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

16 April 2020

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

Final Results

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 its audited results for the year ended 31 December 2019 ('FY 2019').

Highlights

- Farm-out of Licence P2252, containing the Pensacola Prospect, to Shell UK Ltd ("Shell") completed in May 2019. Farm-out includes a full carry through new 3D seismic acquisition and a contingent well commitment
- Acquisition of 3D seismic on Pensacola successfully completed in August 2019, with processing of the data ongoing
- Farm-out of Licence P2437, containing the Selene Prospect, to Shell for initial consideration of US$600,000 completed in August 2019, with a carry of 75% of the costs of the first well, up to US$25 million
- Continuing to work with Shell towards firm well commitments on both Pensacola and Selene
- Transformational equity fundraise of £15.0 million (gross) in July 2019, fully funding the Company to the end of 2021, including its share of the Pensacola and Selene wells
- Farm-out process on Dewar oil prospect ongoing
- Technical work continuing on Licence P2428 (Cupertino), P2424 (Cortez) and P2435 (Blackadder) in advance of prospective farm-outs
- Multiple applications submitted for additional licences in the UK Oil & Gas Authority's latest Offshore Licensing Round, with awards expected in summer 2020. Success will further expand, enhance and diversify the existing portfolio, without adding any near-term cost liabilities
- Net cash outflow from operations and investing activity for the year of £1.8 million (2018: £2.2 million)
- Cash position of £13.8 million at 31 December 2019 (2018: £1.42 million) with no debt. As at 31 March 2020, the Company had cash on hand (unaudited) of £13.2 million
- Mitigated the immediate impacts of COVID-19 situation on our ongoing work programmes with all staff able to work effectively from home for an extended period

Graham Swindells, Chief Executive Officer:

"*2019 was a transformational year for our Company, agreeing two farm-outs with Shell over our Pensacola and Selene Prospects in the Southern North Sea as well as securing financing to ensure we are fully funded for our current requirements, including the drilling of wells on both prospects."*

"Despite the effects of Covid-19 and commodity price volatility, given the Company's low overheads, no debt, and its attractive portfolio of prospects, we remain in a strong position from which to deliver exceptional growth."

"We have a number of key drivers of value as we continue to work with Shell towards firm well commitments on both Selene and Pensacola, the ongoing farm-out of Dewar, the progression of our other gas licences and the potential award of additional licences in the latest UK licensing round. Achievement of each of these would be a major driver of value and we look forward to updating shareholders in due course."

Chairman's Statement

Let's start with 'the big picture': access to affordable, plentiful energy and industrial feedstocks from the rocks beneath our feet has been a driving force underpinning the development of wealthy and resilient societies since the industrial revolution. However, human activities associated with industrialisation and intensive agriculture are also the driving forces behind global climate change.

To help combat global climate change, the UK Government has adopted the recommendations of the Climate Change Committee and committed the UK to an ambitious transition which is designed to result in the UK having no net contribution to climate change emissions by 2050.

But there needs to be more honesty in the debate, as 'net zero 2050' for a society that contributes less than 2% of global carbon dioxide cannot come 'at any cost'. Any decisions made need to preserve employment and generate prosperity in the UK. It must be recognised that these natural resources, in particular gas, are highly beneficial to society and can play a key role in facilitating and funding the transition to a lower carbon future.

Whether this involves using natural gas to generate hydrogen for heating, transport and petrochemical feedstocks or a requirement to develop carbon capture, storage and utilisation solutions for natural gas fired electricity generation, these are all superior to the narrative of just keeping hydrocarbons 'in the ground' and wishing for the emergence of a new technology to replace the fundamental role that hydrocarbons play in supporting our lifestyles.

The Board recognises the need to stay relevant as we move towards a lower carbon future and believes that the strategy of focusing on UK oil and gas exploration opportunities close to existing infrastructure ideally places the Company as part of the solution and not part of the problem. By maintaining production in the UK with ambitious targets for emissions of production and downstream use, the Company stands the best chance of meeting the challenging targets being set by Government.

Our Selene natural gas prospect is one of the largest untested natural gas prospects in the Southern North Sea and is located in an area of infrastructure which allows for a relatively low carbon intensity development and delivery to the UK based gas processing facility at Bacton. This will help displace liquefied natural gas ('LNG') imports from foreign sources and preserve the associated downstream industrial activity whilst at the same time improving economics for the gas from other fields in the area.

Of similar importance is the Pensacola Prospect, which represents a new type of opportunity in the northern most part of the gas basin. Particularly encouraging is the significant industry interest in this Zechstein play, following a number of recent exploration successes, both onshore and offshore.

The value of these two assets has been recognised by one of the world's largest oil and gas companies in Shell, and following the completion of the Company's farm-out transactions there has been significant technical work completed on both prospects by the partnership, including the acquisition of new 3D seismic data.

We continue to work with Shell to mature these opportunities towards drilling activity, for which the Company is fully funded following the successful £15 million equity raise completed in July 2019.

Other prospects in the portfolio are being matured towards farm-out and we are confident that new licences will be awarded in the UK Oil and Gas Authority's ('OGA') 32nd Licensing Round which will provide a diversified funnel of opportunities to take through the exploration process in the years ahead.

While low commodity prices and Covid-19 have created huge challenges for the oil and gas industry as a whole, I believe that the Company remains in a comparatively strong position. Our primary focus on gas means we have limited exposure to the oil price and we remain well funded for our current requirements, including drilling. We have built an attractive portfolio of licences with no debt, and despite recent success and expansion of the licence portfolio, we have maintained modest overheads. As such, a temporary drop in commodity price may result in lower cost operations, particularly in relation to drilling.

I personally feel privileged to be a part of this venture and look forward to the coming years of exploration and development.

Mark Lappin
Chairman
15 April 2020

CEO Statement

We entered 2020 in a position of strength following what was an exceptional 2019 for the Company, having achieved many of the key milestones towards our goal of becoming one of the UK's leading independent exploration focused oil and gas companies. The highlight of the year was securing two farm-outs with Shell and capitalising the business to ensure that we can meet our anticipated share of an exploration well on each of the prospects. Particularly important for the Company has been the nature of our new partner that we have attracted; Shell is a hugely successful major oil and gas company and their involvement in our assets is a strong endorsement of our Company, our technical capability and strategy.

The initial farm-out with Shell was over Licence P2252 which contains the Pensacola Prospect. Pensacola is a relatively new play for the North Sea and contains estimated P50 prospective resources of 309 BCF of recoverable gas. The farm-out was announced in February 2019 and completed in May 2019 and sees the Company fully carried through to the earlier of December 2020 or the date on which the contingent well commitment becomes firm (no later than end of November 2020). This work programme included the shooting of new broadband 3D seismic over the licence, which was successfully carried out in August 2019. Since then we have been working with Shell on processing and interpretation of this seismic data and this is progressing well. This seismic data will support the well investment decision, which under the OGA licence terms will become firm by end November this year. Under the Licence the 'contingent' well commitment means the well will be drilled unless the OGA considers the well to be in conflict with their mission to Maximise Economic Recovery.

At the same time as the Pensacola farm-out, the Company entered into an option, whereby Shell could farm into Licence P2437, which contains the Selene Prospect. Shell exercised this option on 30 April 2019 and, following regulatory approval, the transaction formally completed in August 2019. The Selene farm-out included US$600,000 of initial consideration and, once a well investment decision is made, carries the Company for 75% of the cost of an exploration well up to US$25 million, with the Company maintaining a 50% interest in the licence. The Selene Prospect is an infrastructure led prospect, sitting in close proximity to producing fields, Shell's Clipper Hub and its infrastructure at the Bacton Gas Terminal. The Company continues to work closely with Shell to refine the well location to support the well investment decision.

These two transactions with Shell represent the first farm-ins that Shell has completed in the Southern North Sea for many years. We are delighted to have attracted such an established and respected partner which speaks to the quality of our technical team at Cluff. Our partnership has already been extremely productive, and we look forward to developing a long-term relationship with Shell as we progress these licences towards drilling.

Following the two farm-outs with Shell, on 1 July 2019 the Company completed a £15 million (gross) equity fundraise. In addition to the majority of existing shareholders participating in the equity raise, it was particularly pleasing to have introduced a number of new institutional investors to the share register.

Following this equity raise, the Company is now fully funded for its share of drilling costs on the anticipated exploration wells on Pensacola and Selene, other licence commitments, as well as having working capital to fund the Company through to the end of 2021, based upon current plans. We would like to thank our existing shareholders for participating in this equity raise and we welcome a number of new institutional investors to the share register.

Raising these funds removes uncertainty around access to capital in the short to medium term, which is critical in the current macro environment. It allows us to drill both Pensacola and Selene with success on either of these two planned wells being transformational for the Company.

While the Dewar farm-out process remains active with strong industry interest shown, the Company anticipates that the current commodity market volatility and the Covid-19 pandemic will impact on the deliverability within the timelines previously anticipated. The Company will review the status of the farm-out process once the impacts of the Covid-19 outbreak are better understood and some relative stability has returned to commodity prices and the wider market. Notwithstanding current market conditions, Dewar remains an attractive, relatively low risk drill ready prospect with strong economics, given its close proximity to the BP operated Eastern Trough Area Project ('ETAP') infrastructure (5 kilometres), to which the Company remains committed to drilling.

The Company also continues to progress its other Southern North Sea gas licences. On Licence P2428 the Company has recently taken delivery of newly reprocessed 2D seismic data over the TCF (prospective resources) scale Cupertino prospect. The results of the reprocessing are already very encouraging, and we are currently undertaking further in-house technical work in advance of commencing a farm-out process later in the year. Given the potential scale of this prospect, Cupertino represents an extremely high impact drilling opportunity. On Licence P2424, which contains the Cortez Prospect, a 2D seismic reprocessing exercise has recently commenced. Subject to successful results from this, a farm-out process may be commenced towards or shortly after the end of the year. On Licence P2435, owned jointly with Parkmead (Cluff 25%), which contains the Blackadder Prospect, the joint venture is in the process of assessing the potential for applying modern broadband 3D seismic processing to the legacy 3D data over the licence area. If this proves to be successful, the joint venture will be well positioned to attract a partner ahead of drilling the prospect.

In November 2019, the Company submitted multiple applications for additional licences in the UK Oil & Gas Authority's 32nd UK Offshore Licensing Round. The Company's applications are focused on its core operational areas in the Southern Gas Basin and Central North Sea and are designed to be complementary to the existing portfolio. The blocks applied for contain oil and gas prospects that are consistent with the Company's strategy of growing its licence portfolio by: identifying and targeting overlooked and/or less well understood opportunities; targeting prospects in close proximity to existing infrastructure, thus enhancing the potential for commercial development; and creating value through investment in technical work, farm-outs and introducing partners with a view to drilling.

All of the applications have been made solely by Cluff, with the exception of one which has been made jointly with an established international operator.

The blocks applied for, if awarded, will build scale with minimal near-term capital requirements and will further diversify the investment portfolio, enhancing the Company's resource base, and creating a strong pipeline of future drilling opportunities.

The OGA had originally stated that licence awards were expected to take place in Q2 2020. However, as a result of Covid-19, the OGA has now amended this timing slightly to summer 2020.

Despite the recent volatility in commodity prices and Covid-19, the Company remains in a position of strength. It has no direct exposure to oil prices, no debt and is well capitalised following its 2019 fundraising. The Company continues to exercise strict financial discipline and control, maintaining low overheads with cash outflow from operations and capitalised licence investments of £1.8 million in 2019. Consequently, as at 31 March 2020, the Company had £13.2 million of cash (unaudited) and remains funded for its share of the Selene and Pensacola wells and other licence commitments as well as, on current plans, for its expected working capital requirements through to the end of 2021.

In April 2019, the Company announced that Algy Cluff intended to retire from his role as Chairman and he stepped down formally following the Company's Annual General Meeting in May 2019. I wish to thank Algy for his vision in setting up and guiding the Company through its early years and wish him well for the future.

The farm-outs with Shell in 2019 represented a clear transition into a period of intensive oil and gas operations. This was therefore the right time to pass the role of Chairman to Mark Lappin whose wealth of operational experience, particularly in the North Sea, is perfectly suited to guide the business through this next exciting phase of its development. Mark has made an immediate impact in his new role and we are excited about continuing to work together to build on our recent success and enter the next stage of the Company's growth as we seek to create value for shareholders.

In January 2020, we were also pleased to announce the appointment of Sarah McLeod as Chief Financial Officer. Sarah has a wealth of industry experience following 20 years' experience in the oil and gas industry which will be invaluable to the Company as we move into the next phase of our development.

To reflect these recent changes, the Company is proposing to change the Company's name to Deltic Energy Plc with effect from the Company's Annual General Meeting. This change symbolises our transition into a more operational phase in the Company's development. The change of name is subject to shareholder approval and further details will be contained in the Notice of General Meeting in the Company's Annual Report and Accounts which will be published shortly.

Outlook

The Company took great strides in 2019 and positioned itself as a gas focused exploration company with an attractive portfolio of prospects with a combined P50 gas prospective resource of 2.4 TCF gross (1.9 TCF net), equivalent to approximately 600 million barrels of oil. We are now seeking to continue to build on the success of 2019 with key value drivers anticipated to be delivered on in 2020.

The oil and gas industry is currently facing the dual challenge of recent commodity price volatility coupled with the effects of Covid-19. Fortunately, as a gas focused explorer the Company does not have direct exposure to the oil price and having taken the decision to raise funds in 2019 to protect itself from capital market volatility, is currently well funded with no debt.

However, our Company has nonetheless taken all necessary precautions to ensure optimal business continuity during the Covid-19 pandemic, which continues to evolve.

While commodity prices and Covid-19 are having a severe effect on the industry, the current downturn may present the Company with an opportunity to commit to drilling its wells at a time of relatively low cost, including advantageous rig rates, and ultimately be in a position to monetise successful drilling and discoveries at a point in the future when commodity prices are significantly higher.

We believe that the North Sea continues to have huge potential and the UK benefits from a top quartile fiscal and regulatory regime, making it one of the most attractive areas in which to do business and invest.

The Company has a number of key goals in 2020 including well investment decisions on Selene and Pensacola, the ongoing farm-out of Dewar, progression of its other gas licences and the award of additional licences in the latest UK licensing round. Achievement of each of these would be a major driver of value.

I would like to take this opportunity to thank my fellow board members and all of our employees for their hard work and dedication throughout the last year. I would also like to thank our various stakeholders, in particular our shareholders who have backed the Company and put it in a position to deliver long-term value.

Graham Swindells
Chief Executive
15 April 2020

Operational Review

Completion of Shell Farm-out Process on P2252 and P2437

On 8 February 2019, the Company announced a farm-out on Licence P2252 (Pensacola) and an exclusivity agreement on Licence P2437 (Selene) to Shell U.K. Ltd.

The farm-out on Licence P2252 was formally completed on 30 May 2019 with Shell taking a 70% working interest and operatorship. In return, Shell will pay 100% of all costs associated with the licence, including the acquisition and processing of a new broadband 3D seismic survey, until the earlier of the end of 2020 or well investment decision. Costs incurred post-well investment decision will be shared along equity lines.

Following Shell exercising their option on 30 April 2019, the Selene farm-in was formally completed on 13 August 2019 with Shell taking a 50% working interest in Licence P2437 in return for cash consideration of US$600,000 and agreement to pay 75% of the costs of the proposed exploration well on Selene up to a gross cost of US$25 million. Costs incurred after completion of the well will be shared along equity lines.

The Company continues to work closely with Shell to progress the technical work which will support the well investment decisions on both licences.

P2252 – Successful 3D Seismic Acquisition Programme over Pensacola (30% CLNR)

Licence P2252, located in the Southern North Sea gas basin, contains the Pensacola prospect, which is estimated to contain gross P50 prospective resources of 309 BCF in a Zechstein reefal carbonate build-up with significant additional upside potential in the Lytham-Fairhaven prospect which is also located on the block.

The Zechstein Reef play has seen significant activity and successful drilling over the last year with Rathlin Energy announcing a significant discovery at West Newton, in East Yorkshire, where a 65 metre hydrocarbon column was announced by the operator. Offshore, ONE Dyas are reported to have recently discovered liquid hydrocarbons in the Darach Central-1 well which flowed at a rate of 3,500 barrels of oil per day, plus associated gas, while testing a Zechstein reef, which we believe to be analogous to the Pensacola prospect.

Since formal completion of the farm-out and transfer of operatorship to Shell at the end of May 2019, the partnership has moved rapidly into field operations with the acquisition of 3D seismic over Pensacola commencing on 4 August 2019. The survey was conducted by Shearwater GeoServices using the Polar Empress, with field operations completed on 21 August 2019, without accident or incident.

The acquired 3D data is currently being processed by Shell with preliminary analysis expected shortly and final pre-stack depth migration (Pre-SDM) products due to be delivered during the summer of 2020. Early feedback from Shell indicates that the data acquired is of high quality and a significant improvement on the legacy data is expected once the processing has been completed.

This timeline is in line with previous guidance issued by the Company and the licence conditions imposed by the Oil and Gas Authority including a contingent exploration well, which the partnership committed to at the time the farm-in was agreed and will involve a well investment decision before the end of 2020. Pensacola currently carries a geological chance of success of 20%, but this is likely to be revised following interpretation of the recently acquired 3D seismic data.

The Company is fully carried through the seismic acquisition and processing work programme.

P2437 – Supporting Shell's Well Investment Process on Selene (50% CLNR)

Licence P2437, located in the Southern North Sea, was awarded to the Company in the OGA's 30th UK Offshore Licencing Round with an effective date of 1 October 2018 and with Shell exercising their option to farm into the licence on 30 April 2019. The primary prospect on Licence P2437 is the Selene prospect which has a geological chance of success of 39% and is estimated to contain gross P50 prospective resources of 291 BCF in the well understood Leman Sandstone play.

The Selene prospect is located approximately 20 kilometres to the north of Shell owned and operated infrastructure located on the Barque gas field, which presents a low cost, low risk development option in the case of exploration success. Additional upside exists on block, including the Sloop discovery and the Endymion prospect which will be fully evaluated in due course.

Since completion of the farm-out to Shell in August 2019, the Company has continued to work with Shell to obtain and evaluate all the available data for the Selene prospect with the aim of making a well investment decision at the earliest possible opportunity.

The Company has a partial carry on the proposed Selene exploration well with Shell paying 75% of the well costs up to an aggregate cap of US$25 million.

P2428 - Delivery of Newly Reprocessed 2D Seismic Data over Cupertino (100% CLNR)

Licence P2428 is located in the Southern North Sea and contains the TCF (prospective resources) scale, early Carboniferous Cupertino lead with newly recognised potential in the younger Rotliegend-Leman Sandstone play.

The reprocessing of approximately 850 line kilometres of legacy 2D seismic data to pre-stack depth migration (pre-SDM) was completed with new data delivered at the end of November 2019. This reprocessing effort has resulted in a significant improvement in image quality and the interpretation and integration of this new data set into our regional models will continue in the first half of 2020.

The Company aims to commence a farm-out process during 2020 but recognises that the acquisition of modern broadband 3D seismic over the area would likely be required prior to a well investment decision being made. This project has a longer lead time than others within the portfolio, but given the potential scale of the opportunities, in both the Carboniferous and the Leman Sandstone, the project is of significant interest to the Company and we expect it to form one of the key high impact drilling opportunities within the portfolio in the coming years.

P2424 - 2D Seismic Reprocessing over Cortez (100% CLNR)

Licence P2424 is located in the Southern North Sea and contains the early Carboniferous Cortez prospect that has many similarities to the adjacent Breagh gas field and Crosgan gas discovery. The prospect is currently imaged on a combination of good quality reprocessed 3D and older legacy 2D seismic data and efforts over the last 12 months have been focused on improving the quality of that 2D data set, especially in light of the significant image quality uplifts seen following the reprocessing of similar vintage 2D data over Cupertino.

Reprocessing of the 2D data has recently commenced and is scheduled to take approximately 21 weeks. Once the reprocessed data has been received, it will be subject to further evaluation and, if positive, it is expected that a farm-out process could potentially commence during the second half of 2020.

P2435 - Blackadder Licence (25% CLNR)

Licence P2435 is located in the Southern North Sea and contains the Bob discovery and the Blackadder prospect in the Leman Sandstone. The Company continues to work with the licence operator, The Parkmead Group, to advance the licence such that a well investment decision can be made. Following work completed by the operator during 2019 the joint venture will assess the potential for applying modern broadband 3D processing to the legacy 3D data over the licence area. If this proves to be feasible, there should be a significant uplift in image quality, which would further de-risk the opportunity and increase the probability of attracting an additional licence partner, prior to making a well investment decision.

P2352 - Dewar Farm-out Process (100% CLNR)

Licence P2352, located in the Central North Sea, was awarded to the Company in the OGA's 30th UK Offshore Licencing Round with an effective date of 1 October 2018. The primary prospect on Licence P2352 is the Dewar prospect which is estimated to contain gross P50 prospective resources of 39.5 mmbbl in a Forties Sandstone channel. The Dewar prospect is supported by a clear amplitude versus offset (AVO) anomaly and has a geological chance of success of 41%.

In the event of exploration success, the Dewar prospect is a highly attractive commercial proposition as it is located approximately 5 kilometres east of BP's Eastern Trough Area Project (ETAP) Central Processing Facility. A recent commercial feasibility study commissioned by Company indicated that the project could have a post-tax NPV10 of £555M and a post-tax IRR of 123%, in a P50 prospective resource scenario.

Following completion of the various subsurface workflows, including the AVO study, and a commercial feasibility study, the farm-out process on Central North Sea Licence P2352 commenced in the second half of 2019. Despite what remains a challenging market for exploration lead farm-out activity the Company has received significant interest in the Dewar prospect.

Overall feedback on the prospect and technical work completed to date has been very positive, however getting prioritisation within larger organisations remains a challenge as exploration budgets across the industry are still significantly constrained. Feedback also indicates that the 32nd Offshore Licencing Round has also impacted the Dewar farm-out process, with many companies having limited resource to assess new opportunities during the application processing period and are also waiting to see the results of the 32^{nd} Round during the summer of 2020, before taking decisions on further exploration opportunities.

While the Dewar farm-out process remains active, the Company anticipates that the current commodity market volatility and Covid-19 will impact on the deliverability of this farm-out within the timelines previously communicated. The Company will review the status of the farm-out process once the impacts of the Covid-19 outbreak are better understood and some relative stability has returned to commodity prices and the wider market.

The Company believes that Dewar is a low risk exploration opportunity and is confident that exploration success would transform this prospect into a highly valuable and easily monetizable development opportunity, given its location relative to various infrastructure options such as ETAP. Given this major prospective value uplift, which could be realised through the drill bit, the Company will also consider alternative routes to getting the Dewar exploration well funded in parallel with the ongoing farm-out process.

32^{nd} Offshore Licensing Round

Following success in the previous major offshore licensing round in 2018 when the Company was awarded six licences, the Company is pleased to confirm that it has submitted multiple applications for additional licences in the UK Oil & Gas Authority's latest 32nd UKCS Offshore Licensing Round.

The Company's applications are focused on its current core operational areas in the Southern North Sea gas basin and Central North Sea and are designed to be complementary to the existing portfolio. The blocks applied for contain oil and gas prospects that are consistent with the Company's strategy of organically growing its licence portfolio to provide a balance of near and longer-term drilling opportunities.

All of the applications have been made solely by the Company, with the exception of one which has been made jointly with an established international operator.

The OGA guidance indicates that licence awards are likely to take place in summer 2020. Further announcements will be made in due course.

Success in this licensing round would further expand, enhance and diversify the Company's existing portfolio. The Board views the blocks applied for as being highly prospective with many containing undeveloped discoveries and exploration upside which could significantly enhance both the pipeline of potential drilling opportunities and the overall prospective resources associated with the Company's portfolio.

Portfolio and Resource Summary – February 2020

The Company's current licence portfolio and prospect inventory, as of the end of February 2020, is summarised below:

Licence Ref:	Block ID	CLNR Equity	Project ID	Discovery (D) Prospect (P) Lead (L)	Net Prospective Resource (BCF)			GCoS %
					P90 Low	P50 Best	P10 High	
P2252[1]	41/5a, 41/10a & 42/1a	30%	Pensacola - Zechstein Reef	P	35	93	170	20
			Lytham – Permian	P	16	37	73	49
			Lytham - Carboniferous	P	4	13	45	30
			Fairhaven - Zechstein	P	5	14	29	43
P2437	48/8b	50%	Sloop - Leman	D	4	9	19	100
			Selene - Leman	P	53	146	344	39
			Endymion - Leman	L	18	24	31	27
			Rig & Jib - Leman	L	6	15	29	35
P2424	42/14 & 42/15b	100%	Furasta - Bunter	D	7	18	30	100
			Burbank - Bunter	P	70	200	567	32
			Cortez - Carboniferous	L	24	107	433	29
			Cortez South - Carboniferous	L	129	331	732	28
P2428	43/7 & 43/8	100%	Cupertino - Scremerston	L	69	262	914	21
			Cupertino - Fell Sandstone	L	147	558	2089	30
P2435[2]	47/10d & 48/6c	25%	Bob (Teviot) - Leman	D	2.8	5.5	10.3	100
			Blackadder - Leman	P	17.8	28.3	42.5	45

1 Operated by Shell
2 Operated by Parkmead

Licence Ref:	Block ID	CLNR Equity	Project ID	Discovery (D) Prospect (P) Lead (L)	Net Prospective Resource (MMBOE)			GCoS %
					P90 Low	**P50 Best**	**P10 High**	
P2352	22/24f & 22/25g	100%	Dewar - Forties	P	10.5	39.5	80.5	40
			Tesla - Pentland	D	To be determined - mean STOIIP estimated @ 24 mmboe			
P2384	22/19f	100%	Manhattan Complex	L	To be determined			

COVID-19 Statement

In light of the current COVID-19 pandemic, the Company has taken a number of steps to protect its workforce while at the same time ensuring that business continuity, including subsurface workflows and outsourced seismic reprocessing, is maintained over the coming months.

Prior to the outbreak, the Company had the facilities in place to allow remote working for most members of staff. This capability has been enhanced to ensure that the Company can now operate effectively over an extended period of time without requiring regular access to Cluff's physical offices.

This ensures that key technical workflows associated with ongoing subsurface evaluations are generally unaffected. The Company's contractors, who are currently undertaking seismic reprocessing work, required under the terms of the existing licences, have also put in place procedures to work effectively over the coming months in order to ensure that these projects are delivered within their original schedules.

The Company remains well capitalised with no debt to service and is fully funded for its proposed work programme with £13.2 million of cash (unaudited) as at the end of March 2020. This is sufficient for the Company to meet its expected working capital requirements and work programme costs, including participation in the two wells with Shell, until the end of 2021. Expenditure associated with discretionary and non-critical path technical workflows will be constantly reviewed and re-scheduled as required to ensure the sustainability of the business in the medium term.

A J Nunn
Chief Operating Officer
15 April 2020

Financial Review

All major expenditure in the last five years has been focused on the development of the Company's portfolio of conventional North Sea assets in accordance with the Company's investing policy, in addition to on-going administrative expenditure.

Loss for the year

The Company incurred a loss for the year to 31 December 2019 of £2,360,248 (2018: £1,660,153), which included a £801,307 (2018: £nil) charge resulting from the impairment of intangible assets following the relinquishment of Licence P2248 (see note 10 to the financial statements).

The other administrative expenses of £1,709,069 (2018: £1,661,121) related primarily to technical and administrative expenditure. These were slightly higher than the previous year, mainly as a result of increased expenses relating to the OGA's 32nd Licensing Round applications and an increased non-cash share-based payment expense, offset by a decrease in other remuneration costs.

Finance income of £71,020 (2018: £968) increased owing to surplus funds placed in interest-bearing deposits, following the equity fundraising that was completed in July 2019. Finance costs of £28,763 (2018: £nil) represent the interest charge on a lease liability recognised, following the adoption of IFRS 16 in 2019.

Financial position

The Company's cash and cash equivalents position was £13,849,986 at 31 December 2019 (2018: £1,425,986) with the year-on-year increase in cash and cash equivalents being explained below.

The decrease in intangible assets to £1,127,942 (2018: £1,617,087) is mainly due to the impairment of £801,307 and a £362,264 disposal, reflecting the cumulative expenditure incurred on Licence P2437 prior to its farm-out to Shell, offset by further direct investment in all the North Sea licences totalling £684,161. Property, plant and equipment of £47,313 (2018: £11,788) includes a right of use asset relating to the office lease with a net book value of £33,545 which reflects the initial recognition of lease liabilities as a result of the adoption of IFRS 16 in 2019, net of the impact of a subsequent exercise of a lease break clause Total liabilities, which include short-term creditors, accruals and lease liabilities, decreased to £198,656 (2018: £395,580). The increase in total equity of £12,160,742 is due to the placing and subscription of new ordinary shares for gross proceeds totalling £15,141,096, offset by the loss for the year, and other movements set out in the Statement of Changes in Equity.

Global economic uncertainty

The Company is in a position of relative strength in these uncertain global economic times. The Company has no direct exposure to oil prices, has no debt and is well capitalised following a fundraising in July 2019. The Company remains funded for its share of the Selene and Pensacola wells, its other licence commitments and, on current plans, for its working capital requirements through to the end of 2021.

Cash flow

In the year to 31 December 2019, the net cash outflow from operating activities was £1,412,879 (2018: £1,522,575). The net cash outflow from investing activities was £372,389 (2018: £674,729), comprising £895,647 (2018: £665,565) related to expenditure on exploration assets, offset by £470,135 cash proceeds from the farm-out of Licence P2437 to Shell and interest received of £59,549 (2018: £968). The net cash inflow from financing activities was £14,208,682 (2018: £2,606,623), comprising total cash received (net of expenses) of £14,348,495 from the issue of new ordinary shares, of which £14,207,400 related to the fundraising completed in July 2019 and £141,095 related to share options exercised during the year, partially offset by lease payments comprising capital and interest portions totalling £139,813 (2018: £nil). The lease payments were presented in cash flows from operating activities in previous years, prior to the adoption of IFRS 16 in 2019.

Consequently, in the year to 31 December 2019, the Company experienced a net cash inflow of £12,423,414 (2018: £409,319).

Equity fundraising

On 6 June 2019, following the completion of the farm-out of Licence P2252 (containing the Pensacola prospect) to Shell, and Shell's exercise of its option to farm into Licence P2437 (containing the Selene prospect), the Company announced that it had raised £15 million, before expenses. This was through the aggregate placing and subscription of 857,142,857 new ordinary shares of 0.5p each at 1.75 pence per share. The placing was with new and existing institutional and private investors, and the subscription was by certain directors and senior management of the Company. The main purpose of this placing and subscription was to fund the Company's share of well costs on the Selene and Pensacola prospects, and to invest in advancing its other North Sea licences and potential future licence awards. The shares were allotted and admitted to trading on AIM on 1 July 2019. Following the completion of this placing and subscription there were 1,405,964,855 ordinary shares in issue. The Company is now fully funded for both well work plans and working capital requirements until the end of 2021.

Closing cash and cash equivalents

As at 31 December 2019, the Company held cash and cash equivalents totalling £13.85 million (2018: £1.43 million).

Shareholders' equity

As at 31 December 2019 there were 1,405,964,855 (2018: 538,173,289) ordinary shares in issue. Additionally, a total of up to 88,308,192 (2018: 58,956,901) new ordinary shares may be issued pursuant to the exercise of share options.

Going concern

The Directors have assessed the Company's ability to continue as a going concern. Although the oil and gas industry is currently facing the dual challenge of recent commodity price volatility coupled with the effects of Covid-19, fortunately, as a gas focused explorer the Company does not have direct exposure to the oil price and having taken the decision to raise funds in 2019 to protect itself from capital market volatility, is currently well funded with no debt. Based on the cash and cash equivalents balance at year end and the Company's commitments, the Directors are of the opinion that the Company has adequate financial resources to meet its budgeted exploration programme and working capital requirements, and accordingly will be able to continue and meet its liabilities as they fall due for a minimum of 12 months from the date of signing these financial statements.

Key performance indicators

At this stage in its development, the Company is focusing on the development of its North Sea gas and oil assets, applying for additional licences, maintaining and extending existing licences, as well as the evaluation of various oil and gas opportunities that may arise. The Directors closely monitor and manage the levels of overheads and other administrative expenditure, exploration expenditure, cash and deposit balances, as set out above. As and when the Company's investments move into production, other KPIs will become relevant and will be measured and reported as appropriate.

Sarah McLeod
Chief Financial Officer
15 April 2020

Investing policy

In addition to the development of the North Sea gas licences the Company has acquired to date, the Company proposes to continue to evaluate other potential oil and gas projects in line with its investing policy, as it aims to build a portfolio of resource assets and create value for shareholders. As disclosed in the Company's AIM Admission Document in May 2012, the Company's substantially implemented Investment Policy is as follows:

The proposed investments to be made by the Company may be either quoted or unquoted; made by direct acquisition or through farm-ins; either in companies, partnerships or joint ventures; or direct interests in oil & gas and mining projects. It is not intended to invest or trade in physical commodities except where such physical commodities form part of a producing asset. The Company's equity interest in a proposed investment may range from a minority position to 100% ownership.

The Board initially intends to focus on pursuing projects in the oil & gas and mining sectors, where the Directors believe that a number of opportunities exist to acquire interests in attractive projects. Particular consideration will be given to identifying investments which are, in the opinion of the Directors, underperforming, undeveloped and/or undervalued, and where the Directors believe that their expertise and experience can be deployed to facilitate growth and unlock inherent value.

The Company will conduct initial due diligence appraisals of potential projects and, where it is believed further investigation is warranted, will appoint appropriately qualified persons to assist with this process. The Directors are currently assessing various opportunities which may prove suitable although, at this stage, only preliminary due diligence has been undertaken.

It is likely that the Company's financial resources will be invested in either a small number of projects or one large investment which may be deemed to be a reverse takeover under the AIM Rules. In every case, the Directors intend to mitigate risk by undertaking the appropriate due diligence and transaction analysis. Any transaction constituting a reverse takeover under the AIM Rules will also require Shareholder approval.

Investments in early stage and exploration assets are expected to be mainly in the form of equity, with debt being raised later to fund the development of such assets. Investments in later stage projects are more likely to include an element of debt to equity gearing. Where the Company builds a portfolio of related assets, it is possible that there may be cross holdings between such assets.

The Company intends to be an involved and active investor. Accordingly, where necessary, the Company may seek participation in the management or representation on the Board of an entity in which the Company invests with a view to improving the performance and use of its assets in such ways as should result in an upward re-rating of the value of those assets.

Given the timeframe the Directors believe is required to fully maximise the value of an exploration project or early stage development asset, it is expected that the investment will be held for the medium to long term, although disposal of assets in the short term cannot be ruled out in exceptional circumstances.

The Company intends to deliver Shareholder returns principally through capital growth rather than capital distribution via dividends, although it may become appropriate to distribute funds to Shareholders once the investment portfolio matures and production revenues are established.

Given the nature of the Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of its net asset value.

The Directors consider that as investments are made, and new investment opportunities arise, further funding of the Company will be required.

This strategic report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business. Whilst the Directors believe the expectation reflected herein to be reasonable in light of the information available up to the time of their approval of this report, the actual outcome may be materially different owing to factors either beyond the Company's control or otherwise within the Company's control but, for example, owing to a change of plan or strategy. Accordingly, no reliance may be placed on the forward-looking statements.

Mark Lappin
Chairman
15 April 2020

Graham Swindells
Chief Executive Officer
15 April 2020

Qualified Person

Andrew Nunn, a Chartered Geologist and COO of CLNR, is a "Qualified Person" in accordance with the Guidance Note for Mining, Oil and Gas Companies, June 2009 as updated 21 July 2019, of the London Stock Exchange. Andrew has reviewed and approved the information contained within this announcement.

Glossary of Technical Terms

PRMS:	Petroleum Resources Management System (2007)
BCF:	Billion Cubic Feet
GIIP:	Gas Initially In Place
SCF:	Standard Cubic Feet
Mmbbl	Million barrels
mmboe:	Million barrels of oil equivalent
NPV10:	Is the present value of estimated future oil and gas revenues net of estimated direct expenses and discounted at an annual discount rate of 10%.
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.

Chance of Success (GCoS):	for prospective resources, means the chance or probability of discovering hydrocarbons in sufficient quantity for them to be tested to the surface. This, then, is the chance or probability of the prospective resource maturing into a contingent resource. Prospective resources have both an associated chance of discovery (geological chance of success) and a chance of development (economic, regulatory, market and facility, corporate commitment and political risks). The chance of commerciality is the product of these two risk components. These estimates have been risked for chance of discovery but not for chance of development.
EMV:	Expected Monetary Value, being the value for a set of possible scenarios based on the average risked value of that set of scenarios and which is calculated by multiplying the value of each possible scenario with the chance of that scenario being realised
TCF:	Trillion Cubic Feet
P90 resource:	reflects a volume estimate that, assuming the accumulation is developed, there is a 90% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a low estimate of resource.
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.
P10 resource:	reflects a volume estimate that, assuming the accumulation is developed, there is a 10% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a high estimate of resource.
Pmean:	is the mean of the probability distribution for the resource estimates. This is often not the same as P50 as the distribution can be skewed by high resource numbers with relatively low probabilities.

The GIIP volumes and Prospective Resources have been presented in accordance with the 2007 Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE), reviewed, and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE).

****ENDS****

For further information please contact the following:

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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. Limited 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 focused 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 a successful farm-out of Licence P2252 and P2437 to Shell U.K. Limited the Company is seeking to repeat this farm-out success with its other licences awarded in the 30th 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.

Income Statement

for the year ended 31 December 2019

	2019	2018
Continuing operations	**£**	**£**
Administrative expenses:		
Impairment of intangible assets	(801,307)	-
Other administrative expenses	(1,709,069)	(1,661,121)
Total administrative expenses	(2,510,376)	(1,661,121)
Other operating income	107,871	-
Operating loss	(2,402,505)	(1,661,121)
Finance income	71,020	968
Finance costs	(28,763)	-
Loss before tax	(2,360,248)	(1,660,153)
Income tax expense	-	-
Loss for the year	(2,360,248)	(1,660,153)
Loss per share from continuing operations expressed in pence per share:		
Basic and diluted	(0.24)p	(0.35)p

Statement of Comprehensive Income

for the year ended 31 December 2019

	2019	2018
	£	**£**
Loss for the year	(2,360,248)	(1,660,153)
Other comprehensive income	-	-
Total comprehensive expense for the year attributable to the equity holders of the Company	(2,360,248)	(1,660,153)

Balance Sheet

as at 31 December 2019

	2019	2018
	£	**£**
Assets		
Non-current assets		
Intangible assets	1,127,942	1,617,087
Property, plant and equipment	47,313	11,788
Other receivables	-	53,688
Total non-current assets	1,175,255	1,682,563
Current assets		
Other receivables	129,577	82,265
Cash and cash equivalents	13,849,400	1,425,986
Total current assets	13,978,977	1,508,251
Total assets	15,154,232	3,190,814
Capital and reserves attributable to the equity holders of the Company		
Shareholders' equity		
Share capital	7,029,824	2,690,866
Share premium	20,296,030	10,286,493
Share-based payment reserve	842,644	749,487
Accumulated retained deficit	(13,212,922)	(10,932,012)
Total equity	14,955,576	2,794,834
Liabilities		
Current liabilities		
Trade and other payables	172,869	395,980
Lease liabilities	25,787	-
Total liabilities	198,656	395,980
Total equity and liabilities	15,154,232	3,190,814

Statement of Changes in Equity

for the year ended 31 December 2019

	Share capital (£)	Share premium (£)	Share-based payment reserve (£)	Accumulated retained deficit (£)	Total equity (£)
Balance at 1 January 2019	2,690,866	10,286,493	749,487	(10,932,012)	2,794,834
Comprehensive income for the year					
Loss for the year	-	-	-	(2,360,248)	(2,360,248)
Total comprehensive loss for the year	-	-	-	(2,360,248)	(2,360,248)
Contributions by and distributions to owners					
Issue of share capital	4,338,958	10,802,138	(79,338)	79,338	15,141,096
Expenses of issue	-	(792,601)	-	-	(792,601)
Share-based payment	-	-	172,495	-	172,495
Total contributions by and distributions to owners	4,338,958	10,009,537	93,157	79,338	14,520,990
Balance at 31 December 2019	7,029,824	20,296,030	842,644	(13,212,922)	14,955,576
Balance at 1 January 2018	1,980,300	8,390,436	627,838	(9,271,859)	1,726,715
Comprehensive income for the year					
Loss for the year	-	-	-	(1,660,153)	(1,660,153)
Total comprehensive loss for the year	-	-	-	(1,660,153)	(1,660,153)
Contributions by and distributions to owners					
Issue of share capital	710,566	2,039,434	-	-	2,750,000
Expenses of issue	-	(143,377)	-	-	(143,377)
Share-based payment	-	-	121,649	-	121,649
Total contributions by and distributions to owners	710,566	1,896,057	121,649	-	2,728,272
Balance at 31 December 2018	2,690,866	10,286,493	749,487	(10,932,012)	2,794,834

Statement of Cash Flows

for the year ended 31 December 2019

	2019	2018
	£	**£**
Cash flows from operating activities		
Loss before tax	(2,360,248)	(1,660,153)
Finance income	(71,020)	(968)
Finance costs	28,763	-
Income from farm-out of licence interest	(107,871)	-
Depreciation	110,469	2,893
Amortisation	9,735	4,943
Impairment of intangible assets	801,307	-
Share-based payment	172,495	121,649
	(1,416,370)	(1,531,636)
(Increase)/decrease in other receivables	(17,106)	6,933
Increase in trade and other payables	20,597	2,128
Net cash outflow from operating activities	(1,412,879)	(1,522,575)
Cash flows from investing activities		
Purchase of intangible assets	(895,647)	(665,565)
Purchase of property, plant and equipment	(6,426)	(10,132)
Proceeds from farm-out of exploration licence interest	470,135	-
Interest received	59,549	968
Net cash outflow from investing activities	(372,389)	(674,729)
Cash flows from financing activities		
Proceeds of share issue	15,141,096	2,750,000
Expenses of share issue	(792,601)	(143,377)
Payment of principal portion of lease liabilities	(111,050)	-
Interest paid	(28,763)	-
Net cash inflow from financing activities	14,208,682	2,606,623
Increase in cash and cash equivalents	12,423,414	409,319
Cash and cash equivalents at beginning of year	1,425,986	1,016,667
Cash and cash equivalents at end of year	13,849,400	1,425,986

Notes to the Financial Information

for the year ended 31 December 2019

1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial information for the year ended 31 December 2019 and 31 December 2018 set out in this announcement does not constitute the Company's statutory financial statements for the year ended 31 December 2019 but is extracted from the audited financial statements for those years. The 31 December 2018 accounts have been delivered to the Registrar of Companies. The statutory financial statements for 2019 will be delivered to the Registrar of Companies in due course.

While the financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board and as endorsed for use in the European Union, and with those parts of the Companies Act 2006 applicable to companies preparing their accounting under IFRS, this announcement does not itself contain sufficient information to comply with IFRSs.

The principal accounting policies adopted in the preparation of the financial information in this announcement are set out in the Company's full financial statements for the year ended 31 December 2019.

Going concern

The Directors have assessed the Company's ability to continue as a going concern. Although the oil and gas industry is currently facing the dual challenge of recent commodity price volatility coupled with the effects of Covid-19, fortunately, as a gas focused explorer the Company does not have direct exposure to the oil price and having taken the decision to raise funds in 2019 to protect itself from capital market volatility, is currently well funded with no debt. Based on the cash and cash equivalents balance at year end and the Company's commitments, the Directors are of the opinion that the Company has sufficient funds to cover its budgeted exploration programme and working capital requirements, and accordingly it will be able to continue and meet its liabilities as they fall due for a minimum of 12 months from the date of signing these financial statements, therefore they continue to adopt the going concern basis of accounting in the preparation of these financial statements.

2. Loss per Share

The Company has issued share options over ordinary shares both of which could potentially dilute basic earnings per share in the future.

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Due to the losses incurred during the year, a diluted loss per share has not been calculated as this would serve to reduce the basic loss per share. There were 88,308,192 (2018: 58,956,901) share incentives outstanding at the end of the year that could potentially dilute basic earnings per share in the future.

Basic and diluted loss per share

	2019	**2018**
Loss per share from continuing operations	(0.24)p	(0.35)p

The loss and weighted average number of ordinary shares used in the calculation of loss per share are as follows:

	2019	**2018**
	£	**£**
Loss used in the calculation of total basic and diluted loss per share	(2,360,248)	(1,660,153)

Number of shares	**2019**	**2018**
	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	979,603,077	475,394,019

3. Intangible Assets

	Exploration & evaluation assets £	Software licences £	Total £
Cost			
At 1 January 2018	769,624	17,969	787,593
Additions	825,391	21,288	846,679
At 31 December 2018	1,595,015	39,257	1,634,272
Additions	684,161	-	684,161
Farm-out of licence	(362,264)	-	(362,264)
Deduction – licence relinquished	(801,307)	-	(801,307)
At 31 December 2019	1,115,605	39,257	1,154,862
Amortisation and impairment			
At 1 January 2018	-	12,242	667,439
Charge for year	-	4,943	4,943
At 31 December 2018	-	17,185	672,382
Charge for year	-	9,735	9,735
Impairment	801,307	-	801,307
Deduction – licence relinquished	(801,307)	-	(801,307)
At 31 December 2019	-	26,920	26,920
Net Book Value			
At 31 December 2019	1,115,605	12,337	1,127,942
At 31 December 2018	1,595,015	22,072	1,617,087
At 1 January 2018	769,624	5,727	775,351

The net book value of exploration and evaluation assets at 31 December 2019 and 2018 relates solely to the Company's North Sea Licences.

Following the failure of the preferred bidder on Licence P2248 to demonstrate the necessary financial capacity to fund the forward work programme within a timeframe that was acceptable to the OGA, the Company relinquished the licence with effect from 29 March 2019. As a consequence, the exploration asset relating to Licence P2248 was fully impaired and an impairment charge of £801,307 is included in the Income Statement for the year.

Aggregate cash proceeds arising from the farm-out of Licence P2437 to Shell during the year amounted to £470,135. An amount of £362,264 has been deducted from exploration and evaluation assets, being the previously capitalised expenditure relating to that licence. The surplus of the proceeds over the carrying value amounted to £107,871 and has been recognised as a gain on disposal of the partial interest and included as other operating income in the Income Statement for the year.

Additions of £684,161 (2018: £846,679) differ to the cash flows in the Statement of Cash Flows owing to a decrease in trade and other payables of £211,486 (2018: £181,114 increase) relating to intangible assets