Egdon Resources

FY19 results

2020 focus on conventional assets

Oil & gas

Egdon Resources' recently announced results showed that FY19 production increased by 117% to 182boepd, largely driven by the Ceres gas field. Revenue increased to £2.2m from £1.2m in FY18 and the company remains debt-free following the c £2m June 2019 capital raise. In FY19, Egdon made significant progress at its unconventional Springs Road play, with the Bowland Shale sharing key characteristics with North American shale. However, in November 2019 the UK government announced a moratorium on hydraulic fracking, bringing all UK shale appraisal to a halt. Egdon is working closely with the Oil and Gas Authority (OGA) and other regulators to demonstrate that it is possible to operate fracking safely at Springs Road. Our updated RENAV decreases from 11.5p/share to 10.8p/share, based on FY19 results, rolling forward the NAV and, to a lesser extent, updated for FX rates and reduced short-term commodity prices.

Year-end	Revenue (£m)	PBT* (£m)	EPS* (p)	EBITDA (£m)	Net cash (£m)	Operating cash flow (£m)
07/18	1.2	(2.0)	(0.8)	(2.2)	2.7	(1.6)
07/19	2.2	(1.7)	(0.2)	(0.6)	1.6	(0.9)
07/20e	1.9	(0.9)	(0.8)	(0.6)	0.1	(0.1)
07/21e	4.1	(1.6)	(0.8)	1.5	0.9	2.0

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Eventful FY19 with 117% production increase

Egdon's FY19 production was in line with guidance at 182boepd. The company also drilled Springs Road-1 and Biscathorpe-2 wells as initially planned and is currently working on delivering a Resolution farm-down. It expects a planning decision on Wressle before the end of the year. Egdon's production guidance for FY20 stands at 130–140boepd driven by continued strong Ceres production (we estimate 140boepd for FY20).

Hydraulic fracturing suspension in the UK

Following a 2.9ML seismic event at Preston New Road, the UK government imposed a moratorium on hydraulic fracturing. This affects activity at Springs Road, where Egdon had made significant progress in 2019. The company and the industry are fully committed to working closely with the OGA and other regulators to demonstrate that they can operate safely and in an environmentally responsible manner. We note that the government recognises that gas will remain a key part of the UK's energy mix as it moves towards net zero emissions by 2050.

Valuation: RENAV at 10.8p/share

Following the 2019 capital raise, Egdon is fully funded for its near-term strategy, with planned 3D seismic at Resolution expected to be funded by the farm-down. Our current NAV is 0.7p/share for producing assets and cash net of SG&A, rising to 10.8p/share if we include risked exploration potential. As a consequence of the hydraulic fracturing moratorium and current high-level uncertainty in the UK, we cannot attribute value to Egdon's shale gas option.

2 December 2019

Price	**2.95p**
Market cap	**£9m**
	US$1.23/£
Net cash (£m) at end July 2019	1.6
Shares in issue	303.3m
Free float	55%
Code	EDR
Primary exchange	AIM
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	(43.8)	(37.9)	(55.6)
Rel (local)	(44.4)	(39.8)	(58.0)
52-week high/low		8.22p	2.55p

Business description

Egdon Resources is an AIM-listed onshore oil and gas exploration company. The group has conventional and unconventional assets in the UK.

Next events

Wressle appeal decision	Q419
Resolution farm-down deal	Q120

Analysts

Carlos Gomes	+44 (0)20 3077 5700
Elaine Reynolds	+44 (0)20 3077 5713

oilandgas@edisongroup.com

Edison profile page

Egdon Resources is a research client of Edison Investment Research Limited

Investment summary

Company description: UK oil and gas focus

Egdon is an independent E&P focused on oil and gas exploration and production in the UK. The company's portfolio mainly covers onshore proven basins, with nearshore opportunities, and targets a mix of conventional and unconventional resources. The company is debt-free and benefits from carried interests across certain licences. In FY19, Egdon increased production by 117% to c 180boepd and, should the company secure planning for Wressle, it could expect to see the field in production in the second half of 2020, adding c 150bopd.

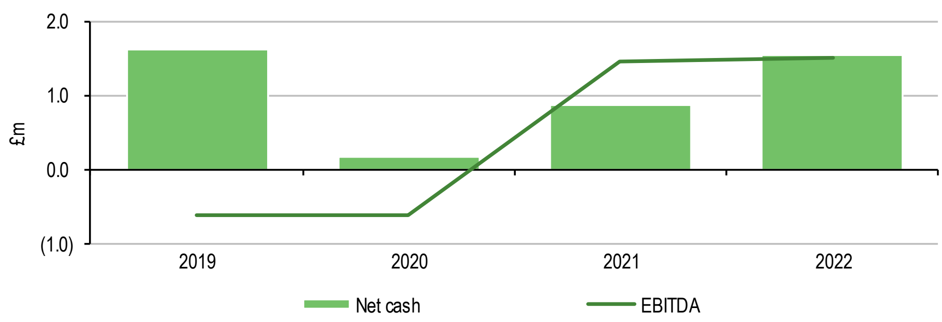
Valuation: Resolution makes up 64% of RENAV

Our valuation comprises a risked net asset value for the company's conventional asset portfolio. Even though we acknowledge that there is an option value for Egdon's unconventional acreage, at this point, due to the current UK government position on hydraulic fracturing, we are not attributing any value to it. Our conventional core asset value stands at 0.7p/share, down from 1.2p/share since our last update note, mostly due to rolling forward the discount date to FY20. We include 10.1p/share for risked exploration and appraisal, with Resolution accounting for 6.9p/share.

Financials: Net cash position covers short-term commitments

Egdon's short-term financials are largely driven by the timing of conventional projects and output from key producing fields such as Ceres. Production guidance for FY20 is set at 130–140boepd and we see production reaching c 240boepd in FY21 subject to Egdon securing Wressle planning. Egdon ended FY19 with £1.6m in cash and no debt. Management expects the future Resolution farminee to cover the field appraisal costs through a carry.

Exhibit 1: Egdon net cash and EBITDA near-term forecast



Source: Edison Investment Research

Sensitivities: Hydraulic fracking moratorium

The UK government announced a moratorium on hydraulic fracturing for shale gas in November 2019 following seismic events at the Cuadrilla operated Preston New Road-1 well. A subsequent report from the OGA concluded that it is currently difficult to predict the probability and maximum magnitude of seismic events in UK locations. This will affect activity at Springs Road, where the company had made significant progress in 2019. Egdon, along with the rest of the industry, is fully committed to working closely with the OGA and other regulators to demonstrate that it can operate its unconventional assets safely and in an environmentally responsible manner in a basin with less complex geology. We note that the government recognises that gas will remain a key part of the UK's energy mix as it moves towards targeted net zero emissions by 2050.

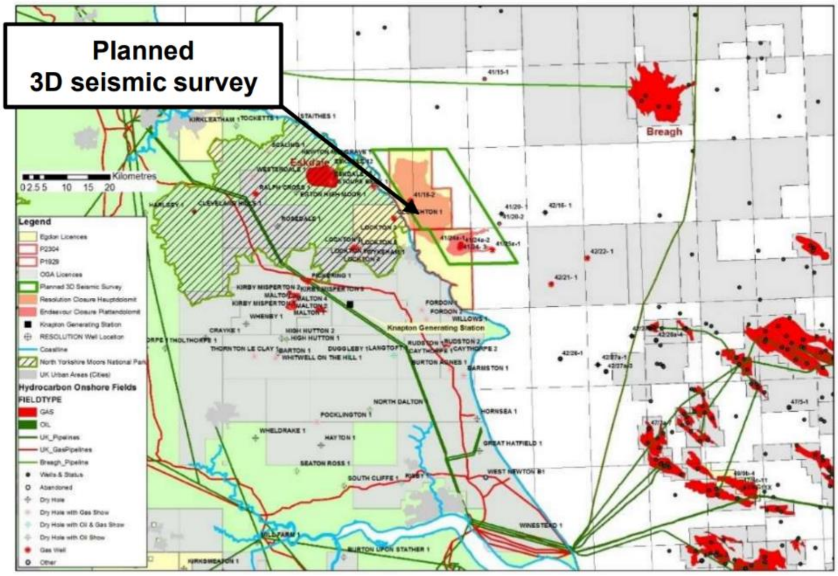
Focus on conventional assets in 2020

In 2019, Egdon made significant progress in assessing the potential of both its unconventional and conventional assets, particularly with the drilling of Springs Road-1 and Biscathorpe-2. Plans to follow up in the Gainsborough Trough, with a second well at Springs Road, are on hold while the hydraulic fracturing moratorium is in place, so the company will focus on progressing its conventional assets as it moves into 2020. Key to this will be successfully concluding the farm-down of the Resolution and Endeavour projects with its exclusivity partner, but Egdon will also prioritise finalising a plan for Biscathorpe and advancing a farm-down of the North Kelsey-1 well. A decision from the Wressle Field Development Planning Enquiry is expected by the end of 2019 and, if successful, has the potential to add c 150bopd to production from mid-2020.

Farm-down exclusivity agreement with E&P major

In November 2019, Egdon announced that it had signed an exclusivity agreement with a major E&P company for its UK offshore licences P1929 and P2304. The licences sit in the Southern North Sea, close to the North Yorkshire coast and contain the Resolution and Endeavour gas discoveries. The exclusivity agreement is subject to a farm-down agreement being entered into by 19 January 2020 and completed by 19 April 2020. If successfully concluded, it would allow Egdon to fund its share of a 3D seismic survey planned for 2020.

Exhibit 2: Location of Resolution and Endeavour

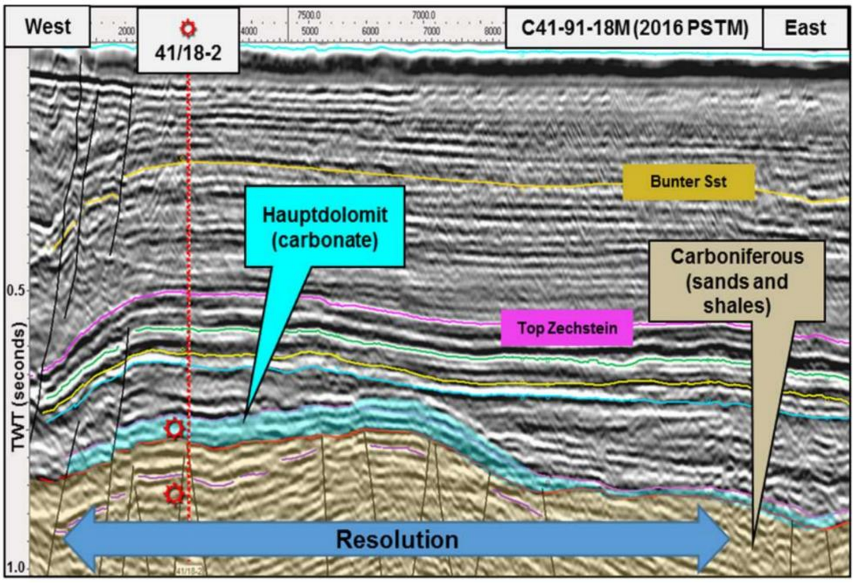


Source: Egdon Resources

Resolution: 206bcf discovery in Zechstein carbonate

Resolution was originally discovered by Total in 1966 with the 41/18-2 well, and in April 2019 was independently assessed by Schlumberger to contain 2C resources of 206bcf and mean contingent resources of 231bcf. The primary target in Resolution is the Zechstein carbonate, which historically has not been the main focus of exploration and production in the region. The Hewett field, c 200km to the south-west of Resolution, has however been producing from the Zechstein since 1986, while in February this year, Cluff Natural Resources (CNR) farmed out 70%, including operatorship, of its P2252 licence to Shell. The licence sits c 20km to the north-east of Resolution and holds Pensacola, a Zechstein reef prospect that CNR estimates holds 309bcf of P50 unrisked prospective resources. Egdon proposes developing the potential commercial discovery via a small unmanned platform tied back to onshore gas processing facilities.

Exhibit 3: Resolution 41/18-2 discovery well



Source: Egdon Resources

Data from the 41/18-2 Resolution discovery well have demonstrated that the Z2 Zechstein reservoir is a tight carbonate with low matrix porosity, so that production would rely on the presence of natural fractures together with the application of fracture stimulation. The company estimates that rates of 17–22mmscfd could be achieved from a stimulated well. As the current model is based on reprocessed 2D seismic, the acquisition of 3D seismic would be required to further define the fracture networks and thereby refine the gas in place estimation for Resolution.

In addition, the estimation of recovery factors in fractured reservoirs is subject to uncertainty. Schlumberger has assigned a recovery factor of 58% to the Zechstein Roker Dolomite (which holds 68% of the estimated contingent resources in P1929), which is consistent with recoveries from analogous Southern North Sea reservoirs. Recovery from the Zechstein in Hewett is 50%, and was reported to be 65% in the Tullow-operated Wissey field. However, recovery from the small onshore Zechstein fields has been lower, at around 12%, due to early water breakthrough. Water breakthrough is a key risk in fractured reservoirs, but neither Egdon nor Schlumberger sees this as a significant risk in their current reservoir models.

Resolution sits in P1929 but extends to the south into P2304, which also contains the smaller Endeavour gas discovery. Discovered in 1969 by Total, Endeavour has produced at rates up to 34mmscfd and 1,280boepd of condensate from the Plattendolomit, a Zechstein carbonate unit which is a slightly younger reservoir than tested in the Resolution discovery well. Egdon estimates that Endeavour holds mean contingent resources of 18bcf.

Licences extended to May 2020

The P1929 and P2304 licences were due to expire at the end of November 2019, but the OGA has granted Egdon a six-month extension to 31 May 2020, under which the company must demonstrate to the OGA's satisfaction that:

- a farm-down agreement for Resolution has been fully executed which provides for funding of the licence work programme by 31 January 2020; and
- Egdon is on track to deliver a future programme of 3D seismic data acquisition across both licences by 31 March 2020.

Egdon will continue to work with the OGA to agree a further licence extension beyond May 2020, which will include an agreement on the nature and timing of a forward work programme.

Biscathorpe-2: Potential side-track

Biscathorpe-2 (Egdon 35.8% working interest) was drilled in January and February 2019 targeting Westphalian sandstones in PEDL253 and on trend with the Keddington oilfield. The Basal Westphalian Sandstone was encountered higher than prognosed and found to be thin and poorly developed, so that the Biscathorpe play was not tested at this location. Egdon believes the sands have the potential to be thicker to the north and north-east of the well, and the well was suspended to retain the option for a potential future side-track.

A detailed technical analysis of the well data was undertaken by Applied Petroleum Technology (APT). and included a revised petrophysical analysis and the detailed geochemical analysis of drill cutting samples. This work has concluded that there is a potential 35m column of good quality oil in the Dinantian interval and, together with the gas readings and oil shows recorded during drilling of an extended interval, points to the presence of a nearby working petroleum system. The company has subsequently reprocessed 85km^2 of 3D seismic data and interpretation of this will feed into plans for a possible side-track of Biscathorpe-2 to target both the Westphalian and Dinantian. This would require additional consents, including planning permission.

Production increase: Wressle approval could lead to a further 150bopd

Egdon achieved an average net production of 182boepd from its Ceres gas field and Keddington and Fiskerton oil fields in FY19, an increase of 117% from FY18 production levels, predominantly due to production restarting at Ceres following the installation of a new flow meter in October 2018. Production guidance for FY20 is 130–140boepd as production from Ceres declines out to 2025.

Production could be increased by a further 150bopd if the company can obtain planning consent for the Wressle oil development. Egdon’s appeal against the refusal of planning consent took place between 5 and 7 November 2019, and it is now awaiting the decision. This will not be released before the general election on 12 December, but management expects this to be concluded by the end of the year. Wressle has incurred numerous delays due to rejected planning applications. However, in the event of a successful outcome, the company estimates it would take six months to bring Wressle onstream.

The North Kelsey prospect sits in PEDL241 and is an analogue of Wressle. Egdon holds an 80% working interest in North Kelsey, which it estimates holds mean net prospective resources of 5.2mmbbls across multiple reservoir targets in Westphalian and Namurian sandstones. Egdon hopes to drill the North Kelsey-1 exploration well in the next 12 months, dependent on securing a farm-down.

Egdon continues to assess the shut-in oil fields in which it holds an interest for potential investment and restart. In particular, the 3D seismic survey for Waddock Cross, completed in 2018, has been reprocessed and Egdon is currently carrying out reservoir modelling for the field with a view to positioning a horizontal well based on the updated structure map.

Unconventional activity on hold

The UK government's decision to impose a temporary moratorium on hydraulic fracking for shale gas has halted activity in the company's unconventional acreage, including the IGas-operated Springs Road in North Nottinghamshire, in which Egdon holds a 14.5% carried interest. Any shift in the government position is dependent on the outcome of the forthcoming general election. However, even if the moratorium were to be lifted, the company would have to convince regulators that it can operate safely and in an environmentally responsible manner. Egdon believes it can do so by using a rigorous scientific approach and an extensive analogue data set.

The government based its decision on analysis by the OGA, which found that it was not currently possible to accurately predict the probability or magnitude of earthquakes linked to fracking operations in the UK. However, the report also found that susceptibility to seismic events is strongly dependent on the specific geology present at each location. Springs Road and the Gainsborough Trough are characterised by a simple structure and limited faulting, which could mitigate against tremors being experienced in the region.

Springs Road: World-class shale potential

Egdon had made significant progress at Springs Road in demonstrating the potential of the Bowland Shale in the Gainsborough Trough. The Springs Road-1 well, drilled in Q119, encountered 429m of hydrocarbon-bearing shale within the primary target of the Bowland Shale. Recent core analysis results from the well are extremely positive and indicate that the key shale characteristics from the Lower Bowland compare favourably with those found in North American commercial shale operations. The gas initially in place (GIIP) for the Bowland has exceeded Egdon's pre-drill estimate by more than three times and is now estimated to be 640bcf/sq mile.

Exhibit 4: Shale evaluation criteria

	US key shale attributes	SR-1 Upper Bowland	SR-1 Lower Bowland	Barnett	Eagle Ford	Utica	Fayetteville	Marcellus
Organic content	>2.0%	3.2% (0–8.4%)	2.5% (0–6.6%)	4.0%	2.5%	3.0%	3.8%	6.5%
Maturity	>0.6%	c 1.17%	c 1.29%	2.3%	1.2%	1.8%	2.5%	1.6%
Shale thickness	>30m	179m (whole interval)	305m (whole interval)	80m	50m	50m	42m	50m
Approx. depth	1,000–4,500m	2,109–2,288m	2,288–2,593m	2,000m	2,500m	2,500m	1,750m	1,900m
Clay content	<40% (Brittle)	43% (high)	22%	30%	20%	20%	40%	30%
Matrix porosity	>2.0%	4.8% (1–11%)	3.0% (1–9%)	3.5%	3.5%	4.5%	5.0%	6.5%
Natural fracturing	Present	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Egdon Resources and IGas

Prior to the moratorium, the company had been progressing planning and permitting for the drilling and subsequent testing of the Springs Road-2 well. The well would be designed to be fracked and tested in order to provide data to determine flow characteristics and type curves.

Management

Mark Abbott – managing director: Mark is an experienced geophysicist and founding director of Egdon Resources. He graduated from the University of Nottingham in 1985 with a degree in exploration sciences (geology/geophysics/mining engineering). He worked for the British Geological Survey from 1985 to 1992 in the UK and overseas. Between 1992 and 1996, he worked in the international division of British Gas Exploration and Production and was employed by Anadarko Algeria Corporation from 1996 to 1997. He is a council member of UKOOG and a trustee of the UK Onshore Geophysical Library. He is also a director of MA Exploration Services and Bishopswood Pavilion.

Martin Durham – technical director: Martin graduated from the University of Wales in 1978 with a BSc degree in geology and also holds an MSc degree in petroleum geology from Imperial College.

He has significant industry experience gained through companies including Louisiana Land and Exploration, LASMO, Eni and Northern Petroleum, where he held senior technical and management roles for exploration and field development projects. Martin was a founding director of Union Jack Oil until his appointment to Egdon in September 2014. He is a Fellow of the Geological Society of London and in 2012 was awarded Honorary Life Membership of the Petroleum Exploration Society of Great Britain (PESGB).

James Elston – commercial and business development director: James has 25 years' experience in the industry, banking and consulting. As CEO of TSX-V listed Realm Energy International in 2009/10, he drove the company's acquisition of a significant acreage position for shale gas and tight oil in Europe following in-depth, basin-by-basin technical review and ranking. He spent an initial five years working onshore E&P as an engineer at NAM in the Netherlands.

Martin Brooks – HSE and production manager: Martin worked in various industries in the implementation and management of specific production, health, safety and environmental mechanisms and ensuring compliance with ISO14001, prior to joining Egdon in 2007. He has more than seven years' experience in managing onshore oil and gas production activities including commissioning the Kirkleatham gas field development. He oversees Egdon's planning and environmental permitting for its UK onshore drilling activities, and is also responsible for developing and implementing the company's HSE management systems at both corporate and site-specific levels.

Valuation

We value Egdon's asset base using a conventional risked net asset value (NAV) approach, with a risked valuation for proven undeveloped reserves, contingent and prospective resources. We use publicly available sources for our key assumptions, including company guidance, analysis of analogous field developments and government data.

We use a 12.5% cost of capital to reflect the through-cycle cost of funding. We incorporate the end-FY19 net cash position and G&A for the next three years, and include Egdon's conventional asset base in our valuation. We see greater value in the company's exploration and appraisal portfolio – in particular, its interest in the appraisal of the Resolution gas discovery which makes up the bulk of our RENAV. As presented in our previous note, we continue to assume that Egdon retains 15% of the net value in Resolution following farm-down. We will revisit this assumption once the farm-down has been concluded. A full valuation breakdown is provided in Exhibit 5 below, including producing assets and risked exploration and appraisal.

Exhibit 5: Egdon valuation breakdown

Assets 303.3m shares	Country	WI %	CoS %	Net mmboe	NPV/boe $/boe	$NPV_{12.5}$ $m	Risked p/share
Net cash at 31 July 2019						2.0	0.5
G&A (3yrs)						(3.3)	(0.9)
Production							
Ceres	UK	10%	100%	0.39	3.9	1.5	0.4
Fiskerton	UK	80%	100%	0.07	0.9	0.1	0.0
Keddington	UK	45%	100%	0.07	(8.8)	(0.6)	0.0
Wressle (Ashover Grit)	UK	25%	60%	0.14	24.9	2.1	0.6
Core NAV						**1.8**	**0.7**
Exploration & Appraisal							
Broughton	UK	25%	23%	0.11	18.6	0.4	0.1
Louth	UK	65%	20%	0.85	12.2	2.1	0.6
North Kelsey	UK	80%	12%	4.94	13.0	7.7	2.1
Resolution	UK	15%*	50%	5.56	9.3	25.8	6.9
Wressle (upside)	UK	25%	25%	0.38	18.6	1.8	0.5
RENAV						**39.6**	**10.8**

Source: Edison Investment Research. Note: Number of shares in issue: 303.3m. *Assumed 15% working interest post farm-down.

In this note, we update our valuation based on FY19 results. Changes to our NAV valuation are highlighted below, with the key moving parts including the June 2019 capital raise with net proceeds of £1.974m for 43,330,803 shares, rolling forward the discount date to FY20 and, to a lesser extent, updated FX rate for a stronger US dollar versus GBP over the last six months. In addition, we have reduced our short-term commodity price deck since our last publication.

- **Foreign exchange rate:** updated to $1.23/£ from $1.29/£.
- **Short-term oil price expectations:** we have reduced our short-term Brent oil price expectations for CY19 from $65.15/bbl to $63.59/bbl and for CY20 from $62.00/bbl to $60.10/bbl based on the EIA's last published short-term oil price forecasts. Our long-term oil price forecast remains $70.00/bbl Brent inflated by 2.5%.

Exhibit 6 below highlights the changes in our valuation since our April 2019 update note.

Exhibit 6: Changes to Edison valuation

	New valuation	Old valuation	Change	Reason
Core NAV	0.7	1.2	-81.3%	Roll forward of NAV, short-term oil price deck and lower net cash position
E&A value	10.1	10.3	-2.0%	Roll forward of NAV and short-term oil price deck
Total RENAV	10.8	11.5	-6.9%	

Source: Edison Investment Research

Financials

The key changes to our financials are outlined below:

- Commodity price changes are highlighted in the previous section of this note.
- Updated production expectations for FY20 and FY21.

Our previous revenue forecast was relatively in line with FY19 actual revenue at £2.2m. We have reduced our absolute revenue forecasts by £0.8m for FY20 due to lower guidance on production for the year, assuming Wressle production is delayed to FY21 (mid-2020). These reductions are small in absolute terms, but material in relative terms.

Egdon ended FY19 with £1.6m in cash and no debt. Further capital may be required before the end of FY20, based on our forecasts. However, management expects the future Resolution farminee to cover the appraisal costs.

Exhibit 7: Changes to short-term financial forecasts (£m)

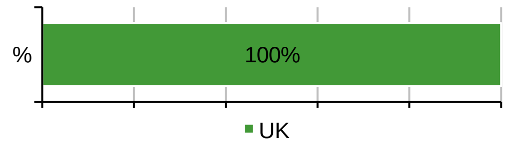
	Old		Actuals	New	
	FY19	FY20	FY19	FY20	FY21
Production (boepd)	163.2	181.6	182.0	140.4	238.9
Revenues	2.2	2.7	2.2	1.9	4.1
EBITDA	(0.5)	0.1	(0.6)	(0.6)	1.5
CFO	(0.3)	0.6	(0.9)	(0.1)	2.0
Capex	(1.4)	(1.5)	(2.2)	(1.3)	(1.2)

Source: Edison Investment Research

Exhibit 8: Financial summary

£000's	2017	2018	2019	2020e	2021e
Year-end: July	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS					
Revenue	1,039	1,215	2,197	1,912	4,064
Cost of Sales (inc DD&A)	(1,576)	(2,190)	(2,876)	(1,654)	(4,479)
Gross Profit	(537)	(975)	(680)	258	(415)
EBITDA	(1,193)	(2,219)	(628)	(608)	1,467
Operating Profit (before amort. and except.)	(1,657)	(1,938)	(1,668)	(835)	(1,535)
Intangible Amortisation	0	0	0	0	0
Exceptionals	0	0	0	0	0
Other	0	0	0	0	0
Operating Profit	(1,657)	(1,938)	(1,668)	(835)	(1,535)
Net Interest	(42)	(41)	(49)	(52)	(52)
Profit Before Tax (norm)	(1,699)	(1,978)	(1,717)	(887)	(1,587)
Profit Before Tax (FRS 3)	(1,699)	(1,978)	(1,717)	(887)	(1,587)
Tax	0	0	0	0	0
Profit After Tax (norm)	(1,699)	(1,978)	(1,717)	(887)	(1,587)
Profit After Tax (FRS 3)	(1,699)	(1,978)	(1,717)	(887)	(1,587)
Average Number of Shares Outstanding (m)	249	260	303	303	303
EPS - normalised (p)	(0.7)	(0.8)	(0.2)	(0.8)	(0.8)
EPS - normalised fully diluted (p)	(0.7)	(0.8)	(0.2)	(0.8)	(0.8)
EPS - (IFRS) (p)	(0.9)	(0.7)	(0.9)	(0.4)	(1.5)
Dividend per share (p)	0.0	0.0	0.0	0.0	0.0
Gross Margin (%)	N/A	N/A	N/A	13.5	N/A
EBITDA Margin (%)	N/A	N/A	N/A	N/A	36.1
Operating Margin (before GW and except.) (%)	N/A	N/A	N/A	N/A	N/A
BALANCE SHEET					
Fixed Assets	28,495	30,105	31,477	32,541	30,748
Intangible Assets	19,231	19,572	21,781	22,519	23,282
Tangible Assets	9,264	10,534	9,696	10,022	7,467
Investments	0	0	0	0	0
Current Assets	7,613	4,020	3,293	1,842	2,548
Stocks	0	8	0	0	0
Debtors	1,507	1,240	1,675	1,675	1,675
Cash	6,057	2,772	1,618	167	873
Other	50	0	0	0	0
Current Liabilities	(1,216)	(1,150)	(1,379)	(1,379)	(1,379)
Creditors	(1,216)	(1,150)	(1,379)	(1,379)	(1,379)
Short term borrowings	0	0	0	0	0
Long Term Liabilities	(2,187)	(2,249)	(2,397)	(2,397)	(2,397)
Long term borrowings	0	0	0	0	0
Other long-term liabilities	(2,187)	(2,249)	(2,397)	(2,397)	(2,397)
Net Assets	32,705	30,727	30,994	30,608	29,521
CASH FLOW					
Operating Cash Flow	(422)	(1,629)	(907)	(108)	1,967
Net Interest	0	0	(0)	(52)	(52)
Tax	0	0	0	0	0
Capex	(1,054)	(1,825)	(2,220)	(1,291)	(1,210)
Acquisitions/disposals	0	137	0	0	0
Equity Financing	4,865	0	1,974	0	0
Other cash flow	5	8	4	0	0
Net Cash Flow	3,394	(3,308)	(1,150)	(1,451)	706
Opening net debt/(cash)	(2,678)	(6,056)	(2,748)	(1,599)	(148)
HP finance leases initiated	0	0	0	0	0
Other	16	0	0	(0)	0
Closing net debt/(cash)	(6,056)	(2,748)	(1,599)	(148)	(854)

Source: Egdon Resources, Edison Investment Resources

Contact details	Revenue by geography
Egdon Resources The Wheat House 98 High Street, Odiham, Hampshire, RG29 1LP +44 (0) 1256 702 292 www.egdon-resources.com	

Management team

Managing director: Mark Abbott	Technical director: Martin Durham
Mark is an experienced geophysicist and founding director of Egdon Resources. He worked in the International Division of British Gas Exploration and Production and was employed by Anadarko Algeria Corporation. He is a council member of UKOOG and a trustee of the UK Onshore Geophysical Library. He is also a director of MA Exploration Services and Bishopswood Pavilion	Martin has BSc degree in geology and also holds a MSc degree in petroleum geology. He has significant industry experience having held senior technical and management roles. Martin was a founding director of Union Jack Oil Plc until his appointment to Egdon in September 2014. Martin is a Fellow of the Geological Society of London and in 2012 he was awarded Honorary Life Membership of the Petroleum Exploration Society of Great Britain (PESGB).
Commercial and business development director: James Elston	
James has 25 years' experience in industry, banking and consulting. As CEO of TSX-V listed Realm Energy International in 2009/10, he drove the company's acquisition of a significant acreage position for shale gas and tight oil in Europe following in-depth basin-by-basin technical review and ranking. He spent an initial five years working onshore E&P as an engineer at NAM in the Netherlands.	

Principal shareholders	(%)
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Killik & Co	3.02

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