

j) Goods and Services Tax

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

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

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

k) Revenue recognition

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

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

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

l) Cash and Cash Equivalents

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

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

m) Trade and Other Receivables

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

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

n) Plant and Equipment

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

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

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

Depreciation

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

Plant and Equipment 2 to 5 years

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

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

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

o) Impairment of Assets

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

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

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

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

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

p) Trade and Other Payables

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

q) Provisions

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

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

r) Employee Benefits

Short-term employee benefits:

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

Other long-term employee benefits:

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

s) Contributed equity

Ordinary shares are classified as equity.

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

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

t) Earnings Per Share

Basic earnings per share is calculated by dividing:

The profit attributable to the members of the parent, excluding any costs of servicing equity other than ordinary shares.

By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

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

The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

u) Share-based Payments

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

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

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

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

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

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

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

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

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

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

v) Financial Instruments

Offsetting of financial instruments:

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

Fair value of financial instruments:

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

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

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

w) Comparative figures

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

x) Asset Acquisition not constituting a Business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transactions costs of the acquisition will be included in the capitalised cost of the asset.

In determining when an acquisition is determined to be an asset acquisition and not a business, significant judgement is required to assess whether the assets acquired constitute a business in accordance with AASB 3. Under AASB 3 a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and consists of inputs and processes, which when applies to those inputs has the ability or create outputs.

y) Equity Accounted Investments

Joint ventures are joint arrangements in which the parties with joint control of the arrangement have rights to the net assets of the arrangement. Joint arrangements exist when two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A separate vehicle, not the parties, will have the rights to the assets and obligations to the liabilities, relating to the arrangement. If more than an insignificant share of output from a joint venture is sold to third parties, this indicates that the joint venture is not dependent on the parties to the arrangement for funding and that the parties to the arrangement have no obligation for the liabilities of the arrangement. Joint ventures are accounted for using equity method.

Equity accounted investments are initially recorded at cost, including the value of any goodwill on acquisition. In subsequent periods, the carrying amount of the investment is adjusted to reflect the share of past-acquisition profit or loss and other comprehensive income. After application of the equity method, including recognising the Group's share of the joint venture's results, the value of the investment will be assessed for impairment if there is objective evidence that an impairment of the investment may have occurred. Where the carrying value of an equity accounted investment is reduced to nil after having applied equity accounting principles (and the Group has no legal or constructive obligation to make further payments, not has made payments on behalf of the associate or joint venture), dividends received from the associate or joint venture will be recognised as a 'Share of profit/(loss) of equity accounted investment'.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSESSMENTS

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

a) Impairment of capitalised exploration and evaluation expenditure

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

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

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

b) Recoverability of equity accounted investment

The carrying value of equity accounted investment is reviewed annually by management to ensure it is not in excess of the recoverable amount. The recoverable amount of an equity accounted investment is the greater of its fair value less costs of disposal (FVLCD) and its value-in-use (VIU), using an equity accounted investment's estimated future cashflows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Refer to Note 11 Equity Accounted Investment.

c) Share-based payments

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

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

d) Income taxes

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

3 REVENUE AND EXPENSES

	2023 $	2022 $
3a. Income		
Interest revenue (i)	**500,927**	**19,260**
Other income	**-**	**2,500**
	500,927	**21,760**
3b. Administrative expenses		
Consultancy and professional fees	**473,708**	467,130
Legal fees	**310,928**	204,084
Travel costs	**156,109**	220,722
General and administration expenses, net of recoveries (ii)	**1,749,426**	1,887,026
	2,690,171	2,778,962
3c. Employee benefit expenses		
Wages and salaries	**2,406,930**	1,853,656
Superannuation	**175,033**	154,363
Annual leave accrued	**171,495**	173,468
Other employee expenses	**157,916**	154,427
	2,911,375	2,335,914
3d. Exploration & evaluation Impairment/Expense		
Impairment – Project Yukon relinquished (refer note 9)	**8,882,710**	67,623,823
Exploration & Evaluation expensed – Merlin 2	**(5,155)**	1,025,491
Impairment – Project Peregrine relinquished leases (refer note 9)	**610,807**	-
	9,488,362	68,649,314

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

(ii) General and administrative expenses are shown net of recoveries of $652,280 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.

4 INCOME TAX

	2023	2022
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income		
Loss before income tax expense	**(14,439,233)**	(70,721,918)
Prima facie tax benefit on loss before income tax at 30% (2022: 30%)	**(4,331,770)**	(21,216,575)
Under provision in prior year	**88,438**	257,362
Tax Effect of:		
Foreign expenditure not brought to account	**1,028,869**	896,609
Tax Rate differential on non-Australian income	**723,976**	5,896,640
Non-assessable/deductible items:		
Non-deductible entertainment expenses	**6,203**	3,056
Other non-deductible expenses		
Share based payments	**263,837**	197,433
Deferred tax asset on temporary differences and tax losses not brought to account	**(2,220,447)**	13,965,475
Income tax expense for the year	**-**	-
(b) Deferred income tax		
Deferred tax liabilities	**(136,146)**	(136,146)
Deferred tax assets	**71,009,259**	68,446,877
Deferred tax assets not recognised on temporary differences and tax losses	**(70,873,113)**	(68,310,731)
Net deferred tax assets	-	-

The Group has unutilised tax losses for which no deferred tax asset is recognised on the reporting date of $49,425,456 (2022: $46,783,402) which are available indefinitely for offset against future tax gains subject to continuing to meet relevant statutory tests.

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

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

5 LOSS PER SHARE

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

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

	2023 $	2022 $
Net (loss) for the year	**(14,439,233)**	(70,721,918)
Weighted average number of ordinary shares for basic and diluted loss per share.	**22,624,239,746**	16,620,537,389

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

Continuing operations		
Basic and diluted loss per share ($)	(0.0006)	(0.0042)

6 CASH AND CASH EQUIVALENTS

	2023 $	2022 $
(a) Cash details		
Cash at bank and in hand[(i)]	**18,182,727**	14,123,731
	18,182,727	14,123,731

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

(i) There is no restriction on cash for JV Operations for the year ended 31 December 2023 (31 December 2022: $0).

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

	2023 $	2022 $
Loss for the financial year	**(14,439,233)**	(70,721,918)
Adjustments for:		
Other Income	**(2,105,724)**	(3,317,877)
Other Expenses	**452,489**	153,976
Depreciation	**64,228**	60,307
(Loss)/Gain on foreign exchange	**49,514**	(493,647)
Share based payments	**879,455**	658,111
Finance Costs	**8,545**	8,546
Impairment of exploration & evaluation	**9,488,362**	68,649,314
Changes in assets and liabilities		
Decrease / (increase) in receivables	**-**	24,722
Increase / (decrease) in trade and other payables	**182,073**	(7,616)
Increase / (decrease) in provisions	**38,761**	98,466
Net cash used in operating activities	**(5,381,530)**	(4,887,616)

7 TRADE AND OTHER RECEIVABLES

	2023 $	2022 $
Other deposits and receivables (i)	**3,973,934**	1,549,816
	3,973,934	1,549,816

Due to the short-term nature of other receivables, the expected fair value approximates their carrying values as at 31 December 2023 and 31 December 2022.

(i) Receivables in 2023 predominately owed by Burgundy Xploration LLC from Hickory 1 2023 Cash Calls and Interest – A$2,551,860 at the year-end exchange rate (US$1,745,472).
Subsequent to balance date, Burgundy paid the receivable due and signed the Hickory-1 flow test AFE reinforcing its commitment to the program and share of costs.

8 PLANT AND EQUIPMENT

	2023 $	2022 $
Opening net book amount	**20,337**	9,675
Additions	**11,421**	16,150
Depreciation charge	**(9,410)**	(5,488)
Closing net book amount	**22,348**	20,337
Cost	**238,070**	226,649
Accumulated depreciation	**(215,722)**	(206,312)
Net book amount	**22,348**	20,337

9 EXPLORATION AND EVALUATION EXPENDITURE

	2023 $	2022 $
Carrying amount of exploration and evaluation expenditure	**110,588,395**	96,422,918
Movement reconciliation		
Balance at the beginning of the financial year	**96,422,918**	101,357,767
Additions (iv)	**31,223,595**	61,289,179
JV Contributions (i)	**(6,981,966)**	(1,150,993)
Less Impairment (ii), (iii)	**(9,493,517)**	(67,623,823)
Foreign currency translation	**(582,634)**	2,550,788
Closing balance	**110,588,395**	96,422,918

(i) JV Contributions received from Burgundy Xploration LLC for Project Hickory expenditure incurred.
(ii) Impairment of Project Yukon after the leases were relinquished in June 23. The Board completed a review and considered the assets to be non-core and not commercially viable. (A$8,882,710). Impairment of six Project Peregrine Leases In February 23 that were considered to have limited prospectivity (A$610,807).
(iii) In 2022, the Merlin 1 and Merlin 2 exploration wells were plugged and abandoned and subsequently impaired with a total cost of $67,623,823.
(iv) Additions predominantly from Project Phoenix (A$23,762,016) for Hickory-1 and Farm In to Namibia PEL 93 for subsidiary EightyEight Energy Namibia (A$2,639,305).

10 OTHER ASSETS

	2023 $	2022 $
Investments	**-**	442,804
ROU Asset – Office Leases	**68,220**	54,818
Emerald House Environmental Bond	**438,597**	442,802
	506,817	940,424

11 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 % FY23
Bighorn Energy LLC [(i)]	USA	Oil & Gas Production	31 December 2023	18 Feb 2022[(ii)]	75

(i) While the Group holds a greater than 50 per cent interest in the Bighorn Energy 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

Investment in equity accounted investments	**31 Dec 2023 $**	**31 Dec 2022 $**
At the beginning of the financial year	**19,968,658**	-
Acquisition – 75% interest in Bighorn Energy LLC	**-**	14,127,130
Contribution of capital Bighorn- (Refer note 14)	**4,000,000**	6,587,762
Share of profit/(loss) of equity accounted investments (from effective date)	**1,665,442**	3,317,877
Foreign Exchange gain/(loss)	**(372,536)**	217,799
Distribution received from equity accounted investments	**(2,010,345)**	(4,281,910)
At the end of the financial year	**23,251,219**	19,968,658
Carrying amount of equity accounted investment	**23,251,219**	19,968,658
Share of profit/(loss) of equity accounted investment	**1,665,442**	3,317,877
Reconciliation of carrying amount of equity accounted investment		
Bighorn Energy LLC		
Current Assets	**2,338,981**	2,457,296
Non – Current Assets	**30,831,694**	29,008,661
Current Liabilities	**(3,601,611)**	(2,844,252)
Non – Current Liabilities	**(2,047,132)**	(1,099,029)
Net Assets – 100%	**27,521,933**	27,522,676
Net assets – the Group's share	**20,641,450**	20,320,132
Prepaid contributed capital and FX	**2,609,769**	(351,474)
Carrying amount of equity accounted investments	**23,251,219**	19,968,658
Reconciliation of share of profit/(loss) of equity accounted investment		
Revenue – 100%	**9,432,588**	13,071,832
Profit/(loss) after tax – 100%	**2,220,589**	4,423,836
Profit/(loss) after tax – the Group's share (75%)	**1,665,442**	3,317,877

Consolidated adjustments	**-**	-
Share of profit/(loss) of equity accounted investments	**1,665,442**	3,317,877

The Group's share of contingent liabilities and capital expenditure commitments of the significant equity accounted investment as at 31 December 2023 was U$0 and U$3.3 million relating to Bighorn JV approved capital development activities to be undertaken in 2024.

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

Refer to Notes 1 (g) on the treatments of Oil and Gas Properties and 2 (b) on recoverability of equity accounted investments.

12 TRADE AND OTHER PAYABLES

	2023 $	2022 $
Current		
Trade payables [(i)]	**480,858**	993,924
Other payables	**75,686**	111,208
	556,544	**1,105,132**

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

13 PROVISIONS

	2023 $	2022 $
Current		
Annual Leave	**198,989**	187,258
Long Service Leave	**84,509**	57,478
	283,497	244,736

14 CONTRIBUTED EQUITY

	2023		2022	
Issued and fully paid	**Number of shares**	**$**	Number of shares	$
Ordinary shares	**24,640,802,561**	**379,917,222**	18,265,762,962	340,972,669

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

Movement reconciliation	**Number**	**$**
At 1 January 2022	14,811,076,196	285,809,214
Issue of shares in February capital raise @ $0.035	918,650,793	32,152,777
Issue of shares for Bighorn acquisition @ $0.035	98,101,898	3,433,567
Issue of shares for Bighorn working capital @ $0.039	57,378,519	2,237,762
Issue of shares for seismic acquisition @ $0.008	181,250,000	1,450,000
Issue of shares for Bighorn working capital @ $0.008	543,750,000	4,350,000
Issue of shares in August capital raise @ $0.009	1,655,555,556	14,900,000
Less equity raising shares		(3,360,651)
At 31 December 2022	18,265,762,962	340,972,669
At 1 January 2023	**18,265,762,962**	**340,972,670**
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 shares		**(2,485,268)**
At 31 December 2023	**24,640,802,561**	**379,917,222**

15 RESERVES

	2023 $	2022 $
Share-based payments	**21,490,097**	20,358,941
Foreign Currency Translation Reserve	**8,482,555**	10,109,648
	29,972,652	30,468,589
Movement reconciliation		
Share based payments reserve		
Balance at the beginning of the year	**20,358,941**	19,343,568
Equity settled share-based payment transactions (Note 18)	**879,455**	658,111
Issue of Options as part of Capital Raise	**251,701**	360,260
Settlement of vested Performance Rights	**-**	(2,998)
Balance at the end of the year	**21,490,097**	20,358,941
Foreign currency translation reserve:		
Balance at the beginning of the year	**10,109,648**	3,730,676
Effect of translation of foreign currency operations to group	**1,627,093**	6,378,972
Balance at the end of the year	**8,482,555**	10,109,648

Share-based payment reserve

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

Foreign currency translation reserve

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

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Market risk

Foreign exchange risk

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

		2023		2022
	USD	**GBP**	USD	GBP
Cash and cash equivalents	**13,484,413**	**585,617**	10,376,843	444,876
Trade and other payables	**197,234**	**13,817**	926,051	-

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

	Impact on post-tax profit	
	2023	2022
USD/AUD exchange rate – increase 9%	**806,000**	648,000
USD/AUD exchange rate – decrease 9%	**(806,000)**	(648,000)

Profit is slightly more sensitive to movements in the Australian dollar/US dollar exchange rates in 2023 than 2022 because of the decreased amount of US dollar denominated cash and cash equivalents. Equity is more sensitive to movements in the Australian dollar/US dollar rates in 2023 than 2022 because of the decreased amount of foreign currency assets. The group's exposure to other foreign exchange movements is not material.

Interest rate risk

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

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

		2023		2022
	Weighted average interest rate	**Balance $**	Weighted average interest rate	Balance $
Cash and cash equivalents	**0.78%**	**18,182,727**	0.52%	14,123,731
Borrowings	**-**	**-**	-	-

Sensitivity

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

At 31 December 2023, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

	Post-tax profit higher/(lower)		**Other comprehensive higher/(lower)**	
	2023	2022	**2023**	2022
Judgements of reasonably possible movements:	**$**	$	**$**	$
Cash and cash equivalents:				
+ 1.0% (100 basis points)	**127,279**	**98,866**	**-**	-
- 1.0% (100 basis points)	**(127,279)**	**(98,866)**	**-**	-

Credit risk

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

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

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

Liquidity risk

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

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

The following are the contractual maturities of financial liabilities:

	6 months	**6-12 months**	**1-5 years**	**> 5 years**	**Total**
2023					
Trade and other payables	**556,544**	**-**	**-**	**-**	**556,544**
2022					
Trade and other payables	1,105,132	-	-	-	1,105,132

Capital risk management

The Group's objectives when managing capital are to:

Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

Maintain an optimal capital structure to reduce the cost of capital.

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

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

In determining the funding mix of debt and equity (total borrowings/total equity), consideration is given to the relative impact of gearing ratio on the ability of the consolidated entity to service loan interest and repayment schedules, credit facility covenants and to generate adequate free cash available for corporate and oil and gas exploration. The debt to equity ratio is 0% at 31 December 2023 (0% at 31 December 2022).

Fair values

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

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

Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 – a valuation technique using inputs other than quoted prices within Level 1 that are observable for the financial instrument, either directly (i.e. prices), or indirectly (i.e. derived from prices); or

Level 3 – a valuation technique using inputs that are not based on observable market data (unobservable inputs).

As at 31 December 2023 and 31 December 2022, the Group did not have financial liabilities measured and recognised at fair value. Due to their short-term nature, the carrying amount of the current receivables and payables is assumed to approximate their fair value.

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

17 RELATED PARTY DISCLOSURE

(a) Transactions with other related parties

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

During the year, the following transactions occurred with related parties:

	2023 $	2022 $
Derwent Resources Limited	**51,978**(i)	49,321

(i) During the year, the Company paid £27,782; A$51,978 (2022: £27,782 : A$49,321) to Derwent Resources Limited for consultancy services. The amount has been translated to Australian Dollars at the average rate.

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

The Group has a related party with an interest in Bighorn Energy LLC, refer to Note 11 – Equity Accounted Investment.

(b) Key Management Personnel Compensation

Details relating to KMP are included in the Remuneration Report. At 31 December the following remuneration was paid.

	2023 $	2022 $
Short-term benefits for KMP's	**1,801,787**	1,197,621
Post-employment benefits for KMP's	**103,383**	69,223
Share-based payments for KMP's	**741,810**	306,458
	2,646,980	1,573,302

Detailed remuneration disclosures are provided within the Remuneration Report.

18 SHARE BASED PAYMENTS

The following share based payments were expensed during the period.

	2023 $	2022 $
(a) Recognised share-based payment expense transactions		
SBP Expenses on Performance Rights issued to directors	**403,943**	459,940
SBP Expense on Performance Rights issued to employees	**467,026**	187,625
SBP Expense on Performance Rights issued to contractors	**8,486**	10,546
	879,455	658,111

The following table sets out the Performance Rights and Options for the Group at 31 December 2023.

	Date of Expiry	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired and Other	Balance at the end of the year
Performance Rights	-	-	192,572,042	96,095,000	-	27,997,457	260,669,585
Placement fee options	02-09-24	$0.05	50,000,000	-	-	-	50,000,000
Placement fee options	22-02-25	$0.06	36,000,000	-	-	-	36,000,000
Placement fee options	28-10-25	$0.02	90,000,000	-	-	-	90,000,000
Placement fee options	14-02-26	$0.02	-	75,000,000	-	-	75,000,000
Unlisted warrants	15-12-26	$0.0075	-	244,444,442	-	-	244,444,442
Listed options	15-12-26	$0.0075	-	488,888,890	-	-	488,888,890
			368,572,042	**904,428,332**	**-**	**27,997,457**	**1,245,002,917**

Performance Rights

Performance Rights are subject to certain vesting conditions noted below. The fair value of these Performance Rights was treated as a share-based payment expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The fair value per Performance Right used the Monte Carlo simulation-based model. There were 96,095,000 performance rights issued in 2023. Refer to Performance Rights issued in 2023 page 36 for performance rights conditions.

Options

On 14th February 2023, the Company issued 75 million unlisted options to the Company's lead manager and brokers at an exercise price of A$0.02 expiring on the third-year anniversary of completion to investors. Options are valued at $251,700 and included in share issue costs in the Statement of Changes in Equity. Management applied the Black-Scholes option pricing model with the following assumption to estimate fair value of the options at the date of grant:

Risk-free rate	3.10%
Expected Volatility (i)	80%
Expected life	3 years
Share Price	$0.0095
Exercise Price	$0.02

(i) Expected volatility was determined by the Black Scholes model using the above assumptions provided by Australian brokers.

On 8th December 2023, the Company issued 244,444,442 warrants as free attaching to the UK investors of the November placement. Warrants have a nil value, with an exercise price of £0.0039 and expire 15 December 2026.

On 8th December 2023, the Company issued 488,888,890 listed options as free attaching to Eligible Investors in the November placement. Listed options have a nil value, exercisable at A$0.0075 per share and expire 15 December 2026.

19 SEGMENT INFORMATION

For management purposes during the period ended 31 December 2023 the Company was organised into the following strategic unit:

Oil and Gas exploration in Alaska, USA.

Oil & Gas production in Texas, USA.

Oil & Gas exploration, 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.

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 & Gas Exploration in Alaska, USA and Oil and Gas Production in Texas, USA and Oli & 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.

Revenue, Assets and Liabilities information based on the geographical location of assets are as follows:

	Texas Production $	Alaska Exploration $	Namibia Exploration $	Other $	Total $
31 December 2023					
Total Revenue	-	440,282	-	60,645	500,927
Administrative Expenses	(183,914)	1,338	-	(2,507,594)	(2,690,171)
Employee benefit Expenses	-	-	-	(2,911,375)	(2,911,375)
Depreciation & Amortisation	-	-	-	(64,228)	(64,228)
E&E Impairment	-	(9,488,362)	-	-	(9,488,362)
Other	-	(478,961)	-	(972,507)	(1,451,467)
Total Expenditure	(183,914)	(9,965,984)	-	(6,455,704)	(16,605,603)
Net Profit (loss) before tax	1,481,528	(9,525,701)	-	(6,395,059)	(14,439,233)
Additions to non-current assets	3,282,561	11,079,160	2,639,306	15,415	17,016,442
Assets	23,251,219 (ii)	105,848,260	2,639,306	24,786,654	156,525,440
Liabilities	-	67,034	-	773,007	840,041
31 December 2022 (Restated) (i)					
Total Revenue	-	963	-	20,797	21,760
Administrative Expenses	(153,976)	(20,872)	-	(2,604,062)	(2,778,910)
Employee benefit Expenses	-	-	-	(2,335,914)	(2,335,914)
Depreciation & Amortisation	-	-	-	(60,307)	(60,307)
E&E Impairment	-	(68,612,235)	-	-	(68,612,235)
Other	-	(49,984)	-	(224,205)	(274,189)
Total Expenditure	153,975	(68,683,091)	-	(5,224,489)	(74,061,555)
Net Profit (loss) before tax	3,163,902	(68,682,128)	-	(5,203,692)	(70,721,918)
Additions to non-current assets	19,968,658	(4,876,143)	-	(44,156)	(15,048,359)
Assets	19,968,658 (ii)	101,755,854	-	11,301,372	133,025,884
Liabilities	-	753,700	-	596,168	1,349,868

(i) Certain comparative figures in the consolidated financial statements of the Group have been restated arising from a change in accounting policy to conform to the presentation in the current period.

(ii) Asset is in relation to the Investment in Associate Bighorn Energy LLC, refer to Note 11 - Equity Accounted Investment.

20 COMMITMENTS

Exploration commitments

Exploration Commitments at 31 December 2023 are as follows:

Leases

Holding costs for the Alaska acreage currently held by 88 Energy's subsidiaries is US$10 per acre for the first six years (or eight years and increase up to a maximum holding costs per acre of US$250 in the final two years of the leases (if eight or ten year lease term), however the company can apply to the State of Alaska for a rental reduction. The anticipated lease payment for 2024 totals US$2.1 million net to the Company, however the payment is discretionary, and the Company may choose to relinquish acreage or a portion of acreage at any time, and therefore the Company has commitments for the remaining portion of the tenement life only.

On 21st December, the Company announced on the ASX that Project Peregrine leases were suspended for 12 months until 30 November 2024.

All additional payments for exploration will be at the discretion of the Company, other than what is noted below, as the Company can exit the leases at any time with no penalty.

Project Phoenix: Hickory-1 Flow Test

88 Energy has a 75% working interest in the Hickory 1 well located at Project Phoenix and will fund the ~US11 million (plus contingency) flow test program with funds in bank. The Company received all regulatory approvals and commencement of Hickory-1 flow test commenced in February with the construction of the ice road and pad, followed by drill rig mobilisation and commencement of operations in March. Hickory-1 will test two primary reservoirs, SFS and SMD and each test will take approximately 10 days to complete; Perforation, completion-running and stimulation is expected to take approximately four days, followed by a clean-up and flow period of up to four days and a pressure buildup of up to two days for each test. Downhole and surface fluid samples are to be captured to reduce fluid characterisation uncertainties. Downhole pressure and temperature data, surface pressure and temperature data, and flow rates of oil, gas and water will be recorded.

Corporate Commitments at 31 December 2023 are as follows:

	2023 $	2022 $
Within one year	**70,272**	65,713
After one year but not more than five years	**-**	-
	70,273	65,713

21 CONTINGENCIES

Exploration Contingencies

Subsequent to 31 December 2023 year end the Company's subsidiary, Accumulate Energy Alaska, received notification of a claim of Lien by a vendor on the Hickory 1 Project, claiming disputed and unpaid monies on services and labour performed and equipment provided. The amount of demand is U$400,413.43. As at reporting date this lien is still in dispute.

Corporate Contingencies

At 31 December 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.

Contingent Liability

Eighty Eight Namibia Farm- In Agreement

The Farm In Agreement between Eighty Eight Energy (Namibia) Pty Ltd (88EN), a newly formed, wholly owned subsidiary of 88 Energy and private Namibian company, Monitor Oil and Gas Exploration (Namibia) Pty Ltd (MELN), a wholly owned subsidiary of Monitor, allows 88 Energy to become a party to the Licence PEL 93 and the Joint Operating Agreement (JoA) and may earn up to a 45% working interest in PEL 93 by funding it's share of agreed costs under the 2023-2024 approved work program and budget as defined in the Farm-In Agreement (2024 Work Program), and any future work program budgets yet to be agreed.
Stage 1 of the Farm – In Agreement allows 88 Energy a 20% working interest in the PEL 93 licence. As at the end of the financial year instalment 3 and instalment 4 of this first stage are not yet paid and are committed:

- Instalment 3: U$1.25 million to be paid in 88 Energy shares upon approval of the working interest transfer by the Namibian government and as a further payment in relation to the 2D seismic program carry; and
- Instalment 4: US$420,000 to be paid on or before 1 June 2024 for remaining payment of back costs and US$500,000 for 2024 work-program carry.

Subsequent to 31 December 2023, on 22nd February 2024, the Company announced the Stage 1, 20% non-operated working interest was successfully transferred to 88 Energy by Monitor, following approval by the Namibian Ministry of Mines and Energy. As consideration, the Company issued the 2nd Tranche of US$1.25 million in 88 Energy shares (397,947,229 new ordinary shares at an issue price of A$0.0048 per share). Commitment instalment 4 remains due to be paid.

22 EVENTS AFTER THE REPORTING DATE

The following events were noted subsequent to the reporting date;

The Company held a General Meeting on 15 January 2024 and all 11 resolutions were passed without amendment on a poll.

The Company received all regulatory approvals and the Hickory-1 flow test commenced in February with the construction of the ice road and pad, followed by drill rig mobilisation and services and commencement of operations in March 2024. Hickory-1 will test two primary reservoirs, SFS and SMD and each test will take approximately 10 days to complete; Perforation, completion-running and stimulation is expected to take approximately four days, followed by a clean-up and flow period of up to four days and a pressure buildup of up to two days for each test. Downhole and surface fluid samples are planned to be captured to reduce fluid characterisation uncertainties. An extensive suite of data is planned to be captured, including but not limited to downhole and surface fluid samples, downhole pressure and temperature data, surface pressure and temperature data, as well as flow rates of oil, gas and water. This data is essential in maturing development plans by accurately constraining reservoir models used to progress the next phases of the Project.

On 22nd February 2024, the Company announced the Stage 1, 20% non-operated working interest was successfully transferred to 88 Energy by Monitor, following approval by the Namibian Ministry of Mines and Energy. As consideration, the Company issued the 2nd Tranche of US$1.25 million in 88 Energy shares (397,947,229 new ordinary shares at an issue price of A$0.0048 per share).

On 19 February 2024, 88 Energy announced it had received the balance of US1.75 million from Burgundy as final settlement of the unpaid 2023 cash calls and Burgundy signed the Hickory-1 flow test AFE reinforcing commitment to its share of the Hickory-1 flow test AFE cost.

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

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

23 AUDITOR'S REMUNERATION

	2023 $	2022 $
During the year the following fees were paid or payable for services provided by BDO as the auditor of the Group:		
BDO Audit (WA) Pty Ltd		
Audit and review of the annual and half-year financial report	**79,027**	66,896
Total audit services	**79,027**	66,896
Non-audit services from BDO USA:		
BDO USA Tax advisory services and due diligence	**52,288**	37,306
BDO Rewards	**10,340**	27,500
Total non-audit services	**62,628**	64,806
Total auditor remuneration	**141,655**	131,702

24 INVESTMENTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in Note 1 (c):

	Principal Activities	Country of Inc.	Ownership interest %	
			2023	2022
Fotis Nominees Pty Ltd [(i)]	Investment	Australia	**n/a**	100
XCD Energy Pty Ltd	Oil Exploration	Australia	**100**	100
Accumulate Energy USA, Inc	Oil Exploration	USA	**100**	100
Accumulate Energy Alaska, Inc	Oil Exploration	USA	**100**	100
Regenerate Energy USA, Inc	Oil Exploration	USA	**100**	100
Regenerate Alaska, Inc	Oil Exploration	USA	**100**	100
Captivate Energy Alaska, Inc	Oil Exploration	USA	**100**	100
Emerald House, Inc	Oil Exploration	USA	**100**	100
Entek USA, Inc	Oil Exploration	USA	**100**	100
Longhorn Energy USA, Inc	Oil Production	USA	**100**	100
Longhorn Energy Investments, LLC	Oil Production	USA	**100**	100
EightyEight Energy (Namibia) (Pty) Ltd	Oil Exploration	Namibia	**100**	-

(i) This subsidiary was deregistered on 4th September 2023.

25 PARENT ENTITY

	2023 $	2022 $
Current assets	**17,956,668**	9,042,945
Non-current assets	**138,468,857**	123,229,240
Total assets	**156,425,524**	132,272,185
Current liabilities	**740,126**	596,169
Total liabilities	**740,126**	**596,169**
Net Assets	**155,685,398**	131,676,016
Equity		
Contributed equity	**379,917,223**	340,972,669
Reserves	**36,872,926**	38,881,754
Accumulated losses	**(261,104,751)**	(248,178,407)
Total Equity	**155,685,398**	131,676,016
Loss for the year	**(12,926,343)**	(5,224,462)
Total comprehensive loss	**(12,926,343)**	(5,224,462)

Comparative Figures

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

Other Commitments and Contingencies

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

DIRECTORS' DECLARATION

In the Directors' opinion:

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

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

giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the year ended on that date.

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

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

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

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

Mr Philip Byrne
Non-Executive Chairman

28 March 2024

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

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

INDEPENDENT AUDITOR'S REPORT

To the members of 88 Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of 88 Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

Key audit matters

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

Carrying value of exploration and evaluation expenditure

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 9 to the Financial Report, the carrying value of the capitalised exploration and evaluation expenditure represents a significant asset of the group. Refer to Notes 1(g) and 2(a) of the Financial Report for a description of the accounting policy and significant judgements applied to capitalised exploration and evaluation expenditure. In accordance with AASB 6 Exploration and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation requires significant judgement by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. During the year, the Group undertook an impairment assessment and recognised an impairment charge as disclosed in Note 9. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and Director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; • Evaluating and assessing the accuracy of the Group's calculation on the impairment recognised for the year ended 31 December 2023; and • Assessing the adequacy of the related disclosures in Notes 1(g), 2(a) and 9 to the Financial Report.

BDO

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 37 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of 88 Energy Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

BDO

Jarrad Prue

Director

Perth, 28 March 2024

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is at 22 March 2024.

TWENTY LARGEST SHAREHOLDERS

1.	COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	6,608,107,500	26.30
2.	CITICORP NOMINEES PTY LIMITED	4,174,976,451	16.62
3.	HSBC CUSTODY NOMINEES	1,393,192,516	5.55
4.	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,135,138,100	4.52
5.	RIDDHI GROUP OF HOTELS PTY LTD	418,264,198	1.66
6.	LONESTAR I LLC	336,045,079	1.34
7.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	245,180,324	0.98
8.	HSBC CUSTODY NOMINEES <AUSTRALIA> LIMITED	148,235,401	0.59
9.	MEL OIL AND GAS EXPLORATION (NAMIBIA) PTY LTD	144,147,513	0.57
10.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	121,764,165	0.48
11.	DR SEOW FOONG LOH	100,833,584	0.40
12.	BNP PARIBAS NOMS PTY LTD	92,522,115	0.37
13.	FINCLEAR PTY LTD <SUPERHERO SECURITIES A/C>	77,678,743	0.31
14.	MR ALAN RUSSELL BENDER	70,000,000	0.28
15.	MR DAVID XING	67,789,682	0.27
16.	MR ANTHONY JAMES JEWSON	59,500,000	0.24
17.	MR DAVID JAMES WALL	58,264,286	0.23
18.	MR CRAIG WILLIAM SIMS	55,000,000	0.22
19.	MR CAN ODABAS	53,000,000	0.21
20.	MR DAKIN LUKE THEXTON	51,499,999	0.20
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES		**15,411,139,656**	**61.34**
Total Remaining Holders Balance		**9,712,922,911**	**38.66**

DISTRIBUTION OF EQUITY SECURITIES

Ordinary share capital

25,124,062,567 fully paid shares held by 12,454 individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

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

Range	Total holders	Units	% of Issued Capital
1 - 1,000	80	8,672	0.00
1,001 - 5,000	26	88,925	0.00
5,001 - 10,000	45	372,960	0.00
10,001 - 100,000	3,013	234,708,930	0.93
100,001 Over	9,290	24,888,883,080	99.07
Total	**12,454**	**25,124,062,567**	**100.00**

TOP 20 LISTED OPTIONS

1.	BEIRNE TRADING PTY LTD	113,156,976	21.00
2.	CITICORP NOMINEES PTY LIMITED	52,197,557	9.69
3.	BLJ TECHNOLOGIES PTY LTD	38,069,445	7.06
3.	DRM TECHNOLOGIES PTY LTD	38,069,445	7.06
5.	MR OLAOLUWA IBUKUNOLUWA KOTILA	30,153,465	5.60
6.	ZENIX NOMINEES PTY LTD	25,000,000	4.64
7.	HIRSCH FINANCIAL PTY LTD	14,814,815	2.75
8.	RIYA INVESTMENTS PTY LTD	11,666,667	2.16
9.	MRS VANESSA RUBEN	10,000,000	1.86
10.	MR NATHAN CARATTI	7,416,667	1.38
11.	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	7,407,408	1.37
12.	GOFFACAN PTY LTD	7,000,000	1.30
13.	ATKINS SUPERANNUATION FUND PTY LTD <ATKINS SUPER A/C>	6,962,778	1.29
14.	S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C>	6,333,333	1.18
15.	DR WATSON INVESTMENTS PTY LTD <DR WATSON SUPER A/C>	6,000,000	1.11
16.	MR KAMLESH CHAND	5,000,000	0.93
16.	MR DARREN RAYMOND WATSON <THE WATSON INVESTMENT A/C>	5,000,000	0.93
18.	SEVENTY THREE PTY LTD <KING SUPER NO 3 A/C>	4,370,372	0.81
19.	AJAVA HOLDINGS PTY LTD	4,074,074	0.76
20.	DORIC WEALTH PTY LTD <PIVOT TRADING A/C>	4,000,000	0.74
20.	MR SAM SANTORO	4,000,000	0.74
Totals: Top 21 holders of LISTED OPTIONS EXP 15/12/26 @$0.0075 (Total)		**400,693,002**	**74.36**
Total Remaining Holders Balance		**138,195,888**	**25.64**

DISTRIBUTION OF LISTED OPTIONS

The number of listed holdings by size of holding, is:

Range	Total holders	Units	% of Units
1 - 1,000	1	2	0.00
1,001 - 5,000	0	0	0.00
5,001 - 10,000	0	0	0.00
10,001 - 100,000	1	51,282	0.01
100,001 Over	132	538,837,606	99.99
Total	**134**	**538,888,890**	**100.00**

ASX ADDITIONAL INFORMATION

UNLISTED OPTIONS

50,000,000 Unlisted Options with an exercise price of $0.05 and an expiry of 8 November 2024
36,000,000 Unlisted Options with an exercise price of $0.06 and an expiry of 13 February 2025
90,000,000 Unlisted Options with an exercise price of $0.02 and an expiry of 28 October 2025
75,000,000 Unlisted Options with an exercise price of $0.02 and an expiry of 16 February 2026

WARRANTS

269,444,442 Unlisted warrants with an exercise price of GBP £0.0039 and an expiry of 15 December 2026.

PERFORMANCE RIGHTS

168,848,336 Performance Rights on issue. The Performance Rights are subject to vesting conditions.

UNMARKETABLE PARCELS

Ordinary share capital

	Minimum Parcel Size	**Holders**	**Units**
Minimum $500.00 parcel at $0.0060 per unit	83,334	1,556	79,941,757

RESTRICTED SECURITES

The Company has no Restricted Securities on issue.

SUBSTANTIAL SHAREHOLDERS

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

	Number of Shares
COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	6,608,107,500
CITICORP NOMINEES PTY LIMITED	4,174,976,451
HSBC CUSTODY NOMINEES	1,393,192,516

ON-MARKET BUY-BACK

There is no current on-market buy-back.

ACQUISITION OF VOTING SHARES

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

ASX ADDITIONAL INFORMATION

TAX STATUS

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

FRANKING CREDITS

The Company has no franking credits.

TENEMENT SCHEDULE

Project Name	Location	Net Area (acres)	Company Interest
Project Phoenix	Onshore, North Slope Alaska	62,324	~75%
Project Icewine West	Onshore, North Slope Alaska	121,996	~75%
Project Peregrine[(i)]	Onshore, North Slope Alaska (NPR-A)	125,735	100%
Project Longhorn	Onshore, Permian Basin Texas	2,625	~63%
Project Leonis	Onshore, North Slope Alaska	25,431	100%
Umiat Unit	Onshore, North Slope Alaska (NPR-A)	17,633	100%
Namibia	Onshore, Owambo Basin, Namibia	914,270	20%

COMPETENT PERSONS STATEMENT

Pursuant to the requirements of the ASX Listing Rules Chapter 5 and the AIM Rules for Companies, the technical information and resource reporting contained in this announcement was prepared by, or under the supervision of, Dr Stephen Staley, who is a Non-Executive Director of the Company. Dr Staley has more than 35 years' experience in the petroleum industry, is a Fellow of the Geological Society of London, and a qualified Geologist / Geophysicist who has sufficient experience that is relevant to the style and nature of the oil prospects under consideration and to the activities discussed in this document. Dr Staley has reviewed the information and supporting documentation referred to in this announcement and considers the prospective resource estimates to be fairly represented and consents to its release in the form and context in which it appears. His academic qualifications and industry memberships appear on the Company's website and both comply with the criteria for "Competence" under clause 3.1 of the Valmin Code 2015. Terminology and standards adopted by the Society of Petroleum Engineers "Petroleum Resources Management System" have been applied in producing this document.

i. Refer announcement released to ASX on 21 December 2023 regarding Project Peregrine 12-month suspension until 30 November 2024