

STATEMENT DATED 23.12.2023

The requisitioners have observed with surprise the two interviews that the two “Co-Chief Executive Officers” at Reabold Resources have released via BRR Media and Malcolm Graham Wood.

Both interviews, released almost simultaneously, have been quite revelatory and contain false statements devoid of factual basis, as well as gratuitous *ad hominem* attacks against the proposed Directors evincing the weakness of the current Board’s position.

An allegation has been made that the requisition is motivated by a desire to take control of Reabold’s assets and portfolio “on the cheap”.

This is evidently false. We are significant shareholders in the Company, and we are seeking to implement a leadership change to avert the certain disaster that awaits the Company if the current “strategy” of misguided investments is allowed to continue.

Further, the reality is that the principal value Reabold currently has, after the value destruction brought about by the two Co-Chief Executive Officers, is its interest in the West Newton asset and its cash balance. The rest, specifically Colle Santo, are disasters.

A highly unpleasant allegation has been made that Kamran Sattar has blackmailed the Board by requesting a cash payment to avoid a second requisition being called. This is false and gravely defamatory. Kamran has confirmed that he will be initiating legal action against the Company and/or the Directors who have made such an allegation.

For the avoidance of doubt, the requisition process (which has now been performed twice) is a costly exercise and Kamran would not be pursuing this activity for a second time if he was not motivated by a genuine desire to effect change in the leadership at Reabold to secure the company’s future.

As expected, the interviews failed to address any of the fundamental concerns we have raised since we initiated the requisition.

For example, why have Reabold invested circa £9 million into their Californian assets and why is this investment now considered non-core and brushed under the carpet? Where is the accountability for this failed investment?

Daybreak was the focus of Reabold until it wasn’t after £9 million had been invested and lost. It appears that this is the recurring modus operandi applied to investments.

For clarity, our focus would primarily be on West Newton. We would also be independent of individual shareholder interests and act solely in the best interests of ALL shareholders.

On the subject of Colle Santo, Reabold has now been forced to confirm what we have always known since the beginning of this requisition. The promised 'production test permit' - to be received prior to the close of 2023 - has not been received and was always unachievable in the absence of a positive environmental impact assessment. The announcement released yesterday confirms that this environmental impact study has only now been submitted and the process is very far from being completed, let alone approved. It should be underlined that the last time an environmental impact study was submitted for Colle Santo a formal rejection was received two years from the first submission. This evidences that the previous promise to achieve a production test permit prior to the close of 2023 was entirely misguided and devoid of factual basis. Cast in the best possible light, it reveals that the Board have fundamentally no idea what they are doing in the context of the Italian oil and gas space – this view would be supported by the valuation they have applied in acquiring a minority position in LNEnergy (a private company with untradeable shares), approximately £16.5 million. Attention is drawn to the fact that LNEnergy does own the Colle Santo asset, it solely has an option (the terms of which are not public).

In summary, there is no way an early production test will happen, even during 2024, and spurious claims that the asset had changed or been progressed in recent years, and that the due diligence process had lasted "six years" evidence a worrying degree of disconnection from reality. As we have disclosed previously, the only changes that have taken place in respect of the Colle Santo asset have been in its ownership, with the asset having been sold over the years between various companies for significantly lower valuations (circa 20%) to what has now been paid by Reabold for its **minority interest** in LNEnergy.

The valuation methodology applied by Reabold also raises significant concerns and it appears, subject to further legal investigation, that this has not been done correctly by Reabold in accordance with the Companies Act 2006, specifically in terms of obtaining independent valuations of non-cash consideration.

To be clear, there has been no material progress of any kind in respect of the Colle Santo asset. On the contrary, there have been negative developments. For example, the last environmental impact assessment was rejected during the period, and the last request for an early production test was rejected in 2022.

Andrea Cattaneo, an Italian who operates a business in the Italian oil and gas space, is certain in stating that this asset is a **chimera**; a waste of focus and valuable resources which should instead be directed towards West Newton.

The reality is that tectonic risks posed to a nearby dam, in a region known to be hostile to oil and gas activities, mean that the Colle Santo asset will likely never produce.

Cost-cutting

No mention of this in the interview. Further evidence of the disconnect with reality and shareholder sentiment regarding the Board's performance.

We have committed to cut Executive pay by 50%, the Co-Chief Executive Officer structure will be removed, and all general and administrative expenditure will be reviewed and, as much as possible, greatly reduced.

Conclusion

Reabold has two primary qualities: West Newton and its cash balance (which is rapidly being depleted by misguided investments).

If the current course is allowed to continue, there will be nothing left, and the Board will certainly be unable to raise capital to finance activities at West Newton, having lost the confidence of many key shareholders and the wider market, as suggested by the current share price.

In view of the consistent history of failed investments at Reabold, we do not believe the present Board of Directors has the skillset, specifically technical, to successfully oversee the successful development of West Newton on budget and on time.

If you vote for the requisition team, we guarantee that we shall apply all the Company's focus and resources to drilling West Newton, whilst seeking to salvage what can be saved from the rest of the portfolio and drastically reducing costs.

Finally, in the unlikely event that this second requisition might be unsuccessful, we can already confirm that we shall be unrelenting in our efforts and, in accordance with our rights as significant shareholders, a third requisition will be called. The levels of support we have received in this second requisition has been very significant and we are certain that, as the ongoing dissatisfactory management of Reabold becomes increasingly clear to the remaining shareholders who still support the current Board, we shall ultimately prevail.

Sincerely,

Andrea Cattaneo

Kamran Sattar