28 September 2023

REABOLD RESOURCES PLC

("Reabold" or the "Company")

Unaudited Interim Results for the Six Months Ended 30 June 2023

Reabold Resources plc (AIM: RBD), the oil & gas investing company with a diversified portfolio of exploration, appraisal and development projects, announces its unaudited interim results for the six months ended 30 June 2023. The results are included below and are also available at https://reabold.com/investor-relations/reports-and-presentations/.

Highlights

- Good progress with onshore UK licence, PEDL183:
  - The PEDL183 Joint Venture partnership (the "JV") agreed a specific well path for the West Newton B-2 ("WN B-2") well, which has been approved by the East Riding of Yorkshire Council. The operator has received the necessary permit variation from the Environmental Agency for the use of oil-based fluids at the A and B sites. Drilling and testing of the B-2 well is expected by June 2024, once Rathlin (UK) Energy Limited's ("Rathlin") funding solutions have been confirmed as operator of the licence.
  - Reabold identified Crawberry Hill, a significant potential discovery, on PEDL183, which was drilled by Rathlin in 2013 and could add materially to the already significant resource within the licence.

- Acquisition of 16.2% equity interest in LNEnergy Limited ("LNEnergy") which was further increased to 17.6% post period end for a total consideration of £2.5 million, £1.0 million of which was in cash and £1.5 million of which was satisfied via the issue of 810,810,811 new ordinary shares of 0.1p each in the capital of the Company ("Ordinary Shares"). Recent indicative national and regional approvals have enabled the Colle Santo gas field to enter operational phase:
  - LNEnergy's primary asset is an exclusive option over a 90% interest in the Colle Santo gas field, a highly material gas resource with an estimated 65bcf of 2P reserves[1], with two production wells already drilled. The field is development ready, subject to approvals and permits.
  - LNEnergy expects all the necessary approvals to be received in order to carry out the Early Production Programme allowing early revenue generation from the Colle Santo project.
  - Reabold retains an option to increase its stake in LNEnergy to 26.1% for consideration of £1.8 million, which expires on 29 December 2023.

- Reabold North Sea licences portfolio management:
  - Post period end, Reabold announced the high-grading of its UK North Sea offshore licences and will retain its interests in four key licences in the North Sea, including the key Dunrobin prospect on licence P2478.
  - A CPR prepared by RPS was released in April 2023 covering all four retained licences, which included 201 mmboe[2] aggregate gross unrisked[3] Pmean Prospective Resources on licence P2478.

1 RPS estimate, September 2022

2 The CPR reports oil and gas Prospective Resources. The oil equivalent value of the gas resources has been estimated by the company using a factor of 5.8bcf per mmboe.

3 The unrisked aggregation was performed by the company and assumes that all prospects at all levels are successful.

    - Completed acquisition of Simwell Resources Limited ("Simwell Resources") in January 2023 which provided valuable data and added to Reabold's understanding of the Zechstein play, which is fundamental to the Company's onshore assets of West Newton and Crawberry Hill.

- Commencement of a share buyback programme in April 2023 for a maximum amount of £750,000 as part of the proposed £4.0 million return to shareholders announced via RNS on 3 October 2022[4].
- Net cash of £2.6 million at 30 June 2023. Cash inflows expected in Q4 2023 as part of the contingent consideration receivable arising from the sale of Corallian to Shell. For further details of the contingent consideration receivable, please see Review of Operations – UK offshore, and Note 11.

Sachin Oza and Stephen Williams, Co-CEOs of Reabold, commented:

"*We are encouraged with progress made across the Reabold portfolio in 2023. The prospects for LNEnergy have developed rapidly since May 2023, when we re-invested part of the proceeds from the disposal of the Victory asset in the Colle Santo project. The post period end indicative approvals from both the regional and national regulators are key steps to unlocking the material potential of the Colle Santo gas field and to near-term production. We also made good progress with UK onshore licence PEDL183 and anticipate commencement of drilling at the well during H1 2024. The identification of an existing discovery, Crawberry Hill, also on PEDL183, confirms the significant prospectivity in the licence.*"

"*The next 12 months will be exciting for Reabold with anticipated newsflow on our key assets and the expected receipt of the £9.5 million contingent payment from Shell (as the balance of the consideration for the Victory project). We will continue with our disciplined strategy to allocate capital to undervalued oil & gas assets where their development benefits from being close to existing infrastructure and there is a clear path to monetisation.*"

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4 For further details on the progress of the buyback programme see note 8

Forward looking statements

This disclosure contains certain forward-looking statements with respect to the business of Reabold and certain of the plans and objectives of Reabold that involve substantial known and unknown risks and uncertainties. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of Reabold. Actual results or outcomes, may differ materially from those expressed in such statements, depending on a variety of factors, including: the impact of general economic conditions where Reabold operates, industry conditions, changes in consumer preferences and societal expectations, the pace of development and adoption of alternative energy solutions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the timing of bringing new fields onstream, fluctuations in foreign exchange or interest rates, stock market volatility, the success or otherwise of partnering, Reabold's access to future credit resources, and other risk factors discussed in Reabold's 2022 Annual Report. Accordingly, no assurances can be given that any of the events anticipated by the forward looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Reabold will derive therefrom.

Review of Operations

UK Onshore

Rathlin Energy (UK) Limited and West Newton – PEDL183

West Newton is an onshore hydrocarbon discovery located north of Hull, England. To date, three wells have been drilled at West Newton (A-1, A-2 and B-1Z) confirming a major discovery – potentially one of the largest hydrocarbon fields discovered onshore UK. Rathlin is the operator of the licence and holds a 66.67% interest. Reabold holds a 59.5% shareholding in Rathlin and holds a direct 16.67% in the licence giving the Company an aggregate c. 56% economic interest in West Newton.

In the first half of the year, the JV partnership, which comprises Rathlin, Reabold and Union Jack Oil plc, agreed a specific well path for the West Newton B-2 ("WN B-2") well. The JV has continued to analyse the geophysical, petrophysical and test data from the West Newton A and B wells in preparation for drilling. The data analysis has already confirmed the likelihood of intersecting good reservoir quality that, when taken in conjunction with the optimised drilling and completion methods, is expected to deliver good well productivity from a horizontal well from WN B-2 and, as such, the JV partnership has committed to the specific, optimised well path for WN B-2. The WN B-2 well has been approved by the East Riding of Yorkshire Council. Rathlin has received the necessary permit variations from the Environmental Agency for the use of oil-based fluids at the A and B sites. An invitation to tender has been distributed to potential drilling rig providers. It is envisaged that WN B-2 will be followed by a multi-well development programme based on a 50 Mscf/d gas facility.

Rathlin, the operator of PEDL183 with a 66.67% licence interest, is currently unfunded for its share of the WN B-2 well and is currently assessing funding solutions including reducing its working interest position by bringing in a partner to participate in drilling on PEDL183. The drilling and testing of the WN B-2 well is planned to be completed by June 2024, in-line with the time limits set by the North Sea Transition Authority ("NSTA"). Reabold may be in a position to provide additional funding to Rathlin following receipt of the second tranche payment from Shell relating to the sale of the Victory asset.

Alongside the drilling plans for the WN B-2 well, Reabold has continued to appraise other opportunities within the PEDL183 licence. Reabold has undertaken a technical review of its Zechstein play prospectivity in the UK, including the licences acquired through the acquisition of Simwell Resources and PEDL183, combining the significant quantity of seismic data, historical wells, core analysis and other proprietary data and analysis assembled by the Company.

Through this analysis, Reabold has identified on PEDL183 a significant potential discovery, Crawberry Hill, which was drilled by Rathlin in 2013 and which could add materially to the already significant resource within PEDL183. The Crawberry Hill-1 well, drilled in 2013, intersected 141m of Kirkham Abbey Formation with good indications of gas shows and porosity. The well was originally drilled to test a deeper target and does not have a full suite of logs over the Kirkham Abbey interval.

ERC Equipoise Ltd ("ERCE") has undertaken a petrophysical analysis of the conventional reservoir of the Kirkham Abbey formation in the Crawberry Hill and Risby-1 wells and interprets average porosities greater than 15% in the top 20m of the Kirkham Abbey formation in Crawberry Hill-1.

Reabold believes the apparent discovery at Crawberry Hill to be an exciting appraisal opportunity potentially significantly enhancing the already strategic asset that is PEDL183.

UK Offshore

Victory contingent consideration receivable update

Further to the receipt of initial gross consideration of £10 million (c. £3.2 million net to Reabold) in November 2022, the payment of the contingent consideration arising from the sale of Corallian to Shell in 2022 will be staged as follows:

A single payment of £22.0 million (£9.5 million net to Reabold) will be made, assuming the development and production consent for the Victory gas field is secured from the North Sea Transition Authority, on or before 1 December 2023. If consent has not been granted by this date, then Shell will have the option to either: i) pay £12.0 million (£5.1 million net to Reabold), with the remaining £10.0 million (£4.4 million net to Reabold) being paid at a later consent date; or ii) offer to transfer-back the Victory licence to the current Corallian shareholders for £1 consideration.

The Company understands, from documents made available to the public in August 2023 as part of the statutory public consultation, that Shell intends to continue to pursue the development of the Victory gas field. Shell conducted detailed surveys in 2023 to allow, subject to the necessary consents and approvals, development drilling and subsea installation activities to be undertaken from Q2 2024 with first gas targeted from 2025.

Reabold is encouraged by the progress being made on Victory field development and will provide a further update with regards to the contingent consideration receivable on or around 1 December 2023 as and when appropriate.

P2478 (36%), P2504 and P2605 (both 100%) and P2486 (10%)

During the first half of the year, a high-grading exercise was completed for Reabold's North Sea licences, which resulted in the prioritisation of the highest potential return assets. As at the start of October 2023, Reabold will have retained its interests in four key licences in the North Sea – P2478 (36%), P2605, P2504 (both 100%) and P2486 (10%). This includes the key Dunrobin prospect in licence P2478. In the first half of 2023, Reabold relinquished interests in two North Sea licences (P2332 (30%) and P2329 (10%)) and a further 2 licences (P2464 and P2493 (both 100%)) in July 2023). Reabold is due to relinquish its 10% interest in licence P2427 at the end of September 2023.

Discussions to farm down these high-graded assets to help fund the de-risking and value creation process continues.

P2478 (36%)
Licence P2478 is located in the Inner Moray Firth Basin. In February 2023, Reabold released a CPR prepared by RPS on licence P2478 effective 30 September 2022. The key points from the CPR are set out below:

- 201 mmboe[1] aggregate gross unrisked[2] Pmean Prospective Resources on licence P2478.
- The Dunrobin West prospect ("Dunrobin West"), agreed by the JV to be the proposed location of the first exploration well on the licence, would target 119 mmboe aggregate gross unrisked Pmean Prospective Resources[3].
- 34% Chance of Geologic Discovery (Pg) on Dunrobin West Jurassic primary target.

[1] The CPR reports oil and gas Prospective Resources. The oil equivalent value of the gas resources has been estimated by the Company using a factor of 5.8bcf per mmboe.

[2] The unrisked aggregation was performed by the Company and assumes that all prospects at all levels are successful.

[3] The unrisked aggregation of Dunrobin West was performed by the Company. The volumes were presented for each reservoir in the CPR and, at the Company request, were not aggregated probabilistically.

- Secondary Triassic target at Dunrobin West, which along with the Jurassic can be tested by a single vertical borehole, included in formal resource assessment for the first time with a Pg of 12%.

- Dunrobin West dry hole drilling costs to a total depth of 800 metres estimated by the JV to be £8.6 million gross.

- The Company believes that Dunrobin West is geologically analogous to the Beatrice field, which produced 164 mmboe.

- Success at Dunrobin West would significantly de-risk Dunrobin Central & East and Golspie analogous prospects.

In July 2023, the NSTA approved an extension of the licence until July 2025, at which point a drilling decision will be made. The extension was made via a Deed of Variation, which stipulates an additional commitment to acquire a minimum of 30 square kilometres of 3D seismic data. Reabold estimates the costs of its 36% share of the 3D acquisition to be c.£0.7 million.

P2504 and P2605 (100%)

Licence P2504 is located in the East Shetland Basin and contains the Oulton Discovery, Oulton West Jurassic Prospect and Oulton West Eocene Prospect. The Oulton West Ecoene prospect exhibits seismic amplitude anomalies analogous to the nearby Nuggets Fields. Per the most recent CPR (effective 30 September 2022), the Oulton discovery has contingent resources of 11mmbbls (2C) with an associated NPV10 of £59.0 million based on RPS's assumptions. Licence P2504 also has unrisked Pmean prospective oil resources of 38mmbbl and unrisked Pmean prospective gas resources of 26bcf[a].

Licence P2605 is in the Faroe Shetland Basin, approximately 60 km northwest of Shetland, and contains the Laxford discovery and Scourie prospect. Licence P2605 has unrisked Pmean Prospective gas resources of 122bcf[a].

P2486 (10%)

Reabold has retained its interest in licence P2486 in the Southern North Sea following the acquisition of Simwell Resources in January 2023. The operator is investigating farm out opportunities prior to a drill or drop decision by July 2024. The work undertaken on the Southern North Sea licences following the Simwell Resources acquisition has provided the Company with valuable data and added to its understanding of the Zechstein play, which is fundamental to Reabold's West Newton and Crawberry Hill assets onshore.

[a] Pmean totals are by arithmetic summation (in-house)

LNEnergy – Colle Santo gas field, Italy

In May 2023, Reabold acquired a 3.1% interest in LNEnergy for cash consideration of £250,000 and received options to acquire, at its sole discretion, further shares in LNEnergy. In June 2023, Reabold exercised certain of these options to increase the Company's stake in LNEnergy to 16.2% through a cash consideration of £500,000 and the issuance of 810,810,811 new Ordinary Shares as consideration for the increased investment. In September 2023, Reabold increased its stake in LNEnergy to 17.6% for a further cash consideration of £250,000. Reabold retains a final option expiring 29 December 2023, to increase, at its sole discretion, its investment in LNEnergy to 26.1% for a further consideration of £1.8 million, which would be satisfied through either cash or new Ordinary Shares, at the option of LNEnergy.

LNEnergy's primary asset is an exclusive option over a 90% interest in the onshore Colle Santo gas field in Abruzzo, Italy. With 65bcf of 2P reserves, as estimated by RPS as of 30 September 2022, this is a highly material undeveloped onshore gas resource. Reabold believes this is the largest onshore proven undeveloped gas field in mainland Western Europe. The field is development ready subject to permits and approvals. Two wells have already been drilled and are available for production, with no additional drilling being required. The development will be a small-scale LNG facility to produce initially at 10mmcf/d from the existing two wells with over 20 years of ultimate production.

Post period end, in August 2023, Reabold announced that LNEnergy had recently received a letter from the head of the Italian National Bureau of Hydrocarbons and Georesources ("UNMIG"), the minerals division of Italian Ministry of Environment and Energy Security ("MASE"), giving permission to carry out well integrity and well service testing on the two existing wells and to start work on the installation and commissioning of the monitoring network at the Colle Santo gas field. The letter is a positive indication of support for the development of the Colle Santo gas field and the next stage is to receive a formal decree from MASE to conduct the work.

In September 2023, Reabold announced that the Abruzzo regional government had confirmed its agreement with, and intention to approve, by decree, the Early Production Programme for the Colle Santo gas field, allowing early revenue generation from the Colle Santo project. The Early Production Programme and associated monitoring will facilitate completion of the work required by the Visual and Environmental Impact Assessment Commission for the granting of the full development concession for the Colle Santo gas field.

The Early Production Programme includes the following:

- Production of gas for a period of 24 months;
- Conversion of gas to power for sale to the electricity grid; and
- Renewal of the Abruzzo Region's earlier 24-month test approval permit.

The permissions from UNMIG and the Abruzzo regional government significantly de-risk the full concession permit approval to allow for over 20 years of production.

Colle Santo has the potential to generate an estimated €11-12m of post-tax free cash flow per annum[1]. LNEnergy will seek to secure €30m in debt financing to fund the exercise of the option to purchase the Colle Santo gas field and development capex to achieve first gas.

[1]LNEnergy Management estimate, at 9 mmcf/d sales gas and €45/MWh

Daybreak Oil and Gas Inc – USA

Reabold has a 42% shareholding in Daybreak Oil and Gas Inc ("Daybreak"). Daybreak is an OTC traded oil and gas company engaged in the exploration, development and production of onshore crude oil and natural gas, primarily in California.

Danube Petroleum Limited – Parta and Iecea Mare licences, Romania

Reabold has a 50.8% equity position in Danube Petroleum Limited ("Danube"), with ASX listed ADX Energy Ltd ("ADX") holding the remaining 49.2%. Danube has a 100% interest in the Parta exploration licence and a 100% interest in the Iecea Mare production licence.

ADX has continued to engage with the Romanian authorities with respect to preparation for a government decision in relation to the Parta exploration licence extension. The Iecea Mare production licence which has a validity (or term) of 20 years is not affected.

Other Business and corporate

In February 2023, investors voted to support a capital reduction and share buyback programme. The capital reduction was approved at the High Court of Justice in March 2023 and a buyback programme of up to £750,000 was announced in April 2023, as part of a proposed £4.0 million return of excess cash to shareholders. For further details on the progress of the buyback programme please see Note 8.

In April 2023, the board adopted the Reabold Resources plc 2023 Long Term Incentive Plan ("LTIP"). The maiden award has been made to members of the Group's executive team and senior management. All previous share option plans in the Company expired in March 2023. Please see Note 10 for further details.

Financial Review

Group Income Statement

The Group's loss for the first half of 2023 was £3.65 million (1H 2022: loss of £2.72 million).

The Group generated nil revenue and incurred nil cost of sales in the first half of 2023 as a result of the completion of the equity exchange agreement with Daybreak in May 2022 (1H 2022: £560,000 and £834,000 respectively).

The Group incurred a loss of £895,000 on financial assets (1H 2022: gain of 1,165,000). The loss primarily arose from a decline in the market value of Daybreak's shares.

Exploration expenses of £1.3 million were incurred in the first half of 2023 (1H 2022: Nil). The charge in 2023 principally relates to exploration expenditure written off as a result of the relinquishment of several North Sea licences. See Note 5 for further details.

Reabold's share of loss of associates was £263,000 (1H 2022: £1.2 million). The decrease was largely due to the absence of non-cash impairment charges which Corallian had incurred in 1H 2022. See Note 9 for a breakdown per associate.

The Group's administrative expenses for the period were £1.1 million (1H 2022: £0.7 million). The biggest driver being an increase in legal fees as a result of the LNEnergy acquisition as well as the impact of inflation across all suppliers. Foreign exchange losses of £107,000 (1H 2021: gains of £695,000) arose on US dollar denominated financial assets as sterling strengthened compared to the US$ during 1H 2023.

Group Balance Sheet

Reabold retains a strong balance sheet with no borrowings, limited decommissioning liabilities and cash inflows expected in Q4 2023 as part of the contingent consideration receivable arising from the sale of Corallian to Shell. Receipt of the contingent consideration will allow the Company to fund ongoing capital investment programmes as well as seeking new acquisition and investment opportunities. For further details of the contingent consideration receivable please see Review of Operations – UK offshore, and Note 11.

Exploration and evaluations assets increased from £6.8 million at 31 December 2022 to £7.1 million at 30 June 2023. Additions at West Newton as well as the acquisition of four North Sea licences as part of the acquisition of Simwell Resources was largely offset by several relinquishments within the North Sea portfolio. See Note 7 for further details.

Other non-current investments increased from £3.5 million at year end to £4.6 million at 30 June 2023. The increase was driven by the investment of £2.25 million into LNEnergy, offset by a decline of £1.2 million in the market value of Reabold's investment in Daybreak.

Group cash flow

The decrease in cash balances from £5.5 million at 31 December 2022 to £2.6 million at 30 June 2023 reflected cash used in operations of £1.3 million and cash capital expenditure of £1.5 million.

Cash used in operations of £1.3 million for the half year compared with £0.8 million for the same period last year, consistent with the movements in administration expenses for the periods as well as the introduction of exploration expenditure on Reabold's North Sea licences.

Capital expenditure for the half year was £1.5 million compared with £0.5 million in the same period in 2022 reflecting the £0.75 million spend on the investment in LNEnergy and the £0.5 million spend on the acquisition of

Simwell Resources, including transaction costs of £0.1 million. Capital expenditure in 1H 2022 included £0.25 million on the acquisition of North Sea licences from Corallian.

Future commitments

The Group has obligations to carry out defined work programmes on its licences under the terms of the award of rights to these licences.

Onshore PEDL183 – West Newton

Reabold and its partners have a commitment with the NSTA to drill and test a new Kirkham Abbey deviated or horizontal appraisal well by June 2024 as well as the recompletion or sidetrack and testing of one of the WNA-1, WNA-2, or WNB-1Z wells in that same timeframe. The Company estimates that its 16.67% share of the costs to be c.£2.2 million.

Central North Sea – P2478

In July 2023, the Company was granted an extension until July 2025 for licence P2478. The extension was made via a Deed of Variation to the licence by the NSTA, which stipulates an additional commitment to acquire a minimum of 30 square kilometres of 3D seismic data. Reabold estimates its 36% share of the 3D acquisition costs to be c.£0.7 million.

Approved on behalf of the Board
Sachin Oza and Stephen Williams
Co-Chief Executive Officers

27 September 2023

Reabold Resources plc
Group Income Statement
For the period ended 30 June 2023

	Notes	**Six months ended 30 June 2023 £000 (Unaudited)**	Six months ended 30 June 2022 £000 (Unaudited)
Revenue		**-**	560
Cost of sales		**-**	(834)
Gross profit		-	(274)
Net (loss) gain in financial assets measured at fair value through profit or loss	11	**(895)**	1,165
Other income		**24**	26
Share of losses of associates	9	**(263)**	(1,185)
Other expenses		**-**	(89)
Loss on sale of business		**-**	(2,345)
Exploration expense	5	**(1,292)**	-
Administration expenses		**(1,111)**	(722)
Share based payments expense	10	**(15)**	(17)
Foreign exchange (loss) gain		**(107)**	695
Loss on ordinary activities		**(3,659)**	(2,746)
Finance costs – unwinding of discount on decommissioning provisions		**(7)**	(9)
Finance income		**16**	39
Loss before tax for the period		**(3,650)**	(2,716)
Taxation		**-**	-
Loss for the period		**(3,650)**	(2,716)
Attributable to:			
Reabold shareholders		**(3,650)**	(2,716)
		(3,650)	(2,716)
Earnings per share			
Basic and fully diluted loss per share (pence)		**(0.04)**	(0.03)

Reabold Resources plc
Group statement of comprehensive income
For the period ended 30 June 2023

	Notes	**Six months ended 30 June 2023 £000 (Unaudited)**	Six months ended 30 June 2022 £000 (Unaudited)
Loss for the period		**(3,650)**	(2,716)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		-	77
Exchange (gains) on translation of foreign operations reclassified to loss on sale of business		-	(80)
Other comprehensive income/(loss)		-	(9)
Total comprehensive loss		**(3,650)**	(2,725)
Attributable to			
Reabold Shareholders		**(3,650)**	(2,725)

Reabold Resources plc
Group balance sheet
As at 30 June 2023

	Notes	**30 June 2023 £000 (Unaudited)**	31 Dec 2022 £000 (Audited)
Non-current assets			
Exploration & evaluation assets	7	**7,100**	6,815
Investments in associates	9	**22,009**	22,272
Other investments	11	**4,559**	3,484
		33,668	32,571
Current assets			
Prepayments		**79**	120
Trade and other receivables		**94**	181
Other investments	11	**8,901**	8,728
Restricted cash		**25**	25
Cash and cash equivalents		**2,620**	5,511
		11,719	14,565
Total assets		**45,387**	47,136
Current liabilities			
Trade and other payables		**58**	198
Accruals		**84**	111
		142	309
Non-current liabilities			
Provision for decommissioning		**374**	367
		374	367
Total liabilities		**516**	676
Net assets		**44,871**	46,460
EQUITY			
Share capital	8	**10,102**	9,044
Share premium account		**689**	29,033
Capital redemption reserve		**200**	200
Treasury shares		**(122)**	-
Share based payment reserve		**1,935**	1,920
Retained earnings		**32,067**	6,263
Total Equity		**44,871**	46,460

Reabold Resources plc
Group statement of changes in equity
For the period ended 30 June 2023

	Share capital £'000	Share premium account £'000	Capital Redemp-tion reserve £'000	Treasury Shares £'000	Share based payments reserve £'000	Foreign currency translat-ion reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2022	9,044	29,033	200	-	1,898	9	6,308	46,492
Loss for the year	-	-	-	-	-	-	(2,716)	(2,716)
Other comprehensive income	-	-	-	-	-	(9)	-	(9)
Total comprehensive loss for the period	-	-	-	-	-	(9)	(2,716)	(2,725)
Share based payment	-	-	-	-	17	-	-	17
At 30 June 2022	9,044	29,033	200	-	1,915	-	3,592	43,784
Profit for the period	-	-	-	-	-	-	2,671	2,671
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	2,671	2,671
Share based payment	-	-	-	-	5	-	-	5
At 31 December 2022 (audited)	**9,044**	**29,033**	**200**	**-**	**1,920**	**-**	**6,263**	**46,460**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(3,650)**	**(3,650)**
Other comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(3,650)**	**(3,650)**
Issue of ordinary share capital	**1,058**	**1,110**	**-**	**-**	**-**	**-**	**-**	**2,168**
Repurchase of ordinary share capital	**-**	**-**	**-**	**(122)**	**-**	**-**	**-**	**(122)**
Reduction of share premium account	**-**	**(29,454)**	**-**	**-**	**-**	**-**	**29,454**	**-**
Share based payment	**-**	**-**	**-**	**-**	**15**	**-**	**-**	**15**
Balance 30 June 2023 (unaudited)	**10,102**	**689**	**200**	**(122)**	**1,935**	**-**	**32,067**	**44,871**

Reabold Resources plc
Group cash flow statement
For the period ended 30 June 2023

	Note	Six months ended 30 June 2023 £000 (Unaudited)	Six months ended 30 June 2022 £000 (Unaudited)
Operating activities			
Loss for the period		(3,650)	(2,716)
Adjustments to reconcile loss for the period to net cash used in operating activities			
Exploration expenditure written off	5	1,154	-
Depreciation		-	318
Net loss (gain) on financial assts at fair value through profit or loss	11	895	(1,165)
Net loss on sale of business		-	2,345
Share of losses from associates	9	263	1,185
Net finance (income) costs		(9)	(30)
Share-based payments	10	15	17
Other non-cash movements		-	89
Unrealised currency translation losses (gains)		107	(695)
Decrease (increase) in receivables		78	(220)
(Increase) in inventories		-	(22)
(Decrease) increase in payables		(164)	50
Net cash used in operating activities		(1,311)	(844)
Investing activities			
Expenditure on oil and gas assets		-	(8)
Expenditure on exploration & evaluation assets	7	(229)	(193)
Acquisitions	3	(1,241)	(250)
Investments in associates		-	-
Total cash capital expenditure		(1,470)	(451)
Interest received		16	1
Movements in restricted cash		-	(19)
Net cash disposed from sale of business		-	(16)
Net cash used in investment activities		(1,454)	(485)
Financing activities			
Repurchase of shares	8	(122)	-
Net cash used in financing activities		(122)	-
Currency translation differences relating to cash and cash equivalents		(4)	-
(Decrease) in cash and cash equivalents		(2,891)	(1,329)
Cash and cash equivalents at the beginning of the period		5,511	4,883
Cash and cash equivalents at the end of the period		2,620	3,554

1. Corporate information

The interim condensed consolidated financial statements of Reabold Resources plc and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 27 September 2023. Reabold Resources plc is a public limited company, incorporated and domiciled in England & Wales, whose shares are traded on AIM in London. The registered office is located at 20 Primrose Street, London, EC2A 2EW. The Group is principally engaged in the investment in pre-cash flow upstream oil and gas projects.

2. Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022.

There are no new or amended standards or interpretations adopted from 1 January 2023 onwards that have a significant impact on the financial information.

The financial information presented herein has been prepared in accordance with the accounting policies expected to be used in preparing Reabold's annual consolidated financial statements for the year ended 31 December 2023 which are the same as those used in preparing Reabold's annual consolidated financial statements for the year ended 31 December 2022, with the exception of the changes described in the 'Updates to significant accounting policies' section below.

Significant accounting judgements and estimates
Reabold's significant accounting judgements and estimates were disclosed in Reabold's Annual Report 2022. These have been subsequently considered at the end of the period to determine if any changes were required to those judgements and estimates. No significant changes were identified.

Updates to significant accounting policies
Own equity instruments – treasury shares
Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. Treasury shares represent Ordinary Shares repurchased and available for specific and limited purposes. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is also recognised in equity.

Change in segmentation
During the first half of 2023, the Group's reportable segments changed consistent with a change in the way that resources are allocated and performance is assessed by the chief operating decision maker, who for Reabold is the co-chief executive officers, from that date. From the first half of 2023, the Group's reportable segments are onshore UK, offshore UK, and international. At 31 December 2022, the Group's reportable segments were UK/Europe and USA.

Onshore UK comprises the Group's investment in Rathlin and the Group's 16.67% direct interest in PEDL183, which was previously reported as part of the UK/Europe segment.

Offshore UK comprises the Group's interest in UK North Sea licences, which was previously reported as part of the UK/Europe segment.

International comprises the Group's investments in Danube Petroleum Ltd, Daybreak Oil & Gas Inc., and LNEnergy Ltd.

Comparative information for 2022 has been restated in Note 4 to reflect the changes in reportable segments.

3. Acquisitions

On 3 January 2023, Reabold acquired 100% of the issued share capital of Simwell Resources. Total cash consideration for the acquisition was £491,000, including transaction costs of £118,000. In addition to the cash consideration, 247,775,359 new Ordinary Shares were issued as part of the consideration for the acquisition.

Between May and June 2023, Reabold acquired 16.2% of the ordinary share capital of LNEnergy for a cash consideration of £750,000 and the issuance of 810,810,811 new Ordinary Shares to LNEnergy.

4. Segmental information(a)

The directors consider the Group to have three segments, being onshore UK, offshore UK and international. Other business and corporate comprises the Group's treasury functions and corporate activities. The following tables present revenue and profit/(loss) information for the Group's operating segments for the six months ended 30 June 2023 and 2022, respectively.

Period ended 30 June 2023	**UK onshore £000**	**UK offshore £000**	**International £000**	**Other business & corporate £000**	**Total £000**
Revenue	**-**	**-**	**-**	**-**	**-**
Segment loss	**(278)**	**(1,133)**	**(1,207)**	**(1,032)**	**(3,650)**

Period ended 30 June 2022	UK onshore £000	UK offshore £000	International £000	Other business & corporate £000	Total £000
Revenue	-	-	560	-	560
Segment loss	(383)	(712)	(1,408)	(213)	(2,716)

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2023 and 31 December 2022, respectively:

	UK onshore £000	**UK offshore £000**	**International £000**	**Other business & corporate £000**	**Total £000**
Assets					
30 June 2023	**24,050**	**9,400**	**9,177**	**2,760**	**45,387**
31 December 2022	24,090	9,161	8,141	5,744	47,136

	UK onshore £000	UK offshore £000	International £000	Other business & corporate £000	Total £000
Liabilities					
30 June 2023	**374**	**-**	**-**	**142**	**516**
31 December 2022	367	72	-	237	676

(a) Comparative information for 2022 has been restated to reflect the changes in reportable segments. For more information see Note 2 basis of preparation – *Change in segmentation*

5. Exploration expense

The following table represents amounts included within the Group income statement relating to activity associated with the exploration for and evaluation of oil and natural gas resources.

	£000	£000
	Six months ended 30 June 2023	Six months ended 30 June 2022
Exploration expenditure written off	**1,154**	-
Other exploration costs	**138**	-
Total exploration expense	**1,292**	-

Exploration expenditure written off relates to the following North Sea Licences: P2332 - £633,000, P2329 - £382,000, P2427 - £42,000, P2464 - £94,000, P2493 – £3,000.

6. Loss per share

Basic loss per ordinary share is calculated by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the period. As the Group is reporting a loss in each period, in accordance with IAS 33, outstanding share options are not considered to be dilutive because the exercise of the share options would have the effect of reducing the loss per share.

	Six months ended 30 June 2023	Six months ended 30 June 2022
Results for the period (£000)		
Loss for the period attributable to Reabold shareholders	(3,650)	(2,716)
Number of shares (thousand) (a)		
Basic weighted average number of shares outstanding	9,191,540	8,929,613
Basic loss per share (pence)	(0.04)	(0.03)
Diluted loss per share (pence)	(0.04)	(0.03)

(a) Excludes treasury shares

7. Exploration and Evaluation Assets

	Total £000
Cost:	
At 1 January 2022	9,123
Exchange adjustments	240
Acquisitions	343
Additions	572
Disposals	(3,463)
At 31 December 2022	6,815
Acquisitions	1,210
Additions	229
Exploration expenditure written off	(1,154)
At 30 June 2023	7,100

Acquisitions in 2023 relate to the acquisition of Simwell Resources.
Exploration expenditure written off relates to the following North Sea Licences: P2332 - £633,000, P2329 - £382,000, P2427 - £42,000, P2464 - £94,000, P2493 - £3,000.
The disposal of £3.5 million in 2022 represents the derecognition of E&E assets in California as a result of the equity exchange agreement with Daybreak.

8. Called-up Share Capital

Allotted, called-up and fully paid share capital at 30 June was as follows:

	Number	£000
Ordinary Shares of 0.1p each		
At 1 January 2022	8,929,612,550	8,930
At 31 December 2022	8,929,612,550	8,930
Issue of new shares	1,058,586,170	1,058
At 30 June 2023	**9,988,198,720**	**9,988**
“A” Deferred shares	**6,915,896**	**114**
		10,102

During the first half of 2023 the Company repurchased 83,281,490 Ordinary Shares for a total consideration of £121,830, including transaction costs of £994. All shares purchased were retained in treasury. At 30 June 2023, 83,281,490 Ordinary Shares of nominal value £83,281 were held in treasury. These treasury shares are not taken into consideration in relation to the payment of dividends and voting at shareholder meetings.

At 30 June 2023, the issued share capital of the Company comprised 9,904,917,230 Ordinary Shares (excluding treasury shares) par value 0.1p per share, each with one vote; and 6,915,896 “A” Deferred shares of 1.65p. The “A” deferred shares do not carry voting rights. The total number of voting rights in the Company is therefore 9,904,917,320.

A further 28,291,347 Ordinary Shares were repurchased between the end of the reporting period and 25 September 2023, the latest practicable date before the completion of these financial statements, for a total cost of £35,770. The number of shares in issue is reduced when shares are repurchased.

247,775,359 new Ordinary Shares were issued in January 2023 as part of the consideration for the acquisition of Simwell Resources. 810,810,811 new Ordinary Shares were issued in June 2023 as part of the investment into LNEnergy.

9. Investments in associates

The following tables provide aggregated summarised financial information for the Group's associates as it relates to the amounts recognised in the Group income statement and on the Group balance sheet.

	£000 Income Statement Losses from associates	
	30 June 2023	30 June 2022
Rathlin	**223**	394
Danube	**40**	29
Corallian	**-**	762
	263	1,185

	£000 Balance Sheet Investments in associates	
	30 June 2023	31 Dec 2022
Rathlin	**17,381**	17,604
Danube	**4,628**	4,668
	22,009	22,272

Details of the Company's associates as at 30 June 2023 are shown below

Associates	**%**	**Country of incorporation**	**Principal activities**
Rathlin Energy (UK) Limited	59.5	England & Wales	Exploration and Evaluation
Danube Petroleum Limited	50.8	England & Wales	Exploration and Evaluation

10. Share-Based payments

On 27 April 2023, the Board adopted the Reabold Resources plc 2023 LTIP. On adoption of the LTIP, 390,000,000 share options were granted to members of the Group's executive team and senior management. All previous share option plans in the Company expired on 19 March 2023.

The vesting criteria of the options is based on Total Shareholder Return ("TSR") over a three-to-five-year period. For the awards to vest in full, the TSR of a share must be at or more than six times (6x) the market value of a share at the grant date using a 30-trading day average. The first measurement date shall be at the end of year three, the second measurement date at the end of year four and the final measurement date at the end of year five. If TSR is less than 2.5x market value, 0% of the award vests. If TSR is at 2.5x market value, 30% of the award vests and if TSR is at 4x market value, 60% of the award vests. Performance between TSR thresholds shall be calculated on a straight-line basis. The fair value at grant date is estimated using a Monte Carlo model, taking into account the terms and conditions upon which the options were granted. The fair value of options granted during the six months ended 30 June 2023 was estimated on the date of grant using the following inputs and assumptions:

Dividend yield	0.0%
Volatility	68%
Risk-free rate (3 years)	3.82%
Risk-free rate (4 years)	3.73%
Risk-free rate (5 years)	3.67%
Share price	£0.0018
Exercise price	Nil

The fair value of the options at grant date was £0.00109. For the 6 months ended 30 June 2023, the Group has recognised £15,000 of share-based payment expense in the income statement (30 June 2022: £17,000).

11. Other investments

	30 June 2023 £000		31 Dec 2022 £000	
	Current	**Non-Current**	Current	Non-Current
Investment in Connaught Oil & Gas Ltd	**-**	**15**	-	15
Contingent consideration	**8,901**		8,728	-
Investment in Daybreak	**-**	**2,294**	-	3,469
Investment in LNEnergy	**-**	**2,250**	-	-
	8,901	**4,559**	8,728	3,484

The contingent consideration relates to amounts arising on the disposal of Corallian in 2022 which are financial assets classified as measured at fair value through profit or loss. The payment of the contingent consideration from Shell will be staged as follows:

A single payment of £22 million (£9.5 million net to Reabold) will be made, assuming the development and production consent for the Victory gas field is secured from the North Sea Transition Authority, on or before 1 December 2023. If consent has not been granted by this date, then Shell will have the option to either: i) pay £12 million (£5.1 million net to Reabold), with the remaining £10 million (£4.4 million net to Reabold) being paid at a later consent date; or ii) offer to transfer-back the Victory licence to the current Corallian shareholders for £1 consideration.

The table below summarises the change in fair value of other investments as reported in the income statement.

	Change in fair value	
	Six months ended 30 June 2023 £000	**Six months ended 30 June 2022 £000**
Convertible loan notes	**-**	10
Contingent consideration	**173**	-
Investment in Daybreak	**(1,068)**	1,155
	(895)	1,165

12. Events after the reporting period

On 12 September 2023, Reabold increased its stake in LNEnergy from 16.2% to 17.6% for cash consideration of £250,000. For further details on LNEnergy and the Colle Santo gas project please see Review of Operations - LNEnergy – Colle Santo gas field, Italy.

13. Non-Statutory accounts

The financial information shown in this publication, which was approved by the Board of Directors on 27 September 2023, is unaudited and does not constitute statutory financial statements. Audited financial information will be published in Reabold's 2023 Annual Report. Reabold's 2022 Annual Report has been filed with the Registrar of Companies in England and Wales.

GLOSSARY

2C resources, 2C
Best estimate contingent resource, being quantities of hydrocarbons which are estimated, on a given date, to be potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable.

1U resources, 1U
Unrisked low estimate prospective resources.

2U resources, 2U
Unrisked best estimate prospective resource.

3U
Unrisked high estimate prospective resource.

Best estimate
With respect to resources categorisation, the most realistic assessment of recoverable quantities if only a single result were reported. If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

bcf
Billion standard cubic feet.

boe
Barrels of oil equivalent.

Capital expenditure
Total cash capital expenditure as stated in the Group cash flow statement.

CPR
Competent Persons Report.

High estimate
With respect to resources categorisation, this is considered to be an optimistic estimate of the quantity that will actually be recovered from the accumulation by a project. If probabilistic methods are used, there should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

IFRS
International Financial Reporting Standards.

Joint arrangement
An arrangement in which two or more parties have joint control.

Joint control
Contractually agreed sharing of control over an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint operation
A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Low estimate
With respect to resources categorisation, this is a conservative estimate of the quantity that will actually be recovered from the accumulation by a project. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

mmboe
Million barrels of oil equivalent.

mmcf/d
Million cubic feet per day.

MWh
Megawatt hour.

NPV10
Net Present Value using a 10% discount factor.

NSTA
North Sea Transition Authority.

OTC
Over-the-counter.

Pmean
Reflects a mid-case volume estimate of resource derived using probabilistic methodology. This is the mean of the probability distribution for the resource estimates and may be skewed by resource numbers with relatively low probabilities.

Prospective Resources
Quantities of hydrocarbons which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects