



Rt Hon Matthew Hancock MP
Minister of State for Business and Enterprise
Department for Business, Innovation and Skills
1 Victoria Street
London
SW1H 0ET

18th August 2014

Dear Minister,

Halite Energy Group's Underground Gas Storage facility at Preesall

Bastion Infrastructure Group is an independent global infrastructure asset manager based in Toronto, Canada focused on buying and managing long-term, cash-generating assets. Bastion targets investments in the power, water, transportation and energy infrastructure sectors. Our senior investment professionals are experienced principal investors and asset managers with a global mandate.

The infrastructure team at Bastion are experienced and proven infrastructure investors, combining financial and technical acumen within a firm that has a proven track record of making successful investments in asset classes such as that proposed by the Halite Energy Group in Preesall, Lancashire, UK.

The purpose of my letter is to ask that Halite's planning application currently being scrutinized by the Department of Energy and Climate Change is given fair consideration and approval. I have engaged with the Chief Executive Officer of Halite Energy Group who has provided Bastion with a detailed overview of the investment opportunity.

If development consent were granted, Preesall would become the UK's largest onshore gas storage infrastructure asset. Bastion allocates a sufficient fund of capital to infrastructure projects and would want to take a closer inspection of Halite's plans should the project get approved for construction. Inward investment into the UK on critical infrastructure projects such as this would be greatly enhanced, which we believe remain a critical UK Government pathway to growth.

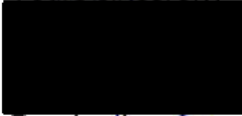
Whilst the UK Government remains committed to the decarbonisation of power generation in the long term coupled with an increase in renewables, there will continue to be strong demand for gas. The inevitable supply troughs in offshore wind, combined with the inflexibility of nuclear supply will mean an ongoing need for natural gas infrastructure such as gas storage to provide



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essential capacity for electricity generation. We are seeing this trend globally and with it an opportunity to efficiently deploy capital.

Yours sincerely,



Ron Lepin
Managing Partner