

88 Energy Ltd

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88 Energy takeover offer for XCD Energy goes unconditional

88 Energy Ltd (LON:88E) (ASX:88E) has declared its takeover bid for XCD Energy unconditional and said the offer won't be increased.

Earlier this week, 88 Energy reported that it had received acceptances representing 37.58% of XCD's shares and it now confirms it has passed 59.27%.

The company also noted that XCD shareholders which accepted the offer before it became unconditional will receive accelerated payment, before June 26, whilst subsequent acceptances will be paid within seven days of their acceptance being processed.

It added that once it has received 90% or more, it intends to proceed with compulsory acquisition of outstanding minority shareholdings and options.

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In a statement, 88 Energy said that "if remaining XCD Energy shareholders and listed options do not accept the offers, and 88 Energy does not reach compulsory acquisition thresholds by the closing date of the offers, they will remain a minority shareholder in XCD Energy with reduced influence in the running of the business."

"Further, 88 Energy's controlling position may affect the liquidity of the minority holders of securities in XCD Energy. This may increase the difficulty for minority securityholders to sell their XCD Energy shares or listed options at an attractive price," it added.

88 Energy noted that it would also delist XCD from the ASX, further affecting the liquidity of the remaining shares.

The takeover offer is currently scheduled to close at 7:00pm Sydney time on June 25.

In May, 88 Energy agreed a recommended takeover offer with XCD's board as it improved its offer - to 2.4 new 88 Energy shares per XCD share, and 0.7 shares for every XCD listed share option - giving it a per share value of 1.2 Australian cents, or about A\$7.8m in total.

The all-paper transaction sees the creation of an explorer with a diversified portfolio on Alaska's North Slope, with three distinct key areas: Project Icewine, Project Peregrine, and the Yukon licences.

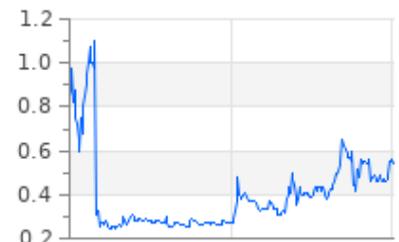
It will have improved scale, market presence and funding capability, and share liquidity, according to AIM and ASX listed 88 Energy.

The new company will leverage 88 Energy's geological and operational expertise, specific to the North Slope of Alaska

Price: 0.54

Market Cap: £65.67 m

1 Year Share Price Graph



March 2020 September 2020 March 2021

Share Information

Code: 88E

Listing: AIM

52 week High Low
1.225 0.165

Sector: Oil & Gas

Website: 88energy.com

Company Synopsis:

The company's goal is to build a successful exploration and production company that delivers material benefits to its shareholders and contributes to the development of the regions in which it works. 88 Energy operates ~320,000 net acres at Project Icewine and 195,000 net acres at Project Peregrine, both targeting oil on the world class North Slope of Alaska.

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where it has drilled four wells and acquired several 2D and 3D seismic data.

Significantly, for 88 Energy shareholders, the deal adds fresh drilling opportunities which promise catalysts whilst the company continues the progression of the existing discoveries, conventional and unconventional, which require further appraisal and de-risking work.

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