

10 December 2009

**Island Gas Resources plc
(to be renamed "IGas Energy plc")
("IGas" or "the Company")**

Result of General Meeting - Placing completes

IGas is delighted to announce that at the General Meeting earlier today all of the Resolutions to approve the Placing were duly passed by shareholders and the 22,916,667 Placing Shares have been allotted; dealings are expected to commence in these new shares on AIM on 11 December 2009.

The Placing will enable the Company to complete the acquisition of interests from Nexen. Approximately £5 million of the proceeds will be used to finance a work programme in the licence areas being acquired. A further £2.5 million will be used to fund operatorship and the related increased costs of greater working interests and existing licences; in this regard the Company will become the operator, subject to Secretary of State approval, of the Point of Ayr Licences. The balance of the Placing proceeds will be used to advance production drilling in accordance with the Company's strategic plans.

Shareholder approval was also given at the General Meeting for the change of name of the Company to IGas Energy plc and it is expected that the change of name will be effective from the market opening on Monday 14 December 2009. The Company will continue to be known under its existing ticker code 'IGAS'.

Shareholder approval was also obtained for the appointment of John Hamilton to the Board of the Company and, as previously announced, it is expected that his appointment will become effective tomorrow. Peter Redmond has retired from the Board with immediate effect.

As a result of the increase in the number of shares in issue the interests of the Directors are now as follows:

	<u>No of shares</u>	<u>%</u>
Francis Gugen	27,615,764	30.34
Andrew Austin	11,429,253	12.56
Brent Cheshire	11,429,253	12.56
Richard Armstrong*	58,460	0.06
John Bryant*	50,370	0.06
John Hamilton**	11,375,000	12.50

*Richard Armstrong and John Bryant each hold 110,000 warrants; with each warrant entitling them to acquire one Ordinary Share. Each warrant holder is entitled to exercise 82,500 warrants at a price of 55p with the balance of 27,500 being exercisable at a price of 75p.

**John Hamilton; disclosed interest represents the combined interests of Peter Levine and Levine Capital Management Limited, with whom he is deemed to be associated for these purposes.

Andrew Austin, Chief Executive Officer, said:

"We are delighted with the high level of support shown for IGas from investors which illustrates their long term confidence in our business and our ability to create value

for our shareholders. The fund-raising will significantly help us accelerate the development of IGas by increasing our assets and bringing forward our production plans.”

Following Admission, the Company's enlarged issued share capital will comprise 91,012,975 ordinary shares with voting rights. The Company does not currently hold any shares in treasury. This figure of 91,012,975 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FSA's Disclosure and Transparency Rules.

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Notes to Editors:

Island Gas Resources plc (“IGas”)

IGas was set up to produce and market the methane gas which is found in seams of coal. IGas is now producing gas from its pilot production site at Doe Green in Warrington and selling electricity through its on-site generation, a UK first. Initial production rates indicate that the Company should exceed its threshold for commerciality.

IGas has ownership interests of between 20 and 100 per cent in eleven PEDLs in the UK, wholly owns two methane drainage licences after the acquisition of licence interests from Nexen now being announced, will have a 75 per cent interest in three offshore blocks under one Seaward Petroleum Production Licence. These licences cover a gross area of approximately 1,756 km². The mid case GIIP is up 290 per cent. from 893 at year end 2007 to 3,480 bcf (source: Equipoise Solutions Ltd).

Independent analysis by world leading reservoir engineers, DeGolyer and McNaughton, prior to this announcement confirmed Contingent Recoverable Resource of up to 821 bcf of gas (3C), equivalent to around 140 million barrels of oil. The Contingent Recoverable Resource is derived from a statistical aggregation of contingent resource ranges calculated on an individual coal seam basis.

In May 2009, the Group announced it had been granted a further Field Development Programme approval by DECC for its plans for the commercial production of CBM gas from the Swallowcroft area.

The coal seam both generates and traps the gas, which can be extracted by drilling into the seam and collected for use as fuel. CBM is exactly the same as other forms of natural gas, and is used to provide both industrial and domestic power and has the potential to be an important new source of energy for the UK.

The CBM industry in the UK is in its early stages, but with the continuing decline in natural gas reserves from the North Sea, it is likely to become an increasingly attractive alternative potential source of energy. CBM has become a significant source of gas both in North America and Australia over a relatively short period of time during which both have seen an almost exponential growth in CBM production.

For further information please visit: www.igasplc.com.