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IGE reduces deficit and builds project value

IGE Resources AB (OSE: IGE) today announced the Company's fourth quarter and full year 2011 results. IGE's deficit was reduced for the fourth consecutive quarter, following extensive cost reductions. At the same time, diamond production at IGE's Bakerville mine in South Africa has commenced and the net present value of the Company's Rönnebäcken nickel project in Sweden has grown beyond USD 1 bn.

With no sales in the fourth quarter, IGE posted an EBITDA of SEK -8.3 million. EBITDA in the fourth quarter of 2010 was SEK -87.9 million. IGE's net result for the fourth quarter 2011 came in at SEK -8.4 million, compared to SEK -369.5 in 2010.

For the full year IGE reached an EBITDA of SEK -62.2 million, compared to SEK -150.0 million in 2010. Net result for 2011 was SEK -185.6 million including write downs of diamond projects in Angola in the first half. Net result the previous year was SEK -477.3 million. IGE's operating costs were reduced by 60 per cent in 2011.

As exploration and analyses at IGE's Rönnebäcken nickel project in Sweden moved forward in the fourth quarter and into 2012, the net present value of the project has been elevated to slightly above USD 1 billion. A financing scheme and a separate listing of the nickel project on the Oslo Stock Exchange were resolved by IGE's shareholders in November.

IGE's Bakerville diamond mine in South Africa commenced operations at year-end. The mine is operated by a contractor, who will carry all investments and mining costs going forward. IGE expects to benefit from a 50/50 profit sharing arrangement once the operations go beyond the point of break even, scheduled for the second half of 2012.

For additional information, please contact:

Thomas Carlsson
CFO and acting CEO, 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 asset management and development company within natural resources. IGE's portfolio currently consists of several diamond exploration and production assets in Southern Africa and Nickel Mountain Resources AB (publ) owning Scandinavia's largest nickel deposit. 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.