



24 September 08

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

Encouraging results for well in Staffordshire

Island Gas Resources PLC are today pleased to announce that they have completed a well at Willoughbridge in Staffordshire with encouraging results. The well, drilled by operators Nexen, was spudded on 31st July 2008 and was plugged and abandoned as planned on 5th September 2008. Drilled to a depth of 4,100 feet the coal sequence was logged and cored. This yielded more than 57 feet of coal, including one 8 foot seam and one 6.5 feet thick. The well was some distance from the nearest offset well and therefore gives a greater confidence as to the development of the seams across the license compared to the time of our admission to AIM in December 2007.

Commenting on the well, Andrew Austin, CEO of IGas said, “We are pleased to have drilled our first well in Staffordshire and are encouraged with the results. Drilling this well has ensured the continuation of our license PEDL78 into the second term.”

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

Alan Stewart

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 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