



Reabold Resources

Business plan for an **alternative** future

www.reaboldrequisition.com

Introduction

We, the shareholders who have petitioned for an EGM to replace the existing executive board of Reabold Resources would like to present this business plan describing an alternative future for the company if our requisition is successful.

As major shareholders in the company ourselves, we have become increasingly concerned over many elements of the company's decisions over the last few years and believe that it is time for a change in management in order to create sustainable value in the interests of all shareholders.

We have concerns over:

- The level of executive pay
- Matters of corporate governance
- Mismanagement of the company asset portfolio
- Failure to carry out sufficient due diligence in the recent acquisition of new assets
- Loss of trust in the company from financial institutions
- Misrepresentation of market sensitive information between the board and shareholders
- The failure to deliver progress in the West Newton project

We believe that our concerns are shared by the wider market and this is the reason for the collapse in the company market value from approximately £60 million in 2019 down to under £9 million when we began the requisition process.

We have carried out a detailed analysis of the situation the company has found itself in from publicly available records, both in the UK and abroad. We have prepared the following business plan to explain how we would begin to deliver a brighter future for the company with a new management team in place.

Delivering returns to investors

- We believe that the board's primary responsibility is to deliver returns to the company's shareholders.
- With an investment company this involves trying to make sensible investments that deliver a return to shareholders which can be seen reflected in the share price and ultimately in dividends.
- This is perfectly possible in developed countries, like the United Kingdom, Italy and the USA.
- This requires doing proper due diligence on every investment and ensuring that proper monitoring is maintained on an ongoing basis once that investment is made.
- We do not feel that this has been happening under the current management of RBD.
- As large shareholders in RBD ourselves, our aims are aligned with those of shareholders.

Action Plan

Upon taking control of RBD our immediate action plan would be as follows:

- Carry out an assessment of the financial status of the company as it stands today. We have serious concerns over the company's financial situation and only once we become fully aware of how it is, will we be able to fully confirm our plans for the future.
- Make the business proactive rather than reactive.
- Ensure that proper new due diligence is carried out over all existing portfolio assets.
- Balance the structure of the company investments to achieve a proper balance between exploration and production assets.
- Actively develop the process of farming out the existing North Sea assets.
- Ensure that the first development well at West Newton will be drilled in 2024.

Key priorities for the new board

01

Assess the desired future for each existing asset

Develop

Sell Off

Abandon

02

Reduce Corporate Expenses

Ensure there is only one CEO

Reduce total Executive pay by 50%

Reduce administrative expenses

03

Reward long-suffering shareholders

Deliver £3 million special dividend

Complete £750k Share buyback program

Improve share price performance and recover the trust of institutional investors

04

Action the drilling of a new well at West Newton

Ensure that Rathlin funding is in place

Make all arrangements to drill in H2 2024

Assessing the status of existing assets

Since the appointment of the existing CEOs, Reabold Resources have raised £50 million in equity.

The current portfolio of assets consists of:

West Newton & Rathlin Onshore UK	Acquisition cost: £23,622,500
P2605 / P2504 / P2478 /P2486 Offshore UK	Acquisition cost: £250,000
Parta (Danube Petroleum) Romania	Acquisition cost: £5,020,000
Daybreak USA	Acquisition cost: £9,337,000
Colle Santo Italy	Acquisition cost: £4,300,000
Corallion	Acquisition cost: £7,492,000

Total Expenditure:
£50,021,500

West Newton & Rathlin

Cost of Acquisition £23,622,500

Current Value Unknown

Action Priority Status High



- West Newton is a potentially very significant onshore UK hydrocarbon field.
- Reabold holds a direct 16.665% licence in PEDL 183, the West Newton license. as well as a 59% shareholding in Rathlin, the operator of the Joint Venture for PEDL 183.
- In total Reabold has a 56% economic interest in the development.
- The CPR report prepared by RPS Energy Canada Ltd in June 2022 reports 2C unrisked resources of 197.6bcf gas and attributes an 86% geological chance of success.

West Newton & Rathlin

- In the March 2023's company presentation, Reabold CEOs informed shareholders that the first development well at West Newton would be drilled in 2023, but this has not happened.
- The main obstacle to drilling West Newton appears to be the lack of funds to carry out the drilling of a new well, both from Rathlin Energy and Reabold Resources.
- Obviously, no new oil well can be certain of success but the West Newton opportunity is one that we feel that Reabold should seize as quickly as possible.
- Our number one operational priority, on taking up executive positions at Reabold, will be to get West Newton drilled.
- Given our extensive experience in raising finance we believe that if we are elected to the board of Reabold, we can have the funding and execution of the new West Newton development well completed in 2024.

Offshore UK

P2605

P2504

P2478

P2486

Cost of Acquisition £250,000

Current Value £250,000

Action Priority Status Low



- These licenses were acquired from Corallian for £250,000.
- They are at a very early stage of development.
- Clearly too much for the company to handle on its own.
- The strategy would be to look to farm out the licenses to bigger players at the earliest opportunity.

Romania – Danube Petroleum

Cost of
Acquisition **£5,020,000**

Current
Value **To be assessed**

Action Priority
Status **High**



- The last company update on the Parta Romania assets was issued in June 2021 when they announced that the Romanian National Agency for Mineral Resources has approved an 18-month extension for Parta for the current exploration phase until 3 December 2022.
- This has now expired with no further update.
- Prior to this, the previous announcement was in September 2020 when the company announced that they were carrying out a flow test on the IMIC-1 well.
- No update was ever issued on the result of the flow test.

Romania – Danube Petroleum

- There have been no additional announcements from the joint-venture partner on this project ADX Energy since 2021 either.
- According to the accounts from December 2022 of Danube Petroleum the company currently has minimal cash and owes Reabold £5,475,271.
- The lack of communication with shareholders on the status of this asset is shocking - both about the outcome of the flow test and the expiration phase of the exploration license. It needs to be rectified.
- The new management will do everything possible to remarket these assets and extract value from the £5 million already invested.

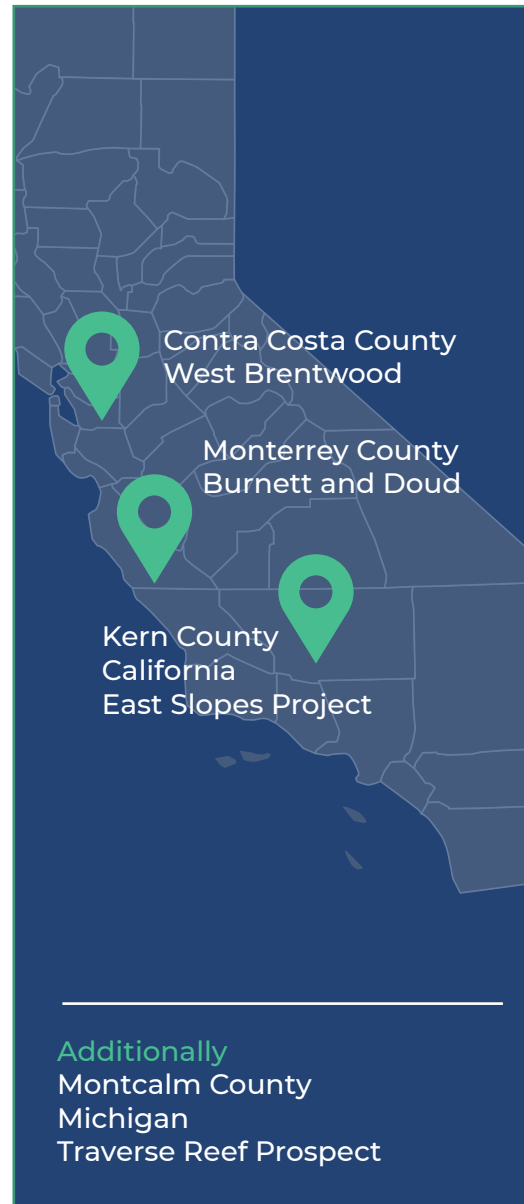
Daybreak Oil and Gas Inc

(OTC BB: Symbol: DBRM)

Money Invested **£9.337,000**

Current Value **£25,000**

Action Priority Status **Very High**



- The status of the Daybreak investment is currently extremely unclear.
- Reabold own 42% of the company but these shares are restricted and therefore non-voting.
- Daybreak has failed to make the SEC filing for it's 10k (year end 2022) and the filing of the quarterly reports (10Q) every quarter since.
- A loan of \$60,000 has been issued to the the CEO with the approval of all the directors of Daybreak. This note will mature in June 2024. This is the only information that Daybreak has filed to the SEC in 2023.
- A loan note of \$155,548 assisted by full guarantee over all the assets of the company in Kern County California was issued in December 2020. This was referenced in the 2021 annual report but since no recent filings have been completed, the current status is unknown.
- The official value of the investment has declined over three hundred times from the original £9.3 million invested into Gaelic Resources.

Daybreak Oil and Gas Inc

(OTC BB: Symbol: DBRM)

- There is still significant value in the oil and gas assets if this can be extracted. However, this will need immediate proactive action by the new management of Reabold.
- To date current management have declared themselves “unaware” of two bids that have been put in for the Daybreak assets that would have allowed an exit from the investment at a roughly break-even cost.

Action plan going forward:

- While in preparation for the shareholders meeting of Daybreak in June 2024 when new directors can be appointed, we will demand that the director appointed to the Daybreak board by Reabold will work to further Reabolds interests.
- We will restructure the company to allow us operational control. For this purpose a paramount advantage is that the great majority of the voting shares are in the hands of Kamran Sattar while the shares of Reabold are non-voting.
- If we are unable to successfully restructure the company then we will enter negotiations for the sale of either the Daybreak assets and/or the listed company itself.

Italy – Colle Santo

Cost of Acquisition **£4.3 million**

Current Value **unknown**

Action Priority Status **Very High**



- There are significant issues with the Colle Santo project that we have already explained to shareholders in detailed documents available on our website.
- The status of the license is uncertain with the Reabold board assuring shareholders that they have been told by the Italian authorities that they will have approval for a two year production test in 2023.

However, the rejection of the previous request, which is a matter of public record in Italy, clearly stated that this approval cannot legally be granted without the completion of a full Environmental Impact Assessment (EIA). The last EIA took two years to be assessed before being rejected.

Italy – Colle Santo

Action plan going forward:

- We will review the company due diligence process for the Colle Santo investment.
- We will engage in immediate conversation with the relevant Italian authorities and with the assistance of top quality advisors to gain confirmation of whether there is any future possibility, however remote or distant, of LNEnergy ever obtaining a production license for Colle Santo.
- In the event that there is any surprising good news, we will negotiate the transformation of a vague option into a legally framed purchase.
- We will investigate the information provided by LNE to Reabold prior to the Colle Santo investments being made and if the Reabold executive team have been responsible for issuing misleading information to shareholders.
- If LNE has made misleading representations to RBD during the process of investment negotiations we would look to recover the value of the investment made.
- In the worst-case scenario, we would commence legal proceedings in both the UK and Italy.

Reduction of Company Expenses

- Reabold currently has two CEOs. Since they were appointed in October 2017 they have taken over £4 million in wages out of the company and this equates to over 90% of the company's revenue over the same time period. It is a situation that cannot be sustained.

	CEO'S WAGES	COMPANY REVENUE
2017	£556,000	£0
2018	£1,252,000	£194,000
2019	£578,000	£1,452,000
2020	£462,000	£1,035,000
2021	£716,000	£1,160,000
2022	£484,588	£560,000
TOTAL	£4,048,588	£4,401,000

- One of the key priorities for the new board would be to reduce the total of executive wages paid by 50% by removing one of the two CEOs.
- We would also look to significantly cut other corporate administrative expenses where possible.

Shareholder Communication

We will immediately improve shareholder communication by carrying out the following:

- We guarantee to tell shareholders the truth in all communications.
- We will hold monthly investor conference calls or corporate videos to ensure all shareholders are up to date with company progress.
- We will institute a monthly Q&A section to the company website where shareholders can direct questions to the board and have them answered in a public forum – this will be released via RNS if it contains market-sensitive information.
- We will issue bi-monthly RNS updates on the results of our investigations into the financial status of the company and the due diligence that has previously been performed in asset acquisitions.

Company Activity Timeline

Q1 2024

- Reduce executive pay by only having a single CEO.
- Commence the investigation into the financial and legal status of Reabold's assets in the UK, Italy and Romania.
- Begin the process of ensuring that funding for West Newton drill is in place (both for Reabold and Rathlin).
- Appoint new director to the Rathlin board.
- Complete £750k share buyback program.
- Assess the status of all existing portfolio assets and begin the process of disposal where necessary.
- Analyse the due diligence process carried out on the Colle Santo acquisition and commence legal action if appropriate.
- Ensure that the Daybreak shares are given full voting rights.
- Improve corporate communications.

Q2 2024

- **Subject to the results of the investigation into Reabold's financial status:**
- Commence the farm-out process of North Sea assets, and Danube
- Investigate the market situation for equity and debt finance
- Start to relaunch Daybreak if possible
- Continue the legal activity in Italy and the UK in relation to Colle Santo.

Q3 2024

- Bring in an experienced farm-in partner to derisk the financial and development risks of West Newton.
- Complete the relaunch of Daybreak or complete the sale of this asset.
- Commence the drilling of the development well at West Newton.

The Proposed Directors



Andrea Cattaneo – proposed CEO

Andrea is an Oil & Gas executive with a focus on emerging countries and has 30 years' experience in advising governments in financial, industrial, and energy-related matters. Andrea has strong expertise and experience in structuring and negotiating contracts in the international markets, specifically in the oil industry. He also has significant experience in former emerging countries and arranged the first USD loan to Vietnam at the beginning of his financial career in 1985. Andrea holds an undergraduate degree in Economics from the University of Genoa and a postgraduate degree in Taxation Law from the University of Bologna.

He is a former member of the Business Advisory Council to the Great Tumen Initiative, a United Nations project for regional economic cooperation for some Northeast Asia countries (China, Russia, South Korea and Mongolia). He is a director and a founder of Zenith Energy Ltd, an energy company and an operator, producing oil, natural gas and electricity.

In October 2023 he was appointed to the Chairman's Advisory Board, of the World Pension Forum Foundation in New York.



Kamran Sattar - proposed Chairman

Kamran is an influential banker who has facilitated >£3bn in capital market transactions over the last several years, including many successful O&G deals. He played an integral role in facilitating Reabold's last placing, completed at a premium, and led the investment group which purchased £500k of the Corallian Energy loan notes from Reabold. Kamran was part of the group which funded the Daybreak Oil & Gas transaction undertaken by Reabold, such group being referred to by Stephen Williams in Reabold's RNS dated 3 March 2021 as "strategic investors". Kamran and his group successfully underwrote two transactions with Touchstone Energy Inc and were early backers of Afritin Mining, making significant returns in both companies. Kamran has been a shareholder in Reabold Resources plc since 2020.

Kamran possesses the relevant financial qualifications and experience to ensure robust financial reporting and audit oversight can be put in place. He is the principal of Portillion Capital, which offers bespoke financial advice to a wide range of individuals, including many HNWIs and UHNWIs. Kamran and Portillion are registered and authorised by the FCA, and Kamran holds several senior management functions as a regulated individual, including SMF3 Executive Director, SMF16 Compliance Oversight and SMF17 Money Laundering Reporting Officer.

The Proposed Directors



Dr. José Ramón López-Portillo Romano – proposed Non-Executive Director

Jose is an academic, entrepreneur, diplomat, consultant and public servant from Mexico. In the Government of Mexico he was General Director and, later, Vice-minister of Programming and Budget.

In international diplomacy, he was elected Independent Chairman of the FAO Council of the United Nations. Previously, he was the Permanent Representative of Mexico to the United Nations agencies in Rome, Italy, and was elected to various international positions.

The Secretary General of the United Nations named him a member of the Group of Ten Experts in support of the Technology Facilitation Mechanism, through which he has made significant contributions to the UN 2030 Agenda on the “Impact of rapid technological change on the achievement of the Goals of Sustainable Development”. He was re-nominated to this position May 2021.

An economist by training, Dr. López-Portillo has a DPhil (Ph.D.) in Political Science from the University of Oxford, where he has worked on various academic projects, notably as co-founder and coordinator of the Center for Mexican Studies.

Among his private activities, he is co-founder and chairman of Zenith Energy Ltd (a London-listed company); co-founder of “Q-Element” (an Oxford-based consulting firm); and “México Actua”, an action tank based in Mexico; and is the representative of CONCAMIN (Confederation of Industrial Chambers of Mexico) in United Kingdom and Ireland.



Francesca Yardley – proposed Non-Executive Director

Francesca has 18 years' experience as a corporate and commercial lawyer. She initially advised on private equity transactions for Linklaters before being appointed as general counsel of one of the UK's largest food manufacturing business, where she managed their \$1.1bn secondary buyout. She subsequently joined an international investment firm where she advised management on fundraising activities, regulatory compliance, portfolio management and exit strategies.

Francesca sits on the board of various scale-ups, is an accredited mediator and sits as a magistrate judge.