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Reabold Resources PLC
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Reabold Resources plc

("Reabold" or the "Company")

Investment in LNEnergy

Reabold Resources plc, the oil & gas investing company with a diversified portfolio of exploration, appraisal and development projects, announces that it has entered into a conditional subscription and option agreement (the "Subscription Agreement") with LNEnergy Limited ("LNEnergy") and a conditional shareholder option agreement with certain existing shareholders of LNEnergy (the "Shareholder Option Agreement") (together, the "Agreements"). Pursuant to the terms of the Agreements, Reabold will initially acquire an interest of 3.1% of LNEnergy for cash consideration of £250,000, and receive options to acquire, at its sole discretion, further shares in LNEnergy which would result in Reabold holding a 25.0% shareholding in LNEnergy for aggregate cash and equity consideration of £3.8 million.

LNEnergy's primary asset is an option over a 90% interest in the Colle Santo gas field, onshore Italy in the Abruzzo region. With 65Bcf of 2P reserves, as estimated by RPS as of 30 September 2022, this is a highly material undeveloped onshore gas resource, particularly in the context of onshore Western Europe, and subject to the necessary approvals and permits, is development ready with no additional drilling required. First gas is targeted for early 2025. This project is aligned with Reabold's strategy to help to progress high quality pre-cash flow projects that can deliver material returns to shareholders.

Additional Information on the Agreements and LNEnergy

Under the terms of the Subscription Agreement, Reabold has initially subscribed for 32 new LNEnergy shares (representing 3.1% of LNEnergy's enlarged share capital) for an aggregate consideration of £250,000 (the "Initial Subscription"), to be satisfied through existing cash resources. In addition, Reabold will receive an option to acquire a further 36 new LNEnergy shares (representing 3.3% of LNEnergy's enlarged share capital at such time) for an aggregate cash consideration of £500,000 (the "First Option") and a second option to acquire a further 127 new LNEnergy shares (representing 10.5% of LNEnergy's enlarged share capital at such time) for an aggregate cash consideration of £1,800,000 (the "Second Option"), each of which would be satisfied through existing cash resources in the event that they are exercised.

In conjunction with the Subscription Agreement, Reabold has entered into the Shareholder Option Agreement, whereby Reabold will receive an option to acquire 108 existing LNEnergy shares (representing 10.0% of LNEnergy's enlarged share capital at such time) from certain LNEnergy shareholders for an aggregate consideration of £1,500,000, payable through the issue of new ordinary shares in the capital of the Company (the "Shareholder Option"), which must be exercised simultaneously with the First Option in order to enable the First Option to be exercised.

Under the terms of the Agreements, which are inter-conditional, Reabold is only committed to the Initial Subscription, whereas the First Option, Shareholder Option and Second Option are all exercisable at the Company's sole discretion. Should they be exercised, the First Option, Shareholder Option and Second Option can only be exercised in full. The First Option and Shareholder Option will expire on 31 May 2023 and the Second Option will expire on 30 November 2023.

LNEnergy was incorporated on 29 September 2021 and has not yet published accounts. LNEnergy's management accounts to 31 March 2023 stated net assets of US$503,839 and a loss for the year ended 31 December 2022 of US$597,185.

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.

For further information, contact:

	c/o Camarco
Reabold Resources plc Sachin Oza Stephen Williams	+44 (0) 20 3757 4980
Strand Hanson Limited - Nominated & Financial Adviser James Spinney James Dance Rob Patrick	+44 (0) 20 7409 3494
Stifel Nicolaus Europe Limited - Joint Broker Callum Stewart Simon Mensley Ashton Clanfield	+44 (0) 20 7710 7600
finnCap Ltd - Joint Broker Christopher Raggett Barney Hayward	+44 (0) 20 7220 0500
Camarco Billy Clegg Rebecca Waterworth	+44 (0) 20 3757 4980

Notes to Editors

Reabold Resources plc has a diversified portfolio of exploration, appraisal and development oil & gas projects. Reabold's strategy is to invest in low-risk, near-term projects which it considers to have significant valuation uplift potential, with a clear monetisation plan, where receipt of such proceeds will be returned to shareholders and re-invested into further growth projects. This strategy is illustrated by the recent sale of the undeveloped Victory gas field to Shell, the proceeds of which are being returned to shareholders and re-invested.

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