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EGDON RESOURCES PLC

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

Interim Results for the Six Months Ended 31 January 2015

Egdon Resources plc (AIM:EDR), the UK-based exploration and production company with a primary focus on the hydrocarbon-producing basins of the onshore UK, today announces its unaudited interim results for the six months ended 31 January 2015.

Overview and Highlights

Operational and Corporate Highlights

- Production of 27,232 barrels of oil equivalent ("boe") equating to 148 barrels of oil equivalent per day ("boepd") (H1 2014: 35,773 boe; 194 boepd)
- Revised full year production guidance of 180 boepd
- Successful drilling and testing of the Wressle-1 oil and gas discovery in Lincolnshire which produced hydrocarbons from four test intervals
- Strong project pipeline developed including planning permission secured at North Kelsey and Biscathorpe
- Ongoing development of licence portfolio with conventional and unconventional resource potential via the acquisition of Yorkshire Exploration Limited (PEDL068) and exercise of the option with Scottish Power to farm in to PL161 and PL162
- Disposal of interests in two non-core licences in Southern England, PEDL126 and P.1916
- Submission of applications in the 14th UK Onshore Licensing Round

Financial Highlights

- Oil and gas revenues during the period of £0.91 million (H1 2014: £1.41 million)
- Loss for the period of £1.74 million including losses on disposals/farm-outs and impairments in relation to Waddock Cross, Burton on the Wolds and Kiln Lane (H1 2014: profit of £0.83 million including gains on a farm-out).
- Net current assets as at 31 January 2015 of £9.15 million (H1 2014: £2.04 million) and cash at bank as at 31 January 2015 of £6.51 million (H1 2014: £1.17 million)
- Strong balance sheet to deliver on work programme and strategy

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

"The Company has continued to make good progress on implementing its strategy against a backdrop of reduced oil prices. The Wressle oil and gas discovery has been successfully drilled and tested at rates exceeding 700 boepd combined from four intervals. We are now working towards the early development of this discovery and expect Wressle to add to our existing production and revenues."

We have continued the development of our Northern England unconventional resource exploration portfolio, with the exercise of our option on PL161 and PL162 and ongoing detailed assessment of the acreage acquired from Alkane Energy. We have seen a further high value farm-out deal between IGas and INEOS in recent weeks and Egdon continues to review the best timing to introduce a suitable funding partner into our high quality unconventional resource acreage.

We anticipate undertaking further drilling for conventional resources in the coming period on the back of successful planning applications, and, subject to receipt of all necessary consents, participation in the first exploration well for unconventional resources in the Gainsborough Trough. Our strong balance sheet leaves us well positioned to enable us to deliver on our forthcoming work programme and strategy."

For further information please contact:

Egdon Resources plc
Mark Abbott, Jerry Field

01256 702 292

Buchanan

Richard Darby, Anna Michniewicz

020 7466 5000

Nominated Adviser and Broker – Cantor Fitzgerald Europe

David Porter, Sarah Wharry (Corporate Finance)
Richard Redmayne (Corporate Broking)

020 7894 7000

Joint Broker – VSA Capital Limited

Andrew Monk (Corporate Broking)
Andrew Raca (Corporate Finance)

020 3005 5000

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 27 years' experience.

Evaluation of undiscovered gas initially in place and potential recoverable hydrocarbons has been assessed in accordance with 2007 Petroleum Resources Management System prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE).

Notes to Editors:

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.

Egdon currently holds interests in 34 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 jurisdictions.

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

Chairman's Review

Against a backdrop of lower oil prices and negative investor sentiment for the oil and gas sector, I am pleased to be able to report on a period of further progress for the Company.

During the period we completed the drilling of the Wressle-1 oil and gas discovery in Lincolnshire and are highly encouraged by the results of the testing which has demonstrated the presence of oil and gas in four intervals. We will now work towards a pumped production test and the early commercialisation of the discovery.

Technical work including seismic reprocessing continues in order to consolidate our understanding of the acreage acquired in the Alkane Energy plc ("Alkane") transaction in June 2014. We continue to develop our Northern England portfolio and have exercised our option to farm-in to Licences PL161 and PL162 located in Lincolnshire and South Yorkshire where we see potential for both conventional and unconventional resources. We have also submitted a number of applications in the 14th UK Onshore Licensing Round and expect any awards later in 2015.

We continue to manage our cash resources and exposure to risk through farm-outs and disposals of non-core assets and this will carry on as part of the Company's strategy. For example, we successfully negotiated the disposal of our interests in two non-core licences in Southern England during the period.

We have been successful in gaining Planning Consent for the drilling and subsequent testing of operated exploration wells at Loughton, North Kelsey and Biscathorpe, all of which will be drilled to evaluate conventional resources. Owing to the lower capital and operating costs associated with onshore UK developments these generally remain commercially attractive even under lower commodity price assumptions.

We have also updated our corporate website (www.egdon-resources.com) to provide improved information to our stakeholders across all platforms.

Financial and Statutory Information

Revenue from oil and gas production during the period was £0.91 million (H1 2014: £1.41 million) on production of 27,232 barrels of oil equivalent ("boe") (H1 2014: 35,773 boe). Production during the period was 148 barrels of oil equivalent per day ("boepd"), below our November 2014 full year guidance of 195 boepd owing to reduced production at Ceres earlier in the year resulting from a now resolved infrastructure issue.

The fall in commodity prices has affected the profitability of our mature producing oil assets and as a result we have shut-in the Waddock Cross oil field for the present time due to low overall production rates. As we expect this to remain off-line during 2015 we are issuing a revised full year production guidance of 180 boepd.

The Group recorded a loss of £1.74 million for the six months ended 31 January 2015 after write downs of £0.13 million on licence disposals and impairments of £0.62 million on Waddock Cross, Burton on the Wolds and Kiln Lane and negative goodwill of £0.07 million arising on the acquisition of Yorkshire Exploration Limited (H1 2014: profit of £0.83 million; after gains on asset transactions of £1.08 million).

The loss per share for the period is 0.79p (H1 2014: earnings of 0.63p).

The Group has a strong balance sheet and ended the period with net current assets of £9.15 million (H1 2014: £2.04 million) and £6.51 million of cash and cash equivalents (H1 2014: £1.17 million).

Strategy

We continue to focus on three key near-term strategic objectives to drive shareholder value;

- UK Unconventional Resources - growing the value of exploration opportunities in Northern England.
- Conventional Resources Exploration and Appraisal - adding additional reserves/revenues through an active drilling programme whilst managing risk and financial exposure through farm-out transactions
- Production - a continued focus on maximising production rates and revenues from existing producing assets through targeted investment.

UK Onshore

In March 2015, the UK government passed The Infrastructure Act removing considerable regulatory uncertainty regarding sub-surface access for directional and horizontal drilling and enhancing an already strong and workable regulatory regime. The reduction in the supplementary charge by 10%, from 30% to 20%, in the recent budget is also welcomed.

We now expect awards from the 14th UK Onshore Licensing Round sometime after the forthcoming UK parliamentary elections. Egdon was a participant in the licensing round both as operator and non-operator in strong bidding groups.

UK Unconventional Resources

In 2013, the British Geological Survey (“BGS”) published its initial assessment of potential for unconventional gas within the Bowland Shale of Northern England. The central case estimated a total of 1329 trillion cubic feet (“TCF”) of gas in place, a substantial potential resource. Egdon have developed a strong licence position in the Gainsborough Trough, an area of high potential identified by the BGS. The acquisition of licences from Alkane in May 2014 further enhanced this position. The Company has previously reported assessed prospective unconventional resource acreage totalling 140,176 net acres with estimated mean undiscovered gas initially in place (“GIIP”) of approximately 28 trillion cubic feet (“TCF”) of gas. Our provisional assessment of prospective unconventional resources equates to c. 377 mboe.

Egdon holds the second largest UK unconventional resources acreage position of all publically quoted companies. Much of this acreage is 100% owned and, in line with our stated strategy, we expect to introduce a funding partner or partners into our Northern England licensed acreage at the appropriate time.

We have confidence that the investment case for unconventional resource exploration in the UK remains strong. This view is supported by the high level of industry interest in the 14th Round and the recent INEOS farm-in deal with IGas. INEOS’ investment programme brings the value of UK unconventional resource farm-ins to a total of £260m in carried expenditure and £80m in cash consideration to date.

Egdon’s joint venture partner and operator of PEDL139/140, IGas, has identified a location for the drilling of the first deep exploration well in the Gainsborough Trough. IGas has commenced planning consultations prior to the submission of a planning application. Total will carry Egdon’s costs on this well as part of the deal originally announced in January 2014. The PEDL139/140 partnership is targeting the spud of the well around the turn of the year subject to receipt of all necessary planning and other permissions.

Egdon exercised the option in its Exploration Option and Farm-in Agreement with Scottish Power to farm-in to UK onshore production licences PL161 and PL162 located in Lincolnshire and South Yorkshire (adjacent to PEDL139/140 and PEDL209). We have identified a lead with conventional resource potential which if confirmed by a new infill seismic programme planned for H2 2015, will probably form the target for the commitment well required under the terms of this deal.

Technical work including seismic reprocessing is continuing in order to consolidate our understanding of the acreage acquired in the Alkane transaction in June 2014.

Conventional Resources Exploration and Appraisal

There is significant potential for growth via an active exploration and appraisal drilling programme from our existing exploration portfolio where the best estimate of our contingent and prospective conventional resources in the UK and France is c.255 mboe.

Exploration drilling activity will again be focused in Northern England during 2015-16 with exploration wells at Laughton, North Kelsey and Biscathorpe forming the next phase of our planned drilling programme. These exploration wells will target (net to Egdon) Best Estimate Prospective Resources of 10.8 million barrels of oil. We received planning approval for North Kelsey-1 in December 2014 and for Biscathorpe-2 in March 2015. All wells have restricted drilling windows under their respective planning conditions which mean that we currently expect to commence the next drilling programme in October 2015 starting with the Laughton-1 well.

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 to contain Best Estimate Contingent 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 with a view to drilling in 2016.

In Southern England, our focus is in the Wessex Basin of Dorset where a 3D seismic survey was acquired in September-October 2013 over the main prospective trend. Interpretation of this data volume continues with a view to identifying a target during the coming period for potential drilling.

A part of Egdon’s strategy of focusing on fewer, higher-potential projects is to exit non-core licences and areas. In line with this, during the period we sold our minority non-operated interests in licences P.1916 and PEDL126 receiving nominal consideration however reducing our exposure to the potential future abandonment of Markwells Wood-1. Equally, while the regulatory regime in France remains challenging, we will continue to review our position in the country, adopting a hold and wait strategy at the current time. Exiting non-core areas allows management time and financial resources to be concentrated on the higher potential areas.

Outlook

We are eagerly anticipating the spud of the first unconventional resource exploration well in the Gainsborough Trough around the turn of the year. This carried well will be Egdon's first involvement in such a well which, along with other UK drilling activity, should provide important information towards de-risking and re-valuing the unconventional resource potential in our acreage portfolio.

We now expect production for the full year to 31 July 2015 to amount to 180 boepd from the Ceres, Keddington, and Avington fields. We will look to accelerate our plans for production and commercialisation of the Wressle-1 discovery during the coming period and will hope to replicate this exploration success in our planned drilling programme during 2015-16 comprising the Laughton-1, North Kelsey-1, and Biscathorpe-2 exploration wells, as well as the high potential (c. 150 BCF) "A" Prospect offshore North Yorkshire (subject to planning and funding/farm-out). As a result of various planning restrictions, this programme is now expected to commence in October 2015.

We continue to carefully manage our cash resources and exposure to risk through farm-outs and disposals of non-core assets. We will continue the process of refocussing on fewer higher potential projects over the coming period and as always will continue to review opportunities to develop further shareholder value in the Company.

We believe that the fundamentals of the business remain strong with the Company holding a range of assets with excellent potential for both conventional and unconventional resources and a strong cash position allowing us to deliver on our strategy.

Finally, and as ever, I would like to acknowledge the continuing efforts of our hardworking and professional team.

Philip Stephens
Chairman
21 April 2015

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2015

	Unaudited Six months ended 31-Jan-15 £'000	Unaudited Six months ended 31-Jan-14 £'000	Audited Year ended 31-Jul-14 £'000
Continuing operations			
Revenue	909	1,410	2,957
Cost of sales - exploration costs written off and pre-licence costs, including impairment charge	(1,069)	(34)	(869)
Cost of sales – depreciation & other	(1,115)	(1,240)	(2,852)
Total cost of sales	(2,184)	(1,274)	(3,721)
Gross (loss)/profit	(1,275)	136	(764)
Administrative expenses	(525)	(383)	(832)
Other operating income	114	61	141
(Loss)/profit from licence transactions – note 2	(128)	1,083	1,083
Negative goodwill – note 3	72	-	-
	(1,742)	897	(372)
Finance income	16	1	1
Finance costs	(11)	(64)	(85)
(Loss)/profit before taxation	(1,737)	834	(456)
Taxation	-	-	-
(Loss)/profit for the period	(1,737)	834	(456)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period attributable to equity holders of the parent	(1,737)	834	(456)
(Loss)/earnings per share – note 4			
Basic (loss)/earnings per share	(0.79)p	0.63p	(0.30)p
Diluted (loss)/earnings per share	(0.79)p	0.63p	(0.30)p

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2015

	Notes	Unaudited 31-Jan-15 £'000	Unaudited 31-Jan-14 £'000	Audited 31-Jul-14 £'000
Non-current assets				
Intangible assets		19,330	6,964	18,399
Property, plant and equipment		7,611	9,776	8,495
Total non-current assets		26,941	16,740	26,894
Current assets				
Trade and other receivables		4,004	4,097	5,453
Available for sale financial assets		50	50	50
Cash and cash equivalents	5	6,505	1,166	9,667
Total current assets		10,559	5,313	15,170
Current liabilities				
Trade and other payables		(1,411)	(2,277)	(4,365)
Short term borrowings		-	(1,000)	-
Total current liabilities		(1,411)	(3,277)	(4,365)
Net current assets		9,148	2,036	10,805
Total assets less current liabilities		36,089	18,776	37,699
Non-current liabilities				
Provisions		(1,322)	(1,135)	(1,288)
Net assets		34,767	17,641	36,411
Equity				
Share capital	6	14,164	13,279	14,159
Share premium		20,550	1,379	20,550
Merger relief reserve		70	-	-
Share based payment reserve		142	142	124
Retained (deficit)/earnings		(159)	2,841	1,578
		34,767	17,641	36,411

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2015

	Unaudited Six months ended 31-Jan-15 £'000	Unaudited Six months ended 31-Jan-14 £'000	Audited Year ended 31-Jul-14 £'000
Cash flows from operating activities			
(Loss)/profit before tax	(1,737)	834	(456)
Adjustments for:			
Depreciation and impairment of fixed assets	1,146	449	1,739
Exploration costs written off	1	34	285
Foreign exchange (gains)/losses	(1)	41	55
Loss/(profit) on disposal of licence interests	128	(1,083)	(1,083)
Negative goodwill arising on acquisition of Yorkshire Exploration Limited	(72)	-	-
Decrease/(increase) in trade and other receivables	1,452	(225)	(2,858)
(Decrease)/increase in trade and other payables	(3,014)	193	2,797
Movement in provisions	-	-	(8)
Finance costs	11	64	85
Finance income	(16)	(1)	(1)
Share based remuneration charge	18	8	16
Cash flow (used in)/generated from operations	(2,084)	314	571
Interest paid	-	-	(41)
Net cash flow (used in)/generated from operating activities	(2,084)	314	530
Investing activities			
Financial income	16	1	1
Purchase of exploration and evaluation assets	(1,098)	(1,271)	(2,802)
Purchase of property, plant and equipment	(7)	(18)	(29)
Proceeds from sale of intangible assets	10	-	366
Proceeds from sale of licence option	-	-	918
Proceeds from sale of property, plant and equipment	-	175	180
Net cash flow used in capital expenditure and financial investment	(1,079)	(1,113)	(1,366)
Financing activities			
Issue of shares	-	-	10,108
Costs associated with issue of shares	-	-	(556)
Repayment of borrowings	-	-	(1,000)
Net cash flow used in financing	-	-	8,552
Net (decrease)/increase in cash and cash equivalents	(3,163)	(799)	7,716
Cash and cash equivalents at the start of the period	9,667	2,006	2,006
Effects of exchange rate changes on the balance of cash held in foreign currencies	1	(41)	(55)
Cash and cash equivalents at the end of the period	6,505	1,166	9,667

In the period to 31 January 2015, significant non-cash transactions comprised the issue of equity share capital with a market value of £75,000 as consideration for the acquisition of Yorkshire Exploration Limited.

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2015

	Share capital	Share premium	Merger relief reserve	Share based payment reserve	Retained earnings	Equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 August 2013	13,279	1,379	-	134	2,007	16,799
Total comprehensive income for the period	-	-	-	-	834	834
Share option charge	-	-	-	8	-	8
Balance as at 31 January 2014	13,279	1,379	-	142	2,841	17,641
Total comprehensive income for the period	-	-	-	-	(1,290)	(1,290)
Transfer of share option charge on exercise	-	-	-	(27)	27	-
Issue of ordinary shares (February 2014)	120	2,705	-	-	-	2,825
Issue of ordinary shares (March 2014)	8	78	-	-	-	86
Issue of ordinary shares (May 2014)	2	13	-	-	-	15
Issue of ordinary shares (June 2014)	750	16,375	-	-	-	17,125
Share option charge	-	-	-	9	-	9
Balance as at 31 July 2014	14,159	20,550	-	124	1,578	36,411
Total comprehensive income for the period	-	-	-	-	(1,737)	(1,737)
Share option charge	-	-	-	18	-	18
Issue of ordinary shares (December 2014)	5	-	70	-	-	75
Balance as at 31 January 2015	14,164	20,550	70	142	(159)	34,767

1. General information

Egdon Resources plc ('the Company' and ultimate parent of the Group) is a public limited company listed on the AIM market of the London Stock Exchange plc (AIM) and incorporated in England. The registered office is The Wheat House, 98 High Street, Odiham, Hampshire, RG29 1LP.

This interim report was authorised for issue by the Directors on the 20 April 2015.

Basis of preparation

The financial information set out in this interim report has been prepared using accounting policies consistent with International Financial Reporting Standards as adopted for use in the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Union. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 July 2015.

Non-statutory accounts

The financial information set out in this interim report does not constitute the Group's statutory accounts for that period within the meaning of Section 434 of the Companies Act 2006. The statutory accounts for the year ended 31 July 2014 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006.

The financial information for the 6 months ended 31 January 2015 and 31 January 2014 is unaudited.

Accounting policies

The condensed financial statements have been prepared under the historical cost convention, except for the inclusion of certain financial instruments at fair value.

The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in preparation of the Group's financial statements for the year ended 31 July 2014.

The Directors have reviewed the budget, projected cash flows, considered committed expenditure and based on this review are confident that the Group will have adequate financial resources to continue in existence for the foreseeable future. Consequently the Directors consider it appropriate to prepare the financial information on the going concern basis.

2. Loss on disposal

With effect from 1 January 2015, the Group disposed of its interests in licences PEDL126 and P.1916, giving rise to a loss on disposal of £128,164. Under the terms of the agreement, proceeds totalling £10k were due to Egdon.

3. Negative goodwill

On 2 December 2014, the Company completed the acquisition of Yorkshire Exploration Limited. The company, which holds an interest in PEDL068, was acquired in the period for consideration of Egdon shares with a fair value of £75,000. The fair value of the net assets acquired was £146,808, giving rise to negative goodwill of £71,808. The negative goodwill arises following the purchase of Yorkshire Exploration Limited in an off-market transaction offered to the Group for reasons personal to the vendor.

4. (Loss)/earnings per share

	Unaudited Six months ended 31-Jan-15 p	Unaudited Six months ended 31-Jan-14 p	Audited Year ended 31-Jul-14 p
Basic	(0.79)	0.63	(0.30)
Diluted	(0.79)	0.63	(0.30)

The basic (loss)/earnings per share has been calculated on the loss on ordinary activities after taxation of £1.74m (January 2014: profit of £0.83m; July 2014: loss of £0.46m) divided by the weighted average number of ordinary shares in issue of 220,980,522 (January 2014: 132,787,543, July 2014: 149,911,338).

The diluted (loss)/earnings per share has been calculated on the loss on ordinary activities after taxation of £1.74m (January 2014: profit of £0.83m; July 2014: loss of £0.46m) divided by the diluted weighted average number of ordinary shares in issue of 220,980,522 (January 2014: 133,061,593, July 2014: 149,911,338). In January 2015 and July 2014, all share options in issue were excluded as their inclusion would have been anti-dilutive. In January 2014, the May 2008, February and December 2011 and the January 2014 option grants were excluded as their inclusion would have been anti-dilutive.

5. Cash and Cash Equivalents

	Unaudited 31-Jan-15 £'000	Unaudited 31-Jan-14 £'000	Audited 31-Jul-14 £'000
Cash at bank at floating interest rates	5,415	698	6,625
Restricted cash at bank	206	205	206
Other cash at bank	884	263	2,836
	6,505	1,166	9,667

Cash at bank at floating interest rates consisted of money market deposits which earn interest at rates set in advance for periods up to three months by reference to Sterling LIBOR. Restricted cash at bank represents amounts lodged in support of guarantee commitments, earning interest at short term rates based on Sterling LIBOR.

6. Share capital

On 2 December 2014, as consideration for the acquisition of Yorkshire Exploration Limited, the Company issued 546,448 Ordinary shares of 1 penny each. The fair value of the consideration at the date of the transaction was £75,000 and the nominal value of the shares issued was £5,464.

7. Post balance sheet events

The Europa Oil & Gas (Holdings) plc operated Kiln Lane-1 exploration well in licence PEDL181, where Egdon has a 25% interest, was completed as a dry hole and was plugged during March 2015. A total of £108,750 was written off during the current period and £471,515 of post-January expenditure will be written off at year end.

8. Dividend

The Directors do not recommend payment of a dividend.

9. Publication of the Interim Report

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