

Cluff Natural Resources Plc ('CLNR' or 'the Company')
**Placing and subscription to raise £2.2 million to develop UK Underground Coal
Gasification and Southern North Sea Gas Licences**

Cluff Natural Resources Plc, the AIM quoted natural resources investing company, is pleased to announce that it has conditionally raised approximately £2.2 million, before expenses, through the aggregate placing and subscription of 52,013,520 new ordinary shares of 0.5p each ("Placing Shares") at 4.25 pence per share (the "Placing") with a range of new and existing institutional and private investors. The Placing comprises 44,222,332 Placing Shares that the Company expects to issue on 15 April 2015 (the "First Placing Shares") and 7,791,188 Placing Shares that the Company expects to issue on 11 September 2015 (the "Second Placing Shares"). This funding represents a significant step for CLNR as it continues towards the commercialisation of its deep underground coal gasification ("UCG") licences in the UK and its aim to unlock the vast energy potential of the country's un-mined offshore coal resources as well as in the development of its Southern North Sea gas licences.

The Placing is conditional, amongst other things, upon shareholders passing the resolution to be proposed at a general meeting of the Company to be held at 11.00 a.m. on 14 April 2015 (the "General Meeting"). A circular (the "Circular"), containing information in relation to the Placing and convening the General Meeting, is expected to be sent to Shareholders today. The Circular will be available on the Company's website at www.cluffnaturalresources.com in due course.

Approximately £1.4 million of the net proceeds of the Placing is anticipated to be utilised to develop the Company's most advanced licence – the Kincardine project in the Firth of Forth, Scotland ("Kincardine"). In November 2014 the Company announced a JORC resource estimate at Kincardine which confirmed the licence area as being suitable for UCG. The resource statement confirmed a previous feasibility study completed by the Department of Trade and Industry, which previously highlighted the suitability of this area for UCG development.

In the course of the current year, the Company will focus on preparing and submitting a planning application by year end, which will include an Environmental Impact Assessment for a UCG production test project at Kincardine. Between approximately 2016 and 2018, CLNR anticipates constructing, operating and then de-commissioning a production test plant. Assuming positive results from the test plant, the Company will then look to secure commercial offtake agreements and obtain relevant approvals to construct a full scale commercial project.

CLNR also has five North Sea promote licences for conventional gas exploration which were awarded to the Company in December 2014, over 2,400km², covering a total of eleven blocks in an emerging gas province of the Southern North Sea. The licences are located in close proximity to a number of recent discoveries (e.g. the Breagh field) which have been identified and unlocked by new broadband 3-D seismic and advances in drilling and completion technology. The licences are also in shallow water close to established infrastructure and gas markets. In order to unlock value in this proven gas basin, the Company anticipates utilising approximately £0.4 million from the Placing to acquire and process seismic data to fully define prospects over these licence areas with the primary focus being the Company's licence P2252 which contains the undeveloped Lytham discovery in block 42/1 (CLNR 100% interest). Following this, CLNR will seek to secure suitable farm-in partner(s) ahead of a drill-or-drop decision by the end of 2016.

The remainder of the net proceeds from the Placing, in addition to the Company's existing cash balance (totalling £1.07 million as at 31 January 2015, unaudited) will be used for corporate overheads and working capital purposes through to approximately the end of Q1 2016.

Notably, the Company entered into a memorandum of understanding ("MOU") in February 2015 with Halliburton Manufacturing and Services Limited ("Halliburton"), one of the world's largest providers of products and services to the energy industry. The purpose of the MOU is to collaborate on the development of both the Company's UCG and Southern North Sea gas assets in the UK, which includes acceleration of the development of knowledge and capabilities of CLNR in relation to its UCG and North Sea assets, technical consultation and the provision of technical and consultancy services and projects by Halliburton.

In addition to the development of its UCG and Southern North Sea gas assets, the Company proposes to continue to evaluate other potential natural resources opportunities in line with its investing policy.

Directors' Subscription

Certain Directors have subscribed for the following Placing Shares:

Director	Placing Shares subscribed for	Resulting holding of Ordinary Shares	% of Enlarged Share Capital after First Admission	% of Enlarged Share Capital after Second Admission
Algy Cluff	470,588	12,038,502	6.04	5.82
Graham Swindells	235,294	323,406	0.16	0.16
Andrew Nunn	235,294	235,294	0.12	0.11
Nicholas Berry	470,588	1,370,588	0.69	0.66

Peter Cowley	47,059	447,059	0.22	0.22
William De La Warr	588,235	3,054,091	1.53	1.48

Details of the Placing and Total Voting Rights

The price per Placing Share of 4.25 pence represents a discount of 5.6 per cent. to the closing mid-market price on 16 March 2015. Application will be made for the First Placing Shares and Second Placing Shares, which will rank *pari passu* with the existing ordinary shares of 0.5p each in the Company ("Ordinary Shares"), to be admitted to trading on AIM ("Admission"). Admission of the First Placing Shares is expected to occur at 8.00 a.m. on 15 April 2015 ("First Admission"). Admission of the Second Placing Shares is expected to occur at 8.00 a.m. on 11 September 2015 ("Second Admission"). The First Placing Shares represent approximately 22.2 per cent. of the Company's enlarged share capital upon First Admission and the Second Placing Shares represent approximately 3.8 per cent. of the Company's enlarged share capital upon Second Admission.

The total number of voting rights in the Company upon First Admission will be 199,222,332 Ordinary Shares. This number may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules. A further announcement will be made upon Second Admission.

Algy Cluff, Chief Executive & Chairman commented: *"Naturally we are delighted with the outcome of this £2.2 million placing and subscription with both new and existing shareholders continuing to support the business. The funds raised will support the next stage of our growth strategy as we look to accelerate the development and commercialisation of our UCG assets in the UK as well as our Southern North Sea gas assets.*

"The UK faces dangerous energy security and supply risks with the current natural gas production forecast to only meet approximately 25% of domestic demand by 2030. We believe that UCG has a significant role to play in unlocking the UK's abundant indigenous energy resource which, with the imminent closure of the last deep coal mines, is now otherwise effectively beyond reach. The deep offshore UCG developments being undertaken by our company are anticipated to have significant environmental, safety and climate change benefits, when combined with carbon capture and storage, compared with coal mining and coal-fired power generation. We believe that UCG will help provide a cleaner energy, diversity of supply and energy security for the UK.

"With these funds now raised we look forward to updating the market on our developments across our portfolio of gas assets."

****ENDS****

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NOTES FOR EDITORS

CLNR

Underground Coal Gasification ("UCG") Assets

- CLNR currently holds eight UK licences for deep UCG, covering a total area of 613km².
- UCG is a proven industrial process which allows coal to be converted into gas in-situ.
- UCG provides the opportunity to unlock an indigenous energy resource which is currently stranded due to its location and due to the entrenched decline of UK's mining industry.
- The establishment of a new UCG industry in the UK will create new employment opportunities and tax revenues, with skills requirements similar to other industries currently in decline in the UK including coal mining, oil & gas and the petrochemical industries.
- In addition, UCG will increase UK security of energy supply by utilising indigenous resources and providing a diversification of supply.
- CLNR's initial focus is to progress its Kincardine project (the "Project") and will be seeking planning consent for this project.
- The Project will comply with all relevant planning, permitting and environmental protection legislation. CLNR intends to work closely with the consent authorities and regulators in preparing its planning application for the Project.

Southern North Sea Gas Assets

In December 2014, DECC awarded CLNR five promote licences for conventional gas exploration covering a total of eleven blocks, in an emerging gas province of the Southern North Sea.

The blocks are located in an under-explored, emerging gas province of the Southern North Sea, with diverse, high-potential play fairways and trap types in the Carboniferous. Significant interest in the area has recently been rejuvenated by breakthroughs in broadband 3-D seismic surveying technology, which acquires high resolution images below the Permian overburden.

Notable developments in the wider area include the completion of a multi-client 3-D survey (covering CLNR block 42/1 and part of CLNR blocks 41/5 and 41/10), the Pegasus West Gas Discovery (operated by Centrica, which flowed approximately 90MMscf/day on test from Namurian reservoirs), first gas production from the Breagh Field (operated by RWE Dea, estimated to contain nearly 600bcf of recoverable gas reserves) in October 2013 and on-going development of the Cygnus Gas Field (operated by GDF Suez) where first gas production is due in 2015.

All of CLNR's blocks are located in relatively shallow water where new conventional gas discoveries can be developed quickly and regional infrastructure is evolving rapidly.

Halliburton Memorandum of Understanding

In February 2015, the Company entered into a memorandum of understanding ("MOU") with Halliburton Manufacturing and Services Limited ("Halliburton"), one of the world's largest providers of products and services to the energy industry, with a view to collaborating on the development of CLNR's UCG and Southern North Sea gas assets in the UK. This development marks a significant step for CLNR as it continues towards the commercialisation of its portfolio of deep UCG licences in the UK to unlock the vast energy potential of the country's un-mined offshore coal resources and in the development of its Southern North Sea gas licences. The MOU reflects CLNR's and Halliburton's desire to establish areas of possible joint collaboration in the development of the CLNR's UCG and Southern North Sea gas assets (the "Joint Collaboration"). Such areas of Joint Collaboration will include the acceleration of the development of knowledge and capabilities of CLNR in the development of its UCG and Southern North Sea gas assets, technical consultation and the provision of technical and consultancy services and projects by Halliburton. Specifically, this will include: a) developing and leveraging new and emerging methodologies, technologies and new business models in relation to the development of CLNR's UCG and Southern North Sea gas assets; b) collaboration in the development of CLNR's UCG and Southern North Sea gas assets; c) further improvement and enhancement of any current technologies; and d) enhancing business relationship between the parties.

Further information about CLNR, our investors and UCG technology can be found on our website www.cluffnaturalresources.com