

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATIONS (EU) NO. 596/2014 ("MAR"). IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.**

20 April 2018

Cluff Natural Resources Plc / Index: AIM / Epic: CLNR / Sector: Natural Resources

**Cluff Natural Resources Plc**  
(‘CNR’ or ‘the Company’)

### **Subscription to raise £0.75 million**

Cluff Natural Resources Plc, the AIM quoted natural resources investing company, is pleased to announce a subscription (the “Subscription”) of a total of 46,875,000 new ordinary shares (the “Subscription Shares”) to raise a total of £750,000 (before expenses). All new ordinary shares are to be issued at a price of 1.6 pence per new ordinary share (the “Subscription Price”).

The proceeds of the Subscription will be used to:

- commence evaluation of any additional licences awarded in the 30<sup>th</sup> offshore licensing round, including confirming estimated prospective resource volumes associated with any new licences. Licence awards are expected to be made before the end of the second quarter of 2018;
- continue the process to secure farm-in partner(s) and/or strategic investors to fund drilling on licences P2248 and P2252;
- complete ongoing geological and technical work on P2248; and
- continue to develop well designs and planning for a prospective multi-well drilling programme in 2019 on key exploration targets on P2248 and P2252.

The Directors expect that the net proceeds of the Subscription will fund the Company through to middle of the fourth quarter of 2018.

### **30th Offshore Licensing Round**

The Company has made a substantial application for additional licences in the UK’s latest licensing round. These applications, over multiple blocks, build on the Company’s core competencies and are focussed primarily on the Southern North Sea. The blocks applied for contain a number of drilled discoveries, undrilled prospects and leads and, if awarded, have the potential to build scale, further diversifying the portfolio and significantly enhancing the Company’s resource base. Awards are expected to be made before the end of the second quarter of 2018.

In the Company’s announcement of 27 November 2017, it was highlighted that the Promote Period and the Initial Term of P2248 and P2252 will run until 30 November 2018, subject to a number of technical and commercial milestones including a farm-out being achieved by 31 May 2018 and a drill or drop decision being made by 30 September 2018. The Company is confident that it will meet the technical milestones. It has received interest from a number of parties in respect of the P2248 and P2252 farm-out process and remains in dialogue with a number of companies who have shown interest to date. If, however, a farm-out of either licence is not concluded before 31 May 2018, the Company will, as it has successfully done in the past, seek a deferral of this milestone from the UK’s Oil & Gas Authority (OGA). While there can be no guarantee of achieving a farm out within this timescale, the sustained period of higher oil and gas prices coupled with significantly reduced drilling costs and an attractive fiscal and regulatory regime have resulted in significant renewed interest in the North Sea and provides a positive backdrop to this process. In parallel with the farm out process, the Company is also exploring various additional forms of financing which will support its ultimate aim of drilling one or more

wells on these licences in 2019. Further announcements regarding licences P2248 and P2252 will be made when appropriate.

**CNR's Chairman, Algy Cluff, commented:**

Your Board attaches high importance to the 30th Round and believes that it will herald a new era of exploration and development in the UK North Sea. Strong oil and gas prices, political stability in an unstable world, existing infrastructure and known geology render the North Sea one of the most desirable basins. In addition, this Round includes for the first-time existing discoveries which will reduce exploration risk and accelerate development. The Board of Cluff Natural Resources believes that the Company's balance sheet should be strengthened in anticipation of favourable consideration being given by The UK Oil and Gas Authority to our application for licenses, primarily in the prolific Southern North Sea gas basin.

**Details of the Subscription**

Application has been made for the Subscription Shares to be admitted to trading on AIM and it is expected that admission to AIM will take place on or around 26 April 2018 ("Admission"). The issue of the Subscription Shares is conditional only upon Admission. The Subscription Shares, in aggregate, will represent approximately 10.6 per cent. of the Company's issued ordinary share capital as enlarged by the Subscription. The Subscription is not being underwritten. The Subscription Shares, when duly issued and fully paid, will rank *pari passu* in all respects with the Company's existing ordinary shares, including the right to all dividends or other distributions declared, made or paid after the date of issue.

**Total Voting Rights**

On Admission, the Company's issued ordinary share capital will consist of 442,935,199 ordinary shares, with one voting right each. The Company does not hold any ordinary shares in treasury. Therefore, on Admission, the total number of ordinary shares and voting rights in the Company will be 442,935,199. This figure may be used by shareholders in the Company 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 share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

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For further information please contact the following:

**Cluff Natural Resources Plc**

Algy Cluff / Graham Swindells / Andrew Nunn

Tel: +44 (0) 20 7887 2630

**Allenby Capital Limited**

David Hart / Alex Brearley / Asha Chotai (Corporate Finance)  
Chris Crawford / Katrina Perez (Corporate Broking)

Tel: +44 (0) 20 3328 5656

**Camarco**

Billy Clegg/Owen Roberts / James Crothers

Tel: +44 (0)20 3757 4980