

IGas Energy plc

Unaudited results for
the six months to
30 September 2015



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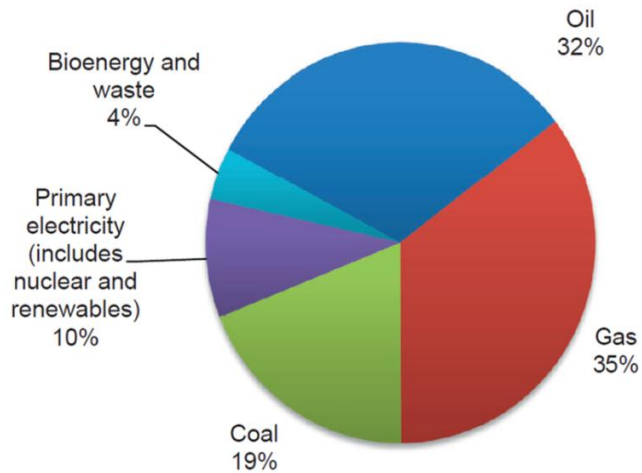
IGas Overview

- ✔ IGas is one of Britain's leading onshore oil and gas exploration and production businesses
- ✔ Production footprint in the East Midlands, Weald Basin (in southern England) and the northern coastal area of the Inner Moray Firth in Scotland – 30 conventional fields and over 100 producing wells
- ✔ At 31 March 2015, 2P reserves were 12.63 mmboe* and 2C was 12.32 mmboe*
- ✔ Extensive acreage in the highly prospective shale basins of the North West and East Midlands (including the Bowland Shale) and Weald Basin
- ✔ IGas estimates Gas Initially In Place ("GIIP") of 80 tcf (most likely case)*
- ✔ Combined carried gross work programme of up to US\$285m from our farm-in partners – Total E&P UK Limited, GDF Suez E&P UK Limited and INEOS

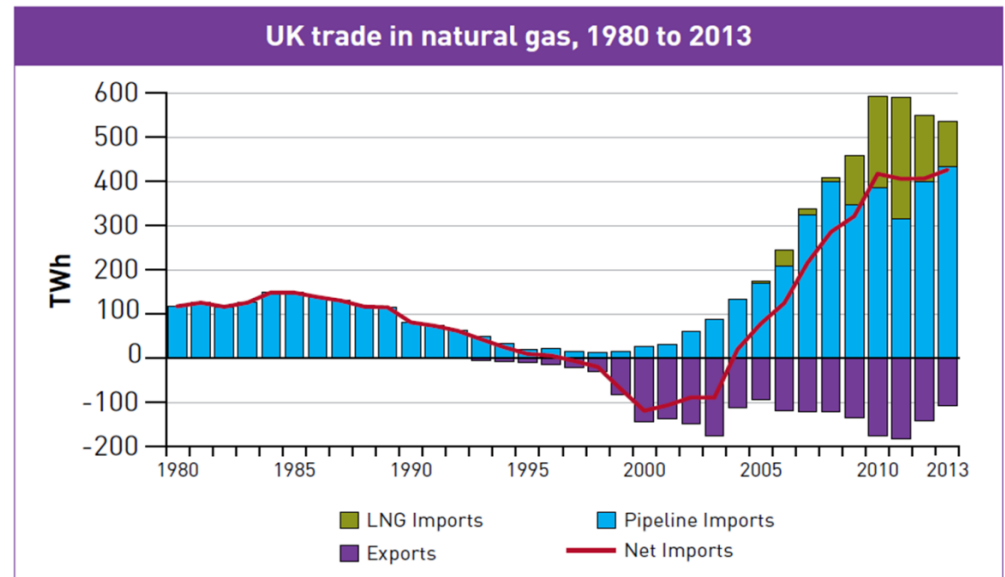


Why we need gas?

- ✓ Gas provides over 80% of the energy to heat our homes
- ✓ Some 35% of our electricity is generated by gas
- ✓ Gas is used to make everything from fertilisers to plastics to toothpaste
- ✓ Gas is crucial to a more sustainable economy - move away from coal - UK Energy policy announced
- ✓ Institute of Directors: shale could cut UK gas imports in half - imported gas estimated at 75% by 2030
- ✓ National Grid believes that British shale gas could meet more than 40% of UK gas use

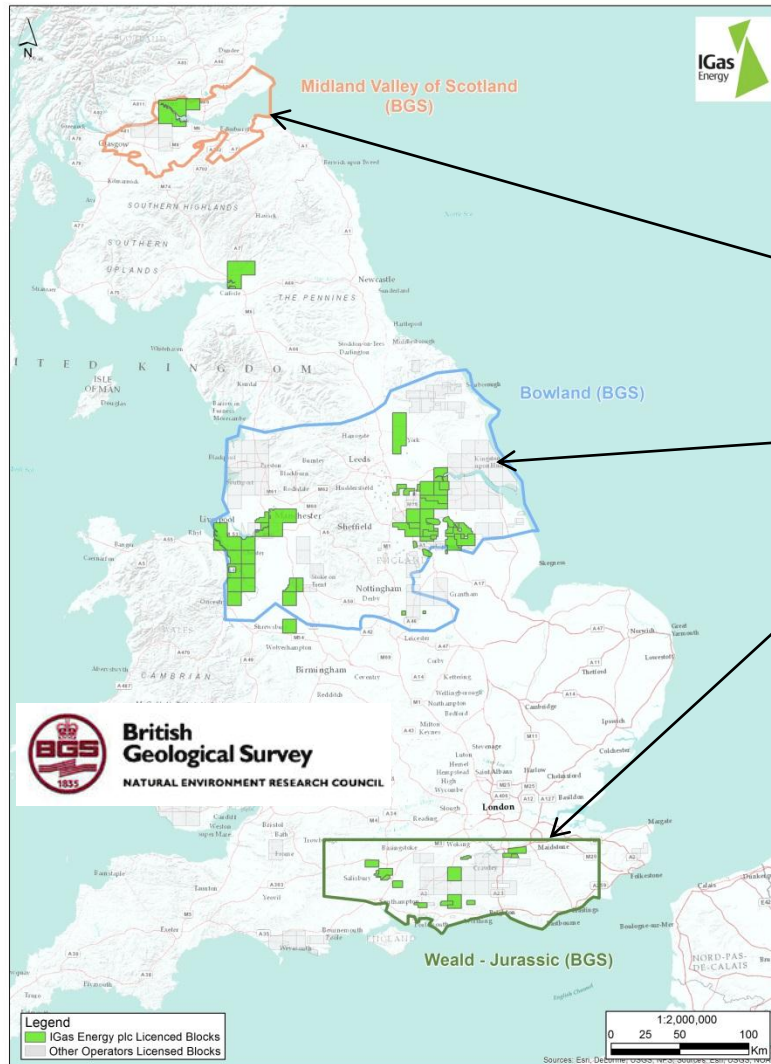


Source: Annual Energy Statement, DECC 2014



Source: DECC Energy in brief - 2014

Significant UK shale resource potential



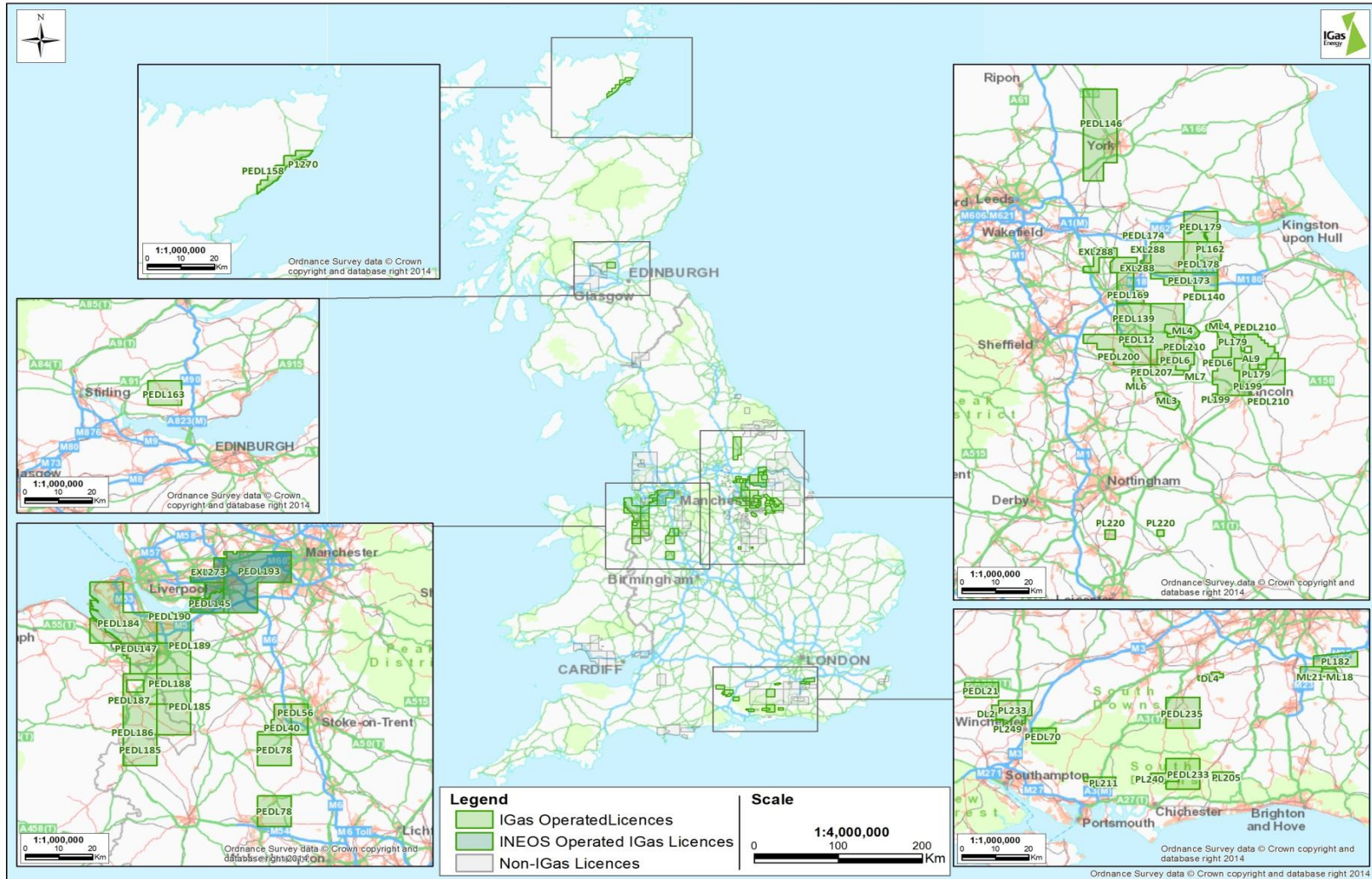
All Volumes are In Place Resources*

Area	P90	P50	P10	units
Midland Valley Scotland	49	80	135	Tcf
	3.2	6.0	11.2	Bn bbls
N England	822	1,329	2,281	Tcf
Weald	2.2	4.4	8.6	Bn bbls

*BGS estimates

- UK N Sea sector: ca. 19 Tcf remaining reserves
- UK consumes 3 Tcf / year
- Total SA, Gaz de France (Engie), Centrica and INEOS have farmed into UK licences

Where we operate – c.800 net k.acres*



*Gross c. 1,050 k.acres. Excludes blocks offered in the 14th Onshore Licensing Round

Recent Developments

Addressing the oil price environment

- ✔ Financials impacted by low oil price environment
- ✔ Cost reduction programme is now complete, with operating costs of c. US\$30/bbl

Progress on development of shale assets

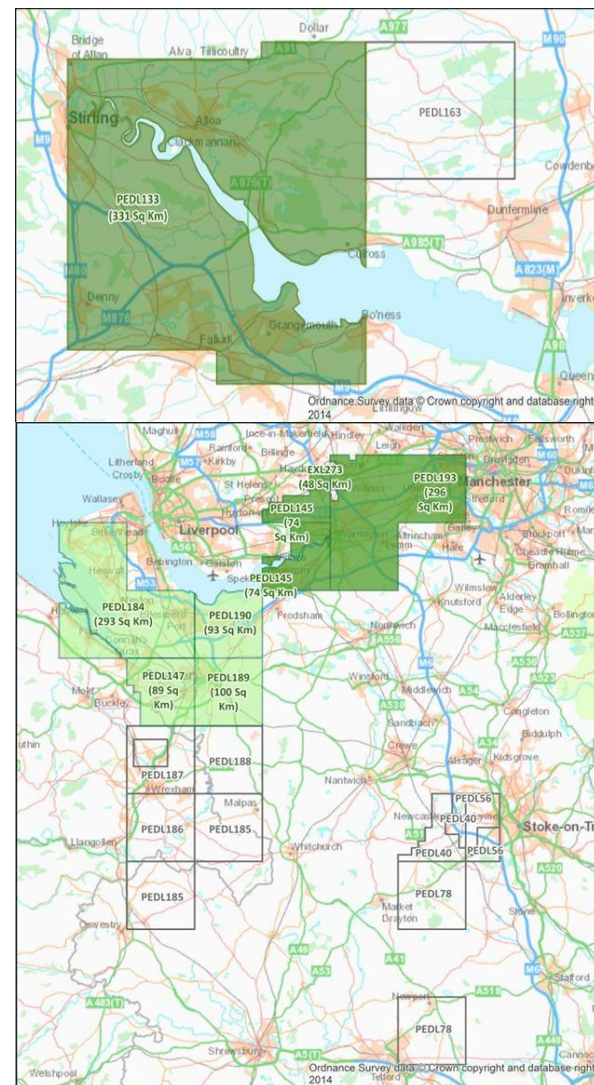
- ✔ INEOS farm-out – completed in May 2015
 - ✔ £30m cash
 - ✔ Phased carried work programme of up to £138 million
- ✔ Combined gross carried work programme of up to \$285m on behalf of Total, GDF and INEOS
- ✔ National priority status for shale

Conventional assets

- ✔ Average net production of 2,540 boepd (1H 2014: 2,766)
 - ✔ Impacted by short term rig maintenance
- ✔ Number of production enhancement opportunities being pursued

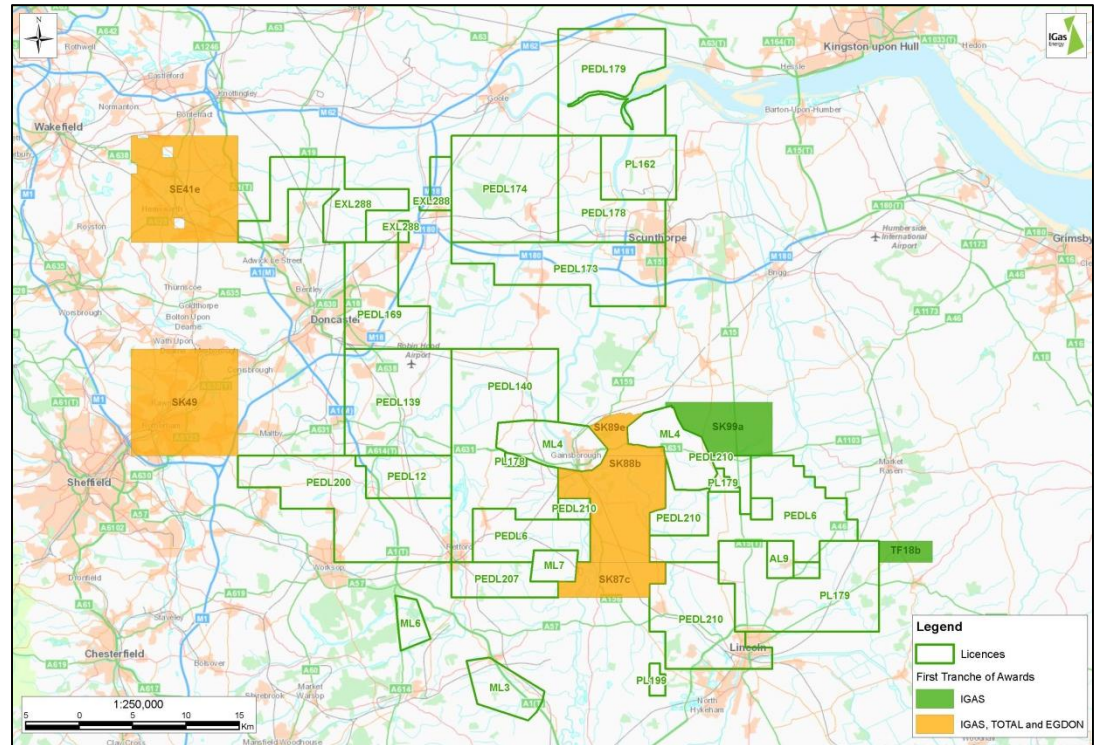
Financing

- ✔ Amendments to bond terms approved
- ✔ Cash as at 30 September 2015 of £34.5m



14th Licensing Round

- 27 licenses offered in the first tranche; 132 to be awarded later in the year
- IGas offered 6 new licences, covering 7 blocks
- 5 of the 7 blocks covered are joint ventures:
 - IGas will be operator of these licences with a 35% interest
 - Total will have a 50% interest
 - Egdon a 15% interest
- IGas has also been offered blocks SK99a and TF18b and would be the operator with a 100% interest
- IGas has also applied for a number of additional licenses in the round, expected to be announced later in 2015



- For full map: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/454361/14th_Round_Map_First_Tranche.pdf

Delivering on Five Year Development Plan

- ✔ Planning application for Springs Road (PEDL 140) in North Notts validated 30 October 2015
 - ✔ 16 week determination timetable
 - ✔ Consultation underway including community events
- ✔ Pre-application scoping request for Tinker Lane (PEDL 200) submitted in October 2015
- ✔ Completion of acquisition of 110km² 3D seismic in North West
 - ✔ Results expected end Q1 2016
 - ✔ Further planning applications including hydraulic fracturing to follow
- ✔ Developing technologies/applications for shale gas development e.g.
 - ✔ Water recycling
 - ✔ Mini CNG
- ✔ Working with businesses to build a supply chain

Carried Work Programme Licences

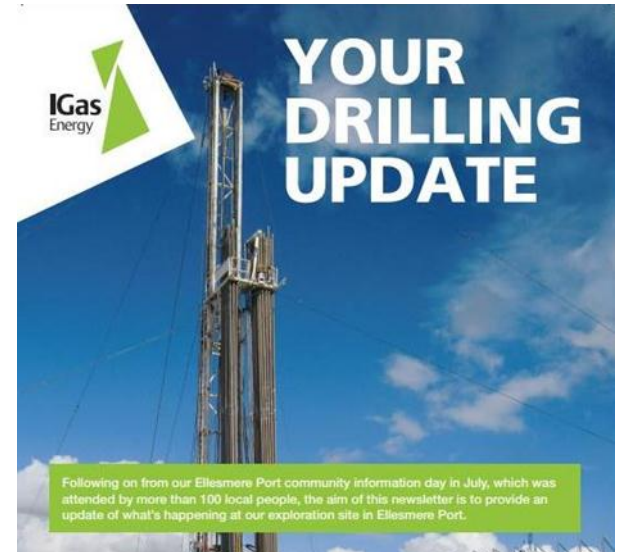


Partners



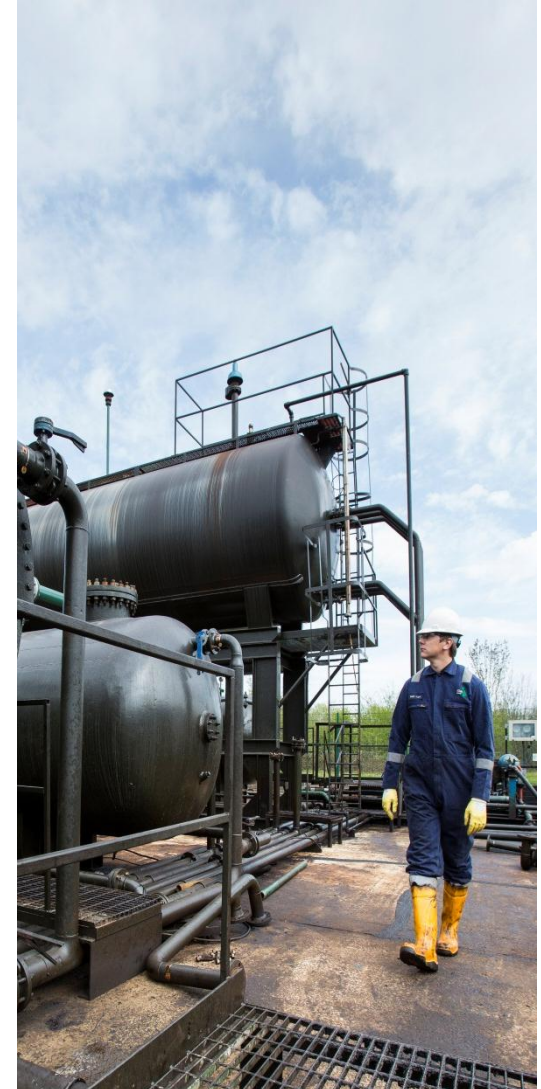
National and Local Engagement

- ▼ Government supportive
 - ▼ Mandated to “continue to support the safe development of shale gas”
 - ▼ “National Priority” status
 - ▼ Clarity around local planning timetable and appeal process
 - ▼ Secondary Legislation (Infrastructure Act 2015) HoL review
 - ▼ 14th UK Onshore Licensing round
- ▼ Early and comprehensive stakeholder engagement – building strong and sustainable relationships
 - ▼ Dedicated websites
 - ▼ www.igas-engage.co.uk
 - ▼ www.springsroad.co.uk
 - ▼ Community events
 - ▼ Community liaison groups
- ▼ IGas Community Fund 2016 launched
- ▼ Industry collaboration/shared learnings
 - ▼ Educating re importance of gas
 - ▼ Gas coalition
 - ▼ National College of Onshore Oil & Gas
 - ▼ Consumer media campaign



Production Update

- ▼ Average net production of 2,540 boepd (1H 2014: 2,766)
 - ▼ Impacted by short term rig maintenance
- ▼ Production year to 31st March 2016 expected to be between 2,600 - 2,700 boepd (net)
- ▼ Drilling programme of three sidetracks in Weald Basin
- ▼ Pilot water injection projects continue to be monitored and evaluated
- ▼ Gas monetisation projects – CNG/Gas production
 - ▼ Planning applications for 2 projects validated and now in planning process
- ▼ Further opportunities to optimise operations identified for 2016



Financial Highlights

Results Summary

	Six months to 30 Sept 2015 £m	Six months to 30 Sept 2014 £m
Revenues	17.6	34.5
Adjusted EBITDA ¹	7.4	14.8
Loss after tax	(19.3)	(3.8)
Net cash (used in)/from operating activities	(0.1)	12.4
Net debt	64.0	80.8
Cash and cash equivalents	34.5	29.1

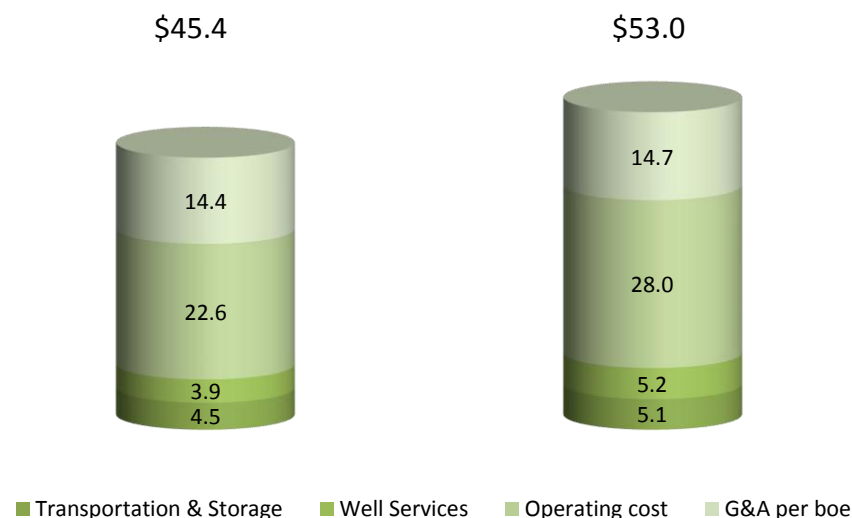
Note 1: Adjusted EBITDA relates to earnings before gains/(losses) on oil price derivatives, net finance costs, tax, depletion, depreciation and amortisation, acquisition costs, restructuring costs and share based payment charges

- ✔ Revenues impacted by oil price decline in period
- ✔ Adjusted EBITDA includes £4.0 million gain on INEOS farm-out
- ✔ Loss after tax materially impacted by non cash impairment charges including £5.0 million impairment of P,P & E (net of tax)
- ✔ £30 million received on completion of INEOS farm-out in May 2015
- ✔ Non core asset disposal programme substantially complete

Costs per barrel

- ✓ Average post hedging price per barrel US\$60.9/bbl (1H 2014: US\$104.2/bbl); £1.6m realised in the period from hedging
- ✓ Net back per boe (on a profit and loss basis, post hedging) was US\$15.5 (£10.1) (1H 2014: US\$51.5 (£30.7)).
- ✓ Cash generated from operating activities in the period amounted to £(0.1)m (1H 2014: £12.4m)
- ✓ The benefits of the cost reduction exercise are starting to come through in full; continue to actively manage costs
- ✓ Ring fenced corporation tax losses as at 30 September 2015 amounted to c.£175m

Cost Per Barrel
(excluding reorganisation costs)



Financial summary

- ▼ Actions taken for lower oil price environment
 - ▼ Initial cost reduction programme completed – operating costs now c\$30/bbl
 - ▼ Bond covenants amended to include cash balances
 - ▼ Further options being considered for continuing low oil price
- ▼ Hedging
 - ▼ 555,000 barrels of oil with an average floor price of \$62/bbl for 15 months ending Dec 2016
 - ▼ Hedging strategy to continue to mitigate downside risk
- ▼ Portfolio management
 - ▼ INEOS farm-out completed in May 2015
 - ▼ \$285 million gross carried work programme (Total, GDF & Ineos)
- ▼ Financial flexibility
 - ▼ Cash at 30 September 2015 of £34.5m
 - ▼ Bonds held on balance sheet as at 30 September 2015 \$17.7m

Summary and Outlook

- ✔ Delivery against 5 year development plan
 - ✔ Application to drill 2 wells submitted in East Midlands (Springs Road); drilling summer 2016 (subject to planning and permitting)
 - ✔ 110km² of 3D seismic acquired in the North West – applications to hydraulically fracture to follow
 - ✔ Firming up work programme with partners for 2016
 - ✔ Gross carried work programme \$285m
- ✔ Focused on delivering in a low oil price environment
 - ✔ Production enhancement opportunities ongoing
 - ✔ Costs remain under scrutiny
 - ✔ Hedging mitigates downside
- ✔ 14th UK onshore licensing round 2nd tranche expected later in the year

