

Media Release



Interconnector (UK) Limited

www.iuk-isis.com

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SHUTDOWN OF INTERCONNECTOR 2ND JULY 2002 UPDATE

Out of specification gas was detected in Zeebrugge yesterday despite packing of the pipeline with very dry gas. A level of contamination therefore clearly exists within the pipeline arising from the delivery of hydrocarbon liquids early on 2nd July.

Fluxys are continuing to blend the small Zeebrugge physical redelivery which has remained nominated, however due to the level of contamination and the small number of shippers willing to accept a blending service this is a slow process.

IUK therefore intend to carry out the following:

1. Zeebrugge flows will continue in line with nominations and gas quality monitoring will continue over the weekend.
2. Limited Bacton delivery flows will take place to replenish the gas required in 1 above.

Should further shippers choose to subscribe to the blending service IUK will review options with Fluxys for forward flow drying.

Should shippers choose not to subscribe to the blending service and contamination still be evident on Sunday evening:

3. The Interconnector pipeline will be unpacked on Monday 14th July by physically flowing gas back to the UK.
4. When unpacking has been completed reverse flow will be carried out commencing Tuesday to dry out the pipeline.
5. IUK are planning to pig (clean) the pipeline as a contingency.
6. Reverse flows will continue until gas quality measurements taken at Bacton indicate a clean pipeline and onshore plant.

Obviously this plan will mean that service disruption will continue throughout the whole of next week and will require Shippers to flow gas contra to their normal requirements.

IUK have evaluated all available options and consider this approach the best solution for cleaning the pipeline following the invasion of liquids from upstream operations early on 2nd July.

INTERCONNECTOR (UK) LIMITED – BACKGROUND

Interconnector (UK) Ltd, or IUK, operates a sub-sea 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 a year (bcm/yr) from Bacton to Zeebrugge and 8.5 bcm/yr in the opposite direction.

Owned by ten major 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 customers.

Further information on IUK can be obtained from www.iuk-isis.com

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