Press release No 12 - 2010

22 February, 2011

IGE devaluates its diamond portfolio

IGE Resources AB (OSE: IGE) today announced its fourth quarter and full year 2010 results. The fourth quarter results were strongly affected by a SEK 368 million write-down of the Company's diamond projects portfolio.

The development of IGE's diamond assets in Southern Africa was extremely challenging during 2010. Despite considerable efforts, the Luxinge, Angola, diamond project turned out not commercially viable. IGE decided to withdraw from the Luxinge project in December 2010. The Company has also decided to discontinue three other diamond projects in Angola. These four projects represent a combined write-down of SEK 156 million in the fourth quarter.

Commercialization of the diamond projects entering the portfolio through the Pangea acquisition in March 2010 has also been more challenging and capital intensive than anticipated at the time of the acquisition. IGE booked a fourth quarter write-down of SEK 212 million on the Pangea assets and infrastructure.

"Following the write-downs, IGE entered 2011 with a mineral resource base valued at SEK 396 million. We believe that this amount better reflects a conservative value assessment and future capital needs, as well as representing an improved basis for value creation going forward," said IGE CEO Tomas Fellbom.

IGE Resources had sales of SEK 4.2 million in the fourth quarter, while sales in the full year 2010 amounted to SEK 20.9 million. All sales are attributable to diamond sales from the Cassanguidi and Luxinge mines. The Company had no sales in 2009.

EBITDA for the quarter came in at SEK -32.5 million and SEK -110.3 million for the full year. Operating costs have increased significantly in 2010, reflecting increased activity in Cassanguidi and Luxinge mines (before shut-down of the latter) during 2010 and a more capital intensive development phase in the Rönnbäcken nickel project. 2009 EBITDA figures were SEK -14.5 million for the fourth quarter an SEK -40.5 million for the full year.

IGE's net loss for the fourth quarter was SEK 311.6 million and SEK 443.9 million for the full year. 2009 losses were SEK 14.7 million for the fourth quarter and SEK 44.9 million for the full year.

IGE's Cassanguidi, Angola, diamond mine experienced reduced output in the fourth quarter due to installation of new equipment, machinery breakdowns and the mining operations going through a less attractive area of the mine. The operation has since become more robust and the mine is gradually increasing its production. IGE's Bakerville diamond project, South Africa, was awarded mining right in January 2011 and preparations for commercial start-up are underway. Provided sufficient financing, Bakerville is expected to start commercial operation later this year. IGE is focusing on developing these two mines, leaving its remaining diamond projects in Southern Africa in license maintenance mode for the time being

The Rönnbäcken Nickel Project, Sweden, is moving forward according to plan and additional exploration provided a flow of encouraging results in the fourth quarter. The project's mineral resource base was also further increased in the quarter. Work on the Prefeasibility Study for the Rönnbäcken project has commenced and is expected to be completed in the third quarter next year. An update of the project economics is expected within the next few weeks. IGE is preparing an application for a separate listing of the Rönnbäcken project at the Toronto Stock Exchange. If approved, IGE expects the project to be listed during the second quarter 2011.

For additional information, please contact:

Tomas Fellbom
CEO, IGE Resources AB
Phone: +46 8 402 28 00 / Mobile: +46 73 322 57 86
E-mail: tomas.fellbom@ige.se

Thomas Carlsson
CFO, IGE Resources AB
Tel: +46 8 402 28 05 / +46 70 552 26 22
E-mail: thomas.carlsson@ige.se

***IGE Resources AB** (publ) is a Scandinavian company mainly focusing on diamonds exploration and production in Southern Africa. IGE's portfolio also includes one of Northern Europe's largest nickel deposits and gold exploration projects in Kenya. IGE is headquartered in Stockholm and its shares are listed on the Oslo Stock Exchange (ticker: IGE). Please refer to www.ige.se for more detailed information.*