

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

9 May 2018

IGas Energy plc (AIM: IGAS)
("IGas" or "the Company")

Annual General Meeting ("AGM") Trading Update

IGas today provides the following statement in relation to trading for the period 1 January to 8 May 2018. This update is issued in advance of the Company's AGM which is being held at 10.30am today.

Highlights

- Net production averaged 2,323 boepd for the first four months of the year, which is in line with budget. Net production for the year is still anticipated to be c.2,300 -2,400 boepd, with operating expenditure of \$32.5/boe in 2018 (assuming an exchange rate of £1:\$1.40).
- Shale appraisal and development plan covered by up to c. \$240 million carried work programme:
 - Tinker Lane and Springs Road construction now largely complete. We remain on track to spud the first well mid-2018.
 - Our application at Ince Marshes in Cheshire is on course to be submitted mid-2018.
- Our gas monetisation project at Albury is progressing according to plan:
 - A well test was undertaken in April 2018 which resulted in a flow rate of 1.5 mmscfd, in line with expectations.
 - We remain on track for first gas in the second half of 2018, subject to planning consent.
- Our other incremental production projects at Stockbridge and Welton are progressing to schedule. The Stockbridge project is due for completion in July 2018 and the Welton injection project in September 2018.
- As we continue to identify and evaluate the future potential of our existing producing assets, we have agreed to divest certain non-core assets* representing c.100 boepd to Onshore Petroleum Limited ("OPL"). A Sale and Purchase Agreement has been signed for a consideration of £3.14 million, which will be satisfied by the provision of oil field services to IGas by OPL. Completion of the transaction is expected in the second half of 2018 and is subject, *inter alia*, to consent from the Oil and Gas Authority and the Environment Agency.

Stephen Bowler, Chief Executive commented:

"The advent of higher oil prices has been beneficial in terms of operating cash flow and I am pleased that the production business is delivering in line with budget and our incremental production projects are progressing according to plan.

Momentum continues in the UK shale industry with the recent completion of the first horizontal shale gas well in Lancashire and our first appraisal well in the East Midlands is due to spud in the summer, both of which will give us a much greater understanding of potential of the shale gas resource.

In light of recent political events, poor weather and increasing gas prices, energy security for our country becomes ever more important. We believe that onshore oil and gas can be a significant contributor to the energy mix over the coming years as we seek to decarbonise our economy. The next few months will be important in understanding this potential."

John Blaymires, Chief Operating Officer of IGas Energy plc, and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange, has reviewed and approved the technical information contained in this announcement. Mr. Blaymires has 35 years oil and gas exploration and production experience.

**non-core production assets comprise the IGas group's entire interest in PL220, ML3, ML6, ML7, PEDL70 and PL205 and a 50% interest in PEDL158 and P1270 and 25% interest in conventional development assets PEDL257 and PEDL235.*

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