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Igas Overview and Update
IGas Overview

- **Leading UK onshore hydrocarbon producer and operator**
  - 30 fields with 117 producing wells
  - 1P reserves of 12.0 mmboe, 2P reserves of 20.0 mmboe

- **Upside potential from conventional and unconventional assets**
  - Significant fiscal synergies
  - A number of incremental projects identified through recent initiatives – tested field potential > 4,000 boepd

- **Significant low risk cash flow**
  - Production of circa 3,000 bopd
  - Oil sold at narrow discount to Brent

- **High degree of operational control**
  - Majority of fields 100% owned and operated
  - Delivered directly to refineries in the UK by rail or tanker

- **Solid financial profile**
  - 1P reserve life index > 11 years
  - 2P pro forma pre-tax PV-10 of $547.1mm
  - Net back to IGas US$66.39/bbl for six months ended 30 Sept 2012

- **Experienced senior management and operations team**

(1) Includes 2P reserves from Baxter’s Copse
IGas Recent Progress

- Dec 2012 - Fraccing restrictions lifted and interim results released
- Jan 2013 – Placing completed - gross proceeds c.£23m
- Feb 2013 – Completion of Singleton acquisition
- Mar 2013 – Arrangement of US$165m secured bond
  - 5 year tenure
  - 10% fixed coupon
  - 5% p.a. amortisation
  - Macquarie refinanced
- Apr 2013 – Bowland Shale update and Energy and Climate Change Committee Report

IGas is now well funded to take advantage of its growth opportunities
Growth Strategy
Growth Potential

Shale
- Significant acreage in highly prospective Bowland Shale
- Basin modelling nearing completion
- In place volumes to be released thereafter
- Validation by British Geological Survey
- 2 further wells to be drilled commencing this year
- Potential for shale oil elsewhere in our licenses

Conventional production
- Current production 3,000 Boepd
- Tested field potential >4,000 Boepd
- In place volumes of 475mmboe\(^1\)
  - Recovered to date 66m\(^1\)
  - Implied recovery factor of 18%
- Chase the barrels initiative
- Secondary recovery

Growth to be delivered from operational cash flow

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(1) As reported at the interim results in December 2012
Building on our Strengths

History

Land

Community
Refinancing and Operational cash flows

- Completion of Singleton and refinancing augments cash flows to invest across the asset base
- 5 year US$165m bond issued and Macquarie refinanced
  - Amortisation of US$8.25m vs. c.US$25m under Macquarie facilities
- Net back to IGas having taken into account operating costs and S,G&A averaged US$66.39 /bbl in the 6 months to 30 Sept 2012
- Pro forma revenue\(^2\) for 12 months to 30 September 2012 - £82.0m
- Pro forma Adjusted EBITDA\(^3\) for 12 months to 30 September 2012 - £42.3m

Notes: Results are for the six month period from 1 April 2012 to 30 September 2012
1. Underlying operating profit excludes the profit on oil price swaps of £6.3m
2. Revenue for the 12 month period to 30 September 2012 includes the revenue of IGas, Star Energy Group Limited and PR Singleton for the 12 months to 30 September 2012. Source: Management accounts
3. EBITDA for the 12 month period to 30 September 2012 includes the EBITDA of IGas, Star Energy Group Limited and PR Singleton for the 12 months to 30 September 2012. Adjustments have been made in relation to the mark to market on oil price swaps, acquisition costs and impairment charges. Source: Management accounts
Resource and Reserves Opportunity
IGas Resource & Reserves overview

Expertise & Experience

Team, infrastructure and equipment for successful execution

Unconventional Resources

Current Production

Efficient tax structure and Earnings positive

IGas Existing: Senergy Competent Persons Report (as of 30/06/12)
Singleton Source: NSAI Competent Persons Report (as of 30/06/2012)
Baxter’s Copse Source: RPS Competent Persons Report (as of 01/07/2009) (Not commissioned by IGas)
CBM resource; D&M Competent Persons Report (as of 31/12/2008); subsequently reviewed by Senergy (as of 30/06/2011)
Unconventional assets: Shale prospectivity

- IGas - extensive acreage position for shale
- Prospective shale horizons present in all three key focus areas:
  - North West – Bowland basin
  - E Midlands (Widmerpool/Gainsborough Trough – Bowland extension)
  - The Weald – Lias/Kimmeridge
IGas Bowland Shale licences (North West)
The Bowland Shale gas resource base

Two wells confirmed the hydrocarbon prospectivity of the Bowland Shale formation:

- IGas Ince Marshes-1 and Cuadrilla Preese Hall-1 wells both encountered shale sections in excess of 1,000 ft. and identified deeper shale intervals.
- The Cuadrilla Preese Hall-1 well was fracced in the vertical section and flow tested at c.0.5 MMscf/d.
- Cuadrilla carry an in-place resource estimate of 200 Tcf for their shale gas assets located c.50 kms north of IGas acreage.
- Further appraisal drilling is on-going from both IGas and Cuadrilla.

Core samples from Ince Marshes-1

4742.0ft

4629.0ft
Resource density - the Bowland Shale stands out

Resource density makes the Bowland Shale a unique proposition

- **Shale section thickness**
- **High resource GIIP bcf/sq.mile**
- **Potential for high recovery per site**
- **Close proximity to infrastructure and markets**
- **Improved economics and field development time**

### Gas Surface Density Comparison

<table>
<thead>
<tr>
<th>Play</th>
<th>Age</th>
<th>Depth Feet</th>
<th>Net Thickness Feet</th>
<th>Approx. Average Resource Billion cu.ft / sq. mile (GIIP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barnett</td>
<td>Mississippi</td>
<td>6500 - 8500</td>
<td>100 - 600</td>
<td>240</td>
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<tr>
<td>Marcellus</td>
<td>Mid Devonian</td>
<td>4500 - 8500</td>
<td>50 - 350</td>
<td>13</td>
</tr>
<tr>
<td>Fayetteville</td>
<td>Mississippi</td>
<td>3000 - 5000</td>
<td>20 - 200</td>
<td>54</td>
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<tr>
<td>Haynesville</td>
<td>Upper Jurassic</td>
<td>10500 - 13000</td>
<td>200 - 300</td>
<td>113</td>
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<tr>
<td>Woodford</td>
<td>Mid Devonian</td>
<td>6000 - 11000</td>
<td>120 - 220</td>
<td>87</td>
</tr>
<tr>
<td>Eagle Ford</td>
<td>E. Cret</td>
<td>8000 - 14000</td>
<td>150 - 300</td>
<td>102</td>
</tr>
<tr>
<td><strong>Bowland</strong></td>
<td><strong>Carb.</strong></td>
<td><strong>5200 – 10700</strong></td>
<td><strong>3967</strong></td>
<td><strong>1391 = 1.4 tcf/sq.m</strong></td>
</tr>
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</table>

The resource density potentially means that large quantities of gas can be extracted from a limited number of sites. Surface access is a key strength of IGas’ proposition.

BGS report will corroborate operator resource estimates
Conventional assets: Low risk, diversified reserve base

- 1P reserves increased by over 30% since 1st January 2012
- 2P reserves of 18.02 mmbbls and 8.12 bcf
- Reserves are heavily oil weighted (93% oil, 7% gas on a 2P basis)
- Reserve base evenly distributed across asset portfolio
- 30 fields with 117 producing wells; IGas’ 25 conventional fields have STOIP of c.475MMstb with an average recovery factor of c.18%
- Consistent production history with further upside
- Own infrastructure gives predictability and stability

Pre-tax 2P PV-10

Note: NPVs based on $112.89; average price for 12 months to 30th June 2012

IGas Reserves

IGas Existing Source: Senergy Competent Persons Report (as of 30/06/12)
Singleton Source: NSAI Competent Persons Report (as of 30/06/2012)
Baxter’s Copse Source: RPS Competent Persons Report (as of 01/07/2009) (Not commissioned by IGas)
High Degree of Operational Control: From Reservoir to Refinery

Operated infrastructure brings added security, stability and flexibility to IGas’ operations

- Rail heads
  - Oil in the Weald currently exported principally by train
  - Offers flexibility in refinery choice
- Tanker fleet
  - Optimising use of own fleet and external haulage contractors
  - Remains the cheapest means of transport
- Well services division including three workover rigs

- Delivery direct to refineries
  - All four refineries are located within close proximity to the fields
  - Potential to increase export routes
- Gas export routes
  - Increased use of gas to wire
  - Project to review other opportunities for direct sales
  - Maximizes value of bolt-on acquisitions, e.g. Singleton
Maximising the portfolio - ‘Chase the barrels’

• Phase 1: assessment of the potential completed

• Field optimisation models for each area constructed to better define true field potential

• Initiated roll out of Rod Pump Controllers – benefits in opex (power savings), extended run life of pumps, reduced workover intervention

• Detailed well reviews highlighting further opportunities, eg re-perforations, recompletions, stimulation targets etc

• Water injection opportunities being evaluated – potential to increase production and recovery

Beckingham WI example …

Preliminary modeling suggest 20-30 bopd incremental recovery yielding 0.35MMb additional reserves
Upside potential: Stranded gas monetisation

- Albury flow tested the well at rate of up to 1.5 MMscf/day (260 boe/d)
- Bletchingley-2 tested Q3, 2012 flowed at up to 4.4MMscf/d (750 boe/d)
- Singleton has >1MMscf/d (170 boe/d) potential
- Other opportunities are being pursued
- Tested field potential >1,000 boe/d
Regulatory Environment
Positive regulatory developments

Key drivers underpinning policy:
• Increasing cost to consumer
• Reducing electricity capacity margin due to aging plant closures
• Flexible plant required to meet intermittency of renewables
• Security of gas supply
• European gas contract tie with oil price

“Shale gas represents a promising new potential energy resource for the UK. It could contribute significantly to our energy security, reducing our reliance on imported gas, as we move to a low carbon economy” - Edward Davey, Secretary of State for Energy and Climate Change

• Establishment of Office for Unconventional Gas and Oil emphasises the Government’s commitment to shale
• IOD, Climate Change select committee, Durham University and others now positive on impact of shale
• Fracking ban lifted 13 December 2012
• British Geological Survey (BGS) to be released shortly
  — Reported to publish a report showing Britain potentially has between 1,600 and 1,700 trillion cubic feet of shale gas, equivalent to about 100 times the known gas reserves of the North Sea
  Source: Daily Telegraph
• Energy Bill: Positive for gas development
• Gas Strategy:
  — 26-37GW new gas fired generation to be built by 2030
  — Tax incentive consultation for shale gas
  — 14th Licence Round emphasis on shale gas (2H 2013?)
Summary

[Image of industrial equipment with IGas Energy logo]
Summary

- Financial platform in place to secure the conventional oil reserves and continue the evaluation of the unconventional shale gas potential
- Substantial position in UK discovered hydrocarbons
  - Operated infrastructure
- Low risk, diversified reserve base
- Supportive political and geological backdrop
- Potentially significant underlying shale gas opportunity
  - Licensed access to Bowland shale coupled with operational team to exploit it
  - IGas gives exposure to future UK unconventional gas revolution

Equipped to Deliver

Significant Resources

Focus

Experienced Team

Subsurface Upside
Industry recognised management team and Board with a solid shareholder structure

**Board of Directors and management**

**Francis Gugen, Non-Executive Chairman**
- More than 30 years of oil and gas experience, spent 18 years with Hess, CEO of the North West Europe business. Non-Executive chairman of PGS and Chrysaor, board member of SBM and CECOC. Former Chairman of CH4 which was sold to Venture in 2006. Member of CBI’s Economics Affairs Committee, past president of UKOOA

**Andrew Austin, CEO**
- Co-founder and CEO for the last four years. Prior to Igas, spent 17 years in investment banking with Merrill Lynch, Nomura, Citibank and Barclays Capital. General manager of Creditanstalt Investment Bank, and six years of management and consultancy experience with clean tech companies

**Stephen Bowler, CFO**
- Chartered Accountant, formerly with Deloitte until 1999, thereafter with ABN Amro Hoare Govett, now RBS Hoare Govett. Advisor and broker with particular focus on the E&P business

**John Blaymires, COO**
- 27 years experience from the E&P business, formerly with Shell International and Hess. Before joining Igas he was Director of Technology Development for Hess in Houston, Technical Director in West Africa and South East Asia. BSc and PhD in mining engineering from Leeds University

**John Bryant, non-executive director**
- Chairman of Weatherly International, previously director of Attiki Gas Co., president of Cinergy Global Resources, exec director with Midlands Electricity, British Sugar, Drexel Limited, British Oxygen Co and Unilever Plc

**Robin Pinchbeck, non-executive director**
- 38 years of international experience in the oil and gas sector, having held leadership positions in both oil and oil services sectors with BP, Atlantic Power, PGS and most recently with Petrofac Limited. Non-executive director in several respected E&P companies

**Cuth McDowell, non-executive director**
- 33 years of international experience in oil and gas, having held senior positions at BP, Clyde Petroleum and Paladin Resources plc
- Non-Executive Director at Pitkin Petroleum plc

**Wide experience from the E&P industry, as well as strong financial competence**

- **E&P and Oil Service**
  - Shell
  - CNOOC
  - Hess
  - SBM
  - Chrysaor
  - PGS

- **Finance and other industries**
  - Arthur Andersen
  - Citi
  - Barclays Capital
  - NOMURA
  - Deloitte
  - Hoare Govett

**Strong ownership structure, with management well represented among shareholders**

<table>
<thead>
<tr>
<th>Person</th>
<th>Holding (%)</th>
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<tbody>
<tr>
<td>Gugen</td>
<td>14.80%</td>
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<tr>
<td>Austin</td>
<td>5.71%</td>
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<tr>
<td>Pinchbeck</td>
<td>0.08%</td>
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<tr>
<td>Bowler</td>
<td>0.04%</td>
</tr>
<tr>
<td>Bryant</td>
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<tr>
<td>Blaymires</td>
<td>0.01%</td>
</tr>
<tr>
<td>McDowell</td>
<td>0.00%</td>
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