

Stock Data

Share Price: 0.78p
Market Cap.: £29.8m
Shares in issue: 3,821.1m

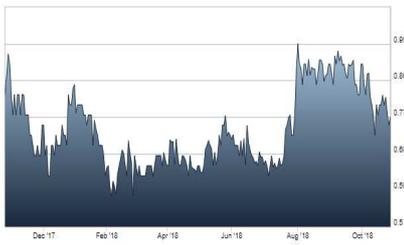
Company Profile

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

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TPI acts as joint broker to Reabold Resources Plc

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Reabold Resources Plc

Corallian Energy, in which Reabold holds a 32.9% interest, has signed a farm-out agreement with Talon Petroleum for a 10% interest in Licence P2396, located in the UK North Sea. Licence P2396, which contains the Curlew-A oil accumulation, discovered by Shell in 1977, was awarded to Corallian in the 30th Offshore Licensing Round and is estimated to contain 2C contingent resources of at least 44.7 mmboe.

Talon Petroleum, a wholly owned subsidiary of ASX-listed Talon Petroleum Limited, will pay 15% of the drilling cost for an appraisal well on Curlew-A up to a cap of £12.0m. Expenditure thereafter will be expedited on a pro rata basis. The current estimated cost of a well on Curlew-A is expected to be £9.7m using a jack-up rig.

The appraisal well is expected to be drilling in H2 2019 and will test the original Shell Tertiary aged discovery which encountered 10.5 metres of net oil sands in the Odin and Cromarty sandstones within a salt-cored anticline. The well recovered multiple light oil samples (36° API) at the time of discovery.

A competent persons report (CRR) completed by Software Information Solutions, a Schlumberger Oilfield UK company, in October 2018 assigned best estimate unrisks 2C contingent resources of 36.2 mmbbls of oil with an additional 50.9 BCF of gas (44.7 mmboe combined) to Curlew-A within a range of 19.5 mmboe at the low end (1C) of estimates and 81.5 mmboe at the high end (3C).

The Curlew-A well will be drilled to a depth of c.2,700 metres sub-sea in a water depth of approximately 90 metres. The primary objective of the well is to de-risk the initial 2C resources prior to targeting a deeper secondary objective in the Forties Sandstone. This interval was not encountered in the discovery well. However, it is expected to be evident in the south-western flank of the structure which the well will probe.

In Romania, Reabold has noted that the Sales and Purchase Agreement (SPA) by Danube Petroleum to purchase a 100% interest in the Iecea Marea Production Licence from the Romanian production company, Amromco Energy has been completed. Reabold holds a 29% interest in Danube. Danube has already paid Amromco an initial fee of €10,000 which will be followed by a further €20,000 and a 5% royalty for production from future wells on the licence.

The acquisition of the licence will enable the first Parta appraisal well to be drilled from an optimal location within the licence area. The operator has already contracted a drilling rig and lead times indicate that the first of two wells will be drilled in Q1 2019.

Further to an announcement made in September 2018, Reabold has agreed to extend the option funding arrangements from 31 October to 30 November 2018. Reabold has an option to invest a further US\$0.5m into Danube on the basis that ADX will either invest the same amount directly or source such investment from a third party on the same terms as Reabold's original Tranche 1 and 2 investments.

Reabold's investments in Corallian and Danube have exposed the company to a growing portfolio of exploration and appraisal upside. In particular, Corallian's latest farm-out agreement with Talon looks set to deliver exposure to a third high impact UK offshore well within the next twelve months in addition to the upcoming wells on Colter and Wick. In addition, the contracting of a rig in Romania will expedite a two well appraisal programme on the Iecea Marea field which has the potential to deliver a rapid tie-in of gas production on the licence.

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