

22 August 2019

Cluff Natural Resources Plc ('Cluff' or 'the Company')

Operations Update – Licence P2252

Cluff Natural Resources Plc, the AIM quoted natural resources investing company with a high impact exploration and appraisal portfolio focused on the Southern and Central North Sea is pleased to announce that the Company and its Operating Partner, Shell U.K. Limited (“Shell”), have completed a broadband 3D seismic survey extending to approximately 420km² over the Pensacola Prospect on Licence P2252 in the Southern North Sea.

The survey, conducted by Shearwater GeoServices using the Polar Empress, was completed on time and with no health, safety or environmental incidents. Data collection commenced on 4 August and was completed on 21 August with demobilisation commenced shortly thereafter.

The data collected will now be processed, along with the existing legacy dataset, to pre-stack depth migration (‘PSDM’) with the final results expected to be received by early Q3 2020, although some interim results may be available before this date.

Under the terms of the farm-in agreement, Shell are paying 100% of the costs of the seismic acquisition, processing and interpretation work programme until the end of 2020 or until a well investment decision is made. The partnership is still on course to meet the timelines agreed with the Oil and Gas Authority (“OGA”) and a decision on the contingent well commitment is expected to be taken in the second half of 2020.

Cluff holds a 30% non-operated interest in Licence P2252 and the Pensacola prospect which is estimated to contain gross P50 Prospective Resources of 309 BCF in an untested Zechstein Reef.

Commenting, Cluff’s Chief Executive Graham Swindells said:

“We would like to thank Shell and Shearwater for completing a safe and efficient acquisition programme in what were challenging weather conditions for this time of year. The PSDM datasets represent a key step towards the drilling of an exploration well on the Pensacola prospect and we look forward to receiving the final products in due course. While awaiting delivery of the newly acquired seismic data, we continue to work with Shell on licence P2437 as we progress the Selene prospect towards a drilling decision.”

For further information please contact the following:

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Notes to Editors

Cluff Natural Resources is a natural resources investing company listed on the AIM market on the London Stock Exchange (CLNR.L) with a high impact portfolio of operated and, following a farm-out to Shell U.K. Limited in February 2019, non-operated exploration and appraisal assets located within the UKCS's mature hydrocarbon basins. The Company's diversified portfolio contains near term, infrastructure focussed oil and gas exploration drilling opportunities in both the Central and Southern North Sea together with larger, high impact opportunities in new play types along the northern margin of the Southern Gas Basin.

The portfolio has a significant P50 prospective resource base in excess of 2.4 TCF (gross, gas equivalent) across a number of prospects with chances of success ranging from 9 to 49%.

Cluff Natural Resources is focused on extracting much needed gas from the North Sea to supply the UK's energy mix which is currently heavily reliant on foreign supply. Following a successful farm-out of Licence P2252 and P2437 to Shell U.K. Limited the Company is seeking to repeat this farm-out success with its other licences awarded in the 30th Offshore Licencing Round including licence P2352 which contains the Dewar oil prospect.

The Company has a strong institutional investor base and a portfolio which offers a unique opportunity of high quality, low risk and low-cost drilling prospects with potentially high impact results in an area where recent exploration has targeted both mature and new plays and has resulted in large discoveries.

Standard

The technical information contained in this announcement has been prepared in accordance with the March 2007 guidelines endorsed by the Society of Petroleum Engineers, World Petroleum Congress, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers Petroleum Resource Management System.

Qualified Person

Andrew Nunn, a Chartered Geologist and Chief Operating Officer of CLNR, is a "Qualified Person" in accordance with the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange. Andrew has reviewed and approved the information contained within this announcement.

Glossary of Technical Terms

BCF: Billion Cubic Feet

TCF: Trillion Cubic Feet

Chance of Success: for prospective resources, means the chance or probability of discovering hydrocarbons in sufficient quantity for them to be tested to the surface. This, then, is the chance or probability of the prospective resource maturing into a contingent resource. Prospective resources have both an associated chance of discovery (geological chance of success) and a chance of development (economic, regulatory, market and facility, corporate commitment and political risks). The chance of commerciality is the product of these two risk components. These estimates have been risked for chance of discovery but not for chance of development.

Prospective resources: Are estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled.

P50 resource: Reflects a volume estimate that, assuming the accumulation is developed, there is a 50% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a median or best case estimate of resource.