



11 April 2017

Embargoed for 7.00am

EGDON RESOURCES PLC

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

Interim Results for the Six Months Ended 31 January 2017

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, announces its unaudited interim results for the six months ended 31 January 2017. A presentation for analysts will be held at 9:30am on 11 April 2017 at the offices of Buchanan, 107 Cheapside, London EC2V 6DN.

Overview and Highlights

Operational and Corporate

- Successful placing and open offer to raise £5.06 million before costs in December 2016
- Acquisition of additional interests in PEDL068, PEDL201, PEDL306 and PEDL334
- Planning consent granted to operator IGas to drill up to two exploratory wells in Misson Springs, North Nottinghamshire. (Egdon 14.5% interest). Egdon is carried on these initial wells by Total
- ERC Equipoise reported an independent assessment of the undiscovered gas initially in place (GIIP) in ten previously unassessed licences resulting in a Company combined mean of 50 trillion cubic feet of gas ("TCF")
- Production in line with current forecast totalling 16,882 barrels of oil equivalent ("boe") (94 barrels of oil equivalent per day "boepd") (H1 2016: 37,543 boe; 204 boepd)
- Refusal of planning consent for development of the Wressle oil field

Financial Performance

- Gross oil and gas revenues during the period £0.51 million (H1 2016: £1.05 million)
- Loss for the period of £0.73 million (H1 2016: loss of £2.00 million after accounting for impairments of £0.5 million at Waddock Cross and the revaluation of £0.3 million of the Ceres accrued income)
- The Company has no debt (H1 2016: Nil)
- Net current assets as at 31 January 2017 of £8.00 million (H1 2016: £6.06 million) including cash at bank of £6.80 million (H1 2016: £5.26 million)

Post Balance Sheet Events

- Decision to progress both an appeal and a new application for the Wressle development
- Acquisition of additional interest in deep potential of PEDL209 and restructuring of Total option agreement

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

"In a period of further progress we were pleased to complete an equity cash raising of £5 million in December 2016, which has significantly strengthened our balance sheet. An independent evaluation of the net gas in place for our unconventional resources has given a figure of 50 TCF which shows a considerable increase over the last estimate made two years ago. Our conventional portfolio contains a number of very attractive prospects the value of which we expect to be able to realise in the next 12 to 18 months"

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Qualified Person Review

In accordance with the AIM Rules - Note for Mining and Oil and Gas Companies, this release has been reviewed by Mark Abbott, Managing Director of Egdon, who is a geoscientist with over 30 years' experience and is a member of the Petroleum Exploration Society of Great Britain and a Fellow of the Geological Society. Mr Abbott has consented to the inclusion of the technical information in this release in the form and context in which it appears.

Evaluation of hydrocarbon volumes 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).

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

Notes about Egdon Resources:

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 where Egdon is an approved operator.

Egdon currently holds interests in 43 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 was formed in 1997 and listed on AIM in December 2004.

Chairman's Statement

Against an improving industry backdrop Egdon has maintained a conservative approach ensuring all projects are capable of delivering value at lower commodity prices. We have substantially strengthened our balance sheet during the period through a placing and open offer which raised gross proceeds of £5.06 million enabling Egdon to pursue its stated strategy.

Significant developments during the period have included:

Springs Road Planning Application:

In November 2016 Nottinghamshire County Council granted consent to develop a hydrocarbon wellsite and to drill up to two exploratory wells at Misson Springs, North Nottinghamshire. We look forward to being carried on these potentially play-opening wells in the Gainsborough Trough, our core area for unconventional resources exploration, during 2017.

Developing our Unconventional Resources Assets:

Egdon has made a series of acquisitions of additional interests in PEDL068, PEDL201, PEDL306 and PEDL334 and extended our farm-in agreement on PL161/162 as originally announced in December 2013 to December 2018. Post period-end Egdon has acquired an additional unconventional resource interest in PEDL209, also securing a revised Opt-in agreement with Total on PEDL209. In November 2016 we announced the results of an independent assessment of the undiscovered gas initially in place (GIIP) of ten additional Northern England licences by ERC Equipoise which showed that Egdon has increased its total net Gas in Place by 170% since 2014 to a mean volume of 50 TCF when also taking account of changes to licence interests.

Wressle Oil Field:

In January 2017 North Lincolnshire County Council's Planning Committee refused planning consent for the development of the Wressle Oil Field at Lodge Farm, Wressle, North Lincolnshire, despite a recommendation for approval from its planning officers. We are today submitting the appeal against this decision and in parallel will shortly be submitting a new Planning Application for the Wressle development which will include even more detailed information to address the specific concerns outlined by the Council in their refusal. We believe that this dual track approach will provide the best opportunity for a successful outcome with the minimum delay.

Financial and Statutory Information

Production during the period was 16,882 boe (H1 2016: 37,543 boe). Gross revenue from oil and gas production during the period was £0.51 million (H1 2016: £1.05 million). After adjustment for Ceres accrued income, net Revenue was £0.51 million (H1 2016: £0.71 million). Cost of sales from production operations was £0.41 million (H1 2016: £0.64 million). Depreciation for the period was £0.23 million (H1 2016: £0.97 million).

The Group recorded a loss of £0.73 million for the six months ended 31 January 2017 (H1 2016: loss of £2.00 million after impairment of £0.50 million on Waddock Cross and the revaluation of the Ceres accrued income).

The loss per share for the period was 0.31p (H1 2016: loss of 0.90p).

A placing and open offer during December 2016 raised gross proceeds of £5.06 million and net current assets as at 31 January 2017 were £8.00 million (H1 2016: £6.06 million). Cash at bank as at 31 January 2017 was £6.80 million (H1 2016: £5.26 million).

The Group remains debt free (H1 2016: Nil).

Strategy

Our strategy is to focus on three key near-term strategic objectives and we have made progress on these during the period;

- 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

Operations

UK Unconventional Resources

As described above, Egdon has built a significant unconventional resources acreage position in Northern England (c. 201,000 net acres (814 km²)) through a series of targeted acquisitions, farm-ins and success in the 14th Round (where licences were finally issued in August 2016). Egdon now has material interests in a number of key prospective basins including the Gainsborough Trough, the Widmerpool Gulf, the Cleveland Basin and the Humber Basin.

In addition to the carried Springs Road well, 2017 should see a number of key wells and tests by other operators following positive planning outcomes during the period. Cuadrilla Resources was granted consent on appeal for the drilling, fracturing and testing of up to four wells at Preston New Road in Lancashire and Third Energy has approval to fracture and test Kirby Misperton-8 in North Yorkshire.

Conventional Resources Exploration and Appraisal

Onshore projects remain commercially attractive even during a period of lower commodity prices due to their low capital and operating costs. There is significant potential for growth through exploration and appraisal of the Company's existing exploration portfolio. In line with our strategy, the pace of activity is partly dependent upon successful farm-outs as we look to carefully manage our cash resources and technical risk.

The Company's interest in Holmwood (PEDL143) is fully carried and the well could be drilled in H2 2017. We continue to look to introduce a further partner at Biscathorpe and North Kelsey where we have planning approvals in place and are progressing Environmental Permitting. Post period end, licence extensions for both Biscathorpe and North Kelsey were obtained to 30 June 2018. Biscathorpe is a low risk prospect that has the potential to be one of the larger UK onshore oil fields.

We have made substantial progress with the Resolution Prospect (formerly known as the "A" Prospect) in UK offshore licence P.1929 having commissioned a detailed engineering study to assist in concept selection and the choice to appraise and develop the 1966 gas discovery from an onshore or offshore location. In parallel with this, a seismic reprocessing exercise has been completed. We plan to acquire a pre-drill offshore 3D seismic survey to confirm the potential resource volumes and enable optimisation of the planning for the appraisal well. Egdon is seeking an industry partner and/or investors to share the forward costs.

Production

In view of the expected time frame for the appeal and/or determination at Wressle, the Company revised its guidance for average production for the financial year ending 31 July 2017 to 100 -110 boepd against our previous guidance of 165 boepd. Production during the period was in line with this current guidance and averaged 94 boepd from Ceres, Keddington and Avington. As previously reported, Ceres has remained shut-in since the end of the maintenance shut-down in September/October 2016, with sales gas being produced by Mercury and Neptune as part of the "back-out" arrangements.

Despite the planning set-back at Wressle we have made progress here through the installation during February of the water monitoring boreholes. During March the Environment Agency issued the draft Environmental Permit for final consultation with award anticipated around the end of April, subject to the outcome of the current consultation process.

We continue to review opportunities for further drilling at Keddington and re-starting production at Waddock Cross and elsewhere within our portfolio (e.g. Dukes Wood, Kirklington and Kirkleatham).

Our website (www.egdon-resources.com) provides further details of all of our assets and operations.

Outlook

Our main operational focus during the coming period will be:

- Progressing both the Wressle planning appeal and new application with a view to gaining early consent to develop the field
- Drilling of the Biscathorpe and North Kelsey wells at low cost during 2017
- Drilling of Holmwood where we are fully carried

- Finalise the drilling and development strategy and introduce a funding/technical partner for the Resolution Prospect with a view to drilling during 2018/19

We also look forward to the carried drilling of the first potentially play-opening well at Springs Road in the Gainsborough Trough, our core area for unconventional resources exploration.

2017 should see significant activity by others in the form of Third Energy testing in North Yorkshire and, subject to the outcome of the current judicial review, Cuadrilla drilling and testing in Lancashire. Elsewhere, we expect to see seismic acquisition and a number of exploration well planning applications from INEOS adjacent to our East Midlands acreage.

The fundamentals of the business remain robust with the Company being debt free, holding a range of assets with excellent potential for both conventional and unconventional resources in a jurisdiction which remains commercially attractive even under lower commodity prices, and a strong balance sheet 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
11 April 2017

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 January 2017

| | Unaudited Six months ended 31-Jan-17 £'000 | Unaudited Six months ended 31-Jan-16 £'000 | Audited Year ended 31-Jul-16 £'000 |
|---|---|--|--|
| Continuing operations | | | |
| Revenue – note 2 | 505 | 709 | 1,586 |
| Cost of sales - exploration costs written off and pre-licence costs | (5) | 1 | (75) |
| Cost of sales – impairments and impairment reversals | - | (500) | (643) |
| Cost of sales – other | (414) | (643) | (1,219) |
| Cost of sales - depreciation | (227) | (971) | (1,269) |
| Total cost of sales | (646) | (2,113) | (3,206) |
| Gross loss | (141) | (1,404) | (1,620) |
| Administrative expenses | (560) | (618) | (1,144) |
| Other operating income | 19 | 47 | 112 |
| | (682) | (1,975) | (2,652) |
| Finance income | 1 | 5 | 8 |
| Finance costs | (53) | (26) | (42) |
| Loss before taxation | (734) | (1,996) | (2,686) |
| Taxation | - | - | - |
| Loss for the period | (734) | (1,996) | (2,686) |
| Other comprehensive income for the period | - | - | - |
| Total comprehensive income for the period attributable to equity holders of the parent | (734) | (1,996) | (2,686) |
| Loss per share – note 3 | | | |
| Basic loss per share | (0.31)p | (0.90)p | (1.21)p |
| Diluted loss per share | (0.31)p | (0.90)p | (1.21)p |

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2017

| | Notes | Unaudited 31-Jan-17 £'000 | Unaudited 31-Jan-16 £'000 | Audited 31-Jul-16 £'000 |
|--|-------|---------------------------------|---------------------------------|-------------------------------|
| Non-current assets | | | | |
| Intangible assets | | 18,923 | 18,449 | 18,370 |
| Property, plant and equipment | | 8,536 | 7,363 | 8,683 |
| Total non-current assets | | 27,459 | 25,812 | 27,053 |
| Current assets | | | | |
| Trade and other receivables | | 1,795 | 1,726 | 2,541 |
| Available for sale financial assets | | 50 | 50 | 50 |
| Cash and cash equivalents | 4 | 6,796 | 5,259 | 2,679 |
| Total current assets | | 8,641 | 7,035 | 5,270 |
| Current liabilities | | | | |
| Trade and other payables | | (642) | (980) | (1,085) |
| Total current liabilities | | (642) | (980) | (1,085) |
| Net current assets | | 7,999 | 6,055 | 4,185 |
| Total assets less current liabilities | | 35,458 | 31,867 | 31,238 |
| Non-current liabilities | | | | |
| Provisions | | (1,842) | (1,780) | (1,803) |
| Net assets | | 33,616 | 30,087 | 29,435 |
| Equity | | | | |
| Share capital | | 14,545 | 14,164 | 14,164 |
| Share premium | | 25,154 | 20,620 | 20,620 |
| Share based payment reserve | | 224 | 189 | 226 |
| Retained deficit | | (6,307) | (4,886) | (5,575) |
| | | 33,616 | 30,087 | 29,435 |

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 January 2017

| | Unaudited Six months ended 31-Jan-17 £'000 | Unaudited Six months ended 31-Jan-16 £'000 | Audited Year ended 31-Jul-16 £'000 |
|--|---|--|--|
| Cash flows from operating activities | | | |
| Loss before tax | (734) | (1,996) | (2,686) |
| Adjustments for: | | | |
| Depreciation and impairment of fixed assets | 227 | 1,474 | 1,919 |
| Exploration costs written off/(written back) | 11 | (27) | 45 |
| Foreign exchange gains | - | (16) | (28) |
| Revaluation of accrued income | - | 340 | 103 |
| Decrease in trade and other receivables | 745 | 794 | 216 |
| (Decrease)/increase in trade and other payables | (435) | 74 | 173 |
| Finance costs | 53 | 26 | 42 |
| Finance income | (1) | (5) | (8) |
| Share based remuneration charge | - | 29 | 66 |
| Cash flow (used in)/generated from operations | (134) | 693 | (158) |
| Finance costs – facility fee | (29) | - | - |
| Net cash flow (used in)/generated from operating activities | (163) | 693 | (158) |
| Investing activities | | | |
| Financial income | 1 | 5 | 8 |
| Purchase of exploration and evaluation assets | (509) | (585) | (2,142) |
| Purchase of property, plant and equipment | (77) | (50) | (237) |
| Net cash flow used in capital expenditure and financial investment | (585) | (630) | (2,371) |
| Financing activities | | | |
| Issue of shares | 5,075 | - | - |
| Costs associated with issue of shares | (210) | - | - |
| Net cash flow generated from financing | 4,865 | - | - |
| Net increase/(decrease) in cash and cash equivalents | 4,117 | 63 | (2,529) |
| Cash and cash equivalents at the start of the period | 2,679 | 5,180 | 5,180 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | - | 16 | 28 |
| Cash and cash equivalents at the end of the period | 6,796 | 5,259 | 2,679 |

In the period to 31 January 2017, significant non-cash transactions comprised the issue of equity share capital with a market value of £50,000 as consideration for the acquisition of an interest in PEDL201.

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2017

| | Share capital | Share premium | Share based payment reserve | Retained earnings | Equity |
|--|------------------|------------------|--------------------------------------|----------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance as at 1 August 2015 | 14,164 | 20,620 | 160 | (2,890) | 32,054 |
| Total comprehensive income for the period | - | - | - | (1,996) | (1,996) |
| Share option charge | - | - | 29 | - | 29 |
| Balance as at 31 January 2016 | 14,164 | 20,620 | 189 | (4,886) | 30,087 |
| Total comprehensive income for the period | - | - | - | (689) | (689) |
| Share option charge | - | - | 37 | - | 37 |
| Balance as at 31 July 2016 | 14,164 | 20,620 | 226 | (5,575) | 29,435 |
| Total comprehensive income for the period | - | - | - | (734) | (734) |
| Transfer | - | - | (2) | 2 | - |
| Issues of ordinary shares: | | | | | |
| 22 August 2016 | 1 | 7 | - | - | 8 |
| 1 November 2016 | 222 | 2,778 | - | - | 3,000 |
| 7 November 2016 | 1 | 9 | - | - | 10 |
| 29 November 2016 | 153 | 1,904 | - | - | 2,057 |
| 27 January 2017 | 4 | 46 | - | - | 50 |
| Costs associated with share issues | - | (210) | - | - | (210) |
| Total issue of ordinary shares | 381 | 4,534 | - | - | 4,915 |
| Balance as at 31 January 2017 | 14,545 | 25,154 | 224 | (6,307) | 33,616 |

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 10 April 2017.

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 2017.

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 2016 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006.

The financial information for the six months ended 31 January 2017 and 31 January 2016 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 2016.

2. Revaluation of Ceres accrued income

Revenue accrued in respect of past production from the Ceres field has been recognised at a price of 40p per therm (July 2015: 45p; January 2016: 32p; July 2016: 40p) as an approximation to the selling price that is expected to be achieved when the revenue is realised. The reductions in the expected future gas prices from July 2015 to January 2016 and July 2016 result in reductions to recognised revenues for the relevant periods.

3. Loss per share

| | Unaudited Six months ended 31-Jan-17 p | Unaudited Six months ended 31-Jan-16 p | Audited Year ended 31-Jul-16 p |
|---------|---|---|---|
| Basic | (0.31) | (0.90) | (1.21) |
| Diluted | (0.31) | (0.90) | (1.21) |

The basic loss per share has been calculated on the loss on ordinary activities after taxation of £0.73m (January 2016 £2.00m; July 2016: £2.69m) divided by the weighted average number of ordinary shares in issue of 237,882,631 (January 2016: 221,345,811, July 2016: 221,345,811). The diluted loss per share has been calculated on the loss on ordinary activities after taxation of £0.73m (January 2016: £2.00m; July 2016: £2.69m) divided by the diluted weighted average number of ordinary shares in issue of 237,882,631 (January 2016: 221,345,811, July 2016: 221,345,811). In all of the reported periods, all share options in issue were excluded as their inclusion would have been anti-dilutive.

4. Cash and Cash Equivalents

| | Unaudited 31-Jan-17 £'000 | Unaudited 31-Jan-16 £'000 | Audited 31-Jul-16 £'000 |
|---|---------------------------------|---------------------------------|-------------------------------|
| Cash at bank at floating interest rates | 5,825 | 4,542 | 2,288 |
| Restricted cash at bank | 206 | 206 | 206 |
| Non-interest bearing cash at bank | 765 | 511 | 185 |
| | <hr/> 6,796 | 5,259 | 2,679 |

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.

5. Post balance sheet events

On 4th April 2017 Egdon announced that it had acquired further 12% interest in the unconventional resources exploration rights in UK Onshore licence PEDL209 from Stelinmatvic Industries Limited ("Stelinmatvic"). The consideration for the acquisition comprised the transfer of a 12% interest in the conventional prospects on the PEDL209 licence and the issue of 580,646 Ordinary Shares in the Company. Following admission on 7th April 2017 the Company has 259,984,822 shares in issue.

Egdon now holds a 72% interest in the unconventional rights and 38% in the conventional rights in PEDL209. The acquisition adds a total of 1,898 net acres to Egdon's unconventional resources exploration acreage holdings.

Concurrent with this transaction, Egdon entered into a new Opt-In Agreement with Total E&P UK Limited ("Total"), a wholly owned subsidiary of Total SA. Under the terms of the Opt-In Agreement, Total has an option to farm-in to unconventional resources exploration in PEDL209, exercisable until 31 December 2018 and to earn a 36% interest in the licence by paying Egdon's remaining 36% (together with Total's own 36% interest) of an exploration programme of up to a gross £13.47 million which would include seismic acquisition and the drilling of a well. This agreement with Total supersedes the previous agreement announced on 30 January 2014.

6. Dividend

The Directors do not recommend payment of a dividend.

7. Publication of the Interim Report

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