



Egdon Resources plc

2013 AGM Presentation



Egdon at a Glance



AIM Listed (EDR)

Formed 1997

Established Oil & Gas Exploration & Production Company

Onshore UK & France focus

Existing UK production of c. 200 boepd & cash flow

Market Cap – c. £11 million (@ 8p per share)

30 Licences in the UK and France

Strong opportunity base for growth

Value Drivers

Production

Revenues and potential near-term growth

Exploration

Contingent/Prospective Best Estimate Resources c. 400 mmboe

Active 2014 drilling programme

UK Shale-Gas

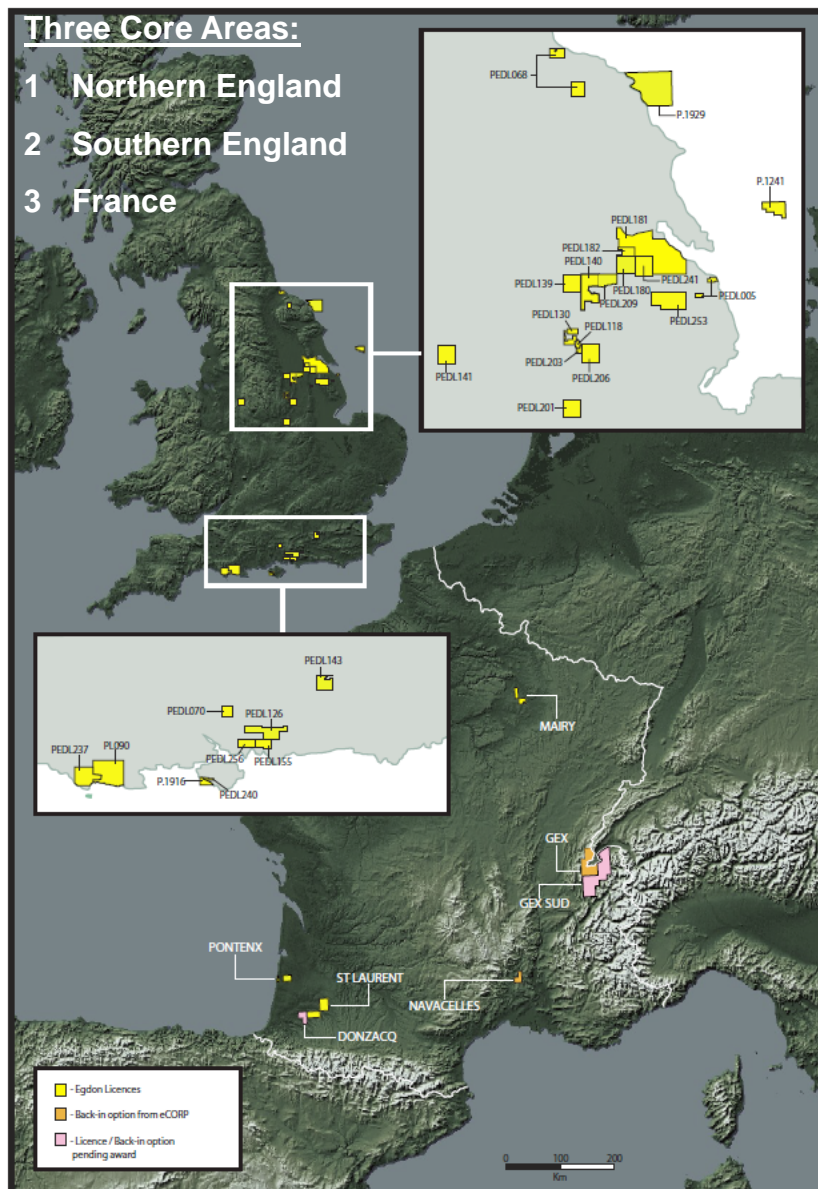
Existing acreage – high value developing play

Recent transactions completed = M&A value

Few listed investment opportunities in UK market



Egdon at a Glance



Oil and Gas Reserves and Resource Estimates		
class of reserve/resource	proven + probable	Units
Net Oil Reserves	0.33	MMstb
	Best Estimate	
Net Oil Contingent Resources	3.42	MMstb
Net Oil Prospective Resources (conventional)	71.75	MMstb
Net Oil Prospective Resources (non-conventional)	38.72	MMstb
Total Net Oil Prospective Resources	110.47	MMstb
class of reserve/resource	proven + probable	Units
Net Gas Reserves	1.10	Bscf
	Best Estimate	
Net Gas Contingent Resources	21.57	Bscf
Net Gas Prospective Resources (conventional)	1076.54	Bscf
Net Gas Prospective Resources (non-conventional)	617.08	Bscf
Total Net Prospective Gas Resources	1693.62	Bscf
Total Contingent and Prospective Resources	399.75	Mmboe

Note: all numbers are Company estimates

6 bcf = 1 mmboe



Strategy



Egdon's Strategy remains the same:

“To create shareholder value by building a profitable and material exploration and production business with a focus on operations onshore in the UK and France.”

Egdon will look to increase shareholder value by :

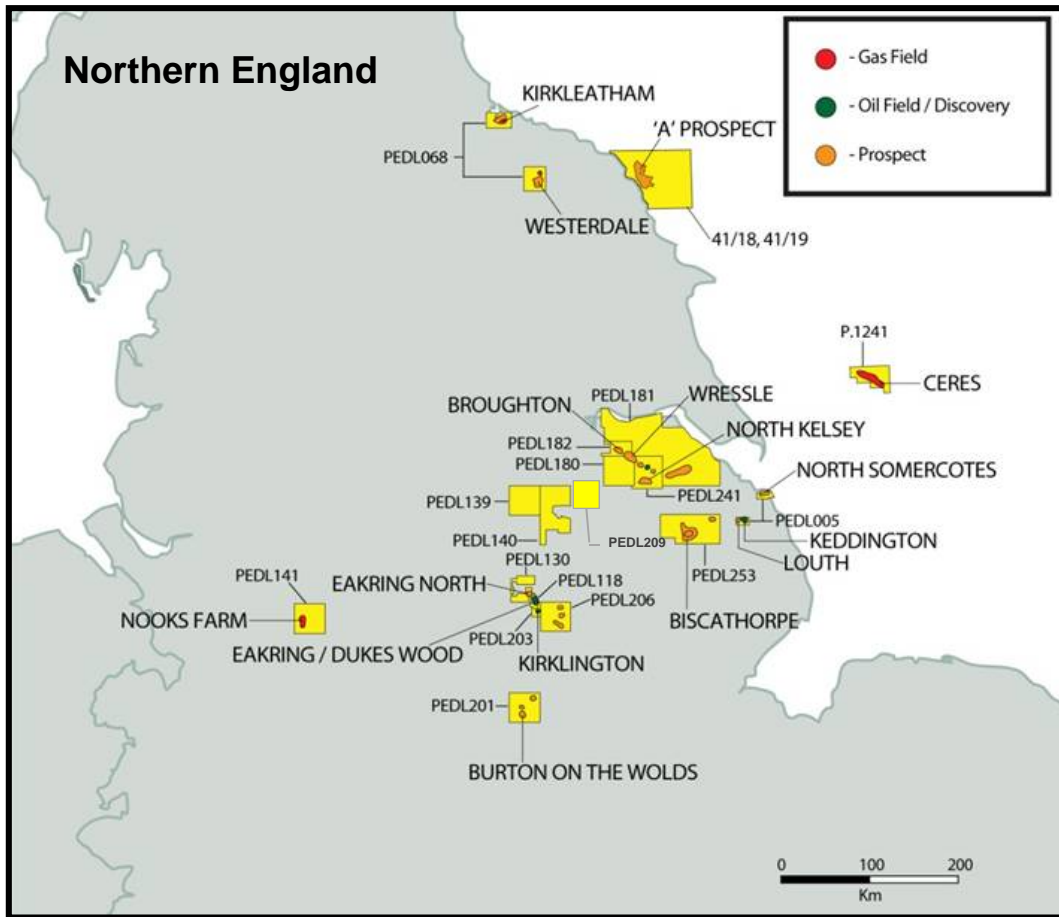
- **Rationalising and improving the quality of the Group's portfolio**
- **Focusing on fewer higher-potential assets in three core areas: Northern England, Southern England & France**
- **Focusing more on UK unconventional resource exploration as an increasingly important part of Egdon's near-term growth strategy**
- **Looking to monetise non-core assets and farm-out part of programme to fund investment, manage risk, and accelerate activity in core areas**



2013 Highlights

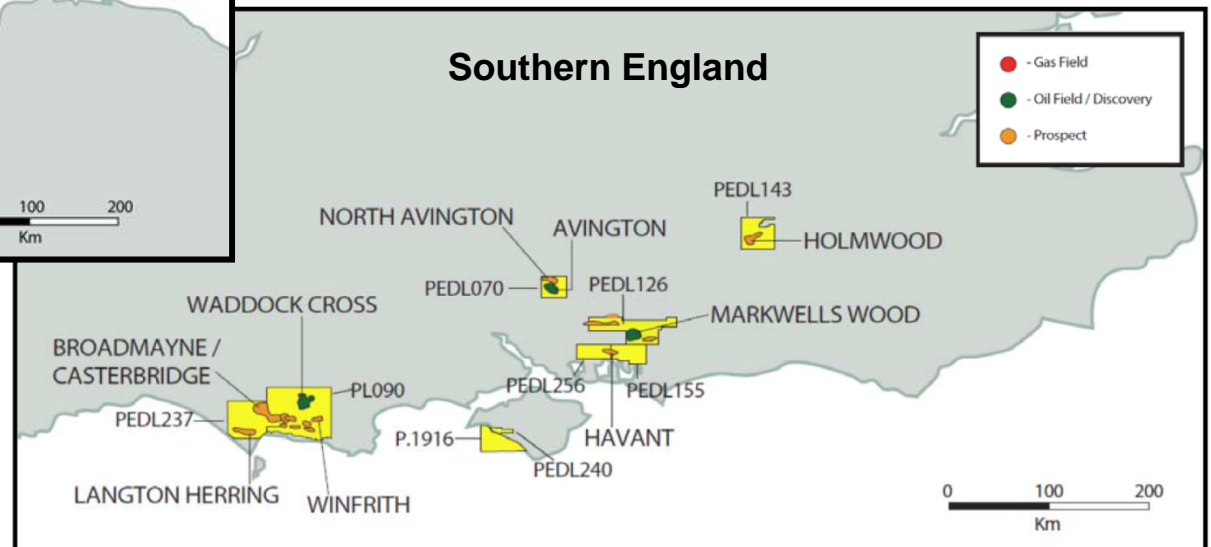


- **Attributable production of 79,947 barrels of oil equivalent (2012: 45,656 barrels of oil equivalent) with oil and gas revenues during the period up 27.8% to £3.34 million (2012: £2.61 million)**
- **Loss for the period of £0.72 million (2012: £2.89 million loss) after impairment charge recognised of £0.56 million (31 July 2012: £3.15 million)**
- **Cash at bank of £2.01 million as at 31 July 2013 (31 July 2012: £3.33 million)**
- **Drilled and completed wells at Huiron-1 and Nooks Farm**
- **Award of offshore licence P.1929 (blocks 41/18 and 41/19), near-shore North Yorkshire containing significant gas discovery (c. 150 bcf)**
- **Material prospective shale gas resources identified in PEDL139/140 where Egdon is carried for an exploration well**
- **Farm-in to PEDL209 (60%) concluded, Laughton conventional oil prospect and potential for shale-gas resources elsewhere in Licence area**
- **Planning consent received for Burton on the Wolds (PEDL201), Wressle (PEDL180), and Laughton (PEDL209) exploration wells, and Waddock Cross development (PL090)**
- **New seismic acquired, 2D in PEDL181 (Humber Basin), 3D in PL090/PEDL237 (Wessex Basin)**
- **Farm-outs concluded for the Mairy Permit in France, PEDL180, PEDL201, PEDL241 and PEDL253 in the UK, sale of interest (12.5%) in PL090/PEDL237**



- The UK is Egdon's primary business segment with 27 licences, 24 of which are onshore, with 15 operated by Egdon

- Two broadly defined focus areas :
 - Northern England
 - Southern England





Production



Keddington Oil Field PEDL005 (remainder) : Egdon 75% operated

- Look to maximise value of “greater Keddington area” (including Louth Prospect)
- Target production in short term of 40 bopd – wells on natural decline
- Lower gas rates have resulted in investment in gas to wire project being suspended
- Additional development wells being planned – side-track of K-4 in 2014 under consideration (expected to increase production to 125 bopd)

Ceres Gas Field P.1241 (47/9) : Egdon 10% non-operated

- Net Egdon production of c. 1 - 1.5 mmcf/d expected 2013-14, in line with operator’s production forecast
- Maintenance shut-down July-September 2013 – Eris on production, Ceres all sales gas going forward
- Net Egdon Proven & Probable Reserves of c.1.1 bcf

Avington PEDL070 : Egdon 26.67% non-operated

- Produces from 2 wells in the Middle Jurassic Great Oolite reservoir
- Gross production at >70 bopd = 19 bopd net to Egdon
- Additional development drilling locations continue to be considered
- 3P Net Egdon Reserves of 0.043 mmbo

Waddock Cross PL090 : Egdon 55% operated

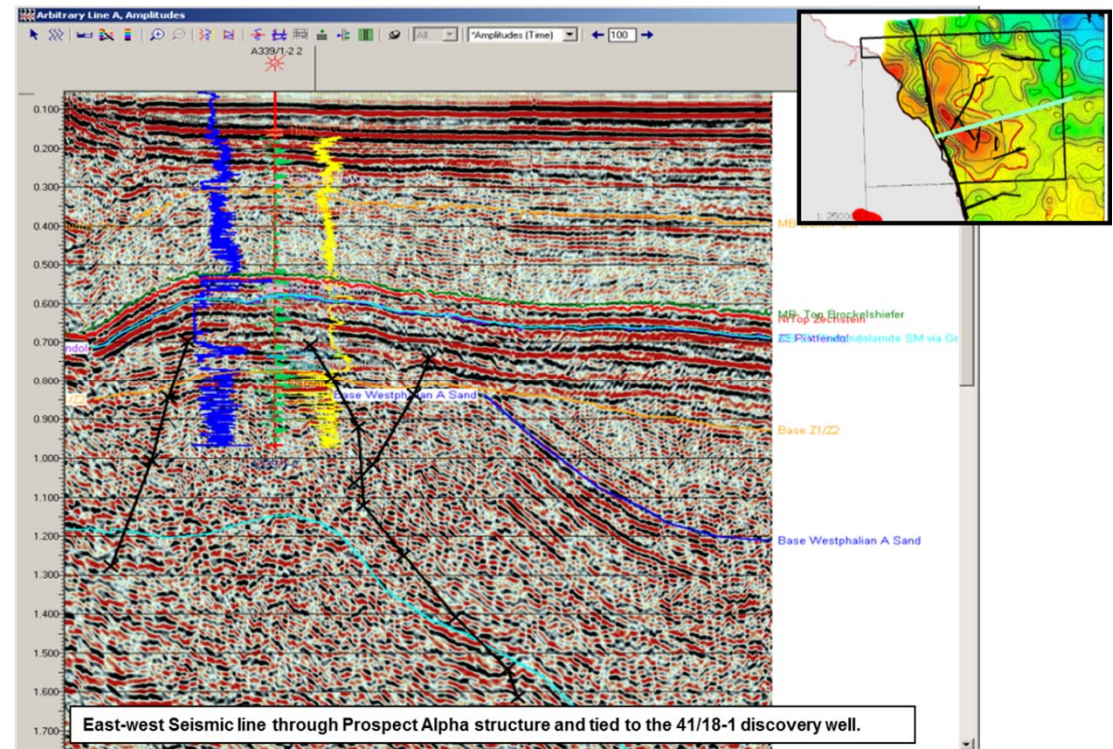
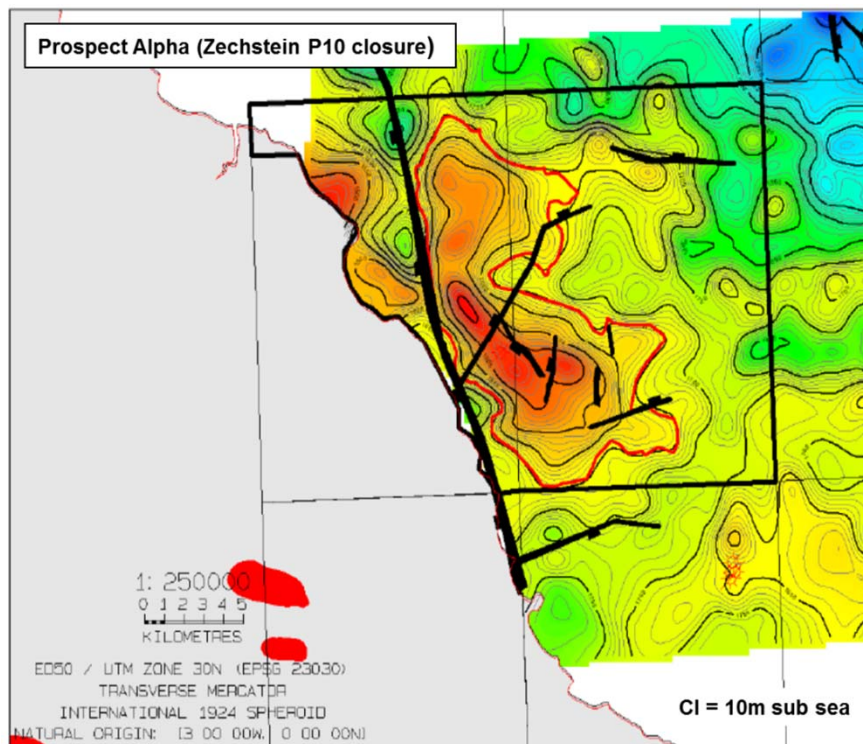
- High water-cut (>90%) Lower Jurassic Bridport Sandstone oil discovery
- Phased development planned 2013-2015
- Water disposal on- site – dual completion in Waddock Cross-2 well
- Mapped Oil in Place (“STOIP”) > 30 mmbo
- Net Egdon 2P Reserves of c. 0.17 mmbo for Phase 1



Appraisal - Northern England

"A" Prospect P.1929 (41/18 & 41/19) : Egdon 100% operated

- 26th UK Seaward Licensing Round award in April 2013
- One of the earliest North Sea discoveries, well 41/18-1 (A-339/1-2) drilled by Total in 1966
- Tested gas at 2.5 mmcf/d following acidisation
- Net Egdon Best Estimate Prospective Resources of 150 bcfg (25 mmboe), range 40 to 272 bcfg (7- 45 mmboe)
- Work programme = seismic re-evaluation and geological studies plus contingent well
- Anticipated 2014 submission of Planning Application for drilling of appraisal well from onshore to offshore
- Highly attractive economics based on onshore development concept – farm-out during 2014 (Prospex 2013 next week)





Initial drilling programme:

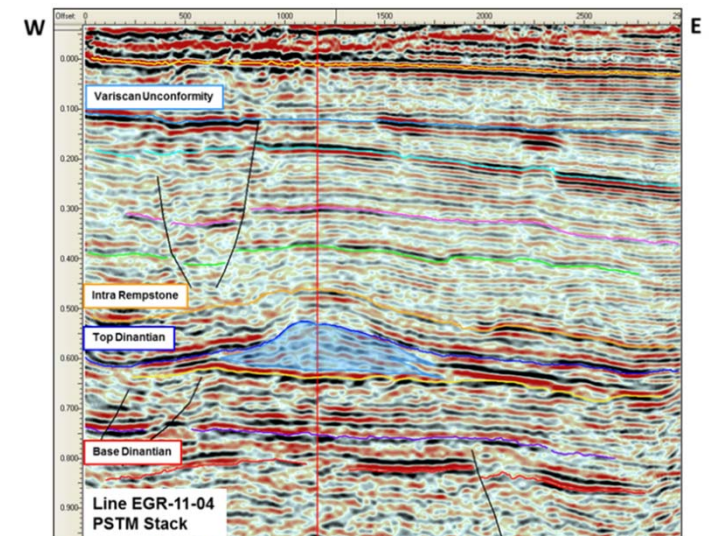
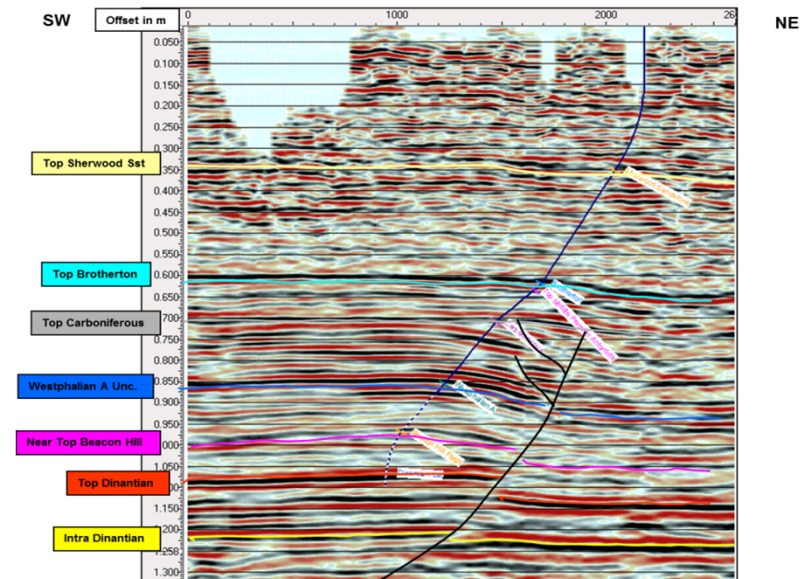
Final timing dependent upon new EA permitting requirements which are currently under consideration by EA

Wressle Prospect PEDL180 : Egdon 25% operated

- Undrilled Prospect defined on 2012 proprietary 3D seismic data
- Multiple reservoir targets in area with proven hydrocarbon system
- On trend with and between nearby oil production and discoveries
- Planning Consent received
- Egdon net paying interest of 16.67%
- Net Egdon Best Estimate Prospective Resources of 0.53 mmbo

Burton on the Wolds PEDL201 : Egdon 32.5% operated

- Defined on 2011 proprietary 2D seismic data
- Twin objectives:
 - Carboniferous sands, productive at nearby Rempstone oil field
 - Seismic anomaly underlying four-way dip structure = possible carbonate build-up
- Egdon net paying interest 15.0%
- Planning Consent received
- Net Egdon Best Estimate Prospective Resources of 1.24 mmbo





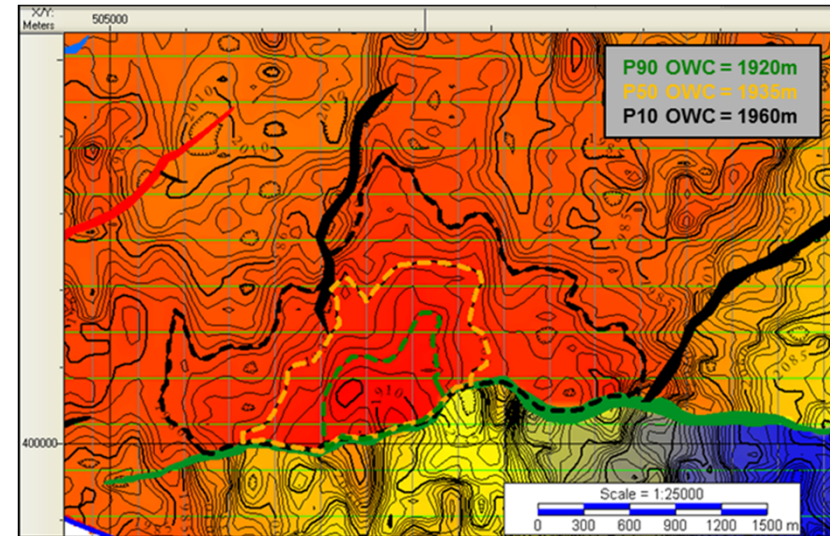
Exploration - Northern England



Second exploration drilling programme 2014 to include:

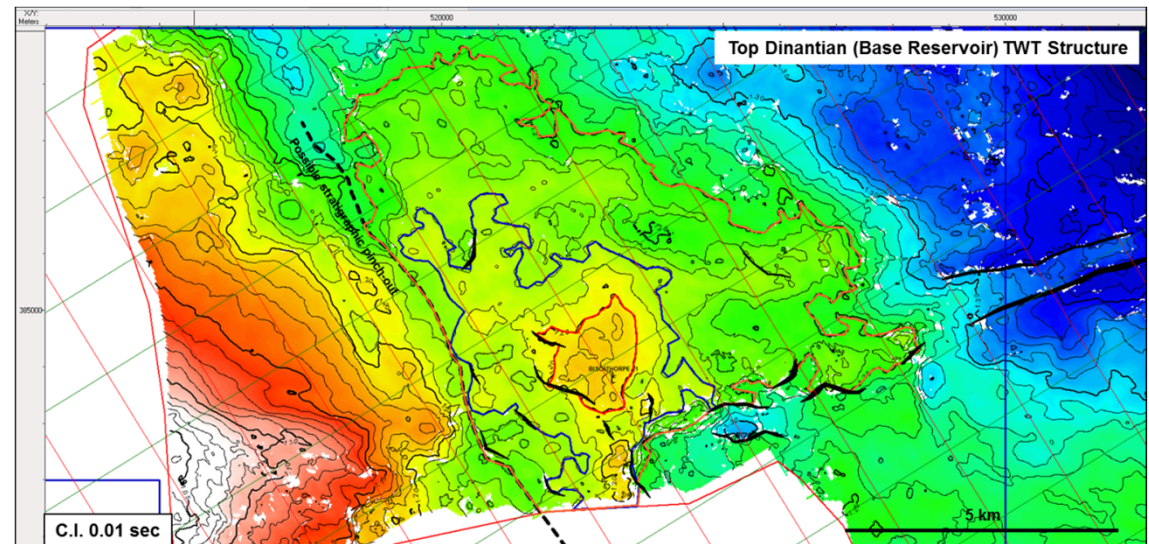
North Kelsey Prospect PEDL241 : Egdon 40% operated

- Conventional prospect defined on 3D seismic data with multiple reservoir targets
- Farmed-out 10% interest at 2:1 promote to Union Jack Oil Plc
- Net Egdon Best Estimate Prospective Resources of 2.4 mmbo
- Planning application to be submitted by end 2013



Biscathorpe Prospect PEDL253 : Egdon 54% operated

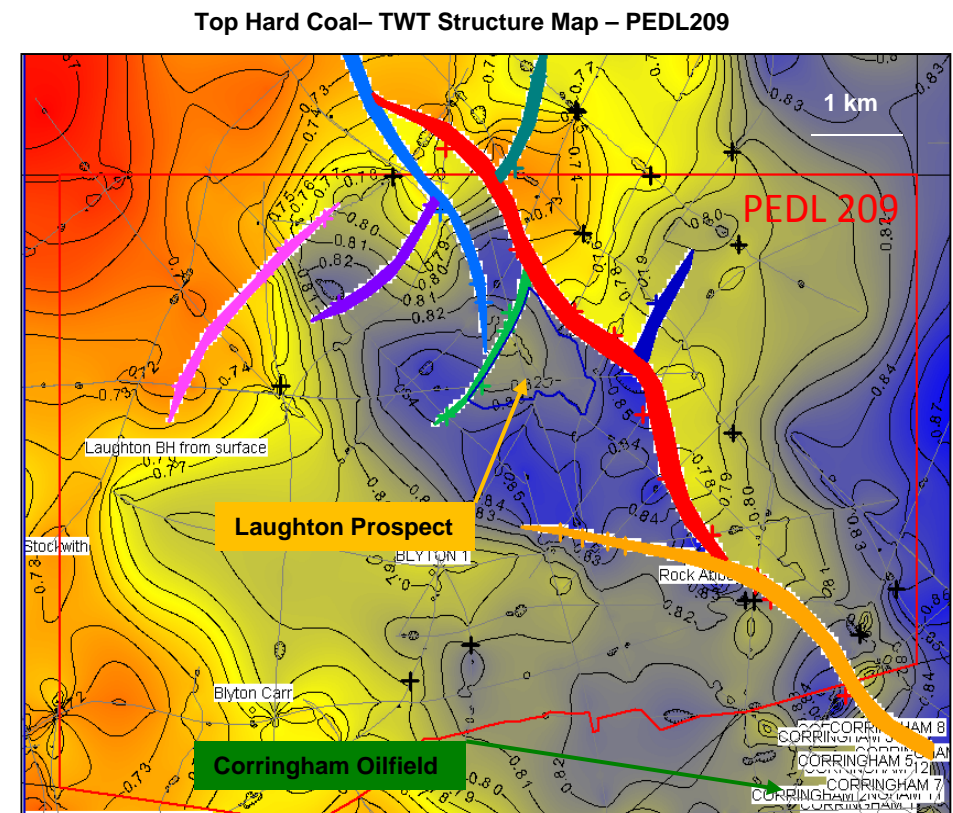
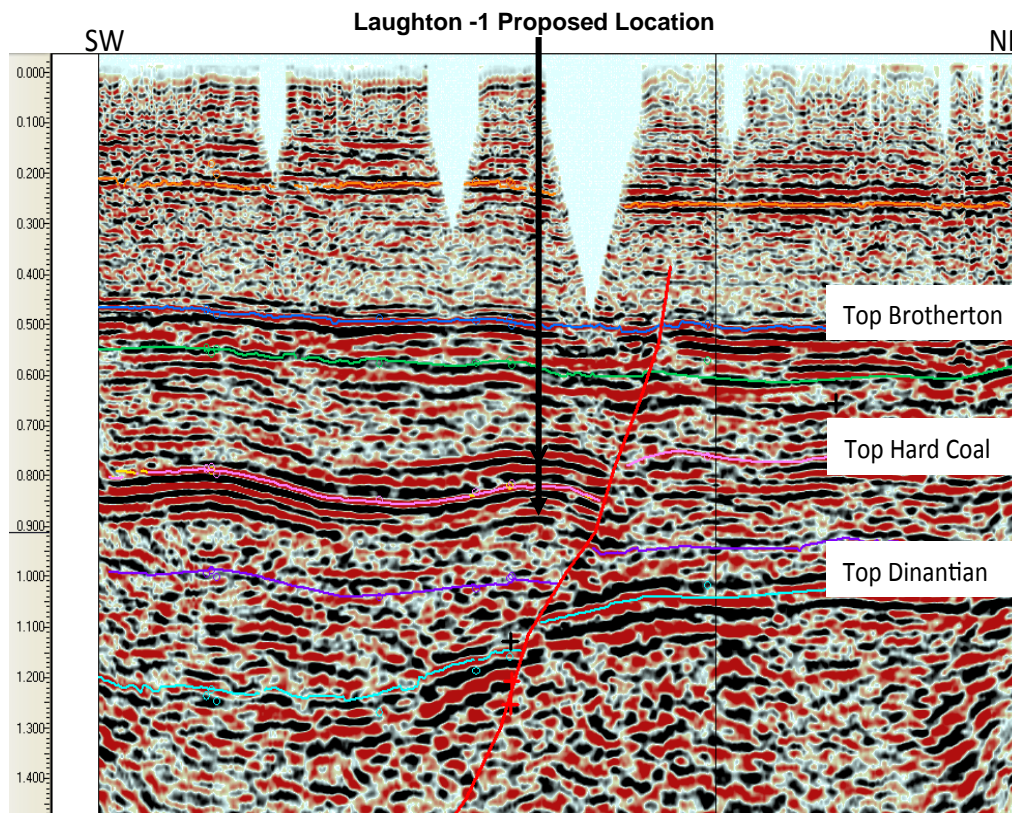
- Large conventional prospect defined on 3D seismic data
- Oil shows in 1.2m sand in 1987 BP crestal well
- Sands expected to thicken down-dip on structure
- Farmed-out 6% interest at 2:1 promote to Union Jack Oil Plc
- Net Egdon Best Estimate Prospective Resources of 7.6 mmbo
- High Estimate Gross Prospective Resources of 25 mmbo invoking stratigraphic trapping potential
- Planning Application submitted in July 2013 – issues with access route being addressed





Laughton Prospect PEDL209 : Egdon 60% operated

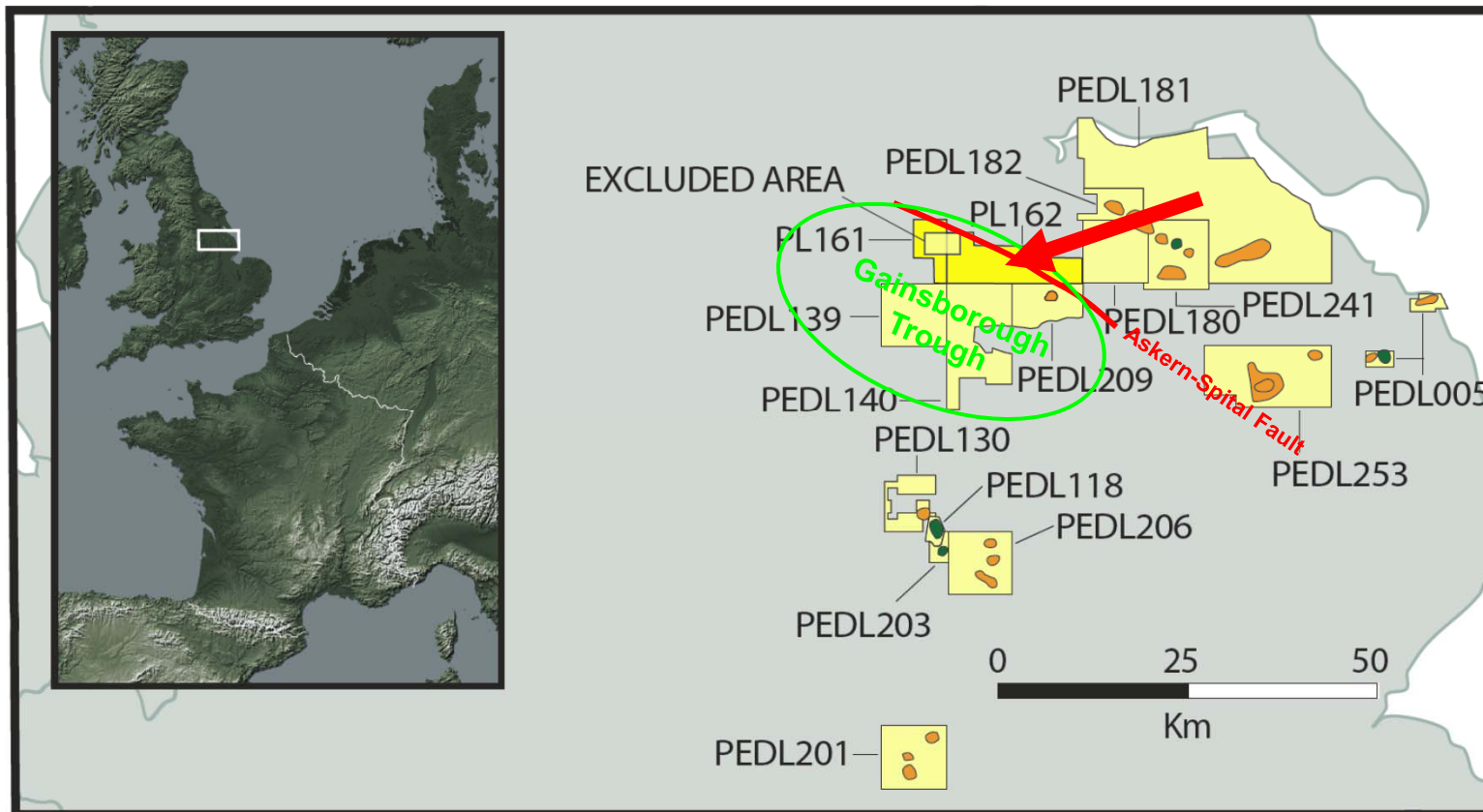
- Laughton Prospect on trend with nearby existing production at Corringham (5 km to SE)
- Multiple conventional reservoir targets – primary target Silkstone Rock
- Net Egdon Best Estimate Prospective Resources of 0.6 mmbo
- Planning granted for Laughton-1 – planned 2014 well
- Licence also contains additional prospects and shale-gas potential



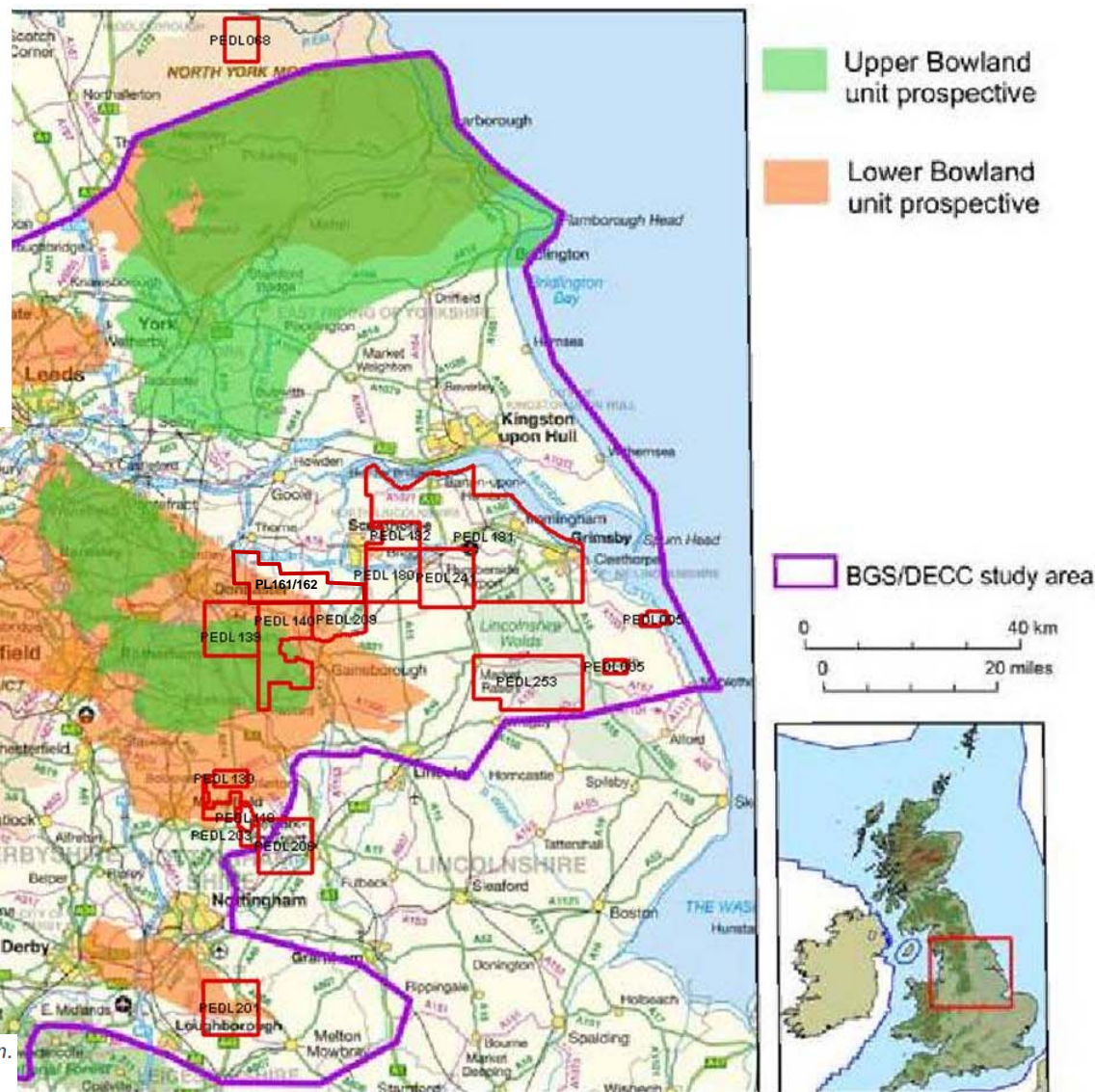
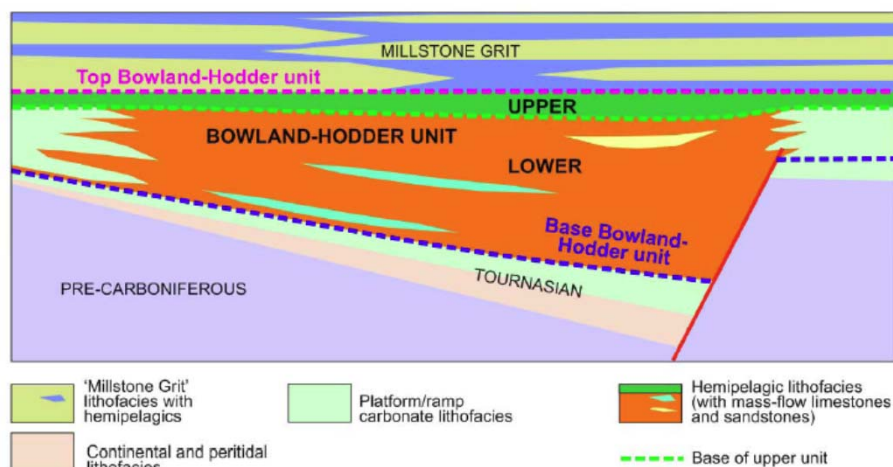


UK Shale Gas – Egdon Core Area

- Egdon has today announced an Exploration Option and Farm-in Agreement with Scottish Power Generation Limited in respect of UK Onshore Production Licences PL161 and PL162 located in Lincolnshire
- Core Area for Egdon with drilling activity in neighbouring licences PEDL139/PEDL140 and PEDL209 during 2014
- Option Period of 12 months by the end of which Egdon is required to commit to the drilling of an exploration well at its cost to earn 50% interest
- Conventional and Unconventional potential in area – seismic reprocessing and studies during 2014



UK Shale Gas - BGS Shale Gas Assessment and Egdon Licences



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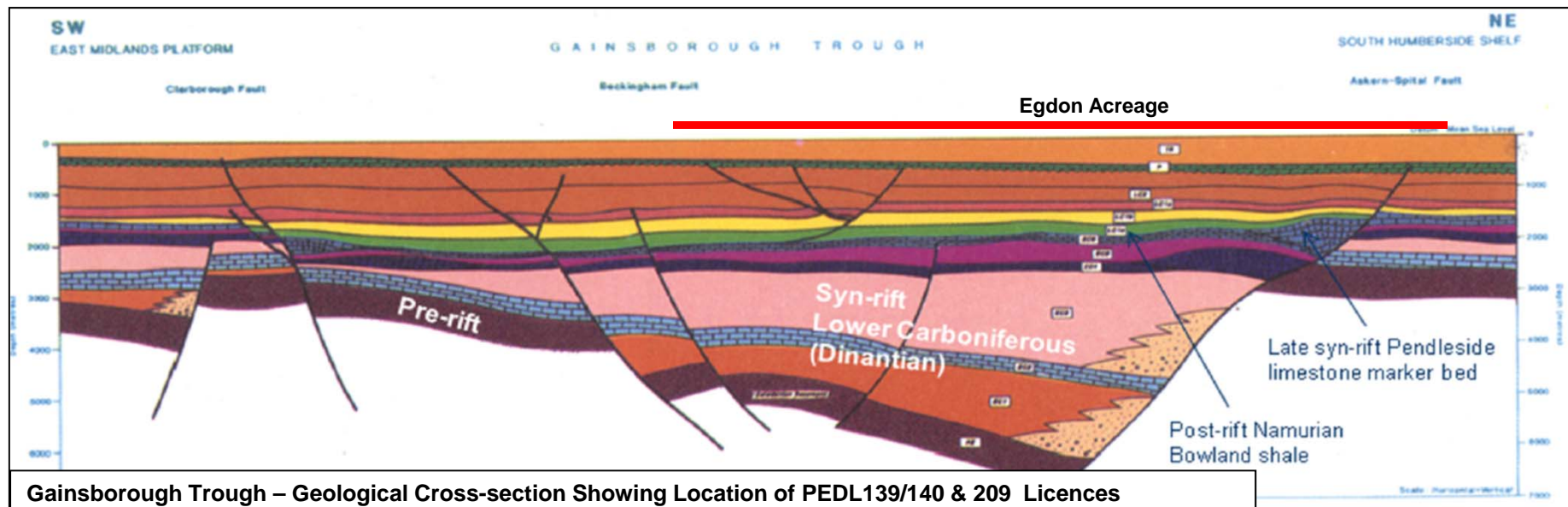
Andrews, I.J. 2013. *The Carboniferous Bowland Shale gas study: geology and resource estimation*. British Geological Survey for Department of Energy and Climate Change, London, UK.



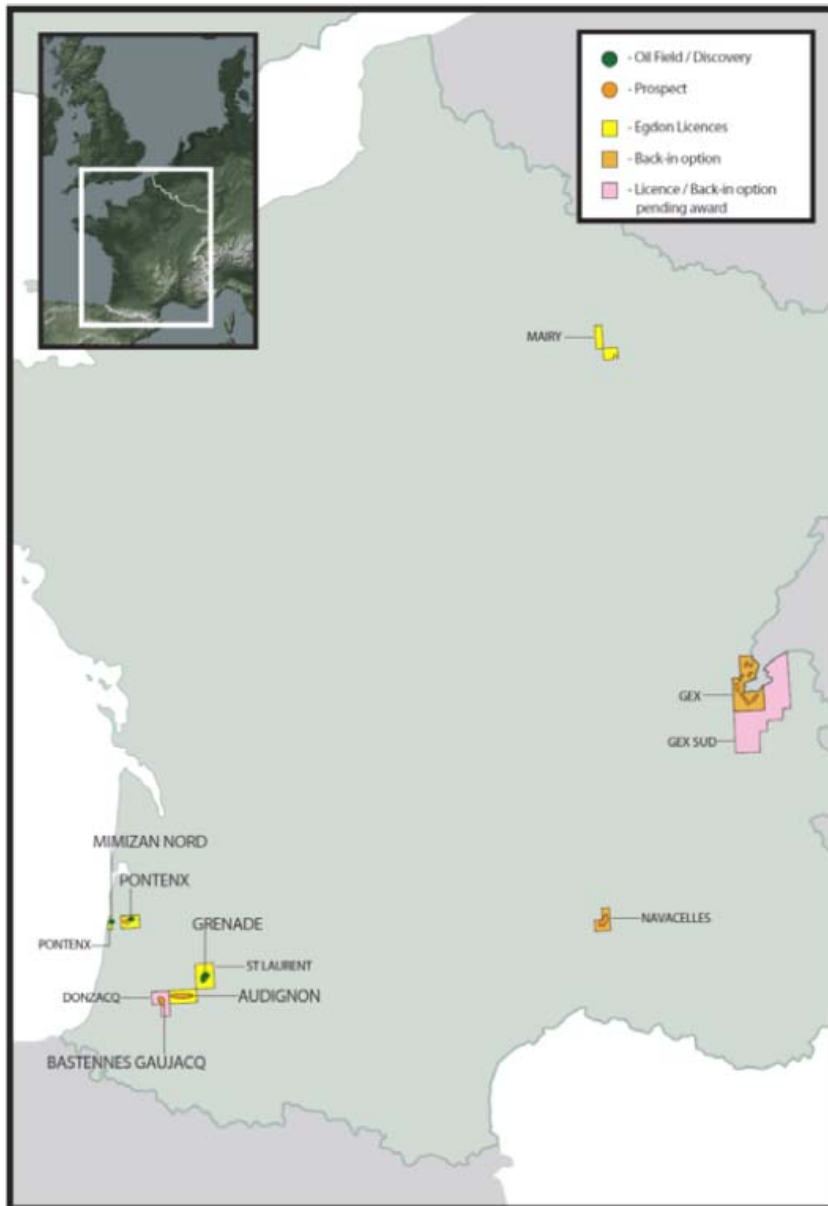
UK Shale Gas



- Egdon is one of very few publicly quoted companies with an exposure to UK shale gas
- Focus on exploration phase of UK shale gas plays and plan to monetise prior to development
- Egdon has expanded its acreage position in the Gainsborough Trough to expose the Company to more near-term unconventional hydrocarbon exploration of the Pendleian Shale (equivalent to Bowland Shale of NW England)
- RPS report on Gainsborough Trough acreage (PEDL139/140, Upper Bowland-Hodder Unit (“UBH”)) – 1.76 TCF Total GIIP and 0.19 TCF Mean Resources, Net to Egdon’s 13.5% carried interest , COS estimated at 24%
- Gainsborough Deep well in PEDL139/140 anticipated H2 2014
- PEDL209 farm-in provides access to additional 1.8 TCF net GIIP in same play, estimated using RPS metrics (UBH)
- PL161/162 option/farm-in provides access to further areas in the same play, as yet unquantified
- Additional potential in Lower Bowland-Hodder Unit (“LBH”) in Gainsborough Trough licences
- Proprietary studies have identified further potential in current portfolio and elsewhere for future growth in UK unconventional hydrocarbon exploration



Gainsborough Trough – Geological Cross-section Showing Location of PEDL139/140 & 209 Licences



- Interests in three French licences - Mairry, St Laurent, Pontenx
- Awaiting the award of a fourth (Donzacq)
- Back-in options on two permits (Gex, Navacelles) plus a pending application (Gex Sud)
- Nimes Permit relinquished at the end of 2012
- Although the regulatory regime in France is currently challenging, and we have no plans to grow our position in the country, we do still see potential to add significant shareholder value, particularly from our conventional oil and gas prospects within the Aquitaine Basin



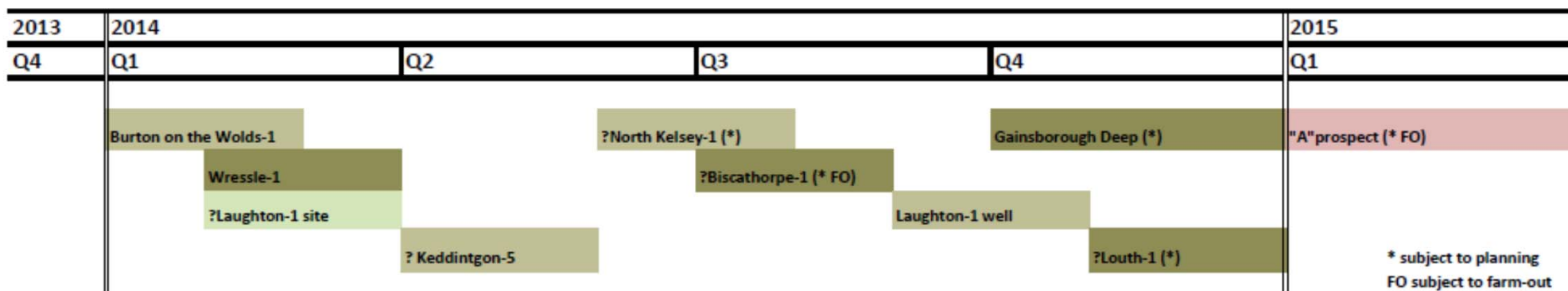
Egdon Work Programme & Outlook

Production

- Full-year production guidance of c. 200 boepd from Keddington, Avington, Dukes Wood/Kirklington, Waddock Cross and Ceres
- Additional potential drilling at Keddington, Waddock Cross and Kirkleatham could lead to increased production

Exploration and Appraisal

- Testing of Nooks Farm Q1 2014
- **2014 Initial Exploration Drilling programme (1.77 mmbo Net Egdon)**
 - Wressle-1
 - Burton on the Wolds-1
- **Late 2014 Exploration Drilling Programme (10.6 mmbo Net Egdon)**
 - Biscathorpe-2
 - North Kelsey-1
 - Laughton-1
 - “A” Prospect - 150 bcf (c. 25 mmboe) (probable 2015)





Egdon Work Programme & Outlook



Active Farm-out and Divestment Process

- A number of farm-outs and deals concluded during 2013
- Continued marketing and discussions on-going for additional deals
- Divestment (or relinquishment) of non-core assets continues to be pursued

UK Shale Gas

- UK shale gas (and shale oil) expected to be an increasing value driver for the business
- Strategy to increase exposure to UK shale gas exploration acreage in near-term
- PEDL209 Farm-in provides increased exposure to shale gas “sweet spot” of Gainsborough Trough (Net Egdon Total GIIP of 1.8 TCF)
- Option on PL161/162, announced today, provides further significant upside exposure to Gainsborough Trough shale-gas “sweet spot”
- Gainsborough Deep-1 exploration well anticipated for 2014 (PEDL139/140, Egdon carried)
- Encouraging developments from UK government in last year moving to provide beneficial fiscal and regulatory environment for shale gas exploration
- M&A interest from European majors during 2013 (Centrica/Cuadrilla, GDF/Dart deals announced)
- Additional opportunities identified in existing licences and elsewhere - 14th UK Onshore Licensing Round now expected in 2H 2014



Summary



- **Production guidance for coming financial year of c. 200 boepd (70% from Ceres)**
- **Additional development activity at Keddington, Kirkleatham, Waddock Cross, etc. could lead to further production increase**
- **UK shale-gas to be a key value driver for the business with a deep well planned in the Gainsborough Trough in 2014 and upgrading of Egdon's unconventional resource assessment**
- **Exploration a key growth driver with c. 400 mmboe Best Estimate Prospective and Contingent Resources**
- **Initial conventional drilling programme targets 1.77 mmbls (Wressle & Burton on the Wolds) – commencing in 2014, final timing dependent on receipt of EA permits but operations expected to commence in Q1 2014**
- **Additional conventional programme (partly dependent upon planning, farm-out and cash-flow) targeting 10.6 mmbls (Biscathorpe, North Kelsey and Laughton) for 2014**
- **Active marketing programme to farm-out and monetise certain assets to manage risk and fund activities**
- **Key focus is to farm-out and drill the “A” Prospect – 150 bcf gas discovery**
- **Egdon expects to participate in the 14th Round now anticipated 2H 2014**