

23 October 2019

SUCCESSFUL CAPITAL RAISE OF \$2M

XCD Energy Limited (ASX:XCD) is pleased to announce that it has received commitments to raise \$2 million (before costs) by way of a two tranche placement (**Placement**).

Tranche 1 will be made using XCD's existing placement capacity under Listing Rule 7.1 to raise approximately \$0.5M (before costs) through the issue of 48,000,000 shares at \$0.01 per share and 24,000,000 free attaching options (**Tranche 1**). Tranche 2 will seek to raise approximately \$1.5M (before costs) through the issue of up to 152,000,000 shares at \$0.01 per share and 76,000,000 free attaching options (**Tranche 2**). XCD will seek shareholder approval to conduct the Tranche 2 placement on or around 29 November 2019.

The free attaching options are being issued on the ratio of 1 option for every 2 fully paid shares subscribed for and will be exercisable at \$0.02 per option (**Option**) on or before the date that is three years from the date of issue of the second tranche of options. The Company intends to seek ASX quotation of the Options following the issue of the Tranche 2 portion of the Placement. The quotation of the Options will be subject to XCD lodging a prospectus with ASIC and satisfying the quotation conditions set out in the Listing Rules. Investors are advised that while it is XCD's current intention to seek quotation of the Options, XCD provides no certainty that quotation of the Options will be granted.

In addition to the Placement, XCD has agreed subject to Shareholder approval, to issue 10 million shares for marketing services to the value of \$100,000 in lieu of cash fees. These marketing services will be available to XCD over the next 12 months on a call-off basis as and when required.

Upon completion of the Placement and issue of shares to the marketing advisor, the Company expects to have approximately 700 million shares on issue and approximately \$3.2M in cash. Proceeds from the Placement will principally be used to advance Project Peregrine and commence a farm-out campaign for the 100% owned 149,590 acre lease position.

The Placement was jointly managed by Nascent Capital Partners and Originate Capital with fees payable of 6% of the amount raised together with a success fee being the issue of up to 17.5 million broker options to be issued on the same terms and conditions as the Placement Options (**Broker Options**). The Broker Options will be subject to a six-month escrow period from the date of issue, and the issue will be subject to shareholder approval.

XCD's Managing Director, Mr. Dougal Ferguson commented:

"It is pleasing to get the continued support of existing shareholders as well as welcome new shareholders into this capital raise that will provide the Company the funding to pursue its near-term objectives. These include launching a farm-out campaign late 2019 as well as

advancing a low-cost drilling opportunity at Project Peregrine that, if successful, could result in the timeframe to drilling being significantly reduced.”

For further information, please contact:

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

About the Project Peregrine Leases

The Project Peregrine leases have a seven to ten-year exploration period and covers an area of around 150,000 acres within the NPR-A. The leases are around 35km south of the Willow discoveries owned and operated by ConocoPhillips estimated to be between 400 – 750 MMBOE ⁽¹⁾. Directly south of the Project Peregrine leases lies the Umiat oil accumulation estimated to have greater than 1 billion barrels of oil in place by the USGS.

Infrastructure in the area is limited but should the Willow area be developed in the timeframe predicted by ConocoPhillips ⁽¹⁾, then that will become the nearest infrastructure to the Project Peregrine leases and would represent the closest route to market should a commercial discovery be made at Project Peregrine.

⁽¹⁾ <https://static.conocophillips.com/files/resources/willow-fact-sheet-final.pdf>

