

Egdon Resources plc

Interim Results for the Six
Months Ended 31 January
2023 and Business Update

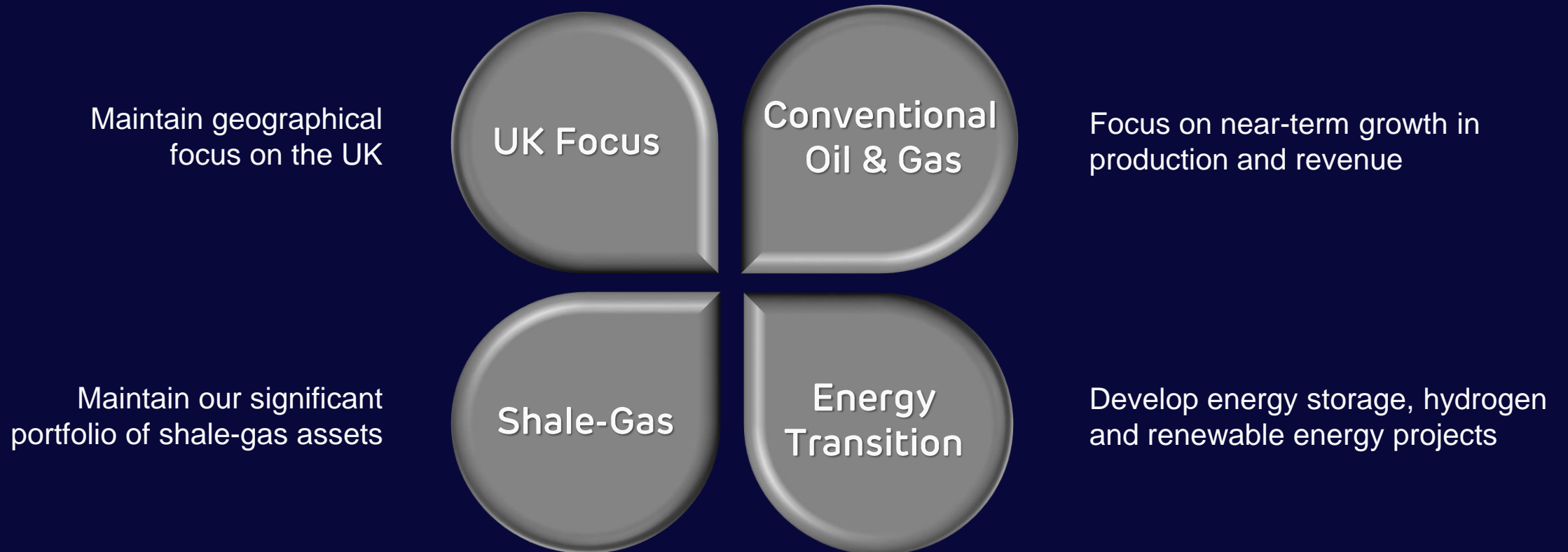
Egdon at a glance

- AIM: EDR
- Established UK energy company
- Onshore UK focus – 34 Licences
- Recent step-change in production and revenues
- Multiple growth catalysts in the coming Period
- Supporting the UK's Energy Security
- Developing geothermal, energy storage, hydrogen and renewable energy opportunities



Strategy

“Our vision is to provide locally derived, secure, affordable, and sustainable energy to help support the UK’s evolving energy needs”



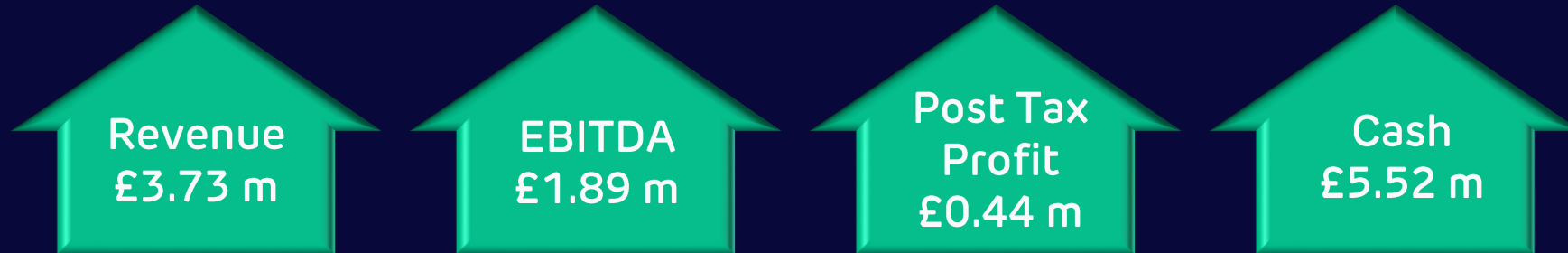
Corporate & Operational Highlights



27%
Production
Increase

- Production increased by 27% to 253 boe per day (“boepd”) (H1 2022: 200 boepd)
- Total production 46,465 boe (H1 2022 : 36,714 boe)
- Wressle was the stand out asset, averaging 689 barrels of oil per day (“bopd”) significantly exceeding forecast production rates
- 357,838 barrels of water free oil, produced at Wressle through to 31 January 2023
- Planning Appeals made for Biscathorpe (decision awaited) and North Kelsey (hearing date 14 June 2023)
- The moratorium on hydraulic fracturing for shale gas was lifted in September ‘22 and reinstated in October ‘22
- Licence P2304 (covering the Endeavour gas discovery) has been relinquished
- Acquisition of Aurora Production (UK) Limited, increasing Egdon’s equity in the Waddock Cross and Avington oilfields

Financial Results



Six months ended 31 January 2023

- Half year revenues increased by over 46% to £3.73 million (H1 2022: £2.55 million)
- “EBITDA” of £2.11 million (H1 2022 : £1.41 million)
- Post Tax profit for the Period of £0.44 million (H1 2022 : £1.22 million) – Tax charge of £0.74 million
- Cash and cash equivalents were £5.52 million (H1 2022 : £2.08 million)
- Net Current Assets of £6.59 million (H1 2022 : £1.17 million)
- No borrowings (H1 2022: c. £1.0 million)

Post Period Events

- Despite a weakening in commodity prices, production and revenues have continued to be strong with February and March unaudited revenues of £0.63 million and £0.52 million respectively
- On 6 February 2023 Egdon entered into a Farmout Option Agreement with York Energy (UK) Holdings Limited relating to Licence PL081 in North Yorkshire. Egdon has a period of six months to elect to farm into the Licence which contains the Weaverthorpe Prospect (estimated Mean prospective gas resource of 58 billion cubic feet)
- On 1 March 2023 Egdon completed the acquisition of Aurora Production (UK) Limited which has subsequently been renamed Egdon Resources (Aurora) Limited
- On 19 April 2023 Egdon relinquished P1929 which contained the Resolution gas discovery and which was fully impaired in the 31 July 2022 accounts.

Wressle – “still exceeding expectations”

- Wressle, PEDL189 & PEDL182, (EDR: 30%)
- Outstanding production and financial performance
- Oil production reached 400,000 barrels on 28 March 2023, with no formation water to date
- Two stage gas monetisation underway:
 - Stage 1 – Ashover Grit gas (all regulatory consents in place)
 - 3 microturbines installed and commissioned on site, generating site electricity (March 2023)
 - Gas Engine (procurement of used units underway) to enable export of c.1.4MW of electricity into local private electricity network; negating the need for routine gas incineration on site
 - Stage 2 – Gas export as part of future development plan
- Despite a gradual increase in the associated gas, the microturbines have enabled a ~10% uplift in oil production rates so far
 - 770 bopd average production achieved during March 2023
- Wressle community fund up and running - £100K to good causes in 2023

Wressle – site facilities upgrades

Separators, knock-out pot and permanent production lines in new bund



Gas feed to three microturbines - housed in protective shroud



Wressle – Further Development

- Newly reprocessed 3D seismic data interpreted and mapped
- Potentially significant increase in resources from the Ashover Grit at Wressle identified
- New (updated) Competent Person's Report commissioned (completion expected in June 2023)
- The CPR will inform the optimal development of the Ashover Grit and Penistone Flags reservoirs = more details of the forward plan to follow, once this work is complete.
- Planning and permitting process for a new well or wells is underway
 - 2023 – 2024 drilling campaign (subject to receipt of regulatory approvals)
 - Stage 2 Gas monetisation – export and sale of gas (subject to receipt of regulatory approvals)
- Potential new wellsite to enable further wells to target
 - Contingent Resources within the Penistone Flags
 - Prospective Resources within the Broughton North Prospect

Keddington – “Boosting Production”

- Keddington, PEDL005R, (EDR: 45%)
- A target in the east of the field could deliver ~180,000 barrels of incremental production via a side-track
- 3D seismic reprocessing completed
 - Seismic interpretation and mapping completed
 - Uplift in seismic resolution
 - K6 reservoir coordinates defined – directionally drilled (Keddington East target)
- 2023 well (K6) with consents in place – planned for Q4 2023
- Near-field exploration opportunities:
 - Keddington South (Mean Prospective Resources of 635,000 barrels of oil)
 - Louth Prospect, (Mean Prospective Resources of 600,000 barrels of oil)



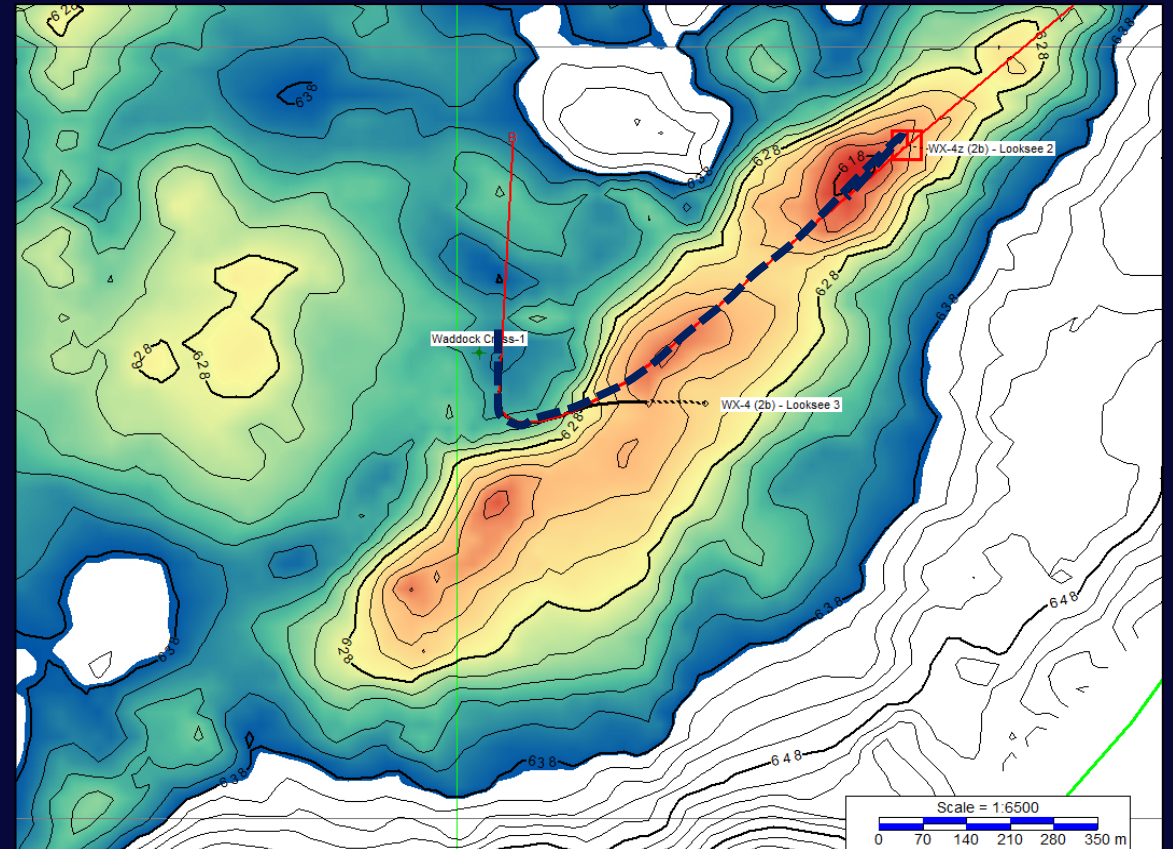
Avington – “ready for redevelopment in 2023”

- Avington, PEDL070 (EDR: 36.33%)
- The IGas operated Avington field has been shut-in since 2017
- Planning consent granted on appeal in December 2021 and all conditions now discharged
- Phased scope of works to redevelop the field will start in Q2 2023
 - Workover and flow testing of AV-3z
- Dependent upon results, further drilling anticipated
- 2023 – Egdon increased equity to 36.33% through acquisition of Aurora Petroleum (UK) Limited
- Significant upside in resource volume recognised
- Scope for on site water disposal



Waddock Cross – “ripe for redevelopment in 2024”

- Waddock Cross, PL090 (EDR: 73.75%)
- Shut-in Bridport Sandstone oil field (Dorset)
- Significant Stock Tank Oil Initially in Place (STOIIP) volume of 57 mmbbls
- New horizontal well = commercial oil production (500-800 bopd) and c. 1 mmbbls per well recovery
- 2023 – Egdon increased equity to 73.75% through acquisition of Aurora Petroleum (UK) Limited
- JV alignment in place to progress the redevelopment of Waddock Cross in 2024
- H1 2023 – Submission of Planning and Permit Applications
- H2 2023 –
 - Design and procurement of production facilities
 - Finalise well designs and complete tendering for 2024 drilling campaign

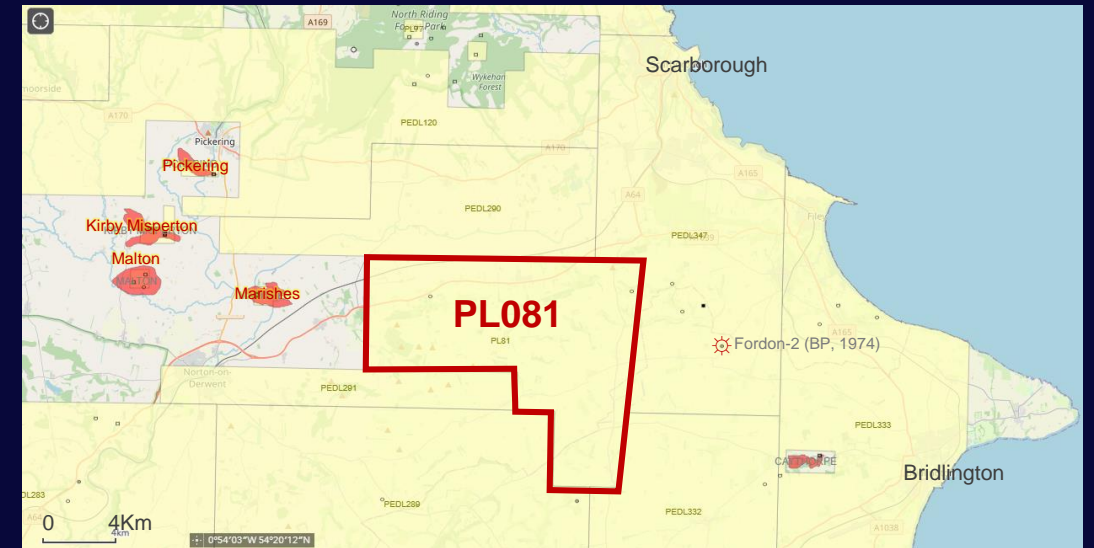


Top Bridport Sandstone (Cycle 2) Depth Map (m TVDss) – showing WX-4z Trajectory

Weaverthorpe – “a potentially material resource”

Weaverthorpe, PL081 (EDR: option to earn 70%)

- 6 month option to farm-in with York Energy
- Sherwood Sandstone prospect, located onshore North Yorkshire
 - Up-dip of Fordon-2, with interpreted gas pay
 - Good quality reservoir
 - Prospect mapped from 2D and 3D seismic data
- Estimated Mean prospective gas resource volume of 58 billion cubic feet
- 2023: Q1 – Q 2 Activity
 - Reprocessing of legacy seismic data (ongoing)
 - Prospect Validation



PL081 Location Map (after NSTA, Onshore Oil and Gas Activity Map (online))

Biscathorpe & North Kelsey - Exploration Projects

Biscathorpe, PEDL253 (EDR: 35.8%)

- The Biscathorpe-2 side-track would target:
 - Dinantian Carbonate, where a 68 metre oil column was discovered in Biscathorpe-2 with gross Mean Prospective Resources of 2.55 mmbls
 - Basal Westphalian Sandstone, with gross Mean Prospective Resources of 3.95 mmbls
- Planning Appeal Hearing was held on 11 October 2022 and the Inspector's decision is awaited

North Kelsey, PEDL241 (EDR: 50%)

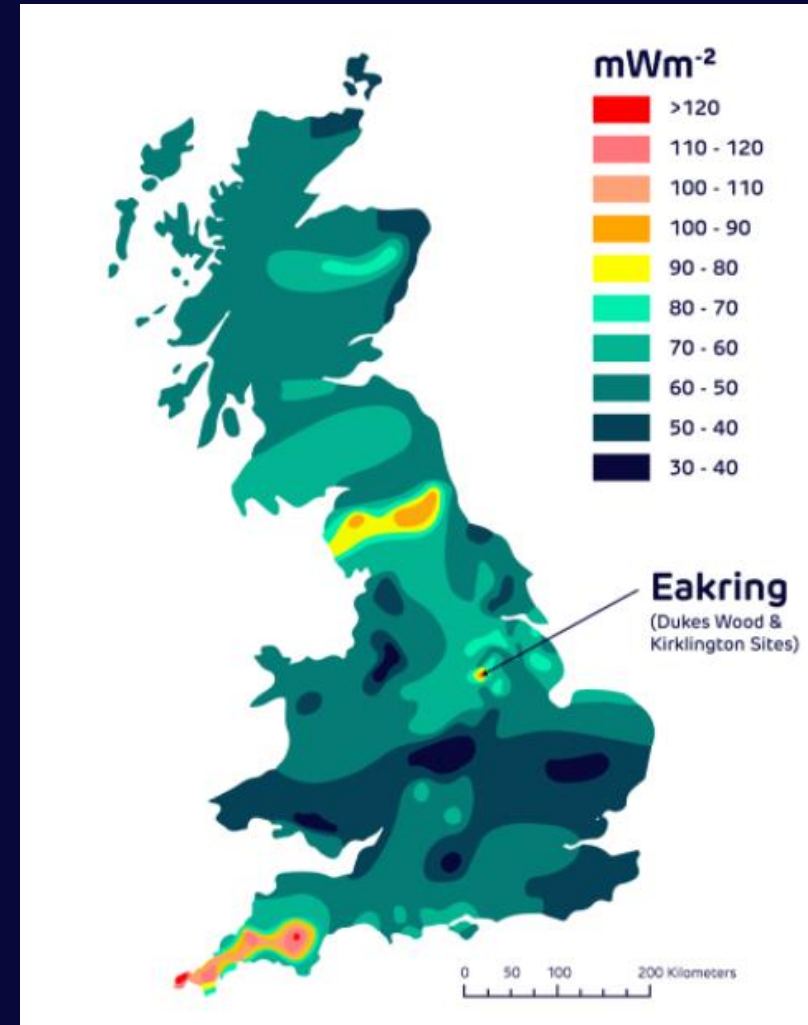
- Prospect mapped from 3D seismic, with multiple reservoir targets = Wressle analogue
- Gross Mean Prospective Resources of 6.47 mmbls in multiple reservoir targets
- Planning consent refused in March 2022
- Egdon submitted its appeal in August 2022
- Planning Appeal Hearing date confirmed 14 June 2023

Shale-Gas

- Egdon's shale-gas portfolio in Northern England, totals 151,742 net acres (614km² net) with Mean volumes of undiscovered GIIP of 37.6 TCF (net)
- Primary focus is the Gainsborough Trough where Springs Road-1 well (Egdon 14.5%) confirmed a world class resource with estimated Gas in Place of c. 640 bcf per square mile
- 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
 - ✓ Improve our balance of payments
 - ✓ Increase tax revenues and create skilled jobs
 - ✓ Reduce the carbon footprint of the gas we all use
- On 22 September 2022, the UK Government lifted the moratorium which had been in place since November 2019
- This was reversed by the incoming Sunak administration a month later on 27 October 2022
- Egdon will continue to make the scientific, environmental and commercial case that shale-gas should be part of the long-term solution to the UK's energy needs and that this can be done in a safe and environmentally sustainable manner

Energy Transition

- The Company recognises the potential for repurposing of its fields, sites and wells for renewable purposes
- Initial focus on geothermal development, working with Creative Geothermal Solutions Limited (CGSL)
- The Regulators have approved a programme to P&A Dukes Wood-1 and recomplete it for a geothermal test programme. This proof-of-concept project will commence during H2 2023 as part of a wider programme of works.
- The Company is also developing a number of stand alone opportunities for energy storage (natural gas, hydrogen and compressed air), green hydrogen production and renewable generation and expects to make material progress in relation to these during 2023



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 management, protection and performance
- The Company remains fully compliant with all of its environmental permits and planning consents
- Egdon has established a Climate Change Policy committing the Company to its operations being Net Zero by 2050, at least a 25% reduction in emissions by 2035 and to monitoring and reporting performance in this key area. More detailed reporting and a roadmap will be developed during 2023
- Egdon has adopted and complies with the Quoted Companies Alliance's Corporate Governance Code
- All decisions are made in accordance with Section 172 of the UK Companies Act 2006

Outlook

- Revenues continue to be strong - February and March revenues of £0.632 million and £0.52million
- Production guidance increased to 240-250 boepd for 2022/23
- Key operational priorities are:
 - 1) Maintaining and enhancing strong production at Wressle whilst progressing the gas monetisation and further development
 - 2) To add value (reserves, production and revenues) through the drill-bit in our development / re-development and exploration projects
 - 3) Progressing our nascent geothermal, energy storage, hydrogen and renewable generation opportunity during the coming period
- We will continue to make the case for shale-gas and look to maintain our holdings at minimal cost
- Funded for proposed forward work programme
- With continuing strong cash flow to support of our planned 2023-24 exploration, appraisal and development plans, we can look forward with optimism

Thank you....

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