

Security over Stored Gas – Accession Arrangements

In July 2004 Centrica Storage Limited (**CSL**) entered into a Security Trust Deed and a Deed of Charge (the **2004 Security Documents**), to provide customers with security for CSL's obligations under the Storage Service Contracts (**SSCs**). The security period under the 2004 Security Documents expired on 1 May 2009. Having considered its position and the interests of customers, CSL has decided to continue to offer its customers security and has been in discussions with Law Debenture Trustees Limited (**LDTL**) to agree new documentation to provide the security.

Therefore, on 14 October 2009, CSL and LDTL entered into a new Deed of Charge and Security Trust Deed (the **2009 Security Documents**) and the security granted by CSL under the 2004 security arrangements has been released and will be replaced by the new security arrangements. The 2009 Security Documents are based on the 2004 Security Documents, though some amendments have been made, the most notable of which are: (i) allowing CSL to create second ranking security over gas in Rough (for the avoidance of doubt the charge in favour of customers created by the 2009 Security Documents will have priority over any security granted to a third party by CSL); and (ii) providing that the security period is an initial fixed period of two years, after which the security period will be extended for twelve month periods unless terminated by CSL. Copies of the 2009 Security Documents are available on Centrica Storage website:

http://www.centrica-sl.co.uk/files/security_trust_deed_of_charge.pdf
http://www.centrica-sl.co.uk/files/security_trust_deed_executed_copy.pdf

Storage customers who wish to benefit from the new security arrangements are now invited to accede to the new Security Trust Deed by executing the attached accession memorandum in accordance with the steps set out below.

1. Please fill out the legal name and address of the storage customer (being the same company that is a party to the SSC with CSL) where indicated in the attached accession memorandum.
2. The accession memorandum needs to be executed by the storage customer as a deed. You should confirm the legal requirements for the storage customer executing deeds with your legal adviser. Please execute three copies of the accession memorandum but do not date them.
3. Once the accession memorandum has been executed as a deed, please return all three original executed copies to CSL at Venture House, 42-54 London Road, Staines, Middlesex, TW18 4HF (marked for the attention of Nick Lumley) by no later than 5 p.m on 27 November 2009. CSL will then execute the three originals and forward them on to LDTL, who will execute and date the originals and return two of the three originals to CSL. CSL will then return one original executed by all parties to the storage customer.

Any persons or organisations that enter into further SSCs with CSL during the term of the new security arrangements will be entitled to accede to the benefit of the new security arrangements in the same way as existing storage customers.

Accession is, of course, entirely voluntary.

If you have any questions about the new security arrangements please contact Nick Lumley, General Counsel (on +44 (0) 1784 415350 or at Nick.Lumley@centrica-sl.co.uk) or James Lawson, Sales and Marketing Manager (on +44 (0) 1784 415304 or at James.Lawson@centrica-sl.co.uk).

Centrica Storage Limited
15 October 2009

ACCESSION MEMORANDUM

THIS DEED dated _____ 2009, is supplemental to a security trust deed (the "Security Trust Deed") dated 14 October 2009 and made between **LAW DEBENTURE TRUSTEES LIMITED** as Trustee and **CENTRICA STORAGE LIMITED** (as the same may from time to time be amended, restated, novated or supplemented).

Words and expressions defined in the Security Trust Deed have the same meaning when used in this Deed.

_____ (the "**Secured Storage Customer**") of _____ hereby agrees with each other person who is or who becomes a party to the Security Trust Deed that, with effect from the date on which the provisions of clauses 2.1 and 2.2 of the Security Trust Deed have been complied with, _____ will become a party to and be bound by and benefit from the Security Trust Deed delivered with this Deed as a Secured Party in respect of the Secured Obligations owed to it from time to time and undertakes to perform all the obligations expressed in the Security Trust Deed to be assumed by a Secured Party.

The Secured Storage Customer and the Company have executed a Storage Services Contract.

The contact details for notices to the Secured Storage Customer for the purposes of clause 12 (*Notices*) of the Security Trust Deed are:

Address: _____

Fax: _____

Attention: _____

This Deed shall be governed by and construed in accordance with English law.

IN WITNESS WHEREOF this Deed has been executed by the parties hereto as a deed on the day and year first above written.

The Company:

EXECUTED as a deed by **CENTRICA STORAGE LIMITED**)
acting by _____ in the presence of:) Director

Witness's Signature

Name:

Address:

.....

The Secured Storage Customer:

EXECUTED as a deed by _____)
acting by _____ in the)
presence of:) Director

Witness's Signature

Name:

Address:
.....

The Trustee:

ACKNOWLEDGED AND AGREED BY
LAW DEBENTURE TRUSTEES LIMITED
The common seal of **LAW DEBENTURE TRUSTEES**) Common
LIMITED was affixed to this deed in the presence of:) Seal

.....
Director

.....
Director/Secretary