



Announcement Summary

Entity name

88 ENERGY LIMITED

Announcement Type

New announcement

Date of this announcement

Tuesday May 12, 2020

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
88E	ORDINARY FULLY PAID	1,873,402,205

Proposed +issue date

Thursday July 9, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

88 ENERGY LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

80072974179

1.3 ASX issuer code

88E

1.4 The announcement is

New announcement

1.5 Date of this announcement

Tuesday May 12, 2020

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
Other (please specify in comment section)	Thursday June 11, 2020	<input checked="" type="checkbox"/> Estimated	No

Comments

The Company will offer to acquire all of the shares and listed options on issue in XCD Energy Limited via an off-market takeover bid (Offers). The conditions to the Offers and information in relation to how the Company may free the Offers of the conditions are set out in out in sections 10.8, 10.10, 11.8 and 11.10 of the bidders statement dated 11 May 2020 as supplemented and replaced from time to time.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +Security Code and Description

88E : ORDINARY FULLY PAID

Maximum Number of +securities proposed to be issued

1,848,002,205



Purpose of the issue

Off-market takeover bid by 88 Energy Ltd for all of the ordinary shares and options in XCD Energy Limited (ACN 108 403 425) pursuant to the Bidder's Statement. The exact number of shares that the Company may ultimately be required to issue is not currently known and the above number is an approximation and the exact number of shares to be issued depends on the level of acceptances received.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

What is the issue price per +security?

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

No

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +Security Code and Description

88E : ORDINARY FULLY PAID

Maximum Number of +securities proposed to be issued

25,400,000

Purpose of the issue

Maximum number of shares to be issued to Longreach Capital Pty Ltd (Corporate Advisor)

Offer price details for retail security holders

In what currency is the cash consideration being paid?

What is the issue price per +security?



Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

No

Part 7C - Timetable

7C.1 Proposed +issue date

Thursday July 9, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Up to 25,400,000 shares

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

No

7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?

Yes

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

No



7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Longreach Capital Pty Ltd agreed to act as corporate advisor to the Company in relation to the Offers (Longreach Mandate). Under the terms of the Longreach Mandate, 88 Energy has agreed to pay Longreach Capital a retainer of \$10,000 per month, payable monthly in arrears for an initial period of 3 months and a transaction fee (to be based on the Company's final percentage shareholding in XCD Energy, calculated on a fully diluted basis on completion of the transaction (Diluted Interest) which will be payable if the Diluted Interest is equal to or greater than 50%). If the Diluted Interest is equal to or greater than 50%, a base transaction fee of \$200,000 will be payable and an incentive transaction fee will be payable, being \$100,000 multiplied by the Diluted Interest. The transaction fee will be payable 50% in cash and 50% through the issue of shares.

Part 7F - Further Information

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

The proposed issue date set out in this Appendix 3B is indicative only. Further details in respect of the issue of consideration are set out in the Bidder's Statement.