



Egdon Resources plc

**Unaudited Results for the six months
ended 31 January 2019**

Egdon at a Glance

UK Licences

44

Production **

164

boepd

Unconventional
GIIP

51

TCF

Prospective
Unconventional

187,000

acres

Net Cash*

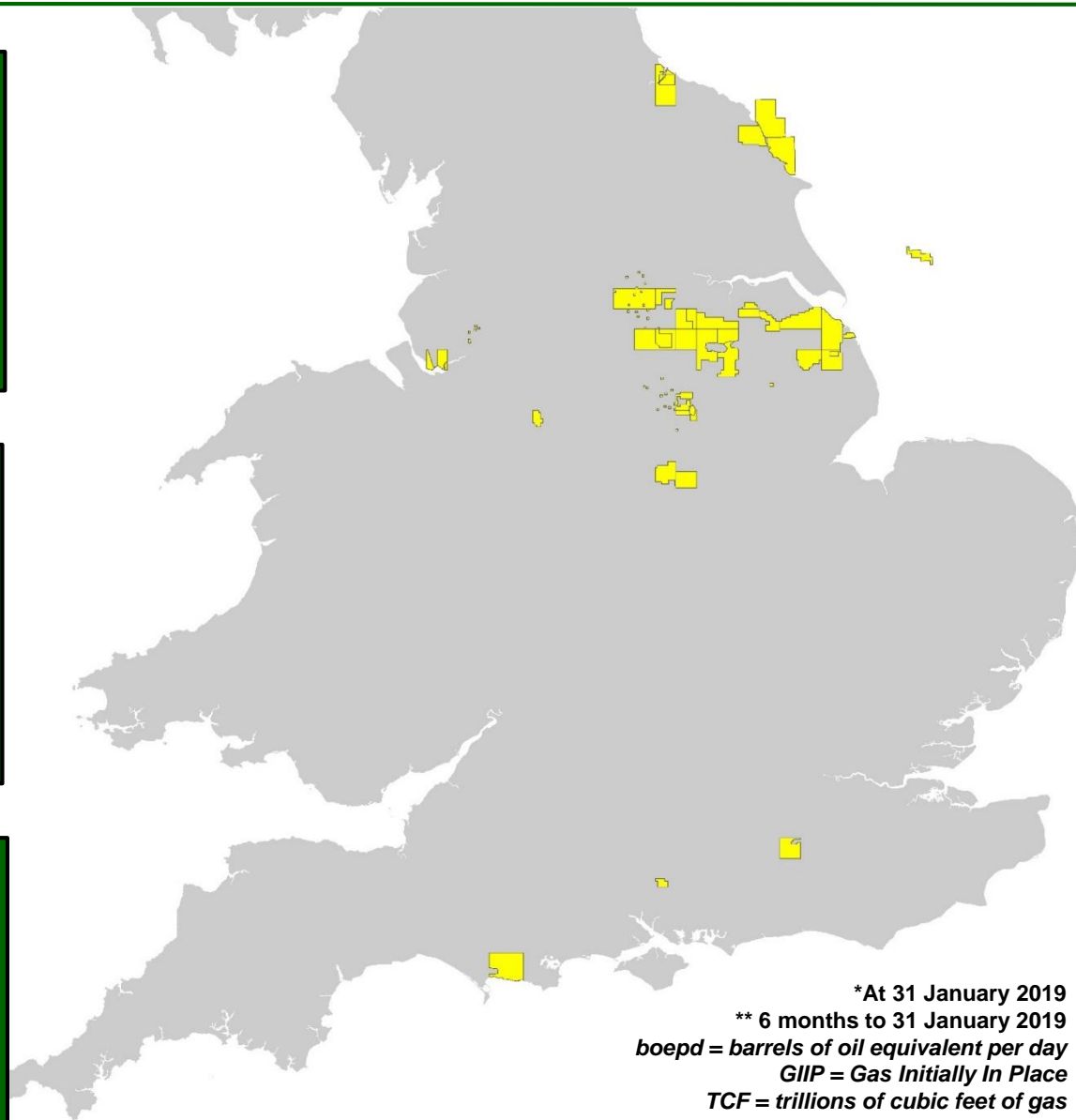
1.8

£ million

Shares in Issue

c.260

million



*At 31 January 2019

** 6 months to 31 January 2019

boepd = barrels of oil equivalent per day

GIIP = Gas Initially In Place

TCF = trillions of cubic feet of gas

Interim Results

31 January 2019

Progress During the Period

Egdon has delivered against its strategic targets during the period:

- **Delivering a significant increase in production and revenues in line with guidance**
- **Been operationally active with drilling at Biscathorpe-2**
- **Drilled the successful play opening well at Springs Road-1 in the Gainsborough Trough**
- **Completed a CPR on the Resolution gas discovery and continued farm-out efforts**
- **Continued to address the challenges of the operating environment in relation to planning and consenting at Wressle**
- **Maintained financial discipline**

Three key near-term strategic objectives to deliver shareholder value		Status/Progress
UK Unconventional Resources	➤ De-risking our substantial Northern England unconventional resource portfolio	<ul style="list-style-type: none"> • One of few listed UK investment opportunities • Achieved significant growth in acreage and GIIP • Highly successful first well at Springs Road • Positive news from Preston New Road & Tinker Lane
Conventional Resources Exploration and Appraisal	➤ adding additional reserves/revenues through an active drilling programme whilst managing risk and financial exposure through farm-out	<ul style="list-style-type: none"> • Operated drilling at Biscathorpe-2, Q1 2019 • Marine 3D seismic planned for H2 2019* • North Kelsey-1 H2 2019/2020*
Production	➤ a continued focus on maximising production rates, revenues and profitability from existing producing assets through targeted investment	<ul style="list-style-type: none"> • Ceres production delivered increased group production • Appeal to be heard at public inquiry for Wressle development

Moving forward we further aim to divest non-core assets to focus on the highest potential projects

Operational and Corporate Highlights

- **Gross production for the period increased by 67% to 30,026 boe (164 boepd) (H1 2018: 17,962 boe; 98 boepd)**
- **Production restarted from Ceres - October 2018**
- **Commencement of drilling at Biscathorpe-2 (38.5%) and Springs Road-1 (14.5% carried interest) - January 2019**
- **Current planning consent at Wressle extended to 24 January 2020 following successful appeal**
- **Submission of planning appeal for revised Wressle development following refusal of planning consent on 28 November 2018**

Financial Highlights

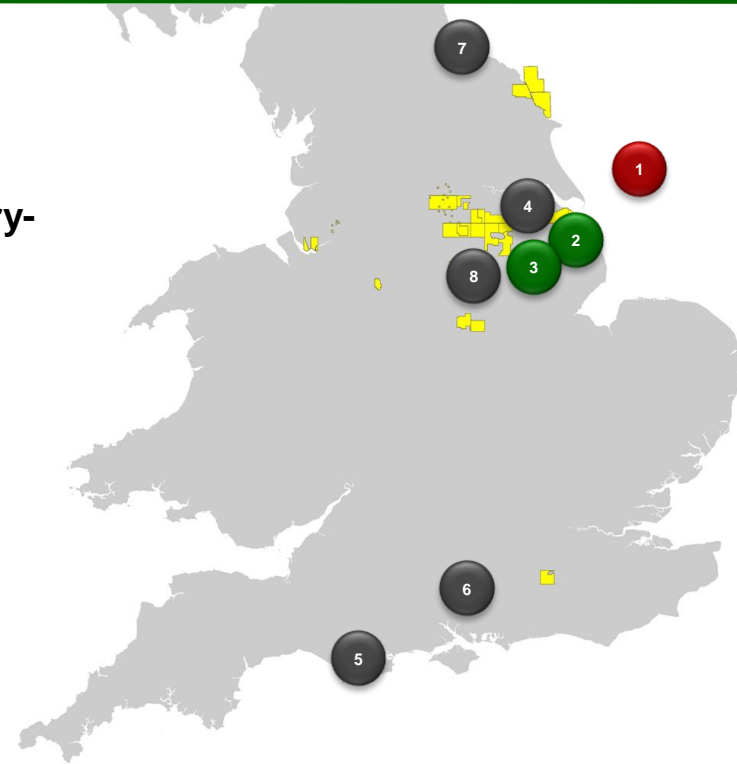
- **Gross oil and gas revenues increased by 88% to £1.2 million (H1 2018: £0.64 million)**
- **Loss for the period £0.72 million (H1 2018: loss of £0.85 million)**
- **Net current assets as at 31 January 2019 £2.35 million (H1 2018: £5.08 million)**
- **Cash and cash equivalents £1.78 million (H1 2018: £4.10 million)**
- **No debt (H1 2018: Nil)**

Post-Period Update

- **Average production January-March 2019 of 240 boepd (January-March 2018: 79 boepd)**
- **Completion of Springs Road-1 - March 2019**
 - **The well encountered all three pre-drill targets with a reported hydrocarbon bearing shale sequence of over 250 metres in the Bowland Shale and significant gas indications within the Millstone Grit sequence, deeper parts of the lower Bowland Shale and the Arundian Shale**
- **Biscathorpe-2 drilling operations completed - February 2019**
 - **The primary target was poorly developed and the well has been suspended for a potential future sidetrack**
- **Competent Person's Report published for Resolution - mean contingent resources volume of 231 bcf**

Production

- 164 boepd average daily production for the period (H1 2018 – 98 boepd)
- January-March average 2019 production = 240 boepd (January-March 2018: 79 boepd)
- Production from the Ceres⁽¹⁾, Keddington⁽²⁾ and Fiskerton Airfield⁽³⁾ fields
- Restart of Ceres production in October 2018 following installation of new flow meter
- Full Year Production Guidance = 170-180 boepd
- Public inquiry during 2019 for Wressle⁽⁴⁾ field development
- Shut-in fields (Waddock Cross⁽⁵⁾, Avington⁽⁶⁾, Kirkleatham⁽⁷⁾, Duke Wood/Kirklington⁽⁸⁾) being assessed for production restart/investment



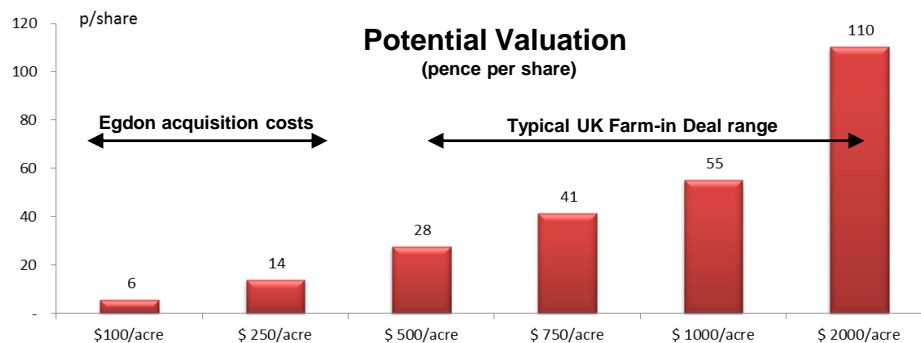
Production - Wressle Development

- **Wressle – (EDR 30%) Gross 2P Reserves 0.62 mmbo and 2C Resources 1.53 mmbo**
- **Initial Production rate of c. 500 bopd (150 bopd Net Egdon)**
- **Site investigation boreholes and deeper cored boreholes acquired = revised site design and hydrogeological risk assessment = 2018 revised development application**
- **Planning application refused in November 2018 despite recommendation for approval supported by specialist independent third party report for North Lincs Council**
- **Planning appeal submitted 1 February 2019 = awaiting dates for public inquiry but expected Q3 2019**
- **Egdon's inquiry team will be QC led**
- **Current planning at Wressle site extended to 24 January 2020 following successful appeal**

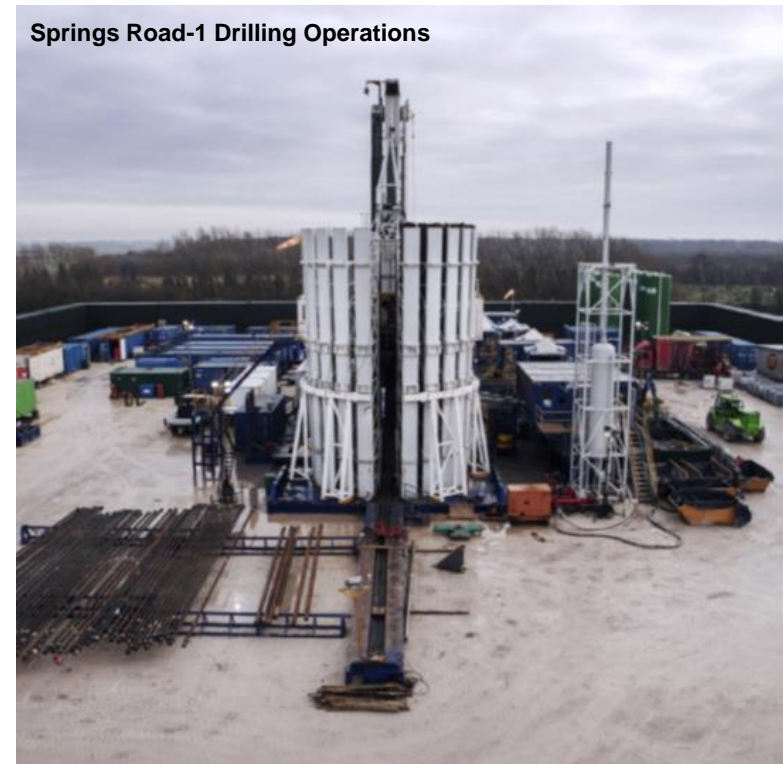


Unconventional Resources – Strategy, Assets & Performance

- Since 2014 delivered growth in acreage (180%) and GIIP (232%) (186,625 acres, 51 TCF GIIP)
- Potential for significant impact on share price as plays are de-risked
- 2018/2019 has seen important and encouraging news flow for sector
- Cuadrilla: Preston New Road hydraulic fracturing and testing = first UK shale gas production
- IGas: Positive results from Tinker Lane-1 – shale with high gas saturations
- IGas: Springs Road-1 reached TD March 2019 – very positive results

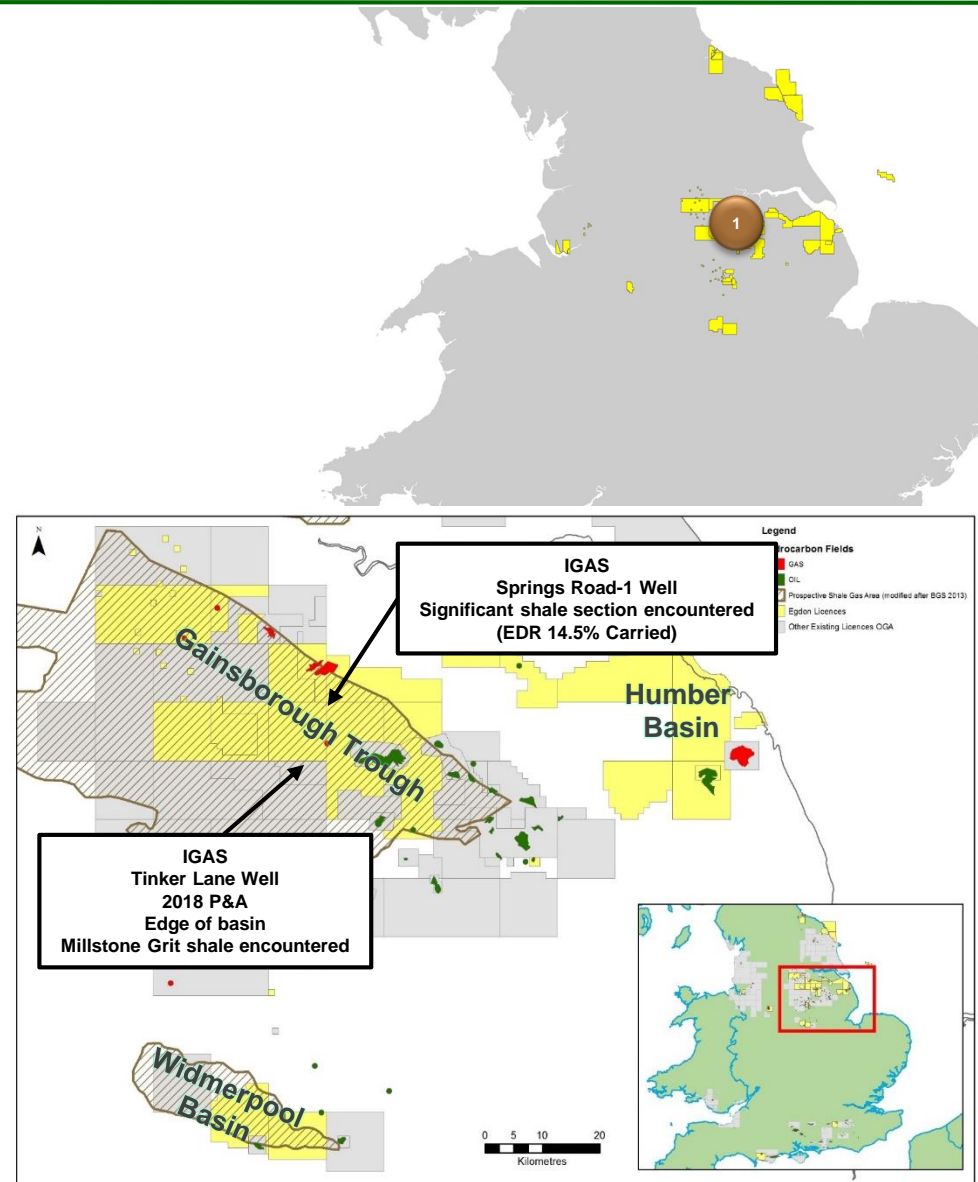


Valuation per share based on net acreage of 186,625 acres and 259,984,822 shares in issue and exchange rate of 1.3 \$/£.

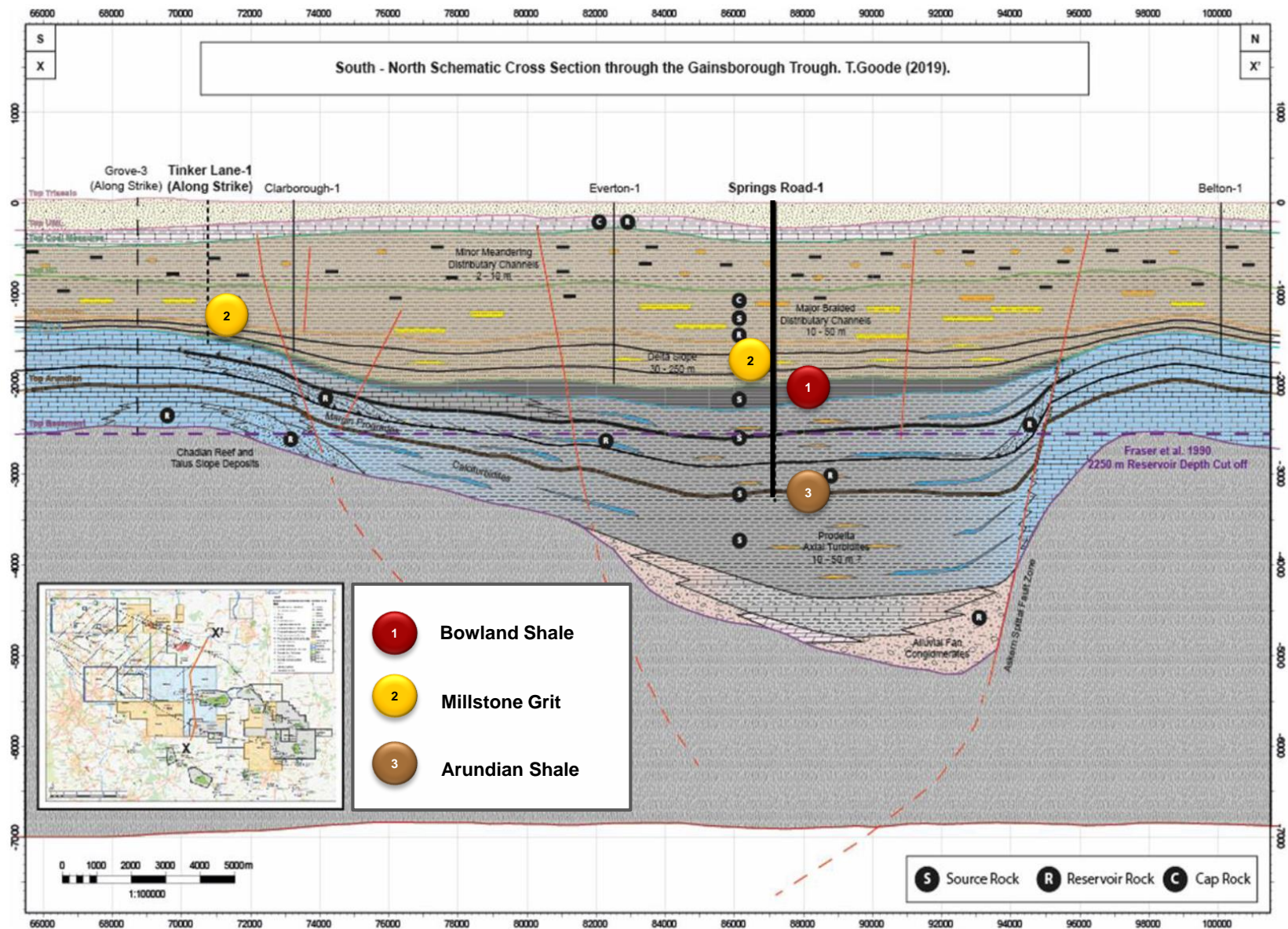


Unconventional Resources – Gainsborough Trough

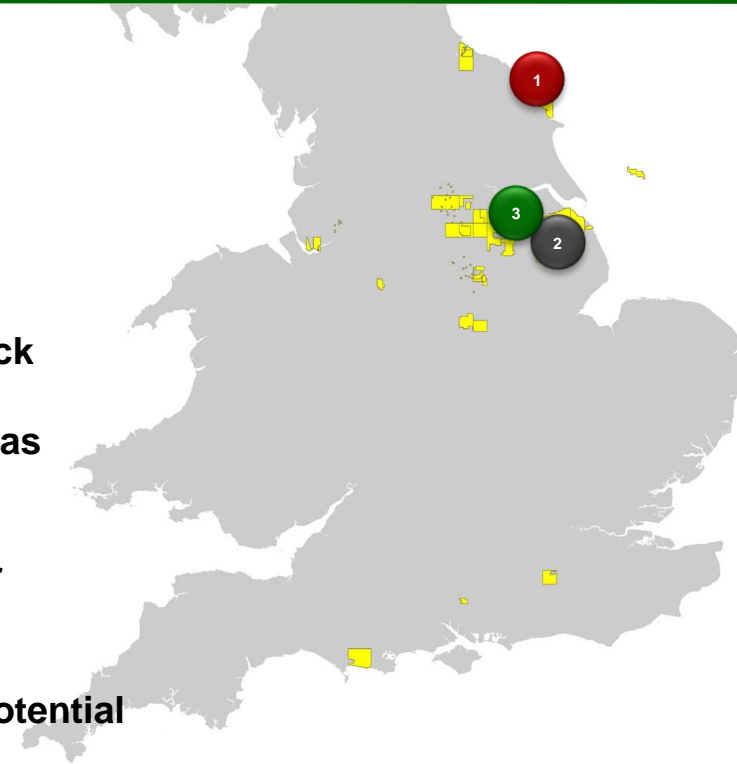
- Gainsborough Trough = Egdon core area
- Egdon = third largest acreage holder with 82,000 net acres
- Positive results from Springs Road-1 (EDR 14.5% carried)
 - Encountered all pre-drill targets
 - Identified over 250 metres of hydrocarbon bearing shales in the Bowland Shale
 - Significant gas indications in Millstone Grit, deeper parts of Bowland Shale and the Arundian Shale
 - Improved drilling performance and lower costs
 - Detailed core & log analyses available in Q2 2019
- Springs Road-2 horizontal well to follow
- Begins to validate Egdon's strategic focus on the Gainsborough Trough



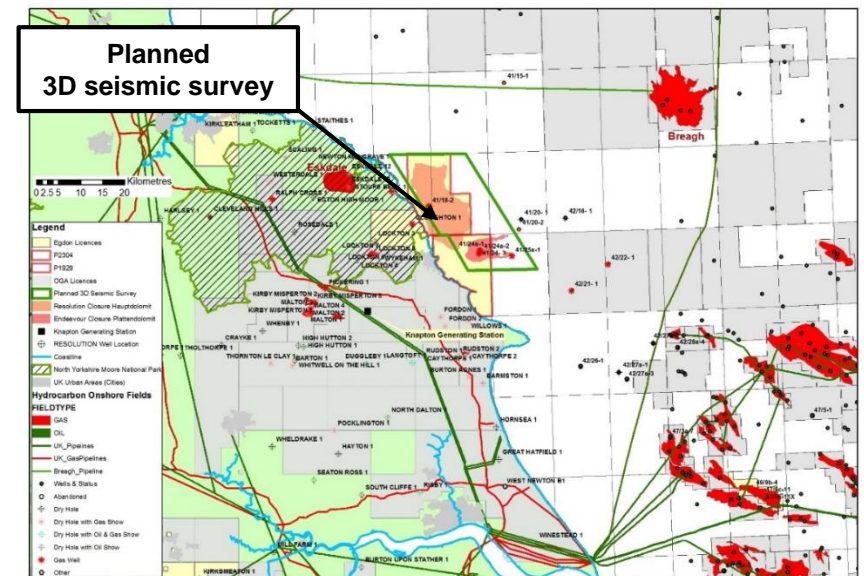
Unconventional Resources – Gainsborough Trough - Geology



- Significant UK conventional resource portfolio
- Focus on three key projects for 2019/2020
- Exploration drilling at Biscathorpe-2⁽²⁾ during Q1 2019
 - Well currently suspended for possible future sidetrack
- CPR released and marine 3D seismic planned at Resolution gas discovery⁽¹⁾ in H2 2019*
- Continued marketing of farm-outs e.g. North Kelsey⁽³⁾, etc. for 2019/20 drilling*
- Planned divestment of non-core assets to focus on highest potential projects

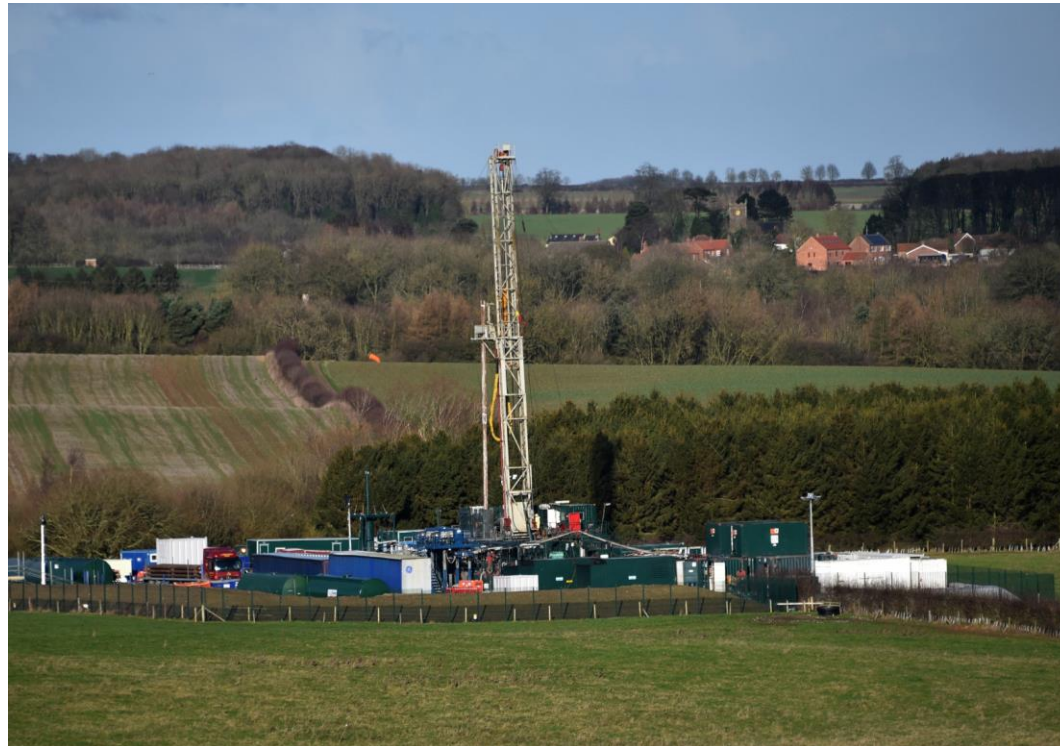


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Conventional Resources – Biscathorpe-2 Exploration Well

- Biscathorpe-2 (EDR: 38.5%) drilled to a TD of 2133 m in February 2019
- Target Basal Westphalian Sandstone encountered high and was poorly developed or absent
- Gas and oil shows in underlying Dinantian Carbonate over 99m interval
- The “Biscathorpe Play” remains to be tested with potential elsewhere on this large prospect
- Well suspended for potential side-track once new well data incorporated into prospect model



- **Production guidance for the full year 2018/19 = 170-180 boepd**

Our main operational focus:

- **Springs Road-1 core and log analysis during Q2 2019 = identify target zone for Springs Road-2 horizontal well**
- **Farm-out 3D seismic and appraisal drilling on the Resolution Gas Discovery**
- **Secure consent for Wressle development- planning inquiry Q3 2019**

Summary

“A leading UK “shale” portfolio with near-term catalysts”	“Active conventional resources exploration programme”	“Financial Discipline”
<p>Significant “shale” acreage portfolio</p> <p>One of two listed UK companies with exposure to play</p> <p>“Play opening” Springs Road-1 well drilled in 2019</p> <p>Highly positive news from Cuadrilla and IGas during the period = below ground appears favourable – “the rocks look good”</p> <p>Continued above ground risks and challenges</p>	<p>3D Seismic planned over Resolution & Endeavour gas discoveries*</p> <p>North Kelsey-1* in 2019/20</p> <p>Possible Biscathorpe-2Z sidetrack</p>	<p>Onshore project = robust economics</p> <p>Debt Free</p> <p>Operatorship</p> <p>Farm-outs to manage technical & financial risk</p>

* Subject to farm-out / funding

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