Xcite Energy Limited Results for the 3 Month Period Ended 31 March 2014

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ABERDEENSHIRE, UNITED KINGDOM -- (Marketwired - May 20, 2014) - Xcite Energy Ltd. (TSX VENTURE: XEL) (LSE: XEL) (AIM: XEL) announces its results for the 3 month period ended 31 March 2014.

Highlights for the year to date

- Upgrade in 1P, 2P and 3P oil reserves for the Bentley field to 203 MMstb, 257 MMstb and 317 MMstb, respectively, effective 31 December 2013 and based on an initial 35 year production period.

- Material Licence extension granted by the Department of Energy and Climate Change ("DECC") for the Bentley field until 31 December 2016.

- Memoranda of Understanding signed with AMEC, Arup and Teekay, marking the first, important stage in the industry service provider partnership solution for the development of the Bentley field.

- Collaboration Agreement signed with Statoil (U.K.) Ltd. ("Statoil") and Shell U.K. Ltd. ("Shell"), for the sharing of technical and operational information to evaluate potential synergies and collaboration in the development of the Bentley and Bressay oil fields.

- Enhanced Board constitution, with Tim Jones appointed as Chairman and Harry Wilson joining as a non-executive director of Xcite Energy.

- Net loss in the current period of £0.04 million, which includes unrealised net foreign exchange gains of £0.3 million on a weakening US dollar over the 3 month period.

- Cash balance of £17.4 million as at 31 March 2014.

Rupert Cole, Chief Executive Officer of Xcite Energy, commented:

"We have worked very effectively this year to keep momentum in the development of Bentley, resulting in the signing of the MOUs with the first of our development partners and the successful extension of the Bentley licence until the end of 2016. We shall continue to apply this approach for the balance of the year to complete the engineering programmes, progress towards formal contracts with our development partners and be in a position to complete the Field Development Plan. To support this phase of the development we have further strengthened our Board of Directors. The recent collaboration with Statoil and Shell highlights how much the Company can bring to an area development strategy and this is a good example of what the Wood Review is seeking to achieve."

The following tables summarise the Group's financial performance in the 3 months ended 31 March 2014 and the comparatives for the 3 months ended 31 March 2013.

Income Statement Information	3 months ended 31 March 2014 £m	3 months ended 31 March 2013 £m
Net loss	(0.04)	(1.70)
Loss per share (basic and diluted) in pence	(0.0p)	(0.6p

Cash Flow Information	3 months ended 31 March 2014 £m	3 months ended 31 March 2013 £m
Net cash flow from operations	(1.00)	(1.33)
Net cash flow from investing activities	(3.56)	(4.23)
Net cash flow from financing activities	-	0.41

Balance Sheet Information	As at 31 March 2014 £m	As at 31 December 2013 £m	As at 31 March 2013 £m
Total assets	268.8	269.5	250.4
Cash	17.4	21.9	20.4
Current liabilities	48.4	49.0	45.4
Long term liabilities (deferred tax)	3.5	3.5	
Total net assets	217.0	217.0	204.5

The Company's unaudited Financial Results for the 3 Month Period Ended 31 March 2014 can be found at the following link:
http://www.rns-pdf.londonstockexchange.com/rns/3466H_-2014-5-16.pdf

Forward-Looking Statements

Certain statements contained in this announcement constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "target", "potential", "continue" or other similar expressions concerning matters that are not historical facts. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities. While the Company considers these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what we currently expect. These factors include risks associated with the oil and gas industry (including operational risks in exploration and development and uncertainties of estimates oil and gas potential properties), the risk of commodity price and foreign exchange rate fluctuations and the ability of Xcite Energy to secure financing. Additional information identifying risks and uncertainties are contained in the annual Management's Discussion and Analysis for Xcite Energy dated 26 March 2014 filed with the Canadian securities regulatory authorities and available at www.sedar.com. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

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