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If you have sold or otherwise transferred all of your Ordinary Shares, you should send this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Ordinary Shares or any other securities, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in connection with, any contract or inducement in relation thereto.

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company set out on pages 7 to 15 of this document which contains your Board's recommendation to vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

EGDON RESOURCES PLC

(Incorporated and registered in England and Wales with registered number 06409716)

Proposed acquisition of Assets from the EnCore Group

Proposed Placing

Notice of General Meeting

Nominated adviser and broker

Seymour Pierce Limited

Seymour Pierce Limited, which is authorised and regulated by the Financial Services Authority, is acting as nominated adviser and broker to the Company. Its responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director of the Company or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, expressed or implied, is made by Seymour Pierce as to any of the contents of this document. Seymour Pierce will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document or for advising them on the contents of this document or any other matter. Seymour Pierce has given and not withdrawn its written consent to the issue of this document with the references herein to its name in the form and context in which they appear.

A General Meeting of the Company has been convened for 10.00 a.m. on 6 April 2010, to be held at the offices of Norton Rose LLP at 3 More London Riverside, London SE1 2AQ. Notice of the General Meeting is set out at the end of this document.

THE ACTION TO BE TAKEN BY SHAREHOLDERS IS SET OUT IN THIS DOCUMENT. Please complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon so as to be received by Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event no later than 48 hours before the General Meeting. Completion and posting of the Form of Proxy does not prevent a shareholder from attending and voting in person at the General Meeting.

A copy of this document will be available for collection, free of charge, from Seymour Pierce, 20 Old Bailey, London EC4M 7EN until 6 April 2010 and available to download from the Company's website at www.egdon-resources.com.

This document contains (or may contain) certain forward-looking statements with respect to the Company and certain of its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include statements regarding or which make assumptions in respect of the working capital which will be needed by the Group to fund its operations for the next 12 months. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in the price of oil or changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards (IFRS) applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future exploration, acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Company speak only as at the date they are made. Except as required by the Financial Services Authority, the London Stock Exchange or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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EXPECTED TIMETABLE

Announcement of the Placing and posting of the Circular and Forms of Proxy	19 March 2010
Latest time and date for receipt of completed Forms of Proxy	10.00 a.m. on 4 April 2010
General Meeting	10.00 a.m. on 6 April 2010
Admission of the Placing Shares and commencement of dealings in the Placing Shares on AIM	8.00 a.m. on 7 April 2010
CREST accounts expected to be credited with Placing Shares	7 April 2010
Despatch of definitive share certificates in relation to the Placing Shares	By 16 April 2010
Completion of the Acquisition and Admission of the Consideration Shares and commencement of dealings in the Consideration Shares on AIM*	By 19 September 2010

*The acquisitions to be effected by the Asset Sale and Purchase Agreements are conditional on each other but are not conditional on the acquisition to be effected by the Share Sale and Purchase Agreement. The Consideration Shares to be issued pursuant to the Share Sale and Purchase Agreement may therefore be admitted to trading on AIM at a later date than the Consideration Shares to be issued pursuant to the Asset Sale and Purchase Agreements.

Each of the times and dates above is subject to change. References to time in this document are to London time unless stated otherwise. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by announcement through a Regulatory Information Service.

PLACING AND ACQUISITION STATISTICS

Placing Price	12.5 pence per Placing Share
Number of Existing Ordinary Shares	75,475,774
Number of Placing Shares being placed on behalf of the Company	16,000,000
Number of Ordinary Shares in issue immediately following Admission of the Placing Shares	91,475,774
Placing Shares as a percentage of the issued share capital immediately following Admission of the Placing Shares	approximately 17.49%
Number of Consideration Shares	39,200,000
Enlarged Share Capital	130,675,774
Placing Shares as a percentage of the Enlarged Share Capital	approximately 12.24%
Estimated net proceeds of the Placing receivable by the Company	approximately £1.9 million

DEFINITIONS

“Acquisition”	the proposed acquisition by the Company of the Assets pursuant to the terms of the Share Sale and Purchase Agreement and the Asset Sale and Purchase Agreements;
“Admission of the Consideration Shares”	admission of the Consideration Shares to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules;
“Admission of the Placing Shares”	admission of the Placing Shares to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules;
“Assets”	the assets, including the entire issued share capital of EnCore (E&P) Limited, to be acquired by the Company from the EnCore Group pursuant to the Acquisition;
“Asset Sale and Purchase Agreements”	the conditional agreements dated 19 March 2010 between Egdon and certain companies in the EnCore Group, relating to the proposed acquisition of certain of the Assets;
“AIM”	the AIM Market operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time;
“Business Day”	any day other than a Saturday, Sunday or a UK Bank Holiday on which banks are generally open for normal banking business in the City of London;
“Cash Consideration”	the £100,000 payable pursuant to the Share Sale and Purchase Agreement;
“Circular”	this circular, including the Notice of General Meeting;
“Companies Act”	the Companies Act 2006;
“Consideration Shares”	the 39,200,000 Ordinary Shares to be issued pursuant to the Asset Sale and Purchase Agreements;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
“Directors” or “Board”	the directors of the Company whose names and functions are set out on page 7 of this document;
“Egdon” or “the Company”	Egdon Resources plc;
“EnCore”	EnCore Oil plc;
“EnCore Group”	EnCore and its subsidiaries;
“Enlarged Share Capital”	the Ordinary Shares in issue immediately following the issue of the Consideration Shares and the Placing Shares, assuming that no further shares are issued after the date of this document and before the issue of the Consideration Shares and the Placing Shares;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;

“Existing Ordinary Shares”	the 75,475,774 Ordinary Shares in issue on the date of this document;
“Facility Agreement”	the facility agreement dated 19 March 2010 between the Company and EnCore, relating to the loan of up to £1,500,000 from EnCore to the Company;
“Form of Proxy”	the form of proxy for use in connection with the General Meeting accompanying this Circular;
“General Meeting”	the general meeting of the Company, convened for 6 April 2010, notice of which is set out at the end of this document;
“Group”	the Company and its subsidiaries;
“LIBOR”	has the same meaning as that term is defined in the Facility Agreement;
“Lock-in Deed”	a lock-in deed dated 19 March 2010 entered into by EnCore and Egdon in relation to the Consideration Shares;
“London Stock Exchange”	London Stock Exchange plc;
“Notice of General Meeting”	the notice convening the General Meeting, which is set out on page 16 of this document;
“Ordinary Shares”	ordinary shares of 10p each in the Company;
“Permit Mairy”	the exclusive liquid and gaseous hydrocarbons research permit entitled “ <i>Permis de Mairy</i> ” granted by ministerial order (<i>Arrêté</i>) dated 27 July 2007 of the Minister of Ecology, and Sustainable Development (<i>Ministère de l’Ecologie, du Développement et de l’Aménagement Durables</i>) to Lundin International, Toreador Energy France and EnCore (E&P) Limited, acting jointly (<i>conjointes et solidaires</i>), and published in the Official Journal of the French Republic on 15 August 2007;
“Permit Nimes”	the exclusive liquid and gaseous hydrocarbons research permit entitled “ <i>Permis de Nimes</i> ” granted by ministerial order (<i>Arrêté</i>) dated 19 December 2007 of the Minister of Ecology, and Sustainable Development (<i>Ministère de l’Ecologie, du Développement et de l’Aménagement Durables</i>) to EnCore (E&P) Limited and published in Official Journal of the French Republic on 27 December 2007;
“Placing”	the proposed conditional placing of the Placing Shares;
“Placing Agreement”	the conditional agreement dated 19 March 2010 between the Company and Seymour Pierce relating to the Placing;
“Placing Price”	12.5 pence per Placing Share;
“Placing Shares”	the 16 million new Ordinary Shares to be issued by the Company and placed in connection with the Placing at the Placing Price;
“Registrars”	Capita Registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire HD8 0GA;
“Regulatory Information Service”	one of the regulatory information services authorised by the United Kingdom Listing Authority to receive, process and disseminate regulatory information in respect of listed companies;

“Resolutions”	the ordinary and special resolutions to be proposed at the General Meeting set out in the Notice of General Meeting on page 16 of this document;
“Seymour Pierce”	Seymour Pierce Limited, nominated adviser and broker to the Company;
“Shareholders”	holders of Ordinary Shares from time to time;
“Share Sale and Purchase Agreement”	the conditional agreement dated 19 March 2010 between EnCore and Egdon, relating to the proposed acquisition of the entire share capital of EnCore (E&P) Limited;
“Technical Services Agreement”	the cooperation agreement dated 19 March 2010 between EnCore and Egdon;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland; and
“UKCS”	the United Kingdom Continental Shelf.

Unless otherwise indicated, all references in this document to “pounds sterling”, “sterling”, “£” or “pence” are to the lawful currency of the United Kingdom.

LETTER FROM THE CHAIRMAN

EGDON RESOURCES PLC

(Incorporated and registered in England and Wales with registered number 06409716)

Directors:

Philip Henry Peter Stephens *(Non-executive Chairman)*
Mark Anthony William Abbott *(Managing Director)*
Andrew David Hindle *(Non-executive Director)*
Kenneth Maurice Ratcliff *(Non-executive Director)*
Walter Rookehurst Roberts *(Non-executive Director and Company Secretary)*
John George Rodway Rix *(Non-executive Director)*

Registered Office:

Suite 2
90-96 High Street
Odiham
Hampshire
RG29 1LP

19 March 2010

To Shareholders

Dear Shareholder,

Proposed acquisition of Assets of the EnCore Group

Proposed Placing

Notice of General Meeting

1. Introduction and summary

On 23 September 2009, Egdon announced the proposed acquisition of certain UK and French assets from EnCore. The assets to be acquired comprise EnCore's entire interest in nine onshore UK licences, two onshore French licences and an interest in the Ceres gas field on the UKCS.

As consideration for the Acquisition, Egdon has agreed to issue 39,200,000 Ordinary Shares, equal to just less than 30 per cent. of the Enlarged Share Capital (the "Consideration Shares"), to EnCore and to pay EnCore £100,000 in cash consideration (the "Cash Consideration").

Additionally, the Company has announced the conditional placing of 16 million Ordinary Shares at a price of 12.5 pence per Ordinary Share with institutional and other investors.

Shareholders should note that the Acquisition and the Placing are conditional upon, amongst other things, the Resolutions being passed by the requisite majorities required at the General Meeting. If the Resolutions are not passed, the Acquisition and the Placing will not proceed. Accordingly, you will find set out at the end of this document a notice convening the General Meeting to be held at the offices of Norton Rose LLP at 3 More London Riverside, London SE1 2AQ at 10.00 a.m. on 6 April 2010. Subject to, amongst other things, the passing of the Resolutions at the General Meeting and Admission of the Placing Shares, dealings in the Placing Shares on AIM are expected to commence on 7 April 2010.

The purpose of this document is to provide you with information about the background to and reasons for the Acquisition and the Placing and to explain why the Board considers the Acquisition and the Placing to be in the best interests of the Company and its Shareholders as a whole.

2. Background to and reasons for the Acquisition

The assets to be acquired will provide Egdon with near-term cash-flow from the Ceres gas field and an increased interest in the Kirkleatham gas field development later in 2010. They also significantly expand the exploration opportunity base of the Company through the acquisition of the interests in nine onshore UK licences and two onshore French licences which contain numerous oil and gas prospects.

The Acquisition fits well with Egdon's strategy of developing a significant onshore European exploration and production business and is in line with the Company's stated short to medium-term growth strategy to:

- focus on proven oil and gas basins in onshore UK and Europe and develop a small number of core areas;
- concentrate on production and cash generation from existing discoveries in the near term;
- position the Company to add value via exploration drilling in the medium term;
- maintain material holdings and operatorship; and
- broaden and strengthen the Company's portfolio through licence applications, targeted acquisitions and innovative deal making.

The terms of the Acquisition will also provide Egdon with access to EnCore's expertise through the Technical Services Agreement and access to additional working capital via the Facility Agreement. The Directors believe that the Placing will provide the Company with access to the required capital to meet its near-term work commitments.

3. Assets being acquired pursuant to the Acquisition

The package of assets to be acquired comprise EnCore's entire interests in nine UK onshore licences, two French onshore licences and the Ceres gas field in the Southern North Sea as summarised in the table below.

<i>Licence</i>	<i>Location</i>	<i>Operator</i>	<i>EnCore %</i>	<i>EnCore entity holding the asset</i>
ONSHORE UK				
PEDL068	Cleveland	Egdon	20%	EnCore Petroleum Limited
PEDL098	Wessex	Northern Petroleum	7.50%	EnCore Oil plc
PEDL125	Weald	Northern Petroleum	10%	EnCore Oil plc
PEDL126	Weald	Northern Petroleum	10%	EnCore Oil plc
PEDL154	Weald	Northern Petroleum	10%	EnCore Oil plc
PEDL155	Weald	Northern Petroleum	10%	EnCore Oil plc
PEDL256	Weald	Northern Petroleum	7.50%	EnCore Oil plc
PEDL240	Wessex	Northern Petroleum	7.50%	EnCore Oil plc
PEDL253	Humber	EnCore	60%	EnCore Petroleum Limited
SOUTHERN NORTH SEA ("SNS")				
47/9c	SNS	Venture	5%	EnCore (NNS) Limited
47/9c	SNS	Venture	5%	EnCore Petroleum Limited
ONSHORE FRANCE				
Mairy	Paris Basin	Lundin	30%	EnCore (E&P) Limited
Nimes	SE Basin	EnCore	100%	EnCore (E&P) Limited

Southern North Sea:

P.1241:

Ceres gas field

The key asset in the package is a 10 per cent. interest in the producing Ceres gas field located in licence P.1241 (Block 47/9c) in the Southern North Sea. This will be acquired as an asset purchase from two EnCore subsidiaries: 5 per cent. from EnCore Petroleum Limited and 5 per cent. from EnCore (NNS) Limited.

The field is operated by Venture Production Company (North Sea) Limited ("Venture") which is a subsidiary of Centrica plc.

The Ceres gas field was discovered in 1982 when well 47/9b-4 encountered gas bearing Lower Permian Rotliegend sandstone which tested at low gas rates resulting in the well being abandoned. The 47/9c-11 appraisal well drilled in 2008 encountered a 36.6 metres gas column in the same sands and was sidetracked (47/9c-11x), with a 1,725 metre long horizontal section drilled through both Rotliegend sandstone and the underlying non-reservoir Carboniferous succession. The well tested at a maximum rate of nearly 40 MMscf/d before being suspended as a producer.

The Ceres field development is a single well sub-sea tie-back via the Mercury platform and then via the Neptune and Cleeton platforms to the Dimlington onshore terminal. The field is being developed in conjunction with the nearby Eris Field also operated by Venture.

All tie-in work has been completed and first gas from Ceres is anticipated in the near future.

Back-out arrangements

During the first years of production the Ceres (and Eris) field owners will allocate ("back-out") a proportion of field production to the Mercury and Neptune owners capacity, production of which is being displaced by Ceres and Eris, in return for provision of system capacity. This gas will be recovered later in the fields' life once production resumes from Ceres and Eris has started to decline.

Attributable Ceres production after back-out is expected to be around 12 MMscf/d during the remainder of 2010 (1.2 MMscf/d net or around 200 boepd).

Corsair Reassignment

The 5 per cent. EnCore (NNS) Limited interest was acquired via a farm-in agreement with Corsair Petroleum (Southern North Sea) Limited ("Corsair"). Under the reassignment provisions of this agreement, Corsair will assume a 5 per cent. interest in the licence from EnCore once the Carry Account balance is nil. The Carry Account comprises all costs incurred on the field compounded at an interest rate of 20 per cent. per annum less any revenues received. Corsair also has a right to acquire a 5 per cent. interest by repaying in cash the balance on the Carry Account at any time with a premium. The EnCore Petroleum Limited interest is unencumbered.

UK Onshore:

PEDL068:

Egdon will acquire an additional 20 per cent. in licence PEDL068 (Egdon currently operates with a 20 per cent. interest) which contains the Kirkleatham gas field development and the Westerdale/Ralph Cross gas discovery.

Kirkleatham gas field

The Kirkleatham gas field is a stratigraphically trapped gas accumulation discovered in 2006 with the drilling of the Kirkleatham-4 well which encountered a 19 metre gas column in the Permian age Cadeby Formation at a depth of 804.3 metres. A short-term test produced gas with minor amounts of H₂S at rates of up to 5 MMscf/d. The well was completed as a future gas producer.

Planning consent was received for the Kirkleatham development in August 2009.

There is a significant range in potential gas in place due to uncertainty over the distribution of the reservoir. Evaluation of this stratigraphically trapped gas accumulation by Egdon has indicated potential gas in place in the range 2 to 15.75 billion cubic feet of gas ("BScf"). The currently proven gas in place accessed by the Kirkleatham-4 well is 2 Bscf.

Commercial agreements were signed with Sembcorp Utilities (UK) Limited ("Sembcorp") in February 2010 to facilitate the development of the field. Under the terms of the Gas Sales Agreement all Kirkleatham gas will be sold to Sembcorp for use in a combined heat and power plant.

Potential exists to convert the depleted gas field into a gas storage facility conditional upon reservoir behaviour during production and obtaining all required consents. Sembcorp has been granted certain rights to participate in any future gas storage project.

The target for first gas is the start of the winter 2010 gas season. Egdon expect initial production to be around 5 MMscf/d (2 MMscf/d net or around 330 boepd).

Westerdale/Ralph Cross gas discovery

Also in licence PEDL068 is the Westerdale/Ralph Cross gas discovery. Gas was discovered in the Ralph Cross-1 well drilled in 1966 which tested over 6 MMscf/d from an estimated 20.5 m gross gas column in limestones of the Upper Permian Zechstein Brotherton Formation. The well was abandoned due to water production following acidisation.

In 2006, the Westerdale-1 well evaluated a separate northerly part of the Westerdale/Ralph Cross structure and although gas was confirmed by testing in the Brotherton Formation and Carboniferous sandstone, the well was plugged and abandoned as only sub-commercial flow rates were achieved.

Further studies are being undertaken to determine the best method of commercialising the prospect. A planning application may be submitted in 2010 for further appraisal drilling on the structure.

PEDL253:

Biscathorpe Prospect

Egdon will acquire EnCore's 60 per cent. operated interest in Lincolnshire licence PEDL253 which contains the Biscathorpe Prospect. PEDL253 is located to the west of Egdon's Keddington producing oil field in PEDL005(remainder).

The Biscathorpe-1 well was drilled in 1987 by BP and encountered a 1.2 metre thick oil filled sandstone in the Carboniferous sequence. The sand was not tested. The prospect is mapped on good quality 3D seismic data recently reprocessed by EnCore. The Biscathorpe-1 well targeted a structural closure close to the crest. Elsewhere the sandstones are seen to thicken away from the crest and a future well on the prospect will target these areas of potentially thicker sands. In addition to structural closure Biscathorpe also has significant upside through stratigraphic trapping.

A suitable drilling site is currently being sought and a planning application may be submitted later in 2010 with any well being drilled in 2011 conditional upon receipt of planning consent.

Charnia Carried-Interest:

PEDL253 is subject to a carried interest in respect of Charnia Resources Limited ("Charnia"). Under the terms of this agreement Charnia is carried through to first production and then have a right to back-in to the licence for 6 per cent. of EnCore's interest for a nominal consideration.

Montrose Carried Interest:

EnCore have also agreed to carry Montrose Industries Limited ("Montrose") for 50 per cent. of their licence expenditure during the first two years of the licence up to a limit of £50,000. The majority of this expenditure has already been made.

PEDL126:

Markwells Wood Prospect

EnCore holds a 10 per cent. interest in Northern Petroleum Limited ("Northern Petroleum") operated licence PEDL126 in the Weald Basin.

The main prospect in the licence is the Markwells Wood Prospect which lies between the Horndean and the Singleton Oil Fields. The Markwells Wood prospect which is mapped on reprocessed 2D seismic data is interpreted by the operator to share a common oil water contact with the Horndean oil field. Planning consent is in place and a drill site has been constructed in readiness for the drilling of the Markwells Wood-1 well which the operator has programmed for the first half of 2010.

Magellan Carried-interest:

Under the terms of a farm-in agreement Egdon will carry Magellan Petroleum (N.T.) Pty Ltd ("Magellan") on a 2:1 basis on first well on the PEDL126 licence.

PEDL's155/256:

Havant Prospect

EnCore holds a 10 per cent. interest in PEDL155 and PEDL256 in the Weald Basin. Both licences are operated by Northern Petroleum.

The Havant Prospect straddles the PEDL155 and 256 block boundary and lies approximately 4 kilometres south of the Horndean Oil Field. The prospect is mapped on reprocessed 2D seismic data. Planning consent is in place for the Havant-1 well and a drilling site is currently been prepared with the operator anticipating a well in the first half of 2010.

Magellan Carried-interest:

Under the terms of a farm-in agreement EnCore have agreed to carry Magellan on a 2:1 basis on first well on the PEDL155 licence.

PEDL125:

Hedge End Prospect

Egdon will acquire a 10 per cent. interest in Northern Petroleum operated licence PEDL125 in the west of the Weald Basin.

The main target in the licence is the Hedge End Prospect. The Hedge End-1 well was drilled by Kelt in 1988 which is interpreted by the operator as having discovered an oil column in the Middle Jurassic Great Oolite Formation. The well was plugged and abandoned without testing due to poor hole conditions. Negotiations are ongoing to secure a drilling location in a built up area to appraise the Hedge End Prospect.

Magellan Carried-interest:

Under the terms of a farm-in agreement EnCore have agreed to carry Magellan on a 2:1 basis on first well on the PEDL125 licence.

Other UK Licences:

Egdon will acquire interests from EnCore by way of an asset acquisition in a further four licences within the Weald and Wessex Basins, all operated by Northern Petroleum (PEDL098 (7.5 per cent.), PEDL154 (10 per cent.) and PEDL240 (7.5 per cent.)).

Northern Petroleum Carried-interest:

Under the terms of a farm-in agreement EnCore have agreed to carry Northern Petroleum on a 3:1 basis for their share of the first £500,000 of gross licence expenditure on PEDL154. The majority of this expenditure has already been made. EnCore also has an option to increase their equity in the licence to 20 per cent. by carrying Northern Petroleum for additional 2:1 promote on any well in the licence.

The acquisition of the nine onshore UK licences and the interest in the Ceres gas field are subject to the usual regulatory approvals from the Department of Energy and Climate Change (DECC), and approval from the joint venture partners on each licence.

France:

Egdon will acquire two permits in France via a company purchase of EnCore E&P Limited ("E&P"): a non operated interest in the Mairy Permit in the Eastern Paris Basin and an operated interest in the Nimes Permit in Southern France which is at an early stage of evaluation. The transfer of ownership to Egdon will be subject to the approval of the French Authorities. The acquisition of the nine onshore UK licences and the interest in the Ceres gas field are conditional on each other but are not conditional on the acquisition of E&P taking place. As a result, the acquisition of E&P may complete at a later date to the other acquisitions.

Mairy Permit:

La Petite Pierriere Prospect

EnCore currently holds a 30 per cent. interest in the Mairy Permit but has been advised that Lundin International Limited ("Lundin") wish to withdraw from the permit and as such EnCore along with Torreador Energy France Limited have agreed to increase their interests to 50 per cent., conditional upon approval from the French Authorities.

The Mairy Permit is located adjacent to the Donmartin, Lettree and Courdmanges oil fields. The now abandoned La Vieille Bord-1 well ("LVB-1") produced some 59,000 barrels of oil from Rhaetian sandstones over a period of 688 days before being shut in due to water influx following an increase in pump rates. The "La Petite Pierriere" ("LPP") Prospect is mapped on reprocessed 2D seismic data as the area up-dip of the LVB-1 well. An appraisal well is planned in 2011.

Geoex-Eastern Royalty:

EnCore's French Permits are subject to an overriding royalty in favour of Geoex-eastern ("Geoex") of 2.25 per cent. of EnCore's production in either licence up to the point where 200 per cent. of all expenditure is recovered by EnCore then a royalty of 4.5 per cent. is payable.

4. Details of the Placing and use of proceeds

The Company is proposing to place the Placing Shares at 12.5p each with institutional and other investors to raise approximately £2 million. The closing middle market price of an Ordinary Share on 18 March 2010 (being the last Business Day prior to the announcement of the Placing) was 12.25p.

The proceeds of the Placing will be used to fund the additional near-term commitments associated with developing the enlarged Egdon business. This will include but not be limited to the development of the Kirkleatham gas field, the drilling of wells at Markwells Wood and Havant, and advancing evaluation of all other new and existing opportunities.

The Placing is conditional on:

- (i) the Resolutions to be proposed at the General Meeting being passed;
- (ii) Admission of the Placing Shares becoming effective by not later than 8.00 a.m. on 7 April 2010 (or such time and date as the Company and Seymour Pierce may agree, not being later than 21 April 2010); and
- (iii) the Placing Agreement becoming unconditional in all respects (save for Admission of the Placing Shares) and it not having terminated in accordance with its terms.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. Subject to, amongst other things, the Resolutions being passed by the requisite majorities at the General Meeting, it is expected that Admission of the Placing Shares will become effective, and that trading in the Placing Shares will commence on AIM at 8.00 a.m. on 7 April 2010.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive any dividend or other distribution declared or made after Admission of the Placing Shares.

5. The Share Sale and Purchase Agreement and the Asset Sale and Purchase Agreements

In relation to the Acquisition, Egdon has entered into the following agreements:

- (a) Sale and Purchase Agreement dated 19 March 2010 relating to the entire share capital of EnCore (E&P) Limited, which holds a 100 per cent. interest in Permit Nimes and a 30 per cent. interest in Permit Mairy, between Egdon and EnCore (the "Share Sale and Purchase Agreement");
- (b) Sale and Purchase Agreement dated 19 March 2010 relating to an interest in United Kingdom Seaward Production Licence P.1241 (Block 47/9c) (Ceres Development) between Egdon and EnCore (NNS) Limited;

- (c) Sale and Purchase Agreement dated 19 March 2010 relating to interests in United Kingdom Seaward Production Licence P.1241 (Block 47/9c) (Ceres Development) and Petroleum Exploration and Development Licences PEDL068 (NZ/42a, NZ/50, NZ/51a, NZ/52a, NZ/60 and NZ/62a) and PEDL253 (TF/18a and TF/28) between Egdon and EnCore Petroleum Limited; and
 - (d) Sale and Purchase Agreement dated 19 March 2010 relating to interests in United Kingdom Petroleum Exploration and Development Licences PEDL098 (SZ/48a, SZ/58a), PEDL125 (SU/41a, SU/41b and SU/51), PEDL126 (SU/61a, SU/71a, SU/81a), PEDL154 (TQ/0, TQ/10, TQ/11, TQ/1a), PEDL155 (SU/70a), PEDL240 (SZ/38b, SZ/48d) and PEDL256 (SU/60a) between Egdon and EnCore,
- (b), (c) and (d) together, being the Asset Sale and Purchase Agreements.

The principal terms of the Share Sale and Purchase Agreement and the Asset Sale and Purchase Agreements are as follows:

Consideration

The consideration under the Asset Sale and Purchase Agreements is to be satisfied by the allotment and issue of the Consideration Shares and the consideration under the Share Sale and Purchase Agreement is to be satisfied by the payment of the Cash Consideration. The total consideration values the Assets at £5 million. In addition, under the Asset Sale and Purchase Agreements and the Share Sale and Purchase Agreements, a completion payment will be made by Egdon to EnCore (if positive) and by EnCore to Egdon (if negative) to take account of certain payments made by and to EnCore in respect of the Assets prior to the completion of the Acquisition.

Application will be made to the London Stock Exchange for the Consideration Shares to be admitted to trading on AIM in due course. The Consideration Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive any dividend or other distribution declared or made after Admission of the Consideration Shares.

Conditions

The Share Sale and Purchase Agreement and the Asset Sale and Purchase Agreements are each conditional on, amongst other things:

- (i) the London Stock Exchange agreeing to admit the Consideration Shares to trading on AIM; and
- (ii) the passing of the Resolutions.

Warranties, indemnities and other provisions

The Share Sale and Purchase Agreement and the Asset Sale and Purchase Agreements contain certain customary warranties. Further, Egdon has given certain indemnities, including in relation to potential environmental liabilities and decommissioning liabilities relating to the Assets and in respect of certain obligations and benefits arising in relation to the Assets prior to completion of the Acquisition. The Asset Sale Agreements contain non-compete provisions pursuant to which Egdon has agreed to restrict its offshore activities in the UK to operations in the immediate area of Ceres and EnCore has agreed to restrict its onshore operations in the UK and France to the area adjoining its Merrow prospect in the Irish Sea.

6. Lock-in Deed

EnCore and certain of its subsidiaries have entered into a Lock-in Deed dated 19 March 2010, pursuant to which EnCore and certain of its subsidiaries have undertaken not to dispose of, or agree to dispose of, any Consideration Shares held by them or any interest in or rights arising from or attached to any such Consideration Shares for a period of 12 months from the date of Admission of the Consideration Shares (the "Lock-in Period"), except in the limited circumstances set out in the Lock-in Deed. EnCore and certain of its subsidiaries have also agreed to certain orderly market provisions for a further period of 12 months from cessation of the Lock-in Period.

7. Technical Services Agreement

EnCore and Egdon have entered into a cooperation agreement dated 19 March 2010, pursuant to which EnCore and Egdon have agreed to provide to each other and to their Affiliates (as that term is defined in the Technical Services Agreement) with certain services in connection with each of their businesses and the development of the Assets following the Acquisition.

8. Facility Agreement

Conditional on, amongst other things, completion of the Acquisition (save for the acquisition of the Onshore France Licences), EnCore has agreed to provide Egdon with access to an unsecured loan facility for the purpose of exploration and development activities of Egdon and its affiliates.

The Facility Agreement provides a term loan facility for two years in an aggregate amount equal to £1,500,000 which can be drawn down at the request of Egdon in tranches of £250,000. Interest under the Facility Agreement is to be charged at the greater of 10 per cent. per annum and LIBOR plus 5 per cent., and is calculated and payable at six monthly intervals from initial drawdown.

9. Right to appoint a non-executive director

Egdon has agreed with EnCore that, following completion of the Acquisition, and for a period of five years thereafter, EnCore shall have the right, provided that either it holds 15 per cent. or more of the share capital of Egdon or it is the largest shareholder of Egdon, to nominate and maintain in office one natural person as a non-executive director of Egdon and to remove any director so appointed. Any non-executive appointed by EnCore and subsequently removed, whether by EnCore or otherwise, may be replaced by EnCore. It is currently anticipated that the nominee will be Alan Booth, EnCore's Chief Executive Officer.

10. General Meeting

You will find at the end of this document the Notice of General Meeting, to be held at 10.00 a.m. on 6 April 2010 at the offices of Norton Rose LLP at 3 More London Riverside, London SE1 2AQ at which the following Resolutions will be proposed:

1. To approve the Acquisition and the Placing.
2. To authorise the Directors to allot and issue Ordinary Shares pursuant to section 551 of the Companies Act:
 - (a) up to 39,200,000 Ordinary Shares in connection with the Acquisition; and
 - (b) up to 16,000,000 Ordinary Shares in connection with the Placing.
3. To authorise the Directors to allot and issue Ordinary Shares pursuant to section 551 of the Companies Act up to 43,123,005 Ordinary Shares, representing approximately one third of the Enlarged Share Capital, and up to 43,123,005 Ordinary Shares, representing approximately a further third of the Enlarged Share Capital in connection with a fully pre-emptive rights issue.
4. To authorise the Directors to allot Ordinary Shares for cash without making a pre-emptive offer to Shareholders pursuant to sections 570 and 573 of the Companies Act up to an aggregate nominal amount of £1,600,000 in connection with the Placing.
5. To authorise the Directors to allot Ordinary Shares for cash without making a pre-emptive offer to Shareholders pursuant to sections 570 and 573 of the Companies Act by way of a rights issue (subject to certain exclusions), by way of an open offer or other offer of securities (not being a rights issue) in favour of existing Shareholders in proportions to their existing shareholdings (subject to certain exclusions) and to persons other than existing Shareholders up to an aggregate nominal value of £653,378, which is equivalent to approximately 5 per cent. of the Enlarged Share Capital.

The authorities referred to in paragraphs 3 and 5 above are to replace the general allotment and disapplication of pre-emption right authorities that were granted at the last AGM of the Company on 3 December 2009, taking into account the Enlarged Share Capital.

The full text of the Resolutions is set out in the Notice of General Meeting which appears at the end of this document.

11. Action to be taken

A Form of Proxy for use in connection with the General Meeting is enclosed. You are asked to complete and return it in accordance with the instructions printed on it so as to arrive not less than 48 hours before the time of the meeting. Completion and return of the Form of Proxy does not preclude you from attending the meeting and voting in person, if you so wish.

12. Recommendation

The Directors consider the Acquisition, the Placing and the proposals set out in this Circular to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to in respect of their own beneficial shareholdings totalling 16,502,737 Existing Ordinary Shares, representing approximately 21.86 per cent. of the current issued share capital of the Company.

Yours faithfully,

Philip Stephens
Non-executive Chairman

EGDON RESOURCES PLC

(the "Company")

(Incorporated and registered in England and Wales with Registered No.06409716)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Norton Rose LLP at 3 More London Riverside, London SE1 2AQ on 6 April 2010 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which, in the case of Resolutions 1, 2 and 3, will be proposed as ordinary resolutions and, in the case of Resolutions 4 and 5, will be proposed as special resolutions:

ORDINARY RESOLUTIONS

1. That the Acquisition and the Placing (as those terms are defined and described in the circular to shareholders of the Company dated 19 March 2010 (the **Circular**)) be and are hereby approved.
2. That, subject to the passing of Resolution 1, the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (**CA 2006**) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:
 - (a) up to 39,200,000 Consideration Shares (as defined in the Circular) in connection with the Acquisition; and
 - (b) up to 16,000,000 Placing Shares (as defined in the Circular) in connection with the Placing.

The authorities conferred on the Directors under paragraphs (a) and (b) above shall expire on 1 October 2010, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

3. That, subject to the passing of Resolutions 1 and 2 above and, save for the authority conferred by Resolution 2 above, in substitution for all subsisting authorities to the extent unused, the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the CA 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:
 - (a) up to 43,123,005 Ordinary Shares, save that the Directors shall not exercise this authority in respect of a number of Ordinary Shares exceeding A, where:

$A = 1/3 \times (B + C)$;

B = the aggregate of the number of Ordinary Shares in issue at the date of this document and the number of Placing Shares; and

C = the number of Consideration Shares that have been issued pursuant to the Acquisition; and
 - (b) comprising equity securities (within the meaning of section 560 CA 2006) up to a further 43,123,005 Ordinary Shares in connection with an offer by way of a rights issue, save that the Directors shall not exercise this authority in respect of a number of equity securities exceeding A:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter (including any such problems arising by virtue of equity securities being represented by depositary receipts).

The authorities conferred on the Directors under this Resolution 3 shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution 3 or 31 January 2011, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for, or to convert any security into, shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

4. That, subject to the passing of Resolutions 1 and 2 above, the Directors be and they are hereby empowered pursuant to section 570 and section 573 CA 2006 to allot equity securities (within the meaning of section 560 CA 2006) for cash pursuant to the authority conferred by Resolution 2, as if section 561 CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities of up to an aggregate nominal amount of £1,600,000 in connection with the Placing.

5. That, subject to the passing of Resolutions 1, 3 and 4 above and, save for the authority conferred by Resolution 4 above, in substitution for all subsisting authorities to the extent unused, the Directors be and they are hereby empowered pursuant to section 570 and section 573 CA 2006 to allot equity securities (within the meaning of section 560 CA 2006) for cash pursuant to the authority conferred by Resolution 2, as if section 561 CA 2006 did not apply to any such allotment, provided that this power shall be limited:
 - (a) to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under paragraph (b) of Resolution 3, by way of a rights issue only):
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter (including any such problems arising by virtue of equity securities being represented by depositary receipts); and

- (b) to the allotment (otherwise than under paragraph (a) of this Resolution 3) of equity securities up to an aggregate nominal value of £653,378, save that the Directors shall not exercise this authority in respect of equity securities with an aggregate nominal value exceeding £X, where:

$$X = \frac{1}{20} \times \frac{(Y + Z)}{10}; \text{ and}$$

Y = the aggregate of the number of Ordinary Shares in issue at the date of this document and the number of Placing Shares; and

Z = the number of Consideration Shares that have been issued pursuant to the Acquisition; and

- (c) shall apply in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(2) CA 2006 as if in the first paragraph of this Resolution the words "subject to the passing of Resolution 3 above" were omitted.

The authorities conferred on the Directors by this Resolution 5 shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution 5 or 31 January 2011, whichever is the earlier, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By order of the Board

Walter Roberts

Secretary

Registered Office:

Suite 2
90-96 High Street
Odiham
Hampshire RG29 1LP

19 March 2010

Notes:

1. A Shareholder is entitled to appoint another person as that Shareholder's proxy to exercise all or any of that Shareholder's rights to attend and to speak and vote at the meeting. A Shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy does not need to be a shareholder of the Company.
2. A proxy need not also be a shareholder of the Company but must attend the meeting in person. A form of proxy accompanies this notice of General Meeting and the notes to the form of proxy set out the details of how to appoint a proxy. To be effective, the relevant proxy form must be completed, signed and lodged with the Company's registrar, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 48 hours before the time of the meeting (or any adjournment thereof) together with the original of any power of attorney or other authority under which the form of proxy has been signed. Shareholders may not use any electronic address provided either in this notice of General Meeting or any related documents (including the proxy form) to communicate with the Company for any purpose other than those expressly stated. In the case of a corporation, the form of proxy must be executed under its common seal or under the hand of any officer or attorney duly authorised.
3. Completion and return of a form of proxy will not prevent a shareholder from attending and voting at the meeting.
4. A shareholder may only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy. If a shareholder wishes to terminate the authority of a person(s) to act as their proxy, they must notify Capita Registrars in writing at the address provided above no later than 48 hours before the meeting.
5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first name being the most senior).
6. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered Shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
7. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only those Shareholders included in the register of members of the Company at 6.00 p.m. on 4 April 2010 or, if the meeting is adjourned, in the register of members at 6.00 p.m. on the day which is two days before the day of any adjourned meeting, will be entitled to attend and to vote at the meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 6.00 p.m. on 4 April 2010 or, if the meeting is adjourned, in the register of members after 6.00 p.m. on the day which is two days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the meeting.

