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XXL ENERGY CORP. Announces Farmout Agreement with Standard Energy

Vancouver, B.C. – October 4, 2017 – XXL Energy Corp. (the “Company” or “XXL”) (TSX-V: “XL”) announces that its wholly-owned subsidiary, Exxel Energy (USA), Inc. (“Exxel”), has entered into a Farmout Agreement (the “Farmout Agreement”) with Standard Energy (“Standard”), a Nevada corporation, dated effective the 1st day of July, 2017.

Standard is the owner of certain working interests ranging from 18.75% to 21.25% in oil and gas leases covering approximately 1,840 acres located in the Warbonnet area of Pinedale Field, Sublette County, Wyoming (the “Farmout Lands”). The operator of the Farmout Lands is Ultra Resources, Inc. which, pursuant to the governing joint operating agreement, has notified Standard of its intention to drill up to approximately 70 wells on the Farmout Lands by December 31, 2019, to test the Lance formation.

Under the Farmout Agreement, Exxel has agreed to bear Standard’s entire cost of drilling, testing and completing the wells on a well-by-well basis. Should Exxel elect not to participate in any well, Standard may thereupon terminate the Farmout Agreement or permit Exxel to participate in future wells. For wells in which Exxel participates, upon testing and completion of a well as a commercial producer, Standard will assign 100% of its interest in the well and appurtenant lease rights to Exxel. With respect to each well assigned to Exxel, Standard will retain a 3% overriding royalty interest, subject to its right to convert the royalty on a well-by-well basis to a 25% working interest upon the successful completion of the well and the return to Exxel of its actual costs of drilling, testing and completing the well. Should Exxel determine that any well in which it participates is incapable of production and should be plugged and abandoned, Standard may elect to have Exxel plug and abandon the well at Exxel’s cost, or receive a re-assignment of its interest in that well.

The Farmout Lands are the subject of a reserve report prepared for Standard by Netherland, Sewell & Associates, Inc. as at December 31, 2016 which was prepared in accordance with mandated National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators. Based on that report, the Farmout Lands contain proved reserves of 61.9 billion cubic feet of gas and 546,200 barrels of oil, 92% undeveloped with a PV10 value of \$24.2 million.

Drilling has commenced on the Farmout Lands, including two of the wells in which Exxel can earn an interest. One of the wells has been drilled horizontally and is awaiting completion and the second well is currently drilling below 12,000’.

Based on the Farmout Land reserves, Exxel is negotiating with arm’s length financial institutions to provide traditional reserve-based lending to support Exxel’s drilling operations. However, Exxel does

not expect to receive binding commitments in this regard until the transaction has received final TSX Venture Exchange (“Exchange”) approval. In the interim, Standard is funding Exxel’s initial costs of each well, secured against title to the wells. Funds borrowed by Exxel under this arrangement will bear interest at the rate of 10.0% per annum.

Standard is a private company wholly owned by John R. Hislop. Accordingly the Farmout Agreement and the interim financing arrangement with Standard are related party transactions under Exchange Policy 5.9, which incorporates Multilateral Instrument 61-101 (“MI 61-101”). The transactions are exempt from the valuation requirements of MI 61-101 as the Company is not listed on specified markets. The Company anticipates that it will seek minority shareholder approval of the transactions to the extent required by MI 61-101 and the Exchange. The foregoing transactions are subject to Exchange approval.

About XXL Energy Corp.

XXL is an independent oil and gas exploration and development company.

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