



# Egdon Resources plc

**Proposed Acquisition of Alkane Energy UK Shale-Gas Acreage**

**“Creating a significant new UK shale-gas player”**



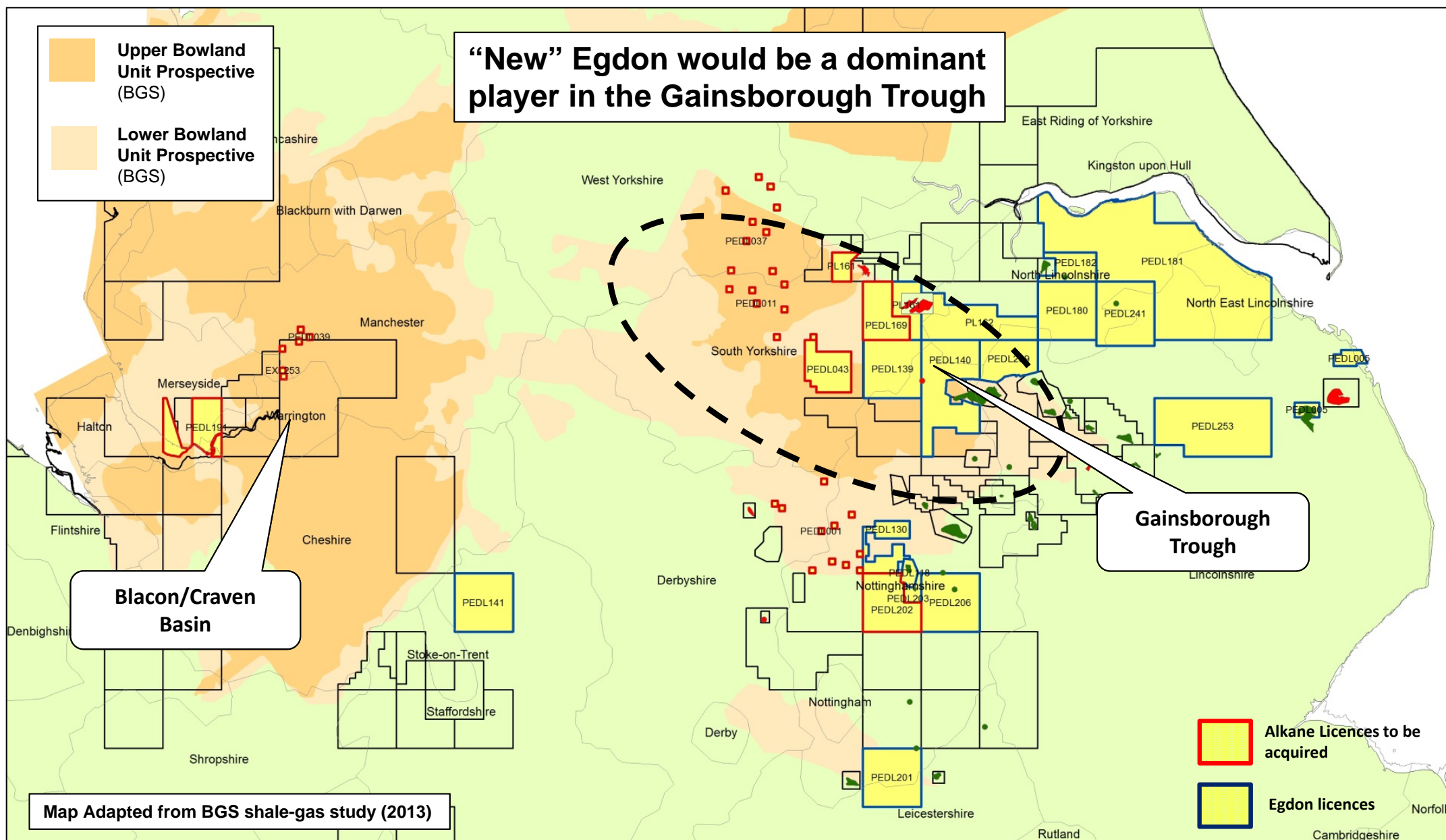
## Proposed Acquisition of Alkane Energy UK Shale-Gas Acreage

- Egdon to acquire certain of Alkane's shale-gas assets via a share based transaction creating a significant new UK shale gas player
- 10 Licences totalling 66,867 net acres seen as prospective for shale-gas
- Almost doubling of Egdon's Shale Gas Prospective acreage to 140,176 acres (91% increase)
- Combined In-place net Gas Resource\*\* independently estimated at 27.6 TCF (9.5TCF from proposed acquisition)
- Consideration 40,000,000 Egdon Shares (21.55% of Egdon pre-funding)
- Associated £6.4m placing and £0.6m open offer
- Subject to shareholder approval

\*\$1.6/£ exchange rate

\*\*ERC/Equipoise

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## The proposed transaction and fundraising;

- **Creates a material, focused onshore business with strong emphasis on shale growth, with a clear, funded strategy and business plan**
- **Creates the third largest (by resource potential and net shale acreage) publically quoted UK shale-gas Company = enhanced visibility and investor interest**
- **Builds on Egdon’s core skills and experience adding shale-gas assets in the Gainsborough Trough focus area**
- **Creates an attractive “farm-in” counterparty and “acquisition target” for a “major/utility” to fund high-cost shale-gas exploration and appraisal and to ultimately realise value via disposal within a clear 3-5 year time frame**
- **Identified growth opportunities in 14<sup>th</sup> Round and beyond**
- **Recent Total deals validate the play and Egdon’s strategy for UK shale-gas of consolidating position in key prospective basin (Gainsborough Trough)**
- **UK Conventional Exploration is a key near-term growth driver , maintaining market interest with additional material conventional exploration news flow including “company maker” size prospects = mitigates down-side risk of shale-gas**