



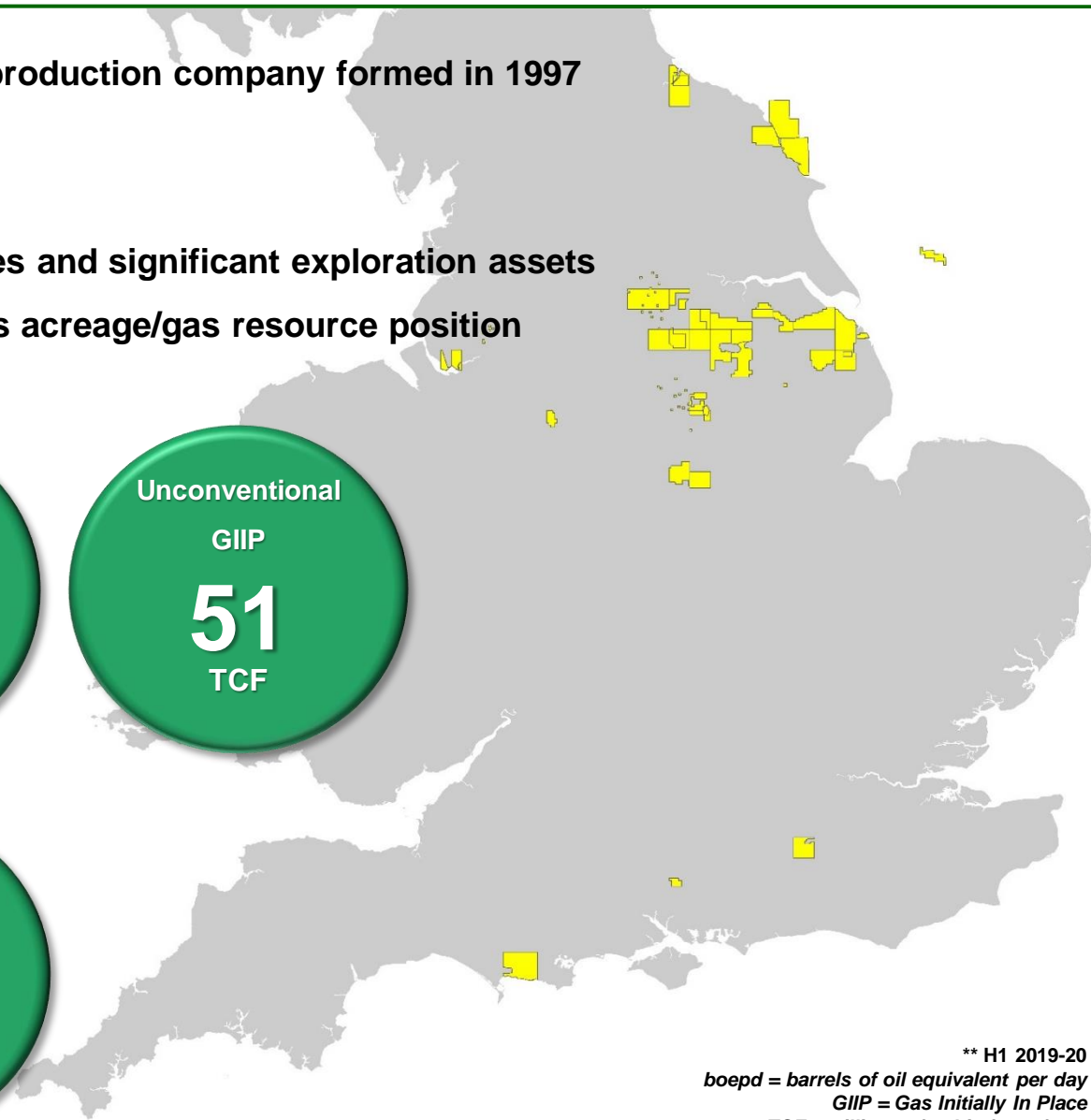
Egdon Resources plc

Interim Results & Business Review

 www.egdon-resources.com

Egdon at a Glance

- Established oil & gas exploration & production company formed in 1997
- Onshore UK focus
- Existing production and revenue
- Nearshore gas appraisal opportunities and significant exploration assets
- Significant unconventional resources acreage/gas resource position



** H1 2019-20
boepd = barrels of oil equivalent per day
GIIP = Gas Initially In Place
TCF = trillions of cubic feet of gas

Positive Start to 2020

Notwithstanding the current unprecedented macro-economic environment with Coronavirus (COVID-19) and the impact on global oil price, 2020 has started well for Egdon with positive catalysts for the business:

- **H1 2019-20 Production of 178 boepd – in line with guidance**
- **Grant of planning consent on appeal for Wressle oil field development – gross production of 500 bopd anticipated in H2 2020 (150 bopd net to Egdon) – project breakeven oil price of \$17.62/bbl**
- **Farm-in by Shell into the Resolution and Endeavour gas discovery appraisal projects (P1929 and P2304)**
- **Technical review has concluded that a possible material and commercially viable hydrocarbon resource remains to be tested at Biscathorpe with breakeven project oil price of \$18.07/bbl**
- **Subscription to raise £500,000 in two tranches undertaken during April 2020**
- **Renewed focus in the near-term on conventional oil and gas projects within Egdon's portfolio and business development opportunities**
- **Conservative Government majority provides the industry with the opportunity to address the issues related to the moratorium on hydraulic fracturing for shale-gas introduced in November 2019**

Coronavirus (COVID-19)

- The primary concern and focus for the Company at this time is the health and safety of our employees, contractors and other stakeholders.
- The Egdon office is closed with all staff working from home using well tried systems
- To date there have been no incidents of infection within our workforce
- Operational sites are managed by a third-party contractor and we have procedures and plans in place to ensure continuing safe functioning of the sites within the oversight of existing Government regulation
- Oil and gas workers are 'key workers' and travel remains unrestricted as does the transportation of produced oil to the nearby refinery
- 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
- The current operating restrictions which limit access, public engagement and availability of services and materials may result in delays to future projects, with planned site operations at North Kelsey already impacted.
- Cost reductions instigated including temporary 20% reduction in staff salaries

Interim Results for the six months ended 31 January 2020

- Oil and gas revenues during the period of £0.675 million (H1 2019: £1.210 million)
- Loss of £1.044 million (H1 2019: £0.72 million) before impairments
- Overall loss for the period of £3.235 million including £2.191 million of impairments (H1 2019: loss of £0.724 million, NIL impairments)
- Cash and cash equivalents of £0.78 million (H1 2019: £1.78 million)
- Net current assets as at 31 January 2020 of £0.37 million (H1 2019: £2.35 million)
- Net Assets at 31 January 2020 of £27.81 million (H1 2019: £30.00million)
- Post period end in April 2020; successful placing to raise £500,000

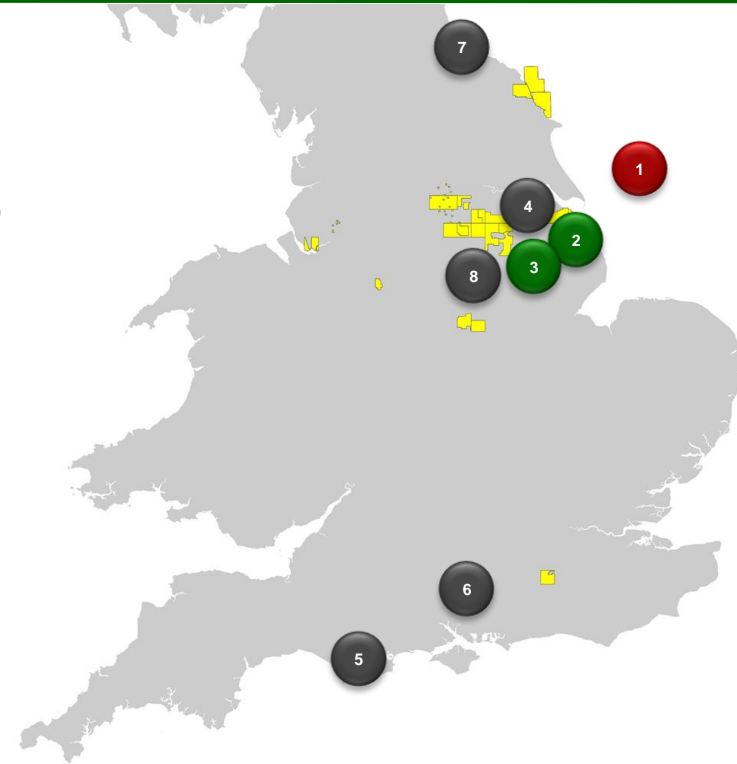


Status/Progress

- ✓ **Planning approval for Wressle field development – H2 2020 start-up**
 - ✓ **H1 2019-20 Production = 178 boepd**
 - ✓ **Field rejuvenation under review for shut-in fields at Waddock Cross & Kirkleatham**
 - ✓ **Cost reductions**
- ✓ **Biscathorpe project upgraded**
 - ✓ **Farmout concluded with Shell U.K. Limited in respect of Resolution and Endeavour gas discoveries**
 - ✓ **Extended key licences and other consents**
- ✓ **One of few listed UK unconventional investment opportunities**
 - ✓ **Achieved significant growth in acreage and GIIP**
 - ✓ **Drilled the successful play opening well at Springs Road-1 in the Gainsborough Trough**
 - x **Moratorium in place in respect of hydraulic fracturing for shale gas**

Production

- Financial year 2019-20 target production of 130-140 boepd
- H1 2020 Production of 178 boepd in line with guidance
- Production from the Ceres⁽¹⁾, Keddington⁽²⁾ and Fiskerton Airfield⁽³⁾ fields
- Appeal upheld for Wressle⁽⁴⁾ field development – expected first production H2 2020
- Shut-in fields (Waddock Cross⁽⁵⁾, Avington⁽⁶⁾, Kirkleatham⁽⁷⁾) being assessed for production re-instatement / investment
- Dukes Wood / Kirklington⁽⁸⁾ and Ceres ⁽¹⁾ impaired at Interims



Producing Assets

Ceres

- Egdon 10% (Spirit operated)
- Offshore gas field
- Single producing well from Leman Sandstone reservoir
- Back-out gas now fully recovered from Mercury field with Neptune field ongoing
- Impairment of £506K due to current low gas prices

Keddington

- Egdon 45% (Operator)
- Late life producing asset
- Single producing well and 1 shut-in well
- Production c. 26 bopd (gross)
- Infill drilling opportunities and near-field exploration/appraisal opportunities being evaluated

Fiskerton Airfield

- Egdon 80% (Operator)
- Late life producing asset
- 2 producing wells and 1 water injector
- Production c. 20 bopd (gross)
- Optimising production and minimising costs
- Long term life and value as water disposal facility

Wressle Update



- **Inspector upheld our appeal following a Public Inquiry held 5-7 November 2019**
- **Cost recovery from North Lincolnshire Council**
- **Wressle – (EDR 30%) Gross 2P Reserves 0.62 mmbo and 2C Resources 1.53 mmbo**
- **Expected initial production rate of c. 500 bopd (150 bopd net Egdon)**
- **Forward plan:**
 - **Discharge all planning conditions**
 - **Finalise regulatory approvals**
 - **Install groundwater monitoring boreholes and gain baseline water data**
 - **Reconfigure and build Wressle site**
 - **Undertake Workover and well operations**
 - **Commence production**
 - **Monitor gas volumes and install appropriate gas generator**
- **Expected first oil, H2 2020**

Shut-in Fields

Waddock Cross

- Egdon 55% (Operator)
- Shut-in Bridport Sandstone oil field (Dorset)
- 2 producing wells
- Significant oil volume in place
- Additional development wells under consideration. Side-track options.

Avington

- Egdon 26.67% (IGas operated)
- Shut-in Great Oolite oil field (Hampshire)
- 2 producing wells
- 0.5-1.0 mmbbls remaining Resources
- Water management options under investigation
- Planning being renewed

Kirkleatham

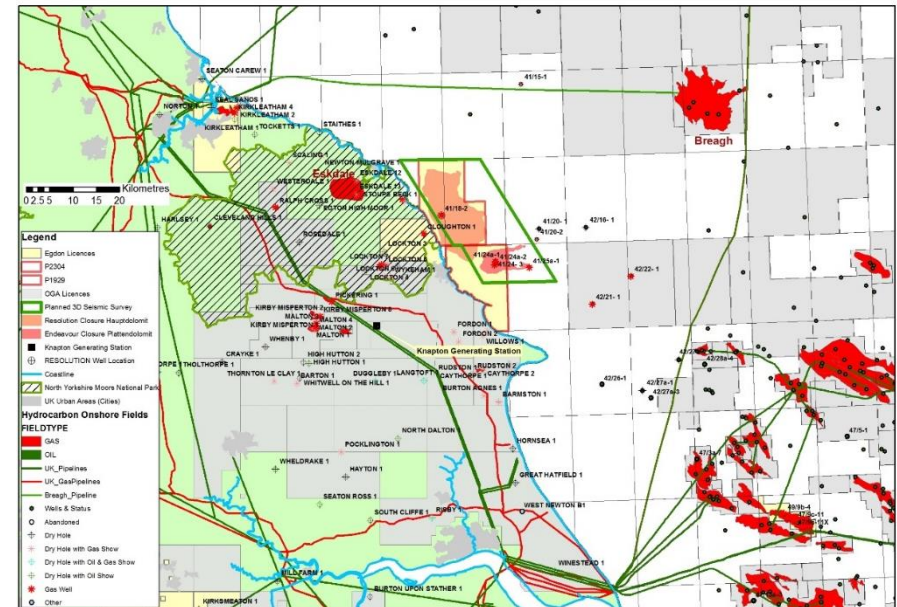
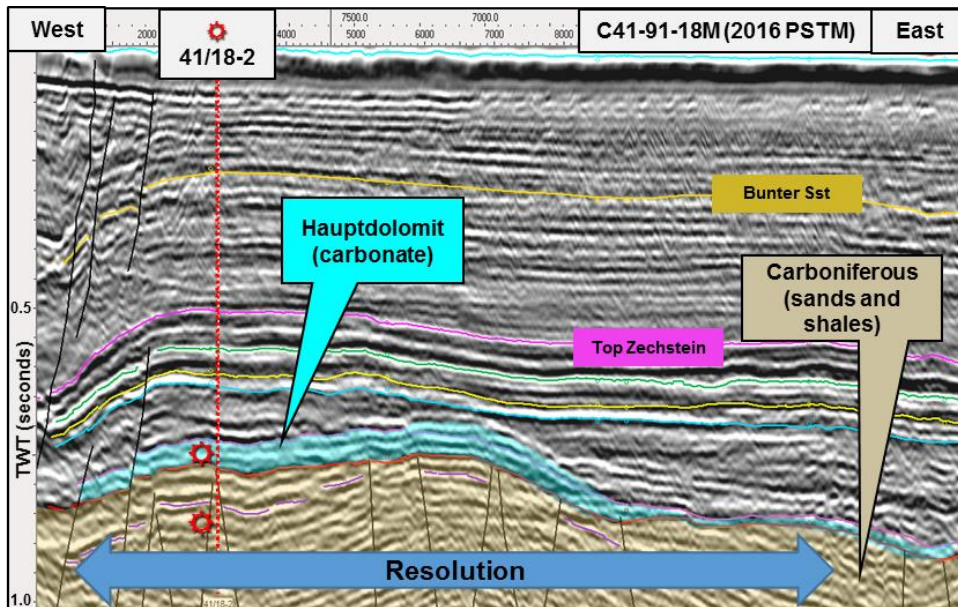
- Egdon 68% (Operator)
- Shut-in Permian gas field (Cleveland)
- Single shut-in well
- Up-dip side-track opportunity identified
- c. 1bcf remaining Resources
- Deeper Carboniferous gas potential
- Gas connection to Wilton site gas turbine



Resolution & Endeavour Gas Discoveries

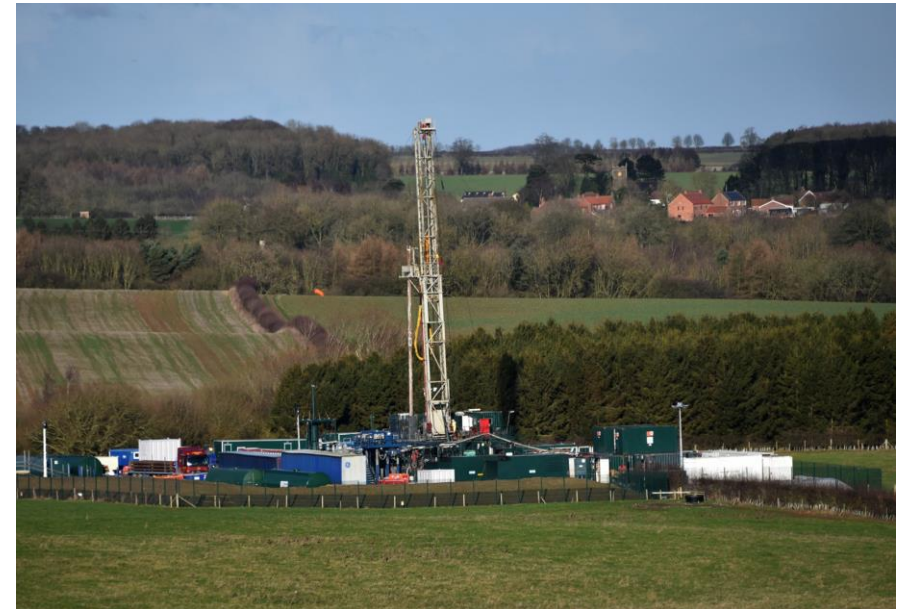
- Farm-in agreement signed with Shell U.K. Limited for P1929 and P2304
- Shell to carry 85% of 3D seismic costs and 100% of manpower costs to well investment decision to earn a 70% interest (Egdon retains 30%)
- OGA licence extensions granted for P1929 (Resolution) and P2304 (Endeavour)
- Resolution Gas Discovery (P1929) = Early North Sea discovery (Total: 1966) capable of 17-22 mmcf/g/d per well
- CPR (Schlumberger) published 9 April 2019 advised Mean Contingent resources of 231 bcf
- 438km² 3D seismic planned to detail both Resolution and Endeavour gas discoveries

Resolution Gas Discovery



Biscathorpe-2 Update

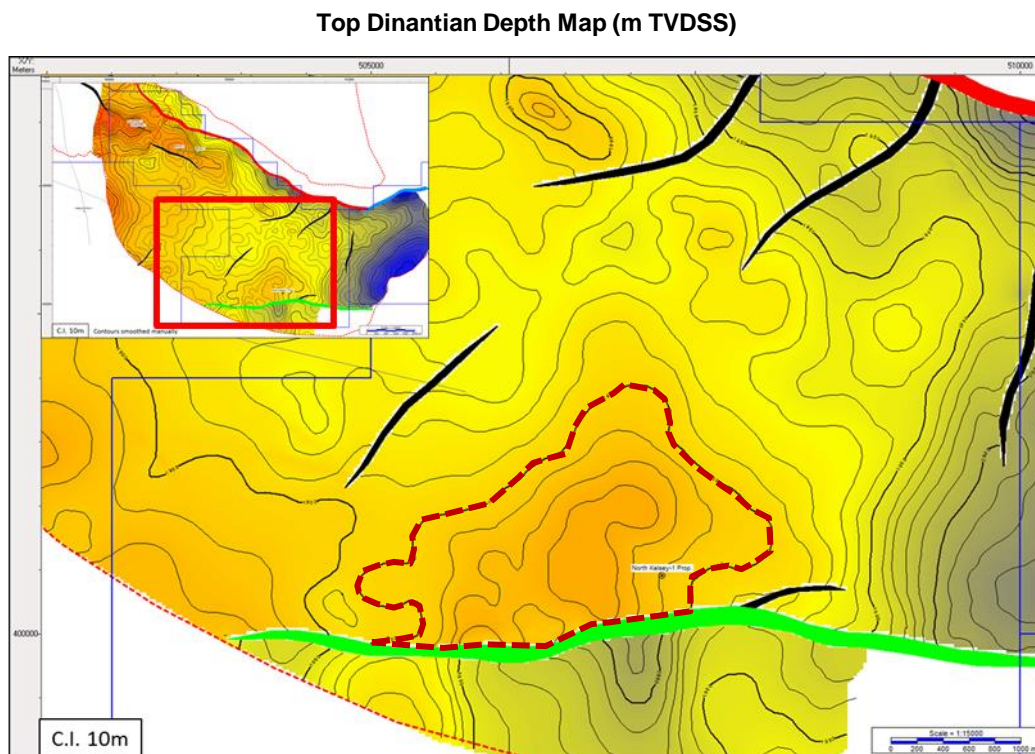
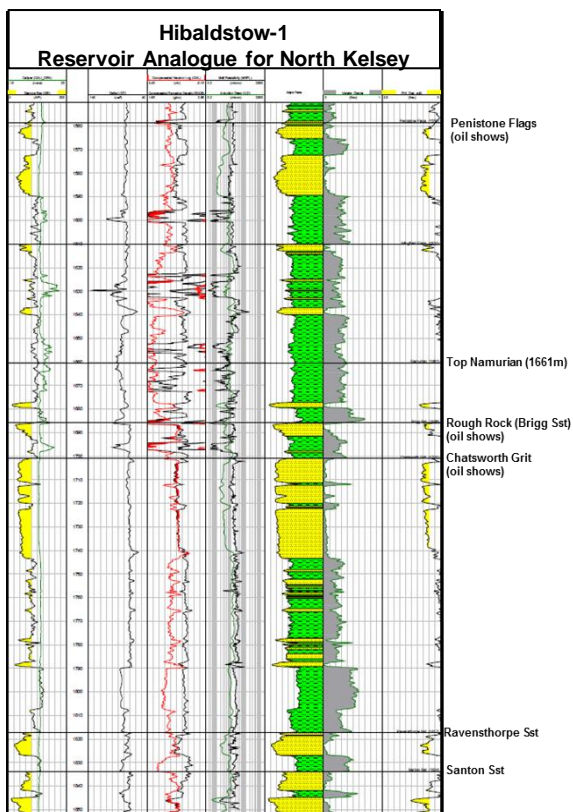
- Biscathorpe-2 (EDR: 44.75%) drilled to a TD of 2133 m in February 2019
- Well suspended for potential side-track
- Now completed extensive and detailed studies including the reprocessing and remapping of 264 square kilometres of 3D seismic
- Accessible target areas have been identified, where evidence for a thickened Westphalian sandstone reservoir interval is evident
- The gross Mean Prospective Resources associated with the Westphalian target area are 3.95 million barrels of oil (mmbo), with an upside case of 6.69 mmbo
- Economic modelling of the Westphalian target yields break-even full cycle economics estimated at US\$18.07 per barrel and an NPV(10) valuation of £55.60 million
- 57 metres of oil bearing, Dinantian Carbonate has been confirmed by petrophysical analysis
- Dinantian oil volumes = gross Mean Stock Tank Oil Initially in Place (“STOIIP”) of 24.3 mmbo with an upside STOIIP case of 36 mmbo



North Kelsey Prospect

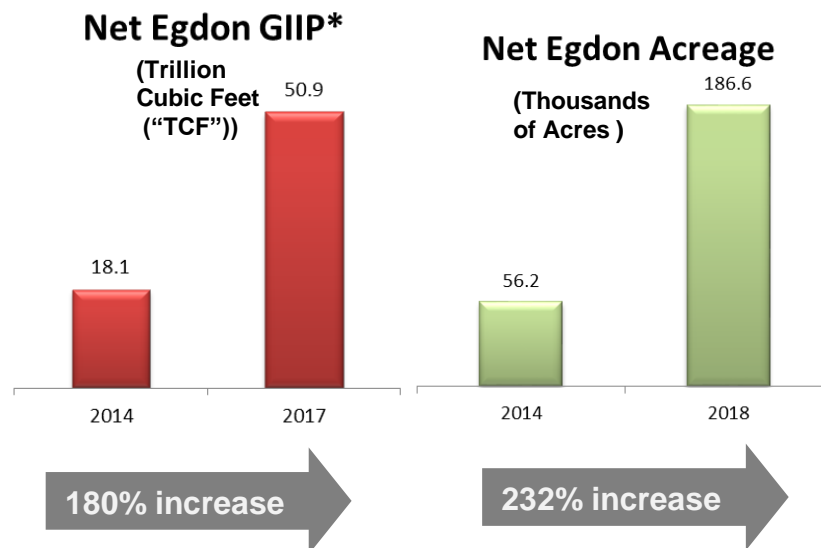
North Kelsey Prospect

- 3D defined prospect with multiple reservoir targets – Wressle analogue
- Mean Gross Prospective Resources of 6.5 mmbo
- Drilling likely to be deferred to 2021 due to COVID-19 restrictions and subject to consents being extended



Shale Gas Assets

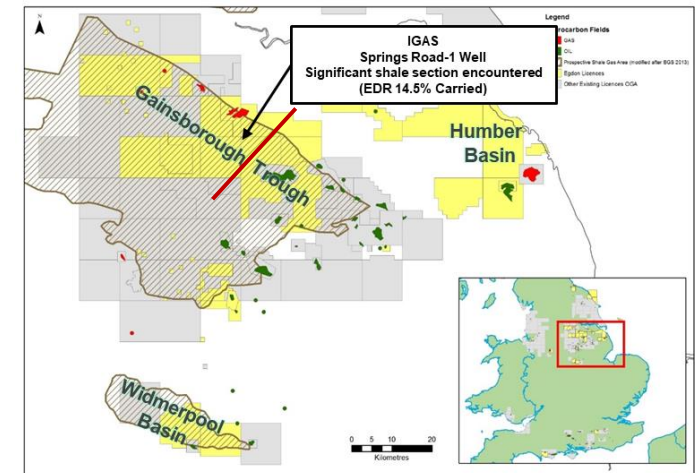
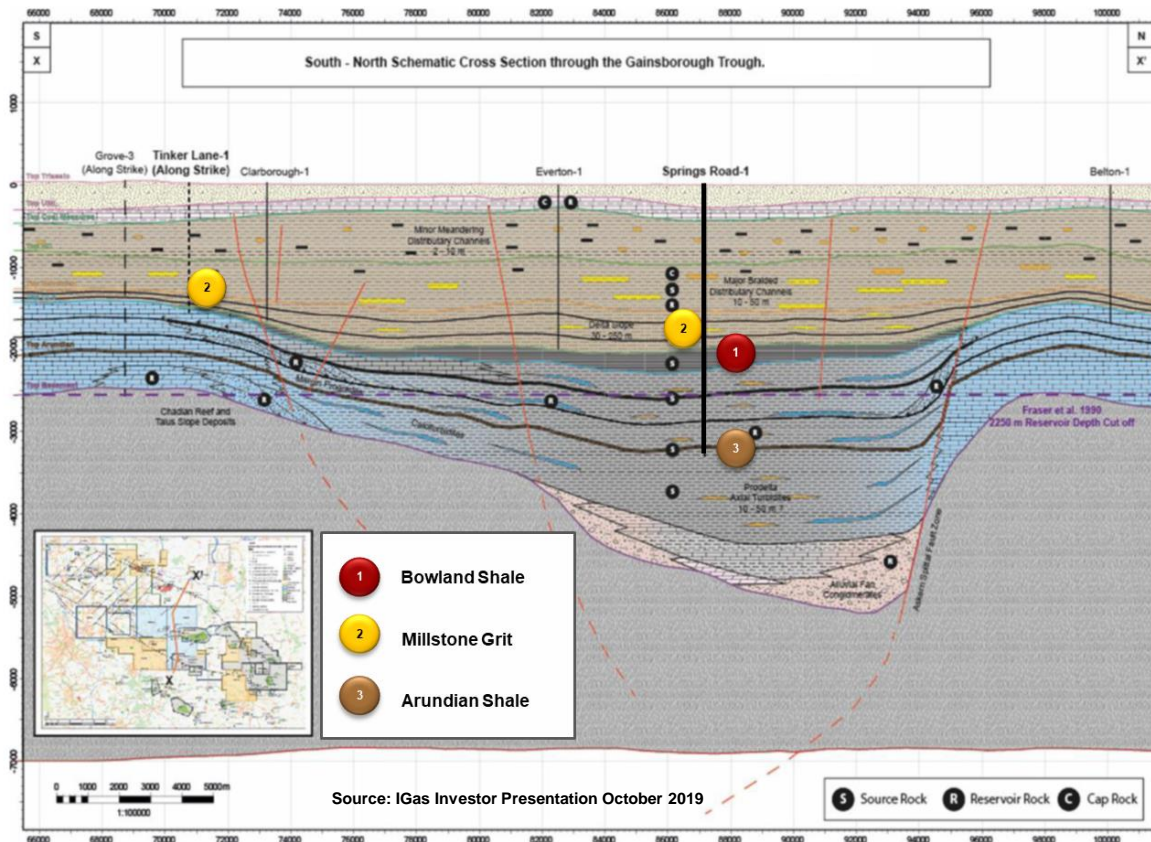
- Highly successful in growing the Company's exposure to unconventional resource exploration opportunities in Northern England - East Midlands focus
- Delivered significant growth in acreage and Gas Initially in Place (GIIP) since 2014 (acreage 186,625 acres, 51 TCF GIIP)
- The written ministerial statement of 2 November 2019 announced a moratorium on hydraulic fracturing for shale gas
- Conservative majority Government has advised it will be led by the science on the moratorium
- Egdon along with the rest of the industry is fully committed to working closely with the OGA and other regulators to demonstrate that we can operate safely and in an environmentally responsible manner to deliver UK gas to market



* ERCE Ltd - 13 May 2014 & 1 November 2016, corrected for recent deals

Gainsborough Trough

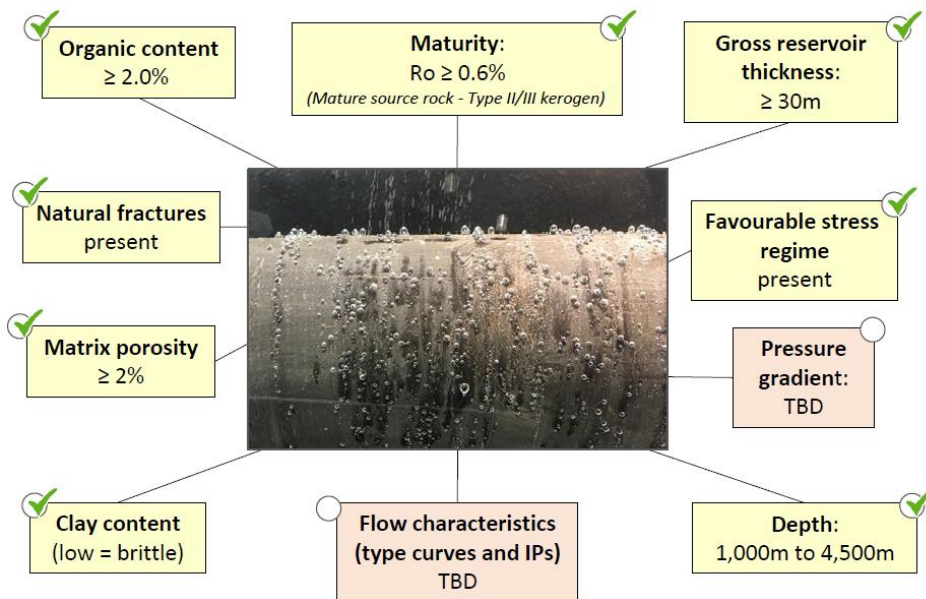
- Gainsborough Trough = Egdon core area
- Egdon = third largest acreage holder with 82,000 net acres
- Highly positive preliminary results from Springs Road-1 (EDR 14.5% carried) begins to validate Egdon's strategic focus on the Gainsborough Trough
- Basin characterised by simple structure and lack of extensive faulting – as highlighted; the risk of seismicity is dependent upon local geology



Springs Road-1 Results

- Springs Road-1 drilled in Q1 2019, to a depth of 3500m, with 147 m of core collected and analysed along with an extensive suite of wireline log and other data
- Egdon's 14.5% interest fully carried
- 429m of hydrocarbon bearing shales encountered within the primary target – Gainsborough Shale (“Bowland Shale”)
- Results compare favourably with US commercial shale operations and are potentially “world class”
- Estimated Gas in Place of c. 640 bcf per square mile
- Additional potential identified in Millstone Grit and Arundian Shale

Key Characteristics of Springs Road-1 Bowland Shale



Source: IGas Interim Results Presentation October 2019

Estimated Gas Initially in Place (GIIP) Springs Road-1 Bowland Shale

Formation (mTVDSS)	Estimated GIIP (Bcf/Sq Mile)		
	Adsorbed	Free	Total
Upper Bowland (2,109 – 2,288)	46.3	184.7	231.0
Lower Bowland (2,288 – 2,593)	70.2	338.5	408.7

Note: Secondary (Millstone Grit) and tertiary (Arundian shale) targets excluded

Source: IGas Interim Results Presentation October 2019

Business Development

- We will continue to review a number of opportunities in the energy space that leverage our expertise
- Focus is on opportunities offering the following characteristics
 - Existing geography
 - Low geological risk
 - Low surface risk
 - Near term predictable cashflows
 - Opportunities to reduce opex and optimise capex and revenue streams
 - Low execution risk

Priorities & Outlook

- **Production guidance for the full financial year 2019-20 is 130-140 boepd, from Ceres, Keddington and Fiskerton Airfield**

Our key operational focus for the coming period will be:

- **Managing costs and cash through the current unprecedented operating environment**
- **Developing the Wressle oil field for production start-up in H2 2020**
- **Completing the farm-out of the Resolution and Endeavour projects with Shell and progressing the acquisition of the planned marine 3D seismic survey**
- **Progressing plans for a Biscathorpe-2 side-track well**
- **Maintaining the option for North Kelsey-1 exploration well for drilling in 2021**
- **Subject to the lifting of the current moratorium on hydraulic fracturing operations for shale gas, progressing the planning and permitting for the drilling and subsequent testing of the Springs Road-2 well**

In the short-term we will focus on our conventional resource portfolio whilst working with the industry to demonstrate to the OGA and other regulators that we can operate safely and in an environmentally friendly manner to deliver UK gas to the market

Summary

“Significant conventional resources exploration/appraisal portfolio”

- ✓ Farm-in concluded with Shell for Resolution & Endeavour gas discoveries
- ✓ Planning for Wressle oil field granted on appeal
- ✓ Oil discovered in Biscathorpe-2 Dinantian Limestone = secondary target to identified Westphaslian Sandstone prospect area
- ✓ Biscathorpe-2 side-track 2021*
- ✓ North Kelsey-1* to be delayed to 2021

“Financial Discipline”

- ✓ Onshore start-up projects demonstrate robust economics even in low price environment
- ✓ Debt free
- ✓ Farm-outs to manage exposure to technical & financial risk
- ✓ Cost reductions implemented

“A leading UK “shale” portfolio”

- ✓ Significant “shale” acreage portfolio
- ✓ One of two listed UK companies with exposure to play
- ✓ “Play opening” Springs Road-1 well drilled in 2019 proved “world-class” gas resource – “the rocks look good”
- x Continued above ground risks and challenges
- x Government fracking moratorium

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