



PRESS RELEASE

£8 million institutional placing to bring in Black Empowerment Group

August 30, 2007: AIM-quoted IPSA Group PLC, set up to build and operate power stations in Southern Africa, has raised just over £8 million in a deal to bring in a South African Black Economic Empowerment (BEE) group, and strengthen its involvement in the country.

The money has been raised from the South African institutional investor, Metropolitan Life Ltd, at a price of 60 pence per Ordinary share in IPSA. Metropolitan has itself entered into an agreement to sell the new shares (representing 15% of IPSA's enlarged share capital) to IMARA Energy Resources, a BEE group involved in South Africa's energy sector.

Metropolitan is already a shareholder in IPSA and, immediately following the placing, will hold 17.4% of the enlarged share capital of the Company pending completion of the IMARA transaction.

IPSA Chief Executive Peter Earl said: "The link with IMARA will help us to accelerate our programme of developing and owning power plants in southern Africa to meet the rapidly growing electricity needs of its people."

Operating as the only publicly traded owner - operator of private sector independent power plants in South Africa's previously state-run power sector, IPSA is positioned to help ease the country's dramatic long-term electricity supply crisis.

The money raised in the new placing will be used as development capital and working capital for the Company's portfolio of power projects. In particular, IPSA intends in the short term to acquire additional turbines for generating capacity to add to the 500 MW of Siemens Westinghouse 501 D gas turbines acquired earlier in 2007 for the planned Coega Fast Track Project at Port Elizabeth on the south-east coast,.

IPSA, which arrived on AIM at 27pence per share in September 2005, is also quoted on Johannesburg's junior AltX market.

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Full Stock Exchange announcement follows:



**IPSA GROUP PLC
("IPSA" or the "Company")**

**ISSUE OF SHARES FOR CASH TO METROPOLITAN LIFE LIMITED IN TERMS
OF IPSA'S BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("BBBEE")
INITIATIVE**

IPSA is pleased to announce that it has entered into an agreement with Metropolitan Life Limited, acting through its wholly-owned subsidiary Metropolitan Asset Managers Limited ("Metropolitan"), in terms of which Metropolitan will subscribe for 13,434,612 new ordinary shares of 2p each ("New Shares") in IPSA, representing 15.00% of IPSA's enlarged issued share capital ("the Transaction"). The subscription price per New Share is R8.85 (using an agreed exchange rate of ZAR/GBP of R14.75, the Sterling equivalent is 60p) and will raise R118,896,316.20 (£8,060,767.20) for IPSA before expenses.

Metropolitan has entered into a separate agreement with Market Demand Trading 456 (Proprietary) Limited, trading as IMARA Energy Resources ("IMARA"), in terms of which IMARA has the option to purchase the New Shares from Metropolitan subject to certain terms and conditions. Upon exercise of this option, beneficial and legal ownership of the New Shares will pass to IMARA.

The Transaction is conditional on the New Shares being admitted for trading on both AIM, a market operated by the London Stock Exchange plc, and ALTx, the alternative exchange of the JSE Limited.

Following the admission of the New Shares to trading on AIM and ALTx, Metropolitan will have an interest in 15,613,972 ordinary shares, representing 17.4% of the enlarged issued share capital of the Company.

There are no shares held in treasury, accordingly, the total number of voting rights in the Company following admission of the New Shares to AIM and ALTx will be 89,564,081.

IPSA CEO Peter Earl said. "IPSA is delighted to have been supported by Metropolitan, a major South African institutional investor, in achieving its goal of teaming up with a broad-based black economic empowerment group with knowledge of and a presence in the electricity industry in Africa. The link with IMARA will help us accelerate our programme of developing and owning power plants in southern Africa to meet the rapidly growing electricity needs of its people."



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IMARA ENERGY RESOURCES

IMARA was formed in 2007 specifically to house the BBBEE stake in IPSA. The Consortium is currently evaluating other non-competing energy investments.

IMARA encompasses 3 distinct BBBEE groupings, namely: National Pride Trading 426 (Proprietary) Limited (“NATIONAL PRIDE”); Akina Energy Resources (Proprietary) Limited (“AKINA”); and, Itakane Trading (Proprietary) Limited (“ITAKANE”).

NATIONAL PRIDE is a majority black-owned power sector-focused investment company. It was founded by Premesh Narismulu and IPSA General Manager, Doug Kuni. The shareholders of NATIONAL PRIDE possess considerable operational and management experience in the African power generation and distribution sectors. This group also operates and controls a portfolio of companies focused on the power-sector supply chain. The portfolio is confined to ‘best of breed’ engineered products and engineering services.

AKINA was founded by a group of eminent black professional women entrepreneurs with diversified investment interests. AKINA is represented by Ms Rizelle Sampson who is also Non-Exec Chairperson of IMARA. Other shareholders of AKINA include Ms Thoko Mpumlwana, Ms Nozipho January-Bardill, Golden Falls Trading & VUWA Investments. A BBBEE foundation, the Vulindlela foundation, benefits through a profit-sharing arrangement with AKINA.

ITAKANE, a group of Eastern and Western Cape-based black entrepreneurs, is represented by Arthur Shipalana, who himself has significant investment interests in the energy and resource sectors spanning solar, wind, gas, forestry & fishing.

30 August 2007

Noble & Company Limited
AIM Nominated Advisor and Joint Broker to IPSA Group PLC

Standard Bank
ALTx Sponsor to IPSA Group PLC

Hichens, Harrison & Co. plc
Joint Broker to IPSA Group PLC

Spirit Capital
Advisor to IMARA ENERGY RESOURCES