

INTERNATIONAL GOLD EXPLORATION IGE AB (PUBL)

Org. Reg. No 556227-8043

**International Gold Exploration IGE AB** (“IGE” or the “Company”) announced today results for the second quarter ended June 30, 2009. For the second quarter, IGE reported a net loss of MSEK -32.2 or SEK -0.07 per share, compared to a loss of MSEK -4.7 or SEK -0.01 per share in the second quarter of 2008. At June 30<sup>th</sup>, 2009 the Group had cash and cash equivalents of MSEK 17,1.

For the period ending June 30, 2009, the Company reported a net result of SEK -37.5 million or SEK -0.08 per share, compared to SEK -26.3 million in the first half of 2008.

The weakening of the US dollar has significantly contributed to the loss of the Group during the second quarter. The weaker dollar raised the amount of intercompany debts. While this does not affect- cash, it nonetheless increased the loss of the Group during the second quarter by MSEK -17.1. In addition, write down of assets due to the closure of operations in Burundi affected the result negatively, by about MSEK -1.

**Financial Summary**

(TSEK, except per share data)	Q2 2009	Six months ended June 30, 2009	Q2 2008	Six months ended June 30, 2008	Twelve months ended Dec 31, 2008
Other revenues	-	-	16,250	16,250	49,916
Operating profit	-31,459	-34,149	-5,931	-26,471	-49,800
Net result	-32,152	-37,461	-4,720	-26,279	-56,787
Cash at the end of the period	17,122	17,122	105,965	105,965	39,639
Interest bearing loans at the end of the period	36,155	36,155	-	-	24,929
Basic result per share	-0.07	-0.08	-0.02	-0.07	-0.16

In the second quarter of 2009, a number of targets were realized. Bulk sampling of diamonds began at the Luxinge project in Angola. Similarly, bulk sampling of gold started at our Kilimapesa joint venture in Kenya, and activity at our Rönnbäcken nickel project centred on completion of the scoping study, a critical phase for the project.

The situation in Angola has been challenging related to on-site management. This prompted a change of leadership in April, with the appointment of Phil Mason as Managing Director in Angola. Due to a temporarily lack of management on location in Angola during Q2, this caused some production delays. The situation is now resolved, and we are wholly focused on finalizing the feasibility study at Luxinge, which will allow us to obtain the mining license, raise diamond recovery and commence sales of diamonds. Around 6,000 carats (cts) of gem quality diamonds have been recovered to-date. These diamonds will be exported to Sodiam in Luanda for valuation, and an application will be submitted to the Minister of Geology and Mines to hold initial sales, before the mining license is received. The objective is to obtain the mining license for Luxinge in the fourth quarter of 2009. Phil Mason will also be submitting work programs to Endiama for our three other licenses covering Cariango, Lamage, and Luanguinga, in order to proceed with the next steps of exploration for kimberlites.

After experiencing a serious fall in prices, the market for rough diamonds is now improving, particularly for higher gem qualities. The effect of the delay in our diamond recovery has been mitigated by the improvement and stabilisation of the diamond market during recent months.

Regarding the Kenyan operations, IGE has agreed to sell its 50% interest in the Kilimapesa Gold project to its South African partner Goldplat PLC. We are awaiting final approval from the Ministry of Geology and Mines, in order to finalise the sales agreement. The exploration activities amongst our remaining Kenyan licences have been significantly reduced, during the period, as IGE has decreased investments until finances allow a resumption in activities. Small-scale exploration for gold continues to be carried out by company personnel, primarily within the Lolgorien and Akala licenses. Potential partnerships and collaborations related to our Kenyan licenses are currently under evaluation.

Work towards the completion of the scoping study of The Rönnbäcken nickel project in northern Sweden, has progressed according to plan during the second quarter. The final results will be available to IGE by the beginning of the fourth quarter of 2009. Our continued strategy concerning Rönnbäcken will be decided following review of the finalized scoping study. The latter will be essential for any planned partnerships on the Rönnbäcken project.

The results for the second quarter of 2009 demonstrate the flexibility offered by IGE's business model, as we have quickly adapted to the current economic situation by reducing the supply of capital for exploration investment. Our main objectives going forwards are to begin full-scale diamond production in Luxinge and to initiate exploration programs at our three other kimberlite concessions, and to complete the scoping study for the Rönnbäcken nickel project. "I am convinced that the market for commodities and capital will continue to improve during the autumn. Under such an environment, and given the current valuation of the Company, IGE will prove to be a promising investment going forward, building value for its shareholders" says Tomas Fellbom, CEO of IGE.

#### **Events during second quarter - International Gold Exploration IGE AB**

- IGE executed a bridge loan for further funding of operations within the IGE Group. The Board of IGE decided on May the 28<sup>th</sup> to secure a bridge loan totalling MSEK 20. The loan was provided by a restricted number of creditors. No guarantee commission or similar fee was paid, and consequently, IGE received the full issue amount of MSEK 20 net through the loan.
- IGE decided to delist its share from quotation on NGM Equity in Sweden. The board of IGE decided to delist the IGE share from quotation on NGM Equity in Sweden. The last day of trading was Friday the 5<sup>th</sup> of June 2009. The listing of the IGE share on the Oslo Stock Exchange (OB Match) remains in place.
- Timothy R George was elected as a new director of the board at the Annual General Meeting held in IGE in May 2009. Board members Ulrik Jansson and Uta Stoltenberg both announced that they would not offer themselves as candidates for re-election.

#### *IGE Diamond AB*

- IGE reported that it recovered the first 3,000 carats from the Luxinge alluvial diamond project. IGE's co-owned Luxinge diamond project in Angola was pleased to announce that the first parcel of 3,000 carats were recovered from the bulk sampling process in the concession area, yielding grades of up to 29 carats per hundred tonnes ("cph<sup>t</sup>"). This is an important milestone in the transition of IGE from a junior exploration company into a significant diamond producer.
- IGE appointed a new Managing Director to oversee its diamond activities in Angola. IGE announced that Phil Mason has been appointed as Managing Director of IGE Ltd, IGE's diamond subsidiary in Angola. Phil has 10 years experience in the diamond industry and has long-term African experience. He has been actively involved in both alluvial and kimberlitic production as Chief Engineer with ITM Mining in Angola. Phil holds a Bachelor of Science in Mechanical Engineering from Durham University in the UK.

### *IGE Nordic AB*

- IGE Nordic reported a significant increase of the mineral resource in the Rönnbäcken nickel project resource. IGE Nordic AB (“IGE Nordic”), a subsidiary of IGE announced an independent NI 43-101 compliant mineral resource estimate for the Rönnbäcken nickel project, northern Sweden, prepared by Scott Wilson Roscoe Postle Associates Inc. Canada. For the Vinberget deposit, an indicated resource is estimated to be 54.9 million tonnes with an average total nickel content of 0.187%, of which 0.137% is nickel in sulphide (Ni-AC) based on an open pit strip ratio of 0.46:1 and a nickel price of US\$7.50/lb. For the Rönnbäcksnäset deposit, located five kilometres northwest of Vinberget, an inferred resource is estimated to be 192.9 million tonnes with an average total nickel content of 0.178%, of which 0.107% is nickel in sulphide (Ni-AC) based on an open pit strip ratio of 0.80:1 and a nickel price of US\$7.50/lb. The estimated total contained nickel for Vinberget is 102 thousand tonnes, including 75 thousand tonnes in sulphides, and for Rönnbäcksnäset 343 thousand tonnes, including 206 thousand tonnes in sulphides.
- IGE Nordic agreed to sell its interest in the Gladhammar gold project to Wiking Mineral AB (“Wiking Mineral”) for 2 million SEK. The Gladhammar project was a 50/50 joint venture between IGE Nordic and Wiking Mineral.

### *IGE Africa*

- IGE agreed to sell its 50% interest in the Kilimapesa gold project to its joint venture partner. Through its wholly owned subsidiary Gold Mineral Resources Limited, IGE signed a Heads of Agreement with Goldplat PLC, to sell IGE’s 50% interest in Kilimapesa Gold (Pty) Limited (“Kilimapesa”). Goldplat PLC has agreed to pay US\$ 2.7 million for the acquisition. The parties have agreed to draft and conclude the Sale Agreement as soon as practicable.

### **Events after the expiration of the reporting period**

- Two new directors of the board were proposed by major shareholders in IGE. After the chairman of the board, Carl Ameln, resigned from the board of directors of IGE, the board of directors consisted of the members Ole Fredriksen, Lars Olof Nilsson and Timothy George and the deputy member Tony Saetre. John Afseth and Magne Aaby were proposed as directors at the extra general meeting of shareholders, on 22<sup>nd</sup> of July 2009. John Afseth were elected chairman of the Board.

### **Financial summary second quarter 2009**

- Result from operations during second quarter amounted to MSEK -31.5 (-5.9)
- Result after financial items during second quarter amounted to MSEK -32.2 (-4.7)
- Result after taxes during second quarter amounted to MSEK -32.2 (-4.7)
- Net result per share amounted to -0.07 SEK (-0.02).

### **Financial summary first half year 2009**

- Result from operations during first half year amounted to MSEK -34,1 (-26.5)
- Result after financial items amounted to MSEK -37.5 (-26.3)
- Result after taxes during first half year amounted to MSEK -37.5 (-26.3)
- Net result per share amounted to -0.08 SEK (-0.07)
- Cash flow was MSEK -22.4 (-21.7) and balance sheet amounted to MSEK 294.2 (286.5) at period end.

## Update on the 2009 work program:

### *IGE Diamond AB - Angola:*

#### **Luxinge Project**

IGE's Luxinge project currently holds a diamond exploration licence. In order for this to become a full commercial mining license, a prefeasibility study has to be concluded. As soon as the project has proven to be economically viable, the licence will be converted. During the second quarter of 2009, IGE has mainly focused on advancing work related to the feasibility study.

Before the licence is converted into a commercial mining licence, the potential sale of the first parcel of Luxinge diamonds has to be negotiated and approved by the Ministry of Geology and Mines. A program of diamond sales, during the exploration phase, is likely to be granted. It is important for IGE to obtain the mining licence as quickly as possible in order to establish a steady revenue stream from the Luxinge project. This will greatly contribute to the financing of the Group's operations.

Work on the prefeasibility study has commenced with trial mining implemented in the early part of the second quarter. Trial mining was initiated in order to ensure that the grades and quality of the diamonds is sustainable. It also gave indications on shortcomings related to the engineering, the process plant and personnel, which is very important for the management of the project going forward. The prefeasibility study is projected to be finalized and submitted during the beginning of the fourth quarter 2009.

At certain periods during the second quarter, operations had to be placed on hold due to bureaucratic issues concerning the entrance of management into Angola. The subsequent lack of management on the project site resulted in temporary disturbances in production. The arrival of a new geologist on site, has enabled IGE to add value to grade control and reporting. With management issues now solved, new controls and processes are being implemented accordingly.

Results from the trial mining have so far been encouraging. The project produced in excess of a 1,000 carats per week, during periods with no disturbances. By the end of the second quarter, the amount of diamonds recovered weighed about 5,800 cts. The areas within the licence area that are projected to be of more interest have so far shown good grades of above 0.33 carat/ m<sup>3</sup>, with an average stone size of 0.16 carat/stone. The largest diamond found, to-date, weighed 6.71 ct. During the trial mining period, the project managed to mine over 400 cts per day.

Prior to IGE's sale of its first diamond parcel, the diamonds will be sent for valuation by the state and by independent valuers.

Short term objectives for the work of the Luxinge project:

- a) Focus on obtaining a mining license for Luxinge, followed by a concentrated effort on increasing the production rate at the Luxinge Project. Short-term objectives (end 2009): 5,000 cts/month; long term objectives (2010): over 7,000 cts/months.
- b) Reduce costs related to both administration and operations in line with the strategy of new management.

#### **Cariango, Lacage and Luanguinga Projects**

Two of the other three diamond licences of IGE are on standby due to concerns regarding land mines. IGE considers the licences to be highly interesting in terms of kimberlite exploration, and the Company will continue its activities as soon as possible. IGE is planning to continue exploration on the Cariango, Luanguinga and Lacage properties in order to secure the maintenance of the licences, and to effectively create value. Work programs will be presented to Endiama.

With the alluvial production of the Luxinge project in Lunda Norte and the three interesting diamond licenses in its portfolio, IGE is well positioned within the diamond sector of Angola, when market conditions start to improve.

### **IGE Africa – Kenya/Burundi:**

IGE's operations in Kenya currently consist of exploration for gold within the four 100% held licences in the western part of Kenya, along with small-scale gold production at its 50% owned joint venture Kilimpesa Gold.

IGE's exploration activities in Kenya were maintained during the second quarter of 2009. Results were received from the 2,500 m drilling program on the East Lolgorien block, completed during the first quarter. They confirmed the presence of high-tonnage low-grade gold mineralization in the Lolgorien area, and in this case, its association with disseminated sulphides in a shale unit. However, the grade of the mineralization is irregular and low (mainly 2 g/t), and therefore did not warrant further work on this particular target. In May, 1,360 m were drilled by reverse circulation on the Masarura target, and trenching operations were carried out on several targets in the Akala area (all on Special License 91). Samples have been sent for assay at ALS Chemex laboratories in Mwanza, Tanzania.

Trenching operations are currently on-going on the Atili target, where low-grade and potentially high-tonnage gold mineralization has been noted. IGE is preparing to start diamond drilling on the targets of the Akala area, as soon as the trenching results are available.

Production continued, during the period, at IGE's 50%-owned Kilimapesa gold project in Lolgorien. The first consignment of concentrates and loaded carbons, containing about 86.5 ounces of gold, was sent to Rand Refineries in South Africa in May. In June 2009, IGE and Goldplat Plc entered into an agreement towards the sale of IGE's share in Kilimapesa Gold (Pty) Ltd for 2.7 M USD.

As IGE has much local competence and broad experience operating within the Lake Victoria region, the company is currently doing a major strategic review of possible opportunities for short-term gold mine development in the East Africa region around Lake Victoria. Strong focus lies on Tanzania where such opportunities are more likely to be identified. As the recent years have created much turbulence within the mining industry and the financial markets, IGE considers these gold prospects worth evaluating.

In Burundi, IGE maintained the closure of its operations. As at June 30<sup>th</sup>, no staff remained on IGE Burundi's payroll. The existing licenses were returned to the Government. Cost of closure for Burundi operations amounts to about MSEK 6.5 (write downs of assets and costs related to the dismissal of staff).

### **IGE Nordic AB:**

IGE Nordic's activities during the second quarter have centred on the completion of a Preliminary Assessment or scoping study of its 100% owned Rönnebäcken nickel project. The study is being prepared by the independent mining consultant Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson RPA"), Canada, and will be concluded during the fourth quarter of 2009.

In June, IGE Nordic commenced a summer field program of geological mapping and surveying to identify new drill targets, and to augment knowledge about the mineralogy and petrology of the areas around the Vinberget and Rönnebäcksnäset deposits. This work is being carried out in preparation for the next phase of drilling.

IGE Nordic sold its interest in the Gladhammar project outside Västervik to Wiking Mineral AB for MSEK 2. A joint venture between IGE Nordic and Wiking Mineral, the Gladhammar project was considered a non-core asset.

### **Highlights:**

1. The Preliminary Assessment under NI 43-101 regulations will include a preliminary open pit design, and economic analysis on the Rönnebäcken nickel project.
2. In conjunction with the Preliminary Assessment, Outotec Minerals Oy of Finland finalized Optimization Studies for the Processing Plant (Mill) and Outotec AB of Sweden finalized studies on infrastructure.

3. A NI 43-101 resource estimate completed earlier in April, provided an indicated resource estimate of 54.9 million tonnes with an average total nickel content of 0.187%, of which 0.137% is nickel in sulphide at the Vinberget deposit, and an inferred resource estimate of 192.9 million tonnes with an average total nickel content of 0.178%, of which 0.107% is nickel in sulphide at the Rönnbäcksnäset deposit. The estimated total contained nickel for Vinberget is 102 thousand tonnes, including 75 thousand tonnes in sulphides, and for Rönnbäcksnäset 343 thousand tonnes, including 206 thousand tonnes in sulphides.
4. IGE Nordic believes that there is excellent potential for further discoveries by exploration. Large areas of exposed serpentinite with nickel mineralization remain untested nearby in Vinberget and at Rönnbäcksnäset.
5. A field geology program was initiated for the summer, to identify new drill targets for the next phase of exploration.
6. An application for exploitation concession, including an Environmental Impact Assessment, is expected to be submitted by the end of the 4th quarter of 2009 or the beginning of the first quarter of 2010.

IGE Nordic has enlisted the services of Torsten Lundstrom to undertake an evaluation of power costs and the use of a hydropower dam for tailings disposal. Lundstrom was the former President and CEO of the Skelleftea Kraft AB power company.

At the Solvik gold-copper project, (IGE Nordic 50%, Archelon Mineral AB 50%), samples of soil were taken to delineate the gold anomaly, while samples of bedrock were taken to assay for gold in the quartz vein system found in outcrops. These samples have been sent for laboratory analysis and the results would be expected in the beginning of the 4<sup>th</sup> quarter.

The Norrsken Energy Joint Venture (IGE Nordic 49%, Energy Ventures Limited 51%) has been evaluating projects in Sweden in order to secure more advanced uranium resources.

The Administration of International Gold Exploration IGE AB (publ) hereby submit the interim report for the period January 1<sup>st</sup> to June 30<sup>th</sup> 2009.

### **Reporting period**

This Report covers the period of January 1<sup>st</sup> to June 30<sup>th</sup> 2009, with comparison figures from the corresponding period of the previous year and the most recent annual report.

### **Business description**

The Company's activities consist of exploration for mineral deposits and mining. The Company operates in Scandinavia and Africa.

### **Investments during the period**

Net investments during the period amount to MSEK 22.4 (43.5). The investments during the period mainly refer to the operations in the Luxinge diamond project and expenditures related to the advancement of the Rönnbäcken nickel project towards the completion of the scoping study.

### **Financial position**

Cash flow during the period was MSEK -22.4 (-21.7). The negative cash flow during the period is mainly related the development of the Luxinge diamond project and additional work related to the scoping study of the Rönnbäcken nickel project.

Cash and cash equivalents at period end amounted to MSEK 17.1 (106.0). Shareholders Equity amounted to MSEK 238.8 (278.6) at the reporting date, which results in an equity ratio of 81.2 percent (97.2).

The long-term liabilities of the Group are related to a loan given by Svenska Handelsbanken AB for the purchase of equipment from Volvo, amounting to about MSEK 17.3. The loan granted by Svenska Handelsbanken AB is guaranteed by the Swedish Credit Exports Guarantee Board (EKN) and has a duration of 3 years. The loan was raised in June 2008.

The short-term liabilities refer to a bridge loan, raised in May 2009, for further funding of the operations within the Group. The bridge loan was provided by a restricted number of creditors in Sweden.

### **Parent Company**

The Parent Company revenue during the interim period amounted to MSEK 0 (0). Result before tax amounted to MSEK -18.4 (-9.0). Cash and cash equivalents amounted to MSEK 12.8 (31.7) at the end of the reporting period. Investments during the reporting period amounted to MSEK -8.4 (3.4). The negative amount of investments are explained by write downs of assets referable to the operations in Burundi combined with a change of accounting principles related to Kilimapesa Gold (see note 1).

### **Pledged assets and contingent liabilities**

Pledged assets are MSEK 0.2 (0.1) and contingent liabilities are MSEK 0 (0).

### **IGE's share**

The IGE share was delisted from the Swedish stock exchange list "NGM-equity" during the reporting period. The delisting was based on the fact that the trading activity of the IGE share on NGM Equity was considered too small. Furthermore, for a Company with limited administrative resources, listing on two authorized stock exchanges was becoming onerous, with the result that the Board of IGE decided to delist the share.

The listing of the IGE share on the Oslo Stock Exchange (OB Match) will remain as before. The ticker symbol of the share is IGE.

**Upcoming reports and shareholders meetings:**

Q3 and 9 months interim report 2009: 26 November 2009  
Q4 and Year End report 2009: 25 February 2010

This Interim report has not been subject to special examination by the Company's auditors.

Stockholm August 27<sup>th</sup>, 2009



Tomas Fellbom  
Chief Executive Officer  
International Gold Exploration IGE AB (publ)



## Income statement – Group

(TSEK)	Note	Q2 2009	Q2 2008	Jan-June 2009	Jan-June 2008	2008
Other revenues	4	-	16,250	-	16,250	49,916
Change in stock		-	-1	-	-	-
Other external expenses	5	-23,721	-7,718	-15,344	-21,523	-31,883
Personnel expenses		-5,728	-7,672	-12,470	-14,317	-28,225
Other operating expenses	6	-1,074	-3,854	-1,074	-3,854	-
Depreciations and write downs		-936	-2,936	-5,261	-3,027	-39,608
<b>Operating result</b>		<b>-31,459</b>	<b>-5,931</b>	<b>-34,149</b>	<b>-26,471</b>	<b>-49,800</b>
Financial revenue	7	1,239	3,400	2,415	6,170	8,249
Financial expenses	7	-1,089	-2,189	-3,994	-5,978	-15,236
Total financial items		150	1,211	-1,579	192	-6,987
<b>Result before tax</b>		<b>-31,309</b>	<b>-4,720</b>	<b>-35,728</b>	<b>-26,279</b>	<b>-56,787</b>
Result from assets held for sale	10	-843	-	-1,733	-	-
Income tax		0	0	0	0	0
<b>Result for the period</b>		<b>-32,152</b>	<b>-4,720</b>	<b>-37,461</b>	<b>-26,279</b>	<b>-56,787</b>
Result for the period attributable to: Equity holders of the Parent Company		-32,152	-5,938	-37,461	-26,408	-46,351
Minority interest		-	1,218	-	129	-10,436
<b>Result for the period</b>		<b>-32,152</b>	<b>-4,720</b>	<b>-37,461</b>	<b>-26,279</b>	<b>-56,787</b>
Earnings per share before dilution		-0.07	-0.01	-0.08	-0.07	-0.16
Earnings per share after dilution		-0.07	-0.01	-0.08	-0.07	-0.16

## Group – Statement of comprehensive income Summary

TSEK	Q2 2009	Q2 2008	Jan-June 2009	Jan-June 2008	2008
Net result for the period	-32,152	-4,720	-37,461	-26,279	-56,787
Exchange differences during the period	4,419	-600	1,691	1,802	-8,502
Total comprehensive income	-27,733	-5,320	-35,770	-24,477	-65,289
<i>Total comprehensive income attributable to:</i> Equity holders of the Parent Company	-27,733	-5,320	-35,770	-24,477	-65,289

Earnings per share are attributable to shareholders of the Parent Company.

## Balance sheet – Group

(TSEK)	Note	30/06/2009	30/06/2008	2008
<b>ASSETS</b>				
<b>Tangible fixed assets</b>				
Mineral interests		135,234	81,100	112,938
Plant and machinery		51,266	23,530	52,933
<i>Long-term financial assets</i>				
Shares in associated companies	8	25,425	26,581	25,731
Receivables on associated companies		-	1,428	3,090
Long-term receivables		43,595	33,662	43,695
<b>Total fixed assets</b>		<b>255,520</b>	<b>166,301</b>	<b>238,387</b>
<b>Current Assets</b>				
Inventory		-	-	-
Account receivables		-	602	196
Other receivables		7,216	3,482	4,965
Prepaid expenses and accrued income		3,682	4,831	4,374
Short term investments	9	-	5,353	-
Cash and cash equivalents		17,122	105,965	39,639
<b>Total current assets</b>		<b>28,020</b>	<b>120,233</b>	<b>49,174</b>
Assets held for sale	10	10,676	-	-
<b>TOTAL ASSETS</b>		<b>294,216</b>	<b>286,534</b>	<b>287,561</b>
<b>EQUITY</b>				
	11,12,13			
<i>Equity attributable to equity holders of the parent company</i>				
Share capital		23,974	18,750	19,600
Unincorporated share capital		-	-	1,308
Other capital-contribution		376,104	324,182	348,277
Reserves		-4,263	4,351	-5,954
Retained earnings and profit for the period		-156,968	-102,091	-119,507
		238,847	245,192	243,724
Minority interest		-	33,361	-
<b>Total equity</b>		<b>238,847</b>	<b>278,553</b>	<b>243,724</b>
<b>Long term liabilities</b>				
Convertible loan	12	-	-	5,500
Interest bearing long term liabilities	14	16,155	-	19,429
Other long term liabilities		316	-	-
<b>Total long term liabilities</b>		<b>16,471</b>	<b>0</b>	<b>24,929</b>
<b>Current liabilities</b>				
Interest bearing short term liabilities	15	20,000	-	-
Account payables		2,786	3,458	10,391
Other liabilities		3,648	372	1,372
Accrued expenses and prepaid income		4,456	4,151	7,145
<b>Total current liabilities</b>		<b>30,890</b>	<b>7,981</b>	<b>18,908</b>
Liabilities referable to assets held for sale	10	8,008	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>294,216</b>	<b>286,534</b>	<b>287,561</b>
<b>PLEGDED ASSETS</b>		199	197	5,697

## Changes in Equity – Group

(TSEK)	Equity related to the shareholders of the parent company					Minority interest	Total Equity
	Share capital	Other capital contribution	Exchange differences	Retained earnings and profit for the year	Total		
<b>2008</b>							
Balance at 1 January 2008	17,050	268,102	2,548	-75,685	212,015	32,884	244,899
Disposal of subsidiary to minority interest company						350	350
Exchange differences			1,803		1,803		1,803
Total income and expenses recognised directly in equity			1,803		1,803		1,803
Net result for the period				-26,407	-26,407	129	-26,278
Total income and expenses for the period			1,803	-26,407	-24,604	129	-24,475
<b>Transactions with shareholders:</b>							
New share issue	1,700	56,080			57,780		57,780
<b>Closing balance at 30 June 2008</b>	<b>18,750</b>	<b>324,182</b>	<b>4,351</b>	<b>-102,091</b>	<b>245,192</b>	<b>33,363</b>	<b>278,553</b>
Disposal of subsidiary to minority interest company							
Exchange differences			-10,305		-10,305		-10,305
Acquisition of minority interest				2,529	2,529	-22,796	-20,267
Issued call options		390			390		390
Total income and expenses recognised directly in equity					-7,386	-22,796	-30,182
Net result April to December				-19,945	-19,945	-10,565	-30,510
Total income and expenses for the period July to December 2008				-17,416	-34,717		-34,717
<b>Transactions with shareholders:</b>							
New share issue	850	6,360			7,210		7,210
Non registered share capital	1,308	17,345			18,653		18,653
<b>Closing balance at 31 December 2008</b>	<b>20,908</b>	<b>348,277</b>	<b>-5,954</b>	<b>-119,507</b>	<b>243,724</b>	<b>0</b>	<b>243,724</b>
Balance at 1 January 2009	20,908	348,277		-119,507	243,724		243,724
Exchange differences			1,691		1,692		1,692
Issued call options		120			120		120
Total income and expenses recognised directly in equity		120	1,691		1,812		1,812
Net result for the period				-37,461	-37,461		-37,461
Total income and expenses for the period		120	1,691	-37,461	-35,650		-35,650
<b>Transactions with shareholders:</b>							
New share issue	3,066	27,707			30,773		30,773
<b>Closing balance at 30 June 2009</b>	<b>23,974</b>	<b>376,104</b>	<b>-4,263</b>	<b>-156,968</b>	<b>238,847</b>	<b>0</b>	<b>238,847</b>

\* The Parent company has not participated in the share issue

Total number of shares amounts to 479 473 828 as per 2009-06-30.

## Cash flow statement – Group

(TSEK)	Jan-June 2009	Jan-June 2008	2008
<b>Cash flow from operations</b>			
Result after financial items	-37,461	-26,279	-56,787
Adjustments for items not included in cash flow*	6,304	-6,831	-15,928
Income tax paid	-	-	-
<b>Total cash flow from operations before change in working capital</b>	<b>-31,157</b>	<b>-33,110</b>	<b>-72,715</b>
<b>Change in working capital</b>			
Increase/decrease in inventories	-1,346	15	16
Increase/decrease receivables	1,384	-192	-4,874
Increase/decrease in liabilities	-4,059	-3,711	-363
<b>Total cash flow from operations</b>	<b>-35,177</b>	<b>-36,998</b>	<b>-77,936</b>
<b>Cash flow used for investments</b>			
Cash holdings in acquired associated company	798	-	-1,617
Acquisition of intangible assets	-31,390	-13,405	-46,842
Sale of intangible assets	2,000	-	-
Acquisition of tangible assets	-139	-18,849	-40,902
Acquisition of shares in associated companies	-	-	-2,575
Acquisition of financial assets	-	-10,211	-10,812
Sale of financial assets	-	-	6,078
<b>Total cash flow used for investments</b>	<b>-28,730</b>	<b>-42,465</b>	<b>-96,670</b>
<b>Financial activities</b>			
New share issue	25,120	57,781	65,380
Raised credits	20,000	-	20,800
Amortization of debt	-3,640	-	-
<b>Total cash flow from financial activities</b>	<b>41,480</b>	<b>57,781</b>	<b>65,380</b>
Change in cash and bank	-22,427	-21,682	-88,426
Cash and bank at 1 January	39,639	127,827	127,827
Currency exchange difference	-91	-180	238
<b>Cash and bank at the end of reporting period</b>	<b>17,122</b>	<b>105,965</b>	<b>39,639</b>
<b>*Adjustments for items not included in cash flow</b>			
Depreciations and write downs on intangible assets	4,886	2,265	37,583
Depreciations and write downs of tangible assets	376	761	2,024
Exchange gain	-545	-5	-29,732
Revaluation of short term bonds	-	250	-
Revaluation of shares in Minmet Plc	-	2,880	-
Capital gain	1,080	-215	299
Change of interest receivable	-58	-393	5,010
Profit from sale of intangible fixed asset	-	-16,228	-16,228
Other operating expenses	-	3,854	-
Change in value of shares in associated companies	322	-	-
Change of equity due to issue in kind	243	-	-14,884
<b>Total</b>	<b>6,304</b>	<b>-6,831</b>	<b>-15,928</b>

## Income statement – Parent company

(TSEK)	Note	Q2 2009	Q2 2008	Jan-June 2009	Jan-June 2008	2008
Revenue	4	-	-	-	-	-
Other external expenses		-3,215	-2,927	-6,686	-4,228	-9,137
Personnel expenses		-2,318	-2,023	-3,943	-3,868	-7,517
Depreciations		-26	-33	-57	-64	-131
<b>Operating result</b>		<b>-5,559</b>	<b>-4,983</b>	<b>-10,686</b>	<b>-8,160</b>	<b>-16,785</b>
Financial revenue	7	1,228	2,010	1,362	2,485	2,849
Financial expenses	7	-633	-1,529	-9,059	-3,277	-12,907
Total financial items		595	481	-7,697	-792	-10,058
<b>Result before tax</b>		<b>-4,964</b>	<b>-4,502</b>	<b>-18,383</b>	<b>-8,952</b>	<b>-26,843</b>
Income tax		0	0	0	0	0
<b>Result for the period</b>		<b>-4,964</b>	<b>-4,502</b>	<b>-18,383</b>	<b>-8,952</b>	<b>-26,843</b>

## Balance Sheet – Parent company

(TSEK)	Note	30/06/2009	30/06/2008	2008
<b>ASSETS</b>				
<b>Tangible fixed assets</b>				
Plant and machinery		178	303	236
<i>Long-term financial assets</i>				
Shares in subsidiaries		85,419	70,204	90,474
Receivables related to subsidiaries		230,427	130,512	190,234
Shares in associated companies	8	-	-	-
Receivables on associated companies		-	3,806	5,447
<b>Total fixed assets</b>		<b>316,024</b>	<b>204,825</b>	<b>286,391</b>
<b>Current Assets</b>				
Account receivables		-	25	-
Other receivables		1,127	689	781
Prepaid expenses and accrued income		409	811	314
Short term investments	9	-	5,354	-
Cash and cash equivalents		12,818	31,723	5,227
<b>Total current assets</b>		<b>14,354</b>	<b>38,602</b>	<b>6,322</b>
<b>TOTAL ASSETS</b>		<b>330,378</b>	<b>243,427</b>	<b>292,713</b>
<b>SHAREHOLDERS EQUITY</b>				
	11,12,13			
<i>Restricted equity</i>				
Share capital		23,974	18,750	19,600
Non registered share capital		-	-	1,308
Statutory reserve		111,345	111,345	111,345
<i>Total restricted equity</i>		<i>135,319</i>	<i>130,095</i>	<i>132,253</i>
<i>Non restricted equity</i>				
Share premium reserve		240,688	153,441	212,891
Retained earnings and profit for the period		-113,930	-42,301	-95,547
<i>Total non restricted equity</i>		<i>126,758</i>	<i>111,140</i>	<i>117,344</i>
<b>Total shareholders equity</b>		<b>262,077</b>	<b>241,235</b>	<b>249,597</b>
<b>Long term liabilities</b>				
Convertible loan	12	-	-	5,500
Interest bearing long term liabilities	14	16,155	-	19,429
Other long term liabilities		27,452	-	10,000
<b>Total long term liabilities</b>		<b>43,607</b>	<b>0</b>	<b>34,929</b>
<b>Current liabilities</b>				
Interest bearing short term liabilities	15	20,000	-	-
Account payables		2,178	403	4,749
Other liabilities		102	90	95
Accrued expenses and prepaid income		2,414	1,699	3,343
<b>Total current liabilities</b>		<b>24,694</b>	<b>2,192</b>	<b>8,187</b>
<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b>		<b>330,378</b>	<b>243,427</b>	<b>292,713</b>
<b>PLEDGED ASSETS</b>		-	-	5,500

## Changes in Equity – Parent Company

(TSEK)	Restricted Equity		Non restricted Equity		
	Share capital	Statutory reserve	Share premium reserves	Retained earnings and result for the year	Total Equity
<b>2008</b>					
Balance as at 1 January 2008	17,050	111,345	132,716	-68,704	192,407
Result for the period				-8,952	-8,952
Total income and expenses for the period			-	-8,952	-8,952
New share issue	1,700		56,078		
<b>Closing balance at June 30 2008</b>	<b>18,750</b>	<b>111,345</b>	<b>188,794</b>	<b>-77,656</b>	<b>241,235</b>
Payment of call options			390		390
Total income and expenses for July to December			390	-17,891	-17,501
New share issue	850		6,362		7,212
Non registered share capital	1,308		17,345		18,653
<b>Closing balance at 31 Dec 2008</b>	<b>20,908</b>	<b>111,345</b>	<b>212,891</b>	<b>-95,547</b>	<b>249,597</b>
<b>2009</b>					
Balance as at 1 January 2009	20,908	111,345	212,891	-95,547	249,597
Payment of call options			120		120
Result for the year				-18,383	-18,383
Total income and expenses for the period			120	-18,383	-18,263
New share issue	3,066		27,677		30,743
<b>Closing balance at June 30 2009</b>	<b>23,974</b>	<b>111,345</b>	<b>240,688</b>	<b>-113,930</b>	<b>262,077</b>

### Currency rates

The following currency rates have been used when performing the interim report.

<b>2009-06-30</b>	<b>Closing day rate</b>	<b>Average rate (period)</b>
1 NOK in SEK	1,20	1,22
1 KES in SEK	0,10	0,11
1 USD in SEK	7,75	8,16
1 Euro in SEK	10,91	10,87
1 BIF in SEK	0,0065	0,0068
<b>2008-06-30</b>		
1 NOK in SEK	1,18	1,18
1 KES in SEK	0,10	0,10
1 USD in SEK	5,98	6,14
1 Euro in SEK	9,44	9,38
1 BIF in SEK	0,0051	0,0054
<b>2008-12-31</b>		
1 NOK in SEK	1,10	1,17
1 KES in SEK	0,11	0,10
1 USD in SEK	7,77	6,59
1 Euro in SEK	10,99	9,63
1 BIF in SEK	0,0065	0,0057

**Key ratios and shares data**

		30/06/2009	30/06/2008	2008	2007	2006
Number of outstanding shares at beginning of reporting period	Number	418,161,828	341,000,000	341,000,000	341,000,000	311,000,000
New share issue	Number	50,000,000	34,000,000	77,161,828	-	30,000,000
Number of outstanding shares at the end of reporting period	Number	479,473,828	375,000,000	418,161,828	341,000,000	341,000,000
Average number of shares	Number	442,157,828	354,978,000	364,988,889	341,000,000	313,000,000
Operating result	TSEK	-34,149	-26,471	-49,800	-66,023	-29,393
Result after tax	TSEK	-37,461	-26,279	-56,787	-62,529	-36,404
Operating result per share	SEK	-0.077	-0.075	-0.136	-0.194	-0.094
Result after financial items per share	SEK	-0.085	-0.074	-0.156	-0.181	-0.116
Result per share after tax	SEK	-0.085	-0.074	-0.156	-0.181	-0.116
Shareholders equity per share before dilution	SEK	0.498	0.785	0.668	0.718	0.64
Dividend	TSEK	-	-	-	-	-
Price per share at the end of reporting period	SEK	0.61	1.44	0.65	2.34	5.05

In calculating income and cash flow per share the average number of shares has been used, whereas in calculating shareholders' equity the number of outstanding shares has been used.

IGE possesses none of its own shares at the end of the reporting period.

Further information regarding key ratio definitions can be obtained from the annual report for the financial year 2008.



## NOTES TO THE FINANCIAL REPORTS

### 1. Accounting principles

This interim report has been performed according to Annual Accounts Act and IAS 34 Interim Reporting. The interim report has also been performed in accordance with the rules in the Swedish Financial Accounting Standard RFR2. During 2009, the same accounting principles have been applied in this report as in the annual report prepared for the financial year 2008 with the following exceptions (see below) referred to new or revised standards, interpretations and changes adopted by the European Union (EU) which shall apply from 1 January, 2009. Only the new or revised standards which have had an impact on the Group are described below. The Interim report does not contain all the information and disclosures available in the annual report and the interim report should be read together with the annual report for 2008.

The interim report has been prepared in accordance with prevailing IFRS/IAS standards applied by the EU Commission at 1 January 2005. Further description of accounting principles and how the transition to IFRS has affected the Group accounting can be found in the latest annual report of the Group (2008).

#### Accounting for Kilimapesa Gold Ltd

The accounting principle referable to the Group's joint venture company Kilimapesa Gold Ltd has been changed during the reporting period. The accountings of Kilimapesa Gold are now split into half, 50% of the company's incomes statement and balance sheet is now consolidated in the IGE Group's accountings. Historically IGE Group has reported it as an associated company which implied that only the Group's part of the Kilimapesa result has been included in the accountings of the IGE Group. As a result of the change, the balance sheet items of IGE Group have been affected according to below table:

#### TSEK

Mineral interests	4,209
Plant and machinery	2,760
Current assets	1,120
Cash and cash equivalents	799
Other long term liabilities	7,242
Other liabilities	1,646

#### New or revised standards

##### *IFRS 8 - Operating Segments*

The Group has from first of January, 2009 implemented IFRS 8 Operating Segments, which replace IAS 14 Segment reporting. The new standard require that a company provide extended financial and describing disclosures about its reportable operating segments and that segment information is presented from managements perspective, which means that the information is presented in the way it is used within the internal reporting. Reportable segments are lines of businesses or aggregated lines of businesses which fulfil certain specific criteria's. The starting point for identification of reportable segments is the internal reporting as it is reported and is followed up by the Chief Operating Decision Maker (CODM). The Group has identified Group Management as CODM. The Group has identified three reportable segments according to IFRS 8 which are Gold, Diamonds, Nickel and Other.

The implementation of this standard has not had any effect on the Groups total financial position compared to the figures presented in the annual report for 2008. The information about the Groups reportable operating segments is shown in Note "Segment reporting" and comparative figures for prior periods have been adjusted.

### Revised IAS 1 - Presentation of financial statements

The revised standard divide changes in shareholders equity based on transactions with shareholders and other changes. The statement of changes in shareholders equity will only include information regarding shareholder transactions. In addition to this the standard introduce the concept "Group statement of comprehensive income" which show all items referred to revenue and expenses which earlier have been shown in "Group statement of changes in shareholders equity in summary", either in an individual statement or in two coherent statements. The Group has chosen to present the statement of comprehensive income in two statements, "Income statement – Group" and "Statement of comprehensive income summary".

## 2. Risks and Uncertainties

The operations of IGE involve certain significant risks, including but not limited to credit risk, foreign exchange risk, and political risk. For a complete discussion of the aforementioned risks, refer to the Company's 2008 annual report, available on the IGE website, [www.ige.se](http://www.ige.se).

## 3. Segment reporting

<b>Jan-June 2009</b>						
<b>(TSEK)</b>	<b>Assets held for sale (Kilimapesa)</b>	<b>Gold</b>	<b>Diamonds</b>	<b>Nickel</b>	<b>Other</b>	<b>Total</b>
Other revenues	-	-	-	-	-	<b>0</b>
Depreciation of concessions	-	-	-	-4,886	-	<b>-4,886</b>
Depreciation according to plan	-	-147	-	-171	-57	<b>-375</b>
Operating result	-1,348	-2,181	-7,528	-10,628	-13,812	<b>-35,497</b>
Result before tax	-1,733	-2,294	-9,549	-9,809	-14,076	<b>-37,461</b>
Fixed assets	8,051	6,085	168,757	72,449	178	<b>255,520</b>
Current assets	2,760	4,562	5,180	2,663	15,480	<b>30,645</b>
Long term liabilities	-	316	16,155	-	-	<b>16,471</b>
Short term liabilities	6,741	581	3,823	1,791	17,954	<b>30,890</b>
Investments (gross amounts)	8,051	-5,457	18,889	912	-	<b>22,395</b>

<b>Jan-June 2008</b>						
<b>(TSEK)</b>	<b>Assets held for sale (Kilimapesa)</b>	<b>Gold</b>	<b>Diamonds</b>	<b>Nickel</b>	<b>Other</b>	<b>Total</b>
Other revenues	-	-	-	-	16,250	<b>16,250</b>
Depreciation of concessions	-	-	-	-	-2,265	<b>-2,265</b>
Depreciation according to plan	-	-	-567	-129	-65	<b>-761</b>
Operating result	-	-3,463	-12,216	-2,574	-8,218	<b>-26,471</b>
Result before tax	-	-3,491	-12,588	-1,189	-9,011	<b>-26,279</b>
Fixed assets	-	25,052	72,734	6,477	62,038	<b>166,301</b>
Current assets	-	2,202	24,278	77,300	16,453	<b>120,233</b>
Current liabilities	-	762	47	4,980	2,192	<b>7,981</b>
Investments (gross amounts)	-	7,398	25,467	4,393	17,025	<b>54,283</b>

## 4. Other revenues

Other revenues consist of revenues attributable currency gains related to inter company balances. The currency gain occurs as a result of the exchange differences on intercompany loans. The amount of debt within the Group decreases as the currency, in which the claim is held, weakens. As the main operation carried out by IGE consists of managing its holdings in its subsidiaries, the gains from intercompany lending is treated as revenues from operations.

## 5. Other external expenses

The weakening of the US dollar has significantly contributed to the loss of the Group during the second quarter. The effect on the income statement from changes in value of the Group's assets and liabilities are to be seen as not realized and may change significantly between the quarters. Changes in exchange rates explains why the "other external expenses" shows a bigger deficit during the second quarter isolated than the reporting period as a whole. The weaker dollar raised the amount of intercompany debts. While this does not affect- cash, it nonetheless increased the loss of the Group during the second quarter by MSEK -17.1. In addition, write down of assets due to the closure of operations in Burundi affected the result negatively, by about MSEK -1.

## 6. Other operating expenses

Other operating expenses are referable to IGE Nordic's sales of exploration permits.

## 7. Financial items

Financial revenue (TSEK)	Group		
	30/06/2009	30/06/2008	31/12/2008
Received payment for issued share warrants	-	1,690	1,500
Calculation of real value MinMet Plc	-	-	64
Valuation of other short term investments	-	121	283
Capital gain from disposal of short term investment	-	215	75
Other financial revenues	-	1	-
Interest	60	1,979	3,609
Exchange rate gains	2,355	2,164	2,718
<b>Total financial revenue</b>	<b>2,415</b>	<b>6,170</b>	<b>8,249</b>

Financial expenses (TSEK)			
	30/06/2009	30/06/2008	31/12/2008
Valuation of MinMet Plc	-	-2,880	-5,074
Valuation of other short term investments	-	-371	-660
Loss from shares in associated companies	-697	-82	-987
Interest	-1,085	-14	-864
Exchange rate losses	-2,212	-2,631	-7,651
<b>Total financial expenses</b>	<b>-3,994</b>	<b>-5,978</b>	<b>-15,236</b>

The adjustments as result of revaluation of all short term investments are accounted for in gross amounts.

## 8. Shares in associated companies

(TSEK)					
Shareholdings	Ownership	Book value	Equity	Profit/ loss	
Kilimapesa Gold Ltd	50%	0.1	-1,697	-1,733	
<b>Associated companies to IGE Nordic AB (owned by IGE to 99%)</b>	<b>Ownership</b>	<b>Book value</b>	<b>Equity</b>	<b>Profit/ loss</b>	
Norrskan Energy LTD (UK)	49%	24,500	14,953	-1,321	
Nordic Iron Ore AB	32%	1,881	1,737	-2	
<b>Associated companies to IGE Burundi SA (owned by IGE to 85%)</b>	<b>Ownership</b>	<b>Book value</b>	<b>Equity</b>	<b>Profit/ loss</b>	
Tanganickel SA	54%	0	-702	-101	

## 9. Short term investments

(TSEK)	Group		
	30/06/2009	30/06/2008	31/12/2008
MinMet Plc	-	2,130	-
UBS So 4 G10 Tr 091012	-	-	-
UBS Jersey AIO LÅN 90 100223	-	1,503	-
CS AIO PLUS 16 090527	-	-	-
Rbs Autopilot 5 - Plus Trygghet	-	1,721	-
<b>Total short term financial investments</b>	<b>0</b>	<b>5,354</b>	<b>0</b>

Short term investments are adjusted to market value in the income statement as the actual share price at the end of the reporting period. The holding in Minmet is totally written off according to estimated market value. At the end of the reporting period IGE holds no short term investments.

## 10. Accounting for assets held for sale

The sale of IGE's 50% ownership of the Gold project, Kilimapesa Gold, in Kenya is under process. As a consequence of the this sale the result, assets and liabilities referable to Kilimapesa Gold is accounted for separately in the income statement and the balance sheet of the IGE Group. The amounts accounted for as "assets held for sale" in the income statement and balance sheet are referable to Kilimapesa Gold and consists of the following:

Other external expenses	-945
Personnel expenses	-403
Exchange rate losses	-385
<i>Result from assets held for sale</i>	<i>-1,733</i>
Mineral interests	3,944
Plant and machinery	4,107
Inventory	1,345
Other receivables	1,280
<i>Assets that is held for sale</i>	<i>10,676</i>
Other long term liabilities	6,741
Other liabilities	1,267
<i>Liabilities referable to assets held for sale</i>	<i>8,008</i>

Inventories consists of consumable stores, gold inventory and raw material inventories.

The management of IGE estimates that the sale of Kilimapesa will have no tax effect that has to be taken in to consideration.

## 11. New share issues

No cash contributing new share issues has been carried out during the reporting period.

## 12. Convertible loan

### *Convertible loan I (November 2008)*

The convertible loan that was issued in November 2008 has during the reporting period been fully converted to shares. This has resulted in that additional 11,000,000 shares has been issued during the reporting period.

Total amount of outstanding shares after the above conversion was 429,161,828.

#### *Convertible loan II (March 2009)*

The convertible loan that was issued in March 2009 has during the reporting period been fully converted to shares. This has resulted in that additional 50,000,000 shares has been issued during the reporting period.

Total amount of outstanding shares after the above conversion was 479,161,828.

### **13. Acquisition of IGE Nordic AB**

IGE made, during the fourth quarter of 2008, a voluntary offer to acquire all outstanding shares in IGE Nordic AB (publ) ("IGE Nordic"). The acquisition was made through an all share offer, giving the shareholders in IGE Nordic 4 new shares in IGE for each share held in IGE Nordic.

By the end of 2008, IGE had received acceptances amounting to about 99% of the outstanding shares, including the 20,000,000 shares that it already owned. IGE aims to acquire the remaining shares resulting in that IGE Nordic will be held to 100 percent by IGE.. The total number of additional IGE shares registered in connection to the purchase of IGE Nordic amounted to 26,161,828.

Additional acceptances has been received during the first six month of 2009, resulting in that IGE has purchased 78,000 shares in IGE Nordic during the period. As payment for the shares IGE Nordic, IGE has issued 312,000 shares during the period.

The total number of outstanding IGE shares, after the purchase of additional 0,3% of IGE Nordic AB, amounted to 479,473,828.

### **14. Interest bearing long-term liabilities**

Interest bearing long-term liabilities refer to a loan given by Svenska Handelsbanken AB for the purchase of equipment from Volvo. The loan is guaranteed by the Swedish Credit Exports Guarantee Board (EKN) and has a duration of 3 years. The loan was raised in June 2008.

### **15. Bridge loan for further funding of the operations within the IGE Group**

The Board of IGE decided on, May 27, 2009, to issue a bridge loan of totally MSEK 20. The loan was given by a restricted number of creditors in Sweden. No guarantee commission or similar was paid and consequently IGE was provided with the full issue amount of MSEK 20 net through the loan. As a part of the compensation for lending the money, the creditors received a total of 15,000,000 newly issued warrants to subscribe for new shares in the company. Each warrant entitled the creditor to subscribe for new shares in the company not later than on 30 June 2010 at a subscription price that equals to 0.38 SEK (50 % of the volume weighted average paid price of the company's share on Oslo Börs during a period of May 28<sup>th</sup> to June 3<sup>rd</sup>, 2009).

The maturity date of the loan is December 31, 2009 and the loan runs with a fixed annual interest rate of 12%.

In connection to the loan IGE has pledged 26,000,000 of its shares in IGE Nordic as a security to the lenders. The total amount of outstanding shares in IGE Nordic is 26,816,042.

### **16. Share warrants – incentive programs**

For information about currently outstanding share warrants and call options, other than the 15,000,000 described in note 14, the Company refers to the latest annual report of the Group (2008).