

#### Stock Data

Share Price: 2.40p  
Market Cap.: £12.9m  
Shares in issue: 538.2m

#### Company Profile

Sector: Oil & Gas  
Ticker: CLNR  
Exchange: AIM

#### Activities

Cluff is an oil and gas investing company with a primary focus on gas exploration opportunities the UK Southern North Sea (SNS). The company recently expanded its asset portfolio with the provisional award of ten full and part oil and gas blocks located in the SNS and the Central North Sea region.

#### Share price performance



Source: LSE

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# Cluff Natural Resources PLC

**Cluff Natural Resources recently announced that it had signed an exclusivity agreement with a major international oil and gas company in regard to Licence P2252 in the UK Southern North Sea (SNS). This news was complemented by the announcement that Cluff has also received confirmation from the UK Oil and Gas Authority (OGA) that the OGA has extended the Initial Term from licences P2252 and P2248 until 31 May 2019 subject to further work programme commitments.**

On 28 November 2018, Cluff announced that it had signed an exclusivity agreement with a major international oil and gas company in relation to Licence P2552 which is located in the UK SNS. This definitive agreement followed discussions with several data room entrants over recent months.

Exclusivity has been granted to Cluff's counterparty subject to a definitive farm-out agreement being entered into by 31 January 2019 and completed by 28 February 2019. Given the exclusive nature of these negotiations, Cluff has terminated discussions with other potential partners in regard to the licence and the P2252 data room is closed while the current exclusivity agreement is in place.

Cluff notes that despite the relatively advanced status of the current negotiations, the company provides no assurance that a commercial agreement will be concluded with the counterparty.

In tandem with this news, Cluff has also announced that the UK OGA has extended the Initial Terms of licences P2252 and P2248 for a period of six months until the 31 May 2019. This extension is subject to further work programme commitments for both licences being made by Cluff which holds 100% interests in each.

These commitments include a seismic and well work programme on the Pensacola prospect on P2252 by 28 February 2019 in addition to a firm well commitment on P2248 by the same date.

With regard to licence P2248, Cluff is in advanced negotiations with its preferred bidder on a non-exclusive basis. The extension of the Initial Terms for P2248 will allow Cluff the opportunity to complete a transaction which could lead to a future drilling programme of one of more wells on the licence.

While the company enters into the advanced stages of farming out interests in its UK 28<sup>th</sup> Offshore Licensing Round licences P2252 and P2248, Cluff is also progressing activities in regard to the additional six licences that the company was awarded in the 30<sup>th</sup> Licensing Round. This acreage is estimated to contain up to 1.9 TCF of prospective gas resources.

**The six month extension of the Initial Terms for Cluff's core assets, P2252 and P2248, demonstrates that the company has the solid support of the UK OGA. As such, Cluff now has the scope to conclude negotiations with commercial partners and we are confident that the company will be able to agree a maiden farm-out agreement on at least one licence within the next six months.**

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