FY Results to 31 Dec 2020
7 April 2021

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Highlights

Uniquely challenging year

Prudent cash management

Pivotal step – diversification into renewable energy

Upgraded reserves & resources

Financial Highlights

	Year to 31 December 2020 £m	Year to 31 December 2019 £m
Revenues	**21.6**	**40.9**
Adjusted EBITDA[1]	**4.0**	**13.8**
Underlying operating (loss)/profit	**(2.7)**	**4.6**
Loss after tax	**(42.1)**	**(49.8)**
Operating cash flow before working capital movements	**3.3**	**14.3**
Net debt[2]	**12.2**	**6.2**
Cash and cash equivalents	**2.4**	**8.2**

Notes

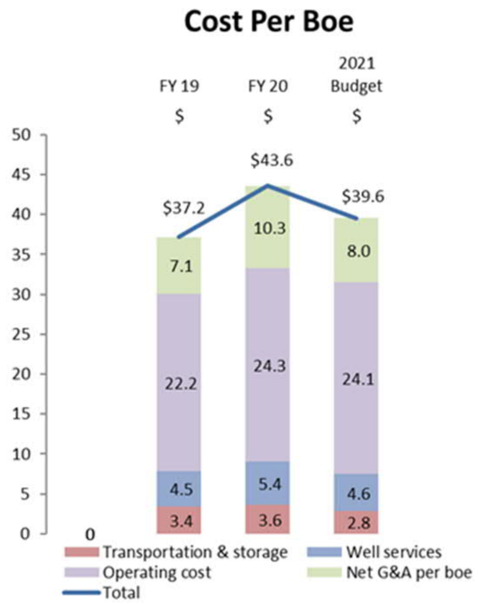
[1] *Adjusted EBITDA is considered by the Company to be a useful additional measure to help understand underlying performance.*

[2] *Net debt is borrowings less cash and cash equivalents excluding capitalised fees*

- **Revenues** – impacted by low oil prices and volumes (COVID-19, Shut-ins).
- **Adjusted EBITDA** – Decrease of £9.8m due to lower revenues (£19.3m) offset by opex savings (£3.0m) and a realised hedging gain (£4.6m gain vs loss of £1.0m in 2019). Net G&A was also higher in 2020 due to lower allocation to capital projects.
- **Loss after tax** – impacted by lower operating results after hedging (loss vs profit). An impairment charge of £38.5m was recognised on oil and gas assets during the year primarily as a result of lower oil price forecasts (2019: £53.9m impairment of shale assets and £4.8m goodwill write-off). Other costs were £2.2m lower than 2019 mainly due to lower borrowing related costs and a net fx gain in 2020. A deferred tax credit of £2.0m was recognised in 2020 (2019: credit of £9.3m).
- **Operating cash flow** – was lower mainly due to lower revenue net of hedging cash-flow, partially offset by lower operating costs.
- **Net Debt and cash** – $20.0m drawn on RBL at Dec 20. Net debt increased by £6.0m to £12.2m during the year.

Key statistics

- Realised price post hedge of $48.4/bbl (2019: $60.1/bbl)
  - Hedging cash inflow of £4.6m in 2020 (2019: £1.0m cash outflow)
  - 310,000 barrels hedged for Apr-Dec 2021 at an average price of $44.0/bbl using collars and swaps. 30,000 barrels hedges for Q1 22 at a price of $60/bbl using swaps
- Operating costs (excluding the impact of IFRS 16) of $33.3/boe (2019: $30.1/boe)
  - Increase principally due to lower volumes
- G&A of £5.3m (2019: £4.5m)
  - Continue to focus on reducing corporate costs with redundancy programme during year. Reduction in gross cash G&A of £1.6m
  - Lower allocation to capital projects this year due to reduced activity
  - London office closed Q1 2021
- Impairment of oil and gas assets of £38.5m due to lower forecast prices (2019: Impairment of shale exploration assets of £53.9m and goodwill write-off of £4.8m)
  - Long term oil price assumption moved to US$60/bbl from US$70/bbl
- Tax credit of £2.0m (2019: credit £9.3m)
  - Deferred tax credits relate primarily due to the movement in accelerated capital allowances and the recognition of future available ring fence tax losses
  - Ring fence tax losses >£250m
- Net debt at 31 December 2020 was £12.2m (31 December 2019: £6.2m)



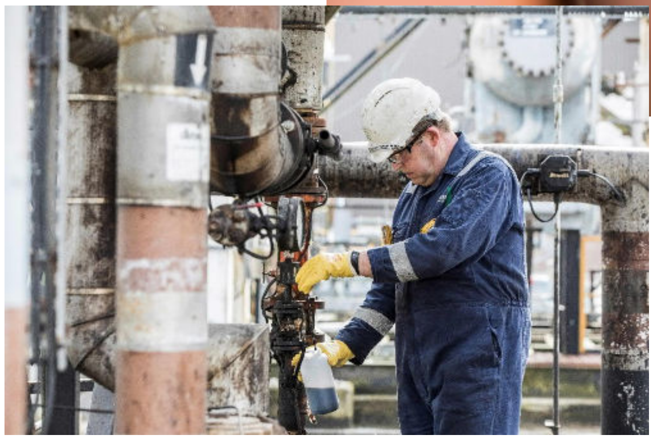
Excludes the impact of IFRS 16 - Leases

Balance Sheet

- Capex in 2020 reduced to key capital projects and essential expenditure only
  - Third party cash capex for FY 2020 was £6.0m, with c.£2m in relation to production assets and c.£4.0m on development projects (primarily Welton and Scampton).
- Budgeted capex for 2021 is £5.3 million.
- RBL redetermination exercise concluded in December 2020 confirming $31.7m (£24.0m) of debt capacity and headroom at year end of $11.7m (£8.9m).
- Brent prices have increased significantly. However, continued uncertainty remains regarding the potential impact of COVID-19 on global economic activity, future oil prices and the Group’s operational activities.

Production Review

- Net production averaged 1,907 boepd for the year (2019: 2,325 boepd), within guidance impacted by oil price driven shut-ins and COVID-19 related delays
- Operating costs for the year were c.$33/boe (at an average 2020 exchange rate of £1:$1.29) (2019: $30/boe)
- We anticipate net production of between 2,150-2,350 boepd and operating costs of c.$32/boe (assuming an exchange rate of £1:$1.35) in 2021, subject to COVID-19 impacts
- We have continued to progress projects in our core conventional business
    - c.£3m invested in waterflood projects
- 2021 - progress certain hopper opportunities where payback period is less than 12 months
- Progress Glentworth and Godley Bridge subject to sustained oil price improvement



Summary – Reserves Reconciliation

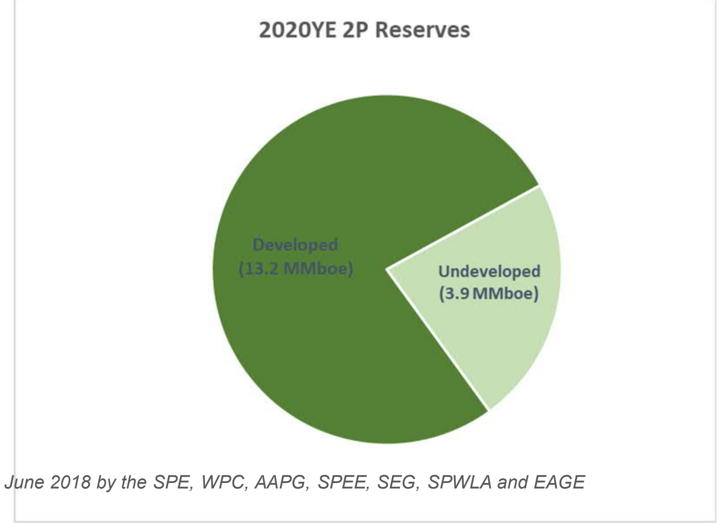
Net Oil and Gas Reserves & Resources as at 31st Dec 2020 (MMBOE)			
	1P	2P	2C
Reserves as at 31st Dec 2019	10.55	16.05	19.51
Production during the period	(0.68)	(0.68)	-
Additions & Revisions during the period	1.87	1.75	0.84
Total change during the period	1.19	1.07	0.84
Reserves as at 31st Dec 2020	11.74	17.12	20.35

Note that totals may not add up correctly due to rounding.

Highlights:
- 2P Reserves Replacement ~ 257% (1P ~275%)
- 2P Reserves Life Index, (in years) ~25 (1P ~17)
- C. 80% of 2P reserves are developed and producing

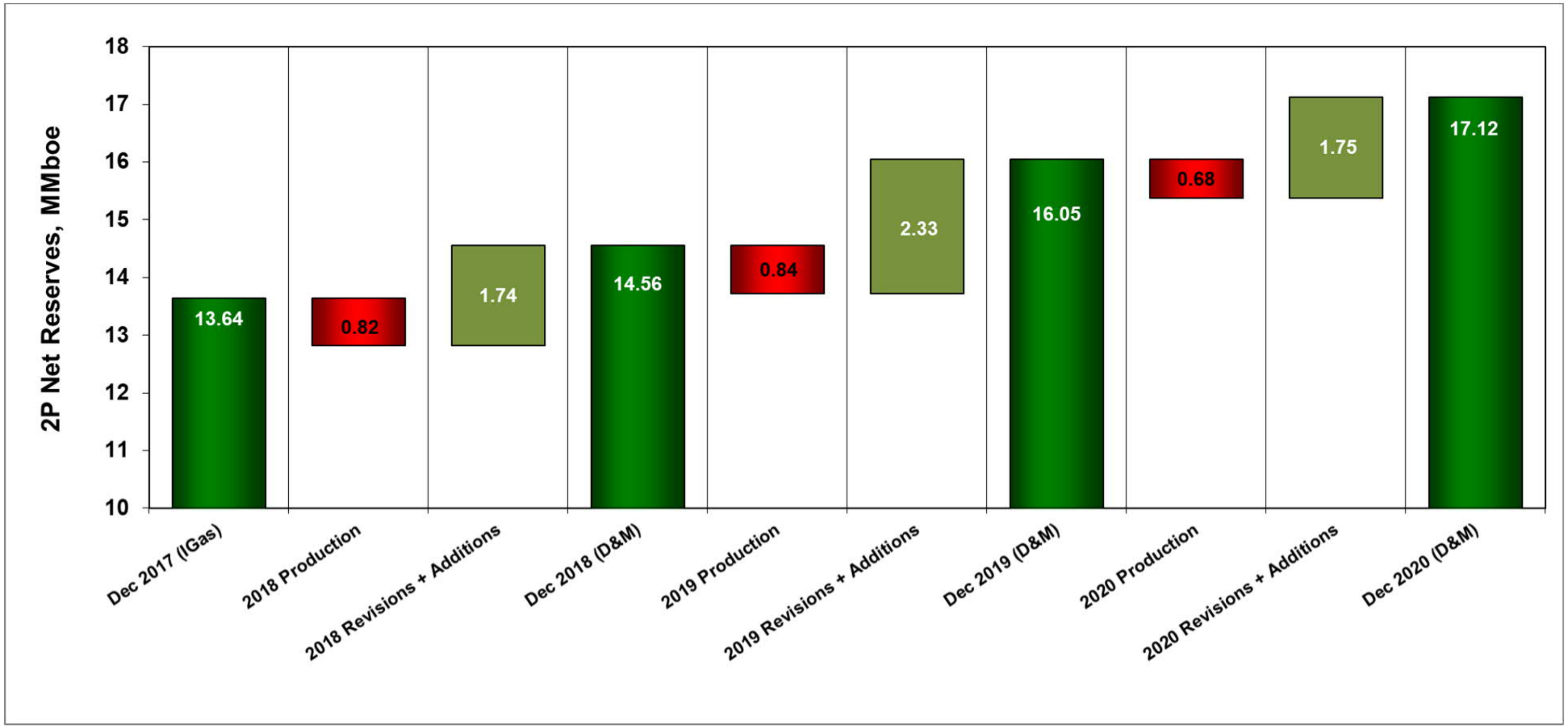
The reserves replacements are largely due to:

- *Technical revision of Glentworth 12z development project*
- *More favourable late life commodity price forecasts*



Note: In accordance with Petroleum Resources Management System (PRMS) approved in March 2007 and revised in June 2018 by the SPE, WPC, AAPG, SPEE, SEG, SPWLA and EAGE

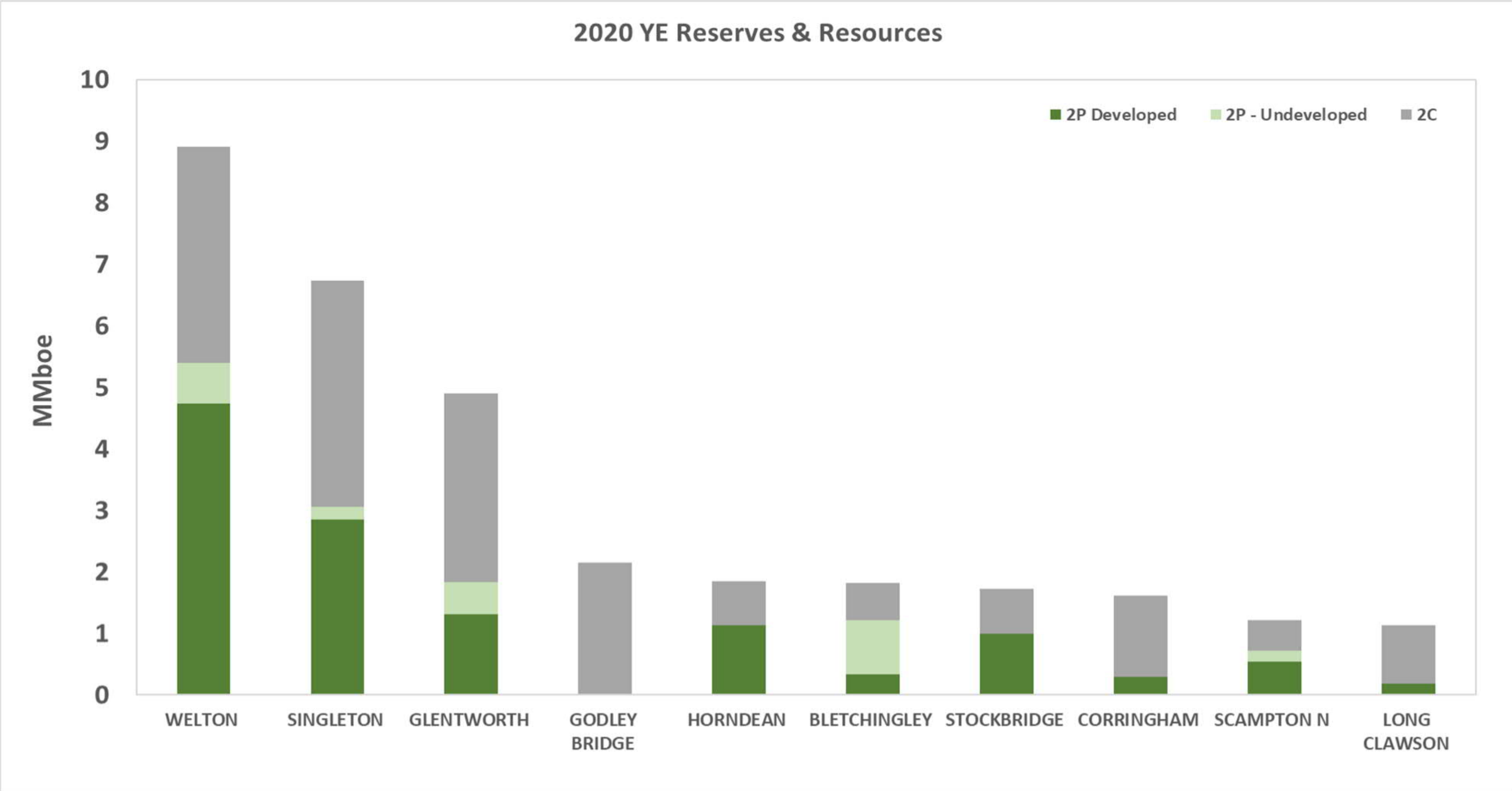
Track Record - 2P Reserves



Highlights:

- Proven track record of significant reserves replacement, usually >200%
- Excellent delivery of cost and operational efficiencies with consistent performance from key fields
- Continuous capital expenditure in incremental projects even during oil market downturn
- Current 4-year development plan for undeveloped reserves ~Average of £.3.5m per annum

Reserves Growth Potential - Core Assets



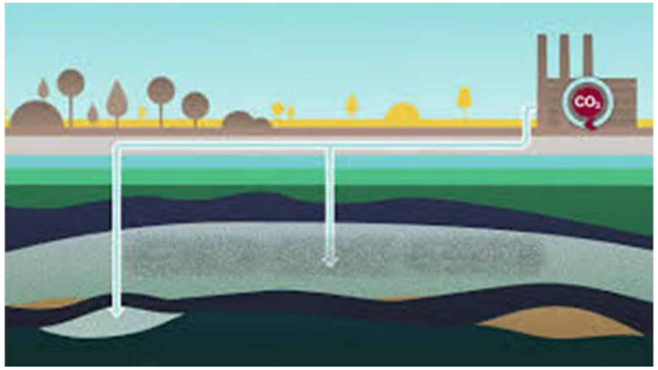
Opportunities identified	*10*	*3*	*3*	*1*	*0*	*1*	*0*	*2*	*2*	*0*

- There is still significant recoverable oil and gas in these mature fields
- Opportunities Identified include waterfloods, infield and appraisal drilling opportunities, workovers and production optimisation

Progressing Diversification

Leveraging existing assets and skill set

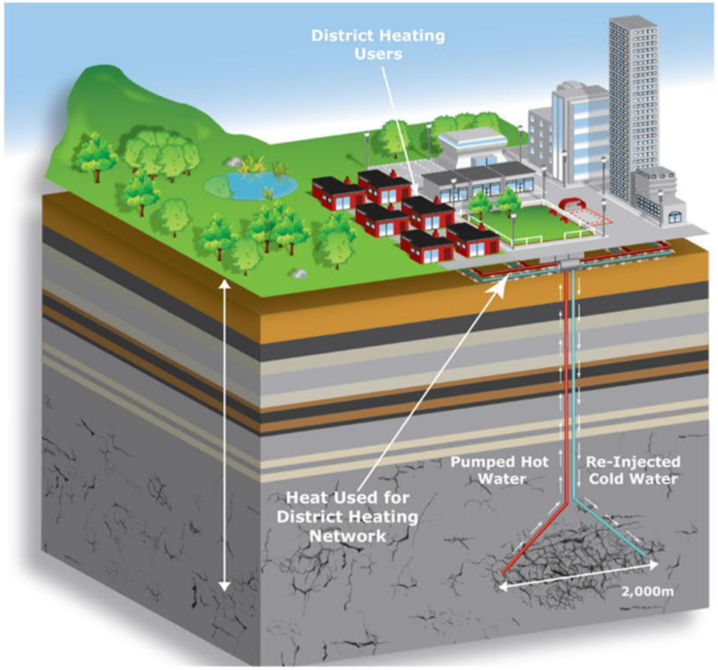
- Diversify into the wider UK energy market whilst leveraging our core competencies as an UK onshore operator
  - Focus to bring forward pilot projects on existing IGas sites or utilising existing IGas assets
- Acquired GT Energy, deep geothermal development in Sept 2020
  - Pathfinder Stoke-on-Trent geothermal project will supply Stoke City with renewable heat for generations
- Nov 2020 – announced MOU with Bayotech
  - Exploring the feasibility of up to 7 tonnes per day of distributed hydrogen production in South-east
  - Repurposing existing assets
    - screening & feasibility of repurposing wells for future geothermal energy production
    - screening all sites to assess viability for carbon sequestration - focus on regional carbon emitters. Working with BGS, OGTC and Newcastle University
- New development on our sites:
  - Energy storage, e.g. batteries
  - Renewable energy development at existing sites – including solar



Geothermal Energy

Harnessing our natural resources to solve the large-scale decarbonisation of heat

- Stoke-on-Trent Project Update:
  - Build out of heat network delayed due to impacts of COVID-19
  - Exploring with Engie a proposal to deliver the network for the project – removing financial risk from the Council
  - Cross boundary planning application: Newcastle-under-Lyme consented; Decision from Stoke-on-Trent council awaited
- Ongoing, positive discussions with Government regarding future financial support beyond the closure of the Non-domestic Renewable Heat Incentive to new projects on 31 March 2021
- Industry report on economic and environmental importance of UK deep geothermal resource by ARUP and the REA to be published later this month
- Significant UK opportunity – 50-100 projects identified
  - Growing development pipeline of potential projects across the UK with discussions commenced on securing specific sites at high potential locations
  - Manchester
  - Southampton – existing network
  - Newcastle
  - Crewe



"... only the decarbonisation of heating in the UK could deliver the major reduction in emissions needed to meet the 2050 net zero target." Committee on Climate Change

Hydrogen

- IGas have two existing production sites in the South-East
- Bayotech modular SMR modules generating 1000 kg/d likely to be utilised
- Planning submissions Q2/Q3 2021
- FID to follow within 3 months of planning approval
- First production of hydrogen anticipated in 2022

Route to market for hydrogen

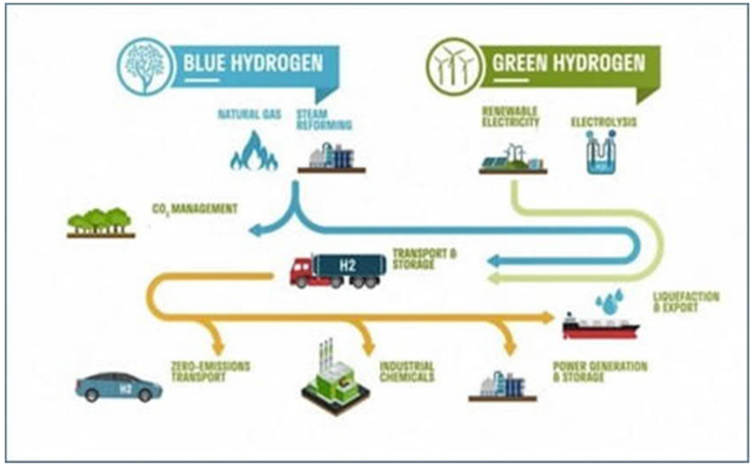
- Increasing local demand for new hydrogen bus fleets
- Detailed discussions progressing with gas merchants who will supply end users

Future Growth Potential

- Further expansion is possible using new gas fields and other sources such as associated gas and Biogas producers
- Rapid production capacity build-up via re-purposing existing assets

Pathway to Blue Hydrogen

- Opportunity to sequester CO2 byproduct in depleted reservoirs at the same sites
- Offtake discussion suggest that supply of CO2 may be part of the offtake



Summary and Outlook

Maintain and grow production

Opportunities to unlock value in existing assets

Continued focus on costs and disciplined approach to capex

Advance geothermal and hydrogen projects

Appendix

ESG

Sustainable and Responsible Business

- Aligned with seven of the United Nations' Sustainable Development Goals
- ISO 14001 and 9001 accredited: Environmental Management System and Quality Management System
- Scope 1 & 2 reporting – focus on reducing Scope 2

Environmental stewardship

- Careful site selection screens out protected areas
- Environmental Impact Assessments
- Baseline monitoring before during and after operations – soil, air and water
- Social licence to operate is key to business success
    - Local engagement with all stakeholders: Community Liaison Groups, newsletters, public consultation
    - IGas Community Fund launched in 2008 over £1m distributed to communities local to our operations

HSE

- Continuous monitoring (Oshens/ External HSE audits)
- IGas has now attained the RoSPA President's (14 consecutive Golds) Award, for health and safety performance
- IGas Energy trading as "Star Energy Weald Basin Ltd" is listed on the public register for COMAH establishments

Governance

- In 2018 the Board resolved to adopt the Quoted Companies Alliance Corporate Governance Code, 2018 edition (the "QCA Code")
- Key policies in place: Bribery and Anti-corruption; Equality & Diversity