

# 16/03/2017 - First Phase of FEED Commences

Last Updated Thursday, 16 March 2017

InfraStrata  
plc

("InfraStrata"  
or the "Company")

First  
phase of FEED commences for Islandmagee gas storage project

InfraStrata  
plc (AIM: INFA), the independent gas storage company, is pleased to announce that it has commenced the first phase of Front End Engineering Design ("FEED"), known as Concept Evaluation, for its Islandmagee gas storage project (the "Project").

This  
activity will be part funded using some of the net proceeds of the recent placing undertaken by the Company (the "Placing"), as further described in the Company's announcement of 27 February 2017 (the "February Announcement").

During  
the Concept Evaluation, the FEED contractors will undertake a value enhancement exercise on the Project's current design basis. The objective is to identify opportunities through which the current design and phasing could be optimised, to enhance overall project value and in particular, to assess the potential for accelerating the delivery of capacity (or part thereof) to the gas markets. The outcome of the Concept Evaluation will provide key inputs to the completion of the FEED scope, to produce a fully integrated programme of work and deliverables.

It  
is anticipated that the Concept Evaluation phase will be concluded in approximately six weeks. Further funding will be required to progress the FEED beyond the Concept Evaluation phase, as explained below.

During  
the Concept Evaluation phase, the Company will continue its fundraising discussions with interested parties to provide the additional funding required to complete the FEED and commercialisation work programme, further details of which were contained within the Company's announcement of 4 November 2016 (the "November Announcement").

In  
the November Announcement the Company outlined that, in addition to the EU grant funding and loans available from the selected FEED contractors ("Contractor Loans"), a further amount of £3 million would be required to complete the FEED and commercialisation process. This is part of a gross £6 million programme, which includes a £4 million engineering budget and funds for corporate overheads, working capital and bridging finance until

receipt of the remaining European Commission grant funds following completion of the FEED programme. Following the recent Placing, the remaining funding required to complete the FEED and commercialisation work programme is now approximately £2.2m (the "Current Funding Requirement"). Drawdown of the Contractor Loans is subject to InfraStrata securing the Current Funding Requirement.

There can be no guarantee at this stage that the Company will be successful in its ongoing discussions with potential investors to secure the Current Funding Requirement. If the Board considers that the Company will not be able to secure the Current Funding Requirement, then in order to preserve available working capital, the Company may halt the Concept Evaluation phase and place the Project on a care and maintenance budget, and consider utilising the remaining funds from the Placing to explore other options for the Company, which may include a sale of the Project and/or its assets. Further announcements will be made in due course as appropriate.

The Directors remain confident that the Project is economically viable, and that, following the completion of the FEED and commercialisation programme, the Project would be capable of attracting further new investment for the Company and the Project.

For further information, please contact:

InfraStrata  
plc

Anita  
Gardiner, Joint Managing Director

Stewart  
McGarrity, Joint Managing Director

+44  
(0) 28 9051 1415

Allenby  
Capital Limited (Nominated Adviser & Broker)

Jeremy  
Porter / Alex Brearley / Liz Kirchner

+44  
(0)20 3328 5656

Financial  
PR - Camarco

Billy  
Clegg / Gordon Poole

+44  
(0)20 3757 4980

The  
Front End Engineering & Design (FEED) and Insitu Downhole Testing  
programme for the Islandmagee gas storage project is co-financed by  
the European Union's Connecting Europe Facility.

Disclaimer  
releasing the European Union from any liability in terms of the  
content of the dissemination materials:

"The  
sole responsibility of this publication lies with the author. The  
European Union is not responsible for any use that may be made of the  
information contained therein."

Notes:

Background  
on InfraStrata plc

InfraStrata  
is an independent gas storage company focused on the UK and Ireland.

Further  
information is available on the Company's website:  
[www.infrastrata.co.uk](http://www.infrastrata.co.uk).

Background  
on the Islandmagee Storage Project

The  
Islandmagee gas storage project company, Islandmagee Storage Limited ("IMSL"), is owned 90% by a wholly owned subsidiary of InfraStrata plc and 10% by a wholly owned subsidiary of Mutual Energy Limited. The project is a proposed salt cavern gas storage facility located on Islandmagee in County Antrim, Northern Ireland. Work commenced in 2007 with the acquisition of 3D seismic data to image the Permian salt in the Larne Lough area. During 2012, planning permission was granted for the project and a gas storage licence was issued by the Utility Regulator. In October 2013, the gas storage project was granted a 'Project of Common Interest' ("PCI") status by the European Commission. In 2015 a well was drilled to core the salt and confirm the technical feasibility of the project, supported in part by the Commission. The final stage before a Final Investment Decision will be the Front-End Engineering Design and Commercialisation of the project. To date approximately £11m has been invested in the project.

Further  
information is available on the project company's website:  
[www.islandmageestorage.com](http://www.islandmageestorage.com).

[View or download the release](#)