

Stock Data

Share Price: 0.93p
Market Cap: 62.6m
Shares in issue: 6,730.6m

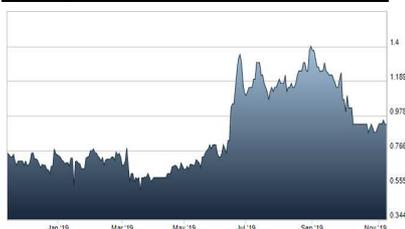
Company Profile

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.

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Reabold Resources Plc

Following the drilling of the West Newton A-2 appraisal well on UK onshore licence PEDL183 in which Reabold holds an indirect interest of 39.3% through its 59.0% interest in operator Rathlin Energy, Rathlin has undertaken a detailed range of technical studies focusing on the Kirkham Abbey formation. Consequently, the operator has upgraded its estimated volumes of in-place hydrocarbons within the reservoir. Of particular interest is the conclusion that the dominant phase of the in-place volumes is oil rather than gas and that these volumes are indicated to be significantly greater than those assumed by the existing CPR produced prior to the drilling of West Newton A-2.

Subsequent to the drilling of West Newton A-2, Rathlin undertook a range of technical studies including core analysis, petrophysical evaluation and sedimentology, the findings of which were integrated with the results of existing 3D seismic data and the West Newton A-1 well. As such, Rathlin has upgraded its estimated volumes of hydrocarbons in place in the key Kirkham Abbey formation reservoir of the West Newton discovery.

We note at this stage that this assessment of the estimated hydrocarbons in place should not be interpreted as an indication of ultimately recoverable reserves and a Competent Person's Report (CPR) is being commissioned to estimate resources separately.

As outlined in previous announcements regarding the anticipated hydrocarbon components of West Newton, Rathlin's study indicates a significant volume of oil below a gas cap that is also potentially substantial. In the base case scenario, the liquids component is estimated to be 146.4 mmbbls of liquids in place with an upside case of 283 mmbbls in place. Rathlin also estimates that the base case gas component could be 211.5 BCF of gas in place with an upside case of 265.9 BCF.

Assuming conservative recovery rates of 25% for oil and 60% for gas, Rathlin's estimates indicate that recoverable reserves within the Kirkham Abbey formation of West Newton could be up to 37 mmbbls of oil and 53 BCF of gas in the base case and 71 mmbbls and 160 BCF in the upside case assuming that recovery factors are not higher.

Rathlin's basis for the re-evaluation of the Kirkham Abbey formation reservoir was based predominantly on the evaluation of drilling results from the West Newton A-2 well. The identification of the oil leg in particular was based on C₅+ readings in the mud gas, an industry standard means of determining fluid type in a reservoir. This was combined with analysis of drilling samples, fluorescence from core and surface samples and the results of downhole logs.

Key to the findings was the analysis of the 28 metres physical core recovered from the Kirkham Abbey reservoir yielding key sedimentological and depositional information and tied into the downhole log data. With the range of information from the West Newton A-2 well integrated with the existing 3D seismic survey which covers the entire West Newton area, Rathlin was able to update the range for the reservoir rock volumes and also derive porosities, hydrocarbon saturations and fluid characterisations in order to arrive at the current in-place hydrocarbon estimates outlined above.

We believe that this is very positive news for Reabold which increased its interest in Rathlin from 36% to 59% in early November 2019. West Newton has the potential to be a major onshore oil and gas asset and with the operator already permitted to conduct additional drilling at the West Newton B site, we anticipate further operational news flow over the coming months.

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