

16 December 2019

ADDITIONAL ALASKAN LEASES SECURED

- **XCD announced as apparent high bidder on 45,783 acres (4 leases) in the highly prospective Nanushuk oil fairway on the North Slope of Alaska**
- **Most successful Alaskan NPR-A lease sale since 2006 with US\$11 million in bids received and over 1 million acres bid on by Armstrong, ConocoPhillips and XCD**
- **New XCD leases adjacent and complementary to existing lease position, with total area under lease now expanded up to 195,373 acres**
- **Additional leases now being integrated into the independent prospective resource report now expected to be completed in January 2020**
- **XCD lease position within 25km of ConocoPhillips 2020 multi-well exploration and appraisal drilling program**

XCD Energy Limited (ASX:XCD) (“XCD or the “Company”) is pleased to announce that its wholly owned subsidiary, Emerald House LLC, has been announced by the Bureau of Land Management (“BLM”) as the apparent high bidder on 45,783 acres (4 leases) in the National Petroleum Reserve – Alaska, Oil and Gas Lease Sale 2019. The new leases complement and are adjacent to XCD’s existing 149,590 acres Project Peregrine which is on trend with the large Willow oil development to the north and now directly adjacent to ConocoPhillips large acreage position.

In addition, the new leases contain analogous leads to the Harpoon prospect being drilled by ConocoPhillips in its 2020 exploration drilling program. Three wells are anticipated to be drilled on the large Harpoon prospect with two of the wells within 25km of the northern edge of XCD’s leases (see Figure 1).

The National Petroleum Reserve – Alaska, Oil and Gas Lease Sale 2019 was the most successful lease sale in over a decade with over US\$11 million in bids being received by BLM over the 1,051,216 acres bid.

With the additional leases now secured, the Company has requested ERC Equipose to integrate the new leases into the volumetric calculations and complete the independent prospective resource report, which is now expected to be concluded in January 2020.

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

“These new leases capture the balance of the leads that XCD has re-mapped using the reprocessed seismic data and now completes the land acquisition for our Project Peregrine. The large land position acquired in this year’s NPR-A lease sale by Armstrong is a significant endorsement of our exploration strategy, with Armstrong being the company that unlocked

the Nanushuk play at Pika and Horseshoe. Having an explorer of this pedigree now stepping across into the NPR-A in such a big way can only be a positive for XCD.”

XCD has paid a 20% non-refundable deposit of US\$51,992 for the four new leases with the balance of US\$207,968 expected to be due in February 2020. XCD is fully funded to complete the lease acquisition following its recent successful \$2 million capital raise.

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For further information on XCD Energy, please visit the Company's website at www.xcdenergy.com. This ASX announcement was approved and authorized for release by XCD Energy's Board of Directors.

About the Project Peregrine Leases

The Project Peregrine leases have a six to ten-year exploration period and covers an area of around 195,000 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.

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

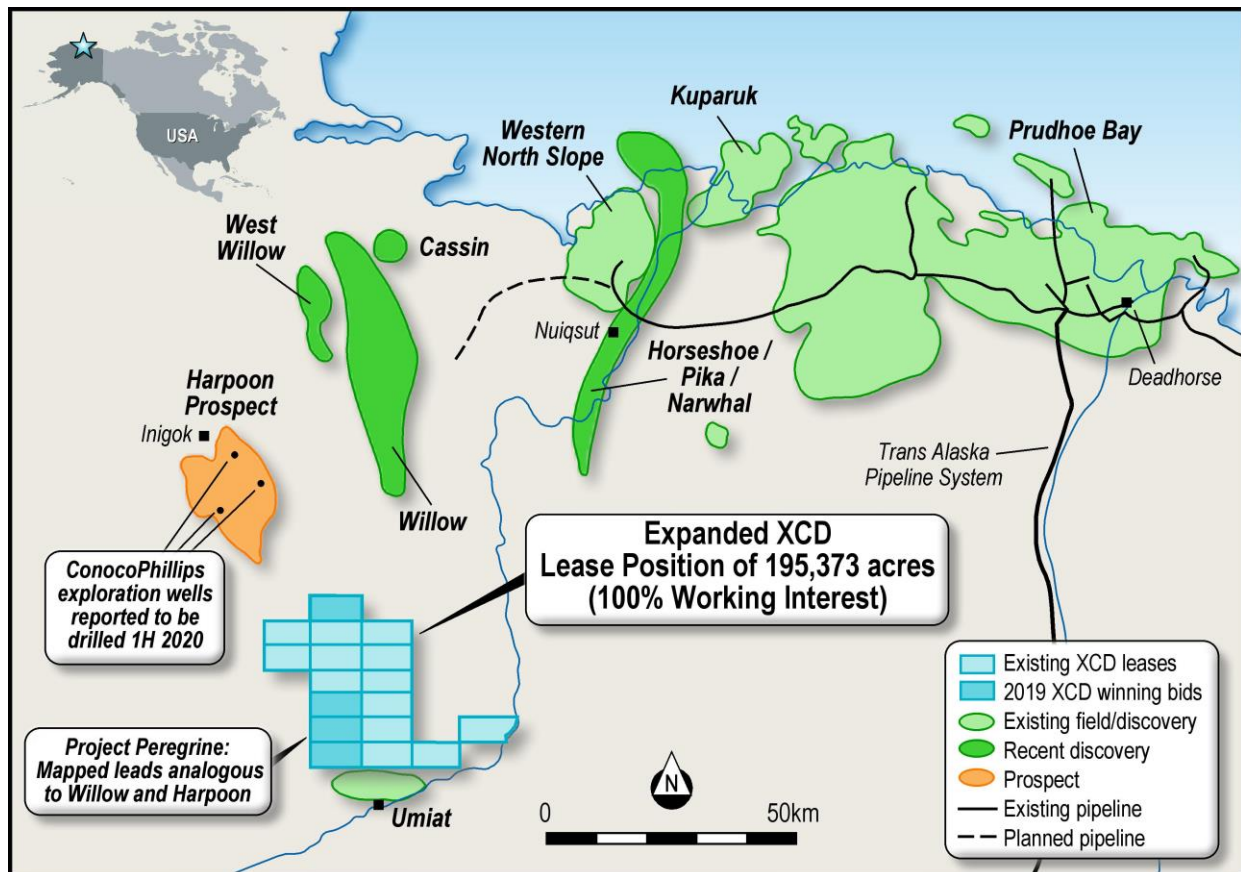


Figure 1: XCD lease position relative to ConocoPhillips Harpoon Prospect and Willow Oil Field