

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

**Update on 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 is pleased to announce the completion of drilling of the pilot production well at Keele Park. The expected sequence of coals were found to be well developed and the ensuing logs are encouraging. The well was drilled with laterals in two coal seams and the completion has been run.

The well head is in place and the rig has been demobilised. Pilot production testing equipment is on its way to site and dewatering is expected to commence in the next few days and is expected to take several months. Following completion of the dewatering a long term production test will be carried out using IGas’ production testing equipment.

IGas’ CEO Andrew Austin commented that:

*“We continue to show progress in developing our resources and this pilot production site is an important step forward in demonstrating the potential of our Staffordshire acreage. We look forward to updating the market further once testing is underway. We remain on track to establish our first full UK gas production site in 2011.”*

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Notes to Editors:

**IGas Energy plc ("IGas")**

IGas Energy was set up to produce and market domestic sourced gas, primarily from unconventional reservoirs, particularly coal bed methane. 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.

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 km<sup>2</sup>. 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.