

Sam Wither
Account Manager

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15 April 2009

Dear Colleague

GAS DISPOSAL TENDER GDT 4-09
Invitation to participate in the tender for disposal of Operating Margins gas
from the Dynevor Arms, Glenmavis and Partington LNG Storage Facilities

Pursuant to Section K of the Uniform Network Code (UNC), National Grid Gas invites you to take part in a Gas Disposal Tender for surplus Operating Margins gas in storage (Operating Margins) at Dynevor Arms, Glenmavis and Partington LNG Gas Storage Facilities. Users are invited to submit Bids to buy gas in accordance with the enclosed Gas Disposal Tender Invitation Notice (GDT 4-09), the Gas Disposal Tender Rules (GDTR 1.0) and Gas Disposal Tender Terms (GDTT 1.0). These documents are available from the following website address;

<http://www.nationalgrid.com/uk/Gas/OperationalInfo/GasOperatingMargins/>

If additional copies are required please contact the undersigned who will be pleased to forward them.

Each Bid made must be in respect of one (only) of the following Delivery Methods:

- By NBP Trade in accordance with the NBP 1997 Terms
- By Storage Gas Transfer in the Glenmavis and Partington LNG Storage Facilities.

When a completed Gas Disposal Tender Bid Notice is submitted to National Grid Gas for delivery by Storage Gas Transfer, it must also be accompanied by written confirmation from the tenderer that they have an arrangement with the facility operator to receive and hold gas in store at Glenmavis and Partington effective for the period commencing 01st May 2009.

National Grid Gas will then seek similar confirmation from the facility operator and if either confirmation is not forthcoming by 17:00 hours on 24th April 2009, the Bid will be treated by National Grid Gas as invalid.

Each Bid must also be in respect of a specific Delivery Period which is dependent upon the Delivery Method selected:

- For NBP Trades the 1st Delivery Period will be 27th, 28th, 29th, 30th April and the 2nd Delivery Period will be 11th - 15th May 2009.
- For Storage Gas Transfers the Delivery Period will be 01st May 2009

Each Bid must be in respect of a whole number of Tranches, each Tranche being for a Tendered Quantity of 500,000 kWh of gas. The maximum aggregate quantity of gas for which National Grid Gas will be willing to enter into a Disposal Contract as part of this Gas Disposal Tender is 37,000,000kWh, 45,000,000kWh, 2,500,000kWh and 42,500,000kWh at the NBP on the first delivery period, the NBP on the second delivery period, Glenmavis and Partington respectively.

The Bid Window Period will commence at 09:00 and close at 11:00 on Friday 24th April 2009. Bids must be submitted in writing by completing in full the Gas Disposal Tender Bid Notice (GDT 4-09). Completed Gas Disposal Tender Bid Notices must be submitted to National Grid Gas by facsimile to 01926 656613 marked for the attention of Sam Wither.

If National Grid Gas accepts a Bid (in part or in whole) then it will use reasonable endeavours to notify successful Tendering Users using the Gas Disposal Tender Acceptance (GDT 4-09) by 17:00 hours on Friday 24th April 2009.

Timetable Summary

15th April – Invitation to Tender (ITT) published
24th April – Bid Window between 09:00 and 11:00
24th April – Results notification by 17:00

Please note that National Grid Gas have also invited offers for a trade of Partington Gas-in-store for Avonmouth or Rough Gas-in-store. Each tender bid or trade offer will form part of this tender assessment and as such the maximum aggregate quantity of gas for which National Grid Gas will be willing to enter into a Gas Disposal Contract may be between 37,000kWh and 82,000,000kWh in total depending on the outcome of the swap and gas procurement tenders.

Should you require any information regarding the Gas Disposal Tender, please contact either myself on 01926 656492 or Juliana Urdal on 01926 656195.

Yours faithfully

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