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

Interim Results for the Six Months Ended 31 January 2012

Egdon Resources plc (AIM:EDR), the UK-based exploration and production company primarily focused on the hydrocarbon-producing basins of onshore UK and Europe, today announces its unaudited interim results for the six months ended 31 January 2012.

Overview and Highlights

Financial Highlights

- Oil revenues during the period up 67% to £1.55 million (H1 2011: £0.93 million)
- Production increased 68% to 29,624 barrels of oil equivalent ("boe") (H1 2011: 17,671 boe)
- Loss for the period of £0.8 million after exceptional write down of £1.0 million in respect of the Kirkleatham asset (H1 2011: profit £4.4 million, including profit on disposal of £4.3 million)
- Loss per share for the period of 0.63p (H1 2011: profit of 3.37p)
- Cash at bank £4.3 million as at 31 January 2012 (H1 2011: £5.3 million)
- Net current assets as at 31 January 2012 of £2.9 million (H1 2011: £5.2 million)

Operational Highlights

- Production during the period up 68% to 29,624 barrels of oil equivalent (H1 2011: 17,671 barrels) from the Keddington and Avington oil fields and the Ceres and Kirkleatham gas fields
- 3D seismic programme completed over Broughton and Wressle prospects in PEDL180/182 during February 2012
- Planning and environmental approvals achieved for development of Dukes Wood/Eakring field for May 2012 start-up
- Completion of extended well test of Waddock Cross indicates potential for commercial development
- Testing operations ongoing at Markwells Wood oil discovery
- Significant progress made with lands and planning for 2012-2013 drilling programme
- Completed sale of 10% interest in the Avington Oil field for total cash consideration of £400,000
- Sale of 15% interest in PEDL 118 and 203 (Dukes Wood and Kirklington oil fields) for £200,000 in cash and well carry of £150,000
- Farm-outs concluded in PEDL206 and, in February 2012, PEDL201

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

"Although showing a significant increase on the corresponding period last year, the previously reported production issues experienced with our interests in the Ceres and Kirkleatham gas fields mean that our production and revenues were below our expectation for the period. We are working hard to resolve the problems associated with these fields and to restore production and revenues to higher levels.

We continue to make progress across all of our UK and French operations and are confident in the ability to build shareholder value from our existing portfolio of assets. I can also report that in a change to our near-term strategy we now intend to develop our position in the exploration and evaluation of non-conventional hydrocarbon plays in the UK, in addition to our planned conventional exploration and appraisal programme"

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Chairman's Statement

I am pleased to provide a report on the results for the six months ended 31 January 2012. Production and revenues for the period, whilst showing year on year increases of 68% and 67% respectively, were below our original guidance due to continuing issues with production at both the Ceres and Kirkleatham gas fields. We remain confident of the quality of our existing portfolio of assets and their ability to deliver shareholder value and have made good progress during the period in securing sites and progressing planning for a number of potential drilling locations in the UK which will provide your Company with the opportunity to participate in a significant programme of exploration drilling over the coming period.

I can also advise that, following a recent strategy review which highlighted the potential for value creation from the non-conventional hydrocarbon plays within Egdon's existing UK licences and areas of operation, we now intend to actively develop our non-conventional hydrocarbon business focussing on the exploration and evaluation phases of these plays and utilising our existing in-house expertise and database.

Financial

Revenue from production during the period was up 67% to £1.55 million (2011: £0.93 million) on oil and gas production of 29,624 barrels of oil equivalent ("boe"), a 68% increase over the same period in 2011 (2011: 17,671 boe). The Company reported a loss after tax of £0.8 million for the period (2011: £4.4 million profit (including exceptional gain of £4.3 million on disposal)), which includes an exceptional write down of £1.0 million in respect of the Kirkleatham gas field where production problems have been experienced. Loss per share for the period was 0.63p (2011: profit 3.37p). The Directors do not recommend the payment of a dividend.

Net assets as at 31 January 2012 were £19.4 million (31 January 2011: £20.5 million). Net current assets as at 31 January 2012 were £2.9 million (31 January 2011: £5.2 million) including cash of £4.3 million.

Board Changes

During the period John Rix retired as a non-executive director and Jerry Field was appointed as Exploration Director. In March 2012 we announced changes to the composition of the Board as a result of the acquisition of EnCore Oil plc ("EnCore") by Premier Oil plc ("Premier"). Andrew Lodge, Exploration Director of Premier Oil plc, was appointed as Premier's nominated non-executive director and at the same time Alan Booth, EnCore's nominated non-executive director, resigned. We are grateful to John and Alan for their wise counsel over a number of years.

Corporate Activity and Portfolio Management

We have continued to rationalise and develop our licence holdings as part of our wider strategy. During the period we completed the sales of a 10% interest in the Avington oil field (PEDL070) for £400,000, and a 15% interest in the Dukes Wood and Kirklington oil fields (PEDL's 118 and 203) for a consideration of £200,000 in cash and a future well contribution of £150,000. The funds received are to be utilised to progress projects with higher potential returns.

We have agreed a farm-out and will transfer operatorship in PEDL206 where the Company will retain a 25% interest through the drilling of up to two wells around the abandoned Kelham Hills oil field. In February 2012 we farmed-out a 12.5% interest in PEDL201 reducing the Company's exposure to the planned Burton on the Wolds-1 well from 50% to 25% and accelerating the timing of the well from 2013 to 2012.

We were advised in late December 2011 of the award of a 7.5% interest in a 26th UK Offshore Round licence offshore the Isle of Wight where a multi-target prospect has been identified. As such, at 31 January 2012 Egdon held interests in 30 licences in the UK and France. I can also report that we continue to engage in discussions regarding the potential award of a further 26th UK Offshore Round licence which contains a potentially substantial near-shore gas discovery. In France we await the award of the Donzacq Permit.

Production

Production for the period was 29,624 boe, which equates to 161 boe per day ("boepd") (H1 2011- 96 boepd). Whilst showing significant improvement on the same period last year, production is below our expectations as a result of reported issues with production at both the Ceres and Kirkleatham gas fields.

Ceres has contributed only minor amounts of production during the period and the field is currently shut-in whilst repairs are undertaken to the methanol injection system. It is hoped that the problems can be resolved in the near future. When on production, the Ceres well performs as expected with gross pre-back-out rates of 20 million cubic feet of gas per day ("mmcf/d") and post back-out of 1.2 mmcf/d net to Egdon (c. 200 boepd). Notwithstanding the difficulties experienced with Ceres we do not believe that the long term asset value is affected.

The Kirkleatham gas field (PEDL068 – Egdon 40%) is currently shut-in due to increased water production. Options aimed at resolving the issue and returning the well to production are currently being finalised and operations are expected within the next quarter. As a result of the production issues at Kirkleatham we have made a £1 million impairment of the Kirkleatham gas field asset in our results.

The Keddington oil field in Lincolnshire Licence PEDL005(Remainder) (Egdon 75%) is anticipated to produce at gross rates of around 100 -125 barrels of oil per day ("bopd") for the coming period. We have recently received firm costs and timing for an electrical grid connection and expect to sanction a 1.35 MW electricity generation project in the very near future to allow us to extract value from associated gas production from the field, with commissioning anticipated towards the end of 2012.

The Avington oil field (Egdon 26.67%) has continued on production during the period. The potential for additional development wells to enhance production continues to be reviewed by the Licence Group.

We have received planning and environmental consents for the Dukes Wood oil field in Nottinghamshire licence PEDL118 (Egdon 50%) and we shortly expect to commence operations to enable production from the Dukes Wood-1 and Kirklington-3Z wells at initial rates of around 40 bopd gross.

Exploration and Appraisal

The best estimate of our prospective resources in the UK and France is 248 million barrels of oil equivalent ("mmboe") which highlights the potential in our portfolio for growth through exploration. Exploration remains a key near-term focus for Egdon and we have embarked on an active exploration and appraisal programme to evaluate the best of these opportunities over the coming years. Further details of our UK and French opportunities and drilling plans are set out in the Operational Review which follows this statement.

During the period Egdon participated in production testing at Waddock Cross and Markwells Wood, and 3D seismic acquisition over the Broughton and Wressle prospects which was completed during February 2012.

The extended well test ("EWT") at Waddock Cross (PL190, Egdon 45%) has indicated the potential for a commercial development and plans will be progressed over the coming months. The EWT at the Markwells Wood-1 oil discovery (PEDL126, Egdon 10% interest) continues and the operator, Northern Petroleum, will report the results at the conclusion of testing.

We have been advised by the operator, Seven Star Limited, that drilling activity at Nooks Farm (PEDL141) is due to commence shortly. Planning consent has recently been received for a modified programme to allow identified gas leaks from the previously abandoned wells to be sealed and the re-entry and drilling of a horizontal production well. Egdon's costs are carried through this programme.

We are making good progress with securing sites and planning for a programme of UK exploration drilling in the East Midlands which is expected to commence later in 2012. This programme will comprise up to 5 wells targeting resource potential of 15 mmboe net to Egdon. We have completed a 49 square kilometre 3D seismic survey over the Broughton and Wressle prospects (PEDL180/182, Egdon 33.33%) and expect during May to define potential bottom-hole locations for one or more wells. Drilling sites have already been identified. Egdon has a carried interest in a well to be drilled in the Gainsborough Trough to evaluate the potential for non-conventional hydrocarbon resources in that area.

In France we expect to commence a c. 400 km programme of 2D seismic acquisition over the high potential Audignon Prospect in the St Laurent Permit and are making plans for a possible 3D survey over the Pontenx oil discovery in the Pontenx Permit. Subject to regulatory approvals a well is planned on the Mairy Permit later in 2012.

Outlook

Our objective is to develop a full cycle onshore exploration and production business, with the revenue from oil and gas production being reinvested in exploration, appraisal and development to facilitate growth in the underlying asset value of the business. Through a shift to our strategy we will also look to grow our non-conventional hydrocarbon business in the UK through a more active role in the exploration and evaluation phases of these emerging plays.

We anticipate net Egdon production for the next period of 125-150 boepd from Keddington, Avington and Dukes Wood/Kirklington. On resumption of Ceres production this is expected to increase to 300-350 boepd and further Kirkleatham production could increase this to a potential 400 boepd.

Operationally we expect to commence drilling operations at Nooks Farm and production from the Dukes Wood/Kirklington oil fields, and to acquire new 2D seismic over the Audignon prospect during the next few months. We expect planning decisions to be forthcoming on a number of applications from early summer onwards and will then be in a position to finalise the order and scope of the 2012/13 drilling programme. The Company could participate in up to 12 wells and two seismic programmes over the coming 18 months depending on planning, rig availability and available funds. We will continue to look to farm-out some of this activity to manage risk and capital exposure and are making good progress in this regard on a number of projects.

Egdon will participate in the long awaited 14th UK Onshore Licensing Round which is now expected to open in the second half of 2012. We also await the award of the Donzacq Permit in France and remain hopeful of a further award from the 26th UK Offshore Licensing Round.

We will continue to look to build shareholder value by strengthening the quality and breadth of our asset portfolio, by progressing an active drilling programme as highlighted, and by looking to realise value from assets at the appropriate time.

We thank our shareholders for their patience in light of the recent set-backs in production and remain confident of the quality of our existing portfolio of assets and their ability to deliver shareholder value.

We have a small team of dedicated staff and on behalf of the Board I would like to thank them for their continuing efforts during the period.

Philip Stephens
Chairman
23 April 2012

Managing Director's Operational Review

During the period the Group has maintained a clear geographical focus on onshore operations in the UK and France. Following a period of significant changes in our asset holdings during 2010 and 2011 with the acquisition of the EnCore assets, the sale of our French subsidiary and a number of relinquishments and acquisitions, the last six months have seen a period of relative stability with Egdon holding interests in a total of 30 licences in the UK and France.

Our key focus over the period has been addressing issues with our producing assets and developing our plans for an active phase of exploration drilling through the identification and leasing of drilling sites, securing planning consent, on-going technical evaluation, and progressing farm-outs to balance risk and financial exposure.

UK

Whilst we will continue to be active across our portfolio, the Group will focus on three main areas of activity in the UK during the next period; oil in the East Midlands, gas in North East England and, following a review of strategy, developing a non-conventional hydrocarbon business.

Developing Oil Prospects and Growing Production in the East Midlands

The **Keddington Oil Field** (PEDL005(Remainder), Egdon 75%) currently produces oil and associated gas from two wells (Keddington-4 and Keddington-3Z) at rates of 100-125 bopd. We have recently received firm estimates of costs and timing to develop a 1.35 MW gas-to-electricity generation project for the site and we expect to sanction this project shortly. We are developing plans for further potential development drilling activity on the field and have initiated an independent reserves audit by RPS Energy of this and other assets. We currently carry 0.3 million barrels of oil ("mmbo") of Proven and Probable Reserves along with around 0.7 billion cubic feet ("bcf") of gas for Keddington.

We expect to put the **Dukes Wood** and **Kirklington** wells back into production within the next few months and are evaluating additional drilling locations in areas of the field not previously produced including the **Eakring North Lead** and other locations where potentially producible oil remains. We anticipate initial combined production of around 40 bopd (Net Egdon 20 bopd). We have recently sold a 15% interest in these projects to Nautical Petroleum AG for a consideration comprising a cash sum of £200,000 and the payment of £150,000 towards Egdon's share of costs of the next well to be drilled on PEDL118 or PEDL203.

In addition to these East Midlands oil fields, Egdon has developed a significant exploration position in the region over recent years and has plans, subject to receipt of planning and availability of adequate funding, for drilling at a number of locations in the next 12 months.

The **Louth Prospect**, which is defined by 3D seismic data and is located immediately adjacent to Keddington, is mapped as containing 1.25 mmbo Net Egdon Best Estimate Prospective Resources.

The **North Somercotes Prospect**, located to the north of the Saltfleetby Gas Field, is mapped from 3D seismic data as containing Net Egdon Best Estimate Prospective Resources of 7.26 bcf of gas. We have landowner agreement for a potential well site and are in a position to submit a planning application in the near future.

The **Biscathorpe Prospect** is located approximately 15 kilometres to the west of Keddington. Oil was discovered but not tested in a thin sand unit (1.2 metres) in the Biscathorpe-1 well drilled by BP in 1987. The sands are predicted to thicken off the crest of the structure and there is also potential for stratigraphic trapping which could increase the expected prospective reserves from a Net Egdon Best Estimate case of 8.47 mmbo up to 25 mmbo in the upside case.

North Kelsey, **Wressle** and **Broughton** lie along an oil bearing trend to the south-east of Scunthorpe with the Crosby Warren Oil field at one end and the Brigg oil discovery at the other. The **Broughton Prospect** is located immediately up-dip of the Broughton-B1 well which was drilled by BP in 1984 and tested oil at rates of up to 40 bopd prior to being plugged and abandoned. The prospect is mapped as having Net Egdon Best Estimate Prospective Resources of 1 mmbo. The nearby **Wressle Prospect** has Net Egdon Best Estimate Prospective Resources of 1.3 mmbo. A 49 square kilometre 3D seismic survey was completed during February 2012 over the Broughton and Wressle prospects and the resulting data are currently being interpreted. We expect to define one or more bottom-hole locations shortly for exploration wells to be drilled from already identified surface sites.

A decision on drilling the **North Kelsey Prospect**, mapped from 3D seismic data to hold Net Egdon Best Estimate Prospective Resources of 3.14 mmbo, will be made during 2012.

The **Burton on the Wolds Prospect** is located on the southern margin of the Widmerpool Gulf in Leicestershire and combines a lower risk reservoir target offsetting nearby production with a higher risk, higher potential play at present untested in the Basin. Egdon has farmed-out a 12.5% interest in the well on a 2:1 promoted basis. This

farm-out agreement enables Egdon to promote the well up the drilling schedule whilst managing our risk and cost exposure on the prospect. We now expect to submit a planning application for an already identified site during the second quarter of 2012 with a view to drilling before the end of the year subject to all statutory approvals.

Landowner negotiations and the planning process are at an advanced stage on all the potential drilling locations with a view to commencing a drilling programme, which could comprise up to 5 wells targeting potential resources of 15 mmbbl (Net Egdon), by the end of Q3 2012.

We also expect the drilling of up to two wells around the abandoned Kelham Hills oil field in PEDL206, where Egdon has agreed a farm-out and will transfer operatorship.

Exploiting Gas in Northern England and Offshore

Egdon has a core area for gas production and exploration in North-East England where the reservoir objectives are sandstones or limestones of Permian age.

In offshore licence P.1241, where we have a 10% interest, the **Ceres Gas Field** has contributed only minor amounts of production during the period. The field is currently shut-in whilst repairs are undertaken to the methanol injection system although we hope that these issues will be resolved soon. When on production, the Ceres well performs as expected with gross pre-back-out rates of 20 million cubic feet of gas per day ("mmcf/d") and post back-out of 1.2 mmcf/d net to Egdon (c. 200 boepd). Notwithstanding the difficulties with Ceres we do not believe that the long term value of the asset is affected (Net Egdon Proven and Probable reserves of 3.7 bcf with Best Estimate Prospective Resources of 1.7 bcf).

The **Kirkleatham Gas Field** in PEDL068, where the Company holds a 40% interest, has been shut-in since February 2012 due to increased water production. The joint venture partners are considering options aimed at resolving the water production issue and returning the well to production. These options include recompletion to isolate part of the perforated zone, installation of artificial lift and, ultimately, possibly drilling a sidetrack from the existing well to an area of the field up-dip from the well. As a result of the problems at Kirkleatham we have recognised an impairment of the Kirkleatham gas field asset of £1.0 million at this time. This impairment represents approximately 40% of the carrying value of the asset.

Elsewhere in PEDL068, having recently completed a public consultation, we will shortly be submitting a planning application for drilling a well to appraise the **Ralph Cross/Westerdale** gas discovery where we map Net Egdon Best Estimate Prospective Resources of 6.2 bcf. The directional well would be designed to evaluate the same reservoir from which gas was tested at commercial rates in the 1966 Ralph Cross-1 well.

Egdon is in ongoing discussions regarding the award of a licence in the 26th UK Offshore Licensing Round for an area which contains a potentially significant near-shore gas discovery. If an award is ultimately made, this would become a priority project for Egdon with plans to appraise and, hopefully, develop the discovery from an onshore location.

Developing a Non-Conventional Hydrocarbon Business

Egdon currently has exposure to a number of non-conventional hydrocarbon plays (shale-gas, shale-oil, Coal Bed Methane ("CBM")) in our existing onshore UK licences. Our strategy to date in this emerging business area has been to farm-out to specialist partners to reduce exposure to risk and expenditure. A recent strategic review has highlighted the potential for value creation from the non-conventional hydrocarbon plays within Egdon's existing licences and UK areas of operation. In a change to our strategy we now intend to become more active in the exploration and evaluation phases of these plays utilising our existing in-house expertise and database.

The **Gainsborough Trough** contains significant hydrocarbon source rock intervals which have been identified by Egdon as holding shale-gas potential. The Basin contains rocks of the same age and broad characteristics as the intervals being targeted by Cuadrilla Resources in the North West of England. Egdon holds a 13.5% carried interest in PEDL's 139 and 140 which contain the core of this play and where an exploration well is being planned to evaluate the potential for commercial shale-gas production. An initial internal scoping assessment, using highly conservative parameters, indicates a minimum of 340 bcf Gas Initially In Place attributable to Egdon's interest. Subject to planning, a well is now likely to be drilled in 2013.

Elsewhere in our portfolio we have identified further shale-gas and shale-oil opportunities and are progressing our evaluations.

A number of Egdon's East Midlands licences have significant CBM potential. CBM is not a core part of Egdon's business and we will look to leverage value from these assets by collaboration with specialists in this area.

Other Projects

We have recently been advised that a modification to the planning consent for **Nooks Farm** has been received to enable gas leaks identified as coming from the previously abandoned wells to be sealed and the re-entry and drilling of a horizontal production well on this 1982 gas discovery. Egdon is fully carried for these works with operations expected to commence in the next few months.

Elsewhere the period has seen production test operations at Waddock Cross in Dorset (PL090, Egdon 45%) and at Markwells Wood-1 (PEDL126, Egdon 10%).

An extended well test at **Waddock Cross** has indicated the potential for a commercial development and detailed plans will be progressed over the coming months. Testing at Waddock Cross was completed in February and data analysis is ongoing. The high water-cut (c. 90%) field has two wells, Waddock Cross-2 (WX2), a vertical well, and a horizontal well Waddock Cross-3 (WX3). Production from WX2, constrained by pump capacity was around 30 bopd at the end of the test but the testing indicated the potential for achieving increased rates of production by the installation of a larger capacity pump. WX3 produced at an initial stabilised rate of 20 bopd, which was increased to 30 bopd following a diesel squeeze. A second, larger diesel squeeze resulted in the completely unforeseen opening of a conduit to water, effectively killing the well. Given this problem it was not possible to trial bacterial enhanced oil recovery techniques as planned. However, surface oil separation issues which were a feature of previous testing were fully resolved and it is expected that a phased field development plan will be sanctioned by partners in the near future. This initial phase will involve production from WX2 at up to 50 bopd and remediation or sidetracking of WX3 to add a further anticipated 20-30 bopd. Further drilling and microbial enhanced oil recovery would also form part of the plans.

The operator, Northern Petroleum, will report on the **Markwells Wood** testing at its conclusion.

France

Egdon holds interests in four onshore licences in France, is awaiting the award of a fifth, and has back-in options on two permits and a pending application. Hydraulic fracturing has been banned in France since May 2011, but the short-term effect on Egdon of this ban is minimal as our primary focus remains exploration for conventional oil and gas resources.

Conditional upon resolving outstanding regulatory matters we expect to participate in a well on the **Mairy Permit** later in 2012 to core and evaluate the Liassic interval. However, the key focus of activity for Egdon in the next 18 months will be on the St Laurent and Pontenx permits.

The high impact **Audignon Prospect** within the St Laurent permit area (Net Egdon Best Estimate Prospective Resources of 896 bcf) is a large sub-salt Triassic sandstone prospect. A programme of new long-offset 2D seismic acquisition designed to image the deep structure is planned for mid-2012 with a view to drilling prior to the end of the permit in 2013. A farm-in partner will be sought for the drilling of this "company-maker" sized prospect. We still await the award of the adjacent Donzacq Permit, which contains a possible western extension of Audignon and also the **Bastennes-Gaujaq Prospect** (Net Egdon Best Estimate Prospective Resources of c. 300 bcf).

Recent technical work has highlighted a number of prospective areas in the **Pontenx Permit**. We are currently undertaking additional seismic reprocessing and reservoir studies which will inform a decision on new 3D seismic acquisition planned over the **Pontenx Prospect**, an undeveloped oil discovery, later in 2012.

We also continue to earn useful revenue through a Technical Services contract with eCORP in relation to their French licence interests.

Outlook

Egdon production for the next period is expected to be 125-150 boepd, increasing to a possible 300-350 boepd once Ceres is on sustained production and 400 boepd should we be able to restore production at Kirkleatham. In the last few years we have carefully managed a restructuring of our asset holdings and despite the recent production issues we continue to establish a sound production base to provide a meaningful cash flow.

As highlighted in the report above, the next 12-18 months provide Egdon with the opportunity of participating in up to 12 wells targeting 33 mmoeb (Net Egdon Prospective Resources) and two seismic programmes across our UK and French portfolios, subject of course to planning and availability of adequate funds. In a shift to our strategy, we will look to grow our non-conventional hydrocarbon business in the UK through taking a more active role in the exploration and evaluation phases of these emerging plays.

We will continue to manage our risk through farming-out interests as appropriate, to develop the quality of our portfolio of assets through new licence applications (e.g. 14th UK Onshore Round later in 2012) and asset trades and acquisitions, and to realise value at appropriate times through sales and divestments.

I would like to take this opportunity of expressing my thanks to the small team of hard working professionals at Egdon and our contractors who manage our extensive portfolio of assets for the benefit of shareholders.

Mark Abbott
Managing Director
23 April 2012

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 January 2012

	Unaudited Six months ended 31-Jan-12 £'000	Unaudited Six months ended 31-Jan-11 £'000	Audited Year ended 31-Jul-11 £'000
Continuing operations			
Revenue	1,554	932	2,379
Cost of sales - exploration costs written off and pre-licence costs, including impairment charge	(1,054)	(143)	(891)
Cost of sales – other	(1,034)	(431)	(1,207)
Total cost of sales	(2,088)	(574)	(2,098)
Gross (loss)/profit	(534)	358	281
Administrative expenses	(315)	(367)	(687)
Other operating income	65	108	226
Exceptional item – profit on disposal of subsidiary	-	4,338	4,338
Profit/(loss) on disposal of property, plant & equipment	21	3	(1)
	(763)	4,440	4,157
Finance income	5	23	42
Finance costs	(67)	(58)	(122)
(Loss)/profit before taxation	(825)	4,405	4,077
Taxation	-	-	-
(Loss)/profit for the period	(825)	4,405	4,077
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period attributable to equity holders of the parent	(825)	4,405	4,077
(Loss)/Earnings per share – note 2			
Basic (loss)/profit per share	(0.63)p	3.37p	3.12p
Diluted (loss)/profit per share	(0.63)p	3.36p	3.10p

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2012

	Notes	Unaudited 31-Jan-12 £'000	Unaudited 31-Jan -11 £'000	Audited 31-Jul-11 £'000
Non-current assets				
Intangible assets		7,957	8,907	7,105
Property, plant and equipment		9,366	8,340	10,721
Total non-current assets		17,323	17,247	17,826
Current assets				
Inventory		-	-	10
Trade and other receivables		1,416	957	2,258
Available for sale financial assets		50	50	50
Cash and cash equivalents	3	4,288	5,297	3,691
Total current assets		5,754	6,304	6,009
Current liabilities				
Trade and other payables		(1,803)	(1,104)	(1,688)
Short term borrowings		(1,024)	(28)	(1,038)
Total current liabilities		(2,827)	(1,132)	(2,726)
Net current assets		2,927	5,172	3,283
Total assets less current liabilities		20,250	22,419	21,109
Non-current liabilities				
Long-term borrowings		-	(1,024)	-
Provisions		(890)	(932)	(940)
Net assets		19,360	20,463	20,169
Equity				
Share capital		13,097	13,076	13,087
Share premium		1,375	1,367	1,374
Share based payment reserve		109	95	107
Retained earnings		4,779	5,925	5,601
		19,360	20,463	20,169

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2012

	Unaudited Six months ended 31-Jan-12 £'000	Unaudited Six months ended 31-Jan-11 £'000	Audited Year ended 31-Jul-11 £'000
Cash flows from operating activities			
(Loss)/profit before tax	(825)	4,405	4,077
Adjustments for:			
Depreciation and impairment of fixed assets	1,341	153	729
Exploration costs written off	-	100	594
Gain on disposal of property, plant and equipment	(21)	(3)	(1)
Gain on disposal of subsidiary	-	(4,338)	(4,338)
Decrease/(increase) in trade and other receivables	591	(18)	(960)
Decrease/(increase) in inventory	10	-	(10)
Increase/(decrease) in trade and other payables	115	(198)	11
Movement in provisions	(8)	(5)	(11)
Finance costs	67	58	122
Finance income	(5)	(23)	(42)
Share based remuneration charge	5	14	30
Cash flow generated from operations	1,270	145	201
Interest paid	(50)	(37)	(49)
Net cash flow generated from operating activities	1,220	108	152
Investing activities			
Financial income	5	23	42
Purchase of exploration and evaluation assets	(1,246)	(2,033)	(3,237)
Purchase of property, plant and equipment	(71)	(249)	(862)
Gross profit on oil well testing	91	-	-
Proceeds from sale of intangible assets	100	-	-
Proceeds from sale of property, plant and equipment	500	3	5
Sale of subsidiary net of costs incurred	-	4,342	4,484
Net cash flow from capital expenditure and financial investment	(621)	2,086	432
Financing activities			
Issue of shares	11	13	31
Proceeds from borrowings	-	1,054	1,054
Repayment of borrowings	(13)	(2)	(16)
Net cash flow from financing	(2)	1,065	1,069
Net increase in cash and cash equivalents	597	3,259	1,653
Cash and cash equivalents at the start of the period	3,691	2,038	2,038
Cash and cash equivalents at the end of the period	4,288	5,297	3,691

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 January 2012

	Share capital	Share premium	Share based payment reserve	Retained earnings	Equity
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 August 2010	13,068	1,362	85	1,516	16,031
Total comprehensive income for the period	-	-	-	4,405	4,405
Issue of ordinary shares (December 2010)	8	5	-	-	13
Transfer of share option charge on exercise	-	-	(4)	4	-
Share option charge	-	-	14	-	14
Balance as at 31 January 2011	13,076	1,367	95	5,925	20,463
Total comprehensive income for the period	-	-	-	(328)	(328)
Issue of ordinary shares (January 2011)	11	7	-	-	18
Transfer of share option charge on exercise	-	-	(4)	4	-
Share option charge	-	-	16	-	16
Balance as at 31 July 2011	13,087	1,374	107	5,601	20,169
Total comprehensive income for the period	-	-	-	(825)	(825)
Issue of ordinary shares (October 2011)	10	1	-	-	11
Transfer of share option charge on exercise	-	-	(3)	3	-
Share option charge	-	-	5	-	5
Balance as at 31 January 2012	13,097	1,375	109	4,779	19,360

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 20 April 2012.

Basis of preparation

The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards as adopted for use in 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 2012.

Non-statutory accounts

The financial information set out in this interim report does not constitute the Group's statutory accounts for that period. The statutory accounts for the year ended 31 July 2011 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 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the 6 months ended 31 January 2012 and 31 January 2011 is unaudited.

Accounting policies

The condensed financial statements have been prepared under the historical cost convention, except for the inclusion of 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 2011.

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. (Loss)/Earnings per share

	Unaudited Six months ended 31-Jan-12 p	Unaudited Six months ended 31-Jan-11 p	Audited Year ended 31-Jul-11 p
Basic	(0.63)	3.37	3.12
Diluted	(0.63)	3.36	3.10

The basic loss per share has been calculated on the loss on ordinary activities after taxation of £0.825m (January 2011: profit on ordinary activities after taxation of £4.405m; July 2011: profit on ordinary activities after taxation of £4.077m) divided by the weighted average number of ordinary shares in issue of 130,935,761 (January 2011: 130,675,774, July 2011: 130,786,388).

The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares, all of which arise from share options. A calculation is performed to determine the number of share options that are potentially dilutive based on the number of shares that could have been acquired at fair value, considering the monetary value of the subscription rights attached to outstanding share options.

The diluted earnings per share has been calculated using a weighted average number of ordinary shares of 131,133,206 (January 2011: 131,062,264, July 2011: 131,349,668).

3. Cash and Cash Equivalents

	Unaudited 31-Jan-12 £'000	Unaudited 31-Jan-11 £'000	Audited 31-Jul-11 £'000
Cash at bank at floating interest rates	3,445	3,527	2,997
Restricted cash at bank	296	296	296
Other cash at bank	547	1,474	398
	4,288	5,297	3,691

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.

4. Post balance sheet events

Farmout of interest in PEDL 201 to Terrain Energy Limited and Corfe Energy Limited

On 20 February 2012, Egdon farmed out 12.5% of its 50% interest in licence PEDL 201 to Terrain Energy Limited and Corfe Energy Limited. Under the terms of the agreement both parties will pay 12.5% of the cost of the planned Burton on the Wolds-1 exploration well to earn a 6.25% interest in the Licence.

Board Changes

As a consequence of the acquisition of EnCore Oil plc by Premier Oil plc, on 9 March 2012 Alan Booth resigned as a non-executive director of the Company and was replaced by Andrew Geoffrey Lodge.

5. Dividend

The Directors do not recommend payment of a dividend.

6. Publication of the Interim Report

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

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 thirty 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 was formed in 1997 and listed on AIM in December 2004.

www.egdon-resources.com

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 25 years' experience.