

Press Release

Significant progress on key projects in Italy and Tunisia

29 March 2006: AIM-quoted Independent Resources plc, the international gas storage and oil and gas exploration company, today told shareholders it has made significant progress on its three key projects in Italy and Tunisia.

In an announcement to the Stock Exchange, the company said it was in talks with possible strategic partners for Rivara, its proposed underground gas storage facility in northern Italy. It added that work was also progressing well on its Ksar Hadada exploration permit onshore Tunisia, and on the Fiume Bruna coal bed methane (CBM) project in Tuscany.

Independent Resources Executive Chairman Grayson Nash commented: "Since our admission to AIM last December, we have been very encouraged both by the results of our additional technical studies on Rivara and by the cooperation we are receiving from the Italian authorities at national, regional and local levels."

Mr Nash added: "Rivara's unique geological attributes and ideal geographical location are also generating interest among potential strategic partners. Our discussions with a leading European gas utility are continuing, and we have received additional unsolicited approaches from other interested companies. As work progresses, we will be exploring all options to create maximum value for our shareholders, and we are confident that our complementary exploration activities will further enhance our value."

In view of Italy's increasingly severe gas supply constraints, the government and regulatory authorities are encouraging Independent Resources to advance plans for Rivara as quickly as possible. Submission of an environmental impact assessment (EIA) is expected within the next month, and the company hopes to secure the necessary approvals before year-end.

Additional technical studies at Rivara have provided important and encouraging data on the reservoir's geological characteristics, enabling the company to identify the ideal location for the surface facilities. Acquisition of the 6.6 hectare site has been formally agreed with the landowner.

In Tunisia, the government has formally approved the company's farm-in to the Petroceltic-operated Ksar Hadada permit. Subject to drilling rig availability, well ST-3 on the large Sidi Toui oil and gas prospect is expected to be re-entered and tested during the third quarter of this year.

Further technical studies have also been successfully completed on the Fiume Bruna CBM project, enabling Independent Resources to identify an optimal location for an exploratory stratigraphic well that will provide valuable data for the environmental impact assessment and for planning the effective appraisal and development of Fiume Bruna. The well is expected to be drilled this summer, using a rig commonly available for water wells.

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Full Stock Exchange announcement follows

Independent Resources plc

Trading Update

- **Significant advances since admission**
- **Positive progress on environmental and technical assessment at Rivara**
 - **Unsolicited third party approaches re Rivara partnership**
 - **New evidence corroborating gas content at Fiume Bruna**
 - **Planning progressing for re-entry of Sidi-Toui 3**

Independent Resources plc (“Independent” or the “Company”), the international gas storage and oil and gas exploration energy company is providing a trading update in advance of the announcement of its interim results for the period ending 31st March 2006, scheduled for June 2006.

Since the admission of the shares of the Company to AIM in December last year, the board of Independent (the “Board”) believes that the Independent Resources Group (the “Group”) has made important progress in relation to its upstream oil and gas and gas storage facility development projects.

Additional technical studies at Rivara, the proposed underground gas storage facility in northern Italy, have provided encouraging data and the Group continues to engage in talks with possible strategic partners for Rivara. Work is also progressing well on the Ksar Hadada exploration permit onshore Tunisia with a view to retesting of the Sidi-Toui 3 well later this year, and on the Fiume Bruna coal bed methane (CBM) project in Tuscany.

An individual update in respect of each of the projects of the Group is set out below.

Rivara gas storage project (“Rivara”)

Since admission, significant advances have been made in the technical assessment of Rivara, the progress of environmental assessment studies and regulatory approval processes, and the negotiation of commercial partnership arrangements.

(i) Technical assessment

Additional technical assessment of Rivara performed since admission has provided measured confirmation of the sealing efficiency of the Rivara structure. A soil gas study and shallow water well analysis commissioned by the Group over the Rivara structure showed low readings of radon and helium, providing confirmation of the seal properties of Rivara. This study was performed by the INGV (Istituto Nazionale di Geofisica e Vulcanologia).

An observed determination of the reservoir's fracture direction has also been completed. This, together with an analysis of the optimal drainage configuration, and the measured permeability at the nearby Bignardi-1 well has enabled the formulation of a well-development plan which the directors believe should be extremely efficient and which is now the subject of review by a drilling management company.

The existing San Felice sul Panaro well is now planned to become the project's first appraisal well. Independent's drilling manager has produced a plan to re-enter, recondition and test this well. This well and its results are intended to be paired with a subsequent new well to complete the formal technical appraisal phase which will immediately succeed the final regulatory approvals to be granted following the project's environmental impact study.

An ideal site has been identified for the project's surface facilities. Approximately 6.6 hectares have now been formally secured.

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(ii) Environmental assessment and regulatory approvals

The environmental impact study is in its last stage and is expected to be submitted in April. In practice this study will form the final and formal basis for all levels of governmental and regulatory bodies to irrevocably approve the project's merits.

The Company has made several advance presentations to governmental and regulatory bodies, at the national, regional, and local levels. These presentations have been received very favorably, particularly in light of the severe Italian gas storage crisis.

Both the gas market Regulator and the energy secretariat of the Ministry of Productive Activities have encouraged the Company to continue progressing as quickly as possible and for these reasons the directors believe that the approval phase will be favorably expedited, with a conclusion before the end of the year.

(iii) Commercial partnership arrangements

The directors believe that the commercial potential of Rivara has been corroborated by the interest shown in this project by potential strategic partners. Discussions with a large integrated European gas utility continue. The Company has also received unsolicited approaches in relation to Rivara from other attractive potential partners. The Board will carefully explore all its options and seek optimal value for shareholders. The Company will update the market regarding material developments in this regard as appropriate.

Ksar Hadada onshore permit ("Ksar Hadada Permit")

The Tunisian government has now provided its formal written approval of Independent's farm-in to the Ksar Hadada Permit and this has been registered as required by Tunisian law.

On 20th March 2006, the joint operating agreement and farm-out in relation to the Group's interest in the Ksar Hadada Permit were signed by Petroceltic Ksar Hadada Limited (a subsidiary of Petroceltic International plc and the Operator of the Ksar Hadada Permit) and all other parties to the permit.

The directors continue to see good progress toward the re-entry and testing of well ST-3 on the large Sidi Toui prospect. Tunisian exploration activity in general remains buoyant and, as a consequence, rig demand is likely to remain at a high level for some time. However three rigs have now been identified as possible candidates for use and based on discussions to date the directors expect the date to spud to be during Q3 2006. The Directors will seek to accelerate the timing of this event if possible.

Collection from ETAP (the state energy company of Tunisia) and appraisal of the new data needed for re-mapping additional prospects and leads already identified in the permit area has begun.

Separately, Independent is in the final stages of selecting a company to provide drilling management services to oversee the whole ST-3 drilling process.

Fiume Bruna CBM project ("Fiume Bruna")

Significant advances have been made in relation to Fiume Bruna since December. The technical assessment of the project performed for admission has now been augmented with observed determinations of the coal's gas content at shallow depth. The directors believe that this has removed much of the uncertainty about the potential for the resource.

An ideal site has been identified to drill an exploratory stratigraphic well that is expected to produce vital data for the project's environmental impact study. This exercise is expected to provide further, valuable data on the nature of the resource, albeit at shallow depth. The directors believe that this data will assist the group in a more expedient completion of the environmental impact study and should yield a more timely response from regulatory authorities. In addition, the directors also believe that acquisition of this data will facilitate a more efficient appraisal and subsequent development plan.

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The Company has recently engaged Norwest Questa Engineering of Colorado as specialist CBM consultants to the Fiume Bruna Project. Questa are one of the leaders in this field and bring a wealth of knowledge and experience to the whole CBM exploitation process from exploration to full field development.