

Stock Data

Share Price:	0.75p
Market Cap.:	£24.4m*
Shares in issue:	3,252.2m*
*Pro forma until GM approval	

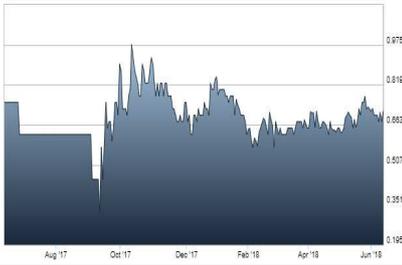
Company Profile

Sector:	Oil & Gas
Ticker:	RBD.L
Exchange:	AIM

Activities

Reabold is a strategic investor in near term, high growth potential oil and gas companies where its capital injection can facilitate near term activity.

Share price performance



Source: LSE

Turner Pope contact details

Turner Pope Investments (TPI) Ltd
6th Floor
Becket House
36 Old Jewry
London
EC2R 8DD

Tel: 0203 621 4120
Email: info@turnerpope.com
Web: www.turnerpope.com

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TPI acts as joint broker to Reabold Resources Plc

Barney Gray Research analyst
Tel: 0203 621 4120
barney@turnerpope.com

Reabold Resources Plc

Reabold has acquired 100% of the share capital of Gaelic Resources Ltd for the issue of 420 million new shares at a price of 0.725p per share representing a consideration of £3.045m. This acquisition provides Reabold with options to participate in three high-impact oil and gas leases in California, USA. Following completion of the acquisition, we expect that Reabold will have the right to earn-in to 50% of each lease by drilling up to five wells by the end of 2019. The company will convene a General Meeting shortly in order to grant the directors' authority to issue the consideration shares in order to complete the acquisition.

The leases acquired include Monroe Swell where a Redevelopment programme, currently focused on four out of seven existing production wells, is targeting oil in place of 1.0 mmbbls. The Monroe Swell Drilling programme has generated several 3D seismic defined shallow prospects and a subsequent two-well drilling programme to earn 50% of the asset. The first well is expected to be drilled by the end of 2018 with the second by mid-2019. The current operator estimates a potential resource target of over 4 mmbbls in place from new drilling activities.

The West Brentwood lease contains an existing oil field where the up-dip portion, containing an estimated 1-2 mmbbls of oil in place, is believed to be undrained. The operator has established a one well programme on this lease to earn a 50% interest.

Finally, Grizzly Island contains several gas prospects with an estimated recoverable resource of 50-90 BCF as defined by a 70 square mile 3D seismic grid. This lease has in place a two well programme to earn a 50% interest.

Reabold expects to drill three wells of the anticipated five wells before the end of 2018 with the first two to be drilled on West Brentwood and the Monroe Swell leases in Q3 2018. A successful first phase drilling programme implies that these early wells will be put into production after completion, providing cash flow for further drilling.

The leases are operated by Integrity Management Solutions, a California company that will direct operational decisions on the licences. The five well programme which carries an internal estimated NPV of US\$235m (not prepared in accordance with any reporting standard under the AIM rules) net to Reabold is expected to cost the company up to US\$7.0m for the five wells.

The acquisition is conditional upon Reabold convening a General Meeting to seek approval to authorise the issue and allotment of the consideration shares for Gaelic. Assuming all resolutions are approved at the GM, application will then be made for the new shares to be admitted to AIM soon after.

Upon completion, the vendors of Gaelic will hold 12.86% of Reabold's enlarged share capital. The vendors of Gaelic have agreed to a lock-in period in respect of 75% of the consideration shares of six months from the date of issue and an orderly market arrangement for a further six months thereafter.

This deal enables Reabold to conserve cash that can be used for high impact drilling activity in the UK while at the same time providing the company with near term exposure to a comparatively low risk wells in California and the potential for early cash flow. For an estimated net drilling cost of only c.US\$7.0m spread over 18 months, the company will acquire a 50% interest in a portfolio of high impact leases with estimated oil in place of up to 7 mmbbls and 90 BCF of recoverable gas resources.

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