

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

DeGolyer and MacNaughton assess IGas’ net Contingent Resources to be up to 733 Bcf (3C) with a best estimate potentially recoverable resource of 503 BCF (2C)

IGas, one of the leading coal bed methane developers in the UK, is delighted to announce that an independent evaluation of its net Contingent Resources has concluded that it has a potentially recoverable resource of up to 733 Bcf (3C), which is equivalent to 116million barrels of Oil; as derived from a statistical aggregation of contingent resource ranges calculated on an individual coal seam basis.

The evaluation was carried out by the world renowned international petroleum consulting firm DeGolyer and MacNaughton. The results are summarised in billions of standard cubic feet (Bcf), in the table below:

| Contingent Resources* | All numbers are IGas’ Net share as at 31 December 2008 | | |
|-----------------------|--|--------|--------|
| | 1C | 2C | 3C |
| Statistical Aggregate | 346Bcf | 503Bcf | 733Bcf |

DeGolyer and MacNaughton have prepared the Contingent Resource estimates in accordance with the Petroleum Resources Management System (PRMS), an industry recognised standard. Contingent Resources are defined as discovered potentially recoverable quantities of hydrocarbons where there is no current certainty that it will be commercially viable to produce any portion of the contingent resources evaluated.

The estimates of Contingent Resources cover all of the properties owned by IGas as of 31 December 2008, which are located in Lancashire, Cheshire, Yorkshire, Staffordshire and on and offshore North Wales.

With the recent granting of the Company’s first Field Development Plan by the government and its recently announced land access deals, the Company is now well placed to start planning development decisions to progressively convert elements of its Contingent Resources into recoverable reserves

Andrew Austin, IGas CEO said: *“These findings are a vindication of IGas’ acquisition and development strategy and endorses our belief and confidence in the quality of our acreage and the volume of potentially recoverable gas. These results demonstrate even further the impact of coal bed methane in the UK and the important contribution it should be making to the UK energy mix. The extensive appraisal program carried out by IGas in conjunction with Nexen, our joint venture partner and operator of all of the acreage, combined with very comprehensive pre-existing coal board data has been critical to DeGolyer and MacNaughton’s evaluation of the amount of gas potentially recoverable from our acreage”.*

For further information please contact:

Island Gas
Andrew Austin
Chief Executive Officer

Tel: +44 (0)20 7993 9901

Gavin Anderson & Company
Ken Cronin
Kate Hill

Tel: +44 (0)20 7554 1400

Brewin Dolphin Investment Banking
Mark Brady
Neil McDonald

Tel: +44 (0)141 314 8213

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 (Pedl) 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 1,656 sq km. The Company's share of Gas Initially In Place has been estimated by Equipose Solutions Ltd to be in the order of 1,554 billion cubic feet (bcf) at a risk weighted mid-case estimate, and could range between 775 bcf and 4,974 bcf.

For further information please visit www.igasplc.com

<http://www.igasplc.com>

DeGolyer and MacNaughton

DeGolyer and MacNaughton performs a variety of services related to the upstream sector of the petroleum industry, including evaluation of the hydrocarbon potential of exploration areas, estimation and classification of reserves to be recovered from new discoveries, verification of hydrocarbon reserves, production forecasting, and appraisal of properties for prospective acquisition, divestiture, issuance of securities, or financing purposes. During seven decades, the firm has successfully performed studies on hundreds of thousands of petroleum properties in more than 100 countries and provides independent reserve auditing services to some of the world's largest oil & gas companies.

For further information on DeGolyer and MacNaughton please visit

<http://www.demac.com/>

The Contingent Resources estimates presented here have been prepared in accordance with the Petroleum Resources Management System (PRMS) approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers

The statistical aggregated net Contingent Resource quantities are summarised below in terms of billions of standard cubic feet (Bcf).

| Net Contingent Resources* | 1C | 2C | 3C |
|---------------------------|--------|--------|--------|
| Statistical Aggregate | 346Bcf | 503Bcf | 733Bcf |

In addition, DeGolyer and MacNaughton have arithmetically summed the total net Contingent Resources. The arithmetically summed net Contingent Resource quantities are summarised below in terms of billions of standard cubic feet (Bcf).

| Net Contingent Resources* | 1C | 2C | 3C |
|---------------------------|--------|--------|--------|
| Arithmetically Summed | 215Bcf | 438Bcf | 929Bcf |

*A Contingent Resource is defined as quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. Further, there is, as of a given date, no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated. Contingent Resources are further divided into three status groups: marginal, sub-marginal, and undetermined. IGas's contingent resources all fall into the undetermined group. Undetermined is the status group where it is considered premature to clearly define the ultimate chance of commerciality.

For further information on DeGolyer and MacNaughton please visit

<http://www.demac.com/>