

For immediate release: 14 June 2010

IGas Energy plc
(‘IGas’ ‘the Company’ or ‘the Group’)

Commencement of drilling at Keele University Science Park

The board of IGas Energy, a domestic gas producer and a leading developer of unconventional gas resources in the UK, announces that it has commenced drilling operations at Keele University Science Park in North Staffordshire.

The well was spudded on 11 June and is expected to produce gas from a lateral in the Great Row seam which is at a depth of approximately 1,757 feet from the surface and is around 11 feet thick. Following completion of the well and de-watering, a long term production test will be carried out using IGas’s production testing equipment.

Logs from IGas’ well at Willoughbridge, 5.5 miles south west of this well, have shown encouraging results as to the permeability of the coals in the area.

IGas’s CEO Andrew Austin commented that:

“These licences in Staffordshire have always been an area of great interest to IGas and we look forward to seeing the productive capacity of these coals. Increased concerns over security of energy supply and the harshest winter for some 40 years in the UK has highlighted the need for the UK to produce more of its own gas resources. I am delighted to have started drilling at Keele and look forward to updating the market on the results.

IGas has the funding, the know-how and the resource base to deliver secure gas commercially to industrial customers in the UK. We are on track to establish our first full UK gas production site in 2011.”

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Notes to Editors:

IGas Energy was set up to produce and market domestic sourced gas, primarily from unconventional reservoirs, particularly coal bed methane. The unconventional gas 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 unconventional gas production. IGas Energy 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 from CBM. Initial production rates indicate that the Company should exceed its threshold for commerciality.

First full site production is targeted for 2011 and the Company is targeting 20-50 sites for production between 2011 and 2014. Sites are planned to consist of 4-6 wells with 24,000-40,000 ft of lateral in each well. Each site is expected to produce between 7 and 20 Bcf over 15 years (gross). The production from each site is expected to peak at between 4 and 10 mmscfd (650-1,700 boepd) (gross). The Company is using production technology which is known and has been demonstrated to be effective in other countries. Planning has been obtained for 11 pilot/production sites to date from a variety of land owners and planning authorities.

IGas Energy has ownership interests of between 20 and 100 per cent in eleven PEDLs in the UK, wholly owns two methane drainage licences and has a 75 per cent interest in three offshore blocks under one Seaward Petroleum Production Licence. These licenses cover a gross area of approximately 1,756 km². The mid case GIIP is up 328 per cent. from 893 Bcf at year end 2007 to 3,823 Bcf (*source: Equipoise Solutions Ltd*).

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.