

28 October 2022

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

Response to Written Ministerial Statement on Shale Gas Development

IGas is shocked and disappointed that the UK Government has now formally announced another moratorium on fracking in England through the release of a Written Ministerial Statement (WMS) at the height of an energy and cost of living crises.

The full text of the WMS can be read here:

<https://questions-statements.parliament.uk/written-statements/detail/2022-10-27/hcws346>

Chris Hopkinson, Interim Executive Chairman, said:

“Literally a few weeks ago this Government lifted the moratorium paving the way for the timely development of shale in the UK providing jobs, tax revenue, energy security and significant community benefits in the middle of an energy crisis – all totally compatible with net zero.

IGas has a significant recoverable gas resource in the Gainsborough Trough. Following interpretation of the cores taken across the 500m Shale horizon at Springs Road, drilled in 2019, we have estimated that there is 630 Bcf of gas in place per square mile, and if applied to our entire acreage in the East Midlands, this would equate to 270 Tcf of high quality natural gas. At expected recovery rates, this would equate to satisfying up to 19 years of the UK's gas demand giving this country both energy security for years to come as well as providing billions of pounds of investment into the East Midlands and the creation of thousands of skilled jobs.

One of the cross-industry benefits of lifting the moratorium on fracking is the potential to level the playing field across all sectors, particularly in the streamlining of regulatory processes. This could promote growth and help make post-Brexit Britain the place to do business. But now, another government U-turn risks driving investment away.

Shale could quickly provide cheaper gas to the UK, supporting strategic industries such as the UK steel industry and the emerging blue hydrogen economy, selling gas at a guaranteed contracted price well below European prices. Instead, we will now be tied into expensive imports of LNG for years to come at a time when other European countries are looking at domestic shale as part of their answer to high gas prices and energy security.

IGas, its partners, and investors have invested significant sums in the development of shale gas both before the 2019 moratorium and again during this political debacle. On both occasions these investments were made in the belief that we were unlocking a strategically important resource and providing energy security for the UK. We continue to believe and assert that fracking for shale gas can and will be done safely and in an environmentally responsible manner. In light of the Government's totally unwarranted U-turn and, in the interest of our shareholders, we reserve the right to pursue any legal process available to us to recover the losses that we have incurred.”

For further information please contact:

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