

## 26 November 2010 - Islandmagee Storage Project Funding Update

The Directors of InfraStrata plc (AIM: INFA), the independent gas storage and infrastructure specialist, today provide an update on the status of the equity sale in its gas storage project in Northern Ireland.

On 8 November 2010 the Company announced that it would be continuing to discuss a potential participation in the Islandmagee Storage Project with eCORP International, LLC, but on a non-exclusive basis. The Company has now opened an online data room for the project and in conjunction with project partner Mutual Energy Limited, is entering into discussions with several major companies who have expressed an interest in a potential equity participation in the project. The process is intended to be short with a target for completion within Q1 2011.

Commenting on the update, Andrew Hindle, CEO of Infrastrata plc said:

"Good interest is being shown in the project. It is timely given the concerns about security of gas supplies in the UK. This year gas storage levels are at a lower level entering winter than at the same point in any of the past 4 winters<sup>1</sup>. This is despite overall UK storage capacity having grown by 10% during this period.

The global oversupply of liquefied natural gas (LNG), caused largely by unconventional gas production displacing import demand in the US, has been depressing forward winter gas prices and reducing the volatility in prices. This has created a poor environment for gas storage investment, despite the creation of new capacity being of strategic national importance to the UK. However, LNG is fundamentally a base load supply and once increasing global demand absorbs the excess capacity, the Company expects the volatility to return to the gas market to provide the price signals for renewed investment. Gas storage is economically a more efficient way of providing global seasonal swing compared to the alternatives of increasing long-distance pipeline capacity or running the LNG supply chain on an intermittent basis. Gas storage is also very efficient at managing shorter term demand variations in the market."

<sup>1</sup> See chart under Market Data at [www.infrastrata.co.uk](http://www.infrastrata.co.uk)

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