FRACTURED CARBONATE APPRAISAL PROJECT

P50 Prospective Resource = 636 BCF
Blocks 41/5, 41/10 and 42/1 – Southern North Sea Gas Basin (CLNR 100%)

LYTHAM - FAIRHAVEN FRACTURED HAUPTDOLOMITE APPRAISAL PROJECT - HIGHLIGHTS

- P50 Prospective Resources of 168 BCF (Range 70-342 BCF)
- Large, low relief, faulted anticline extending to 60km² with gas shows in Hauptdolomite
- Many similarities to producing Hewett Gas Field
- Mapped on high quality reprocessed PSTM/PSDM 3D volume
- Inversion workflow indicates potential high density fracture network

PENSACOLA PROSPECT – EXPLORATION UPSIDE IN PATCH REEF

- Significant exploration upside within a large Z2 reef build-up
- P50 Prospective Resources of 424 BCF (Range 180-997 BCF)
- Similar to Crosgan discovery and the Aurora and Ossian prospects

CONTACT DETAILS
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INTRODUCTION
License P2252 is located in the shallow water of the SNS and contains a high quality appraisal project and significant exploration upside with a combined, P50 Prospective Resource of 636 BCF. Several fields and discoveries are present in this area and other wells on the licence have indications of gas pay or gas shows in the Hauptdolomite target.

LICENCE BACKGROUND
- P2252 (Blocks 41/5, 41/10 and 42/1) is a 28th Round Promote Licence in which CLNR has a 100% equity interest
- Initial ‘Promote’ period extended until end November 2017 by the OGA
- ‘Promote’ work commitments have been met, requires a commitment to drill a firm well to carry on beyond November 2017

LYTHAM – FAIRHAVEN FRACTURED HAUPTDOLomite PROSPECT SUMMARY
- Lies close to the Crosgan discovery and the Ossian and Aurora Prospects
- The Lytham structure is a large low relief closure in the form of a faulted anticline
- The fractured Z2 Hauptdolomite is a prolific producer in the Dutch, Polish and German onshore fields. It is a proven producible reservoir elsewhere in the Southern North Sea
  - Well 41/25-1 – flowed 22.9mmscf/day, acidized (Total 1969)
  - Well 41/20-2 – flowed 1.7mmscf/day from vertical, unstimulated (Total 1969)
  - Well 41/18-1 – flowed 2.5mmscf/day from vertical, acidized (Total 1966)
- Proven regional seal comprised of approximately 300m of Stassfurt Halite
- Underlying early Carboniferous sequence is mature for gas generation below 7500’ and contains both coals and organic shales which represent potential sources of light liquid hydrocarbons and gas
- Elevated gas readings in the wells on structure indicate migration and trapping of hydrocarbons in structure
The presence of a high density fracture network at Hauptdolomite level is indicated in the tracking volume extracted from the inversion workflow and supported by well data which indicates significant loss of drilling fluids, LCM and cement to formation during historical drilling operations.

Vertical exploration wells and poor drilling practices have led to failed well tests and a significant underestimation of the production potential of these fractured platform carbonates.

The proposed work program requires the drilling of a horizontal appraisal well in the Hauptdolomite reservoir to test the production potential of this prospect.
LYTHAM - FAIRHAVEN FRACTURE HAUPTDOLomite PROSPECT - VOLUMETRICS

The area of the prospect has a mapped closure within +/- 5% and the N:G is assumed to be 100% as the fracture network, either natural or stimulated, is likely to be pervasive over the entire thickness of the Hauptdolomite.

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Type</th>
<th>PRMS Status</th>
<th>Net Prospective Resources (BCF)</th>
<th>GCoS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lytham - Fairhaven</td>
<td>Fractured Hauptdolomite</td>
<td>Prospect</td>
<td>P90 70  P50 168  Mean 190 P10 342</td>
<td>46</td>
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</tbody>
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PENSACOLA PROSPECT - SUMMARY

The Pensacola Prospect lies in close proximity to the Crosgan discovery and other similar structures mapped at the Ossian and Aurora Prospects.

The distinctive fringing reef and lagoon fill construction of the patch reef is similar to producing fields in Poland and the USA. High quality reservoir facies could be present within both the fringing reef and lagoon fill.

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<tr>
<td>Pensacola Fringing Reef</td>
<td>Prospect</td>
<td>113 P90 270 P50 338 Mean 650 P10</td>
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<tr>
<td>Lagoon Fill</td>
<td>Prospect</td>
<td>67 P90 154 P50 186 Mean 347 P10</td>
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OPPORTUNITY

A significant equity position and operatorship in this exciting appraisal project is available in return for a negotiable work package which might include a full or substantial carry on one or more exploration or appraisal wells on the licence.

TRANSACTION PROCESS

On execution of a Non-Disclosure Agreement (‘NDA’) interested parties will be invited to attend a technical overview presentation by CLNR personnel, following which access to a dataroom will be made available. The dataroom will be available online with access to the geological model via a workstation located in CLNR’s London offices.

Please contact Andrew Nunn (andrew@cluffnaturalresources.com) to arrange the NDA and further information.