



24 September 08

**ISLAND GAS RESOURCES PLC  
(‘IGas’ or ‘the Company’)**

**IGas secures a land Partner in the North West of England**

Following on from the announcement earlier this year that IGas, along with its partner Nexen Exploration (“Nexen”), had been highly successful in the 13th onshore oil and gas licensing round with offers for seven blocks in three Petroleum Exploration and Development Licences (PEDLs), IGas is now delighted to announce a framework agreement with Peel Environmental Ltd (“Peel”) that gives access to coal bed methane production sites within Peel’s land holdings in the North West. IGas/Nexen has licences over more than 700km<sup>2</sup> between Manchester and the Mersey/Dee estuaries. This area is also at the core of Peel’s operations.

As part of the agreement Peel will give unlimited access to their entire land holdings in the North West of England for the purpose of identifying those sites suitable for IGas/Nexen’s operations. The agreement includes commercial arrangements for leases of sites once planning permission has been granted.

This agreement will allow more rapid access to reserves and will allow planning permissions to be applied for in a timely manner.

Andrew Austin, CEO of IGas, said, “This is excellent news as there is a good fit between Peel’s land and our portfolio in the North West; this agreement will allow us to push through regional gas development at a quicker rate”.

Owen Michaelson, Corporate Director for Peel Holdings [Limited/plc] said, “We are extremely pleased to be working with IGas and Nexen to help them develop domestic energy for the North West from a truly local source. This will help reduce the North West’s reliance on imported energy for our local energy needs”

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Notes to Editors:

### **Island Gas Resources plc**

Founded in 2003, the Company's subsidiary, Island Gas Limited, was set up to produce and market the methane gas which is found in seams of coal. The coal seam both generates and traps the gas, which can be extracted by drilling horizontally into the seam and collected for use as fuel. Coal Bed Methane (CBM) is exactly the same as other forms of natural gas, and is used to provide both industrial and domestic power and has the potential to be an important new source of energy for the UK. The CBM industry in the UK is in its infancy, but with the continuing decline in natural gas from the North Sea, it is likely to become an increasingly attractive alternative potential source of gas.

CBM has become a significant source of gas both in North America and Australia over a relatively short period of time during which both have seen an almost exponential growth in CBM production. The Company has ownership interests of between 20 and 50 per cent in eleven Petroleum and Exploration Development Licences in the UK, wholly owns two methane drainage licences and has a 50 per cent interest in three offshore blocks under one seaward petroleum production licence. These licences cover a gross area of approximately 1,640 sq km. Prior to the recent success in the 13th oil and gas licensing round, the Company's share of Gas Initially In Place is estimated to be in the order of 893 billion cubic feet (bcf) at a mid-case estimate, and could range between 395 bcf and 3,436 bcf.

For further information please visit [www.igas-plc.com](http://www.igas-plc.com)

### **Peel**

The Peel Group is one of the leading property and transport organisations in the U.K. with assets valued at approaching £7 billion.

Peel has a UK property investment and land portfolio consisting of 836,000 sq m (9 million sq. feet) of investment property and over 11,000 hectares (27,000 acres) of land.



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