3 November 2015 **Embargoed for 7.00am**

EGDON RESOURCES PLC

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

Final Results for the Year Ended 31 July 2015

Egdon Resources plc (AIM: EDR), a UK-based exploration and production company primarily focused on the hydrocarbon-producing basins of onshore UK, today announces its audited results for the year ended 31 July 2015.

Overview and Highlights

Operational and Corporate Highlights

- Production of 63,149 barrels of oil equivalent (2014: 86,870 barrels of oil equivalent)
- Successful drilling and testing of the Wressle-1 oil and gas discovery in Lincolnshire where a Field Development Plan is in preparation
- Strong project pipeline developed including planning permission secured for conventional wells at North Kelsey and Biscathorpe
- Ongoing development of licence portfolio with unconventional and conventional resource potential via acquisition of Yorkshire Exploration Limited (PEDL068); exercise of option with Scottish Power to farm-in to PL161 and PL162 and acquisition of additional interest in PEDL241
- Farm-out interests in Licence PEDL143 Licence PEDL005(R)
- Disposal of non-core licences in Southern England and France

Financial Highlights

- Oil and gas revenues during the period of £2.07 million (2014: £2.96 million)
- Loss for the period of £4.47 million for the year ended 31 July 2015 after net write-downs, impairments and pre-licence costs of £3.62 million, of which pre licence costs are £0.45 million (2014: loss of £0.46 million; after impairment of £0.54 million and exceptional profit of £1.08 million on farm-outs)
- Basic loss per share of 2.02p (31 July 2014: basic loss per share of 0.30p)
- Cash at bank £5.18 million as at 31 July 2015 (31 July 2014: £9.67 million)
- Net current assets as at 31 July 2015 of £7.18 million (31 July 2014 £10.80 million)
- Net assets as at 31 July 2015 of £32.05 million (31 July 2014: £36.41 million)

Post Balance Sheet Events

- Egdon will be offered seven blocks in 14th Round first tranche announcement
- Positive planning appeal outcome and further consents received for Holmwood exploration well in PEDL143
- Submission of Springs Road-1 exploration well planning application by IGas

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

***"** In a year in which we have seen a dramatic decline in the price of oil we have performed well against our strategic aims. The Company has made a significant discovery at Wressle and has been offered a number of important licences in the first phase of the14th Round.*

We have managed our cash resources to enable us to continue to finance our conventional resources drilling programme and we look forward to the first exploration well being drilled in our unconventional licenses subject to receipt of the required consents."

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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 27 years' experience.

Evaluation of hydrocarbon reserves, prospective and contingent resources and undiscovered gas initially in place have 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).

Chairman's Statement

Against a challenging macro-economic backdrop for the oil and gas sector, characterised by a significant reduction in oil price and reduced investment across the sector, which has impacted company valuations, I am pleased to be able to report on a year of further progress for the Company.

Our strategy remains the same as we continue to focus on three key near-term strategic objectives to drive shareholder value;

- **UK Unconventional Resources**: We continue to develop our Northern England unconventional resources portfolio during the period, with the exercise of our option on PL161 and PL162, ongoing detailed assessment of the acreage acquired from Alkane Energy and, post-year end, the announcement that Egdon will be offered seven blocks or part-blocks in the first tranche of awards in the UK 14th Landward Oil and Gas Licensing Round ("14th Round"), and the submission by IGas of the planning application for the Springs Road-1 well in the Gainsborough Trough.
- **Conventional Resources Exploration and Appraisal**: During the year we completed the drilling and initial testing of the Wressle-1 oil and gas discovery in Lincolnshire and are highly encouraged by the results to date which have demonstrated the presence of producible hydrocarbons in three separate reservoirs. We are now working towards early commercialisation of the discovery.
- **Production:** Production during the year was 173 barrels of oil equivalent per day ("boepd"); (2014: 238 boepd) against a revised target of 180 boepd. Production was from Ceres, Keddington and Avington with the Waddock Cross field being shut-in during the year due to the lower oil price and lower than anticipated production.

We have continued actively to manage our portfolio within the year, having achieved a number of acquisitions, disposals and farm-outs resulting in the Company retaining an interest in 36 licences at year end. We have reduced our exposure to France during the period with the objective of providing further focus on our UK assets.

Financial and Statutory Information

Revenue from oil and gas production during the year was £2.07 million (2014: £2.96 million) on production of 63,149 barrels of oil equivalent ("boe") (2014: 86,870 boe).

The Group recorded a loss of £4.47 million for the year ended 31 July 2015 after net write downs, impairments and pre-licence costs of £3.62 million, of which pre-licence costs were £0.45 million (2014: loss of £0.46 million; after impairment of £0.54 million and exceptional profit of £1.08 million on farm-outs).

The Group has maintained a focus on managing our cash resources and at year end had net current assets of £7.18 million (2014: £10.8 million) of which £5.18 million was cash and cash equivalents (2014: £9.67 million).

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

UK Regulation and Politics

The UK government passed The Infrastructure Act in March 2015, 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 tax charge from 30% to 20% in the recent budget is also welcome given the difficult oil and gas price environment.

The election of a majority Conservative government unambiguously committed to shale exploration is a positive development. They have acted quickly to ensure that local planning committees adhere to the 16 week planning decision window.

UK Unconventional Resources

Egdon was an active participant in the 14th Round which closed in October 2014 and after the year end we were advised that we will be offered interests in seven blocks or part blocks in the first tranche of awards. These offers build on the Company's unconventional resource exploration acreage in Northern England where Egdon has developed a strong licence position particularly in the Gainsborough Trough, an area identifed by the British Geological Survey ("BGS") as holding high potential for unconventional resources. A second tranche of awards is expected in late 2015. In line with our stated strategy, we will look 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 INEOS's farm-in to a proportion of IGas's acreage earlier this year.

Conventional Resources Exploration and Appraisal

There is significant potential for growth via an active exploration and appraisal drilling programme within our existing exploration portfolio. The lower capital and operating costs associated with onshore UK developments mean that these projects remain commercially attractive even during a period of lower commodity prices. Exploration drilling activity will again be focused in Northern England during the coming period with wells planned at Laughton, Biscathorpe and North Kelsey. The Company will also focus on gaining planning consent and farming out the "A" Prospect in UK offshore licence P.1929. Subject to consents it is hoped to be in a position to drill this onshore-to-offshore well late in 2016. In Southern England, plans for potential wells in Dorset and at Holmwood, where a succesful planning appeal was announced in August 2015, are being progressed.

France

The political and regulatory situation in France shows no significant signs of improving for our industry. As such we have reduced our exposure to France during the period to provide clearer focus on our UK assets. During the period we have withdrawn our application for the Donzacq Permit and have written down the value of the Grenade-3 and Huiron-1 wells. This has resulted in a non-cash write-down of £2.93 million. In addition, after the year end, we completed the abandonment of the Grenade-3 well and will, therefore, withdraw our renewal application for the St Laurent permit. It is worthy of note that Egdon's involvement in France, which goes back to 1998, can still be viewed overall as a commercial success to date, as the sale of Egdon Resources (New Ventures) Limited to eCORP in 2010 yielded a cash consideration of £4.5 million.

Outlook

Subject to consents, 2016 should see several shale-gas exploration wells drilled and tested in the UK which will, if successful, focus investor attention on the few listed companies active in the UK. We also look forward to further licence offers when the second tranche of 14^{th} Round awards are announced, hopefully towards the end of 2015.

A key well for the Company will be the first unconventional resource exploration well in the Gainsborough Trough – Springs Road-1. This carried well will provide important information towards de-risking and evaluating the unconventional resource potential of our acreage. Subject to planning and permitting, this well would be drilled in the summer of 2016.

Another prime focus during the coming year will be commercialisation of the Wressle-1 discovery and we hope to replicate this exploration success in our planned drilling activity during 2015-16. As a result of various planning restrictions and rig availability, drilling is now expected to commence in December 2015 at Laughton, to be followed by an appraisal/development well at Keddington in the first quarter of 2016, which should result in increased production from this late life field.

The Company will continue to focus 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.

Despite the current low oil price and the uncertain future level, 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 cash position which allows us to deliver on our strategy.

Finally, and as ever, I would like thank our shareholders for their continued support and acknowledge the continuing efforts of our hardworking and professional team.

Philip Stephens
Chairman
2 November 2015

Managing Director's Operating review

I am pleased to update shareholders with a strategic review of our assets, operations and plans with a focus on key priorities and potential growth drivers.

Drilling

Egdon participated in the drilling of three exploration wells during the period, which resulted in the Wressle-1 oil and gas discovery and unsuccessful wells at Burton on the Wolds-1 and Kiln Lane-1.

The **Wressle-1** well (PEDL180: Egdon 25%) reached a total depth of 2,240 metres measured depth (MD) (1,814 metres true vertical depth below OS datum) on 23 August 2014. Petrophysical evaluation of the log data indicated the presence of hydrocarbon pay in three main intervals; the Penistone Flags (15.9 metres vertical thickness), the Wingfield Flags (5.1 metres vertical thickness) and the Ashover Grit (5.8 metres vertical thickness). Subsequent test operations confirmed the presence of producible hydrocarbons in all three zones with combined flow rates of over 700 boepd.

The initial test of the Ashover Grit interval recorded flow rates of 80 barrels of oil per day ("bopd") and 47 thousand cubic feet of gas per day ("mscfg/d"). Evaluation of the test data indicated that the zone was impaired by a high "skin" effect (local formation damage) and so these results were not representative of potential cleaned-up productivity. An analysis indicates that initial production rates in excess of 500 bopd could be anticipated if the effects of the "Skin" can be successfully countered and operations to achieve this will form the initial workover programme to prepare the well for long-term production. The Wingfield Flags test yielded flow rates of up to 182 bopd, along with up to 456 mscfg/d. The oil from both zones is of good quality with a gravity of 39-40° API.

The test of the upper part of the Penistone Flags produced gas at facilities-restricted flow rates of up to 1.7 million cubic feet of gas per day ("mmscfg/d") with associated oil of up to 12 bopd. A deeper set of perforations in the Penistone Flags (Zone 3a) tested at a rate of approximately 77 bopd of oil with a gravity of 33° API. During a subsequent extended well test (EWT), Zone 3a was initially produced by pump and then allowed to free flow to surface. Maximum rates achieved were 131 bopd and 465 mscfg/d with no formation water, indicating that the oil water contact is deeper than previously considered.

Production at Wressle will initially focus on development of the Ashover Grit oil reservoir and a Field Development Plan ("FDP") is being prepared with a target for submission to the Oil and Gas Authority ("OGA") early in 2016. The 3D seismic data has been reprocessed and this will assist in updating the resource estimates for Wressle. In addition, planning and permitting applications will also be required to be submitted to North Lincolnshire Council and the Environment Agency and we are now focused on delivering the required consents to enable us to commence commercial oil production from the Ashover Grit in the second half of 2016.

The **Burton on the Wolds-1** well (PEDL201: Egdon 32.5%) reached a total depth of 1,086 metres on 28 October 2014. The well penetrated only thin sands in the primary reservoir objective while the deeper secondary objective was encountered as non-reservoir rock. The well has been plugged and the site restored to agricultural use. As a result of previously announced farm-outs, Egdon's net share of the Burton on the Wolds-1 well cost was 15%.

The **Kiln Lane-1** well (PEDL181: Egdon 25%), operated by Europa Oil and Gas Limited ("Europa"), reached a total depth of 2,291 metres on 19 March 2015, but was plugged and the site restored after the well encountered only minor oil and gas shows in Westphalian and Namurian sandstones. This was the first well in a large (540 km^2) licence and the remaining potential of the area is being assessed.

Portfolio Management

UK

The Company has continued to execute its strategy of managing financial exposure and risk, and of focusing on fewer but higher potential projects by means of disposals, relinquishments, or farm-outs as appropriate. We have also continued to develop our portfolio of unconventional resources acreage especially in the Gainsborough Trough area, as evidenced by exercising our option to farm-in to Scottish Power's licences PL161 and PL162. During the period we sold our minority non-operated interests in licences P.1916 and PEDL126 to UK Oil and Gas Investments plc ("UKOG") receiving nominal consideration but reducing our exposure to the potential future abandonment of Markwells Wood-1. At year end Egdon held interests in 33 UK licences (2014: 33).

UKOG also farmed-in to PEDL143, which contains the Holmwood Prospect and will pay a 40% share of the **Holmwood-1** drilling costs, capped at £1.2 million, to acquire a 20% interest from Egdon. Egdon's interest in the licence on completion will be 18.4%. We were pleased to have been advised In August 2015 of the successful planning appeal for the Holmwood-1 exploration well and in September 2015 received the final planning approval from Surrey County Council for the directional well path.

In PEDL005 (Remainder) farm-outs were agreed with Terrain Energy Limited ("Terrain") and Union Jack Oil plc ("Union Jack"). The licence, located in Lincolnshire, contains the Keddington producing oil field, part of the **Louth** oil prospect, and the **North Somercotes** gas prospect. Terrain will earn an additional 20% interest in the Keddington oil field in return for paying 40% of the cost of a new appraisal/development well expected to be drilled early in 2016 as a side-track to the Keddington-4 well. Planning Consent for such a well is already in place. Union Jack will earn a 10% interest in Licence PEDL005(R), in return for paying 20% of the cost of this well and 20% of the cost of an exploration well on the Louth prospect. In addition Union Jack would also earn a 10% interest from Egdon in a new licence containing part of the mapped Louth Prospect which might be awarded to the existing PEDL005(R) Joint Venture in the 14th Round.

Egdon also completed a farm-out of a further 1.2% interest in PEDL253 to Union Jack following their original farm-in of March 2013. Planning Consent was awarded for the **Biscathorpe-2** well in March 2015 and Egdon's share of the well costs will now be 45.6% as a result of Union Jack carrying in total 7.2% of Egdon's costs. Biscathorpe is estimated by Egdon as having potential gross mean Prospective Resources of 14 million barrels of oil ("mmbo") with a stratigraphically trapped upside of 41 mmbo.

Egdon acquired an additional 40% interest in PEDL241 from Celtique Energie Petroleum Ltd. ("Celtique") increasing the Company's interest in the licence to 80% in return for a nominal consideration. PEDL241 contains the **North Kelsey** Prospect which is located approximately 10 kilometres to the south of the Wressle-1 discovery and is estimated by Egdon to contain gross mean Prospective Resources of 6.0 mmbo. Planning Consent was received for the North Kelsey-1 well in December 2014 and the well is expected to be drilled in the first half of 2016.

In November 2014, Egdon acquired Yorkshire Exploration Limited ("YEL") for aconsideration of £75,000 in Egdon shares and assumption of debt of £58,058. YEL's sole asset is an 8% interest in PEDL068 where Egdon now holds a 48% interest. Licence PEDL068 contains the shut-in Kirkleatham gas field and the Westerdale/Ralph Cross gas discovery. The acquisition adds approximately 0.70bcf of Best Estimate Contingent and Prospective Conventional Resources.

We have also made partial relinquishments in a number of licences to reflect the areas of identified prospectivity and reduce ongoing licence rental costs.

France

At year end Egdon held interests in 3 French Permits or Permits pending renewal or award (2014: 4).

Post year-end we have completed the final abandonment of the Grenade-3 well, which was partially plugged back following drilling in 2008, and this is being followed by restoration of the site to its original agricultural state. On completion of this work we will withdraw our application for an exceptional extension to the St Laurent licence term having already withdrawn the Donzacq permit application. Along with writing down the value of the Huiron-1 well in the Mairy Permit, this has resulted in a non-cash write-down of £2.93 million and a reduction of 151 mmboe in the Company's Best Estimate Contingent and Prospective Resources, largely as a result of relinquishing the large but high risk gas prospect at Audignon and the heavy oil discovery at Grenade. This reduction in our exposure to France is driven by the current operating conditions and a desire to focus resources on our UK assets. We will continue to keep our remaining French assets under review over the coming period as we await the formal approval of the Pontenx permit renewal.

14th Round

Egdon applied for a number of blocks in the 14th Round which closed in October 2014. We were advised in August 2015 of the offer of seven blocks or part blocks in the first tranche of offers under the round totalling 20,000 acres. The offered blocks are located in the East Midlands Petroleum Province and provide a mix of new conventional and unconventional (shale-gas/tight-oil) resources opportunities within an existing core area. Given the high level of industry interest and competition in the 14th Round we are pleased to have been offered a high percentage of the blocks applied for in this initial tranche.

In the Gainsborough Trough, the Company is to be offered a 15% interest in Blocks SE41e, SK49, SK89e, SK88b and SK87c. These blocks will be in a joint venture with IGas (35% and operator) and Total E&P UK Limited (50%), building on the Company's existing relationships and strong licence position within this area.

In the Widmerpool Basin, Egdon will be offered an 18.75% operated interest in Blocks SK52a and SK53 in a joint venture with Hutton Energy Limited (25%), Coronation (Oil and Gas) Limited (25%), Celtique Energie Petroleum Limited (18.75%) and Petrichor Energy UK Limited (12.5%).

Egdon has also applied for a number of additional blocks in the round and anticipates that a second tranche of 14th Round offers will be made around the turn of the year after the conclusion of a consultation under the Conservation of Habitats and Species Regulations 2010.

UK Conventional Resources

Production

Production during the year from Ceres, Keddington and Avington, with a small contribution from Wressle testing, was 173 boepd against our revised target of 180 boepd. The **Ceres** field has continued to produce at rates above the expected profile, although it is expected to end continuous production during 2016. On conclusion of field production we will continue to benefit from recovery of "back-out" gas from the Neptune and Mercury gas fields for a number of years. As previously announced, **Waddock Cross** was shut-in during the year in response to low oil price and an impairment of £0.479 million was made during the year. However, Waddock Cross is considered to hold a large volume of oil in-place (estimated at over 30 mmbo) and we are developing a new plan for commercial production at the site.

Our late life producing oil fields are marginally economic in the current oil price environment due to fixed operating costs becoming a higher percentage of total operating costs. As such we will continue to maintain a strong focus on reducing costs and increasing production rates at existing sites. In this regard we are planning to drill a sidetrack appraisal/development well, Keddington-5, at the Keddington Field early in the first quarter of 2016. To reduce our technical risk and financial exposure to this well we have concluded two farm-outs which combined will bring our net share of the well cost down to 15%. Bringing the Wressle-1 discovery into commercial production will also be a key focus for the coming period although we do not expect a contribution to our production and revenues from Wressle until early in the next financial year.

Exploration

Owing to the lower capital and operating costs associated with onshore UK developments, exploration prospects remain commercially attractive even under lower commodity price assumptions. As such we continue to progress our conventional resources exploration programme in the UK.

We have been successful in gaining Planning Consents for the drilling and subsequent testing of operated exploration wells at Laughton, North Kelsey and Biscathorpe, all of which are expected to be drilled in the next year.

The first programme of drilling is expected to commence in December 2015 with the **Laughton-1** in PEDL209. This well will target a structural trap with multiple conventional Carboniferous sandstone reservoir targets which have been productive at the Corringham Oil Field located five kilometres to the South East. Egdon currently estimate the combined gross Best Estimate Prospective Resources to be around 1.3 million barrels of oil for the Laughton Prospect. The second well to be drilled will be the Keddington-5 sidetrack described above.

A key focus for the Company during the coming period will be the **"A" Prospect** in UK offshore licence P.1929, located adjacent to the North Yorkshire coast. Egdon's current evaluation of this 1966 gas discovery indicates the potential for the prospect to contain Best Estimate Contingent Resources of 160 billion cubic feet ("BCF") of gas. We are progressing plans to drill a well from an onshore location to appraise the discovery and expect to submit a planning application following the second tranche of 14th Round offers.

We will continue to manage risk within our exploration portfolio through farm-outs and will look to introduce further partners into Biscathorpe, North Kelsey and the "A" Prospect prior to drilling.

Following the positive outcome of the long-running process to gain planning consent for the Holmwood-1 exploration well, the operator, Europa, has advised that the well, on which Egdon will be carried by UKOG, is likely to be drilled late in 2016 or 2017. Elsewhere we are progressing our evaluations with a view to a potential exploration well in our **Wessex Basin** licences and look forward to evaluating the conventional resources potential of new blocks to be offered to Egdon in the first and second tranches of 14th Round awards.

UK Unconventional Resources

Growing the Company's exposure to unconventional resources exploration opportunities in Northern England is a key part of Egdon's strategy and we have confidence that the investment case remains strong for UK shale-gas. There have been important developments during the period with the Infrastructure Act 2015 providing clarity on sub-surface access rights and clarifications in relation to planning decision timetables. Against this we have seen the refusal of the Cuadrilla planning applications and continuing activist led opposition to shale-gas. We strongly believe that the UK has the regulatory regime in place to enable the many benefits of indigenous gas (security of supply, jobs, taxation, etc.) to be realised safely and with minimum environmental impact and that, as an industry, we need to continue to make our case at a local and national level.

In November 2014, Egdon reported assessed prospective unconventional resource acreage totalling 140,000 net acres with estimated mean undiscovered gas initially in place ("GIIP") of approximately 28 trillion cubic feet ("TCF") of gas. We have made further progress during the period in relation to building on our position with the exercise of an option with Scottish Power in December 2014 to farm-in to licences PL161 and PL162 located adjacent to PEDL139/140 and PEDL209. We have identified a lead with conventional resource potential within PL161/PL162 which, if confirmed by a planned new infill 2D seismic programme, will probably form the target for our farm-in well. In addition, and as detailed above, during August 2015 we were informed that Egdon will be offered interests in seven blocks in the Gainsborough Trough and Widmerpool Basin in the 14th Round. These new offers will increase our unconventional resource acreage to 160,000 net acres and we will update our resource assessment after the second tranche of awards expected in late 2015.

The Gainsborough Trough is a key focus area for Egdon's unconventional resources exploration. IGas, joint venture partner and operator of PEDL139/140, has recently submitted a planning application for the drilling of the first deep exploration well in the basin at Springs Road. Subject to receipt of planning and permits it is hoped to drill this well in the summer of 2016. Total will carry Egdon's costs on the well under the terms of their farm-in to the licences originally announced in January 2014. The initial well will be vertical to enable the acquisition of core and modern log data from the key shale intervals. It will not be hydraulically fractured and tested during this initial programme.

We plan to introduce a funding partner or partners into our Northern England shale-gas acreage at the appropriate time and continue to review the best timing for this. In the meantime we look forward to the announcement of the second tranche of 14th Round offers and to the outcome of the Springs Road planning process.

Forward Plan

The next year will see us focus on commercialisation of the Wressle-1 discovery with an expectation of production starting early in the second half of 2016. We are also planning the drilling of the Keddington-5 sidetrack in the first quarter of 2016. We therefore expect Group production for the coming year to be 180 boepd.

We hope to replicate the success of Wressle-1 in the planned conventional exploration wells at Laughton-1, Biscathorpe-2 and North Kelsey-1, drilling of which is expected to commence during December 2015 once the rig becomes available. This programme will expose the Company to mean prospective resources potential of 13 mmboe with the wells having a chance of success ranging from 25% to 40%.

We will continue to look to improve the quality of our portfolio of assets, as we await the announcement of the second tranche of offers in the 14th Round and beyond, and to introduce further farm-in partners into certain of our assets.

The coming period could be important for the development of UK shale-gas with, subject to the outcomes of planning applications and appeals, a deep well at Springs Road in the Gainsborough Trough and drilling and testing operations by others in Lancashire and Yorkshire.

Mark Abbott
Managing Director
2 November 2015

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2015

	Notes	**2015** £	2014 £
Continuing operations			
Revenue		**2,067,702**	2,957,064
Cost of sales – exploration costs written off, impairments and pre-licence costs	6	**(3,618,324)**	(868,992)
Cost of sales – depreciation and other		**(1,964,647)**	(2,852,710)
Total cost of sales		**(5,582,971)**	(3,721,702)
Gross loss		**(3,515,269)**	(764,638)
Administrative expenses		**(1,153,969)**	(832,270)
Other operating income		**130,687**	141,649
Exceptional item – profit from licence transactions	7	**-**	1,082,595
Exceptional item – negative goodwill arising on acquisition	8	**71,880**	-
		(4,466,671)	(372,664)
Finance income		**20,845**	1,152
Finance costs		**(22,442)**	(84,893)
Loss before taxation		**(4,468,268)**	(456,405)
Taxation	2	**-**	-
Loss for the year		**(4,468,268)**	(456,405)
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year attributable to equity holders of the parent		**(4,468,268)**	(456,405)
Basic loss per share	3	**(2.02)p**	(0.30)p
Diluted loss per share		**(2.02)p**	(0.30)p

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2015

	Notes	2015 £	2014 £
Non-current assets			
Intangible assets		**17,864,269**	18,399,479
Property, plant and equipment		**8,838,286**	8,494,861
Total non-current assets		**26,702,555**	26,894,340
Current assets			
Trade and other receivables		**2,889,466**	5,452,920
Available for sale financial assets		**50,000**	50,000
Cash and cash equivalents		**5,180,333**	9,666,885
Total current assets		**8,119,799**	15,169,805
Current liabilities			
Trade and other payables		**(940,761)**	(4,365,249)
Net current assets		**7,179,038**	10,804,556
Total assets less current liabilities		**33,881,593**	37,698,896
Non-current liabilities			
Provisions	5	**(1,827,288)**	(1,288,254)
Net assets		**32,054,305**	36,410,642
Equity			
Share capital	4	**14,164,337**	14,158,872
Share premium		**20,619,616**	20,550,081
Share based payment reserve		**160,430**	123,499
Retained earnings		**(2,890,078)**	1,578,190
		32,054,305	36,410,642

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2015

	2015	2014
	£	£
Cash flows from operating activities		
Loss before tax	**(4,468,268)**	(456,405)
Adjustments for:		
Depreciation and impairment of fixed assets	**451,819**	1,739,345
Exploration costs written off	**3,673,780**	285,824
Foreign exchange (gains)/losses	**(93,060)**	54,734
Negative goodwill	**(71,880)**	-
Revaluation of accrued income	**292,729**	-
Loss/(profit) on disposal of licence interest	**128,164**	(164,581)
Profit on sale of licence option	**-**	(918,014)
Decrease/(increase) in trade and other receivables	**2,230,130**	(2,858,014)
(Decrease)/increase in trade payables and other payables	**(3,605,969)**	2,797,146
Movement in provisions	**(13,400)**	(7,807)
Finance costs	**22,442**	84,893
Finance income	**(20,845)**	(1,152)
Share based remuneration charge	**36,931**	15,819
Cash (used in)/generated from operations	**(1,437,427)**	571,788
Interest paid	**(6)**	(41,403)
Taxation paid	**-**	-
Net cash flow (used in)/generated from operating activities	**(1,437,433)**	530,385
Investing activities		
Finance income	**20,845**	1,152
Payments for exploration and evaluation assets	**(3,234,775)**	(2,802,932)
Purchase of property, plant and equipment	**(20,300)**	(29,631)
Revenue from oil well appraisal	**13,824**	-
Sale of property, plant and equipment	**-**	180,482
Sale of licence option	**-**	918,014
Sale of intangible fixed assets	**78,227**	366,282
Net cash used in capital expenditure and investing activities	**(3,142,179)**	(1,366,633)
Financing activities		
Issue of shares	**-**	10,107,790
Costs associated with issue of shares	**-**	(556,292)
Repayments of short-term borrowings	**-**	(1,000,000)
Net cash flow generated from financing	**-**	8,551,498
Net (decrease)/increase in cash and cash equivalents	**(4,579,612)**	7,715,250
Cash and cash equivalents as at 31 July 2014	**9,666,885**	2,006,369
Effects of exchange rate changes on the balance of cash held in foreign currencies	**93,060**	(54,734)
Cash and cash equivalents as at 31 July 2015	**5,180,333**	9,666,885

In 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

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.

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2015

Group	Share capital £	Share premium £	Share based payment reserve £	Retained earnings £	Total equity £
Balance at 1 August 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**
Loss for the year	-	-	-	(4,468,268)	(4,468,268)
Total comprehensive income for the year	-	-	-	(4,468,268)	(4,468,268)
Issue of ordinary shares	5,465	69,535	-	-	75,000
Share option charge	-	-	36,931	-	36,931
Balance at 31 July 2015	**14,164,337**	**20,619,616**	**160,430**	**(2,890,078)**	**32,054,305**

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 2015 or 31 July 2014. The financial information has been extracted from the statutory accounts of the Group for the years ended 31 July 2015 and 31 July 2014.

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 2015 and 2014; the audit reports were unqualified and did not contain statements under either section 498(2) or 498(3) of the Companies Act 2006.

The statutory accounts for the year ended 31 July 2014 have been delivered to the Registrar of Companies; those for the year ended 31 July 2015 were approved by the Board on 2 November 2015 and will be delivered to the Registrar of Companies following the Annual General Meeting.

The Annual Report for the year ended 31 July 2015, including the auditor's report, will be posted to shareholders during the week commencing 6 November 2015 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.

There were no changes to the Group's accounting policies for the year ended 31 July 2015 as compared to those published in the statutory financial statements for the year ended 31 July 2014.

This preliminary announcement was approved by the Board on 2 November 2015.

2. Income tax

The major components of income tax expense for the years ended 31 July 2015 and 2014 are:

	2015 **£**	2014 £
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 2015 and 2014 is as follows:		
Accounting loss before tax from continuing operations	**(4,468,268)**	(456,405)
Loss on ordinary activities multiplied by the standard rate of tax of 20.66% (2014: 22.33%)	**(923,144)**	(101,915)
Expenses not permitted for tax purposes	**14,818**	10,723
Movement in unrecognised deferred tax assets	**908,326**	91,192
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 £37,704,083 (2014: £31,235,026) 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 £5,471,891 (2014: £2,901,880) 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 (2014: 20%). This is represented by accumulated tax losses of £37,704,083 (2014: £31,235,026) offset by accelerated capital allowances of £10,344,626 (2014: £16,725,627).

3. Loss per share

Basic loss per share

	2015 **£**	2014 £
Loss for the financial year	**(4,468,268)**	(456,405)
Basic weighted average ordinary shares in issue during the year	**221,072,587**	149,911,338

	Pence	Pence
Basic loss per share	**(2.02)**	(0.30)

Diluted loss per share

	2015 **£**	2014 £
Loss for the financial year	**(4,468,268)**	(456,405)
Diluted weighted average ordinary shares in issue during the year	**221,072,587**	149,911,338

	Pence	Pence
Diluted loss per share	**(2.02)**	(0.30)

For 2015 and 2014, the share options are not dilutive as a loss was incurred.

4. Share Capital and redeemable preference shares

	10p Ordinary Shares		1p Ordinary Shares		1p Deferred Shares		
	Allotted, called up and fully paid		Allotted, called up and fully paid		Allotted, called up and fully paid		Total
	Number	£	Number	£	Number	£	£
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**
Issue of new £0.01 ordinary shares	**-**	**-**	**546,448**	**5,465**	**-**	**-**	**5,465**
At 31 July 2015	**-**	**-**	**221,345,811**	**2,213,458**	**1,195,087,887**	**11,950,879**	**14,164,337**

	Allotted, called up and partly paid Number	£
At 31 July 2014		
- Redeemable preference shares of £1 each (classified as a liability)	50,000	12,500
At 31 July 2015		
- 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 8 December 2014 the Company issued 546,448 Ordinary 1p shares as consideration for the acquisition of Yorkshire Exploration Limited. The nominal value of the shares was £5,465. The fair value of the shares issued was £75,000.

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.

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 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 1 August 2014	**30,761**	**917,715**	**339,778**	**1,288,254**
Provision created during the year	**-**	**645,648**	**150,037**	**795,685**
Utilisation of provision during the year	**-**	**-**	**(225,283)**	**(225,283)**
Disposals	**-**	**-**	**(43,532)**	**(43,532)**
Paid during the year	**(10,236)**	**-**	**-**	**(10,236)**
Unwinding of discount	**-**	**22,400**	**-**	**22,400**
At 31 July 2015	**20,525**	**1,585,763**	**221,000**	**1,827,288**

At 31 July 2015 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 2016 and 2021.

During the year an increase of £602,801 was recorded in respect of the provision for the decommissioning of the Ceres Gas Field.

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, £4,217 (2014: £5,134) 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 for 2015 include an impairment charge of £478,667 relating to the Waddock Cross oil field and an impairment credit reversing impairments charged in prior periods of £1,000,000 relating to the Ceres Gas Field (£500,000) and the Kirkleatham Gas Field (£500,000). The impairment charge has arisen primarily as a consequence of production issues and weak forward oil prices that have impacted on production and revenue expectations. In the case of the Ceres field, the impairment reversal arises as a consequence of sustained production which has resulted in a re-evaluation of remaining recoverable reserves. In the case of the Kirkleatham field, the impairment reversal reflects a reassessment of the future prospectivity of the unexplored wider licence areas. The recoverable amounts are based on estimated residual values of the wider licence area plus post tax value in use assessed from forecast production, gas prices per therm of 42p-45p, oil prices per barrel of US$53 to US$75 and a discount rate of 8%. Additionally, the Group has written off exploration costs of £3,673,780 in respect of licences in France and the UK where the sites have been plugged and restored following unsuccessful drilling.

Exploration costs written off, impairments and pre-licence costs for 2014 include an impairment charge of £542,000 relating to the Ceres Gas field (£322,000) and the Kirkleatham Gas Field (£220,000).

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.

8. Acquisition of Yorkshire Exploration Limited

On 2 December 2014, Egdon Resources plc completed the acquisition of Yorkshire Exploration Limited. The company, which holds an 8% interest in PEDL068 which includes the Kirkleatham gas field and the Westerdale prospect, was acquired for consideration of Egdon shares with a fair value of £75,000. The Group acquired the company in order to increase its exposure to the PEDL068 licence.

Negative goodwill arising on acquisition of the subsidiary represents the excess of the fair values of the assets less the liabilities acquired over the fair value of the consideration. The purchase was an off-market transaction offered to the Group for reasons personal to the vendor.

9. 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 3 December at 11.00 am.