



Interconnector (UK) Limited

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ENHANCEMENT OF INTERCONNECTOR FACILITIES

Interconnector announced today a further milestone in its enhancement Project to increase the UK import capacity of their gas pipeline connecting Bacton to Zeebrugge, to 16.5 bcm/y with operational effect from December 2005.

Following receipt of authority approval and evaluation of tenders, Interconnector (UK) Ltd, working with their Engineering and Procurement contractor Pipeline Engineering GmbH of Essen, has placed orders for two trains of compressors and electric drive units to be installed at the Zeebrugge terminal.

The contracts were awarded to Rolls Royce Power Engineering Ltd., Bootle for the compressors and to Siemens AG, Erlangen for the 35MW variable speed electric drivers.

Interconnector's Managing Director Roger Cornish said, "These critical orders, placed with world class suppliers, are the foundation for further enhancement of Interconnector's key role in the European gas market. In particular, it offers reassurance to the UK market that any shortfall in supply that may emerge in 2005 can be met through Interconnector."

The pipeline can currently import 8.5 bcm/y into the UK and this project will add a further 8 bcm/y. An incremental 8.5 bcm/y can be added in the future by the addition of one or more compressor trains, once contracts for further capacity have been secured.

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 presently 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.interconnector.com

For further information: contact Tony Mulcare ph +44 (0) 207 478 8410 or email mulcare.tony@interconnector.com