



28 April 2010

EGDON RESOURCES PLC
("Egdon" or "the Company")

Operational Update

Ahead of the Company's interim results, which will be announced on Thursday 29 April, the Directors of Egdon Resources plc (AIM:EDR) provide an update on drilling and testing operations at its Keddington, Dukes Wood and Kirklington operations in the East Midlands and confirm the extension of the St. Laurent Permit in France.

Keddington Drilling Operations

On 1 April 2010, operations began on the Keddington-3 sidetrack at the Keddington Oil Field site in licence PEDL005(Remainder). The Keddington-3 well was planned as a re-entry and horizontal sidetrack from the Keddington-2y "donor" well which was drilled by former licensee Roc Oil in 2000. Following plugging-back of the existing well, drilling of the sidetrack commenced at 20.00 hours on 6 April from a kick-off depth of 2250 metres. The well was drilled directionally and reached a total depth of 2728 metres on 15 April 2010. Approximately 126 metres of sandstone was encountered in the upper part of the well including 117 metres of Unit 1 sandstone which had elevated mud gas readings indicating the presence of oil. Elevated gas readings of 26% were encountered in sandstone at 2715 metres measured depth which are interpreted as the gas bearing Namurian sequence which is developed below the oil productive zones at the Keddington Field. To isolate this gas sand and to penetrate further oil productive sandstone it was decided to set a cement plug below the penetrated Unit 1 sandstone interval and to drill a further sidetrack, Keddington-3z, from a depth of 2563 metres. The Keddington-3z sidetrack was drilled to a total depth of 2854 metres and encountered a further 109 metres of Unit 1 sandstone with elevated mud gas levels.

A slotted liner was run in the well which has now been completed for pumped production and will be placed on production using the existing surface facilities as soon as the site is reinstated. Production from the adjacent Keddington-1z well was suspended for safety reasons during the drilling and will also be restarted. It is anticipated that production from both wells will commence in approximately 3 weeks.

The commencement of drilling operations at Keddington triggered the payment of £50,000 from Terrain as the final part of the consideration for the acquisition of its interest in the licence. Egdon holds a 75% interest in PEDL005(remainder) with partners Terrain Energy Limited (15%) and Alba Resources Limited (10%).

Dukes Wood Production Test

As previously reported the Dukes Wood-1 well, drilled in licence PEDL118 during January 2010, was completed for production from a 5 metre perforated interval in the Ashover Grit Unit 5 interval. Production operations began at the Dukes Wood-1 well on 12 March 2010. Up until 9 April the well had produced a total of 537 barrels of oil at an average daily rate of approximately 20 bopd. As expected the water production was high with the associated water cut representing 85% of the average daily production of 130 barrels of fluid indicating good reservoir properties.

The test of the Ashover Grit Unit 5 will be completed during May once sufficient production data has been gathered for future planning. Four other intervals of interest were identified in the well, the Sub-Alton Crawshaw, Loxley Edge Rock, Ashover Grit Unit 4 and Wingfield Flags. The total potential net oil pay across all formations is over 26 metres.

Egdon has consent for an Extended Well Test of up to six months duration and it is intended to perforate and test additional intervals over the coming months to determine the commerciality of the well and to assist with planning further wells on the field.

Production of the Kirklington-3z well

Drilling operations at the Kirklington Oil Field in PEDL203 were completed on 10 February 2010. The Kirklington-3 well encountered the target Chatsworth Grit sandstone deeper than predicted and below the interpreted field oil-water contact. As such the well was cemented back to allow the drilling of a sub-vertical sidetrack (Kirklington-3z) close to the original Kirklington-2 producer. Kirklington-3z was drilled to a total depth of 698 metres and encountered the Chatsworth Grit interval some 3.5 metres deeper and 4 metres thinner compared to Kirklington-2. An open-hole

completion was run in Kirklington-3z and the well was completed for pumped production of the Chatsworth Grit.

Since restoring the well to production on 13 March 2010 it has produced a total of 681 barrels of oil at an average daily rate of 24 bopd. Water cut during this period from the field was around 85%. This is nearly double the rate that was being achieved from the Kirklington-2 well just prior to drilling of the sidetrack. It is intended to continue to produce the well and to look to optimise production operations over the coming months.

Egdon holds a 65% interest in PEDL203 and PEDL118 with partners Terrain Energy Limited (25%) and Angus Energy Limited (10%).

Award of St. Laurent Permit Extension

Egdon has also been advised that its request for a five year extension to the St. Laurent Permit in SW France has now been formally granted by the French authorities. The licence will now expire on 21st August 2013. Egdon's wholly owned subsidiary Egdon Resources (New Ventures) Limited is the operator and holds a 33.434% interest in the permit. St. Laurent contains the Grenade heavy oil discovery and the Audignon Prospect; a multi-TCF potential Triassic sandstone sub-salt gas prospect which Egdon are looking to farm-out. The other permit holders are Sterling Resources UK Limited (33.434%), Nautical Petroleum plc (22%) and Malta Oil and Gas Pty Ltd (11.14%).

Commenting on these developments Mark Abbott, Managing Director of Egdon said;

"We are very encouraged by the results of the Keddington drilling operations, where we have encountered a significant section of sandstone in an un-drained area of the field. We look forward to the start of production from this new horizontal section over the next few weeks which has the potential to significantly increase field production and revenues. The presence of gas in the underlying Namurian sequence is something Egdon will need to evaluate further to determine if there is potential for commercial development of this resource in the future.

We are also encouraged by the production performance of the Kirklington-3z well given the initial disappointment of the drilling results from this well. We will look to optimise production over the coming months to realise a return on our investment in the Kirklington Oil Field.

Although it is early days in the testing of Dukes Wood-1 we have confirmed the presence of moveable oil, and the reservoir deliverability has exceeded our expectations from the Ashover Grit Unit 5. We will now look to perforate and test some of the additional pay zones identified to determine the commerciality of Dukes Wood-1 and to assist with planning further wells on the field. A key to developing Eakring-Dukes Wood will be to find a cost-effective way of handling the associated water production.

The formal award of the five year extension to St Laurent provides us with the time required to secure a farminee for the high potential Audignon gas prospect and to progress our plans for the Grenade heavy oil discovery."

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Company Background

Egdon Resources plc (LSE: EDR) is an established UK-based exploration and production company primarily focused on onshore exploration and production in the hydrocarbon-producing basins of the UK and Europe.

Egdon currently holds interests in twenty four licences in the UK and France and has an active programme of exploration, appraisal and development within its balanced portfolio of oil and gas assets. Egdon is an approved operator in both the UK and France.

Egdon has production from the Keddington and Kirklington oil fields in the East Midlands and the Avington oil field in Hampshire. Further oil and gas production is anticipated from Eakring-Dukes Wood, Waddock Cross and Kirkleatham in 2010.

Egdon have also recently announced the planned acquisition of a package of UK and French assets from EnCore Oil plc. On completion of this transaction Egdon will have additional production from the Ceres gas field and a significantly

expanded acreage position with a total of thirty licences in the UK onshore, one offshore UK and five permits in France (plus two pending award).

Egdon Resources plc listed on AIM in January 2008, following the demerger of its gas storage business, Portland Gas plc (now renamed Infrastrata plc). The pre-demerged business was formed in 1997 and listed on AIM in December 2004.

www.egdon-resources.com

In accordance with AIM rules - guidance for mining, oil and gas companies, the information contained in this announcement has been reviewed and signed off by the Managing Director of Egdon Resources plc Mark Abbott, a Geoscientist with over 23 years experience.