

## Press Release

### **Pressure from stored gas will be used to generate clean electricity**

**May 16, 2006:** AiM-quoted Independent Resources (IRG) plans to generate electricity from natural gas contained in its proposed underground gas storage facility (UGS) in Italy – without burning the gas.

Engineers at Independent Gas Management, a wholly-owned subsidiary of Independent Resources, have devised a process to extract additional, ultra-clean energy from the large volumes of natural gas that will be stored more than 2500 metres below ground within the Rivara UGS in northern Italy. As gas is withdrawn from the giant storage facility, the flow pressure will drive turbines that will generate electricity for use onsite and for export to the Italian grid.

Independent Resources Executive Chairman Grayson Nash said: “This very significant enhancement to our overall development concept for Rivara will not only provide us with a valuable extra revenue stream, but it will also create a highly efficient and environmentally friendly source of additional energy to help meet Italy’s ever-growing demand.”

Completion of the environmental impact assessment (EIA) for Rivara has been delayed slightly in order to incorporate this innovative proposal in the development plan, and is now expected to be submitted by mid-June. The Italian government and regulatory authorities are encouraging Independent Resources to advance plans for Rivara as quickly as possible in view of the country’s increasingly severe gas supply constraints.

The preliminary engineering design to exploit Rivara’s gas pressure involves four turbines with a total generating capacity of some 24MW, much of which would be operating as baseload electricity during peak demand periods for up to 85,000 MWh per year. Baseload power in Italy is currently averaging around 70 euros per MWh.

Independent Resources arrived on AiM in December 2005. In addition to Rivara, its assets include the Fiume Bruna coal bed methane (CBM) permit in Italy and a 40% interest in the Ksar Hadada onshore permit in Tunisia.

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