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23 October 2015

Dear [REDACTED],

AN UPDATE ON THE KEUPER GAS STORAGE PROJECT

I am writing to provide an update on the Keuper Gas Storage Project (KGSP) and to let you know about the next steps for the Project.

The Proposed Development

You may recall, Keuper Gas Storage Limited (KGSL) – a wholly owned subsidiary of INEOS Enterprises Group Limited – launched plans to invest in further underground gas storage in Cheshire in March 2014. The KGSP would see brine extracted from underground cavities through tried and tested solution mining techniques. These cavities, located at the Holford Brinefield, north of Middlewich, would then be used to store natural gas, helping to secure flexible energy supplies in the UK.

The majority of the development will take place within the Holford Brinefield, which will include all of the proposed gas storage cavities. Other, smaller aspects of development will include two new brine processing tanks on the Lostock Works site and the refurbishment of the existing Whitley Pumping station. At Runcorn, the development will involve a new outfall pipeline located at the main ChlorVinyls site.

Over 200 cavities have already been developed at the site for brine production and natural gas has been stored safely in cavities in the Holford Brinefield since the 1980s.

More information about the proposed development can be found at www.kgsp.co.uk.

Preparation of the Application

Because of its importance in helping the UK meet increasing energy demands, the KGSP will be classified as a Nationally Significant Infrastructure Project (NSIP), requiring a Development Consent Order (DCO) from the Secretary of State for Energy and Climate Change in order to be developed.

Since the launch we have carried out extensive work to prepare an application for submission. This included periods of non-statutory and statutory consultation, during which stakeholders and those with an interest in the Project were encouraged to submit their views. Feedback we have

received will be summarised in a Consultation Report, to be submitted as part of the application and made publicly available.

Other Developments

In July 2015, INEOS and Solvay announced the start-up of a Joint Venture, INOVYN, which includes the Chlor Alkali business at Runcorn, now known as INOVYN ChlorVinyls Limited and the Brine & Water business at Holford, Northwich, now known as INOVYN Enterprises Limited.

INEOS and INOVYN have strong ties in the region and employs over 1,000 people in Runcorn and Northwich and produces a range of essential chemicals for use by industry in the UK and overseas.

Latest Progress and Next Steps

In September 2015, changes were made to the order limits for the Project. Previously the order limit included an existing pipeline connecting the Holford Brinefield to operations at Runcorn. The order limits has however subsequently been reduced to remove areas where no development is proposed and which are not required for the Project. The revised order limit for the project can be view at www.kgsp.co.uk.

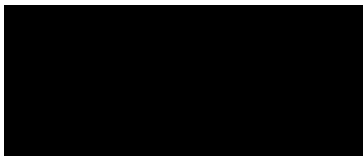
We are now preparing to submit an application to the Planning Inspectorate for consideration and have been working alongside officers at Cheshire West and Chester Council to ensure that all aspects of the Project have been addressed before submission.

Submission will start a lengthy process of consideration, including acceptance and public examination of the application. We will inform stakeholders as the application reaches these key milestones and will also be publishing notices in the local media.

If you have any questions about the Project, please do not hesitate to get in touch. You can:

- **Call us:** Freephone 0800 1777 250 (During office hours Mon-Fri)
- **Email us:** info@kgsp.co.uk
- **Write to us:** Freepost RSKS-SBBE-LHHZ, Keuper Gas Storage Project, c/o PPS Group, Sevendale House, 5-7 Dale Street, Manchester, M1 1JB
- **Visit us at:** www.kgsp.co.uk

Yours sincerely,



Project Manager

*These contact details will put you in touch with PPS Group, who are managing the consultation process on behalf of Keuper Gas Storage Limited.

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