

21 July 2015

Xplorer plc

("Xplorer" or the "Company")

Update on Acquisition & Appointment of Broker

Update on Acquisition

The board of directors of Xplorer (the "Board") is pleased to announce it has today signed a memorandum of understanding (the "MoU") for the acquisition of a significant working interest in five shallow offshore exploration permits off the coast of Morocco (the "Proposed Acquisition").

Xplorer has negotiated the acquisition from Teredo International Limited ("Teredo") of Teredo Morocco Limited, which holds a 36.75% working interest in the Boujdour permit ("Boujdour") in return for Teredo being issued 56% of the post-Proposed Acquisition but pre-fundraising enlarged share capital of the Company. Boujdour consists of five shallow offshore exploration permits off the coast of Morocco. Boujdour is prospective for both oil and gas, and is estimated to have mean net un-risked prospective resources of 463.4 MMBOE (millions of barrels of oil equivalent), of which 31.07 MMBOE are categorised P90 and 182.65 MMBOE are categorised P50 (Source: independent resource report produced by Sproule, a Canadian based oil and gas consultancy, dated 31 March 2014).

The Proposed Acquisition is conditional, inter alia, on Xplorer raising additional equity finance for which there is no certainty that the Company will be able to conclude successfully. The Proposed Acquisition, if exchanged and completed, would constitute a reverse takeover ("RTO") under the Listing Rules. The Company continues to be unable to provide a full disclosure under Rule 5.6.15 of the Listing Rules at this time, and thus the Company's shares will remain suspended.

Appointment of Joint Broker

The Company also announces the appointment of Smaller Company Capital Limited ("SCC") as joint broker to the Company. Through SCC and its own efforts, the Company is intending to raise pre-RTO funding of up to £300,000 through the issue of convertible loan notes to assist in progressing the Proposed Acquisition. Full details of this capital raise will be provided shortly once it is finalised.

It is anticipated under the MoU that a further fundraising will be undertaken concurrent with the Proposed Acquisition, further details of which will be provided at the appropriate time.

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