

11 May 2015

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



### **Upgrade to Horse Hill Conventional Portland Sandstone Oil in Place Volumes**

Alba Mineral Resources plc (LSE AIM: ALBA) is pleased to announce an upgrade to the conventional Stock Tank Oil Initially In Place ("STOIIP") volumes estimated for the overall Upper Portland Sandstone conventional reservoir in the Horse Hill-1 ("HH-1") and Collendean Farm-1 ("CF-1") structure ('Horse Hill'), in the PEDL137 licence area (Surrey-West Sussex, Weald Basin). This revised STOIIP is separate to the oil-in-place volumes estimated for the argillaceous limestones and mudstones of the Kimmeridge, Oxford and Lias rock sections of the HH-1 well, as reported on 9 April 2015 and 15 April 2015. The Company has a net attributable interest of 6.5% in PEDL137.

An independent study of the Portland Sandstone reservoir was conducted by Xodus Group ("Xodus"), an international energy consultancy based in the UK (see [www.xodusgroup.com](http://www.xodusgroup.com)), for the Horse Hill Developments Ltd (HHDL) main consortium partners UK Oil and Gas PLC (UKOG). The study is based on new petrophysical evaluations of both the HH-1 discovery and the older Collendean Farm-1 ("CF-1") well plus an updated interpretation of 2D seismic data across the Licence. The study report is available on UKOG's website (see [www.ukogplc.com](http://www.ukogplc.com)).

The HH-1 and CF-1 discoveries lie within an approximately 100-foot thick, Upper Portland Sandstone gross reservoir interval, within a 6km by 3km tilted fault block structure as defined by 2D seismic. The crest of the Upper Portland conventional oil discovery lies at approximately 1,760ft TVDSS, and extends over a mapped maximum areal closure of approximately 2,000 acres. The Upper Portland reservoir is productive at the nearby Brockham field, some 9km NNW, in which UKOG has an indirect interest of 3.6%.

Xodus calculate that the Upper Portland Sandstone conventional reservoir contains a "Best Estimate" (P50) gross STOIIP of 21.0 MMbbl, which is slightly more than UKOG's own revised latest estimate of 20MMbbl, and which is entirely within PEDL137 and encompasses both the HH-1 and CF-1 wells. This is an increase of 12.8 MMbbl over the 8.2 MMbbl (P50) gross STOIIP reported on 17 December 2014,

which results largely from the new petrophysical evaluation of HH-1 electric logs, calibrated to new XRD and MICP data, and a new interpretation of the CF-1 electric logs, calibrated to core data.

The gross Upper Portland STOIP ranges estimated by Xodus are as per the table below:

<b>STOIP (MMbbl)</b>	<b>Low</b>	<b>Best</b>	<b>High</b>	<b>Mean</b>
Upper Portland Gross 100%	14.3	21.0	30.4	21.8

The oil in place hydrocarbon volumes (STOIP) estimated should not be construed as recoverable resources or reserves. Meaningful estimates of recoverable oil within the Upper Portland can likely only be made following the proposed HH-1 flow test and a significant proportion will not be recovered during any future production regime

The Upper Portland is the uppermost, conventional oil-saturated reservoir found in the HH-1 and CF-1 wells. It overlies, and is entirely separate from, the Kimmeridge, Oxford and Lias oil-saturated argillaceous limestone and mudstone rock sections reported on 9 April 2015 and 15 April 2015.

The Xodus study is an independent review, solely of the Upper Portland Sandstone trap-constrained conventional oil reservoir. It does not include any assessment of the deeper Kimmeridge, Oxford and Lias oil-saturated argillaceous limestone and mudstone rock sections, which are currently the subject of a separate review by Nutech Ltd.

### **Reporting Standards:**

Xodus' STOIP volumes have been prepared in accordance with the 2007 Petroleum Resources Management System prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE), reviewed, and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE).

Xodus state in their Executive Summary that; "In conducting this review Xodus has utilised information and interpretations supplied by UKOG, comprising operator information, geological, geophysical, petrophysical, well logs and other data along with various technical reports. Xodus has reviewed the information provided and modified assumptions where it considered this to be appropriate. Site visits were not considered necessary for the purposes of this report."

**Michael Nott, Alba's CEO, commented:**

“The Xodus Report supports the Company’s view that the Horse Hill and Collendean Farm oil pool constitutes a significant conventional Upper Portland Sandstone oil discovery in the Weald basin.

Subject to approval by the relevant authorities, the Consortium intends to flow test this conventional sandstone zone as part of a wider test programme of the HH-1 well later in 2015. A successful test would be followed by a full technical resource assessment, and the identification of potentially recoverable resource volumes.

Subject to these results, the Company is informed that the operator, Horse Hill Developments Ltd, intends to engage with the Oil and Gas Authority (“OGA”) and other regulators, and seek to move the PEDL137 licence into the Production Period as soon as practicable, via submission of a Field Development Plan to the OGA. The PEDL137 licence is currently in the exploration phase and expires on 30 September 2015. HHDL has applied for a one-year extension of the exploration phase to 30 September 2016.”

**Alba's interest in Horse Hill:**

The Horse Hill-1 well is located within onshore exploration License PEDL137, on the northern side of the Weald Basin near Gatwick Airport. Alba owns a 10% direct interest in Horse Hill Developments Ltd. HHDL is a special purpose company that owns 65% participating interests and is the operator of licence PEDL137 and the adjacent licence PEDL246 in the UK Weald Basin. The remaining 35% participating interests in the PEDL137 and PEDL246 licenses are held by Magellan Petroleum Corporation.

**Competent Person's Statement:**

The technical information contained in this announcement has, for the purposes of the AIM Guidance Note for Mining, Oil and Gas companies, been reviewed and approved by Jonathan Tidswell-Pretorius, Executive Director at HHDL and Chairman of Angus Energy Ltd, a UK registered onshore operator who has 15 years of relevant experience in the oil and gas industry. Mr. Tidswell-Pretorius is a member of the Society of Petroleum Engineers and United Kingdom Onshore Oil and Gas (UKOOG) industry bodies.

**For further information please contact:**

Alba Mineral Resources plc Michael Nott, CEO	+44 (0) 20 3696 4616
Cairn Financial Advisers LLP Avi Robinson/ James Caithie	+44 (0) 20 7148 7900
Dowgate Capital Stockbrokers Limited Jason Robertson/ Neil Badger	+44 (0) 1293 517 744

**Glossary:**

argillaceous limestone	a limestone containing a significant proportion of clay minerals
clastic	rocks composed of broken pieces of older rocks
core	a cylindrical sample of rock, obtained during drilling of wells and removed for inspection at surface
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
electric logs	tools used within the wellbore to measure the rock and fluid properties of surrounding rock formations
fault block	a very large subsurface block of rock, created by tectonic and localised stresses
limestone	a carbonate sedimentary rock predominantly composed of calcite 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
MICP	mercury injection capillary pressure, a measure of rock porosity and permeability, from rock cores or cuttings, and a calibration of porosity logs
MMbbl	Million barrels
mudstone	an extremely fine-grained sedimentary rock consisting of a mixture of clay and silt-sized particles
oil in place or oil initially-in-place	the quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations before any extraction or production
petrophysical evaluation	the study of physical and chemical rock properties and their interactions with fluids; studies typically use well logs, well cores and seismic data
P10	a 10% probability that a stated volume will be equalled or exceeded

P50	a 50% probability that a stated volume will be equalled or exceeded
P90	a 90% probability that a stated volume will be equalled or exceeded
recovery or recoverable	the quantity or portion of petroleum, here oil and gas, initially-in-place that can be extracted by a well or wells to the surface
resources	the Society of Petroleum engineers (“SPE”) defines as all quantities of petroleum, here oil and gas, which are estimated to be initially-in-place; however, some users consider only the estimated recoverable portion to constitute a resource.
reserves	reserves are defined by the SPE as those quantities of petroleum, here oil and gas, which are anticipated to be commercially recovered from known accumulations from a given date forward.
reservoir	a subsurface rock formation containing an individual natural accumulation of moveable petroleum that is confined by impermeable rock/formations
sandstone	a clastic sedimentary rock whose grains are predominantly sand-sized. The term is commonly used to imply consolidated sand or a rock made of predominantly quartz sand
seismic	use of reflected and refracted sound waves generated at the surface to ascertain the nature of the subsurface geological structures. 2D seismic records a two dimensional cross-section through the subsurface collected using the two-dimensional common depth point method
STOIIP	stock tank oil initially in place
TVDSS	true vertical depth below a subsea datum
XRD	x-ray diffraction; scattering of x-rays by the atoms of a rock or crystal that gives information on the structure, composition and identity of the rock or crystal