3 November 2021 **Embargoed for 7.00am**

EGDON RESOURCES PLC

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

Preliminary Results for the Year Ended 31 July 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 preliminary results for the year ended 31 July 2021.

Operational and Corporate Highlights

- Completion of site reconfiguration, facilities installation and well recompletion at the Wressle oil field, with test production ongoing since late January 2021 and the proppant squeeze operation successfully completed in July 2021
- Production during the period was 90 barrels of oil equivalent per day (“boepd”) (2020: 145 boepd) against guidance of 110-130 boepd due to delays in undertaking the proppant squeeze at Wressle
- Planning application submitted for a side-track drilling operation, associated testing and long-term oil production at the Biscathorpe-2 well site
- Entered a memorandum of understanding with Creative Geothermal Solutions Limited (“CGS”) in respect of geothermal projects with an initial focus on Egdon’s Dukes Wood-1 and Kirklington-3Z wells
- Completion of the farm-outs for the Resolution and Endeavour gas discoveries (P1929 and P2304) to Shell Oil U.K. Limited
- Continued refocussing and streamlining of the licence portfolio

Financial Performance

- Gross oil and gas revenues during the year increased by 13.4% to £1.09 million (2020: £0.96 million).
- Loss for the year ended 31 July 2021 of £1.68 million after write-downs, pre-licence costs and impairments of £0.48 million (2020: loss of £4.75 million after write-downs, pre-licence costs and impairments of £3.03 million)
- Basic loss per share of 0.51p (2020: 1.53p)
- Cash at bank £1.96 million as at 31 July 2021 (2020: £0.85 million)
- Net assets as at 31 July 2021 of £27.42 million (2020: £26.67 million)
- Refinancing of the business via a £1 million loan facility, the issue of £1.05 million convertible loan notes following shareholder approval at a General Meeting held on 22 January 2021, and an equity placing of £1.44 million gross in July 2021

Subsequent Events

- At Wressle, a coiled tubing operation, a follow-up to the proppant squeeze operation, was completed in August 2021, with test production recommencing and flow rates exceeding pre-operational expectations. During September, we reported facility constrained instantaneous flow rates of up to 884 barrels of oil per day (“bopd”) along with 480,000 cubic feet of gas (c. 80 barrels of oil equivalent per day). Wressle is already having a positive impact on the Group’s revenues.
- In September 2021 we were advised by Shell that the planned 3-D seismic survey across UK offshore licences P1929 and P2304 (Resolution and Endeavour gas discoveries respectively (Egdon 30%)) would not proceed on the originally expected timeframe of February 2022. Subject to regulatory and Shell approval, we now anticipate that this could go ahead in February 2023.
- On 1 November 2021 planning permission was refused for the Biscathorpe project. The Company will await the formal decision notice before taking advice and considering our options including an appeal.

Outlook

- Initial production guidance for 2021-22 is 240 boepd, with Wressle being the significant contributor.
- With the material cash flow expected from Wressle and Ceres in a significantly improved commodity price environment, and the breadth and quality of the opportunities within the portfolio, we look forward with confidence.

Audiocast

An audiocast of the Results Presentation will be available to view via the following link from 09.30:

http://webcasting.buchanan.uk.com/broadcast/61767494df7b150b81e93816

Commenting on the Results Egdon's Chairman, Philip Stephens said;

"During what has been a challenging period as we continue to navigate the COVID pandemic and its macro-economic impacts, I can report that we have continued to make progress against our revised strategy and the business is in a significantly stronger place than a year ago. We have strengthened our financial position and are now operating in a higher commodity price environment as worldwide demand recovers.

Operationally the highlight is undoubtedly Wressle, where production has significantly exceeded our expectations and the material revenues from this asset will transform the cash flow for the business in the current period and beyond, providing optionality for near-term growth opportunities in line with our stated strategy."

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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

Our primary concern during the last year has been the health and safety of our employees, contractors, and other stakeholders as we have navigated the COVID pandemic. Egdon's office-based employees have continued to work from home and our production and site operations have thankfully remained unaffected.

As worldwide economic activity levels have increased, we have seen a strong rebound in commodity prices. In particular, UK gas prices have reached historic highs due to increasing worldwide demand, supply issues and competition for LNG. This is clearly positive for our business and reinforces the need for the UK to maintain secure indigenous supplies of oil and gas as we transition to "Net Zero" by 2050.

Key Events

Key events during the period were;

- Production during the period was 90 boepd (2020: 145 boepd) against guidance of 110-130 boepd. Production was from the Ceres gas field, the Keddington and Fiskerton Airfield oil fields and since 30 January 2021, the Wressle oil field extended well test operations. Guidance was missed due largely to the delay in undertaking the proppant squeeze operation at Wressle
- Development of the Ashover Grit reservoir at Wressle oil field has been completed with the proppant squeeze operation being undertaken during late July 2021. The initial production rates of up to 884 barrels of oil per day (bopd) have exceeded the Company's expectations
- A planning application supported by a comprehensive environmental statement was submitted in February for the drilling of a side-track well, well-testing and long-term production at Biscathorpe. The planning decision rejecting Egdon's application was made by the planning committee post-period end on 1 November 2021
- Egdon entered into a memorandum of understanding with Creative Geothermal Solutions Limited ("CGS") in respect of geothermal projects with an initial focus on Egdon's Dukes Wood-1 and Kirklington-3Z wells
- Refinancing of the business via a £1 million loan facility, the issue of £1.05 million convertible loan notes, which have subsequently been converted, and an equity placing of £1.44 million

Financial and Statutory Information

I am pleased to be able to report on a strengthening of the Group's financial position over the period.

Revenue from oil and gas production during the year was £1.09 million (2020: £0.96 million). The revenues are driven by an increase in commodity prices resulting in an 84% increase in realised price per boe (2021: $33.35/boe against 2020: $18.08/boe), which have mitigated a fall in overall production at existing sites of 38.5% (2021: 32,686 barrels of oil equivalent against 2020: 53,070 boe).

The Group recorded a net loss of £1.68 million for the year, (2020: loss of £4.75 million). This included write-downs, pre-licence costs and impairments totaling £0.48 million (2020: £3.03 million).

The operating loss, calculated as gross loss less admin expenses, plus other operating income, before impairments was £1.11 million (2020: £1.79 million).

The Group continues to focus on managing its cash resources and at the end of the year had cash and cash equivalents of £1.96 million (2020: £0.85 million) and net current assets of £0.14 million (2020: net current liabilities of £0.33 million).

In November 2020, Egdon secured a £1.00 million loan facility. The loan has a term of 18 months with an interest rate of 11% per annum and is secured against a 25% interest in the Wressle project. In January 2021, Egdon issued £1.05 million convertible loan notes with a concert party of Petrichor Holdings BV. These notes were exercised in July 2021 for the issue of 73,233,406 shares. An equity placing of £1.44 million gross was completed in July 2021.

The loss per share for the year was 0.51p (2020: loss of 1.53p).

In line with last year, the Directors do not recommend the payment of a dividend.

Strategy

The Board has updated the Company's strategy to take account the opportunities and challenges presented by the wider economic and political environment and the UK's move to Net Zero carbon emissions by 2050. 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 projects

3) A near term focus on developing low carbon energy transition projects utilising Egdon's existing assets, knowledge of the UK's onshore geology and core technical skills and operating experience
4) Maintain our significant portfolio of unconventional resources assets whilst working to address the moratorium

We have already made progress in respect of the revised strategy with the signing of an MoU with Creative Geothermal Solutions Limited ("CGS") to progress geothermal energy opportunities as discussed below.

Political and Regulatory

The UK is committed by law to reaching Net Zero carbon emissions by 2050. The popular narrative around this tends to be the demonisation of oil and gas, with renewables fully displacing the use of fossil fuels. However, in its December 2020 report, the Climate Change Committee ("CCC"), 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 its energy needs and that there will be a continuing need for oil and gas. This has been starkly brought into focus by the historically high gas prices, which have resulted in the failure of a number of small energy suppliers, the shut-down of fertiliser manufacturing and fears for its impact on other energy intensive industries. These situations have been driven by increased worldwide demand, supply limitations - particularly from Russia, increased deliveries of LNG to the Far East and the coincidence of low output of wind and solar power in the UK.

Egdon was adversely impacted in November 2019 by the Government's imposition of a moratorium on high volume hydraulic fracturing for shale-gas. Each geological basin and site is different and we are encouraged that the Gainsborough Trough, where Egdon holds its core licences, is characterised by its simple structure and limited subsurface faulting. Egdon continues to work to demonstrate that we can operate safely and in an environmentally responsible manner. The results of various independent studies conclude that UK sourced shale-gas would have significantly lower (up to 75% lower) pre-combustion carbon emissions than gas imported via Liquified Natural Gas ("LNG") or long-distance pipelines. Indigenous UK shale-gas could be an important part of the energy transition for the UK in its move towards a Net Zero economy.

The Government has now published its hydrogen strategy which highlights the importance of blue hydrogen (natural gas derived hydrogen coupled with carbon capture, utilisation and storage) in the energy transition.

The national and local benefits of indigenous oil and gas supplies are clear and even more compelling in the context of a post-COVID-19 recovery, with a positive impact on emissions, energy security, balance of payments, tax, business rates and employment. Without indigenous oil and gas, the UK will simply 'offshore' its emissions, employment, and fiscal benefits.

Asset Portfolio

Following relinquishment or expiration of non-core, non-prospective or operationally challenging licences during the period, Egdon held interests in 38 licences (2020: 42 licences) in the UK at the period end with exposure to the full cycle of opportunities from exploration through to development and production. The Company will maintain its current focus on the highest potential projects whilst divesting certain non-core assets to provide more focus to the portfolio.

Production

Production during the period was 90 boepd, (2020: 145 boepd) from Ceres, Keddington and Fiskerton Airfield, with Wressle contributing on test production since 30 January 2021.

Test production commenced in January 2021 from the Ashover Grit at the Wressle oil field (PEDL180/PEDL182: Egdon 30%). A proppant squeeze and follow up coiled tubing operation was completed in August 2021, with test production recommencing and flow rates exceeding pre-operational expectations. During September, we reported facility constrained instantaneous flow rates of up to 884 barrels of oil per day ("bopd") along with 480,000 cubic feet of gas (c. 80 barrels of oil equivalent per day). Wressle is already having a highly positive impact on our revenues.

A number of additional projects to boost production and revenues are under active consideration, and include Keddington and Waddock Cross.

A detailed sub-surface review of the Keddington oil field and the surrounding licence area (PEDL005 (Remainder): Egdon 45%) has highlighted that material volumes remain to be produced presenting an opportunity to increase production during 2022 via a development side-track for which planning consent is already in place.

The shut-in Waddock Cross oil field (PL090: Egdon 55%) has potential for commercial production (> 500 bopd) from a new horizontal well. 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

Our portfolio of conventional assets provides potential for growth via exploration and appraisal drilling and the Company continues to progress those opportunities that offer maximum near-term impact. Key projects for the coming period are summarised below.

Evaluation of the results of the Biscathorpe-2 well (PEDL253: Egdon 35.8%), has identified a possible material and commercially viable hydrocarbon resource which remains to be tested. A planning application was submitted during February 2021 for side-track drilling, testing and long-term production. The proposed side-track would target gross Mean Prospective Resources of 6.50 million barrels of oil (mmbo) as estimated by Egdon. The planning decision rejecting Egdon's application was made by the Planning Committee on 1 November 2021, despite having a recommendation for approval from the planning officers. The North Kelsey Prospect (PEDL241: Egdon 50%) is considered an analogue to the Wressle field and has Mean Prospective Resources of 6.47 million barrels in multiple reservoirs. Planning consent was extended to 31 December 2021 and an application is in preparation to extend this further.

Conditional upon the eventual receipt of the required planning consents, and in part dependent upon securing farm-outs on PEDL253 and PEDL241, Egdon hopes to drill a side-track at Biscathorpe and a new well on the North Kelsey prospect.

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%). In September we were advised by Shell that the planned 3-D seismic survey across both discoveries would not proceed on the original expected timeframe of February 2022.

Unconventional Resources

The Group holds a significant unconventional resources portfolio of licences located in Northern England, totalling 151,742net acres (614km^2 net) with estimated Mean volumes of undiscovered GIIP of 37.6 TCF (independently assessed by ERCE in 2016). Our primary focus is the Gainsborough Trough, where the results from the 2019 Springs Road-1 well (Egdon 14.5%) highlighted a potentially world class resource in the Gainsborough Shale. However, activity is currently paused with all licences being held on a care and maintenance basis due to the moratorium on hydraulic fracturing for shale-gas imposed in November 2019.

Energy Transition Opportunities

Egdon has focused on energy transition opportunities which utilise the Company's core skills, knowledge, and operating experience. These include geothermal energy, hydrogen production and energy storage opportunities.

An initial review of the geothermal potential within our existing wells and fields has shown that a number of these have merit. The review highlighted anomalously high sub-surface temperatures at our shut-in wells at the Dukes Wood and Kirklington oil fields, making these wells candidates for repurposing for geothermal heat production.

To facilitate progress in relation to geothermal energy opportunities we have signed a memorandum of understanding 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 projects.

A programme to plug and abandon the existing Dukes Wood-1 oil well and recomplete it for geothermal heat production has been developed for Egdon by CGS and has been submitted to the regulator. It is anticipated that subject to regulatory approval, this work will commence during Q1 2022.

Outlook

Production guidance for 2021-22 is 240 boepd, with Wressle being a significant contributor to this and being subject to review as further production data becomes available.

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. In parallel, we aim to demonstrate to the regulators that we can operate safely to deliver lower emission, indigenous UK shale-gas to support the energy transition.

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

- Managing our operation to ensure the continued safety of employees, contractors and other stakeholders in respect of COVID-19
- Optimise oil and gas production from the Ashover Grit reservoir at Wressle
- Progress the monetisation of associated gas production from the Ashover Grit at Wressle
- Finalise plans for development of the Contingent Resources at Wressle
- Securing planning consent for the Biscathrope-2Z side-track, testing and long-term production
- Securing an extension to North Kelsey planning consent beyond end 2021
- Progressing drilling plans to target incremental oil production / near field exploration opportunities at the Keddington oil field and field redevelopment at Waddock Cross
- Geothermal repurposing of the Dukes Wood-1 well during 2022
- Subject to Shell's approval, progressing the 3-D seismic survey over the Resolution and Endeavour gas discoveries
- Further developing the Company's energy transition opportunities

I am also pleased to report that we have made the move to electronic communication with shareholders. This should produce a significant saving in paper and postage, at the same time as allowing proxies and other shareholder matters to become easier and more efficient for all concerned. Shareholders remain entitled to receive all shareholder communications in paper form at no cost, but we are encouraging those who can, to agree to receive everything in electronic form.

With the material cash flow expected from Wressle and Ceres in a significantly improved commodity price environment, and the breadth and quality of the opportunities within the portfolio, we can look forward with confidence.

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

Philip Stephens
Chairman
2 November 2021

OPERATING REVIEW

I am pleased to provide shareholders with a more detailed review of the group's assets, operations and plans with a focus on progress against objectives, key priorities, risks, and potential growth drivers. Egdon's website (www.egdon-resources.com) provides further details of the group's assets and operations.

Health, Safety & Environment

Egdon is fully committed to high standards of Health, Safety and Environmental ("HSE") management, protection and performance with all operational activity performed under the umbrella of the Group's HSE Management System ("HSEMS"). In line with our approach of continual improvement, the HSEMS is subject to continuing review and revision to ensure it remains fit for purpose. During the reporting period there were no reportable health and safety incidents, and the Company was compliant with all of its environmental permits and planning consents.

Operating Environment & COVID-19

We have kept our employees, contractors, and other stakeholders safe by adopting home working and social distancing measures and continue to take all precautions to ensure risks are minimised.

Communications

Egdon maintains a website (www.egdon-resources.com) which provides stakeholders with up-to-date information on the Company and its operations. Egdon also has a community facing website (www.egdon-community.com) which provides a portal for information related to Egdon's operational sites. Summaries of press releases, non-price-sensitive information and other relevant updates are also shared via the Company's Twitter account (@EgdonResources).

To improve the efficiency of sharing corporate information with shareholders Egdon is now able to provide the option for electronic communication.

Progress against objectives

As part of our preliminary results reporting (January 2021) and Interim Results (April 2021) we set out several objectives against which I can report on progress

	Objective Set	Progress Against Objective
1)	Managing our operations to ensure the continued safety of employees, contractors and other stakeholders in response to the evolving COVID-19 situation	• Successfully implemented COVID secure procedures and systems • No adverse direct impacts
2)	Continuing to carefully manage costs and cash through the current challenging operating and macro-economic environment and ensuring the business is capitalised for the future	• Improved cash position through recapitalisation of the business by securing loans and issue of new equity • Temporary salary reductions in place throughout period
3)	Finalising the development of the Wressle oil field for production start-up in January 2021 and progressing the proppant squeeze at the Wressle oil field to attain target production of 150 bopd net to Egdon	• Recompletion finalised in January 2021 and test production commenced • Proppant squeeze successfully undertaken in July 2021 with coiled tubing completed in August 2021 • Instantaneous flow test production of 884 bopd (facilities constrained) achieved, exceeding expectation
4)	Securing planning consent for the Biscathrope-2Z side-track, testing and long-term production	• Planning application submitted in February 2021 • Application rejected on 1 November 2021 • Options including an appeal to be considered
5)	Progressing a farm-out of North Kelsey-1 and Biscathorpe-2Z with a view to drilling during 2022	• Data room opened for these opportunities • Process ongoing
6)	Streamlining the conventional resource portfolio to concentrate on a smaller number of key assets whilst maintaining our position in core unconventional resource assets	• Non-core and low prospectivity assets relinquished or licences lapsed • Ongoing review of all assets
7)	Progressing the acquisition of the 3-D seismic survey over the Resolution and Endeavour gas discoveries in February 2022	• Shell has advised that the 3D seismic survey over the Resolution and Endeavour gas discoveries has been delayed beyond February 2022.

8)	Subject to 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	• Work ongoing to address the moratorium • Planning has been refused to retain the site and the operator has advised it will restore the site • A new more optimal location will be required to progress the next phase of work (subject to lifting of the moratorium)
9)	Reviewing the Energy Transition opportunities within the current portfolio, including repurposing of existing wells for geothermal energy	• Geothermal repurposing opportunities identified • MoU signed with Creative Geothermal Solutions (CGS) • Plans to repurpose Dukes Wood-1 developed for Q1 2022 activity
10)	Progressing drilling plans to target incremental oil production / near field exploration opportunities at the Keddington oil field and field redevelopment at Waddock Cross	• Detailed engineering work ongoing to finalise plans for 2022 activity at both sites

Assets & Operations

Egdon held interests in 38 licences in the UK at year end with exposure to the full cycle of opportunities from exploration through to development and production.

Licensing

Highlighted below are key changes to our licence portfolio during and post-period.

Licence	Changes
PEDL143	Licence relinquished during September 2020
PEDL343	Licence extended to November 2021.Discussing longer extension and associated work programme
PEDL339, PEDL258, PEDL259	These licences have lapsed at the end of their Initial Terms as prospectivity was considered low
PEDL209	Egdon increased interest to 100% due to withdrawal of other JV parties
PL161/PL162	Farm-in Agreement with Scottish Power has lapsed and Egdon no longer has an interest in the licences
PEDL202	Interest in licence relinquished during August 2021

Production and Development Assets

Production during the period was 90 boepd, (2020: 145 boepd) from Ceres, Keddington and Fiskerton Airfield, with Wressle contributing on test production since late January 2021.

Wressle (PEDL180/182: Egdon 30%)

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.

Significant progress has been made at Wressle since it was granted planning consent in January 2020. The initial phase of work culminated in commencement of oil flows at the end of January 2021, following installation of surface facilities and a safe and successful recompletion and reperforation of the Ashover Grit reservoir. This has resulted in the Ashover Grit reservoir achieving instantaneous flow rates in excess of 884 barrels of oil per day ("bopd") along with 480,000 cubic feet of gas (c. 80 barrels of oil equivalent per day) on a significantly restricted choke setting (30.5/64ths) and with a high flowing wellhead pressure. Thus far, no formation water has been seen. The full flow potential of the well has yet to be fully tested due to constraints being experienced with the gas handling equipment.

Our focus for the coming period will be to remove the constraints to production and optimise oil and gas production from the Ashover Grit reservoir and then move to finalise plans for the development of other hydrocarbon bearing reservoirs to access the contingent resources with particular focus on the Penistone Flags reservoir.

Consent has also now been received to install a combustion plant to facilitate gas to electricity generation, which will add a new potential revenue stream to the Wressle field development.

Environmental monitoring throughout the operations has shown no measurable impact on water quality, no seismicity and that noise levels have been within the permitted levels.

Ceres (P1241: Egdon 10%)

Ceres gas production during the period has declined to 58 boepd plus 4 boepd of condensate net to Egdon (2020: 118 boepd plus 4 boepd of condensate). The recent strong gas prices make the asset highly economic, and production is now expected to cease in 2023-25 dependent upon economic life with abandonment to follow.

<u>Keddington</u> (PEDL005R: Egdon 45%)

Keddington continues to produce at a net rate of 8 bopd (2020: 8 bopd) from one well. Some down-time was experienced during the Period due to wax management issues which have subsequently been resolved. A subsurface review of the Keddington field and the surrounding licence area has been completed, which indicates that gross Mean Contingent Resources of 559,000 barrels remain to be produced. With planning consent already in place, this presents an opportunity to increase production via a development side-track from one of the existing wells. Detailed reservoir engineering work is currently being finalised by ERCE to support the final target selection for such a well, which could be drilled in 2022.

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. It is intended that the Louth prospect would now be accessed from the existing Keddington site and as such licence PEDL339 has been allowed to lapse at the end of its initial term.

<u>Fiskerton Airfield</u> (EXL294: Egdon 80%)

Fiskerton Airfield produces at a net rate of 12 bopd during the period (2019: 13 bopd). Our focus at Fiskerton Airfield remains on maximising production from the existing wells and managing costs. Longer term potential for the site is to use it to manage produced water from other Egdon sites through the existing water injection well on site and for potential geothermal repurposing as well.

<u>Waddock Cross</u> (PL090: Egdon 55%)

Waddock Cross is currently shut-in. Independent reservoir modelling has shown that a new horizontal well on the field could yield commercial oil production (500-800 bopd). Given the large in- place oil volume (Mean oil in place of c. 57 million barrels of oil) this asset has been high graded by the Company as planning consent and facilities are in place to test this significant opportunity.

Third party work is currently ongoing to finalise the well design, facilities specification, and commercial modelling for the phased redevelopment of the shut-in Waddock Cross oil field in Wessex Basin licence PL090. This will involve managing the expected high water cut. A final investment decision is expected to be made by the end of 2021 which could lead to further drilling activity during 2022.

<u>Kirkleatham</u> (PEDL068: Egdon 68%)

The Kirkleatham gas field remains shut in. Potential exists for a side-track to access a volume of gas in the attic of the structure. Furthermore, additional upside may exist for a tight gas resource in the underlying Carboniferous. The production facilities remain in place and can easily be reinstated.

<u>Avington (PEDL070: Egdon 28%)</u>

Avington remains shut-in. Planning consent was refused by the South Downs National Park Authority for continuing production at the site and the joint venture have appealed this decision with the outcome still awaited.

<u>Conventional Exploration and Appraisal Assets</u>

The Company continues to progress those conventional resource opportunities that offer maximum impact via the drill-bit. The pace of exploration drilling activity is in part dependent upon securing successful farm-outs as the Company carefully looks to balance financial exposure and technical risk in line with our long-standing business model. Key projects are:

<u>Biscathorpe</u> (PEDL253: Egdon 35.8%)

Evaluation of the results of the Biscathorpe-2 well, together with the reprocessing of 264 square kilometres of 3-D seismic data identified a possible material and commercially viable hydrocarbon resource remaining to be tested. A planning application supported by a comprehensive environmental statement was submitted during February 2021 for side-track drilling, testing and long-term production. Following extensive consultation, the application received a recommendation for approval, but was rejected by the planning committee at a meeting on 1 November 2021. We will await the formal decision notice before taking advice and considering our options with the joint venture partnership including an appeal.

Subject to eventual receipt of planning consent, the side-track would target the Dinantian Carbonate, where a 68-metre oil column was discovered in Biscathorpe-2. The Dinantian Carbonate has been assessed by Egdon to have a gross Mean Prospective Resource volume of 2.55 million barrels of oil (mmbo). The overlying Basal Westphalian Sandstone has the potential to add gross Mean Prospective Resources of 3.95 mmbo. Commercial 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.

Results of an independent Carbon Intensity Study, conducted by Gaffney, Cline & Associates, concluded that the Biscathorpe project has an AA rating. This is significantly lower than the current UK average. Once in production, GaffneyCline estimates the Biscathorpe project to have a Carbon Intensity of just 3.06 grams of Carbon Dioxide equivalent per mega joule (gCO_2Eq/MJ).

North Kelsey (PEDL241: Egdon 50%)

The North Kelsey Prospect has been mapped from 3-D seismic data and has potential for oil in up to four stacked conventional Carboniferous reservoir targets: the Chatsworth Grit, Beacon Hill Flags, Raventhorpe Sandstone and Santon Sandstone. North Kelsey is geologically analogous to the Wressle field. Egdon has calculated the gross Prospective Resources to range from 4.66 million barrels up to 8.47 million barrels, with a Mean Resource volume of 6.47 million barrels.

Plans to construct the well site during 2021 were again impacted by COVID-19 restrictions brought about by the second wave of infections. Egdon is in the process of submitting a further application to extend the existing consent beyond 31 December 2021. Egdon and Union Jack Oil plc completed the alignment of equity on a 50:50 basis with Egdon receiving a cash consideration of £100,000.

Resolution and Endeavour (P1929 & P2304: Egdon 30%)

In September 2021 Egdon was advised by licence operator, Shell U.K. Limited, that the 3D seismic survey planned for February 2022, over the Resolution and Endeavour gas discoveries, will not proceed on the original expected timeline. Subject to Regulatory and Shell approvals we anticipate that the survey could proceed in February 2023.

A Competent Person's Report (Schlumberger Oilfield UK PLC) reported Mean Contingent Gas Resources of 231 billion cubic feet of gas ("bcf") attributable to the Resolution gas discovery (P1929). In addition, Egdon estimates that the Endeavour gas discovery (P2304) contains Mean Contingent Resources of 18 bcf, with a P90 to P10 range of 10 to 28 bcf.

Unconventional Resources

Following a number of changes to our licence interests as detailed above, the Group's unconventional resources acreage position in Northern England is 151,742 net acres (614km^2 net) (2020: 164,280 net acres (664km^2 net)). This remains a significant and potentially highly valuable position with estimated Mean volumes of undiscovered GIIP of 37.6 TCF net to Egdon, independently assessed by ERCE (2019: 47.6 TCF).

Egdon's core area is the Gainsborough Trough of Nottinghamshire, Lincolnshire and Yorkshire where the Group holds interests in 71,361 net acres (2020: 71,361 net acres).

The results from the 2019 Springs Road-1 well ("SR-01" - 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 in the basin is currently on pause due to the moratorium on hydraulic fracturing of shale-gas imposed in November 2019. Egdon remains optimistic of 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.

Egdon also retains interests in the Widmerpool Basin and Humber Basins of the East Midlands, the Cleveland Basin of NE England and the Blacon Basin of NW England. Future activity levels on all these licences will be on a care and maintenance basis during the coming period.

Energy Transition Opportunities

The energy transition will present a number of challenges and opportunities for Egdon. The Company recognises the potential for repurposing of its fields, sites and wells for renewable purposes as well as with additional new stand-alone projects in the geothermal, hydrogen and energy storage space. During the coming period we will be developing our strategy and plans in respect of these new business areas.

Dukes Wood Geothermal

Egdon's initial focus has been on geothermal opportunities within our existing well stock. A detailed review has highlighted an anomalously high geothermal gradient local to our shut-in wells at the Dukes Wood and Kirklington oil fields.

Working with Creative Geothermal Solutions Limited (CGS) we have developed and a submitted to the regulator a programme to plug and abandon the existing Dukes Wood-1 oil well and recomplete it for geothermal heat production. It is anticipated that subject to regulatory approval, work on this proof-of-concept project will commence during Q1 2022.

Outlook and Priorities

Initial production guidance for the 2021/2022 financial year is 240 boepd from Wressle, Ceres, Keddington and Fiskerton Airfield.

Operationally, in the short-term we will continue to focus on key highlighted projects within our conventional portfolio. Longer term we will maintain our substantial acreage position in the nascent shale-gas play and continue to work to demonstrate to the regulatory authorities, that we can operate safely to deliver lower emission indigenous UK shale-gas to support the energy transition.

The key priorities for the Company during the coming year are summarised in the Chairman's Statement above and demonstrate the breadth and depth of the asset base.

Mark Abbott
Managing Director
2 November 2021

EGDON RESOURCES PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2021

	Notes	**2021** £	2020 £
Continuing operations			
Revenue - continuing		**1,092,735**	963,620
Cost of sales – exploration costs written-off and pre-licence costs		**(206,156)**	(193,953)
Cost of sales – Impairments of intangible fixed assets	2	**(276,362)**	(1,171,591)
Cost of sales – Impairments of property, plant and equipment	3	**-**	(1,663,473)
Cost of sales – depreciation		**(183,711)**	(162,646)
Cost of sales – direct production costs		**(918,689)**	(1,215,968)
Cost of sales – other, including shut-in fields		**(190,573)**	(187,783)
Cost of sales – release of Ceres contract asset		**-**	(99,704)
Total cost of sales		**(1,775,491)**	(4,695,118)
Gross loss		**(682,756)**	(3,731,498)
Administrative expenses		**(862,060)**	(956,289)
Other operating income		**156,616**	61,204
		(1,388,200)	(4,626,583)
Finance income		**50,616**	48,212
Finance costs		**(344,051)**	(169,830)
Loss before taxation		**(1,681,635)**	(4,748,201)
Taxation		**-**	-
Loss for the year		**(1,681,635)**	(4,748,201)
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year attributable to equity holders of the parent		**(1,681,635)**	(4,748,201)
Basic loss per share	4	**(0.51)p**	(1.53)p
Diluted loss per share	4	**(0.51)p**	(1.53)p

EGDON RESOURCES PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2021

	Notes	**2020**	2020
		£	£
Non-current assets			
Intangible assets		**21,241,378**	21,451,306
Property, plant and equipment		**8,719,310**	7,986,094
Right-of-use asset		**617,808**	709,192
Trade and other receivables		**384,831**	403,486
Total non-current assets		**30,963,327**	30,550,078
Current assets			
Inventory		**-**	5,466
Trade and other receivables		**1,084,992**	1,831,859
Cash and cash equivalents		**1,959,728**	847,224
Total current assets		**3,044,720**	2,684,549
Current liabilities			
Trade and other payables		**(1,772,284)**	(2,870,526)
Other financial liabilities		**(1,135,804)**	(148,849)
Net current assets/(liabilities)		**136,632**	(334,826)
Total assets less current liabilities		**31,099,959**	30,215,252
Non-current liabilities			
Lease liabilities		**(1,012,553)**	(1,067,844)
Provisions		**(2,669,107)**	(2,477,503)
Net assets		**27,418,299**	26,669,905

Equity			
Share capital		**17,118,649**	15,234,035
Share premium		**27,513,071**	26,967,656
Share based payment reserve		**122,254**	122,254
Convertible debt option reserve		**-**	-
Retained earnings		**(17,335,675)**	(15,654,040)
		27,418,299	26,669,905

EGDON RESOURCES PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

	2021	2020
	£	£
Cash flows from operating activities		
Loss before tax	**(1,681,635)**	(4,748,201)
Adjustments for:		
Depreciation and impairments of non-current assets	**594,131**	3,017,334
Increase in decommissioning provision – written off to cost of sales	**28,908**	1,996
Gain on disposal of fixed assets	**-**	(5,058)
Foreign exchange loss	**4,525**	12,594
Decrease/(increase) in inventory	**5,466**	(5,466)
Decrease/(increase) in trade and other receivables	**696,675**	(102,840)
(Decrease)/increase in trade and other payables	**(1,057,412)**	1,491,576
Finance costs	**344,051**	169,830
Finance income	**(50,616)**	(48,212)
Share based remuneration charge	**-**	8,968
Net cash flow used in operating activities	**(1,115,907)**	(207,479)
Cash flows from investing activities		
Finance income	**-**	755
Payments for exploration and evaluation assets	**(384,827)**	(842,320)
Purchase of property, plant and equipment	**(719,288)**	(58,713)
Sale of property, plant and equipment	**209,872**	31,376
Redemption of redeemable preference shares	**50,000**	-
Net cash used in capital expenditure and investing activities	**(844,243)**	(868,902)
Cash flows from financing activities		
Issue of convertible loan notes	**1,051,035**	-
Costs associated with issue of convertible loan notes	**(67,236)**	-
Issue of shares	**1,440,350**	500,000
Costs associated with issue of shares	**(78,203)**	(25,000)
Redemption of redeemable preference shares	**(50,000)**	-
Principal paid on lease liabilities	**(77,071)**	(91,481)
Interest paid on lease liabilities	**(74,748)**	(65,230)
Interest paid	**-**	(15)
Loan drawdown	**1,000,000**	-
Partial repayment of loan principal	**(66,948)**	-
Net cash flow generated from financing	**3,077,179**	318,274
Net increase/(decrease) in cash and cash equivalents	**1,117,029**	(758,107)
Cash and cash equivalents as at 31 July 2020	**847,224**	1,617,925
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(4,525)**	(12,594)
Cash and cash equivalents as at 31 July 2021	**1,959,728**	847,224

In 2021 significant non-cash transactions included the recognition of the decommissioning provision of £80,000 and the convertible loan which was subsequently converted to equity.

In 2020 significant non-cash transactions included the recognition of a right of use asset and a lease liability on implementation of IFRS 16 as disclosed in Note 2.

EGDON RESOURCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2021

Group	Share capital £	Share premium £	Share based payment reserve £	Convertible debt option reserve £	Retained earnings £	Total equity £
Balance at 1 August 2019	14,984,035	26,742,656	113,537	-	(10,845,740)	30,994,488
Impact of adoption of IFRS 16	-	-	-	-	(60,350)	(60,350)
1 August 2019 as restated	**14,984,035**	**26,742,656**	**113,537**	**-**	**(10,906,090)**	**30,934,138**
Loss for the year	-	-	-	-	(4,748,201)	(4,748,201)
Total comprehensive income for the year	-	-	-	-	(4,748,201)	(4,748,201)
Issue of shares	250,000	250,000	-	-	-	500,000
Share issue costs	-	(25,000)	-	-	-	(25,000)
Share based payment	-	-	8,968	-	-	8,968
Transfer on lapse of options	-	-	(251)	-	251	-
Balance at 31 July 2020	**15,234,035**	**26,967,656**	**122,254**	**-**	**(15,654,040)**	**26,669,905**
Loss for the year	-	-	-	-	(1,681,635)	(1,681,635)
Total comprehensive income for the year	-	-	-	-	(1,681,635)	(1,681,635)
Issue of shares	1,152,280	288,070	-	-	-	1,440,350
Share issue costs	-	(78,203)	-	-	-	(78,203)
Issue of convertible loan notes	-	-	-	28,406	-	-
Issue costs of convertible loan notes	-	-	-	(1,817)	-	-
Transfer on conversion of loan notes to equity – debt element	732,334	374,378	-	-	-	1,106,712
Issue costs of convertible loan notes	-	(65,419)	-	-	-	(65,419)
Transfer on conversion of loan notes to equity – equity element	-	26,589	-	(26,589)	-	-
Balance at 31 July 2021	**17,118,649**	**27,513,071**	**122,254**	**-**	**(17,335,675)**	**27,418,299**

EGDON RESOURCES PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1. Basis of Accounting and Presentation of Financial Information

The financial information set out in this announcement does not constitute the statutory accounts of the Group for the years ended 31 July 2021 or 31 July 2020. The financial information has been extracted from the statutory accounts of the Group for the years ended 31 July 2021 and 31 July 2020.

The auditor, Nexia Smith & Williamson, has reported on the statutory accounts for the years ended 31 July 2021 and 2020; the audit reports were unqualified and did not contain statements under either section 498(2) or 498(3) of the Companies Act 2006. However, in their report on the statutory accounts for the year ended 31 July 2021, the auditor drew attention, by means of an emphasis of matter, [add comment on going concern here], and to the potential effect on the carrying value of unconventional assets of the Government moratorium on hydraulic fracturing.

The statutory accounts for the year ended 31 July 2020 have been delivered to the Registrar of Companies; those for the year ended 31 July 2021 were approved by the Board on 2 November 2021 and will be delivered to the Registrar of Companies following the Annual General Meeting. The Annual Report for the year ended 31 July 2021, including the auditor's report, will be posted to shareholders who have requested a hard copy during the week commencing x November 2021 and will be available to be downloaded from the Company's website at www.egdon-resources.com for shareholders who have accepted electronic communications from the same date. Hard copies can be requested from Egdon Resources plc, The Wheat House, 98 High Street, Odiham, Hampshire, RG29 1LP.

This preliminary announcement was approved by the Board on 2 November 2021.

Basis of preparation and statement of compliance with IFRS

The Group's and Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. IFRS comprises the Standards issued by the International Accounting Standards Board (IASB) and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) in conformity with the requirements of the Companies Act 2006.

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.

2020-21 has seen improving operating and macro-economic conditions for the oil and gas industry and the Group has seen a commensurate improvement in trading and future expected cash-flow coming from Wressle and increased profitability from Ceres.

Forward cash flows necessarily include assumptions as to the timing and value of production from the Group's assets. Whilst there is currently no evidence that the timing or value of these revenues is unrealistic, the Directors acknowledge that disruptions to production, along with changes in both oil and gas prices give some level of uncertainty in respect of the timing of future cash flows. The Directors have undertaken stress testing of the forward commodity price assumptions with particular focus on oil price and determined that these assumptions remain valid notwithstanding a possible moderate reduction in forecast 2022 realised oil price from $68.44 per barrel, without impacting planned expenditure. The Group also has flexibility in relation to the timing and quantum of future expenditures and by deferring certain costs, the forecast remains valid under circumstances where a fall in realised oil prices in excess of 30% in 2022 could be accommodated. In addition, although not assumed in the going concern forecasts, the Group also has options to access additional sources of funding if required via farm-out, sales, new lending or the issue of new equity.

After preparing cash flow forecasts and considering the results of stress tests to certain assumptions, and having made enquiries, the Directors have a reasonable expectation that the Group and the Company will have access to adequate resources to continue in operational existence for the foreseeable future and have prepared the financial statements on that basis.

Going concern – Implications of COVID-19 pandemic

The coronavirus pandemic represents a significant ongoing national and international public health emergency. The primary concern and focus for the Company has been the health and safety of our employees, contractors and other stakeholders. In this regard, Egdon's office-based employees have worked from home throughout the Period and we have established procedures and plans to ensure continued safe operations at our sites. We will continue to monitor the situation and act within Government guidelines, but do not anticipate any adverse impacts to our production operations.

Predicted future cash flows are dependent upon continuing operations at our producing sites which should operating conditions deteriorate significantly could be negatively impacted. However, at the present time with the roll-out of vaccines and the opening up of society, we have a reasonable expectation that there will be no significant adverse impact on these assets due to the pandemic.

Our plans for drilling at North Kelsey (PEDL241: Egdon 50%) have again been adversely impacted by COVID-19 and we will be applying for a further extension to the current planning beyond 31 December 2021 to enable works to be undertaken during 2022. We do not anticipate that this delay 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.

Impact of new international reporting standards, amendments and interpretations

New standards, interpretations and amendments

New standards impacting the Group that have been adopted in the financial statements for the year ended 31 July 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); 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);
- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7); and 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).

2. Impairments - Exploration and evaluation costs

Current year

The Directors have considered the potential impact of the moratorium on hydraulic fracturing for shale-gas on the Group's non-core unconventional asset portfolio following the impairment of certain less prospective and non-core assets in the prior year. No further impairments of non-core licences are considered necessary as a consequence of the moratorium in 2021.

The Directors have also considered the potential impact of the moratorium on the Group's assets in its core area of the Gainsborough Trough. Activity in the basin is currently on pause. The Directors remain optimistic that it will be possible to demonstrate that hydraulic fracturing for shale-gas in this core basin can be undertaken in a safe and environmentally responsible manner and that this will result in the lifting of the hydraulic fracturing moratorium. As at 31 July 2021, the book value of the Group's unconventional assets was £16.3 million (2020 - £15.15 million). This increase is due to costs relating to repurposing of a site, not additional costs incurred on assets.

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

Exploration write offs totalling £112,554 have been recognised in relation to licences PEDL339, PEDL258, PEDL259 and PEDL202. These licences were relinquished during the year.

During the year the Company recognised disposals of £109,872 and £100,000 in relation to the farm out of licence interests. The disposal of £109872 has been recognised following the farm out agreement with Shell U.K. Limited for 70% of the UK offshore licence interest held on P1929 and P2304 which contain the Resolution and Endeavour as discoveries respectively. The disposal of £100,000 relates to the agreement to align the equity interest in PEDL241 on a 50:50 basis between the Company and its partner Union Jack

Oil plc.

2. Impairments - Exploration and evaluation costs (continued)

Prior year

The Directors considered the potential impact of the moratorium on hydraulic fracturing for shale-gas. In light of the moratorium and updated technical information the Directors reviewed the portfolio of unconventional assets and believed it prudent and appropriate to impair certain less prospective and/or non-core licences at that time. These comprised licences in the so-called Welbeck Low in the East Midlands and in NW England and include PEDLs 001, 039, 130, 202 and EXL253. These impairments totalled £0.53 million.

However, the Directors also considered the potential impact of the moratorium on the Group's assets in its core area of the Gainsborough Trough. Activity in the basin is currently on pause. The Directors were optimistic that it would be possible to demonstrate that hydraulic fracturing for shale-gas in this core basin could be undertaken in a safe and environmentally responsible manner and that this could result in the lifting of the hydraulic fracturing moratorium. As at 31 July 2020, the book value of the Group's unconventional assets was £15.15 million.

The Directors have agreed upon an impairment for the PEDL 143 licence on the basis that the new operator was unable to identify a suitable drilling location in the Holmwood area and had relinquished the licence. This impairment was for the full value of the asset (£0.65 million). The total value of impairments was therefore £1.17 million.

3. Impairments - Property, Plant and Equipment

Current year

No impairment charges have been recognised in the current year.

Prior year

An impairment charge of £506,903 has been recognised in relation to the Ceres Gas Field. The impairment arises as a consequence of the current gas price forecast and operating pattern which has caused the Ceres production to become uneconomical. Based on the impairment reviews, the pre-tax value in use of the Ceres Gas Field as at 31 July 2020 is £Nil and the asset has been fully impaired to reflect this.

An impairment charge of £1,156,570 has been recognised in relation to the Dukes Wood and Kirklington oil fields. The impairment arises as a consequence of the level of investment required in order for the fields to operate economically and the challenging outlook for the E&P farm-out space. Based on the impairment reviews, the pre-tax value in use of Dukes Wood and Kirklington oil fields as at 31 July 2020 is £Nil and the assets have been fully impaired to reflect this.

4. Loss per share

Basic loss per share

	2021 **£**	2020 £
Loss for the financial year	**(1,681,635)**	(4,748,201)
Basic weighted average ordinary shares in issue during the year	**331,615,357**	309,822,474
	Pence	Pence
Basic loss per share	**(0.51)**	(1.53)

The Group's share options are not dilutive in 2021 or 2020, as a loss was incurred and therefore diluted earnings per share is the same as basic earnings per share.

5. Share Capital

On 20 July 2021, following an open offer, the Company issued 115,228,000 New Ordinary 1p shares for total cash consideration of £1,440,350. The nominal value of the shares was £1,152,280 and the additional share premium created totalled £288,070. In addition, each subscription share was granted a right to subscribe for 0.5 of a new Ordinary Share at a price of 2.5p per share, exercisable at any time until the date of the second anniversary of their issue.

On 20 July 2021, the convertible loan notes were converted to 73,233,406 New Ordinary 1p shares at an issue price of 1.55p. The nominal value of the shares was £732,334 and the additional share premium created was £402,784 with issue costs of £67,236.

On 28 July 2021, Infrastrata plc fully paid the previously part-paid £1 Redeemable Preference Shares held by it in Egdon Resources plc. These shares were then redeemed. On the same day Egdon Resources U.K. Limited fully paid the previously part-paid £1 Redeemable Preference Shares held by it in Infrastrata plc. These shares were then redeemed. As a result, these reciprocal cross-holdings, which date from the division of the original company in 2007, have been eliminated at no net cost to the Group.

6. Subsequent Events

At Wressle, a coiled tubing operation, a follow-up to the proppant squeeze operation, was completed in August 2021, with test production recommencing and flow rates exceeding pre-operational expectations. During September, we reported facility constrained instantaneous flow rates of up to 884 barrels of oil per day ("bopd") along with 480,000 cubic feet of gas (c. 80 barrels of oil equivalent per day). Wressle is already having a positive impact on the Group's revenues.

In September 2021 we were advised by Shell that the planned 3-D seismic survey across UK offshore licences P1929 and P2304 (Resolution and Endeavour gas discoveries respectively (Egdon 30%)) would not proceed on the original expected timeframe of February 2022. Subject to regulatory and Shell approval, we now anticipate that this could go ahead in February 2023.

On 1 November 2021 planning permission was refused for the Biscathorpe project. The Company will await the formal decision notice before taking advice and considering our options including an appeal.

7. Annual General Meeting

The Annual General Meeting will be held at the offices of Norton Rose Fulbright, 3 More London Riverside, London, SE1 2AQ at 11.30 hours on Thursday 16 December 2021. Further details of the arrangements for the meeting will be contained in the Notice of the AGM and Chairman's Letter which will be available in due course.