RNS Number : 3549C
Reabold Resources PLC
07 October 2025

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Reabold Resources plc

("Reabold" or the "Company")

€16 Million Earn Out Agreed to Bring Colle Santo to Next Phase of Development

Generating cash flow stream from Colle Santo with no further funding requirement from Reabold

Reabold Resources plc, the investing company focussed on developing strategic gas projects for European energy security, is pleased to announce that it has entered into a binding, conditional agreement (the "Agreement") with Beacon Energy PLC ("Beacon") in relation to a significant strategic investment in LNEnergy Limited ("LNEnergy"), (the "Proposed Transaction").

As part of the Proposed Transaction, Reabold is selling its total interest in LNE to Beacon for a €16 million earn out mechanism (the "Earn Out") pursuant to which Reabold will receive 25% of its pro rata share of the net cash flow from the Colle Santo project once on production. Additionally, Reabold will receive new shares in Beacon, and will subscribe for additional shares as part of the Placing (as defined below), to take it's shareholding to approximately 29% of the enlarged capital of Beacon. The Proposed Transaction will complete in two phases, as detailed below.

Stephen Williams, Co-CEO of Reabold, commented:
"Through this transaction, Reabold has successfully crystalised value from the Colle Santo gas project, both through the Earn Out mechanism and the receipt of Beacon shares, whilst protecting Reabold shareholders from any further funding requirement, increased development costs or dilution in the asset. The Earn Out, which has a value of up to €16 million, offers Reabold and its shareholders a significant uplift in value from initial investment and ensures that Reabold shareholders will continue to benefit from the attractive cash flow generated from the project.

"In a similar way to the Victory project, which recently came onstream as an important supplier of indigenous gas to the UK, this is the Reabold strategy in action; unlocking strategic gas discoveries which have considerable valuation uplift potential by securing funding to bring projects to the next stage of development.

"We are pleased to partner with Beacon, which recognises the value of the Colle Santo project and its strategic importance in Italy in securing national gas supply.

"As previously announced, a number of funding solutions are being progressed by LN Energy to enable the development of Colle Santo, including the prepay and offtake agreement with Gunvor, vendor financing agreements with Italfluid, and the potential for Italian government grants. With the positive regulatory decision announced last month, we are confident that the project will be brought into production with first gas in 2027."

Highlights

- Earn Out value of up to **€16 million**
- **Attractive cash flow stream:** Reabold will receive 25% of its pro rata share of cash flow from the Colle Santo project once on production, capped at €16 million
- **Near-term monetisation:** Active work programme designed to achieve FID in mid-2026 and first gas in 2027
- **Advanced financing plan**: Additional financing options are in place with non-binding funding agreements with Italfluid for a vendor financing agreement and Gunvor through a prepay and offtake agreement; potential government grants are also being explored

Beacon will be seeking to admit its shares to trading on AIM and to carry out a placing to new and existing investors ("Placing") to raise approximately £3.5 million to finance the Colle Santo project through FID and towards first production, as well as the associated required working capital. Reabold has agreed to support the Placing by participating with an investment of £750,000. The Directors of Beacon also intend to participate in the Placing.

Transaction Structure

Under the terms of the Agreement, Beacon will acquire all of Reabold's interest in LNEnergy, which is currently 46.2%, in two phases.

Beacon will initially acquire approximately 49% of Reabold's holding in LNEnergy ("First Acquisition"). The First Acquisition is anticipated to complete in November 2025 and is conditional upon, inter alia, the following:

- Beacon and Reabold entering into a placing agreement as part of Beacon's Placing; and
- Beacon successfully readmitting its shares to trading on AIM with the resolutions relating to the Proposed Transaction and to its readmission having been passed at Beacon's general meeting.

The First Acquisition long stop date is 4 months from the execution of the Agreement, which can be extended by mutual agreement between Reabold and Beacon.

Beacon will subsequently acquire the balance of Reabold's holding in LNEnergy ("Second Acquisition"). The Second Acquisition is anticipated to complete in mid-2026 and is conditional upon, inter alia, the following:

- Granting of the Colle Santo production concession; and
- Granting of approval by the relevant Italian ministry, if required, in relation to the indirect change in control of LN Energy S.r.l. (LNEnergy's 100% owned Italian subsidiary with rights to the Colle Santo concession) resulting from the Second Acquisition.

The Second Acquisition long stop date is 12 months from the execution of the Agreement, which can be extended by mutual agreement between Reabold and Beacon.

Upon completion of the Second Acquisition, Beacon, as the largest shareholder in LN Energy, intends to make funding available to the company to finance the Colle Santo project, with such funding anticipated to be provided through future subscriptions by Beacon for new shares in LNEnergy.

Consideration

Reabold will receive contingent consideration, in the form of the Earn-Out, based on the future net cash flow of LNEnergy. The Earn-Out is calculated as 25% of Reabold's pro-rata share of net cash flow from Colle Santo, subject to a cap of approximately €16 million.

In addition, under the terms of the SPA, Reabold will receive new shares in Beacon equal to approximately 29% of the enlarged share capital of the Company. Of the approximate 29%, approximately 14% relates to Consideration Shares and 15% relates to Reabold's participation in the Placing.

The Consideration Shares held by Reabold on admission to AIM will be subject to both lock-in terms and a relationship agreement, full details of which will be set out in the Beacon's Admission Document.

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Notes to Editors

Reabold Resources

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.

Beacon Energy

For further information, please visit www.beaconenergyplc.com and @BeaconEnergyPlc on X (formally Twitter).

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