

19 July 2016



Alba Mineral Resources Plc
("Alba" or the "Company")

Upgrade to Portland Oil in Place, Horse Hill-1 Discovery, Weald Basin

Alba Mineral Resources plc (AIM: ALBA) announces that a new petrophysical analysis by Nutech, incorporating the findings of the successful Horse Hill-1 ("HH-1") flow test, demonstrates a threefold increase in calculated total oil in place (OIP) per square mile at the HH-1 well within the Upper Portland pay zone. As reported in May 2015 a total Horse Hill Portland P50 OIP of 21 Million Barrels ("MMbbl") was calculated utilising Nutech's petrophysical analyses. Nutech's May 2015 evaluation assigned a Portland OIP value of 7.7 MMbbl per square mile at the HH-1 well. Nutech's current evaluation upgrades the Portland OIP at HH-1 to 22.9 MMbbl per square mile, a 200% increase.

As previously announced in March, the final HH-1 Portland test flowed at a constrained stable dry oil rate of 323 barrels of oil per day ('bopd'). The Portland was produced at maximum pump capacity and showed no clear indication of depletion. It is likely that the rate can be further increased using a higher capacity downhole pump during the next planned test.

As previously stated by the Company, the calculated OIP per square mile should not be construed as recoverable resources, contingent or prospective resources or reserves.

HH-1 Discovery Well Location and Company Interest

The HH-1 well is located within onshore exploration Licence PEDL137, on the northern side of the Weald Basin near Gatwick Airport. PEDL246 lies adjacent to and immediately to the East of PEDL137. Alba owns a 15% direct interest in Horse Hill Developments Ltd. (HHDL), a special purpose company that owns a 65% participating interest and operatorship of licence PEDL137 and the adjacent Licence PEDL246 in the UK Weald Basin.

Background

Nutech's Report ("Report") details that the production of dry oil from the Portland, with little or no observed water production, required a rethink of the pre-flow test petrophysical model. Prior to the flow test, interpretations suggested that water would likely be produced along with oil, as is seen in Portland reservoirs in nearby producing oil fields. The revised model fully incorporates well test observations and measurements.

From a similar review of the petrophysical response within the Kimmeridge Limestones, the Report concludes that the well test results reinforce Nutech's and the Company's expectations regarding the significant volumes of OIP seen at the HH-1 well. As previously reported in April and June 2015, the overall Kimmeridge and Jurassic shale and limestone sequence is calculated to contain an OIP of 158 MMbbl per square mile at the HH-1 well and 9,245 MMbbl over the 55 square miles of the Licences.

Horse Hill Future Plans

The revised petrophysical model will be used to update Xodus' 2015 estimates of the total OIP contained within the mapped Horse Hill Portland oil accumulation. This will include an estimate of Contingent Resources net to the Company and will be reported in due course.

The Operator has also informed the Company that the flow test data analysis undertaken by Nutech and Xodus provides the necessary technical encouragement to engage Barton Wilmore Ltd, one of the UK's leading planning and environmental assessment practitioners, to prepare and submit a planning application to Surrey County Council ("SCC"), and to assist with obtaining necessary permissions from the Environment Agency ("EA"), for a significant appraisal programme at Horse Hill.

The applications will seek permission to conduct a programme consisting of the production flow testing of 3 Kimmeridge Limestone zones plus the overlying Portland over a total flow period of up to 360 days, plus two further appraisal/development wells and the acquisition of 3D seismic data.

A public consultation and engagement process related to the planning application is scheduled to take place, leading to an application to SCC and the EA.

Engineering studies to examine the range of possible flow rates from a planned horizontal sidetrack well are ongoing. Data to further calibrate these studies will be acquired during the further planned extended flow tests.

Mike Nott, Alba's Chief Executive Officer, commented:

"The record breaking flow test results and revised Nutech analysis gives us a key new technical insight into the oil bearing Portland reservoir.

More importantly than the simple increase in Portland oil in the ground, these revised findings have significant positive implications for potential recovery factors and for future commercial viability. The economic potential of the Portland looks increasingly positive.

Alba, as a consortium member of HHDL and where the Alba Executive Chairman George Frangeskides is a member of the HHDL board of directors, will work closely with Barton Wilmore and others to ensure the necessary applications for regulatory consents are submitted by fourth quarter this year. The grant of these permissions is the key next step to enable us to move the Horse Hill Portland and Kimmeridge projects forwards towards early monetisation.

At Alba we will also be considering these results in light of our option to earn into the adjacent licence PL235 containing the Brockham Oilfield.

We look forward to the conclusion of the regulatory consent cycle and eagerly await the start of planned long term flow testing."

Qualified Person's Statement:

Michael Nott, aged 67, Alba's CEO has over 45 years relevant experience in the geological, mining, minerals, waste disposal, industrial minerals, oil, drilling, mineral planning and quarrying industries has approved the information in this announcement.

He holds a BSc. degree in Geology from Queen Mary, University of London, a MSc. Degree in Mineral Production Management from the Royal School of Mines, Imperial College, University of London, The Diploma of Imperial College in Mineral Production Management and is a Chartered Engineer.

He is a Fellow of the Institute of Materials, Minerals and Mining, a Fellow of the Minerals Engineering Society, a Fellow of the Institute of Quarrying and an Associate of the Royal School of Mines Association.

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About ALBA

Alba holds a 15 per cent interest in Horse Hill Developments Limited, the company which has a 65 per cent participating interest and operatorship of the Horse Hill oil and gas project (licences PEDL 137 and PEDL 246) in the UK Weald Basin.

Alba also has an option to farm into 5% of Production Licence 235, which comprises the producing onshore Brockham Oil Field.

Alba has the right to earn up to 70 per cent of the Amitsoq Graphite Project in Southern Greenland. In addition, the Company has made an application to renew its base metal licence in the Republic of Ireland, and has applied for the reissue of a uranium permit in northern Mauritania. The new Mauritanian permit will be on a reduced area, and is centred on known uranium-bearing showings.

Alba continues actively to review and discuss other project opportunities which have value enhancing potential for the Company whether by acquisition, farm in or joint venture in a range of jurisdictions around the world

Glossary:

| | |
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| discovery | a discovery is a petroleum accumulation for which one or several exploratory wells have established through testing, sampling and/or logging the existence of a significant quantity of potentially moveable hydrocarbons |
| contingent resources | contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status |
| flow test | a flow test or well test involves testing a well by flowing hydrocarbons to the surface, typically through a test separator. Key measured parameters are oil and gas flow rates, downhole pressure and surface pressure. The overall objective is to identify the well's capacity to produce hydrocarbons at a commercial flow rate |

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| horizontal well | the study of physical and chemical rock properties and their interactions with fluids utilising electric logs, physical rock and fluid measurements |
| limestone | a sedimentary rock predominantly composed of calcite (a crystalline mineral form of calcium carbonate) of organic, chemical or detrital origin. Minor amounts of dolomite, chert and clay are common in limestones. Chalk is a form of fine-grained limestone. The Kimmeridge Limestones are effectively chalks being comprised of the remains of calcareous planktonic algae |
| oil field | an accumulation, pool or group of pools of oil in the subsurface. An oil field consists of a reservoir in a shape that will trap hydrocarbons and that is covered by an impermeable or sealing rock |
| oil in place | the quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations before any extraction or production |
| petrophysics | the study of physical and chemical rock properties and their interactions with fluids utilising electric logs, physical rock and fluid measurements |
| reserves | those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions; reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as of the evaluation date) based on the development project(s) applied; reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status |

Notes to Editors:

The Company has interests in the following UK licences:

| Asset | Licence | Alba's Interest | Licence Holder | Operator | Area (km ²) | Status |
|-------------------------|---------|-----------------|--|--|-------------------------|--|
| Brockham ¹ | PL235 | 5% ² | Angus Energy | Angus Energy | 8.9 | Drilling of sidetrack well being considered. |
| Horse Hill ³ | PEDL137 | 9.75% | Horse Hill Developments Ltd ⁴ | Horse Hill Developments Ltd ⁴ | 99.3 | Extended flow testing of HH-1. |
| Horse Hill ³ | PEDL246 | 9.75% | Horse Hill Developments Ltd ⁴ | Horse Hill Developments Ltd ⁴ | 43.6 | Extended flow testing of HH-1. |

Notes:

1. Oil field currently in production.
2. Alba has an option to farm in to 5% of Production Licence 235 ("PL 235"), which comprises the producing onshore Brockham Oil Field, which is located just to the north-west of the Horse Hill licences. If Alba elects to exercise the Brockham Option, it must fund 10% of the cost of the well or side-track (from spudding to first oil) in order to earn its 5% interest
3. Oil discovery with recently completed flow testing.
4. Alba has a direct 15% interest in HHDL, which has a 65% interest in PEDL137 and PEDL246.

About Barton Willmore

Barton Willmore is one the UK's largest planning practices, specialising in the planning, design and environmental assessment of energy projects from eleven regional offices. Barton Willmore and their energy projects can be found on their website: www.bartonwillmore.co.uk/energy/