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Reabold Resources PLC
27 February 2024

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Reabold Resources plc

("Reabold" or the "Company")

Operational and Corporate Update

Reabold Resources plc, the investing company focussed on European energy security, is pleased to provide the following operational and corporate update.

Reabold aims to improve Europe's energy security by unlocking potential sources of near-term domestic gas supply, at a time when Europe is exposed to potentially significant gas supply disruptions. In this regard, the Company identified, matured and sold the strategic Victory gas project to Shell U.K. Limited ("Shell") for £32m (£12.7m net to Reabold). Reabold's current focus is on its two key gas assets that have strong parallels with Victory, namely West Newton in the UK and Colle Santo in Italy, where the Company plans to apply the same successful strategy demonstrated with Victory.

Following the receipt of the final tranche payment from Shell for the sale of Victory in January 2024, Reabold now holds £9.1m net cash and is therefore financially well positioned to progress these key assets, as well as distributing excess cash to shareholders.

West Newton

Highlights

A proposed well ("WN-A3") planned to be drilled during 2024 will be twinned with the West Newton A-1 discovery well ("WN-A1") which was not tested

- The WN-A1 well is interpreted as having a 27 metre gas column within the Kirkham Abbey formation ("KA Formation"), indicated on well logs
- The WN-A3 well will be drilled as a directional, high angle well, offering significant cost savings compared with the previously planned horizontal well
- An additional material target in the deeper Permian Rotliegend Sandstone ("Rotliegend") will also be evaluated
- Feasibility study underway for a single well development plan for possible development of WN-A3 well to follow successful testing and well completion
- Planning is already in place to drill and produce from the A Site and other approvals are being accelerated
- Revised drilling plan is cost-effective with a high chance of success, offering a rapid early-stage development scenario

Drilling of a first development well (WN-A3) at West Newton (56.3% economic interest net to Reabold), potentially one of the largest ever UK onshore gas discoveries, is planned for 2024, subject to the operator, Rathlin (UK) Energy Limited ("Rathlin"), securing sufficient funding to drill and test the well. There is an active process underway to assess options to source funding for Rathlin's share of the cost, including through a farmout, or

through further investment from Reabold, which, following the receipt of the proceeds from Shell, the Company could potentially provide, in addition to funding its own share.

Discovery in the Kirkham Abbey Formation Principal Target

The WN-A1 well, drilled in 2013, is interpreted as having encountered 27 metres of potential gas pay at the top of the KA Formation. This figure was calculated from the Computer Petrophysical Interpretation ("CPI"), using electrical and mud logs over the interval.

The KA Formation was perforated and cleaned using 15% hydrochloric acid. After removal of the acidizing work-string and during preparation to run the production work-string, the well started to flow fluid and the blind rams were closed for safety reasons to establish control of the well.

The WN-A1 well was subsequently shut in and suspended in accordance with normal operational and safety procedures after numerous attempts to clean up were unsuccessful.

The conclusion drawn from these well operations was that due to the severe damage to the KA Formation, it was not possible to obtain a valid hydrocarbon production test to surface of the 27 metre pay-zone shown on the CPI log.

Deeper Material Rotliegend Zone Secondary Target

A re-evaluation of the downhole logs of the WN-A1 well by the Joint Venture's technical teams indicate a possible seven metre gas column in the Rotliegend, the main reservoir for the prolific UK Southern North Sea Gas Basin gas fields.

The gas is sourced from the underlying Westphalian and Namurian sediments and is trapped in structures sealed by the overlying Zechstein evaporites.

Preliminary mapping of the base Zechstein at West Newton indicates low-relief structures as observed offshore.

The nearest offshore Rotliegend field is the depleted Amethyst complex centred on block 47/14a within the Southern North Sea Gas Basin, which contained 1.2 tcf of original gas in place, and produced approximately 795 bcf of gas and 5.4 mmbbl of condensate, from a series of low-relief structures trending South-East to North-West.

Within the UK onshore, the Caythorpe field, approximately 30 kilometres from West Newton produced 6.67 bcf of gas with associated condensate from the Rotliegend, displaying porosities up to 19% and permeability up to 500md, with gas also being produced from the overlying Zechstein.

Calculations for the Rotliegend zone in the WN-A1 well indicate similar porosities to those seen at Caythorpe. Core was not cut from the WN-A1 well, however the logs indicate drilling mud invasion over the Rotliegend zone, which is taken to indicate effective permeability.

Residual gas is also calculated below the base of the seven-metre gas column in the Rotliegend Sandstone.

West Newton Early Production Plan

A feasibility study is being undertaken by independent energy consultants CNG Services Limited for a single well gas development and gas export plan associated with the WN-A3 well, subject to successful testing and completion.

The scope of this West Newton Gas Export Feasibility Study is to determine the technical and economic viability of a single well development plan, with production from the WN-A3 well, processed from a modular plant and a 3.5 kilometre pipeline from the West Newton A Site to the National Transmission System, at an existing above ground installation.

The Company expects that gas production could be brought to market within months of drilling and testing with a materially reduced capital investment, providing significant early cash flow whilst additional activity is carried out on the further development of the West Newton project.

This early production plan is envisaged as a precursor to the conceptual development plan pursuant to the Company's announcement of 21 June 2022, and which had an associated pre-tax NPV(10) of US$222m, net to Reabold's interest [1].

Colle Santo

Reabold has a 26.1% equity ownership in LNEnergy Limited ("LNEnergy"), which, in turn has an option to acquire a 90% interest in Colle Santo, a highly material gas resource located in central Italy, with 65bcf of 2P reserves[2]. The field is development ready, subject to approvals, with two wells already drilled and tested. No additional drilling is required prior to commencing development and LNEnergy believes that the field has the potential to generate an estimated €11-12m of gross post-tax free cash flow per annum.

The approval process continues to progress for both the full field development and for the well testing operations. Approval of the full field development will allow for an estimated 20-year production life using a micro LNG development solution which has strong environmental credentials, and includes CO_2 capture and hydrogen production, whilst increasing energy security in Italy, a political priority in country. Further to the Company's announcement of 20 December 2023, an Environmental Impact Study for the development plan was filed with the Ministry of Environment and Energy Security ("MASE") and the link to this submission can be found at https://va.mite.gov.it/it-IT/Oggetti/Info/10561.

In addition, progress has been made on sourcing vendor financing from the project's Italian EPC contract operator, Italfluid.

The Company notes that LNEnergy's application for concession has been recognised by MASE, as a project that meets the requirements of the Italian government's National Integrated Plan for Energy and Climate (PNIEC) and National Plan for Economic Recovery (PNRR), for which €12 billion in grants and economic incentives have been made available by executive decree.

Investor Presentation

The Company has published an updated corporate presentation, which shall be used at the AJ Bell Live Investor evening in Edinburgh on 27 February 2024, as announced by the Company on 20 February 2024, and is available on Reabold's website.

Stephen Williams, Co-CEO of Reabold, said:

"After receiving the final tranche of the payment from Shell, Reabold is now financially well positioned to progress it's two key assets, and in doing so, contribute significantly to European gas supply and energy security.

"We are excited by the new phased capex plan at West Newton which could see production and cash flow much sooner than previously expected, and with considerably reduced initial capital investment. We anticipate a funding solution for the drilling of WN-A3 being finalised in the near future, and this first development well being drilled this year. We are also encouraged by progress in the approval process at Colle Santo and look forward to updating shareholders with further updates in due course."

ENDS

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 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.

Glossary of Technical Terms

bcf	billion cubic feet of gas
md	millidarcy
mmbbl	million barrels of oil
npv	net present value
tcf	trillion cubic feet of gas

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[1] *As per competent person's report based on 2C contingent resource compiled by RPS, June 2022*

[2] *As per competent person's report compiled by RPS, September 2022*

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