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Reabold Resources PLC
21 October 2021

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Reabold Resources plc

("Reabold" or the "Company")

Equity Exchange with Daybreak Oil and Gas

Creation of Enhanced California E&P Company

Reabold, the AIM investing company which focuses on investments in upstream oil and gas projects, is pleased to announce the signing of a conditional equity exchange agreement between Daybreak Oil and Gas Inc. ("Daybreak"), a US OTC traded oil and gas operator with assets in California (the "Equity Exchange Agreement") (the "Transaction"). The Transaction will result in Reabold becoming a major shareholder of Daybreak via the issuance of new Daybreak shares to Reabold, in exchange for Daybreak acquiring Reabold California LLC ("Reabold California"), Reabold's subsidiary which holds, *inter alia*, Reabold's licence interests in California.

As per the terms of the Equity Exchange Agreement, Reabold California will become a wholly-owned subsidiary of Daybreak, which, in exchange, will issue 160,964,489 Daybreak shares to Gaelic Resources Limited, a Company wholly-owned by Reabold.

Per the conditions of the Equity Exchange Agreement, prior to completion of the Transaction, Daybreak is required to raise a minimum of US$2.5 million via an equity raise; the proceeds of which will be used to grow production across Daybreak's enhanced portfolio. In addition, Daybreak will be required to complete a conversion of certain of its debt into equity. Reabold will hold up to 46.5 per cent. of the Daybreak's share capital as enlarged by the completion of the Transaction. The longstop date in the Equity Exchange Agreement is 14 February 2022.

Transaction Rationale:

- Creates a self-funded, OTC traded, Californian oil and gas operator, with a strong balance sheet, in which Reabold will have a major shareholding

- Daybreak will utilise its existing in-state management team and expertise to grow the portfolio through development of existing licences as well as considering strategic acquisition opportunities
    - Daybreak's management team have 12 years' experience operating in California
    - Daybreak is led by James F. Westmoreland

- With a clear focus in California, Daybreak can utilise significant market opportunities for consolidation in the state, creating further opportunities for synergistic growth

- As a result of the transaction, Reabold's interests in California will be exchanged for shares of an OTC traded entity, creating flexibility and funding opportunities for the Daybreak going forward

A further announcement will be made in due course.

Sachin Oza, co-CEO of Reabold, commented:
"This transaction creates liquidity for Reabold and forms a new, cash flow producing business with the skills and capability to capitalise on growth opportunities from its existing portfolio, and attractive acquisitions presented by the market dynamics in California."

"Our Californian portfolio has been a significant deliverer for Reabold, with 5 discoveries over 5 wells since we began our drilling program. With a dedicated management team with significant in-state expertise now at the helm, we look forward to the next phase of its development as a large shareholder."

About Daybreak:
Daybreak Oil and Gas, Inc. is an independent oil and natural gas company currently engaged in the exploration, development and production of onshore oil and natural gas in the United States. It is headquartered in Spokane, Washington with an operations office in Friendswood, Texas. Daybreak owns a 3-D seismic survey that encompasses 20,000 acres over 32 square miles with approximately 6,500 acres under lease in the San Joaquin Valley of California and operates production from 20 oil wells in our East Slopes project area in Kern County, California.

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Notes to Editors

Reabold Resources plc is an investing company investing in the exploration and production ("E&P") sector. The Company's investing policy is to acquire direct and indirect interests in exploration and producing projects and assets in the natural resources sector, and consideration is currently given to investment opportunities anywhere in the world.

As an investor in upstream oil & gas projects, Reabold aims to create value from each project by investing in undervalued, low-risk, near-term upstream oil & gas projects and by identifying a clear exit plan prior to investment.

Reabold's long term strategy is to re-invest capital made through its investments into larger projects in order to grow the Company. Reabold aims to gain exposure to assets with limited downside and high potential upside, capitalising on the value created between the entry stage and exit point of its projects. The Company invests in projects that have limited correlation to the oil price.

Reabold has a highly-experienced management team, who possess the necessary background, knowledge and contacts to carry out the Company's strategy.

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