

RAVEN ENERGY LIMITED

1 November 2018

ACQUISITION OF XGAS LLC UPDATE

Raven Energy Limited (ASX: REL) (**Company** or **Raven**) provides the following update in relation to its proposed acquisition of Xstate Resources Limited's (**Xstate**) (ASX:XST) wholly owned subsidiary XGas LLC (**Acquisition**). As announced to the market on 7 May 2018 Raven entered into a binding letter of intent (**LOI**) with Xstate to acquire XGas LLC.

Xstate and Raven entered into a Deed of Variation on 17 August 2018 whereby Raven requested an extension to the completion date to 31 October 2018.

Raven received a notice of termination from Xstate terminating the Acquisition for not making the settlement payment of approximately US\$410,000 or issue the second tranche of A\$250,000 of shares by the close of business on 31 October 2018 (**Termination**). As a result of the Termination Xstate will retain the non-refundable payments of approximately US\$88,500 paid by Raven and the 138,888,889 shares issued

Due to Raven's recent acquisition with Pancontinental Oil and Gas NL (ASX:PCL) for the acquisition of Bombora Natural Energy Pty Ltd (**Bombora Acquisition**) as announced earlier today on 1 November 2018, Raven will hold 10% of the Dempsey Project in the Sacramento Basin in California (**Dempsey Project**). Raven expects to recommence discussions with Xstate to acquire its 10% interest in the Dempsey Project, albeit on terms more reflective of its value as illustrated by the terms of the Bombora Acquisition. The Company will continue evaluating its options to further expand its interest in US energy projects with the region.

Yours faithfully,



Nathan Featherby
Executive Chairman
Raven Energy Limited

About Raven Energy Limited

Raven Energy Limited is an Australian-based energy and gas resources exploration and development company, working to develop gas exploration and production projects. The Company is currently focused on its Tulainyo Gas Project in the Sacramento Basin California. The Company's goal is to create exceptional value for shareholders through expanding and developing its energy and gas interests both in Australia and internationally.

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