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## IGE cuts costs and moves forward with caution

**IGE Resources AB (OSE: IGE) today announced the Company's second quarter 2011 results. An EBITDA of SEK -21.5 million and a SEK 23.2 million write-down, mainly caused by the company's withdrawal from its Cassanguidi, Angola diamond mine landed IGE's net result at SEK -41.8 million.**

IGE's net result in last year's second quarter was SEK -28.4 million. IGE's sales in the quarter were SEK 0.9 million, attributable to diamond sales from the Cassanguidi. Sales in last year's second quarter was SEK 6.3 million.

For the first half of 2011, IGE posted a net result of SEK -161.1 million compared to SEK -52.0 million last year. This year's result included significant write-downs on IGE's Angolan diamond operations, which the Company now has abandoned.

The withdrawal from Angola and a cost reduction programme has significantly reduced IGE's operating costs in the first half of 2011 compared to the previous year. IGE now enjoys a reduced cost base and will in the near term focus on moving forward with its Bakerville, South Africa diamond project, including further exploring promising structures in the license and bringing a partner into the project in order to finance the development of the diamond resource.

At the end of the second quarter, IGE decided to withdraw the planned IPO of its subsidiary Nickel Mountain Resources due to unfavourable stock market conditions. As a consequence, the budget for the next step in the development of the Rönnbäcken nickel resource has been revised. Activities towards a Prefeasibility Study for the project remain ongoing alongside efforts to secure alternative financing for the Rönnbäcken development.

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*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](http://www.ige.se) for more detailed information.*