27 April 2021 **Embargoed for 7.00am**

EGDON RESOURCES PLC

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

Interim Results for the Six Months Ended 31 January 2021

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 unaudited results for the six months ended 31 January 2021 (“the period”).

Overview and Highlights

Operational and Corporate

- Production during the period was 92 barrels of oil equivalent per day (“boepd”) (H1 2020: 178 boepd) in-line with guidance of 90-100 boepd
- Completion of the farm-outs for the Resolution and Endeavour gas discoveries (P1929 and P2304) to Shell Oil U.K. Limited
- Deferral of the Resolution 3-D seismic survey to February 2022
- Planning consent extended to 31 December 2021 for the drilling of North Kelsey-1 (PEDL241)
- PEDL143 Licence was relinquished
- Commencement of free-flow test production at Wressle following safe and successful operations to recomplete and reperforate the Ashover Grit reservoir interval

Financial Performance

- Oil and gas revenues during the period of £0.424 million (H1 2020: £0.675 million) as a result of declining production and weaker prices
- Loss of £0.763 million (H1 2020: £1.044 million) before impairments
- Overall loss for the period of £1.039 million including £0.276 million of impairments (H1 2020: loss of £3.235 million, £2.191 of impairments)
- Cash and cash equivalents of £2.422 million (H1 2020: £0.781 million)
- Net current liabilities as at 31 January 2021 of £0.126 million, which includes liability for £0.962 million convertible loan (H1 2020: £Nil) and £0.417 million deferred consideration for Wressle (H1 2020: net current assets of £0.370 million; including liability for Wressle deferred consideration of £0.417 million)
- Net Assets at 31 January 2021 of £25.658 million (H1 2020: £27.812 million)
- £1 million loan facility secured with Union Jack Oil plc
- £1.051 million convertible loan notes issued following approval at a General Meeting in January 2021

Subsequent Events

- On 26 February 2021, Egdon submitted a planning application for a side-track drilling operation, associated testing and long-term oil production at the Biscathorpe-2 well site
- On 23 April 2021, a memorandum of understanding was executed with Creative Geothermal Solutions Limited ("CGS") to progress geothermal projects within Egdon's existing portfolio and to look at wider opportunities

Outlook

- Production guidance for the full year of 110-130 boepd.(2020: 145 boepd)

Our key operational focus for the coming period will be:

- Progressing the proppant squeeze at the Wressle oil field to attain target production of 150 boepd net to Egdon
- Securing planning consent for the Biscathrope-2Z side-track, testing and long-term production
- Progressing a farm-out of North Kelsey-1 and Biscathorpe-2Z with a view to drilling during 2021-22
- Progressing the acquisition of the planned 3-D seismic survey over the Resolution and Endeavour gas discoveries in February 2022
- Progressing drilling plans to target incremental oil production / near field exploration opportunities at the Keddington oil field and field redevelopment at Waddock Cross
- Developing a detailed plan for geothermal repurposing of either or both of the Dukes Wood and Kirklington wells.
- Subject to lifting of the current moratorium on hydraulic fracturing operations for shale-gas, progressing plans for further testing of our extensive Gainsborough Trough unconventional resources assets

Online Presentation

The Interim Results and Business Update presentation is available on the Egdon website: www.egdon-resources.com

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

"*The most significant event during the period was the completion of site and recompletion works and commencement of oil flows at Wressle. We continue to await consent to proceed with the proppant squeeze in order to bring production up to the expected level of 500 bopd which will have a meaningful impact on our production and cash flow. Additionally during the period, the Company completed refinancing arrangements providing working capital to pursue our key objectives. We continue to proactively screen new low carbon Energy Transition opportunities, and are pleased to have announced an initial MoU to explore the possibilities for geothermal repurposing of some of our existing assets. We look forward to pursuing our revised strategy in the context of an improving operating backdrop compared to the last 12 months*."

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About Egdon

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

Egdon holds interests in 41 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).

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.

Chairman's Statement

I can report on the results for the six months ended 31 January 2021, a period which has seen continuing challenges for individuals and businesses due to ongoing restrictions imposed in response to the COVID-19 pandemic.

During this time, the primary focus and concern of the Company has remained, the health and safety of our employees, contractors, and other stakeholders. Egdon's office-based employees have continued to work from home and our production and site operations have remained largely unaffected due to the established procedures and plans in place to ensure social distancing and continued safe operation.

Commodity prices have improved during the period as worldwide economic activity levels have increased. However, we continue to take a prudent approach and continue to implement measures to reduce our costs, with all employees and Directors continuing to take a temporary 20% salary reduction and by maintaining a strong focus on cost-control across our business.

Notwithstanding the significant headwinds encountered, we have continued to make progress with a number of key projects and plan to be in a position to benefit and grow as the UK and world economy emerges from lockdown.

Key Events

Key events during the period were;

- Production during the period was 92 boepd (2020: 178 boepd) in-line with guidance of 90-100 boepd. Production was from the Ceres gas field, the Keddington and Fiskerton Airfield oil fields and briefly on 30 January 2021, from the recompleted and newly developed Wressle oil field.
- Completion in August 2020 of the farm-out of the Resolution and Endeavour gas discoveries (P1929 and P2304) to Shell Oil U.K. Limited ("Shell") and agreed licence extensions and new work programme obligations with the Oil and Gas Authority ("OGA").
- The planned 3-D seismic survey over the Resolution and Endeavour gas discoveries, originally planned for February 2021 has been deferred to February 2022, subject to final regulatory approval.
- Planning consent for the drilling of North Kelsey-1 (PEDL241) was extended to 31 December 2021 and a farm-out process has commenced for North Kelsey-1 and Biscathorpe-2Z.
- PEDL143 (Holmwood) was relinquished during September 2020 as a viable well site from which to drill the well, could not be found.
- Refinancing of the business via a £1 million loan facility with Union Jack Oil plc and the issue of £1.05 million convertible loan notes with a concert party of Petrichor Holdings BV following shareholder approval at a General Meeting held on 22 January 2021.
- Recompletion and reperforation operation safely and successfully completed on the Wressle Ashover Grit reservoir ahead of first oil flows on 30 January 2021. The well is undergoing an Extended Well Test (EWT) ahead of the planned proppant squeeze.
- Post-period, a planning application supported by a comprehensive environmental statement was submitted for the drilling of a side-track well, well-testing and long-term production at Biscathorpe.

Financial and Statutory Information

Revenue from oil and gas production during the period was £0.424 million (H1 2020: £0.675 million).

The Group recorded a net loss of £1.039 million for the period, (H1 2020: loss of £3.235 million). This included write-downs of £0.276 million due to the lapse of the farm-out agreement for PL161/162 (H1 2020: including impairments totalling £2.191 million). The operating loss before impairments was £0.763 million (H1 2020: £1.044 million).

The Group continues to focus on managing cash resources and at the end of the period had cash and cash equivalents of £2.422 million (2020: £0.781 million) and net current liabilities of £0.126 million (2020: net current assets of £0.370 million). The net current liabilities includes £0.962 million convertible loan, which is expected to convert into shares at 1.55p per share and £0.417 million deferred consideration for Wressle.

The loss per share for the period was 0.32p (H1 2020: loss of 1.07p).

During the period the Company secured a £1 million loan facility with Union Jack Oil plc and issued £1.05 million of convertible loan notes, convertible at 1.55p per share. with a concert party of Petrichor Holdings BV following shareholder approval at a General Meeting held on 22 January 2021.

Strategy

The Board has undertaken a review of the Company's existing strategy in light of the opportunities and challenges presented by the economic and political environment and the UK's move to Net Zero carbon emissions by 2050. A key element of this review has focused on energy transition opportunities which utilise the Company's core skills, knowledge, and operating experience. We have updated the Company's strategy as follows;

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

We have already made progress in respect of the revised strategy with the signing of an MoU with CGS to progress geothermal energy opportunities within our portfolio as discussed further below.

The Board also recognise the need to minimise emissions from our operations and are committed to using the best available techniques approach to achieve this.

Political and Regulatory

Egdon was adversely impacted in November 2019 by the Government's imposition of a moratorium on high volume hydraulic fracturing for shale-gas. Egdon along with its industry peers continues to be committed to working closely with the OGA and other regulators to look to demonstrate that we can operate safely and in an environmentally responsible manner, and we remain hopeful of doing so by adopting a rigorous scientific approach. Each basin and site is different and the Gainsborough Trough, where Egdon holds its core licences, is characterised by its simple structure and limited faulting.

The UK is committed by law to reaching Net Zero carbon emissions by 2050. The public narrative around this tends to be the demonisation of oil and gas with renewables fully displacing the use of fossil fuels. However, the Climate Change Committee ("CCC") in its December 2020 report again highlighted the need for an energy mix in the UK. It is a fact that in the period to 2050 the UK cannot rely on renewables alone for all energy needs and that there will be a continuing need for oil and gas.

The UK would continue to have a gas import dependency under most scenarios in the period to 2050 and beyond. The results of various studies demonstrate that UK sourced shale-gas would have significantly lower (up to 75% lower) pre-combustion carbon emissions than gas imported via LNG or long-distance pipelines. UK shale-gas could be an important part of the energy transition to the UK moving to a Net Zero economy. The national and local benefits of an indigenous supply of shale-gas are clearly evident and even more compelling in the context of a post-COVID-19 recovery, with a positive impact on the balance of payments, tax, business rates and employment. Without indigenous shale-gas, the UK will simply offshore its emissions, employment, and fiscal benefits.

Asset Portfolio

Egdon holds interests in 41 licences (2020: 44 licences) in the UK at the period end 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. The Company will maintain its current focus on the highest potential projects whilst divesting certain non-core assets.

Production

Production during the period was 92 boepd, from Ceres, Keddington and Fiskerton Airfield, with Wressle contributing from the last days of January 2021. Key near-term projects identified to increase production levels are summarised below.

Excellent progress has been made during the period at the Wressle oil field development, culminating in commencement of oil flows at the end of January following installation of surface facilities and a safe and successful recompletion and reperforation of the Ashover Grit reservoir. The well is currently undergoing test production and clean-up with produced oil exported to the Phillips 66 Humber refinery. The results to date are in line with expectation and we look forward to receipt of consents for the next stage of operations. When on full production, Wressle-1 is projected to produce at an initial gross rate of 500 bopd, adding a net 150 bopd to Egdon's production. The Wressle Field has been independently audited (2016 Competent Person's Report ("CPR") ERCE) with gross 2P Reserves of 0.62 million barrels of oil ("mmbo") and 2C Resources of 1.53 mmbo.

The Keddington oil field continues to produce from one well at a gross rate of c.25 bopd (2020: 26 bopd). A detailed sub-surface review of the Keddington oil field and the surrounding licence area (PEDL005 (Remainder): Egdon 45%) has highlighted that gross Mean Contingent Resources of 567,000 bbls remain to be produced. This presents an opportunity to increase production via a development side-track for which planning is already in place. In addition, a near-field exploration opportunity exists at Keddington South, which has a gross Mean Prospective Resource Volume of 635,000 barrels of oil and the Louth Prospect, with a gross Mean Prospective Resource of 600,000 barrels of oil.

The Waddock Cross oil field (PL090: Egdon 55%) is currently shut-in. Independent reservoir modelling shows that a new horizontal well on the field could yield commercial oil production (500-800 bopd). Further work is ongoing to finalise a forward plan for redevelopment of the field. Given the large in place oil volume (Mean STOIIP: ca. 57 mmbls) this has been high graded by the Company as planning consent and facilities are in place to test this significant opportunity.

Exploration/Appraisal

The portfolio of conventional resource assets provides potential for growth via exploration and appraisal drilling and the Company continues to progress those opportunities that offer maximum impact. The pace of exploration drilling activity is in part dependent upon successful farm-outs as the Company carefully looks to balance financial exposure and technical risk. Key projects for the coming period are summarised below.

Egdon completed the farm-out Agreement with Shell U.K. Limited ("Shell") in relation to UK offshore licences P1929 and P2304 which contain the Resolution and Endeavour gas discoveries respectively (Egdon 30%). A Competent Person's Report (Schlumberger Oilfield UK PLC) has reported Mean Contingent Gas Resources of 231 billion cubic feet of gas ("bcf") attributable to the Resolution gas discovery with Egdon estimating that the Endeavour gas discovery contains Mean Contingent Resources of 18 bcf. We now look forward to the acquisition of a proprietary 3-D seismic survey across both discoveries, which is planned for February 2022, subject to final OGA approval of an extension to the licence obligations. We are encouraged by the recent news that Shell and Deltic have committed to the drilling of the nearby Pensacola Prospect in 2022 which will test the same play.

Evaluation of the results of the Biscathorpe-2 well, together with the reprocessing of 264 square kilometres of 3-D seismic data (PEDL253: Egdon 35.8%) identified a possible material and commercially viable hydrocarbon resource remaining to be tested. A planning application was submitted during February 2021 for side-track drilling, testing and long-term production. Subject to planning consent, the side-track will target the Dinantian Carbonate, where a 68 metre oil column was discovered in Biscathorpe-2 with gross Mean Prospective Resources of 2.55 million barrels of oil (mmbo) has been assessed, overlain by the Basal Westphalian Sandstone, where gross Mean Prospective Resources of 3.95 mmbo have been estimated by Egdon. Screening conducted by Egdon indicates break-even full cycle economics to be US$18.07 per barrel with an NPV (10) valuation of £55.60 million. A joint farm-out process is currently ongoing.

The North Kelsey Prospect (PEDL241: Egdon 50%) has Mean Prospective Resources of 6.47 million barrels. Planning consent has been extended to 31 December 2021 and Egdon and Union Jack Oil plc have completed the alignment of equity on a 50:50 basis. A joint farm-out process is currently underway.

Partly dependent upon securing farm-outs on PEDL253 and PEDL241, and receipt of planning consent, Egdon hopes to drill a side-track at Biscathorpe and a new well on the North Kelsey prospect during 2021 - 2022.

Unconventional Resources

The Group's unconventional resources 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 GIIP of 47.6 TCF (independently assessed by ERCE in 2016).

Although Egdon holds material interests in a number of key prospective geological basins, our core area is the Gainsborough Trough of Nottinghamshire, Lincolnshire and Yorkshire where the Group holds interests in 71,361 net acres (2020: 82,000 net acres). Here, 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 Gainsborough Shale.

Activity is currently on pause due to the moratorium on hydraulic fracturing for shale-gas introduced in November 2019. Egdon remains optimistic in being able to demonstrate that hydraulic fracturing for shale-gas in the basins where we operate, can be undertaken in a safe and environmentally responsible manner and will justify a lifting of the hydraulic fracturing moratorium. Activity levels will therefore be on a care and maintenance basis during the coming period.

Energy Transition Opportunities

Utilising the core skills, knowledge, and operating experience available within the Company, we have undertaken an initial review of the geothermal potential within our existing wells and fields. A number of these have been identified as having potential. The review highlighted an anomalously high geothermal gradient in the area of our shut-in wells at the Dukes Wood and Kirklington oil fields making these wells initial potential candidates for repurposing for geothermal heat production. During the period we have extended the planning consent to retain the existing Kirklington site whilst detailed feasibility studies are completed, and the regulatory aspects are further explored.

To facilitate progress in relation to geothermal energy opportunities we have signed a memorandum of understanding (MoU) with Creative Geothermal Solutions Limited (CGS). CGS are a team of highly experienced engineers and service providers who will work jointly with Egdon and our partners to progress these opportunities.

Outlook

Production guidance for the full financial year 2020-21 is 110-130 boepd although the timing of the proppant squeeze treatment at Wressle may impact this.

Operationally, in the short-term we will continue to focus on 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.

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

- Progressing the proppant squeeze at the Wressle oil field to attain target production of 150 boepd net to Egdon
- Securing planning consent for the Biscathrope-2Z side-track, testing and long-term production
- Progressing a farm-out of North Kelsey-1 and Biscathorpe-2Z with a view to drilling during 2021-22
- Progressing the acquisition of the planned 3-D seismic survey over the Resolution and Endeavour gas discoveries in February 2022
- Progressing drilling plans to target incremental oil production / near field exploration opportunities at the Keddington oil field and field redevelopment at Waddock Cross
- Developing a detailed plan for geothermal repurposing of either or both of the Dukes Wood and Kirklington wells
- Subject to lifting of the current moratorium on hydraulic fracturing operations for shale-gas, progressing plans for further testing of our extensive Gainsborough Trough unconventional resources assets

As always, I would like to thank our shareholders for their continued patience and support and the unwavering effort of the Egdon team on behalf of shareholders through the current highly challenging times.

Philip Stephens
Chairman
26 April 2021

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 January 2021

	Unaudited Six months ended 31-Jan-21 £'000	Unaudited Six months ended 31-Jan-20 £'000	Audited Year ended 31-July-20 £'000
Revenue	**424**	675	964
Cost of sales - exploration costs written-off and pre-licence costs	**(63)**	(95)	(194)
Cost of sales – impairments of intangible fixed assets	**(276)**	(528)	(1,172)
Cost of sales – impairments of property, plant and equipment	**-**	(1,663)	(1,663)
Cost of sales – depreciation, excluding impairments	**(61)**	(45)	(100)
Cost of sales – amortisation of right-of-use asset	**(56)**	(36)	(63)
Cost of sales – direct production costs	**(473)**	(737)	(1,216)
Release of Ceres contract asset	**-**	(100)	(100)
Cost of sales – other, including shut-in fields	**(69)**	(90)	(188)
Total cost of sales	**(998)**	(3,294)	(4,696)
Gross loss	**(574)**	(2,619)	(3,732)
Administrative expenses	**(469)**	(576)	(956)
Other operating income	**100**	21	61
	(943)	(3,174)	(4,627)
Finance income	**-**	1	1
Finance income – net investment in sub-lease	**25**	21	47
Finance costs – convertible loans	**(4)**	-	-
Finance costs	**(20)**	-	-
Finance costs – unwinding of decommissioning discount	**(30)**	(28)	(56)
Finance costs – lease liability charge	**(67)**	(55)	(113)
Loss before taxation	**(1,039)**	(3,235)	(4,748)
Taxation	**-**	-	-
Loss for the period	**(1,039)**	(3,235)	(4,748)
Other comprehensive income for the period	**-**	-	-
Total comprehensive income for the period attributable to equity holders of the parent	**(1,039)**	(3,235)	(4,748)
Loss per share – note 3			
Basic loss per share	**(0.32)p**	(1.07)p	(1.53)p
Diluted loss per share	**(0.32)p**	(1.07)p	(1.53)p

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2021

	Notes	**Unaudited 31-Jan-21 £'000**	Unaudited 31-Jan-20 £'000	Audited 31-Jul-20 £'000
Non-current assets				
Intangible assets	2	**21,127**	21,642	21,451
Property, plant and equipment		**8,330**	8,090	7,986
Right-of-use asset		**671**	584	709
Net investment in sub-lease		**426**	414	403
Total non-current assets		**30,554**	30,730	30,549
Current assets				
Inventory		**-**	-	5
Trade and other receivables		**719**	1,588	1,832
Cash and cash equivalents	4	**2,422**	781	847
Total current assets		**3,141**	2,369	2,684
Current liabilities				
Trade and other payables		**(2,170)**	(1,886)	(2,868)
Loans and borrowings	5	**(962)**	-	-
Lease liability within one year		**(135)**	(113)	(149)
Total current liabilities		**(3,267)**	(1,999)	(3,017)
Net current (liabilities)/assets		**(126)**	370	(333)
Total assets less current liabilities		**30,428**	31,100	30,216
Non-current liabilities				
Lease liability after one year		**(1,112)**	(844)	(1,068)
Loans and borrowings	5	**(1,020)**	-	-
Provisions		**(2,638)**	(2,444)	(2,478)
Total non-current liabilities		**(4,770)**	(3,288)	(3,546)
Net assets		**25,658**	27,812	26,670
Equity				
Share capital		**15,234**	14,984	15,234
Share premium		**26,967**	26,742	26,967
Share-based payment reserve		**123**	123	123
Convertible debt option reserve		**27**	-	-
Retained deficit		**(16,693)**	(14,037)	(15,654)
		25,658	27,812	26,670

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 31 January 2021

	Unaudited Six months ended 31-Jan-21 £'000	Unaudited Six months ended 31-Jan-20 £'000	Audited Year ended 31-Jul-20 £'000
Cash flows from operating activities			
Loss before tax	**(1,039)**	(3,235)	(4,748)
Adjustments for:			
Depreciation and impairments of non-current assets	**404**	2,282	3,017
Increase in decommissioning provision written off to cost of sales	**6**	-	2
Onerous contract provision written off to cost of sales	**119**	-	-
Gain on disposal of fixed assets	**-**	-	(5)
Foreign exchange loss	**-**	-	13
Decrease/(Increase) in inventory	**5**	-	(5)
Decrease/(increase) in trade and other receivables	**1,106**	86	(103)
(Decrease)/increase in trade and other payables	**(698)**	508	1,491
Finance costs	**121**	83	169
Finance income	**(25)**	(22)	(48)
Share based remuneration charge	**-**	9	9
Net cash flow used in operating activities	**(1)**	(289)	(208)
Investing activities			
Finance income	**-**	1	1
Payments for exploration and evaluation assets	**(164)**	(390)	(842)
Proceeds from sale of exploration and evaluation assets	**212**	-	-
Purchase of property, plant and equipment	**(400)**	(82)	(59)
Sale of property, plant and equipment	**-**	-	31
Net cash flow used in capital expenditure and financial investment	**(352)**	(471)	(869)
Financing activities			
Issue of shares	**-**	-	500
Costs associated with issue of shares	**-**	-	(25)
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**	-	-
Costs associated with issue of convertible loan notes - debt element	**(65)**	-	-
Proceeds from loans acquired	**1,000**	-	-
Principal paid on lease liabilities	**(15)**	(42)	(91)
Interest paid on lease liabilities	**(42)**	(35)	(65)
Net cash flow generated from financing	**1,928**	(77)	319
Net increase/(decrease) in cash and cash equivalents	**1,575**	(837)	(758)
Cash and cash equivalents at the start of the period	**847**	1,618	1,618
Effects of exchange rate changes on the balance of cash held in foreign currencies	**-**	-	(13)
Cash and cash equivalents at the end of the period	**2,422**	781	847

In the period to 31 January 2021, there were no significant non-cash transactions. In the year to 31 July 2020 significant non-cash transactions included the recognition of a right of use asset and a lease liability on implementation of IFRS 16.

EGDON RESOURCES PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 January 2021

	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 2019	14,984	26,742	114	-	(10,846)	30,994
Effect of adoption of IFRS 16	-	-	-	-	44	44
1 August 2019 as restated	14,984	26,742	114	-	(10,802)	31,038
Total comprehensive income for the period	-	-	-	-	(3,235)	(3,235)
Share based payment	-	-	9	-	-	9
Balance as at 31 January 2020	**14,984**	**26,742**	**123**	**-**	**(14,037)**	**27,812**
Adjustment to effect of adoption of IFRS 16					(104)	(104)
Total comprehensive income for the period	-	-	-	-	(1,513)	(1,513)
Issue of shares	250	250	-	-	-	500
Share issue costs	-	(25)	-	-	-	(25)
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**

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 26 April 2021.

Basis of preparation

The financial information set out in this interim report has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The "requirements of the Companies Act 2006" here means accounts being prepared in accordance with "international accounting standards" as defined in section 474(1) of that Act, including where the Company also makes use of standards which have been adopted for use within the United Kingdom in accordance with regulation 1(5) of the International Accounting Standards and European Public Limited Liability Company (Amendment etc.) (EU Exit) Regulations 2019.

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 2021, but have not had a significant effect on the Group are as follows:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Disclosure Initiative - Definition of Material); and
- Revisions to the Conceptual Framework for Financial Reporting.
- Definition of a Business (Amendments to IFRS 3);
- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7); and
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

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 period beginning 1 July 2022:

- 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).

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 2020 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 2020, the auditor drew attention to the material uncertainty regarding the Group's ability to continue as a going concern. Additionally, the auditor drew attention, by way of emphasis of matter paragraphs, 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 2021 and 31 January 2020 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 2020.

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 plans 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 represents a significant national and international public health emergency. The primary concern and focus for the Company is the health and safety of our employees, contractors and other stakeholders. In this regard, Egdon's office-based employees have been working from home since March 2020 and will continue to do so until government guidance changes.

At our well sites we have established procedures and plans to ensure continued safe operations are maintained in full compliance with existing Government regulations and guidelines. We will continue to monitor the situation and act within Government guidelines as matters develop, but at this stage do not anticipate any adverse impacts to our production operations.

We do not anticipate that COVID-19 will have a significant negative impact on the cash flow position of the Group, and therefore on its ability to continue to operate as a going concern.

2. Impairments - Intangibles

An impairment charge of £276,362 has been recognised in relation to licences PL161 and PL162. The impairment arises as these licenses are no longer deemed to have value following the lapse of the related farm-out.

3. Loss per share

	Unaudited Six months ended 31-Jan-21 p	Unaudited Six months ended 31-Jan-20 p	Audited Year ended 31-Jul-20 p
Basic	**(0.32)**	(1.07)	(1.53)
Diluted	**(0.32)**	(1.07)	(1.53)

The basic loss per share has been calculated on the loss on ordinary activities after taxation of £1.039m (January 2020: £3.235m; July 2020: £4.748m) divided by the weighted average number of ordinary shares in issue of 328,315,625 (January 2020: 303,315,625; July 2020: 309,822,474). The diluted loss per share has been calculated on the loss on ordinary activities after taxation of £1.039m (January 2020: £3.235m; July 2020: £4.748m) divided by the diluted weighted average number of ordinary shares in issue of 328,315,625 (January 2020: 303,315,625; July 2020: 309,822,474). 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-21 £'000	Unaudited 31-Jan-20 £'000	Audited 31-Jul-20 £'000
Cash at bank at floating interest rates	**1,439**	126	716
Restricted cash at bank	**-**	208	-
Non-interest bearing cash at bank	**983**	447	131
	2,422	781	847

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.

The January 2020 balance for Restricted cash at bank represented funds held in escrow accounts under arrangements relating to decommissioning and similar obligations at Keddington. Agreements renegotiated in 2020 have resulted in no ongoing requirement to hold these amounts in escrow and balances previously disclosed as Restricted cash at bank are now shown with Cash at bank.

5. Loans and borrowings

	Unaudited 31-Jan-21 £'000	Unaudited 31-Jan-20 £'000	Audited 31-Jul-20 £'000
Current			
Convertible debt	**(962)**	-	-
Non-current			
Other loans	**(1,020)**	-	-
	(1,982)	-	-

Current loans

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. Interest accrues daily and is payable annually. The principal amount of the loan is repayable 12 months from the date of issue at its total face value of £1.051 million or can be converted at any time into shares at the holder's option at the conversion price of £0.0155 per share. Accrued, but unpaid interest may be either settled in cash or converted at the time of conversion.

As the conversion feature results in the conversion of a fixed amount of stated principal into a fixed number of shares, it satisfies the 'fixed for fixed' criterion and, therefore, it is classified as an equity instrument.

The value of the liability component and the equity conversion component were determined at the date the instrument was issued.

The fair value of the liability component, included in current borrowings, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 11%.

Non-current loans

On 26 November 2020 Egdon announced that it had entered into a £1 million loan facility with Union Jack Oil plc. The loan has an 18 month term with the principal sum payable at 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 the earlier of the quarter following first production or 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.

6. Dividend

The Directors do not recommend payment of a dividend.

7. Subsequent events

On 26 February 2021, Egdon submitted a planning application for a side-track drilling operation, associated testing and long-term oil production at the Biscathorpe-2 well site

On 23 April 2021, a memorandum of understanding was executed with Creative Geothermal Solutions Limited ("CGS" to progress geothermal projects within Egdon's existing portfolio and to look at wider opportunities

8. Publication of the Interim Report

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