

IGas Energy plc

FirstEnergy:
Global Energy
Conference
September 2014



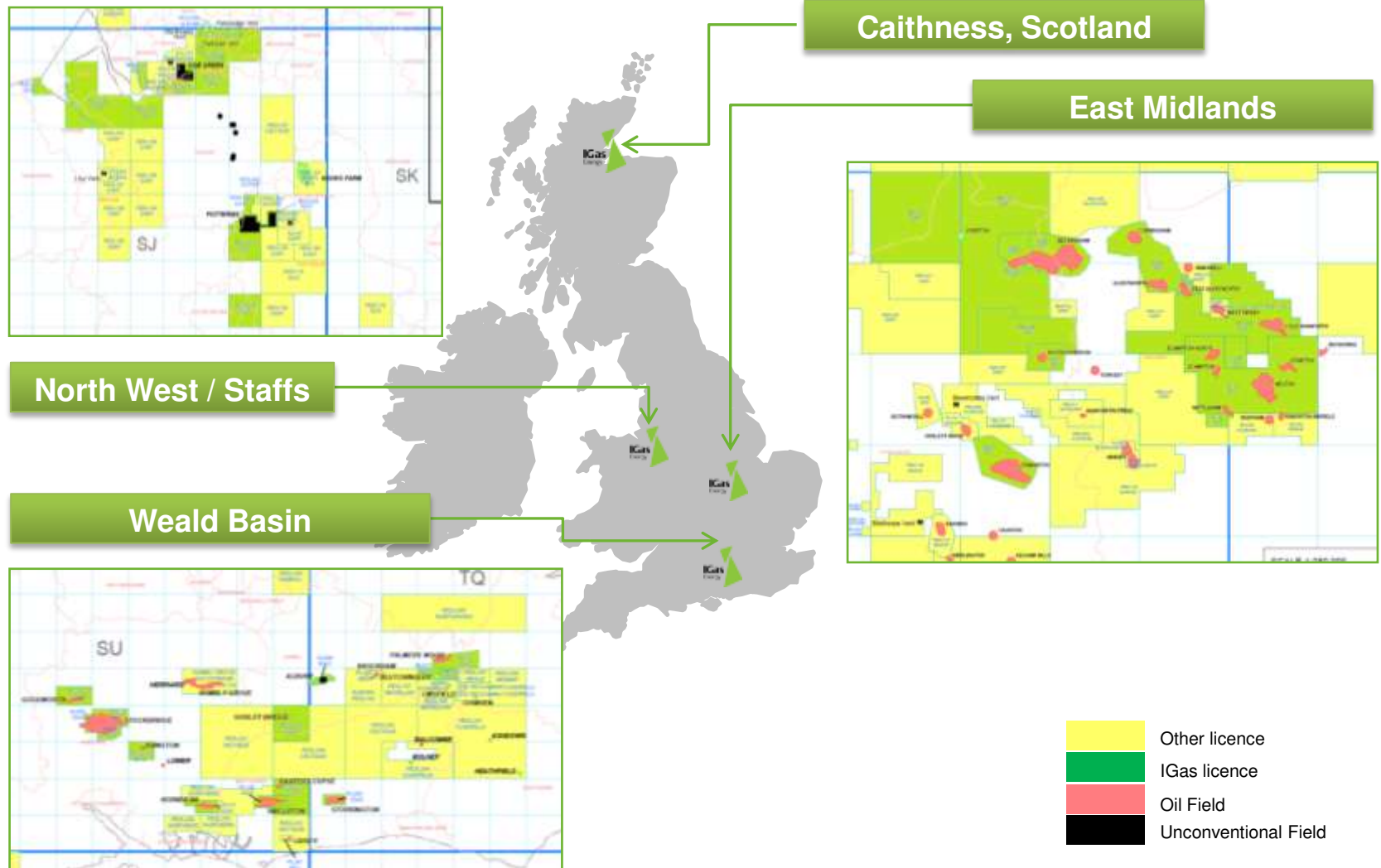
About IGas

- ▼ Leading AIM quoted UK onshore hydrocarbon producer and operator
 - UK sole focus
 - 30 conventional fields with over 100 producing wells
 - Production in 2014 of c.1.0mmboe (2013: c. 0.9mmboe), 2P + 2C of c.23.9 mmboe
 - Operator on behalf of Total and partners in the East Midlands
- ▼ Maximising producing assets
 - Chase the Barrels initiative
 - Gas monetisation projects
- ▼ Significant position in unconventional assets covering all major basins
 - Shale Gas Initially In-Place (GIIP) estimates in North West acreage of 102 tcf (mid-case)
 - Acquisition of Dart redoubles materiality of UK position – 1 million net acres under licence
- ▼ Significant low risk cash flow
 - Group production in the year was 1.0mmboe, over 90% oil
 - Majority of fields 100% owned and operated
 - Delivered directly to refineries in the UK by rail or tanker
- ▼ Social licence to operate
 - A long history of working in collaboration with communities
- ▼ Experienced senior management and operations team

Our business model



Where we operate



A UK perspective - benefits of shale gas

It is projected that by 2030, imports of gas will increase to 74% of total UK consumption

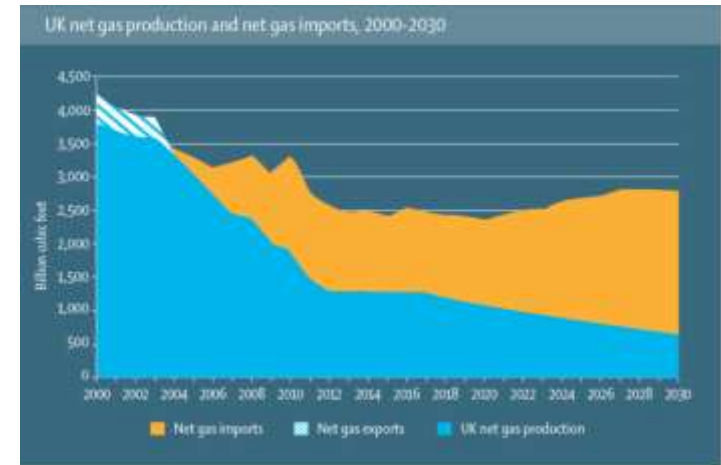
National Grid projections suggest that the market in Great Britain will become increasingly dependent on imports to meet demand

Declining tax revenues from oil and gas of over 50% in next 3 years

Shale gas provides Britain with the opportunity to:

- ▼ **Reduce its' carbon emissions** – Gas emits half as much CO₂ as coal
- ▼ **Create '000s of jobs** - EY estimates the shale gas industry would create 64,500 new jobs
- ▼ **Enhancing UK's industry competitiveness:**
 - ▼ Cost savings to industry - lower raw material costs for refineries and chemical industry
 - ▼ Reduced power costs to business
- ▼ **Security of energy supply** - reducing our reliance on Middle East / LNG imports etc

The UK's indigenous gas production is in decline



Production – progress and momentum

- ▼ Net production 12 months to 31 March 2014 – 2,783 boepd
- ▼ Acquisition of Caithness Oil – oil production 100 boepd plus gas monetisation
- ▼ 'Chase the Barrels' initiative - focus on sustainable long-term production enhancements
 - ▼ advanced stages of three gas monetisation projects
 - ▼ installation of rod pump controllers successful and initiative being extended
 - ▼ Deployment of "digital oilfield" initiative
- ▼ Pilot water injection schemes:
 - ▼ Gainsborough installation expected to commence Q3, 2014
 - ▼ Welton pilot water injection scheme will follow
 - ▼ Results from pilots to inform potential of secondary recovery to enhance production and reserves of portfolio



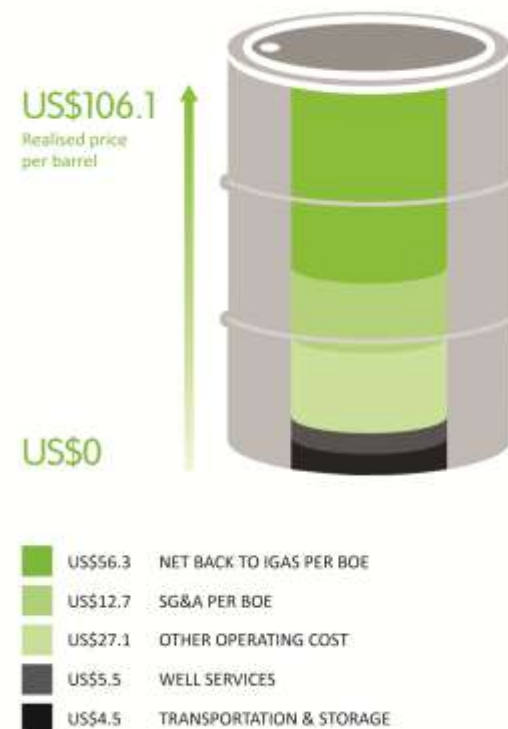
Exploration – unlocking resources

- ✔ Successful exploration well - Irlam-1 - at Barton Moss in Eccles
 - ✔ Analyses of cores underway
- ✔ Drilling rig secured for Ellesmere Port exploration well; expect to spud Q4 2014
 - ✔ Third exploratory well drilled in a sequence will give a suite of results across the licenced areas
- ✔ Sufficient data collated to design an appropriate hydraulic fracture program for wells in the area
- ✔ 3-D seismic acquisition has been processed and is now being interpreted
 - ✔ The results will firm up the site selection process for a proposed well to be drilled in 2015
- ✔ Acquiring seismic in the North West
- ✔ Active bidders in the 14th Round of onshore licensing
 - ✔ In discussions with partners in respect of a number of blocks



Financial highlights

- ✓ Revenue of £75.9m (2013: £68.3m)
- ✓ Total net production c.1.0mmboe (2013: c.0.9mmboe)
- ✓ EBITDA² of £34.3m (2013: £32.3m)
- ✓ Underlying operating profit³ of £20.3m (2013: £22.1m)
- ✓ Net profit/(loss) before tax of £2.3m (2013: (£6.0m))
- ✓ Net cash from operating activities £25.2m (2013: £28.9m)
- ✓ Cash and cash equivalents at 31 March 2014 were £28.3m (2013: £9.8m)
- ✓ Net debt of £80.4m⁴ (2013: £77.4m)
- ✓ Net assets of £74.7m (2013: £59.1m)
- ✓ Recognised ring fence corporation tax losses of £50.5m (excludes Caithness losses of £60m)



Notes

1 On 28 February 2013, the Company completed the acquisition of PR Singleton from Providence Resources plc and therefore the 2013 results reflect one month's contribution from PR Singleton. On 6 December 2013 the Company completed the acquisition of Caithness Oil Limited and therefore the 2014 results reflects four month's contribution from Caithness Oil

2 EBITDA relates to earnings before gains/(losses) on oil price derivatives, net finance costs, tax, depletion, depreciation and amortisation, acquisition costs and impairment of exploration and evaluation assets

3 Underlying operating profit excludes the gains/(losses) on oil price derivatives, acquisition costs and impairment of exploration and evaluation assets

4 Net debt is borrowings less cash and restricted cash

Political and regulatory update

- ▼ All main UK political parties supportive of exploration
- ▼ Industry regulated by four layers of oversight including the Environment Agencies (EA, SEPA, NRW), the Health and Safety Executive (HSE), the Mineral Planning Authorities (MPAs) and the Department of Energy and Climate Change (DECC)
- ▼ The onshore oil and gas industry currently complies with 17 different EU directives
- ▼ Each well requires up to nine separate environmental permits and has to reach binding agreements on noise, hours of operation and other local social issues
- ▼ In compliance with the Industry's engagement charter, each operator engages with the public at six points during the pre-consultation, planning and permitting stage
- ▼ Recent studies in the UK by a number of eminent institutions and individuals including:
 - ▼ the Royal Society and Royal Academy of Engineering
 - ▼ Public Health England
 - ▼ the Chartered Institute of Water and Environmental Management
 - ▼ Professor David MacKay, chief scientific advisor at the Department of Energy & Climate Change, and Dr Tim Stone, Special Advisor to the Secretary of State
- ▼ All concluded that the risks are small in a properly regulated industry
- ▼ Comprehensive community benefits package including £100k at exploration, 1% of production revenue, 100% business rate retention

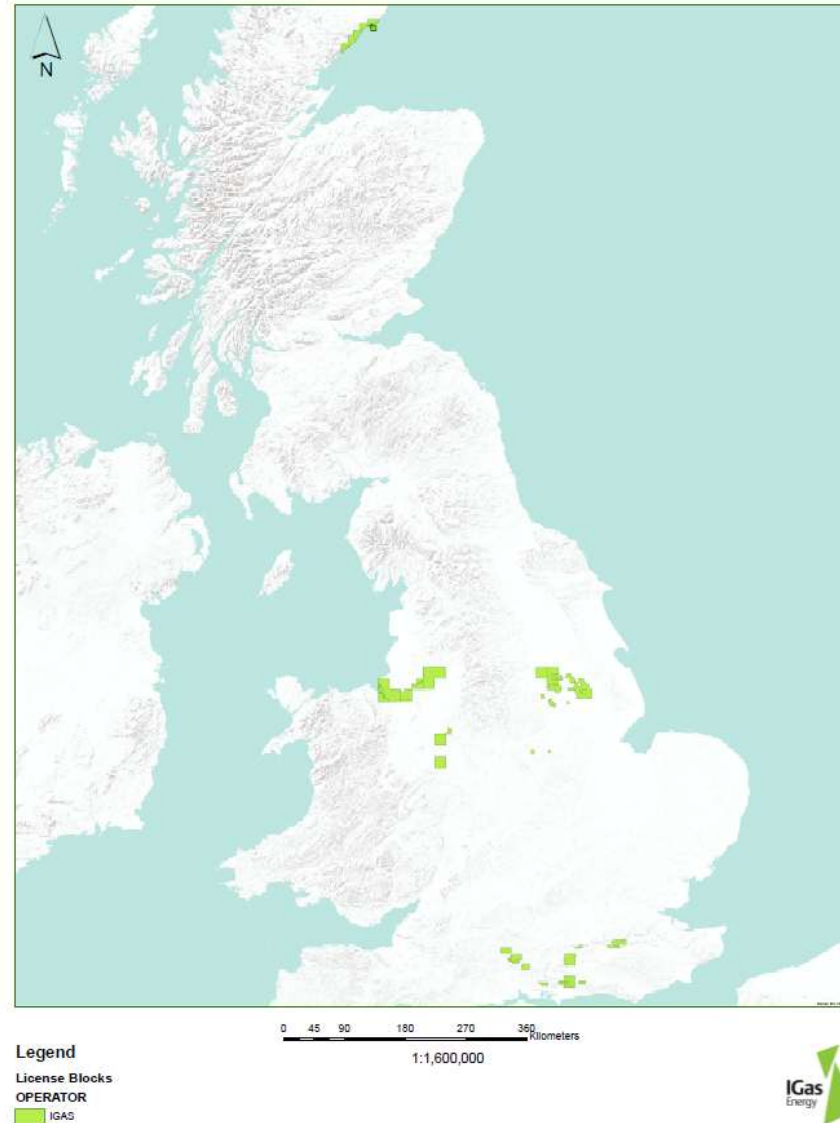
Dart acquisition

- ▼ Offer valued the total share capital of Dart at approximately A\$211.5 million on a fully diluted basis (equivalent to £117.1 million*). Dart shareholders will receive 0.08117 IGas shares for each Dart share
- ▼ Acquisition will create market leading onshore UK oil and gas company with the largest area in the UK under licence of over 1 million net acres including major UK shale basins
 - ▼ A proven operator in the UK onshore sector with a track record of drilling wells safely and on budget
 - ▼ A combined group with increased scale, market capitalisation and trading liquidity
 - ▼ Gross Funded Acreage of 395 k.acres and a work programme of over US\$80m for a total of 15 licenses funded by GDF and Total
 - ▼ A combined entity that would possess a multi-function team of over 200 staff including subsurface, drilling, facilities, commercial and legal experts ideally positioned to lead the UK shale gas industry
- ▼ IGas shareholders voted transaction through at AGM 1 September 2014

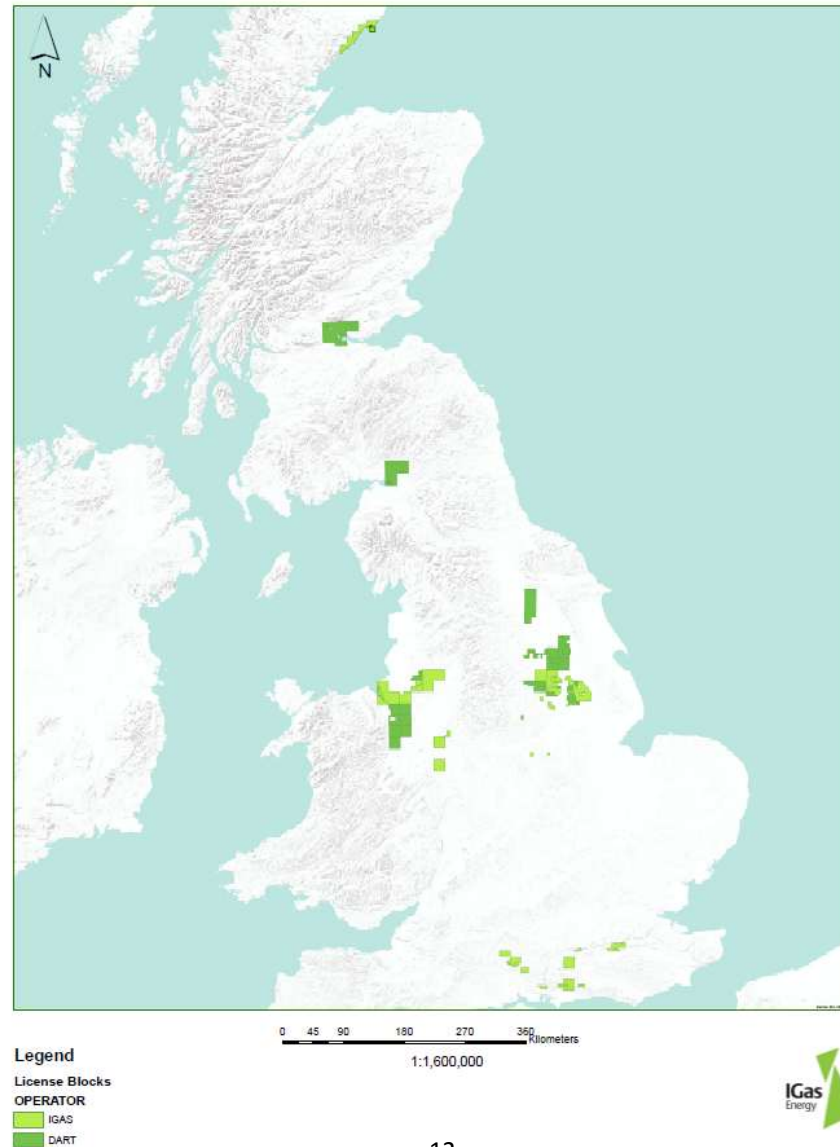
Timetable	Target date
Scheme Meeting for Dart Shareholders to vote on the Scheme	10 September 2014
Second Court Hearing to approve Scheme	15 September 2014
Scheme Implementation Date	1 October 2014

*based on the A\$:£ exchange rate and closing share price of IGas on 8 May 2014

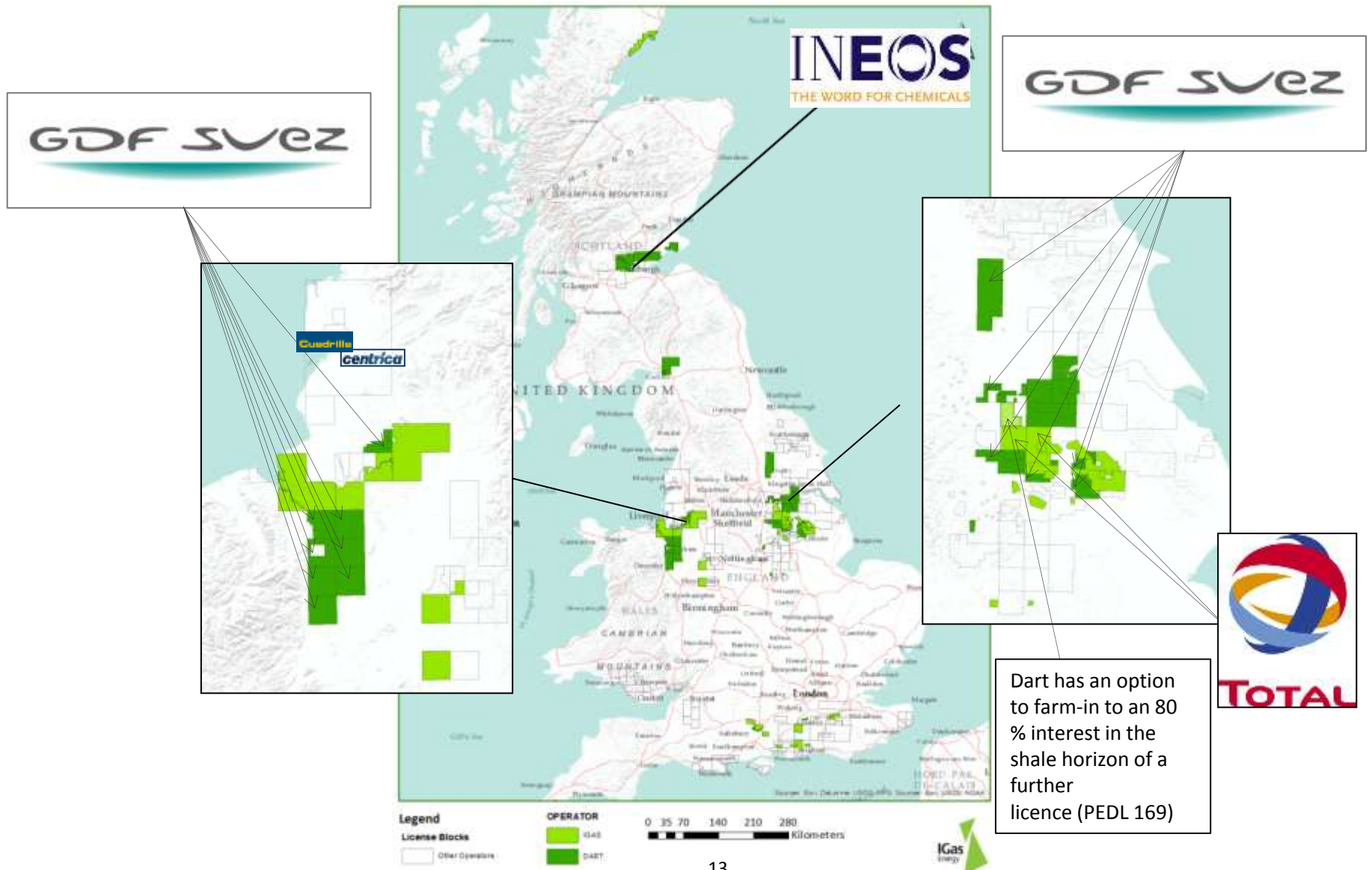
IGas UK License position



IGas / Dart UK License combined



Combined UK license position



Going forward....

- ▼ In addition to exploration wells, we will drill and flow test two wells during 2015, subject to obtaining all the necessary permits and planning
- ▼ The acquisition of ca. 100 km² of 3-D seismic surveys is underway across the North West with a view to confirming suitability of potential sites
- ▼ Our 'Chase the Barrels' initiative continues to help maximise our producing assets and work continues on an increasing number of gas monetisation opportunities
- ▼ Identified infill drilling opportunities
- ▼ The acquisition of Dart Energy will reinforce our position financially, operationally and also significantly increase our licensed acreage
- ▼ We are committed to delivering both existing and potential hydrocarbons across the country in partnership with local communities, as we work together to unlock what could be a strategically important resource for Britain

IGas energy: Delivering Britain's energy future