

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

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

Exclusivity Agreement & 28th Round Licence Extensions

Cluff Natural Resources Plc, the AIM quoted natural resources investing company with a high impact exploration and appraisal portfolio focused on the Southern North Sea gas basin, is pleased to announce the signing of an exclusivity agreement with a major international oil and gas company and provides an update on the status of its two 100% owned Southern North Sea Gas licences P2252 and P2248, which were awarded in the UK's 28th Licensing Round.

Highlights

- Six-month Initial Term licence extensions granted for both P2252 and P2248 licences to 31 May 2019
- Exclusivity Agreement signed with major international oil and gas company for Licence P2252
- Licence P2252 extended subject to the Company committing to a seismic and well work programme by 28 February 2019
- Licence P2248 extended subject to the Company being in a position to make a firm well commitment by 28 February 2019
- Advanced negotiations ongoing on Licence P2248 with the Company's preferred bidder, on a non-exclusive basis

Exclusivity Agreement

Following discussions with multiple data room entrants, the Company has signed an exclusivity agreement (the "Agreement") on Licence P2252 with a major international oil and gas company (the "Counterparty"). Exclusivity has been granted to the Counterparty subject to a definitive farm out agreement being entered by 31 January 2019 and completion by 28 February 2019.

Given the exclusivity arrangement, discussions and negotiations with other potential partners on the P2252 licence have been ended and the P2252 data room closed while the Agreement is in place.

Despite entry into the Agreement, no assurance can be provided that a commercial transaction will ultimately be concluded with the Counterparty. The Company will provide further updates in due course.

28th Round Licence Extensions

Following a request for an extension to the Initial Term of both the P2252 and P2248 licences, the UK Oil and Gas Authority (“OGA”) has confirmed that it will allow the Initial Term of both licences, in which the Company currently owns a 100 per cent. interest, to extend for a period of six months until 31 May 2019, subject to further work programme commitments being made.

These commitments are that, for P2252, by 28 February 2019 the Company commits to a seismic and well work programme on the Pensacola Prospect, and, for P2248, the Company makes a firm well commitment by 28 February 2019.

In respect of P2248, the Company is currently in advanced negotiations with its preferred bidder, on a non-exclusive basis. The licence extension allows the Company the opportunity to complete a transaction which could lead to the drilling of one or more wells on the licence.

While seeking to complete the farm out process on Licences P2248 and P2252, the Company is also progressing the additional six highly prospective licences recently awarded to it in the UK’s 30th Offshore Licensing Round, which added an estimated 1.9 TCF of prospective resources to the portfolio.

Commenting CLNR's Chief Executive Graham Swindells said:

“We are delighted to have selected a highly regarded international oil and gas major as our preferred partner for P2252, which contains the Pensacola Prospect. This represents a major step forward for the licence and reflects the significant amount of work the team has done to de-risk it. We look forward to working closely with the Counterparty and updating the market in due course.”

“The board and I are also very pleased that the Initial Term of both of these highly prospective licences is to be extended. With the OGA’s support, we are now able to continue discussions to secure partners in an oil and gas sector with an improved appetite for high impact exploration and an increasingly positive outlook for the North Sea.”

“Our immediate focus will now be to complete negotiations with the parties with whom we are in discussion and progress towards agreeing farm outs whilst, in tandem, continuing to evaluate the highly prospective licences awarded to us in the 30th Offshore Licensing Round.”

****ENDS****

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Notes to Editors

Cluff Natural Resources is a natural resources investing company listed on the AIM market on the London Stock Exchange (CLNR.L) primarily focussed on the Southern North Sea gas basin, with a high impact portfolio of operated, high working interest exploration and appraisal assets.

On 23 May 2018, the Company was provisionally awarded an additional 6 licences in the Southern and Central North Sea by the UK Oil and Gas Authority in the UK's 30th Offshore Licencing Round. These blocks contain oil as well as gas prospects and are estimated to contain 1.9 TCF of P50 prospective resources.

Cluff Natural Resources is focused on extracting much needed gas from the North Sea to supply the UK's energy mix which is currently heavily reliant on foreign supply. The Company is focussed on securing partners and funding to embark on a drilling campaign on the proven fairways of the Southern North Sea basin.

The Company has a strong institutional investor base and a portfolio which offers a unique opportunity of high quality, low risk and low-cost drilling prospects with potentially high impact results in an area where recent exploration has targeted both mature and new plays and has resulted in large discoveries.