

IGas Energy Plc

Investor Presentation

IGas
Energy



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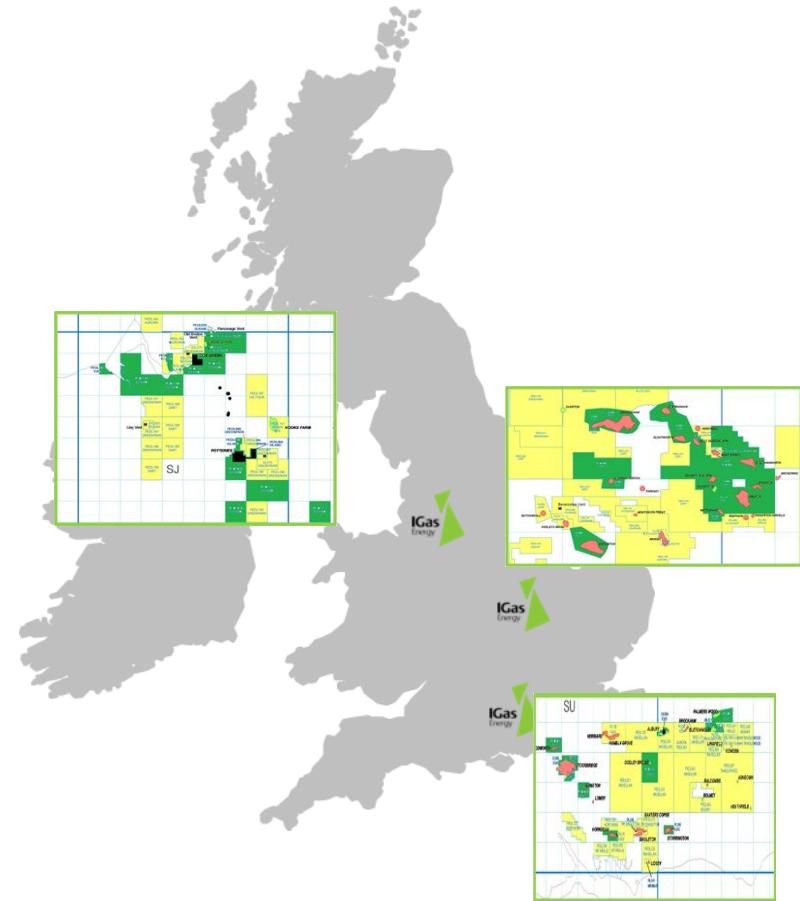
Igas Overview and Update

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IGas Overview

- **Leading UK onshore hydrocarbon producer and operator**
 - 30 fields with 117 producing wells
 - 1P reserves of 12.0 mmboe, 2P reserves of 20.0 mmboe
- **Upside potential from conventional and unconventional assets**
 - Significant fiscal synergies
 - A number of incremental projects identified through recent initiatives – tested field potential > 4,000 boepd
- **Significant low risk cash flow**
 - Production of circa 3,000 bopd
 - Oil sold at narrow discount to Brent
- **High degree of operational control**
 - Majority of fields 100% owned and operated
 - Delivered directly to refineries in the UK by rail or tanker
- **Solid financial profile**
 - 1P reserve life index > 11 years
 - 2P pro forma pre-tax PV-10 of \$547.1mm
 - Net back to IGas US\$66.39 /bbl for six months ended 30 Sept 2012
- **Experienced senior management and operations team**



IGas Recent Progress

- **Dec 2012 - Fracking restrictions lifted and interim results released**
- **Jan 2013 – Placing completed - gross proceeds c.£23m**
- **Feb 2013 – Completion of Singleton acquisition**
- **Mar 2013 – Arrangement of US\$165m secured bond**
 - **5 year tenure**
 - **10% fixed coupon**
 - **5% p.a. amortisation**
 - **Macquarie refinanced**
- **Apr 2013 – Bowland Shale update and Energy and Climate Change Committee Report**

IGas is now well funded to take advantage of its growth opportunities

Growth Strategy

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Growth Potential

Shale

- Significant acreage in highly prospective Bowland Shale
- Basin modelling nearing completion
- In place volumes to be released thereafter
- Validation by British Geological Survey
- 2 further wells to be drilled commencing this year
- Potential for shale oil elsewhere in our licenses

Conventional production

- Current production 3,000 Boepd
- Tested field potential >4,000 Boepd
- In place volumes of 475mmboe¹
 - Recovered to date 66m¹
 - Implied recovery factor of 18%
- Chase the barrels initiative
- Secondary recovery

Growth to be delivered from operational cash flow

(1) As reported at the interim results in December 2012

Building on our Strengths



History



Land



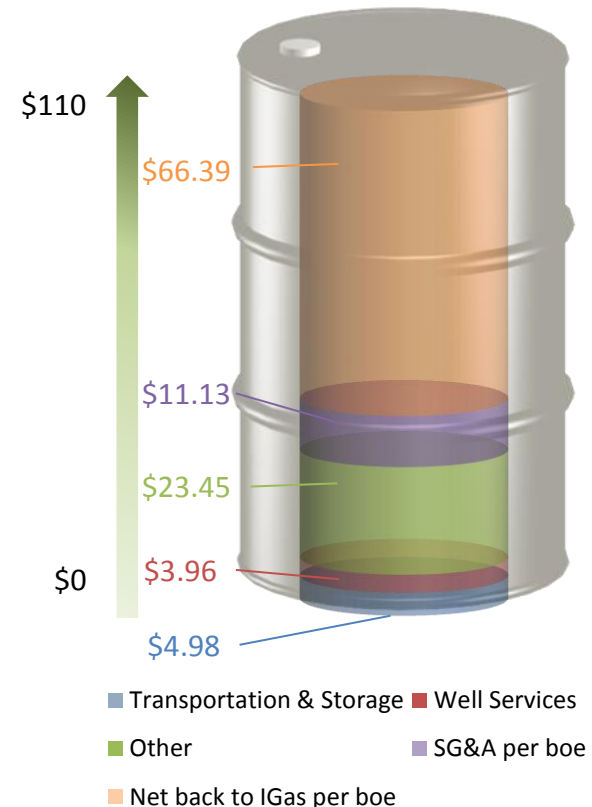
Community

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Community Fund



Refinancing and Operational cash flows

- Completion of Singleton and refinancing augments cash flows to invest across the asset base
- 5 year US\$165m bond issued and Macquarie refinanced
 - Amortisation of US\$8.25m vs. c.US\$25m under Macquarie facilities
- Net back to IGas having taken into account operating costs and S,G&A averaged US\$66.39 /bbl in the 6 months to 30 Sept 2012
- Pro forma revenue² for 12 months to 30 September 2012 - £82.0m
- Pro forma Adjusted EBITDA³ for 12 months to 30 September 2012 - £42.3m



Notes: Results are for the six month period from 1 April 2012 to 30 September 2012

1. Underlying operating profit excludes the profit on oil price swaps of £6.3m

2. Revenue for the 12 month period to 30 September 2012 includes the revenue of IGas, Star Energy Group Limited and PR Singleton for the 12 months to 30 September 2012. Source: Management accounts

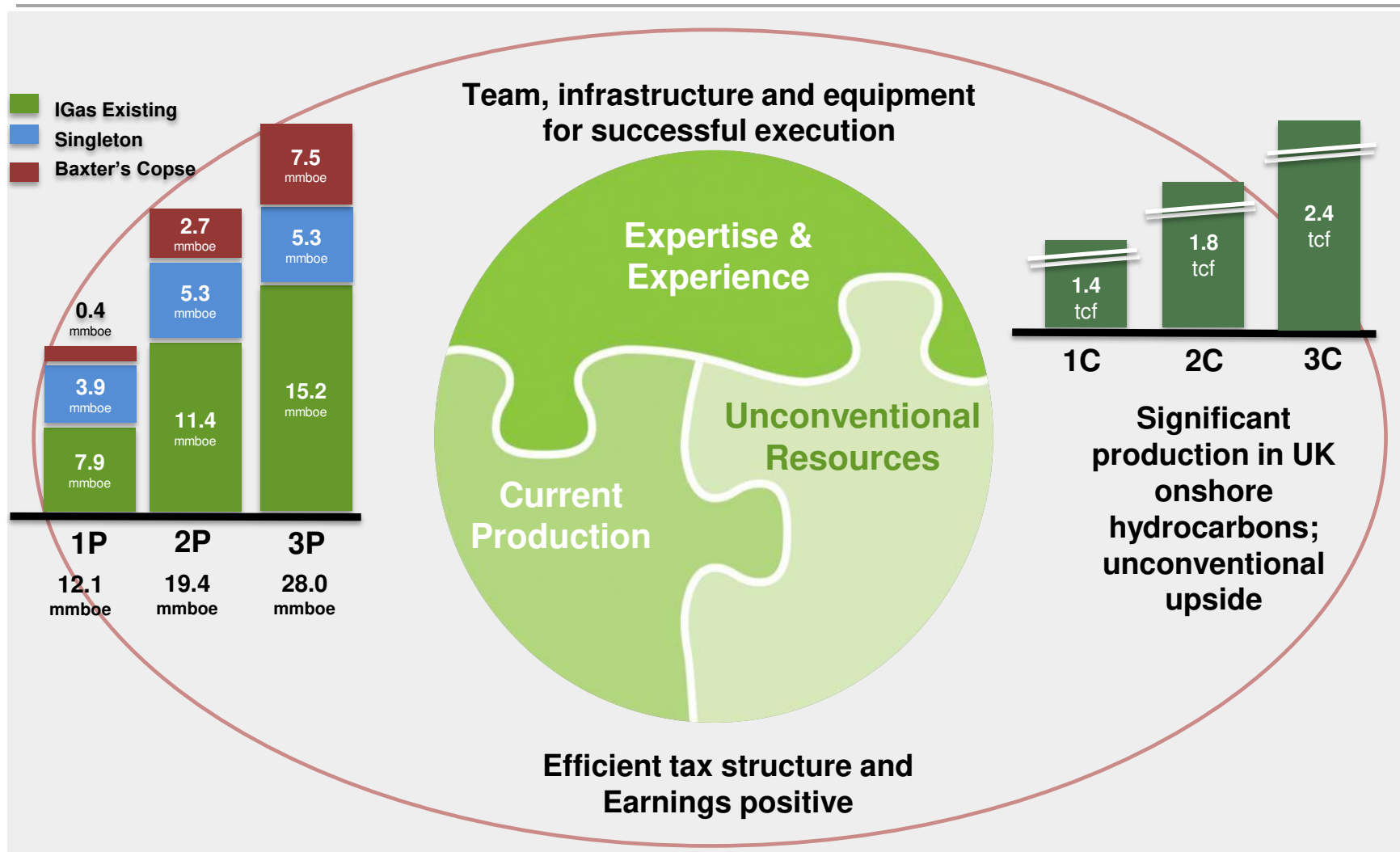
3. EBITDA for the 12 month period to 30 September 2012 includes the EBITDA of IGas, Star Energy Group Limited and PR Singleton for the 12 months to 30 September 2012. Adjustments have been made in relation to the mark to market on oil price swaps, acquisition costs and impairment charges. Source: Management accounts

Resource and Reserves Opportunity

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IGas Resource & Reserves overview



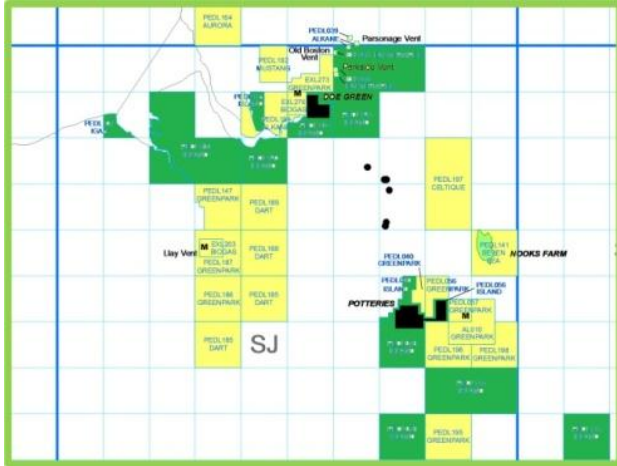
IGas Existing Source: Senergy Competent Persons Report (as of 30/06/12)

Singleton Source: NSAI Competent Persons Report (as of 30/06/2012)

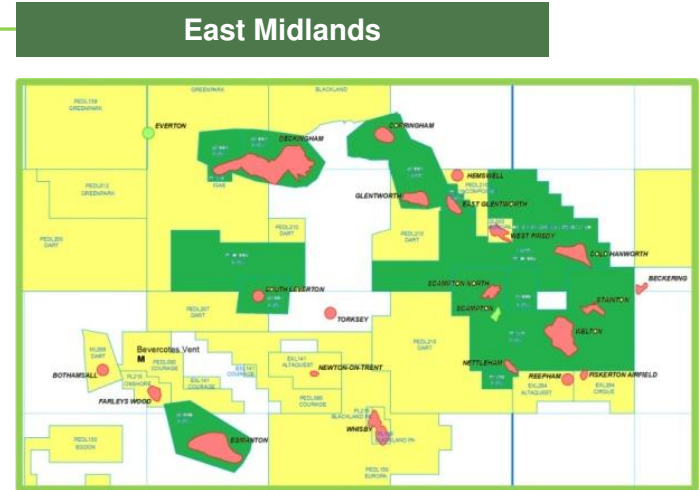
Baxter's Copse Source: RPS Competent Persons Report (as of 01/07/2009) (Not commissioned by IGas)

CBM resource; D&M Competent Persons Report (as of 31/12/2008); subsequently reviewed by Senergy (as of 30/06/2011)

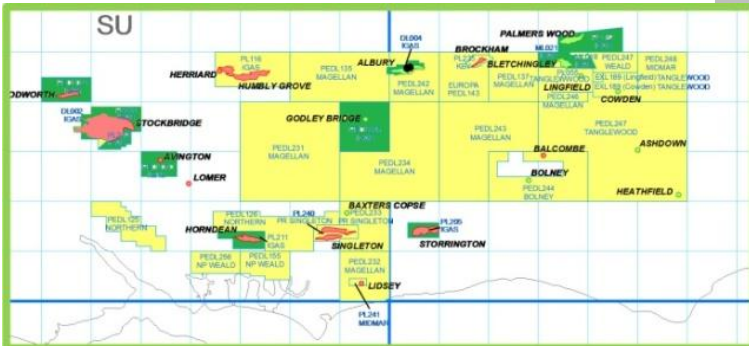
Unconventional assets: Shale prospectivity



North West / Staffs



East Midlands

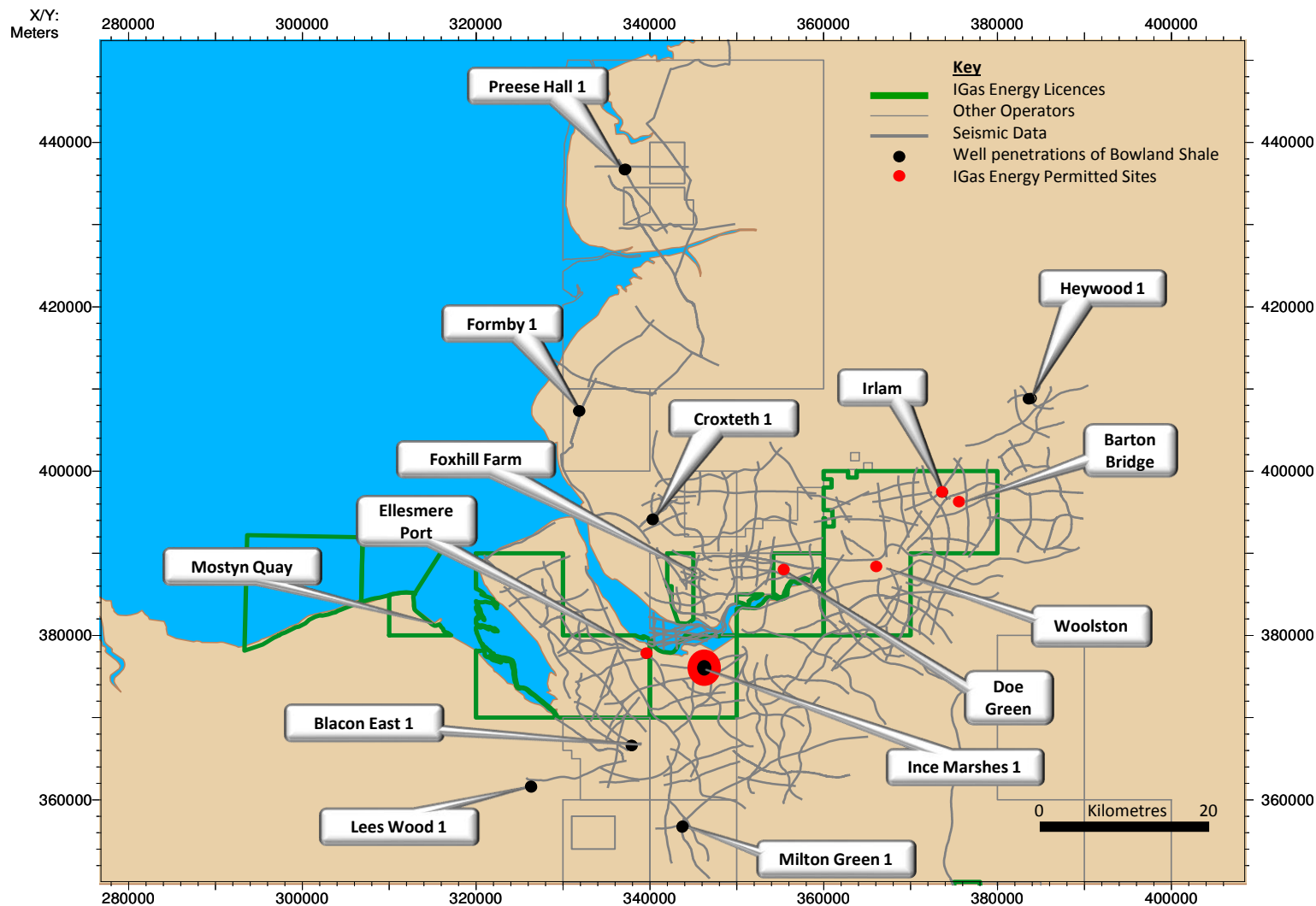


Weald Basin (incl. Singleton)

Key	
	Other License
	IGas License
	Oilfield
	Unconventional Fields

- IGas - extensive acreage position for shale
- Prospective shale horizons present in all three key focus areas:
 - North West – Bowland basin
 - E Midlands (Widmerpool/Gainsborough Trough – Bowland extension)
 - The Weald – Lias/Kimmeridge

IGas Bowland Shale licences (North West)



The Bowland Shale gas resource base

CHRONO-STRATIGRAPHY	LITHO-STRATIGRAPHY	LITHOLOGY	DEPTH (m) TVDSS
PERMO-TRIASSIC	SHERWOOD SANDSTONE		0
UPPER CARBONIFEROUS	WEST - C-D	UPPER C.M.	
	WEST - B	MIDDLE COAL MEASURES	500
	WEST - A	LOWER COAL MEASURES	
	NAMURIAN	MILLSTONE GRIT GROUP	1000
		BOWLAND SHALE	1500
LOWER CARBONIFEROUS	VISEAN	PENDLESIDE LST & HODDER FM	2000

Two wells confirmed the hydrocarbon prospectivity of the Bowland Shale formation

- IGas Ince Marshes-1 and Cuadrilla Preese Hall-1 wells both encountered shale sections in excess of 1,000 ft. and identified deeper shale intervals
- The Cuadrilla Preese Hall-1 well was fraced in the vertical section and flow tested at c.0.5 MMscf/d
- Cuadrilla carry an in-place resource estimate of 200 Tcf for their shale gas assets located c.50 kms north of IGas acreage
- Further appraisal drilling is on-going from both IGas and Cuadrilla

Core samples from Ince Marshes-1

4742.0ft

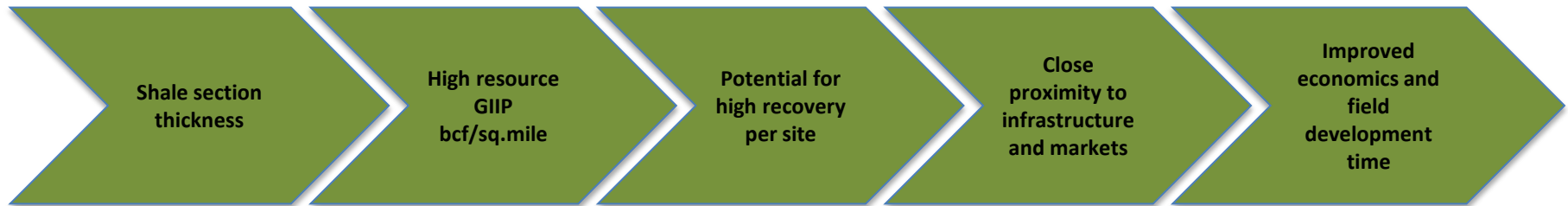


4629.0ft



Resource density - the Bowland Shale stands out

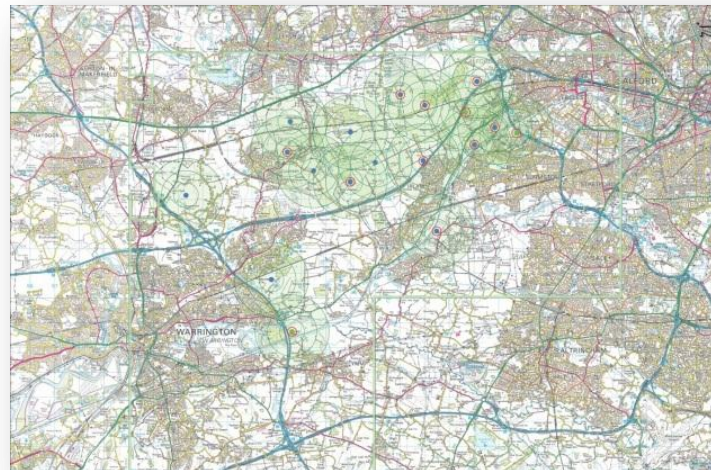
Resource density makes the Bowland Shale a unique proposition



Gas Surface Density Comparison

Note: these are Cuadrilla estimates

Play	Age	Depth Feet	Net Thickness Feet	Approx. Average Resource Billion cu.ft / sq. mile (GIIP)
Barnett	Mississippi	6500 - 8500	100 - 600	240
Marcellus	Mid Devonian	4500 - 8500	50 - 350	13
Fayetteville	Mississippi	3000 - 5000	20 - 200	54
Haynesville	Upper Jurassic	10500 - 13000	200 - 300	113
Woodford	Mid Devonian	6000 - 11000	120 - 220	87
Eagle Ford	E. Cret	8000 - 14000	150 - 300	102
Bowland (Grange Hill)	Carb.	5200 - 10700	3967	1391 = 1.4 tcf /sq.m



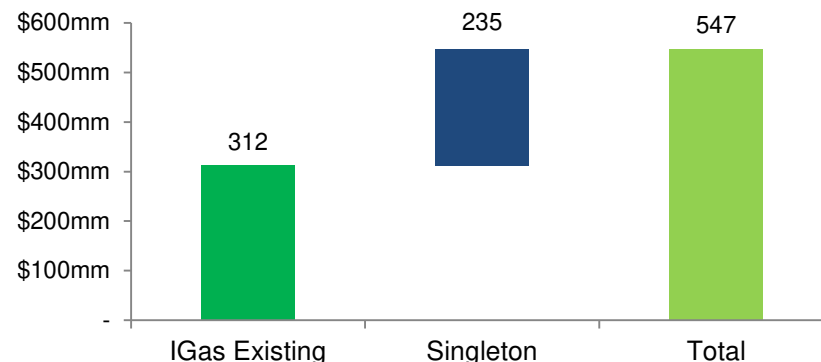
The resource density potentially means that large quantities of gas can be extracted from a limited number of sites. Surface access is a key strength of IGas' proposition.

BGS report will corroborate operator resource estimates

Conventional assets: Low risk, diversified reserve base

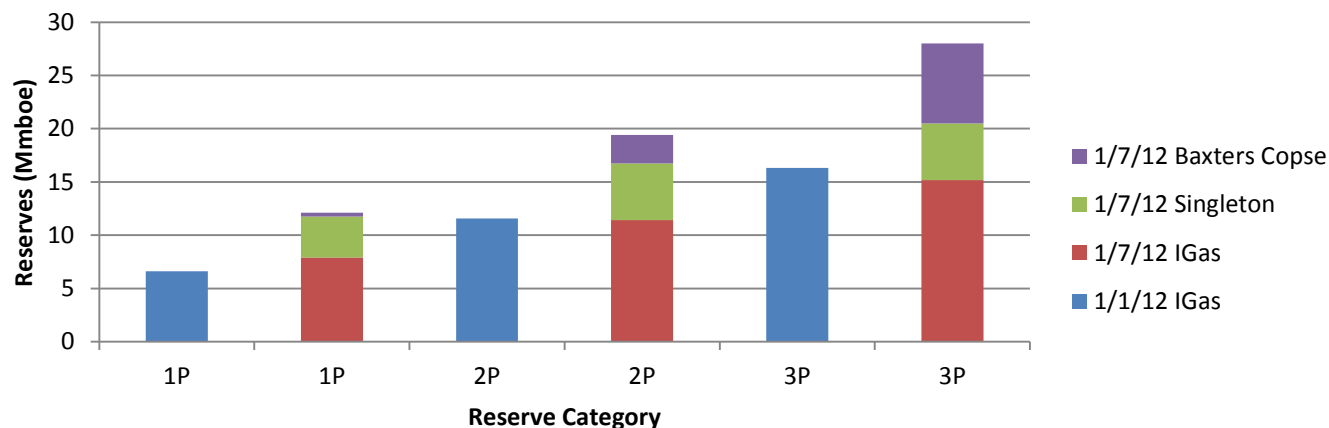
- 1P reserves increased by over 30% since 1st January 2012
- 2P reserves of 18.02 mmbbls and 8.12 bcf
- Reserves are heavily oil weighted (93% oil, 7% gas on a 2P basis)
- Reserve base evenly distributed across asset portfolio
- 30 fields with 117 producing wells; IGas' 25 conventional fields have STOIIP of c.475MMstb with an average recovery factor of c.18%
- Consistent production history with further upside
- Own infrastructure gives predictability and stability

Pre-tax 2P PV-10



Note: NPVs based on \$112.89; average price for 12 months to 30th June 2012

IGas Reserves



IGas Existing Source: Senenergy Competent Persons Report (as of 30/06/12)
 Singleton Source: NSAI Competent Persons Report (as of 30/06/2012)
 Baxter's Copse Source: RPS Competent Persons Report (as of 01/07/2009) (Not commissioned by IGas)

High Degree of Operational Control: From Reservoir to Refinery



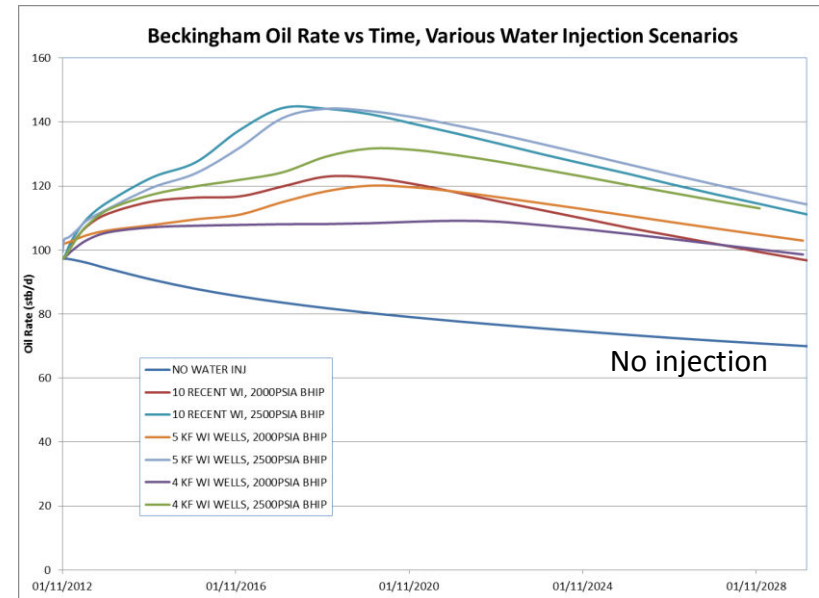
- Rail heads
 - Oil in the Weald currently exported principally by train
 - Offers flexibility in refinery choice
- Tanker fleet
 - Optimising use of own fleet and external haulage contractors
 - Remains the cheapest means of transport
- Well services division including three workover rigs

- Delivery direct to refineries
 - All four refineries are located within close proximity to the fields
 - Potential to increase export routes
- Gas export routes
 - Increased use of gas to wire
 - Project to review other opportunities for direct sales
- Maximizes value of bolt-on acquisitions, e.g. Singleton

Operated infrastructure brings added security, stability and flexibility to IGas' operations

Maximising the portfolio - 'Chase the barrels'

- Phase 1: assessment of the potential completed
- Field optimisation models for each area constructed to better define true field potential
- Initiated roll out of Rod Pump Controllers – benefits in opex (power savings), extended run life of pumps, reduced workover intervention
- Detailed well reviews highlighting further opportunities, eg re-perforations, recompletions, stimulation targets etc
- Water injection opportunities being evaluated – potential to increase production and recovery



Beckingham WI example ...

Preliminary modeling suggest 20-30 bopd incremental recovery yielding 0.35MMb additional reserves

Upside potential: Stranded gas monetisation

- Albury flow tested the well at rate of up to 1.5 MMscf/day (260 boe/d)
- Bletchingley-2 tested Q3, 2012 flowed at up to 4.4MMscf/d (750 boe/d)
- Singleton has >1MMscf/d (170 boe/d) potential
- Other opportunities are being pursued
- Tested field potential >1,000 boe/d



Bletchingley-2 Well test

Regulatory Environment

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Positive regulatory developments

Key drivers underpinning policy:

- Increasing cost to consumer
- Reducing electricity capacity margin due to aging plant closures
- Flexible plant required to meet intermittency of renewables
- Security of gas supply
- European gas contract tie with oil price



“Shale gas represents a promising new potential energy resource for the UK. It could contribute significantly to our energy security, reducing our reliance on imported gas, as we move to a low carbon economy” - Edward Davey, Secretary of State for Energy and Climate Change

- Establishment of Office for Unconventional Gas and Oil emphasises the Government’s commitment to shale
- IOD, Climate Change select committee, Durham University and others now positive on impact of shale
- Fracking ban lifted 13 December 2012
- British Geological Survey (BGS) to be released shortly
 - Reported to publish a report showing Britain potentially has between 1,600 and 1,700 trillion cubic feet of shale gas, equivalent to about 100 times the known gas reserves of the North Sea
Source: Daily Telegraph
- Energy Bill: Positive for gas development
- Gas Strategy:
 - 26-37GW new gas fired generation to be built by 2030
 - Tax incentive consultation for shale gas
 - 14th Licence Round emphasis on shale gas (2H 2013?)

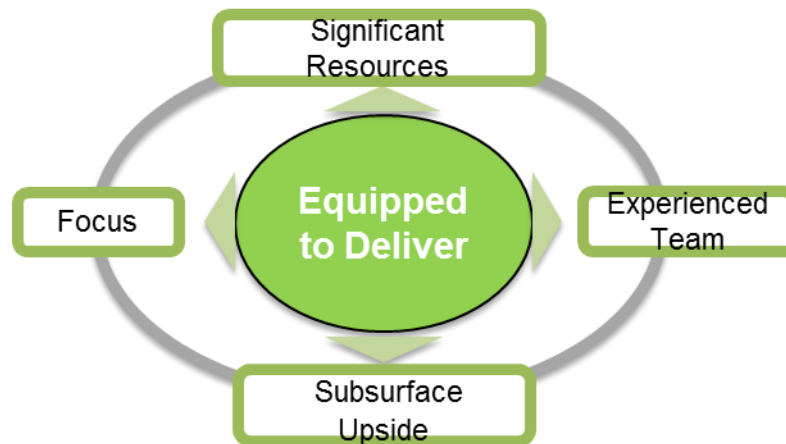
Summary

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Summary

- Financial platform in place to secure the conventional oil reserves and continue the evaluation of the unconventional shale gas potential
- Substantial position in UK discovered hydrocarbons
 - Operated infrastructure
- Low risk, diversified reserve base
- Supportive political and geological backdrop
- Potentially significant underlying shale gas opportunity
 - Licensed access to Bowland shale coupled with operational team to exploit it
 - IGas gives exposure to future UK unconventional gas revolution



Appendix

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Industry recognised management team and Board with a solid shareholder structure

Board of Directors and management



Francis Gugen, Non-Executive Chairman

- More than 30 years of oil and gas experience, spent 18 years with Hess, CEO of the North West Europe business. Non-Executive chairman of PGS and Chrysaor, board member of SBM and CEOC. Former Chairman of CH4 which was sold to Venture in 2006. Member of CBI's Economics Affairs Committee, past president of UKOOA



Andrew Austin, CEO

- Co-founder and CEO for the last four years. Prior to Igas, spent 17 years in investment banking with Merrill Lynch, Nomura, Citibank and Barclays Capital. General manager of Creditanstalt Investment Bank, and six years of management and consultancy experience with clean tech companies



Stephen Bowler, CFO

- Chartered Accountant, formerly with Deloitte until 1999, thereafter with ABN Amro Hoare Govett, now RBS Hoare Govett. Advisor and broker with particular focus on the E&P business



John Blaymires, COO

- 27 years experience from the E&P business, formerly with Shell International and Hess. Before joining Igas he was Director of Technology Development for Hess in Houston, Technical Director in West Africa and South East Asia. BSc and PhD in mining engineering from Leeds University



John Bryant, non-executive director

- Chairman of Weatherly International, previously director of Attiki Gas Co., president of Cinergy Global Resources, exec director with Midlands Electricity, British Sugar, Drexel Limited, British Oxygen Co and Unilever Plc



Robin Pinchbeck, non-executive director

- 38 years of international experience in the oil and gas sector, having held leadership positions in both oil and oil services sectors with BP, Atlantic Power, PGS and most recently with Petrofac Limited. Non-executive director in several respected E&P companies



Cuth McDowell, non-executive director

- 33 years of international experience in oil and gas, having held senior positions at BP, Clyde Petroleum and Paladin Resources plc
- Non-Executive Director at Pitkin Petroleum plc

Wide experience from the E&P industry, as well as strong financial competence

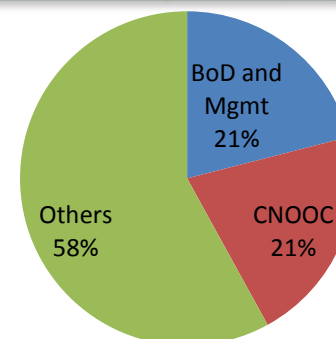
E&P and Oil Service



Finance and other industries



Strong ownership structure, with management well represented among shareholders



Person	Holding (%)
Gugen	14.80%
Austin	5.71%
Pinchbeck	0.08%
Bowler	0.04%
Bryant	0.03%
Blaymires	0.01%
McDowell	0.00%