

28 January 2013 - BP withdraws from Islandmagee Gas Storage project

BP Gas Marketing Limited (BPGM) has decided to withdraw from the Islandmagee gas Storage project, near Larne, County Antrim, following a review of its European wide gas assets portfolio which determined that further investment in gas storage in Northern Ireland is no longer aligned with the portfolio's objectives. Accordingly, BPGM and Islandmagee Gas Storage Limited (IMSL) have agreed terms for BPGM to relinquish its option to acquire 50.495% of the shares of IMSL.

ISML Director, Paddy Larkin, commented,

"As development partners, we are naturally disappointed by BPGM's business decision not to invest further in the Islandmagee gas storage project."

Mr Larkin made it clear, however, that IMSL still viewed the Islandmagee project very positively. He said,

"It is certainly not the end for Islandmagee or for gas storage in Northern Ireland. The project remains intact and we have the funds available to secure the project for the future. We are convinced that the attributes of the Islandmagee development, as a project, remain undiminished."

Mr Larkin explained those "attributes",

"We have a highly advantageous site with uniquely favourable geology and proximity to major strong points on the electricity and gas grids. Considerable progress has been made on securing a future cross border regulatory environment suitable for gas storage and we have obtained planning permission, land rights, and other important development consents. The quality of the project and its priority nature have also been recognised by the European Union with the designation "Project of Common Interest".

So all in all I would say that we still have an excellent project, ripe for development."

Mr Larkin concluded,

“We have made superb progress with BPGM’s assistance and are grateful for the contribution that BPGM has made in helping us advance the project to this point.

It remains our firm purpose to find a new investor so that this important project can proceed to the next stage of development.”

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