



Islandmagee Project Update

James Bradley

25/10/2012





Contents

- Islandmagee Project Background & Context
- Islandmagee Geology
- Project Overview
- Project Timeline
- Permits & Consents
- Ongoing Activities

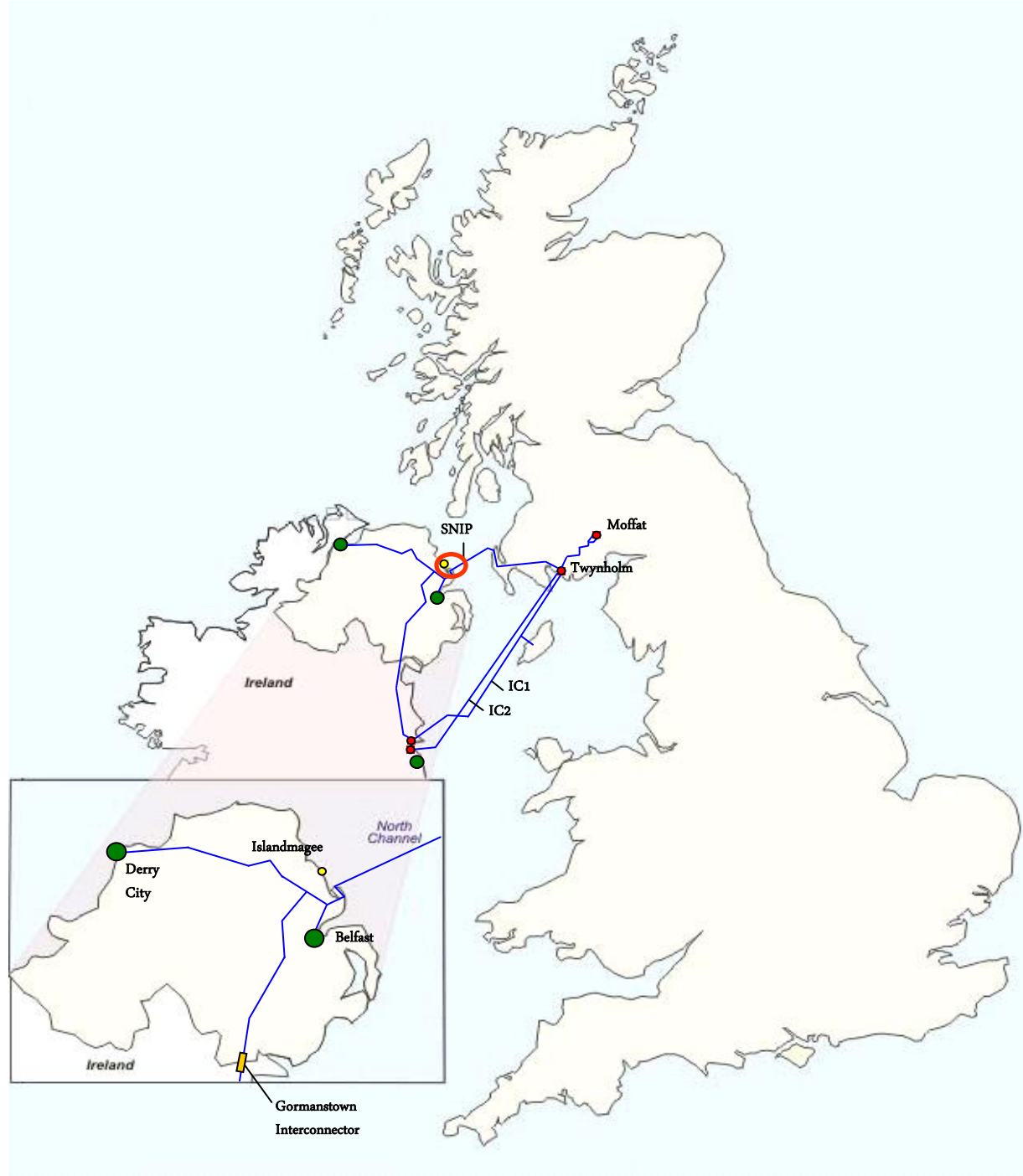
Project Background for Islandmagee

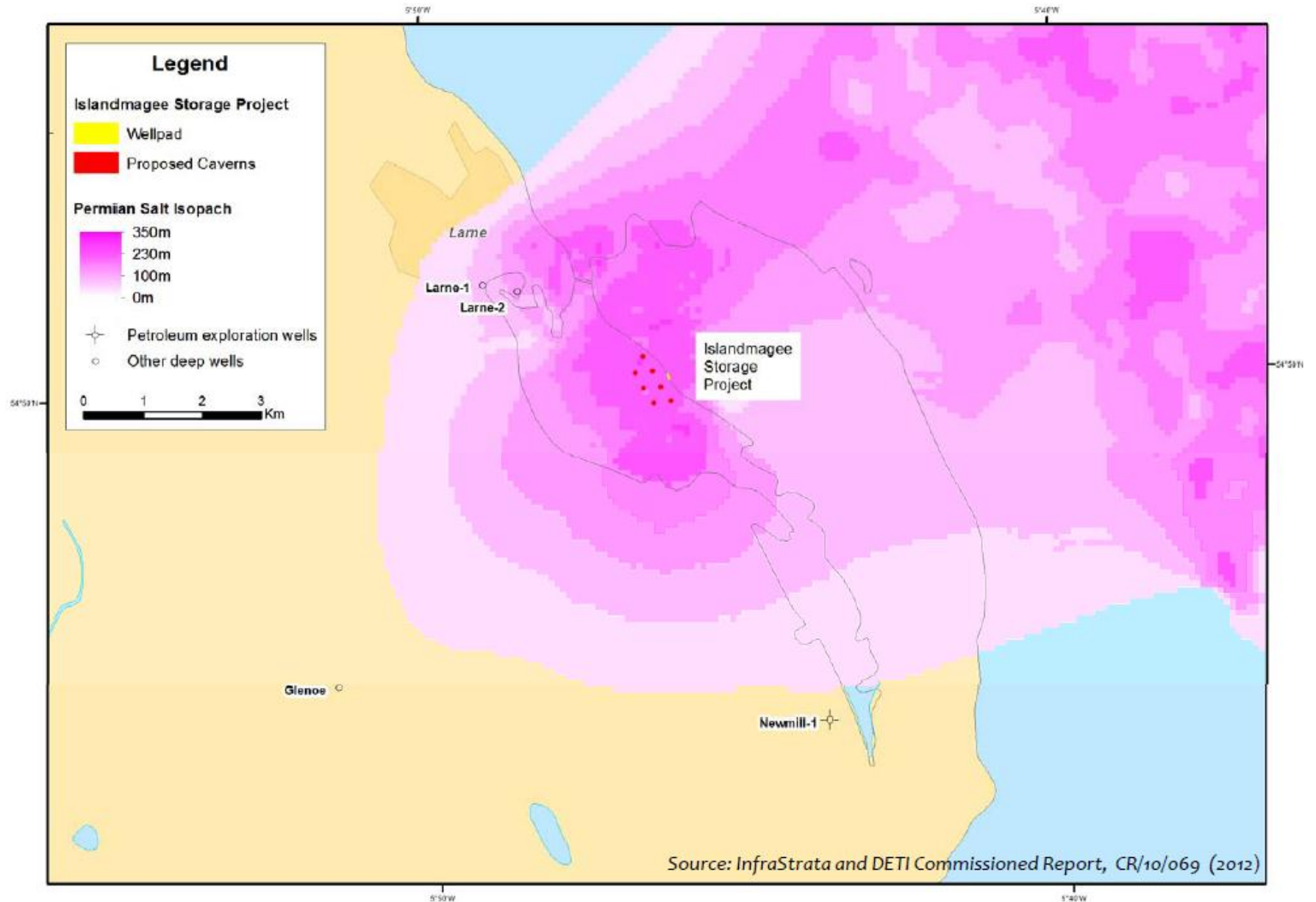
Asset Profile

- Location: Larne Lough, N.I.
- Storage Type: 7 Salt caverns
- Start-up Date: 2017
- FID: 2014
- Total WG Capacity: ~500mcm
- Total CG Required: ~300 mcm
- Flexibility: 12i:22w (mcm/d)
- Capital Required: ~£400 million

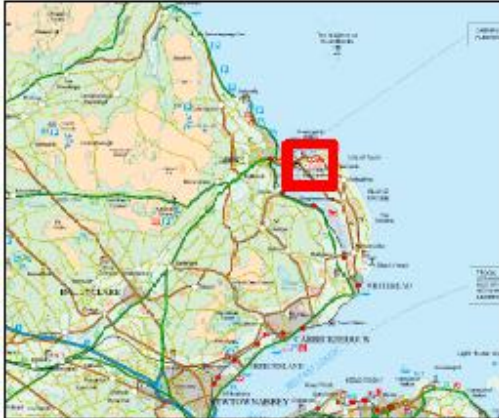
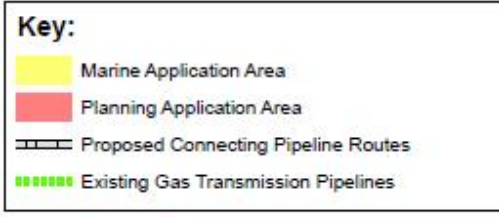
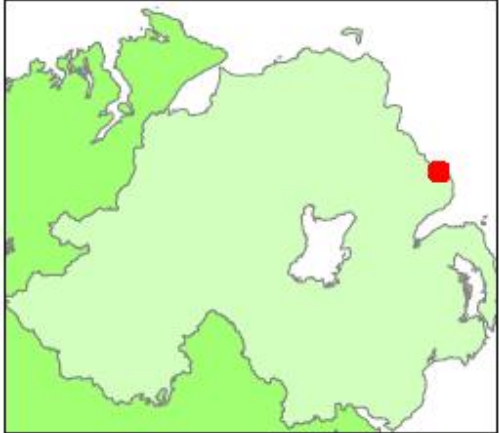
Strategic Context

- Close proximity to the most liquid European market
- Material equity opportunity in target market for flexible storage on a cost plus basis
- Fundamental view that NBP spot volatility will increase. Fast acting storage facilities well positioned to access
- Demand for flexible gas becomes more urgent as wind generation increases

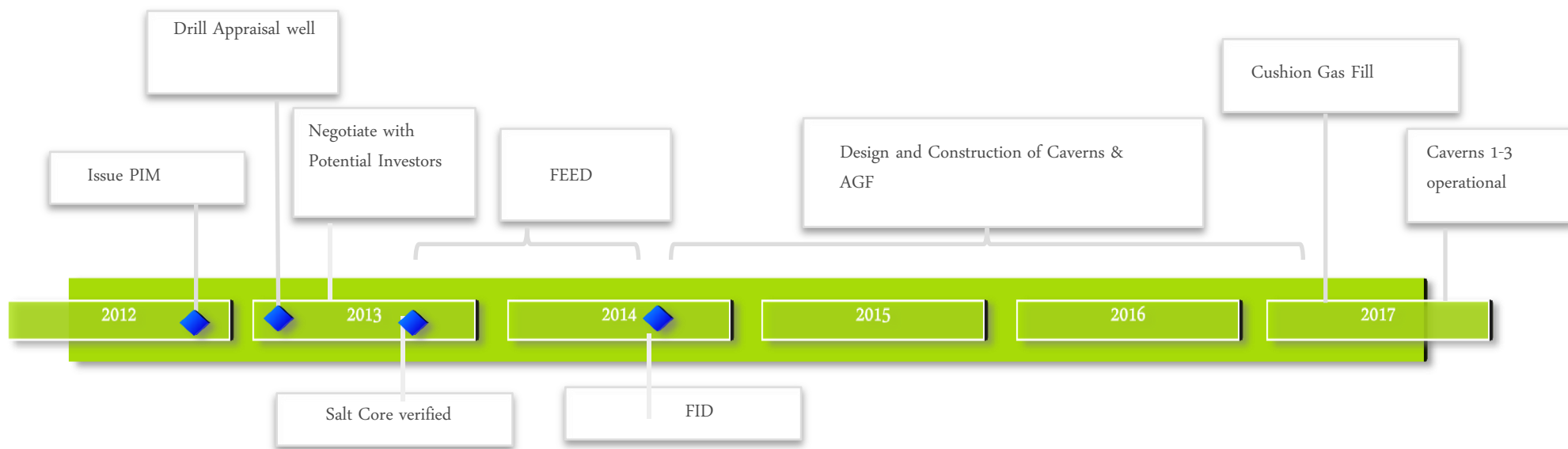




Project Overview



Project Timeline



Note: Timeline subject to all remaining regulatory matters being concluded successfully within expected time limits

Permits & Consents

Licence/Permit	Licensor	Status
■ Planning Approval	Northern Irish Planning Service	Granted
■ Gas Storage Licence (With TPA Exemption)	Utility Regulator (UReg)	Granted
■ Marine Construction Licence (Intake, Outfall & Caverns)	NI Environment Agency (NIEA)	Submitted
■ Water Abstraction Licence	NI Environment Agency (NIEA)	Submitted
■ Water Discharge Licence (Brine Discharge)	NI Environment Agency (NIEA)	Submitted
■ Mineral Licence	Department of Energy, Trade & Investment (DETI)	Imminent
■ Sub surface Lease	The Crown Estate (TCE)	In negotiation
■ Consent to Drill	Department of Energy, Trade & Investment (DETI)	In Progress
■ Connection Agreements/Offers		
■ Gas	Premier Transmission Limited (PTL)	Offer Letter
■ Electricity	Northern Irish Electric (NIE)	During FEED
■ Land Purchase	Numerous Private Land Owners	Options Secured
■ Easements & Wayleaves	12 landowners	9/12 In place

Ongoing Activities

- Engineering Studies
 - Borehole service tendering and execution preparation – *Q1 2013
 - Major unit operation technology selection studies
 - Project execution planning
 - Major Hazard identification & risk analysis
 - Cost & Schedule estimate revision

- Regulatory
 - Progressing requirements for reverse flow
 - Working with UReg & CER on transportation tariff structure (Outcome expected summer 2013)
 - Progressing outstanding permits and licences, engaging with authorities on submitted applications

- Commercial
 - PIM issued to potential investors/operators - *Q4 2012
 - EoIs requested back from interested parties to streamline ongoing engagements – *End 2012
 - Issue full Information Memorandum - *Q1 2013
 - Conclude negotiations & JV restructuring process - *Q3 2013

Thank you

Questions?