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EGDON RESOURCES PLC

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

Final Results for the Year Ended 31 July 2014

Egdon Resources plc (AIM: EDR), a UK-based exploration and production company primarily focused on the hydrocarbon-producing basins of onshore UK and France, today announces its audited results for the year ended 31 July 2014.

Overview and Highlights

Operational and Corporate Highlights

- Production of 86,870 barrels of oil equivalent (2013: 79,947 barrels of oil equivalent)
- Transformation of the Group into a leading UK shale-gas business following the acquisition of the shale-gas interests of Alkane Energy plc in 10 licences and a farm-out to Total E&P UK Limited with significant carried work programme of up to $46.5 million (gross)
- Option Agreement with Total E&P UK Limited for PEDL209 with cash payment to Egdon of £0.92 million and an option work programme of £13.5 million
- Option Agreement entered into with Scottish Power for PL161/162 in core Gainsborough Trough shale-gas area providing Egdon with access to additional conventional and unconventional prospectivity
- Financial position of the Group strengthened significantly through two equity fund raisings during the period raising £10 million (before costs)

Financial Highlights

- Oil and gas revenues during the period £2.96 million (2013: £3.34 million)
- Loss for the period of £0.46 million (2013: loss of £0.72 million) after impairment charge of £0.54 million (31 July 2013: £0.56 million)
- Basic loss per share of 0.30p (31 July 2013: basic loss per share of 0.54p)
- Cash at bank £9.67 million as at 31 July 2014 (31 July 2013: £2.01 million)
- Net current assets as at 31 July 2014 of £10.8 million (31 July 2013: £2.10 million)
- Net assets as at 31 July 2014 of £36.41 million (31 July 2013: £16.80 million)

Post Balance Sheet Events

- Two conventional exploration wells drilled post year-end with Wressle-1 exploration well indicating hydrocarbons in three zones to be tested in Q4 2014

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

"*The year under review has been transformational for Egdon. We are delivering on our strategy of building value in our UK shale-gas assets; this includes the landmark introduction of the first major, Total, into the UK shale-gas arena in three of our Gainsborough Trough licences where drilling is anticipated in 2015 subject to consents, and the acquisition of Alkane Energy's shale-gas interests.*

Egdon has also embarked upon a more active operational phase in its conventional activities such as the drilling of the Wressle-1 exploration well in July 2014 resulting in a potential hydrocarbon discovery due to be tested for commerciality in this current quarter. A programme of up to four further conventional wells, partly subject to gaining planning consents, is now expected to commence in Q1 2015. We have also submitted applications in the 14th UK Onshore Licensing Round, the results of which we await with interest.

In addition, the financial position of the Group has been strengthened significantly through two successful equity fund raisings which raised £10 million before costs. We therefore look forward to an exciting period ahead as the potential of our shale-gas assets continues to gain recognition and we pursue an active period of conventional exploration activity, all underpinned by production revenues. "

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Notes to Editors:

Egdon Resources plc (AIM: 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 France.

Egdon currently holds interests in thirty six 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.

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.

Chairman's Statement

I am pleased to report on a transformational year for the Group. The year to 31 July 2014 has seen significant progress made with a number of our key strategic objectives.

In this period, the Company has seen growing interest in our UK shale-gas assets as we begin to deliver our strategy of building value in this high potential play through a number of asset transactions. These included the landmark introduction of the first major, Total, into the UK shale-gas arena through their farm-in to three of our Gainsborough Trough licences and the acquisition of Alkane Energy plc's UK shale-gas interests. These transactions have transformed the Group into a leading UK shale-gas business.

The period has also seen the Group embark on a more active operational phase, with the drilling of the Wressle-1 exploration well commencing in July 2014 and resulting in a potential hydrocarbon discovery due to be tested for commerciality in this current quarter. The Burton on the Wolds-1 exploration well was completed in November 2014 but disappointingly failed to find hydrocarbons.

The financial position of the Group has been strengthened significantly during the year through two successful institutional placings and an open offer which raised a total of £10 million before costs.

Financial and Statutory Information

Revenue from production during the year was £2.96 million (2013: £3.34 million) on production of 86,870 barrels of oil equivalent ("boe") (2013: 79,947 boe). This equates to a daily production of 238 barrels of oil equivalent per day ("boepd") against a reported target for the year of 200 boepd (2013: 219 boepd).

The Group recorded a loss after tax of £0.46 million for the period (2013: £0.72 million) after impairment charges of £0.54 million in respect of Ceres and Kirkleatham driven by weaker forward gas prices and a one-off profit of £1.08 million in relation to cash received as part of the PEDL139/140 and PEDL209 transactions with Total. The 2013 figures included impairments of £0.56 million and one-off profits of £0.39 million. Loss per share for the period was 0.30p (2013: loss of 0.54p).

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. 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. In June 2014, the Group issued 35,033,549 New Ordinary Shares via an institutional placing and oversubscribed open offer at a price of 20 pence per share to raise £7 million before costs. The Group also issued 40,000,000 New Ordinary Shares to Alkane Energy plc as consideration for their UK shale-gas interests. Following these share issues and the exercise of 978,271 option shares under the Group's Enterprise Management Incentive scheme during the year, the total number of shares in issue is 220,799,363 (31 July 2013: 132,787,543).

The Group ended the year with £9.67 million of cash and cash equivalents (2013: £2.01 million) and net current assets of £10.8 million (2013: £2.1 million). The Group is also debt free having repaid a £1 million loan during the period and at 31 July 2014 had net assets of £36.41 million (2013: £16.80 million).

In line with last year, the Directors do not recommend the payment of a dividend.

Strategy

The Directors 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.

The Company has developed a portfolio of 36 licences in the UK and France via a combination of licence round applications, acquisitions and farm-ins.

UK Shale-Gas

We have continued to see growing governmental and cross-party support for the responsible exploration of shale-gas in the UK. In addition, studies by the Royal Society and Royal Academy of Engineering, Public Health England, the Chartered Institute of Water and Environmental Management, and a government report by Professor David Mackay and Dr Tim Stone have all concluded that any potential risks associated with shale-gas development can be properly managed in a well regulated industry such as exists in the UK. Against this general backdrop we have made significant progress in building our Northern England shale-gas position through a series of transactions.

In January 2014, we announced two highly significant deals with Total, the first international major to take a position in UK shale-gas. The first was a farm-in by Total to licences PEDL139/140 and the second was a Farm-in Option Agreement in respect of PEDL209. These transactions will deliver a significant work programme designed to de-risk the Gainsborough Trough Bowland-Hodder shale-gas play and followed our December 2013 Exploration Option and Farm-in Agreement with Scottish Power for licences PL161/162 which has an exercise date of December 2014.

In June 2014 Egdon completed the acquisition of the UK onshore shale-gas interests of Alkane Energy plc comprising 10 licences which resulted in an almost doubling of Egdon's assessed prospective shale-gas acreage to 140,176 acres (91% increase) and further strengthened our established position in the Gainsborough Trough.

Conventional Exploration and Appraisal - An Active UK Drilling Programme

Egdon's conventional exploration activity has been focused in Northern England during 2014 and will continue similarly into 2015 with exploration wells at Wressle-1 and Burton on the Wolds-1 having been drilled during Q3/Q4 2014. Wressle-1, our first exploration well in the East Midlands, was completed in September 2014 with preliminary evaluations indicating the presence of over 30 metres of potential hydrocarbon pay – this well is currently being prepared for testing.

We are well advanced in respect of a further drilling programme due to commence in Q1 2015 which is expected to comprise four conventional exploration wells at Laughton, Biscathorpe, North Kelsey and Kiln Lane, partly contingent upon gaining the necessary planning consents. In addition, a key focus for the Company during 2015 will be the "A" Prospect in UK offshore licence P.1929 (Egdon 100%), located adjacent to the North Yorkshire coast. This 1966 gas discovery is assessed by Egdon as having the potential to contain Best Estimate Prospective Resources of 150 billion cubic feet ("bcf") of gas and our plan is to drill an appraisal well from an onshore location.

Production

Production from Ceres, Keddington, Avington and Waddock Cross during the year was 238 boepd, ahead of our guidance target of 200 boepd. Ceres, Keddington and Avington production was at or slightly ahead of expected levels. Waddock Cross was put into production in late September 2013 and total oil rates have been below expectation to date.

Outlook

Given the continued high level of interest, recent transactions and likely 14th UK Onshore Licensing Round activity, we expect our UK shale-gas assets to be a key near-term value driver for the business. We have submitted applications in the 14th Round which closed on 28 October 2014 and now await the results which are expected in early 2015. The carried drilling on our Gainsborough Trough licences is now anticipated to commence in 2015, subject to receipt of the necessary consents. Success in de-risking the shale-gas play in the area through this programme could lead to a significant revaluation of our UK shale-gas acreage.

We have embarked on a more active operational period in our conventional exploration activities with the drilling of Wressle-1 and Burton on the Wolds-1 in the last few months. A programme of up to four further conventional wells, partly subject to gaining planning consents, is now expected to commence in Q1 2015. Progress is being made in submitting a planning application for the drilling during 2015 of the 150 bcf potential "A" Prospect offshore North Yorkshire.

Guidance for 2014-15 production is 195 boepd from the Ceres, Keddington, Avington and Waddock Cross fields. Planned infill drilling opportunities could lead to an upgrade to this forecast and we look forward to the results from our testing programme on Wressle-1 and our 2015 conventional exploration drilling programme, which could also lead to further production and revenues.

As always I would like to acknowledge the continuing efforts of our growing, but still small, hardworking team.

We thank shareholders for your continued support and look forward to rewarding your patience in what should be an exciting period for the Company as the potential of our shale-gas assets continues to gain recognition and we pursue an active period of conventional exploration activity, all underpinned by production revenues and a strengthened balance sheet.

Philip Stephens
Chairman

Managing Director's Operational Review

I am pleased to update shareholders with a strategic review of developments within Egdon's assets during the period and a summary of our operations and plans for the coming period, with a focus on key priorities and potential growth drivers.

The Company is focused on three areas: "Northern England" which includes the East Midlands where we have production at Keddington and Dukes Wood/Kirklington (currently shut-in), our primary unconventional hydrocarbon assets, the Cleveland Basin and offshore gas assets including Ceres; "Southern England", with production at Avington and Waddock Cross, and exploration in the Wessex Basin; and "France" where we currently hold assets with an exploration focus.

Production during the period was 86,870 barrels of oil equivalent (2013: 79,947 boe) equating to daily production of 238 boepd against a reported target of 200 boepd (2013: 219 boepd). Waddock Cross started production during the period although to date total oil rates have been below expectation, and a work-over is currently ongoing with a view to improving production rates. Production from our other producing fields, Ceres, Keddington, and Avington was at or slightly ahead of expected levels.

The past year has seen significant progress in delivering on our strategy of growing the Company's exposure to shale-gas exploration opportunities in Northern England, progressing conventional exploration and appraisal opportunities through developing an active drilling programme whilst managing risk and financial exposure through farming-out, and continuing to focus on maximising production rates and revenues from existing producing assets through targeted investment.

Egdon is an active member of UKOOG (UK Onshore Oil and Gas), the UK onshore industry body, with representation on the executive committee and numerous working groups. Egdon has signed up to both of UKOOG's Shale-Gas Well Guidelines and Community Engagement Charter.

The Group has a well developed Health and Safety culture and we have never been involved in any serious incident. We are highly conscious of our health, safety and environmental responsibilities, and through all aspects of our operations we are mindful of the potential risks to people and the environment. We are committed to high standards of health, safety and environmental protection and performance and these aspects command equal prominence with other business considerations in our decision making process.

As at 31 July 2014, Egdon's reported Proven and Probable oil reserves are estimated as 0.25 mmbls (2013: 0.33 mmbls). Our Proven and Probable gas reserves have reduced to 0.98 bcf (2013: 1.1 bcf). The best estimate of the Group's contingent and prospective resources is 632 million barrels of oil equivalent ("mmboe") (2013: 400 mmboe), which highlights the significant potential for growth in our existing exploration portfolio.

UK

The UK is the Group's primary business segment with 33 licences held, 30 of which are onshore and 23 of which are operated. We have two broadly defined focus areas, "Northern England" and "Southern England".

Northern England

Northern England comprises our main focus area (27 licences) and spans the East Midlands Petroleum Province, the NW of England, and the gas prospective areas of the Cleveland Basin and Southern Gas Basin. One licence, PEDL206, was relinquished during the year.

Growing the Group's UK Unconventional Hydrocarbon Business

The Group's UK unconventional hydrocarbon potential is mainly located within Northern England. Egdon's focus is on the brittle high total organic content ("TOC") shales of early Carboniferous age and tight sandstone reservoirs associated with these. During the past year the Group has made significant strides in delivering on our strategy of growing our exposure to these plays.

In December 2013 we were able to announce the signature of an Exploration Option and Farm-in Agreement with Scottish Power for licences PL161/162 whereby Egdon will earn a fifty per cent interest in return for the drilling of a well, with an exercise date of December 2014.

In January 2014, we announced two highly significant deals with Total, the first international major to take a position in UK shale-gas. The first was a farm-in by Total to licences PEDL139/140 where they will earn a 40% interest through a carried work programme of up to c. £28 million ($46.5 million) with a minimum commitment of c. £12 million. As a result of this and other linked transactions Egdon now holds a 14.5% interest in the licences, up from 13.5% previously, and received c. £0.37 million in cash under inter-party agreements. The second was a Farm-in Option Agreement in respect of PEDL209, whereby Total has 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. Egdon received a cash payment of £0.92 million and retains the exploration rights at Laughton-1 and two other prospects, all of which are purely conventional and are excluded from the option.

These transactions will deliver a significant work programme designed to de-risk the Gainsborough Trough Bowland-Hodder shale-gas 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 2015 well in those licences.

In June 2014, Egdon completed the acquisition of 10 licences containing shale-gas potential from Alkane Energy plc. This acquisition resulted in an almost doubling of Egdon's assessed prospective shale-gas acreage to 140,176 acres (91% increase), further strengthening our established position in the Gainsborough Trough. We have embarked on the detailed evaluation of these newly acquired licences and will be developing our plans for further valuation during the coming year, and it is possible that we may seek to introduce a partner to advance the exploration of these licences. As part of our due diligence processes carried out during this transaction, ERC Equipoise Ltd completed a review of Gas in Place ("GIIP") in Egdon's shale-gas licences including the licences acquired from Alkane, reporting combined estimated mean undiscovered GIIP of approximately 28 trillion cubic feet ("TCF") of gas with a range of approximately 11 to 48 TCF and a mid-case of 22 TCF.

Conventional Production and Exploration

In Northern England production during the period was from the Keddington and Ceres fields.

The Keddington Oil Field (PEDL005R — Egdon 75%) currently produces oil and associated gas from two wells (Keddington-4 and Keddington-3Z) at rates of c. 30-35 barrels of oil per day ("bopd") gross with the wells showing natural decline. We have recently completed a detailed review of the field and have identified potential infill drilling opportunities which we expect to progress during 2015.

The Ceres Gas Field (P.1241 – Egdon 10%) has produced slightly above expectations through the year but continues to deplete in line with the operator's forecast.

The Dukes Wood/Kirklington Oil Field (PEDL118 and PEDL203 — Egdon 50%) remained shut-in during the period. Potential new drilling locations in areas of the Dukes Wood/Eakring field not previously produced (e.g. Eakring North Lead) and locations where potentially producible in-place oil remains are under evaluation with a view to developing a long-term growth plan for the field.

The Kirkleatham Gas Field (PEDL068 – Egdon 40%) has also remained shut-in during the year. The possibility of drilling a new side-track well to an area of the productive structure mapped as being up-dip from the existing producing well with a view to restoring production is under active consideration for 2015.

Drilling and testing operations have been completed at Nooks Farm (Egdon 46%) and we await plans from the operator in relation to the planned gas-to-wire project.

Exploration

The Company has embarked on a more active exploratory drilling phase post year-end with wells at Wressle-1 and Burton on the Wolds-1 yielding contrasting results. Although Burton on the Wolds-1 failed to find any hydrocarbons, evaluation of Wressle-1, our first East Midlands exploration well, indicates hydrocarbon potential in at least three sandstone reservoir intervals totalling over 30 metres. The well has been completed and testing is expected to commence on at least two of these intervals prior to year end.

Further exploration wells are planned for early 2015 at Laughton, Biscathorpe, North Kelsey and Kiln Lane. These wells will target a further 11.35 mmbls of Net Egdon Best Estimate Prospective Resources.

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 for the prospect to contain Best Estimate Prospective Resources of 150 billion cubic feet ("bcf")of gas. We are progressing plans to drill a well from an onshore location to appraise the discovery. We plan to farm-out this well during 2014-2015 with a view to drilling in the fourth quarter of 2015.

Southern England

In Southern England, the Group holds interests in six licences containing conventional oil production and exploration opportunities. During the period we have relinquished three licences (PEDL155, PEDL240, and PEDL256) which did not meet our technical or commercial thresholds, delivering on our strategy of concentrating on fewer higher potential opportunities.

Production in this core area comes from the Avington and Waddock Cross oil fields. Avington (PEDL070 — Egdon 26.67%) has continued on production during the period at levels in line with expectation. The potential for additional development wells to increase oil production and reserves from the field remains under review.

The Waddock Cross Oil Field (PL090 - Egdon 55%) commenced production in September 2014. Overall oil rates have been lower than expected and a work-over of the shut-in Waddock Cross-3 well is currently ongoing with a view to restoring production from this well. Longer term, we recognise the potential for enhancing production rates and the ultimate recovery from the significant in-place oil volumes by further in-field drilling.

In Wessex Basin licences PEDL237 and PL090 (Egdon 48.75%), a 3D seismic survey covering an area of 68.5 square kilometres was completed in October 2013. The processed 3D data is currently being evaluated to identify locations for possible future exploration drilling.

The Holmwood Prospect (PEDL143 — Egdon 38.4%) remains one of the largest undrilled prospects in the Weald Basin. The licence group received a favourable judgment at the High Court in July 2013 quashing the Planning Inspector's original decision to reject its Holmwood-1 planning appeal, and a second favourable judgement at the Court of Appeal in June 2014 denying an appeal lodged against the High Court ruling. A second appeal against the initial Surrey County Council refusal of Planning Consent will now be heard during early 2015.

14th Round

The UK 14th Onshore Licensing round closed on 28th October 2014. Egdon have submitted a number of applications in the round with strong partnerships and we await the results of the round, which are expected in early 2015, with interest.

France

Egdon holds interests in three French licences, is still awaiting the award of a fourth (Donzacq), and has back-in options on two further permits and a pending application (Gex Sud). The regulatory regime in France remains challenging, and as a result we have no plans to grow our position in the country at this time. However, our existing interests do have potential to add significant shareholder value, particularly from our conventional oil and gas prospects within the Aquitaine Basin.

Outlook

We expect a continued high level of interest in our UK unconventional assets in the coming year and anticipate that 2015 will see the first carried well on our Gainsborough Trough licences, subject to receipt of the necessary consents. Success in de-risking the shale-gas play in the area through this programme could lead to a significant revaluation of our entire UK shale-gas portfolio.

We have embarked on a more active operational period in our conventional exploration activities with the drilling of Wressle-1 and Burton on the Wolds-1 in the last few months and we look forward to the results of testing at Wressle-1. A programme of up to four further conventional wells, partly subject to gaining planning consents, is now expected to commence in Q1 2015. This will comprise wells at Laughton, North Kelsey, Biscathorpe and Kiln Lane. Progress is being made in preparing a planning application for the drilling during 2015 of the 150 bcf potential “A” Prospect offshore North Yorkshire and finding a suitable partner for this project will be a key focus over the coming period.

Production guidance for the coming year is 195 boepd. Additional work-overs and sidetrack production wells are under consideration at Waddock Cross, Keddington and Kirkleatham, and along with success from our exploration programme could lead to an increase in overall rates in the next full-year period.

We continue to carefully manage our available resources and risk exposure through farm-outs and disposals of non-core assets as we continue the process of focussing on higher potential projects.

I would like to take this opportunity to thank my small but growing team of hard-working professionals at Egdon and our trusted contractors and advisors who assist in the management of our portfolio of assets.

Mark Abbott
Managing Director

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2014

	Notes	**2014** £	2013 £
Continuing operations			
Revenue		**2,957,064**	3,341,419
Cost of sales – exploration costs written off, impairments and pre-licence costs	6	**(868,992)**	(607,477)
Cost of sales – depreciation and other		**(2,852,710)**	(2,949,696)
Total cost of sales		**(3,721,702)**	(3,557,173)
Gross loss		**(764,638)**	(215,754)
Administrative expenses		**(832,270)**	(848,848)
Other operating income		**141,649**	80,588
Exceptional item – profit from licence transactions	7	**1,082,595**	392,509
		(372,664)	(591,505)
Finance income		**1,152**	3,789
Finance costs		**(84,893)**	(129,876)
Loss before taxation		**(456,405)**	(717,592)
Taxation	2	**-**	-
Loss for the year		**(456,405)**	(717,592)
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year attributable to equity holders of the parent		**(456,405)**	(717,592)
Basic loss per share	3	**(0.30)p**	(0.54)p
Diluted loss per share		**(0.30)p**	(0.54)p

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2014

	Notes	**2014**	2013
		£	£
Non-current assets			
Intangible assets		**18,399,479**	8,485,316
Property, plant and equipment		**8,494,861**	7,326,592
Total non-current assets		**26,894,340**	15,811,908
Current assets			
Trade and other receivables		**5,452,920**	2,611,208
Available for sale financial assets		**50,000**	50,000
Cash and cash equivalents		**9,666,885**	2,006,369
Total current assets		**15,169,805**	4,667,577
Current liabilities			
Trade and other payables		**(4,365,249)**	(2,568,099)
Net current assets		**10,804,556**	2,099,478
Total assets less current liabilities		**37,698,896**	17,911,386
Non-current liabilities			
Provisions	5	**(1,288,254)**	(1,111,656)
Net assets		**36,410,642**	16,799,730

Equity			
Share capital	4	**14,158,872**	13,278,754
Share premium		**20,550,081**	1,378,701
Share based payment reserve		**123,499**	134,732
Retained earnings		**1,578,190**	2,007,543
		36,410,642	16,799,730

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2014

	2014	2013
	£	£
Cash flows from operating activities		
Loss before tax	**(456,405)**	(717,592)
Adjustments for:		
Depreciation and impairment of fixed assets	**1,739,345**	1,795,021
Exploration costs written off	**285,824**	23,298
Foreign exchange losses/(gains)	**54,734**	(31,850)
Profit on disposal of licence interest	**(164,581)**	(392,509)
Profit on sale of licence option	**(918,014)**	-
Increase in trade and other receivables	**(2,858,014)**	(1,734,501)
Decrease in inventory	**-**	32,627
Increase in trade payables and other payables	**2,797,146**	413,768
Movement in provisions	**(7,807)**	69,779
Finance costs	**84,893**	129,876
Finance income	**(1,152)**	(3,789)
Share based remuneration charge	**15,819**	33,595
Cash generated from/(used in) operations	**571,788**	(382,277)
Interest paid	**(41,403)**	(150,377)
Taxation paid	**-**	-
Net cash flow generated from/(used in) operating activities	**530,385**	(532,654)
Investing activities		
Finance income	**1,152**	3,789
Payments for exploration and evaluation assets	**(2,802,932)**	(1,095,332)
Purchase of property, plant and equipment	**(29,631)**	(221,421)
Sale of property, plant and equipment	**180,482**	-
Sale of licence option	**918,014**	-
Sale of intangible fixed assets	**366,282**	500,000
Net cash used in capital expenditure and investing activities	**(1,366,633)**	(812,964)
Financing activities		
Issue of shares	**10,107,790**	-
Costs associated with issue of shares	**(556,292)**	-
Repayments of short-term borrowings	**(1,000,000)**	(11,175)
Net cash flow generated from/(used in) financing	**8,551,498**	(11,175)
Net increase/(decrease) in cash and cash equivalents	**7,715,250**	(1,356,793)
Cash and cash equivalents as at 31 July 2013	**2,006,369**	3,331,312
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(54,734)**	31,850
Cash and cash equivalents as at 31 July 2014	**9,666,885**	2,006,369

In 2014 significant non-cash transactions comprised the issue of equity share capital with a market value of £10,500,000 as consideration for the acquisition of certain licences from Alkane Energy plc.

In 2013 significant non-cash transactions comprised the issue of equity share capital with a market value of £62,794 as consideration for the renegotiation of the Mairy permit royalty arrangement.

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2014

Group	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£
Balance at 1 August 2012	13,219,233	1,375,428	113,101	2,713,171	17,420,933
Loss for the year	-	-	-	(717,592)	(717,592)
Total comprehensive income for the year	-	-	-	(717,592)	(717,592)
Transfer of share option charge on forfeit	-	-	(11,964)	11,964	-
Issue of ordinary shares (January 2013)	59,521	3,273	-	-	62,794
Share option charge	-	-	33,595	-	33,595
Balance at 31 July 2013	**13,278,754**	**1,378,701**	**134,732**	**2,007,543**	**16,799,730**
Loss for the year	-	-	-	(456,405)	(456,405)
Total comprehensive income for the year	-	-	-	(456,405)	(456,405)
Transfer of share option charge on forfeit	-	-	(152)	152	-
Transfer of share option charge on exercise	-	-	(26,900)	26,900	-
Issue of ordinary shares (February 2014)	120,000	2,705,000	-	-	2,825,000
Issue of ordinary shares (March 2014)	8,283	77,797	-	-	86,080
Issue of ordinary shares (May 2014)	1,500	13,500	-	-	15,000
Issue of ordinary shares (June 2014)	750,335	16,375,083	-	-	17,125,418
Share option charge	-	-	15,819	-	15,819
Balance at 31 July 2014	**14,158,872**	**20,550,081**	**123,499**	**1,578,190**	**36,410,642**

EGDON RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

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 2014 or 31 July 2013. The financial information has been extracted from the statutory accounts of the Group for the years ended 31 July 2014 and 31 July 2013.

The Directors have prepared the accounts on the going concern basis which assumes that the Group will continue in operational existence without significant curtailment of its activities for the foreseeable future.

The auditor, Nexia Smith & Williamson, has reported on the statutory accounts for the years ended 31 July 2014 and 2013; the audit reports were unqualified and did not contain statements under either section 498(2) or 498(3) of the Companies Act 2006. In the audit report for the year ended 31 July 2013 the auditor drew attention to the disclosures in the statutory accounts for that year relating to the uncertainty over the ability of the group to continue as a going concern.

The statutory accounts for the year ended 31 July 2013 have been delivered to the Registrar of Companies; those for the year ended 31 July 2014 were approved by the Board on 10 November 2014 and will be delivered to the Registrar of Companies following the Annual General Meeting.

The Annual Report for the year ended 31 July 2014, including the auditor's report, will be posted to shareholders during the week commencing 17 November 2014 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 IFRS 13 Fair Value Measurements and has included additional disclosures in the financial statements as a consequence. The adoption of this standard 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 2014 as compared to those published in the statutory financial statements for the year ended 31 July 2013.

This preliminary announcement was approved by the Board on 10 November 2014.

2. Income tax

The major components of income tax expense for the years ended 31 July 2014 and 2013 are:

	2014	2013
	£	£
a) Consolidated statement of comprehensive income		
Current income tax charge	**-**	-
b) A reconciliation between tax expense and the product of the accounting result and the standard rate of tax in the UK for the years ended 31 July 2014 and 2013 is as follows:		
Accounting loss before tax from continuing operations	**(456,405)**	(717,592)
Loss on ordinary activities multiplied by the standard rate of tax of 22.33% (2013: 23.67%)	**(101,915)**	(169,854)
Expenses not permitted for tax purposes	**10,723**	16,249
Movement in unrecognised deferred tax assets	**91,192**	153,605
Income tax expense recognised in the current year relating to continuing operations	**-**	-

c) Factors that may affect the future tax charge
The Group has trading losses of £31,235,026 (2013: £28,792,162) 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 £2,901,880 (2013: £3,000,410) at the year end, calculated at a rate of 20% which is the applicable rate at the time the net tax losses are expected to reverse (2013: 20%). This is represented by accumulated tax losses of £31,235,026 (2013: £28,792,162) offset by accelerated capital allowances of £16,725,627 (2013: £13,780,110).

3. Loss per share

Basic loss per share

	2014 **£**	2013 £
Loss for the financial year	**(456,405)**	(717,592)
Basic weighted average ordinary shares in issue during the year	**149,911,338**	132,498,908

	Pence	Pence
Basic loss per share	**(0.30)**	(0.54)

Diluted loss per share

	2014 **£**	2013 £
Loss for the financial year	**(456,405)**	(717,592)
Diluted weighted average ordinary shares in issue during the year	**149,911,338**	132,498,908

	Pence	Pence
Diluted loss per share	**(0.30)**	(0.54)

For 2014 and 2013, the share options are not dilutive as a loss was incurred.

4. Share Capital and redeemable preference shares

	10p Ordinary Shares Allotted, called up and fully paid		1p Ordinary Shares Allotted, called up and fully paid		1p Deferred Shares Allotted, called up and fully paid		Total
	Number	£	Number	£	Number	£	£
At 31 July 2012	132,192,336	13,219,233	-	-	-	-	13,219,233
Issue of new £0.10 ordinary shares	595,207	59,521	-	-	-	-	59,521
At 31 July 2013	132,787,543	13,278,754	-	-	-	-	13,278,754
Share sub-division	**(132,787,543)**	**(13,278,754)**	**132,787,543**	**1,327,875**	**1,195,087,887**	**11,950,879**	**-**
Issue of new £0.01 ordinary shares	**-**	**-**	**88,011,820**	**880,118**	**-**	**-**	**880,118**
At 31 July 2014	**-**	**-**	**220,799,363**	**2,207,993**	**1,195,087,887**	**11,950,879**	**14,158,872**

	Allotted, called up and partly paid Number	£
At 31 July 2013		
- Redeemable preference shares of £1 each (classified as a liability)	50,000	12,500
At 31 July 2014		
- Redeemable preference shares of £1 each (classified as a liability)	**50,000**	**12,500**

On 5 December 2013, following approval at the Company's AGM, the existing Ordinary shares of 10p each were sub-divided into one New Ordinary Share of 1p each and 9 Deferred Shares of 1p each. The Deferred Shares do not carry any rights to vote or any dividend rights. The Deferred Shares will not be admitted to AIM and holders will only be entitled to a payment on return of capital or winding up of the Company after each of the holders of Ordinary Shares has received a payment of £10,000,000 on each such share.

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

During March 2014, 828,271 New Ordinary 1p Shares with a nominal value of £8,283 were issued to staff under the Company's Enterprise Management Incentive Scheme for total cash consideration of £86,080.

During May 2014, 150,000 New Ordinary 1p shares with a nominal value of £1,500 were issued to staff under the Company's Enterprise Management Incentive Scheme for total cash consideration of £15,000.

On 12 June 2014, the Company issued 35,033,549 New Ordinary 1p Shares for total cash consideration of £7,006,710. The nominal value of the shares was £350,335.

On the same date, as consideration for the acquisition of certain licence interests from Alkane Energy plc, the Company issued 40,000,000 New Ordinary 1p Shares at a premium of 25,25p. The nominal value of the shares issued was £400,000.

In the prior year, on 21 January 2013, 595,207 10p ordinary shares were issued at a premium of 0.55p as consideration for the variation of the royalty agreement in respect of the Mairy permit.

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 2012	44,952	607,161	293,488	945,601
Provision created during the year	-	56,895	86,045	142,940
Paid during the year	(6,384)	-	-	(6,384)
Transfer of provision on reclassification to D&P assets	-	71,253	(71,253)	-
Unwinding of discount	-	28,605	894	29,499
At 1 August 2013	**38,568**	**763,914**	**309,174**	**1,111,656**
Provision created during the year	**-**	**12,555**	**144,662**	**157,217**
Paid during the year	**(7,807)**	**-**	**-**	**(7,807)**
Transfer of provision on reclassification to D&P assets	**-**	**114,058**	**(114,058)**	**-**
Unwinding of discount	**-**	**27,188**	**-**	**27,188**
At 31 July 2014	**30,761**	**917,715**	**339,778**	**1,288,254**

At 31 July 2014 provision has been made for decommissioning costs on the productive fields at Keddington, Kirkleatham, Ceres, Avington, Dukes Wood/Kirklington and Waddock Cross. 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 2015 and 2021.

Other provisions represent 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. Of the total provision, £5,134 (2013: £6,784) is estimated to be payable within one year.

6. Exploration costs written off, impairments and pre-licence costs

Exploration costs written off, impairments and pre-licence costs include an impairment charge of £542,000 relating to the Ceres Gas field (£322,000) and the Kirkleatham Gas Field (£220,000). The recoverable amounts are based on value in use assessed from forecast production over the life of the fields, gas prices per therm of 41p-56p and a discount rate of 8%. The impairment charges have arisen primarily as a consequence of weak forward gas prices that have impacted on revenue expectations in the short term.

Exploration costs written off, impairments and pre-licence costs for 2013 include an impairment charge of £555,000 relating to the Dukes Wood/Kirklington oil field. The impairment charge has arisen as a consequence of production issues that have impacted on production and revenue expectations. The recoverable amounts are based on value in use assessed from forecast production, oil prices per barrel of US$100.36 to US$104.08 and a discount rate of 8%.

7. Profit on disposal of licence interest

On 13 January 2014, the group and its joint venture partners entered into an agreement to farm out an interest in licences PEDL139 and PEDL140, giving rise to a profit of £164,581.

On 30 January 2014, the group entered into an Opt-in Agreement in respect of licence PEDL209. Under the terms of the agreement, Egdon received consideration of £918,014 in exchange for the grant of an option over 30% of its interest in the licence.

During the course of the prior year the Group sold a 12.5% interest in licences PEDL237 and PL090, excluding the Waddock Cross field development area, to Corfe Energy Limited ("Corfe") for cash consideration of £500,000. Under the terms of an Earn-In Agreement, Egdon will be able to earn back a 6.25% interest in both licences through paying 12.5% of costs which equates to the Earn-In costs and Corfe's costs. Egdon is entitled to opt out of the Earn-In obligation following completion of a 3D seismic programme over certain prospects on the above licences.

8. Annual General Meeting

The Annual General Meeting will be held at the offices of Norton Rose Fulbright, 3 More London Riverside, London, SE1 2AQ on 12 December at 11.00 am.