

17 July 2020

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2020

HIGHLIGHTS

- **Unanimously recommended takeover offer by 88 Energy Limited (ASX:88E) successfully implemented**
- **88 Energy has initiated the compulsory acquisition of the remaining shares and listed options in XCD Energy**
- **Suspension of trading in XCD Energy shares effective from today with delisting of the Company's securities from ASX expected shortly**

EXECUTIVE SUMMARY

During the June 2020 Quarter, XCD Energy Limited (**ASX:XCD**) management has been solely focussed on delivering XCD Energy shareholders with the best possible outcome following the receipt of an unsolicited takeover bid from 88 Energy on 27 April 2020. Over 90% of shareholders and listed option holders have now accepted the takeover offers and 88 Energy has moved to compulsory acquisition of the remaining shares and listed options which will occur over the coming weeks.

TAKEOVER AND CORPORATE SUMMARY

On 27 April 2020, the 88 Energy announced its intention to make an off-market takeover offer to acquire all the shares and listed options of the Company. The then Board of XCD Energy immediately advised shareholders to take no action whilst the Board considered the proposal. Following due diligence and discussions with 88 Energy, on 7 May 2020 the Board recommended shareholders accept an increased offer of 2.4 shares in 88 Energy for each XCD Energy share and 0.7 shares in 88 Energy for each listed option (the **Offers**).

On 18 June 2020, 88 Energy declared the Offers unconditional having received acceptances of over 50% of the XCD Energy's shares and on 26 June 2020, the Company welcomed three 88 Energy representatives to the Board in conjunction with the Company's Chairman, Mr Peter Stickland, agreeing to resign from the Board.

On 9 July 2020, 88 Energy announced that it was proceeding to compulsorily acquire the remaining shares and listed options of the Company. Suspension of trading in XCD Energy shares and listed options became effective today with delisting of the Company's securities from the ASX expected to occur shortly.

OPERATIONS - PROJECT PEREGRINE

During the quarter, the Company concluded agreements with the overriding royalty interest (ORRI) owners to reduce the ORRI from 1.5% to 1.3% across an expanded area of mutual interest resulting in the Company's net entitlement interest increasing to 86.2% after allowing for the ORRI and 12.5% government royalty.

In addition, ERC Equipoise completed a review of the risking of the Company's Alaskan Nanushuk prospects following regional drilling results which concluded that the chance of geological success had increased.

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No other substantial operational activities were progressed during the June 2020 quarter.

CORPORATE AND FINANCIAL

As of 30 June 2020, the Company has approximately 710 million shares on issue and approximately \$0.4M in cash. The substantial expenditures during the June 2020 quarter were in respect to the corporate takeover costs incurred which included corporate advisory, legal fees, independent expert costs and printing and despatch of the required documentation.

SUMMARY OF PETROLEUM TENEMENTS HELD AS AT 30 JUNE 2020

	% Interest	Tenement	Location
Held at end of quarter	100%	17 Alaskan Leases totaling 195,373 acres	North slope of Alaska (NPR-A)
Acquired during quarter	-	-	-
Disposed during quarter	-	-	-

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For further information on XCD Energy, please visit the Company's website at www.xcdenergy.com