

30 June 2016 - Islandmagee signs new EU Grant Agreement

InfraStrata plc (AIM:INFA), the independent petroleum exploration and gas storage company, is pleased to announce it has now concluded a grant agreement with the European Commission under the Connecting Europe Facility ("CEF") for 50%, up to a maximum of €4.024 million, of the costs associated with the Front End Engineering & Design ("FEED") for its Islandmagee gas storage project (the "Project") under development in County Antrim, Northern Ireland.

The Project is being developed in a joint venture between InfraStrata (65%) and local energy infrastructure company Mutual Energy Limited ("MEL") (35%).

The Company is working with MEL and advisers, as part of an ongoing process announced in March 2016, to secure the new investors who will take this strategically important project through to a Final Investment Decision, targeted for 2017.

The Company is focused on delivering the best outcome for its shareholders by securing new investors over the summer months to enable the FEED to proceed as programmed and to meet other project commitments as they fall due, including land option payments, adviser and project management costs. Discussions are ongoing with interested parties and further updates will be provided as appropriate.

As previously stated, InfraStrata has sufficient cash resources to cover its anticipated project management and administrative expenditure to the end of December 2016.

Commenting, Andrew Hindle, CEO of InfraStrata said:

"We are delighted by the continuing support of the European Commission's CEF programme for the Islandmagee gas storage project. The project will be important for years to come in providing security to gas and electricity supplies on the island of Ireland, in Great Britain and the wider European networks.

The grant support is available by virtue of the project's Project of Common Interest ("PCI") status afforded by the European Union and recognising the importance of the project to European energy security. In the context of the island of Ireland, the Project, as well as providing security of gas supplies, will support gas-fired power generation back-up for the roll-out of increased intermittent renewable power generation across the island and thereby help the UK and Ireland meet their carbon reduction targets.

The Company considers that it is premature at this time to make any statement on any longer term impact on the project's PCI status in the context of the UK referendum result on 23 June and we will continue to engage with the European Commission on the progression of the FEED programme and the project's development as before.

[View or download the release](#)