

6 April 2016

**Cluff Natural Resources Plc ('CLNR' or 'the Company')**

**Placing and subscription to raise c.£727,000**

Cluff Natural Resources Plc, the AIM quoted natural resources investing company, is pleased to announce that it has conditionally raised approximately £727,000, before expenses, through the aggregate placing and subscription of 58,171,200 new ordinary shares of 0.5 pence each ("Placing Shares") at 1.25 pence per share (the "Placing") with a range of new and existing institutional and private investors.

It is intended that the Placing will be conducted in two stages, with 14,920,000 Placing Shares being placed using the Directors' existing authority to allot shares for cash on a non-pre-emptive basis (the "First Placing Shares"), and 43,251,200 Placing Shares (the "Second Placing Shares") being placed conditionally upon, amongst other things, shareholders passing the resolution to be proposed at a general meeting of the Company to be held at 11.00 a.m. on 25 April 2016 (the "General Meeting"). A circular (the "Circular"), containing information in relation to the Placing and convening the General Meeting, is expected to be sent to shareholders today. The Circular will be available on the Company's website at [www.cluffnaturalresources.com](http://www.cluffnaturalresources.com) in due course.

The Directors expect that the Placing will fund the Company through to the end of FY 2016 and the net proceeds to be utilised to carry out further geological and technical work to enhance the Company's existing portfolio of Southern North Sea gas licences, to attract investment/strategic partners to enable drilling of exploration and appraisal wells and to apply for additional licences in the UK's 29<sup>th</sup> licencing round which is due to be announced shortly.

The net proceeds are also anticipated to help support the Company in identifying and exploiting current market opportunities to create a balanced portfolio of oil and gas licences through the acquisition of additional North Sea licences, in line with its investing policy.

As announced on 23 March 2016, CLNR has already signed Heads of Terms with Verus Petroleum (CNS) Limited and Verus Petroleum (SNS) Limited (both wholly-owned subsidiaries of Verus Petroleum UK Limited ("Verus")) in relation to the proposed acquisition of up to a 25% participating interest held by Verus in three licences located in the Central North Sea and the Moray Firth. The proposed acquisition remains subject to the parties entering into a binding contract and other conditions precedent, but the Directors believe that this proposed transaction is indicative of the opportunities that are becoming available in the current market conditions.

## **Details of the Placing and Total Voting Rights**

Application will be made for the First Placing Shares and Second Placing Shares, which will rank *pari passu* with the existing ordinary shares of 0.5 pence each in the Company ("Ordinary Shares"), to be admitted to trading on AIM ("Admission"). Admission of the First Placing Shares is expected to occur at 8.00 a.m. on 20 April 2016 ("First Admission"). Admission of the Second Placing Shares is expected to occur at 8.00 a.m. on 26 April 2016 ("Second Admission"). The First Placing Shares will represent approximately 7.0 per cent. of the Company's enlarged share capital upon First Admission and the Second Placing Shares will represent approximately 16.8 per cent. of the Company's enlarged share capital upon Second Admission.

The Placing of the First Placing Shares is conditional on, inter alia, First Admission, whilst the Placing of the Second Placing Shares is conditional upon, amongst other things, the passing of the relevant resolution at the General Meeting, both First Admission and Second Admission becoming effective and the placing agreement between the Company, Panmure Gordon (UK) Limited and Allenby Capital Limited not being terminated prior to Second Admission.

The total number of voting rights in the Company upon First Admission will be 214,142,332 Ordinary Shares. This number may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules. A further announcement will be made upon Second Admission.

**Algy Cluff, Chief Executive & Chairman commented:** "The funds raised will allow us to continue to unlock the potential value of our growing portfolio of oil and gas assets. This follows our recently signed Heads of Terms to acquire up to a 25% participating interest in three Parkmead-operated licences for £1, demonstrating the significant opportunities available in the current oil price environment. This is especially evident considering these licences are effectively drill ready and have been estimated by the operator to contain 400 million barrels, gross, of recoverable oil in aggregate. This acquisition complements our existing portfolio of five licences in the Southern North Sea which have a prospective resource of 845 BCF which we are developing in collaboration with Halliburton, one of the world's largest providers of products and services to the energy industry. I look forward to providing further updates in due course as we continue to source potential partners with a view to drilling exploration and appraisal wells."

**\*\*ENDS\*\***

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