



**Alba Mineral Resources plc**  
**("Alba" or the "Company")**

4 April 2017

### **OGA Agrees Work Programme and Extends Retention Area Periods for Horse Hill Licenses, Weald Basin, SE UK**

The Company announces that it has been informed by the operator, Horse Hill Developments Limited ("HHDL"), that the Oil and Gas Authority ("OGA") has consented to extend the current PEDL137 and PEDL246 Retention Areas ("RAs") until 2021. The PEDL137 and PEDL246 RAs, which cover the entirety of the licences, will now expire on 30<sup>th</sup> September and 30<sup>th</sup> June, 2021, respectively. The Company holds a 9.75 % net interest in the licences via its 15% ownership of the licence's operator HHDL.

The RA work programmes, now agreed with OGA, comprise; the planned Horse Hill-1 ("HH-1") Kimmeridge and Portland production tests, HH-1z Kimmeridge Limestone ("KL") and HH-2 Portland appraisal wells, 50 km<sup>2</sup> of 3D seismic, 25 km of 2D seismic in PEDL246 and a PEDL246 exploration step-out well. The RAs for each licence can be further extended or modified subject to an ongoing minimum work programme agreed by the OGA.

#### **Mike Nott, CEO of Alba, commented:**

"We are very pleased to have received this notification from the OGA. The matter represents another significant step in the journey from discovery to production. There is no doubt in my mind that the Wealden area is developing into a significant natural resources oil play and we are pleased to be one of the joint venture partners pursuing the exploitation of one of our Country's significant natural resources"

#### **HH-1 Oil Discovery**

The HH-1 Kimmeridge Limestone and Portland oil discovery well is located within onshore exploration Licence PEDL137, on the northern side of the Weald Basin, 3 km north of Gatwick Airport. As previously reported in February and March 2016, two naturally-fractured limestone members within the Kimmeridge section, known as KL3 and KL4, flowed dry, 40-degree API oil, at an aggregate stabilised natural flow rate of 1,365 barrels per day ("bopd") with no clear indication of depletion. The overlying Portland flowed dry, 35-37 API gravity crude at a stable pumped rate of 323 bopd. The Portland was produced at the rod-pump's maximum achievable rate and thus flow was constrained by the pump's mechanical capacity.

As previously reported in October 2016 and March 2016, an application for long term production testing and further appraisal drilling was submitted to Surrey County Council in October 2016, and is now scheduled to be decided at the Council's planning committee meeting in July 2017. The Company therefore envisages that these operations will commence in the second half of 2017 upon grant of the necessary remaining regulatory permissions.

#### **Qualified Person's Statement**

*Michael Nott, aged 68, 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.*

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014

**For further information please contact:**

**Alba Mineral Resources plc**

Michael Nott, CEO +44 20 3696 4616

**Cairn Financial Advisers LLP**

James Caithie / Liam Murray +44 20 7213 0880

**Dowgate Capital Stockbrokers Limited**

Jason Robertson / Neil Badger +44 1293 517744

**Glossary:**

degree API	a measure of the density of crude oil, as defined by the American Petroleum Institute
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
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
Retention Area ("RA")	An area covering all or part of an onshore UK "14 <sup>th</sup> Round New Model" Licence that can be retained until the expiry date without any relinquishment and subject to a work programme agreed by the OGA. Usually, as in the case of PEDL137 and PEDL246, the Retention Area covers the entire Licensed area
seismic	use of reflected and refracted sound waves generated at the surface to ascertain the nature of subsurface geological structure. 2D seismic records a two-dimensional cross-section through the subsurface collected using the two-dimensional common mid-point method. 3D seismic records a three-dimensional image through the subsurface using the common depth-point method.
step-out	a well designed to determine the lateral extent of a discovered hydrocarbon accumulation or play