

Stock Data

Share Price: 1.2p
Market Cap: 48.8m
Shares in issue: 4,064m

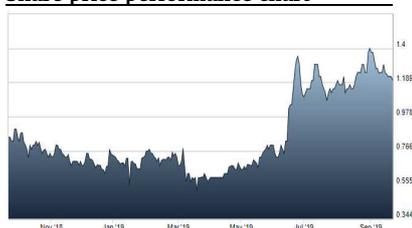
Company Profile

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 chart



Source: LSE

Past performance is not an indication of future performance.

Turner Pope contact details

Turner Pope Investments (TPI) Ltd
8 Frederick's Place
London
EC2R 8AB

Tel: 0203 657 0050
Email: info@turnerpope.com
Web: www.turnerpope.com

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Barney Gray
Research analyst
Tel: 0203 657 0050
barney@turnerpope.com

Reabold Resources Plc

With higher than expected flow rates from the Burnett 2B well on the Monroe Swell licence in California, in which Reabold has earned a 50% working interest, the company is currently increasing the capacity of the production facilities on site. With a concurrent programme to boost production from Burnett 2A likely to increase volumes further, the company is evaluating the potential to drill additional wells on Monroe Swell. Reabold is experiencing a similar situation on the West Brentwood licence (RBD: 50%) where strong output from wells VG-3 and VG-4 has accelerated plans to drill a third well; VG-5, in Q4 2019.

The contract operator of the Monroe Swell licence, Integrity Management Solutions (IMS), recently completed a programme of re-entering and cleaning out the perforated zones and adding additional intervals at the Burnett 2B well. These additional zones were previously logged as pay but had not been perforated.

Following this activity, the Burnett 2B well responded with flow rates of oil that were ahead of expectations. Given that the current production facilities do not have sufficient capacity to deal with these volumes, the well has been constrained to a rate of approximately 40 bopd and work is underway to increase the capacity of the production facilities. This programme is expected to be completed in the next two to three weeks.

IMS is conducting a similar programme at the Burnett 2A well where the operator is re-entering and cleaning the perforated zones with a view to increasing production levels. This work is ongoing and we anticipate further updates as it progresses.

With the strong flow rates from Burnett 2B in evidence, Reabold and its joint venture partners, IMS and Sunset Exploration, are currently evaluating the potential to drill additional wells on the Monroe Swell licence area.

To date, Reabold and its partners have drilled two wells on the West Brentwood licence; VG-3 and VG-4. With both wells on production and performing well, the company and its partners have decided to drill a third well on West Brentwood which will be called VG-5. This is expected to take place over Q4 2019.

With regards to the company's Grizzly Island licence which is estimated to contain gas resources of up to 90 BCF, Reabold has noted the strong cash generation from its interests in West Brentwood and Monroe Swell, which has the potential to generate funds for investment into other assets within the company's portfolio. As such, Reabold has elected to prioritise drilling the VG-5 well ahead of the planned well at Grizzly Island that is now expected to be drilled in 2020.

With oil production expected to increase from both Monroe Swell and West Brentwood coupled with a recent rally in crude prices, Reabold has elected to prioritise the drilling of new wells on these key licences and defer a well on the company's Grizzly Island gas asset until 2020. We believe that this strategy will deliver strong cash generation providing funds for further investment in Reabold's US assets in addition to the group's wider portfolio.

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