

## 25 February 2015 - Islandmagee Storage secures funding for salt core well

Islandmagee Storage Limited (&ldquo;IMSL&rdquo;) today announces that the company has successfully raised the balance of the funding required to proceed with a salt core well for its multi-million pound gas storage project at Islandmagee.

Half of the &euro;5 million cost of drilling the well and undertaking additional engineering studies will come from grant funding from the European Union which was approved in November last year as part of its Connecting Europe Facility.

The well &ndash; which is planned to get underway in May this year &ndash; will be drilled from the already-constructed wellpad site off the Ballylumford Road to obtain unique cores of the Permian salt which exists a mile below Larne Lough. The drilling will take place over a six week period. The findings from the analysis of the salt cores will allow IMSL to complete the design of the caverns in which it proposes to store 500 million cubic metres of natural gas &ndash; enough to satisfy Northern Ireland&rsquo;s demand for 60 days. IMSL was granted planning permission for the above-ground facilities for the natural gas storage facility in October 2012.

Anita Gardiner, Managing Director of IMSL said: &ldquo;The company is delighted to have secured this important funding which will enable us to move significantly forward with this exciting project.

&ldquo;The analysis of the Permian salt is an integral part in the development of the &#274 million Islandmagee gas storage project, which is recognised on a European level as a strategically important asset that will have a significant positive impact on the dynamics of the gas market in the whole of Ireland and add hugely to the security of gas supplies in Northern Ireland.&rdquo;

Over the last eight years the company has been liaising with local stakeholders on its plans to construct seven caverns within the Permian salt layer below Larne Lough. Two dedicated stakeholder liaison groups have been established for the project &ndash; a Community Liaison Group (&ldquo;CLG&rdquo;) and a Marine Science Group (&ldquo;MSG&rdquo;). The purpose of the groups is to ensure that during construction and subsequent operation of the Islandmagee gas storage facility, IMSL works closely with the community to minimise the impact of the facility on its neighbours.

The CLG is managed by the company and has been established to keep the local community informed at each stage of activity for the project. The MSG, which is managed by DoE Marine Division, incorporates members of the relevant government agencies, the fishing community, marine tourism stakeholders, non-government organisations and IMSL representatives. The MSG has been the forum through which mitigation and monitoring measures have been developed and agreed for incorporation into the various marine licences required by the project. The MSG will remain an integral part of the regulation and monitoring of the brine discharge, the composition of which will be confirmed by analysing the salt cores recovered from the well.

Various plans have been prepared by IMSL in advance of the drilling activity to ensure that potential impacts, such as noise and traffic levels, are managed properly and impacts to local residents are minimised.

Ms Gardiner stated: "IMSL is strongly committed to working with local residents and other key stakeholders to ensure any inconvenience arising from the proposed works is kept to the minimum possible levels. The Liaison Groups will provide a two-way forum for the company to share information about the construction activities and the marine monitoring programme, as well as providing an important mechanism for the local community and other stakeholders to feed back information. IMSL is grateful for all the work carried out to date by the groups and looks forward to working closely with them as the project gathers pace."

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