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**23 June 2010**

**Embargoed for release at 7.00 a.m.**

**EGDON RESOURCES PLC**

("Egdon" or "the Company")

**Agreement to sell Egdon Resources (New Ventures) Ltd to eCORP Oil & Gas UK Limited**

The Directors of Egdon Resources plc are pleased to announce that Egdon and eCORP Oil & Gas UK Limited ("eCORP") have entered into a conditional agreement for the sale of Egdon Resources (New Ventures) Ltd ("ERNV"), the holder of Egdon's permit interests in France, to eCORP for £4.5 million in cash (the "Disposal"). Egdon will also be granted certain Back-In Options.

The key assets of ERNV are a 60% interest in the Navacelles Permit, a 40% interest in the Gex Permit and a 40% interest in the Gex Sud Permit application (the "Permit Interests"). ERNV's beneficial interests in the St. Laurent and Pontenx Permits and, when awarded the Donzacq Permit (together the "Excluded Permits") are being transferred to two newly-incorporated Egdon subsidiaries, Egdon Resources France Limited ("ERF") and Aquitaine Exploration Limited ("Aquitaine").

In addition to conventional oil and gas prospects the permits involved in the Disposal all contain potential shale-gas resources which are a key focus for eCORP. Exploration for and development of shale-gas resources requires specialist knowledge and skills. eCORP have considerable experience in this area and are well positioned to undertake an accelerated exploration programme leading to early commercialisation in a success case.

The Disposal is conditional on, inter alia, the French Minister in charge of Mines not opposing the transfer of the Excluded Permits, or the change in ownership of ERNV, and is also subject to no material adverse change occurring prior to completion. The non-opposition procedure under the French Mining Code can take between two and four months and completion of the Disposal is expected to take place shortly thereafter.

Other terms of the transaction include:

Mutation - following Completion, ERNV will continue to hold the registered title to the interests in the St Laurent and Pontenx Permits, and when awarded the Donzacq Permit, while the legal transfer of these permit interests to ERF and Aquitaine undergoes the mutation (assignment) process under the French Mining Code. Egdon and eCORP have entered into an agreement governing their relationship in respect of the rights and liabilities relating to these permits during this period.

Technical Services Agreement - Egdon will provide eCORP with certain services in connection with the business and development of the Permit Interests.

Back-in Option – Egdon has options to "back-in" for a 6% interest in the Gex Permit and Gex Sud Permit Application and 9% interest in the Navacelles Permit. These options are exercisable up to the later of two years from the date of the agreement (or in the case of the Gex Sud Permit application two years from any licence award) or 60 days following the completion of testing of the first well on each permit, subject in each case to a maximum period of 5 years from the date of the agreement. On

exercise of any back-in option Egdon will pay to ERNV its pro-rata share of all costs incurred on that permit including the appropriate proportion of the original acquisition price.

ERNV Assets - At completion ERNV will hold operated interests in the Gex and Navacelles Permits and the Gex Sud Permit application. The Gex Permit, where ERNV holds a 40% operated interest, is located in the Jura/Molasse Basin of Eastern France adjacent to the Swiss border and the City of Geneva. The main exploration targets comprise oil in shallow Oligocene sandstones, gas in deeper Triassic reservoirs and potential Jurassic, Cretaceous and Permo-Carboniferous shale-gas resources. The Gex Sud Permit application which is subject to competition is located to the south and east of Gex and contains similar play types. The Navacelles Permit, where ERNV holds a 60% operated interest, is located in the SE Basin of France. The permit contains identified conventional gas prospects which are candidates for fracture stimulation, and a potential shale-gas resource in Jurassic and Cretaceous source rocks.

The Excluded Permits- Egdon will retain its interests in the St Laurent and Pontenx Permits and Donzacq Permit application all located in SW France. St. Laurent, where Egdon holds a 33.434% interest, contains the Grenade heavy oil discovery and the Audignon Prospect, a multi-TCF potential Triassic sandstone sub-salt gas prospect. The Donzacq Permit application, which is awaiting formal award, contains a possible extension to the Audignon Prospect and a separate analogous structure, Bastennes Gaujacq. Egdon holds a 33.434% interest in the Donzacq Permit application. Pontenx, where Egdon hold a 40% interest, is located on the southern margins of the Parentis Basin. The permit contains the abandoned Mimizan Nord heavy oil field, and a number of prospects adjacent to or up-dip of wells with good oil shows and tests in Cretaceous carbonates. Egdon will retain operatorship of all Excluded Permits

**Commenting on the transaction, Mark Abbott, Managing Director of Egdon said;**

*"The sale of ERNV to eCORP enables Egdon to convert these early-stage exploration projects into near-term cash whilst retaining access to upside value in a success case through a back-in option. eCORP's experience in similar plays in the US and its financial strength will enable an accelerated exploration programme leading to earlier potential commercialisation.*

*France remains a key focus for Egdon, and the St Laurent and Pontenx Permit interests and the Donzacq application, which have been excluded from the Disposal, retain significant potential for Egdon and along with the two permits being acquired as part of the EnCore transaction continue to provide Egdon with a significant operated opportunity base in France.*

*The Disposal will significantly strengthen Egdon's balance sheet and enable the business to focus on its key near-term projects in the UK and France.*

*Egdon will also retain a close involvement in the ERNV permits through the provision of technical services to eCORP and both organisations will benefit from an exchange of knowledge. We look forward to assisting eCORP over the coming years to successfully explore the conventional and shale-gas potential of the ERNV permits."*

**Commenting on the acquisition of ERNV, Dr. John F. Thrash, Chairman, President, and Chief Executive Officer of eCORP International LLC said;**

*"In acquiring ERNV, eCORP will add attractive conventional and unconventional prospects to its existing asset base in Europe. We feel very fortunate to have Egdon's expertise at our disposal through the Technical Services Agreement."*

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**Notes to Editors:**

**Egdon Resources plc**

Egdon Resources plc (LSE: EDR) is an established UK-based exploration and production company primarily focused on onshore exploration and production in the hydrocarbon-producing basins of the UK and Europe.

Egdon currently holds interests in twenty four licences in the UK and France and has an active programme of exploration, appraisal and development within its balanced portfolio of oil and gas assets. Egdon is an approved operator in both the UK and France.

Egdon has production from the Keddington and Kirklington oil fields in the East Midlands and the Avington oil field in Hampshire. Further oil and gas production is anticipated from Eaking-Dukes Wood, Waddock Cross and Kirkleatham in 2010.

Egdon have announced the planned acquisition of a package of UK and French assets from EnCore Oil plc. On completion of this transaction Egdon will have additional production from the Ceres gas field and a significantly expanded acreage position. Prior to completion of the eCORP Disposal Egdon will hold interests in a total of thirty licences in the UK onshore, one offshore UK and six permits in France (plus one pending award).

Egdon Resources plc listed on AIM in January 2008, following the demerger of its gas storage business, Portland Gas plc (now renamed Infrastrata plc). The pre-demerged business was formed in 1997 and listed on AIM in December 2004.

[www.egdon-resources.com](http://www.egdon-resources.com)

**eCORP Oil & Gas UK Limited**

eCORP Oil & Gas UK Limited, a UK limited liability company, is a subsidiary of eCORP International, LLC, a Delaware limited liability company based in Houston, Texas and London, England. The eCORP companies develop, operate and own natural gas storage facilities, and develop and explore conventional and unconventional natural gas prospects in the US and Internationally. eCORP has been engaged in the research and development of unconventional hydrocarbon production since 1979. eCORP has been engaged in the development and operation of independently owned natural gas storage facilities and related assets since 1984.

[www.ecorpusa.com](http://www.ecorpusa.com)

In accordance with the AIM Rules – Note for Mining and Oil and Gas Companies, the information contained in this announcement has been reviewed and signed off by the Managing Director of Egdon Resources plc Mark Abbott, a Geoscientist with over 23 years experience.

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