

12 March 2015

Alba Mineral Resources plc

("Alba" or "the Company")



Acquisition of Further Interest in Horse Hill

Alba is pleased to announce that, on 12 March 2015, it executed a binding conditional agreement ("Agreement") to acquire the 5 per cent shareholding held by Regency Mines Plc ("Regency") in Horse Hill Developments Limited ("HHDL"). The total consideration payable is £300,000 in cash. Alba will also assume the outstanding cash calls owed to HHDL by Regency, being £60,000 in total.

Horse Hill

The Horse Hill-1 well is located within onshore exploration licence PEDL 137, on the northern side of the Weald Basin near Gatwick Airport. Alba currently owns a 5% direct interest in HHDL. HHDL is a special purpose company that owns a 65% participating interest and operatorship of Licence PEDL 137 and the adjacent Licence PEDL 246 in the UK Weald Basin. The participants in the Horse Hill-1 well are HHDL with a 65% working interest and Magellan Petroleum Corporation with a 35% interest. Alba's net attributable interest in PEDL 137 and 246 is therefore 3.25% but will increase to 6.5% on the completion of the acquisition of Regency's interest.

Acquisition terms

Alba has agreed to pay £10,000 in the form of a non-refundable deposit within 7 days of the execution of the Agreement. The balance of £290,000 will then be payable on completion of the acquisition.

Completion of the acquisition is subject to the satisfaction, or waiver by Alba, of the following conditions precedent within 45 days of the execution of the Agreement:

- completion of an equity capital raising by Alba for at least £300,000 at no less than 0.25p per share and otherwise on terms satisfactory to Alba;
- confirmatory due diligence to Alba's satisfaction in respect of title to Regency's shareholding in HHDL and Regency's compliance with the terms of the shareholders' agreement between HHDL shareholders ("HHDL SHA"); and
- receipt of any necessary third party consents, approvals or waivers in respect of the transaction, including without limitation from HHDL shareholders under the terms of the HHDL SHA.

Additionally, on completion Alba shall assume the obligation to pay the outstanding cash calls issued to Regency by HHDL, being a total of £60,000.

Further, subject to completion occurring, Regency has agreed that during the 12 month period following the date of the Agreement it will not dispose of any interest in Alba's ordinary shares except through Alba's brokers in accordance with Alba's reasonable requirements in order to maintain an orderly market in Alba's shares. Regency also grants to Alba or its appointed broker or adviser the exclusive right for a period of 90 days following the execution of the Agreement to place up to 33% of Regency's stake in Alba at a price no less than a 10% discount to the 10 day VWAP prior to the date of purchase, less usual brokerage commissions and charges.

Michael Nott, Alba's CEO, comments:

"We are very pleased to announce this agreement by Alba to acquire a further interest in the Horse Hill project. Exploration at Horse Hill has been successful with a significant and potentially commercial onshore oil discovery announced late last year. 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. Alba is now even better placed to benefit from further success at Horse Hill."

Enquiries:

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Notes to Editors:

Alba holds interests in Mauritania (uranium: JV with FOSSE Investments Limited) and Ireland (base metals). It also owns a 5 per cent interest in Horse Hill Developments Limited, the company which owns a 65 per cent participating interest and operatorship of the Horse Hill oil and gas project. The projects are at different stages of development. The Mauritania uranium project comprises early phase exploration targets, whereas drilling has been undertaken on the Irish base metals project. The Horse Hill-1 well has now completed at a total depth of 8,770 feet.

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.