

17 July 2009

Island Gas Resources plc
(‘IGas’ ‘the Company’ or ‘the Group’)

Total Shares in Issue

Island Gas Resources plc announces that following the admission and issuance of 5,766,666 Ordinary Shares of 50p each on 17 July 2009, the Company’s total issued share capital will consist of 68,096,308 Ordinary Shares, with voting rights (one vote per Ordinary Share).

Island Gas Resources plc does not hold any Ordinary Shares in treasury. The figure of 68,096,308 Ordinary Shares may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Services Authority’s Disclosure and Transparency Rules.

Ends

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Notes to Editors:

Island Gas Resources plc (‘IGas’)

Island Gas Resources plc (IGas) was set up to produce and market the methane gas which is found in seams of coal. IGas is now producing gas from its pilot production site at Doe Green in Warrington and selling electricity through its on-site generation, a UK first. Initial production rates indicate that the Company should exceed its threshold for commerciality. IGas is also in the process of identifying a second pilot production site for the commercial production of CBM gas from their acreage in the Swallowcroft area in Staffordshire.

IGas has ownership interests of between 20 and 50 per cent in eleven PEDLs 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 mid case GIIP (Gas initially In place) is up 142 per cent from 893 at year end 2007 to 2,169 Billion cubic feet (“bcf”) (source Equipoise Solutions Ltd) and independent analysis by world leading reservoir engineers, DeGolyer and McNaughton, confirms Contingent Recoverable Resource of up to 733 bcf of gas (3C), equivalent to 116 million barrels of oil. The Contingent Recoverable Resource is derived from a statistical aggregation of contingent resource ranges calculated on an individual coal seam basis.

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. 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 reserves from the North Sea, it is likely to become an increasingly attractive alternative potential source of energy. 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.

For further information please visit www.igasplc.com.

Equipoise Solutions

Equipoise is a privately owned independent consulting company established in 1998 with offices in South London. The company specialises in petroleum geology and geophysics. The work has been supervised by Dr Adam Law, Director of Equipoise, a post graduate in Geology and a Fellow of the Geological Society of London. He has 15 years experience in the evaluation of oil and gas fields and acreage. Mr Donald Alastair Scott has reviewed and approved these estimates. Mr Scott is a Director of Equipoise, and has over 40 years experience in the evaluation of oil and gas acreage.

For further information of Equipoise Solutions, please visit www.equipoisesolutions.ltd.uk.

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 Recoverable 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 Recoverable Resource quantities are summarised below in terms of billions of standard cubic feet (bcf).

Net Contingent Recoverable Resources*	1C	2C	3C
Statistical Aggregate	346 bcf	503 bcf	733 bcf

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

Net Contingent Recoverable Resources*	1C	2C	3C
Arithmetically Summed	215 bcf	438 bcf	929 bcf

*A Contingent Recoverable 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 Recoverable Resources are further divided into three status groups: marginal, sub-marginal, and undetermined. IGas' 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.