



The Directors
 IGas plc
 Suite 407
 International House
 1 Yarmouth Place
 London W1J 7BU

31st October 2008

Dear Sirs

RE: Evaluation of the Coal Bed Methane Interests of IGas plc

In response to your request, Equipoise Solutions Limited (Equipoise) has reviewed certain Coal Bed Methane (CBM) interests held by IGas plc (IGas), onshore and offshore UK, over and above those reviewed in our Competent Person's Report dated November 2007 (CPR). These properties are: PEDL 184 (Dee), PEDL 190, PEDL 193 (Parkside), PEDL 116 and PEDL 115-2.

We were requested to provide an independent estimation of the Gas Initially in Place (GIIP) in billions of standard cubic feet (Bcf) or each of the assets we reviewed, in accordance with industry standard practice for the estimation of CBM GIIP. The results of this work have been presented in accordance with the requirements of the Alternative Investment Market of the London Stock Exchange, in particular as described in the "Guidance Note for Mining, Oil and Gas Companies", March 2006. As no estimates of reserve or resource have been made, we have not undertaken an independent economic evaluation of these interests. We have added our estimates to Table 1.2 of our CPR, to provide the amended table below. The GIIP estimates presented below are unrisksed.

(all figures in Bcf) Area	Gross			Net			Risk Factor	Operator
	Low	Mid	High	Low	Mid	High		
PEDL 40-1 and PEDL 56-1	563	854	1,326	113	171	265	-	Nexen
PEDL 145 (N of Mersey)	116	181	299	23	36	60	-	Nexen
PEDL 145 (S of Mersey)	99	444	803	20	89	161	80%	Nexen
PEDL 92-1	383	652	1,134	77	130	227	-	Nexen
Point of Ayr Onshore (PEDL 107)	2	4	10	1	2	5	-	Nexen
Point of Ayr Offshore (110/19 Part)	87	162	1,141	43	81	571	-	Nexen
Point of Ayr Offshore (110/18 Part and 110/23 Part)	120	508	4,340	60	254	2,170	80%	Nexen
PEDL 184 (Dee)	574	1,083	2,111	115	217	422	-	Nexen
PEDL 190	314	588	894	63	118	179	-	Nexen
PEDL 193 (Parkside)	826	1,321	4,126	165	264	825	-	Nexen
PEDL 116	110	179	307	22	36	61	-	Nexen
PEDL 78-1	309	874	1,794	62	175	359	50%	Nexen
PEDL 115-1 B (west)	226	832	1,923	45	166	385	50%	Nexen
PEDL 115-1 A (east)	106	138	361	21	28	72	-	Nexen
PEDL 115-2	72	133	258	14	27	52	-	Nexen
TOTAL GIIP (Bcf)	3,907	7,953	20,827	844	1,794	5,814		

GIIP Estimates (Bcf, unrisksed), IGas Properties

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We have also amended Table 1.3 of our CPR, to present net risked GIIP, which is presented below.

(all figures in Bcf) Area	NET RISKED GIIP		
	Low	Mid	High
PEDL 40-1 and PEDL 56-1	113	171	265
PEDL 145 (N of Mersey)	23	36	60
PEDL 145 (S of Mersey)	16	71	128
PEDL 92-1	77	130	227
Point of Ayr Onshore (PEDL 107)	1	2	5
Point of Ayr Offshore (110/19 Part)	43	81	571
Point of Ayr Offshore (110/18 Part and 110/23 Part)	48	203	1,736
PEDL 184 (Dee)	115	217	422
PEDL 190	63	118	179
PEDL 193 (Parkside)	165	264	825
PEDL 116	22	36	61
PEDL 7B-1	31	87	179
PEDL 115-1 B (west)	23	83	192
PEDL 115-1 A (east)	21	28	72
PEDL 115-2	14	27	52
TOTAL GIIP (Bcf)	775	1,554	4,974

Net Risked GIIP (Bcf), IGas Properties

In conducting this review, we have utilised information and interpretations supplied directly or indirectly by independent third parties, the Licence Operators, and IGas, comprising primary subsurface information, such as borehole data, and technical reports. We have reviewed the information provided, before undertaking our own independent estimates of GIIP. Site visits were not considered necessary for the purposes of this report, and we have not verified the entitlement of IGas to the interests stated in this report, as this is outside the remit of the evaluation.

Professional Qualifications

Equipoise is a privately owned independent consulting company established in 1998 with offices in South London. The company specialises in petroleum geology and geophysics. Except for the provision of professional services on a fee basis, Equipoise has no commercial arrangement with any other person or company involved in the interests which are the subject of this report.

The work has been supervised by Dr. Adam Law, Director of Equipoise, a post-graduate in Geology and a Fellow of the Geological Society of London. He has 15 years experience in the evaluation of oil and gas fields and acreage. Mr. Donald Alastair Scott has reviewed and approved these estimates. Mr. Scott is a Director of Equipoise, and has over 30 years experience in the evaluation of oil and gas fields and acreage.

Yours faithfully,

Don Scott
Director, Equipoise Solutions Ltd

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