



Egdon Resources plc

**Audited Results for the year
ended 31 July 2015 &
Business Review**

**“Onshore UK focused E&P business
with robust exploration economics
& substantial unconventional
resources upside”**

AIM Listed EDR

- Formed in 1997
- Established oil & gas exploration & production company
- Onshore UK focus
- Existing UK production and cash flow

Assets

- 36 Licences in the UK and France
- To be offered 7 blocks in first tranche of UK 14th Round
- Strong opportunity base for growth

Value Drivers

UK Unconventional

- High quality existing acreage with new 14th Round licence offers
- Clear strategy for high value developing play
- One of few listed UK investment opportunities
- 2016 could see substantial activity in UK shale-gas

Conventional Exploration

- Active 2015/16 conventional drilling programme

Production

- Revenues and potential near-term growth through targeted investment



Egdon at a Glance – UK Licences & Activity

Kirkleatham PEDL068 48%

- The Kirkleatham Gas Field remains shut-in
- The potential to drill a side-track well to an identified up-dip area of the accumulation is under consideration
- Remaining contingent resources of 0.16 bcf (Net Egdon)
- Deeper tight sand potential identified

A Prospect P1929 100%

- Upper Permian Zechstein carbonate gas discovery 1966 Total well 41/18-1 flowed at 2.5 mmcf/d (following acidisation)
- Plan to drill a well from an onshore location to appraise the discovery during 2016, subject to planning consent
- Net Egdon Best Estimate Prospective Resources of 160 bcf

Dukes Wood / Kirklington PEDL118/203 50%

- The Dukes Wood/Kirklington oil field is currently shut-in
- Potential new drilling locations being evaluated

Northern England Shale-Gas Various

- Total option to farm-in to PEDL209 (shale-gas only)
- Option exercised with Scottish Power in relation to PL161/162 farm-in
- 2014 Alkane transaction has added ten licences to Egdon's potential shale-gas acreage
- Total area of 140,176 net acres assessed as having shale-gas potential
- Independently reported Mean GIIIP of 28 TCF
- Evaluation ongoing to determine future exploration plans and focus
- Additional acreage applied for in the 14th onshore licensing round - offered seven blocks in the first tranche of licence announcements

Waddock Cross PL090 55%

- Bridport Sandstone (Jurassic) oil discovery with in excess of 30 mmbls in place, 2P reserves of 0.17 mmbls (Net Egdon)
- The Waddock Cross oil field is currently shut in
- Options to restore / increase production under consideration

Dorset Sherwood Sandstone PL090/PEDL237 48.75%

- A 3D seismic survey covering an area of 68.5 km² was completed in October 2013
- The processed 3D data is currently being evaluated to identify locations for possible future exploration drilling

Northern England Focus Area

Laughton PEDL209 60%

- Exploration well planned for Q4 2015
- Well to target 0.78 mmbls of Net Egdon Best Estimate Prospective

Wressle PEDL180 25%

- Exploration well drilled in Q3 2014, flow test operation: 2015
- Flowed hydrocarbons from four intervals at an aggregate of 710 boepd
- Field development planned for 2016

Ceres P.1241 10%

- Lower Permian Leman Sandstone reservoir gas field

Keddington PEDL005(R) 45%*

- Carboniferous sandstone oil field with two producing wells
- Sidetrack well is planned for Q1 2016
- * on completion of farm-outs

Biscathorpe PEDL253 52.8%

- Exploration well planned for 2016
- Well to target 7.4 mmbls Net Egdon Best Estimate Prospective Resources

North Kelsey PEDL241 80%

- Exploration well planned for 2016
- Well to target 4.8 mmbls Net Egdon Best Estimate Prospective Resources

Gainsborough Trough PEDL139/140 14.5%

- 3D seismic acquired and evaluated in 2014
- Carried 2016 exploration well (Springs Road) subject to receipt of planning and other consents

Holmwood PEDL143 18.4%

- The Jurassic Carbonate and Sandstone Holmwood Prospect contains Net Egdon Best Estimate Prospective Resources of 16.6 bcf or 5.6 mmbls oil
- Farm-out completed for 2016/17 well

Avington PEDL070 26.67%

- Great Oolite (Jurassic) oil field with two producing wells - Net Egdon production of c. 20 boepd
- The potential for additional development wells remains under review



Operational and Corporate Highlights – Year ended 31 July 2015



Production of 63,149 barrels of oil equivalent (2014: 86,870 barrels of oil equivalent) – 173 boepd (2014: 180 boepd)

Successful drilling & testing of the Wressle-1 oil and gas discovery in Lincolnshire, where FDP is in preparation

Strong project pipeline developed including planning permissions for drilling conventional wells at North Kelsey and Biscathorpe

Development of licence portfolio: acquisition of Yorkshire Exploration Limited (PEDL068), exercise of farm-in option with Scottish Power (PL161 & PL162) and increased interest in PEDL241 (North Kelsey)

Completed farm-outs of PEDL143 (Holmwood) and PEDL005R (Keddington & Louth)

Disposal of non-core licences in Southern England and France



Oil and gas revenues £2.07 million (2014: £2.96 million)

Loss for the period of £4.47 million (2014: £0.46 million loss) after impairment/write downs/pre-licence costs of £3.62 million (31 July 2014: £0.54 million)

Basic loss per share of 2.02p (31 July 2014: basic loss per share of 0.30p)

Cash at bank £5.18 million as at 31 July 2015 (31 July 2014: £9.67 million)

Net Current Assets as at 31 July 2015 of £7.18 million (31 July 2014: £10.80 million)

Net Assets as at 31 July 2015 of £32.05 million (31 July 2014: £36.41 million)



Post Balance Sheet Events



Egdon to be offered seven blocks in UK 14th Round first tranche announcement

Positive planning appeal outcome and further consents received for Holmwood-1 exploration well in PEDL143

Submission of Springs Road-1 exploration well planning application by IGas



Three key near-term strategic objectives to drive shareholder value:

UK Unconventional Resources

growing the Company's exposure to unconventional resource exploration opportunities in Northern England

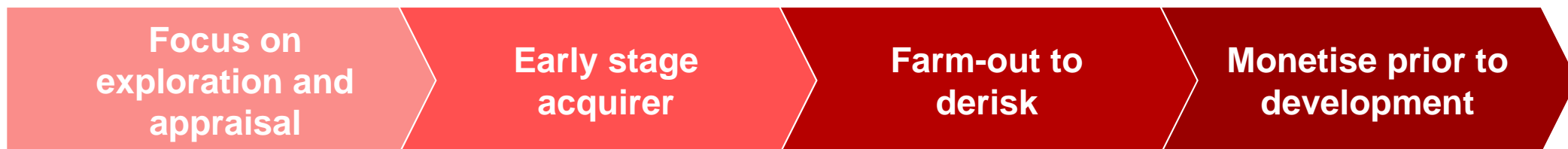
Conventional Resources Exploration and Appraisal

adding additional reserves/revenues through an active drilling programme whilst managing risk and financial exposure through farm-out

Production

a continued focus on maximising production rates, revenues and profitability from existing producing assets through targeted investment

Strategy



Egdon Unconventional Resources Assets

Existing

- Focus on brittle high TOC Carboniferous marine shale plays in Northern England
- 17 licences covering 140,000 net acres
- Independently assessed 28TCF of undiscovered gas initially in place*

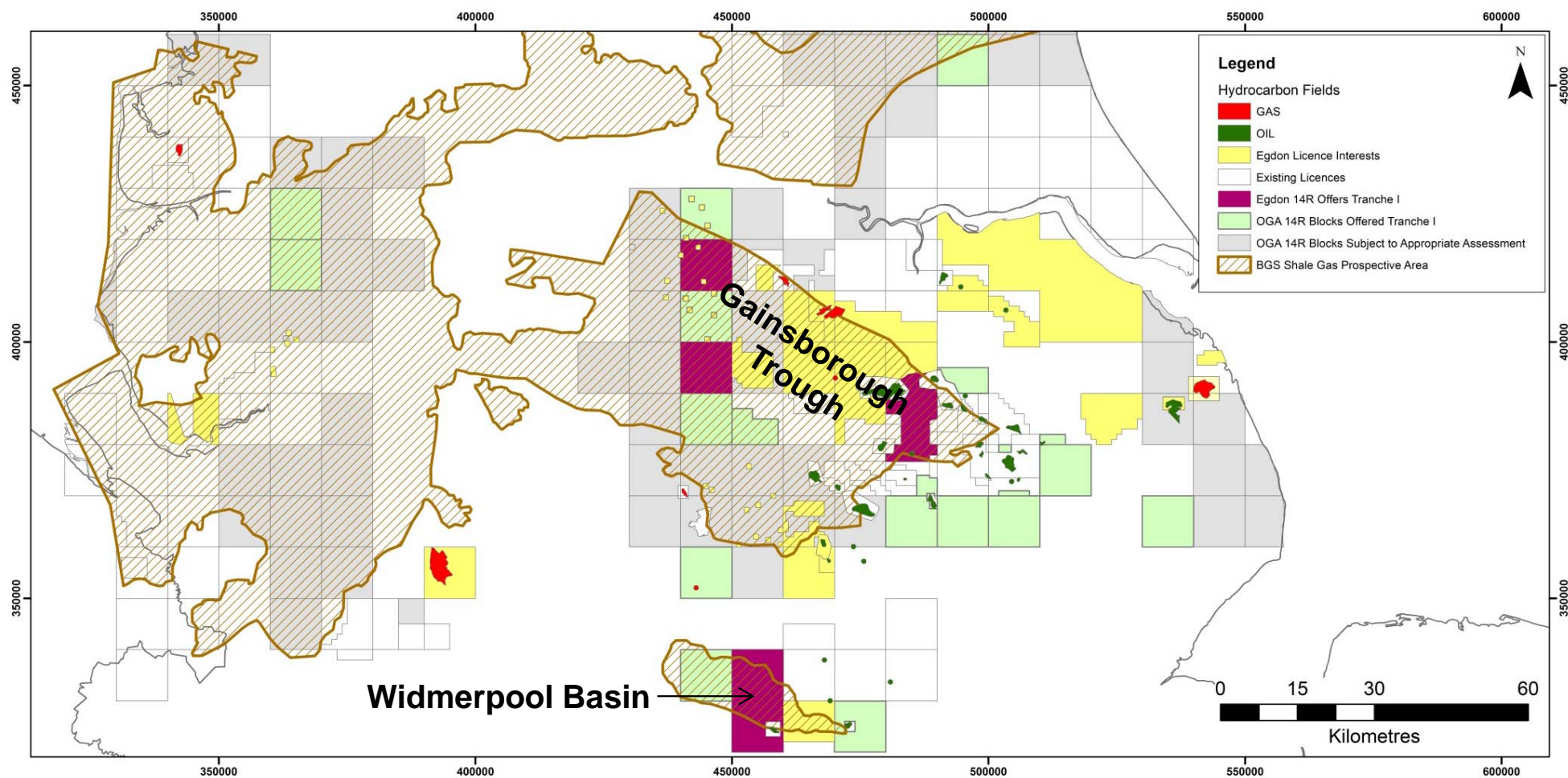
UK 14th Round

- Successful in 1st Tranche - to be offered 7 blocks c.20,000 net acres
- Additional applications awaiting 2nd Tranche announcement

* ERC Equipoise Ltd - 13 May 2014

UK 14th Round

- Offers in Egdon's core areas with potential identified by the BGS
- Gainsborough Trough – 5 blocks offered to Egdon (15%)
- Widmerpool Basin – 2 blocks offered to Egdon (18.75%)
- Additional applications awaiting 2nd Tranche announcement



Government Support – Infrastructure Act 2015, clarified Planning Guidance, etc.

2016 could see significant activity in the sector subject to planning & appeals

Cleveland Basin

Third Energy: Planning Decision Q4 2015 → Fracking and testing of Kirby Misperton-8 or appeal process

Bowland Basin

Cuadrilla: Planning Appeal Q1 2016 → If successful multi-well drilling/fracking at two sites

Gainsborough Trough

IGas: Planning Application submitted → Decision Q1 2016 → PEDL139/140 drilling or appeal process

Elsewhere

**IGas/Ineos: 3D seismic in NW (Cheshire) H2 2015
Others: widespread activity following 14th Round awards**

Laughton Prospect (0.78 mmbo*)

- Laughton Prospect on trend with nearby existing production at IGas's Corringham Oil Field (5 km to SE)
- Drilling expected Q4 2015
- COS: 25%

Biscathorpe Appraisal (7.4 mmbo*)

- Oil shows in 1.2m sand in 1987 BP crestal well, sands expected to thicken down-dip on structure
- High Estimate Gross Prospective Resources of 41 mmbo
- Drilling expected H1 2016
- COS: 40%

North Kelsey Prospect (6.0 mmbo*)

- Prospect with multiple reservoir targets
- Seeking farm-out partners prior to drilling
- Drilling expected H1 2016
- COS: 24%

“A” Prospect Appraisal (c.25 mmboe*)

- Early North Sea discovery drilled by Total in 1966
- Tested gas at 2.5 mmcfg/d
- Submission of Planning Application H1 2016
- Drilling earliest H2 2016

*Net Egdon Best Estimate Prospective Resources

Wressle Discovery (25% interest)

- Testing completed during 2015
- Combined flow rates > 700 boepd from 3 reservoir intervals
- FDP* being developed for Ashover Grit oil production
- Expected initial production of >500 bopd
- H2 2016 target for first production

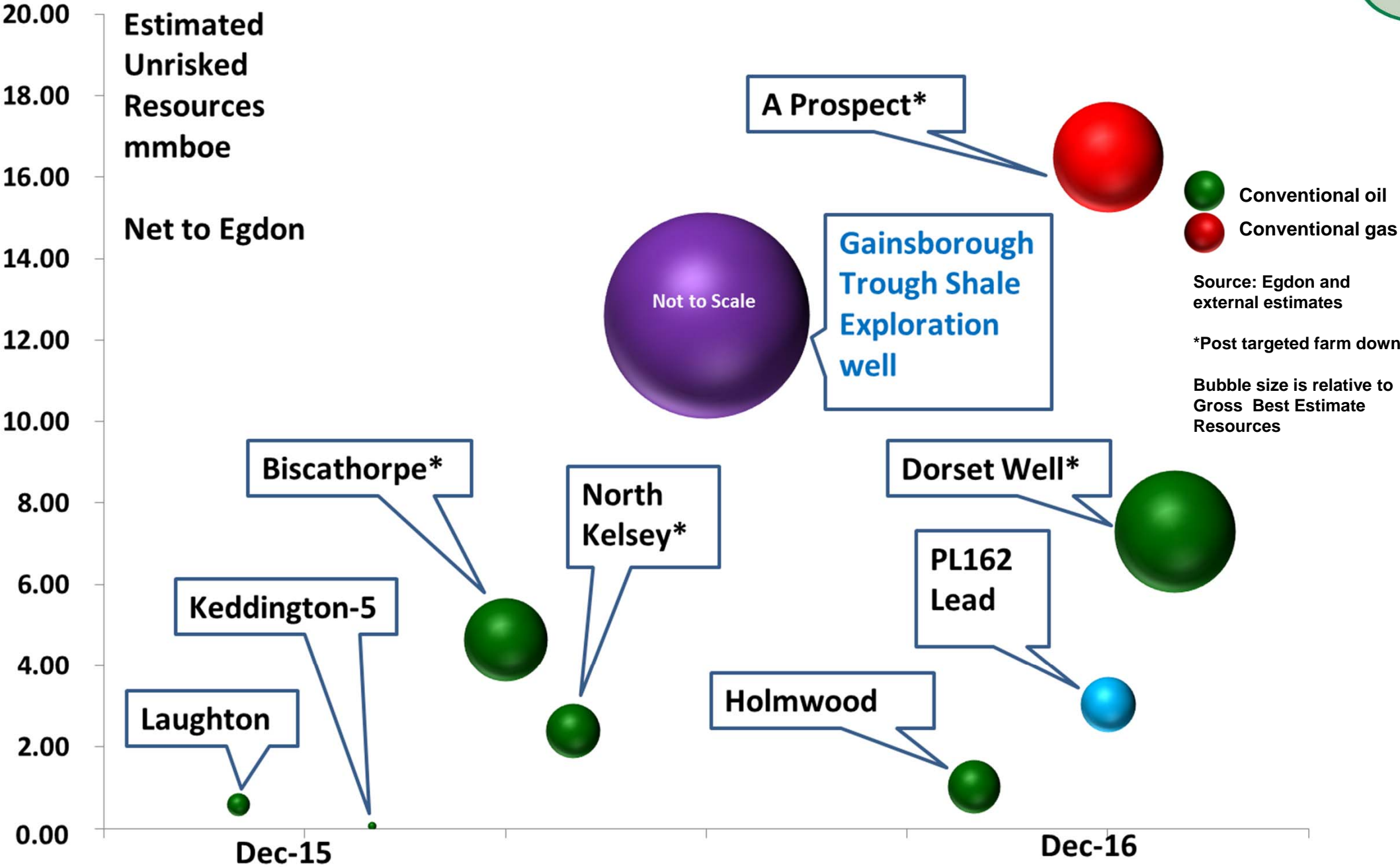


Test operations at the Wressle-1 well site, PEDL180

* Field Development Plan



Value Drivers - UK Exploration - Timeline





2015-16 Production Guidance = 180 boepd

Ceres (10%)

- Gross production of c. 10-12 mmcf/d
- Repayment of back-out gas expected 2016-18 results in continuing cash-flow

Keddington (45%)

- Gross production of c. 25-30 bopd
- Additional, largely carried, development well Keddington-5 Q1 2016
- Potential to add additional 100 bopd

Avington (26.67%)

- Gross production at c.60-70 bopd
- Additional wells remain under consideration

Production and Development

- Production guidance of c.180 boepd
- Additional production wells planned (e.g. Keddington)
- Development of Wressle discovery key target for 2016

UK Unconventional Resources

- Planning application submitted for Springs Road-1 well (play de-risking well for Gainsborough Trough)
- 14th Round success - 7 blocks in first tranche
- 2016 could see substantial activity in UK shale-gas

Conventional Resources Exploration and Appraisal

- 2015-16 Exploration drilling programme – targeting 13.0 mmbo* (Net Egdon)
- Appraisal well “A” Prospect - 160 bcf (c. 25 mmboe) - priority to farm-out

Active Farm-out and Divestment Process

- Recent deals with Union Jack, Terrain and UKOG
- Continued marketing of farm-outs and divestment of non-core assets



“A leading UK unconventional resources portfolio”

Large and growing UK unconventional resources acreage portfolio

Significant sector catalysts in 2016 from 14th Round, drilling, fracking and deal-making

Carried Gainsborough Trough “*Playmaker*” well

“Material 2016 conventional resources exploration”

News flow from 2015 /16 conventional drilling programme targeting 13.0 mmbbls* net to Egdon

“In charge of our own destiny”

Strong balance sheet and operatorship allow us to deliver on strategy in challenging market conditions

Projects robust in low price environment

*Net Egdon Best Estimate Prospective Resources



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APPENDICES

The issued share capital of Egdon Resources plc consists of 221,345,811 ordinary shares of 1 pence each with voting rights

Shareholdings in the Company of >3% as at 2nd November 2015 are:

	% Shares
Alkane Energy plc	18.07
Premier Oil PLC	17.71
Hargreave Hale & Co	10.99
JP Morgan Asset Mgt	8.28
Hargreave Lansdown Asset Management	6.21
Heyco Energy Holdings SL	3.51
Mark A W Abbott	3.42



1 Philip Stephens (Non-Executive Chairman)

Philip is a corporate financier with 38 years of City experience. He is currently Chairman of Neptune-Calculus Income and Growth VCT plc and Chairman of Foresight 4 VCT plc. He was Joint Head of the Corporate Finance Department of stockbrokers Williams de Broë for four years until his retirement in 2002 and before that was Head of UK Corporate Finance at UBS from 1995, having joined in 1989.



2 Mark Abbott (Managing Director)

Mark is an experienced geophysicist and founding Director of Egdon Resources plc. He graduated from the University of Nottingham in 1985 with a degree in Exploration Sciences (Geology/Geophysics/Mining Engineering). He worked for the British Geological Survey from 1985 to 1992, the International Division of British Gas Exploration and Production Limited from 1992 and 1996 and Anadarko Algeria Corporation from 1996 to 1997. He is a council member of UKOOG and a trustee of the UK Onshore Geophysical Library. He is also a Non-Executive Director of MA Exploration Services Limited and Bishopwood Pavilion Limited.



3 Jerry Field (Exploration Director)

Jerry has over 30 years' oil industry experience in small-to-medium sized E&P companies (including Weeks Petroleum, Triton, Ranger, Canadian Natural Resources, Toreador and Northern Petroleum). Jerry has a breadth of experience of exploration in Europe, Africa, the Middle East and the Indian subcontinent and has spent much of his career working in Egdon's core areas of the UK Onshore and France.



4 Walter Roberts (Non-Executive Director and Company Secretary)

Walter is an oil and gas lawyer with an engineering background. He qualified as a solicitor with Simmons & Simmons before joining Phillips Petroleum in 1980. In 1986 he set up the legal department for Lasmio in Australia and later became the principal UK joint venture negotiator for Talisman. He is an Executive Director of Pinnacle Energy Limited.



5 Ken Ratcliff (Non-Executive Director)

Ken is a chartered accountant with extensive finance and business experience. He is the co-founder and former Accountant at Geokinetics Processing UK Limited. Ken is Non-Executive Chairman of InfraStrata plc and has previously held senior management positions with GDC UK Limited, Ensign Geophysics Limited, Seismic Geocode Limited, Tenneco Corporation and Merlin Geophysical Limited.



6 Andrew Lodge (Non-Executive Director)

A highly experienced geoscientist and manager, Andrew recently retired as Exploration Director of Premier Oil plc. Prior to joining Premier in 2009, Andrew was Vice-President – Exploration at Hess, where he was responsible for Europe, North Africa, Asia and Australia. Previously, he was Vice President – Exploration, Asset Manager and Group Exploration Advisor for BHP Petroleum. Prior to joining BHP Petroleum, he worked for BP as a geophysicist.



7 Neil O'Brien (Non-Executive Director)

Neil is a qualified chartered accountant with over 20 years' management experience within the UK and Europe. He is Chief Executive Officer of Alkane Energy. After qualifying at Coopers Lybrand, Neil held senior management positions with Blue Circle Industries PLC and Speedy Hire PLC, the UK's largest rental company and a FTSE 250 member.



Nominated Advisor and Broker: Cantor Fitzgerald Europe Limited



Joint Broker: VSA Capital Limited



Corporate Advisors: Evercore



Financial Public Relations: Buchanan



Accountants and Tax Advisors: BDO LLP



Reporting Accountants: Nexia Smith & Williamson



Solicitors: Norton Rose Fullbright



Registrars: Capita IRG plc



Bankers: HSBC Bank Plc



Egdon Resources plc - Timeline



Summary timeline:

- 1997 : Egdon formed by Andrew Hindle and Mark Abbott**
- 1998 : First licence awarded in Wessex Basin**
- 1999 : First French licence awarded**
- 2000 : Listed on OFEX market and raised first equity**
- 2000 : First licence awarded as operator**
- 2003 : Drilled first exploration well – West Compton-1 in Wessex Basin**
- 2004 : Completed first operated well – Waddock Cross-2**
- 2004 : Listed on AIM**
- 2006 : Acquisition of Keddington oil field = first operated production**
- 2008 : Demerger of gas storage business “Portland Gas” (now InfraStrata)**
- 2008 : Drilled first French operated exploration well – Grenade-3**
- 2010 : Acquisition of EnCore UK and France asset package**
- 2010 : Sale of French subsidiary to eCORP**
- 2013: Confirmation of Gainsborough Trough Shale-Gas Resource and low cost acreage acquisitions**
- 2014: Farm-in/Opt-in by Total validates Gainsborough Trough shale-gas play concept**
- 2014: Acquisition of certain Alkane Energy UK Exploration acreage, associated £7m placing and open offer**
- 2015: Successful testing of Wressle discovery, 14th Round- to be offered 7 blocks in 1st Tranche**

Consolidated Statement of Comprehensive Income - Year Ended 31 July 2015

	Notes	2015 £	2014 £
Continuing operations			
Revenue	3	2,067,702	2,957,064
Cost of sales – exploration costs written off, impairments and pre-licence costs		(3,618,324)	(868,992)
Cost of sales – depreciation and other		(1,964,647)	(2,852,710)
Total cost of sales		(5,582,971)	(3,721,702)
Gross loss		(3,515,269)	(764,638)
Administrative expenses		(1,153,969)	(832,270)
Other operating income		130,687	141,649
Exceptional item – profit from licence transactions	5	–	1,082,595
Exceptional item – negative goodwill arising on acquisition	18	71,880	–
		(4,466,671)	(372,664)
Finance income	11	20,845	1,152
Finance costs	12	(22,442)	(84,893)
Loss before taxation	4	(4,468,268)	(456,405)
Taxation	13	–	–
Loss for the year		(4,468,268)	(456,405)
Other comprehensive income for the year		–	–
Total comprehensive income for the year attributable to equity holders of the parent		(4,468,268)	(456,405)
Loss for the year per share			
Basic loss per share	14	(2.02)p	(0.30)p
Diluted loss per share	14	(2.02)p	(0.30)p

Notes refer to notes in the Annual Report and Financial Statements for the year ended 31 July 2015

Consolidated Statement of Financial Position

- Year Ended 31 July 2015

	Notes	2015 £	2014 £
Non-current assets			
Intangible assets	16	17,864,269	18,399,479
Property, plant and equipment	17	8,838,286	8,494,861
Total non-current assets		26,702,555	26,894,340
Current assets			
Trade and other receivables	19	2,889,466	5,452,920
Available for sale financial assets	20	50,000	50,000
Cash and cash equivalents	21	5,180,333	9,666,885
Total current assets		8,119,799	15,169,805
Current liabilities			
Trade and other payables	22	(940,761)	(4,365,249)
Net current assets		7,179,038	10,804,556
Total assets less current liabilities		33,881,593	37,698,896
Non-current liabilities			
Provisions	24	(1,827,288)	(1,288,254)
Net assets		32,054,305	36,410,642
Equity			
Share capital	25	14,164,337	14,158,872
Share premium	26	20,619,616	20,550,081
Share based payment reserve		160,430	123,499
Retained earnings		(2,890,078)	1,578,190
		32,054,305	36,410,642

Notes refer to notes in the Annual Report and Financial Statements for the year ended 31 July 2015



Value Drivers – UK Unconventional Resources- Deal Value \$/acre (non N. America)

