

30 May 2019

**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.**

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

### **Completion of Farm on Licences P2252 to Shell U.K. Limited**

Cluff Natural Resources Plc, the AIM quoted natural resources investing company with a high impact exploration and appraisal portfolio focused on the Southern and Central North Sea, is pleased to announce that it has received Oil and Gas Authority (or 'OGA') approval in relation to the Farm-out of Licence P2252 to Shell U.K. Ltd (or "Shell") and that the farm out has now completed.

#### **P2252 – Farm-out Highlights**

- Following receipt of OGA approval and signing of the Joint Operating Agreement, Shell have been assigned a 70 per cent. working interest in Licence P2252 and appointed as Licence Operator. Cluff retains a 30 per cent. non-operated interest in Licence P2252.
- Shell will pay 100 per cent. of the costs of an agreed forward work programme to the earlier of 31 December 2020 or the date on which a well investment decision is made.
- The agreed work programme includes the acquisition of not less than 400km<sup>2</sup> of new broadband 3D seismic data over the Pensacola prospect in the summer of 2019, subsequent processing of new and existing seismic data and sub-surface studies required to support a well investment decision before the end of 2020.
- Shell have confirmed that they have contracted Shearwater GeoServices to undertake the 3D seismic survey using Shearwater's proprietary FlexiSource technology with acquisition currently scheduled to commence in mid-August 2019.
- The OGA have approved an extension of the initial term of licence P2252 until 30 November 2022, subject to the contingent well commitment becoming a firm well commitment on or before 30 November 2020.

- All costs in relation to P2252 following the well investment decision (or 31 December 2020, if earlier) will be satisfied by each party in proportion to their working interest.
- P2252 contains the Pensacola prospect which is estimated to contain unaudited mean GIIP of 566 BCF (equivalent to approximately 100 mmboe).

**Commenting, Cluff's Chief Executive Graham Swindells said:**

“We are delighted to be able to announce the completion of the farm-out of Licence P2252 to Shell and look forward to the Company's involvement in the upcoming seismic operations during the summer.

With the option over the Selene prospect also recently exercised, the Company now has direct visibility over the drilling activity on two prospects containing gross P50 Resources of c. 600 BCF of gas. Both opportunities have the potential to create significant value for shareholders whilst reducing the overall exploration risk profile of the Company through a portfolio approach.

We look forward to building our partnership with Shell and successfully developing both the Pensacola and Selene prospects.”

**\*\*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) with a high impact portfolio of operated and, following a farm-out to Shell U.K. Ltd in February 2019, non-operated exploration and appraisal assets located within the UKCS's mature hydrocarbon basins. The Company's diversified portfolio contains near term, infrastructure focussed oil and gas exploration drilling opportunities in both the Central and Southern North Sea together with larger, high impact opportunities in new play types along the northern margin of the Southern Gas Basin.

The portfolio has a significant P50 prospective resource base in excess of 2.4 TCF (gross, gas equivalent) across a number of prospects with chances of success ranging from 9% to 49%.

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. Following its successful farm-out of Licences P2252 and P2437 to Shell U.K. Ltd, the Company is looking forward to 3D seismic acquisition over the Pensacola prospect in the summer of 2019 and is seeking to repeat this farm-out success with its licences awarded in the 30<sup>th</sup> Offshore Licencing Round including licence P2352 which contains the Dewar oil prospect.

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.

## **Standard**

The technical information contained in this announcement has been prepared in accordance with the March 2007 guidelines endorsed by the Society of Petroleum Engineers, World Petroleum Congress, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers Petroleum Resource Management System.

## **Qualified Person**

Andrew Nunn, a Chartered Geologist and Chief Operating Officer of CLNR, is a "Qualified Person" in accordance with the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange. Andrew has reviewed and approved the information contained within this announcement.

## **Glossary of Technical Terms**

BCF:	Billion Cubic Feet
TCF:	Trillion Cubic Feet
GIIP:	Gas initially in place

Mmboe: Million barrels of oil equivalent

Prospective resources: Are estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled.

P50 resource: Reflects a volume estimate that, assuming the accumulation is developed, there is a 50% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a median or best case estimate of resource.