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THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "TAKEOVER CODE") OF A POSSIBLE OFFER AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE TAKEOVER CODE. THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER WILL BE MADE.

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.

16 July 2020

**Deltic Energy Plc
("Deltic Energy" or the "Company")**

Statement regarding Proposal from Reabold Resources PLC

The Board of Deltic Energy Plc (AIM: DELT), notes the announcement yesterday by Reabold Resources plc ("Reabold") regarding a potential all share offer to be made by Reabold for the issued and to be issued share capital of Deltic Energy (the "Proposed Offer"). The Board confirms that it received an unsolicited and non-binding approach letter from Reabold on 14 July 2020, which it unequivocally rejected on 15 July 2020.

After consideration of the Proposed Offer with its advisers, the Board of Deltic Energy rejected the Proposed Offer for the following reasons:

Value of the Proposed Offer

The Proposed Offer does not place an appropriate value on Deltic Energy, given that it places no value at all on its significant non cash assets, not least its share of two potential high impact exploration wells with their partner Shell and does not even reflect the existing cash balance of Deltic Energy.

Strategic rationale

The Board of Deltic Energy does not believe there to be a strong rationale, commercial logic or sufficient operational synergies that would justify a combination of the two businesses.

Reabold's portfolio of investments

The Proposed Offer does not reflect the commercial and technical risks associated with the Reabold portfolio that Deltic shareholders would be exposed to in the event of a combination of the two businesses. The Board of Deltic Energy has a detailed understanding of a number of Reabold's investments, in particular, the West Newton project, which gives us serious concerns in relation to the technical viability, materiality and limited potential upside associated with various of these projects.

Unlike many of its competitors, Deltic Energy is fully funded to deliver on its existing strategy, including for its share of two potential high impact exploration wells, which Shell farmed into following an extensive period of technical and commercial due diligence, as well as its working capital requirements through to mid-2022.

This announcement is not, and should not be construed as being, an announcement of a firm intention by Reabold to make an offer for Deltic Energy under Rule 2.7 of the Takeover Code and was made without the consent of Reabold.

In accordance with Rule 2.6(a) of the Takeover Code, Reabold is required to announce either a firm intention to make an offer for Deltic Energy (pursuant to Rule 2.7 of the Takeover Code) or that it does not intend to make an offer (in which case the announcement will be treated as a statement to which Rule 2.8 of the Takeover Code applies) by 5:00pm on 12 August 2020 (being the 28th day following the date of Reabold's announcement), unless the Panel on Takeovers and Mergers (the "Takeover Panel") has consented to an extension of this deadline in accordance with Rule 2.6(c) of the Takeover Code.

There can be no certainty that Reabold's proposal will result in an offer being made for the Company, nor as to the terms on which any such offer may be made.

Following the announcement made by Reabold, the Company is now considered to be in an "offer period" as defined in the Takeover Code, and the dealing disclosure requirements listed below will apply.

Allenby Capital Limited is acting as financial adviser to the Company in relation to the Takeover Code.

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Publication on website

A copy of this announcement will be made available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at <http://www.delticenergy.com/> in accordance with Rule 26.1 of the Takeover Code by no later than 12 noon (London time) on 17 July 2020. For the avoidance of doubt, the content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Rule 2.9 Disclosure

In accordance with Rule 2.9 of the Takeover Code, Deltic Energy confirms that, as at the date of this announcement, it has 1,405,964,855 ordinary shares of 0.5p each in issue with International Securities Identification Number GB00B6SYKF01.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Takeover Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Additional information

Allenby Capital Limited ("**Allenby Capital**"), is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Allenby Capital is acting as financial adviser exclusively for Deltic Energy and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters set out in this announcement and will not be responsible to anyone other than Deltic Energy for providing the protections afforded to clients of Allenby Capital or its affiliates, or for providing advice in relation to the contents of this announcement or any other matter referred to herein.