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Reabold Resources PLC
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Reabold Resources Plc

("Reabold" or the "Company")

Operational Update at West Newton, onshore UK

Reabold Resources, the AIM investing company which focuses on investments in pre-cash flow upstream oil and gas projects, is pleased to provide an update on operations at the West Newton A-2 appraisal well, located within the PEDL 183 licence in Humberside, onshore UK. Reabold holds a 24 per cent. economic interest in the licence via its 36 per cent. holding in Rathlin Energy (UK) Ltd ("Rathlin" or the "Operator"), operator of the well.

Highlights

- Analysis and initial testing at the West Newton A-2 well have led the Operator and project partners to believe that the West Newton project represents a significant oil and gas discovery rather than the gas discovery as originally anticipated.
- Initial petrophysical analysis indicates that the overall hydrocarbon column of 65 metres comprises a gross oil column of approximately 45 metres underlying a gross gas column of approximately 20 metres, all within the Kirkham Abbey interval.
- Logs and core both suggest encouraging porosity within the oil zone, which additionally appears to be naturally fractured.
- The Extended Well Test ("EWT") has been paused in order to optimise the evaluation of the potentially significant oil column.
- The Operator and partners currently intend to commission a revised CPR following completion of the EWT, to re-assess the volumes of hydrocarbons and economics of the West Newton project, which will incorporate the information gathered since drilling the West Newton A-2 well.

The West Newton A-2 well was drilled as an appraisal of the West Newton A-1 discovery well. Based on the results of the West Newton A-1 well and the three-component 3D seismic data volume identifying an aerial extent of approximately 4,500 acres for the Kirkham Abbey reservoir, a Best Estimate Contingent Resource of 189 Bcfe (billion cubic feet equivalent) of gas was identified in a Competent Persons Report ("CPR") compiled by Deloitte for Connaught Oil and Gas Limited ("Connaught")* and dated 1 June 2017.

The West Newton A-2 well was spud on 26 April 2019 and on 9 June 2019 reached a total depth ("TD") of 2,061 metres. A full suite of open hole logs was run and 28 metres of core was successfully cut and recovered from the Kirkham Abbey Formation.

Initial open hole information on West Newton A-2 indicated that, in many respects, the Kirkham Abbey interval was consistent with that encountered in the West Newton A-1 well. However, the West Newton A-2 well indicated the presence of both gas and oil in the reservoir as opposed to it being a primarily gas project as originally anticipated.

Evaluation of the West Newton A-2 open hole data has identified an estimated gross hydrocarbon column of approximately 65 metres in the Kirkham Abbey Formation. A cased

hole pulsed-neutron tool was run across the Kirkham Abbey zone and initial petrophysical evaluation identifies a gross oil column of approximately 45 metres underlying a gross gas column of approximately 20 metres within that interval.

The West Newton A-2 well exhibits encouraging porosities on logs and in core, particularly in the identified oil zone where in excess of 30 metres with good matrix porosities approaching 15 per cent. have been measured. The core also exhibits natural fracturing which is confirmed by an imaging log run across the entire Kirkham Abbey interval.

Cased hole logging and completion programmes were initiated on 6 August 2019 followed by well test operations which commenced on 20 August 2019. However, with the indication of a potentially significant oil column, the EWT has been temporarily paused, in order to review and revise the well test design, which will now focus on the potentially highly significant oil column. The Operator is currently reviewing the forward plan including the potential to restart the flow test under a different test design, subject to all necessary approvals.

Additionally, the West Newton A-2 well data provides a good tie to the high quality three component 3D seismic data volume that covers the entire West Newton project. The new data allows for a revised interpretation of the seismic volume incorporating the well and the newly identified gas over oil gross hydrocarbon column.

Following the integration and evaluation of the core, petrophysical, seismic and test data, the Operator and partners intend to commission a revised CPR to re-assess volumetrics and revise NPV10 values based on the information acquired from the West Newton A-2 well.

Stephen Williams, Co-CEO of Reabold, commented:

"The realisation that we appear to have a 45 metre oil column is a significant and exciting development in the evaluation of this cornerstone asset. We particularly look forward to further analysis and testing results, as well as a proposed updated CPR, as, alongside our partners, we establish the optimum forward programme to maximise value out of this field for Reabold shareholders.

In addition, the next well at West Newton will be planned to target the deeper Cadeby formation, which has the potential to add significant further resource upside. There are also other follow on exploration targets within this extensive licence area."

**Connaught has a 35 per cent. interest in Rathlin, operator of the West Newton A-2 appraisal well. Connaught was previously the 100 per cent. equity holder in Rathlin, which was in turn the 100 per cent. holder of the PEDL183 licence.*

Definitions:

Pulsed-neutron tool: A device for producing high-energy neutrons in order to provide neutron porosity measurements.

Imaging log run: An operation in which a logging tool is lowered into a borehole and then retrieved from the hole while recording measurements.

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Notes to Editors

Reabold Resources plc is an investing company investing in the exploration and production ("E&P") sector. 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.

As an investor in upstream oil & gas projects, Reabold aims to create value from each project by investing in undervalued, low-risk, near-term upstream oil & gas projects and by identifying a clear exit plan prior to investment.

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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