

Alba Mineral Resources Plc / EPIC: ALBA / Market: AIM / Sector: Mining

28 March 2023

**Alba Mineral Resources Plc**

("Alba" or the "Company")

**Horse Hill Update**

Alba Mineral Resources plc (AIM: ALBA) notes the announcement today by UK Oil & Gas Plc ("UKOG"), as majority shareholder of Horse Hill Developments Limited (the Operator of the Horse Hill Oil Project in the Weald Basin in southern England) in relation to the Horse Hill Oil Project in which Alba owns an 11.765% effective interest.

The announcement relates to the entering into of a conditional binding term sheet ("Term Sheet") with LSE main board listed Pennpetro Energy plc ("PPP") in relation to a farm-in by PPP to the Horse Hill Oil Field ("Horse Hill") on an incremental production basis via funding the acquisition of 3D seismic and the drilling of the next infill production well.

The summary of the Term Sheet provided by UKOG in its announcement includes the following statements:

- *PPP to fund 100% of a new crestal infill production well, designated Horse Hill-3 ("HH-3"), to be spudded after the completion of a PPP 100% funded ~12 square km high-definition 3D seismic survey (the "Farmout Programme"), subject to an aggregate cap of £4.6 million.*
- *Upon Farmout Programme completion, PPP will earn a 49% share of any oil production from HH-3. PPP will also earn an aggregate 49% non-operated Licences interest, comprised of an initial 7% on 3D seismic completion and a further 42% interest upon HH-3 completion.*
- *UKOG and HHDL will retain 100% ownership and rights to all oil production and revenues from Horse Hill-1 ("HH-1").*
- *The assignment of the aggregate 49% Licences interest to PPP is subject to PPP providing the necessary funds to drill HH-3 and complete the Farmout Programme within six-months from the completion of the 3D seismic which is at its discretion.*
- *The farmout to PPP is subject to the completion of a formal Farmout Agreement between the Parties, formal consent by each Parties' respective boards, the full consent of all HHDL's shareholders and regulatory consent from the North Sea Transition Authority for any Licences interest assignment.*
- *Planning and environmental consents remain in place for a further 4 production wells at Horse Hill.*
- *3D seismic acquisition is currently targeted for H2 2023.*

Alba notes the above statement that the proposed transaction is subject to the satisfaction of a number of conditions, including the full consent of all HHDL's shareholders. Alba looks forward to discussing the proposed transaction with UKOG and Doriemus, the other shareholders in HHDL, and considering the merits of the proposed transaction for Alba and its shareholders.

Further material updates will be provided as and when they become available.

ENDS

***This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.***

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**Forward Looking Statements**

This announcement contains forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, uncertainties regarding the timing and granting of regulatory and other third party consents and approvals, uncertainties regarding the Company's or any third party's ability to execute and implement future plans, and the occurrence of unexpected events.

Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

**\*\*ENDS\*\***

For further information, please visit [www.albamineralresources.com](http://www.albamineralresources.com) or contact:

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**Alba's Projects and Investments**

<b><i>Mining Projects Operated by Alba</i></b>	<b><i>Location</i></b>	<b><i>Ownership</i></b>
Clogau (gold)	Wales	100%
Dolgellau Gold Exploration (gold)	Wales	100%
Gwynfynydd (gold)	Wales	100%
<b><i>Investments Held by Alba</i></b>	<b><i>Location</i></b>	<b><i>Ownership</i></b>
GreenRoc Mining Plc (mining)	Greenland	44.7%
Horse Hill (oil)	England	11.765%

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