



25 April 2014

Embargoed for 7.00am

EGDON RESOURCES PLC

("Egdon" or "the Group" or "the Company")

Interim Results for the Six Months Ended 31 January 2014

Egdon Resources plc (AIM:EDR), the UK-based exploration and production company with a primary focus on the hydrocarbon-producing basins of the onshore UK, today announces its unaudited interim results for the six months ended 31 January 2014.

Overview and Highlights

Operational and Corporate Highlights

- Production of 35,773 barrels of oil equivalent ("boe") (H1 2013: 37,698 boe)
- Production of 194 barrels of oil equivalent per day ("boepd") for period (H1 2013: 205 boepd)
- PEDL139/140 farmed out to Total E&P UK Limited with significant carried work programme of up to \$46.5 million (c. £28 million)
- Option Agreement with Total E&P Limited for PEDL209 with cash payment to Egdon of £918,015 and option work programme of £13.5 million
- Option Agreement entered into with Scottish Power for PL161/162 in core Gainsborough Trough shale-gas play area providing Egdon with access to additional conventional and unconventional prospects
- Share Capital Reorganisation completed

Financial Highlights

- Oil and gas revenues during the period of £1.41 million (H1 2013: £1.64 million)
- Profit for the period of £0.83 million (H1 2013: £0.23 million loss) including gains on disposals/farm-outs and impairment in relation to PEDL240 relinquishment.
- Cash at bank £1.17 million as at 31 January 2014 (H1 2013: £2.12 million)
- Net current assets as at 31 January 2014 of £2.04 million (H1 2013: £1.88 million)

Post Balance Sheet Events

- Upgrade to net undiscovered gas initially in place ("GIIP") estimates for certain of Egdon's Northern England shale-gas assets to mean-case of 18 trillion cubic feet ("TCF")
- Share placing completed in February raising £3 million (before costs) at 25p per share
- Company debt free after repayment of £1 million loan facility
- Net Cash of £3.75 million as at 1 March 2014
- Relinquishment of non-core licences PEDL155 (10%) and PEDL256 (7.5%) in the Weald Basin during April 2014 will result in write off of £0.21 million in full year results

Commenting on the results, Philip Stephens, Chairman of Egdon said:

"The six months under review have been potentially transformational for Egdon. In this period the Company has seen significant interest in our UK shale-gas assets as we begin to deliver on our strategy of building value in this high potential play through asset transactions including the landmark deal to introduce the first major, Total, into the UK shale-gas play in three of our Gainsborough Trough licences.

We have today advised a significant increase to our reported total mean undiscovered net GIIP estimates to 18 TCF through an independent assessment of certain of our Northern England licences, confirming UK shale-gas as a key part of our forward strategy.

In February we strengthened our balance sheet with a £3 million institutional placing, ahead of a conventional oil drilling programme at Wressle and Burton on the Wolds targeting 1.7 million barrels ("mmbbls") of net Egdon Best Estimate Prospective Resources, which is now expected to start in June.

The main value drivers for the coming period will continue to be UK shale-gas and our planned conventional exploration drilling in Northern England as we enter an exciting phase in the Company's development."

For further information please contact:

Egdon Resources plc

Mark Abbott, Jerry Field

01256 702292

Buchanan

Richard Darby, Gabriella Clinkard,

020 7466 5000

Nominated Adviser and Broker – Cantor Fitzgerald Europe

David Porter, Tom Sheldon (Corporate Finance)

020 7894 7000

Richard Redmayne (Corporate Broking)

Joint Broker – VSA Capital Limited

Andrew Monk, (Corporate Broking)

020 3005 5000

Andrew Raca (Corporate Finance)

In accordance with the AIM Rules - Note for Mining and 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 26 years' experience.

Evaluation of undiscovered gas initially in place and potential recoverable hydrocarbons has been assessed in accordance with 2007 Petroleum Resources Management System prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE).

Chairman's Review

I am pleased to be able to report on a period of significant developments for the Company.

Production has been in line with guidance at 194 boepd and we are about to embark on an active operational period with commencement of a two well conventional oil drilling programme during June. In February, we strengthened our balance sheet through an institutional placing of £3 million ahead of this programme. However, the key developments during the period have related to our UK shale-gas assets. During 2013, we increased our licence position in the Gainsborough Trough geological basin through a conventional well farm-in to PEDL209 and an Exploration Option and Farm-in Agreement with Scottish Power Generation Limited in respect of PL161 and PL162. These adjoin our existing licences PEDL139 and PEDL140, where we have previously reported Net GIIP of 1.76 TCF, and provide Egdon with a strong position in the interpreted "sweet-spot" of the play. In January we reported two deals with Total E&P UK Limited ("Total") which could result in up to three carried wells being drilled with a view to de-risking this high potential play.

The entry of Total provides verification of our views on the potential of the play which is reinforced by today's assessment of the total shale-gas potential in seven of our Northern England licences as Egdon mean undiscovered GIIP of 18 TCF.

Financials and Statutory Information

Revenue from attributable oil and gas production during the period was £1.41 million (H1 2013: £1.64 million) on production of 35,773 boe (H1 2013: 37,698 boe). This equates to a daily production of 194 boepd (H1 2013: 205 boepd) against a reported full year target of 200 boepd.

The Group recorded a profit of £0.83 million for the six months ended 31 January 2014 (H1 2013: loss of £0.23 million) after gains on asset transactions of £1.08 million and impairments of £0.03 million on relinquished licences. The earnings per share for the period are 0.63p (H1 2013: loss of 0.17p).

The Group ended the period with £1.17 million of cash and cash equivalents (H1 2013: £2.12 million) and net current assets of £2.04 million (H1 2013: £1.88 million).

In December 2013, the Company implemented a Share Capital Reorganisation whereby the existing Ordinary Shares of 10 pence were subdivided into New Ordinary Shares of 1 penny each and 9 deferred Shares of 1 penny each. As at 31 January 2014, the total New Ordinary shares in issue was 132,787,543.

During February 2014, the Group placed 12,000,000 new ordinary shares at a placing price of 25 pence per share to raise £3 million before costs. Following the placing and the exercise of 828,271 option shares under the Company's Enterprise Management Incentive scheme, the total shares in issue are now 145,615,814.

Strategy

We have identified three key near-term strategic objectives to drive shareholder value;

- UK Shale-Gas - growing the Company's exposure to shale-gas exploration opportunities in Northern England.
- Conventional Exploration and Appraisal - adding additional reserves/revenues through an active conventional drilling programme whilst managing risk and financial exposure through farm-out
- Production - a continued focus on maximising production rates and revenues from existing producing assets through targeted investment

UK Shale-Gas

During the period we have seen growing governmental support for the responsible exploration of UK shale-gas. Against this backdrop we have made significant progress in building our shale-gas position through a series of transactions and resource upgrades in our core area of the Gainsborough Trough geological basin in Northern England.

During May 2013, Egdon agreed a farm-in to PEDL209 to earn a sixty per cent interest in the licence and in December 2013 we were able to announce the signature of an Exploration Option and Farm-in Agreement with Scottish Power for PL161/162 where Egdon will earn a fifty per cent interest in return for the drilling of a well with an exercise date of December 2014. Parts of each of these licences provide Egdon with access to the interpreted "sweet-spot" of the Bowland-Hodder shale-gas play in the Gainsborough Trough as confirmed in the report published by the British Geological Survey in July 2013.

In January, we announced two highly significant deals with Total, the first international major to take a position in UK shale-gas. Total agreed a carried work programme of up to \$46.5 million (c. £28 million), with a minimum commitment of \$19.5 million (c. £12 million) to earn a forty per cent interest in PEDL139/140. As part of the deal, Egdon increased its interest in the licences to 14.5 per cent and received \$0.6 million (c. £0.37 million) in cash under inter-party agreements. Total also entered into a Farm-in Option Agreement in respect of PEDL209, whereby they have an

option, exercisable until 31 December 2015, to earn a fifty per cent interest in the licence by paying for an exploration programme of £13.47 million (c. \$22 million), which would include seismic acquisition and the drilling of a well. Egdon received a cash payment of £0.92 million and retain the conventional exploration rights at Laughton-1 and two other prospects which are excluded from the option.

These transactions will deliver a significant work programme designed to de-risk the Gainsborough Trough Bowland-Hodder play. Since signature, we have completed 3D seismic acquisition over parts of PEDL139/140 and the operator is embarking on a period of community engagement ahead of planning and permitting work for a planned early 2015 well.

We have today released an assessment of the shale-gas potential in seven of our Northern England licences undertaken by ERC Equipoise Ltd ("ERCE"), the independent reservoir evaluation specialists, which reported total Egdon mean undiscovered GIIP of 18 TCF. The previous 2013 competent persons report assessed mean Egdon undiscovered GIIP of 1.76 TCF for PEDL139 and PEDL140 only. The reassessment by ERCE of these licences to mean Egdon undiscovered GIIP of 2.53 TCF and the addition of resources for a further five licences has resulted in a ten-fold increase in our reported mean undiscovered GIIP. ERCE's estimates of undiscovered GIIP are subject to exploration risk, which may be considerable.

We continue to review opportunities for acquisition and consolidation within the sector as a route to developing materiality for our shale-gas business and also intend to be an active participant in the long-awaited 14th UK Onshore licensing round which is currently expected to be announced around mid-year.

Conventional Exploration and Appraisal - An Active UK drilling programme

There is significant potential for growth via an active exploration and appraisal drilling programme from our existing conventional exploration portfolio where the best estimate of our contingent and prospective resources in the UK and France is c. 400 mmbœ.

The introduction of new environmental permitting regulations during 2013 resulted in a delay to our UK drilling plans. Exploration drilling activity will be focused in Northern England during 2014-15 with exploration wells at Wressle-1 and Burton on the Wolds-1 forming the first phase of our planned drilling programme. These exploration wells will target Net Egdon Best Estimate Prospective Resources of 1.77 mmbbls of oil and we now expect to commence this two well programme during June.

We are making progress towards a further drilling programme to commence in the second half of 2014 which could include wells at Laughton, Biscathorpe and North Kelsey, partly contingent upon planning consent and funding via farm-out and available cash resources. These wells will target a further 10.6 mmbbls of Net Egdon Best Estimate Prospective Resources. In addition, a key focus for the Company during the coming period will be the "A" Prospect in UK offshore licence P.1929 (Egdon 100%), located adjacent to the North Yorkshire coast. Egdon's initial evaluation of this 1966 gas discovery indicates the potential to contain Best Estimate Prospective Resources of 150 billion cubic feet of gas ("bcf"). We are progressing plans to drill a well from an onshore location to appraise the discovery. We plan to farm-out this well during 2014 with a view to drilling in early 2015.

In Southern England, our focus is the Wessex Basin of Dorset where a 3D seismic survey was acquired in September-October 2013 over the main prospective trend with a view to finalising a potential drilling location during the coming period. Elsewhere in Southern England, we relinquished PEDL240 (Egdon 7.5%) on the Isle of Wight.

Production

Production during the period was in line with guidance at 194 boepd from Ceres, Keddington, Avington and Waddock Cross. Ceres continues to produce at expected rates, although the restart of production at Ceres after the planned maintenance shut-down was delayed until late September 2013 which adversely impacted first half production.

Both Keddington and Avington production were in line with expectation and Waddock Cross came onstream in late September 2013. Additional production wells are under consideration at Waddock Cross, Keddington and Kirkleatham, and could lead to an increase in overall rates in the next full-year period.

Outlook

Given the high level of interest and recent transactions, we expect our UK shale-gas assets to be an increasing near-term value driver for the business. We will participate in the 14th UK Onshore Licensing Round expected during 2014 and will continue to review new opportunities for growth. The carried drilling on our Gainsborough Trough licences is now anticipated to commence early in 2015, subject of course to receipt of the necessary consents. Success in de-risking the play through this programme could lead to a significant revaluation of our shale-gas acreage.

We are embarking on a more active operational period with conventional oil drilling due to commence at Wressle and Burton on the Wolds during June and a further programme of up to four further wells, partly subject to planning and

funding/farm-out, later in 2014 and into 2015 which includes the 150 bcf potential "A" Prospect offshore North Yorkshire.

We are on target for production for the full year to be around 200 boepd from the Ceres, Keddington, Avington and Waddock Cross fields. Infill drilling opportunities could lead to an upgrade to this forecast for 2014-15 and we look forward to the results from our exploration drilling programme, which could also lead to further production and revenues.

We will continue to carefully manage our cash resources and risk exposure through farm-outs and disposals of non-core assets as we continue the process of refocussing on fewer higher potential projects over the coming period. We also continue to review opportunities to develop further shareholder value for the business.

As always I would like to acknowledge the continuing efforts of our small and hardworking team.

We thank shareholders for their patience and look forward to rewarding that patience in what should be an exciting period for the Company as the potential of our shale-gas assets starts to gain recognition and we move towards an active period of exploration activity underpinned by production revenues.

Philip Stephens
Chairman
25 April 2014

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2014

	Unaudited Six months ended 31-Jan-14 £'000	Unaudited Six months ended 31-Jan-13 £'000	Audited Year ended 31-Jul-13 £'000
Continuing operations			
Revenue	1,410	1,643	3,341
Cost of sales - exploration costs written off and pre-licence costs, including impairment charge	(34)	(44)	(607)
Cost of sales – depreciation & other	(1,240)	(1,250)	(2,950)
Total cost of sales	(1,274)	(1,294)	(3,557)
Gross profit/(loss)	136	349	(216)
Administrative expenses	(383)	(559)	(849)
Other operating income	61	45	81
Profit on sale of option – note 2	918	-	-
Profit on disposal of licence interest – note 2	165	-	393
	897	(165)	(591)
Finance income	1	2	4
Finance costs	(64)	(65)	(130)
Profit/(loss) before taxation	834	(228)	(717)
Taxation	-	-	-
Profit/(loss) for the period	834	(228)	(717)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period attributable to equity holders of the parent	834	(228)	(717)
Earnings/(loss) per share – note 3			
Basic earnings/(loss) per share	0.63p	(0.17)p	(0.54)p
Diluted earnings/(loss) per share	0.63p	(0.17)p	(0.54)p

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2014

	Notes	Unaudited 31-Jan-14 £'000	Unaudited 31-Jan-13 £'000	Audited 31-Jul-13 £'000
Non-current assets				
Intangible assets		6,964	7,830	8,485
Property, plant and equipment		9,776	8,565	7,327
Total non-current assets		16,740	16,395	15,812
Current assets				
Trade and other receivables		4,097	1,730	2,611
Available for sale financial assets		50	50	50
Cash and cash equivalents	4	1,166	2,119	2,006
Total current assets		5,313	3,899	4,667
Current liabilities				
Trade and other payables		(2,277)	(1,021)	(1,568)
Short term borrowings		(1,000)	(1,000)	(1,000)
Total current liabilities		(3,277)	(2,021)	(2,568)
Net current assets		2,036	1,878	2,099
Total assets less current liabilities		18,776	18,273	17,911
Non-current liabilities				
Provisions		(1,135)	(1,008)	(1,112)
Net assets		17,641	17,265	16,799
Equity				
Share capital	5	13,279	13,279	13,279
Share premium		1,379	1,379	1,379
Share based payment reserve		142	110	134
Retained earnings		2,841	2,497	2,007
		17,641	17,265	16,799

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2014

	Unaudited Six months ended 31-Jan-14 £'000	Unaudited Six months ended 31-Jan-13 £'000	Audited Year ended 31-Jul-13 £'000
Cash flows from operating activities			
Profit/(loss) before tax	834	(228)	(717)
Adjustments for:			
Depreciation and impairment of fixed assets	449	582	1,795
Exploration costs written off	34	23	23
Foreign exchange losses/(gains)	41	-	(32)
Profit on disposal of licence interest and grant of option	(1,083)	-	(393)
Increase in trade and other receivables	(225)	(869)	(1,734)
Decrease/(increase) in inventory	-	33	32
Increase/(decrease) in trade and other payables	193	(76)	414
Movement in provisions	-	(5)	70
Finance costs	64	65	130
Finance income	(1)	(2)	(4)
Share based remuneration charge	8	9	33
Cash flow generated from/(used in) operations	314	(468)	(383)
Interest paid	-	(50)	(150)
Net cash flow generated from/(used in) operating activities	314	(518)	(533)
Investing activities			
Financial income	1	2	4
Purchase of exploration and evaluation assets	(1,271)	(479)	(1,095)
Purchase of property, plant and equipment	(18)	(206)	(222)
Proceeds from sale of intangible assets	-	-	500
Proceeds from sale of property, plant and equipment	175	-	-
Net cash flow used in capital expenditure and financial investment	(1,113)	(683)	(813)
Financing activities			
Issue of shares	-	-	-
Repayment of borrowings	-	(11)	(11)
Net cash flow used in financing	-	(11)	(11)
Net decrease in cash and cash equivalents	(799)	(1,212)	(1,357)
Cash and cash equivalents at the start of the period	2,006	3,331	3,331
Effects of exchange rate changes on the balance of cash held in foreign currencies	(41)	-	32
Cash and cash equivalents at the end of the period	1,166	2,119	2,006

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2014

	Share capital	Share premium	Share based payment reserve	Retained earnings	Equity
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 August 2012	13,219	1,375	113	2,713	17,420
Total comprehensive income for the period	-	-	-	(228)	(228)
Issue of ordinary shares (January 2013)	60	4	-	-	64
Transfer of share option charge on lapse	-	-	(12)	12	-
Share option charge	-	-	9	-	9
Balance as at 31 January 2013	13,279	1,379	110	2,497	17,265
Total comprehensive income for the period	-	-	-	(490)	(490)
Share option charge	-	-	24	-	24
Balance as at 31 July 2013	13,279	1,379	134	2,007	16,799
Total comprehensive income for the period	-	-	-	834	834
Share option charge	-	-	8	-	8
Balance as at 31 January 2014	13,279	1,379	142	2,841	17,641

1. General information

Egdon Resources plc ('the Company' and ultimate parent of the Group) is a public limited company listed on the AIM market of the London Stock Exchange plc (AIM) and incorporated in England. The registered office is The Wheat House, 98 High Street, Odiham, Hampshire, RG29 1LP.

This interim report was authorised for issue by the Directors on the 24 April 2014.

Basis of preparation

The financial information set out in this interim report has been prepared using accounting policies consistent with International Financial Reporting Standards as adopted for use in the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Union. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 July 2014.

Non-statutory accounts

The financial information set out in this interim report does not constitute the Group's statutory accounts for that period within the meaning of Section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 July 2013 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006. However, in their report on the statutory accounts for the year ended 31 July 2013, the auditor drew attention to the material uncertainty regarding the Group's ability to continue as a going concern by way of an emphasis of matter paragraph.

The financial information for the 6 months ended 31 January 2014 and 31 January 2013 is unaudited.

Accounting policies

The condensed financial statements have been prepared under the historical cost convention, except for the inclusion of certain financial instruments at fair value.

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in preparation of the Group's financial statements for the year ended 31 July 2013.

The Directors have reviewed the budget, projected cash flows, considered committed expenditure and based on this review are confident that the Group will have adequate financial resources to continue in existence for the foreseeable future. Consequently the Directors consider it appropriate to prepare the financial information on the going concern basis.

2. Profit on disposal

On 13 January, the Group and its joint venture partners entered into an agreement to farm-out an interest in licences PEDL139 & PEDL140. Under the terms of the agreement, proceeds totalling £0.37m, giving rise to a profit of £165,000, are due to Egdon. These proceeds were received in February 2014.

On 30 January, the Group entered into an Opt-in Agreement in respect of licence PEDL 209. Under the terms of the agreement, Egdon received consideration of £0.92m in exchange for the grant of an option over 30% of its interest in the licence. These proceeds were received in February 2014.

3. Earnings/(loss) per share

	Unaudited Six months ended 31-Jan-14 p	Unaudited Six months ended 31-Jan-13 p	Audited Year ended 31-Jul-13 p
Basic	0.63	(0.17)	(0.54)
Diluted	0.63	(0.17)	(0.54)

The basic earnings/(loss) per share has been calculated on the profit on ordinary activities after taxation of £0.83m (January 2013: loss of £0.23m; July 2013: loss of £0.72m) divided by the weighted average number of ordinary shares in issue of 132,787,543 (January 2013: 132,214,980, July 2013: 132,498,908).

The diluted earnings/(loss) per share has been calculated on the profit on ordinary activities after taxation of £0.83m (January 2013: loss of £0.23m; July 2013: loss of £0.72m) divided by the diluted weighted average number of ordinary shares in issue of 133,061,593 (January 2013: 132,214,980, July 2013: 132,498,908). In January 2013 and July 2013, all share options in issue were excluded as their inclusion would have been anti-dilutive. In January 2014, the May 2008, February and December 2011 and the January 2014 option grants were excluded as their inclusion would have been anti-dilutive.

4. Cash and Cash Equivalents

	Unaudited 31-Jan-14 £'000	Unaudited 31-Jan-13 £'000	Audited 31-Jul-13 £'000
Cash at bank at floating interest rates	698	1,520	1,559
Restricted cash at bank	205	205	205
Other cash at bank	263	394	242
	1,166	2,119	2,006

Cash at bank at floating interest rates consisted of money market deposits which earn interest at rates set in advance for periods up to three months by reference to Sterling LIBOR. Restricted cash at bank represents amounts lodged in support of guarantee commitments, earning interest at short term rates based on Sterling LIBOR.

5. Share capital

On 5 December 2013, following approval at the Company's AGM, the existing Ordinary Shares of 10 pence each were sub-divided into 1 New Ordinary Share of 1 penny each and 9 Deferred Shares of 1 penny each.

During January 2014, options over 757,765 New Ordinary Shares of 1p each were granted to staff under the Company's Enterprise Management Incentive Scheme. The options have an exercise price of 10.38p and vest on 1 January 2016.

6. Post balance sheet events

Share Placing

On 11 February 2014, the Company issued 12,000,000 New Ordinary 1p shares for total cash consideration of £3 million. The nominal value of the shares was £120,000.

During February 2014, 828,271 New Ordinary 1p shares with a nominal value of £8,282 were issued to staff under the Company's Enterprise Management Incentive Scheme for total cash consideration of £86,080.

Repayment of Loan facility

On 27 February 2014, the Company repaid to EnCore Oil Limited the loan of £1,000,000 originally drawn down in 2010.

Relinquishment of licences

In April 2014, the Group together with its joint venture partners relinquished its interests in licences PEDL 155 and PEDL 256. As at 31 January 2014, the Group balance sheet includes capitalised costs of £214,624 in respect of these licences.

7. Dividend

The Directors do not recommend payment of a dividend.

8. Publication of the Interim Report

This interim report is available on the Company's website www.egdon-resources.com.