7 November 2011 **Embargoed for 7.00am**

EGDON RESOURCES PLC

(“Egdon” or “the Group” or “the Company”)

Final Results for the Year Ended 31 July 2011

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 audited results for the year ended 31 July 2011.

Overview and Highlights

Operational Highlights

- Production up 73% to 46,919 barrels of oil equivalent (2010: 27,056 barrels of oil equivalent).
- Kirkleatham gas field brought on production in April 2011
- Oil discovery made at Markwells Wood-1 to be tested during November 2011
- Drilled successful sidetrack at Keddington oil field
- Portfolio of 29 licences in UK and France as at 31 July 2011 (2010: 34)

Financial Highlights

- Profit for the year £4.08 million (31 July 2010: £0.24 million)
- Revenues during the period up 90% to £2.38 million (31 July 2010: £1.25 million)
- Exceptional profit on disposal of subsidiary company and assets of £4.3 million (31 July 2010: £0.4 million)
- Basic earnings per share of 3.12p (31 July 2010: 0.29p)
- Equity as at 31 July 2011 of £20.17 million (31 July 2010: £16.03 million)
- Net current assets as at 31 July 2011 of £3.28 million (31 July 2010: £1.49 million)

Corporate Highlights

- Completed the acquisition of EnCore (E&P) Limited
- Farmed-out shale gas test well in PEDL139 and PEDL140
- Completed the sale of Egdon Resources (New Ventures) Ltd for cash consideration of £4.5 million
- Acquired PEDL180 and PEDL181 from Valhalla Oil and Gas Limited
- Sold a 10% interest in Avington oil field for cash consideration of £400,000

Commenting on the results and outlook, Philip Stephens, Chairman of Egdon said

“I am pleased to be able to report good progress during the year ended 31 July 2011 with year on year production up by 73% despite frustrations caused by delays to the start of production at the Kirkleatham and Ceres gas fields. We expect production for the coming period to be around 400 barrels of oil equivalent per day and are planning to participate in up to 12 wells over the next 18 months targeting 33 million barrels of oil equivalent (Net Egdon Best Estimate Prospective Resources).

During the year we have continued to rationalise and develop our licence holdings as part of our wider strategy. At 31 July 2011, we held interests in 29 licences in the UK and France and we are awaiting the award of three further licences including one containing a potentially significant near-shore gas discovery.

Our strategy remains the same. We aim to develop a full cycle onshore exploration and production business with the growing revenue stream from oil and gas production being reinvested to facilitate growth in the underlying asset value of the business.”

For further information please contact:

Egdon Resources plc
Mark Abbott 01256 702292

Buchanan Communications
Richard Darby, James Strong, Gabriella Clinkard 020 7466 5000

Nominated Adviser and Broker – Seymour Pierce
Jonathan Wright, Sarah Jacobs – Corporate Finance
Richard Redmayne, Jeremy Stephenson – Corporate Broking 020 7107 8000

Chairman's Statement

I am pleased to be able to report good progress during the year ended 31 July 2011. Despite frustrations caused by delays to the start of production at the Kirkleatham and Ceres gas fields, year on year production has grown by 73%. Net production at the end of the period (July 2011) was 420 barrels of oil equivalent per day ("boepd") with Keddington, Avington and Kirkleatham on production. Subsequent to the year end, production has resumed at Ceres. However, with the expected reduced production at Keddington and Kirkleatham as detailed below we now expect average production of around 400 boepd during the current financial year.

Financial

The Company recorded a profit after tax of £4.08 million for the period (2010: £0.24 million). This includes a profit on disposal of £4.3 million related to the sale of Egdon Resources (New Ventures) Ltd which held some of our French assets and exploration write-downs of £0.89 million. Revenue from oil and gas production during the year was up 90% to £2.38 million (2010: £1.25 million) on production of 46,919 barrels of oil equivalent ("boe") (2010: 27,056 boe). In line with last year, the Directors do not currently recommend the payment of a dividend.

Board Changes

Co-founder of Egdon, Andrew Hindle, stepped down from the Board during the year and I would like to record our gratitude for his significant contribution since 1997. I can also advise that John Rix has informed the Board that he intends to retire as a non-executive Director with effect from the forthcoming AGM and I would again like to record my appreciation for his contribution to the Company.

Corporate Activity and Portfolio Management

In October 2010 we completed the sale of some of our French interests for £4.5 million in cash to eCORP Oil and Gas UK Limited ("eCORP") and in the same month we completed the acquisition of EnCore (E&P) Limited (now renamed Egdon (E&P) Limited) which holds two permits in France for a cash consideration of £100,000. In July 2011 we agreed the sale of a combined 10% interest in PEDL070 which contains the Avington oil field, for a cash consideration of £400,000.

We have continued to rationalise and develop our licence holdings as part of our wider strategy. During the year we relinquished seven UK licences as they did not meet our technical and commercial thresholds or had come to the end of their current terms. During June 2011 we completed the acquisition and normalisation of interests in two East Midlands licences from Valhalla Oil and Gas UK Limited, assuming operatorship of one of them. We have also farmed-out interests in the Gainsborough Trough to eCORP and we expect a shale-gas exploration well to be drilled there during 2012.

As at 31 July 2011 Egdon holds interests in 29 licences in the UK and France and is awaiting the award of two further licences in the UK and one in France, including one containing a potentially significant near-shore gas discovery.

Production

In spite of disruptions caused by the severe winter in December, production shutdowns due to drilling at Keddington and the delays to production at Kirkleatham and Ceres, we achieved a 73% increase in production volumes peaking in July 2011 at 420 boepd.

Keddington, which we originally purchased for just £250,000, continues to perform well. The field produces oil and significant quantities of associated gas from two wells, Keddington-3Z and Keddington-4, which was successfully drilled during April 2011. A decision has been made to constrain overall field production in the short-term to around 125-135 barrels of oil per day ("bopd") (Net Egdon c. 100 bopd) to conserve the significant volumes of associated gas which is currently being flared until a longer term commercial solution can be found to enable electricity generation or gas export.

Following a number of operational delays, the Kirkleatham gas field achieved first production on 19 April 2011. The well has produced gas at rates of up to 5 million cubic feet of gas per day ("mmcfg/d") but this has been gradually reduced to manage reservoir pressure, match power output from the Sembcorp owned gas turbine and maximise recovery. In recent months the well has started to produce some associated formation water. The well is currently shut-in awaiting intervention to remove accumulated water from the tubing. On resumption of production it is planned that the well will produce between 1.5 and 2.0 mmcfg/d (Net Egdon 0.6 to 0.8 mmcfg/d or 100 to 133 boepd) to manage reservoir pressure and maximise recovery.

The Ceres Gas Field (in which Egdon holds a 10% interest) was shut-in for all but seven days of production during the year due to maintenance of the BP Cleeton platform through which gas is delivered to shore. Following a further maintenance shut-down during July and August 2011 gas production resumed on 17 September 2011. We have experienced some additional issues and production down-time during October which now appear to be resolved. Long-term net Egdon production is expected to be around 1.2 mmcfg/d (200 boepd).

Avington, where Egdon now holds a 26.67% interest, has continued to produce in line with expectations during the year (Net Egdon c. 20 bopd).

Planning consent has been received for production at Dukes Wood -1 and we anticipate production from the combined Dukes Wood/ Eakring/ Kirklington production unit early in 2012 (Net Egdon 25 bopd).

With the expected reduced production from Kirkleatham and short-term scaling back of flows at Keddington we now expect production to be around 400 boepd for the coming year from existing fields.

Exploration and Appraisal

The best estimate of our Prospective Resources as at 31 July 2011 in the UK and France is 248 million barrels of oil equivalent ("mmboe") which highlights significant potential for growth through exploration for Egdon. We plan an active exploration and appraisal drilling programme in the coming years to evaluate the best of these prospects. Further details of our UK and French drilling plans are set out in the Operational Review which follows this statement.

During the period Egdon participated in the Markwells Wood-1 oil discovery drilled in West Sussex which is currently being prepared for testing.

Seismic data has been acquired over the Burton on the Wolds prospect and further seismic acquisition is planned for later in 2011 over the prospective Broughton-Wressle trend.

Following award of planning consent we anticipate a re-entry of the Nooks Farm-1 gas discovery during the coming period. We were disappointed by the refusal of planning for the Holmwood prospect and expect to appeal this decision. We are currently identifying suitable drilling sites and developing a number of planning applications for the 2012 drilling programme.

An extended well test ("EWT") is underway at the Waddock Cross oil accumulation and we expect to be able to report the results and a decision on future development early in 2012.

France remains a focus for Egdon although a new law in France banning hydraulic fracturing has effectively curtailed near-term oil-shale and shale-gas development in the country. The planned well in the Mairy Permit is not now expected until 2012. Elsewhere in France we continue to progress exploration and expect to acquire seismic during 2012 in Pontenx and St Laurent with drilling possible in Pontenx late in 2012.

We also expect to be an active participant in the UK's long awaited 14th Landward Licensing round and are awaiting potential awards in the 26th Offshore Round.

Outlook

Our strategy remains the same. We aim to develop a full cycle onshore exploration and production business, with the growing revenue stream from oil and gas production being reinvested to facilitate growth in the underlying asset value of the business.

Whilst we have achieved good progress in the last year, the reduced production levels from Kirkleatham will result in a reduction in our expected production target from 500 boepd to around 400 boepd during the coming year from existing fields. We have managed our cash position carefully and forecast positive cash flow during the coming year. This will enable us to embark on a more active exploration programme during 2012. Whilst our primary focus will be a multi-well programme in the East Midlands where we are testing net Egdon resource potential of 15 mmbo in five prospects, in total we are planning to participate in up to 12 wells over the next 18 months targeting 33 mmboe (Net Egdon Prospective Resources).

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

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 year.

Philip Stephens
Chairman

Managing Director's Operational Review

During the period the Group has maintained a clear geographical focus on onshore operations in the UK and France and made further progress in increasing production and revenues and developing our near-term exploration opportunities to drive future growth.

A key objective for the past year has been getting the Kirkleatham and Ceres gas fields into production. First gas at Kirkleatham was achieved in April 2011 and Ceres returned to production in September 2011. Both projects were subject to delays in start-up which has had a significant impact on Egdon's production for the period. However, we were still able to report a 73% year on year production increase and during July 2011 we produced 420 boepd.

The last year has seen significant changes to our asset portfolio including the sale of one of our French subsidiaries, acquisitions in the UK and France and UK relinquishments with Egdon now holding interests in a total of 29 licences and awaiting the award of three further licences, including one in the UK 26th Offshore Licensing Round containing a potentially significant near-shore gas discovery.

UK

In the UK, as part of a strategy of rationalising and improving our portfolio we have relinquished seven licences during the year (PEDLs 069, 071, 098, 138, 142, 144 and 154) whilst acquiring two new licence interests via the acquisition of PEDLs 180 and 181 from Valhalla. This has resulted in an overall reduction in Best Estimate Prospective Resources from 288 million barrels of oil equivalent (mmboe) in 2010 to 248 mmboe in 2011.

In the last year we participated in the drilling of an oil discovery at Markwells Wood-1, a successful sidetrack at Keddington and two coal bed methane ("CBM") investigation wells which maintained our Gainsborough Trough shale gas licences (PEDLs 139/140) where a deep well is planned for late 2012 with Egdon's costs carried. The non-operated Nooks Farm re-entry and Havant exploration wells which had been anticipated during the period are delayed and are now expected during 2012.

We anticipate participating in the drilling of up to 12 wells in the UK in the next 18 months targeting net Egdon Best Estimate Prospective Resources of 33 mmboe, as our activity levels ramp-up on the back of the anticipated increased revenues.

There have been continuing delays to the announcement of the UK 14th Landward Licensing Round where Egdon expects to be a participant.

Whilst we will continue to be active across our portfolio, the Group will have two main focuses of activity in the UK during the next 18 months; oil in the East Midlands and gas in North East England.

Developing Oil Prospects and Growing Production in the East Midlands

The Keddington-4 well, drilled in April 2011, encountered 120 metres of the main Unit 1 reservoir and had stabilised production of around 75 bopd. The **Keddington Oil Field** produces dry oil and associated gas from two wells (Keddington-4 and Keddington-3Z). We have recently taken a decision to limit near-term production at Keddington to 125 to 135 bopd (Net Egdon c.100 boepd) to reduce the associated flared gas volumes until we have electricity generating capacity in place. The key issue being addressed is the cost and location of the connection to the local electricity grid. We hope to finalise these plans to add a new income stream and enable a return to higher oil production. The results of the Keddington-4 well are being integrated into a field model to determine the ultimate field reserves and forward development plan with additional drilling being considered. 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. Elsewhere in this licence, the **North Somercotes Prospect** 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 expect to put the **Dukes Wood** and **Kirklington** wells back in production in 2012 and are evaluating additional drilling locations in areas of the field not previously produced, including the **Eakring North Lead**. We anticipate initial combined production of around 40 bopd (Net Egdon 25 bopd).

In addition to these East Midland oil fields, Egdon has developed a significant exploration position in the region over recent years and has plans for drilling at a number of locations in the next 18 months.

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

The **Biscathorpe Prospect** is located approximately 15 kilometres to the west of Keddington. Oil was discovered but not tested in a thin sand (1 metre) 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 is planned over the Broughton and Wressle prospects later in 2011 to define the bottom-hole locations for one or more exploration wells. A drilling decision at the 3D defined **North Kelsey Prospect** (Net Egdon Best Estimate Prospective Resources 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. A 2D seismic survey in May 2011 has enabled a shallow prospect to be mapped with preliminary Net Egdon Best Estimate Prospective Resources potential of 0.5 mmbo.

Landowner negotiations and the planning process are progressing on all these locations with a view to commencing a four to five well drilling programme by mid-2012.

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 Egdon's only offshore licence, P.1241, offshore North Yorkshire, where we have a 10% interest, gas production resumed in September 2011 following a major programme of repairs during 2010-11 and has continued through October with further production interruptions. This delay has been highly frustrating but we now anticipate that the **Ceres Gas Field** will begin to contribute the expected stable net Egdon production of 1.2 mmcfg/d (200 boepd) in the coming year (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 has a 40% interest has been on production since April 2011. The Kirkleatham-4 well appears to be connected to a limited volume of highly permeable rock being fed by a larger volume of lower permeability rock. To manage this type of reservoir behaviour and to match reduced output from the GT2 gas turbine we have reduced overall flow rates. Water production has been increasing in recent months. The well is currently shut-in awaiting intervention to remove accumulated water from the tubing. It is planned to produce the well at between 1.5 and 2.0 mmcfg/d (Net Egdon 0.6 to 0.8 mmcfg/d or 100 to 133 boepd). Our pre-production estimate of Proven Reserves was 0.8 bcf (Net Egdon) and we will be able to provide an update on ultimate expected field reserves once we have further production and pressure data.

Elsewhere in PEDL068 we are making good progress in submitting a planning application for drilling of the **Ralph Cross/Westerdale** gas discovery where we map Net Egdon Best Estimate Prospective Resources of 6.2 bcf. A well is planned for late 2012 conditional upon gaining planning consent.

Egdon is awaiting a decision on the award of a licence in the UK 26th Offshore Round which, with others has been subject to a further round of environmental scrutiny and which contains a potentially significant near-shore gas discovery. If successful with an award, this would become a priority project for Egdon with plans to appraise and hopefully develop the discovery from an onshore location.

France

The period saw a significant restructuring of Egdon's portfolio in France, with the sale of Egdon Resources (New Ventures) Ltd to eCORP and completion of the acquisition of EnCore's French subsidiary. Egdon now holds interests in four onshore licences, is awaiting the award of a fifth and has back-in options on two permits and a pending application. The French Parliament passed a law in May 2011 banning the use of hydraulic fracturing and requiring all licence holders to submit details of their proposed work programmes for review with the possibility of cancellation of those permits which did not meet the requirements of the legislation. The short-term effect on Egdon of the ban should be minimal as our primary focus remains exploration for conventional reservoir targets. However, although we have received confirmation that all the Group's French licences remain in force following the review, the resultant regulatory delays have impacted on the timing of activity (e.g. drilling of the Mairy well), and the award of the Donzacq Permit.
In addition to potential drilling on the Mairy Permit 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 licence area (Net Egdon Best Estimate Prospective Resources of 896 bcf) is a large sub-salt Triassic sandstone prospect. The current work programme includes pre-stack depth migration of existing 2D data and new seismic acquisition planned for early 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 making” sized prospect. We also anticipate award of the adjacent Donzacq Permit, which contains a possible western extension of Audignon and also the adjacent **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** including the **Mimizan Nord** abandoned heavy oil field which produced a total of 3.5 mmbo and three other undeveloped oil discoveries such as the **Pontenx Prospect**. Additional seismic and geological evaluation will inform a decision on new seismic acquisition and drilling which are planned in 2012.

Outlook

In the last year we have carefully managed a restructuring of our asset holdings and despite delays we have established a sound production base to fund future activity. The next 18 months could see Egdon participating in up to 12 wells and three seismic programmes across our UK and French portfolios targeting 33 mmboe (Net Egdon Prospective Resources). This should be an exciting time for the company as we look to test many of the prospects developed over recent years and to increase the reserves base, production levels and value of the Group.

Mark Abbott
Managing Director

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2011

	Notes	**2011** £	2010 £
Continuing operations			
Revenue		**2,379,150**	1,251,676
Cost of sales - exploration costs written off, impairments and pre-licence costs		**(890,699)**	(64,786)
Cost of sales - other		**(1,207,502)**	(819,133)
Total cost of sales		**(2,098,201)**	(883,919)
Gross profit		**280,949**	367,757
Administrative expenses		**(687,181)**	(668,347)
Other operating income		**225,553**	174,797
Exceptional item - profit on disposal of subsidiary	6	**4,338,290**	-
Exceptional item – (loss)/profit on disposal of property, plant and equipment		**(648)**	388,881
		4,156,963	263,088
Finance income		**41,505**	1,156
Finance costs		**(121,858)**	(28,714)
Profit before taxation		**4,076,610**	235,530
Taxation	2	**-**	(113)
Profit for the period		**4,076,610**	235,417
Other comprehensive income for the period		**-**	-
Total comprehensive income for the period attributable to equity holders of the parent		**4,076,610**	235,417
Basic earnings per share	3	**3.12p**	0.29p
Diluted earnings per share		**3.10p**	0.29p

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2011

	Notes	2011	2010
		£	£
Non-current assets			
Intangible assets		**7,104,670**	7,032,533
Property, plant and equipment		**10,721,342**	8,422,363
Total non-current assets		**17,826,012**	15,454,896
Current assets			
Inventory		**9,796**	-
Trade and other receivables		**2,258,276**	1,038,896
Available for sale financial assets		**50,000**	50,000
Cash and cash equivalents		**3,691,175**	2,029,835
		6,009,247	3,118,731
Assets held for sale		**-**	21,600
Total current assets		**6,009,247**	3,140,331
Current liabilities			
Trade and other payables		**(2,725,717)**	(1,639,667)
Liabilities directly associated with assets classified as held for sale		**-**	(8,645)
		(2,725,717)	(1,648,312)
Net current assets		**3,283,530**	1,492,019
Total assets less current liabilities		**21,109,542**	16,946,915
Non-current liabilities			
Provisions	5	**(940,316)**	(915,910)
Net assets		**20,169,226**	16,031,005
Equity			
Share capital	4	**13,086,909**	13,067,577
Share premium		**1,374,428**	1,362,500
Share based payment reserve		**107,332**	84,907
Retained earnings		**5,600,557**	1,516,021
		20,169,226	16,031,005

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2011

	2011	2010
	£	£
Cash flows from operating activities		
Profit before tax	**4,076,610**	235,530
Adjustments for:		
Depreciation and impairment of fixed assets	**728,649**	265,346
Exploration costs written off	**593,705**	-
Loss/(profit) on disposal of property, plant and equipment	**648**	(388,881)
Profit on disposal of subsidiary	**(4,338,290)**	-
Increase in trade and other receivables	**(960,114)**	(399,622)
(Increase)/decrease in inventory	**(9,796)**	12,127
Increase in trade payables and other payables	**10,524**	358,177
Movement in provisions	**(11,006)**	(3,612)
Finance costs	**121,858**	27,905
Finance income	**(41,505)**	(1,156)
Share based remuneration charge	**30,351**	54,831
Cash flow generated from operations	**201,634**	160,645
Interest paid	**(49,592)**	-
Taxation paid	**-**	(113)
Net cash flow generated from operating activities	**152,042**	160,532
Investing activities		
Finance income	**41,505**	1,156
Payments for exploration and evaluation assets	**(3,236,954)**	(1,132,998)
Purchase of property, plant and equipment	**(861,531)**	(898,055)
Gross profit on oil well testing	**-**	32,767
Sale of subsidiary net of costs incurred	**4,484,184**	-
Sale of property, plant and equipment	**5,044**	502,950
Sale of intangible fixed assets	**-**	146,635
Net cash generated from/(used in) capital expenditure and investing activities	**432,248**	(1,347,545)
Financing activities		
Issue of shares	**31,260**	2,000,000
Costs associated with issue of shares	**-**	(82,500)
Proceeds from short term borrowings	**1,053,652**	-
Repayments of short term borrowings	**(15,657)**	-
Net cash flow from financing	**1,069,255**	1,917,500
Net increase in cash and cash equivalents	**1,653,545**	730,487
Cash and cash equivalents as at 31 July 2010	**2,037,630**	1,307,143
Cash and cash equivalents as at 31 July 2011	**3,691,175**	2,037,630

In 2010 significant non-cash transactions comprised the issue of equity share capital as consideration for the acquisition of tangible and intangible fixed assets from EnCore Oil Plc, and for decommissioning and reinstatement provisions. There were no significant non-cash transactions in 2011.

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2011

Group	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£
Balance at 1 August 2009	7,547,577	65,000	30,076	1,280,604	8,923,257
Profit for the period	-	-	-	235,417	235,417
Total comprehensive income for the period				235,417	235,417
Issue of ordinary shares (April 2010)	1,600,000	317,500	-	-	1,917,500
Issue of ordinary shares (July 2010)	3,920,000	980,000	-	-	4,900,000
Share option charge	-	-	54,831	-	54,831
Balance at 31 July 2010	13,067,577	1,362,500	84,907	1,516,021	16,031, 005
Profit for the period	**-**	**-**	**-**	**4,076,610**	**4,076,610**
Total comprehensive income for the period	**-**	**-**	**-**	**4,076,610**	**4,076,610**
Transfer of share option charge on exercise	**-**	**-**	**(7,926)**	**7,926**	**-**
Issue of ordinary shares (December 2010)	**8,200**	**5,060**	**-**	**-**	**13,260**
Issue of ordinary shares (January 2011)	**11,132**	**6,868**	**-**	**-**	**18,000**
Share option charge	**-**	**-**	**30,351**	**-**	**30,351**
Balance at 31 July 2011	**13,086,909**	**1,374,428**	**107,332**	**5,600,557**	**20,169,226**

1. Basis of Accounting and Presentation of Financial Information

The financial information set out in this announcement does not constitute the statutory accounts of the Group for the years ended 31 July 2011 or 31 July 2010. The financial information has been extracted from the statutory accounts of the Group for the years ended 31 July 2011 and 31 July 2010. The auditor, Nexia Smith & Williamson, have reported on these accounts; their reports were unqualified and did not contain a statement under either section 498(2) or 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 statutory accounts for the year ended 31 July 2010 have been delivered to the Registrar of Companies; those for the year ended 31 July 2011 were approved by the board on 4 November 2011 and will be delivered to the Registrar of Companies following the Annual General Meeting.

The Annual Report for the year ended 31 July 2011, including the auditor's report, will be posted to shareholders during the week commencing 14 November 2011 and will be available from the same date both to be downloaded from the Company's website at www.egdon-resources.com and in hard copy from Egdon Resources plc, The Wheat House, 98 High Street, Odiham, Hampshire, RG29 1LP.

In the current financial year, the Group has adopted International Financial Reporting Standard 2 'Share based payments' (revised 2009), International Accounting Standard 32 'Financial Instruments: Presentation' (revised 2009) and IFRIC 19 'Extinguishing financial liabilities with equity instruments'. The adoption of these standards did not have any effect on the financial position or performance of the Group.

There was no other change to the Group's accounting policies for the year ended 31 July 2011 as compared to those published in the statutory accounts for the year ended 31 July 2010.

This preliminary announcement was approved by the Board on 4 November 2011.

2. Income tax

The major components of income tax expense for the years ended 31 July 2011 and 2010 are:

	2011	2010
	£	£
a) Consolidated income statement		
Current income tax charge	**-**	113
b) A reconciliation between tax expense and the product of the accounting profit and the standard rate of tax in the UK for the years ended 31 July 2011 and 2010 is as follows:		
Accounting profit before tax from continuing operations	**4,076,610**	235,530
Profit on ordinary activities multiplied by the standard rate of tax of 27.33% (2010: 28%)	**1,114,138**	65,948
Expenses not permitted for tax purposes	**18,898**	25,052
Profit on sale of subsidiary not taxable	**(1,185,654)**	-
Carry forward/(utilisation) of tax losses and movement in unrecognised deferred tax assets	**52,618**	(90,887)
Income tax expense reported in the income statement	**-**	113

c) Factors that may affect the future tax charge:
The Group has trading losses of £21,167,766 (2010: £20,888,574) which may reduce future tax charges. Future tax charges may also be reduced by capital allowances on cumulative capital expenditure, supplementary allowances on ring-fenced exploration expenditure and the extent to which any profits are generated by any ring-fenced activities, which attract a higher rate of tax.

d) Deferred taxation
The Group has an unrecognised deferred taxation asset of £1,576,084 (2010: £1,752,319) at year end, calculated at a rate of 27.3%. This is represented by accumulated tax losses of £5,785,150 (2010: £5,848,802) offset by accelerated capital allowances of £4,209,066 (2010: £4,096,481).

3. Earnings per share

	2011 £	2010 £
Net profit for the financial year	**4,076,610**	235,417
Basic weighted average ordinary shares in issue during the year	**130,786,388**	80,882,893
	Pence	Pence
Basic earnings per share	**3.12**	0.29

Diluted earnings per share

	2011 £	2010 £
Net profit for the financial year	**4,076,610**	235,417
Diluted weighted average ordinary shares in issue during the year	**131,349,668**	80,887,969
	Pence	Pence
Diluted earnings per share	**3.10**	0.29

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The diluted weighted average ordinary shares in issue during the year is calculated from the basic weighted average ordinary shares in issue during the year, adjusted to reflect the potential dilution assuming the exercise of the options. However, the 2 February 2011 share options have been excluded as these would be anti-dillutive.

4. Share capital and redeemable preference shares

	Allotted, called up and fully paid	
Ordinary share capital	Number	£
At 31 July 2009		
- Ordinary shares of £0.10 each	75,475,774	7,547,577
- Issue of new £0.10 ordinary shares	55,200,000	5,520,000
At 31 July 2010		
- Ordinary shares of £0.10 each	130,675,774	13,067,577
- Issue of new £0.10 ordinary shares	**193,320**	**19,332**
At 31 July 2011	**130,869,094**	**13,086,909**

At 31 July 2010		
- Redeemable preference shares of £1 each (classified as a liability)	50,000	12,500
At 31 July 2011		
- Redeemable preference shares of £1 each (classified as a liability)	**50,000**	**12,500**

On 6 April 2010 a placing of 16,000,000 10p ordinary shares with a market value of 12.5p was made. Following the placing 91,475,774 ordinary shares were in issue.

On 28 July 2010 a placing of 39,200,000 10p ordinary shares with a market value of 12.5p was made with EnCore Oil Plc in consideration for the acquisition of interests in nine exploration and appraisal licences and a 10% interest in the Ceres gas field. Following the placing 130,675,774 ordinary shares were in issue.

On 21 December 2010 82,003 10p ordinary shares were issued to staff under the Company's Enterprise Management Incentive Scheme for a cash consideration of £13,260. Following this 130,757,777 ordinary shares were in issue.

On 25 January 2011 111,317 10p ordinary shares were issued to staff under the Company's Enterprise Management Incentive Scheme for a cash consideration of £18,000. Following this 130,869,094 ordinary shares were in issue.

On 6 November 2007 50,000 redeemable preference shares of £1 each were issued and are now held by Infrastrata plc. One quarter of the nominal value of these shares is paid up and the shares are entitled to an annual dividend out of distributable profits of 0.00001% per annum on the amount for the time being paid up on each such share and do not carry any voting rights. The Company may redeem the shares at any time by giving preference shareholders one week's notice. Preference shareholders may require the Company to redeem their shares at any time by giving six months' notice. In each case, any redemption is at par and is subject to the provisions of the Companies Act. The preference shares are treated as short term liabilities and included within trade payables.

5. Provision for liabilities

Group	Other provisions £	Decommissioning provision £	Reinstatement provision £	Total £
At 1 August 2009	94,307	233,506	422,520	750,333
Provision made during the year	-	208,808	37,965	246,773
Paid during the year	(3,612)	-	-	(3,612)
Disposals in the year	-	(69,962)	(35,527)	(105,489)
Transfer of provision on reclassification to D&P assets	-	116,412	(116,412)	-
Unwinding of discount	-	13,762	14,143	27,905
At 1 August 2010	90,695	502,526	322,689	915,910
Provision (released)/created during the year	**-**	**(55,847)**	**98,089**	**42,242**
Paid during the year	**(11,006)**	**-**	**-**	**(11,006)**
Disposals in the year	**(22,742)**	**(18,823)**	**-**	**(41,565)**
Transfer of provision on reclassification to D&P	**-**	**121,553**	**(121,553)**	**-**
Unwinding of discount	**-**	**21,124**	**13,611**	**34,735**
At 31 July 2011	**56,947**	**570,533**	**312,836**	**940,316**

At 31 July 2011 provision has been made for decommissioning costs on the productive fields at Keddington, Kirkleatham, Ceres, Avington and Kirklington. Provision has also been made for reinstatement costs relating to exploration and evaluation assets where work performed to date gives rise to an obligation, principally for site restoration. Assumptions, based on the current economic environment, have been made which management believe are a reasonable basis upon which to estimate the future liability. This estimate will be reviewed regularly to take into account any material change to assumptions. Actual costs will depend on future market prices, any variation in the extent of decommissioning and reinstatement to be performed, whether the works can be performed as part of a multi-well programme or in isolation and progress in the relevant technologies. Decommissioning and reinstatement costs are expected to arise between 2011 and 2021.

Other provisions represents the amount expected to be payable to the former shareholder of Egdon Resources Avington Ltd under the Net Profit Interest agreement entered into at the time of acquisition. Other provisions reduced due to the sale of 10% interest in PEDL070. Of the total provision, £12,101 is estimated to be payable within one year.

6. Exceptional item - profit on disposal of subsidiary

On 5 October 2010 the sale of Egdon Resources (New Ventures) Ltd (“ERNV”), the holder of certain of Egdon’s permit interests in France, to eCORP Oil and Gas UK Ltd (“eCORP”) was completed.

The consideration was £4.5 million in cash and the grant of options in relation to the permits sold. The assets of ERNV at completion were a 60% interest in the Navacelles Permit, a 40% interest in the Gex Permit and a 40% interest in the Gex Sud Permit Application (the “Permit Interests”). The Options are in relation to a 6% interest in the Gex Permit and the Gex Sud Permit Application and a 9% interest in the Navacelles Permit. These Options are exercisable up to the later of two years from the 23 June 2010 (or in the case of the Gex Sud Permit Application two years from any licence award) or 60 days following plugging and abandonment or the completion of initial testing of the first well on each permit, subject to an end-stop date of 23 June 2015. On exercise of any Option Egdon will pay to ERNV its pro-rata share of all costs incurred by ERNV on that permit and pay to eCORP the appropriate proportion of the original acquisition price. At present the fair value of these options cannot be determined and has therefore not been included in calculating the profit on disposal. On a consolidated basis, the value of ERNV’s net assets at the date of completion was £12,477 attributable to the permit interests detailed above. Incidental costs were incurred on the sale totalled £149,233.

This resulted in the gain on sale of subsidiary of £4.3 million.

7. Post balance sheet events

Transfer of operatorship of PEDL141 to Seven Star Natural Gas Limited
On 19 August 2011, Egdon transferred operatorship of licence PEDL141 (“Nooks Farm”) to Seven Star Natural Gas Limited.

Issue of shares under EMI scheme
On 14 September 2011, 100,000 ordinary shares of 10 pence were issued and allotted under the Company's Enterprise Management Incentive Scheme. Following this allotment, the total issued share capital of the Company increased to 130,969,094 ordinary shares.

Resumption of Ceres Production
Gas production resumed from the Ceres gas field on 17 September 2011, following prolonged maintenance shut-down of the BP Cleeton Platform and associated infrastructure.

8. Annual General Meeting

The Annual General Meeting will be held at the offices of Buchanan Communications Limited, 107 Cheapside, London, EC2V 6DN on 8 December at 11.30 am.

Notes to Editors:

Egdon Resources plc

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 nine 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.