

## Environmental, Social and Governance (ESG) Statement

Reabold Resources plc (“Reabold” or the Company”) is committed to preserving and protecting our natural environment for future generations. We conduct our business in a manner that respects the environment and addresses climate challenges. Our focus is on minimising our emissions and footprint whilst continuing to positively contribute to the growing demand for energy and products that require hydrocarbons in the supply chain.

There is an increasing demand for energy in a growing global economy, and hydrocarbons will continue to play a critical role in meeting these needs, alongside renewables and other sources of energy for the foreseeable future. The International Energy Agency predicts a 30 per cent. increase in demand for hydrocarbons by 2040. The challenge is to meet the world’s energy needs sustainably, which requires managing and reducing harmful emissions. Reabold actively encourages and expects its investee companies / operators of its oil and gas interests to respond to this by continuously striving to minimise the potential environmental impact of operations by:

- Implementing controls to identify and prevent potential environmental risks
- Implementing controls during operations to avoid accidental spills, or leaks of polluting materials
- Managing water with due consideration
- Targeting high energy efficiency levels in drilling and other activities
- Limiting unnecessary wastage
- Handling waste products in an environmentally responsible manner
- Regularly assessing the environmental consequences of operations

The operators have developed systems, controls and processes to integrate climate related considerations, in order to meet these objectives

Reabold complies with the applicable standards of the international oil industry, environmental laws and regulations. We recognise and support the basis of the Paris Agreement to strengthen the global response to the threat of climate change. Furthermore, extraction activities at sites in which Reabold is invested are significantly lower in carbon intensity than the industry average.

Our growth strategy consists of expanding our existing asset base and to developing the world’s limited but proven reserves of hydrocarbon fuels in the most efficient and sustainable manner possible.

Reabold’s assets are primarily small to medium sized, proven oil and gas fields at relatively shallow depth. As such, the intensity of drilling required is considered low relative to industry standards and we do not conduct energy intensive prospecting activities, reducing the impact on the environment. We continue to seek the most energy efficient drilling methods are utilised by the operators of our interests and as the energy mix evolves towards a higher percentage of renewables in the countries in which we operate (e.g. increasing wind power in the UK and Romania, solar in California), we anticipate a greater share of the energy consumption will be purchased from green sources.

## **United Kingdom**

Our investee company sites in the United Kingdom are located close to areas with a high demand for energy. Consequently, we expect that hydrocarbons produced locally and consumed locally will displace imported hydrocarbons thereby resulting in lower carbon emissions overall.

The carbon intensity of the UKCS has fallen by 16 per cent. since 2013 to 21,000 tonnes CO<sub>2</sub>/million boe. The industry needs to deliver production with an emissions intensity of 4,000 tonnes CO<sub>2</sub>e/million boe by 2050. We are committed to being part of the overall reduction in carbon intensity.

## **California, USA**

Reabold's US production is in California, a state with very high renewable energy generation which feeds into the energy required for hydrocarbon extraction. By industry standards, our oil and gas activities require a very low level of energy to extract the hydrocarbons, ensuring it is one of the most energy efficient of its type in California.

## **Romania**

Romania is in the midst of creating a more sustainable energy mix by transitioning away from coal fired generation and ageing nuclear plants towards renewable energy sources. However, during this transition period, the country needs indigenously sourced natural gas as a fuel to ensure the security of supply of energy. By developing and producing gas from the Parta site, Danube Petroleum Limited is able to contribute to the country's efforts to implement this energy strategy.

Managing our environmental footprint and reducing our emissions are important objectives for Reabold Resources. We regularly review and revise our policies, as necessary.