

**TENDER INVITATION NOTICE**

1. This Tender Invitation Notice (“**Tender Invitation Notice**”) is issued in accordance with, and is subject to, the Option Tender Rules 1.46 (the “**Option Tender Rules**”) and the Terms also with the Reference Number 1.46 (the “**Terms**”), both of which can be accessed via the **Deal>Capture>Create Bids** screen in Gemini.
2. Defined terms used in this Tender Invitation Notice shall, unless the context otherwise requires or otherwise defined herein, have the meanings given to them in the Terms.
3. Users are invited to submit Tender Offers (each for the grant of an Option to National Grid for the surrender to National Grid of System Entry Capacity) in accordance with, and subject to, this Tender Invitation Notice, the Option Tender Rules and the Terms.
4. Each Tender Offer must be in respect of one only of the following Aggregate System Entry Points:
  - a) Bacton or
  - b) Easington.
5. Each Tender Offer must also be in respect of the following Option Exercise Period and for the number of Permitted Exercise Days specified below.

<b>Options Exercise Period (both Days inclusive)</b>	<b>Number of Permitted Exercise Days to not exceed</b>	<b>ASEP</b>
01/02/07 – 31/03/07	3	Bacton
01/02/07 – 28/02/07	1	Bacton
01/03/07 – 31/03/07	1	Bacton
01/02/07 – 31/03/07	3	Easington
01/02/07 – 28/02/07	1	Easington
01/03/07 – 31/03/07	1	Easington

6. The Tender Capacity stated in a Tender Offer must not be less than 100,000 kWh per Day and must be a whole multiple of 100,000 kWh per Day.

7. The Premium (in pence per kWh) for each Tender offer shall be dependent on the Aggregate System Entry Point and the Option Exercise Period for which the Tender Offer is made and must be that stated in the table below at the intersection point of the Aggregate System Entry Point and Option Exercise Period.

<b>ASEP</b>	<b>Premium (p/kWh)</b>
Bacton	0.1
Easington	0.1

8. The Strike Price shall be specified by the User.
9. The Offer Window Period within which Tender Offers must be received by National Grid is between 09:00 hours and 14:00 hours on Tuesday 30<sup>th</sup> January 2007.
10. Tender Offers must be made by completing in full and submitting to National Grid a Tender Offer Notice. The form of such Tender Offer Notice may be accessed via the **Deal>Capture>Create Bids** screen in Gemini and should be submitted to National Grid via such screen.
11. The Option Exercise Notification Deadline for the purpose of Clause 3.2 of the Terms shall be 13:00 hours on the earliest Day for which the Option Exercise Notification relates.
12. The Final Option Exercise Time for the purpose of Clauses 3.3 and 5.1 of the Terms shall be 14:00 hours.
13. National Grid shall notify Tendering Users of Tender Acceptances by means of a Tender Acceptance Notice, which may be viewed on the Bid Information Screen in Gemini.
14. Any questions regarding this Tender Invitation Notice may be made prior to the end of the Offer Window Period between 08:30 hours and 16:30 hours Monday to Friday (bank holidays excepted) by telephone to either Natasha Ranatunga on 01926 65 4132 or Kay Brookes on 01926 65 5342.