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Igas Energy PLC
26 June 2015

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IGas Energy plc (AIM: IGAS)

("IGas" or the "Company")

Final Unaudited Results for the year ended 31 March 2015

Results Summary

	Year to 31 March 2015[1]	Year to 31 March 2014[5]
Revenues	**£58.2m**	£75.9m
EBITDA[2,6]	**£21.6m**	£34.2m
Underlying operating profit[3,6]	**£8.6m**	£20.3m
(Loss)/profit before tax	**£(18.5)m**	£2.3m
Net cash from operating activities	**£26.5m**	£25.1m
Net debt[4]	**£86.4m**	£80.4m
Cash and cash equivalents	**£19.0m**	£28.3m
Net assets	**£146.6m**	£74.3m

Notes

1 On 16 October 2014 the Company completed the acquisition of Dart Energy Limited ("Dart") and therefore the 2015 results reflect approximately five months' contribution from Dart

2 EBITDA relates to earnings before net finance costs (£12.5m) (2014:£12.5m), tax credit (£23.8m) (2014: tax charge £10.3m), depletion, depreciation and amortisation (£13.0m) (2014: £14.1m), acquisition costs (£0.9m) (2014:£nil), impairment of oil and gas assets (£3.9m (2014: £nil) and relinquishment and impairment of exploration and evaluation assets (£15.4m) (2014: £3.3m).

3 Underlying operating profit excludes gains on oil price derivatives (£7.0m) (2014: £2.1m loss), charges under share based payments £1.5m (2014: £0.5m), acquisition costs (£0.9m) (2014: £nil), impairment of oil and gas assets (£3.9m) (2014: £nil) and relinquishment and impairment of exploration and evaluation assets (£15.4m) (2014: £3.3m)

4 Net debt is borrowings less cash and restricted cash

5 On 6 December 2013 the Company completed the acquisition of Caithness Oil Limited and therefore the 2014 results reflect approximately four months' contribution from Caithness Oil Limited

6 EBITDA and underlying operating profit are considered by the Company to be useful additional measures to help understand underlying performance

Highlights

- Production in the year was 999,003 boe (2014: 1,015,866 boe), representing an average of 2,737 boepd (2014: 2,783 boepd)
- Dart Energy Limited ("Dart") acquisition completed in October 2014 - consideration of £67.4m was financed by issuing 89,997,626 ordinary shares
- INEOS Upstream Limited ("INEOS') farm-out completed (post balance sheet date) - £30m cash consideration in May 2015. Cash on the balance sheet as at 31 May 2015 of £46.4m
- Combined carried gross work programme of up to US$285m from our farm-in partners - Total E&P UK Limited ("Total"), GDF Suez E&P UK Limited ("GDF") and INEOS
- Successful well drilled at Ellesmere Port - Total Organic Carbon ("TOC") averaging greater than 2.0%
- Bond buy back in the period with a face value of US$15.7m
- Net back per boe on a profit & loss basis (post hedging) was US$45.5/bbl in the period (2014: US$53.1/bbl) impacted by the drop in oil price
- Board changes - Stephen Bowler appointed CEO and CFO search in progress

Outlook

- Net operating costs and S,G&A charges reduced to below $40/bbl for the year to 31 March 2016, excluding reorganisation costs (2015: US$48.6/bbl)
- Looking to maintaining production c.2,750 boepd for 2015/16 through a number of initiatives
    - Side-tracks, water injection pilots, gas monetisation and digital oilfield
  - Appraisal assets
    - Combined carried gross work programme of up to US$285m from our farm-in partners

- Working with partners to execute five year integrated development plan
    - Focus on early commercialisation
- 630,000 barrels hedged in the period 1 July 2015 to September 2016 - downside protection ranging from US$55 to US$84 per barrel and at an average of c.US$67 per barrel
- 14th Licensing round results due to be announced

Commenting Stephen Bowler, Chief Executive Officer, said:

"Over the next twelve months we anticipate acquiring further seismic data, securing new sites and submitting several planning applications for exploration wells and flow tests. We will also drill further exploration/appraisal wells including at our site in the East Midlands and anticipate this will start in H1 2016.

Having implemented cost savings across the business, and following the completion of the farm-out to INEOS in May, with £46.4m of cash on the balance sheet as 31 May 2015, and up to $285m available from our partners for a gross carried work programme, the Group is well placed to deliver against its strategy."

The Final Results presentation will be available at http://www.igasplc.com/investors/investor-presentations.

John Blaymires, Chief Operating Officer of IGas Energy Plc, and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, March 2006, of the London Stock Exchange, has reviewed and approved the technical information contained in this announcement. Mr. Blaymires has more than 30 years' oil and gas exploration and production experience.

The Company's Annual Report and Accounts will be posted to shareholders in due course and will be available to view and download on the Company's website at http://www.igasplc.com/investors/company-publications, in accordance with AIM Rule 20.

ENQUIRIES

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Chairman's Statement

The last year has been a turbulent one for the industry with the oil price dropping from a peak of US$115/bbl in mid-2014 to approximately US$55/bbl at our financial year end.

We responded to this changing oil price environment by taking the tough, but necessary, measures to reduce the costs of running our business, without compromising the safety, commitment to the environment or performance of our operations. These measures will reduce our net operating costs and S,G&A charges to below US$40/bbl for the year to 31 March 2016, excluding reorganisation costs.

The year has also been marked by two significant transactions, the acquisition of Dart and the announcement of the farm-out agreement with chemicals giant INEOS. Through these transactions - which further underscore the quality and significant potential of our licences - we have increased our acreage in key basins, strengthened our balance sheet and boosted the total gross funds available, to exploit our shale acreage, from farm-in partners to up to US$285m.

Despite the oil price fall, this year's achievements mean that IGas is now better positioned to deliver value through the discovery and development of hydrocarbons onshore in Britain, particularly from shale, and to do so in a safe, secure and environmentally and socially responsible manner.

Corporate responsibility is at the core of our business and is based on building respect, fostering relationships and acting responsibly. During the year we have continued to invest in this key area of the business and strive for continuous improvement in listening and sharing information and knowledge about our industry, whilst continuing to innovate.

Operational Review

We benefitted from strong cash flows throughout the year, initially from selling oil at high prices and later in the year from our rolling hedging programme. Production in the year averaged 2,737 boepd (net) (2013/2014: 2,783 boepd) and was underpinned by our "Chase the Barrels" initiative which has included pilot water injection schemes, implementation of the "digital oilfield" and various workovers.

In this report we set out the route to early shale gas production alongside the commitment from our existing partners Total, GDF and INEOS. We are working closely with our partners to optimise a five year integrated development plan for the carried work programme across the North West and East Midlands to include seismic acquisition, multi-well drilling, hydraulic fracturing; and earliest possible commercialisation.

The passing of the Infrastructure Act 2015 in February this year gave welcome clarity with respect to land access rights and trespass, and enshrines in law, industry best practice. We now await publication of the Secondary Legislation associated with this Act which will give further clarity around several related aspects, including baseline monitoring which, under existing legislation, must be carried out for 12 months prior to any hydraulic fracturing taking place.

A key element to achieving early commercialisation of shale gas is obtaining timely planning permissions and relevant permits. We work hard to ensure that we deliver comprehensive and considered applications that take into account potential effects on the environment and the community and how we can manage our development and operations to ensure these effects are minimised to levels and standards that can be approved.

People

In these challenging times we are, more than ever, reliant upon the talents, enthusiasm and continued commitment of our people. I have been impressed by the way in which the whole organisation, led by the Executive team, has moved quickly to refocus and streamline the business.

On 8 May 2015, I was pleased to announce that Stephen Bowler, our former Chief Financial Officer, accepted the role of Chief Executive Officer replacing Andrew Austin. On behalf of the Board, I would like to thank Andrew for his diligent commitment over the years and wish him well for the future. In addition, in keeping with the cost reduction measures we have taken, the Board of IGas and Rob Neale, the former Chairman of Dart, have agreed that he will not be joining the main Board.

Outlook

The extensive industrial base located across much of our acreage, continues to use substantial amounts of gas, not only as a main source of power but directly to produce products such as chemicals, glass and fertilisers. These industries provide substantial employment in the local areas and beyond. The chemical industry alone in the UK employs over 500,000 people directly and indirectly. However, some of these activities face a real threat from the success of the shale industry in the United States, which, because the US industry now enjoys substantially cheaper and more secure supplies than the UK, has led to major investment in new chemical plants in the US, and thereby increased global competition.

Lower oil prices have the potential to further affect North Sea oil and gas supply and therefore further increase our dependency on other countries for our gas. Within 10 years, the UK will be dependent on foreign imports for nearly 70% of its gas. These imports will provide little in the way of jobs or taxes, will substantially increase the geopolitical risks, have a higher carbon footprint than domestic supply, as well as increase price volatility for all.

Shale gas has the potential to provide a real alternative, it could create many jobs, provide taxes and business rates to local councils and also substantial benefits to local communities.

I believe the steps we have taken this year, and the transactions we have successfully completed, have positioned the Company to grow further over the coming years - even in a prolonged lower oil price environment. Our focus remains on maximising cash flow from our existing producing assets and advancing our portfolio of highly prospective shale resources for the benefit of our stakeholders.

Francis Gugen
Non-Executive Chairman

Operating and Financial Review

After enjoying a number of years of oil price stability at historically high levels, we are all only too conscious of the sharp decline in the oil price that occurred in the latter part of 2014. We have been quick to respond by undertaking a review of our cost base. This included working with suppliers to make meaningful savings across the business alongside having to make the difficult decision to reduce the size of our workforce and the number of consultants employed. Overall, there will be headcount reductions of more than 25% including the closure of the former Dart office in Stirling, Scotland.

However, in spite of this difficult backdrop of falling oil prices, IGas remained focused on operational delivery including its work on field life extensions and reserves replacement and the development of its shale position through acquisition and farm-out transactions. In this respect, 2014 was a good year for us.

We completed the acquisition of Dart in October 2014. This acquisition gave us additional acreage of strategic importance in the key UK shale basins and a significant new partner, GDF, with a carried work programme across a number of licences.

In March, we announced a farm-out and purchase agreement with INEOS which completed in May. As a result, INEOS acquired an interest in certain licences in the North West and East Midlands and the Group's participating interest in the acreage held under PEDL 133 in Scotland. The consideration for IGas' participating interests comprised £30m cash and a funded forward work programme of up to £138m (gross), of which IGas' share to be funded fully by INEOS, is expected to amount to approximately £65m. INEOS will assume operatorship of PEDLs 133, 145 and 193 and EXL 273 in phases, following an orderly handover.

In the last 18 months, through both acquisition and farm-outs, we have further strengthened our financial position and we are now operating on behalf of three major partners - Total, GDF and INEOS with a gross carried work programme of up to US$285m.

Operating Review

Existing producing assets

We continued to benefit from strong production in the year to 31 March 2015, averaging 2,737 boepd (net) (2013/2014: 2,783 boepd). Our aim is to maintain production at around 2,750 boepd (net) for the next 12 months and we anticipate capital expenditure in that period to be c.£13m. The Company expects cash flow generation (pre financing and , post capital expenditure) of c.£12-15m over the 12 month period based on the current forward curve, hedged production and anticipated costs.

As at 31 March 2015, proven and probable (2P) reserves were 12.63 million barrels of oil equivalent (mmboe) (2014: 13.25mmboe) and contingent resources (2C) were 12.32 mmboe (2014: 10.38 mmboe). These are the Company's own estimates.

Optimising our production base

The installation of the pilot water injection project at Gainsborough is now complete and injection has commenced with the aim of assessing the potential of increasing oil recovery from the field. The installation of the Welton pilot water injection scheme, consisting of a single injector, was also commissioned (January 2015) and results from these initial pilot schemes will determine whether we extend the programme further in the fields.

Other projects have included a workover and reinstatement of a well at Singleton, in the Weald Basin, resulting in a 6% increase in average daily production at this site. We also continued to roll out the installation of rod pump controllers across the remainder of our fields and are focused on further deployment of our "digital oilfield" initiative with a goal of utilising, wherever appropriate, IT capability to instrument and control the oil fields and gain both cost savings and efficiencies through the deployment of this technology. As well as enhancing performance in the existing mature fields, our experience of applying this technology can be utilised in deploying similar systems to manage the shale developments when they are implemented.

We have begun trialling a wax reduction tool in a number of wells with encouraging results. The benefits include increased well up-time and a reduction in expensive workovers.

We continue to advance our gas monetisation projects at Bletchingley (gas to wire), Lybster (potential Compressed Natural Gas ("CNG")) and Albury (Liquefied Natural Gas ("LNG") or CNG).

Applying CNG technology offers attractive savings without unduly affecting project timing. The potential for using mini-LNG/CNG technology elsewhere in the portfolio as a means of monetising stranded gas and/or shale gas is something we are actively pursuing and evaluating. There are many uses for LNG/CNG, including use as an alternative road fuel and advanced commercial negotiations are currently under way for the offtake of the LNG/CNG from the sites.

We continue to look at further optimisation and capex reduction initiatives and a number of field development studies are in progress aimed at increasing ultimate recovery and reserves, identifying infill well drilling opportunities and side-tracks of existing wells.

Appraisal Assets

North West

Barton Moss Exploration Well

In early November, we announced the results from our Barton Moss exploration well. The well encountered 15 gas bearing coal seams in accordance with the pre-drill prognosis. The well also encountered a Namurian Shale section, consisting of the Sabden Shale and the Upper and Lower Bowland Shales. Approximately 400 ft of core was recovered, including from the shale section. The analyses indicate TOCs of up to 5.72% with an average of c.1.9%. The measured permeabilities are comparatively high for the observed porosities when compared with typical US shale plays. The mineralogy of the Bowland Shales in this area is very comparable with key US plays, notably the Marcellus and Fayetteville, when comparing quartz/clay/carbonate content.

The results of the well have helped further refine the existing basin models and verify the earlier preliminary prognosis and these results were employed in our 14th licence round applications.

Ellesmere Port Exploration Well

Following the successful Ellesmere Port-1 well, completed in December 2014, which encountered over 400m of gas-mature shale, an extensive programme of log and core analysis has been commissioned. The results from the core analysis indicate TOC averaging greater than 2.0% and enhanced porosity and permeability values when compared to the Barton Moss well results. The Ellesmere Port-1 well results, combined with those from Barton Moss and Ince Marshes, are being utilised to drive the next phase in the basin appraisal programme and specifically to help design future hydraulic fracturing programmes.

East Midlands

In the East Midlands, at the Springs Road site within PEDL 139/140, where we operate on behalf of Total, Egdon Resources UK Ltd and eCorp Oil & Gas UK Ltd, we have commenced planning consultations including a Scoping Report prior to the submission of a planning application which we expect to submit in Q3. The planning application will be for the drilling of two exploratory wells (one vertical and one with a horizontal section). Subject to planning and permitting, we expect to drill the vertical well in H1 2016.

An extensive and comprehensive stakeholder engagement programme associated with this project is underway and we have already held two public exhibitions. Further details can be found at www.igas-engage.co.uk.

Five Year Development Plan

We are working with our partners on an integrated five year development plan for the carried work programme across our North West and East Midlands acreage.

We have already completed some of the exploration work through the acquisition and interpretation of seismic and geophysical data to assess the geological structures of some of the licence areas. We will continue to acquire both 2D and 3D seismic, as appropriate, in support of the exploration plans across our acreage.

We have also drilled exploration wells to determine the size, quality and extent of the geological play across the North West, at Ince Marshes, Barton Moss and most recently at Ellesmere Port.

Given this data, we are moving from the exploration to the appraisal stage of gathering data to assess whether or not shale gas can be extracted at commercially viable levels. This next stage will entail further drilling, associated hydraulic fracturing and subsequent flow testing. This phase will be critical in demonstrating the future development potential of these shale resources.

A pre-requisite for any of these operations is to obtain the necessary consents and permits. We are preparing the appropriate documentation and embarking upon the attendant community engagement prior to the submission of the various applications. We will also initiate the associated environmental baseline monitoring regime, in accordance with the prevailing legislation, which must have been in progress for at least 12 months prior to high volume hydraulic fracturing operations being conducted.

When progressing to shale developments, there are a number of elements to consider including regulation, planning and permitting, optimising and advancing technologies and the utilisation of existing infrastructure particularly as we move to the production phase over the coming years. We are already focusing on many of these areas to ensure we are ready for this phase. For example, we are looking at optimising development schemes based on multi-pad drilling; which has numerous advantages including reducing the surface impact of the operation.

In conjunction with specialists, we are developing technologies to assist shale development such as pilot water recycling trials and mini CNG. The efficient recycling of water has several advantages including reduced water use, fewer vehicle movements and an overall cost reduction. Mini CNG offers a solution to the early monetisation of gas, particularly during the pilot development phase, i.e. prior to the installation of the permanent facilities. The mini CNG plants would be modular and therefore could be re-deployed to new sites when the permanent facilities are commissioned. This will help reduce the need for flaring as well as providing a carbon benefit; for example, CNG can be used for fuelling HGVs.

We are also working with other businesses and energy intensive industries to build a supply chain capable of supporting the shale industry. With the advent of such initiatives as the Atlantic Gateway in the North West and the "Northern Powerhouse" concept we are also engaging with stakeholders to integrate shale into the potential regeneration of key areas in the North of England.

International Assets

We have made excellent progress in disposing of the non-core Dart assets. We have now disposed of, or have signed agreements to dispose of (subject to completion conditions), our assets in a number of countries including Australia and Indonesia and the closure of the former head office in Singapore is complete. Our only remaining investments will then be a minority 10% operated interest in the Assam region of India and one joint operated asset in Kalimantan, Indonesia.

Political and Regulatory Update

During the year, further progress has been made in developing the regulatory and associated framework to support shale gas development in the UK. The most significant policy development during the year was the revision to the law relating to land access. The Infrastructure Act 2015, which received Royal Assent in February brings the onshore oil and gas industry into line with a range of other essential services such as water, sewage and coal, and has provided the industry legal clarity in relation to trespass and land access.

The Infrastructure Act 2015 also enshrined in law industry best practice and provided additional clarification of the regulatory framework. As a result, Britain's already stringent regulatory system is further strengthened, reaffirming it as one of the most comprehensive in the world. We are now awaiting publication of the Secondary Legislation associated with the Infrastructure Act 2015 which is currently expected to be introduced by 31 July 2015.

Very recently, the trade union GMB and our industry body UKOOG signed a joint charter in support of the development of shale gas, focusing on safety, skills and supply chain development. Working together they will help build understanding among local communities and further bolster the strong safety and regulatory standards of the sector.

Health and Safety

Health and safety is of paramount importance to us in providing the highest level of protection to our employees, contractors, visitors, neighbours and the environment. While cost cutting is clearly a focus in the current climate, we will not compromise on the integrity and safety of our operations.

I am delighted that we have been awarded a RoSPA Gold Award for the ninth consecutive year.

IGas in the Community

IGas is committed to building strong, sustainable relationships and being a good neighbour - we believe it is both fundamental to our success as an operator and an essential part of our everyday operations.

We have now announced the successful recipients of the 2015 round of our IGas Energy Community Fund. This independently administered fund was established to help local communities located close to the oil and gas exploration and production sites where we operate and over the past six years has delivered some £500,000 worth of grants.

Financial Review

	Year to 31 March 2015[1]	Year to 31 March 2014[5]
Revenues	**£58.2m**	£75.9m
EBITDA[2,6]	**£21.6m**	£34.2m
Underlying operating profit[3,6]	**£8.6m**	£20.3m
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Net cash from operating activities	**£26.5m**	£25.1m
Net debt[4]	**£86.4m**	£80.4m
Cash and cash equivalents	**£19.0m**	£28.3m
Net assets	**£146.6m**	£74.3m

Notes

1 On 16 October 2014 the Company completed the acquisition of Dart Energy Limited ("Dart") and therefore the 2015 results reflect approximately five months' contribution from the Dart Group

2 EBITDA relates to earnings before net finance costs (£12.5m) (2014: £12.5m), tax credit (£23.8m) (2014: tax charge £10.3m), depletion, depreciation and amortisation (£13.0) (2014: £14.1m), acquisition costs (£0.9m) (2014: £nil), impairment of oil and gas assets (£3.9m) (2014: £nil) and relinquishment and impairment exploration and evaluation assets (£15.4m) (2014: £3.3m)

3 Underlying operating profit excludes the gains on oil price derivatives (£7.0m) (2014: £2.1m loss), charges under share based payments £1.5m (2014: £0.5m), acquisition costs (£0.9m) (2014: £nil), impairment of oil and gas assets (£3.9m) (2014: £nil) and relinquishment and impairment of exploration and evaluation assets (£15.4m) (2014: £3.3m)

4 Net debt is borrowings less cash and restricted cash

5 On 6 December 2013 the Company completed the acquisition of Caithness Oil Limited and therefore the 2014 results reflect approximately four months' contribution from Caithness Oil Limited

6 EBITDA and underlying operating profit are considered by the Company to be useful additional measures to help understand underlying performance

The year ended 31 March 2015 has been one of significant change for the Group, including the completion of the acquisition of Dart, the requirement to reduce costs in light of the weaker oil price environment and the announcement of the farm-out with INEOS. The benefits to the Group of the cost savings are already having an impact, and the expected total charges to the Group for net operating costs and S,G&A to below US$40/bbl for the year to 31 March 2016, excluding reorganisation costs.

On 16 October 2014, the Company completed the acquisition of Dart by way of a Scheme of Arrangement for £67.4m which was financed by issuing 89,997,626 ordinary shares. The acquisition represented a good opportunity to increase the Group's existing shale acreage across key basins and added to the Group's already significant acreage position.

In March 2015, the Group announced the farm-out of certain licences in the North West and East Midlands and the Group's participating interest in the acreage held under PEDL 133 in Scotland to INEOS. The consideration for IGas' participating interests comprises £30m cash and a funded forward work programme of up to £138mgross, of which IGas' share to be funded fully by INEOS, is expected to amount to approximately £65m.

The acquisition completed on 6 May 2015, post the balance sheet date, and therefore the consideration received and recognition of the farm-out is not included in these results.

However, following the announcement of the farm-out, and in light of the likely receipt of monies from INEOS, the Group took the opportunity to repurchase bonds with a face value of US$15.7m; including US$1.0m of unsecured bonds in March 2015. The average price paid for the bonds was 84 cents on the dollar.

IGas continues to benefit from its ongoing hedging programme. The significant hedging we had in place in the year to 31 March 2015, resulted in receipts of £5.9m (US$8.4m) from our hedging counterparties. We currently have 630,000 barrels hedged in the period from 1 July 2015 to September 2016. This is through a mixture of puts, swaps and zero-cost collars, with downside protection ranging from US$55 to US$84 per barrel and at an average of c.US$67 per barrel. We continue to actively manage the hedging of our production.

Income Statement

The Group recorded revenues of £58.2m in the year (2014: £75.9m), £50.4m excluding third party oil of £7.7m (2014: £65.5m). As stated above, the Group completed the acquisition of Dart on 16 October 2014 and therefore the income statement includes approximately five months' impact from Dart and its subsidiaries.

Group production in the year was 999,003 boe (2014: 1,015,866 boe), representing an average of 2,737 boepd (2014: 2,783 boepd).

The average realised price per barrel pre-hedge was £51.7 (US$84.1) (2014: £66.5 (US$106.1)) with narrow discounts to Brent continuing to be achieved. After taking into account the cash effect of hedging, which amounted to an average of £6.1 (US$9.9) per barrel (2014: cost £2.0 (US$3.2)), the average realised oil price was £57.8 (US$94.0) (2014: £64.5 (US$102.9)) per barrel.

On average, oil prices for the year were lower than the prior year due to the oil price falling significantly in the second half of the year (H1 2015: £ 62.1/bbl (US$104.2/bbl post hedge), H2 2015: £53.9/bbl (US$82.7/bbl post hedge)).

The Company hedges its oil production through the use of a mixture of puts, swaps and zero cost collars, therefore minimising the cost moving forward. At 31 March 2015, the Group's derivative instruments had a net positive fair value of £1.4m (2014: negative fair value £0.1 m).

Cost of sales of £42.7m (2014: £47.9m), includes depreciation, depletion and amortisation ("D,D&A") of £12.8m (2014: £13.9m) and operating costs of £29.9m (2014: £34.1m) including £7.2m in relation to third party oil (2014: £9.9m). Operating costs per barrel of oil equivalent ("boe") were £21.5 (2014: £23.3), excluding costs associated with third party oil. Operating costs include transportation costs of £3.01/boe (2014: £2.84/boe) and the costs of our well service team of £2.35/boe (2014: £3.45/boe). Net back per boe (on a profit and loss basis, post hedging) was US$45.5 (£28.0) (2014: US$53.1 (£33.3)). The fall in net back for the year was due to the oil price significantly falling in the second half of the year (H1 2015: £ 26.0 (US$43.6), H2 2015: £9.5 (US$14.7)).

Administrative expenses excluding Dart (£1.1m) were £7.5m (2014: £7.8m). A charge for impairment of £15.4m (£7.9m net of associated deferred tax credit) (2014: £3.3m (£1.7 net of associated deferred tax credit)) was incurred during the year for exploration and evaluation assets following the relinquishment of PEDL 78-2 exploration licence in Staffordshire and the impairment of the exploration and evaluation asset at Singleton and Baxters Copse, in light of current oil prices. There was also an impairment charge of £3.9m (£2.0m net of associated deferred tax credit) (2014: nil) for oil and gas assets associated with the Singleton and Gainsborough fields, in light of current oil prices. Gain on oil price derivatives was £7.0m (2014: £2.1m).

Net finance costs were £12.5m (2014: £12.5m), which primarily relates to the net effect of bond interest payable £12.6m and net revaluation loss of £6.3m, due to the weakening of pound sterling versus the US dollar over the past twelve months (1.6672 at 31 March 2014 vs 1.4845 at 31 March 2015), offset by a realised gain on the bonds repurchased of £1.4m and a gain on the fair valuation of warrants outstanding of £5.3m.

Other income amounted to £0.3m (2014: £0.2m).

Gross profit of £15.4m was recognised in the year (2014: £28.0m) with underlying profit of £8.3m (2014: £20.3m).

Cash Flow

Cash and cash equivalents at 31 March 2015 were £19.0m (2014: £28.3m).

Cash generated from operating activities in the year amounted to £26.5m (2014: £25.1m).

In March 2015, the Company repurchased bonds with a face value of US$15.7m for US$13.2m.

During the year, the Group repaid £5.2m (US$8.3m) of debt principal in addition to interest of £11.5m (US$18.5m) relating to the secured bonds.

The Group's capital expenditure in the year ended 31 March 2015 was £16.4m (2014: £14.4m).

Balance Sheet

The Group's non-current assets increased by £54.3m during the period to £300.0m, principally due to the acquisition of Dart and the drilling of the well at Ellesmere Port. The Dart acquisition has been accounted for as a business combination by the acquisition method of accounting with an effective date of 16 October 2014, being the date the Group gained control of Dart. Goodwill of £5.4m was added to the balance sheet due to the acquisition of Dart.

Borrowings at the balance sheet date were £107.5m (US$159.7m) (2014: £108.6m (US$181.6m)).

Net debt, being borrowings less cash and restricted cash, at the year-end amounted to £86.4m (2014: £80.4m).

There is current tax payable of £1.1m which relates to supplementary charge arising on the disallowed finance costs for supplementary charge tax purposes.

There was a deferred tax credit in the year of £24.9m, primarily as a result of the recognition of deferred tax assets, deferred tax credits associated with exploration write-offs and impairments, the recognition of certain tax losses and other temporary timing differences within the Group. This has reduced the deferred tax liability to £32.8m as at the balance sheet date. As at 31 March 2015, the Group has corporation tax losses of £56.9m.

Outlook

Over the next twelve months we anticipate acquiring further seismic data, securing new sites and submitting several planning applications for exploration/appraisal wells and flow tests. We will also drill further exploration/appraisal wells including at our site in the East Midlands and anticipate this will start in H1 2016. Whilst ultimately the timing will be driven by planning and permitting, we are planning for two flow test wells in late 2016/early 2017.

In respect of our existing producing assets, our forward work programme will include a number of side-tracks, the continuation of the Welton and Gainsborough water injection pilots and the "digital oilfield" initiative. We are also looking to progress the monetisation of our stranded gas assets utilising mini CNG technology. The aim of these initiatives is to at least maintain production at current levels and replace reserves at the 2P level.

Applications for licences (PEDLs) in the 14^{th} onshore licensing round closed in October 2014. We still await announcement of the licence awards.

Having implemented the cost savings outlined, and following the completion of the farm-out to INEOS in May, with £46.4m of cash on the balance sheet as 31 May 2015, the Group is well placed to deliver against its strategy.

Risks and Uncertainties

The Group constantly monitors the Group's risk exposures and reports to the Audit Committee and the Board on a regular basis. The Audit Committee receives and reviews these reports and focuses on ensuring that the effective systems of internal financial and non-financial controls including the management of risk are maintained. The results of this work are reported to the Board, which in turn performs its own review and assessment.

Risk	Magnitude	Mitigation
Planning, environmental, licensing and other permitting risks associated with its operations and, in particular, with drilling and production operations.	High	The Group considers that such risks are partially mitigated through compliance with regulations, proactive engagement with regulators, communities and the expertise and experience of its team.
No guarantee can be given that oil or gas can be produced in the anticipated quantities from any or all of the Group's assets or that oil or gas can be delivered economically.	Medium	The Group considers that such risks are mitigated partly given that its producing assets are located in established oil and gas producing areas coupled with the extensive expertise and experience of its operating staff.
Successful development of shale gas resources	Medium - High	Investment in further data acquisition - core/log data and successful flow tests required
Exposure to market price risk through variations in	High	The Group has hedged a total of 630,000 barrels over

the wholesale price of oil in the context of the production from oil fields it owns and operates.		the period to 30 September 2016, through a mixture of put and zero cost collars and capped swaps. The Board will seek to underpin the Group's future cash flows by entering into a combination of put and call options structured at zero cost for baseline production to cover on average 12 months forward. The Board will continue to monitor the benefits of such hedging.
Exposure to market price risk through variations in the wholesale price of gas and electricity in the context of its future unconventional production volumes.	Medium	Currently the Group has not entered into any forward contracts to fix the prices of these commodities. The Board will continue to monitor the benefit of entering into such contracts at the appropriate time.
Exposure to exchange rate risk through both its major source of revenue and its major borrowings being priced in US$.	Medium	The sterling denominated oil price Puts have been taken out in order to mitigate this risk as it affects the need to fund operating and administration costs which are normally paid in pounds sterling.
Exposure, through its operations, to liquidity risk.	Medium	The Board regularly reviews the Group's cash forecasts and the adequacy of available facilities to meet the Group's cash requirements.
The Group is exposed to capital risk resulting from its capital structure, including operating within the covenants of its existing bond agreements	Low	The capital structure is continually monitored to ensure it is in line with the business needs and ongoing asset development. Further details of the Group's capital management policy are disclosed in note 23 to the consolidated financial statements.
Exposure to political risk. This can include changes in Government or the effect of local or national referendum. These political risks can result in changes in the regulatory or fiscal environment (including taxation) which could affect the Group's ability to deliver its strategy.	Medium	Through UKOOG and other industry associations the Group engages with government and other appropriate organisations to ensure the Group is kept abreast of expected potential changes and takes an active role in making appropriate representations.
The Group is also exposed to a variety of other risks including those related to: • operational matters (including cost increases, availability of equipment and successful project execution); • competition; • key personnel; and		

• litigation		

Going concern

The Group's principal activity and principal risks and uncertainties are set out above. The ability of the Group to operate as a going concern is dependent upon the continued availability of future cash flows and the availability of the monies drawn under its Bonds, which in turn is dependent on the Group not breaching covenants.

The Group regularly monitors forecasts to determine whether or not breaches are forecast to occur in the future. These forecasts for the Group are regularly produced based on, inter alia, the Group's production and expenditure forecasts, management's best estimate of future oil prices (based on recent forward curves, adjusted for the group's hedging programme) and the Group's borrowing facilities. Sensitivities are run to reflect different scenarios including, but not limited to, possible reductions in commodity prices below the current forward curve and reductions in forecast oil and gas production rates.

Due to the current weakness in oil and gas prices, the directors have implemented a series of cost saving initiatives to reduce both operating costs and G&A spend.

On the basis of the Group's current forecasts, no breaches in covenants are anticipated. However these forecasts are based on certain assumptions particularly in relation to oil prices, production rates, operating costs, capital and general expenditure.

Despite the significant recent reduction in oil price, the Group is protected to a material degree against short term volatility. Over the period to 31 March 2016, 480,000 barrels are hedged using a mixture of puts, swaps and zero-cost collars, with downside protection ranging from US$55.0 to US$84.0 per barrel. In this period of volatility the Board has also hedged out 150,000 barrels of production to 30 September 2016 through swaps at an average strike price of approximately US$65 per barrel. The Board continues to actively manage the hedging of production and add to the hedged position on a regular basis to ensure that it is well protected against any short or longer term fluctuations in oil price whilst balancing this against any potential credit exposure to our hedging counterparties, which could be created through a significant improvement in the oil price.

The Board has also considered its response to further significant and sustained falls in the oil price or if baseline or incremental production varies materially from forecasts. The Board has considered a number of potential actions were these to occur, including opportunities for further cost reduction, further hedging activities and portfolio management, including monetising certain of the group's current exploration and appraisal assets. These potential actions would be in order to continue to meet the current covenants. In the ordinary course of business, the Board keeps under review its financing arrangements and if it is perceived that these arrangements could be detrimental to the operational and strategic objectives of the Group, it would engage proactively with bondholders, with whom the Group has an ongoing and positive dialogue.

The Directors consider that the expected operating cash flows of the Group combined with the current Bonds give them confidence that the Group has adequate resources to continue as a going concern.

Consolidated Income Statement

For the year ended 31 March 2015

	Notes	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Revenue	4	**58,160**	75,917
Cost of sales:			
Depletion, depreciation and amortisation		**(12,805)**	(13,878)
Other costs of sales		**(29,927)**	(34,062)
Total cost of sales		**(42,732)**	(47,940)
Gross profit		**15,428**	27,977
Administrative costs		**(8,545)**	(7,875)
Relinquishment of exploration and evaluation assets	9	**(224)**	(3,259)
Impairment of exploration and evaluation assets	9	**(15,182)**	-
Impairment of oil and gas assets	10	**(3,946)**	-
Other income		**254**	174
Gain/(loss) on oil price derivatives		**7,018**	(2,095)
Operating (loss)/profit		**(5,197)**	14,922
Exceptional item			
Costs relating to acquisitions	8	**(867)**	(47)

Finance income	5	**6,902**	7,893
Finance costs	5	**(19,362)**	(20,422)
Net finance costs		**(12,460)**	(12,529)
(Loss)/profit on ordinary activities before tax		**(18,524)**	2,346
Income tax credit/(charge)	6	**23,769**	(10,277)
Profit/(loss) after tax from continuing operations attributable to equity shareholders of the Group		**5,245**	(7,931)
Loss after tax from discontinued operations		**(80)**	-
Net profit/(loss) attributable to equity shareholders of the Group		**5,165**	(7,931)
Continuing operations:			
Basic earnings/(loss) per share (pence/share)	7	**2.12p**	(4.10p)
Diluted earnings/(loss) per share (pence/share)	7	**2.08p**	(4.10p)
Adjusted basic earnings per share (pence/share)	7	**4.71p**	2.88p
Adjusted diluted earnings per share (pence/share)	7	**4.64p**	2.88p
Profit/(loss) attributable to equity shareholders:			
Basic earnings/(loss) per share (pence/share)	7	**2.09p**	(4.10p)
Diluted earnings/(loss) per share (pence/share)	7	**2.05p**	(4.10p)
Adjusted basic earnings per share (pence/share)	7	**4.68p**	2.88p
Adjusted diluted earnings per share (pence/share)	7	**4.60p**	2.88p
Profit/(loss) for the year		**5,165**	(7,931)
Currency translation adjustments		**(3,035)**	-
Total comprehensive Income/(loss) for the year		**2,130**	(7,931)

Consolidated Balance Sheet

As at 31 March 2015

	Notes	31 March 2015 £000	31 March 2014 £000
Non-current assets			
Intangible exploration and evaluation assets	9	**150,999**	90,997
Property, plant and equipment	10	**104,314**	115,478
Goodwill		**44,644**	39,227
		299,957	245,702
Current assets			
Inventories		**960**	1,344
Trade and other receivables		**7,036**	11,403
Cash and cash equivalents		**19,025**	28,301
Other financial assets - restricted cash		**2,097**	-
Derivative financial instruments		**1,574**	-
		30,692	41,048
Assets classified as held for sale		**5,013**	-
		35,705	41,048
Current liabilities			
Trade and other payables		**(6,866)**	(10,960)
Current tax liabilities		**(1,085)**	-
Borrowings	11	**(5,310)**	(4,948)
Other liabilities		**(349)**	(6,804)
Derivative financial instruments		**(201)**	(50)
		(13,811)	(22,762)
Liabilities associated with assets classified as held for sale		**(5,998)**	-
		(19,809)	(22,762)
Net current assets		**15,896**	18,286
Total assets less current liabilities		**315,853**	263,988
Non-current liabilities			
Borrowings	11	**(102,229)**	(103,753)
Deferred tax liabilities		**(32,811)**	(57,665)
Provisions		**(28,826)**	(28,248)

Contingent deferred consideration	**(5,367)**	-
	(169,233)	(189,666)
Net assets	**146,620**	74,322
Capital and reserves		
Called up share capital	**26,446**	17,226
Share premium account	**117,463**	58,933
Capital redemption reserve	**41,239**	41,239
Foreign currency translation reserve	**(3,035)**	-
Other reserves	**1,264**	(667)
Accumulated deficit	**(36,757)**	(42,409)
Shareholders' funds	**146,620**	74,322

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Called up share capital	Share premium account	Capital redemption reserve	Foreign currency translation reserve	Other reserves	Accumulated deficit	Total
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2013	15,407	37,747	41,239	-	(797)	(34,478)	59,118
Changes in equity for year ended 31 March 2014							
Total comprehensive loss for the year	-	-	-	-	-	(7,931)	(7,931)
Employee share plans	-	-	-	-	130	-	130
Warrants exercised	-	9,508	-	-	-	-	9,508
Issue of shares during the year	1,819	11,678	-	-	-	-	13,497
Balance at 31 March 2014	17,226	58,933	41,239	-	(667)	(42,409)	74,322
Changes in equity for year ended 31 March 2015							
Total comprehensive profit for the year	-	-	-	-	-	5,165	5,165
Employee share plans	-	-	-	-	2,418	-	2,418
Lapse of LTIPs under the employee share plan	-	-	-	-	(487)	487	-
Warrants exercised	-	1,117	-	-	-	-	1,117
Issue of shares during the year	9,220	57,413	-	-	-	-	66,633
Currency translation adjustments	-	-	-	(3,035)	-	-	(3,035)
Balance at 31 March 2015	**26,446**	**117,463**	**41,239**	**(3,035)**	**1,264**	**(36,757)**	**146,620**

Consolidated Cash Flow Statement

For the year ended 31 March 2015

	Notes	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Operating activities:			
(Loss)/profit before tax for the year		**(18,524)**	2,346
Depreciation, depletion and amortisation		**13,031**	14,069
Share based payment charge		**1,487**	494
(Loss)/gain on derivative financial instruments		**(1,422)**	46
Finance income	5	**(6,902)**	(7,893)
Finance costs	5	**19,362**	20,422
Decrease/(increase) in trade and other receivables and other financial assets		**5,755**	(1,631)
(Decrease) in trade and other payables, net of accruals related to investing activities		**(5,920)**	(2,537)

Decrease/(increase) in inventories		**383**	(287)
Relinquishment of exploration and evaluation licenses	9	**224**	3,259
Impairment of exploration and evaluation licenses	9	**15,182**	-
Impairment of oil and gas assets	10	**3,946**	-
Abandonment costs incurred		**(95)**	(168)
Other non-cash adjustments		**(24)**	36
Taxation paid*		**(15)**	(3,006)
Net cash from operating activities		**26,469**	25,150
Investing activities			
Acquisition of exploration and evaluation assets		**(11,033)**	(9,875)
Acquisition of property, plant and equipment		**(5,775)**	(4,499)
Acquisitions, net of cash acquired	8	**2,524**	2
Disposal of investment		**1,500**	-
Disposal of exploration and evaluation assets		**375**	-
Interest received		**70**	87
Net cash used in investing activities		**(12,339)**	(14,285)
Financing activities			
Cash proceeds from issue of Ordinary Share Capital		**997**	4,451
Share issue costs		**(1,882)**	-
Interest paid		**(11,548)**	(10,568)
Cash proceeds from loans and borrowings**		**-**	24,505
Loan issue costs		**-**	(3,690)
Repayment of loans and borrowings		**(13,688)**	(5,128)
Net cash (used in)/from financing activities		**(26,121)**	9,570
Net (decrease)/increase in cash and cash equivalents in the year		**(11,991)**	20,435
Net foreign exchange difference		**2,715**	(1,965)
Cash and cash equivalents at the beginning of the year		**28,301**	9,831
Cash and cash equivalents at the end of the year		**19,025**	28,301

* 2014: Tax paid related to the tax payable of the acquired Star Group as at 18 December 2011.

** 2014: Cash proceeds from loans and borrowings are shown net and consists of gross proceeds from bond borrowings of £126.2 million less repayment of Macquarie loan of £89.7 million and hedges and early cancellation fees of £12 million.

1 Corporate information

The financial information for the year ended 31 March 2015 set out in this announcement does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. An auditor's report has not yet been made on the Company's statutory accounts for the year ended 31 March 2015 and accordingly these have not yet been delivered to the registrar. The latest statutory accounts, including an auditor's report, delivered to the registrar were for the year ended 31 March 2014. This auditor's report was unqualified and did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006.

IGas Energy plc is a public limited company incorporated, registered in England and Wales and is listed on the Alternative Investment Market ("AIM"). The Company's principal area of activity is exploring for, appraising, developing and producing oil and gas resources in Great Britain.

2 Accounting policies

The accounting policies applied in this announcement are consistent with those of the annual financial statements for the year ended 31 March 2014, as described in those annual financial statements. The following amendments and standards which were applicable from 1 April 2014 were adopted: IAS32, IAS 36, IAS 39 and IFRIC 21. The adoption of these amendments and standards did not have a material impact on the Company's financial statements for the year ended 31 March 2015.

Statement of compliance

The unaudited consolidated financial statements of the Company have been prepared under the historical cost convention in accordance with International Financial Reporting Standards, adopted for use by the European Union ("IFRSs") as they apply to the Company for the year ended 31 March 2015 and with the Companies Act 2006.

The financial statements are presented in UK pounds sterling and all values are rounded to the nearest thousand (£000) except when otherwise indicated.

3 Basis of consolidation

The consolidated financial statements present the results of IGas Energy plc and its subsidiaries as if they formed a single entity. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are based on consistent accounting policies to the parent. All intercompany transactions and balances between Group companies, including unrealised profits arising from them, are eliminated in full. Where shares are issued to an Employee Benefit Trust, and the Company is the sponsoring entity, it is treated as an extension of the entity.

4 Revenue and segment information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segments and assess their performance, and for which financial information is available. In the case of the Group the CODM are the Chief Executive Officer and the Board of Directors and all information reported to the CODM is based on the consolidated results of the Group representing core (UK) and non-core (Rest of the World) operating segments. Therefore the Group has two operating and reportable segments as reflected in the Group's consolidated financial statements.

All revenue, which represents turnover, arises solely within the United Kingdom and relates to external parties. Revenues of approximately £25.1 million and £26.9 million were derived from the Group's largest two customers (2014: £29.7 million and £32.7 million).

The majority of the Group's non-current assets are in the United Kingdom.

	UK £000	**Rest of the World £000**	**Year ended 31 March 2015 Group £000**
Oil sales to external customers	57,297	-	57,297
Electricity sales to external customers	863	-	863
Segment operating loss	(4,722)	(475)	(5,197)
Exceptional items	(867)	-	(867)
Interest expense (note 5)	(12,562)	-	(12,582)
Net finance income excluding interest (note 5)			122
Profit before tax and discontinued operations			(18,524)
Other segment information			
Capital expenditure - exploration and evaluation	77,869	-	77,869
Capital expenditure - property, plant and equipment	5,811	6	5,817
Depletion, depreciation and amortisation	13,031	1	13,032

	UK/ Europe £000	Rest of the World £000	Year ended 31 March 2014 Group £000
Oil sales to external customers	74,805	-	74,805
Electricity sales to external customers	1,112		1,112
Segment operating profit	14,922	-	14,922
Exceptional items	(47)	-	(47)
Interest expense (note 5)	(11,756)	-	(11,756)
Net finance cost excluding interest (note 5)			(773)
Profit before tax and discontinued operations			2,346
Other segment information			
Capital expenditure - exploration and evaluation	12,512	-	12,512
Capital expenditure - property, plant and equipment	6,927	-	6,927
Depletion, depreciation and amortisation	14,069	-	14,069

5 Finance income and costs

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Finance income:		
Interest on short-term deposits	**119**	87
Foreign exchange gains	**-**	7,806
Other interest	**6**	-
Gain on Bond buyback (note 11)	**1,439**	-
Gain on fair value of warrants	**5,338**	-
Finance income recognised in income statement	**6,902**	7,893
Finance expense:		
Finance lease charges	**7**	-
Other interest	**12**	130

Interest on borrowings	**12,563**	11,626
Interest expense	**12,582**	11,756
Foreign exchange loss	**6,249**	-
Unwinding of discount on provisions	**531**	562
Loss on fair value of warrants	**-**	8,104
Finance expense recognised in income statement	**19,362**	20,422

6 Taxation

	Year ended 31 March 2015 £000	Yearr ended 31 March 2014 £000
UK corporation tax:		
Current tax on income for the year	**1,085**	-
Adjustments in respect of prior year	**-**	-
Total current tax charge/(credit)	**1,085**	-
Deferred tax:		
Current year (credit)/charge relating to the origination or reversal of temporary differences	**(8,151)**	10,317
Current year (credit)/charge relating to the movement due to the tax rate changes	**(14,200)**	-
Credit in relation to prior year	**(2,503)**	(40)
Total deferred tax (credit)/charge	**(24,854)**	10,277
Tax (credit)/charge on profit on ordinary activities	**(23,769)**	10,277

The majority of the Group's profits are now generated by "ring-fence" businesses which attract UK corporation tax and supplementary charge at a combined average rate of 59% (being 62% for the period from 1 April 2014 to 31 December 2014 and 50% from 1 January 2015 to 31 March 2015).

7 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) for the year attributable to the ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the year plus the weighted average number of Ordinary Shares that would be issued on the conversion of all the potentially dilutive Ordinary Shares into Ordinary Shares.

Adjusted basic EPS amounts are calculated by dividing the adjusted profit/(loss) for the year, after adjusting for exceptional items, "mark to market" valuation adjustments and other one-off costs listed below which do not reflect the trading of the Group, attributable to the ordinary equity holders of the parent by the adjusted weighted average number of Ordinary Shares outstanding during the year. It is noted that these adjustments do not reflect related tax effects.

Adjusted diluted EPS amounts are calculated by dividing the adjusted profit/(loss) for the year, after adjusting for exceptional items, "mark to market" valuation adjustments and other one-off costs listed below which do not reflect the trading of the Group, attributable to the ordinary equity holders of the parent by the weighted average number of Ordinary Shares outstanding during the year plus the weighted average number of Ordinary Shares that would be issued on the conversion of all the potentially dilutive Ordinary Shares into Ordinary Shares. It is noted that these adjustments do not reflect related tax effects.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Continuing operations:		
Basic EPS - Ordinary Shares of 10p each (Pence)	**2.12p**	(4.10p)
Diluted EPS - Ordinary Shares of 10p each (Pence)	**2.08p**	(4.10p)
Adjusted basic EPS - Ordinary Shares of 10p each (Pence)	**4.71p**	2.88p
Adjusted diluted EPS - Ordinary Shares of 10p each (Pence)	**4.64p**	2.88p
Discontinued operations:		
Basic EPS - Ordinary Shares of 10p each (Pence)	**(0.03)p**	-
Diluted EPS - Ordinary Shares of 10p each (Pence)	**(0.03)p**	-
Adjusted basic EPS - Ordinary Shares of 10p each (Pence)	**(0.03)p**	-
Adjusted diluted EPS - Ordinary Shares of 10p each (Pence)	**(0.03)p**	-
Total:		
Basic EPS - Ordinary Shares of 10p each (Pence)	**2.09p**	(4.10p)
Diluted EPS - Ordinary Shares of 10p each (Pence)	**2.05p**	(4.10p)
Adjusted basic EPS - Ordinary Shares of 10p each (Pence)	**4.68p**	2.88p
Adjusted diluted EPS - Ordinary Shares of 10p each (Pence)	**4.60p**	2.88p
Profit/(Loss) for the year from continuing operations attributable to equity holders of the parent - £000	**5,245**	(7,931)
Add back:		
(Gain) / loss on oil price derivatives*	**(7,018)**	2,095
Acquisition costs*	**867**	47
Relinquishment of exploration and evaluation assets*	**224**	3,259
Impairment of exploration and evaluation assets*	**15,182**	-
Impairment of oil and gas assets*	**3,946**	-
(Gain) on bond buyback	**(1,439)**	-

(Gain)/ loss on revaluation of warrants*	**(5,338)**	8,104
Adjusted profit for the year from continuing operations attributable to equity holders of the parent - £000	**11,669**	5,574

(Loss) from discontinued operations attributable to equity holders of the parent - £000	**(80)**	-

Adjusted profit from attributable to equity holders of the parent - £000	**11,589**	5,574

Weighted average number of Ordinary Shares in the year - basic and adjusted basic EPS	**247,605,481**	193,410,155
Weighted average number of Ordinary Shares in the year - diluted and adjusted diluted EPS	**251,739,366**	193,410,155

* These adjustments exclude the related tax effects.

There are 2,104,308 potentially dilutive options over the Ordinary Shares at 31 March 2015 (2014: 13,004,060 warrants and options), which are not included in the calculation of diluted earnings per share and adjusted earnings per share because they were anti-dilutive as their conversion to Ordinary Shares would decrease the loss per share.

8 Acquisitions

Acquisition of Dart Energy Limited

On 16 October 2014, the Company acquired the entire issued share capital of Dart Energy Limited ("Dart") on a share for share exchange basis and for a consideration of 89,997,626 Ordinary Shares of 10p each (the "Acquisition"). The fair value of that consideration was £67.4 million. The combination created a market leading onshore UK oil and gas Company with the largest area in the UK under licence of over 1 million net acres including major UK shale basins.

The non-core assets (those Dart assets located outside of the UK), have been classified on acquisition as assets held-for-sale.

The Dart acquisition has been accounted for as a business combination by the acquisition method of accounting with an effective date of 16 October 2014, being the date the Group gained control of Dart. Due to the inherently uncertain nature of the oil and gas sector, in particular, in valuing intangible exploration and evaluation assets, the fair values of certain assets and liabilities, most significantly exploration and evaluation assets, provisions, goodwill and related tax effects, are provisional.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Dart as at the date of acquisition were:

	Provisional fair value £'000
Assets	
Investments	1,566
Exploration and evaluation (note 9)	60,559
Other intangible assets*	2,374
Property, plant and equipment (note 10)	338
Cash and cash equivalents	2,525
Restricted cash	2,513
Other receivables	2,710
Assets classified as held for sale	2,343
	74,928
Liabilities	
Trade and other payables	(1,822)
Provisions	(4,076)
Contingent consideration	(5,367)
Liabiities associated with assets classified as held for sale	(1,718)
	(12,983)
Total identifiable net assets at fair value	**61,945**
Purchase consideration	**67,362**
Goodwill	**5,417**

* Other intangible assets include an option to acquire a partial interest in PEDL 169.

The fair value of contractual receivables amounts to £nil million. The gross value of the contractual receivables amounts to £nil million all of which is expected to be received.

Transaction costs in respect of the Dart acquisition of £0.86 million have been recognised in the Income Statement.

From the date of acquisition, Dart has contributed £nil million of revenue and £2.7 million loss towards the net loss before tax of the Group from continuing operations. If the combination had taken place at 1 April 2014, the Group's revenue from continuing operations for the year would have been £58.2 million and the Group's operating loss before tax and acquisition costs for the Group would have been £6.8 million.

Analysis of cash flows on acquisition

	£'000
Consideration paid for Dart net of cash acquired	2,525
Net cash flow on acquisition of Dart	**2,525**

Acquisition of Caithness Oil Limited (Renamed IGas Energy (Caithness) Limited)
On 6 December 2013, the Company acquired the entire issued share capital of Caithness Oil Limited ("Caithness"), an unlisted oil and gas exploration and production Company for a consideration of £7.9 million (including assumed borrowings of £7.9 million) which was funded by the issue of 7,488,301 ordinary shares of the company. In addition to increasing IGas' current production, the acquisition offers additional upside through utilisation of siginificant existing tax losses and monetisation of associated gas.

The accounting for the acquisition of Caithness as of 6 December 2013 (acquisition date) was provisionally determined in respect of the fair values of certain assets acquired and liabilities assumed in the financial statements for the year ended 31 March 2014. During the year ended 31 March 2015, the necessary valuations and assessments have been undertaken so that the accounting for this acquisition has been finalised.

There were no adjustments to the provisional fair values of identifiable assets and liabilities as previously reported.

9 Intangible exploration and evaluation assets

Transfer from other intangible assets
The option to acquire a partial interest in PEDL 169 (note 8) was exercised during the year. Upon exercise, the amount was transferred into exploration and evaluation assets.

Licence relinquishments
PEDL 78-2 of £0.2 million was written off during the year relating to previously capitalised expenditure on licences where the decision had been made to relinquish this license (2014: PEDL 107, 116 and SSPL 1481 of £3.3 million).

Impairment of exploration and evaluation assets
Due to the decline in the oil price, no further expenditure is planned in respect of a certain project. Therefore, the related expenditure of £15.2 million was impaired in the 12 months to 31 March 2015 (2014: £nil).

10 Property, plant and equipment

Impairment of oil and gas properties
Due to the decline in the oil price, oil and gas properties were tested for impairment. As a result, an impairment charge of £3.9 million was recognised in the 12 months to 31 March 2015 (2014: £nil).

11 Borrowings

	31 March 2015			31 March 2014		
	Within 1 year £000	Greater than 1 year £000	Total £000	Within 1 year £000	Greater than 1 year £000	Total £000
Bonds - secured*	5,310	83,294	88,604	4,948	87,186	92,134
Bonds - unsecured*	-	18,935	18,935	-	16,567	16,567
Total	5,310	102,229	107,539	4,948	103,753	108,701

* Transaction costs of raising debt of £3.2 million (2014: £3.7 million) have been netted off against the liability

Bond issuance

Secured bonds
On 21 March 2013, the Company and Norsk Tillitsmann ("Bond Trustee") entered into a Bond Agreement for the Company to issue up to US$165.0 million secured bonds. These bonds were subsequently listed on Oslo Bors.

The Bond carries a coupon of 10% per annum (where interest is payable semi-annually in arrears) and semi-annual amortisation of 2.5% of the initial loan amount. Final maturity on the notes will be 22 March 2018.

The Bond Agreement contains certain representations, warranties and covenants customary for an instrument of this nature. Such covenants include the provision of financial and reporting information, compliance with environmental law, maintenance of financial ratios and certain restrictions on mergers, acquisitions, joint ventures, granting of security, disposals, issuances of loans, incurrence of financial indebtedness and on payments of dividends by the Company and its operating subsidiaries. The Bond Agreement also contains customary events of default, the occurrence of which allows The Bond Trustee (on behalf of the bond holders) to accelerate outstanding bonds and terminate the commitments. Under the terms of the Secured Bond agreement, the Bondholders have a fixed and floating charge over intangible exploration and evaluation assets and property, plant and equipment.

During March 2015, the Company repurchased 14,667,530 secured bonds resulting in a gain of £1.3 million.

Unsecured bonds
On 11 December 2013, the Company and Norsk Tillitsmann ("Bond Trustee") entered into a Bond Agreement for the Company to issue US$30.0 million unsecured bonds, issued at 96% of par. These bonds were subsequently listed on the Alternative bond market in Oslo.

The Bond carries a coupon of 10% per annum (where interest is payable semi-annually in arrears) and has a borrowing limit of US$60.0 million. Final maturity on the notes will be 11 December 2018.

The Bond Agreement contains certain representations, warranties and covenants customary for an instrument of this nature. Such covenants include the provision of financial and reporting information, compliance with environmental law, maintenance of financial ratios and certain restrictions on mergers, acquisitions, joint ventures, granting of security, disposals, issuances of loans, incurrence of financial indebtedness and on payments of dividends by the Company and its operating subsidiaries. The Bond Agreement also contains customary events of default, the occurrence of which allows The Bond Trustee (on behalf of the bond holders) to accelerate outstanding bonds and terminate the commitments.

During March 2015, the Company repurchased 1,000,000 unsecured bonds resulting in a gain of £0.1 million.

12 Related party transactions
The information below sets out transactions and balances between the Group and related parties in the normal course of business for the year ended 31 March 2015.

Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Nexen Petroleum UK Limited is no longer considered related by virtue of having less than a 20% share interest in the Group.

C McDowell currently holds US$ 0.27 million (US$ 0.29 million) bonds issued in the Group. These bonds earn interest at 10% per annum. In the year ended 31 March 2015, the interest paid was US $0.03 million (2014:US$ 0.03 million). Accrued interest at 31 March 2015 amounted to US$0.8 thousand

(31 March 2014: US$0.8 thousand).

F Gugen currently holds no bonds as at 31 March 2015 (2014: US$2.80 milion bonds) issued by the Group. Bonds earn interest at 10% per annum. In the year ended 31 March 2015, interest paid was US$0.2 million (2014: US$ 0.4 million). There was no interest accrued at 31 March 2015 (31 March 2014: US$7.8 thousand).

The Directors of the Company are considered to be the only key management personnel as defined by IAS 24 - Related Party Disclosures. Transactions with key management personnel were as follows:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Short-term employee benefits	**1,485**	2,039
Share plan	**2,217**	186
	3,702	2,225

Short-term employee benefits: These amounts comprise fees paid to the Directors in respect of salary and benefits earned during the relevant financial year, plus bonuses awarded for the year.

Share plan: This is the cost to the Group of Directors' participation in LTIPs and VCP plans, as measured by the fair value of LTIPs and VCPs granted, accounted for in accordance with IFRS 2.

13 Subsequent events

Farm-out
On 10 March 2015, the Group entered into a farm-out and purchase agreement with INEOS Upstream Limited ("INEOS"). The transaction completed on 7 May 2015. INEOS acquired a 50% interest in IGas' UK Onshore PEDLs 147, 184, 189 and190 and a 60% interest in IGas' UK Onshore PEDLs 145, 193 and EXL 273, (the "Bowland Licences") in the North West of England. In addition, INEOS acquired IGas' entire working interest in the acreage held under PEDL 133 in Scotland. In the East Midlands, INEOS also has the option to acquire 20% in PEDLs 012 and 200. INEOS will assume operatorship of PEDLs 145 and 193 and EXL 273. IGas will retain operatorship of all other Bowland Licences.

In return, INEOS made a cash payment of £30 million on completion of the deal and provided a fully funded future work programme of up to £138 million gross, of which IGas' share is expected to amount to approximately £65 million.

PEDL 133 was acquired in the period as part of the Dart acquisition (note 8), for which E&E assets are recognised on a provisional basis. Based on the provisional value attributed to PEDL 133, the transaction may result in a gain on sale of that licence; however, due to the uncertainty of the provisional fair values of E&E assets, the potential gain on sale cannot currently be reliably estimated.

Restructuring
On 8 May 2015, the Group announced that it had undertaken a review of its cost base. The process included working with suppliers to make meaningful savings across the business and the Group also confirmed that it made the decision to reduce the size its workforce and number of consultants employed. Overall, there is expected to be headcount reductions of more than 25% including the closure of the former Dart office in Stirling, Scotland. The anticipated cost of this restructuring is expected to be c.£2.8 million which will be incurred in 2015/16. These costs include those relating to all payments to directors and persons discharging managerial responsibilities where employment has been, or is expected to be, terminated in connection with the restructuring, including Andrew Austin whose employment ended on 31 May 2015.

Divestment
On 20 May 2015, the Group (via its subsidiary Dart Energy International Limited) signed a Sale and Purchase Agreement ("SPA") with NuEnergy Gas Limited to acquire 100% of the issued share capital of Dart Energy (Indonesia) Holdings Pte Ltd ("Dart Indonesia") for a cash consideration of US$1 million the amount held at the Balance Sheet date.

Hedging
Between April and June 2015, the Group entered into new hedging arrangements by acquiring a series of swaps, put and call options at zero cost for c. 330,000 barrels over the period to September 2016.

Issued shares
On 22 April 2015, the Company issued 479,160 Ordinary 10p shares in relation to the Groups SIP scheme.

14 Preliminary Results Announced

The Annual Report and Accounts 2015 will be posted to shareholders in due course and will be available on the Company's website (www.igasplc.com)