



19 August 2009

EGDON RESOURCES PLC

("Egdon" or "the Company")

Planning Permission Granted for Kirkleatham Gas Field Development

Egdon Resources plc (AIM:EDR), the UK-based exploration and production company focused on the hydrocarbon-producing basins of onshore UK and Europe, is pleased to report that it has received planning approval for the Kirkleatham gas field development in PEDL 068 in North Yorkshire where Egdon holds a 20% interest and is the Operator.

On 13 August 2009, Redcar and Cleveland Borough Council granted planning consent for production from the existing Kirkleatham-4 well site, the construction of an underground pipeline to the Wilton site and for the drilling, testing and production for up to two additional wells at the site.

Following a detailed review of the most likely schedule for regulatory consents, procurement and construction of the project, the joint venture partners have agreed to move the target completion of the project from late winter 2009/10 to autumn 2010. This will allow for construction during summer 2010 and ensure commissioning of the facilities will occur prior to the start of the 2010 winter gas season in October. This will ensure that maximum revenues are realised from the project whilst enabling a more efficient use of cash resources during the procurement and construction phase.

Commenting on the project, Mark Abbott, Managing Director of Egdon, said:

"The award of planning consent for Kirkleatham is a key milestone and we are pleased the project had strong local support. We now have a clear schedule to ensure gas sales for the start of the winter 2010 gas market where it is anticipated that revenues from the project will be maximised. Work has already started on putting in place all the agreements, contracts and regulatory approvals to achieve this."

For further information please contact:

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Company Background

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

Egdon has production from the Keddington and Kirklington oil fields in the East Midlands and the Avington oil field in Hampshire. Further oil and gas production is anticipated from Waddock Cross and Eaking-Dukes Wood during 2009 with Kirkleatham to follow in 2010.

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

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

Kirkleatham Project Background

The Kirkleatham gas field is located to the west of the town of Redcar in Egdon operated licence PEDL068. The Kirkleatham-4 exploration well was completed in January 2006 and encountered a 19m gas column in the Permian age Cadeby Formation at a depth of 804.3 metres. Testing produced good quality gas with minor amounts of H₂S at rates of up to 5 million cubic feet of gas per day. The well was completed as a future gas producer.

Evaluation of this stratigraphically trapped gas accumulation has indicated potential gas in place in the range 2 to 15.75 billion cubic feet of gas ("BScf"). The currently proven gas in place is 2 Bscf and it is planned to produce the well and sell gas into the nearby Wilton works. Monitoring of pressure data during production will help to determine the ultimate gas in place and recovery for the field. Potential exists to convert the depleted gas field into a gas storage facility conditional upon reservoir behaviour during production and obtaining all required consents.

The PEDL068 Joint Venture partners are:

Egdon Resources U.K. Limited (20%) operator
Sterling Resources UK Limited (47%)
EnCore Petroleum Limited (20%)
Yorkshire Exploration Limited (8%)
Montrose Industries Limited(5%)