Alba is pleased to announce that, on 24 September 2015, it executed a conditional agreement ("Agreement") pursuant to which Alba shall acquire from Angus Energy Limited ("Angus"):  

- 5% of the issued share capital of Horse Hill Developments Ltd ("HHDL"), being 50 fully paid ordinary shares in HHDL (the "Sale Shares"). Alba will thereby increase its interest in HHDL from 10% to 15%. HHDL are the 65% owners and operators of onshore exploration licences PEDL 137 and PEDL 246 (known as "Horse Hill").  

- an option to acquire a further 5% shareholding in HHDL from Angus (the "HHDL Option"). Alba has 21 days from the date of execution of the Agreement to elect to exercise the HHDL Option, and if it so elects, the parties shall proceed to completion of the sale and purchase of the further 5% shareholding in HHDL on the same terms, and subject to the same conditions, as set out in the Agreement within a further 21 days. The consideration payable for the further 5% shall therefore be equivalent to the Consideration as defined below; and  

- an option to farm into 5% of Production Licence 235 ("PL 235"), which comprises the producing onshore Brockham Oil Field ("Brockham") (the "Brockham Option"). The Brockham Option shall be at a "two for one promote" basis, such that if Alba elects to exercise the Brockham Option, it must fund 10 per cent of the cost of the well (from spudding to first oil) in order to earn its 5% interest ("Brockham Interest").

(Together, the "Acquisition")

**Acquisition terms**

The consideration payable by Alba for the Sale Shares, the HHDL Option and the Brockham Option comprises:  

- 137,729,178 new ordinary shares in Alba ("Consideration Shares");  

- £365,000 in cash, of which £90,000 falls due immediately and the balance of £275,000 shall be payable immediately upon Completion (as defined below); and
- 45,909,726 warrants to subscribe for new ordinary shares in Alba at a price of 0.5p per share. These warrants are exercisable on or before the date falling 18 months from Completion.

(Together, the "Consideration")

**Completion**

Completion shall occur on the business day after satisfaction, or waiver by Alba, of the following conditions precedent within 30 days of the execution of the Agreement:

- completion of an equity capital raising by Alba for at least £400,000 on terms satisfactory to Alba;
- confirmatory due diligence to Alba’s satisfaction including in respect of title to the Sale Shares and the Brockham Interest; and
- receipt of any necessary third party consents, approvals or waivers.

Subject to Completion occurring, Angus has agreed that 60% of the Consideration Shares to be issued at Completion shall be subject to a 6 month lock in, and subject thereafter to a further 6 months' orderly market restriction, with the balance of 40% of the Consideration Shares being subject to 12 months’ orderly market restriction from Completion. In addition, no Consideration Shares may be disposed of in the 21 days following Completion. The orderly market restrictions referred to above provide that no Consideration Shares may be disposed of other than through Alba's broker (or through such other brokers as Alba may approve from time to time) in such manner as Alba and its broker shall reasonably require in order to maintain an orderly market in Alba's shares.

Further announcements relating to the Acquisition will be made in due course.

**Mike Nott, Alba’s CEO, commented:**
"We are very pleased to announce this agreement by Alba to acquire a further interest in the Horse Hill project. Previous exploration at Horse Hill has been successful with a significant and potentially commercial onshore oil discovery previously announced. The drilling of the Horse Hill-1 well not only resulted in an oil discovery in the Jurassic Portland Sandstone but also revealed further opportunities for additional oil potential, particularly in the Kimmeridge limestones. These discoveries have had the benefit of two independent studies, the conclusions of which have been previously released to the market. Alba is now even better placed to benefit from further success at Horse Hill. The option we have to acquire a direct 5% interest in the producing Brockham oil field represents a further opportunity to significantly increase our involvement in the Weald Basin."

**Alba’s interest in PEDL137 and PEDL246 ("the Licence Area") and Horse Hill**

The Licence Area is located on the northern side of the Weald Basin of South East England near Gatwick Airport. The HH-1 discovery well is located in PEDL137. Alba currently owns a 10% direct interest in HHDL and, pending Completion, this will increase to 15%.

If Alba elects to exercise and satisfies the terms of the HHDL Option, its interest in HHDL will increase to 20%.
HHDL is a special purpose company that owns a 65% participating interest and is the operator of the Licence Area. The remaining 35% participating interest in the Licence Area is held by Magellan Petroleum Corporation.

**Brockham Oil Field**
The producing Brockham Oil Field was discovered by BP in 1987 when BP drilled the Brockham-1 well and initially flowed 95 bopd of 27.5 API crude from the Portland sands reservoir. Brockham is held under United Kingdom Production Licence PL235.

**For further information please contact:**

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