



InfraStrata plc

Annual General Meeting Presentation

31 January 2018

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Company Overview

- InfraStrata (AIM:INFA) is an AIM-quoted independent gas storage company focused on the development of a gas storage project in the UK and Ireland.
- The Company was admitted to AIM in January 2008, and underwent management changes in June 2017.
- InfraStrata's new, experienced management team is supported by a highly effective network of service delivery specialists.
- The Company owns 100% of Islandmagee Storage Limited ("IMSL"), a strategic infrastructure project in County Antrim, Northern Ireland, which, once completed, is expected to support a growing demand for gas-fired power development and renewable energy generation.
- Islandmagee was awarded Project of Common Interest ("PCI") status by the EU, demonstrating its strategic importance at Europe-wide level (the only gas storage project in North West Europe with PCI status).
- InfraStrata has well-developed stakeholder relationships within Northern Ireland, the UK government and the EU, the latter of whom have awarded the company funding for their Islandmagee project.
- The Company ensures the adoption of established industry standards and relevant good practice, incorporating input from industry and regulatory authorities to make the risks as low as reasonably possible, as laid out by The Control of Major Accident Hazards Regulations 1999 (COMAH).
- InfraStrata is driven by the need to achieve security and maintain flexibility in the nation's supply of natural gas.

New Management Team

- **Adrian Pocock, CEO**
 - Adrian is a highly experienced Project Manager and spent over 20 years working as a Chartered Surveyor for some of the UK's largest property companies.
 - He has extensive property asset management experience, from small companies to property portfolios valued in excess of £3bn.
 - He has worked with some of the UK's largest organisations and for 10 years he ran his own commercial property development company.
- **Graham Lyon, Non-Executive Chairman**
 - Graham is a senior energy, oil and gas executive with over 30 years' experience in global technical, operational and commercial leadership.
 - He is on the board at a number of listed and private energy companies and has actively led and advised on major M&A transactions and the financing and restructuring of companies and projects throughout the world.
 - Prior to this, Graham led business development for Petro-Canada's international business unit. In his earlier technical career he worked for Shell and Chevron.
- **Karen Campbell, Non-Executive Director**
 - Karen Campbell is a senior property and infrastructure development executive, with leadership experience in national and international infrastructure.
 - She developed Crossrail's property portfolio and was recently appointed Head of Commercial Development for Euston & Old Oak Common at HS2.
 - Karen is a member of the Royal Institution of Chartered Surveyors.
- **Matthew Beardmore, Non-Executive Director**
 - Matthew is a practising solicitor and quantity surveyor and manages environment and infrastructure projects from conception to completion.
 - He has had more than 20 years of responsibility for the contractual, operational and commercial performance of a portfolio of projects.
 - Matthew also brings experience of the EU funding framework to the board having worked for a UK regional government authority.

Islandmagee Project Overview

- The Islandmagee project is a proposed salt cavern gas storage facility located on Islandmagee in County Antrim, Northern Ireland.
- Storage caverns will be developed in a natural salt structure below the seabed and will enable gas to be delivered, stored and then returned to the UK's national transmission system.
- The proposed 500 million cubic metres natural gas cavern storage facility is expected to provide over 25% of the UK's natural gas storage* and is the only gas storage project being developed on the island of Ireland.
- The facility is situated adjacent to the Scotland Northern Ireland (gas) Pipeline and the Moyle 500 Megawatt Electricity Interconnector.
- 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 2015, a well was drilled to core the salt and confirm the technical feasibility of the project, supported in part by the European Commission.
- In December 2017, the Company was granted a 12 month renewal of the "EU grant" from the Innovation and Networks Executive Agency of the European Union ("INEA") which provides up to 50% (max. EUR 4mn) of the up-front costs for the Front End Engineering & Design (FEED) of the project. This is subject to obtaining matched funding from other sources.



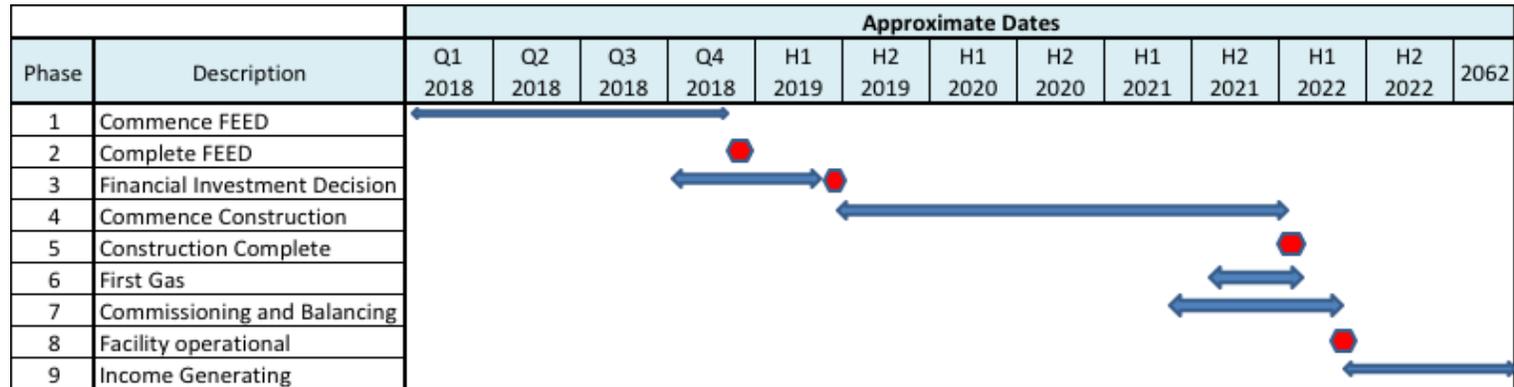
* Based on current UK capacity at January 2018.

Location adjacent to Ballylumford Power Station



Islandmagee: Project Timeline

In order to follow codes of best practise and safety, InfraStrata is targeting first gas in 2022. The timeline is expected to follow as below*:



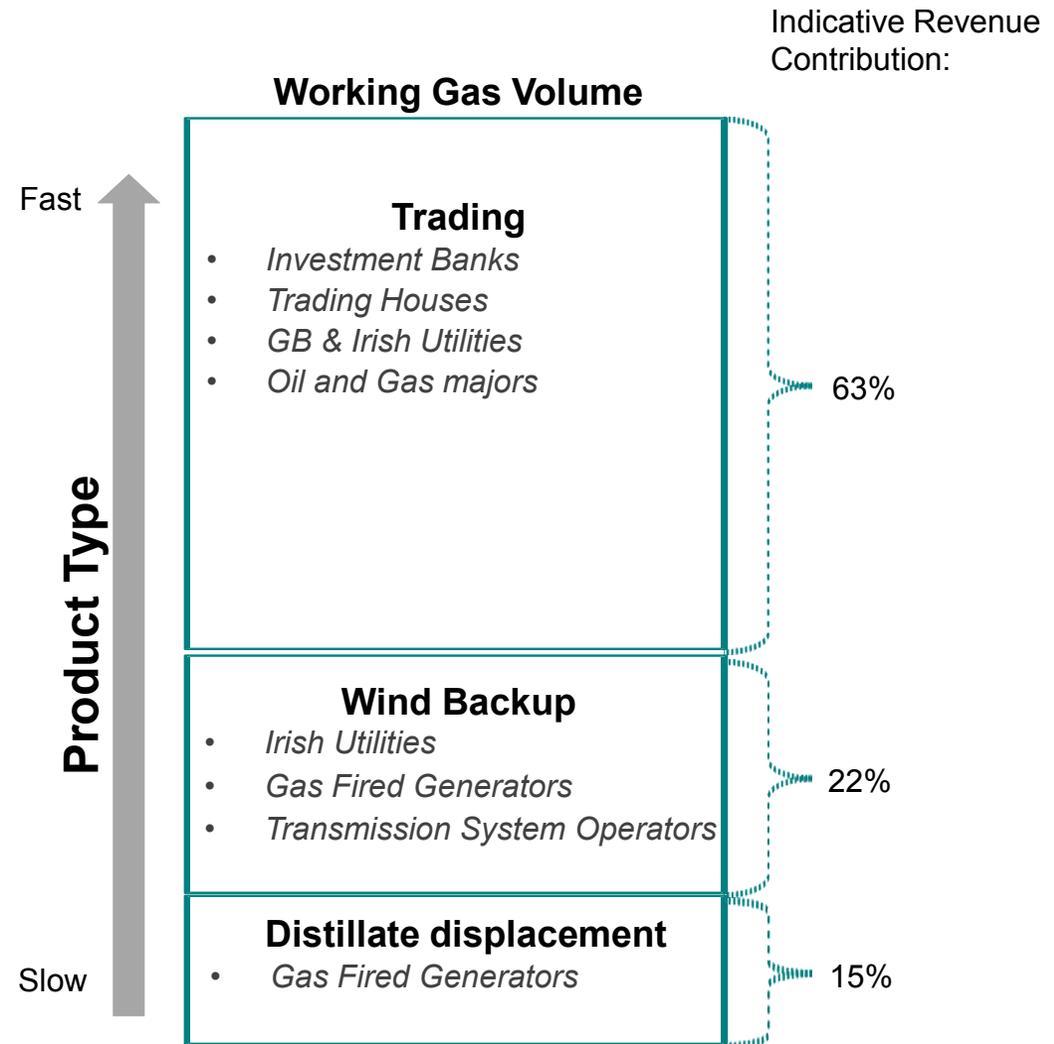
Please see below for an expansion on the key phases:

- **Phase 1:** Wellpad construction and drilling of first well.
- **Phase 2:** Construction of brine leaching plant: no construction while the FEED is completed. Post-completion, construction will be focused on the leaching plant site.
- **Phase 3:** Construction of the brine leaching plant and drilling remaining wells: the leaching facilities are estimated to take three months with the remaining six wells to take place of the final nine months of the year.
- **Phase 4:** Main gas plant site construction: all construction works are estimated to be completed within a year.
- **Phases 5 & 6:** Sub-surface brine leaching: using seawater with the brine being pumped back into the sea.
- **Phase 7:** Storage: remaining caverns are filled with gas for storage.

* Subject to funding being obtained

Islandmagee: Customer Profile

- Islandmagee is believed to be the only gas storage project being developed in Ireland, providing access to three markets:
 - Northern Ireland;
 - Republic of Ireland;
 - Great Britain
- Each market, combined with the high wind penetration and obligations for minimum stock storage gas fired generators, creates their own diversified monetisation opportunities, in addition to the number of customer profiles detailed opposite.
- The intermittent nature of Ireland's renewable generation (40% electricity generation from renewable sources by 2020) makes it more reliant on gas storage facilities.
- The Company's main target customers would be gas traders such as Centrica trading, EDF trading and their peers.
- Islandmagee will play a vital role in securing the region's stability of price and security of supply in the event of gas supply variations.



Source: Company's projection

Project Financing and Key Financial Data*

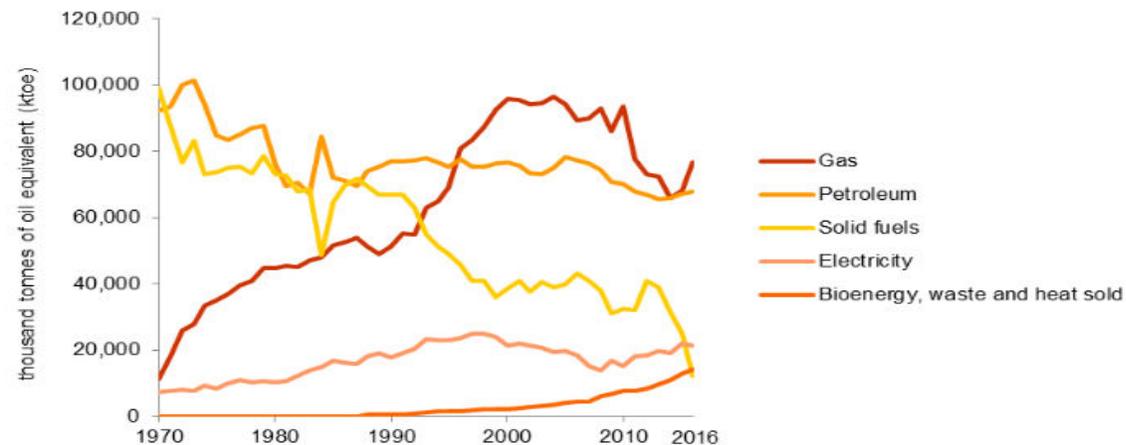
- Project Capex: £308m
One of the Board's objectives for the FEED is identifying ways to reduce the project capex.
- Modelled revenues over 20 years once operational: £1,219.5m (real/money of the day)
- Investment to date: £11m
- Due to the construction-heavy nature of the project and assumed increase in annual electricity prices; annual opex averages at £9m over the 20 year model, with the bulk of the cost at the end.
- Debt to equity ratio: 65:35
- Due to the nature of the process, we expect the project to be viewed as a long-term investment. With that view, the expected yield is a 15% ROI.
- Up to €4m, in matched funding, was granted by the EU in December 2017 for the up-front costs for the FEED, conditional on the FEED being completed by 22 December 2018.
- Seeking further £1.4m for the completion of the FEED and commercialisation process.

* Indicative only based on modelling as of 31 January 2017

Natural Gas Consumption in the UK

- Natural gas is an extremely important source of energy for the UK and Ireland (domestic and industrial use, electricity generation).
- The decline in UK continental production has resulted in increased reliance on international gas markets to deliver security of supply.
- UK market continues to become more import-dependent, with very little incremental storage capacity being developed.
- According to the Energy Contract Company (ECC) *, a leading commercial consultancy in the global oil and gas industry, the average storage capacity in the UK is only equivalent to 6.4% of annual demand, compared to 25-35% in the other major markets in Europe

Chart 1.06: Final energy consumption in primary energy equivalents by fuel type



Source: "Energy Consumption in the UK" report by the Department for Business Energy & Industrial Strategy, July 2017

*October 2016 "The gas storage market in the UK and review of revenue assumptions in economic model for the Islandmagee gas storage project" report commissioned by Infrastrata

** December 2017 "UK Energy Trends" report by the Department for Business Energy & Industrial Strategy

- The demand for gas is higher than any other energy source as it is used in the production of electricity and other renewable energy sources (see Chart 1.06)
- According to the "UK Energy Trends" report**, UK demand for natural gas in Q3 2017 was up 1.2% in comparison to Q3 2016 and consumption was up 11%, displaying the nation's ongoing need for natural gas.

Gas Storage: A Reliable Gas Supply

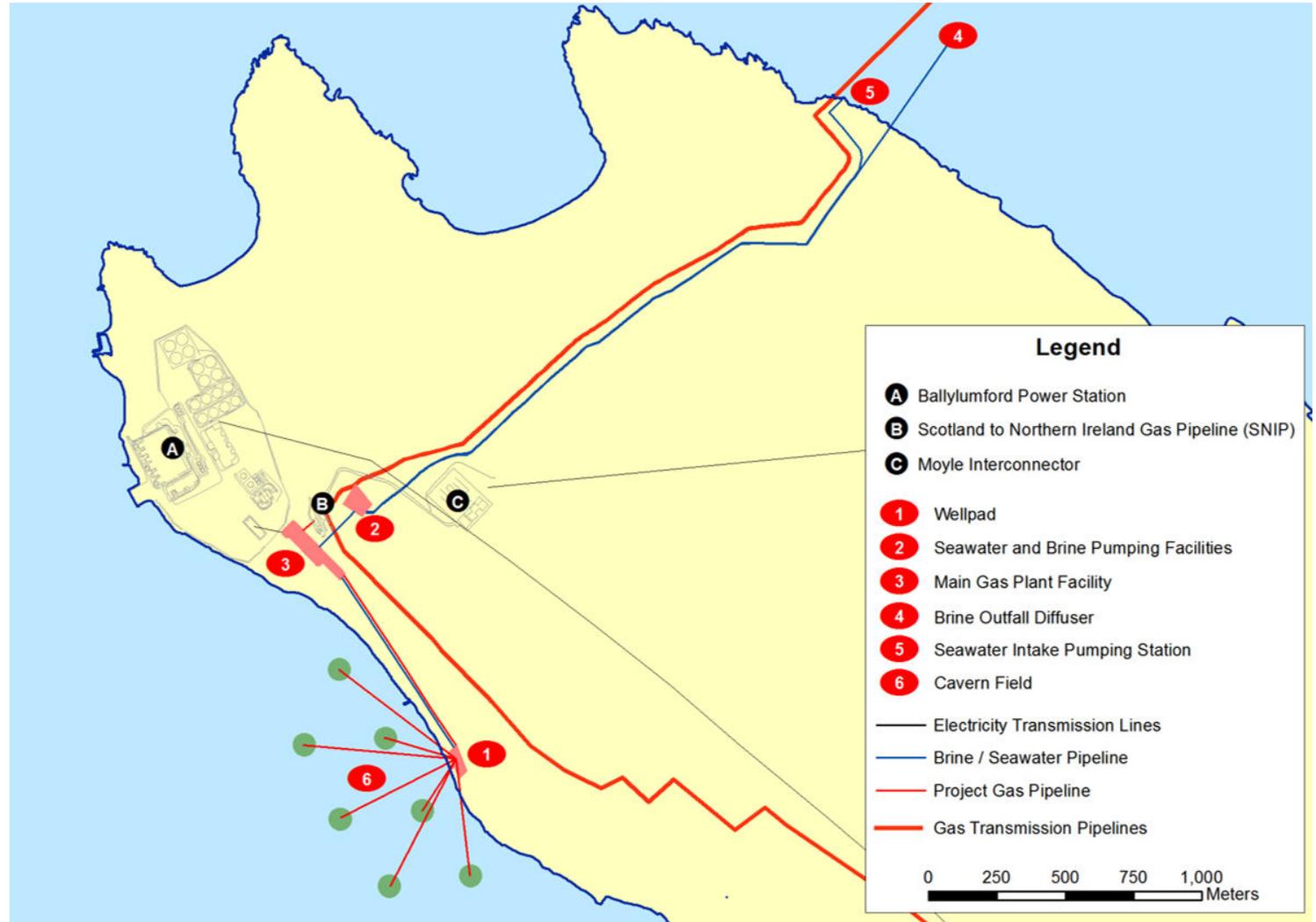
- Salt caverns have been used for storage of natural gas globally for over 40 years – some of the earliest caverns were developed in Yorkshire in the 1970s.
- It is one of the safest, most environmentally friendly and efficient methods of storing large quantities of gas.
- Cavern are created in deep-lying salt formations by dissolving (“leaching”) the salt, under controlled conditions, to create voids into which gas can be stored.
- This gas storage method formed part of the UK Government’s Energy Review published in 2006, which included an expert report by the UK Health and Safety Executive (HSE) addressing the potential health and safety risks.
- There are alternative methods of gas storage which have been tried and tested – however, none are as safe or as environmentally sound or commercially viable as salt caverns.
- Centrica’s Rough, previously the UK’s largest natural gas storage site, is no longer available as a storage facility.
- Due to its ever-increasing consumption and demand for gas, UK’s reliance on natural gas from the North Sea has become less sustainable, and the country’s dependency on imported gas has increased.
- The need for natural gas storage facilities to maintain control of supply and demand requirements is now a national issue.

Environmental Protection

- Infrastrata is committed to protecting the environment and undertaking all operations to the highest standard of safety.
- The Company has conferred with the UK Environment Agency, the Northern Ireland Environment Agency, the North Eastern Sea Fisheries Committee's Chief Fisheries Officer and the Institute of Estuarine and Coastal Studies.
- The salt which will be dissolved to form the cavern consists of naturally occurring halite (sodium chloride). This will be dissolved by circulating seawater which will create brine. The brine discharge location and method has been chosen because it will not cause further impact to the seabed.
- A uniquely designed diffuser will be fitted to the end of the outfall to force the brine through the water, rapidly dispersing and diluting it.
- Tidal modelling was undertaken to verify that the currents at the chosen location will disperse the brine and not allow it to accumulate along the seabed.
- A detailed ecological study was conducted to ensure that the dispersed brine would not have a permanently damaging effect on the local marine life. This has been undertaken at varying distances to the dispersal unit so as to ensure totality.

Key Stock Data

- Symbol: INFA
- ISIN: GB00B28YMP66
- Currency: GBP
- Shares in Issue: 501,041,599*
- Market Cap: £1.63 GBP*



* As of 30 January 2018

Attractive Investment Opportunity

- Islandmagee project is expected to provide over 25% of the UK's natural gas storage (based on current capacity), having a significant impact on the energy supplies for energy companies and consumers - one of the UK's and Ireland's strategic energy projects.
- The project has support of environmental, safety and energy departments in the UK, Northern Ireland and the Republic of Ireland.
- Islandmagee is expected to be a vital supply buffer which would allow the region to reduce its reliance on the integrity of the UK/Northern Ireland energy interconnectors and achieve security and flexibility in its supply of natural gas.
- It is proposed that the facility would trade daily price volatility on the gas market by rapidly injecting and storing gas ready for rapid withdrawal.
- The Project has favourable geology and proximity to all key infrastructure during construction which has reduced necessary capital investment.
- Technical feasibility of the Project has been confirmed following drilling of Islandmagee-1 well.
- The land is fully consented; planning permission and environmental permits have both been secured.
- The Company has well-developed stakeholder relationships within Northern Ireland, the UK government and the EU.
- Salt caverns are the most environmentally friendly, safe and efficient method of natural gas storage.
- Islandmagee Project's PCI status, granted by the EU, demonstrates its strategic importance for Europe, and allows it to apply for grant funding, benefit from accelerated permitting procedures and improved regulatory conditions.

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