RNS Number : 9036A
Reabold Resources PLC
28 September 2022

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Reabold Resources plc

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

Conditional Acquisition of Simwell Resources Limited ("Transaction")

Reabold, the AIM quoted investing company with a portfolio of upstream oil and gas projects, is pleased to announce the execution of a Sale and Purchase Agreement ("SPA") for the conditional acquisition of Simwell Resources Limited ("Simwell").

Key Highlights:

- Reabold is to acquire Simwell at a low acquisition cost with a total initial consideration, plus the repayment of all outstanding creditors/liabilities, of £1 million
- The transaction substantially increases Reabold's footprint in the emerging Zechstein trend, complementing its onshore position in PEDL183, including the West Newton project
- The licences have a number of prospects covered with high quality 3D seismic data
- Licence P2332 has prospects to be derisked by success at the Pensacola well

Transaction Details:

The SPA between the shareholders of Simwell ("Sellers") and Reabold provides for the conditional sale of the entire issued share capital of Simwell to Reabold. Concurrently, Reabold will settle the outstanding creditors/liabilities of Simwell. Reabold has agreed to pay the following amounts for the Transaction:

- An initial consideration of £361,840.93 to the Sellers to be satisfied by the issue of 134,105,159 new ordinary shares ("Ordinary Shares") in the capital of the Company ("Initial Consideration Shares") at a price of 0.27 pence per share, being the closing price on the last practicable trading day prior to signing of the SPA (the "Issue Price").
- The sum of £305,157.71 payable to certain Simwell creditors which shall be satisfied by the issue of 113,021,374 new Ordinary Shares at the Issue Price ("Creditor Shares").
- The sum of £333,001.36 payable to certain Simwell creditors to be satisfied in cash from the Company's existing cash resources.
- A contingent deferred consideration of £150,000 ("Deferred Consideration Amount") payable to the Sellers to be satisfied by the issue of new Ordinary Shares ("Deferred Consideration Shares"):
    - The contingent deferred consideration will be payable to the Sellers if, *inter alia*, the operator of licence P2332 undertakes to the NSTA that the licensees will commit to drill a well pursuant to a defined work programme and within the applicable timescales.
    - The number of Deferred Consideration Shares to be issued to the Sellers will be calculated by dividing the Deferred Consideration Amount by the prevailing share price based on the ten-day volume weighted

average price of an Ordinary Share, as reported by Bloomberg, immediately preceding the date on which all of the applicable conditions are satisfied.

Simwell currently holds interests in four UK licences in the Southern North Sea ("SNS") outlined in the table below:

Licence Number	**Simwell Interest**	**Other JV Partners (Working Interest)**	**Operator**
P2332	30%	Shell U.K. Ltd. (70%)	Shell U.K. Ltd.
P2329	10%	Horizon Energy Partners Ltd. (77.5%) and Ardent Oil Ltd. (12.5%)	Horizon Energy Partners Ltd.
P2427	10%	Horizon Energy Partners Ltd. (77.5%) and Ardent Oil Ltd. (12.5%)	Horizon Energy Partners Ltd.
P2486	10%	Horizon Energy Partners Ltd. (77.5%) and Ardent Oil Ltd. (12.5%)	Horizon Energy Partners Ltd.

The transaction is conditional on, *inter alia*, customary conditions for a transaction of this nature, including approval by the North Sea Transition Authority ("NSTA"). If the conditions are not satisfied or waived (as applicable) within 12 months of the date of the SPA, the SPA shall terminate.

The SPA contains customary warranties and a tax indemnity from the Sellers. The SPA further provides that the Sellers will be subject to a lock-in undertaking (save for customary exceptions) in respect of (i) the Initial Consideration Shares for a period of 6 months following completion of the SPA and (ii) the Deferred Consideration Shares for a period of 6 months following the date of issue of the Deferred Consideration Shares.

Asset Summary:

Simwell has a 30% equity interest in licence P2332 following a farmout to Shell U.K. Ltd ("Shell"), which is now the operator with a 70% equity interest. Shell acquired a 640 km^2 3D seismic survey in the area covering licence P2332 in August 2019, funding Simwell's 30% share. The survey also covered parts of the adjacent licence P2252, which contains the Pensacola prospect that has been stated by Deltic Energy Plc to have a P50 gross prospective resources of 309 bcf and is planned to be drilled in Q4 of 2022. Simwell believe that success at Pensacola would derisk a number of similar prospects in P2332. Shell will continue to fund 100% of the licence costs until a drilling election is made.

For licences P2329, P2427 and P2486 a 3D seismic survey was acquired over the licences in the summer of 2019 where several prospects have been identified. The new 3D PSTM provides a high-definition view of the Zechstein Hauptdolomite play. A further number of prospects, with 4-way closure, have been identified and are believed to lie on trend to the Ossian-Darach oil discovery, c. 40km to the west.

Admission to AIM:

Following completion of the Transaction, application will be made for the admission to trading on AIM of the Initial Consideration Shares and Creditor Shares, and a further announcement will be made in due course.

Stephen Williams, Co-CEO of Reabold, commented:

"We are delighted to be able to acquire this set of highly prospective assets at a compelling valuation. This extends our significant position in the emerging Zechstein play into the offshore, and at an exciting time for the play ahead of the drilling of Pensacola."

Market Abuse Regulation (MAR) Disclosure:

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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