RNS Number : 0779B
Alba Mineral Resources PLC
28 January 2020

Alba Mineral Resources plc
("Alba" or the "Company")

Horse Hill Oil Field Update

Alba Mineral Resources plc (AIM: ALBA), the diversified mineral exploration and development company, announces that it has received the following update from UK Oil & Gas Plc ("UKOG"), the majority owner of Horse Hill Developments Limited ("HHDL"), the operator of Horse Hill licences PEDL 137 and PEDL 246 in which Alba has an 11.765% interest:

- HH-1 Portland EWT production was resumed on 16 January 2020. Over the past 24 hours, stable dry-oil EWT production has averaged 293 bopd at a modest drawdown, demonstrating the Portland perforated interval has remained in good condition since the last (June 2019) shut-in.

- Further to the announcement of 23 December 2019, the planned well intervention to shut-off water ingress into the HH-2z horizontal is now scheduled for February as no suitable slim-hole production logging tool ("PLT"), essential to identify the exact source of water ingress into HH-2z, was available within the UK or Europe until this time. It is planned to resume the HH-2z EWT immediately following and subject to a successful intervention.

- As a result of a successful reservoir pressure "interference" testing campaign, undertaken to assess the degree of communication between Horse Hill-1 ("HH-1") and the new HH-2z horizontal, it is now intended to accelerate the start of up to 25 years of continuous long-term production ("Production") by 6 months.

- Subject to Oil and Gas Authority ("OGA") approval, Production is now planned to commence by bringing HH-1 into Production during spring 2020, to be followed by HH-2z upon successful completion of the planned HH-2z extended well test ("EWT") programme.

- A revised Horse Hill Field Development Plan ("FDP") has been submitted to the Oil and Gas Authority ("OGA"). Subject to OGA's final consent, it is planned to convert HH-2z from its current EWT status to Production in the third quarter of 2020. The establishment of Production at Horse Hill will be a significant and key milestone as it will enable recoverable Reserves to be allocated to the project.

- Necessary additional surface facilities, including generators to produce electric power from associated gas, will be installed prior to Production

start. Further possible infill wells, water injection and additional gas utilisation will be addressed via subsequent FDP addenda and submitted to the OGA for consent at the appropriate time.

- The HH-1 Kimmeridge interval will now remain shut in for a further long duration pressure build-up test. Plans to install a dual completion to enable HH-1 to produce from both the Portland and Kimmeridge oil pools are being formulated. A future Kimmeridge appraisal/production well is also planned, once full Portland Production and positive cash flow has been established from the field.

George Frangeskides, Alba's Executive Chairman, commented:

"*Alba is very pleased to learn of the successful restart of Portland production from the HH-1 well and of the updated plans for the commencement of long-term continuous production at the Horse Hill Oil Field this year.*"

Forward Looking Statements

This announcement contains forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, uncertainties regarding the Company's or any third party's ability to execute and implement future plans, and the occurrence of unexpected events. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

Qualified Person's Statement

The technical information contained in this announcement has been reviewed and approved by Feroz Sultan (B.Sc (Hons) Geology, M.Sc, Petroleum and Structural Geology, Karachi and M.Sc Petroleum Geology, Imperial College London), a petroleum geologist with over 45 years' experience in the management, exploration, development and production of oil and gas.

Glossary

horizontal well	a well that during drilling is steered so as to follow and remain within a particular geological stratum or reservoir unit having a trajectory that runs approximately parallel to the top and or base of the target horizon;
oil field	an accumulation, pool or group of pools of oil in the subsurface that produces oil to surface; and

Production/ long-term production	stable oil production over the life of the well and or field during the 20-year Production phase of the licence. The establishment of such production is subject to the OGA's consent of the Field Development Plan
production logging tool (PLT)	PLTs measure flowing fluid parameters on a zone-by-zone basis within a producing well. It provides diagnostic information, pinpoints where fluids such as water, oil and gas are entering a well and gives an indication about the efficiency of the perforations. PLTs normally measure four parameters: flow (via a series of spinners which rotate in the flow), density, temperature and pressure. The flow and density readings are used in traditional quantitative production logging analysis, whilst temperature and pressure data are used in more of a qualitative way to compute in-situ flow properties and locate zones of entry of fluids into a well.
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated (i.e. proven, probable and possible) with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status.
well test	or "flow test", involves testing a well by flowing hydrocarbons to surface, typically through a test separator; key measured parameters are oil and gas flow rates, downhole pressure and surface pressure. The overall objective is to identify the well's capacity to produce hydrocarbons at a commercial flow rate and volumes.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further information, please contact:

Alba Mineral Resources plc +44 20 3907 4297
George Frangeskides, Executive Chairman

Cairn Financial Advisers LLP (Nomad) +44 20 7213 0880
James Caithie / Liam Murray

First Equity Limited (Broker) +44 20 7374 2212
Jason Robertson

Yellow Jersey PR (Financial PR/ IR) +44 20 3004 9512
Sarah Hollins/Harriet Jackson/Henry Wilkinson
alba@yellowjerseypr.com

Alba's Project and Investment Portfolio

Project (commodity)	Location	Ownership
Mining Projects		
Amitsoq (graphite)	Greenland	90%
Clogau (gold)	Wales	90%
Inglefield (copper, cobalt, gold)	Greenland	100%
Limerick (zinc-lead)	Ireland	100%
Melville Bay (iron ore)	Greenland	51%
TBS (ilmenite)	Greenland	100%
Oil & Gas Investments		
Brockham (oil)	England	5%
Horse Hill (oil)	England	11.765%

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