

Stock Data

Share Price: 0.65p
Market Cap.: £24.8m
Shares in issue: 3,823.1m

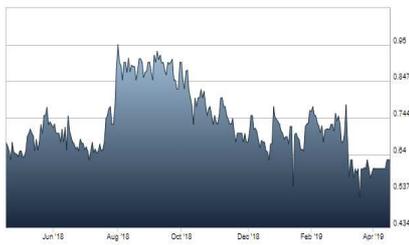
Company Profile

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

Oil production from the VG-4 well at the West Brentwood field in California (Reabold 50%) has commenced at an initially constrained rate as a consequence of significant volumes of associated gas. However, a tie-in to the local gas pipeline is underway and when completed, daily volumes of both oil and gas can be increased significantly providing a significant increase in revenue to the company.

The VG-4 well at the West Brentwood field in California has been put on production at an initially constrained rate. The significant volume of gas produced in addition to the oil during the well test has meant that the well cannot be produced at its full rate until a tie-in to a nearby gas pipeline has been completed. As such VG-4 is producing at a choked back rate in the range of 150-250 bopd on a gross basis.

Gas production from VG-4 has been reduced to an acceptable level in advance of the pipeline tie-in and Reabold expects that daily oil volumes can be increased significantly once the gas constraint has been removed. At this point, Reabold will benefit from both increased oil sales and revenue from the associated gas.

This positive update follows on from news on 1 April 2019 that IMS, the contract operator of the Monroe Swell field in which Reabold will earn a 50% interest, informed the company of an oil discovery at the Burnett 2B well. This followed the successful Burnett 2A well result announced on 11 March 2019.

Despite severe weather conditions, Burnett 2B was drilled to a total depth of 894m, encountering the targeted Burnett and Lower Burnett sands. Both formations exhibited significant oil and gas shows and Halliburton wireline logging has confirmed estimated pay of 90m, which was ahead of pre-drill expectations. Looking ahead, Reabold has confirmed that a production test is planned for both the Burnett 2B and 2A wells.

Reabold has an agreement with Sunset Exploration to pay the full drilling and completion costs of the two wells within the Monroe Swell area in order to earn a 50% net working interest in these licences. Consequently, once Burnett 2A and 2B have been completed to first sales, Reabold will have earned its 50% interest.

In Romania, Reabold noted on 8 April 2019 that a binding Heads of Agreement had been signed between Danube Petroleum Limited's 100% owned subsidiary, ADX Energy Panonia Srl, and Parta Energy Pty Ltd, an Australian private company, to fund a planned seismic programme on Danube's Parta Exploration Licence. Parta Energy will fund the first US\$1.5m of expenditure for the acquisition of c.100 km² of 3D seismic to earn a 50% participating interest in the Licence.

This deal follows the withdrawal of previous partner, RAG, in March 2019. Following completion of the farm-in, Danube will again hold a 50% interest in the Parta licence. Reabold has a 33% shareholding in Danube Petroleum with ADX Energy Ltd holding the balance. ADX expects all farm-in funding conditions to be met by the end of June 2019 and will commence planning the seismic programme during Q3 2019 with a view to seismic acquisition occurring during Q4 2019.

Reabold continues to perform strongly across its portfolio of assets. The US drilling programme has been highly successful to date and momentum is increasing in Romania with news of Parta Energy's farm-in to the Parta licence. With the West Newton high impact appraisal well also expected to spud soon in the UK onshore sector, we believe that Reabold possesses exposure to an exciting range of projects.

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