IGas Energy plc

Final Results
to
31 March 2015

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Key Focus

- **Addressing the oil price environment**
  - Benefitted from strong cash flows throughout the year
    - initially from selling oil at high prices
    - later in the year from our rolling hedging programme
  - Total charges to the Company for net operating costs and S,G&A of below $40/bbl for the year to 31 March 2016 (2015: $48.6/bbl), excluding reorganisation costs of c.£2.6 million

- **Progress on development of shale assets**
  - Dart acquisition – completed October 2014
    - Strategically important acreage
    - GDF partnership
  - INEOS farm-out – completed post balance sheet (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

- **Conventional assets**
  - Average production of 2,737 boepd (net) (2014: 2,783 boepd)
  - Number of production enhancement opportunities being pursued

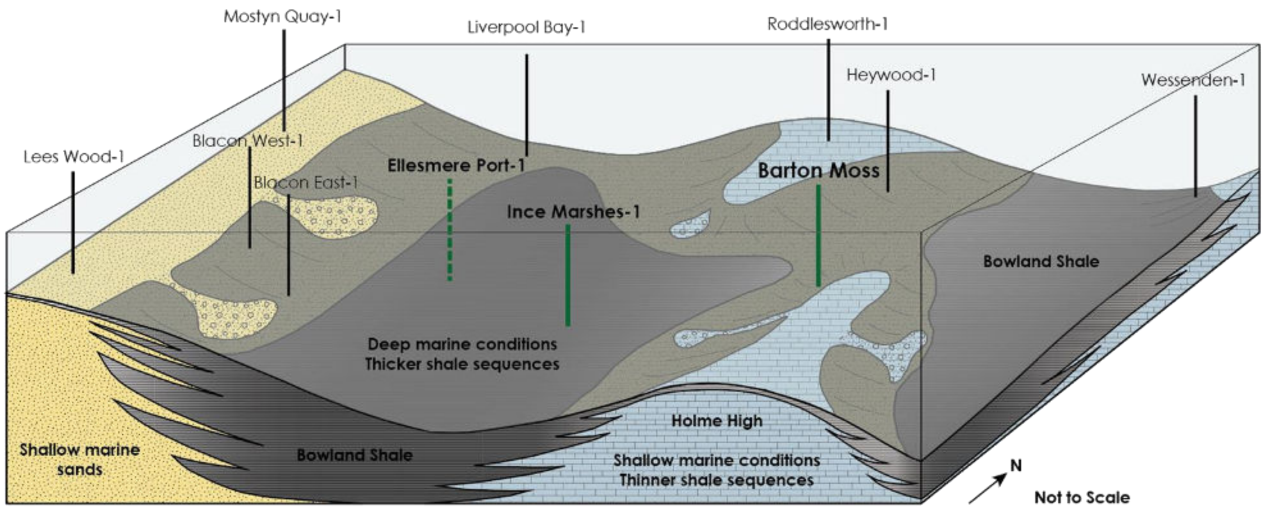
Strategy and Business Model

Conventional and unconventional businesses complementary:

- Expertise/knowledge of onshore operations
- In addition to enhancing performance in existing fields – technologies being utilised/trialled can be applied to shale development e.g.
  - Mini CNG
  - Water recycling
- Existing production sites are useful tool for stakeholder engagement:
  - Workforce embedded in community
  - Demonstrates track record

Current Status of Basinal Understanding

North West



Ellesmere Port results:
- Total Organic Carbon (TOC):
  - Average – 2.4
  - Max – 5.9

Barton Moss results:
- Total Organic Carbon (TOC):
  - Average – 1.9
  - Max – 5.7

Ince Marshes results:
- Total Organic Carbon (TOC):
  - Average – 2.8
  - Max – 3.7

- Suite of wells calibrated existing seismic and is informing the acquisition of additional seismic data in the area
- Moving from exploration to appraisal phase – to include flow testing

East Midlands

- Sparser data on the shale prospectivity – still at the exploration phase
- 3D seismic acquired and interpreted
- Commenced planning consultations including a Scoping Report for Springs Rd well (PEDL 139/140)

IGas estimates Gas Initially In Place ("GIIP") of 80 tcf (most likely case) excluding Weald Basin and Coal Bed Methane

Planning and Community Engagement

- Infrastructure Act 2015
  - Secondary legislation
- Local councils
  - Under resourced
  - Overwhelming pressure from outside influences
- Early and comprehensive stakeholder engagement – building strong and sustainable relationships
  - Dedicated website www.igas-engage.co.uk
  - Community events
  - Effective community liaison groups
- IGas Community Fund 2015
- Wider industry initiatives – Let's Talk About Shale
- Industry collaboration/shared learnings

Shale development - 12/18 month outlook

- Acquisition of further seismic data
- Secure new sites in North West and East Midlands
- Further planning applications including hydraulic fracturing
- Drill further exploration wells e.g. PEDL 139/140
    - Planning application Q3 2015
    - Drilling H1 2016 (subject to planning and permitting)
    - Subsequent application to hydraulically fracture contingent upon results
- 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

TOTAL | GDF SUEZ | INEOS | GDF SUEZ INEOS

Shale Gas - exploration to production schematic

EXPLORATION

We acquire and interpret seismic and geophysical data to assess the geological structure. We drill exploration wells to determine the size, quality and extent of the geological play.

APPRAISAL/FLOW TEST

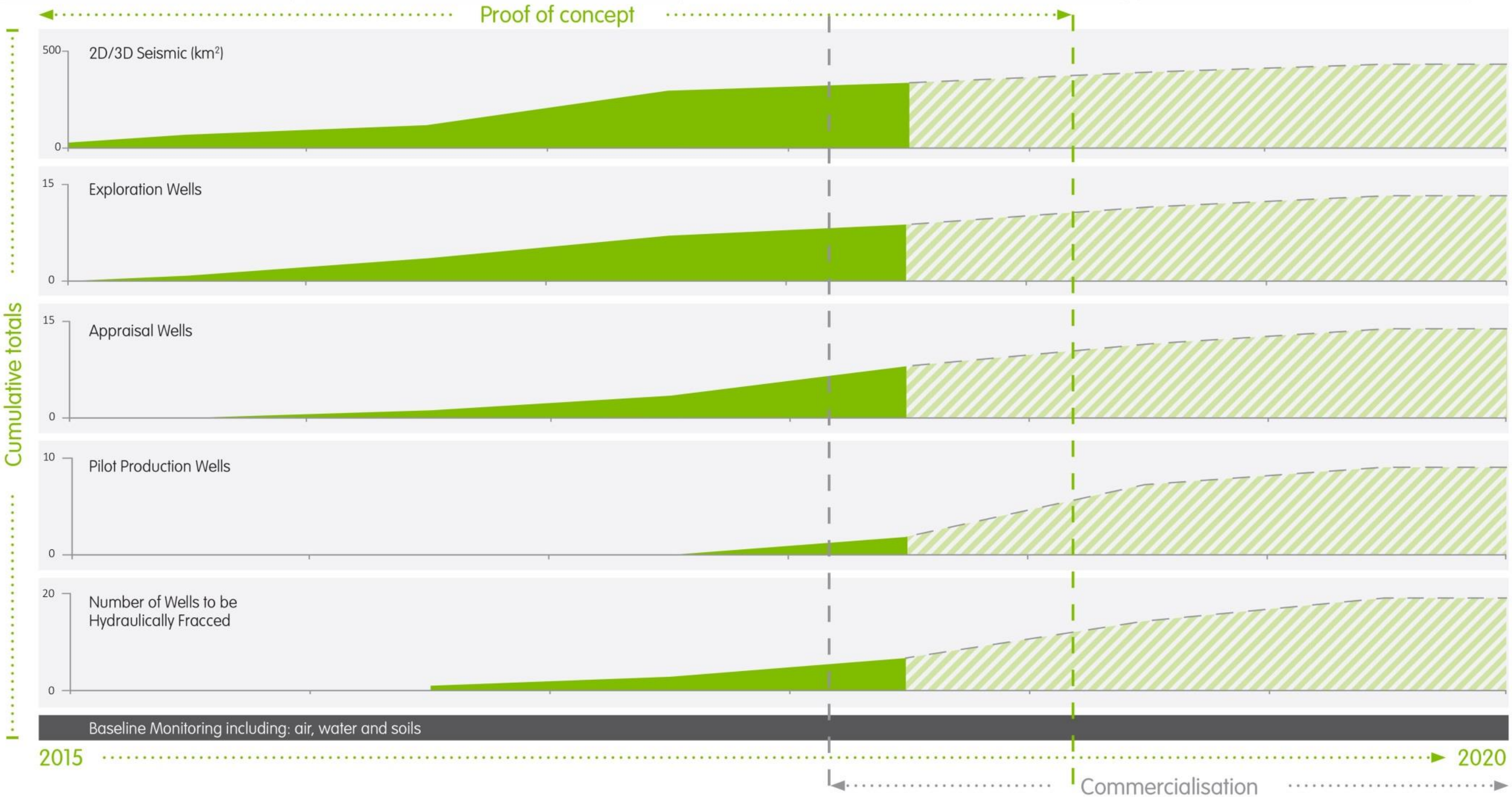
The next stage is designed to acquire further data (logs/cores/geomechanical/etc) to refine estimates and understanding with a view to designing suitable hydraulic fracture programmes.

PILOT PRODUCTION

The appraisal wells are hydraulically fractured and flow tested to assess gas quality and flow rates helping to establish commercial potential.

PRODUCTION

Successful developments should be executed in the most cost-effective way, and to the highest safety standards, and with regard for the environment and local communities that may be affected.



*All timings based on planning consent, as per existing legislation

Conventional Asset Opportunities

- Production over next 12 months expected to be maintained at c.2,750 boepd
- At 31 March 2015, 2P reserves were 12.63 mmboe* and 2C was 12.32 mmboe*
- Focus on sustainable long-term production enhancements
  - Pilot water injection
  - Gas monetisation projects – CNG/LNG/Gas to Wire
  - Installation of rod pump controllers successful and initiative being extended
  - Deployment of "digital oilfield" initiative
  - Trialling a wax reduction tool in a number of wells
- Field development studies to identify infill well drilling opportunities and side-tracks
- Minimum capital expenditure of £10m per annum

** Company estimates*

Financial Highlights

- Oil price fall mitigated by hedging programme in 2014/15

- Realised oil price **2015** **2014**
  - Pre hedging $84.1 $106.1
  - Post hedging $94.0 $102.9

Realised oil price	2015	2014
Pre hedging	$84.1	$106.1
Post hedging	$94.0	$102.9

- Cost reductions put in place
  - Full impact of these will come through in 2015/16 with anticipated charges for net operating costs and S, G&A below $40/bbl, excluding £2.6m reorganisation costs

- Bond buy back in the period with a face value of $15.7m

- Dart acquisition completed on 16 October 2014, consideration c. 90m IGas shares

- Post year end completed INEOS farm-out, receipt of £30m in May 2015
  - Cash as at 31 May 2015 £46.4m*

- Impairment of oil and gas properties of £3.9m based on 5 year forward curve and $85/bbl (nominal) thereafter

- Impairment of E&E assets of £15.4m

* Not reflected in year end financial statements

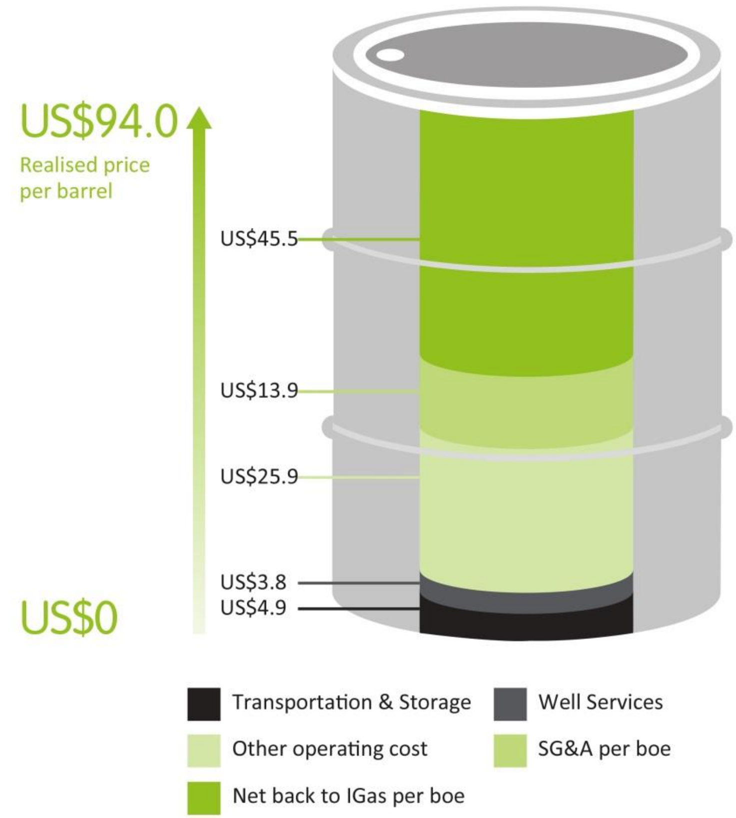
(Unaudited)	Year to 31 March 2015[1]	Year to 31 March 2014[5]
Revenues	£58.2m	£75.9m
EBITDA[2,6,**]	£21.6m	£34.2m
Net cash from operating activities	£26.5m	£25.1m
Net debt[4]	£86.4m	£80.4m
Net assets	£146.6m	£74.3m

Notes

1 On 16 October 2014 the Company completed the acquisition of Dart Energy Limited ("Dart") and therefore the 2015 results reflect approximately five months' contribution from Dart
2 EBITDA relates to earnings before net finance costs (£12.5m) (2014:£12.5m), tax credit (£23.8m) (2014: tax charge £10.3m), depletion, depreciation and amortisation (£13.0m) (2014: £14.1m), acquisition costs (£0.9m) (2014:£nil), impairment of oil and gas assets (£3.9m (2014: £nil) and relinquishment and impairment of exploration and evaluation assets (£15.4m) (2014: £3.3m).
4 Net debt is borrowings less cash and restricted cash
5 On 6 December 2013 the Company completed the acquisition of Caithness Oil Limited and therefore the 2014 results reflect approximately four months' contribution from Caithness Oil Limited
6 EBITDA and underlying operating profit are considered by the Company to be useful additional measures to help understand underlying performance
** EBITDA of £21.6m is after taking into account acquisition and associated costs, share option charges and excludes the realised gains on hedged production and costs associated with assets disposed of in the period – net effect c.£6.4m

Net back per barrel

- Average post hedging price per barrel US$94 (2014: US$102.9/bbl); £5.9m realised in the period from hedging
- Net back per boe (on a profit and loss basis, post hedging) was US$45.5 (£28.0) (2014: US$53.1 (£33.3)).
- Cash generated from operating activities in the period amounted to £26.4m (2014: £25.1m)
- Hedging is in place for 630,000 barrels in the period from 1 July 2015 to 30 September 2016 at an average of c.US$67 per barrel with downside protection ranging from US$55 to US$84 per barrel
- Ring fenced corporation tax losses as at 31 March 2015 amounted to £56.9m



Summary and Outlook

- Financial flexibility
    - £46.4m on the balance sheet as at 31 May 2015
- Appraisal assets
    - Combined carried gross work programme of up to $285m from our farm-in partners
    - Working with partners to execute five year integrated development plan
    - Focus on early commercialisation
- Maintain production at c. 2,750 boepd (net) for the next 12 months
    - Anticipate capital expenditure to be c. £13m
    - Opportunities identified
- Announcement of results of 14th onshore licensing round awaited