

IGas Energy plc

Completion of Star Energy Group Limited Acquisition

The Board of IGas Energy plc is delighted to announce the completed acquisition of Star Energy Group Limited (“Star Energy”) from PETRONAS International Corporation Limited (the “Acquisition”) following shareholder approval and the competition of outstanding conditions.

Following this landmark transaction, the IGas Energy Group is now a substantial oil and gas company in the UK.

Highlights of the Acquisition

- Production
 - More than 2,500boepd in 2011
- Resources and Reserves

Reserves (mmboe) (source: Senergy)	1P 6.5	2P 11.1	3P 16.7
Resources (source: Senergy)	1C 241	2C 312	3C 412
In Place (source: Equipoise)	Low 904	Medium 1,767	High 4,156

- Senior technical team with a proven track record of delivering resources
- 158 staff including highly experienced site operators with transferrable skills
- Own well services division including: 2 work over rigs, 4 hot water flush rigs, 1 hot oil flush rig, and in addition 8 road tanker tractor units
- Significant oil storage and bunkering including two rail heads
- Access to joint venture partners rig capacity (33% interest in Larchford Limited and ~50% of Meehan rig JV)
- Gas Sales Agreement (“GSA”) with PETRONAS Energy Trading Limited in which IGas will provide Petronas with its first 150 Bcf of gas at market derived rates
- 1,500boepd of 2012 oil production profile pre-sold at \$/bbl 93.4 (net). Overall hedge covers 2.5 mmbbl over 6 years (55% hedged in sterling)

Andrew Austin, CEO of IGas Energy, commented:

“2011 has been a transformational year for our company. Taking full control of our unconventional assets earlier in the year and now the acquisition of Star Energy has consolidated our position as a substantial onshore oil and gas company with an extremely exciting future ahead of us. We now have the combination of assets and capability to deliver significant value on behalf of shareholders”

IGas Energy will provide an operational update to the market in due course focusing on the performance and integration of the enlarged business.

For further information please contact:

IGas Energy plc

Tel: +44 (0)20 7993 9901

Andrew Austin,CEO

RBS Hoare Govett

Tel: +44 (0)20 7085 5000

Sara Hale / John MacGowan / Jamie Buckland

Kreab Gavin Anderson

Tel: +44 (0)20 7074 1800

Ken Cronin/ Kate Hill/ Anthony Hughes