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Mrs Janice Collins
National Vice-Chairman
Townswomen's Guilds
Gee Business Centre
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7th August 2017

Dear Mrs Collins,

I refer to your letter of 25th July 2017 in relation to "the regulation and control of fracking and its potential impacts".

By way of background, Egdon Resources plc ("Egdon") was formed in 1997 and has been exploring for and producing oil and gas from the onshore UK for over 20 years. During this time we have operated the drilling of 16 exploration and development wells and have been the operator of 5 producing oil and gas fields located from Dorset to Lincolnshire to North Yorkshire. Egdon currently holds interests in 44 licences in the UK and whilst dominantly involved in operations for conventional oil and gas we also hold interests in prospective shale-gas areas where we are planning exploration activity.

Oil and gas are important sources of energy and industrial feedstocks for the UK. Securing safe, secure and reliable sources of oil and gas are fundamental to our way of life.

Natural gas is a versatile and hugely important source of energy in the UK which in addition to providing a significant proportion of our electricity (over 40% in 2016), heats around 84% of UK homes and is used to fuel 61% of cooking hobs. Gas is an important feedstock to manufacturing, supporting 500,000 jobs in the chemical and pharmaceutical industries, where it is used in the manufacturing of clothing, plastics, toothpaste, medicines, cosmetics, adhesives, tyres and numerous other products. Gas derived Nitrogen-based fertilisers are spread on 75% of British farmland to help grow the food we eat. Glass recycling furnaces use 1 million cubic metres of gas every day to provide the heat needed to melt down the glass.

Shale-gas could be an important indigenous source of gas, offsetting our increasing reliance on imports and providing local jobs, generating significant tax revenues and helping the country's balance of payments.

Onshore oil and gas regulation in the UK has been recognised as an exemplar by the rest of the world. The industry is regulated by a number of statutory bodies including the Environment Agency

(EA), Health and Safety Executive (HSE) the Oil and Gas Authority (OGA) and the local minerals planning authority.

Further details of the roles of the regulators is provided on the UKOOG website
<http://www.ukoog.org.uk/environment/regulation>

I would now like to respond to the specific enquiry in your letter as to how I intend to ensure that Egdon “will uphold the regulations that are in place to their fullest, and how I intend to protect the safety of people and the environment”.

Egdon is a member of UKOOG, the representative body for the UK onshore oil and gas industry and is committed to the aims of the organisation which includes ensuring the highest possible standards in safety, environment management and operations.

We at Egdon are proud of our excellent track record in relation to health, safety and environmental matters. As a responsible oil and gas exploration and production business, we are highly conscious of our responsibilities and are mindful of the potential risks to people and the environment. We are committed to high standards of Health, Safety and Environmental management, protection and performance and these aspects have equal prominence with other business considerations.

Specifically Egdon will ensure, that throughout all phases of our operations;

- All Egdon sites are operated and managed to ensure compliance with all Health, Safety and Environmental and other legislation and regulation
- Employees – both direct and sub-contracted – are aware of Health, Safety and Environmental perspectives in relation to their roles and have sufficient training and resources to ensure that Egdon sites operate to high standards
- Activities that have the potential to impact on people and the environment are identified through a process that identifies risks. These risks are then eliminated, or reduced to an absolute minimum through the application of preventative and control measures – for example whilst drilling we have multiple barriers to prevent the flow of oil or gas from the well including a certified blow-out preventer which can mechanically close the well to flow if required
- Equipment, operations, working practices and systems of work are managed, maintained, monitored and reviewed to ensure that risks to people and the environment remain low
- Pollution potential is prevented and minimised through high standards of site design and infrastructure, and appropriate control mechanisms – for example all sites are constructed using an impermeable membrane to ensure isolation from the underlying soil and groundwater and designed to contain the volumes of water from a 100 year storm event to prevent flooding
- Where appropriate, Health, Safety and Environmental measures and objectives are set and reviewed with the aim of improving performance

Our operations are regularly inspected including unannounced visits, by the Health and Safety Executive, Environment Agency and local planning authorities to ensure compliance with regulation

and our annual report publishes details of the Company's performance in this important area of our business – in our 2016 financial year we had no reportable incidents and this has been the same for the current year.

Egdon also strives to be a "good neighbour" in the communities in which we operate, and are open and transparent in relation to all of our activities. As a company we have signed up to the UKOOG "Shale Community Engagement Charter"

(<http://www.ukoog.org.uk/images/ukoog/pdfs/communityengagementcharterversion6.pdf>).

I trust that the information above shows our commitment to compliance with the UK's high standards of regulation and to ensuring that our operations are designed and conducted in a way that minimises the potential impact on the communities and environment in which we operate.

If you require any further information or clarification then please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Abbott', followed by a horizontal flourish.

Mark Abbott
Managing Director