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Reabold Resources PLC
14 September 2022

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Reabold Resources plc

("**Reabold**" or the "**Company**")

Conditional Sale of Corallian for £32 million Gross to Oil & Gas Major

Reabold, the AIM quoted investing company with a portfolio of upstream oil and gas projects, is pleased to provide the following update on the conditional sale of its investee company, Corallian Energy Limited ("Corallian" or "CEL"), further to its announcement of 4 May 2022.

Key highlights for Reabold shareholders:

- Total gross cash consideration for Corallian and its Victory licence of £32 million to an oil and gas major; with Reabold's share of net proceeds being c.£12.7 million
    - o Corallian has notified its shareholders that Corallian has received a conditional offer of £3.20/Corallian share, with the proceeds to be staged as outlined below
    - o Reabold holds 3,769,487 shares in Corallian
    - o Reabold will hold a further 195,416 Corallian shares post conversion of Reabold's Convertible Loan Notes ("CLNs") which will occur prior to completion of the sale and will be sold on the same terms and simultaneously with the currently issued Corallian shares
- Victory asset sale valuation represents significant uplift on Reabold's total investment of £7.5 million in Corallian since late 2017; remaining North Sea licences currently owned by Corallian will be acquired by Reabold
- Net proceeds received will provide Reabold with improved financial flexibility
- Excellent opportunities remain to fund, progress, and monetise Reabold's existing oil & gas assets including:
    - o West Newton drilling of first development well, planned for H1 2023 to materially de-risk the project at modest cost, as part of a phased investment programme
    - o North Sea licences to be acquired from Corallian for £250,000, which have prospects located near existing oil and gas infrastructure
- Market dynamics: industry conditions and the UK's focus on energy security very supportive of asset development opportunities

Stephen Williams, Co-CEO of Reabold, commented:

"The Board is delighted with the value uplift and improved financial position this transaction brings to Reabold. We will continue in our mission to identify, fund, and monetise low-risk, under-valued, strategically important oil & gas assets where their development benefits from being near existing infrastructure. We also recognise our role of improving the UK's energy security, by unlocking the potential of currently under appreciated assets.

With the enhanced capital resources this transaction brings, the Board will continue its strong oversight of the company's capital allocation policy. There remains tremendous potential to drive further value for shareholders through recycling the Corallian proceeds across the portfolio, initially focussed on West Newton's first development well in 2023."

Details of Corallian's agreed terms of sale

The Board of Directors of CEL has now agreed the terms of a transaction with an oil and gas major, in which the CEL shareholders will sell, and the oil and gas major will purchase, the entire issued share capital of CEL for a gross consideration of £32 million, equating to an estimated £3.20/Corallian share. The transaction is subject to obtaining the consent (referred to below), and the approval of Corallian's shareholders to enter into the agreement.

Separately, CEL will have successfully completed the sale of its assets (other than Victory) to Reabold North Sea Limited, a wholly owned subsidiary of Reabold, prior to the completion of the sale of CEL to the oil and gas major. This was a condition of the sale of CEL to the oil and gas major, leaving CEL with only the Victory licence as its sole asset at the time of sale.

Transaction consideration and shareholder protection

The payment of the consideration from the oil and gas major will be staged, related to progress of the Victory gas field development. On completion of the transaction, the oil and gas major will pay an initial consideration of £10 million. This will be followed by a further single payment of £22 million, assuming the development and production consent for the Victory gas field is secured from the North Sea Transition Authority (NSTA), on or before 1 December 2023. If consent has not been granted by this date, then the oil and gas major will have the option to either: i) pay £12 million, with the remaining £10 million being paid at a later consent date; or ii) offer to transfer-back the Victory licence to the current CEL shareholders for £1 consideration.

The transfer-back offer protection has been added for CEL shareholders' benefit, to mitigate against the unlikely event of the Victory project not being progressed sufficiently. For the licence to be returned to shareholders, a new entity will be created to receive the licence prior to the completion of the sale of CEL to the oil and gas major, which will mirror the shareholdings in CEL, at the time of the licence transfer. At the point of the return of the licence, the Victory licence will still have a year to run, and the CEL Board is confident that this will provide sufficient time for an alternative development or transaction to be secured.

Management of the transaction and payments to CEL shareholders

The current CEL management, as the "Sellers' Representatives", will continue to have oversight of progress of the transaction and the oil and gas major's progress towards development and production consent from the NSTA. The oil and gas major will confirm, to the Sellers' Representatives, receipt of any development and production consent received for the Victory Field.

Corallian has served notice requiring the convertible loan note holders, which includes Reabold, to convert their notes into ordinary shares in Corallian. These shares will be sold on the same terms and simultaneously with the current issued shares.

Payments to shareholders will be made following receipt of the funds from the oil and gas major, and after payments have been made related to the transaction costs and other outstanding CEL liabilities.

The initial payment of £10 million, is anticipated to be made during Q4 2022, when CEL shareholders will receive an estimated £0.80/Corallian share for every share held. If the £22 million consideration is made as a single payment on or before 1 December 2023, then CEL shareholders will receive an estimated further £2.40/Corallian share following receipt of funds from the oil and gas major. Otherwise, CEL shareholders will receive the estimated £2.40/Corallian share in two separately timed payments related to the time of receipt of the £12 million and final £10 million from the oil and gas major.

This announcement contains inside information for the purposes of the UK version of the market abuse regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

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Notes to Editors

Reabold Resources plc is an investing company investing in the exploration and production ("E&P") sector and has a diversified portfolio of assets in upstream oil & gas projects. Reabold aims to create value from each project by investing in undervalued, low-risk, near-term projects and by identifying a clear exit plan prior to investment. 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.

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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