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Reabold Resources PLC
21 June 2022

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**Reabold Resources plc**

("Reabold" or the "Company")

**West Newton Conceptual Development Plan**

Reabold, the AIM quoted investing company which focuses on investments in upstream oil and gas projects, is pleased to provide an update on the West Newton Project, in which the Company owns a 56% economic interest.

**Highlights:**

- The Company is progressing the conceptual development plan for West Newton as, predominantly, a gas development project following the completion of the significant work carried out by PEDL 183 Joint Venture partners and independent third-party experts

- Post Extended Well Test ("EWT") analysis:
  - Indicates the potential for good well productivity from new wells and,
  - Underpins the strong economic returns of the project

- Conceptual plan (subject to funding) envisages a phased eight well gas development, which will target recoverable hydrocarbon volumes of 35 Mboe with a sales gas component of 203 Bcf
  - Following an initial five well development drilling campaign, First Gas is anticipated as early as 2025
  - A further three wells will be drilled in 2028-2030, modelling plateau production rates of 44 Mcfd of sales gas
  - Economic modelling calculated a Gross pre-tax NPV(10) of $448 million and a pre-tax IRR of 87%, based on recoverable sales gas and small volumes of associated liquids, for the development
  - Potential for further fields within the Greater West Newton area to be tied into West Newton infrastructure; not currently included in the modelling

- The Joint Venture intends to drill the low-cost wells in a manner which phases the development cost, significantly de-risking the financial profile of the project

- Immediate next steps include:
  - Completion of a Competent Persons Report ("CPR") by RPS Group in Q3 2022
  - First development well, planned for H1 2023 to materially de-risk the project at modest cost

A new presentation which details the work completed and the Company's strategy to deliver production from West Newton can be found on the Company's website here: https://reabold.com/investor-relations/reports-and-presentations/.

**Project Background**

Following the results of the first EWT programme at West Newton A-2 and B1-z in 2021, the Company, together with its Joint Venture partners and third-party experts, including RPS and CoreLab, have worked to understand how to deliver significant commercial hydrocarbon flow from future wells at West Newton. Following post EWT analysis, it is now understood that two key issues which constrained hydrocarbon production at last year's test were local formation damage and a lower than anticipated benefit from the acidisation process, where acid stimulation only interacted with a small section of the perforated intervals.

Crucially, analysis completed by CoreLab demonstrated actual fluid flow through many of the reservoir samples supporting the view that optimised development wells could deliver good hydrocarbon productivity. Furthermore, this has enabled the Company to formulate a development concept for the West Newton field based on eight wells and the associated gas and liquid infrastructure.

In addition, it is estimated that the eight wells would recover substantially all the recoverable gas from West Newton of 203 Bcf, which equates to 25 bcf of recoverable sales gas per well. The initial five wells are expected to deliver the plateau production rate of 44 Mcf/d of gas, with the additional three wells to be drilled between 2028 and 2030 extending the plateau.

Economic modelling[1] indicates significant cash flow generation from the first year of production, anticipated in 2025, with cumulative gross cash flow calculated at ca. US$1.3 billion. The Gross NPV(10) of the project is modelled to be US**$**448 million pre-tax with a pre-tax IRR of 87%. Initial scoping work indicates a total pre-production capex of US$139 million for the initial five well development, facilities and tie-in with additional wells drilled from cash flow.

It is expected that successful drilling results on the follow-on targets (Spring Hill, Withernsea and Ellerby) would utilise parts of the infrastructure used at West Newton adding significant further value to the licence.

***[1]*** *Based on RPS forecast gas price as at April 2022.*

**Stephen Williams, Co-CEO, commented:**
*"We are delighted by the results of work completed by RPS Group and CoreLab, which have demonstrated the potential of West Newton as an extremely valuable gas development opportunity. Centred in an area of significant infrastructure and with substantial additional exploration potential within the licence, a development at West Newton could deliver substantial volumes of low-carbon gas and also facilitate further success in the Greater West Newton Area.*

*"These studies are the beginning of an exciting new chapter for this project, which we expect will see Reabold drilling multiple, high-impact wells at West Newton in the coming years."*

*This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.*

**Qualified Person's Statement**

Pursuant to the requirements of the AIM Rules - Note for Mining and Oil and Gas Companies, the technical information contained in this announcement has been reviewed by Dr Jeremy Jarvis as a Qualified Person. Jeremy has more than 35 years' experience as a petroleum geologist, holds a BSc in Geology from the University of Dundee and a Ph.D. from Imperial College, University of London. He is a member of the American Association of Petroleum Geologists and the Petroleum Exploration Society of Great Britain.

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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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