

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATIONS (EU) NO. 596/2014 ("MAR"). IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

6 October 2017

Cluff Natural Resources plc / Index: AIM / Epic: CLNR / Sector: Natural Resources

**Cluff Natural Resources Plc ('CNR' or 'the Company')
Subscription to raise £1 million**

Cluff Natural Resources Plc, the AIM quoted natural resources investing company, is pleased to announce a subscription (the "Subscription") of a total of 66,666,667 new ordinary shares (the "Subscription Shares") to raise a total of £1 million (before expenses) in two tranches. All new ordinary shares are to be issued at a price of 1.5 pence per new ordinary share (the "Subscription Price").

The Subscription Shares will be issued in two tranches, with the issue of 25,000,000 new ordinary shares (raising a total of £375,000) being conditional, *inter alia*, on the approval of shareholders of a resolution to provide authority to the Directors to issue and allot further new ordinary shares otherwise than on a non-pre-emptive basis (the "Resolution"), further details of which are set out below. It is intended that a general meeting of the Company in relation to the Resolution will be held on or around 26 October 2017 (the "General Meeting").

The proceeds of the Subscription will be used to complete the application for additional licences under the UK's 30th Offshore Licencing Round, to allow additional time to seek to complete a farm out of the Company's two 100% owned gas licences in the Southern North Sea and to continue to pursue additional investment opportunities, as well as for general working capital purposes. The Directors expect that the net proceeds of the Subscription will fund the Company through to at least the middle of Q2 of 2018.

A circular (the "Circular"), which will include a notice convening the General Meeting, is intended to be posted to Shareholders on or around 10 October 2017. This announcement should be read in conjunction with the full text of the Circular, when available.

Details of the Subscription

The Subscription is being conducted in two tranches. A total of £625,000, representing the issue of 41,666,667 Subscription Shares (the "First Tranche Shares"), has been raised within the Company's existing share allotment authorities. Application has been made for the First Tranche Shares to be admitted to trading on AIM and it is expected that their admission to AIM will take place on or around 12 October 2017 ("First Admission"). The issue of the First Tranche Shares is conditional only upon First Admission.

The balance of the Subscription, being in aggregate £375,000 and representing the issue of 25,000,000 new ordinary shares (the "Second Tranche Shares") is conditional upon, *inter alia*, the passing of the Resolution at the General Meeting, First Admission and admission of the Second Tranche Shares to trading on AIM ("Second Admission"). It is expected that Second Admission will take place on or around 27 October 2017.

Provided that the Resolution is approved at the General Meeting and Second Admission becomes effective, once fully completed the Subscription as a whole will result in the issue of 66,666,667 new ordinary shares, representing, in aggregate, approximately 16.8% per cent. of the Company's issued ordinary share capital as enlarged by the Subscription. First Admission is not conditional on Second Admission completing. The Subscription is not being underwritten.

The Subscription Shares, when duly issued and fully paid, will rank *pari passu* in all respects with the Company's existing ordinary shares, including the right to all dividends or other distributions declared, made or paid after the date of issue.

General Meeting and Circular

A General Meeting of the Company is to be convened to be held at the offices of K&L Gates LLP, One New Change, London EC4M 9AF at 11.00 a.m. on 26 October 2017. In addition to the Resolution, which will provide authority to the Directors to issue and allot further new ordinary shares otherwise than on a non-pre-emptive basis pursuant to the Subscription, resolutions will also be proposed to renew the Directors' general authority to allot equity securities and to disapply statutory pre-emption rights in respect of the issue of a limited number of additional equity securities.

Details regarding the Subscription, the Resolution and the General Meeting will be contained within the Circular (which will include a notice convening the General Meeting), which is intended to be posted to Shareholders on or around 10 October 2017 and will also be made available at that time on the Company's website, www.cluffnaturalresources.com.

Total Voting Rights

Upon First Admission, following the issue of the First Tranche Shares, the Company's issued ordinary share capital will consist of 371,060,199 ordinary shares, with one voting right each. The Company does not hold any ordinary shares in treasury. Therefore the total number of

ordinary shares and voting rights in the Company at that time will be 371,060,199. With effect from First Admission, this figure may be used by shareholders in the Company 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 share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Following Second Admission (assuming that the Resolution is passed at the General Meeting and Second Admission takes place), the Company's issued ordinary share capital will consist of 396,060,199 ordinary shares, with one voting right each.

****ENDS****

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