

Media Release



Interconnector (UK) Limited
www.iuk-isis.com

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INTERCONNECTOR AGREES NEW SERVICES WITH ITS SHIPPERS

Interconnector (UK) Limited, the company that operates the gas pipeline linking the UK and Continental Europe, today announced the signing of two Amendment Agreements with the seventeen companies which own capacity in the Interconnector.

These agreements amend the existing transportation agreement to:

- (i) enable the introduction of gas from alternative pipeline systems (other than the Transco or Distrigas grids) - including, specifically, gas from the 'SEAL' system; and
- (ii) provide for the introduction of a number of new and enhanced services for the users of the Interconnector.

Systems and procedures for operations associated with gas from other pipeline systems [(i) above] are already in place and work has started on the IT system modifications necessary to deliver the new services [(ii) above]. These services require significant software modifications which will be introduced in a phased programme over the next 18 to 24 months; as the various 'packages' of work pass through the software development, design and testing phases and training of Interconnector and shipper staff is completed.

Included in the 'new services' are:

- more flexible provisions for the transfer of capacity rights between shippers
- the addition of arrangements for the transfer of inventory between shippers
- provision for users to have access to a share of the storage capacity within the system
- new 'rules' for the change of flow direction in the system to further improve the response of the Interconnector to market conditions.

INTERCONNECTOR (UK) LIMITED - BACKGROUND

Interconnector (UK) Ltd, or IUK, operates a sub-sea gas pipeline and terminal facilities connecting the UK and continental Europe. The company's 40" diameter carbon steel pipeline stretches 230 kilometres between Bacton in north Norfolk and Zeebrugge in Belgium. It is capable of transporting 20 billion cubic metres of gas a year (bcm/yr) from Bacton to Zeebrugge and 8.5 bcm/yr in the opposite direction. Owned by ten major energy companies, IUK has sold capacity in the pipeline to gas shippers. A dedicated and award-winning IT system, ISIS, manages the volumes and flows and provides constantly updated information to IUK and its shippers. Further information on IUK can be obtained from <http://www.iuk-isis.com>

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