

Stublach Gaz-ette No. 1

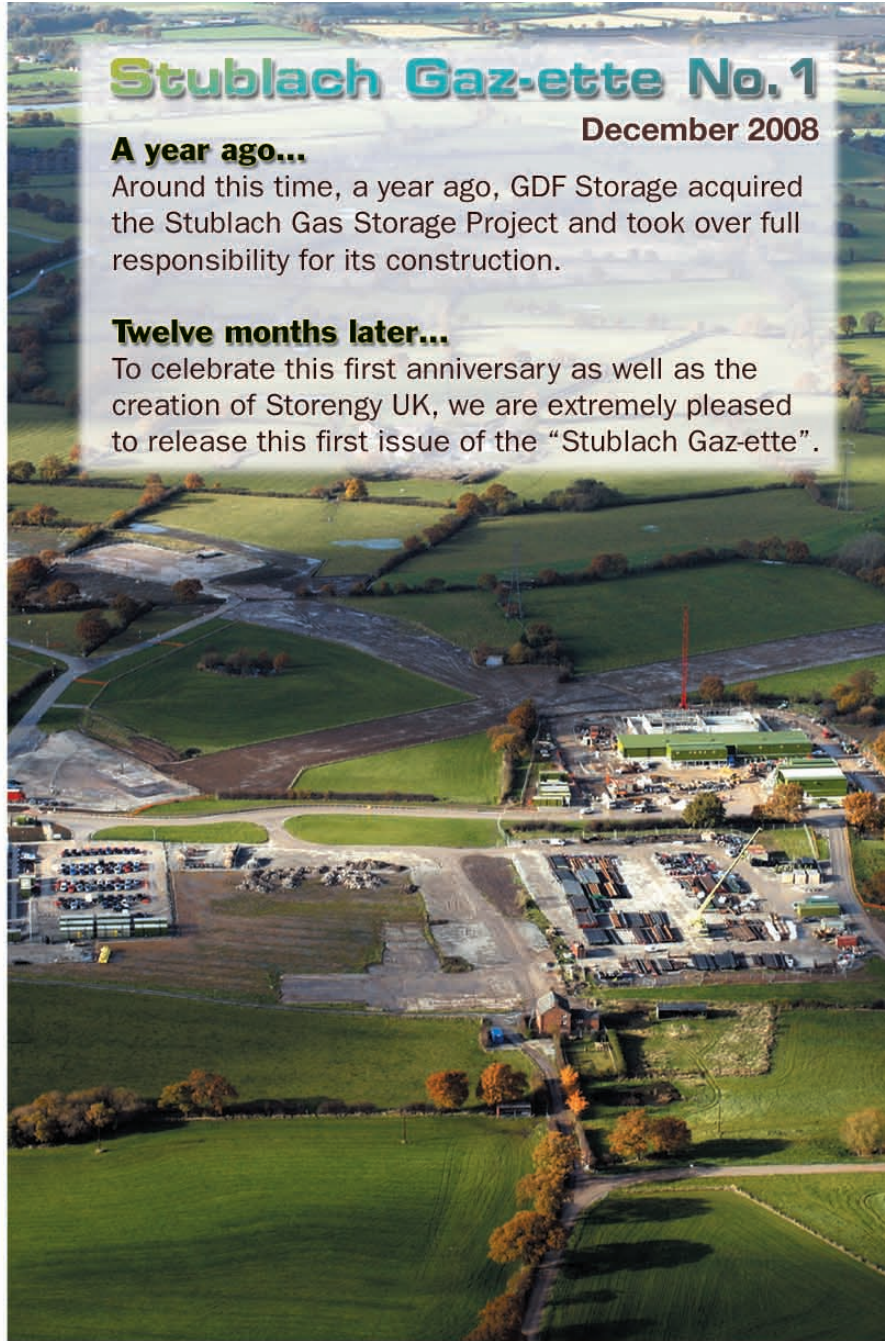
December 2008

A year ago...

Around this time, a year ago, GDF Storage acquired the Stublach Gas Storage Project and took over full responsibility for its construction.

Twelve months later...

To celebrate this first anniversary as well as the creation of Storengy UK, we are extremely pleased to release this first issue of the "Stublach Gaz-ette".



storengy

Well into December and its wintry coolness, the time has come to look back on what has been achieved throughout this year and to plan for the next. Storengy UK would like to take this opportunity to provide you with an update on the company and the progress of the Stublach Gas Storage Project (SGSP) development.

GDF Storage becomes Storengy UK

In the wake of the creation of Storengy - a new subsidiary set up by GDF Suez to unite all its storage activities - GDF Storage has been renamed Storengy UK. Storengy will be in charge of developing Stublach as well as expanding GDF Suez's gas storages portfolio in the United Kingdom.

Storengy UK Limited

SGSP Solution mining installations

The construction of the solution mining facility is progressing according to the original plan:

- 9 out of 10 wells have been drilled and the remaining one will be completed in early 2009;
- All major brine and water pipelines have been laid down;
- The solution mining compound buildings have been completed; and
- The brine and water pumps have been delivered to site.

Commissioning of the solution mining compound is planned for the first half of 2009 and, as anticipated, we expect to start leaching the first caverns by the end of summer 2009. Solution mining will subsequently last for three years and the first set of caverns will be ready for commercial operations by the end of Q3 2013.

A company of **GDF SUEZ**

SGSP Gas plant



The gas plant Front End Engineering Design (FEED) study was put on hold by the previous developer to allow Storengy UK to design the facility that would best fit with the business model envisaged for SGSP. A number of potentially interested parties have provided us with feedback on:

- Desired flowrates and injection/withdrawal profiles;
- Desired facility reliability and availability; and
- Desired facility flexibility.

This feedback was incorporated into an updated FEED scope of work and the FEED study was resumed last October. The main commercial outcome of this study - the maximum physical capabilities of the gas storage and a more accurate estimation of the related investment costs - will allow us to refine the long term costs we will incur in supplying various types of storage services. We anticipate the FEED study will be completed by Spring 2009. Any additional feedback on the desired performances of the scheme is welcome.

Energy network capacity

Additional NTS Entry capacity at the Cheshire entry point has been secured during the last long term (QSEC) auction organised by National Grid last September. Discussions on the physical gas connection are ongoing.

Storengy UK has signed a contract with the local electricity distribution company for the electrical connection required for the gas plant phase.

Third Party Access exemption

The regulator Ofgem is close to finalising its internal review on the TPA exemption procedure. Storengy UK understands that once this has been completed, Ofgem will start reviewing the TPA exemption application made by Storengy UK. We anticipate that the TPA exemption will probably be granted during the first half of 2009.

Next Step

After having presented the project to potentially interested customers in 2008, Storengy UK will be in a position by the end of the first half of 2009, to start negotiating storage services contracts.

Should you have any question please do not hesitate to contact Arnaud Goffin on 07919 331 823.



The team at Storengy UK wish you a Merry Christmas and a Happy New Year. May 2009 bring you happiness and success.

Storengy UK Limited

4 Brunel Court, Rudheath Way, Gadbrook Park, Northwich, Cheshire, CW9 7LP. United Kingdom