IGas Energy plc

Preliminary Results
for the year ended
31 December 2016

IGas
Energy

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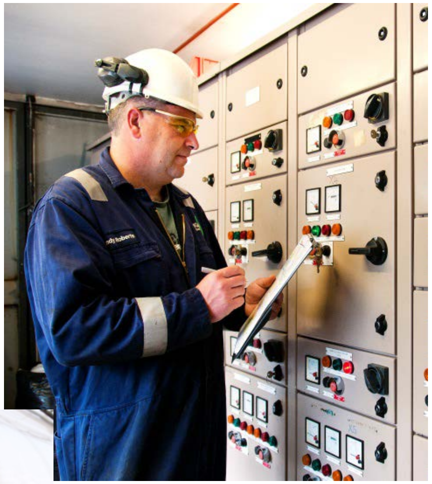
Introduction

- Refinancing and fundraising completed April 2017
    - Kerogen 28% shareholder for $35 million investment
    - Net debt reduced to $7 million
    - Board changes announced
- Cashflow generative at current oil prices
    - Stable production
- Significant shale carried work programme of up to $230 million
- Momentum in UK shale industry



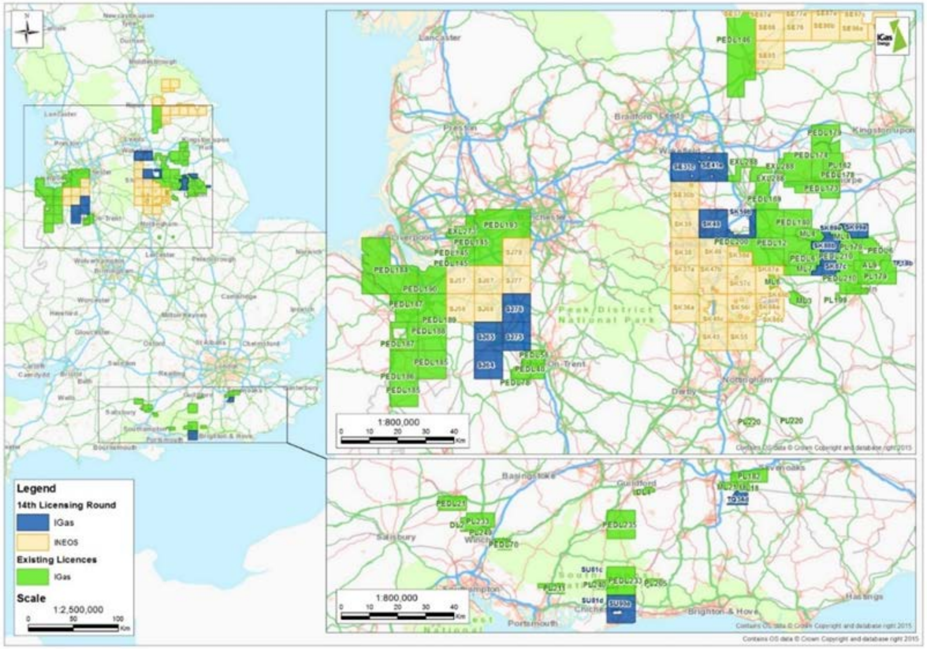
Strategy overview

Largest public UK shale company and operator of largest number of fields onshore UK:

- Conventional
  - Sustain production levels, utilising available technologies
  - Add incremental projects as appropriate; commodity pricing environment key
  - High leverage to oil price – built environment with near term upside
  - High degree of operational control
    - Majority of fields 100% owned and operated
  - Technologies utilised/developed on existing assets are transferable to shale appraisal and development

- Shale Gas
  - Focus on core, high potential areas with partners
  - Operator of key licence blocks – facilitation of control and pace of development
  - Utilise existing c.$230 million carries effectively to prove up basinal understanding through to proof of concept
  - Benefit from other operator activity on adjacent licence blocks
  - Attract partners at the right time to ensure equity (plc or asset) utilised for appraisal/development of assets
  - Early monetisation of gas and condensate

IGas licences including Round 14 awards



Financial Highlights

	Year ended 31 December 2016 £m	Nine months ended 31 December 2015 £m
Revenues	**30.5**	25.1
Adjusted EBITDA[1]	**10.2**	18.3
Loss after tax	**(32.9)**	(44.8)
Net cash from/(used in) operating activities	**12.4**	1.0
Net debt[2]	**99.7**	73.3
Cash and cash equivalents	**24.9**	28.6

Note 1: Adjusted EBITDA relates to earnings before gains/(losses) on oil price derivatives, net finance costs, tax, depletion, depreciation and amortisation, impairments, acquisition costs, restructuring costs and share based payment charges
Note 2: Net debt reduced to c.$7m post refinancing in April 2017

- Revenues – longer period and beneficial exchange rate offset by lower realised price pre hedge of $44.1/bbl (2015: $51.3/bbl)
- Adjusted EBITDA – impacted by higher administrative costs of £11.4m (2015: £6.0m) and lower other income of £0.7m (2015: £5.1m)
- Loss after tax – lower impairments of £4.5m (2015: £69.8m) partially offset by higher net finance costs of £28.8m (2015: £7.8m)
- Net cash generated from operations – improvement principally due to positive working capital movements
- Net debt – refinance completed in April 2017 – c.$7m

Key statistics

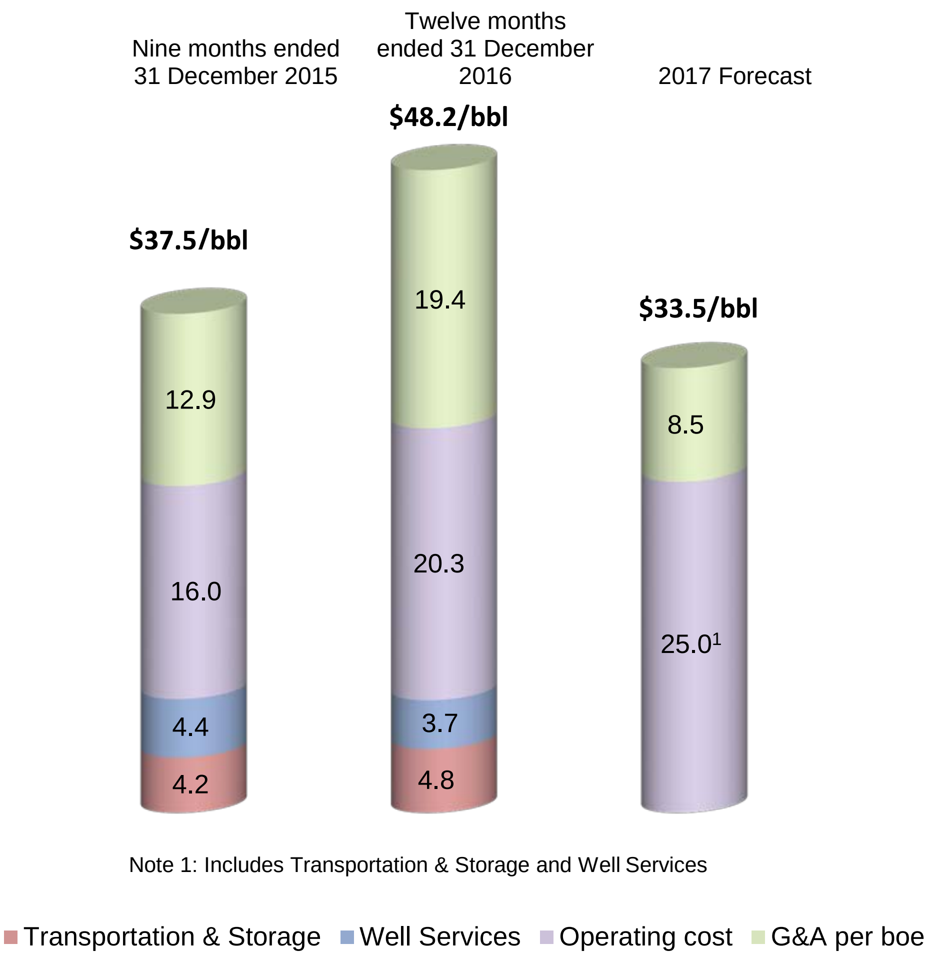
- Positive hedging - average realised price for the twelve months was $58.1/bbl post hedge (Nine months to 31 December 2015: $58.9/bbl)

- Operating costs of $28.8/boe (Nine months to 31 December 2015 $24.6/boe)
    - 2015 includes one off credit of $5.5/boe relating to a refund for land rates
    - 2016 impacted by lower production rate
    - 2017 forecast of $25.0/bbl

- G&A of £11.4m (2015: £6.0m)
    - 2016 includes £3.0m legal and professional fees in relation to restructuring
    - 2016 includes increased non-cash IFRS2 charge of £2.6m (2015: £0.5m)
    - 2017 forecast of £6.0m

- Ring fenced corporation tax losses as at 31 December 2016 amounted to c.£210m

Cost Per Barrel



Note 1: Includes Transportation & Storage and Well Services

Refinancing – Capital Structure

$million	Opening Balance 01/01/2017	Movements since 1/1/17	Balance before restructure	Secured Bond Buy back	IGas owned bonds Cancellation	Debt for equity conversion	Equity raise (less fees)	Balance following restructure 05/04/2017
Issued bonds								
Secured Bonds	(136.1)	6.3	(129.8)	49.2	10.2	40.0	-	(30.4)
Unsecured Bonds	(30.0)	-	(30.0)	-	2.6	27.4	-	-
	(166.1)	6.3	(159.8)	49.2	12.8	67.4	-	(30.4)
Bonds held by IGas								
Secured Bonds	10.5	(0.3)	10.2	-	(10.2)	-	-	-
Unsecured Bonds	2.6	-	2.6	-	(2.6)	-	-	-
	13.1	(0.3)	12.8	-	(12.8)	-	-	-
Outstanding bonds	**(153.0)**	**6.0**	**(147.0)**	**49.2**	**-**	**67.4**	**-**	**(30.4)**
Cash and cash equivalents	31.1	(13.4)	17.6	(49.2)	-	-	55.0	23.4
Net Debt	**(122.0)**	**(7.4)**	**(129.4)**	**-**	**-**	**67.4**	**55.0**	**(7.0)**

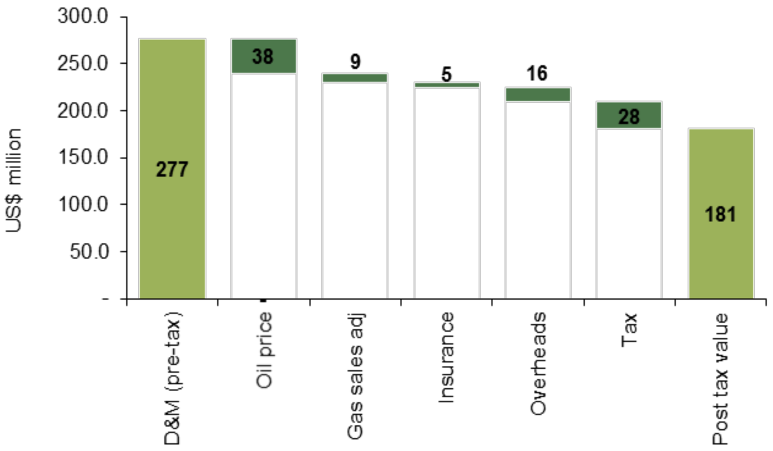
New Secured Bond Terms

- Maturity date extended to 30 June 2021
- Interest 8% p/a – payable March and September
- Amortisation 2.5% year 1 and 5% p/a thereafter – payable March and September
- Amortisation will be suspended if Brent oil price is less than $50/bbl
- Liquidity requirement $7.5 million at all times
- Financial covenant – < 3.5 times Net debt/EBITDA ratio
- Hedging requirement – 60% - 75% of budgeted production

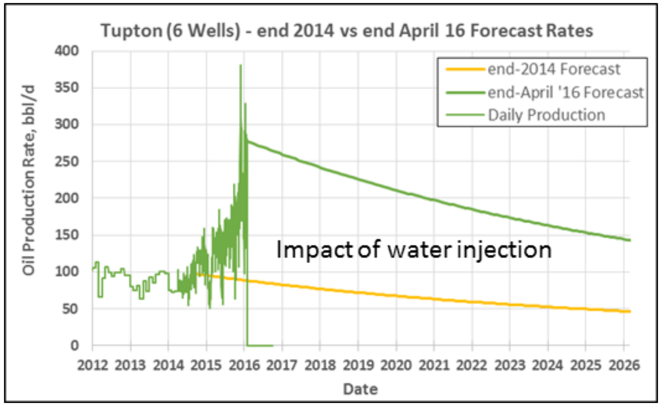
Conventional

- Stable production: c.2,355 boepd average 2016
- 2017 forecasts:
  - Production c.2,500 boepd
  - Opex $25/boe
  - Capex £4.2 million
- Ongoing initiatives to sustain production and boost recovery through our technical work programmes and application of technology
  - modelling of lift performance and subsequent changes to well completions
  - application of downhole gauges and Rod Pump Off Controllers
- In-depth studies including field development studies have identified a number of opportunities to increase production across the portfolio including:
  - Water injection – further projects identified
  - Gas monetisation – 3 planning permissions granted in 2016
  - Oil behind pipe
  - Infill drilling – planning permission granted at Singleton for 2 new wells
- Finalisation of export routes and FID would move c.1 mmboe from 2C to 2P reserves

Conventional asset values at market consensus oil price (US$m)



Sources: D&M, company analysis; consensus oil price curve (as at 30 Oct 2016) and from 2020 $70/bbl inflated



Shale: IGas delivering on the potential

Company position

- Appraisal costs largely funded for c.2-3 years
  - c.US$230 million (gross) carry from Total and INEOS outstanding (c.$90 million net IGas share)
  - 2 carried wells in 2017; £40 million of carried expenditure; net cost to IGas £1 million
  - Substantial de-risking of future exploration development costs
  - Significantly improved understanding of shale prospects and value once carry programme complete
- Over 3 decades of onshore exploration, development and production expertise
  - Access to existing infrastructure / connectivity
  - Long track record of safe & efficient operations
- Material resources identified as supported by D&M prospective resources review

Acreage - K.acres[1]	Gross	Net
Base (post farm-in)[2]	970	686
2016 Relinquishment	-199	-174
14th Rd Addition	257	115
Current	1,028	627

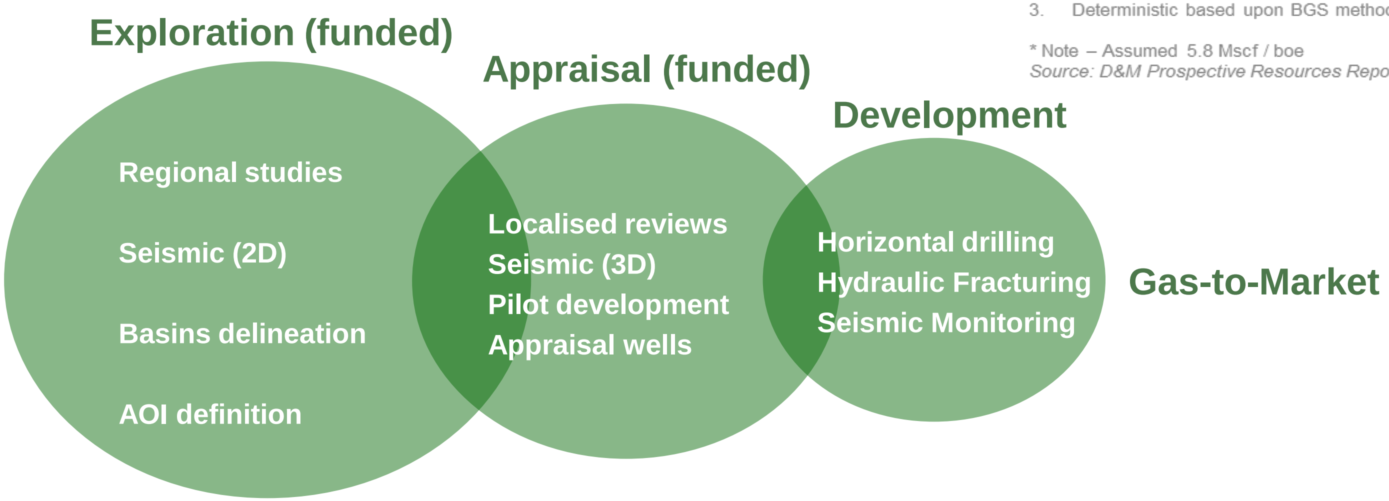
1. IGas sourced data
2. Includes full rights under the INEOS farm-in agreement

D&M Volumes Shale Gas	Gross	Net	Units
Gas In Place[3]	221	102	Tcf
Unrisked prospective resources[1]	Low (P90):17 Best (P50): 23 High (P10): 32	Low (P90):8 Best (P50): 11 High (P10): 15	Tcf
Risked prospective resources (mean)[2]	5.4	2.5	Tcf
Oil Equivalent*	937	440	MMboe

1. Adjusted for productive area and recovery factor
2. Adjusted for geological risking
3. Deterministic based upon BGS methodology

* Note – Assumed 5.8 Mscf / boe

Source: D&M Prospective Resources Report

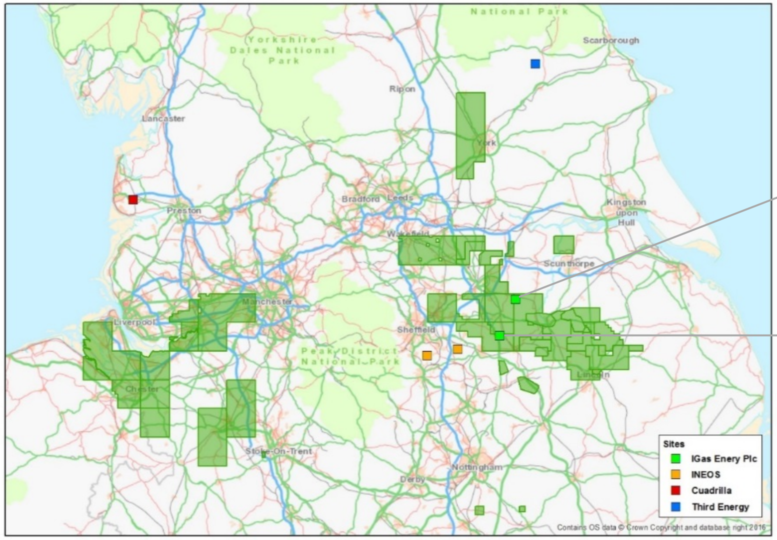


2017/18 Anticipated UK Shale Activity

Industry wide collaboration across a number of technical and stakeholder areas

Operator/Site	Activity
Shale	
IGas – Springs Road, North Notts*	Drilling/exploration
IGas – Tinker Lane, North Notts*	Drilling/exploration
Cuadrilla – Preston New Road, Lancs	Drilling/Fracking
Third Energy – KM8, Yorks	Drilling/Fracking
INEOS – Bramleymoor Lane, Derbys	Planning/exploration
INEOS – Moor Lane, Rotherham	Planning/exploration

**Subject to finalisation of Section 106 agreements*



Summary

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Appendix

The potential for UK Shale

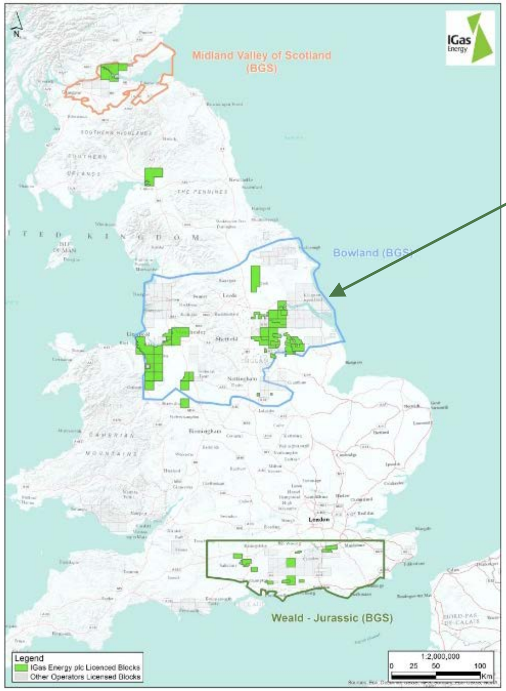
- Shale Gas is a strategic asset that requires development to safeguard UK's energy security
  - UK uses 3 Tcf (0.5bn boe) p.a. providing approximately 1/3rd of UK's Energy needs
  - Gas is a key component of the UK's energy mix
    - 8 out of 10 UK homes use gas for heat
    - An essential feedstock for the manufacturing sector
  - Declining North Sea - UK currently imports 50% of its gas
    - c.19 Tcf of remaining reserves in North Sea
    - In 2030, OGA expects a gas import dependency of over 70%
  - New nuclear capacity slow to be built; coal fired power stations to be phased out by 2025

- Shale Gas has the potential to reduce gas imports by 50%
  - British Government has stated that UK Shale is a National Priority

- Majority of prospective acreage now under licence

- Following 'Brexit' importance of secure energy supply has increased significantly

- Industry momentum – Drilling activity and flow test data late 2017/early 2018



Exploration and appraisal to date supports estimates of total 'In Place Resources' in North West and Midlands region

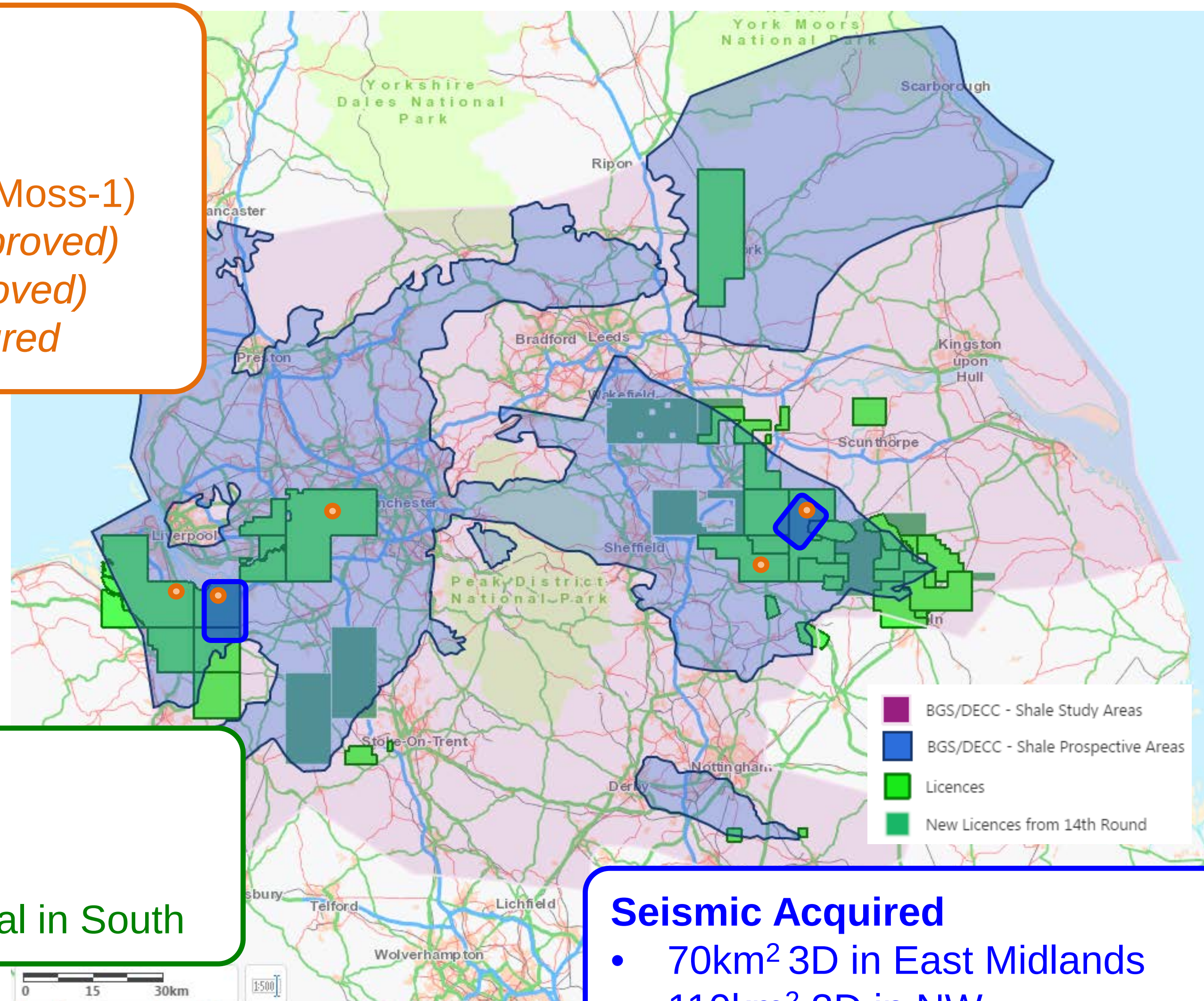
Classification	Tcf
P90	822
P50	1,329
P10	2,281

Source: BGS

IGas Shale Appraisal Programme

Wells Drilled

- Ince Marshes-1
- Ellesmere Port-1
- Irlam-1 (aka Barton Moss-1)
- *Springs Road-1 (approved)*
- *Tinker Lane-1 (approved)*
- *NW sites being secured*



14th Round Licences

- 5 in East Midlands
- 2 in NW
- Multiple conventional in South

Seismic Acquired

- 70km^2 3D in East Midlands
- 110km^2 3D in NW
- 80km 2D in NW