

# Egdon Resources plc

"Our vision is to provide locally derived, secure, affordable, and sustainable energy to meet the UK's evolving energy needs."

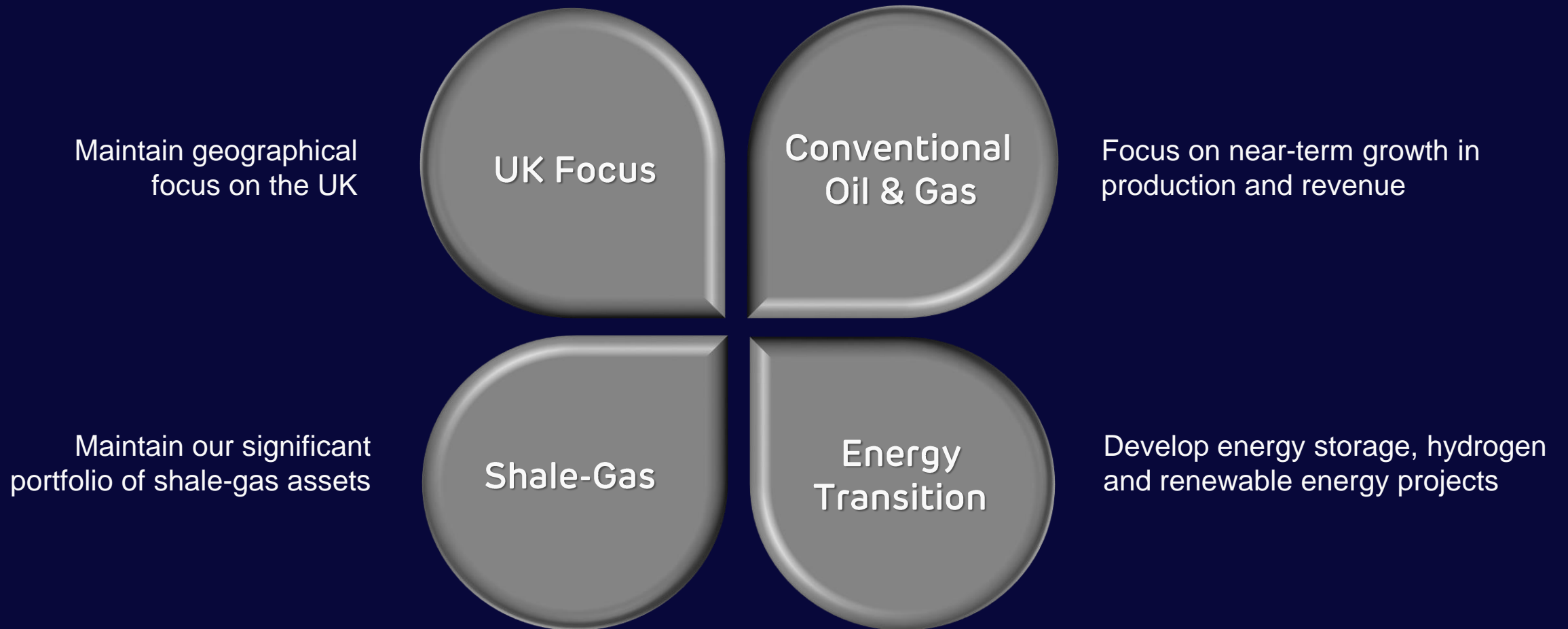
Preliminary Results for the  
year ended 31 July 2022  
and Business Review

# Egdon at a glance

- AIM: EDR
- Established UK energy company
- Onshore UK focus – 36 Licences
- Step-change in oil and gas production and revenues
- Multiple growth catalysts in the coming period
- Developing energy storage, hydrogen and renewable energy opportunities



# Strategy



# Operational and Corporate Highlights

- Production increased by 160% to 233 boe per day (“boepd”) (2021: 90 boepd)
- Wressle was the stand out asset, significantly exceeding forecast with average production of 656 bopd constrained by the EA Permit limits and with zero water production
- Ceres gas field is providing a late life renaissance
- Appeal against November 2021 refusal of planning for Biscathorpe project was submitted in April 2022
- Appeal against March 2022 refusal of planning for North Kelsey-1 exploration well was submitted in August 2022
- The Government commissioned BGS to advise on the scientific evidence around shale-gas with a report delivered in July 2022
- During April 2022, Shell advised its intent to withdraw from licences P1929 and P2304 (Resolution and Endeavour)
- Egdon assumed operatorship of and increased equity to 40% in PEDL343 containing the Cloughton gas discovery

# Financials



- Revenue increased by over 530% to £6.91 million (2021: £1.09 million)
- EBITDA of £4.67 million (2021: loss of £0.72)
- Post Tax profit for the period of £3.30 million (2021: loss of £1.68 million)
- Basic profit per share of 0.54p (2021: loss per share of 0.51p)
- Net Current Assets of £4.27 million (31 July 2021: £0.14 million)
- Cash and cash equivalents were £4.80 million (31 July 2021: £1.96 million)
- No borrowings (2021: c. £1 million)
- Production and revenues have continued to be strong with Q1 2022/23 revenues of £2.07 million

# Subsequent Events

- 8 August 2022 - North Kelsey Planning appeal documentation was submitted
- 8 September 2022 - Government lifted the moratorium on hydraulic fracturing for shale gas
- October 2022 - NSTA consented to Egdon's request for a 12-month extension to the obligation to acquire the Resolution 3D seismic. Should the 3D survey not be acquired by April 2023, P1929 will determine in May 2023. Licence P2304 (covering Endeavour) will be relinquished.
- 11 October 2022 - hearing held for the Biscathorpe planning appeal - Planning Inspector's decision awaited
- 27 October 2022 - Government reintroduced the moratorium on hydraulic fracturing for shale-gas

# Production

A large green arrow pointing upwards, containing the text 'Production up 160%'.

Production  
up 160%

A large green arrow pointing upwards, containing the text 'Commodity price up 144%'.

Commodity  
price up  
144%

- Production from Wressle, Ceres, Keddington and Fiskerton Airfield
- Total production 84,894 boe or 233 boepd (2021: 32,686 boe, 90 boepd)
- Realised price of \$81.30/boe (2021: \$33.35/boe)
- Priorities for coming period:
  - Wressle – progressing gas monetisation and development of the Penistone Flags
  - Incremental production at Keddington, Waddock Cross, Avington and Kirkleatham
- Production guidance of 225-245 boepd for 2022/23

# Wressle – “exceeding expectations”

- Outstanding production and financial performance during the period – continues to exceed expectations
- Oil production of more than 225,000 barrels to 31 July 2022, with no water
- Facilities progressively upgraded
- Currently producing 700-725 bopd constrained by the environmental permit limitations
- Two stage gas monetisation commenced:
  - Stage 1 – Ashover Grit gas (all consents in place)
    - Site electricity requirements via micro-turbine (by year-end)
    - Electricity generation (up to 1.75MW) and export via local private electricity network (expediting procurement)
  - Stage 2 – Penistone Flags gas to be exported to the gas grid (part of Penistone Flags development plan)
- 3D seismic reprocessing will inform location of Penistone Flags development wells
- Penistone Flags development will target gross 2C resources of 1.53 million barrels of oil and 2 billion cubic feet of gas – New CPR to be commissioned
- Drilling progressed at earliest opportunity subject to receipt of regulatory and planning consents



# Wressle – “an exemplary site”

Wressle Production Site showing new gas incineration unit

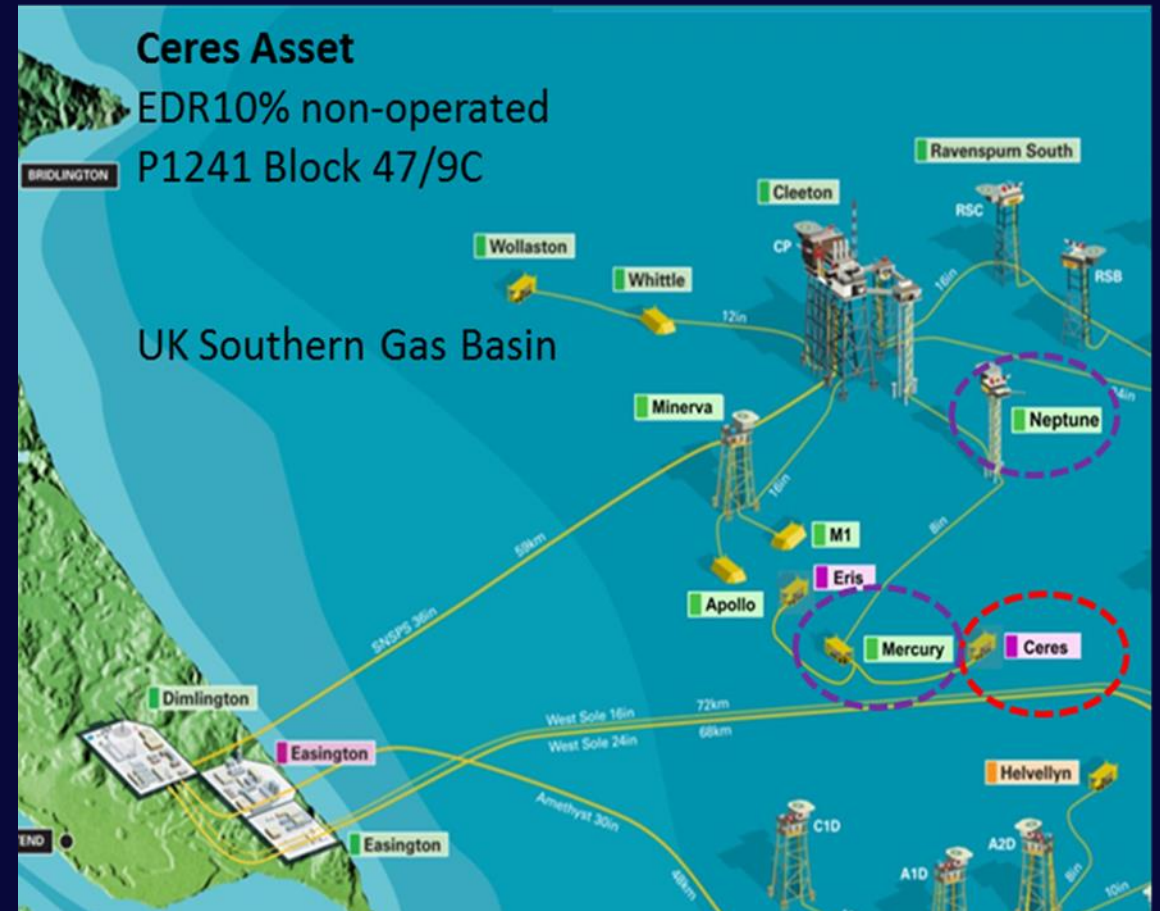


Egdon Board on site at Wressle



# Ceres – “a late life renaissance”

- Ceres gas field providing a late life renaissance due to the high gas price and low operating costs
- A reassessment of the field economics has led to the reversal of a prior impairment of £0.507 million
- Production expected to continue through at least to 2024





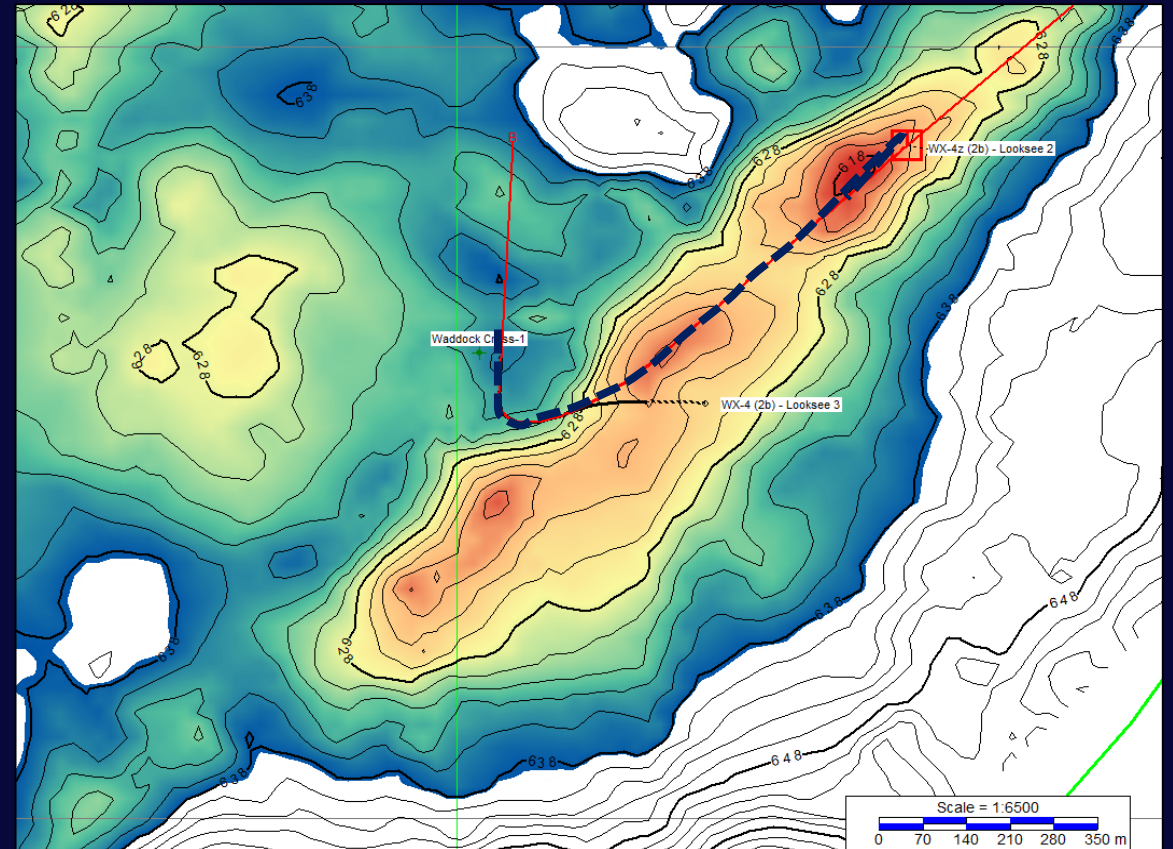
# Keddington – “Boosting Production”

- Contributes tangible revenues
- A target in the east of the field could deliver 180,000 barrels of incremental production via a side-track
- Planned 2023 well with consent in place
- 3D reprocessing currently being finalised to inform final sub-surface location
- Near-field exploration opportunities:
  - Keddington South (Mean Prospective Resources of 635,000 barrels of oil)
  - Louth Prospect, (Mean Prospective Resources of 600,000 barrels of oil)



# Waddock Cross – “ripe for redevelopment”

- Shut-in Bridport Sandstone oil field (Dorset)
- Significant Stock Tank Oil Initially in Place volume of 57 mmbbls
- New horizontal well = commercial oil production (500-800 bopd) and c. 1 mmbbls per well recovery
- Field redevelopment is technically and economically viable
- Asset not core to our JV partners – working on solutions
- Egdon is working on planning and permitting to secure consents ahead of potentially drilling in 2023



Top Bridport Sandstone (Cycle 2) Depth Map (m TVDss) – showing WX-4z Trajectory

# Exploration and Appraisal

- Exploration/Appraisal drilling in 2023 is largely conditional on the outcome of the ongoing planning appeals at Biscathorpe and North Kelsey
- A planning hearing was held for Biscathorpe on 11 October 2022 and the Appeal documentation for North Kelsey was submitted on 8 August 2022 (date of Appeal waited)
- Egdon has assumed the operatorship and increased its interest to 40% in PEDL343, which contains the Cloughton tight gas discovery, which flowed gas from a number of reservoirs when tested in 1984
- Priorities for the coming period:
  - Securing planning consent for Biscathorpe and North Kelsey
  - Progressing the drilling of Biscathorpe and North Kelsey in 2023 subject to planning
  - Resolving forward plan for P1929 (Resolution)

# Biscathorpe & North Kelsey

## **Biscathorpe (PEDL253 – Egdon 35.8%)**

- The Biscathorpe-2 side-track would target:
  - Dinantian Carbonate, where a 68 metre oil column was discovered in Biscathorpe-2 with gross Mean Prospective Resources of 2.55 mmbls
  - Basal Westphalian Sandstone, with gross Mean Prospective Resources of 3.95 mmbls
- A Planning Hearing was held on 11 October 2022 and the Inspector's decision is awaited

## **North Kelsey (PEDL241 – Egdon 50%)**

- Prospect mapped from 3D seismic, with multiple reservoir targets = Wressle analogue
- Gross Mean Prospective Resources of 6.47 mmbls in multiple reservoir targets
- Planning permission refused on 14 March 2022
- Egdon submitted its appeal against the decision in August 2022 and the appeal process and timing is awaited

# Resolution

- In April 2022, Shell advised Egdon that it intended to withdraw from P1929 and P2304, which cover the Resolution and Endeavour gas discoveries
- Shell's assessment of the Resolution discovery concluded that it has Gross Mean Contingent Gas Resource volume in excess of 500 bcf, 250 bcf more than the Resolution CPR (2019)
- Resolution has the potential to make a material contribution to the UK's future gas supply
- Egdon submitted a request to the NSTA that the licence obligations be extended and responsibility for the commitment work programme over P1929 be transferred from Shell. This was initially refused
- Following further representations NSTA has belatedly in October 2022, consented to Egdon's request for a twelve-month extension to the P1929 licence obligation to acquire the 3D seismic
- Should the 3D survey not be acquired by April 2023, which is now highly challenging, P1929 will determine in May 2023
- An impairment of £1.80 million has been made

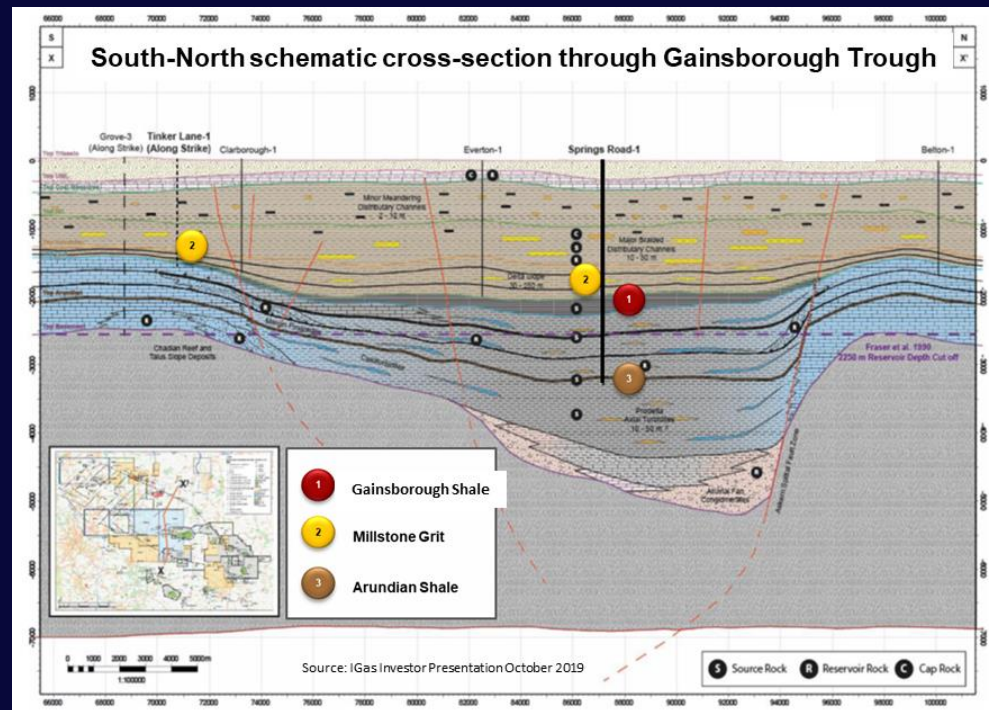
# Shale-Gas

- UK shale-gas could be a strategically important national resource with the potential to:
  - ✓ Reduce the UK's growing reliance on gas imports, whilst reducing gas prices
  - ✓ Improve our balance of payments
  - ✓ Increase tax revenues and create skilled jobs
  - ✓ Reduce the carbon footprint of the gas we all use
- On 22 September 2022 the UK Government lifted the moratorium on hydraulic fracturing for shale-gas which had been in place since November 2019
- Unfortunately, this was reversed by the incoming Sunak administration a month later on 27 October 2022
- Without shale-gas, the UK will simply 'offshore' its emissions, employment, and fiscal benefits and be at the mercy of international energy markets locked into reliance on more carbon intensive LNG imported from Qatar, the shale-gas fields of the USA and elsewhere
- Egdon will continue to make the scientific, environmental and commercial case that shale-gas should be part of the long-term solution to the UK's energy needs and that this can be done in a safe and environmentally sustainable manner

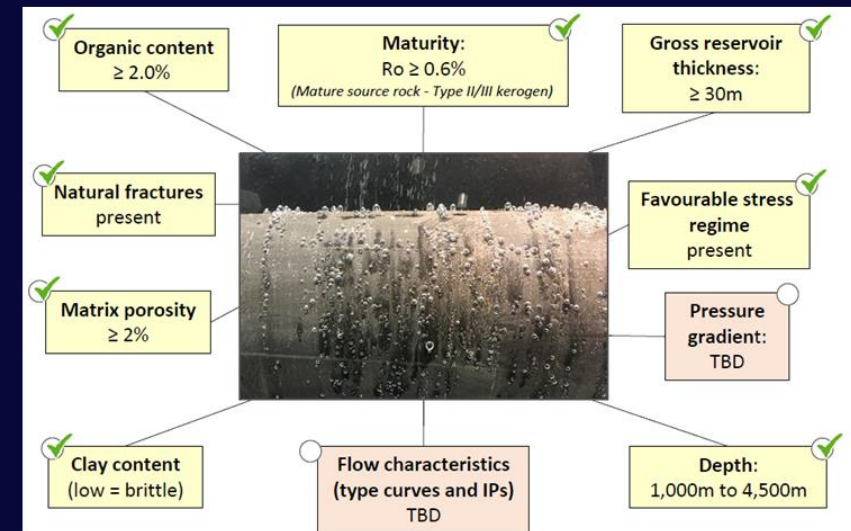


# Gainsborough Trough – “a world class resource”

- Egdon’s shale-gas portfolio in Northern England, totals 151,742 net acres (614km<sup>2</sup> net) Mean volumes of undiscovered GIIP of 37.6 TCF (net)
- Primary focus is the Gainsborough Trough where Springs Road-1 well (Egdon 14.5%) confirmed a world class resource with estimated Gas in Place of c. 640 bcf per square mile



## Key Characteristics of Springs Road-1 Gainsborough Shale



# Energy Transition

- Initially focused on opportunities which utilise the Company's core skills, knowledge, and operating experience
- The Company recognises the potential for repurposing of its fields, sites and wells for renewable purposes
- Initial focus on geothermal development
- Egdon is working with Creative Geothermal Solutions Limited (CGSL) on geothermal opportunities
- An anomalously high geothermal gradient has been identified at Dukes Wood
- The regulators have approved a programme to P&A Dukes Wood-1 and recomplete it for a geothermal test programme. This proof-of-concept project will commence during 2023
- The Company is reviewing a number of stand alone opportunities for energy storage, hydrogen and renewable generation and hopes to make material progress in relation to this in the coming period
- These projects have been selected to contribute tangible additional long-term value to the Company

# ESG

- Egdon wishes to build value through developing sustainable long-term relationships with partners and the community and is committed to the highest standards of health, safety and environmental management, protection and performance
- The Company remains fully compliant with all of its environmental permits and planning consents
- Egdon has established a Climate Change Policy committing the Company to its operations being Net Zero by 2050, at least a 25% reduction in emissions by 2035 and to monitoring and reporting performance in this key area

# Outlook

- Revenues remain strong for Egdon's Q1 2022/23 at £2.07 million
- Production guidance of 225-245 boepd for 2022/23
- Funded for 2023 work programme
- Key operational priorities are:
  - Maintaining strong production at Wressle whilst progressing the gas monetization and Penistone Flags development
  - To add value through the drill-bit in our development/re-development and exploration projects
  - To progress energy storage, hydrogen and renewable generation projects
- We will continue to make the case that shale-gas should be part of the long-term solution to the UK's energy needs
- Our Chairman, Philip Stephens, has advised of his intention to retire from the Board and the recruitment process to appoint his successor has commenced

Thank you....



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