26 April 2022 **Embargoed for 7.00am**

EGDON RESOURCES PLC

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

Interim Results for the Six Months Ended 31 January 2022

Egdon Resources plc (AIM: EDR), a UK focused energy company, today announces its unaudited results for the six months ended 31 January 2022 (“the period”).

Overview and Highlights

Operational and Corporate

- Production during the period increased by 156% to 43,420 barrels of oil equivalent (“boe”) equating to 205 boe per day (“boepd”) (H1 2021: 16,928 boe and 92 boepd)
- Wressle production has significantly exceeded the original 500 barrels of oil per day (“bopd”) expectation and is currently producing at permit constrained rates of 760-800 bopd following upgrades to the production facilities
- Egdon has assumed the operatorship, increased its equity to 40% and agreed an extension to 20 March 2024 in PEDL343 which contains the Cloughton gas discovery
- Planning permission was refused for the drilling of a side-track well, testing and long-term production at the Biscathorpe project

Financial Performance

- Oil and gas revenues increased by 500% during the period to £2.551 million (H1 2021: £0.424 million) as a result of significantly increased production and strengthening commodity prices
- Profit before impairments/write backs of £0.715 million (H1 2021: loss of £0.763 million)
- Overall profit for the period of £1.222 million including £0.507 million write-back (H1 2021: loss of £1.039 million including £0.276 million of impairments)
- Cash and cash equivalents of £2.084 million (H1 2021: £2.422 million and 31 July 2021: £1.96 million).
- Net current assets as at 31 January 2022 of £1.165 million, which includes UJO debt of £1.07 million and £0.417 million deferred consideration for Wressle (31 January 2021: net current liability of £0.126 million, which includes liability for £0.962 million convertible loan and £0.417 million deferred consideration for Wressle)

Subsequent Events

- On 10 March 2022 a revised incentive package was put in place for all employees through the issue of new share options and the cancellation of all historical share options
- On 14 March 2022, planning permission was refused to extend the existing consents to drill the North Kelsey-1 exploration well and will be appealed during H2 2022
- On 5 April 2022 the Government announced that it had commissioned the British Geological Survey to advise on the latest scientific evidence around shale gas extraction
- An appeal against the refusal of planning for the Biscathorpe project was submitted on 12 April 2022

- During April 2022, Shell advised Egdon and the North Sea Transition Authority ("NSTA") of its intention to withdraw from licences P1929 and P2304, containing the Resolution and Endeavour gas discoveries. Egdon is considering its options, including its ongoing commitment to the licences and will discuss these options with the NSTA.

Outlook

- Post-period end production and revenues have continued to be strong with February and March revenues of £0.480 million and £0.953 million respectively
- The Company is funded for all near-term committed activity including the loan repayment of £1.07 million due in May 2022

Our key operational focus for the coming period will be:

- Continuing to optimise oil and gas production from the Ashover Grit reservoir at Wressle, building on the strong performance to date
- Progressing gas monetisation at Wressle
- Finalising plans for development of the material Contingent Resources in the Penistone Flags at Wressle
- Progressing drilling plans to target incremental oil production / near field exploration opportunities at the Keddington oil field and the field redevelopment at Waddock Cross
- Securing planning consent via appeal for the Biscathorpe and North Kelsey projects
- Further developing the Company's energy transition opportunities including repurposing of the Dukes Wood-1 well for geothermal heat

Online Presentation and audiocast

A webcast of the interim results presentation will be available from 07.00 through the following link:

https://webcasting.buchanan.uk.com/broadcast/62458a79893940516d342a2a

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

"*The period has been has been an exceptional one for the Company. Revenues have increased fivefold and this has resulted in a return to profit after the challenges of recent years. Significantly increased commodity prices and increased production have made this possible. The Wressle field continues to exceed our expectations and the Ceres gas field is providing a late life renaissance.*

Production continues at a high level and the resultant positive cash flow supported by continuing high commodity prices enables us to be confident that we will be able fully to fund our current plans."

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About Egdon

Egdon Resources plc (LSE: EDR) is an established UK-based energy company focused on onshore exploration and production in the UK.

Egdon holds interests in 37 licences in the UK and has an active programme of exploration, appraisal and development within its portfolio of oil and gas assets. Egdon is an approved operator in the UK. Egdon was formed in 1997 and listed on AIM in December 2004.

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 the 2018 Petroleum Resources Management System (PRMS) 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), the Society of Petroleum Evaluation Engineers (SPEE), the Society of Exploration Geophysicists (SEG), the Society of Petrophysicists and Well Log Analysts (SPWLA) and the European Association of Geoscientists & Engineers (EAGE).

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Chairman's Statement

I am pleased to report on the results for the six months ended 31 January 2022 and provide an update on our business.

Financial and Statutory Information

The period has seen a significant strengthening of the financial position of the Company driven by a 500% increase in oil and gas revenues during the period to £2.551 million (H1 2021: £0.424 million) as a result of significantly increased production and strengthening commodity prices. The average realised price per barrel of oil equivalent was 135% higher at $79.32/boe (H1 2021: $33.81/boe).

Profit before impairments or write-backs was £0.715 million (H1 2021: loss of £0.763 million).

The overall profit for the period was £1.222 million including £0.507 million of write-backs in relation to Ceres as a result of an improved revenue profile (H1 2021: loss of £1.039 million including £0.276 million of impairments).

Cash and cash equivalents as at 31 January 2022 were £2.084 million (H1 2021: £2.422 million and at 31 July 2021: £1.96 million).

Net current assets as at 31 January 2022 stood at £1.165 million, which included debt of £1.07 million and £0.417 million deferred consideration for Wressle (31 January 2021: net current liability of £0.126 million, which includes liability for £0.962 million convertible loan and £0.417 million deferred consideration for Wressle). The deferred consideration for Wressle was paid post period end in March 2022.

The Group had net assets at 31 January 2022 of £28.641 million (H1 2021: £25.658 million).

Post-period end production and revenues have continued to be strong with February and March revenues of £0.480 million and £0.953 million respectively. The Company is funded for all near-term committed activity including the loan repayment of £1.07 million due in May 2022.

Strategy

The Company's strategy takes account of the opportunities and challenges presented by the wider economic and political environment and the UK's move to Net Zero carbon emissions by 2050.

1) Maintain geographical focus on the UK
2) Focus on growth in production and revenue through conventional production, appraisal and exploration projects
3) A near term focus on developing low carbon energy transition projects utilising Egdon's existing assets, knowledge of the UK's onshore geology and core technical skills and operating experience
4) Maintain our significant portfolio of unconventional resources assets whilst working to address the moratorium

ESG

Egdon wishes to build value through developing sustainable long-term relationships with partners and the community and is committed to the highest standards of health, safety and environmental protection; these aspects command equal prominence with other business considerations. The Board recognise the need to minimise emissions from our operations and are committed to using a "best available techniques" approach to achieve this and to monitor and report performance. We expect to be able report progress during the coming period in quantifying and verifying our current emissions and developing firm plans to minimise and reduce these thorough a defined plan of action.

Political and Regulatory

The UK is committed by law to reaching Net Zero carbon emissions by 2050. The public narrative around this during the lead up to and following COP26 was a demonisation of oil and gas. However, it is a fact that in the period to 2050, the UK cannot rely on renewables alone for all its energy needs and that there will be a continuing need for oil and gas. On most projections, the UK will have a significant import dependency for oil and particularly gas in the period to 2050 and beyond. The national and local benefits of indigenous oil and gas supplies are clear and even more compelling in the context of the current energy crisis. The recently announced Government energy review has belatedly recognised the importance of UK oil and gas production and has begun to reconsider the potential role for UK shale-gas. Indigenous hydrocarbons have a positive impact on energy security, balance of payments, tax, business rates, employment and importantly also have material pre-combustion emissions savings. Without indigenous oil and gas, the UK will simply ‘offshore’ its emissions, employment, and fiscal benefits and be at the mercy of international energy markets.

Oil and Gas

Egdon holds interests in 37 licences in the UK (H1 2021: 41 licences) with exposure to the full cycle of opportunities from exploration through to development and production. Egdon’s website (www.egdon-resources.com) provides further details of the Company’s assets and operations.

Highlighted below are key changes to our licence portfolio during the period and post-period end.

Licence	Changes
PEDL343	Licence extended to 20 March 2024, Egdon assumed operatorship and increased interest to 40%
PEDL209	Egdon increased interest to 100% due to withdrawal of other JV parties (note not yet completed)
PEDL202	Interest in licence relinquished during August 2021
PEDL’s 339, 258 and 259	Licences relinquished between 1 February 2021 and 31 July 2021

Production

Production during the period was 205 boepd (H1 2021: 92 boepd) being primarily from Wressle and Ceres as well as contributions from Keddington and Fiskerton Airfield. This production was achieved despite Wressle only recommencing flow on 19 August and the Ceres field being shut-in for annual maintenance for 20 days during September.

Wressle (Egdon 30%) quickly exceeded our pre-production expectations of 500 bopd on resumption of production following the successful proppant-squeeze and coiled-tubing operation on the 19 August 2021. Instantaneous rates of over 1,000 bopd have been achieved. Early restrictions to production have been successfully addressed through upgrades and modifications to the site facilities, including installation of a secondary separator and progressive upgrades to the gas incineration system which have culminated in the installation of a larger capacity enclosed incineration unit. Production is currently limited by the 10 tonnes per day gas incineration limit imposed by the Environmental Permit to between 760-800 bopd (228-240 bopd net). Once the gas monetisation development is complete, this production limitation will be removed and the production rate is expected to be increased significantly. Pressure test analysis has indicated potential flow rates for Wressle-1 of between approximately 1,200 and 1,500 bopd.

Since production commenced at Wressle-1 in January 2021, the cumulative production has exceeded 150,000 barrels of oil with no formation water produced to date.

A revised Field Development Plan was submitted to the NSTA during April 2022.

The likely preferred gas monetisation approach will be to export the gas via a short pipeline (approximately 600m) into the local gas distribution network. This will require regulatory consents (Planning and EA) and it is hoped to be completed in time for gas sales during the coming winter. This export route will also be available in the longer term for the development of the Penistone Flags reservoir where detailed work is underway to produce the gross Mid-case Contingent Resources of 1.53 million barrels of oil and 2 billion cubic feet of gas.

Environmental monitoring throughout the operations has shown no measurable impact on surface or groundwater quality, no related seismicity and that noise levels have been within the permitted levels.

In the coming period we will:

a) Complete the installation of the remaining permanent production facilities
b) Progress planning and permitting and implement the gas monetisation plan, reduce gas flaring and remove the limitations on oil production
c) Advance the development plan and consenting process to enable production from the Penistone Flags reservoir

The **Ceres** gas field (Egdon 10%) is undergoing a late-life renaissance for the Company contributing material revenues and cash flow. During the period, Ceres net production averaged 54 boepd with gas prices averaging 184 p/therm or \$123.5/boe (H1 2021: 24p/therm or \$29.2/boe). A reassessment of the life of field economics has led to the reversal of a previous impairment of £0.507 million.

Keddington (Egdon 45%) continued to contribute tangible revenues during this time of high oil prices. A subsurface review of the field has highlighted a viable drilling location in the east of the field targeting up to 180,000 barrels of incremental production. With planning consent already in place, this presents an opportunity to increase production via a development side-track from one of the existing wells. In addition, a near-field exploration opportunity exists at Keddington South (Mean Prospective Resources of 635,000 barrels of oil) and the Louth Prospect (Mean Prospective Resources of 600,000 barrels of oil).

Fiskerton Airfield (Egdon 80%) continued production during the period. Our focus remains on maximising production from the existing wells and managing costs. Longer term, there is potential for the site to be used to manage any produced water from other Egdon sites through the existing water injection well and for potential geothermal repurposing.

Other key near-term projects identified to increase production levels are summarised below.

Waddock Cross (Egdon 55%) is currently shut-in. Given the large in-place oil volume (gross Mean oil in place of c. 57 million barrels of oil) this asset has been high graded by the Company. Egdon's assessment has shown that redevelopment of the field is technically and economically viable and despite the JV partners seeing the asset as non-core, Egdon will progress planning and permitting work with a view to securing regulatory consents by end 2022 ahead of a drilling programme in 2023.

The **Kirkleatham** gas field (Egdon 68%) remains shut-in. Potential exists for a side-track to access a volume of gas in the attic of the structure with additional upside in the underlying Carboniferous sequences. We are currently in advanced discussions regarding a potential farm-out and hope to be able to update shareholders in the near future.

Planning consent was granted on appeal to reinstate production from the **Avington** oil field (Egdon 28%) and the operator is currently finalising plans to reinstate one or more wells on the field.

Exploration/Appraisal

Egdon has assumed the operatorship of **PEDL343,** increasing its interest to 40% and agreeing an extension of the initial term of the licence with the OGA (now North Sea Transition Authority "NSTA") to 20 March 2024 along with an associated retention area work programme. The licence contains the Cloughton tight gas discovery, which flowed gas from a number of different reservoirs when flow tested in 1984. Egdon and its joint venture partners plan to undertake an assessment of both the conventional and unconventional resource potential of the licence area.

On 1 November 2021 planning consent was refused for the drilling of a side-track well, testing and long-term oil production at **Biscathorpe** (Egdon 35.8%). The application had been recommended for approval by Lincolnshire County Council's ("LCC") planning officers. Post period-end, on 12 April 2022, Egdon submitted a comprehensive statement of case in support of its appeal against the decision. We will update shareholders as the appeal process progresses. The proposed side-track would target gross Mean Prospective Resources of 6.50 million barrels of oil as estimated by Egdon.

The application to extend the existing planning permission to drill the **North Kelsey**-1 exploration well was refused by LCC's planning committee on 14 March 2022. The decision was disappointing given the compelling case presented and the positive recommendation of LCC's Planning Officer. Given this, we will bring forward an appeal against this decision during H2 2022. The North Kelsey Prospect (PEDL241: Egdon 50%) is considered an analogue to the Wressle field and has gross Mean Prospective Resources of 6.47 million barrels of oil in multiple reservoirs.

During April 2022, Shell advised Egdon and the NSTA of its decision to withdraw from licences P1929 and P2304, containing the Resolution and Endeavour gas discoveries. Egdon is considering its options, including its ongoing commitment to the licences and will discuss these options with the NSTA ,. Wewill update shareholders our preferred option and the NSTA position is known.

Shale-Gas

The Group's shale-gas acreage position in Northern England is 164,280 net acres (664km^2 net). This remains a significant and potentially highly valuable position with Egdon estimating Mean volumes of undiscovered gas in place of 47.6 trillion cubic feet of gas (independently assessed by ERCE in 2016). Our core area is the Gainsborough Trough of Nottinghamshire, Lincolnshire and Yorkshire where the Group holds interests in 71,361 net acres (2021: 71,361 net acres). The geology of each basin and site is different. The Gainsborough Trough, is characterised by its simple structure and limited faulting. The results from the 2019 Springs Road-1 well (Egdon 14.5%) compare favourably with some of the best US commercial shale operations and highlight a potentially world class resource in the prospective Gainsborough Shale. Activity is currently on pause due to the moratorium on hydraulic fracturing for shale-gas introduced in November 2019.

On 5 April 2022 the Government announced that it had commissioned the British Geological Survey to advise on the latest scientific evidence around shale gas extraction and that it would report in around three months. This review is a logical and welcome move by the Government and we await the findings of the report with interest. Gas heats over 80% of our homes and generates around 40% of our electricity and will continue to be an important part of our energy mix out to 2050 and beyond. UK shale gas could be a strategically important national resource with the potential to reduce the UK's growing reliance on gas imports, whilst reducing gas prices, improving our balance of payments, increasing tax revenues and creating skilled jobs whilst importantly also reducing the carbon footprint of the gas we all use. On this last point, the forecast pre-combustion carbon footprint of UK shale gas is around a quarter of that of liquified natural gas, which is currently being landed in the UK in large volumes.

The industry stands ready to move quickly to establish and ramp-up indigenous gas production should the moratorium be lifted and planning timelines be addressed.

Geothermal, Energy Storage, Hydrogen and Renewables

Egdon has focused on energy transition opportunities which utilise the Company's core skills, knowledge, and operating experience.

Our initial focus has been on the geothermal potential within our existing wells and fields. A programme to plug and abandon the existing Dukes Wood-1 oil well and recomplete it for geothermal heat production has been developed and submitted to the NSTA. It is anticipated that subject to regulatory approval, this work, which is a proof of concept, will commence during 2022. Egdon is working with Creative Geothermal Solutions Limited (CGS) on this and other geothermal opportunities.

Egdon is also currently reviewing a number of opportunities in energy storage, hydrogen and renewable generation and hopes to make progress in relation to these in the coming period.

Outlook

Production guidance for the full financial year 2021-22 is 240 boepd with production during H2 2022 guided at 275-285 boepd.

Operationally, in the short-term we will continue to focus on the key highlighted projects within our conventional portfolio, whilst maintaining our substantial acreage position in the nascent shale-gas play and working with our Industry partners and peers to demonstrate to the regulators that we can operate safely to deliver lower emission UK shale-gas to support the energy transition and provide energy security.

Our key activities and focus for the coming year will be:

- Continuing to optimise oil and gas production from the Ashover Grit reservoir at Wressle, building on the strong performance to date
- Progressing gas monetisation at Wressle
- Finalising plans for development of the material Contingent Resources in the Penistone Flags at Wressle
- Progressing drilling plans to target incremental oil production / near field exploration opportunities at the Keddington oil field and field redevelopment at Waddock Cross
- Securing planning consent via appeal for the Biscathorpe and North Kelsey projects

- Further developing the Company's energy transition opportunities including repurposing of the Dukes Wood-1 well for geothermal heat

As always, I would like to thank our shareholders for their continued support and the unwavering effort of the Egdon team on behalf of shareholders. With both Wressle and Ceres contributing significant cash flow and the recognition by Government of the important role of indigenous oil and gas as part of the energy transition and for security of supply we can look forward with renewed confidence to the future.

Philip Stephens
Chairman
25 April 2022

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 January 2022

	Unaudited Six months ended 31-Jan-22 £'000	Unaudited Six months ended 31-Jan-21 £'000	Audited Year ended 31-July-21 £'000
Revenue	**2,551**	424	1,093
Cost of sales - exploration costs written-off and pre-licence costs	**(19)**	(63)	(206)
Cost of sales – impairments of intangible fixed assets	**-**	(276)	(276)
Cost of sales – impairment reversals of property, plant and equipment	**507**	-	-
Cost of sales – depreciation, excluding impairments	**(526)**	(61)	(85)
Cost of sales – amortisation of right-of-use asset	**(40)**	(56)	(99)
Cost of sales – direct production costs	**(613)**	(473)	(919)
Cost of sales – other, including shut-in fields	**(94)**	(69)	(191)
Total cost of sales	**(785)**	(998)	(1,776)
Gross profit/(loss)	**1,766**	(574)	(683)
Administrative expenses	**(477)**	(469)	(862)
Other operating income	**52**	100	157
	1,341	(943)	(1,388)
Finance income – net investment in sub-lease	**23**	25	50
Finance costs – convertible loans	**-**	(4)	(84)
Finance costs	**(55)**	(20)	(75)
Finance costs – unwinding of decommissioning discount	**(33)**	(30)	(60)
Finance costs – lease liability charge	**(54)**	(67)	(125)
Profit/(loss) before taxation	**1,222**	(1,039)	(1,682)
Taxation	**-**	-	-
Profit/(loss) for the period	**1,222**	(1039)	(1,682)
Other comprehensive income for the period	**-**	-	-
Total comprehensive income for the period attributable to equity holders of the parent	**1,222**	(1,039)	(1,682)
Profit/(loss) per share – note 3			
Basic profit/(loss) per share	**0.24p**	(0.32)p	(0.51)p
Diluted profit/(loss) loss per share	**0.24p**	(0.32)p	(0.51)p

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2022

	Notes	**Unaudited 31-Jan-22 £'000**	Unaudited 31-Jan-21 £'000	Audited 31-Jul-21 £'000
Non-current assets				
Intangible assets	2	**21,240**	21,127	21,241
Property, plant and equipment		**8,932**	8,330	8,719
Right-of-use asset		**567**	671	618
Net investment in sub-lease		**382**	426	385
Total non-current assets		**31,121**	30,554	30,963
Current assets				
Inventory		-	-	-
Trade and other receivables		**1,388**	719	1,085
Cash and cash equivalents	4	**2,084**	2,422	1,960
Total current assets		**3,472**	3,141	3,045
Current liabilities				
Trade and other payables		**(1,174)**	(2,170)	(1,772)
Loans and borrowings	5	**(1,007)**	(962)	(1,008)
Lease liability within one year		**(126)**	(135)	(128)
Total current liabilities		**(2,307)**	(3,267)	(2,908)
Net current assets/(liabilities)		**1,165**	(126)	137
Total assets less current liabilities		**32,286**	30,428	31,100
Non-current liabilities				
Lease liability after one year		**(987)**	(1,112)	(1,013)
Loans and borrowings	5	**-**	(1,020)	-
Provisions		**(2,658)**	(2,638)	(2,669)
Total non-current liabilities		**(3,645)**	(4,770)	(3,682)
Net assets		**28,641**	25,658	27,418
Equity				
Share capital		**17,118**	15,234	17,118
Share premium		**27,513**	26,967	27,513
Share-based payment reserve		**123**	123	123
Convertible debt option reserve		**-**	27	-
Retained deficit		**(16,113)**	(16,693)	(17,336)
		28,641	25,658	27,418

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 31 January 2022

	Unaudited Six months ended 31-Jan-22 £'000	Unaudited Six months ended 31-Jan-21 £'000	Audited Year ended 31-Jul-21 £'000
Cash flows from operating activities			
Profit/(loss) before tax	**1,222**	(1,039)	(1,682)
Adjustments for:			
Depreciation and impairments of non-current assets	**576**	404	594
Impairment reversal of non-current assets	**(507)**	-	-
Increase in decommissioning provision written off to cost of sales	**32**	6	29
Onerous contract provision written off to cost of sales	**-**	119	-
Foreign exchange loss	**1**	-	5
Decrease in inventory	**-**	5	5
(Increase)/decrease in trade and other receivables	**(356)**	1,106	697
Decrease in trade and other payables	**(546)**	(698)	(1,057)
Finance costs	**142**	121	344
Finance income	**(23)**	(25)	(50)
Discount of decommissioning provision	**101**	-	-
Net cash generated from/(used in) operating activities	**642**	(1)	(1,115)
Investing activities			
Payments for exploration and evaluation assets	**(175)**	(164)	(385)
Proceeds from sale of exploration and evaluation assets	**-**	212	210
Purchase of property, plant and equipment	**(231)**	(400)	(719)
Redemption of redeemable preference shares	**-**	-	50
Net cash flow used in capital expenditure and financial investment	**(406)**	(352)	(844)
Financing activities			
Issue of shares	-	-	1,440
Costs associated with issue of shares	-	-	(78)
Proceeds on issue of convertible loan notes-equity element	-	28	-
Costs associated with issue of convertible loan notes-equity element	-	(1)	-
Proceeds on issue of convertible loan notes-debt element	-	1,023	1,051
Costs associated with issue of convertible loan notes-debt element	-	(65)	(67)
Loan drawdown	-	1,000	1,000
Interest paid on loan	**(56)**	-	(67)
Redemption of redeemable preference shares	-	-	(50)
Principal paid on lease liabilities	**(24)**	(15)	(77)
Interest paid on lease liabilities	**(31)**	(42)	(75)
Net cash flow (used in)/generated from financing	**(111)**	1,928	(3,077)
Net increase in cash and cash equivalents	**125**	1,575	1,118
Cash and cash equivalents at the start of the period	**1,960**	847	847
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(1)**	-	(5)
Cash and cash equivalents at the end of the period	**2,084**	2,422	1,960

In the period to 31 January 2022, significant non-cash transactions included the reversal of the impairment to Ceres of £507,000. In the year to 31 July 2021 significant non-cash transactions included the recognition of the decommissioning provision of £80,000 and the convertible loan which was subsequently converted to equity

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 January 2022

	Share capital	Share premium	Share based payment reserve	Convertible debt option reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 July 2020	15,234	26,967	123	-	(15,654)	26,670
Total comprehensive income for the period	-	-	-	-	(1,039)	(1,039)
Issue of convertible loans	-	-	-	27	-	27
Balance as at 31 January 2021	**15,234**	**26,967**	**123**	**27**	**(16,693)**	**25,658**
Total comprehensive income for the period	-	-	-	-	(642)	(642)
Issue of shares	1,152	288	-	-	-	1,440
Share issue costs	-	(78)	-	-	-	(78)
Transfer on conversion of loan notes to equity – debt element	732	374	-	-	-	1,106
Issue costs of convertible loan notes	-	(65)	-	-	-	(65)
Transfer on conversion of loan notes to equity – equity element	-	27	-	(27)	-	-
Balance as at 31 July 2021	**17,118**	**27,513**	**123**	**-**	**(17,335)**	**27,419**
Total comprehensive income for the period					1,222	1,222
Balance as at 31 January 2022	**17,118**	**27,513**	**123**	**-**	**(16,113)**	**28,641**

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 25 April 2022.

Basis of preparation

The financial information set out in this interim report has been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Adoption of new and revised standards

New standards, interpretations and amendments

New standards impacting the Group that have been adopted in the interim financial statements for the six months ended 31 January 2022, but have not had a significant effect on the Group are as follows:

- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7);
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the reporting period beginning 1 August 2023

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

Non-statutory accounts

The financial information set out in this interim report does not constitute the Group's statutory financial statements for that period within the meaning of Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 31 July 2021 have been delivered to the Registrar of Companies. The auditors reported on those financial statements; their report was unqualified and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006. However, in their report on the statutory financial statements for the year ended 31 July 2021, the auditor drew attention, by way of emphasis of matter paragraph, to material uncertainties related to the carrying value of the unconventional assets and the impact of the moratorium on hydraulic fracturing for shale-gas in England.

The financial information for the six months ended 31 January 2022 and 31 January 2021 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 2021.

Going concern

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

Forward cash flows necessarily make assumptions as to the timing and value of cash flows from production at the Group's producing sites. Whilst there is currently no evidence that the timing or value of these revenues is unrealistic, the Directors acknowledge that volatility in both oil and gas prices, well performance uncertainties and realising of amounts invoiced to joint venture partners, give some level of uncertainty in respect of the timing of future cash flows.

The Group also retains options to access additional sources of funding via debt and/or equity to fund certain future activities. Whilst, after having made enquiries of our advisors, there is a high expectation on the part of the Directors that such debt and/or equity will be available in the market as and when required, a level of uncertainty exists in relation to this.

The Group has flexibility in relation to the timing and quantum of future expenditures and will continue to look to balance financial exposure and risk by minimising its exposure to future cash expenditure on existing projects during the coming period.

Impact of the COVID-19 pandemic

The coronavirus pandemic has been a significant national and international public health emergency. The roll-out of vaccinations and advent of effective treatments has reduced the impact of the disease, and all Government restrictions have now been removed. although the virus remains at high levels of infection within the population. Throughout the Period, the primary concern and focus for the Company was the health and safety of our employees, contractors and other stakeholders. Egdon's office-based employees have largely worked from home throughout the Period and we have established procedures and plans to ensure continued safe operations at our sites. We will continue to monitor the situation and act within all Government guidelines, but do not anticipate any adverse impacts to our production operations in the coming period.

2. Impairments

An impairment credit of £506,903 has been recognised in relation to the licence held in Ceres (2021: impairment charge of £276,362 in relation to licences PL161 and PL162). The impairment credit arises due to the improved gas prices being achieved and the impact this has on future forecasts in 2025.

3. Profit/(loss) per share

	Unaudited Six months ended 31-Jan-22 p	Unaudited Six months ended 31-Jan-21 p	Audited Year ended 31-Jul-21 p
Basic	**0.24**	(0.32)	(0.51)
Diluted	**0.24**	(0.32)	(0.51)

The basic profit per share has been calculated on the profit on ordinary activities after taxation of £1.222m (January 2021: loss of £1.039m; July 2021: loss of £1.682m) divided by the weighted average number of ordinary shares in issue of 516,777,031 (January 2021: 328,315,625; July 2021: 331,615,357). The diluted profit per share has been calculated on the profit on ordinary activities after taxation of £1.222m (January 2021: loss of £1.039m; July 2021: £1.682m) divided by the diluted weighted average number of ordinary shares in issue of 516,777,031 (January 2021: 328,315,625; July 2021: 331,615,357).

In all of the reported periods, all share options in issue were excluded as their inclusion would have been anti-dilutive. At the period end, the calculated average share price for the period is lower than the exercise price of the warrants and share options in issue and therefore these potential ordinary shares have not been included for the purposes of calculating the diluted profit per share.

The post year end cancellation and reissue of certain share options has also been considered and is considered to have no impact on the period end diluted profit per share calculation as the option exercise price remains above the average market price of the Company's shares for the period.

4. Cash and cash equivalents

	Unaudited 31-Jan-22 £'000	Unaudited 31-Jan-21 £'000	Audited 31-Jul-21 £'000
Cash at bank at floating interest rates	**494**	1,439	785
Non-interest bearing cash at bank	**1,590**	983	1,174
	2,084	2,422	1,960

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.

5. Loans and borrowings

	Unaudited 31-Jan-22 £'000	Unaudited 31-Jan-21 £'000	Audited 31-Jul-21 £'000
Current			
Other loans	**(1,007)**	(962)	(1,008)
Non-current			
Other loans	**-**	(1,020)	-
	(1,007)	(1,982)	(1,008)

The loan facility held with Union Jack Oil plc is £1,007k. The loan drawn down on 25 November 2020 has an 18 month term with the principal sum payable at the end of the term or in part or in full at any earlier time at the borrower's discretion. Interest accrues on a daily basis on the outstanding loan amount at an interest rate of 11% per annum and is payable quarterly commencing on April 2021. The loan is secured against an unencumbered 25% interest in the Wressle Project (PEDL180, and PEDL182), including the Wressle development project and associated infrastructure.

On 22 January 2021 Egdon announced it had issued £1.051 million of nominal 8% unsecured convertible loan notes with a concert party of Petrichor Holdings BV. The principal amount of the loan was repayable 12 months from the date of issue at its total face value of £1.051 million or converted at any time into shares at the holder's option at the conversion price of 1.55p per share. On 20 July 2021, the convertible loan notes were converted to 73,233,406 New Ordinary 1p shares at an issue price of 1.55p.

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.