

Cluff Natural Resources Plc ('CLNR' or 'the Company')
**Significant Coal Exploration Target Confirmed at Workington and Maryport Licence
Areas in Cumbria, UK**

Cluff Natural Resources Plc, the AIM quoted natural resources investing company, is pleased to announce an initial Exploration Target* in accordance with the JORC Code of between 384 million and 640 million tonnes of coal within its 100% owned coal exploration licences located in the Solway Firth, Cumbria. This Exploration Target provides a potentially attractive addition to the Company's existing Underground Coal Gasification ('UCG') and conventional North Sea gas assets.

**Pursuant to JORC, the estimated Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

Overview

- **Continued expansion of UK energy asset portfolio**
- **Wardell Armstrong International Ltd confirms an Exploration Target in accordance with the JORC Code of between 384 million and 640 million tonnes of coal at Cumbrian Licence Areas held by CLNR**
- **The Exploration Target is based on seven key coal seams which present themselves in a manner which is potentially suitable for conventional coal mining**
- **The coal is potentially of coking quality based on data from former coal mines operational within the licence areas and a number of regional boreholes**
- **UCG prospectivity is likely to be restricted to areas further offshore where exploration data is currently limited**
- **CLNR is in the process of varying the terms of its existing licences to allow further evaluation of conventional coking coal potential, in addition to UCG**
- **Completion of additional resource maturation and exploration drilling are necessary to mature the Exploration Target**

Commenting, CLNR's Chairman and Chief Executive Algy Cluff said: "This significant Exploration Target adds an exciting new dimension to CLNR's portfolio of UK energy assets. The global outlook for metallurgical and coking coal is predicted to remain steady with substantial upside potential on the back of decreasing supply and increased steel demand as the global economy continues to recover. This is reflected in continued interest and exploration investment in delineating new coking coal resources in the UK, including the adjacent acreage currently being explored by West Cumbria Mining. Significant UCG potential is also likely to exist in the seaward parts of the licence area and will be appraised in conjunction with future drilling programmes."

Summary of the Coal Exploration Target

Wardell Armstrong International Ltd (“WAI”), the Company’s independent consultant has confirmed an Exploration Target in accordance with the JORC Code of between 384 million and 640 million tonnes of coal within the Company’s Workington and Maryport Licence Areas. The Exploration Target is calculated on a net *in-situ* (excluding all partings and using an air dried density) basis, with no recovery factors applied. The Exploration Target range has been derived by estimating a coal tonnage (the maximum) and applying a 40% geological loss factor (the minimum). The Exploration Target focussed on seven coal seams (which includes three leaves of the Main Seam) with average thicknesses of greater than 0.60m which represents the minimum technically recoverable thickness. The Exploration Target is spread over two distinct domains with varying levels of confidence based on the availability of historical data. ‘Area A’ has been geologically modelled based on a greater density of historical data and is therefore significantly better defined than ‘Area B’. ‘Area B’ is thought to contain the majority of the coal likely to be suitable for UCG development, however this remains unverified due to limited data.

Based on limited analytical data the coals have the potential to be of coking quality with volatile matter of >30%, a free swelling index (FSI) between 4 and 8, usually less than 10% ash (net coal, air dried basis) and 0.6% to 8% total sulphur. Further analysis will be required to confirm variation in coal quality.

JORC Exploration Target – Workington and Maryport Licence Areas (CLNR 100% interest)

Licence and sub-Areas		Lower Estimated Tonnage Target (million tonnes)*	Upper Estimated Tonnage Target (million tonnes)*
Area A	Maryport	67	111
	Workington	73	121
	<i>Total Tonnage Range</i>	<i>139</i>	<i>232</i>
Area B	Maryport	125	208
	Workington	120	200
	<i>Total Tonnage Range</i>	<i>245</i>	<i>408</i>
Total Exploration Target Tonnage (million tonnes)*		384	640

*(Tonnes are all rounded to nearest million tonnes)

While the potential of this licence area is significant, the quality and spatial distribution of historical data means that further drilling, and other surveys, will be required to confirm the geological structure, lateral continuity of coal seam thickness and quality throughout the licence area before any Mineral Resources are defined. This further activity is currently

unfunded and CLNR will be evaluating a number of alternative methods of funding this work programme over the coming months.

The Workington and Maryport Licences cover part of the Cumberland Coalfield, in an area with historic deep and opencast coal mining dating back to the 16th century. The last deep coal mine in the Cumbrian Coalfield, the Haig Colliery in Whitehaven, lies just to the south of the licence area. This mine worked up to 6km offshore and closed in 1984.

WAI acquired a significant amount of publicly accessible data in the form of published geological maps, legacy borehole data from the British Geological Survey and migrated seismic sections from the UK Onshore Geophysical library. Mine abandonment plans were purchased from the Coal Authority Mining Records Office and coal quality data was purchased from the Coal Authority Deep Mine Archive housed at the British Geological Survey.

The full report prepared by WAI, including maps and figures, is available on the following link: <http://www.yourearthourworld.co.uk/20150211LT/R001%20Draft%20V0.3.pdf>

The estimates of coal target volumes and target tonnages stated herein are based on, and fairly represent, information and supporting documentation prepared by Mr Julian Spears of Wardell Armstrong International Ltd (WAI), Stoke-on-Trent, UK. Mr Spears is a "Qualified Person" within the definition of the Guidance Note for Mining, Oil and Gas Companies, March 2006, of the London Stock Exchange and has reviewed and approved the information contained within this announcement. Mr Spears is a Consulting Geologist, Chartered Engineer, and Fellow of the Institution of Materials, Minerals and Mining with over 28 years of experience much of which has been spent working on coal based resource projects around the globe and has consented to the use of the estimates and supporting information contained herein in the form and context in which it appears. The Exploration Target Report has been prepared by Mr Spears in accordance with the JORC Code.

****ENDS****

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NOTES FOR EDITORS

Cluff Natural Resources currently has a 100% working interest in eight Deep Underground Coal Gasification ('UCG') Licences in the UK covering a total of 613 km².

In addition, it has been granted five promote licences covering a total of eleven blocks in an emerging gas province of the Southern North Sea by the Department of Energy and Climate Change ('DECC') for conventional gas exploration.

It is the Company's long-term strategy to deliver conventional gas to the UK as well as a determination to safely and cleanly convert offshore coal to gas using UCG technology.

Glossary of key terms

- **Maryport Licence Area:** is the company's 100% working interest in a UCG licence area of 100 km² in Cumbria.
- **Workington Licence Area:** is the company's 100% working interest in a UCG licence area of 82.3 km² in Cumbria (formerly referred to as 'North Cumbria').
- **Exploration Target:** is a statement or estimate of the exploration potential of a mineral or coal deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and grade (quality), relates to mineralisation or coal-bearing measures for which there has been insufficient exploration to estimate a mineral or coal resource which complies to any of the Measured, Indicated or Inferred resource classifications set out in the JORC Code and there is no certainty that further exploration will result in the estimate of a mineral resource.
- **The JORC Code:** The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, as published by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, 2012 Edition.
- **Mineral Resource:** a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that

there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.