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

Update on Kimmeridge Oil Production at Horse Hill-1 ("HH-1")

Alba Mineral Resources plc (AIM: Alba), the diversified mineral exploration and development company, announces that Horse Hill Developments Ltd ("HHDL" or the "Operator"), the operator of the HH-1 Kimmeridge Limestone and conventional Portland Sandstone oil discovery ("HHDL" or the "Operator"), has informed the Company that sustained production continues to be maintained from the HH-1 extended well test ("EWT") programme, achieving a total of over 25,000 barrels ("bbl") to date, a significant production milestone. Of that total, the Operator has informed the Company that over 21,000 bbl has been produced to date from the Kimmeridge Limestone ("KL") oil pool, more than doubling November's reported Kimmeridge production total, no formation water has been returned to surface during the entire EWT and dry oil and solution gas production continues from the HH-1 well.

Based on the continued Kimmeridge EWT success and last October's announcement of Portland commercial viability, the Company has been informed that the Operator's plans are to continue HH-1 EWT production until the expiry of the current permits in spring 2019 and then, subject to receipt of all necessary approvals, to move directly into the drilling and long-term testing of two new wells, HH-2 and HH-1z.

HH-1 is located in licence PEDL 137 in which Alba holds an 11.765% beneficial interest.

The Operator has provided the following summary of key EWT oil production milestones achieved to date:

- Over 25,000 bbl total aggregate Kimmeridge and Portland oil production since early July 2018.
- Over 21,000 bbl total Kimmeridge oil production since mid-October 2018.
- 114 tankers of crude successfully exported to Perenco's Hamble oil terminal. The KL's 40° API Brent quality crude continues to be sold at prevailing Brent crude oil prices, less a small deduction for handling and marketing.

The Operator has provided this update of the KL EWT programme:

- KL4 production from a 103 ft perforated interval commenced in late November 2018, yielding 2,192 bbl at a maximum half-hourly metered rate of 584 barrels of oil per day ("bopd") and at an average sustained daily continuous rate of 300 bopd over the subsequent week.
- Fluid and pressure build-up data gathered from the KL4 test demonstrate that KL3 and KL4 are one single oil pool of 358 ft in vertical extent. As a result, and as previously indicated, a decision was made to commingle both KL3 and KL4 production (i.e. produce from both sets of perforations at the same time).
- Commingled KL3 and KL4 production from an aggregate 187 ft perforated interval commenced on 4 December 2018 at a maximum half-hourly rate of 426 bopd and continued throughout the Christmas and New Year period, producing 8,829 bbl of 40° API crude. The programme included several pressure build-up tests and testing of different pump configurations, settings and equipment.
- Following the installation of a new downhole pump and an optimised surface hydraulic pump unit, stable commingled production resumed on 7 January 2019 at an increased initial rate of 525 bopd. The sustained daily rate over the subsequent week averaged 303 bopd. A de-waxing treatment applied on 14 January 2019 led to an increase in the hourly rate to 351 bopd. Commingled production continues.
- To date, the absence of produced formation water adds continuing support to the Operator's geological concept that KL oil lies within a significant continuous oil deposit.
- Planning and environmental permit applications for permanent oil production via a 7-well development were submitted to Surrey County Council and the Environment Agency on 7 December 2018 and 10 January 2019, respectively. It is anticipated that all necessary permits should be in place by autumn 2019, enabling a transition from EWT production into permanent production during winter 2019.

George Frangeskides, Executive Chairman, commented:

"The plans to continue the EWT test programme into this quarter are testament to the success of the extended testing programme that we commenced back in July of last year. The declaration of commerciality for the Portland sandstone, followed by these sustained production levels at the Kimmeridge limestones, are the solid foundations upon which the planned move into permanent production at Horse Hill before the end of this year will be built."

Glossary

°API	a measure of the density of crude oil, as defined by the American Petroleum Institute
oil field	an accumulation, pool or group of pools of oil in the subsurface that produces oil to surface.
extended well test	a well test, as per the permission granted by the Oil and Gas Authority, with an aggregate flow period duration over all zones of greater than 96 hours and up to 90 days maximum

flow test	a flow test or well 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.

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

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.

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Alba's Project & Investment Portfolio

Mining

Amitsoq *(Graphite, Greenland)*: Alba owns a 90 per cent interest in the Amitsoq Graphite Project in Southern Greenland and has an option over the remaining 10 per cent.

Clogau *(Gold, Wales)*: Alba owns a 90 per cent interest in Gold Mines of Wales Limited ("GMOW"), the ultimate owner of the Clogau Gold project situated in the Dolgellau Gold Belt in Wales.

Inglefield Land *(Copper, Cobalt, Gold)*: Alba owns 100 per cent of mineral exploration licence 2017/40 in north-west Greenland.

Limerick *(Base Metals, Ireland)*: Alba owns 100 per cent of the Limerick base metal project in the Republic of Ireland.

Melville Bay *(Iron Ore, Greenland)*: Alba is entitled to a 51 per cent interest in mineral exploration licence 2017/41 in Melville Bay, north-west Greenland. The licence area benefits from an existing inferred JORC resource of 67 Mt @ 31.4% Fe.

Thule Black Sands *(Ilmenite, Greenland)*: Alba owns 100 per cent of mineral exploration licences 2017/29 and 2017/39 in the Thule region, north-west Greenland.

Oil & Gas

Brockham *(Oil & Gas, UK)*: Alba has a direct 5 per cent interest in Production Licence 235, which comprises the previously producing onshore Brockham Oil Field.

Horse Hill *(Oil & Gas, UK)*: Alba holds a 18.1 per cent interest in Horse Hill Developments Limited, the company which has a 65 per cent participating interest and operatorship of the Horse Hill oil and gas project (licences PEDL 137 and PEDL 246 covering a total area of 142.9 km^2) in the UK Weald Basin.

Web: www.albamineralresources.com

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