

Cluff Natural Resources Plc / Index: AIM / Epic: CLNR / Sector: Natural Resources
7 October 2016

Cluff Natural Resources Plc ('CLNR' or 'the Company')
Update on option over North Sea Licence P2082

On 10 May 2016, the Company announced that it had entered into an exclusive option agreement (“Option Agreement”) with Verus Petroleum (CNS) Ltd and Verus Petroleum (SNS) Ltd (“Verus”) in relation to the possible acquisition of Verus’s equity stake in three traditional oil and gas licences located in the Central North Sea and the Moray Firth.

The Option Agreement included:

- an option, at nil cost to CLNR, to acquire a 25% participating interest in Licence P2082 (Blocks 30/12c, 13c, 17e & 18c) which is located in the Central North Sea and contains the Skerryvore exploration prospect; and
- an option, at nil cost to CLNR, to acquire a 20% participating interest in Licences P1944 (Block 14/20e) and P2156 (Block 15/11 & 16f) located in the Outer Moray Firth which contain the Fynn and Penny prospects

The operator of the licences has however been informed that the Oil & Gas Authority (“OGA”) does not intend to grant an extension of the initial term of Licence P2082 beyond 31 December 2016 and accordingly has been asked to relinquish the licence. The OGA has however indicated that it expects to make this licence available for reapplication in the 30th Licencing Round in 2017.

As a result of the OGA’s decision not to extend the initial term of Licence P2082 the Company has determined that the option over that Licence will not be exercised. The Company will however give consideration to applying for this licence in the 30th Licencing Round.

The option over Licences P2156 and P1944 in the Moray Firth containing the Fynn & Penny prospects, the initial terms of which run until November 2018 and December 2018 respectively, will continue to remain in place. The operator estimates the Fynn & Penny prospects could contain approximately 220 million barrels (55 million net) of potentially recoverable oil. In the meantime, the Company's priority will continue to be the advancement of its existing gas assets in the Southern North Sea.

****ENDS****

For further information please visit www.cluffnaturalresources.com or contact the following:

Cluff Natural Resources Plc

Algy Cluff/ Graham Swindells/Andrew Nunn

Tel: +44 (0) 20 7887 2630

Panmure Gordon (UK) Limited

Adam James/Atholl Tweedie (Corporate Finance)

Tom Salvesen (Corporate Broking)

Tel: +44 (0) 20 7886 2500

Allenby Capital Limited

Chris Crawford/Katrina Perez (Corporate Broking)

Tel: +44 (0) 20 3328 5656

St Brides Partners Ltd

Lottie Brocklehurst/Frank Buhagiar
(Financial PR)

Tel: +44 (0) 20 7236 1177